



BORDER POLICY
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The influence of Canadians and the Border on Whatcom's Economy: Changing travel and trade conditions

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Why does the border matter?



\$18 billion bilateral trade



Shared natural environment



Innovation ecosystem, integrated supply chains



Families & Friends

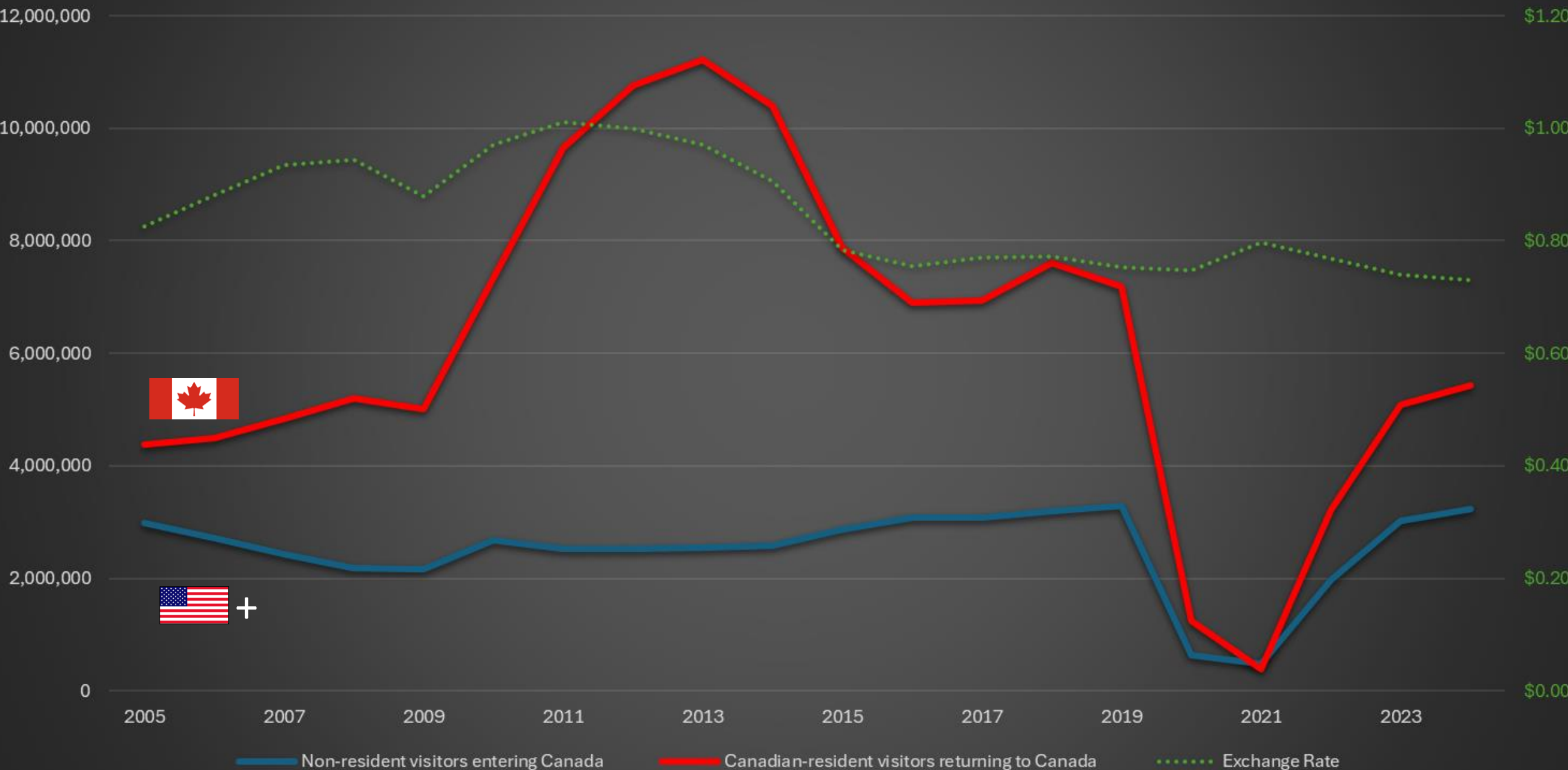
*What do we know about the influence of
Canadians and cross-border travel on Whatcom
County's economy?*

Influence of exchange rate

Trip purpose & destinations

Retail spending

Cascade Gateway, Trips by Residence (northbound 2005-2024)



Primary Trip Purpose by Nationality (2018/2019)

Primary Purpose		
Shopping	28%	4%
Recreation/Vacation	27%	85%
Business/Work	3%	3%
Family	8%	21%
Gas	19%	0%
Mail	12%	0%

Canadian Shoppers & Retail Sales (2018)

- Top Destinations (78% bound for Whatcom County)
 - Bellingham (30%)
 - Blaine (30%)
 - Lynden (4%)
 - Sumas (8%)
- Primarily short, frequent, cross-border trips to nearby destinations
- Canadian shoppers accounted for an estimated \$140 million in spending and an average of up to 11.7% of taxable retail sales
- Retail locations with the highest proportions of Canadians: Ross, Silver Reef Casino, Costco, and downtown Blaine

Destinations, estimated spending, and visits by Canadians in Whatcom County (2018/2019)

Destination	Estimated Spending by Canadians (\$)	Estimated Canadian Visitors ⁶
Blaine	\$ 24,597,461	2,049,788
Sumas	\$ 5,075,137	576,720
Lynden	\$ 4,002,298	277,937
Birch Bay	\$ 583,668	243,195
Ferndale	\$ 1,556,449	138,969
Bellingham	\$ 107,795,250	2,105,376

*What is the current state of cross-border travel
and trade in our region?*

Travel trends

Thickening border

Canada – US trade war

*Weak Canadian Dollar

Current snapshot of land border travel (2025 vs 2024)

- January 15% increase travelers = +61k trips (Blaine)
- February travel (returning to B.C.)
 - 30% drop in Canadian vehicles
 - 7% drop in US vehicles
- March ~3 weeks (Blaine, Lynden, Sumas)
 - Drop of roughly 65,000 Canadian *vehicles* (-42%)



The border is thickening in *both directions*

- Canada – US relations
 - 50% of Canadians polled approach the U.S. as a threat to national interests, 13% consider the US an enemy
- '51st state' rhetoric
 - Increasing anti-American sentiment
 - Buy Canadian and boycott US travel
- Changing nature of border enforcement
 - Canada
 - Additional surtax on personal goods
 - Collection of duties and taxes
 - US
 - Enhanced screening and inadmissibility enforcement



US – Canada Trade War

US Tariff roller coaster ride

- Ongoing business uncertainty, stalls investment
- Mostly USMCA for now
- 25% on steel and aluminum (plus 20% Chinese imports)
- Threat of 25% tariffs on Canadian goods April 2

Canadian counter –tariffs

- Canada imposed 25% on \$60 billion worth of American goods last week
- Boycott on US alcohol (B.C. ban on imports)
 - WA exports \$10 million of wine to Canada

**** 25% surtax on personal goods**

*What are the implications for communities in
Whatcom County?*

Trade

Travel, tourism, tax revenue

Unique nature of borderland communities/economies

Trade: Industries to consider

- Price increases on raw materials/components will drive up prices for many businesses and consumers
- Lumber: Costs of a single-family home could increase \$7,500-\$10,000 or more from tariffs
 - Washington forests can't keep up with demand, we rely on BC lumber.
- Electric Power: we import from BC, so energy bills could increase
- Steel & Aluminum: Over 300 manufacturing businesses in the County that may see machinery costs increase
- Many small businesses will likely struggle disproportionately



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Aluminum Cans & Washington Craft Beer

422

The number of craft breweries in Washington State, 21 of which are in Whatcom County

\$2 billion

The economic impact of craft breweries in Washington State in 2023

50% tariffs?

With a 25% tariff on aluminum the price for 12 aluminum cans would jump from ~\$3.60* to ~\$4.50

If stacked on top of a 25% tariff across all Canadian goods, the price jumps to ~\$5.40

*Price based on Stoup brewing reported expenses



\$102 million

Whatcom County's craft brewery estimated economic impact in 2023, including beer sales, related taproom sales and jobs

2/3

The US sources 2/3 of the aluminum it uses from Canada. Even if all US smelters were at full production, it could not meet US demand for aluminum

75%

In early 2025 sales data, aluminum cans accounted for ~75% of packaged craft beer's volume and revenue

Data from: Brewers Association; CDN; King5; Aluminum Association

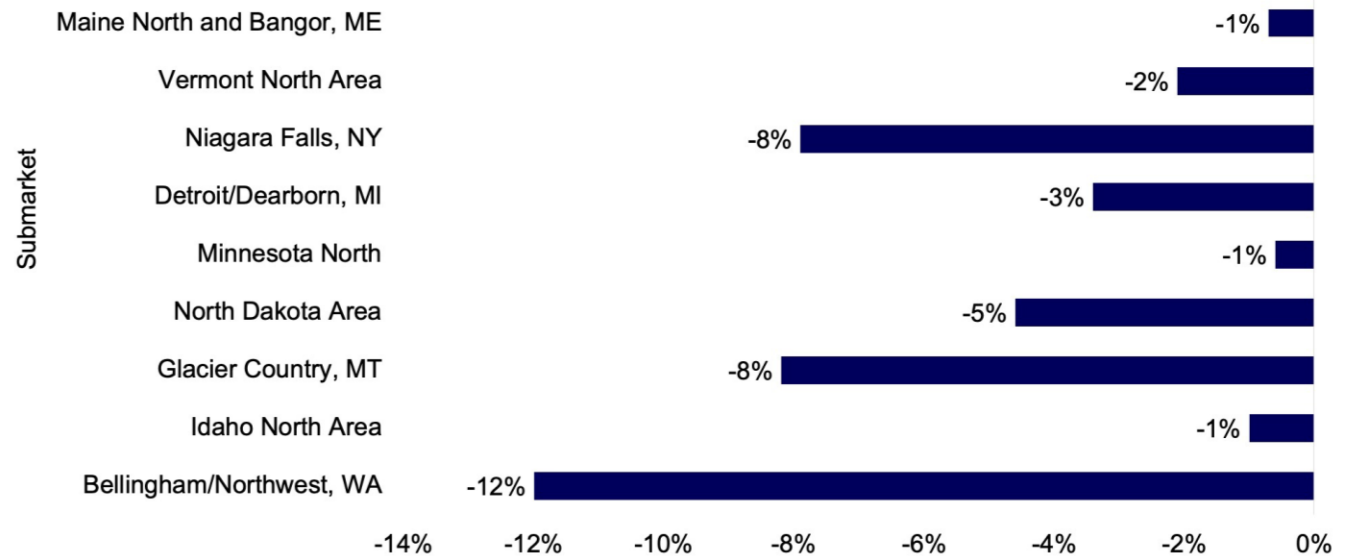
What else should we be paying attention to?

- Increased inquiries related to business immigration
- Port of Bellingham Foreign Trade Zone
 - Businesses can defer or potentially eliminate customs duties on imported goods
- Downstream effects on cross-border tourism & shopping, impact sales tax revenue
- Uncertainty is bad for business- just the threat of tariffs and increased border enforcement can defer travel and investment

Observed & Anecdotal Trends

- Some Blaine businesses reporting drops in sales as high as 60%
- Bellingham hotel occupancy –12% (higher than other border submarkets)
- "Drastic drop" in Canadian vehicles at BLI
- Strain on families, loved ones

Submarkets near the Canadian border show room demand decline



Source: CoStar

28-day demand percent change ending February 22, 2025



How can we alleviate some of these concerns and potential impacts?

Information sharing

Stakeholder engagement

Cross-border collaboration on a variety of shared challenges

What can we do to respond?

- Lessons learned during Covid – WUC Cross-Border Task Force
 - Information sharing (data, firsthand knowledge)
 - Keep stakeholders informed and engaged
- Unexpected shifts in domestic demand, population growth, other trends could buffer the loss of Canadian visitors
- Focus on small wins, efforts that bring benefits to both sides of border
 - Numerous issues that require cross-border collaboration for success
 - Nooksack River flooding
 - Longer term planning and shared goals that we should not lose sight of
 - FIFA World Cup Games

Additional Data

Table 1. Average Percent Canadian Vehicles in survey locations in Whatcom County (2016 and 2019)		
Location		Average % Canadian Vehicles
Blaine	Downtown	28%
	Blaine Center	21%
Birch Bay	The Market	7%
Lynden	Safeway	18%
	Downtown	10%
Ferndale	Silver Reef Casino	43%
	Haggen	7%
	Ferndale Station	5%
	Downtown	3%
Bellingham	Ross	50%
	Costco	36%
	Walmart	38%
	Sierra Trading Post/HomeGoods ⁵	24%
	Trader Joe's	23%
	Bellis Fair Mall	21%
	Bakerview Fred Meyer	18%
	Best Buy/BB&B	4%
	Lakeway Fred Meyer	3%
	Barkley Village	1%

Table 2. Destinations and Volume of Canadians, 2018

Destination	Canadians traveling to destination (%)	Estimated Canadian Visitors ⁶ (#)
Blaine	29.5%	2,049,788
Sumas	8.3%	576,720
Lynden	4.0%	277,937
Birch Bay	3.5%	243,195
Ferndale	2.0%	138,969
Bellingham	30.3%	2,105,376
Outside Whatcom County	22.4%	1,556,450
Cascade Gateway Total	100%	6,948,436

Summer Trip Purposes, Cascade Gateway

Trip Purpose	2013	2018	2018	
			Canadian	American
Multi-day Vacation	15%	19%	9.6%	8.5%
Single-day Recreation	20%	16%	10.2%	6.0%
<i>Recreation + Vacation</i>		35.2%	20.0%	14.7%
Shopping	27%	17%	16.1%	1.1%
Purchase Gas	18%	15%	14.7%	0.1%
Family Visit	7%	13%	5.6%	7.4%
Mail	7%	9%	8.5%	0.1%
Business	3%	3%	1.4%	1.4%
Work Commute	1%	2%	1.0%	1.2%
Airport	1%	2%	0.9%	0.8%
School, church, medical	< 1%	< 1%		

Visitors at U.S. land ports by region (1999-2020)

