

Labor and Business Statistics For Fidalgo Island

(Zip code 98221)

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Prepared for

Anacortes Chamber of Commerce

Prepared by



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Notes About This Report

Data presented in this report has significant cautions regarding its completeness and interpretations. This is caused by several factors including the use of secondary data and the overall accuracy with employment data when examined below a county level.

The data presented should be evaluated for general trends and indications only and not relied on for accurate representations.

In order to isolate Fidalgo Island within relevant data sources we have used zip code 98221 which does include other locations which have not been deemed statistically significant to the findings.

About the Authors

This report has been prepared by the Center for Economic and Business Research (CEBR) located within the College of Business and Economics at Western Washington University. The Center works in partnership with businesses, government entities and non-profits to bridge the resources of Western students, faculty and staff from throughout the Western Community to create high quality analysis and proposed solutions to challenges. From answering the simple question, creating understandable and thorough analysis documents, creating internships, class projects, to faculty projects, we assist in creating an informed path to help business owners and policy shapers make decisions to move forward.

We are always seeking opportunities to bring the strengths of Western Washington University to fruition within our region. If you have a need for analysis work or comments on this report, we encourage you to contact us at 360-650-3909. To learn more about CEBR visit us online at <https://cbe.wvu.edu/cebr/center-economic-and-business-research>.

Employment Statistics

A valid question for any community is what sectors contribute to the labor market. Are their key sectors that play a larger role? How does the local labor market compare to the larger market (county, region, etc.)? Labor data both answers and proposes new questions to decision makers.

Traditionally QCEW (Quarterly Census of Employment and Wages) data is used to produce employment statistics, however, this data is not available at a zip code level. To this end we rely on two different data sources to create a comparison between Fidalgo Island and Skagit County. Obvious cautions should be taken when evaluating these data points.

Further, annual data availability lags significantly due to collection and preparation requirements resulting in the most recent data available from 2014. We caution that with improvements in the overall economy the numbers presented here are likely to be smaller than actual.

| NAICS | Description | 98221 Percent of Employment | Skagit County Percent of Employment |
|-------|--|-----------------------------------|--|
| 11 | Agriculture, forestry, fishing and hunting | 1.4% | 5.4% |
| 21 | Mining, quarrying, and oil and gas extraction | 0.1% | 0.1% |
| 22 | Utilities | 0.1% | 0.4% |
| 23 | Construction | 13.0% | 6.2% |
| 31-33 | Manufacturing | 5.2% | 12.0% |
| 42 | Wholesale trade | 2.4% | 2.6% |
| 44-45 | Retail trade | 12.9% | 14.0% |
| 48-49 | Transportation and warehousing | 3.6% | 2.6% |
| 51 | Information | 1.9% | 0.7% |
| 52 | Finance and insurance | 5.9% | 3.1% |
| 53 | Real estate and rental and leasing | 4.2% | 0.9% |
| 54 | Professional, scientific, and technical services | 8.9% | 2.8% |
| 55 | Management of companies and enterprises | 0.1% | 0.3% |
| 56 | Administrative and support and waste management and remediation services | 4.6% | 2.6% |
| 61 | Educational services | 0.6% | 0.7% |
| 62 | Health care and social assistance | 11.7% | 10.9% |
| 71 | Arts, entertainment, and recreation | 2.0% | 1.2% |
| 72 | Accommodation and food services | 9.5% | 8.4% |
| 81 | Other services (except public administration) | 11.7% | 2.9% |
| 99 | Industries not classified / Government | 0.1% | 22.2% |
| | Total All Jobs | 100.0% | 100.0% |

Data Notes: Zip code level data derived from Census County Business Patterns (Census data) and County level derived from QCEW data. All data is for 2014 (latest available) using average employment levels.

Table 1: Employment Share by Sector (2014)

In evaluating the table above there are obvious differences between Fidalgo Island and the County. Ignoring sector 99, Fidalgo has significantly fewer manufacturing and agriculture jobs but more other services, construction, professional and real estate jobs as a percent of total employment. (greater or less than 3% is used as the level of significance).

The primary challenge to employment data is recognition that an employer may choose, appropriately or not, to report employment in one location as occurring in another. This is common with multi-location businesses or those with a mobile workforce. This may play a fairly significant role in the low manufacturing percentage indicated.

Summary of Businesses Located in 98221

The Center for Economic and Business Research uses secondary sources to analyze business level information within a community. The full data set has been provided with this report as an Excel file and is for Chamber use only – it should not be distributed. Each entry within the dataset is marked verified or unverified by the data creator. Verified data has been supposedly verified with the business while unverified data has been collected from third-party sources.

While the data is far from perfect it is what is available and is best used as a guide rather than a directory. The data for firms located in 98221 indicates a total of 3,804 although duplicates are obvious within the data.

An obvious question to ask is why we would use data with known flaws. Washington State's collected data from businesses is not designed to support these types of reports at a granular level but rather at a state level due both to the types of data collected and the suppression requirements designed to ensure privacy.

While we are able to have some confidence with primary source (Washington State) data at a county or regional level the confidence in the source used here is higher than that of data coming from the state.

Sector Distribution

Of the records provided we note the following distributions of firms within the study zip code of 98221 by two digit NAICS:

| Sector # | Description | Number of Firms in 98221 | Share of Total |
|-----------------|--|---------------------------------|-----------------------|
| 11 | Agriculture, Forestry, Fishing and Hunting | 22 | 0.6% |
| 21 | Mining, Quarrying, and Oil and Gas Extraction | 4 | 0.1% |
| 22 | Utilities | 6 | 0.2% |
| 23 | Construction | 326 | 8.6% |
| 31-33 | Manufacturing | 120 | 3.2% |
| 42 | Wholesale Trade | 81 | 2.1% |
| 44-45 | Retail Trade | 451 | 11.9% |
| 48-49 | Transportation and Warehousing | 82 | 2.2% |
| 51 | Information | 57 | 1.5% |
| 52 | Finance and Insurance | 148 | 3.9% |
| 53 | Real Estate and Rental and Leasing | 143 | 3.8% |
| 54 | Professional, Scientific, and Technical Services | 368 | 9.7% |

| | | | |
|-----------|--|-----|-------|
| 55 | Management of Companies and Enterprises | 4 | 0.1% |
| 56 | Administrative and Support and Waste Management and Remediation Services | 138 | 3.6% |
| 61 | Educational Services | 64 | 1.7% |
| 62 | Health Care and Social Assistance | 458 | 12.0% |
| 71 | Arts, Entertainment, and Recreation | 86 | 2.3% |
| 72 | Accommodation and Food Services | 168 | 4.4% |
| 81 | Other Services (except Public Administration) | 301 | 7.9% |
| 92 | Public Administration | 69 | 1.8% |
| 99 | Public or not classified | 708 | 18.6% |

Table 2: Firm Distribution by Sector

Gender Distribution

We note that the data indicates approximately 35% of firms are owned by women. A significant number of records do not provide a primary executive gender.

Home Businesses

We note that the data indicates approximately 35% of firms listed are operated as home businesses.

Firm Size

The average firm size within the dataset is slightly more than 4.25 – meaning the typical company has 4.25 employees.