

Structural Strengths of the Puget Sound Economy

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Highly educated workforce & strong talent pipelines

#2 region for tech talent, #3 for AI talent, #8 for educational attainment, #2 public university, top 5 community college system

At risk



Dense innovation cluster

2 of 5 largest tech company HQs, largest US aerospace company, #2 AI job hotspot, #4 state for innovation, #6 in unicorns per capita

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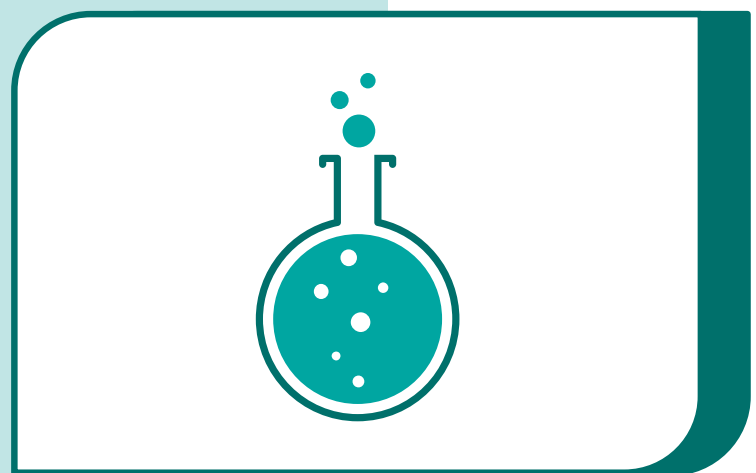
Cheap and clean energy

Top quartile of states in cheapest electric rates, #3 state for low-carbon generation



Global connection & trade

6th largest container gateway in US, #4 state for per capita exports, 11th busiest airport in US



Deep federal R&D investment

Top 5 DoE lab in PNNL, #1 NIH funded independent research institution in Fred Hutch, #1 university for public research funding in UW



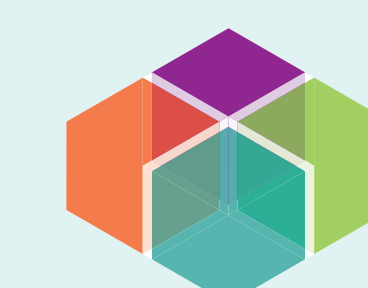
Wide federal defense footprint

#4 largest military base in JBLM, #5 naval installation in Kitsap



Natural environment drawing talent to the region

Unparalleled natural environment with 15 National Park units in WA, >40% of state as public land, and #1 outdoor-friendly city in the U.S.

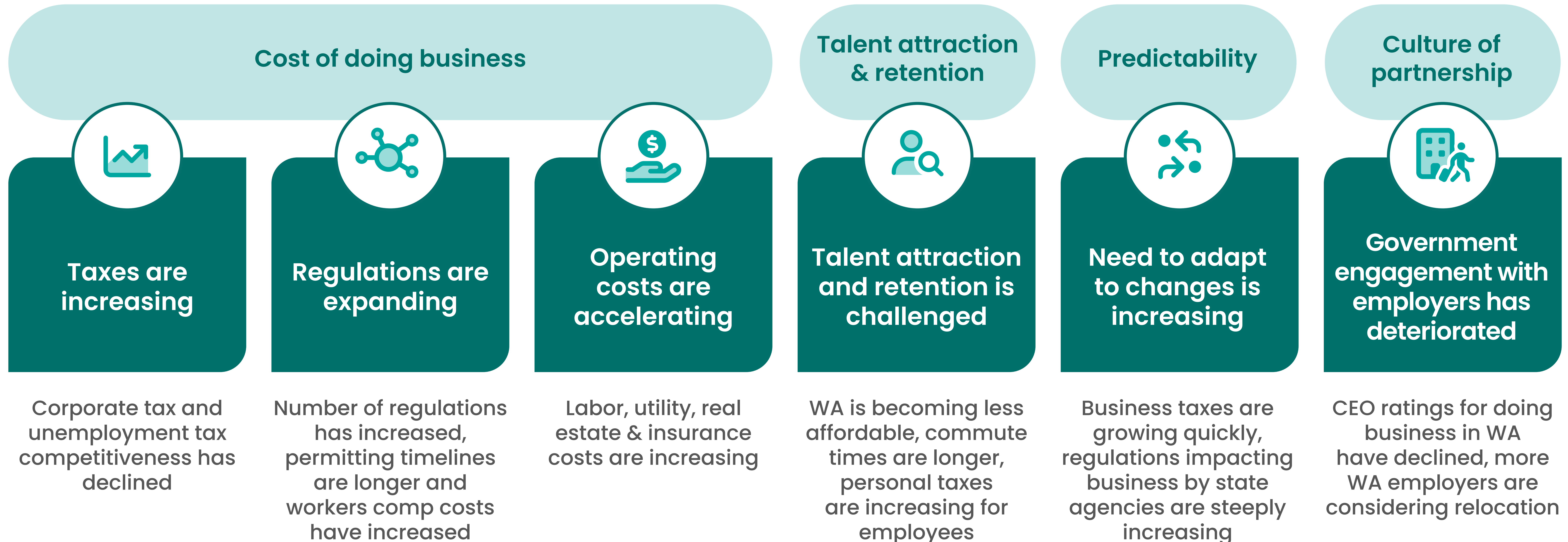


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Challenges for Puget Sound Economy

The cost of doing business, predictability, talent attraction, and culture of partnership have deteriorated over the past decade



Puget Sound "hometown heroes" by sector

2.8x

GDP growth

7.1% Puget Sound vs 2.5% US
(YoY last 10 years)

1.3x

Job growth

1.5% Puget Sound vs 1.2% US
(YoY last 10 years)

1.4x

Wage growth

7.6% Puget Sound vs 5.3% US
(YoY last 10 years)

Anchors for growth

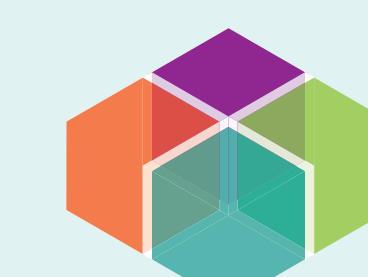
Technology



Aerospace



Defense



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CHALLENGE SEATTLE

Puget Sound "hometown heroes" by sector

Anchors for growth

Maritime



Construction



Retail



NORDSTROM



Healthcare



Life sciences

#10 top life science cluster in the nation

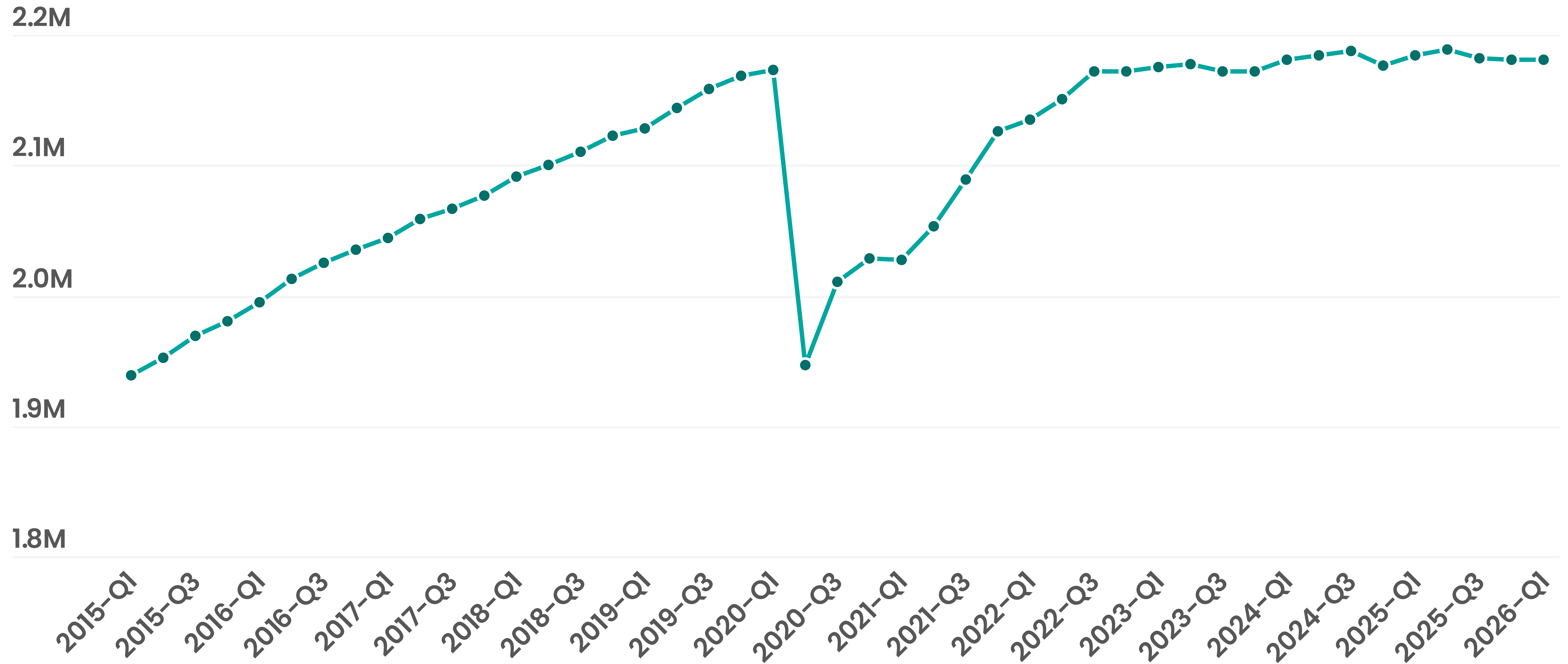


Clean Energy

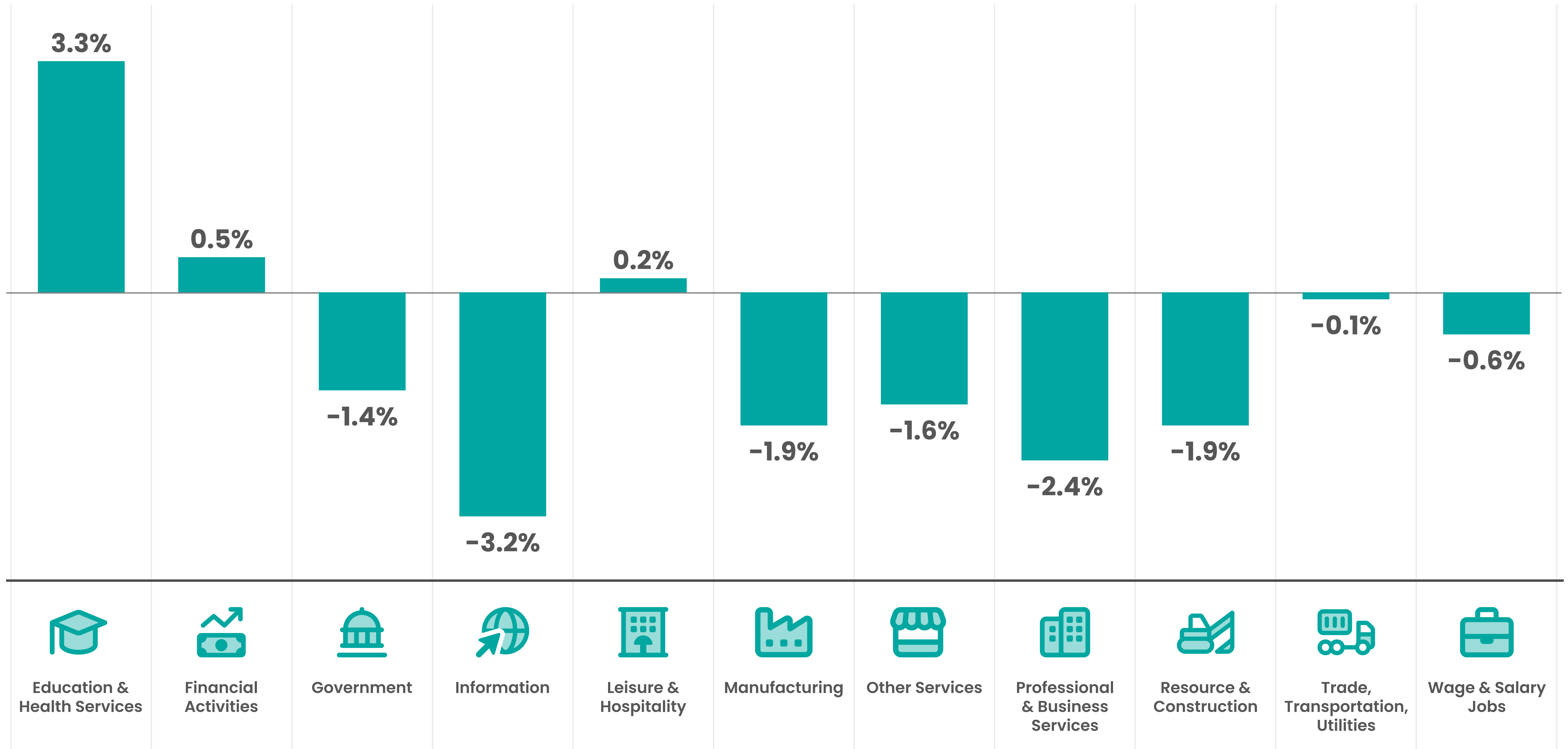
Highest concentration of fusion companies in the US



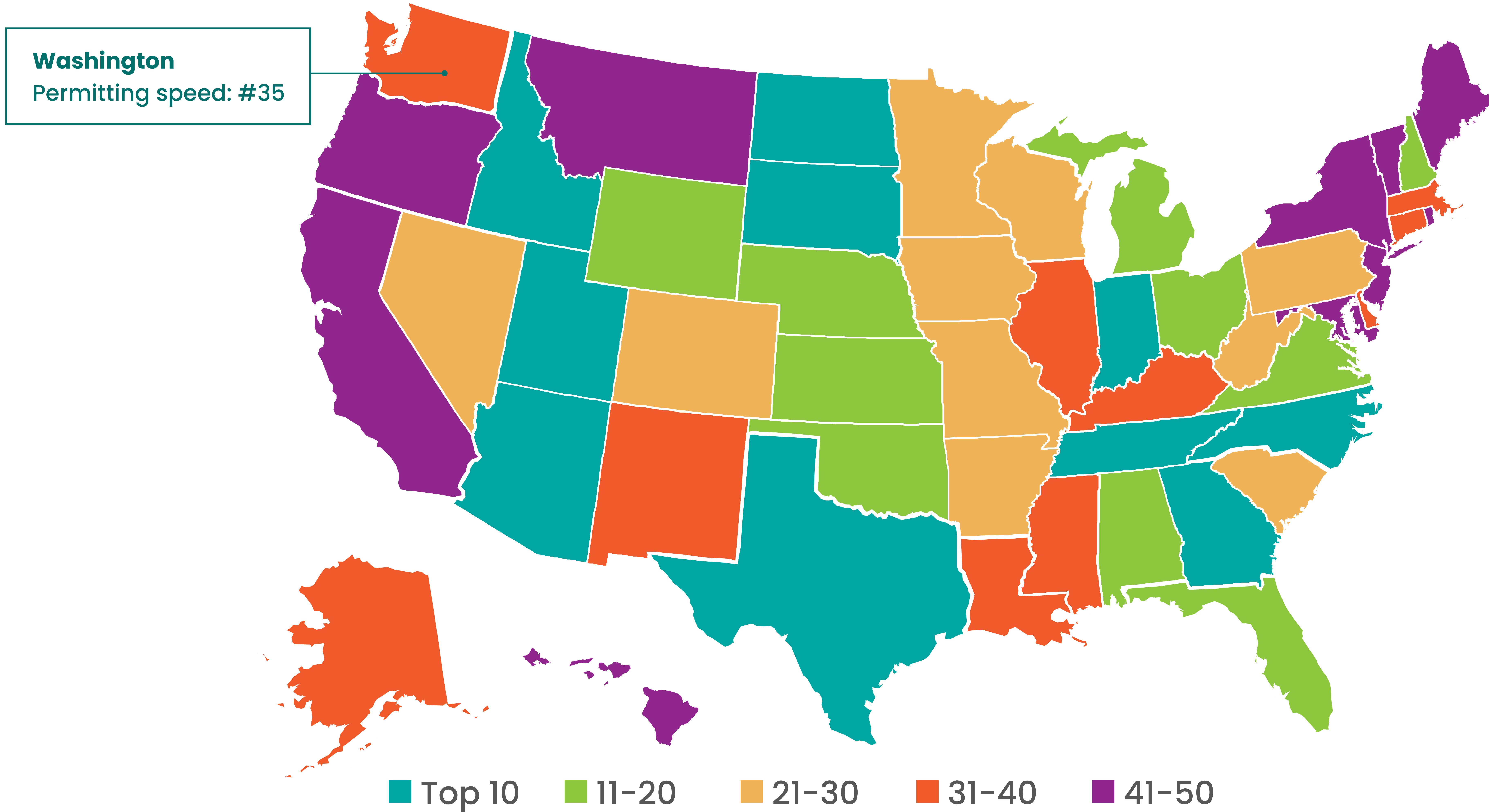
Job growth in Puget Sound region stagnant since 2023



Percent change in jobs by sector 2024 to 2025

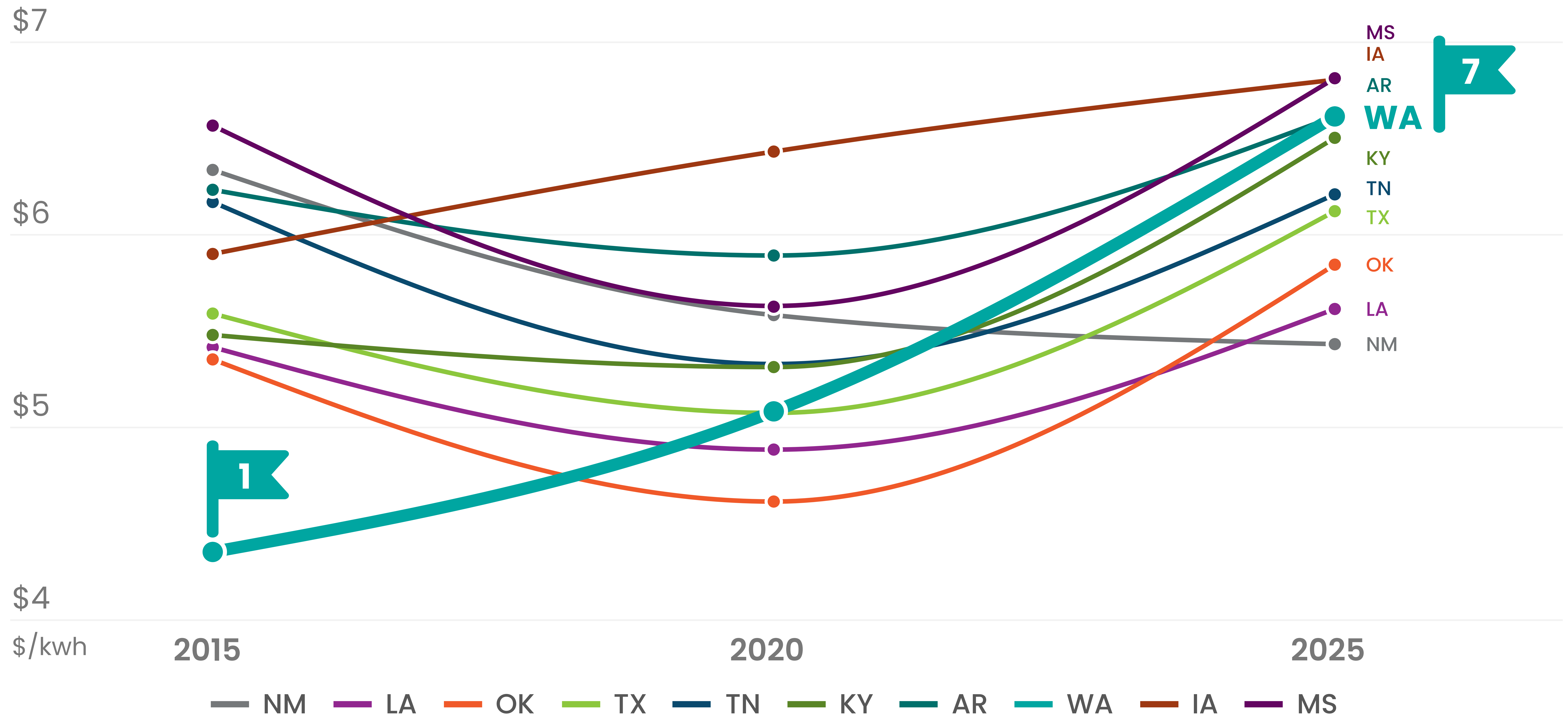


Washington ranks number 35 among states for permitting speed



Washington has lost its position as the leading state for electricity affordability

Washington has dropped from #1 most affordable industrial electricity to #7 in the last 10 years

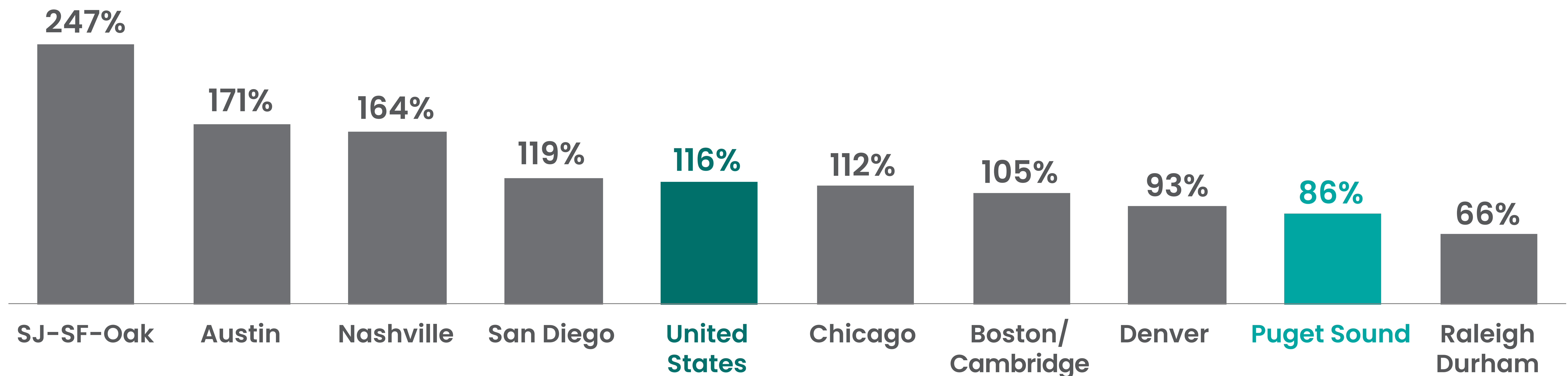


Puget Sound has underperformed compared to peers across the country in venture capital funding

VC investment has not recovered to pre-pandemic levels

Post-COVID VC investment (2023 – 2025) compared to pre-COVID levels (2015 – 2019)

Average annual VC investment '15-'19 = 100%¹

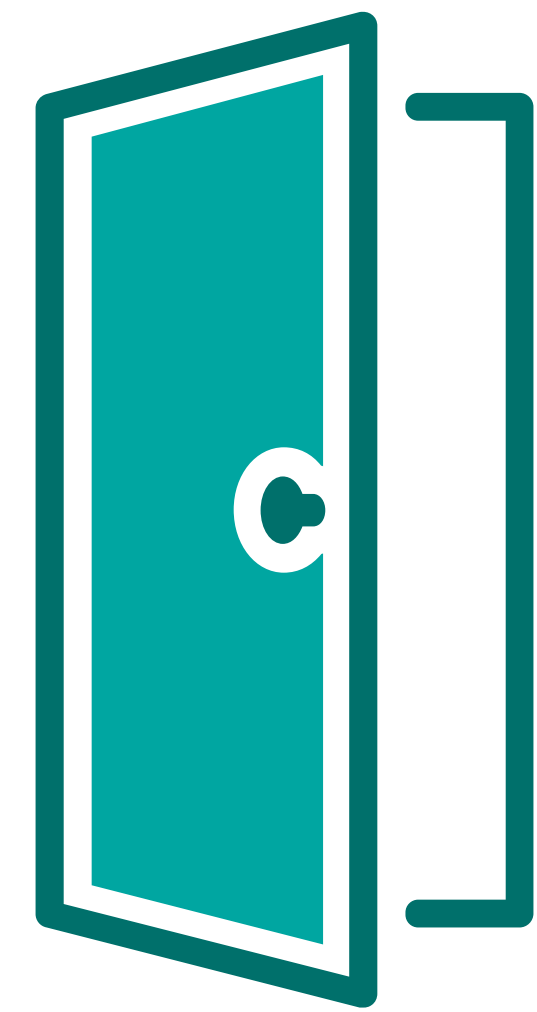


Even with a surge of VC to the Eastside of the Puget Sound, the region has underperformed many other innovation hubs, with the exception of Raleigh-Durham

1. Data are adjusted for inflation (US benchmark inflation applied by year)
Source: Pitchbook

Culture of partnership

Perceived business culture is influenced by accessibility, speed, predictability, and rhetoric of public officials



Accessibility

When businesses need help, do officials answer the call?



Speed

How fast can businesses get an answer?



Predictability

How predictable are regulations, taxes, and the process?



Rhetoric

How do public officials talk about business?