

# **2017-2019 Economic Development Plan**



**Washington County  
Community Development Agency**

## Table of Contents

Vision Statement.....	2
Mission Statement.....	2
Goals.....	2
Planning Process.....	2
Values.....	3
Policy and Guiding Principles.....	3
Opportunities and Challenges.....	3
Action Steps/Deliverables.....	5
Acknowledgments.....	8
Appendices.....	9
Definitions.....	9
Economic Profile.....	11

## **Vision:**

To ensure that programs and services support and complement economic development programs initiated by cities, townships and the county.

## **Mission:**

To provide financial and technical assistance to businesses and communities as requested to enhance economic development, expand the tax base and promote job creation opportunities in Washington County.

## **Goals:**

1. Promote and market the quality of life, rich diversity and assets of the county.
2. Provide resources to help entrepreneurs get started and existing businesses grow.
3. Be a value-added partner to other public and private entities.
4. Find ways to help our businesses attract and retain talent and find ways to keep our working residents here in the county.
5. Promote strong infrastructure, multi-modal transportation and highspeed broadband.

## **Planning Process:**

On May 6, 2014, the Washington County Board of Commissioners approved the Washington County Economic Development Strategic Plan. Within the Economic Development Strategic Plan, a number of goals were identified. Many of these goals have since been completed, including:

- Analyzed various organizational structures to implement economic development initiatives on behalf of the county. In June of 2016, the Washington County Board of Commissioners approved the creation of the Washington County Community Development Agency (CDA) as recently authorized by the Minnesota State Legislature.
- Designated a county staff member to be the point of contact for economic development and implementation of the strategic plan. In June of 2016, the Washington County CDA hired a full time Economic Development Director to serve as the point of contact and coordinate the economic development efforts within the county including updating and implementing the 2014 Strategic Plan.
- Updated existing financial incentive policies including tax increment financing and tax abatement.

The purpose of this document is to serve as an update to the 2014 Economic Development Strategic Plan with a planning horizon through 2019. A working group of township officials, city administrators, school district representatives, and economic

development professionals was convened by the CDA in August 2016 and has been meeting monthly to assist in preparing the elements of this update, with a goal of producing a draft for public review, which will ultimately be adopted by the Washington County CDA Board and the County Board.

## **Values:**

The foundation of the Washington County Economic Development Plan is the policy and guiding principles that drive the economic development goals, strategies and actions of the County. The following policy statement and guiding principles define the County's economic development efforts. These guiding principles are relevant for the present economic environment and are subject to review and change on a periodic basis.

## **Economic Development Policy Statement:**

It is the policy of the Washington County Board of Commissioners to increase the County's role and support of economic development within the County. The County will invest staff time and financial resources in a planned, coordinated and strategic manner and will engage in a collaborative and holistic approach to economic development. The County's policies and actions will be guided by the following principles.

## **Economic Development Guiding Principles:**

The following principles are not in rank order of importance.

- **The private sector is the lead that drives the economy**
  - The County will work in partnership with the private sector
- **The County will not duplicate or replace the work of cities and other public agencies**
  - The County will work in collaboration with cities and public agencies and will provide leadership where the County can make the most difference when asked
- **The County supports a strong collaborative approach to economic development**
  - No matter the location, economic development is a benefit to the entire county
  - Support efforts to ensure a highly skilled workforce and adequate workforce housing
- **Business attraction and business retention are essential policy objectives**
  - A balanced approach to pursue each of the two policy areas is required
- **The diversity of the County requires an adaptable and open-minded approach**
  - The distinctive qualities of the County require flexibility

## **Opportunities and Challenges:**

In order to achieve the goals previously identified, several opportunities and challenges were identified in order to inform future action steps.

### **Opportunities:**

The top three growth industries in Washington County between 2013 and 2015 are: 1) Health Care Services, 2) Wood Products Manufacturing and 3) Professional and Technical Services. An opportunity exists to research and seek to attract complementary businesses like suppliers, vendors or large customers of the existing growing industry sectors in Washington County.

Small businesses are vital to Washington County's economy. 86% of the Washington County businesses have less than 20 employees. Washington County is home to 17,847 self-employed businesses or "non-employers" in 2014 (defined as businesses without employees that are subject to federal income tax). An opportunity exists to support and grow the existing businesses and business owners.

Washington County has a significant number of major transportation corridors including: I-35, I-94, I-694, I-494, US Highway 8, 10 & 61, MN Highway 5, 36, 95, 96, 97, 120 and 244. Additionally, Washington County has transit corridors including the Rush Line Corridor, the Gateway Corridor and the Red Rock Corridor. An opportunity exists to participate in transit and transportation corridor planning efforts and to advocate for state and federal transportation and transit investments in Washington County.

Washington County has a highly-valued quality of life, rich diverse communities and many assets and amenities. An opportunity exists to market and promote these amenities to site selectors and businesses looking to expand or relocate.

Washington County has a growing population and a growing labor force. An opportunity exists to leverage the quality of this growing labor force to attract new business development.

### **Challenges:**

In order to leverage the opportunities cited above into new tax base and jobs, an array of technical and financial services should be developed.

Currently, businesses who are searching for sites may not know about the assets and advantages of locating in Washington County. A county wide "business brand" that is cohesive, strong, and unique will help Washington County stand out to businesses, in addition to a robust spectrum of promotion tools. The CDA Economic Development Director can serve as a critical point of contact for referral to opportunities in communities.

Technical and financial resources for small businesses is limited compared to services in other counties. The "Open to Business" program is operating in communities in 6 counties.

Over 100,000 working residents commute outside of the county to work every day (76.9%). A focus should be to work with the private sector and communities within Washington County to increase the opportunities for people to both live and work in the county.

Several communities have identified that broadband networks are not available. This is equally important as other typical utilities for growing businesses.

## **Actions:**

### **Marketing and Promotion:**

**Action Step:** Market and promote Washington County, enhancing the efforts currently being implemented by our public and private partners.

**Deliverables:** With the aid of our city and township partners, the Washington County CDA will create a business brand for Washington County emphasizes the county's many assets. The business brand must be crafted to appeal to businesses that are looking for locational or expansion opportunities. *This will be completed by the second quarter of 2017.*

Washington County CDA will continue to attend, advertise, co-sponsor and market at various promotional events including, Minnesota Commercial Real Estate Association (MNCAR) Expo, MN Real Estate Journal Land Development Conference and MN Real Estate Journal Industrial Development Summit. *This will be ongoing.*

Washington County CDA will build partnerships with and become members of local area chambers of commerce including: Forest Lake Area Chamber, White Bear Lake Area Chamber, Stillwater Area Chamber, Oakdale Area Chamber, Woodbury Area Chamber, Cottage Grove Area Chamber of Commerce. Washington County CDA will work with our local chambers to identify business creation and expansion opportunities and promote tourism. *This will begin in the first quarter of 2017 and be ongoing.*

Washington County CDA will build partnerships with talent attraction, retention and training organizations, local area commercial realtors, developers and site selectors through partnerships with Minnesota Department of Employment and Economic Development (DEED), Xcel Energy, MNCAR, Xceligent and Greater MSP. The CDA will receive and distribute new business inquiries to our local community partners and pass new listings on to the community where the listing is located. The CDA will work with communities when requested to respond to business inquiries. *This will begin in the first quarter of 2017 and be ongoing.*

**Action Step:** Promote the quality of life and assets of the county, including the rich diversity of communities with unique micro-markets.

**Deliverables:** Each city/township will be asked by the Washington County CDA to tell us what types of specific business developments are a "good fit" for their community (understanding this is subject to change). The Washington County Economic Development Plan should not be "one size fits all". Each city and township will be asked to prepare a listing of their preferred business types. This information will be used in

various situations including individual business meetings, marketing events and other settings to highlight the opportunities that exist within each community in Washington County. Each city/township can have their own paragraph, page or section of the Economic Development Plan and all marketing materials. Washington County CDA staff will assist with drafting/creation of this information and marketing materials upon request of the individual cities and townships. *This will be an ongoing activity beginning in the first quarter of 2017 and may be revised and/or updated at any time at the discretion of the cities and townships.*

## **Economic Development Partnerships and Financial Incentives:**

**Action Step:** Help small businesses grow.

**Deliverables:** Washington County can support existing small businesses and encourage new entrepreneurship by joining the Metropolitan Consortium of Community Developers' (MCCD) Open to Business program.

The purpose of the Open to Business program is twofold:

- 1) to provide small businesses within Washington County direct access to subordinated financing (business loans), and
- 2) to provide one-on-one professional business consulting services to small businesses within the county at no cost to the business.

The professional business consulting services include business plan development and financial proforma development including cash flow management analysis for entrepreneurs. The direct business loans offered through the Open to Business program are intended to spur commercial and industrial business development opportunities in Washington County. Business loans are available to both start-up and existing businesses and are available for a variety of uses including; building improvements, acquisition of property, equipment, inventory and working capital.

The Washington County CDA will coordinate the Open to Business program on behalf of the communities and will seek the necessary funding required to join. *This program will begin as soon as possible in 2017 and will be ongoing.*

**Action Step:** Utilize Community Development Block Grant funds for business loans.

**Deliverables:** The Washington County CDA will use federal Community Development Block Grant monies for up to 3 small business loans for a total amount not to exceed \$25,000 in CDBG funds over a three-year period. *This activity will begin in the third quarter of 2017 and be ongoing.*

**Action Step:** Capitalize a county-wide commercial building revolving loan program.

**Deliverables:** The Washington County CDA will explore options to fund commercial building demolition and building improvements. *The county-wide commercial building revolving loan program will begin in 2018 or sooner if funding becomes available.*

## **Community Assistance:**

**Action Step:** Provide predevelopment matching grants to cities, townships and local government economic development authorities located in Washington County.

**Deliverables:** The Washington County CDA will explore options to fund a program that will provide up to ten grants for an amount up to \$10,000 per grant (total of \$100,000) to cities and townships in Washington County for predevelopment costs to spur economic development and redevelopment. These grant funds are intended to spur new commercial and industrial business development and redevelopment activities by providing funding up to \$10,000 per grant award on a 1:1 matching basis. *This will begin in the first quarter of 2018 and be ongoing contingent upon the availability of funding.*

**Action Step:** Assist communities and local area chambers of commerce with Business Retention & Enhancement (BR&E) visits, as requested.

**Deliverables:** The Washington County CDA will stand ready to assist communities organize and implement BR&E programs and will participate in select business visits upon the request of the individual community. *This will begin in the first quarter of 2017 and will be ongoing.*

## **Workforce Development and Talent Recruitment:**

**Action Step:** Partner with businesses, Century College, the Workforce Development Board, the State of Minnesota and others to identify and address workforce training and housing needs.

**Deliverables:** The Washington County CDA will be an active member/partner with the Washington County Workforce Development Board. The Washington County CDA will work with the State of Minnesota, businesses, our education system, communities and Greater MSP to attract and retain talent whenever possible. *This will begin in the first quarter of 2017 and be ongoing.*

**Action Step:** Assist partners to attract, train and retain talent.

**Deliverables:** Whenever possible, work with businesses, communities, Greater MSP, Century College, the State of Minnesota and other partners to recruit the types of businesses that will entice some of our residents to work closer to home. This could benefit both the highly trained and less trained working residents. The Washington County CDA will also work to provide our community partners with demographic data and labor and housing studies on an ongoing basis. *This will begin the first quarter of 2017 and be ongoing.*

## **Strong Infrastructure Foundation:**

**Action Step:** Promote multi-modal transportation and transit opportunities that will stimulate economic growth in the county.

**Deliverables:** Washington County CDA staff will be an active participant of the Washington County Comprehensive Plan Committee. *This will begin in the first quarter of 2017 and be ongoing.*

**Action Step:** Conduct a broadband survey to determine the need for faster broadband connectivity and the location of any service gaps.

**Deliverables:** The Washington County CDA will work with communities, when requested, to develop and implement an online survey to determine the need for better broadband connectivity within the county. *This activity will begin in the first quarter of 2018 and be ongoing.*

## **Acknowledgements**

The Economic Development Director along with CDA staff, has coordinated monthly meetings with the Economic Development Work Group who bring a wealth of knowledge and experience to the process and provide important local perspectives to the economic development plan update.

Special thanks go out to the following Economic Development Work Group Members for their participation and assistance in this 2016-2017 Economic Development Plan update:

Aaron Parrish – City Administrator, Forest Lake; Neil Soltis – City Administrator, Scandia; Bryan Bear – City Administrator, Hugo; Rachel Juba – Planner, Hugo; Scott Neilson – City Administrator, Mahtomedi; Mark Larson – Superintendent, Mahtomedi School District; Kevin Corbid – Washington County Deputy Administrator; Tom McCarty – City Administrator, Stillwater; Bill Turnblad – Community Development Director, Stillwater; Eric Johnson – City Administrator, Oak Park Heights; Logan Martin – City Administrator, Bayport; Nancy Healy – Clerk, Baytown Township; Ron Moorse – City Administrator, Afton; Kristina Handt – City Administrator, Lake Elmo; Ed Shukle – City Administrator, Landfall; Bart Fischer – City Administrator, Oakdale; Bob Streetar – Community Development Director, Oakdale; Janelle Schmitz – Assistant Community Development Director, Woodbury; Karl Batalden – Economic Development & Housing Coordinator, Woodbury; Deb Hill – City Administrator, Newport; Kevin Walsh – City Administrator, St. Paul Park; Charlene Stevens – City Administrator, Cottage Grove; Christine Costello – Economic Development Director, Cottage Grove; Melanie Mesko Lee – City Administrator, Hastings; John Hinzman – Community Development Director, Hastings; Charlie Vander Aarde – Government Relations Specialist, Metro Cities; Barbara Dacy – Executive Director, Washington County CDA; Melissa Taphorn – Deputy Executive Director, Washington County CDA; Chris Eng – Economic Development Director, Washington County CDA

# Appendix A

## **Definitions:**

### **What is Economic Development?**

No single definition incorporates all of the different strands of economic development. Typically, economic development can be described in terms of objectives. These are most commonly described as the creation of jobs and wealth, and the improvement of the quality of life. Economic development can also be described as a process that influences growth and restructuring of an economy to enhance the economic well-being of a community.

The main goal of economic development is to improve the economic well-being of a community through efforts that entail quality job creation, job retention, tax base enhancements and quality of life. It is therefore worthwhile to define economic base, a good job, and quality of life as it will relate to the recommendations of this document. As there is no single definition for economic development, there is no single strategy, policy or program for achieving successful economic development in Washington County. Thus, the plan laid out in this document is developed from a comprehensive and broad-based perspective.

### **What is an Economic Base?**

The basic component of an economic base, is the production of goods and/or services that are exported, bringing outside wealth into the area. The economic base theory argues that economic development occurs when there is an expansion of the economic base, producing direct, indirect and induced benefits.

Economic development organizations (including the Washington County CDA) strive to expand the economic base, producing direct economic benefits. As the export base grows, bringing more wealth into a community, a portion of these receipts is spent on local consumption creating a multiplying effect. The rounds of spending create indirect and induced economic benefits, thereby creating an expansion of jobs, income, value-added – in short, economic development.

### **What is a Good Job?**

A good job is one that is stable and safe, with sufficient work hours, a predictable schedule and has wages and benefits that can support households, families and communities.

## **What is Quality of Life?**

Location and general quality of life are the most frequently selected categories that residents liked most about living in Washington County. On a regular basis, Washington County conducts its Residential Survey to provide residents the opportunity to rate the quality of life in the county, as well as service delivery, and community characteristics. Survey results are benchmarked against over 500 counties across the country. In 2016, residents were given a list of potential attributes of Washington County and were asked to identify one thing that they liked most about living in Washington County. The most frequently selected categories were location and quality of life in general; at least one-quarter of residents selected each of these items. In addition, outdoor recreational opportunities, ease of travel by car, the overall feeling of safety in Washington County and the overall image or reputation of Washington County received the highest average ratings from residents, and when benchmarked against other counties, these ratings were much higher than other counties in the country. According to Greater MSP and site selectors, a high quality of life helps create economic development opportunities.

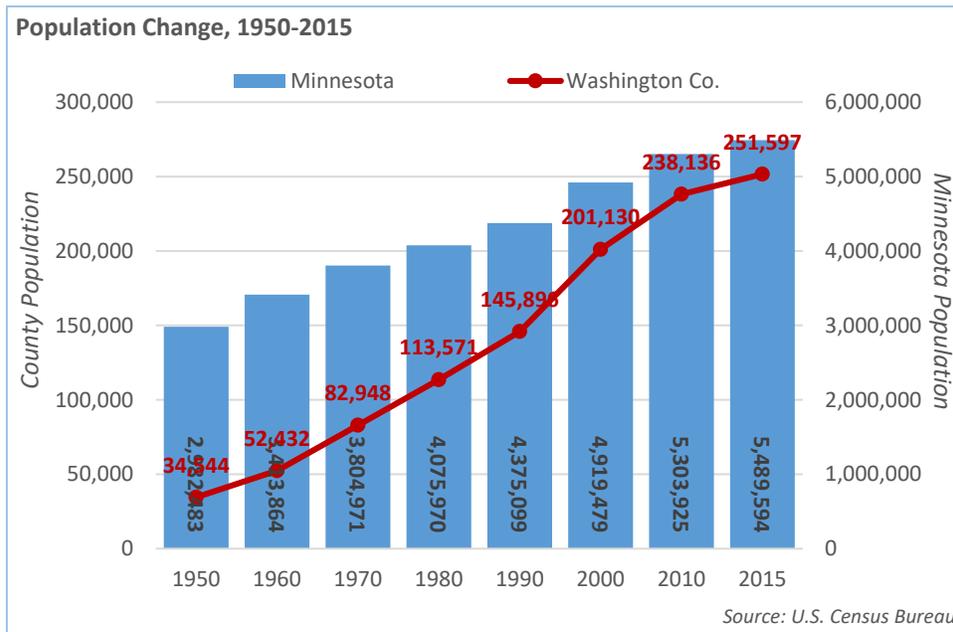
# Appendix B

## Economic Profile

### Demographic Characteristics

The following data describes the key characteristics of the 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, the state, and St. Croix County, Wisconsin. Trends in demographics, income and wages, poverty, labor force, and business establishments are examined.

**Washington County is the fifth largest County and eighth fastest-growing County in Minnesota.** The graph below depicts the history of robust population growth in the county. As of July 1, 2015, Washington County was home to an estimated population of over a quarter-million people and is Minnesota's fifth most-populated county. While the strongest growth occurred between 1990 and 2000, Washington County gained nearly 13,500 people between 2010 and 2015 totaling 251,597 people (a 5.7% increase).

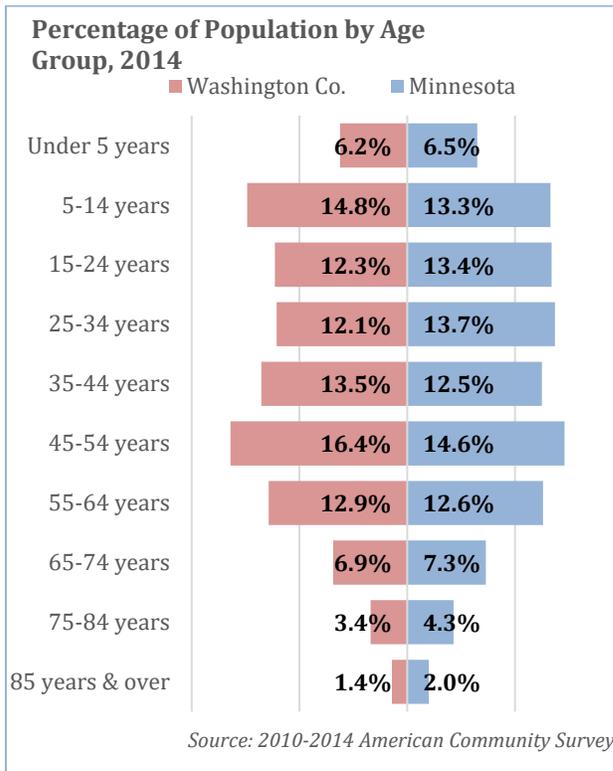


**County population is projected to increase about 15.5% by 2035.** According to population projections from the Minnesota State Demographic Center, Washington County is expected to gain nearly 40,000 net new residents from 2015 to 2035, a 15.5% increase. Recent Metropolitan Council projections for 2030 estimate about 8,000 more people five years earlier.

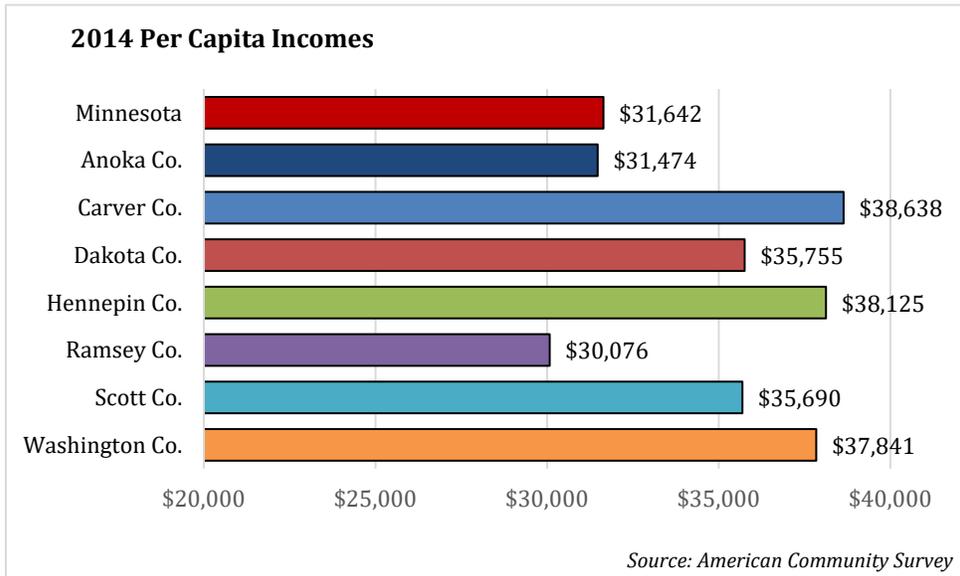
Population Projections, 2015-2035				2015-2035 Change	
Washington Co.	2015 Projection	2025 Projection	2035 Projection	Numeric	Percent
Under 5 years	15,400	16,582	17,066	1,666	10.8%
5-14 years	33,831	31,113	33,647	-184	-0.5%
15-24 years	34,561	32,704	30,060	-4,501	-13.0%
25-34 years	29,933	34,367	32,596	2,663	8.9%
35-44 years	30,904	32,072	36,628	5,724	18.5%
45-54 years	41,273	30,710	31,971	-9,302	-22.5%
55-64 years	35,336	40,931	30,486	-4,850	-13.7%
65-74 years	21,557	34,887	40,527	18,970	88.0%
75-84 years	10,081	21,059	34,069	23,988	238.0%
85 years & over	3,260	4,416	8,875	5,615	172.2%
<b>Total</b>	<b>256,136</b>	<b>278,841</b>	<b>295,925</b>	<b>39,789</b>	<b>15.5%</b>

*Source: Minnesota State Demographic Center*

Overall, Washington County has a younger population than the state of Minnesota, with just 11.7 percent of its population aged 65 years and over, compared to 13.6 percent statewide. Consequently, Washington County has a higher percentage of people in the 25- to 54-year-old age group, typically considered the prime working years, and a higher percentage of school-aged children. The county did have a slightly smaller percentage of 15-24-year-olds.



**Resident income is one of the highest in the state.** The graph below depicts Washington County’s per capita income as the third highest in the state of Minnesota. This high level of personal incomes means that there is a strong purchasing power, which is an opportunity to support new development. This is further substantiated by data on household median income and net worth statistics.



According to 2015 estimates, Washington County’s median income is \$87,995, 39% higher than statewide, and an increase 5.3% over the year. Washington County had an average net worth of \$793,314 in 2013 and a median net worth of \$216,586. Median net worth is generally a more accurate depiction of wealth than the average figure. A few households with very large net worth can significantly skew the average. As a comparison, the metropolitan area had an average net worth of \$586,479 and median net worth of \$111,991.

This is also reflected in the data about employed residents over the age of 16; median earnings are \$59,262. Washington County had an estimated 134,000 employed residents who were at least 16 years of age, in 2015. The largest percentage of jobs were found within Management, Business, and Financial Operations; followed by Office and Administrative Support; and Education, Legal, Community Services, Arts, and Media occupations.

Occupational Group	Employment	% Male	% Female	Median Earnings
Civilian employed population 16 years & over	133,637	51.5%	48.5%	\$59,262
Management, business, and financial	25,917	57.4%	42.6%	\$85,220

Office and administrative support	16,912	29.1%	70.9%	\$41,369
Education, legal, community service, arts, and media	15,167	30.8%	69.2%	\$54,369
Sales	13,748	50.8%	49.2%	\$59,588
Healthcare practitioner	10,159	29.0%	71.0%	\$82,993
Computer, engineering, and science	9,702	74.3%	25.7%	\$88,244
Food preparation and serving related	6,283	39.4%	60.6%	\$23,086
Personal care and service	5,246	32.6%	67.4%	\$31,857
Production	5,069	70.0%	30.0%	\$50,204
Construction and extraction	4,950	93.1%	6.9%	\$56,169
Transportation	3,788	95.9%	4.1%	\$55,609
Building and grounds cleaning and maintenance	3,555	66.8%	33.2%	\$36,003
Protective service	3,413	72.1%	27.9%	\$52,489
Installation, maintenance, and repair	3,337	95.4%	4.6%	\$44,289
Healthcare support	3,100	12.1%	87.9%	\$30,941
Material moving	2,980	83.9%	16.1%	\$36,379
Farming, fishing, and forestry	311	100.0%	0.0%	\$21,379

*Source: American Community Survey*

**Three-fourths of employed residents commute to work outside of the county.** The table below shows that about 77% of those who are employed residents in Washington County commute outside of the county to work, while about 58% of those employed within the county commute into the county.

Washington Co. Inflow/Outflow Job Counts (All Jobs), 2014	2014	
	Count	Share
Employed in Washington Co.	72,124	100.0%
Employed in Wash. Co. but Living Outside	41,679	57.8%
Employed and Living in Washington Co.	30,445	42.2%
<hr/>		
Living in Washington Co.	131,826	100.0%
Living in Wash. Co. but Employed Outside	101,381	76.9%
Living and Employed in Washington Co.	30,445	23.1%

*Source: U.S. Census Bureau, OnTheMap*

**The average annual wage by industry sector is lower than employed resident household income.**

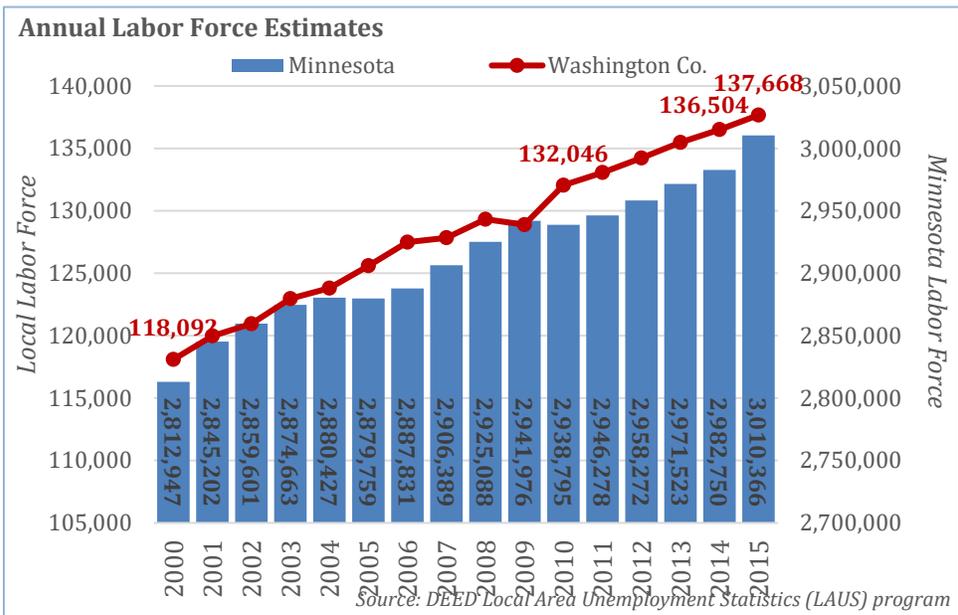
Retail trade is the largest-employing industry sector (over 13,000 jobs) in Washington County, accounting for about one-in-six total jobs in the county. Average annual wages within retail trade, \$25,168, are over 40 percent lower than the average annual wage for the total of all industries. The second largest industry in Washington County is health care and social assistance, with over 11,400 jobs at 546 establishments. The average wage for health care and social assistance jobs is \$48,205, which is about 10% higher than the average wage for the total of all industries. Accommodation and food services is the third largest-employing industry, with 8,949 jobs at 383 establishments. The average annual wage is only \$16,328. Manufacturing is the fourth largest-employing industry with nearly 8,000 jobs and an average annual wage of \$63,908. Education services is the fifth largest-employing industry with 7,330 jobs and an average annual wage of \$42,796. It should be noted that over 87% of Washington County’s labor force has a Bachelor’s degree or higher.

<b>Washington County Industry Employment Statistics, 2015</b>					
<b>NAICS Industry Title</b>	<b>Number of Firms</b>	<b>Number of Jobs</b>	<b>Percent of Jobs</b>	<b>Total Payroll</b>	<b>Avg. Annual Wage</b>
Total, All Industries	5,231	79,112	100.0%	\$3,478,314,461	\$43,992
Retail Trade	684	13,051	16.5%	\$328,820,246	\$25,168
Health Care & Social Assistance	546	11,408	14.4%	\$550,298,480	\$48,204
Accommodation & Food Services	383	8,949	11.3%	\$146,562,210	\$16,328
Manufacturing	203	7,990	10.1%	\$510,327,272	\$63,908
Educational Services	139	7,330	9.3%	\$315,013,496	\$42,796
Public Administration	54	3,617	4.6%	\$187,901,224	\$51,896
Construction	516	3,338	4.2%	\$194,695,496	\$58,292
Finance & Insurance	337	3,306	4.2%	\$250,901,273	\$75,868
Professional, Scientific, & Technical Services	643	3,177	4.0%	\$207,917,173	\$65,312
Administrative & Support Services	268	3,135	4.0%	\$142,493,483	\$45,552
Other Services	578	3,074	3.9%	\$79,404,718	\$25,792
Transportation & Warehousing	138	2,584	3.3%	\$109,423,567	\$42,276
Arts, Entertainment, & Recreation	123	2,121	2.7%	\$34,322,013	\$16,172
Wholesale Trade	203	1,957	2.5%	\$142,004,378	\$72,540
Management of Companies	43	1,503	1.9%	\$160,012,587	\$107,016
Real Estate, Rental & Leasing	258	790	1.0%	\$29,425,257	\$37,180

Agriculture	44	712	0.9%	\$24,859,143	\$35,048
Information	60	699	0.9%	\$25,318,426	\$36,244
Utilities	7	298	0.4%	\$33,628,441	\$112,788

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

**County job growth has exceeded prerecession levels.** According to DEED’s Quarterly Census of Employment and Wages program as shown in the graph below, Washington County was home to 5,231 business establishments providing nearly 80,000 covered jobs through 2015, with a total annual payroll of nearly \$3.5 billion. Washington County continues to see new jobs being added within the county each year since 2009 and has exceeded its pre-recession levels.

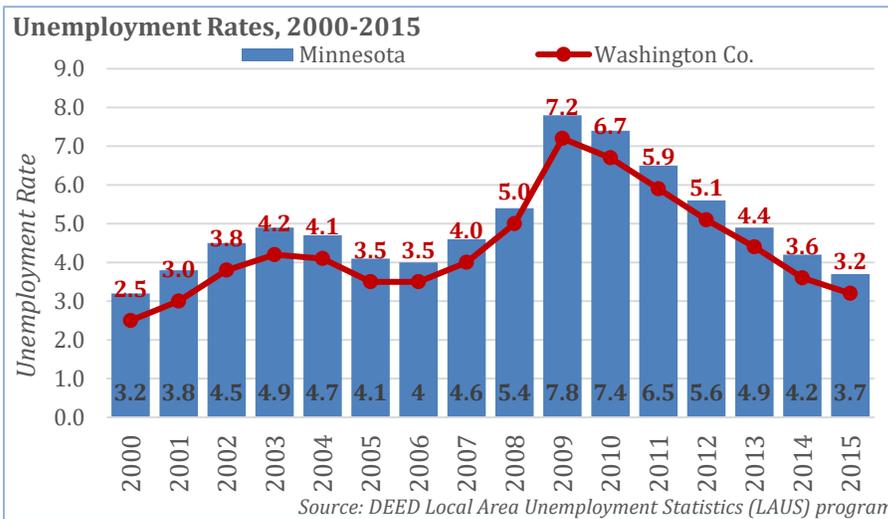


**The County is expected to see a continued gradual increase in the labor force over the next decade.** Over the last ten years, the county’s labor force has grown by 12,077 people, as depicted in the table below. Washington County’s labor force grew more than double the state rate with a 9.6 percent increase. Comparatively, the state’s total labor force grew by 4.7 percent. Washington County has experienced overall growth in the size of available labor force over the last 15 years. Washington County has a higher percentage than the state of people in the 25- to 54-year old age group, typically considered the prime working years and a higher percentage of school-aged children. The County is expected to see a continued gradual increase in the labor force over the next decade, gaining approximately 3,700 net new workers between 2015 and 2025.

Labor Force Projections, 2015-2025				
Washington Co.	2015	2025	2015-2025 Change	
	Labor Force Projection	Labor Force Projection	Numeric	Percent
16 to 19 years	8,382	6,891	-1,492	-17.8%
20 to 24 years	11,479	13,081	1,602	14.0%
25 to 44 years	54,206	59,197	4,991	9.2%
45 to 54 years	36,816	27,393	-9,422	-25.6%
55 to 64 years	24,877	28,815	3,939	15.8%
65 to 74 years	5,303	8,582	3,279	61.8%
75 years & over	881	1,681	801	91.0%
<b>Total Labor Force</b>	<b>141,943</b>	<b>145,642</b>	<b>3,699</b>	<b>2.6%</b>

*Source: Minnesota State Demographic Center, 2010-2014 American Community Survey 5-Year Estimates*

**Washington County’s unemployment rate of 3.2% is lower than the state average unemployment rate.**



## Distinguishing Industries

Washington County stands out from the state and the Twin Cities Metro Area 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 nationally.

<b>Washington County Distinguishing Industries, 2015</b>					
<b>NAICS Industry Title</b>	<b>Number of Firms</b>	<b>Number of Jobs</b>	<b>Total Payroll</b>	<b>Avg. Annual Wages</b>	<b>Location Quotient</b>
<b>Total, All Industries</b>	<b>5,231</b>	<b>79,112</b>	<b>\$3,478,314,461</b>	<b>\$43,992</b>	<b>-</b>
Wood Product Manufacturing	11	2,771	\$177,493,275	\$64,324	12.67
Amusement, Gambling, & Recreation Industries	93	2,002	\$31,666,888	\$15,808	2.20
Sporting Goods, Hobby, Book, & Music Stores	38	788	\$14,001,093	\$17,784	2.17
General Merchandise Stores	39	3,587	\$72,358,293	\$20,176	1.96
Building Material, Garden Equip. & Supplies Dealers	45	1,363	\$39,409,371	\$29,016	1.92
Miscellaneous Manufacturing	41	634	\$37,997,635	\$59,904	1.88
Personal & Laundry Services	206	1,508	\$30,856,025	\$20,436	1.87
Ambulatory Health Care Services	346	5,670	\$360,439,736	\$63,492	1.44
Nursing & Residential Care Facilities	83	2,602	\$64,784,818	\$24,908	1.38
Food Services & Drinking Places	350	8,243	\$132,567,421	\$16,068	1.30

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

Private sector employment data between 2010 and 2015 suggests that Washington County is strong in retail trade, health care and social assistance, accommodation and food services, manufacturing, construction, finance and insurance and professional & technical services.

<b>Largest Growing Industries 2013-2015 (Industry Title)</b>	<b>Avg. Wage</b>	<b>Job Growth</b>	<b>Percent</b>
Total, All Industries	\$43,472		
Ambulatory Health Care Services	\$63,492	705	14.2%
Wood Product Manufacturing	\$64,324	369	15.4%
Professional, SCI & Technical Services	\$65,572	328	11.6%
Food & Beverage Stores	\$22,464	327	17.0%
Food Services & Drinking Places	\$16,068	278	3.5%
Sporting Goods, Book & Music Stores	\$17,784	275	53.6%
Management of Companies	\$107,016	153	11.3%
Food Manufacturing	\$32,500	145	35.1%
Heavy & Civil Engineering Construction	\$78,624	131	41.5%
Miscellaneous Manufacturing	\$59,904	129	25.5%

**Small businesses are vital to Washington County's economy.** 57% of Washington county businesses have 1-4 employees (totaling 3,184 firms) and another 29% had between 5-19 employees, adding up to 86% of the Washington County businesses have less than 20 employees. Washington County is therefore home to 17,847 self-employed businesses or "non-employers" in 2014 (defined as businesses without employees that are subject to federal income tax). Washington County witnessed a 15.2% increase in non-employers over the past decade, higher than such growth at the state level. Total receipts from non-employers in Washington County equaled about \$810 million in 2014.

<b>Employers by Size Class, 2014</b>			
	<b>Washington Co.</b>		<b>Minnesota</b>
<b>Number of Employees</b>	<b>Number of Firms</b>	<b>Percent of Firms</b>	<b>Percent of Firms</b>
1-4	3,184	57.0%	53.9%
5-9	942	16.9%	17.7%
10-19	679	12.2%	13.4%
20-49	506	9.1%	9.1%
50-99	163	2.9%	3.2%
100-249	84	1.5%	1.9%
250-499	20	0.4%	0.5%
500 or more	9	0.2%	0.3%
<b>Total Firms</b>	<b>5,587</b>	<b>100.0%</b>	<b>100.0%</b>

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