# Kitsap County profile

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Overview | Geographic facts | Outlook | Labor force and unemployment | Industry employment | Wages and income | Population | Useful links

#### **Overview**

#### Regional context

Kitsap County, originally part of King and Jefferson counties, is the northern end of the Kitsap peninsula, jutting into the Puget Sound positioned between the Olympic Peninsula to the west and King County to the east. It is located between Hood Canal and Admiralty Strait. Water transportation is dominant in the culture and economy of the county. The county, initially named Slaughter County for a U.S. Army officer, was formed in 1857. Voters later changed the name to honor Kitsap, the Suquamish war chief. The county seat is at Port Orchard.

Kitsap County is one of the smallest counties in the state in terms of land area at about 395 square miles. It ranks third, however, in the state in terms of its population density, with 636 people per square mile.

#### Local economy

Native Americans were the first residents in the area. They lived in permanent settlements, fishing, hunting and gathering. Contact with Europeans and the introduction of diseases such as smallpox in the 1780s decimated their numbers.

The 1850 gold rush in California triggered non-native settlement in the area as the demand for lumber spurred migration to the region's great stands of timber. Shipyards sprang up near the mill towns where lumber was shipped mainly to California, but also across the Pacific to Asia. In the mid to late 19th century, the Kitsap Peninsula had the distinction of having the greatest per capita income on Puget Sound.

Port Orchard was selected in the 1880s as a ship repair facility nearer to the open Pacific Ocean. The U.S. Navy established the Puget Sound Naval Shipyard in 1891, which soon became a magnet for other businesses and workers. During other periods of conflict, military installations dotted the coastline of the county, including Fort Ward on Bainbridge Island. Today's spending by the Department of Defense, including U.S. Navy centers at Bremerton, Keyport and Bangor, continues to dominate the economy of the county as demonstrated by an annual military and civilian payroll in excess of \$2.1 billion.

Because of Kitsap County's geographic configuration, the Washington state ferry system is an important infrastructure link for Kitsap residents. In 2021, more than 3.72 million passenger trips were taken on the Seattle-Bainbridge ferry run, and more than 1.05 million trips were taken on the Seattle-Bremerton route. In the north part of the county, the ferries serving the Edmonds and

Kingston run hosted over 3.51 million passenger trips during the year. More than half of all ridership on Washington state ferries originates or ends in Kitsap County, with routes showing a systemwide 23.5 percent increase in passenger trips in 2021 following the COVID-19 disruption.

The Hood Canal, bordering the west side of the Kitsap Peninsula, is traversed by the Hood Canal floating bridge linking Kitsap and Jefferson counties. The bridge is the third-longest floating bridge in the world, and the longest crossing salt water. Washington state's 520 and I-90 bridges across Lake Washington are the first and second-longest floating bridges in the world, respectively.

This infrastructure supports the economy based on public sector Department of Defense jobs, as well as over 15,000 uniform service personnel based there. The balance of economic activity in the county includes a thriving gaming industry with large casinos located on tribal properties, a major medical center, and a regional retail hub attracting shoppers from Kitsap County as well as the surrounding rural counties: Clallam, Jefferson and Mason.

## **Geographic facts**

	Kitsap County	Rank in state
Land area, 2010 (square miles)	394.94	36
People per square mile, 2010	635.9	3

Source: U.S. Census Bureau QuickFacts

#### **Outlook**

Kitsap County, like the state, nation and the world economy, faced unprecedented hardships as the COVID-19 pandemic hit the economy hard beginning in March 2020.

While the economic outlook for Kitsap County appeared to be steadily improving, the economic engine came to a sudden halt in 2020. The county registered climbing unemployment rates and nonfarm payrolls suffered as the pandemic took hold. The 2021 data showed a slight bounce back from 2020 as nonfarm payrolls gained and unemployment rates dropped.

Nonfarm employment has grown since 2011. Between 2018 and 2019, nonfarm job growth was 2.1 percent, just above the statewide average of 2.0 percent. The arrival of COVID-19 has put this growth in the rear-view mirror with the view out the front windshield less than optimal.

## Labor force and unemployment

Current labor force and unemployment statistics are available on the <u>Labor area summaries</u> page on ESD's labor market information website.

In 2021, the preliminary civilian labor force averaged 128,106, slightly below the 2020 level of 128,417. On an average annual basis, there has been yearly increases in the labor force since 2014, until 2020 and the pandemic cut this streak.

In 2021, the preliminary county unemployment rate was 5.0 percent compared to 7.7 percent in 2020. In 2019, the average rate of unemployment was 4.7 percent. The 2021 drop in unemployment should continue into 2022.

The military and its federal employees continue to be a steady source of economic fuel for the economy with over 17,000 active military and nearly 18,000 civilian workers based in Kitsap County; it is a city on to itself. In addition, over 8,000 defense contractors add to the benefits seen by this federal presence.

Source: Employment Security Department

## **Industry employment**

Current industry employment statistics are available on the <u>Labor area summaries</u> page on ESD's labor market information website.

In Kitsap County, nonfarm job totals averaged 91,400 in 2021. That total represents a 900 job gain from the 2020 total, but lags the pre-pandemic 95,300 of 2019.

The largest component of Kitsap County nonfarm employment is government. This sector typically accounts for over a third of the nonfarm total with a 2021 total of 32,600 jobs. Of that total, 20,200 was federal government employment. The second-largest group was local government, with 10,700 jobs.

For historical industry employment data, contact an economist.

Source: Employment Security Department

#### 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.

#### Kitsap County highlights:

Industry employment by age in 2020 shows younger workers age 14 to 24 dominating employment in the accommodation and food services industry and also having strong participation in retail trade. They are minimally represented in public sector jobs, mining, utilities or private sector educational services jobs. Workers age 55 and over are evenly represented in all sectors except for accommodation and food services and construction. Their numbers are most concentrated in mining, utilities, educational services, real estate and rental and leasing and transportation and warehousing.

Gender divisions in the labor force also follow typical patterns with males dominating construction, transportation and warehousing and manufacturing, while females make up the majority of the labor force in health care and social assistance, finance and insurance and educational services.

In 2020, females held 53.3 percent and men held 46.7 percent of the jobs in Kitsap County. There were substantial differences in gender dominance by industry.

- Male-dominated industries included construction (82.7 percent), mining (89.4 percent), manufacturing (74.3 percent) and transportation and warehousing (73.8 percent).
- Female-dominated industries included health care and social assistance (78.6 percent), finance and insurance (71.4 percent) and educational services (73.3 percent).

Source: The Local Employment Dynamics

## Wages and income

In 2020, Kitsap County recorded 87,203 jobs covered by unemployment insurance, with a total payroll of over \$5.2 billion.

The 2020 average annual wage for Kitsap County was \$60,481 below the state's average annual wage of \$73,504.

The Kitsap County median hourly wage in 2020 was \$24.11, less than the state's median at \$29.28 and the state less King County at \$25.01 (unadjusted for inflation).

#### 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.

Per capita income in the county in 2020 was \$60,704, below that of Washington state at \$67,126 and above the nation at \$59,510.

Kitsap County's poverty rate was 8.3 percent in 2021. The state rate was 9.5 percent, while the nation posted a rate of 11.4 percent. The state and national rates are not directly comparable to the county rate because they each use different data sources.

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

## **Population**

Kitsap County's population in 2021 was 274,314. It grew from 251,133 in 2010. Kitsap County's largest city, Bremerton, recorded a population of 43,970 in 2021. The city had a population of 37,865 in 2010.

### Population facts

	Kitsap County	Washington state
Population 2021	274,314	7,738,692
Population 2010	251,133	6,724,540
Percent change, 2010 to 2021	9.2%	15.08%

#### Age, gender and ethnicity

Kitsap County's population is somewhat older than that of the state.

- Those residents 65 years and older made up 18.4 percent of the county's population in 2021 compared to 15.9 percent of the state's population.
- There were also proportionately fewer residents under 18 years of age and less than five years of age in Kitsap County compared to the state.

In 2021, females made up 48.9 percent of the population compared to 49.9 percent for the state.

Kitsap County showed less diversity in 2021 than did the state in all racial/ethnic categories including American Indians and Alaskan Natives, who accounted for 1.7 percent of the population in the county.

#### **Demographics**

	Kitsap County	Washington state		
Population by age, 2021				
Under 5 years old	5.7%	6.0%		
Under 18 years old	20.2%	21.8%		
65 years and older	18.4%	15.9%		
Females, 2021	48.9%	49.9%		
Race/ethnicity, 2021				
White	82.5%	78.5%		
Black	3.2%	4.4%		
American Indian, Alaskan Native	1.7%	1.9%		
Asian, Native Hawaiian, other Pacific Islander	6.4%	10.4%		
Hispanic or Latino, any race	8.2%	13.0%		

#### Educational attainment

During the period 2016 to 2020, most Kitsap County residents age 25 and older (94.9 percent) were high school graduates, which compares with 91.7 percent of Washington state's residents and 88.5 percent of U.S. residents.

Those with a bachelor's degree or higher made up 34.4 percent of Kitsap County residents age 25 and older compared to 36.7 percent of state residents, and 32.9 percent of U.S. residents during the same period.

Source: U.S. Census Bureau QuickFacts

#### **Useful links**

- County data tables
- Census Bureau Profile
- Bremerton Chamber of Commerce
- Kitsap County History
- Kitsap County home page
- Kitsap County on ChooseWashingtom.com
- Kitsap County on ofm.wa.gov
- Kitsap Economic Development Alliance
- Kitsap and the Nation's Defense Industry
- Port of Bremerton
- Port of Brownsville
- Port of Keyport
- Port of Kingston
- Port of Manchester
- Port of Poulsbo
- Port of Silverdale
- Port of Tracyton

- Self Sufficiency Calculator for Washington State
- U.S. Census Bureau QuickFacts
- Washington Ports
- Washington State Ferries Ridership
- Workforce Development Areas and WorkSource Office Directory
- Puget Sound Regional Council

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.