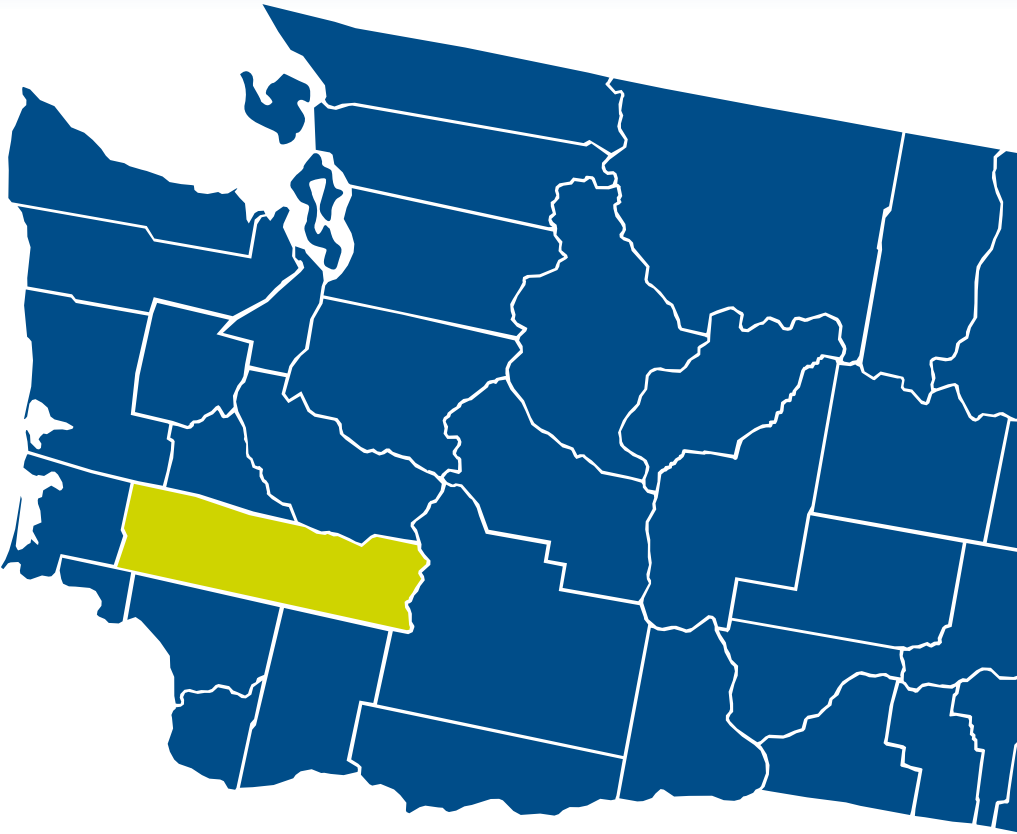


LEWIS COUNTY

ECONOMIC PROFILE



Presented in 2019



CENTER OF ECONOMIC AND BUSINESS RESEARCH

About this Report

The following report is intended to give a basic overview of the local economy while illustrating factors that may impact it. Unless otherwise stated, the data in this report is the most recent complete annual data for the region, which at the time of publication is a mix of 2017 and 2018 data.

About the Authors

The Center for Economic and Business Research is an outreach center at Western Washington University located within the College of Business and Economics. The Center connects the resources found throughout the University to assist for-profit, non-profit, government agencies, quasi-government entities, and tribal communities in gathering and analyzing useful data. We use a number of collaborative approaches to help inform our clients so that they are better able to hold policy discussions and craft decisions.

The Center employs students, staff and faculty from across the University as well as outside resources to meet the individual needs of those we work with. Our work is based on academic approaches and rigor that not only provides a neutral analysis perspective but also provides applied learning opportunities. We focus on developing collaborative relationships with our clients and not simply delivering an end product.

The approaches we utilize are insightful, useful, and are all a part of the debate surrounding the topics we explore; however, none are absolutely fail-safe. Data, by nature, is challenged by how it is collected and how it is leveraged with other data sources; following only one approach without deviation is ill-advised. We provide a variety of insights within our work – not only on the topic at hand but the resources (data) that inform that topic.

The Center for Economic and Business Research is directed by Hart Hodges, Ph.D. and James McCafferty.

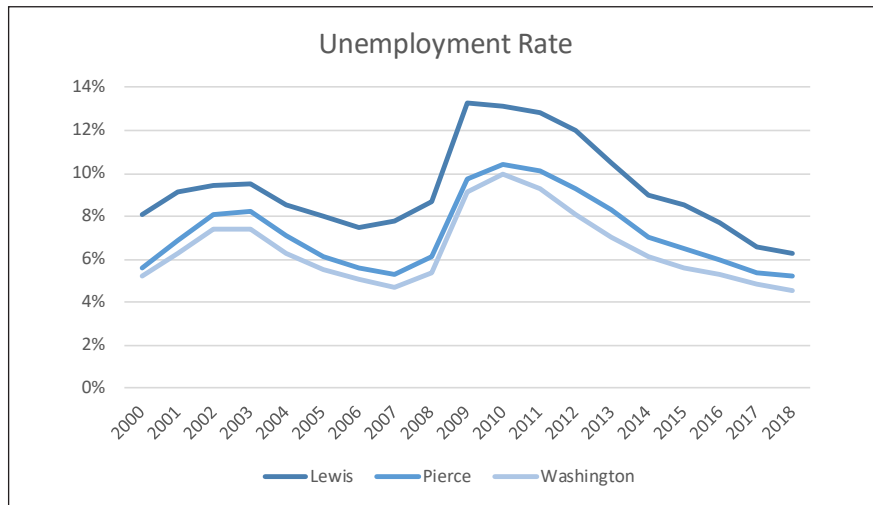
County Demographics

	Chehalis	Centralia	Lewis County	Washington	United States
Population (2018)					
Population estimates, July 1, 2018	7,442	17,216	79,604	7,535,591	327,167,434
Population estimates base, April 1, 2010	7,259	16,619	75,457	6,724,540	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2018	2.5%	3.6%	5.5%	12.1%	6.0%
Labor Force (2017)					
In civilian labor force, total, percent of population age 16 years+, 2013-2017	57.4%	53.4%	53.3%	63.4%	63.0%
In civilian labor force, female, percent of population age 16 years+, 2013-2017	58.9%	49.8%	49.2%	58.3%	58.2%
Income and Poverty (2017)					
Median household income (in 2017 dollars), 2013-2017	\$35,433	\$39,324	\$46,387	\$66,174	\$57,652
Per capita income in past 12 months (in 2016 dollars), 2013-2017	\$20,302	\$21,661	\$23,853	\$34,869	\$31,177
Persons in poverty, percent	21.2%	21.2%	15.0%	11.0%	12.3%

Source: US Census

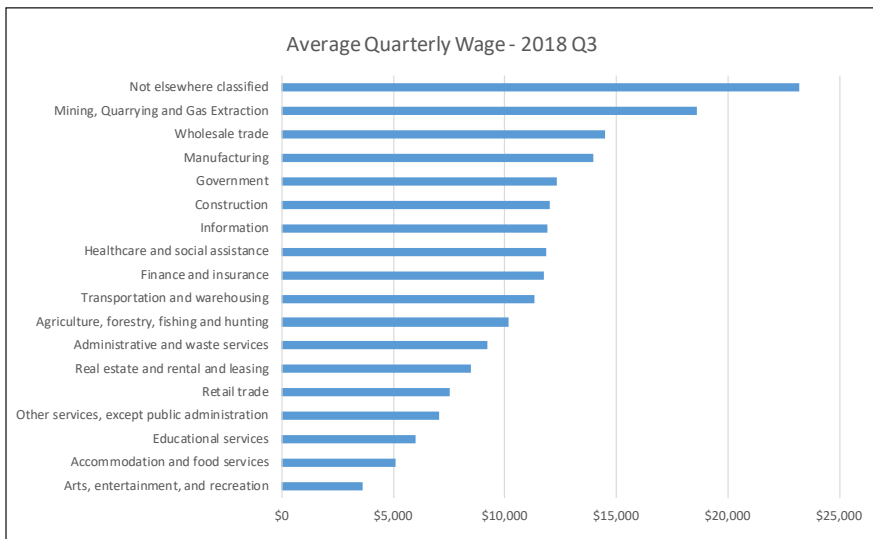
As an introduction to Lewis County, we begin by looking at the demographics of the area. This information helps build an understanding of the data found later in this profile. In Lewis, the population grew by 5.5 percent between 2010 and 2018. In comparison, the population of Washington State grew by 12.1 percent, and the United States population grew by 6 percent. Population growth is often driven by large metropolitan areas like Seattle, which grew by 19.1 percent. As a county primarily made up of smaller cities, Lewis' relatively average population growth is not unexpected. The relatively low labor force participation rate in Lewis can also be explained, in part, by demographics. While labor force participation in Lewis is about 10 percentage points lower than the Washington average, the percent of people over 65, who have likely retired and voluntarily left the labor force, is approximately 5 percentage points higher than the state average.

In 2018, the unemployment rate in Lewis was 6.3 percent, whereas the average unemployment rate in Washington was 4.5 percent.



Source: Washington State ESD

The industry subsector with the highest average quarterly wage in 2018 is mining, quarrying and gas extraction at \$18,623. Arts, entertainment, and recreation have the lowest quarterly wage at \$3,638. Looking at employment, the industries with the most employees are government, retail trade, and healthcare and social assistance.

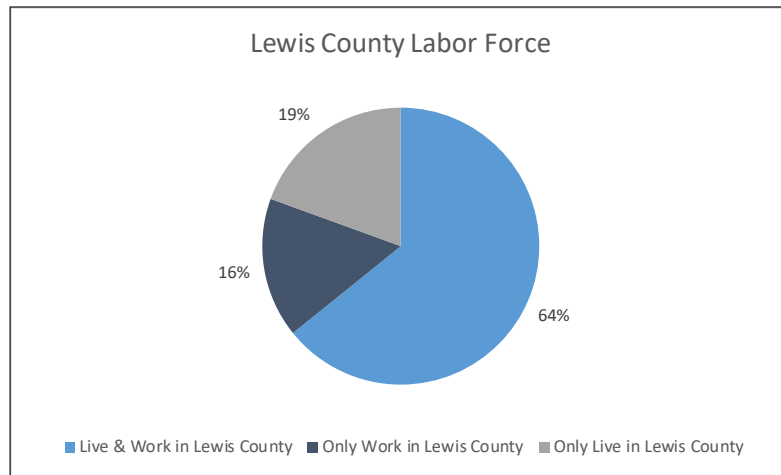


Source: Washington State ESD

Lewis County Industry Data 2018 Q3

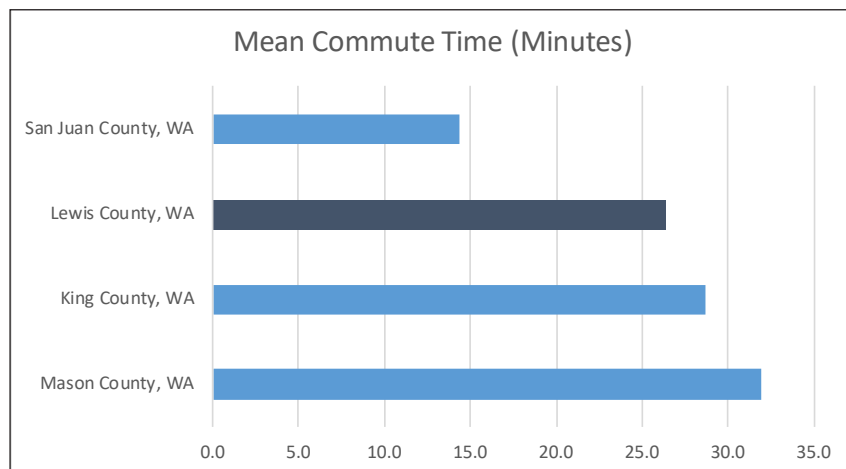
Industry Subsector	Firms	Total quarterly wages paid	Average employment	Average quarterly wage
Not elsewhere classified	11	\$7,425,926	320	\$23,206
Mining, Quarrying and Gas Extraction	10	\$5,121,307	275	\$18,623
Wholesale trade	95	\$9,594,425	662	\$14,493
Manufacturing	109	\$48,826,478	3,496	\$13,966
Government	97	\$61,565,630	5,000	\$12,313
Construction	258	\$15,090,437	1,257	\$12,005
Information	29	\$2,261,278	190	\$11,901
Healthcare and social assistance	576	\$45,236,254	3,823	\$11,833
Finance and insurance	57	\$4,281,710	364	\$11,763
Transportation and warehousing	75	\$13,953,308	1,234	\$11,307
Agriculture, forestry, fishing and hunting	138	\$13,556,956	1,335	\$10,155
Administrative and waste services	80	\$8,313,367	902	\$9,217
Real estate and rental and leasing	65	\$2,493,472	294	\$8,481
Retail trade	287	\$27,277,212	3,638	\$7,498
Other services, except public administration	137	\$3,325,682	472	\$7,046
Educational services	17	\$866,645	144	\$6,018
Accommodation and food services	185	\$12,871,818	2,522	\$5,104
Arts, entertainment, and recreation	22	\$1,200,659	330	\$3,638
Total	2,357	\$288,177,191	26,693	\$10,796

Source: Washington State ESD



Source: JobsEQ

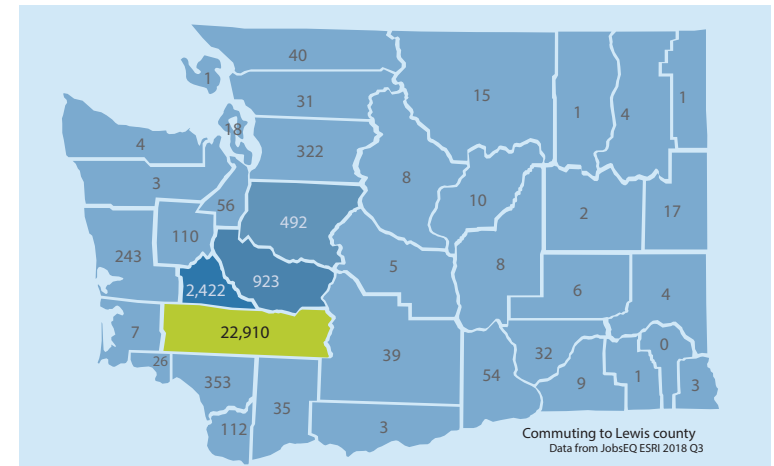
Of the 28,742 people who worked in Lewis County in 2017, 22,910 workers were residents of Lewis and 5,832 people live in a different county. There were also 6,942 residents of Lewis who worked outside of Lewis County.



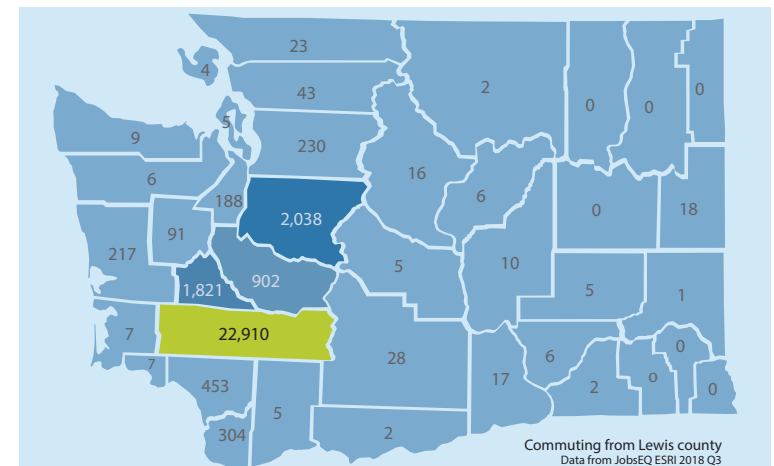
Source: JobsEQ

In Lewis, the mean commute time is 26.4 minutes, which is a few minutes greater than the state average of 23.1 minutes. For comparison, Mason County has the highest commute time at 31.9 minutes, and San Juan County has the lowest commute time at 14.4 minutes. King County, which is known for its traffic, has a mean commute time of 28.7 minutes—slightly longer than in Lewis.

When looking at which counties supply the most workers to Lewis, more than half of those who do not live in Lewis come from Thurston County and Pierce County. Both counties share borders with Lewis; thus the exchange of workers between them is to be expected. It is important to note that these numbers include both commuters and individuals who work remotely for Lewis-based employers.

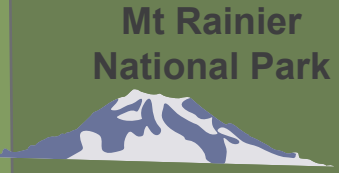


As for Lewis residents who work in other counties, the top three destinations are King County, Thurston County, and Pierce County. More workers live in Thurston or Pierce and work in Lewis than there are Lewis residents working in these respective counties; however, over 1,500 more Lewis residents work in King than there are King residents working in Lewis. Again, it is important to note that some individuals are likely working remotely and not making a physical commute to these counties on a daily basis.



Centralia Coal Plant
The Boilers are set to shut down in 2020 and 2025.
The Plant supports \$55m in local economic development

The average age of a Lewis resident is 4.5 years above the state median of 38.2



Mt Rainier National Park

Centralia
Chehalis



Port of Centralia
Home to 30 businesses in its park providing over 2100 jobs to the region

Tourism
Tourists spend \$35,784,000 on recreation in Lewis each year



Gifford Pinchot National Forest

Port of Chehalis
Businesses at the Port support approximately 1,500 jobs in the region

2018 Q4
Median home: \$245,600
Average apartment: \$792.23/mo.

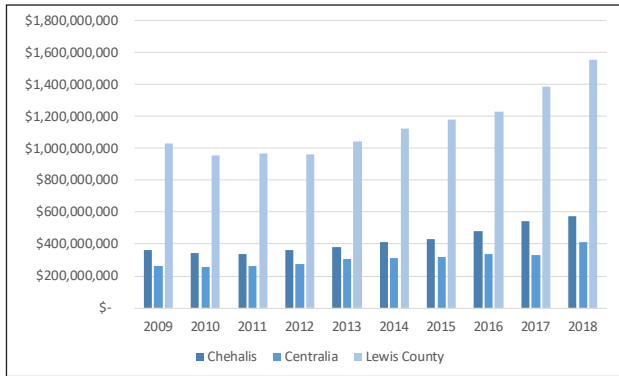


Mt. St. Helens Volcanic Monument

Gifford Pinchot National Forest
Receives 1,290,000 visitors a year
That's nearly 1 visitor per acre

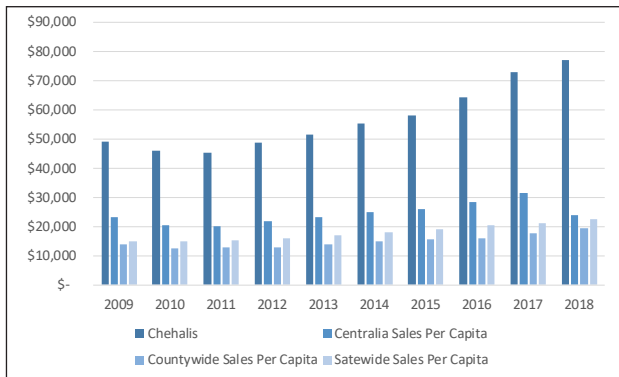
Total Taxable Retail Sales

As the largest city in Lewis, Centralia consistently accounts for 35-39 percent of taxable retail sales in the county. Since 2012, there has been continual growth in retail sales; which exceeded 2008 levels in 2017.



Total Taxable Retail Sales Per Capita

Chehalis' taxable retail sales per capita far exceed both County and State levels. This can likely be attributed to the mixture of available retail in Chehalis and the number of retail tourists drawn to the city.



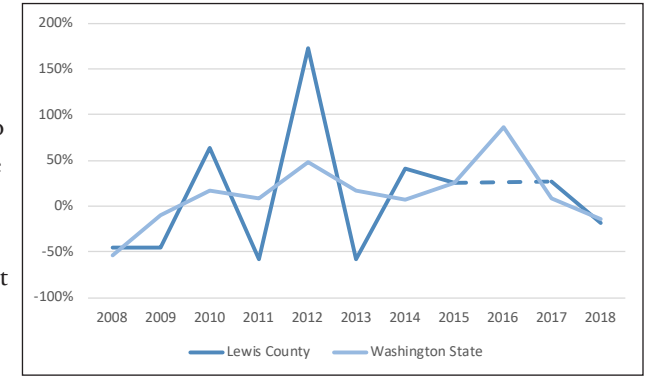
Taxable Sales in Top Sectors

Looking at the top five sectors of retail trade for 2018, Chehalis makes up the majority of Lewis County sales in the top three sectors. Centralia, however, accounted for a greater portion of food and beverage sales.



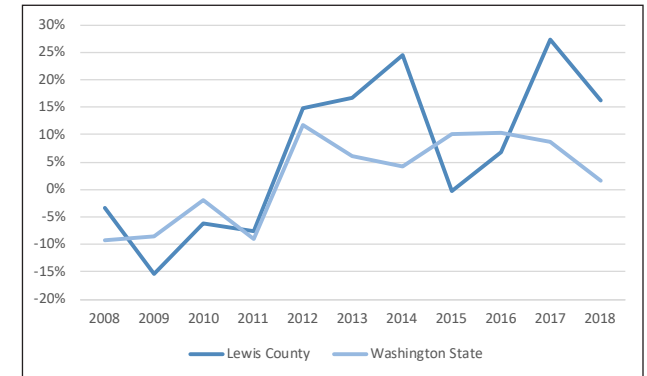
Building Permits Annual Percent Change

While there is no data available for 2016, the percent change in permits in Lewis tends to be more volatile than the Washington average. In 2018, the Washington average was -14.6 percent compared to -18.3 percent in Lewis.



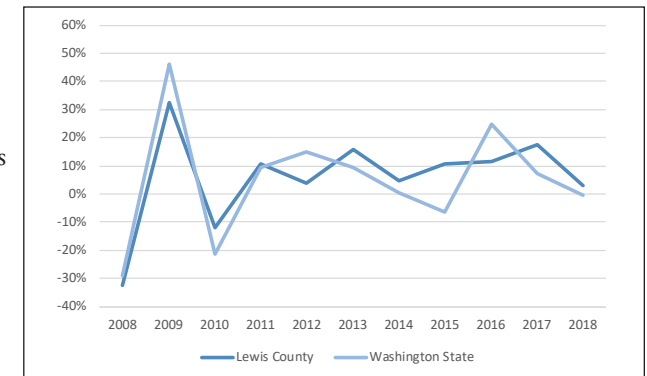
Median House Resale Price Annual Percent Change

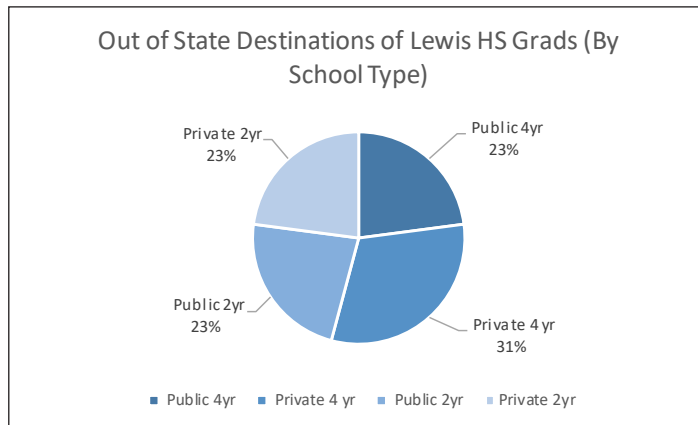
Since 2011, median home resale prices grew faster in Lewis than in Washington (except 2015-2016). In 2018, the annual percent change of median home resale prices was 16.3 percent in Lewis and 1.6 percent in Washington.



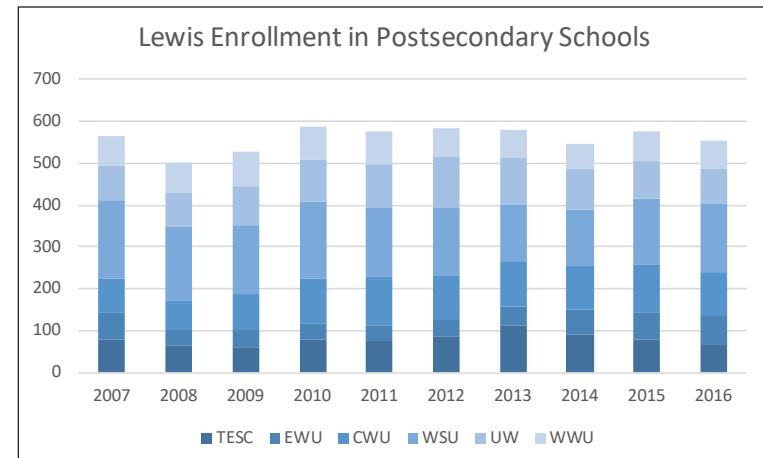
All Housing Sales Annual Percent Change

From 2014 to 2017, the annual percent change in home resales grew steadily in Lewis. 2018 saw a slowdown in resales with Lewis at a 3.2 percent change and the Washington average at -0.5 percent.





Compared to the rest of the nation, fewer WA graduates from Lewis enroll in secondary education. Most Lewis residents who enroll in postsecondary education choose to stay in WA. Enrollment in public two-year programs is significantly higher among Lewis graduates (68 percent) than in the rest of Washington (44 percent); however, it is lower for public four-year institutions (20 percent compared to 33 percent).



Looking at Lewis residents who chose to go to a state university, WSU has 163 students from the county. WSU is followed by CWU with 105 students from Lewis and UW with 83. WWU, TESC, and EWU all had similar enrolment by Lewis residents.

2015-16 Academic Year						Statistics						
Washington						Out of State					Total	
District	In State Total	Public 4 yr	Private 4 yr	Public 2 yr	Private 2 yr	Out of State Total	Public 4 yr	Private 4 yr	Public 2 yr	Private 2 yr	HS Graduates	% Going to College
Adna	90-100%	20-29%	0-10%	60-69%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	60	60-64%
Centralia	85-89%	10-14%	6-9%	70-74%	0-5%	10-14%	0-5%	6-9%	0-5%	0-5%	183	45-49%
Chehalis	85-89%	15-19%	5-9%	60-64%	0-2%	15-19%	3-4%	10-14%	0-2%	0-2%	235	63%
Morton	80-100%	21-39%	0-20%	60-79%	0-20%	0-20%	0-20%	0-20%	0-20%	0-20%	20	40-59%
Mossyrock	80-100%	21-39%	0-20%	60-79%	0-20%	0-20%	0-20%	0-20%	0-20%	0-20%	37	40-49%
Napavine	80-89%	0-10%	0-10%	70-79%	0-10%	11-19%	0-10%	0-10%	0-10%	0-10%	50	45-49%
Onalaska	90-100%	20-29%	0-10%	70-79%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	45	60-64%
Pe Ell	80-100%	0-20%	0-20%	60-79%	0-20%	0-20%	0-20%	0-20%	0-20%	0-20%	16	60-79%
Toledo	80-89%	20-29%	0-10%	50-59%	0-10%	11-19%	0-10%	0-10%	0-10%	0-10%	70	35-39%
White Pass	80-100%	0-20%	0-20%	60-79%	0-20%	0-20%	0-20%	0-20%	0-20%	0-20%	32	30-39%
Winlock	90-100%	11-19%	0-10%	80-89%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	48	40-44%
Statewide	82%	33%	5%	44%	0-1%	18%	8%	8%	2%	0-1%	69163	59%

Regional Cost of Living 2018							
	Composite	Grocery	Housing	Utilities	Transportation	Healthcare	Misc. Good and Services
Lewis	99	110	117	69	93	80	96
Thurston	106	109	101	93	127.2	122	104
Pierce	128	100	177	70	134	80	112
King	149	127	194	124	133	125	136
Washington (average)	107.1	107.4	107.8	94.0	116.4	118.5	106.4

Source: C2ER and bestplaces.net

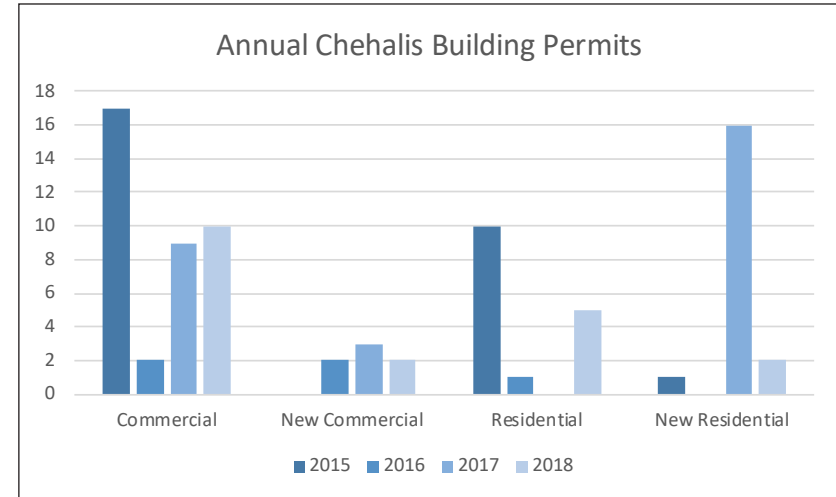
The composite cost of living takes into account the cost of groceries, housing, utilities, transportation, and other miscellaneous goods and services. The national average is normalized to 100, making a composite score above 100 indicate that the cost of living in an area is above average and vice versa. The highest composite cost of living is 155.7 in King County. In neighboring Thurston and Pierce counties, the average cost of living is 106 and 128, respectively. In comparison, Lewis County is just below the national average with a composite cost of living estimated at 99.0.

2017 Living Wage (Lewis County)			
Housing Type	Rate	Required household hourly wage	Required household weekly wage
Rent 1 bedroom	\$734	\$13.90	\$556
Rent 2 bedroom	\$850	\$16.10	\$644
Median home mortgage	\$1,027	\$19.45	\$778

Source: UW Runstad Department of Real Estate and CEBR

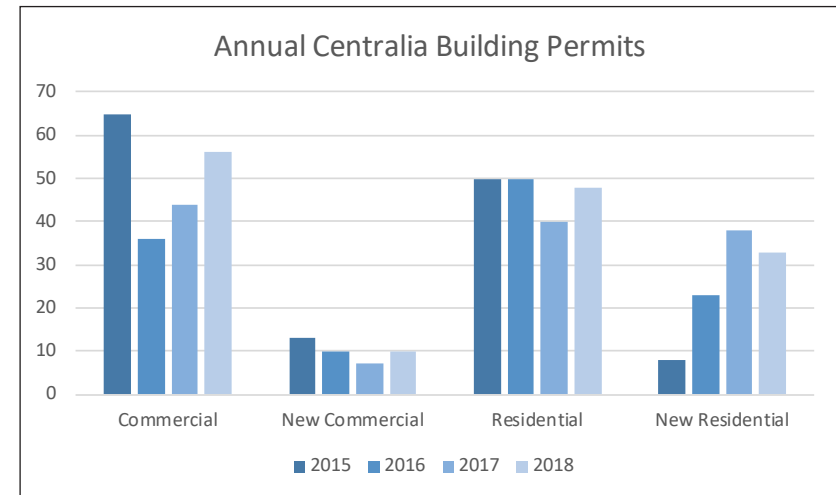
The living wage is determined by calculating the minimum income at which a maximum of 33.3 percent of the total income would be allocated for housing. For 2017, a household would need to receive an hourly wage of \$13.90 to rent a 1 bedroom apartment which translates to weekly household earnings of \$556. To afford an average home (assuming a 20 percent down payment and 4 percent interest), a resident of Lewis would need to have a weekly household income of \$778.

Note: Home purchase assumes 20% as down payment, 4% interest and is displayed as principal and interest only.



Source: Chehalis Permit Technician

Over the past four years, the number of building permits issued in Chehalis has varied drastically. Due to the relatively low average number of building permits being issued annually, this volatility is to be expected.



Source: Centralia Office Coordinator

In Centralia, most building permits are being issued to existing commercial and residential structures. New residential developments also seem to be somewhat volatile, while the number of new commercial permits is fairly constant.

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 cebr.wvu.edu

