

## A CHANGING ECONOMIC LANDSCAPE

The central Puget Sound region's economy has changed significantly since the last Regional Economic Strategy was adopted in December 2021, during the global COVID-19 pandemic. While the pandemic created severe economic disruption, the region demonstrated resilience and recovered more quickly than many peer regions. Strong leadership across the public and private sectors, combined with the strength of key industries, helped stabilize the regional economy and restore growth.

The economic shutdowns of 2020 resulted in the loss of more than 167,000 jobs across the region. Recovery was swift, with more than 117,000 jobs added in 2021 and total employment surpassing pre-pandemic levels by 2023. A strong Information Technology sector helped insulate the region from the worst economic shocks and accelerated the recovery. Many technology companies expanded hiring during this period as demand increased for products supporting remote work, digital services, and social distancing measures. Additionally, the emergence of artificial intelligence prompted many of these companies to stockpile talent in the race to be on the cutting edge of artificial intelligence work.

At the same time, the region continues to face structural changes that were accelerated by the pandemic. Rates of telework and hybrid work remain high compared to other parts of the country, reshaping traditional employment centers and reducing activity in many downtown business districts. Office vacancies remain a significant challenge, with downtown Seattle continuing to experience historically high vacancy rates in 2026. Recent return-to-office policies and public investments in urban centers have begun to support recovery. Cities across the region have also made major investments to reimagine downtown spaces in preparation for the 2026 FIFA World Cup, with benefits expected to extend well beyond the tournament for residents, workers, and visitors.

More recently, the regional economy has experienced concerning headwinds. Historically, the central Puget Sound region added between 30,000 and 40,000 jobs annually. In 2023 and 2024, however, job growth slowed significantly, and in 2025 the region lost 12,900 jobs. Excluding the temporary losses of 2020, this marks the first year of sustained job losses since the Great Recession of 2008–2009.

A significant driver of these losses was workforce reductions among the region's major technology employers, which began in 2024 and contributed to broader

## Regional Economic Strategy for the Central Puget Sound Region

declines in professional and business services, manufacturing, and construction. The softening labor market has raised concerns among business leaders about the region's overall competitiveness and business climate. Federal and state budget reductions have also limited economic development investments. At the state level, budget challenges have contributed to higher business taxes and increased uncertainty for business attraction and expansion. New national tariff policies have added further pressure to the region's export-driven economy, while the region's ability to generate and distribute electric power is emerging as a constraint on future economic growth.

Businesses and residents alike continue to face challenges related to housing affordability, housing supply, and the rising overall cost of living. These pressures have made it more difficult to attract and retain talent. The region's innovative industries have historically benefited from a relatively lower cost of living compared to other major technology hubs, helping attract workers from across the country and around the world. Rising costs, combined with new federal restrictions on international migration, have created new risks to long-term economic competitiveness.

The past few years have highlighted the region's vulnerability to increasingly frequent and costly severe weather events. In 2024, a major windstorm, widely referred to as a "bomb cyclone," caused widespread damage across the region. Severe storms, flooding, and landslides in December 2025 created additional disruption and damage. Together, these events caused more than \$200 million in estimated losses.

Despite these challenges, there are strong reasons for optimism about the region's future. The central Puget Sound region remains home to globally significant industries that continue to drive innovation and opportunity. The aerospace industry remains one of the strongest in the world and is leading in emerging technologies such as sustainable aviation fuels while also supporting the growth of a new generation of space companies. Regional information technology firms are advancing the frontiers of artificial intelligence, while life sciences and clean technology companies are developing solutions with global impact.

The region's deepwater ports and close proximity to Asia continue to support a strong maritime and trade economy, while significant U.S. Navy investments are expected to generate economic benefits for decades to come. The 2026 FIFA World

## Regional Economic Strategy for the Central Puget Sound Region

Cup provides an opportunity to showcase a region rich in cultural, natural, and tourism assets. At the same time, the expansion of the regional light rail system—including new connections across Lake Washington linking Seattle, Bellevue, Redmond, and Sea-Tac Airport, with future extensions to Everett and Tacoma—will strengthen mobility and regional connectivity.

Regional leaders across the public and private sectors are working together to address these challenges and seize emerging opportunities. This Regional Economic Strategy is designed to provide a strategic blueprint for that coordination and to support long-term prosperity throughout the central Puget Sound region.

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## THE REGIONAL ECONOMIC STRATEGY

The Regional Economic Strategy is a blueprint for boosting economic growth in the central Puget Sound region. It provides an assessment of the local economy, identifies challenges and opportunities, and outlines strategies for improvement over a five-year period. The RES provides a framework for collaborating on economic development issues, and gives local jurisdictions and organizations access to funding programs managed by the U.S. Economic Development Administration.

The RES serves as the Comprehensive Economic Development Strategy (CEDS) for the central Puget Sound region. The Central Puget Sound Economic Development District (EDD) is responsible for updating the region's CEDS every five years, under the guidance of the U.S. Economic Development Administration.

The RES is organized around four goals that aim to grow the region's key industries and strengthen its economic foundations:



To help reach these goals, the RES identifies 27 strategies designed to organize efforts over a five-year period. Implementation of these strategies is accomplished by a broad set of regional stakeholders and includes important existing programs and initiatives as well as new opportunities for implementation. The RES is also used as the framework for establishing the EDD's economic development workplan. Over the five-year period implementation actions will be completed and new tactics will emerge.

## THE CENTRAL PUGET SOUND REGION

The central Puget Sound region is one of the principal metropolitan regions in the Pacific Northwest of the United States. It includes King, Kitsap, Pierce, and Snohomish counties and their 82 cities and towns, covering an area of nearly 6,300 square miles (16,300 square kilometers). The region includes nine federally recognized sovereign Tribal Nations. The region’s geography is diverse and includes urban, rural, and resource lands.

The region is home to over 4.5 million people and nearly 2.4 million jobs.

While each county has experienced considerable growth over the past decade, King County continues to hold the majority of the region’s residents and an even greater majority of the region’s jobs. Pierce and Snohomish counties are the next most populous counties, and both have considerable employment centers. On the other side of the Puget Sound, Kitsap County has strategically significant employment centers and a smaller population.

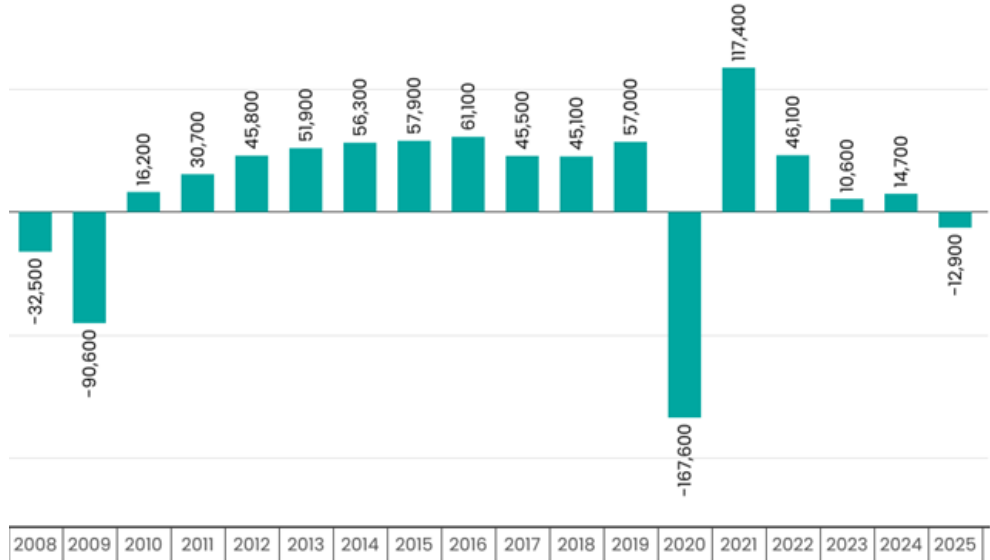
| County        | Population (2025) | Employment (2024)* |
|---------------|-------------------|--------------------|
| King          | 2,411,700         | 1,555,000          |
| Kitsap        | 288,900           | 115,000            |
| Pierce        | 959,900           | 393,000            |
| Snohomish     | 873,800           | 329,000            |
| <b>Region</b> | <b>4,534,300</b>  | <b>2,391,000</b>   |



## ECONOMIC TRENDS

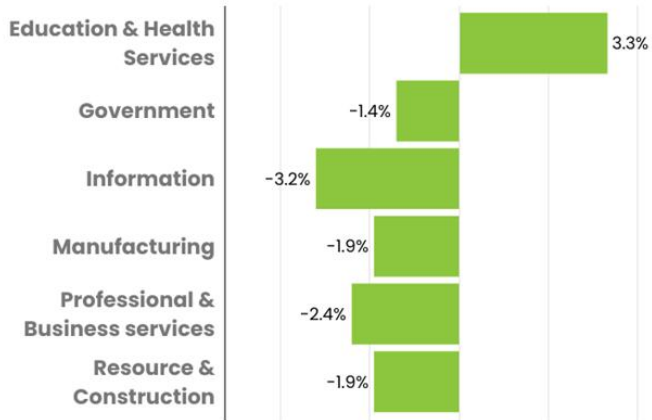
### Employment in the region dropped in 2025

In 2025, the central Puget Sound region saw the first major job losses since the Great Recession, when excluding the anomaly of the Covid-19 Pandemic. After two years of below average employment increases in 2023 and 2024, employment decreased by 12,900 in 2025.



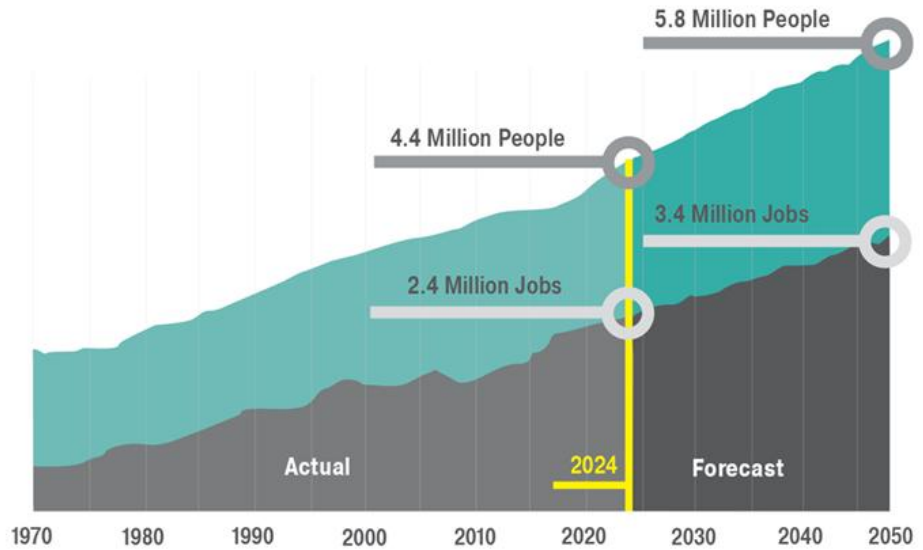
### Job losses impacted sectors across the regional economy

The 2025 job losses were seen economy-wide, with most sectors seeing some level of decline in employment. The Information Technology sector saw numerous layoffs after years of increased hiring during the Covid-19 Pandemic. A few sectors continued to grow in 2025, including Education and Health Services, Financial Services, and Leisure and Hospitality.



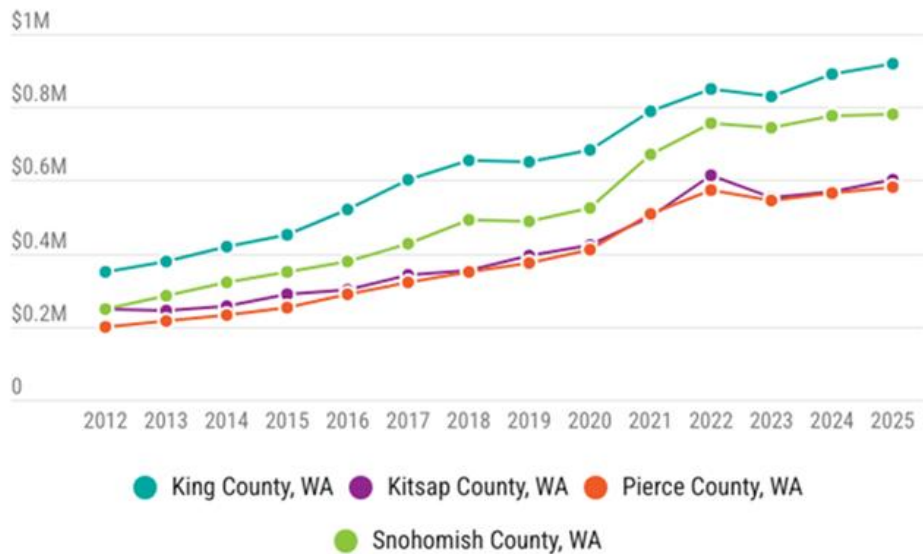
**The region is forecast to add 1.4 million people and 1 million jobs by 2050**

Nearly 6 million people and 3.4 million jobs are projected in the central Puget Sound by 2050. The past decade has seen many smaller cities and neighborhoods transform into denser urban areas, adding thousands of residents and jobs across the region.



**Housing costs have risen in regional counties since 2012**

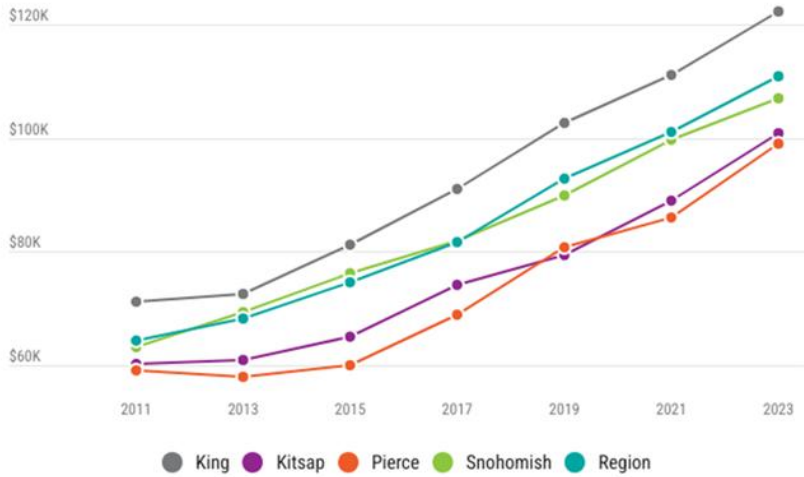
The central Puget Sound region has seen explosive growth in home values in recent years. A sharp rate of increase was seen from 2020-2022 during the Covid-19 Pandemic, with growth returning to more typical rates beginning in 2023. Although housing costs are rising in all four counties, homes in King County remain the most expensive. In 2025, home values in King County were almost 150% of the value of homes in Kitsap and Pierce counties.



## REGIONAL DEMOGRAPHICS

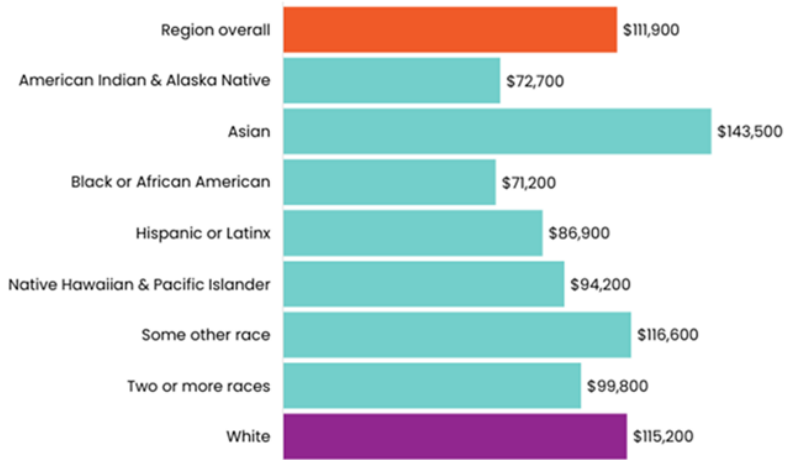
### Income in the region has grown over 70% since 2011

Median household income in the region was over \$110,000 in 2023. King County households now earn a median income of \$122,000 annually and Snohomish County is just trailing the regional average with a median income of \$107,000. Kitsap and Pierce counties are farther behind with both counties below \$101,000 in median income.



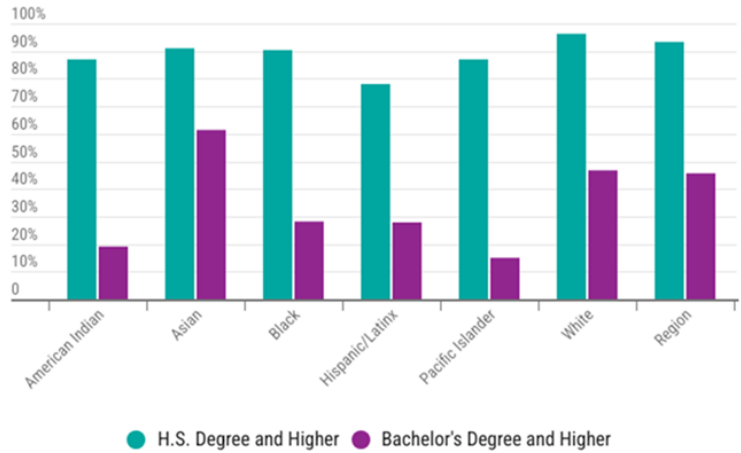
### Most racial and ethnic groups earn below the regional average

While household income continues to grow in the region, economic prosperity is not shared equally across racial and ethnic groups. In 2023, only Asian and white households were above the regional average of \$111,900. American Indian and Alaska Native, Pacific Islander, Hispanic/Latinx and Black households were all well below the regional average.



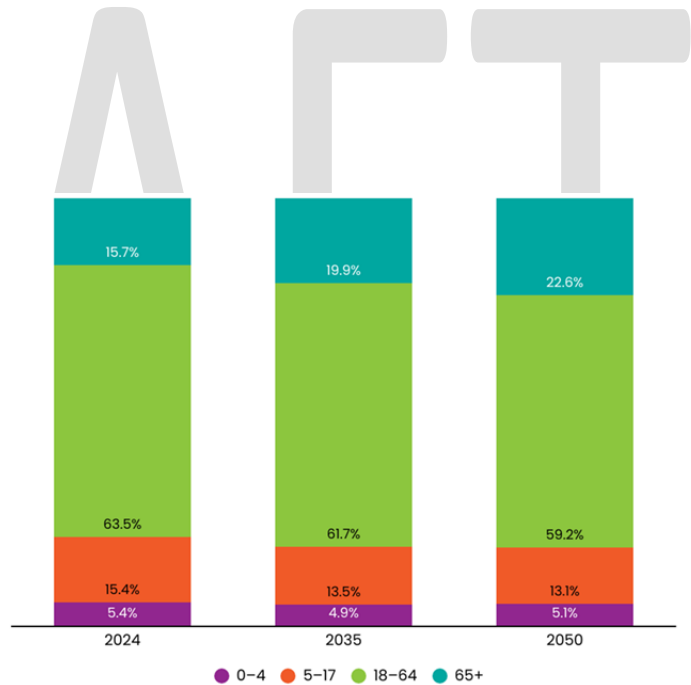
**The region’s population continues to be highly educated**

The central Puget Sound region is among the most educated regions in the nation with nearly 46% of residents over 25 having a bachelor’s degree. However, disparities exist with American Indian, Black, Hispanic/Latinx and Native Hawaiian/Pacific Islander residents attaining higher education at a much lower rate than the regional average.



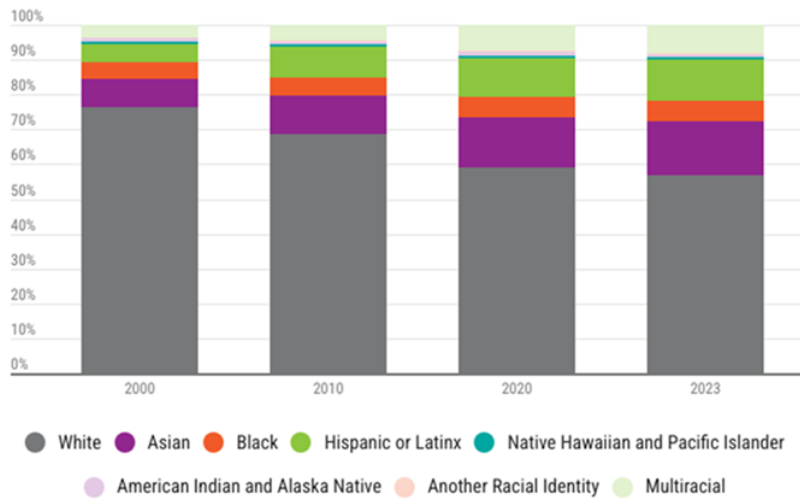
**The region’s population is aging**

The region is projected to age in line with national trends as the baby-boomer generation ages. The share of residents over the age of 65 is expected to grow nearly 50% by 2050. Meanwhile, the percentage share of working age adults in the region is projected to decline by over 4%. Similarly, the share of children is expected to decline around 3%.



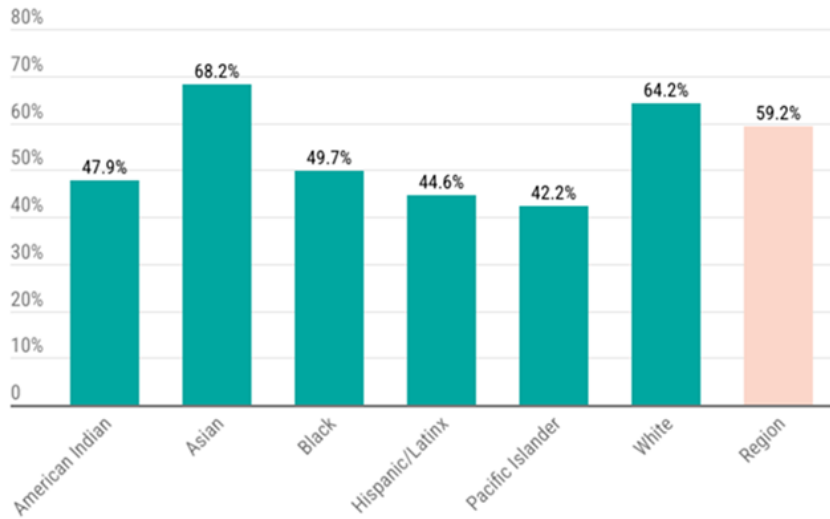
**From 2000 to 2023, the number of people of color doubled in the region**

The Puget Sound is an increasingly multicultural region. Much of the population growth in Puget Sound can be attributed to the Asian and Hispanic/Latinx populations, which respectively numbered over 670,000 and 500,000 residents in 2023. That year, the number of Black residents in the region grew to over 250,000 and the number of White residents in the region held steady at 2.5 million.



**Many kindergarteners are not entering kindergarten ready to learn**

Gaps in education by race and ethnicity are apparent when examining kindergarten readiness. White and Asian students entering kindergarten in 2023 showed greater readiness than the regional average, while less than half of American Indian, Black, Hispanic/Latinx, and Pacific Islander kindergartners showed readiness.



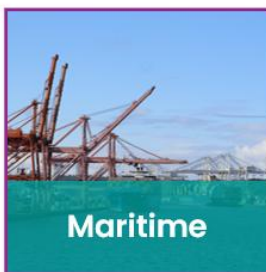
## KEY REGIONAL EXPORT INDUSTRIES

The central Puget Sound region is home to a unique set of export focused industries, including:

- Aerospace
- Information Technology
- Maritime
- Military & Defense
- Transportation & Logistics
- Life Sciences
- Clean Technology
- Tourism

The region's economy plays an outsized role in nationally significant export industries, with the share of employment in each of the Information Technology, Maritime, and Aerospace sectors equaling over 2.5 times the national average.

The region's key industries support high paying jobs and have resulted in a highly skilled regional workforce. The 2027 Regional Economic Strategy is designed to support these key strategic clusters, grow jobs and opportunity, and look for ways to continue to diversify and build resilience into the regional economy.



## AEROSPACE

The Aerospace industry in the central Puget Sound region is one of the most competitive in the world. The industry has grown into a large and diverse supply chain that is driving innovation across clusters, including space, advanced composite materials and aviation biofuels.

The industry employed an estimated 118,000 workers in 2024 and accounted for nearly 5 percent of all jobs in the region. Despite this strength, Aerospace jobs declined by 3% between 2020 and 2024.

The Boeing Company continues to be a cornerstone of both the aerospace industry and the regional workforce. In 2023, Boeing supported 82% of business revenues, 80% of total jobs, and 77% of total labor income generated by the aerospace industry in Washington state.<sup>1</sup>



In 2023, total economic impacts associated with the aerospace industry in Washington were estimated to be over \$71 billion in business revenue, 194,000 jobs, and \$19.4 billion in labor income.<sup>2</sup>

### Space Industry

Building on its historic strength in aerospace, the region is home to a quickly growing and globally recognized space sector. Communities across the central Puget Sound region have capitalized on the space economy, with significant activity taking place in the Kent Valley, Redmond, Kirkland and beyond. The region is home to cutting edge space companies including Blue Origin, SpaceX, Amazon Leo and Stoke Space. Much of the growth has been driven by the region's dominance in satellite manufacturing, with more than half of all active satellites having been manufactured in the region. It is expected that 78% of all current and future FCC-approved satellites will be manufactured in Washington state in the future.<sup>3</sup>

## INFORMATION TECHNOLOGY

The region is home to a highly diverse Information Technology industry. Information Technology is a major employer in the region, providing more than 209,000 jobs in 2024. The sector accounts for 9 percent of all jobs in the region.



Companies headquartered in the region like Microsoft and Amazon form the backbone of this cluster, but other large technology companies including Meta, Google, Oracle, Salesforce, and Apple, also have major satellite offices in the region.

In Washington state, Information Technology has an outsized economic impact. In 2022, the sector was associated with an estimated \$99.8 billion in total employee income.<sup>4</sup> The Washington Technology Industry Alliance estimated that over 1.5 million jobs in the state could be traced to the Information Technology

sector through direct and indirect employment.

Despite the region's historically strong Information Technology cluster, 2025 saw a significant number of tech sector layoffs. Overall, the region's Information Technology job count decreased 3.2% between 2024 and 2025.

### Artificial Intelligence

The widespread adoption of Artificial Intelligence has fundamentally changed the landscape of the Information Technology sector. The Puget Sound region is well positioned to benefit from this development. In 2024, the third-largest cluster of AI-specialty talent in the United States was located in the region with roughly 33,000 specialists having been recruited to and trained in the Puget Sound.<sup>5</sup> Local training of the AI workforce occurs at the University of Washington, where a graduate program and a variety of certificate programs focused on Artificial Intelligence are offered.

## MARITIME

The region has leveraged its proximity to Asia, Alaska, and Canada into a thriving Maritime industry. In 2024, more than 37,000 workers were employed in the sector across boat building and repair, fishing and fishing products, and water passenger and cargo transportation.

In Washington state, the maritime sector was found to support 174,300 jobs, \$14.4 billion in labor income, and \$45.9 billion in business revenues.<sup>6</sup>

The biggest sector of the maritime industry is the maritime logistics and shipping sector, composed of 23,500 jobs statewide. Jobs tied to boat building and repair represent the next largest chunk of the Maritime sector with 18,500 jobs statewide. These jobs are heavily concentrated in Kitsap County. The county is home to Naval Base Kitsap, the largest single employer in the county that accounted for over 24,600 civilian U.S. Department of Defense workers in 2024.<sup>7</sup>



### Shipbuilding

The region is home to a shipbuilding ecosystem that includes both military operations like Naval Base Kitsap's Puget Sound Naval Shipyard and private ventures including Vigor Marine Group and SAFE Boats. A 2026 report by Maritime Blue and Pacific Northwest National Laboratory (PNNL) noted that the regional shipbuilding industry tends to focus on ship repair/maintenance and higher margin newbuilds, such as luxury vessels, passenger vessels, harbor craft, and patrol boats.

The local industry is challenged by low-volume and custom orders. Shipyards prefer multi-vessel projects that can provide cost and workforce benefits from economics of scale. Without multi-vessel contracts and clear market signals shipyards struggle to finance facility expansion and modernization with advanced modernization and automation.<sup>8</sup> If shipyards are supported to overcome these challenges, the Puget Sound is well positioned with its abundance of deepwater ports, co-location of commercial and military shipyards, and concentration of industry and technology innovation to advance US maritime excellence.

## MILITARY & DEFENSE

Military installations in the region play a critical role in national defense, while providing significant economic benefits to the region. The central Puget Sound region hosts several major military installations, including Joint Base Lewis-McChord (JBLM), Naval Base Kitsap, Naval Station Everett and U.S. Coast Guard Base Seattle. The industry supports myriad private defense contractors and subcontractors which bolster the regional Maritime and Aerospace industries.



In total, naval bases in the Puget Sound directly employed over 50,000 in 2024. The bases have an economic impact of generating over \$6.4 billion in labor income and adding \$6.8 billion to the economy.

JBLM is among the largest employers in Washington, directly providing nearly 57,000 jobs in 2024. The base produces \$7.6 million in labor income and \$9.0 billion in additional economic impact on the economy in 2024.<sup>9</sup>

### **Puget Sound Defense Modernization**

The Navy is also expanding with a new multi-mission dry dock capable of supporting Gerald R. Ford-class aircraft carriers at Navy Base Kitsap and other infrastructure improvements. Investments have already totaled over \$800 million, with the full upgrade process to support new Gerald R. Ford-class aircraft carriers expected to represent a multi-billion-dollar investment in the region.<sup>10</sup>

The U.S. Coast Guard is expanding its presence in the Puget Sound with plans to base four new heavy icebreakers in Seattle. So far, nearly half a billion dollars have been announced to support the base expansion.<sup>11</sup>

## TRANSPORTATION & LOGISTICS

The central Puget Sound region has a strong Transportation & Logistics industry due to its deep water ports, transportation connections, and proximity to Pacific Rim markets. More than 81,000 residents in the region are employed in this industry. Employment in Transportation & Logistics has grown by 12% since 2020. The sector accounts for 3.4% of jobs in the Puget Sound.

Employment supported by air transportation has shown strong and steady growth. In 2023, the Port of Seattle estimated that Seattle-Tacoma International Airport generates more than 174,950 direct and indirect jobs.

### The Puget Sound's Seaports

The region is home to the four large deep-water ports of Seattle, Tacoma, Everett, and Bremerton which are the foundation for the region's Transportation & Logistics industry. The Northwest Seaport Alliance, a joint venture by the Port of Seattle and Port of Tacoma, is the fourth largest container gateway in North America and supports over 52,100 jobs and drives nearly \$14 billion in economic activity in Washington state through their marine cargo services.<sup>12</sup>

The Port of Everett is a substantial economic contributor to Snohomish County and the region. The Port of Everett plays a role in strengthening the region's Aerospace industry supply chain. The Port handles the oversized aerospace parts for Boeing's 747, 767, 777, and 777X airplane programs. In Kitsap County, businesses on the Port of Bremerton's properties generate more than \$1.2 billion in economic output.<sup>13</sup>



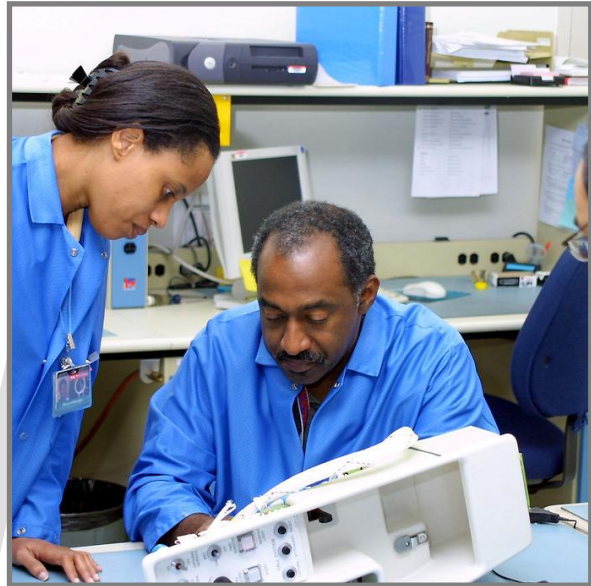
## LIFE SCIENCES

The region plays host to a thriving Life Sciences industry pushing advancements in biotechnology, diagnostics, veterinary medicine, biofuels, medical devices, research, digital health, and global health. Several major universities and research organizations anchor this industry sector and have created an ecosystem for cross-sector collaboration and start-ups. These include University of Washington, Washington State University, Fred Hutchinson Cancer Research Center, the Allen Institute for Brain Science, and the Infections Disease Research Institute.

In 2024, the sector contributed \$13.7 billion into the regional economy.<sup>14</sup> Top private life science employers in the region include Pfizer and Bristol Myers Squibb. Locally headquartered life sciences companies include Just-Evotec Biologics, AGC Biologics, and Adaptive Biotechnologies. This sector also holds the distinction of being among the most gender balanced STEM-fields, with 47.7% of jobs in the region held by women.<sup>15</sup>

### A Fast Growing Sector

According to a recent economic impact report by Life Science Washington, the Life Sciences industry in Washington grew by over 50% between 2014 and 2024. This growth has outpaced both life science job growth nationally and private sector job growth in the state.



## CLEAN TECHNOLOGY

The region is home to thriving businesses that are on the leading edge of clean technology developments. Clean Technology permeates across several significant industry sectors in the region. The Aerospace industry is on the leading edge of researching sustainable aviation technologies such as electric aircraft, Sustainable Aviation Fuels, and hydrogen fuels. Innovative wood product companies are developing woody biomass as new building technologies such as Cross Laminated Timber.



The Puget Sound region has also become a center for nuclear fusion innovation. The emerging industry has seen major public and private investments. Local companies such as Avalanche Energy, Zap Energy, and ExoFusion have seen significant public investments in fusion research. On the private end, Helion Energy has made the most notable deal, one that promises to provide Microsoft with electricity from its first fusion power plant.<sup>16</sup> Helion has stated that they expect their nuclear fusion plant to be online in 2028.

At the policy level, Washington State has set a goal of having a 100 percent non-carbon emitting energy portfolio by the year 2045. As of 2024, 59 percent of Washington's energy came from hydroelectric sources, with natural gas, wind, biomass, and nuclear rounding out the state's clean energy portfolio.<sup>17</sup>

## TOURISM

The central Puget Sound region's nature, arts and culture, events, and attractions draws tens of millions of domestic and international visitors the region each year. The region offers an array of tourism opportunities, including iconic destinations like the Space Needle or Pike Place Market, professional sporting and events venues, renowned wineries and breweries, as well as ample outdoor recreation activities.



The Tourism industry accounted for approximately 147,000 jobs in the central Puget Sound region in 2024. Tourism jobs remained stable between 2020 and 2024. The industry accounts for 6.2% of employment in the Puget Sound region, on par with the national average.

The region saw over 62 million visitors and \$15.3 billion in direct spending from tourists in 2024. King County was the most popular destination, accounting for 67 percent of the region's tourists and 74 percent of direct tourism spending.<sup>18</sup>

### World Cup and The Region's Growing Tourism Infrastructure

The region is preparing for the FIFA World Cup 26 games in Seattle. The event is anticipated to draw 750,000 visitors to the Puget Sound. The six games are projected to generate \$929 million for King County and are anticipated to support over 20,000 jobs in the region.

To accommodate these and future visitors, the Puget Sound has expanded its transportation and civic infrastructure. In 2022, Seattle-Tacoma International Airport completed its International Arrivals Facility. The next year, King County completed its Seattle Convention Center Summit expansion.

Major work to modernize the region's waterfronts has also taken place and is underway. Seattle has transformed its waterfront with several modernized piers, an aquarium expansion, and the Overlook Walk, a new park and link between Pike Place Market and the waterfront. The ports of Everett and Bremerton have also expanded event and retail spaces on their waterfronts.

## SWOT ANALYSIS

A Strengths–Weaknesses–Opportunities–Threats (SWOT) analysis of the region’s economy was performed as part of the RES update. The SWOT was informed by other regional plans and analysis, and broad stakeholder engagement, including regional economic development partners and the Economic Development District Board.

The analysis identified notable challenges and opportunities in each of strategy’s four goal areas. The results of the analysis are broad, identifying both traditional economic development topics as well as related subjects that impact the region’s economy.

### Global Competitiveness

#### Strengths and Opportunities

- Home to globally significant employers in technology, logistics, aerospace, and maritime industries.
- Global leader in innovation and emerging technologies.
- A large, highly skilled workforce enhances regional business competitiveness.
- Port and logistics infrastructure connect businesses to global markets.
- Tourism attracts visitors and supports regional vitality.

#### Weaknesses and Threats

- Decline in technology sector employment.
- Power grid capacity is a growing concern as the region expands.
- Reliance on trade leaves the region vulnerable to global disruptions.
- Limited industrial space constrains opportunities for economic growth.
- Increasing difficulty attracting international and domestic talent.

### Business Climate

#### Strengths and Opportunities

- Strong collaboration among local governments and organizations supports economic development efforts.
- Post-pandemic recovery provides a strategic opportunity to reimagine and revitalize downtowns.

### **Weaknesses and Threats**

- Increasing state taxes on business creates uncertainty in business community.
- High costs of doing business create challenges for business growth.
- Complex and lengthy permitting processes delay business growth and discourage investment.
- State and federal funding uncertainty threatens economic development programs.

## **Economic Opportunity**

### **Strengths and Opportunities**

- Workforce development programs connect workers with training and jobs.
- Economic development partners provide resources for entrepreneurs.
- Continued investment in broadband infrastructure expands access to education, jobs, and services.

### **Weaknesses and Threats**

- Lack of affordable childcare limits workforce participation for many families.
- Budget deficits in school districts threaten educational quality and economic outcomes.
- Some communities continue to face challenges participating in economic growth.

## **Quality of Life**

### **Strengths and Opportunities**

- Natural assets support recreation and well-being.
- A shared vision for inclusive growth guides regional planning and development.
- Cultural institutions, the creative economy, and major events enrich regional identity.

### **Weaknesses and Threats**

- Limited housing supply and rising housing costs.
- High cost of living in the region compared to peers.
- Environmental risks require increased emergency preparedness and infrastructure resilience.
- Transportation infrastructure needs continue to grow.

## 5-YEAR STRATEGIC BLUEPRINT

A strategic blueprint was developed to address the items identified in the SWOT analysis. The blueprint includes 27 high level strategies designed to be implemented over the five-year period and flexible enough to support new tactics and actions as they emerge. This section includes more context on the four identified goal areas of the RES and the strategies identified to reach each goal.



### Outline of 5-Year Strategic Blueprint

## Global Competitiveness

**Goal:** Strengthen global competitiveness to ensure the region remains a leader in international trade, innovation, and emerging technologies.

Strategies in this section focus on maintaining a globally competitive economic environment in the central Puget Sound region. The state's economy is highly dependent on export industries, with roughly 2 out of 5 jobs tied to international trade.<sup>19</sup> Recent federal tariffs have negatively affected the state, with a survey of over 400 Washington business owners finding that 52% of responding businesses had directly experienced negative impacts.<sup>20</sup> The region is home to critical economic assets including deepwater ports, industrial land, and maritime sites, which are vital to the export economy. Transportation connections linking the region to global markets are also crucial. Strategies in this section address preserving and investing in these resources.

As home to multiple globally significant employers, the region is already competing with communities across the globe for businesses, talent, and opportunities. While the region has seen strong economic growth in the past, future economic success is not a given. To that end, this section emphasizes strategies supporting business recruitment and growth, industry sector development, increased innovation, and



maintaining a regional workforce aligned with employer needs. Providing adequate infrastructure, power supply, and an efficient regional transportation system are also addressed in this section as vital underpinnings for economic growth.

Tourism is an important component of the region's economy and opportunities like hosting the 2026 FIFA World Cup provide generational opportunities to showcase the region on the global stage. Downtown Seattle continues to recover from the pandemic, with the count of monthly visitors in 2025 ranging from 94 – 108 percent of 2019 visitor levels.<sup>21</sup>

**5-Year Strategies:** Ten high-level strategies have been identified to support the region's global competitiveness.

**G1. Support growth and diversification of the region's key industry sectors.**

The region is home to critical export focused industries and globally significant employers in technology, logistics, aerospace, and maritime industries. These employers have driven growth in the region, both through direct employment and the ecosystem of support businesses that support these employers and their workforce. Sector specific support organizations like Aerospace Futures Alliance, Life Science Washington, CleanTech Alliance, Washington Maritime Blue, and the Technology Alliance play a valuable advocacy and convening role, elevating the needs of key employers in the region.

**G2. Promote international trade policies that support Washington industries and supply chains.**

Recent trade policies and tariffs have strained international relationships and negatively impacted businesses that rely on importing and exporting goods. The Washington Office of Financial Management estimated that Washington could lose over 30,000 jobs and \$2.2 billion in general fund revenue by 2029 under current tariff assumptions.<sup>22</sup>

**G3. Expand the innovation ecosystem and development of new technologies to build resiliency into regional industries.**

The region is positioned as a global leader in high-growth sectors including artificial intelligence, clean energy, life sciences, and the blue economy. Continued innovation helps diversify the region's industries. A major contributor to the innovation economy is the University of Washington, although recent reductions and continued uncertainty around federal research and development funding poses a risk to this longtime strength.

**G4. Strengthen business recruitment, retention, and expansion efforts.**

Compared to other parts of the U.S. and the world, the region and state invest much less in business recruitment, retention, and expansion efforts. The state's constitution is one of the most restrictive in the nation regarding the gifting of public funds, which limits Washington's ability to offer economic development incentives.<sup>23</sup> Despite these challenges, stakeholders, including Associate Development Organizations (ADOs) and local jurisdictions, are involved in supporting business recruitment, retention, and expansion.

**G5. Support tourism industries that highlight the region’s abundant recreational, cultural, and entertainment opportunities.**

The region is rich with recreational activities, entertainment, and amenities that attract visitors from around the world and bring in important tourism dollars. The region’s global reputation in sports is growing, with Seattle’s selection as a host city for the 2026 FIFA Men’s World Cup and potential selection as a host city for the 2031 FIFA Women’s World Cup representing generational opportunities for the region.

**G6. Preserve and protect ports, industrial lands, military installations, and maritime sites.**

The region is home to critical economic assets including deepwater ports, military installations, maritime sites, as well as ten designated regional manufacturing-industrial centers. These economic hubs create jobs and drive industrial activity in the region. This industrial activity is crucial to the region’s economic vitality, but some manufacturers face challenges finding suitable space for new or expanded operations. While the overall supply of industrial land in the region has remained steady, competing uses such as warehousing, storage, and housing can reduce the availability of land for intensive manufacturing.<sup>24</sup>

**G7. Build up and sustain ports, industrial spaces, and other infrastructure to support manufacturing, trade, logistics, and freight mobility.**

Deepwater ports provide the major gateways for freight delivery within the region. They are a critical component of the global supply chain, serving as the point of entry for goods coming into the region and the point of exit for distribution of manufactured goods produced in the region. Regional ports are connected to a network of industrial lands that support the movement of goods over land, sea, and air and are home to manufacturing businesses and regional supply chains. The efficient movement of goods to and from these sites is crucial to the continued success and growth of the region’s industrial supply chains.

**G8. Increase transportation connections to other regions and the world.**

Increased transportation connections are vital for bringing people and goods to the region. PSRC’s 2021 Regional Aviation Baseline Study found that the current aviation system will not provide enough capacity for long-term air travel demand, with a forecasted gap of 27 million unmet passenger boardings each year by 2050.<sup>25</sup> In addition to air travel considerations, regional stakeholders, including WSDOT and Cascadia Innovation Corridor, are exploring a Cascadia

megaregion high-speed rail system that would connect the central Puget Sound region with Vancouver, B.C. to the north and Portland, Oregon to the south.

**G9. Increase regional power capacity and infrastructure to meet the needs of a growing region.**

Electricity demand is expected to rise sharply in the coming years, with reports estimating that demand for electricity could increase as much as 30% over the next decade.<sup>26</sup> The growing demand for energy is driven by a variety of factors including artificial intelligence, electrification of the transportation system, and the transition away from fossil fuels.

**G10. Ensure that the region's workforce meets business and industry needs through aligned educational opportunities and talent attraction.**

Continued success of the region's economy relies on a trained and talented workforce. The central Puget Sound region is among the most educated regions in the nation with nearly 48 percent of residents holding a bachelor's degree or higher.<sup>27</sup> However, each year the region still imports highly trained workers from around the world to fill open positions. Washington Roundtable has projected a statewide shortfall of nearly 600,000 credentialed workers that meet employers' needs over the coming decade.<sup>28</sup> In addition to increased workforce training opportunities, the region should focus on retaining skilled workers. The continued development of a regional workforce with in-demand skills is needed to support business growth.

**Implementation Efforts:** Below are examples of regional efforts currently working to advance the Global Competitiveness goal:

- **Associate Development Organizations (ADOs)** and local jurisdictions are strengthening efforts focusing on business recruitment, retention, and expansion.
- **Washington State Department of Commerce** has hired sector leads focusing on Mobility, Knowledge and Energy to advance state competitiveness.
- The **Washington Public Ports Association** is developing a strategy to increase competitiveness in the global trade market.
- Regional **Workforce Development Consortia** are coordinating industry roundtables to identify regional business workforce needs.
- **WSDOT** and **Cascadia Innovation Corridor** are exploring a Cascadia megaregion high-speed rail system that would connect the central Puget Sound region with Vancouver, B.C. to the north and Portland, Oregon to the south.
- CoMotion Labs at the **University of Washington** operates as a multi-industry incubator for innovative startups in the region.
- **Snohomish County** has opened a first-of-its-kind Sustainable Aviation Fuels (SAF) Research & Development Center at Paine Field focused on reducing the economy's dependence on carbon-based fuels by accelerating SAF adoption.
- The **Port of Seattle** and **Maritime Blue** are collaborating on the Maritime Innovation Center, slated to open at Fishermen's Terminal in 2027, to advance innovative blue economy opportunities in the region.
- The **Seattle FIFA World Cup Organizing Committee** is coordinating with local organizations to prepare for the 2026 World Cup events including official Fan Zones across the region's four counties.

## Business Climate

**Goal:** Foster a strong business climate that supports the regional economy by encouraging business growth and expansion.

Strategies in this section address the importance of creating an economic environment that supports regional business growth and expansion. New business taxes passed in Washington’s 2025 state budget are projected to generate over \$3 billion in revenue, but regional business leaders worry they may discourage investment and push companies to relocate or expand elsewhere. A recent survey of over 400 Washington business owners found that 16% of respondents were considering relocating to another state in response to the tax increases.<sup>29</sup> As the tax burden on businesses increased, the 2025 state budget simultaneously reduced investment in economic development programs. Notably, funding for associate development organizations (ADOs) was reduced nearly 17% from the funding level previously approved by the 2024 legislature.



Jurisdictions also have a role to play in regional business climate. A survey of over 400 Washington business owners found that 53% of respondents identified government regulations as a challenge for their business.<sup>30</sup> Jurisdictions that create clear business regulations and streamline permitting processes encourage business growth by maintaining a predictable business environment. Jurisdictions are also well positioned to use zoning and development regulations to encourage economic growth, creating new opportunities for business creation and expansion in their communities.

**5-Year Strategies:** Four high level strategies have been identified to improve the region's business climate.

**B1. Work with business leaders and elected officials to address state and local business tax climate.**

Business leaders, including executives from major regional employers, have publicly raised concerns about the unintended consequences of recent state tax increases. A recent survey of over 400 Washington business owners found that 65% of respondents identified overall tax burden as one of the most important challenges facing their business today.<sup>31</sup>

**B2. Strengthen the region's regulatory framework and streamline permitting processes.**

Regulatory requirements and ease of permitting are important considerations for the region's business community. Washington has stringent regulatory requirements compared to many other states, ranking 41<sup>st</sup> in the country for regulatory freedom.<sup>32</sup> Time consuming permitting processes can delay business expansion, increase costs, and discourage further investment in the region. These barriers make it harder for local businesses to grow.

**B3. Increase investment in state and local economic development programs that work to grow jobs and businesses.**

There is a strong network of economic development partners working in the region, including local jurisdictions, counties, the Washington Department of Commerce, port districts, and more. Each of the four counties is also home to an Associate Development Organization (ADO), which work to further local economic development goals. Recent federal and state budget cuts to economic development programs and business support services may create long-term challenges for economic growth in the region. The 2025 state budget crisis resulted in reduced investment in impactful programs including ADOs, small business assistance, microenterprise development, and the industry sector lead program among others. The challenging state budget climate persists in 2026.

**B4. Continue reinvestment and reimagining of downtown areas as central places for activities and employment.**

The COVID-19 pandemic disrupted downtown areas as many workers shifted to remote work and businesses limited in-person services. In the recovery period that followed, some communities across the region reimagined their approach to

downtown centers. Many jurisdictions are exploring ways to transform commercial cores into vibrant, mixed-use centers, rather than relying solely on office demand. Updated zoning and development regulations can provide new opportunities for business growth in these communities.

**Implementation Efforts:** Below are examples of regional efforts that are currently working to advance the Business Climate goal:

- **Challenge Seattle** is leading an effort to coordinate regional leaders to address state and regional business climate.
- The **Washington Economic Development Association** is working to coordinate support for economic development program funding.
- Communities across the region are investing in downtown improvements leading up to the FIFA 2026 World Cup. FIFA host city **Seattle**, along with the designated Fan Zones of **Everett**, **Bremerton** and **Tacoma** are leading this effort.
- Seattle Restored, a program run by **Seattle's Office of Economic Development** and the **Good Business Network of Washington**, has activated over 100 vacant downtown storefronts with small business pop ups and art installations since 2021.

## Economic Opportunity

**Goal:** Expand economic opportunity across the region to ensure that individuals and communities have the tools, resources, and access to participate fully in the economy.

Strategies in this section address the importance of economic pathways for individuals that start with public education and continue through to post-secondary education and training opportunities. Currently, only 53% of students enter kindergarten ready to learn while a quarter of the region's residents over 25 have not pursued education past high school.<sup>33</sup> For some parents, access to childcare is a barrier to entering an educational program or starting a job. The lack of availability of childcare costs

Washington's economy up to \$6.5 billion annually in lost GDP.<sup>34</sup>

For those that are choosing to start and run a business, local economic development partners, technical resources, and access to financing are critical to their success. The Regional Economic Strategy encourages economic growth

across the entire region by equipping individuals and communities to fully participate in the economy. With reports that nearly 39,000 households in the region do not have internet access at home, this section also addresses expanding broadband infrastructure to ensure residents can access educational and business opportunities.<sup>35</sup>



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**5-Year Strategies:** Six high-level strategies have been identified to expand economic opportunity in the region.

**E1. Provide adequate support for pre-K through 12 education systems that serve all students.**

Many school districts across the region are facing budget deficits due to systemic funding challenges, rising costs, and declining enrollment. New investments were made in the 2025 state legislative session, but budget issues still affect school districts in all corners of the region. At the same time, Washington schools struggle to maintain the educational outcomes seen prior to the pandemic. While spending per pupil in 2024 had increased 43 percent from 2019 levels, math and reading scores had decreased over the same period.<sup>36</sup>

**E2. Better connect regional residents to education and training opportunities and jobs to expand economic opportunity.**

Organizations and institutions such as the region's workforce development boards, community and technical colleges, labor organizations and others provide opportunities for residents to gain in-demand skills and certifications. The region has a network of partners that connect job seekers to training, apprenticeships, and jobs, although residents may not always be aware of these opportunities.

**E3. Support economic development programs and infrastructure that meet the needs of local communities.**

Jurisdictions provide important support and technical assistance to businesses in their communities. Through updates to their comprehensive plans in 2024, jurisdictions in the region identified strategies and programs that meet the needs of their communities. Common economic development focus areas for local comprehensive plans include small business support, placemaking, marketing and tourism, business attraction, arts and culture, and preventing economic displacement.

**E4. Expand the region's childcare ecosystem to allow residents to better access education and job opportunities.**

A lack of access to affordable childcare keeps workers out of the labor force, resulting in loss of personal earnings, business output and tax revenues. The Washington State Department of Commerce found that nearly half of Washington parents struggle to find, afford, or retain childcare.<sup>37</sup>

**E5. Expand programs that support small business creation and entrepreneurship in the region.**

Starting and running a business offers a pathway to economic opportunity for many individuals and families. Between 2023 and 2024, Washington state experienced the largest rate increase in new-business applications in the country.<sup>38</sup> The region is home to numerous organizations offering financial and technical assistance to small businesses.

**E6. Support the development of broadband infrastructure.**

The Washington State Broadband Office is working to ensure that state residents and businesses in both urban and rural areas have access to affordable and reliable broadband technologies.

**Implementation Efforts:** Below are examples of regional efforts currently working to advance the Economic Opportunity goal:

- **Machinists Institute** is working with partners to open a 24/7 childcare center, Little Wings Early Learning Academy, serving parents that work nonstandard hours in Snohomish County.
- The **Washington State Broadband Office** is working to close the “Digital Divide” in the state through \$1.2 billion in BEAD Program funding.
- **Jurisdictions across the region** are implementing a range of economic development programs and policies following the 2024 comprehensive plan update cycle.
- Programs like **Core Plus Aerospace** and **Raisbeck Aviation High School** provide opportunities for students interested in aerospace to get industry training while earning their high school diplomas.
- The **Ballmer Group** announced a 10-year philanthropic commitment to fund 10,000 additional slots in Washington State’s Early Childhood Education and Assistance Program (ECEAP) PreK program.
- The **Startup425 Accelerator**, a collaborative effort of the cities of **Kirkland, Redmond, Bellevue, Issaquah, Renton, and Bothell**, is a free 15-week educational program designed to help entrepreneurs develop and launch a company.

## Quality of Life

**Goal:** Support a high quality of life for regional residents, businesses, and visitors.

Strategies in this section address the role that quality of life plays in the region's economic growth and workforce. The central Puget Sound region has grown significantly during the last decade, adding over 500,000 people and 300,000 jobs\* to the region from 2014 to 2024.<sup>39</sup> This growth is anticipated to continue, with estimates predicting an additional 1.3 million people and 1 million jobs will be added to the region by 2050.<sup>40</sup>



The region's rapid growth has contributed to challenges including increased housing costs and backlogged transportation system maintenance. The cost of living in the region is also high compared to much of the country. King, Pierce, and Snohomish counties together ranked as the 5<sup>th</sup> most expensive region in the nation in 2023, with goods and services costing an average of 13.0% more than the national average. Goods and services in Kitsap County, measured separately, cost 7.5% higher than the national average.<sup>41</sup> Despite these challenges, the region continues to be known as a desirable place to live and visit due to its natural beauty, cultural and recreation opportunities, and reputation as a tourist destination.

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**5-Year Strategies:** Seven high-level strategies have been identified to maintain the region's high quality of life.

**Q1. Focus economic growth in urban areas, regional centers, and cities.**

Long-range plans like VISION 2050 and local comprehensive plans guide growth to support vibrant communities. Regional collaboration helps ensure future plans for housing, jobs, and infrastructure support a high quality of life in the central Puget Sound.

**Q2. Ensure a diversity of housing stock that is affordable and connected to jobs.**

Limited housing supply and rising housing costs continue to affect many residents in the region. PSRC's Regional Housing Strategy estimates that the region will need over 800,000 new housing units to accommodate the region's growth through 2050.<sup>42</sup>

**Q3. Reduce the cost of living and working in the region.**

King, Pierce, and Snohomish counties together ranked as the 5<sup>th</sup> most expensive region in the nation in 2023, with goods and services costing an average of 13.0% more than the national average. Goods and services in Kitsap County, measured separately, cost 7.5% higher than the national average.<sup>43</sup>

**Q4. Strengthen transportation system options that connect residents to jobs and educational opportunities.**

As the region grows, demands on regional transportation and aviation infrastructure increase. Years of deferred maintenance have created a backlog of transportation projects, and many agencies lack the revenue to keep up. The region will need to make continued investments to ensure future infrastructure adequately meets demand.

**Q5. Strengthen and increase access to the region's arts, culture, and tourism industries.**

An array of cultural and recreational institutions enhances the region's identity. Makers, artists, tribal communities, museums, theaters, music venues, and festivals all contribute to the region's economy. Major cultural events and professional sports teams further solidify the region's identity.

**Q6. Ensure the region is a healthy place to live, work, and play for all residents.**

The region's natural beauty is a defining asset, with access to Puget Sound, the Cascade and Olympic Mountains, and an extensive network of parks and trails. Outdoor recreation contributes to community well-being and enhances livability.

**Q7. Protect the region's residents and economy from environmental and weather events.**

The central Puget Sound region faces multiple environmental risks that could negatively impact the region's economy. Risks include seismic activity, increasing wildfire smoke, urban heat islands, sea level rise, and flooding.

**Implementation Efforts:** Below are examples of regional efforts currently working to advance the Quality of Life goal:

- High-capacity transit options that connect residents and jobs continue to increase across the region. [Sound Transit's](#) Link light rail has expanded to 50 stations covering 63 miles with the recent Lynwood, Federal Way, and 2 Line expansions. [King County Metro](#), [Community Transit](#), [Pierce Transit](#), [Kitsap Transit](#), and [Sound Transit](#) all provide or are studying opportunities for bus rapid transit to further connect the region.
- The [Washington State Legislature](#) has adopted several transformative housing bills in recent years. Notable legislation has focused on middle housing (HB 1110), accessory dwelling units (HB 1337), transit-oriented development (HB 1491), and housing in commercial areas (SB 6026).
- [PSRC](#) continues to implement the Regional Housing Strategy and monitor housing conditions throughout the region.
- The [University of Washington](#) launched the Housing Futures Center aimed at advancing solutions to Washington's most pressing housing challenges through research, education, and community partnerships.
- [King County's](#) Doors Open levy provides increased arts, heritage, science, and historic preservation funding to [4Culture](#) for disbursement to local nonprofits.
- [PSRC](#) is working with partners, including [King](#), [Kitsap](#), [Pierce](#) and [Snohomish](#) counties, to update the Regional Open Space Conservation Plan and identify priority actions to increase and sustain regional open space.
- The [Governor's Office](#), [FEMA](#), [the Small Business Administration](#) and other partners are working to address the effects of severe flooding that affected the region in December 2025. The recovery process included an extensive emergency repair effort led by [WSDOT](#) after serious damage to U.S. 2 in King County.

## ECONOMIC RESILIENCE

The long-term prosperity of the central Puget Sound region is dependent on its ability to withstand economic shocks. Economic shocks may come in the form of economic downturns, anchor employers leaving the region, closure of a military base, natural disaster, or other disruptions. It is not always possible to predict economic shocks, but the region can prepare for disruptions and recovery by proactively building capacity and increasing communication between economic development organizations.

The RES includes strategies that address different elements of regional economic resilience:

- Historic industries such as trade, maritime, aerospace and manufacturing have long defined the region's economy. These industries continue to evolve, with new subsectors emerging while others have lower employment and impact over time. The strategy calls for the continued growth and diversification of the region's industries (**Strategy G1, Strategy G3**).
- Supply chain disruptions and the strain on international relationships have negatively impacted regional businesses that export goods and services around the world. The strategy calls for identification of new industry growth opportunities and international trade policies that support a predictable trade environment (**Strategy G1, Strategy G2**).
- The region is susceptible to environmental threats and weather events. The Northeast Pacific bomb cyclone in November 2024 and widespread flash flooding in December 2025 are recent examples of events that negatively impacted the economy in the form of property damage and decreased productivity. The strategy calls for increased infrastructure investments and protection of the region's residents and economy from environmental and weather events (**Strategy E3, Strategy Q7**).

## CONSOLIDATED STRATEGY LIST

### Global Competitiveness

- G1.** Support growth and diversification of the region's key industry sectors.
- G2.** Promote international trade policies that support Washington industries and supply chains.
- G3.** Expand the innovation ecosystem and development of new technologies to build resiliency into regional industries.
- G4.** Strengthen business recruitment, retention, and expansion efforts.
- G5.** Support tourism industries that highlight the region's abundant recreational, cultural, and entertainment opportunities.
- G6.** Preserve and protect ports, industrial lands, military installations, and maritime sites.
- G7.** Build up and sustain ports, industrial spaces, and other infrastructure to support manufacturing, trade, logistics, and freight mobility.
- G8.** Increase transportation connections to other regions and the world.
- G9.** Increase regional power capacity and infrastructure to meet the needs of a growing region.
- G10.** Ensure that the region's workforce meets business and industry needs through aligned educational opportunities and talent attraction.

### Business Climate

- B1.** Work with business leaders and elected officials to address state and local business tax climate.
- B2.** Strengthen the region's regulatory framework and streamline permitting processes.
- B3.** Increase investment in state and local economic development programs that work to grow jobs and businesses.
- B4.** Continue reinvestment and reimagining of downtown areas as central places for activities and employment.

## Economic Opportunity

- E1.** Provide adequate support for pre-K through 12 education systems that serve all students.
- E2.** Better connect regional residents to education and training opportunities and jobs to expand economic opportunity.
- E3.** Support economic development programs and infrastructure that meet the needs of local communities.
- E4.** Expand the region's childcare ecosystem to better connect residents to education and job opportunities.
- E5.** Expand programs that support small business creation and entrepreneurship in the region.
- E6.** Support the development of broadband infrastructure.

## Quality of Life

- Q1.** Focus economic growth in urban areas, regional centers, and cities.
- Q2.** Ensure a diversity of housing stock that is affordable and connected to jobs.
- Q3.** Reduce the cost of living and working in the region
- Q4.** Strengthen transportation system options that connect residents to jobs and educational opportunities.
- Q5.** Strengthen and increase access to the region's arts, culture, and tourism industries.
- Q6.** Ensure the region is a healthy place to live, work, and play for all residents.
- Q7.** Protect the region's residents and economy from environmental and weather events.

## IMPLEMENTATION & EVALUATION

The Regional Economic Strategy (RES) lays out a blueprint for strengthening and growing the regional economy, creating alignment for regional efforts.

Implementation of the RES is accomplished by a broad set of stakeholders, who work to advance the identified strategies and goals. The Economic Development District (EDD) has an important role to play in the region's economic success. The makeup of the EDD Board puts it in a position to provide a broad regional perspective on economic development, with a focus on regional coordination, analysis education, and strategy development.

The EDD works to implement the RES in the following ways:

- Amplifying Regional Economic Development Efforts: Organizing and supporting a regional vision for economic development, advocating for important economic development programs and investments, and promoting collaboration on economic development implementation.
- Coordinating Analysis & Strategy Development: Analyzing the regional economy, identifying new industry opportunities, and developing strategies to support growth of jobs in the region. This is accomplished by convening regional partners and working to develop new projects to advance economic development.
- Providing Technical Assistance: Providing data, resources, and direct technical assistance to local jurisdictions and organizations to support their economic development efforts.

Over the five-year period, the EDD will work to coordinate new initiatives that work to implement the adopted strategies. Successful implementation initiatives should involve a coalition of partners, identify discrete implementation actions, and have targeted measures of success.

Evaluation is essential to successful implementation of the RES. PSRC continually monitors the economic conditions of the region and reports progress to the EDD Board and the broader community. Ongoing evaluation takes place to measure progress on the adopted goals and strategies identified, analyzing regional economic trends, and benchmarking against other regions to identify opportunities for future work. This ongoing evaluation will be integrated with other data analysis efforts at PSRC to ensure alignment and avoid duplication of efforts. Work by partner agencies to evaluate elements of the regional economy will be integrated into evaluation efforts when appropriate.

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