



Reflections on Chelan County from Chelan-Douglas Trends

September 27, 2022

County population shows modest & steady growth

- 2022 estimate: ~80,500
- 2022 gain: ~650
- 5-year y-o-y rate: 1%
 - WA 5-year annual rate: 1.5%
 - U.S. 5-year annual rate: 0.7%
- Decline in 2021 (till April 1, 2022) rate: to 0.8%
 - Likely not too much inflow from big metro centers
- 2017 OFM “middle” forecast for 2030 county population: ~85,500
 - About 625/year from now till 2030
 - New forecast out this December
- What’s the optimal, “Goldilocks” growth rate – not too hot, not too cold?

In-migration – tapered off in 2021

- Primary source of population gain in Chelan County
- 2021-22 gain: ~700
- 5-year average: ~780
- Largest movement into the county in 25 years actually occurred *pre-pandemic*

Population by age groups – reveals a different age structure than WA

- 2-County “missing” age groups relative to WA: esp. 18-34 & 35-64
- Higher shares than WA in the 2 counties: children (0-17) and 65+
- Chelan County – very similar to combined counties, albeit a bit older
- Implications? Count on impact, among others, on: housing, retail, services, healthcare

People of Color (POC) share of the population is now about 1/3

- County has slowly become more diverse over past decade. as measured by overall share of POC
- More diverse than WA
- Less diverse, however, than the U.S. & Douglas County
- Hispanics/Latinas responsible the large POC share and growth
- How large will this population be in 2030?

Median Household Income (MHI) has shown a rapid increase recently

- Probably the best measure of the “middle” in the distribution of income
- Terms: Median, not an average; household allows for more than one income recipient
- Composed of 3 parts: wages, investment income (including rents) & federal transfer payments
- 2021 *estimate* for Chelan County: ~\$65,000
 - Gain of ~ \$7,000 over two years, or 11.3% (WA % increase was 7.1%)
 - Good part of this due to expanded federal transfer payments during pandemic
 - Still, County MHI < U.S. MHI
- Will Chelan County’s MHI soon be equal to that of U.S.?

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Overall average annual wage – decent, recent growth

- Most important component of personal income
- Based on the Chelan County *businesses*, not Chelan County *residents*, as in MHI
- 2021: \$49,129
 - Lowest of all E. WA larger counties except Yakima & Douglas
 - However, large increase over past 3 years: nearly \$9,000, or 22%
- Is increasing this a goal? If so, need productivity to increase at same pace of wage increase. Also need to consider the mix of sectors.

Annual taxable retail sales – unprecedented growth in 2021 in the county

- 2021: \$2.8B!
 - 23% year-over-year increase – unparalleled result for Chelan County
 - The county has outpaced WA since start of the pandemic
- Where did this come from?
 - 2 large contributors: construction & hospitality
 - 3 mid-size contributors: healthcare, wholesale & building supply stores
- Unlikely to be repeated any time soon
- Outlook for 2023? WA Economic & Revenue Forecast Council projecting very modest income growth in WA, implying modest taxable retail sales growth

Quarterly taxable retail sales – still strong in early 2022, but slowing

- WA state Q2 taxable retail sales in the mid-single digits
- Chelan County likely little different

Labor force participation rate – some decline but from a relatively high rate

- Definition: the share of the 18+ population composed of people working or looking for work
- A higher share is critical to economic health, as it implies ample labor force availability
- Long-term trends for the U.S., and a lesser degree, WA are not favorable
- Yet, Chelan County looks especially strong.
- Will this continue?

Share of jobs by educational attainment – quite different from WA & the U.S.

- Relatively small share: Bachelor's or higher, with modest growth over the past decade
- Relatively large share: High school or equivalent or less, with little change over the decade
- The pattern reflects the needs of the leading sectors of the economy

Shares of Employment in top 5 sectors of Chelan County have changed over the past 15 years.

- Big difference between the 2 counties & WA: agriculture
 - Largest sector
 - Has diminished, relatively, over the past 15 years
- The sector that has gained the most prominence: healthcare & social assistance
- Other major difference to WA: hospitality
- Chelan County – much like the 2-county average