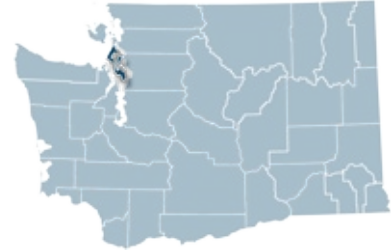


Island County profile

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Overview

Regional context

Island County is situated in the Salish Sea in Northwest Washington. As its name suggests, it is made up of several islands. The two largest are Whidbey and Camano. Island County is the second smallest county in Washington by landmass, just larger than neighboring San Juan County. Island County is bounded to the north by Deception Pass and by Puget Sound to the south. Skagit Bay and Saratoga Passage are located to the east and Admiralty Inlet and the Strait of Juan de Fuca are west of Island County. Skagit and Snohomish Counties lie to the east of Island County and the Olympic Peninsula lies across the water to the west.

Island County is one of six counties included in the Seattle-Tacoma Consolidated Metropolitan Statistical Area (CMSA).

The largest employer is the U.S. Naval Air Station in Oak Harbor (Naval Air Station Whidbey Island or NASWI). Oak Harbor is the largest city in the county with an estimated population of 24,690 in 2021.

Economy

For thousands of years, Island County was inhabited by several groups of Coast Salish Indians. In the late 1700s and early 1800s, the population was decimated by disease transmitted through contact with European and American explorers.

Settlement by non-indigenous people began in the 1850s. Early industries included logging, fishing and farming, as well as some related manufacturing industries.

In 1941, the U.S. Navy started construction on an airbase (NASWI), which transformed Oak Harbor into a booming community due to the creation of construction jobs and an influx of Navy personnel. NASWI remains a strong economic stabilizing force in Whidbey Island. NASWI has also brought many highly skilled workers to Whidbey Island. There is not a strong economic base to provide sufficient employment for the spouses and dependents of those workers; consequently, commuting to nearby counties provides a relief valve for residents seeking jobs.

Nonfarm and covered employment estimates do not include military employment figures. However, given that Island County's largest employer is the military, the success of other industries is highly dependent on the employment situation at the naval air base.

Total nonfarm employment averaged 16,990 in 2021. Over 26.0 percent of all non-military nonfarm jobs in Island County were government jobs – with concentration in state and local government. Typically, the largest volume of local government jobs is related to K-12 education. Other major industries in terms of employment include trade, transportation and utilities (a sector that includes retail and wholesale trade in addition to logistics-related activities), education and health services, and leisure and hospitality. These industries supplied 16.1, 13.9 and 13.5 percent of employment respectively. Goods-producing industries, which are predominantly represented by construction and manufacturing, supplied 11.1 percent of non-military nonfarm jobs in Island County.

Geographic facts

	Island County	Rank in state
Land area, 2020 (square miles)	208.5	38
People per square mile, 2021	417.80	5

Source: Washington State Office of Financial Management.

Outlook

Prior to the pandemic-induced recession in 2020, Island County had experienced six consecutive years of growth. From 2019 to 2020, average annual nonfarm civilian employment in Island County contracted by 670 or 3.9 percent. This proportional drop in employment was lower than the proportional drops statewide or nationally. Industries that were impacted to the greatest extent by this measure included leisure and hospitality (down 460 jobs or 18.3 percent from 2019 to 2020), government (down 150 or 3.2 percent) and education and health services (down 110 or 4.6 percent). Like the state and the nation, Island County industries that were negatively impacted to the greatest extent included face-to-face services, including those listed above. It is also worth noting that not every industry suffered employment losses in 2020. Information and financial activities and professional and business services (industries that were able to shift to remote work to a greater extent than many) added 20 and 140 jobs respectively in 2020.

From 2020 to 2021, most industries expanded employment on an annual average basis. The greatest increases were attributable to hiring in leisure and hospitality (up 270 jobs or 13.1 percent), professional and business services (up 150 or 10.6 percent), construction (up 130 or 11.4 percent) and trade, transportation and utilities (up 120, mostly in retail trade [up 150]). Despite widespread employment growth, some industries, notably manufacturing and government, shed jobs during the first year of economic recovery.

As a whole, Island County has been showing strong signs of recovery, especially in industries that indirectly benefitted from telecommuting. Construction, retail trade, information and financial activities, professional and business services and leisure and hospitality have all exceeded pre-pandemic employment tallies as of March 2022.

Labor force and unemployment

In 2021, Island County's labor force averaged 36,519. Of that, an estimated 34,478 people were employed and 2,041 were estimated to be actively seeking employment. The average unemployment rate in 2021 was 5.6 percent, higher than Washington state as well as the nation as a whole.

The highest unemployment rate on record for Island County was 16.5 percent, observed in April 2020. The unemployment rate dropped quickly throughout the remaining months of 2020, 2021 and into 2022. The most recent observation was 5.3 percent in March 2022.

Island County's labor force dropped by about 7.5 percent during the early months of the pandemic, deeper than the state as a whole. Recovery has taken hold as workers re-enter the workforce, and the total size of the civilian resident labor force in 2021 was 0.5 percent higher than it was prior to the pandemic.

Source: Employment Security Department/DATA Division, County Data Tables; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Industry employment

Current industry employment statistics are available on the [Labor area summaries](#) page on ESD's labor market information website.

Island County averaged 17,250 nonfarm civilian jobs in 2019, just before the pandemic. In 2020, annual total nonfarm employment averaged 16,580, representing a loss of nearly 3.9 percent. From 2020 to 2021, employment expanded to an estimated 16,990 jobs – only 260 jobs shy of pre-pandemic employment.

- Goods-producing industries supported an average of 1,880 jobs in 2021. This is 40 fewer over the year, and 70 jobs below the pre-pandemic peak in 2019.
 - Island County goods-producing industries generally fall within two industries: construction and manufacturing. Prior to the 2020 COVID-19 pandemic recession, Employment in both industries changed little from 2019 to 2020, but experienced diverging patterns in 2021. In 2021, Island County employment in construction expanded by 100 jobs while manufacturing dipped by 140. The delayed drop in manufacturing employment was consistent with the statewide pattern, led by declining employment in the aerospace sector.
- Service-providing industries supported an average of 15,100 jobs in 2021, up 440 relative to 2020 but still down from 15,300 observed in 2019.
 - The deepest pandemic-related losses in the service sector were observed in leisure and hospitality (down 460 from 2019 to 2020), government (down 150) and education and health services (down 110). Not all service industries suffered annual losses in 2020, however. Professional and business services added 140 jobs and information and financial activities added 20 jobs in 2020.
 - Recovery in this diverse sector has also been uneven. Government employment continued to drop into 2021, while all private sector service industries detailed in the nonfarm employment report expanded employment in 2021. The largest increases were attributed to the sector that suffered the deepest losses: leisure and hospitality employment was up 240 over the year.

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

Source: Employment Security Department/DATA Division, County Data Tables

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.

Island County highlights:

In 2020, Island County's civilian labor market was characterized by a higher proportion of older workers and youth, and a smaller relative portion of early and mid-career workers when compared with the state. Statewide, 23.0 percent of the workforce was age 55 or older. Compare with Island County where 27.6 percent of the workforce was age 55 or older. At the other end of the age spectrum for workers, Island County's share of workers age 14 to 24 was 12.2 percent. Compare with a statewide average of 10.6 percent.

- The two industry sectors with the largest proportion of youth (age 14 to 24) were accommodation and food services (32.1 percent) and agriculture (19.6 percent).
- The two industries with the largest portion of older workers (age 55+) were educational services (38.7 percent) and utilities (36.4 percent).

Females held 54.7 percent of the civilian jobs in Island County in 2020. Statewide, females made up 48.5 percent of the civilian workforce. This composition is likely a reflection of military spouses participating in the local civilian labor force.

- In terms of workforce composition, the four most male-dominated industries in Island County included construction (83.0 percent), transportation and warehousing (78.6 percent), utilities (65.4 percent), and manufacturing (65.2 percent).
- Female-dominated industries included health care and social assistance (77.2 percent) management of companies and enterprises (74.0 percent), educational services (72.1 percent) and finance and insurance (71.3 percent).

Source: Employment Security Department/DATA Division, County Data Tables

Wages and income

The median hourly wage (adjusted for inflation) for jobs in Island County in 2020 was \$23.32 compared to the state median wage (\$29.28).

The 2020 average annual wage was \$46,301, well below state and the state less King County averages, which were \$73,504 and \$50,834 respectively.

Median household income in 2019 for Island County residents was \$72,066, below the state (\$78,687) but above the national median (\$65,712).

In 2019, 6.6 percent of Island County's population was living below the poverty level, lower than the state at 9.8 percent and the nation at 12.3 percent, according to the U.S. Census Bureau. The rate of poverty for children under 18 years old was 5.0 percent in Island County.

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 2020, Island County per capita personal income was \$59,200, the sixth highest among counties in Washington. For comparison, Washington per capita income was \$67,126 and the national per capita income was \$59,510.

Source: Employment Security Department/DATA Division, County Data Tables; U.S. Bureau of Economic Analysis, Personal Income

Population

Island County's estimated resident population was 87,100. From 2011 to 2021, the population grew by an estimated 4,317 or 5.2 percent. Statewide growth was higher. Washington state added 985,424 residents or 14.5 percent over the same period. Oak Harbor is the largest city in Island County, with an estimated resident population of 24,690.

Population facts

	Island County	Washington state
Population 2021	87,100	7,766,975
Population 2011	82,783	6,781,551
Percent change, 2011 to 2021	5.2%	14.5%

Source: Washington State Office of Financial Management, Population Estimates November 2021

Age, gender and ethnicity

When compared with the state, Island County had a much larger proportion of residents age 65 and older, 25.2 percent compared to 15.9 percent statewide.

Females made up 50.2 percent of Island County's population.

Island County is less diverse than Washington state as a whole in terms of race and ethnicity. In 2020, 85.2 percent of the Island County population was white compared with 78.5 percent statewide. Just 8.2 percent of Island County's population identifies as Hispanic or Latino versus 13.0 percent of Washington state's population.

Demographics

	Island County	Washington state
Population by age, 2020		
Under 5 years old	5.6%	6.0%
Under 18 years old	18.1%	21.8%
65 years and older	25.2%	15.9%
Females, 2020	50.2%	49.9%
Race/ethnicity, 2020		
White	85.2%	78.5%
Black	3.2%	4.4%
American Indian, Alaskan Native	1.1%	1.9%
Asian, Native Hawaiian, and other Pacific Islander	5.6%	10.4%
Hispanic or Latino, any race	8.2%	13.0%

Source: U.S. Census Bureau, Quick Facts

Educational attainment

Of the Island County residents age 25 and up, 95.6 percent graduated from high school. This is a higher proportion than Washington state (91.7 percent) and the U.S. (88.5 percent) in the period 2016 to 2020.

Residents with a bachelor's degree or higher made up 34.1 percent of Island County adults, while 36.7 percent at the state level and 32.9 percent nationally have that level of formal education. Island County residents are more likely to have some college or an associate degree relative to the statewide average.

Source: U.S. Census Bureau, Quick Facts

Useful links

- [County data tables](#)
- [Census Bureau Profile](#)
- [History of Oak Harbor and Island County](#)
- [Island County home page](#)
- [Island County Economic Development Council](#)
- [Island County on ChooseWashington.com](#)
- [Island County on ofm.wa.gov](#)
- [Northwest Washington Workforce Development Council](#)
- [Self Sufficiency Calculator for Washington State](#)
- [U.S. Census Bureau QuickFacts](#)
- [Port of Coupeville](#)
- [Washington Ports](#)
- [Workforce Development Areas and WorkSource Office Directory](#)

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