

Economy

GOAL: *The region has a prospering and sustainable regional economy by supporting businesses and job creation, investing in all people and their health, sustaining environmental quality, and creating great central places, diverse communities, and high quality of life.*

A healthy economy is vital to creating and maintaining a high standard of living and quality of life for residents in the central Puget Sound region. To create stable and lasting prosperity, VISION 2050 focuses on businesses, people, and places. Strong regional growth necessitates continuous coordination to ensure that the region's quality of life remains an economic asset in the future. Success of the region's economy is built on quality of life policies across VISION 2050 that manage the region's growth, invest in transportation, protect the environment, enhance community assets, and provide housing options for the region's residents. Economy policies in VISION 2050 build on these policies.

A healthy economy provides good jobs and opportunity. It pays for vital public services such

as education, social services, criminal justice, transportation, environmental preservation, and the opportunity to purchase affordable housing. It allows the region to support the arts and cultural institutions, maintain parks, and build strong communities. A healthy economy permits residents to provide for their families and access health care. It enables the region to care for those who are vulnerable, to protect the environment, and to preserve the quality of life that makes the region such a special place.

The region's outstanding natural environment is a key element for economic progress. Abundant natural resources, a beautiful setting, and vibrant communities make every industry more competitive in a global economy. Maintaining this advantage depends on a healthy built and



Arlington



natural environment – with clean industries, jobs with good incomes, managed growth, and lively centers.

It has never been more clear that public health and the economy are mutually supportive. The economy relies on a healthy workforce and people’s health depends on a thriving economy to provide personal financial stability to afford a high quality of life. As a result of the COVID-19 pandemic, unemployment claims surged in the central Puget Sound region. However, some residents are more negatively impacted than others. People of color in the region are more likely to have contracted COVID-19 and are also more likely to file for unemployment due to economic shutdowns. This is a consequence of historic inequities that drive where people live, the educational and economic opportunities they have, disparities in criminal justice outcomes, their health outcomes, and their ability to transfer wealth across generations. Systemic

racism has laid the groundwork for people of color to be overrepresented in low-wage jobs hit hardest by the pandemic, such as food services, retail, and transportation. These factors have funneled people of color into communities that have eroded their health and into jobs lacking healthcare, making them particularly vulnerable to the virus and further delaying the economic recovery.

While the region has benefited from one of the country’s strongest local economies, not all parts of the region have benefitted equally. Jobs in the information, technical, and management sectors pay the highest average wages and saw some of the largest increases in jobs and wages since 2010. Nearly all this job growth in the region has been concentrated in a few urban areas. VISION 2050 calls for a better balance of equitable job creation among the counties to broaden opportunity and create a better jobs-housing balance.



Port of Tacoma



In addition to the overall balance between jobs and housing, VISION 2050 also recognizes the importance to which the types and affordability of housing in an area are well matched to the income levels of locally available jobs. Lack of affordable housing can force lower wage workers to commute long distances.

Locally owned businesses, serving cultures and communities in the region, are key assets to the region's economy. Rising real estate costs caused by strong population and job growth have threatened to price out these important businesses, and COVID-19 impacts have been especially damaging for many small businesses. VISION 2050 calls for the preservation of these community economic assets and the mitigation of their displacement.

Roles in Implementation

Sustaining the regional economy requires coordination across the public and private sectors. The Regional Economic Strategy is the blueprint for this coordination. The Regional Economic Strategy is a data-driven strategy that identifies leading sectors and the ways the region intends to sustain economic development.

The strategy has three goals:

1. Open economic opportunities to everyone
2. Compete globally
3. Sustain a high quality of life

Each goal is supported by specific strategies and initiatives to sustain and grow jobs throughout the region, for all residents. The strategy emphasizes traditional economic development priorities such as transportation, education, international trade, and the region's business climate. Newer emphasis areas include a specific rural strategy, initiatives to grow jobs throughout the region, and advancing social equity and affordable housing.

PSRC supports economic development in local municipalities through technical assistance and economic data, serving as a regional forum, and implementing the Regional Economic Strategy with regional stakeholders.

Cities and counties work to set the stage for economic development in their communities, including local zoning, housing, and

transportation planning and implementation. Local governments provide programs to attract and retain employers, understand the needs of small and large employers, and support marketing of local businesses. Local planning for downtowns, industrial areas, and other types of centers helps businesses benefit from co-location with other businesses and services.

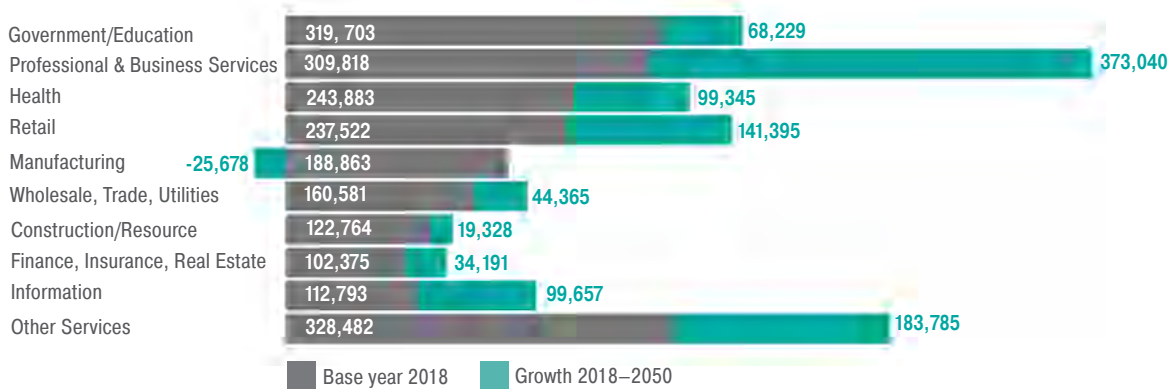
Regional economic success also depends on a large ecosystem of organizations, including an education and workforce development system that goes beyond local and regional boundaries.

Ultimately, the private sector makes siting decisions for new jobs and investments, choosing which regions to invest in and in which communities to open employment locations. These siting decisions are facilitated at the state, county, and local levels through a network of organizations that assist in the recruitment, retention, and expansion of businesses in the region.

The Region's Economy

The central Puget Sound region is home to a diverse and growing economy. Forecasts show that the region will add 1.2 million jobs by 2050, growing to 3.4 million. Key export-focused industries that make the region unique include aerospace, information and communication technology, maritime, military and defense, life sciences and global health, clean technology, tourism, transportation and logistics, and business services. Washington's economy depends on trade – and the central Puget Sound region is vital to the state's trade activity. It is estimated that more than 40% of jobs in the state are tied to international trade. The region is home to many internationally known and successful companies such as Amazon, Boeing, Costco, Microsoft, Paccar, Starbucks, and Weyerhaeuser, and to the largest philanthropic organization in the world, the Bill & Melinda Gates Foundation. The region's internationally competitive ports and the state's natural resources make information technology, aerospace, and agricultural products major international exports. Military installations and defense companies are major employers in the region, particularly in Pierce and Kitsap counties.





Source: PSRC Macroeconomic Forecast – Wage & Salary Employment Estimates

The region’s industrial lands, military installations, and maritime sites are assets that make significant contributions to the overall economy. Proximity to Pacific Rim countries, deep water ports, major transportation corridors, and low-cost energy are among unique regional assets supporting these lands. Each of the region’s designated manufacturing industrial centers is a significant contributor to prosperity and growth and offers space and assets for further development.

With projected population and job growth, the region will be challenged to preserve and protect the long-term viability of these lands from incompatible uses and encroachment. Overall employment on these lands may decrease due to automation and advances in technology, or changes to distribution or warehousing uses. However, these same factors are increasing the economic productivity on these sites, which contribute to regional manufacturing supply chains, national military missions, and an international goods movement. Preservation of these lands support the region’s existing industries as well as offering sites for new economic opportunity for manufacturing and advanced technology uses.

Thriving Communities for People and Businesses

The region’s outstanding quality of life, stunning natural setting, and healthy environment are distinctive attributes that set it apart when compared to most global competitors. These qualities help to attract and retain a highly talented and innovative workforce that drives global innovation.

VISION 2050 recognizes the importance of employment in cities and towns in rural areas and resource-based economic activity. Targeted efforts are needed to support jobs in industries compatible with rural communities, at a size, scale, and type that are compatible with the long-term integrity, productivity, and character of these areas.

The movement of people and goods throughout the region is crucial to the continued success of the economy and for growth of jobs and businesses. VISION 2050 calls for a transportation system that connects the region’s centers and supports the economy through the movement of people and freight throughout the region.

Industrial lands, military installations, airports, seaports, and other maritime sites are assets that make significant contributions to the overall economy. Proximity to Pacific Rim countries, deep water ports, major transportation corridors, and low-cost energy are among the unique regional assets supporting these lands. VISION 2050 calls for the protection and preservation of these lands from incompatible use and encroachment.

Economic Opportunity

VISION 2050 underscores investment in all the region’s people to create shared prosperity and to sustain a diversity of livingwage jobs. VISION 2050 responds to the changing reality of the global economy by placing people at the center of a prosperous region and promoting equitable access to opportunity for all the region’s residents.



The new economy relies on a highly skilled and diverse population to stimulate creative and innovative enterprise, as well as local-serving employment in retail, health care, and other services. Investing in people means ensuring accessible and high-quality education and skills-training programs, developing social capital and community assets and fostering economic opportunities across the region.

VISION 2050 calls for supporting our culturally and ethnically diverse communities, including the region's tribes. It seeks to address the unique obstacles and special needs of the region's economically disadvantaged populations, as well as the assets and contributions they bring or have the potential to bring to the region's prosperity.

A Strong Business Climate

Industry clusters are concentrated sets of competing and complementary businesses that create wealth in a region by selling products or services to outside markets, generating income that fuels the rest of the economy.

Numerous factors affect the region's business climate, and the public sector plays a key role through planning and making investments that capitalize on natural and place-based assets. This is consistent with growth management and transportation objectives, and recognizes the important role that the private, public, and nonprofit sectors play in fostering environmental and social sustainability.



Economy POLICIES

MPP-Ec-1

Support economic development activities that help to recruit, retain, expand, or diversify the region's businesses, targeted towards businesses that provide living-wage jobs.

MPP-Ec-2

Foster a positive business climate by encouraging regionwide and statewide collaboration among business, government, utilities, education, labor, military, workforce development, and other nonprofit organizations.

MPP-Ec-3

Support efforts to retain and expand industry clusters that manufacture goods and provide services for export, increasing capital in the region.

MPP-Ec-4

Leverage the region's position as an international gateway by supporting businesses, airports, seaports, and agencies involved in trade related activities.

MPP-Ec-5

Recognize the region's airports as critical economic assets that support the region's businesses, commercial aviation activities, aerospace manufacturing, general aviation, and military missions.

MPP-Ec-6

Ensure the efficient flow of people, goods, services, and information in and through the region with infrastructure investments, particularly in and connecting designated centers, to meet the needs of the regional economy.

MPP-Ec-7

Foster a supportive environment for business startups, small businesses, locally owned and women- and minority-owned businesses to help them continue to prosper.

MPP-Ec-8

Encourage the private, public, and nonprofit sectors to incorporate environmental and social responsibility into their practices.

MPP-Ec-9

Promote economic activity and employment growth that creates widely shared prosperity and sustains a diversity of living wage jobs for the region's residents.

MPP-Ec-10

Ensure that the region has a high-quality education system that is accessible to all of the region's residents.

MPP-Ec-11

Ensure that the region has high-quality and accessible training programs that give people opportunities to learn, maintain, and upgrade skills necessary to meet the current and forecast needs of the regional and global economy.

MPP-Ec-12

Identify potential physical, economic, and cultural displacement of existing businesses that may result from redevelopment and market pressure. Use a range of strategies to mitigate displacement impacts to the extent feasible.

MPP-Ec-13

Promote equity and access to opportunity in economic development policies and programs. Expand employment opportunity to improve the region's shared economic future.

MPP-Ec-14

Foster appropriate and targeted economic growth in areas with low and very low access to opportunity to improve access to opportunity for current and future residents of these areas.

MPP-Ec-15

Support and recognize the contributions of the region's culturally and ethnically diverse communities and Native Tribes, including helping the region continue to expand its international economy.

MPP-Ec-16

Ensure that economic development sustains and respects the region's environment and encourages development of established and emerging industries, technologies, and services that promote environmental sustainability, especially those addressing climate change and resilience.

MPP-Ec-17

Preserve and enhance the region's unique attributes and each community's distinctive identity and design as economic assets as the region grows.



MPP-Ec-18

Develop and provide a range of job opportunities throughout the region to create a much closer balance and match between jobs and housing.

MPP-Ec-19

Support economic activity and job creation in cities in the rural areas at a size, scale, and type compatible with these communities.

MPP-Ec-20

Sustain and enhance arts and cultural institutions to foster an active and vibrant community life in every part of the region.

MPP-Ec-21

Concentrate a significant amount of economic growth in designated centers and connect them to each other in order to strengthen the region's economy and communities and to promote economic opportunity.

MPP-Ec-22

Maximize the use of existing designated manufacturing/ industrial centers by focusing appropriate types and amounts of employment growth in these areas and by protecting them from incompatible adjacent uses.

MPP-Ec-23

Support economic activity in rural and natural resource areas at a size and scale that is compatible with the long term integrity and productivity of these lands.

Economy ACTIONS

REGIONAL ACTIONS

Ec-Action-1

Regional Economic Strategy: PSRC and the Economic Development District will coordinate economic development efforts to strengthen the region's industries, economic foundations and to implement the Regional Economic Strategy. Update the Regional Economic Strategy periodically.

Ec-Action-2

Regional Support for Local Government Economic Development Planning: PSRC will support county and local jurisdictions through technical assistance and economic data with special emphasis on smaller jurisdictions, in their efforts to development economic development elements as part of their expected 2024 comprehensive plan updates to support the Regional Growth Strategy. PSRC will also provide guidance on local planning to address commercial displacement.

Ec-Action-3

Regional Economic Data: PSRC and the Economic Development District, in collaboration with county economic development councils and other partners, will maintain regional economic data and develop regionwide and subarea forecasts.

Ec-Action-4

Job Growth Distribution: Identify regional roles in achieving the desired allocation of new jobs as reflected in the Regional Growth Strategy.

LOCAL ACTIONS

Ec-Action-5

Economic Development Elements: Cities and counties will update (or adopt) their economic development element – tailored to meet the jurisdiction's unique needs and leveraging public investments – as specified in the Growth Management Act, when conducting the expected 2024 comprehensive plan update.

