

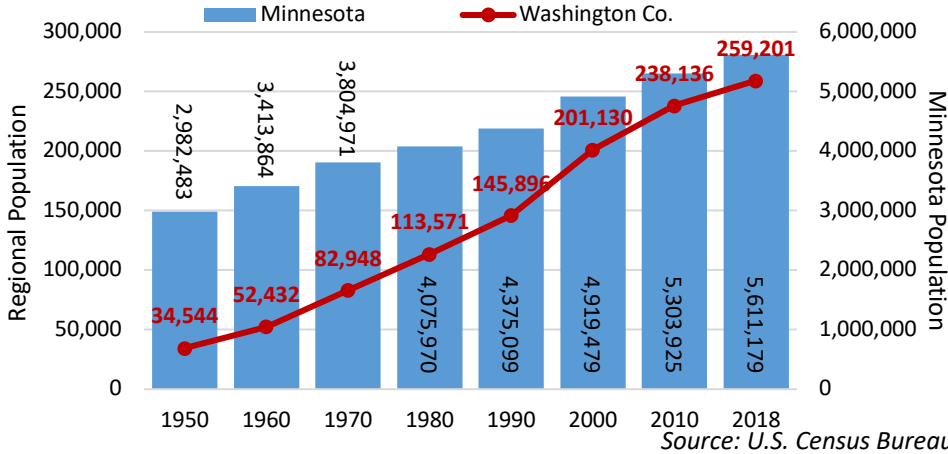
Economic Profile

Demographic Characteristics

The following data describes the key characteristics of Washington County’s demography and economic base, which helps to illuminate its strengths and weaknesses. The information below will compare the county to itself, the region, and to the State of Minnesota. Trends in demographics, income and wages, poverty, labor force, and business establishments are examined.

Washington County is the both the fifth largest county as well as the fifth fastest-growing county in Minnesota. The graph below depicts the history of robust population growth in the county, dating back to 1950. According to the U.S. Census Bureau’s 2018

Figure 1. Population Change, 1950-2018



American Community Survey (ACS) 1-Year Estimates, Washington County’s total population is estimated at 259,201 people. While population growth has cooled off since the turn of the century, Washington County is still growing at a faster rate than the state overall. For example, between 2010 and 2018, Washington County gained over 21,000 people, growing by 8.8 percent. Minnesota’s total population grew by 5.8 percent during that period of time (see Figure 1).

Looking forward, the Minnesota State Demographic Center projects Washington County’s population to increase by nearly 40,000 people between 2020 and 2040. This 14.3 percent projected growth rate is significantly faster than the state’s 8.8 percent projected growth rate and the

Table 1. Population Projections, 2020-2040				2020-2040 Change	
Washington Co.	2020 Projection	2030 Projection	2040 Projection	Numeric	Percent
Under 5 years	14,951	17,484	22,006	7,055	47.2%
5-14 years	33,833	31,531	39,269	5,436	16.1%
15-24 years	41,244	42,844	39,438	-1,806	-4.4%
25-34 years	23,829	39,246	39,145	15,316	64.3%
35-44 years	30,560	23,369	38,403	7,843	25.7%
45-54 years	39,340	36,675	28,216	-11,124	-28.3%
55-64 years	39,322	37,599	33,510	-5,812	-14.8%
65-74 years	26,010	34,957	32,265	6,255	24.0%
75-84 years	9,585	15,213	19,612	10,027	104.6%
85 years & over	5,843	6,572	10,432	4,589	78.5%
Total	264,517	285,490	302,296	37,779	14.3%

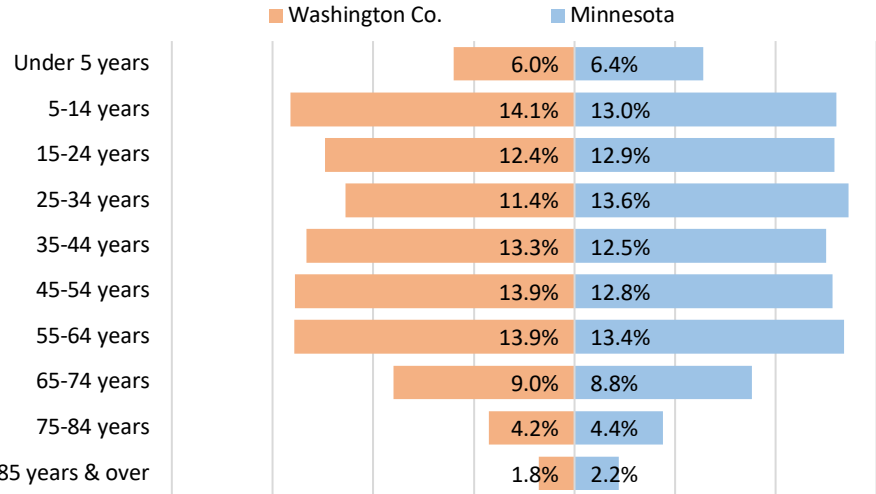
Source: Minnesota State Demographic Center

Seven-County Metro Area’s projected growth rate of 15.2 percent. Interestingly, the Metropolitan Council has much more robust population projections for Washington County. According to their estimates, Washington County is anticipated to pass 340,000 persons by 2040.

Broken down by age, projected population growth in Washington County through 2040 is anticipated to be the fastest for older age cohorts. For example, those between the ages of 75 and 84 years are projected to grow by 104.6 percent between 2020 and 2040. This growth rate is over seven times that of the county’s total population growth rate. The largest projected gains, however, will be for those between the ages of 25 and 34 years (see Table 1).

Interestingly, while Washington County’s current median age (39.6 years) is higher than Minnesota’s (38.2 years), it has a slightly smaller share of persons 65 years of age and older than the state. The county does have a larger share of persons between the ages of 35 and 64 years (41.1 percent) than the state (38.7 percent). Just over one-in-five Washington County residents are below the age of 15 (see Figure 2).

Figure 2. Percentage of Population by Age Group, 2018



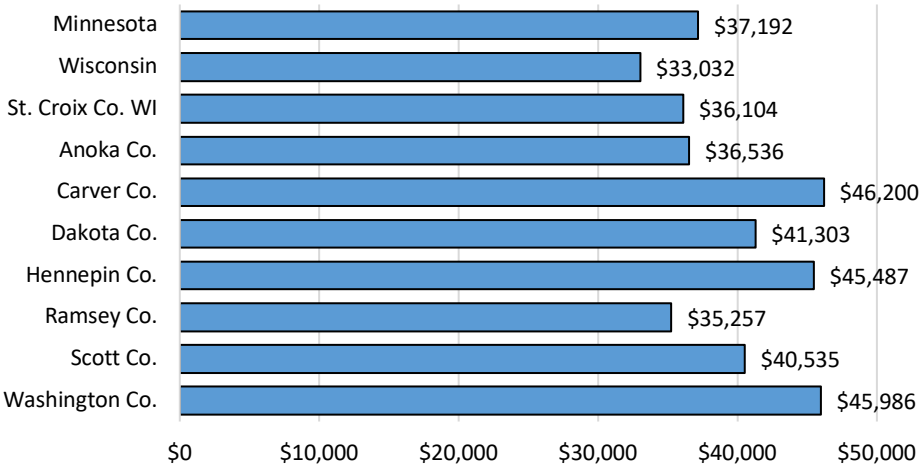
Source: U.S. Census Bureau, Population Estimates

Income and Occupational Employment

As of the 2018 American Community Survey (ACS) 1-Year Estimates, Washington County had a median household income of \$95,124. This was 35.3 percent higher than the State of Minnesota’s respective median household income, \$70,315. Over the past year of available data, 2017 to 2018, Washington County’s median household income increased by 3.5 percent. Comparatively, statewide median household income increased by 2.8 percent. Median household income in Washington County increased from \$94,809 for 2-person families, to \$123,026 for 3-person families, to \$140,721 for 4-person families.

Figure 3 breaks down per capita income for Washington County, surrounding counties in the Metro Area and Wisconsin, and the State of Minnesota. As of the 2017 ACS 5-Year Estimates, Washington County had the state’s 3rd-highest per capita income (\$41,591). This had further increased to \$45,986,

Figure 3. 2018 Per Capita Incomes



Source: U.S. Census Bureau, American Community Survey

according to 2018 ACS 1-Year Estimates. This high level of personal income means that there is strong purchasing power within the county, which provides for an opportunity to support new development.

As of the 2017 ACS 5-Year Estimates, Washington County had an estimated 133,811 employed residents who were at least 16 years of age. Employing 13.9 percent of the county’s residents was management, making it the top-employing occupational group. This was followed by office and administrative support; sales; business and financial operations; education, training, and library; and production (see Table 2).

Table 2. Washington County Occupational Statistics, 2017 5-Year Estimates

Occupational Group	Employment	Male Share	Female Share	Median Earnings
Civilian Employment Population 16 Years and Over	133,811	51.2%	48.8%	\$48,636
Management	18,661	60.4%	39.6%	\$90,079
Office and Administrative Support	16,623	31.3%	68.7%	\$37,420
Sales	14,324	53.2%	46.8%	\$35,926
Business and Financial Operations	9,496	43.3%	56.7%	\$66,761
Education, Training, and Library	6,926	24.5%	75.5%	\$43,448
Production	6,698	75.5%	24.5%	\$45,444
Food Preparation and Serving	6,412	40.2%	59.8%	\$10,844
Health Diagnosing and Treating Practitioners	6,391	24.8%	75.2%	\$72,347
Computer and Mathematical	6,016	69.3%	30.7%	\$80,823
Personal Care and Service	5,213	21.1%	78.9%	\$16,853
Construction and Extraction	5,134	94.4%	5.6%	\$53,472
Transportation	4,142	87.7%	12.3%	\$40,270
Building and Grounds Cleaning and Maintenance	3,337	62.6%	37.4%	\$24,002
Architecture and Engineering	3,323	80.8%	19.2%	\$87,813
Installation, Maintenance, and Repair	3,022	95.1%	4.9%	\$50,021
Arts, Design, Entertainment, Sports, and Media	2,558	45.7%	54.3%	\$40,665
Community and Social Services	2,415	26.7%	73.3%	\$50,139
Healthcare Support	2,387	11.6%	88.4%	\$30,224
Health Technologies and Technicians	2,346	13.0%	87.0%	\$39,545
Material Moving	2,212	84.9%	15.1%	\$29,410
Legal	1,890	45.7%	54.3%	\$74,571
Life, Physical, and Social Science	1,534	63.1%	36.9%	\$71,889
Law Enforcement	1,274	71.0%	29.0%	\$69,496
Fire Fighting and Prevention	993	68.5%	31.5%	\$35,893
Farming, Fishing, and Forestry	484	73.1%	26.9%	\$21,522

Source: U.S. Census Bureau, American Community Survey

Over three-fourths (76.5 percent) of employed Washington County residents commute to work outside of Washington County itself. On the other side of the coin, 61.5 percent of those who work in Washington County commute into the county from outside (see Table 3).

Table 3. Washington County Inflow/Outflow (All Jobs)

	2017	
	Count	Share
Employed in Washington County	83,135	100.0%
Employed in Wash. Co. but Living Outside	51,121	61.5%
Employed and Living in Wash. Co.	32,014	38.5%
Living in Washington County		
Living in Washington County	136,129	100.0%
Living in Wash. Co. but Employed Outside	104,115	76.5%
Living and Employed in Wash. Co.	32,014	23.5%

Source: U.S. Census Bureau, OnTheMap

Table 4. Washington County Industry Employment Statistics, 2018				
NAICS Industry Title	2018 Annual Data			
	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)	Avg. Annual Wage
Total, All Industries	5,776	87,008	\$4,197,990	48,256
Retail Trade	697	14,386	\$384,080	26,676
Health Care and Social Assistance	665	12,164	\$652,078	53,612
Manufacturing	221	9,746	\$681,073	69,888
Accommodation and food Services	432	9,499	\$175,696	18,460
Educational Services	154	7,464	\$340,321	45,448
Construction	553	4,342	\$291,333	67,080
Public Administration	57	3,750	\$210,628	56,212
Finance and Insurance	363	3,622	\$294,303	81,276
Professional, Scientific, and Technical Services	716	3,473	\$244,224	70,252
Other Services	658	3,443	\$89,294	25,948
Wholesale Trade	230	2,810	\$242,508	86,424
Transportation and Warehousing	140	2,701	\$123,047	45,552
Administrative and Support Services	280	2,499	\$112,495	44,980
Arts, Entertainment, and Recreation	135	2,325	\$40,211	17,316
Management of Companies	49	1,779	\$161,601	91,416
Information	85	1,097	\$56,197	51,220
Real Estate, Rental, and Leasing	286	824	\$32,922	39,884
Agriculture, Forestry, Fishing, and Hunting	43	773	\$29,924	38,844
Utilities	7	259	\$31,654	122,096
Mining (Q2 QCEW data)	7	57	N/A	91,260

Source: DEED Quarterly Census of Employment & Wages (QCEW) program

According to the Minnesota Department of Employment and Economic Development’s (DEED) Quarterly Census of Employment and Wages (QCEW) data, Washington County had 5,776 establishments in 2018 supplying 87,008 covered jobs. As of the writing of this report, the most recent QCEW data was Q2, 2019. As of that time, Washington County had 6,081 establishments supplying 88,736 covered jobs. This made Washington County Minnesota’s 7th largest-employing county (recently surpassing Stearns County in total employment).

As of annual 2018, Retail Trade was Washington County’s largest-employing industry sector, with nearly 14,400 jobs. As such, Retail Trade accounts for one-sixth of the county’s total employment. For reference, Retail Trade accounts for just over one-tenth of Minnesota’s total employment. Average annual wages within Retail Trade, \$26,676, are 55.3 percent of the average annual wage for the total of all industries in Washington County, \$48,256 (see Table 4). Retail Trade was Washington County’s largest-growing industry between 2017 and 2018, adding 750 jobs. It was the county’s 2nd largest-growing industry over the past five years, adding more than 2,100 jobs.

Beyond Retail Trade, Washington County also has significant employment within Health Care and Social Assistance (12,164 jobs), Manufacturing (9,746 jobs), Accommodation and Food Services (9,499 jobs), Educational Services (7,464 jobs), and Construction (4,342 jobs). Employment growth over the past five years of available data has been particularly robust in Manufacturing (+2,482 jobs), Retail Trade (+2,105

jobs), Health Care and Social Assistance (+1,643 jobs), Wholesale Trade (+1,046 jobs), and Construction (+1,044 jobs). Overall, 15 of 20 major industry sectors gained employment in Washington County between 2013 and 2018.

Table 5. Washington County Industry Employment Trends, 2013 – 2018					
NAICS Industry Title	2018 Number of Jobs	2017 – 2018 Job Change		2013 – 2018 Job Change	
		Numeric	Percent	Numeric	Percent
Total, All Industries	87,008	+2,242	+2.6	+11,026	+14.5
Retail Trade	14,386	+750	+5.5	+2,105	+17.1
Health Care and Social Assistance	12,164	+353	+3.0	+1,643	+15.6
Manufacturing	9,746	+263	+2.8	+2,482	+34.2
Accommodation and food Services	9,499	+36	+0.4	+855	+9.9
Educational Services	7,464	+27	+0.4	+202	+2.8
Construction	4,342	+399	+10.1	+1,044	+31.7
Public Administration	3,750	+12	+0.3	+265	+7.6
Finance and Insurance	3,622	+455	+14.4	-35	-1.0
Professional, Scientific, and Technical Services	3,473	+104	+3.1	+631	+22.2
Other Services	3,443	-17	-0.5	+557	+19.3
Wholesale Trade	2,810	+88	+3.2	+1,046	+59.3
Transportation and Warehousing	2,701	+34	+1.3	-192	-6.6
Administrative and Support Services	2,499	-495	-16.5	-688	-21.6
Arts, Entertainment, and Recreation	2,325	+98	+4.4	+220	+10.5
Management of Companies	1,779	+150	+9.2	+429	+31.8
Information	1,097	+2	+0.2	+397	+56.7
Real Estate, Rental, and Leasing	824	-18	-2.1	+78	+10.5
Agriculture, Forestry, Fishing, and Hunting	773	+12	+1.6	+100	+14.9
Utilities	259	-9	-3.4	-31	-10.7
Mining (Q2 QCEW data)	57	+2	+3.6	-86	-60.1

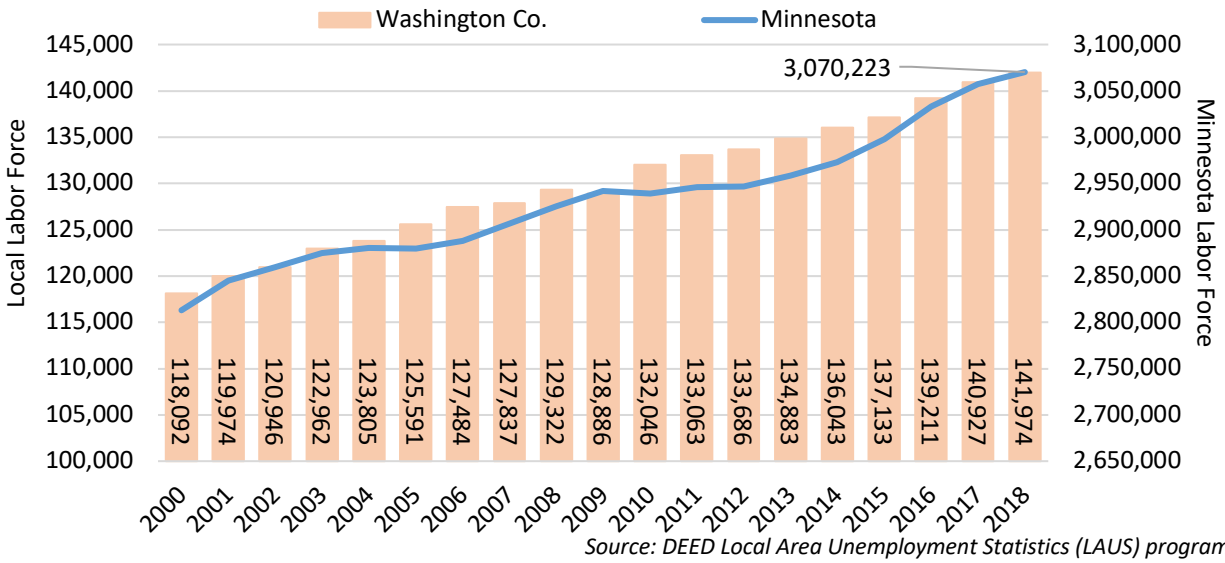
Source: DEED Quarterly Census of Employment & Wages (QCEW) program

Labor Force Trends

Washington County’s total labor force was an estimated 141,974 during annual 2018. While Washington County’s labor force is growing at a faster clip than Minnesota’s, this growth is similarly slowing down. For example, between 1990 and 2000, the county’s total labor force expanded by 42.1 percent, adding just over 35,000 people. Between 2000 and 2010, the county’s labor force expanded by 11.8 percent, adding nearly 14,000 people. Between 2010 and 2018, the county’s labor force has expanded by 7.5 percent, adding over 9,900 people (see Figure 4). Over the next decade, between 2020 and 2030, Washington County’s labor force is anticipated to expand by 5.9 percent, adding over 8,500 people (see Table 6). For reference, Minnesota’ labor force is anticipated to expand by 2.4 percent between 2020 and 2030.

Unemployment in Washington County remains low. As of annual 2018, the unemployment rate for the county was 2.5 percent, the lowest such rate since 2000 (see Figure 5). This 2.5 percent represented approximately 3,558 unemployed persons.

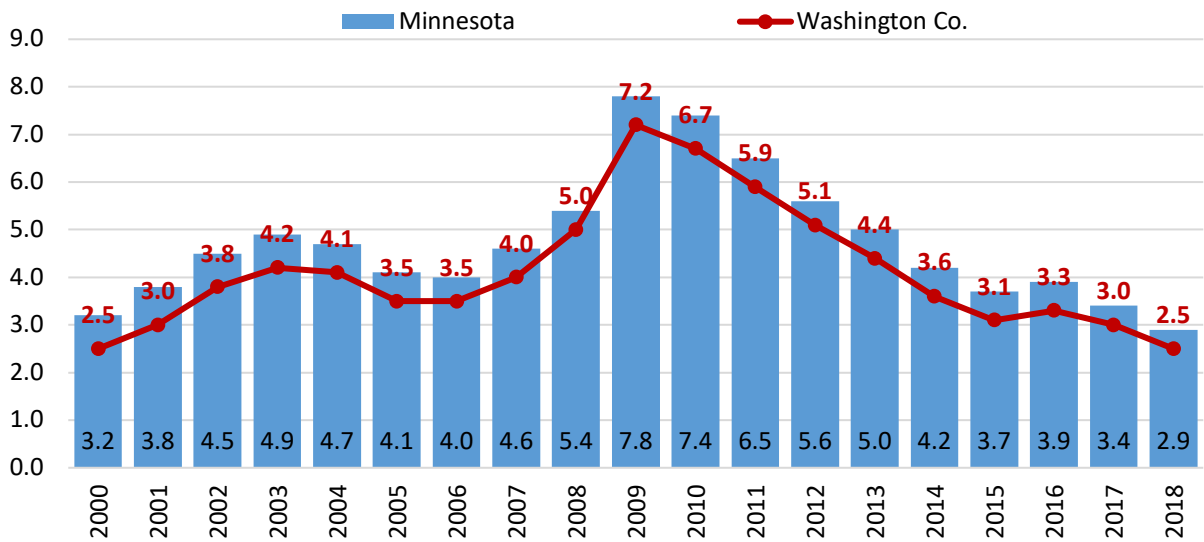
Figure 4. Annual Labor Force Estimates, 2000-2018



Washington County	2020 Labor Force Projection	2030 Labor Force Projection	2020 – 2030 Change	
			Numeric	Percent
16 to 19 years	9,994	9,138	-857	-8.6%
20 to 24 years	15,793	18,866	3,073	19.5%
25 to 44 years	47,811	55,042	7,231	15.1%
45 to 54 years	34,934	32,567	-2,367	-6.8%
55 to 64 years	28,092	26,861	-1,231	-4.4%
65 to 74 years	6,789	9,124	2,335	34.4%
75 years and over	879	1,242	362	41.2%
Total Labor Force	144,292	152,839	8,547	5.9%

Source: Minnesota State Demographic Center, 2013-2017 American Community Survey

Figure 5. Unemployment Rates, 2000-2018



Distinguishing Industries

Washington County stands out from the State of Minnesota for its extremely high concentration of employment in Wood Product Manufacturing. Concentration is measured with location quotients, which compare the share of employment in a particular industry locally, to the share of employment that same industry constitutes for a base economy (in this case being the State of Minnesota). See Table 7 for those 12 industries with the most significant location quotients in Washington County. Note, these 12 industries also each have over 1.0 percent of the county's total employment.

Industry	Number of Firms	Number of Jobs	Share of MN Jobs	Location Quotient	Total Payroll (\$1,000s)	Avg. Annual Wages
Total, All Industries	5,776	87,008	3.0%	-	\$4,197,990	\$48,256
Wood Product Manufacturing	13	3,423	29.2%	9.7	\$228,001	\$66,508
Chemical Manufacturing	10	1,204	9.8%	3.2	\$112,502	\$93,496
Justice, Public Order, and Safety Activities	11	1,577	6.6%	2.2	\$96,918	\$61,464
General Merchandise Stores	45	3,946	6.5%	2.1	\$87,937	\$22,256
Amusement, Gambling, and Recreation Industries	100	2,203	6.0%	2.0	\$37,847	\$17,212
Personal and Laundry Services	227	1,581	5.5%	1.8	\$37,558	\$23,712
Heavy and Civil Engineering Construction	29	1,263	5.5%	1.8	\$93,897	\$74,464
Food and Beverage Stores	94	2,995	5.3%	1.8	\$69,432	\$23,140
Building Material and Garden Equipment and Supplies Dealers	46	1,414	5.3%	1.8	\$41,522	\$29,432
Clothing and Clothing Accessories Stores	88	983	4.8%	1.6	\$18,021	\$18,304
Food Services and Drinking Places	391	8,696	4.4%	1.5	\$158,231	\$18,148
Ambulatory Health Care Services	374	6,042	3.9%	1.3	\$429,989	\$71,136

Source: MN DEED Quarterly Census of Employment and Wages (QCEW)

Small businesses are vital to Washington County's economy. Well over half (57.2 percent) of Washington County's business have less than 5 employees (totaling just over 3,401 firms), and another 16.7 percent of firms have between 5 and 9 employees. 12.0 percent of the county's firms have between 10 and 19 employees. Altogether, 85.9 percent of Washington County's firms have less than 20 employees.

Number of Employees	Washington County		Minnesota
	Number of Firms	Percent of Firms	Percent of Firms
Less than 5 employees	3,401	57.2%	53.4%
5-9 employees	992	16.7%	17.8%
10-19 employees	714	12.0%	13.3%
20-49 employees	527	8.9%	9.5%
50-99 employees	180	3.0%	3.3%
100-249 employees	100	1.7%	1.9%
250-499 employees	21	0.4%	0.5%
500 or more employees	10	0.2%	0.2%
Total Firms	5,946	100.0%	100.0%

Source: U.S. Census Bureau, County Business Patterns