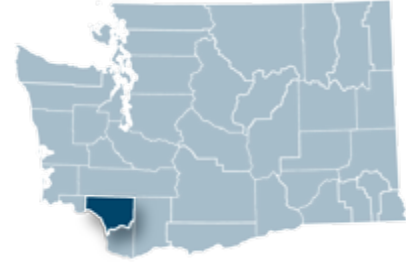


Cowlitz County profile

By Scott Bailey
Regional labor economist
Updated December 2020



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Overview

Regional context

Cowlitz County is located on the Columbia River, adjacent to the Portland metropolitan area. The county has two active ports, is on north-south interstate freeways and railways, and is close to eastbound freeways and railways. It has a highly productive wood products industry, two paper mills, a diverse manufacturing base and good rail and interstate linkages. The county is a metropolitan area and is a regional center for healthcare, retail trade and other services.

Local economy

What became Cowlitz County was the home since time immemorial of the Cowlitz and Chinook tribes. The first white settlers came in 1825, and a farm was established by representatives of the Hudson's Bay Company. The Indigenous people who survived smallpox were forcibly removed in 1855 to reservations in other parts of the state. After a long legal battle, the Cowlitz was recognized as a tribe by the federal government.

White settlers continued moving in throughout the century and into the next, but population and economic growth accelerated in the 1920s when R.A. Long built the world's largest sawmill. Weyerhaeuser built another sawmill, and the Longview Fiber paper mill opened as well. The city of Longview was developed as a planned community to support timber workers. After slowing during the Great Depression, the economic boom resumed with the onset of World War II, when an aluminum smelter was constructed. After the war, Cowlitz continued to be a prosperous county with a large share of its employment in high-wage unionized manufacturing jobs.

By the late 1970s, there were 6,400 timber jobs in the county, and a third of all jobs were in manufacturing. The county's per capita income was close to the state average and above the national average. Since then, timber and manufacturing employment has declined, and wages and income have not kept up with the rest of the nation. The county has had some success with diversification, but it has been a case of two steps forward, one step back.

During the Great Recession, Cowlitz lost 7.0 percent of its nonfarm employment, more than the state or nation. Its unemployment rate hit 15.0 percent (not seasonally adjusted) at one point, before easing downward at the end of 2010. By fits and starts, employment growth turned positive in 2010, helped by construction projects on new investments: a new grain terminal, a new steel pipe plant and two new Walmarts. However, employment retrenched in 2011, stagnated in 2012, before finally taking off in mid-2013 and accelerating in 2017. Employment as of December 2019 totaled 40,600 jobs, which was 1,400 jobs – 3.8 percent – above the pre-recession peak. Year-over-year growth stood at 0.2 percent.

In 2019, one-sixth of Cowlitz County’s employment base was in manufacturing, including two paper mills, several sawmills, a large chicken processor, as well as numerous smaller producers in machinery, fabricated metals, chemicals and other segments. The county has excellent transportation connections, including two active ports, rail connections, Interstate 5 and close proximity to Interstate 84.

Geographic facts

	Cowlitz County	Rank in state
Land area, 2010 (square miles)	1,140.13	28
People per square mile, 2019	95.56	12

Source: Washington State Office of Financial Management

Outlook

This profile was updated in the midst of the COVID-19 pandemic. In the first two months of the recession, Cowlitz employment dropped by 1,800 jobs, or 4.4 percent. By November, preliminary estimates indicated that the county had regained all but 600 of those jobs.

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.

Over the past two decades, Cowlitz County’s unemployment rate has run about two percentage points higher than the national average during good times, and three or four points higher during recessions. The average annual rate in the county topped 13.0 percent in 2009, before easing down almost a point a year through 2017, when the annual rate was 6.1 percent. In 2018 the rate inched down to 5.9 percent, the lowest rate on record going back to 1980. The preliminary rate for 2019 was slightly higher at 6.3 percent. Health-related restrictions on economic activity pushed the rate up to 16.4 percent in April 2020, before the recovery led to a lower rate of 7.4 percent in November.

The county’s labor force participation rate in 2019 was estimated at 52.5 percent, and has been below 60.0 percent over the last decade. The rate was substantially lower than the national mark of 63.4 percent and the state’s 64.7 percent. The rates for women (50.1 percent) and men (55.0 percent) were seven to fifteen percentage points below the comparable state and national figures.

Source: Employment Security Department/LMEA

Industry employment

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

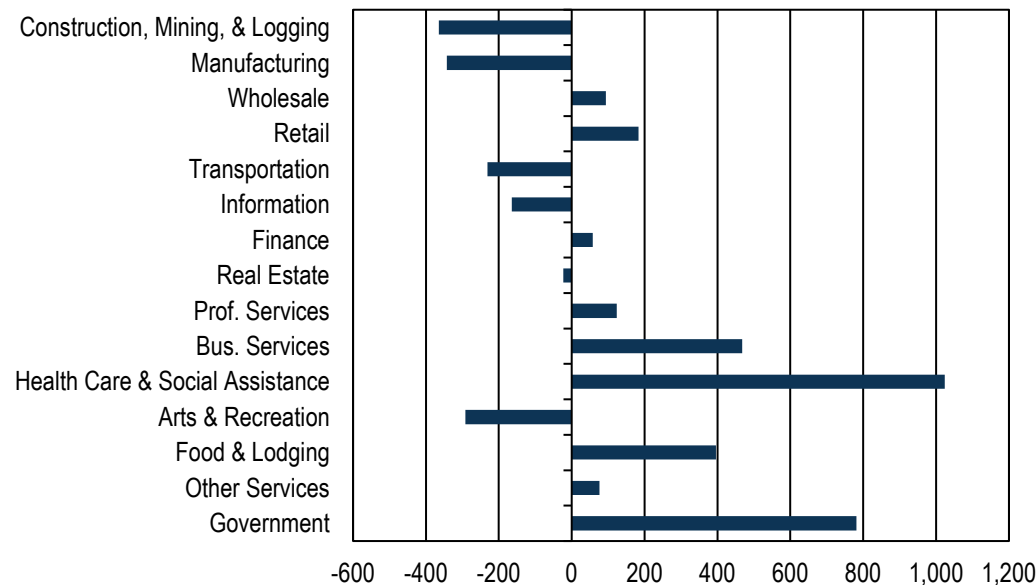
A recap of the last two decades: Cowlitz County was hit harder by the 2001 recession than the state, in part due to the closure of the former Reynolds aluminum smelter. Expansion resumed in 2004 but tapered off beginning in 2006. The county led the nation going into a recession in mid-2007. Recovery really didn’t start until halfway through 2013. Employment growth has averaged 1.8 percent over the past six years, with 2014 being a big year and subsequent years somewhat slower. In 2019, employment grew by 1.5 percent.

Construction, mining and logging employed 3,400 in 2019, almost 9.0 percent of total county nonfarm employment. About 500 of those jobs were in logging. Employment grew by 100 jobs over 2018, and by 600 jobs since 2013. The 2019 average was still 500 jobs short of the pre-recession peak in May 2007.

Much of the country’s construction employment has been focused on industrial projects. Historically, the county averaged about 500 housing permits a year. The bubble years drove that number up to 700 units in 2006. The market for new homes bottomed out in 2011 (113 permits), with 2016 being the first decent year of late with 308 units permitted, and 484 units in 2017 looking almost normal. Things slowed a bit in 2018 with only 318 units permitted, while 2019 was a bit more active at 351 permits. Multifamily units remain in short supply, with only about 25 units a year built over the past seven years, and only a handful in the six years prior to that.

Logging employment was unchanged at 500 jobs in 2019. Timber harvest in the county was just shy of 230 million board feet in 2018 and dropped to 208 million in 2019. Harvest averaged about 750 million board feet back in the 1970s, and has gradually declined over time. Most of the logs come from privately owned land, with only 30 million board feet coming from public lands in 2019. The COVID-19 recession had little impact on employment in this sector.

Net change in employment by industry, August 2007 through December 2019



In 2019, manufacturing employed 6,800, up 300 jobs from 2018 and 400 jobs from 2013. Gains came in “other nondurables,” which includes a number of industries such as food processing, chemicals and plastics. Manufacturing was still 200 jobs below its pre-recession peak.

- Manufacturing employment dipped by 400 jobs in the early months of the recession, but by November had recovered most of those jobs.

Trade, transportation and utilities payrolls increased by 800 jobs from 2013 to 2019, but most of that growth came in 2013 to 2015. This sector has averaged 8,000 jobs in each of the past three years. Wholesale trade rose by 100 to 1,500 jobs in 2014, and has held steady since then. Similarly, transportation and utilities added 100 jobs in 2014 and has averaged 1,600 jobs ever since. Retail trade expanded from 4,400 jobs to 4,800 from 2013 to 2016, added another by 2018 and was

unchanged in 2019. General merchandise stores declined by over 100 jobs (Macy's closed during this period), while other retail segments added 600 jobs. While retail employment hasn't increased in the recent past, taxable retail sales have grown by an average of 6.0 percent after adjustment over the past five years.

- Employment in this sector dropped by 500 jobs in April 2020, but by November all of those jobs had returned. Seasonally adjusted taxable sales dipped slightly in the first quarter of the year but had a strong second quarter, reaching an all-time high.

The financial services sector employed 1,600 in 2019, a gain of 100 jobs over 2018 and 300 over 2013. After losing 25.0 percent of its employment in the Great Recession, this sector has finally almost fully recovered. Roughly two-thirds of total employment was in finance and insurance, the remainder was in real estate, rental and leasing.

The county's professional and business services sector grew at a 3.1 percent clip from 2013 to 2019, adding 400 jobs to reach an employment level of 2,400. Professional services, corporate headquarters and business services all added jobs proportionately. Over the longer term, most of the growth in this sector has been in business services.

Education and health services add 700 jobs from 2013 to 2019, including 300 in 2018 and another 100 in 2019. This sector employed 6,700, one out of every six jobs in the county, and is anchored by the PeaceHealth St. John Hospital in Longview. Over the longer term, it has been the biggest source of new jobs in the county.

- This sector lost 1,200 jobs in the first two months of the COVID-19 recession, as elective surgeries were suspended, and many chose to delay regular checkups. By November, the deficit was only 200 jobs.

Leisure and hospitality employed 3,700 in 2019, down 100 from 2018 but matching the 2017 total. On the plus side, the Kalama Harbor Lodge, a hotel/motel/restaurant/entertainment center opened in 2018. On the downside were the closures of two gaming centers. Hotel/motel sales, which had been climbing steadily since 2013, took a big jump from \$5.6 million in 2017 to \$8.7 million in 2019. Restaurant sales have steadily climbed from \$32 million in 2013 to \$42 million in 2019.

- Leisure and hospitality employment was the hardest-hit sector in the pandemic, losing 900 jobs (26.0 percent) from February to April 2020. The recovery brought 700 of those back. Hotel/motel revenues in the second quarter of 2020 were down 57.0 percent from the same quarter in 2019, while restaurant sales fell by 17.0 percent.

Government agencies averaged 6,500 workers in 2019, the same as in 2018. Federal and state government job levels have changed little over the past decade. Local government has added 800 jobs since 2013, evenly split between K-12 public education and other local government entities. Government's proportion of total jobs in the county has been around 16.0 percent going back to 2002.

- Government employment fell by 300 jobs early in the recession, and then slid by another 100 in the fall, with most of the cuts coming in K-12 public education.

For historical industry employment data, *contact an economist*.

Source: Employment Security Department/LMEA

Industry employment by age, gender and race/ethnicity

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.

Cowlitz County highlights:

In 2019, 12.0 percent of the jobs in Cowlitz County were held by workers under the age of 25, while 24.0 percent of jobs were held by those aged 55 and over. The rest of the jobs were split between those age 25 to 34 (20.0 percent), 35 to 44 (22.0 percent), and 45 to 54 (22.0 percent). The county's age profile was close to the state, with more older workers and slightly more younger workers.

Jobs were almost evenly divided between men (53.0 percent) and women (47.0 percent). There were substantial differences in gender dominance by industry.

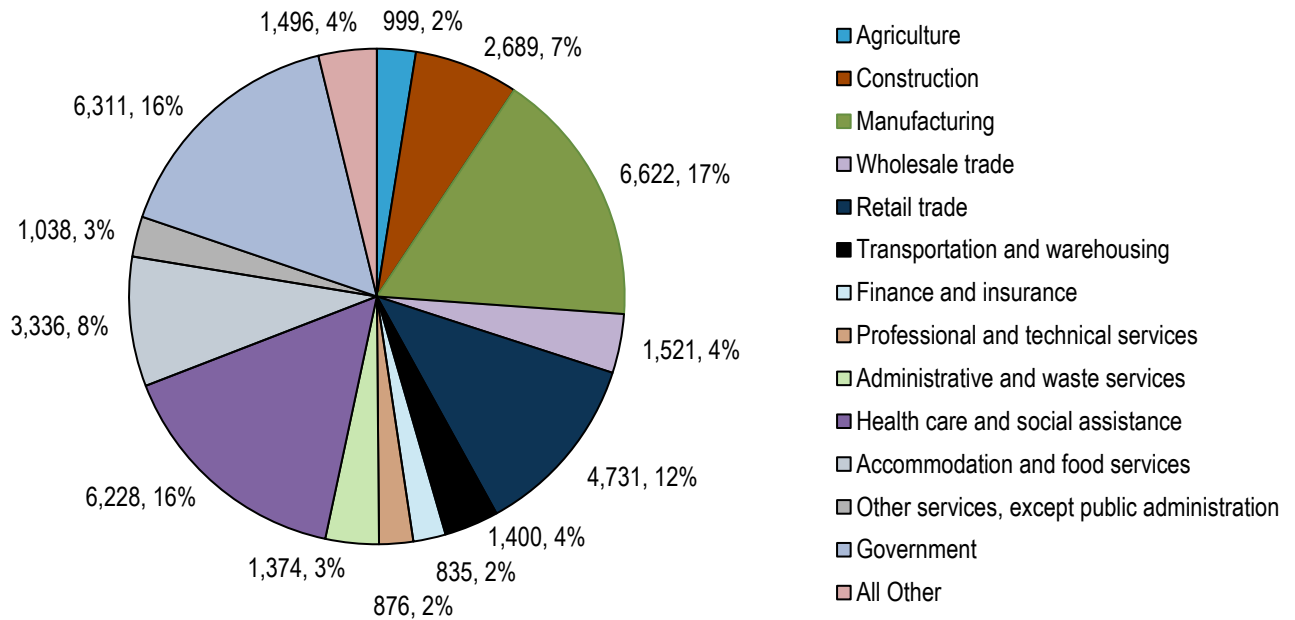
- Male-dominated industries included construction (84.0 percent), transportation and warehousing (84.0 percent), manufacturing (78.0 percent), wholesale trade (74.0 percent) and business services (68.0 percent).
- Female-dominated industries included healthcare and social assistance (82.0 percent), finance and insurance (80.0 percent) and educational services (public and private combined, 74.0 percent).

Source: The Local Employment Dynamics

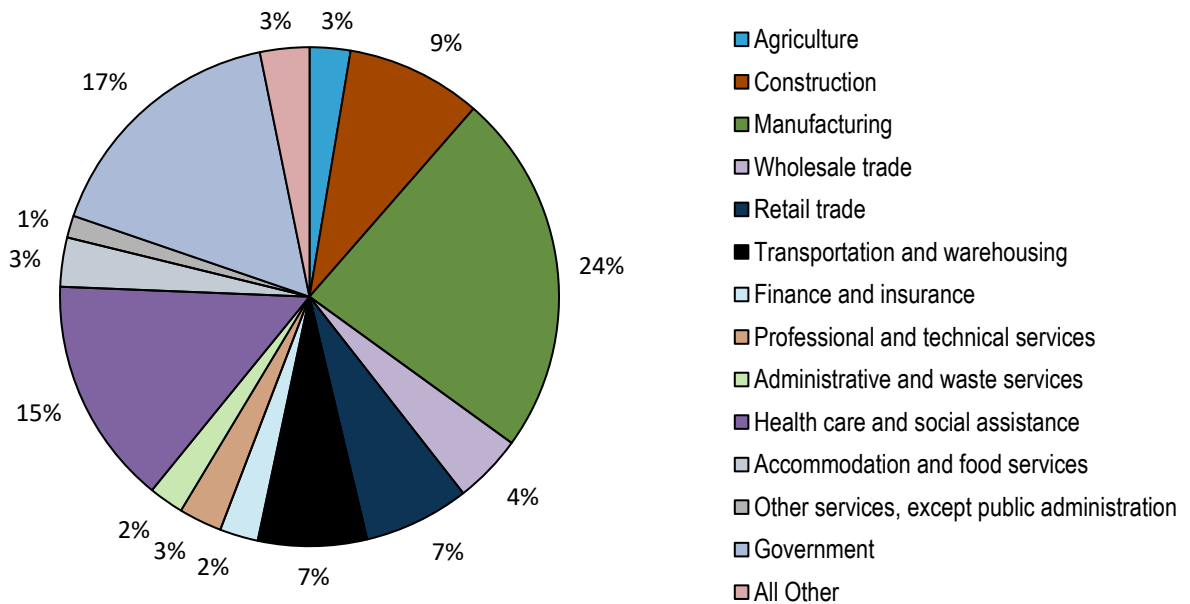
Wages and income

The charts below contrast industry shares of employment and wages covered by unemployment insurance in the county. The biggest difference: manufacturing supplied 16.0 percent of the jobs in the county, and 24.0 percent of total wages, indicating a much higher-than-average wage: the average wage for all jobs in the county was \$50,167, for manufacturing: \$62,649. In contrast, the averages for retail trade (12.0 percent of jobs but only 7.0 percent of payroll) and accommodation and food services (8.0 percent of jobs, 3.0 percent of payroll) were well below the county average for all industries. The county's average wage has been trending up over time, in line with the average for the rest of the state if King County is excluded.

Covered employment in 2019

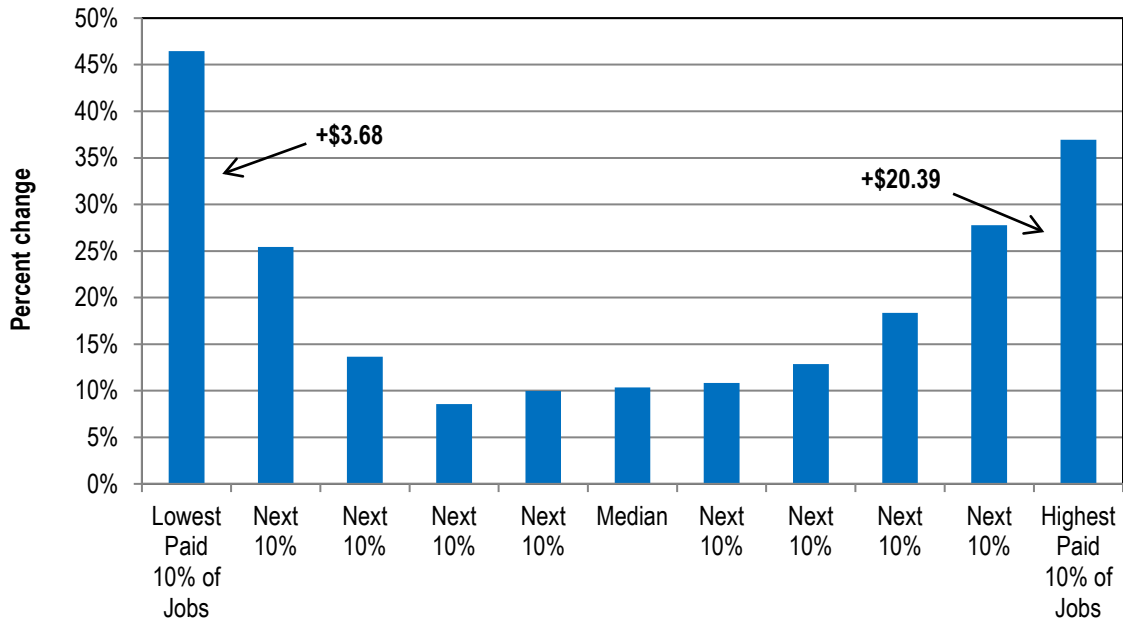


Covered wages in 2019



The median hourly wage for jobs in Cowlitz County in 2018 was \$23.70, a 4.5 percent inflation-adjusted increase. This was the second substantial increase in a row, following the 3.4 percent gain in 2017 median. The bottom 10.0 percent of jobs averaged \$11.61 per hour, 3.5 percent more than in 2017, due in large part to the increase in the minimum wage and the relatively tight labor market. Average wages increased across the board, but were slightly higher above the median, except at the very top, where the average wage for the top 10.0 percent of jobs increased by 2.5 percent. The wage increases in Cowlitz were well above the state average – the statewide median increased by 2.5 percent in both 2018 and 2019.

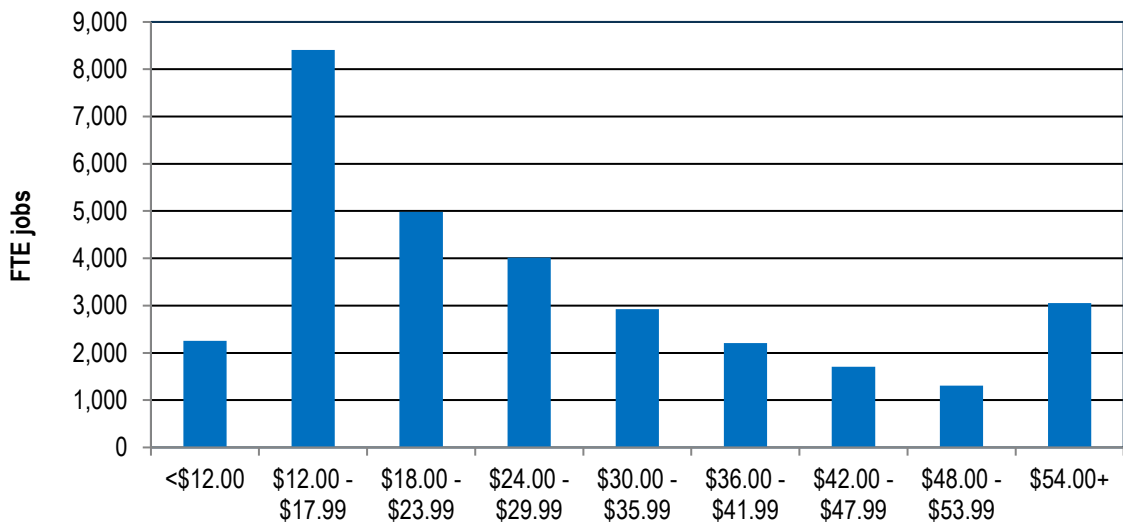
Percent change in average hourly wage by decile, 1990 through 2018



The chart above shows the average wage for the lowest 10.0 percent of jobs has increased faster than any other segment of the wage spectrum – by 46.0 percent. The average for the highest 10.0 percent of jobs rose by 37.0 percent. The actual dollar increases were more disparate, since the average for the higher end was about seven times that of the lower end of the pay scale. The middle of the wage spectrum had a much smaller increase.

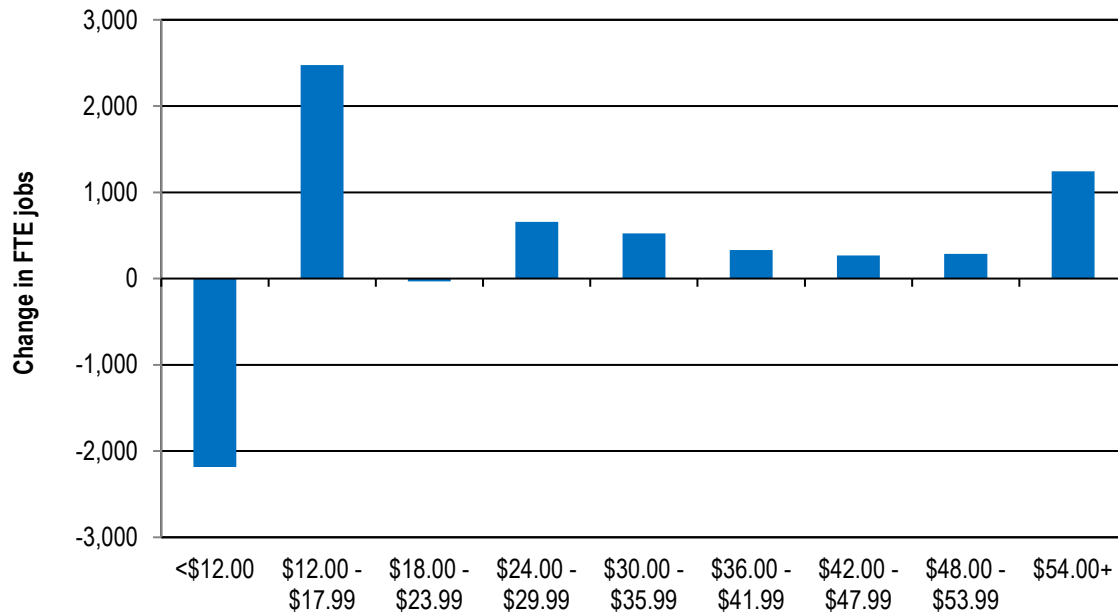
In 2018, 7.0 percent of the jobs in Cowlitz paid below \$12 per hour vs. 4.0 percent statewide and 6.0 percent for the state when King County is excluded. On the upper end, 36.0 percent of the jobs in the county paid \$30.00 per hour or more, more than the 33.0 percent for non-King counties, but less than the 42.0 percent when King is included.

FTE jobs by hourly wage range, 2018



Since 2010, there have been two noticeable shifts in the wage distribution. First, the increase in the minimum wage has helped push jobs out of the below \$12 per hour category into the \$12 to \$18 range. The total number of jobs paying below \$18 per hour barely increased, and there was a slight decline in the number of jobs paying \$18 to \$24 per hour. The next five wage ranges all had about a 20 percent increase in the number of jobs. Finally, the number of jobs in the highest-paying range increased by 69 percent. Overall, this is a very positive story.

Change in FTE jobs by hourly wage range, 2010 to 2018



Finally, the tables below show the average monthly wage for jobs in Cowlitz County by the education, race or ethnicity and gender of the job holder. The gap between workers of color and the all-worker average has changed little over the past three decades, with the exception of Asian American workers, whose average shifted from 95.0 percent to 104.0 percent over the past five years. Female workers averaged 65.0 percent of male average earnings, compared with 50.0 percent back in 1990. The male/female wage disparity was consistent across education level.

2019 average monthly earnings by race/ethnicity and gender of the job holder

Race/ethnicity/gender	Average employment	Average monthly wage	Percent of total
All workers	33,717	\$4,588	100%
White non-Latinx	28,085	\$4,708	103%
African American	562	\$3,956	75%
Indigenous	405	\$4,247	93%
Asian American	1,019	\$4,579	104%
Two or more races	148	\$3,894	80%
Male	820	\$4,136	90%
Female	2,679	\$3,693	76%

Includes all non-federal “full-quarter” jobs covered by unemployment insurance. “Full-quarter” jobs are jobs held by the employee at an employer in the current quarter that existed in the previous quarter and persisted into the next quarter.

2019 average monthly earnings by education/gender of the job holder, 25 and older

Education	Both genders	Female	Male	Percent of both gender average			Female as a percent of male
				Both genders	Female	Male	
Total	\$4,588	\$3,584	\$5,490	100%	78%	120%	65%
Less than high	\$3,967	\$3,009	\$4,664	86%	66%	102%	65%
High school only	\$4,445	\$3,295	\$5,337	97%	72%	116%	62%
Some/AA	\$4,807	\$3,791	\$5,803	105%	83%	126%	65%
BA +	\$5,944	\$4,760	\$7,117	130%	104%	155%	67%
NA	\$2,298	\$1,863	\$2,743	50%	41%	60%	68%

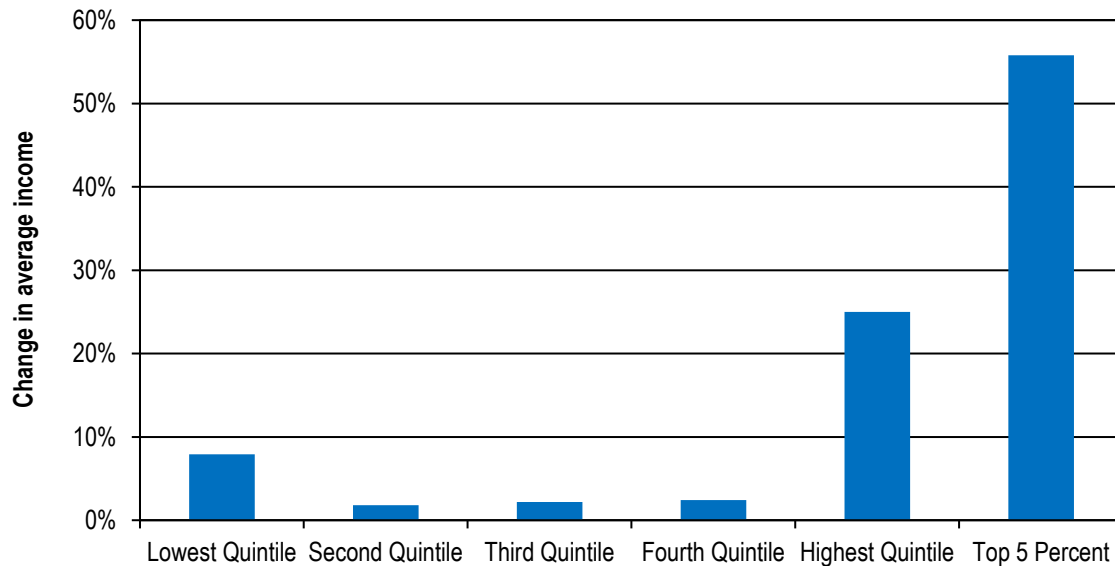
Includes all non-federal “full-quarter” jobs covered by unemployment insurance. “Full-quarter” jobs are jobs held by the employee at an employer in the current quarter that existed in the previous quarter and persisted into the next quarter. “NA” includes job holders below the age of 25.

Household income

Not surprisingly, household income declined sharply in the 2008 recession. Household income estimates from the American Community Survey since have occasionally been unreliable, with significant sample error contributing to swings that don’t align with other economic data. That occurred in 2014 and again in 2018, when the reported median household income rose by 17.0 percent. The 2019 estimate of \$55,497 – 8.0 percent below 2018 – looks to be a more accurate representation. The overall trend: a sharp drop in income in 2010 to 2011 and a gradual recovery, with 2019 finally topping the 2008 estimate.

While the median household income may not have changed much, the distribution around that median has changed substantially. The following chart shows that average income for households with the lowest 20.0 percent of income increased by just over 8.0 percent from 2006 to 2019, after adjustment for inflation. However, this was within the margin of error, so statistically we can’t say there was any improvement. The three middle quintiles had a negligible change. There was a significant increase for the top 20.0 percent of households increased by 25.0 percent, and within that group the average income for the top 5.0 percent of households increased by 56.0 percent. The average for the top 5.0 percent in 2019 – \$331,080 – was almost 23 times that for the bottom 20.0 percent – \$14,447. Research has shown that household surveys (like the Census) do not accurately capture incomes at the upper end – average incomes for the top 20.0 and 5.0 percent are likely substantially higher than stated here.

Change in average household income by quintile, Cowlitz County, 2006 through 2019



Poverty was estimated at 12.2 percent in 2019, not statistically different from 2018's 11.2 percent. Both rates were several points lower than any estimate going back to 1999. The relatively low rates (at/below the national average) is contradicted by the much higher poverty-related transfer payments (see below) received by county residents.

Personal income

Household and family income from the Census Bureau generally define income as money received from work or investments. Personal income goes one step further by including transfer payments such as Social Security and Veterans Benefits. Investment income is also defined more broadly to include income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

In 2019, Cowlitz County per capita personal income was \$46,503, a 2.0 percent increase. In comparison, per capita income rose by 2.6 percent statewide and 1.9 percent nationally. Earned income (2.7 percent) and transfer payments (2.1 percent) grew faster on a per capita basis, while investment income dipped by 0.5 percent. Transfer payments to residents of Cowlitz County totaled \$1.3 billion in 2019, 26.0 percent of total income and an average of \$12,010 per resident. That was substantially higher than the \$9,521 per capita figure nationally. Much of the difference had to do with the county's older population – Social Security and Medicare payments were 37.0 percent and 13.0 percent, respectively, above the nation. Poverty also played a role: Medicaid, income maintenance benefits (which includes Temporary Assistance to Needy Families, more popularly known as welfare, and the Supplemental Nutrition Assistance Program [a.k.a. food stamps]) were all above average, as were disability payments and unemployment insurance benefits. Finally, Veterans' benefits also outpaced the nation.

Per capita transfer payments, 2019

Type	Cowlitz	U.S.	Difference
Total	\$12,010	\$9,521	26%
Social Security benefits	\$4,312	\$3,140	37%
Medicare benefits	\$2,698	\$2,388	13%
Medicaid	\$2,474	\$1,909	30%
Supplemental security income (SSI) benefits	\$259	\$176	47%
Supplemental Nutrition Assistance Program (SNAP)	\$279	\$167	67%
Other income maintenance benefits	\$300	\$266	12%
Unemployment insurance compensation	\$155	\$86	81%
Veterans' benefits	\$553	\$399	39%

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

Population

According to state estimates, Cowlitz County's population reached 110,500 in 2020. The 0.9 percent increase over the year was about average over the past two decades. The county has grown slower than both the state and the nation over that period. Longview was the largest city in the county, at 38,350, with adjacent Kelso the next biggest at 12,340.

Population facts

	Cowlitz County	Washington state
Population 2020	110,500	7,656,200
Population 2000	92,948	5,894,121
Percent change, 2000 to 2020	18.9%	29.9%

Age, gender and ethnicity

When compared with the state and nation, Cowlitz County had a slightly smaller proportion of children (aged 0 to 19), fewer younger adults (20 to 39), about the same middle-aged adults (40 to 59) and more older residents.

The county was much less diverse in terms of race and ethnicity than the state. In 2019, 84.0 percent of Cowlitz's population was white non-Latinx compared with 69.0 percent at the state level. The county's Latinx population has doubled since the 2000 Census, and makes up 9.0 percent of the population, versus 13.0 percent at the state level.

Source: U.S. Census Bureau, Office of Financial Management

Demographics

Population by age, 2019	Cowlitz County	Washington state
Under 5 years old	5.8%	6.0%
Under 18 years old	22.4%	22.3%
65 years and older	20.9%	16.3%
Population by race/ethnicity, 2019		
White alone, not Latinx	82.8%	67.7%
African-American	0.7%	3.9%
American Indian, Alaskan Native	1.3%	1.2%
Asian	1.7%	9.0%
Native Hawaiian and Other Pacific Islander	0.3%	0.7%
Two or more Races	3.5%	4.4%
Latinx, any race	9.6%	13.2%

Source: Office of Financial Management

Educational attainment

Compared with the state and nation, Cowlitz County's adults 25 years and older were more likely to have only a high school diploma or some college education, vs. attaining a bachelor's degree or higher. In 2019, 15.0 percent of Cowlitz adults had a bachelor's or advanced degree, as opposed to 33.0 percent nationally and 37.0 percent statewide. The difference was due in large part to the occupational structure of the county, which has substantially fewer jobs that require a four-year degree or higher.

Source: U.S. Census Bureau QuickFacts

Useful links

- [County data tables](#)
- [Census Bureau Profile](#)
- [Cowlitz County on ofm.wa.gov](#)
- [Cowlitz County home page](#)
- [Cowlitz County on ChooseWashington.com](#)
- [Cowlitz Economic Development Council](#)
- [History of Cowlitz County](#)
- [City of Castle Rock](#)
- [City of Kalama](#)
- [City of Kelso](#)
- [City of Longview](#)
- [City of Woodland](#)
- [Self Sufficiency Calculator for Washington State](#)
- [U.S. Census Bureau QuickFacts](#)
- [Port of Kalama](#)
- [Port of Longview](#)
- [Port of Woodland](#)
- [Washington Ports](#)
- [Workforce Development Areas and WorkSource Office Directory](#)

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