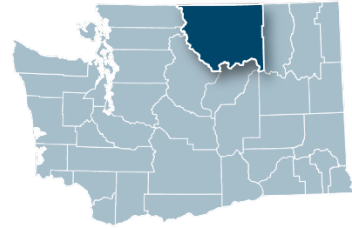


# Okanogan County profile

By Donald W. Meseck,  
Regional labor economist  
*Updated May 2022*



[Overview](#) | [Geographic facts](#) | [Outlook](#) | [Labor force and unemployment](#) | [Industry employment](#) | [Wages and income](#) | [Population](#) | [Useful links](#)

## Overview

### Regional context

Okanogan County borders Canada on the north. The Columbia River Basin and Lake Roosevelt form its southern and eastern borders and the North Cascade Mountains form its western border. It is one of the largest counties in the state at 5,268 square miles but has the fifth fewest residents per square mile. It is an agricultural county with many outdoor recreation activities that draw tourists.

The Colville Confederated Tribes reservation includes southeastern Okanogan County and the southern half of Ferry County. Its total size is 1.4 million acres. As of 2015, the Colville Confederated Tribal enrollment was 9,500 descendants of 12 aboriginal Bands. The Bands, commonly known by English and French names, are the Colville, Nespelem, San Poil, Lakes, Palus, Wenatchi (Wenatchee), Chelan, Entiat, Methow, Okanogan, Moses-Columbia and the Chief Joseph Band of Nez Perce.

### Local economy

Okanogan County was established in 1888, partitioned from Stevens County. First used as an outpost for fur and pelt trading, the discovery of gold and silver in 1858 catalyzed an influx of settlers to the county. The economy still relies a bit on resource extraction, but not of gold.

Timber and logging have a historical niche in the local economy, although these resourced-based industries are struggling to maintain this niche. Sawmills and lumber of wood product manufacturing firms have been part of Okanogan County's economic fabric since at least the 1920s. Some thrived into the mid-2000s. For example, one of the largest mills in Okanogan County was Quality Veneer and Lumber. A March 25, 2013 *PR Newswire* article announced: "The Colville tribes, the second-largest tribal organization in the state and the largest employer in Okanogan County, bought the mill in 2001 out of receivership of the prior owner, Quality Veneer and Lumber. The harshest decline in the construction industry in 50 years forced the difficult decision to close its operations in 2009." This plywood and veneer mill officially reopened on October 7, 2013, with Governor Jay Inslee joining mill workers and area dignitaries for the grand reopening ceremony. The facility was renamed Omak Wood Products and Wood Resources and was the parent corporation for the mill. A March 30, 2013 article from the *Wenatchee World* said: "The restart comes with a 25-year lease between the Colville Tribal Federal Corporation – the Colville Tribe's business arm – and Wood Resources." However, just before Christmas in 2015, Omak Wood Products officials announced that they planned to "exit operations" at the mill, which was leased from the Colville Confederated Tribes, because of unforeseen circumstances, including changes in its corporate structure and an uncertain supply of timber.

In early February 2016, mill ownership changed again. The Omak-Okanogan County Chronicle stated in a February 16, 2016 article: “A newly formed company has taken over the Omak Wood Products lumber mill. Omak Forest Products took over the business February 11, 2016. “Most of the employees were retained,” said owner Richard Yarbrough. Alas, this firm also went out of business. According to a Worker Adjustment and Retraining Notification (WARN) received on December 8, 2016 by the Washington State Employment Security Department, and as announced in the local media, 217 employees at Okanogan County’s largest manufacturer (Omak Forest Products) were laid off effective January 29, 2017. Layoffs were completed on February 15, 2017 – a sad ending for Okanogan County’s largest manufacturing firm.

A closely related resource-based industry, forestry and logging (NAICS 113) provided an average of 60 jobs and \$2.8 million in payroll in 2020, a marginal increase of six jobs from the 54 jobs and \$1.8 million in payroll tallied 10 years earlier in 2010.

On a more upbeat note, with more than 300 days of sunshine a year and 3 million acres of public land, outdoor activities are plentiful and attract various outdoor enthusiasts. Recreation activities include camping, fishing, hiking, horseback riding, rock climbing, skiing, and various lake activities. In winter, the largest ski-trail system in North America offers over 120 miles of groomed, interconnected trails, with additional opportunities for fat-tire bikes, snowshoers, and backcountry skiers. Access to the Cascade Mountains and North Cascades National Park also contributes to tourism in the area. The area is popular with birdwatchers as well as individuals interested in wildlife, from moose to deer to black bears.

Tourism in the area is diverse and the county has fared well as a tourist destination. Okanogan County is home to various rodeos during the spring and summer, along with a wine festival in the summer and a salmon festival in the fall. In addition, tourists flock to breweries and local fruit stands throughout the area. Another major tourist attraction is the Grand Coulee Dam, one of the largest concrete structures in the world and the largest electric power-producing facility in the United States.

Arts, entertainment and recreation (NAICS 71) employment in Okanogan County is heavily tourism based and has been growing for several years. This sector includes casinos, ski and summer resorts, fitness centers, golf courses, museums, fair associations, etc. In 2010, arts, entertainment and recreation netted 106 jobs. By 2017 and 2018 (in the pre-COVID-19 era) this subsector provided 204 and 203 jobs respectively countywide. Employment slipped to 189 jobs in 2019 and averaged only 163 jobs in 2020, due to the COVID-19 pandemic. Nevertheless, this equated to a 57 job and 53.8 percent upturn during this 10-year period; not bad since total covered employment countywide fell by -8.3 percent during this timeframe (decreasing from 17,329 jobs in 2010 to 15,899 in 2020).

## Geographic facts

	Okanogan County	Washington state
Land area, 2010 (square miles)	5,268.0	66,455.5
People per square mile, 2010	7.8	101.2

Source: U.S. Census Bureau QuickFacts

## Outlook

Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS) estimates through March 2022 indicate a rebounding of the Okanogan County economy in 2021, and into 2022. However, it is uncertain how long this economic resurgence will last. Much depends on whether the COVID-19 virus can be contained and/or eradicated. The effect of rising interest rates

on national and local labor markets are also a concern. Nevertheless, staff in the DATA Division of the Washington State Employment Security Department (ESD) have prepared long-term (i.e., 10-year) industry employment projections indicating a 0.1 percent average annual nonfarm growth pace from 2019 to 2029 for the five-county (Adams, Chelan, Douglas, Grant and Okanogan) North Central Workforce Development Area (WDA), and a 0.4 percent growth rate for Washington state during this timeframe.

## Labor force and unemployment

Current labor force (CLF) and unemployment statistics are available on the [Labor area summaries](#) page on ESD's labor market information website.

The National Bureau of Economic Research (NBER) announced that the recent “great” national recession occurred from December 2007 through June 2009. But the effects of this recession hit Okanogan County's labor force primarily in 2010 when the average annual, not seasonally adjusted unemployment rates averaged 10.7 percent. From 2011 through 2018, the average annual unemployment rate in Okanogan County either stabilized or decreased. The average unemployment rate of 6.4 percent in 2018 is the lowest reading since our agency began compiling data electronically in 1990. In 2019, the unemployment rate elevated to 6.8 percent. It is likely that much of this upturn occurred because of job losses in the local agricultural sector (4,932 agricultural jobs in 2018, but only 4,392 in 2019), a loss of 540 jobs and a -10.9 percent downturn.

The rate then soared from 6.8 percent in 2019 to 8.9 percent (a sharp two and one-tenths percentage point jump) during the heyday of the COVID-19 pandemic in 2020. Yet, as high as this unemployment rate was in 2020, it did not equal the extremely high 10.7 percent reading during the recent Great Recession.

Okanogan County's CLF edged upwards by 0.7 percent between 2020 (19,464 residents) and 2021 (19,593 residents) as the labor force expanded in the last eight months of 2021 following year-over-year contractions from January through April 2021. In fact, year over year, the Okanogan County labor force has been expanding for 11 consecutive months (May 2021 through March 2022). Between March 2021 and March 2022, the CLF grew by 991 residents, from 18,734 to 19,725; a 5.3 percent upturn. Simultaneously, 90 fewer Okanogan County residents were out of work during this timeframe; a -5.6 percent downturn. This resulted in the County's not seasonally adjusted unemployment rate dropping from 8.6 percent in March 2021 to 7.7 percent in March 2022. Additional *modestly* encouraging economic news is found in the fact that Okanogan County's labor force March 2021 (19,725 residents) was also 28 residents and 0.1 percent larger than the CLF (19,697 residents) in March 2020 (pre-COVID-19).

Source: Employment Security Department/DATA Division, County data tables

## Industry employment

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

The North American Industry Classification System (NAICS) is an industry classification system that assigns every business and government organization in America a six-digit NAICS code based primarily on the activities in which that business or government organization is engaged. All business and government organizations are also more broadly categorized into one of 22 two-digit NAICS sectors. Nineteen sectors are in private enterprise and three sectors are in government service – either at the federal, state or local level.

**The top five Okanogan County industry sectors in 2020 in terms of employment were:**

Sector	Number of jobs	Share of employment
1. Agriculture, forestry and fishing	4,184	26.3%
2. Local government	3,940	24.8%
3. Retail trade	1,799	11.3%
4. Health services	1,585	10.0%
5. Accommodation and food services	946	6.0%
All other industries	3,445	21.7%
<b>Total covered employment</b>	<b>15,899</b>	<b>100%</b>

Source: Employment Security Department/DATA Division, QCEW

In 2020, QCEW data showed that Okanogan County’s labor market provided 15,899 jobs. Over three-fourths (78.3 percent) of all local jobs were in five two-digit NAICS industries or sectors (agriculture, local government, retail trade, private health services, and accommodation and food services). Hence, the Okanogan County economy is not very diversified – like many other agriculturally based economies here in Central Washington (Adams, Chelan, Douglas, Grant and Yakima counties, etc.).

Covered employment and wage trends over the last 10 years (from 2010 through 2020) were analyzed using the Employment Security Department’s annual average Quarterly Census of Employment and Wages (QCEW) data for the 22 two-digit NAICS sectors in Okanogan County. Following are some of the findings:

- The number of agricultural jobs (a subset of total covered employment) decreased from 5,560 in 2010 to 4,184 in 2020, a 1,376 job and a -24.7 percent downtrend, with annualized employment growth between 2010 and 2020 of -2.8 percent. In 2010, Okanogan County’s agricultural industry accounted for 32.1 percent of total covered employment. In 2020, agricultural employment accounted for just 26.3 percent of total covered employment countywide. Hence, the share of agricultural employment dropped by 5.8 percentage points (from 32.1 to 26.3 percent) in Okanogan County during this most recent 10-year period. The downtrend indicates the declining importance of the agricultural industry to the local economy during this period. The number of agricultural jobs actually “peaked” in 2014 at 6,234 (34.0 percent of total covered employment) and declined in each of the next six years (from 2015 through 2020, inclusively). The tree fruit industry, nationally and locally, has implemented many labor-saving techniques in recent years. Hence, it is likely that this six-year downtrend in the number of agricultural jobs in Okanogan County indicates a structural employment change in this key local industry.
- The industry or sector which lost the second-highest number of jobs between 2010 and 2020 was other services (NAICS 81). In 2020, other services (which includes automotive repair, computer and office machine repair, barber shops, beauty salons, agricultural organizations, labor unions, private households, etc.) tallied only 199 jobs in Okanogan County, or 1.3 percent of all covered employment countywide. In 2010, other services tallied 658 jobs in Okanogan County, and accounted for 3.8 percent of all covered employment countywide. Hence, this sector experienced a loss of 459 jobs, a -69.8 percent employment downturn during the last ten years. The lion’s share of the 10-year downturn in this sector was “administratively caused” by the NAICS reclassification of private household employment and wages (NAICS 814) into services for the elderly and disabled (NAICS 624) in first quarter 2014 as directed by the Bureau of Labor Statistics (BLS).

- Between 2010 and 2020, the sector which gained the most jobs in Okanogan County was private health services (NAICS 62). In 2020, health services (which includes ambulatory health care, nursing home and assisted living facilities, and social services) tallied 1,585 jobs in Okanogan County, or 10.0 percent of all covered employment countywide. In 2010, health services tallied 1,173 jobs in Okanogan County, and accounted for only 6.8 percent of all covered employment countywide. Therefore, this sector experienced a gain of 412 jobs – a 35.1 percent employment upturn during the last 10 years.
- Another sector which fared extremely well and ranked second countywide in terms of jobs added between 2010 and 2020, was transportation and warehousing (NAICS 48-49). This sector netted 326 more jobs across Okanogan County in 2020 (415 jobs) than in 2010 (89 jobs), a dramatic 366.3 percent increase during this timeframe.

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.

#### ***Okanogan County highlights:***

The largest job holder group in 2020 was those age 55 and older comprising 30.3 percent of the workforce. This group was followed by the 35 to 44 age group with 21.1 percent of the workforce. In 2020, males held 49.3 percent and women held 50.7 percent of jobs in Okanogan County. There were substantial gender composition differences in the industry groups:

- Male-dominated industries included construction (83.8 percent), wholesale trade (81.8 percent), and utilities (69.9 percent).
- Female-dominated industries included finance and insurance (81.6 percent), health care and social assistance (76.0 percent) and educational services (70.0 percent).

Source: Employment Security Department/DATA Division, County data tables

### **Wages and income**

In 2020, approximately \$625.0 million in wages covered by unemployment insurance was paid countywide. The county's average annual covered wage in 2020 was \$39,314, approximately 51.2 percent of Washington's average annual wage of \$76,801.

### **The top five Okanogan County industries in 2020 in terms of payrolls were:**

<b>Sector</b>	<b>Payroll</b>	<b>Share of payrolls</b>
1. Local government	\$209,203,053	33.5%
2. Agriculture, forestry and fishing	\$115,685,813	18.5%
3. Health services	\$66,516,286	10.6%
4. Retail trade	\$57,779,011	9.2%
5. Federal government	\$30,854,873	4.9%
All other industries	\$145,009,524	23.2%
<b>Total covered payrolls</b>	<b>\$625,048,560</b>	<b>100%</b>

Source: Employment Security Department/DATA Division, QCEW

Local government (which includes tribal wages) provided \$209.2 million, or 33.5 percent, (over one-third) of total covered wages in Okanogan County in 2020. Agricultural employers paid out nearly \$115.7 million, or 18.5 percent of total wage income. Combined, local government and agriculture accounted for \$324.9 million, or 51.9 percent of total covered wages in 2020. Since all business and government organizations are categorized into 22 two-digit NAICS sectors (19 private enterprise sectors and three government sectors either at the federal, state or local level) yet just two NAICS sectors (local government and agriculture) provide over half of all earned wage income; it's safe to say that these two sectors are critical to the Okanogan County economy.

Between 2010 and 2020, the industry sector registering the greatest payroll increase (on a dollar basis) was local government. In calendar year 2010, local government organizations paid \$143.9 million in wages, and by 2020, this sector was pumping \$209.2 million in wages into the Okanogan County economy – a 45.4 percent and \$65.3 million upturn.

Between 2010 and 2020, the industry sector registering the greatest payroll decrease (on a dollar basis) was other services (NAICS 81). In calendar year 2010, other services workers earned \$9.0 million in wages, but in 2020, this sector provided only \$5.0 million in wages in the Okanogan County economy – a -44.5 percent and \$4.0 million downturn.

Okanogan County's median hourly wage (adjusted for inflation) was \$18.49 per hour in 2020, lower than Washington state's \$29.28 median hourly wage (also adjusted for inflation).

### **Personal income**

Personal income includes earned wage income, investment income, and government transfer payments (such as Social Security, welfare, and unemployment insurance 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.

Per capita income (adjusted for inflation) in Okanogan County was \$47,535 in 2020. This figure is considerably below the state figure of \$67,126 and the nation's per capita income of \$59,510. A general trend over the last forty years is that a larger proportion of Okanogan County residents' personal income is coming from transfer payments, whereas the percentage of personal income coming from earnings and investments is decreasing. For example:

- In 1980: earnings 64 percent, investments 20 percent, and transfer payments 16 percent.
- In 1990: earnings 59 percent, investments 20 percent, and transfer payments 21 percent.
- In 2000: earnings 58 percent, investments 19 percent, and transfer payments 23 percent.

- In 2010: earnings 50 percent, investments 19 percent, and transfer payments 31 percent.
- In 2020: earnings 50 percent, investments 16 percent, and transfer payments 34 percent.

According to U.S. Census Bureau QuickFacts, the median household income in Okanogan County from 2016 to 2020 was \$48,258, or 63.0 percent of Washington’s at \$77,006. In the period 2016 to 2020, approximately 19.8 percent of the county’s population was living below poverty level, much higher than the 9.5 percent figure in Washington state, according to U.S. Census Bureau QuickFacts.

Source: Employment Security Department/DATA Division, County data tables, U.S. Census Bureau QuickFacts

## Population

U.S. Census data show that Okanogan County’s population grew at a modest 2.4 percent pace from 2010 through 2020 versus a robust 14.6 percent pace statewide. However, the population growth rate in Okanogan County from April 1, 2020 to July 1, 2021 was 1.3 percent, considerably faster than that of the state at 0.4 percent. What’s happening? It’s hard to pinpoint. But anecdotal evidence suggests that the COVID-19 pandemic made teleworking an option in 2020 and 2021 – an option which did not exist for many workers prior to the pandemic. Hence, proportionately more people may be residing in the county, but working for firms based elsewhere. It also appears possible that the natural beauty of Okanogan County, bountiful outdoor recreational opportunities, and reasonably priced land are enticing many retirees to settle, or at least have a second home, in Okanogan County. It will be interesting to see whether the relatively slow population countywide growth rate during the last U.S. Census (2010 to 2020) will reverse itself in the next U.S. Census (2020 to 2030).

### Population facts

	Okanogan County	Washington state
Population 2020	42,104	7,705,281
Population 2021	42,634	7,738,692
Percent change, 2020 to 2021	1.3%	0.4%

Source: U.S. Census Bureau QuickFacts

### Age, gender and ethnicity

In 2020, Okanogan County’s population of those 65 years and older (22.0 percent) was higher than the Washington state’s 15.9 percent, indicating that the county has become somewhat of a retirement destination.

In 2020, females made up 49.5 percent of Okanogan County’s population, while females accounted for 49.9 percent of the population statewide.

Proportionately, Okanogan County had a much larger American Indian/Alaskan Native population (13.2 percent) in 2020 than that of the state (1.9 percent). This is due to the concentration of the Colville Confederated Tribes in this area. Hispanics are also more prevalent in the county (20.7 percent) compared to the state (13.0 percent).

## Demographics

Population by age, 2020	Okanogan County	Washington state
Under 5 years old	6.0%	6.0%
Under 18 years old	23.3%	21.8%
65 years and older	22.0%	15.9%
<b>Females, 2020</b>	<b>49.5%</b>	<b>49.9%</b>
Race/ethnicity, 2020		
White alone	81.2%	78.5%
Black alone	0.9%	4.4%
American Indian and Alaskan Native alone	13.2%	1.9%
Asian alone	1.3%	9.6%
Native Hawaiian and other Pacific Islander	0.3 %	0.8%
Hispanic or Latino, any race	20.7%	13.0%

Source: U.S. Census Bureau QuickFacts

## Educational attainment

Over the period 2016 to 2020, 84.6 percent of individuals aged 25 and older in Okanogan County were high school graduates. This figure is lower than that of Washington state (91.7 percent) and the nation (88.5 percent). The percent of residents with a bachelor's degree or higher was 20.2 percent. This figure does not compare favorably with the state (36.7 percent) or the nation (32.9 percent).

Source: U.S. Census Bureau QuickFacts

## Useful links

- [County data tables](#)
- [Census Bureau Profile](#)
- [Grand Coulee Dam Area Chamber of Commerce](#)
- [North Central Workforce Development Council](#)
- [Okanogan Chamber of Commerce](#)
- [Okanogan County Economic Alliance](#)
- [Okanogan County History](#)
- [Okanogan County on ChooseWashington.com](#)
- [Okanogan County on ofm.wa.gov](#)
- [Okanogan County home page](#)
- [Self Sufficiency Calculator for Washington State](#)
- [Census Bureau QuickFacts](#)
- [Washington Ports](#)
- [Workforce Development Areas and WorkSource Office Directory](#)
- [Confederated Tribes of the Colville Reservation](#)

Employment Security Department is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Language assistance services for limited English proficient individuals are available free of charge. Washington Relay Service: 711.