

# Clallam County Profile

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## Overview

### *Regional context*

Clallam County occupies a long and narrow area in the most northwestern corner of Washington state. Encompassing part of the Olympic Peninsula, the county includes 1,738 square miles of mostly forested and mountainous land. Clallam County is full of natural wonders and many tourists and locals visit the [Olympic National Park](#), which attracted over 2.49 million [visitors](#) in 2020.

The region's 200 miles of coastline have fostered the maritime and fishing industries. Traditionally, much of the economy of the county has reflected this natural abundance with jobs in forestry, wood products and fisheries. As demand has declined for some of the goods-producing and agricultural products in the county, the service sector, including leisure and tourism, has grown in their place. The labor market continues to develop, benefiting from the region's natural resources.

### *Local economy*

Around 1851, the first white settlers staked their claims in the area. Clallam County was created in 1854 from bordering Jefferson County. The county's name is derived from the Klallam or S'Klallam people who continue to play a significant role in the county. In 1890, Port Angeles was named the county seat. Sequim and Forks are the other two incorporated cities in the county.

Logging was the primary industry and benefitted greatly when railroads made it possible to reach further and further into the great conifer stands. Hydroelectric power from the Elwha River dam spurred the first large sawmill in the area. The "Big Mill" was the largest employer in the county for the next 25 years. World War I fueled the need for spruce, which was vital to building the first airplanes. In the 1920s, pulp production took off in Port Angeles, providing the growing need for newsprint and cellulose.

After World War II, growth continued in timber and agriculture. Commercial and sport fishing activities became increasingly important. In the 1960s, Clallam County tribes reclaimed traditions and reasserted tribal rights to shares of the fish harvests. The Jamestown S'Klallam tribe won federal recognition in 1981, and received trust land at Blyn on Sequim Bay, which now houses a tribal center and casino.

The service sector has been experiencing growth over the past decade. In 2020, it accounted for over 89.0 percent of all nonfarm employment. The county houses two prisons, a hospital and school district, which are the top employers. The city of Forks continues to be a tourist attraction after the Twilight movies put it on the map.

Other new industries have moved into the county in the past decade. Advanced composites manufacturing has been established in and around the Port Angeles area, providing manufactured parts to the aerospace and marine industries. Advanced Composites recycling is also continuing with the new Composites Recycling Technology Center developments.

A recent development is the Emerald Coast Opportunity Zone (ECOZ), which consists of a diverse group of geographical census tracts intended to make the Olympic Coast more attractive to investors. Working together, ECOZ is catalyzing economic development in rural areas by engaging with communities and connecting the best opportunities with private capital.

This Opportunity Zone is a unique collaboration of five Tribal Nations, four cities, two counties (Clallam and Jefferson) and two port authorities that span 14 federally designated Opportunity Zone census tracts. Together, the partners of the Emerald Coast Opportunity Zone are building a deal “engine” of community-driven projects that both present good investments, but also create good jobs, construct affordable and high-end housing, and support innovative entrepreneurs.

The 14 Opportunity Zone census tracts were designated under the federal 2017 Tax Cuts and Jobs Act. This federal law gives tax incentives to investors who invest their unrealized capital gains in qualified businesses and real estate located in Opportunity Zones through:

- Temporary deferral of capital gains taxes until 2026
- Tax reduction on capital gains (at 5 and 7 years)
- Elimination of taxes on gains from Opportunity Zone investments (if held for 10 years)

In summary, over the past 20 years, the economy in Clallam County has experienced slow but steady growth. This economic growth has been shaped by a vibrant port district in the county’s major coastal city of Port Angeles. New in-migration is also on the rise as many retirees are attracted to Sequim’s “sunbelt” climate.

## Geographic facts

	Clallam County	Rank in state
Land area, 2010 (square miles)	1,738.33	20
People per square mile, 2010	41.1	18

Source: U.S. Census Bureau QuickFacts

## Outlook

The year 2020 was yet another year of inertia as growth has proven to be a challenge in Clallam County. Then in March the COVID-19 pandemic hit and the economy slipped into reverse. The preliminary 2020 nonfarm job totals averaged 22,290, the lowest county total since 2014 (22,200). The leisure and hospitality sector was impacted by the pandemic, as were payrolls in goods producers and government.

The continued closure of the Canadian border has also impacted leisure travel between the two countries. This outlook remains murky as employment growth will be problematic given all the uncertainty of reopening and the next steps. The availability of small business loans and the resilient nature of the local economy certainly won’t hurt the recovery moving forward.

Science and academic institutions in the county continue to research important topics and educate the next generation of the labor force. The Department of Energy’s Marine Sciences Laboratory is based at the Pacific Northwest National Laboratory in Sequim. Current projects at the lab include

ocean energy development, impact of populations on marine environments and improved coastline security. The hope is to find a vibrant opportunity for growth in the areas of marine conservation and aquaculture.

Peninsula College continues to be a vibrant part of the community by offering programs including advanced manufacturing, community education and worker retraining. It has three campus locations – Port Angeles, Port Townsend and Forks. In the 2019 to 2020 school year, total enrollment was 3,362 students.

## 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.

The 2020 civilian labor force (29,744) took a noteworthy increase from 2019 levels (28,886). The total number of employed residents declined by 224 over the period. The number of unemployed residents was up by 1,082 over the year. The not-seasonally adjusted preliminary 2020 unemployment rate stood at 10.0 percent, up from the 6.6 percent rate posted in 2019. The pandemic was the ingredient that sent the numbers as high as 18.8 percent in April before dropping to 6.7 in October.

Source: Employment Security Department/LMEA

## Industry employment

Current industry employment statistics are available on the [Labor area summaries](#) page on ESD's labor market information website.

Clallam County had an estimated 22,290 nonfarm jobs in 2020 down from the 23,530 posted in 2019. The jobs picture appears murky heading into 2021 as questions outnumber answers on the future of COVID-19 and its impact.

- The goods-producing sector in the county employed 2,420 during 2020. The manufacturing sector accounted for 980 of those jobs.
- The service-providing sector employed 19,870 in 2020, with retail trade and leisure and hospitality combined accounting for 5,680 jobs.
- Government was the leader in nonfarm employment providing 7,670 jobs in 2020.

Nonfarm job growth in the county has been less than spectacular, averaging less than half the state's growth over the last 19 years.

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

Source: Employment Security Department/LMEA

## 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.

### *Clallam County highlights:*

In 2019, the largest job holder age group in Clallam County was the 55 and older age category, making up 29.1 percent of employment across all industries. The next largest share was among persons aged 35 to 44 with 21.0 percent of employment.

- In 2019, the county's workers mirrored state patterns with workers ages 14 to 24 dominating the accommodation and food services jobs in the county. This age group was also well represented in arts, entertainment and recreation and retail trade.
- Workers in the 55 year and older age category were prevalent in utilities, educational services, transportation and warehousing, real estate and rental and leasing and healthcare and social assistance.

Females made up 52.7 percent of the labor force in Clallam County with males making up the difference at 47.3 percent in 2019. Men were more often represented in higher paying industries.

- Male-dominated industries included construction (82.9 percent), manufacturing (81.5 percent) and transportation and warehousing (77.6 percent).
- Female-dominated industries included finance and insurance (77.5 percent), healthcare and social assistance (76.5 percent) and educational services (69.1 percent).

Source: The Local Employment Dynamics

## **Wages and income**

In 2019, there were 23,381 jobs covered by unemployment insurance, with a total payroll of over \$983.6 million.

The average annual wage was \$42,070 below the state's average annual wage of \$69,615.

The median hourly wage in 2018 was \$20.09, below the state's median hourly wage of \$25.98 and the state excluding King County median hourly wage of \$22.37.

### *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.

In 2019, the per capita personal income was \$47,856, less than the state (\$64,758) and the nation's (\$56,490). Clallam County ranked 20th in the state in its per capita personal income in 2019.

The median household income was \$57,126 in 2019. The county's median was less than the state's (\$78,687) and the nation's (\$65,712).

In 2019, 10.2 percent of the population was living below the poverty level, higher than the state at 9.8 percent and the nation at 12.3 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; U.S. Census Bureau, American Community Survey

## Population

Clallam County's population estimate in 2020 was 76,770. The population in Clallam County has increased from the 71,404 residents counted in the 2010 census.

Port Angeles is the largest city in the county with 19,710 residents in 2020, up from 19,038 in 2010.

Sequim is the next largest city with 7,860 residents in 2020, up from 6,606 in 2010.

### *Population facts*

	<b>Clallam County</b>	<b>Washington state</b>
Population 2020	76,770	7,656,200
Population 2010	71,404	6,724,540
Percent change, 2010 to 2020	7.51%	13.85%

Source: Office of Financial Management

### *Age, gender and ethnicity*

Clallam County had almost double the population in the 65 and older age category compared to the state in 2019.

- Clallam County's population of those aged 65 and older was 30.5 percent compared to the state's 15.9 percent.
- The next largest group, those under 18, was 16.7 percent in the county, less than that of the state's 21.8 percent.
- The youngest group, those under five years old, was 4.3 percent in Clallam County compared to the state's 6.0 percent.

Females in 2019 made up 50.6 percent of the county's population compared to 49.9 percent of the state.

Clallam County showed much less diversity in 2019 than the state. In 2019, the white alone category accounted for 87.1 percent of the county population followed by Hispanic or Latino at 6.6 percent and American Indian and Alaskan Native at 5.6 percent.

### *Demographics*

	<b>Clallam County</b>	<b>Washington state</b>
<b>Population by age, 2019</b>		
Under 5 years old	4.3%	6.0%
Under 18 years old	16.7%	21.8%
65 years and older	30.5%	15.9%
<b>Females, 2019</b>	<b>50.6%</b>	<b>49.9%</b>
<b>Race/ethnicity, 2019</b>		
White	87.1%	78.5%
Black	1.2%	4.4%
American Indian, Alaskan Native	5.6%	1.9%
Asian, Native Hawaiian, other Pacific Islander	2.1%	10.4%
Hispanic or Latino, any race	6.6%	13.0%

### *Educational attainment*

Most of Clallam County residents age 25 and older (92.5 percent) were high school graduates, which exceeds the 91.3 percent of Washington state's residents and the 88.0 percent of U.S. residents during 2019.

Those with a bachelor's degree or higher made up 27.4 percent of Clallam County residents age 25 and older compared to 36.0 percent of state residents and 32.1 percent of U.S. residents during the same period.

Source: U.S. Census Bureau QuickFacts

### **Useful links**

- [County data tables](#)
- [Census Bureau Profile](#)
- [Clallam County on ChooseWashington.com](#)
- [Clallam Economic Development Council](#)
- [Clallam County History](#)
- [Clallam County home page](#)
- [Clallam County on ofm.wa.gov](#)
- [Port of Port Angeles](#)
- [Peninsula College](#)
- [Sequim Chamber of Commerce](#)
- [Pacific Northwest National Laboratory](#)
- [Elwha River Restoration](#)
- [Self Sufficiency Calculator for Washington State](#)
- [U.S. Census Bureau QuickFacts](#)
- [Washington Ports](#)
- [Workforce Development Areas and WorkSource Office Directory](#)
- [Emerald Coast Opportunity Zone](#)
- [City of Forks](#)
- [City of Port Angeles](#)
- [City of Sequim](#)
- [Jamestown S'Klallam Tribe](#)

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