

Chapter 5

Demographics of Lake County

A word cloud graphic featuring various terms in different sizes and orientations. The most prominent words are 'POPULATION' and 'ECONOMICS' in large, bold, blue letters. Other significant words include 'HOUSING', 'PROJECTIONS', 'TRENDS', 'JOBS', 'CHANGES', 'AGES', 'EARNINGS', 'SALES', 'PEOPLE', 'AVERAGE', 'HOMES', 'COSTS', 'HOUSEHOLDS', 'RENT', 'EMPLOYMENT', 'DISTRIBUTION', 'SALE', 'ECONOMY', 'industry', and 'FACTORS'. The words are arranged in a dense, overlapping manner, with some appearing vertically and others horizontally.

SALES
EARNINGS
HOUSING
AGES
COSTS
HOUSEHOLDS
RENT
CHANGES
JOBS
TRENDS
POPULATION
PEOPLE
AVERAGE
HOMES
ECONOMICS
PROJECTIONS
EMPLOYMENT
DISTRIBUTION
SALE
ECONOMY
industry
FACTORS

Population

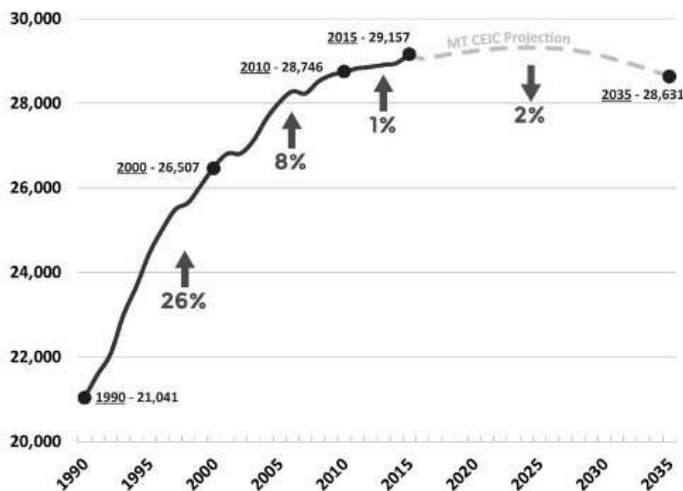
It must first be understood that Lake County has a seasonal fluctuation, with many residents residing in Lake County during the mild months and keeping residency elsewhere during winters and shoulder seasons. The result is that census population counts and projections cannot always account for these factors or give reliable statistics regarding the degree of seasonal fluctuation that occurs; therefore this growth policy is also unable to.

Existing

As of 2015 the population of Lake County was estimated at 29,157, a 10% increase since 2000 when the population stood at 26,507. Since 1990, Lake County's population has grown steadily, with the 1990s being a period of rapid growth, with an annual average growth rate of 2.6% - see Figure 1. At the beginning of the century, Lake County appeared to be on track for another decade of high growth, however, growth rates declined slightly during the time of the national recession, beginning around 2007. Overall, between 2000 and 2010 Lake County's population increased by 8% at an annual average growth rate of 0.8%. In recent years, Lake County has experienced moderate growth, with the population increasing by 1.4% between 2010 and 2015 – an average annual growth rate of 0.3%.ⁱⁱⁱ



Figure 1 - Population Change 1990 – 2015, and 2015 – 2035 projections



Projections

The State of Montana's Census and Economic Information Center (CEIC) provides county level population projections. Projecting 20 years into the future, CEIC estimates Lake County's overall population to continue to grow slightly until around the year 2024 at which point the population is projected to decline at a slow rate, due in part to an aging population, smaller household sizes, and younger people seeking jobs in larger urban areas. Overall, between 2015 and 2035 Lake County's population is projected to decline by 2%.^{iv} There are many variable factors that could shape actual population change over the next 20 years, so this projection is viewed with a level of uncertainty.



Age Distribution

As of 2015, the 18-44 and 45-64 age groups made up the largest share of Lake County's population, each at 28%, followed by under 18 (25%) and 65+ (19%). As shown in Figure 2, these percentages indicate change since 2000, with decreases in under 18 and 18-44 age groups, and increases in the 45-64 and 65+ age groups. Most notable is the fact that the number of individuals over the age of 65 increased by 43% between 2000 and 2015. By comparison, Montana, while also aging relative to the United States as a whole, saw a 36% increase in their 65+ populations during this time.^v Also notable is the increase in individuals aged 45-64, because in 20 years these individuals will be at or near retirement age and will likely have different needs in terms of housing, mobility, and healthcare. Taken together, these trends point to a population that is growing older with a decreasing share of school-aged children.

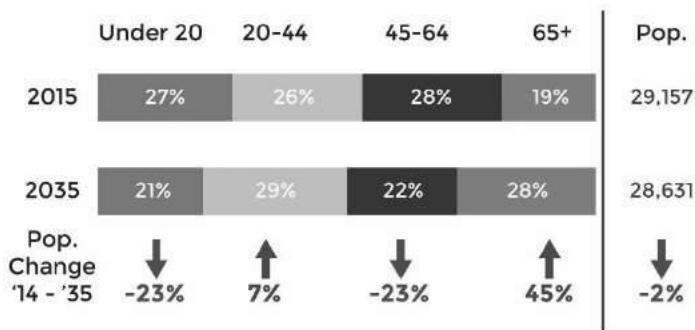


Figure 2 – Population changes by age categories, 2000 through 2015

	Under 18	18-44	45-64	65+	Pop.	Med. Age
2000	28%	32%	25%	15%	26,507	38.2
2015	25%	28%	28%	19%	29,157	41.6
Pop. Change '00 - '15	-3%	-4%	23%	43%	10%	

The Montana CEIC also provides population projections by age group for Montana Counties. In terms of growth within different age groups, the aging trend in Lake County is projected to continue. Lake County’s senior population (age 65+) is projected to see the largest increase by 2035 at 45%, followed by the 20-44 age group which is projected to grow by 7%. Both the under 20 and 45-64 age groups are projected to decrease over the next 20 years, both by 23% – see Figure 3.^{vi} These projections show a continuation of the aging trend Lake County has experienced since 2000. Based on these figures, more senior friendly housing, transportation options, and medical services will be needed to accommodate an aging population.

Figure 3 – Population projections by age categories, 2015 through 2035



Geographic Distribution

Of Lake County’s estimated 29,758 residents in 2016^{vii} (as of the date of this report, 2015 figures were unavailable for the three municipalities), an estimated 4,707 people resided in the City of Polson (an increase of 219 or 4.9% since 2010), 1,981 in the City of Ronan (an increase of 110 or 5.9% since 2010), and 817 in the Town of St. Ignatius (a decrease of 25 or -3% since 2010). These estimates for the three municipalities, with a 2016 population of 7,505 people, up 4.2% from 2010, result in an estimated 22,253 people who reside in the unincorporated Lake County jurisdictional area, an increase of 708 people or 3.3% from the 2010 population of 21,545. This shows a slight increase in urban populations in Lake County relative to rural populations.

Map 7 (Appendix B, page B-1) depicts the geographic population distribution of Lake County in 2010 based on census blocks (data for 2015/2016 estimates are unavailable). The map demonstrates

the highest density of Lake County’s population is within and around the three municipalities, as well as the unincorporated communities of Pablo, Arlee, Charlo, Woods Bay and Ferndale.

Please note the breaks in density categories of 80 people per square mile approximately correlates to an average household size of 2.38 people and 19.04-acres per house (±20-acres per dwelling unit), 320 people per square mile approximately correlates to 4.76-acres per house (±5-acres per dwelling unit), and 800 people per square mile approximately correlates to 1.9-acres per house (±2-acres per dwelling unit). These population density breaking points were selected to allow some comparison between actual population density and the Lake County Density Map and other zoning densities currently in place in Lake County.

Racial Composition

As of 2015, estimates show the most predominant race in Lake County is white. Overlapping with the Flathead Reservation, Lake County also has a sizeable Native American population. As Table 1 shows, Lake County’s Native American population is more than three times that of Montana on a percentage basis.^{viii}

Table 1: Racial Composition (Race Alone)	Lake County		Montana	
	#	%	#	%
White	19,995	68.6%	904,977	89.2%
Black	72	0.2%	4757	0.5%
Indian	7042	24.2%	65,693	6.5%
Asian	111	0.4%	7187	0.7%
Hawaiian	8	0.03%	848	0.1%
Other	89	0.3%	5460	0.5%
2 or More Races	1840	6.3%	25,777	2.5%
Total	29,157	100.0%	1,014,699	100.0%

Summary

Lake County’s population is slowly growing, and is distributed throughout the county. The population is aging, and housing must keep up with trends in the population. There are also social trends that affect other key issues, such as increasing impacts on an insufficient county detention center, a court order to provide adequate court rooms, and financing sources for these facilities. These local services are essential simply to provide for public health and safety.

Other issues that pertain to quality of life include need for recreational facilities, and items that must be planned in order to accommodate safe, efficient growth in various areas of our community. Parks planning and development in the wildland-urban interface are addressed in the quality of life section of the implementation table, although context is given in Chapters 7 and 8.

Housing

Profile

In 2015 there were an estimated 16,613 housing units in Lake County. The housing stock in Lake County is made up of 79% single-family housing, 8% multi-family housing, and 12% mobile homes. These figures have remained relatively stable since 2000.^{ix}

As of 2015, 72% (11,978) of housing units in Lake County were estimated to be occupied and 28% (4,635) were vacant, representing an increase in the number and percent share of

Key Issue



Condition



	2000	2015
Housing Units	13,605	16,613
Vacant	25%	28%
Vacant – 2 nd Homes	79%	75%
Occupied	75%	72%
Owner Occupied	71%	70%
Renter Occupied	29%	30%

vacant housing units since 2000 – see Table 2.

The high percentage of vacant housing units is likely due to seasonal homes and/or homes used for vacation rentals. According to American Community Survey data, in 2015, an estimated 75% of vacant housing units in Lake County were for seasonal, recreational, or occasional use. In 2015, of the 16,613 occupied housing units, 70% were owner occupied and 30% were renter-occupied, a similar ratio to 2000.^x

Household Size

As of 2015 there were an estimated 11,978 households in Lake County, a nearly 20% increase since 2000. During this time period household size shifted, with an increase in the number of households being largely driven by increases in 1-person and 2-person households. Between 2000 and 2015, the number of 1-person and 2-person households increased by 41% and 19% respectively. Comparatively the number of 3-person and 4-person households increased by only 1.1% and 0.4% respectively. These figures point to a decrease in household size in Lake County, indicative of an aging population. On the whole, average household size in Lake County decreased by 6% between 2000 and 2015, from 2.54 to 2.38.^{xi}

Household Composition

Patterns in household composition correspond to the changes in household size experienced in Lake County. Between 2000 and 2015 the share of family households decreased by 5% while the share of non-family households increased by 5% - see Table 3.

	2000	2015
Households (HH)	10,192	11,978
Family HH	71%	66%
Non-Family HH	29%	34%
HH w/ Children <18	36%	30%
HH w/ Individuals 65+	26%	32%
Avg. HH Size	2.54	2.38
Avg. Family Size	3.02	2.91

At the same time the share of households with children under the age of 18 decreased by 6% and the share of households with an individual over the age of 65 increased by 6%. Taken together these figures correspond with Lake County’s aging trend.

Housing Costs

Condition

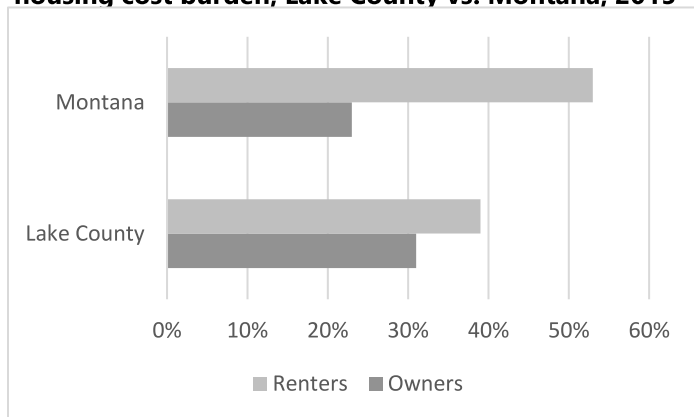


The median housing value as of 2015 in Lake County was \$220,200 (82% increase since 2000), which is substantially higher than Montana (\$193,500). This figure is likely higher than the state due to the

number of high value homes around Flathead Lake and Swan Lake. When looking at rents however, Lake County’s median rent is below that of Montana. In 2015 the median rent in Lake County was \$626 (55% increase since 2000), slightly less than Montana at \$711.^{xii 1}

Looking at housing cost burden (paying more than 30% of household income on housing) is helpful in providing a snapshot of housing affordability in Lake County. In 2015 an estimated 31% of homeowners in Lake County had a housing cost burden, an increase of 6% since 2000 – see Figure 4. The financial challenges are even greater for renters, with 39% of renters in Lake County having experienced a housing cost burden in 2015, a 3% decrease since 2000. In Montana as a whole, a lower

Figure 4 – Percentages of owners and renters with a housing cost burden, Lake County vs. Montana, 2015



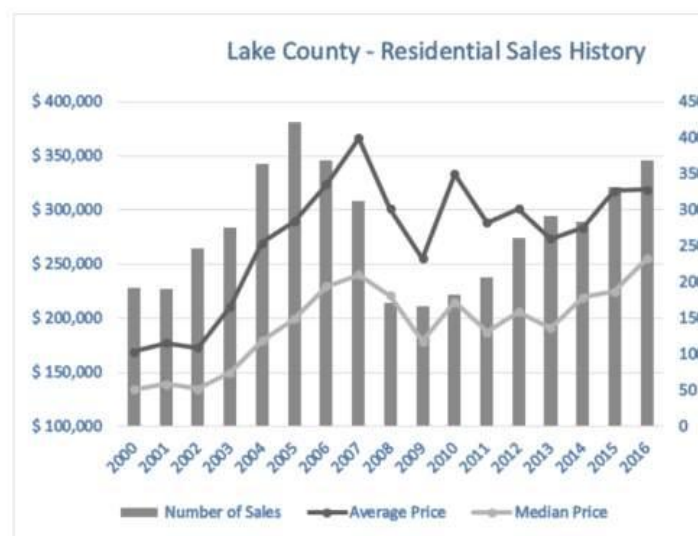
¹ Per the 2015 American Housing Survey, monthly housing costs for renter-occupied housing units include the rent, utilities, property insurance, land rent, and homeowner or condominium association fees (e.g. mobile home park fee or other fees for mobile home utility hookups). Renter housing units occupied without payment of cash rent are shown separately as “No cash

percentage of owners have a housing cost burden than in Lake County, while a higher percentage of renters across the state have a housing cost burden than in Lake County.^{xiii}

Housing Sales Prices

Historic sales prices of homes are an indicator of major market trends. Figure 5, provided by Jim Kelley of Kelley Appraisal in Kalispell, represents residential sales history from 2000 through 2016.

Figure 5 – Residential Sales History, average and median prices and number of sales, 2000 – 2016



The number of sales peaked in 2005 and reached its lowest numbers in 2009 during the heart of the recession, and has since rebounded to pre-recession figures. In terms of home prices, sales prices reached their lowest in 2009, with median home prices dropping below \$200,000, but median home prices have since rebounded to pre-recession highs.

As reported by Jim Kelley, “2016 was a near record year for home sales in Lake County. There were 369 home sales reported, compared to 332 in 2015, representing an 11% increase.

The median price in 2016 was \$255,000, which was

rent.” (Households who do not pay cash rent may still pay utilities.) For rental units subsidized by a housing authority, the federal government, or state or local governments, the monthly rental costs reflect only the portion paid by the household and not the portion subsidized. The figures do not adjust for lost security deposits or the benefit of free rent offered by some owners.

13.6% above the 2015 median of \$224,500. The 2016 median was higher than the 2007 high of \$240,000 by 6.3%.

In 2015, around 14.4% of Lake County’s market is made up of waterfront homes, which tend to increase overall home prices. When lakefront homes are not considered, the median home price for 2016 was \$225,000, which is an 8.8% increase over \$206,750 median of non-waterfront homes in 2015.

The greater Polson area had a 7.5% increase in the number of sales in 2016 and a 11.1% increase in the median price. The greater Ronan area had nearly the same number of sales as it did in 2015, but the median price increased by 21.3% to \$185,000. ”

As reflected by these numbers, the real estate market is strong again, but Lake County officials are concerned with the housing costs compared to earnings.

Housing Projections

Housing prices are impacted by so many variables, it is difficult to project trends into the future. The economy, demographics, consumer preferences and regulations will shape the housing market in and around Lake County. The best Lake County can do within this document is act appropriately in hopes of providing an atmosphere where a healthy real estate market can flourish.

Through implementation of this growth policy, it is Lake County’s housing goal to encourage the creation of all types of affordable and workforce housing. This specifically includes housing for landowners’ family members, employees of workers our economies depend upon, and accessory dwelling units (ADUs) that can bring additional supporting income to the landowners while alleviating pressures from unmet housing needs. The various objectives and actions intended to meet that goal are found in Chapter 9.

Community Goal



Economy

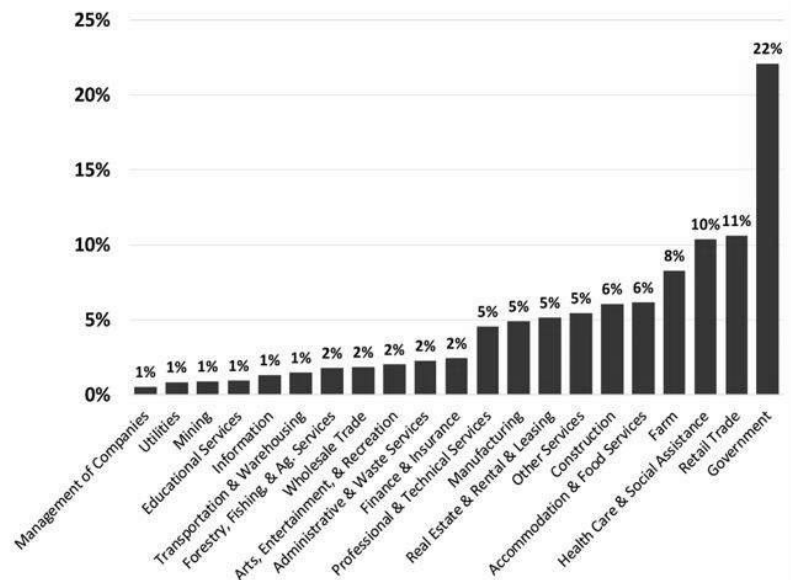
Profile

Overall, employment in Lake County is concentrated in government, retail, and health care – see Figure 6. The majority of jobs in Lake County are located in the population centers of Polson, Ronan and Pablo. Employment in retail, healthcare, and accommodation and food services is concentrated in Polson and Ronan, while employment in educational services is concentrated in all three locations. Polson and Pablo also have high concentrations of government jobs being the home offices for Lake County, the City of Polson and the Confederated Salish & Kootenai Tribes.

Lake County Commissioners note that the relatively high proportion of government jobs in part reflects a large number of tribal government jobs that are not as readily available to the general Lake County population due to tribal member hiring preference policies.

While tribal hiring preferences impact what jobs may be readily available to various classes of people, it should also be acknowledged that the tribes and tribal businesses also provide jobs to non-members and non-Indian employees; as of December 2017, the tribes estimate that CSKT and its businesses provide more than 500 jobs to non-members and non-Indian employees.

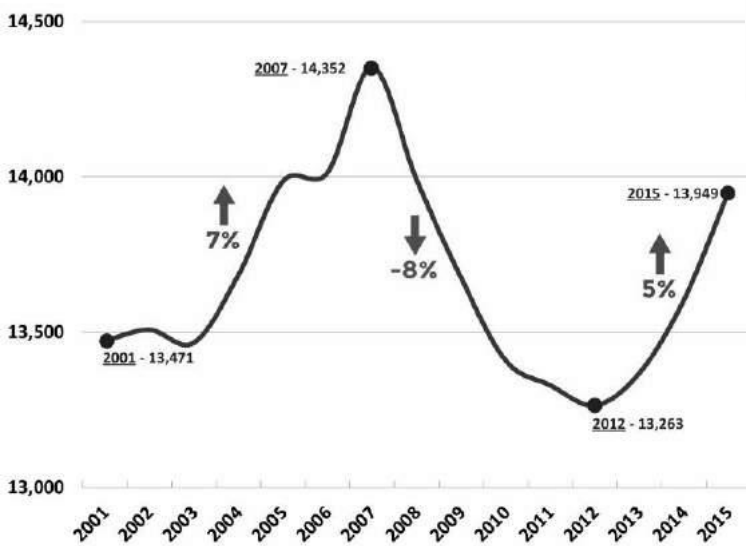
Figure 6 – Employment by industry



Employment

As of 2015, total employment in Lake County was estimated at 13,949. Since the turn of the century, Lake County has experienced ups and downs in employment, brought on by the impacts of the national recession – see Figure 7. At its peak in 2007, total employment stood at 14,352 and unemployment was at 3.6%. At its low in 2012, total employment was at 13,263 (8% decrease) while unemployment reached its highest point in 2009 at 9.2%.^{xiv}

Figure 7 – Employment numbers, 2001 through 2015



Between 2007 and 2012 employment in Lake County decreased in 15 of 21 industry sectors – see Figure 8. The largest percentage employment decreases were experienced in construction, manufacturing, wholesale trade and retail. At the other end of the spectrum, several industries saw employment increases during this time, notably government. Since the trough of the national recession, Lake County’s economy has been slowly rebounding.

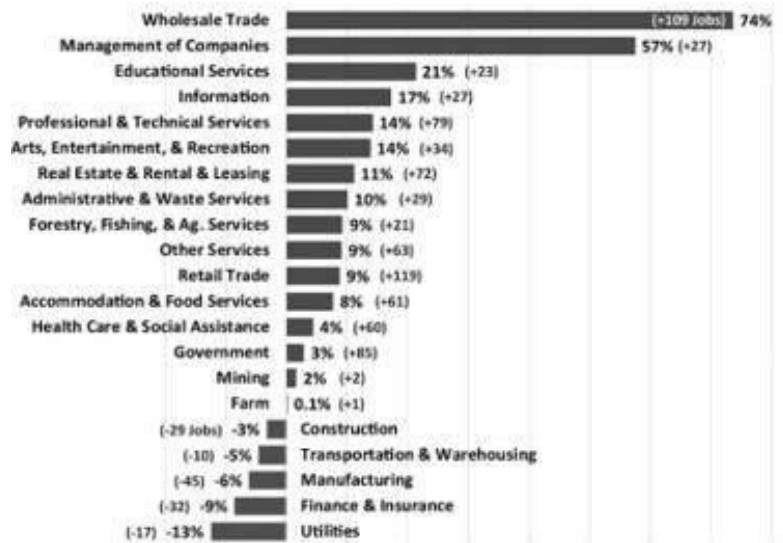
Between 2012 and 2015 total employment increased by 5% with employment increases in 16 of 21 industry sectors – see Figure 9. Despite these gains, employment in construction and manufacturing has continued to decline. However, as the economy continues to improve, additional jobs in these sectors can be expected. Current uncertainty in federal policies may also translate into a decline in

Figure 8 – 2007 – 2012 Employment Changes by Sector



government jobs in the near future. It should also be noted that there are seasonal factors that relate to employment numbers and a tourism economy that are not completely captured by the shown data.

Figure 9 – 2012 – 2015 Employment Changes by Sector

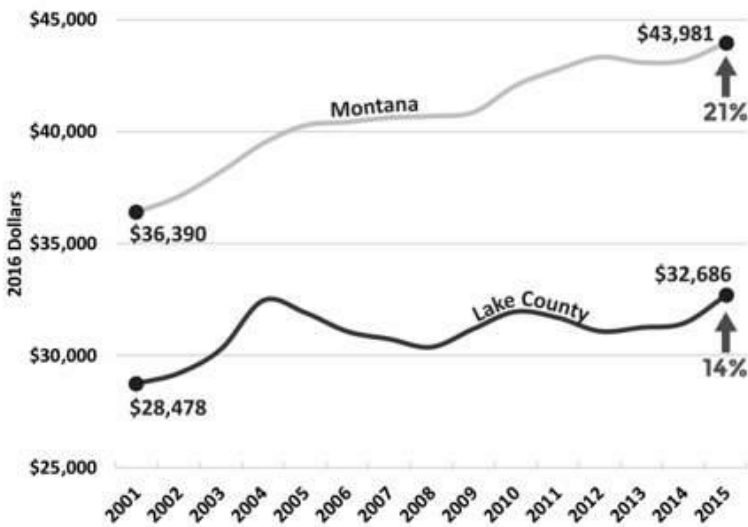


Earnings

As of 2015, average annual earnings per job in Lake County stood at \$32,686, while the figure for Montana was \$43,981 – earnings figures reflect 2016

dollars.² Please see Figure 10. By comparison, average earnings in Montana have increased at a greater rate and experienced less variation since 2001. In that time, average earnings have increased slightly in Lake County, while experiencing peaks and valleys corresponding with changing economic conditions. Similar to employment, earnings trends in Lake County reflect the downturn of, and subsequent rebound from, the national recession. Additionally, the seasonal nature of the tourist economy in Lake County tends to result in some lower paying jobs in the accommodations and food services and the arts, entertainment and recreation sectors.

Figure 10 – Average annual wage earnings in Lake County and Montana, 2001 through 2016



On average, earnings are highest in the utility, information and government industries – see Figure 11.

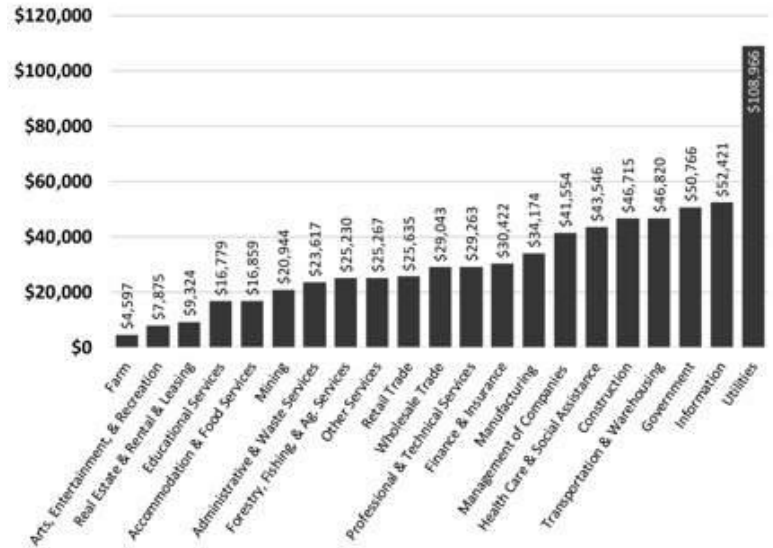
Projections

Like housing, the overall economy in Lake County is impacted by so many variables, such as the national and global economies, it is difficult to project trends into the future. However, if Lake County residents can capitalize on the natural amenities and local cultures while working to make



² Earnings include wages, benefits, and proprietors' income. Average earnings equal total earnings divided by total full-time and part-time employment.

Figure 11 – Earnings by industry sector, 2015



our communities attractive and functional, the local economy is likely to remain relatively strong.

Economic Development Goals, Objectives, and Actions

To influence the local economy to the extent possible, it is Lake County's policy to proactively take steps to promote economic development on the local and regional levels. This starts within each and every community in Lake County.

With that policy in mind, Lake County has the following goals for economic development:

- Provide attractive, functional communities and amenities that are accessible to residents and visitors
- Be an inviting place for those seeking Lake County's cultural and recreational amenities
- Support existing businesses and encourage the formation of new ones

The various objectives and actions intended to meet these goals are found in Chapter 9.

Key Issue



Policy



Community Goal



Objective



Action

