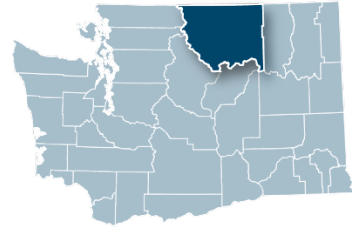


Okanogan County profile

By Donald W. Meseck,
Regional labor economist
Updated January 2021



[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. Originally, the area was a trading center for furs and pelts, but eventually became part of the gold rush. Gold and silver were discovered in 1858, but gold production never reached higher than fourth in the state.

Timber and logging were also important industries. The original sawmill was built in 1920 and thrived into the mid-2000s. One of the largest mills in Okanogan County was eventually named 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.” However, 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 called Omak Wood Products and Wood Resources 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.”

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. Omak Wood Products officials announced just before Christmas (2015) 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.”

Unfortunately, this plywood and veneer mill 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 scheduled to be laid off effective January 29, 2017. (Please see the Employment Security Department website at www.esd.wa.gov/about-employees/WARN.) Layoffs were completed on February 15, 2017 – a sad ending for Okanogan County’s largest manufacturing firm.

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, snowshoes 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 very diverse. Okanogan 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. 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.

Okanogan County has historically done well as a tourist destination. 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 2009, arts, entertainment and recreation netted 105 jobs and has generally been in the growth mode ever since. By 2019, this subsector provided 189 jobs countywide, an 84 job and 80.0 percent upturn during this ten-year period. By comparison, total covered employment in Okanogan County decreased 4.9 percent during this timeframe, falling from 17,659 jobs in 2009 to 16,794 in 2019.

Agriculture is still a very important industry for the Okanogan County economy, accounting for 26.2 percent of total covered employment in 2019. However, on an average annual basis, this industry has lost jobs in each of the past five years (2015 through 2019, inclusive). Locally, agriculture consists primarily of various tree fruits and wheat. The first orchard was planted in 1858 and the area continued to develop tree fruits into the dominant industry it is today. In addition to the sales of agricultural products, tourists flock to breweries, wineries and the local fruit stands throughout the area.

Geographic facts

	Okanogan County	Washington state
Land area, 2010 (square miles)	5,267.98	66,455.52
People per square mile, 2010	7.8	101.2

Source: U.S. Census Bureau QuickFacts

Outlook

Between 2018 and 2019, nonfarm employment in Okanogan County decreased 0.8 percent (down 100 jobs) to an average of 12,710 jobs. Job gains in private health services and in state and local government education were overpowered by losses in construction, wholesale and retail trade, information and financial activities, professional and business services, and leisure and hospitality.

Also, between 2018 and 2019, covered agricultural employment continued receding (which it has done every year from 2015 through 2019, inclusive) from 4,932 jobs to 4,392 jobs (down by 540 jobs and -10.9 percent). Approximately 80.9 percent (437 jobs) of this 540-job loss in agriculture (NAICS 11) during 2019 occurred in crop production (NAICS 111).

How long this economic downturn will last is uncertain. Much depends on how soon the COVID-19 virus can be contained and/or eradicated. This makes preparing an outlook during these COVID-19 times difficult. Nevertheless, official long-term, (i.e., ten-year) industry employment projections produced by the Employment Security Department are for a 1.3 percent average annual nonfarm growth rate from 2017 to 2027 for the five-county (Adams, Chelan, Douglas, Grant, and Okanogan) North Central Workforce Development Area (WDA), and for a 1.5 percent growth rate for Washington state.

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.

Following the national recession which occurred from December 2007 through June 2009, the average annual not seasonally adjusted unemployment rate in Okanogan County reached an apex of 10.7 percent in 2010. The unemployment rate then steadily declined to 6.7 percent in 2016. In 2017, the unemployment rate rose to 6.9 percent primarily because of job losses in the local agricultural sector (5,947 agricultural jobs in 2016, but only 5,346 in 2017) coupled with the closure of the county's largest manufacturer, Omak Forest Products in early 2017. The rate dipped to 6.6 percent in 2018 (down three-tenths of a point from 2017) before elevating to 6.8 percent in 2019.

Calendar year 2019 was another less than stellar year for the Okanogan County economy. The CLF shrank by 1.3 percent in 2019 with only 20,346 residents in the labor force versus 20,622 in 2018. In fact, Okanogan County was the only county in the five-county North Central WDA whose labor force shrank in 2019. Although CLF data are compiled by "place of residence" and nonfarm employment and Quarterly Census of Employment and Wage (QCEW) data tally jobs by "place of work;" there were significant nonfarm and covered employment changes in 2019 which increased the county's unemployment rate. Specifically:

- Total nonfarm employment countywide dropped from 12,810 in 2018 to 12,710 in 2019, a loss of 100 jobs and a 0.8 percent downturn. Virtually every major industry in Okanogan County's nonfarm economy (except health services and state and local government education) lost some jobs during calendar year 2019.
- Total covered employment in Okanogan County (which includes agricultural jobs) averaged 17,432 in 2018 versus 16,794 in 2019, a decrease of 638 jobs and a 3.7 percent downturn. Agriculture (NAICS 11) tallied 4,932 jobs in 2018 versus 4,392 in 2019, a decrease of 540 jobs and a 10.9 percent downturn. Hence, nearly 85 percent of all covered jobs lost countywide in 2019 were in the agricultural industry.

Recent monthly changes in the local labor force and unemployment rates have also been less than encouraging. Year over year, the Okanogan County CLF has contracted for 21 months (March 2019 through November 2020) with the labor force shrinking 4.4 percent between November 2019 and November 2020 (from 19,224 residents to 18,384, respectively). Simultaneously, the number of unemployed increased from 1,246 out-of-work residents in November 2019 to 1,357 November 2020 (the most current data at the time this report was prepared). Hence, the contracting labor force

coupled with the rising number of unemployed caused Okanogan County’s not seasonally adjusted rate to elevate nine-tenths of a percentage point between November 2019 (6.5 percent) and November 2020 (7.4 percent).

Source: Employment Security Department/LMEA, 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 2019 in terms of employment were:

Sector	Number of jobs	Share of employment
1. Agriculture, forestry and fishing	4,392	26.2%
2. Local government	4,322	25.7%
3. Retail trade	1,838	10.9%
4. Health services	1,573	9.4%
5. Accommodation and food services	1,176	7.0%
All other industries	3,493	20.8%
Total covered employment	16,794	100%

Source: Employment Security Department/LMEA, QCEW

Covered employment and wage trends over the last ten years (from 2009 through 2019) 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:

- In 2019, QCEW data showed that Okanogan County’s labor market provided 16,794 jobs. Nearly four-fifths, or 79.2 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.).
- Total covered employment in Okanogan County averaged 17,432 in 2018 versus 16,794 in 2019, a decrease of 638 jobs and a 3.7 percent downturn, certainly not a good economic trend for the local economy.
- The number of agricultural jobs (a subset of total covered employment) plunged from 5,652 in 2009 to 4,392 in 2019, a 1,260 job and 22.3 percent decrease, ranking agriculture 22nd of all 22 NAICS sectors (in terms of the number of jobs added or lost over this ten-year period). In 2009, Okanogan County’s agricultural industry accounted for 32.0 percent of total covered employment. In 2019, agricultural employment accounted for only 26.2 percent of total covered employment countywide. Hence, the agricultural share of employment fell 5.8 percentage points (from 32.0 to 26.2 percent) in Okanogan County

during these ten years. This 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 five years (from 2015 through 2019, inclusively). The tree fruit industry, nationally and locally, has implemented many labor-saving techniques in recent years. Hence, it is likely that this five-year downtrend in the number of agricultural jobs in Okanogan County indicates a structural employment downturn for this key local industry.

- The industry or sector which lost the second-highest number of jobs between 2009 and 2020 was other services (NAICS 81). In 2019, other services (which includes automotive repair, computer and office machine repair, barber shops, beauty salons, agricultural organizations, labor unions, private households, etc.) tallied only 214 jobs in Okanogan County, or 1.3 percent of all covered employment countywide. In 2009, other services tallied 552 jobs in Okanogan County, and accounted for 3.1 percent of all covered employment countywide. Hence, this sector experienced a loss of 338 jobs – a 61.2 percent employment downturn during the last ten years. The lion’s share of the ten-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 2009 and 2019, the sector which gained the most jobs in Okanogan County was private health services (NAICS 62). In 2019, health services (which includes ambulatory healthcare, nursing home and assisted living facilities, and social services) tallied 1,573 jobs in Okanogan County, or 9.4 percent of all covered employment countywide. In 2009, health services tallied 1,199 jobs in Okanogan County, and accounted for only 6.8 percent of all covered employment countywide. Therefore, this sector experienced a gain of 374 jobs – a 31.2 percent employment upturn during the last ten years.
- Another sector which fared extremely well and ranked second countywide in terms of jobs added between 2009 and 2019, was transportation and warehousing (NAICS 48-49). This sector netted 306 more jobs across Okanogan County in 2019 (401 jobs) than in 2009 (95 jobs), a dramatic 306 job and 322.1 percent increase during this timeframe.

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

Source: Employment Security Department/LMEA; 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 2019 was those age 55 and older comprising 29.7 percent of the workforce. This group was followed by the 35 to 44 age group with 21.1 percent of the workforce. In 2019, males held 49.5 percent and women held 50.5 percent of jobs in Okanogan County. There were substantial gender composition differences in the industry groups:

- Male-dominated industries included construction (83.1 percent), wholesale trade (80.3 percent), and utilities (70.8 percent).
- Female-dominated industries included finance and insurance (85.5 percent), healthcare and social assistance (74.2 percent) and educational services (68.9 percent).

Source: Employment Security Department/LMEA, County data tables

Wages and income

In 2019, approximately \$594.0 million in wages covered by unemployment insurance was paid countywide. The county's average annual covered wage in 2019 was \$35,368, approximately 50.8 percent of Washington's average annual wage of \$69,606.

The top five Okanogan County industries in 2019 in terms of payrolls were:

Sector	Payroll	Share of payrolls
1. Local government	\$203,670,027	34.3%
2. Agriculture, forestry and fishing	\$105,907,470	17.8%
3. Health services	\$63,745,573	10.7%
4. Retail trade	\$52,517,917	8.8%
5. Federal government	\$28,310,171	4.8%
All other industries	\$139,817,522	23.2%
Total covered payrolls	\$593,968,680	100%

Source: Employment Security Department/LMEA, QCEW

Local government (which includes tribal wages) provided \$203.7 million, or 34.3 percent, (over one-third) of total covered wages in Okanogan County in 2019. Agricultural employers paid out a little over \$105.9 million, or 17.8 percent of total wage income. Combined, local government and agriculture accounted for 52.1 percent of total covered wages. When one considers that all business and government organizations are categorized into 22 two-digit NAICS sectors (nineteen private enterprise sectors and three government sectors either at the federal, state or local level) but only two NAICS sectors (local government and agriculture) provide over half of all earned wage income countywide, it stresses the monetary importance of these two sectors to the local economy.

Between 2009 and 2019, the industry sector registering the greatest payroll increase (on a dollar basis) was local government. In calendar year 2009, local government organizations paid \$149.0 million in wages and by 2019, this sector was pumping \$203.7 million in wages into the Okanogan County economy – a 36.7 percent and \$54.6 million upturn.

Between 2009 and 2019, the industry sector registering the greatest payroll decrease (on a dollar basis) was mining. In calendar year 2009, mining businesses paid \$9.6 million in wages, but in 2019, this sector pumped only \$2.5 million in wages into the Okanogan County economy – a 74.5 percent and \$7.1 million downturn.

Okanogan County's median hourly wage (adjusted for inflation) was \$16.50 per hour in 2018, lower than Washington state's \$25.98 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 personal income (adjusted for inflation) in Okanogan County was \$43,295 in 2019. This figure is considerably below the state figure of \$64,758 and the nation's per capita income of \$56,490. Okanogan County ranked 31st out of 39 counties statewide in 2019 in terms of per capita income. 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 is decreasing. For example:

- In 1979: earnings 70 percent, investments 17 percent, and transfer payments 13 percent.
- In 1989: earnings 60 percent, investments 21 percent, and transfer payments 19 percent.
- In 1999: earnings 58 percent, investments 18 percent, and transfer payments 24 percent.
- In 2009: earnings 50 percent, investments 20 percent, and transfer payments 30 percent.
- In 2019: earnings 48 percent, investments 22 percent, and transfer payments 30 percent.

According to U.S. Census Bureau QuickFacts, the median household income in Okanogan County from 2015 to 2019 was \$47,240, or 64.0 percent of Washington's at \$73,775. In the period 2015 to 2019, approximately 16.4 percent of the county's population was living below poverty level, much higher than the 9.8 percent figure in Washington state, according to U.S. Census Bureau QuickFacts.

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

Population

Okanogan County's population in 2019 was 42,243. The growth rate from April 1, 2010 to July 1, 2019 was a modest 2.7 percent, which was much less robust than that of the state at 13.2 percent. The largest city in Okanogan County is Omak with an estimated population of 4,940 in 2019.

Population facts

	Okanogan County	Washington state
Population 2019	42,243	7,614,893
Population 2010	41,117	6,724,540
Percent change, 2010 to 2019	2.7%	13.2%

Source: U.S. Census Bureau QuickFacts

Age, gender and ethnicity

In 2019, 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 2019, 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 2019 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

	Okanogan County	Washington state
Population by age, 2019		
Under 5 years old	6.0%	6.0%
Under 18 years old	23.3%	21.8%
65 years and older	22.0%	15.9%
Females, 2019	49.5%	49.9%
Race/ethnicity, 2019		
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 2015 to 2019, 83.9 percent of individuals age 25 and older in Okanogan County were high school graduates. This figure is lower than that of Washington state (91.3 percent) and the nation (88.0 percent). The percent of residents with a bachelor’s degree or higher was 20.0 percent. This figure does not compare favorably with the state (36.0 percent) or the nation (32.1 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.