Partnership for a

COMPETITIVE PUGET SOUND

Jobs. Innovation.
Opportunity.

Keeping Puget Sound Strong: A Regional Plan for Jobs and Opportunity

CHALLENGE SEATTLE | SEPTEMBER 2026

Table of Contents

"We Must Create a Partnership to Compete"

We are at a defining moment that will shape Puget Sound for a generation. The choices we make today will determine whether this remains a region where good jobs open doors, bold ideas become new industries, and people in every community can build their futures. I am confident about what we can accomplish together.

The data in this report tell two truths at once.

First, our foundation is strong. Over the past decade, Puget Sound added jobs and wages grew faster than the national average. We are home to companies that employ hundreds of thousands of people, a world-class research university, some of the nation's deepest technology and aerospace capabilities, major defense and maritime assets, clean-energy resources, and a workforce known around the world for its ingenuity. We also offer an exceptional natural environment and quality of life. From the Olympics and the Cascades to Puget Sound and communities across the region, there is no better place in the country to build a life, raise a family, and enjoy the outdoors. These strengths have given generations of people the opportunity to build careers, support families, start businesses, and succeed here.

Second, those jobs and opportunities are not guaranteed. For too long, we have assumed that our advantages and our history of success would carry us forward. They will not. Other regions are working every day to win the jobs, talent, and investment we once assumed would come here and stay here.

The warning signs are clear. Puget Sound lost jobs, marking the first time in two decades that regional job growth has trailed the nation. Washington's cost-of-doing-business ranking has fallen from 32nd to 47th. Employers and residents alike tell us it has become too difficult to build, too expensive to operate, too unpredictable to plan, and too unaffordable for workers and families.

This moment calls on us to act together with greater focus, guided by two principles: restoring our competitiveness and building partnership.

In recent years, Washington has become a more challenging place to do business, while other states and regions are competing aggressively to attract employers, investment, and talent. The pace of tax and regulatory change has accelerated, while rising operating costs and growing challenges in attracting and retaining talent have made it harder to plan for the future. Restoring our competitiveness means creating the conditions for businesses to plan, hire, invest, and grow, and for workers and families to come here and remain here.

We must create a partnership and true welcome mat for our businesses: a region that reaches out early, listens closely, responds quickly, and helps employers navigate the path to investing, growing, and creating jobs here.

Keeping Puget Sound Strong: A Regional Plan for Jobs and Opportunity offers a practical jobs agenda for the region and a focused course correction we must begin now. It is not a city, county, or state economic plan, but a shared plan for our entire region. Some recommendations can be launched within weeks or months, and all can begin or make meaningful progress within three years. A plan alone will not change our trajectory. Success will require leaders across the region to take ownership, sustain the partnership, measure progress, and follow through, especially on the highest-priority recommendations with the greatest potential to strengthen our economic trajectory.

Puget Sound has everything it needs to lead the next generation of jobs, innovation, and opportunity. Our future will not be secured by luck, but by a shared plan and disciplined execution. We can compete again. We have done this before. Together, we can rise to this moment.

Chris Gregoire

Chris Gregoire
CEO, Challenge Seattle

Our Region Has Strong Assets, but They Cannot Be Taken for Granted

Puget Sound has long been synonymous with innovation, job creation, and economic opportunity. Over the past decade, regional gross domestic product (GDP) grew at 1.4 times the national rate, employment at 1.2 times, and wages at 1.5 times.[1]

This performance has been anchored by companies incubated and scaled here that are now global leaders. Together, they employ hundreds of thousands of workers and have helped create ecosystems that support more than one million additional jobs.[2]

These employers matter because their impact reaches far beyond their own workers. They purchase from regional suppliers, create opportunities for small businesses and contractors, drive construction and infrastructure investment, develop talent, give back to their communities, and help launch the next generation of companies and jobs.

At its core, economic development is about jobs. Good jobs give people financial security, opportunities to advance, and the ability to build a future in this region. Job growth also strengthens small businesses and expands the tax base that funds schools, housing, transit, public safety, and infrastructure. Our vision is a globally competitive Puget Sound region where businesses grow, jobs create opportunity, and communities thrive. The goals and recommendations in this plan are guided by shared principles intended to ensure that growth is competitive, durable, and broadly shared.

Continued job creation is not guaranteed. When the region loses jobs, the consequences compound: families lose income, local businesses lose customers, public resources shrink, and fewer residents have access to opportunity. When 1,000 high-wage jobs are eliminated, relocated, or created elsewhere, as many as 5,000 additional jobs could be placed at risk and approximately $15 million to $20 million in annual public revenue could be lost.[3]

THE WARNING SIGNS

Puget Sound's long record of economic outperformance is beginning to change. Warning signs are appearing in both today's job market and the pipeline for future job creation:

- **Jobs Lost.** The central Puget Sound region lost nearly 7,000 jobs in 2025 with job growth stagnant since 2023, while employment continued to grow nationally.[4] Outside of the Great Recession and the COVID-19 pandemic, this is the first time since at least 2005 that the region's employment growth has trailed the U.S. average. This divergence suggests the region is facing competitiveness challenges beyond broader national economic conditions.

- **Washington's competitive position has declined.** Since 2017, the state's overall business ranking has fallen from 1st to 11th, its business-friendliness ranking from 31st to 40th, and its cost-of-doing-business ranking from 32nd to 47th.[5]
- **Fewer businesses are starting and surviving.** New-business formation trails the national rate, and Washington now has the lowest five-year business-survival rate of any state.[6]
- **Investment has softened.** Venture-capital investment remains substantially below its early-2020s levels, limiting the formation and growth of the region's next generation of employers.[7]

WHAT'S DRIVING THE SHIFT

Behind these warning signs are four broader shifts in the conditions employers face when deciding whether to start, stay, hire, and invest here:

- **Predictability has decreased.** Businesses are navigating a faster pace of tax and regulatory changes, making it more difficult to plan, invest, and make long-term decisions in the region.
- **The cost of doing business has increased.** Rising operating and compliance costs are squeezing small-business margins and affecting where larger employers choose to add jobs, locate teams, and make investments.
- **Talent attraction and retention have weakened.** Housing, childcare, and other affordability pressures make it harder for current residents to remain here and for employers to attract the workers they need.
- **The culture of partnership has declined.** A culture of partnership means treating employers as valued partners: welcoming investment, responding to concerns, helping businesses navigate government, and working together to create jobs and solve shared challenges. While competing regions actively recruit, support, and retain employers, Puget Sound's approach is often fragmented and, at times, some leaders have been adversarial toward business, reinforcing the perception that the welcome mat is not out.

Together, these shifts are weakening the conditions that historically enabled Puget Sound to attract employers, create jobs, and build the next generation of neighborhood businesses, suppliers, manufacturers, startups, and global employers.

FROM WARNING SIGNS TO ACTION

Puget Sound can be confident about its strengths and clear-eyed about the need to act. The region has strong assets, but they cannot be taken for granted.

Our goals and recommendations are about restoring our competitiveness, allowing us to keep and create jobs in Puget Sound. This is a regional plan, not a city, county, or state plan, focused primarily on actions that businesses, industry organizations, economic-development organizations, public agencies, educational institutions, labor, and local leaders can advance together. For some recommendations, progress will also require partnership with state leaders to strengthen the regional economy.

The first goal is overarching: King, Kitsap, Pierce, and Snohomish counties must compete together to create one of the most competitive regions in the world. That means aligning priorities, speaking with a unified voice to employers and investors, and jointly pursuing jobs and investment at a scale no jurisdiction can achieve alone.

The next four goals address the immediate barriers to economic competitiveness the region must fix now: partnership, tax competitiveness, the cumulative impact of policies, and permitting. The final two look ahead and focus on connecting talent pipelines to regional employers and supporting both the industries that drive jobs today and the emerging industries that will define tomorrow.

Of our two largest anchors, aerospace already has a clear regional agenda: competing for the next airplane, growing an emerging space industry, scaling sustainable aviation and maritime fuels, and helping suppliers diversify. Technology, despite being one of Puget Sound's defining economic anchors, does not yet have an equally intentional regional strategy.

These goals translate into 20 near-term, implementable recommendations that identify clear owners and partners and draw on best practices from peer regions adapted to Puget Sound's circumstances.

Among them, the plan's highest-priority recommendations focus on the day-to-day conditions that shape whether businesses choose to locate, invest, grow, and create jobs in Puget Sound: building a stronger culture of partnership; creating a simple, fair, competitive, and predictable tax structure; and ensuring that policies, regulations, and taxes are effective and workable.

Together, these recommendations offer a practical path to realizing that vision: one globally competitive Puget Sound region where businesses stay and grow, jobs create opportunity, and communities thrive.

GOALS	*Recommendations*
GOAL 1 - COMPETE TOGETHER TO CREATE ONE OF THE MOST COMPETITIVE REGIONS IN THE WORLD	1. Advance a shared regional economic vision 2. Launch a regional partnership to implement best practices
GOAL 2 - CREATE LOCAL BUSINESS CUSTOMER SERVICE AND IMPROVE THE CULTURE OF PARTNERSHIP	3. Establish business concierge services in every city and county 4. Develop a local government playbook to strengthen the culture of partnership
GOAL 3 - CREATE TAX STRUCTURES THAT ARE SIMPLE, FAIR, COMPETITIVE, AND PREDICTABLE	5. Develop a tax strategy that addresses tax stacking and creates a simple, fair, competitive, and predictable tax structure
GOAL 4 - ENSURE POLICIES, REGULATIONS, AND TAXES ACHIEVE THEIR INTENDED IMPACT	6. Implement an economic impact analysis for major policies, regulations, and taxes 7. Establish a regular review process for existing policies, regulations, and taxes
GOAL 5 - STREAMLINE PERMITTING TIMELINES AND COMPLEXITY	8. Establish clear permit timelines and accountability 9. Advance objective permitting standards with technology 10. Create a statewide siting framework for critical clean energy infrastructure 11. Authorize applicant-funded expedited permit review for clean energy infrastructure
GOAL 6 - CONNECT TALENT PIPELINES TO REGIONAL EMPLOYERS AND HUBS OF COMMERCE	12. Deepen the University of Washington's partnership in regional economic development 13. Strengthen regional employer- and sector-led workforce coordination with community and technical colleges and four-year institutions to build stronger talent pipelines
GOAL 7 - ENSURE REGIONAL INDUSTRIES ARE SET UP TO THRIVE	14. Develop a Puget Sound technology competitiveness and growth strategy 15. Create a coordinated industrial space strategy for AI-enabled industries 16. Scale the Puget Sound commercial space ecosystem 17. Accelerate sustainable aviation and maritime fuel development 18. Expand regional maritime workforce partnerships 19. Strengthen the Puget Sound defense, aerospace, and maritime supplier ecosystem 20. Advance the Puget Sound commercial fusion cluster

One Region, One Economy: Our Vision and Principles

Together, King, Kitsap, Pierce, and Snohomish counties form one globally competitive region where businesses stay and grow, jobs create opportunity, and communities thrive.

GUIDING PRINCIPLES

Eight principles inform every goal, action, and recommendation. Together, they define what regional economic success should deliver:

Economic Competitiveness

Support policies and investments that strengthen the region's ability to attract and keep employers, jobs, talent, capital, and innovation.

Partnership

Advance partnerships with the state, counties, cities, Tribal governments, educational institutions, labor organizations, and the private sector.

Affordability

Support policies that expand access to affordable housing, transportation, and energy along with workforce opportunities and business growth.

Workforce Opportunity

Provide pathways to quality jobs and workforce training to meet current and future workforce needs.

Efficient and Responsive Governance

Ensure transparency, predictability, and streamlined public service processes to support economic growth and timely service delivery.

Environmental Stewardship

Protect our natural assets that underpin the region's quality of life and economy through good stewardship, resource management, and climate resilience.

Equity and Opportunity

Provide access to jobs, education, and economic mobility so individuals and communities in the Puget Sound region can participate and contribute to shared success.

Labor

Promote workplace safety, workforce well-being, and employment practices that support long-term economic stability.

What Keeps Puget Sound Strong: Our Strengths and Key Industries

Puget Sound's economic performance is anchored by companies incubated and scaled in this region that have become global leaders in their industries. Microsoft, Amazon, Boeing, Starbucks, Costco, T-Mobile, Nordstrom, and many more call Puget Sound home, alongside a deep set of growth-stage firms and emerging businesses creating a mosaic of economic progress.

Together, these companies directly employ hundreds of thousands of workers across the region and have given rise to ecosystems that support more than one million other jobs.[9] Their talent, capital, and entrepreneurial networks have launched and scaled another generation of widely recognized companies such as Expedia, Zillow, Redfin, Blue Origin, and Rover, which have created thousands of jobs across Puget Sound. This ecosystem continues to support a startup and venture community that connects university research, experienced founders, investors, and industry partners to create and scale the next generation of companies.

These jobs depend on a highly skilled workforce and reliable talent pipeline. Labor unions and apprenticeship programs train workers for the trades and occupations employers need, creating pathways to good family-wage careers across Puget Sound.

Over the past decade, the Puget Sound region has outpaced the rest of the country on nearly every measure of economic performance[8]

Employment Growth
= 1.2x the national rate

Wage Growth
= 1.5x the national rate

GDP Growth
= 1.4x the national rate

OUR ECONOMY'S SEVEN UNIQUE STRUCTURAL STRENGTHS

The Puget Sound region's outperformance rests on seven structural advantages that are not easily replicated elsewhere.[10]

1. **Highly Educated Workforce & Strong Talent Pipelines**
   #2 region for tech talent, #3 for AI talent, #8 for educational attainment, #2 public university, top five community college system.

2. **Dense Innovation Cluster**
   Two of five largest tech company HQs, largest aerospace company, #2 AI job hotspot, #4 state for innovation, #6 in unicorns per capita.

3. **Cheap and Clean Energy**
   Among the 20% of states with the lowest electricity rates, #3 state for low-carbon generation.

4. **Global Connection & Trade**
   Sixth largest container gateway in the U.S., deepwater ports, #4 state for per capita exports, 11th busiest airport in the U.S.

5. **Deep Federal R&D Investment**
   Top five Department of Energy lab in Pacific Northwest National Laboratory (PNNL), #1 National Institutes of Health (NIH) funded independent research institution in Fred Hutch, #1 university for public research funding in UW.

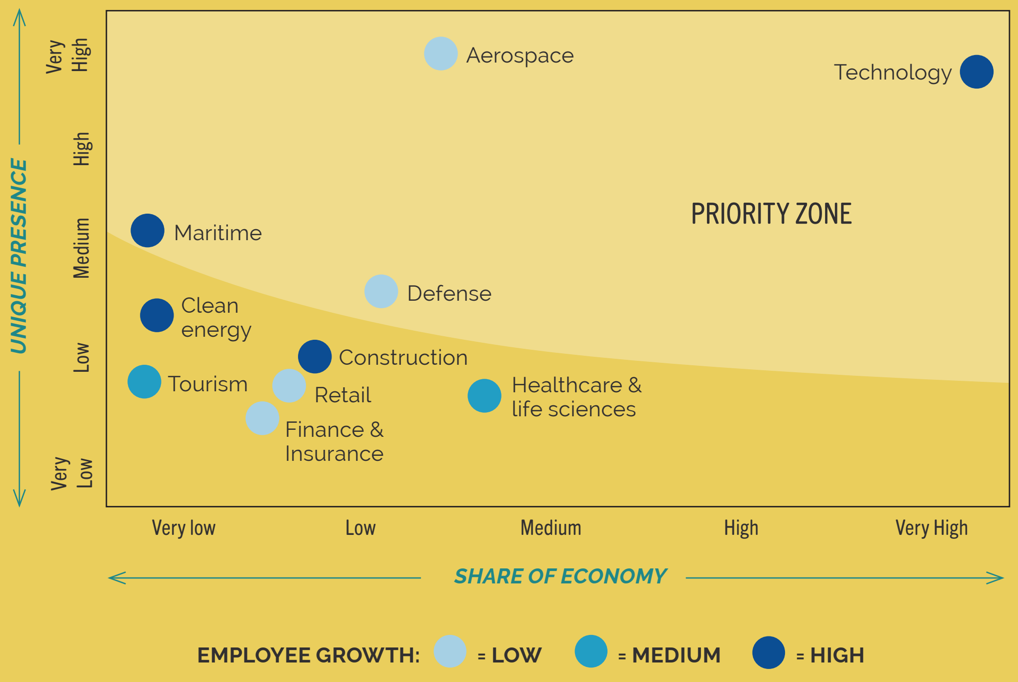
6. **Wide Federal Defense Footprint**
   #4 largest military base in Joint Base Lewis-McChord (JBLM), #5 naval installation in Kitsap.

7. **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.

THE INDUSTRIES THAT POWER THE REGIONAL ECONOMY

Puget Sound's economy is powered by workers and businesses across every industry, including healthcare, construction, retail, hospitality and tourism, and finance. Within this diverse economy, technology, aerospace, defense, and maritime have been prioritized because of their share of the regional economy, their unique presence in Puget Sound, and their potential for future growth. Clean energy is an emerging industry in which the region already has significant assets and the potential to build the next generation of employers.[11]

Puget Sound region industries plotted by share of economy, unique presence and historical growth



Puget Sound Region Prioritized Industries

Technology
Largest regional industry, strong growth, and 2.7 times national presence

Aerospace
Deep regional specialization with 3.3 times national presence

Defense ecosystem
Major bases anchor regional defense supply-chain cluster

Maritime
Distinctive regional asset with 2.0 times national presence and steady growth

Technology

Technology spans software, cloud computing, e-commerce, artificial intelligence, and a growing set of AI-enabled industries. The region hosts two of the five largest U.S. technology company headquarters and is ranked #2 for tech talent.[12] Nearly one out of every ten jobs in Puget Sound is in technology, and the sector accounts for approximately 24% of the region's total payroll.[13] As an emerging technology, quantum has a strong foundation in Puget Sound, anchored by Microsoft, Amazon, Boeing, IonQ, UW's QuantumX, startups, and federally supported research.[14]

Aerospace and Commercial Space

Puget Sound is home to one of the world's largest commercial-aircraft manufacturing centers and an extensive supporting supply chain. The industry provides tens of thousands of family-wage jobs across commercial-aircraft manufacturing, engineering, research, fabrication, suppliers, and a growing sustainable aviation fuel ecosystem. Labor unions and apprenticeship programs help sustain the skilled workforce that makes those jobs possible. Its footprint reaches communities throughout Puget Sound, spreading jobs and investment across the region. Building on this foundation, Puget Sound has also become one of the nation's leading commercial-space clusters. More than half of all operational satellites currently in orbit were built in the Greater Seattle region, and Washington is projected to manufacture 78% of all all current and future FCC-approved satellites.[15] Satellite manufacturing, reusable launch systems, broadband constellations, ground systems, and aerospace research are creating thousands of jobs and positioning the region for continued growth.

Defense

Washington is home to one of the nation's largest concentrations of active-duty military personnel, with its major installations centered in Puget Sound.[16] Joint Base Lewis-McChord, Naval Base Kitsap including the Puget Sound Naval Shipyard, and Naval Station Everett anchor a major employment and industrial ecosystem encompassing civilian workers, union shipbuilders, skilled tradespeople, engineers, contractors, suppliers, and research institutions. Military and civilian payroll supports small businesses in communities surrounding the installations. Many specialized suppliers also serve the region's maritime and aerospace industries, connecting defense activity to a broader industrial base that supports family-wage jobs across Puget Sound.

Maritime

Maritime is rooted in the region's deep-water ports, shipyards, fishing fleet, ferry system, and global trade infrastructure. Maritime employment is approximately twice as concentrated in the regional economy as it is nationally.[17] The industry supports shipbuilding and repair, logistics, fishing, engineering, manufacturing, and the skilled trades. Its union workforce and apprenticeship pathways are central to creating and sustaining family-wage careers across the region.

Clean Energy

Clean energy is another emerging sector in which Washington holds a rare combination of assets. The state has one of the country's cleanest major electricity systems, anchored by hydropower; the highest concentration of commercial fusion startups in the country; and a maturing buildout in sustainable aviation fuel, hydrogen, batteries, and advanced nuclear energy.[18]

Other Key Industries and Major Employers

Puget Sound's economy also depends on the strength of retail, construction, healthcare, life sciences, financial and professional services, tourism and hospitality, and small businesses of every kind. Tribal enterprises are essential economic partners, generating more than $7.4 billion in economic output and supporting more than 52,000 jobs; regional economic development recognizes Tribal sovereignty and includes Tribal governments as partners.[19]

Retail is a major source of retail innovation, entrepreneurship, and jobs. Home to well-known homegrown brands including Amazon, Costco, Nordstrom, Starbucks, and REI, Puget Sound supports strong retail employment while also serving as a place where enduring consumer companies are built, scaled, and led.

Healthcare is both a major employer and essential infrastructure: employers rely on a stable, accessible healthcare system to support their workforce, while health systems depend on a strong and vibrant business community. Washington is also a leader in healthcare innovation and life sciences, anchored by the Allen Institute, Fred Hutch, Kaiser Permanente Washington, MultiCare Health System, Providence Swedish, Seattle Children's, UW Medicine, and Virginia Mason Franciscan Health. The region ranks among the country's top 10 life-science clusters and is home to one of the densest global-health research ecosystems in the world.[20]

Construction has been central to Puget Sound's growth, building the offices, housing, transportation systems, and public spaces that allow people and businesses to thrive. During the 2010s, Seattle led all U.S. cities in tower-crane activity for three consecutive years, peaking at 65 cranes in 2018 as new homes, workplaces, and mixed-use neighborhoods reshaped the city. The industry has also delivered defining regional infrastructure, including the SR 520 bridge, the world's longest floating bridge; Sound Transit's expanding light-rail system; the SR 99 tunnel beneath downtown Seattle; and the new Waterfront Park. These projects strengthen the region's capacity to grow while creating family-wage careers across the skilled trades, engineering, design, project management, and related professions.

Financial and professional services help businesses start, expand, invest, and manage risk. Puget Sound is home to major institutions such as BECU, the nation's largest community-based credit union, which serves more than 1.5 million members, and Russell Investments, founded in Tacoma in 1936. Major national banks also serve households and businesses in communities across the region. The region also has a growing financial technology sector and a deep base of legal, accounting, consulting, and business-service firms.

Tourism and hospitality bring new dollars into the region and support jobs in hotels, restaurants, retail, arts and cultural institutions, transportation, outdoor recreation, and event venues. In 2025, Seattle and King County welcomed 39.7 million visitors, who spent $8.8 billion and supported more than 68,000 jobs. Tourism generated $840 million in state and local tax revenue, benefiting hotels, restaurants, retailers, cultural institutions, transportation providers, and small businesses across the region. From conventions, cruises, and major sporting events to the region's waterfronts, islands, mountains, and cultural destinations, tourism supports small businesses and communities across Puget Sound.

SEATTLE, UW, AND DOWNTOWN: REGIONAL ECONOMIC ASSETS

Seattle is the largest city in the state and its economic and cultural center. Its concentration of major employers, healthcare institutions, philanthropic organizations, professional sports teams, and cultural assets gives it an outsized role in shaping how the region is experienced by employers, workers, investors, and visitors.

The University of Washington is central to that role. As one of the world's leading public research universities, UW educates nearly 64,000 students across its campuses, conducts approximately $1.7 billion in annual research and development, and employs more than 37,000 faculty and staff. It is a powerful source of talent, research, entrepreneurship, and new enterprise formation for the region.

Seattle's industrial lands are another essential regional asset. They support manufacturing, maritime activity, logistics, construction, and small businesses, while connecting the region to global trade. Together with the Port of Seattle, major research institutions, and a diverse workforce, these assets make Seattle a critical platform for regional economic growth.

These citywide strengths converge in downtown Seattle and its surrounding neighborhoods. Downtown brings together major employers and healthcare institutions, historic neighborhoods including the Chinatown–International District, nationally recognized retailers, arts and cultural destinations, vibrant residential neighborhoods, an iconic waterfront park, and a working waterfront. It is also home to the Kraken, Mariners, Reign FC, Seahawks, Sounders FC, Storm, and Torrent, as well as major concerts, cultural events, and festivals that attract millions of visitors each year.

Downtown's strength matters well beyond city limits. It is the region's front door, where employers recruit talent, businesses decide whether to invest, conventions choose whether to return, sports fans and tourists experience the region, and visitors form their first impression of Puget Sound and Washington.

Downtown is also facing serious challenges on homelessness, vacancy, jobs, affordability, and public safety. More than 32% of office space in the central business district is vacant, among the highest levels in the country.[21] That leaves millions of square feet without tenants, weakening one of the region's primary job centers and reducing commercial property values. As commercial values decline, a greater share of the property-tax burden shifts to homeowners and other taxpayers across King County. Downtown Seattle employment grew steadily following the pandemic, reaching approximately 330,600 jobs in 2024 before declining to approximately 317,600 jobs in 2025, reversing the post-pandemic recovery.[22]

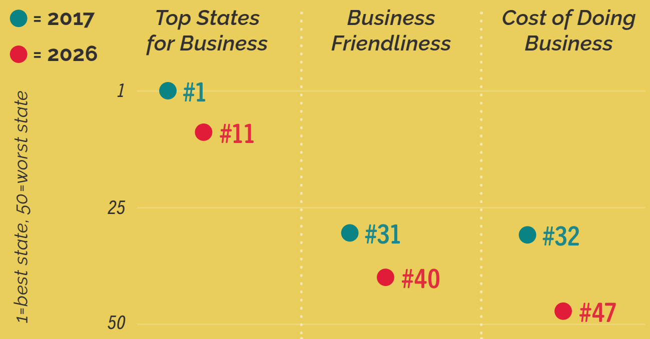
Public safety is essential to Seattle's economic vitality and the region's competitiveness. Residents, employees, customers, visitors, and employers must feel safe throughout the city, particularly in downtown residential neighborhoods and major employment, retail, entertainment, and tourism areas. Persistent public-safety concerns and open-air drug activity undermine that confidence. Seattle must prioritize addressing homelessness and improving public safety to support residents' quality of life, retain and attract businesses, and ensure a positive experience for visitors and fans attending the region's major events. Seattle has one of the lowest levels of sworn police staffing among major U.S. cities, with approximately 40% fewer officers per resident than Denver, 43% fewer than San Francisco, and 58% fewer than Boston.[23] These are not only Seattle concerns: they shape the region's reputation as a place to invest, create jobs, visit, and build a future.

Downtown needs a focused plan for job-generating activity, vacant storefronts and buildings, clean and safe public spaces, and a stronger visitor experience drawing on relevant lessons from cities such as San Diego and San Francisco. A strong downtown is a regional and statewide economic imperative.

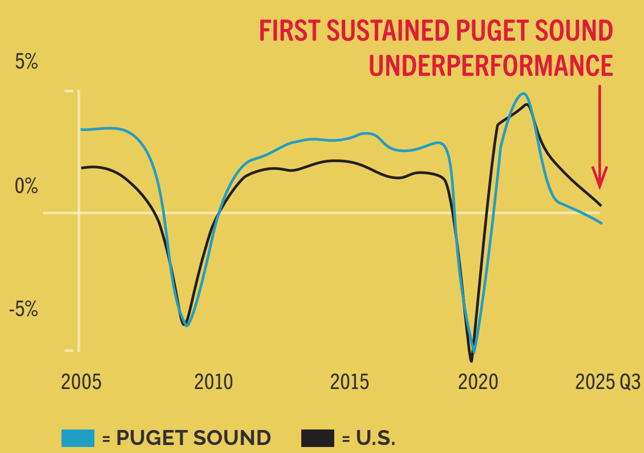
The Warning Signs Are Clear: How Our Competitive Position Has Shifted

For most of the past decade, Puget Sound payrolls grew, the region added hundreds of thousands of jobs, and Washington consistently appeared in the top tier of national rankings for states in which to do business. We continue to be one of the best places in the country to live and work, and many indicators remain positive today, including strong GDP growth driven by the success of our major employers. **Yet beneath those headline measures, several trends point to a region that is becoming less competitive in retaining and growing existing businesses, maintaining affordability, and attracting jobs, talent, investment, and new employers.**

Washington has dropped in CNBC's rankings of Top States for Businesses



Year-over-year growth in employment, Puget Sound region versus U.S.



Puget Sound is not immune to national and global forces. Higher interest rates, federal economic policy, the pandemic, remote work, and changes in the technology sector, including the rapid emergence of artificial intelligence, have affected cities and businesses across the country. But other technology-intensive peer regions are navigating the same changes with different results. Austin, San Jose, San Diego, San Francisco, and Raleigh all added jobs over the past year.[24]

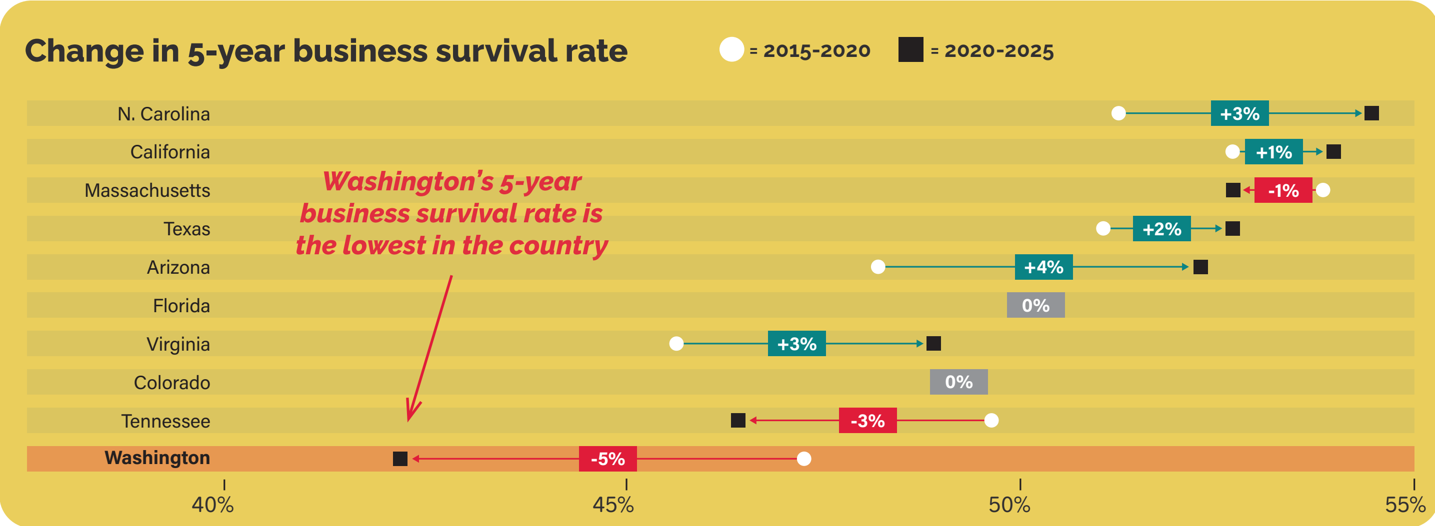
But those forces do not fully explain the warning signs now facing our region. While the U.S. economy and many peer regions continued to add jobs, the central Puget Sound region lost jobs in 2025.[25] Washington's business rankings have also fallen sharply. These are relative measures: they show that, even amid national challenges, Puget Sound is losing ground to other regions in the competition for jobs, investment, talent, and new businesses.

Forward-looking indicators point to deeper concerns. Venture-capital (VC) investment has softened relative to peer regions and remains substantially below early-2020s levels, limiting the pipeline for the next generation of homegrown companies.[26]

Annual growth of VC-investment: Puget Sound region vs. peer regions

	2015-20	2020-25	2025
San Jose, San Francisco, Oakland	1.3x	4.4x	5.9x
Austin	1.9x	2.4x	4.5x
Puget Sound	1.5x	1.2x	1.7x

$1.9B (97%) of Puget Sound venture capital growth from 2015 to 2025 came from the Eastside



5-year business survival rate = share of private-sector establishments born in a given year still operating 5 years later; tracks individual physical locations with employees, not firms. Source: BLS Employment Dynamics.

New-business formation in Washington trails the national rate. Roughly four in ten new Washington businesses survive to their fifth year, the lowest rate of any state, compared with more than five in ten in California, Massachusetts, and Texas.[27]

FOUR DIMENSIONS OF COMPETITIVENESS HAVE SHIFTED

Underlying the recent performance signals are four changes in the business environment in Puget Sound. Each has unfolded over years rather than months and is now measurable in the data.

The pattern is similar across all four: well-intentioned and individually defensible decisions have stacked over time into a cumulative shift in the region's competitive position.[28]

Predictability Has Decreased

Businesses are well suited to adapt to more challenging tax and regulatory environments as long as they can plan for them. Over the past decade, Puget Sound has struggled to provide this predictability to small and large businesses alike.

From 2020 to 2026, the rate of business taxes at the local and state level increased threefold, with taxes stacking on top of each other.[29] At the same time, the pace of business-relevant rulemaking also accelerated: state agencies adopted approximately 71% more regulations last year than in 2015.[30] Washington is now the eighth-most regulated state in the country with more than 200,000 state regulations on the books.[31] At the same time, the state continues to create new industry-specific rules and requirements, expanding the compliance obligations businesses must navigate.

The shifting four dimensions of Puget Sound competitiveness

PREDICTABILITY *DECREASED*

- 3x faster growth of business tax
- 71% more regulations adopted by state agencies (last year vs. 2015)

COST OF DOING BUSINESS *INCREASED*

- 50-60% higher growth in labor cost—Seattle vs. U.S. average 2015-2025
- 2x growth in permitting timelines (400 days to 900 days)
- Drop from #28 to #47 in corporate tax ranking

TALENT ATTRACTION & RETENTION *DECREASED*

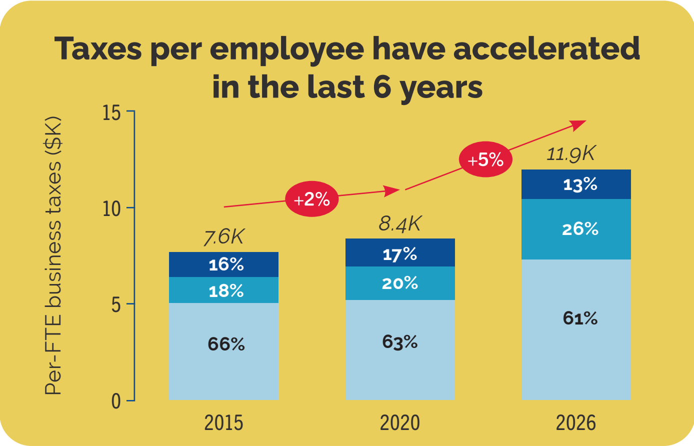
- Drop from #37 to #41 in affordability
- Drop from #25 to #43 in personal tax rates
- Drop from #6 to #31 in domestic migration

CULTURE OF PARTNERSHIP *DECREASED*

- Drop from #32 to #47 in CEO perception

= COMPARED TO HISTORICAL
= COMPARED TO U.S. AVERAGE

Individual policies may be defensible on their own. But when taxes and rules continue to change without a consistent assessment of their combined effects, the region becomes more difficult to operate in.



The Cost of Doing Business Has Increased

Running a business in Puget Sound costs significantly more than it did a decade ago. The cost of doing business includes the full range of expenses required to operate from wages and benefits, rent, utilities, insurance, taxes, and fees to the time and expertise required to comply with regulations. These pressures appear in thinner margins, fewer employees, reduced hours, higher prices, and closed businesses.[32]

The pressure falls most heavily on small businesses. Washington restaurants report an average net margin of approximately 1.5 %. Half of surveyed Seattle restaurants lost money in 2024, and reported margins were 60% below the national average.[33] Opening a restaurant in Seattle can require navigating more than 63 steps, 16 forms, and $7,500 in upfront fees before serving a customer.[34] Once open, owners must manage a growing set of reporting and compliance obligations, often without dedicated administrative staff.

These pressures are not confined to Seattle. A restaurant company operating statewide saw its profit margin fall from 10 cents to four cents on every dollar of sales as costs rose. In Western Washington, an outdoor gear store generated more than $2 million in annual revenue in 2025 but still lost money due to rising property taxes, new taxes on digital advertising, tariff-driven cost increases, a shrinking staff, and repeated break-ins.[35]

Small businesses are also, by nature, less mobile. When the math stops working, their choices are often limited to raising prices, reducing staff or hours, or closing. For residents, rising costs have made Seattle the second most expensive major city in the nation for dining out, with restaurant menu prices more than 17% higher than the average across the 20 largest U.S. cities.[36]

For mid-sized companies or large employers, the pressure appears differently. Companies operating across multiple markets regularly compare Seattle with peer cities when deciding where to add jobs, locate teams, expand facilities, and make major investments. Employers here face a growing combination of local and state costs, including Seattle's JumpStart payroll tax, increases in the state business and occupation (B&O) tax, including the Advanced Computing Surcharge, and higher unemployment-insurance costs.

Talent Attraction and Retention Have Weakened

Puget Sound's talent advantage begins with people being able to live, work, and build a future here. The region has benefited enormously from people who come here from around the world. International migration has become an increasingly important source of population growth, strengthening our communities and bringing workers, entrepreneurs, students, and ideas that help fuel the regional economy. This is a major strength and one of Puget Sound's enduring competitive advantages.

At the same time, the region is losing ground in its ability to retain current residents and attract new ones from elsewhere in the country. Washington's net domestic migration ranking—which reflects both people moving into and leaving the state—fell from an average of 6th in the country during 2015–2020 to 31st during 2021–2025.[37]

Affordability is a central challenge. Between 2015 and 2025, Seattle-Bellevue rents grew 32% more than the national average, while childcare costs remain among the highest in the country.[38] These pressures affect both households and employers. When essential costs rise, workers need higher incomes simply to keep pace, employers face greater challenges attracting and retaining people, and businesses experience additional pressure on operating costs and prices. Making Puget Sound more affordable is not separate from economic competitiveness—it is one of its foundations.

The Culture of Partnership Has Declined

Puget Sound has long been a place where companies start, grow, and create jobs that support communities throughout the region. A culture of partnership is the relationship government builds with employers and whether public leaders view businesses as partners in creating jobs and addressing shared challenges. It is about more than taxes, incentives, or regulations.

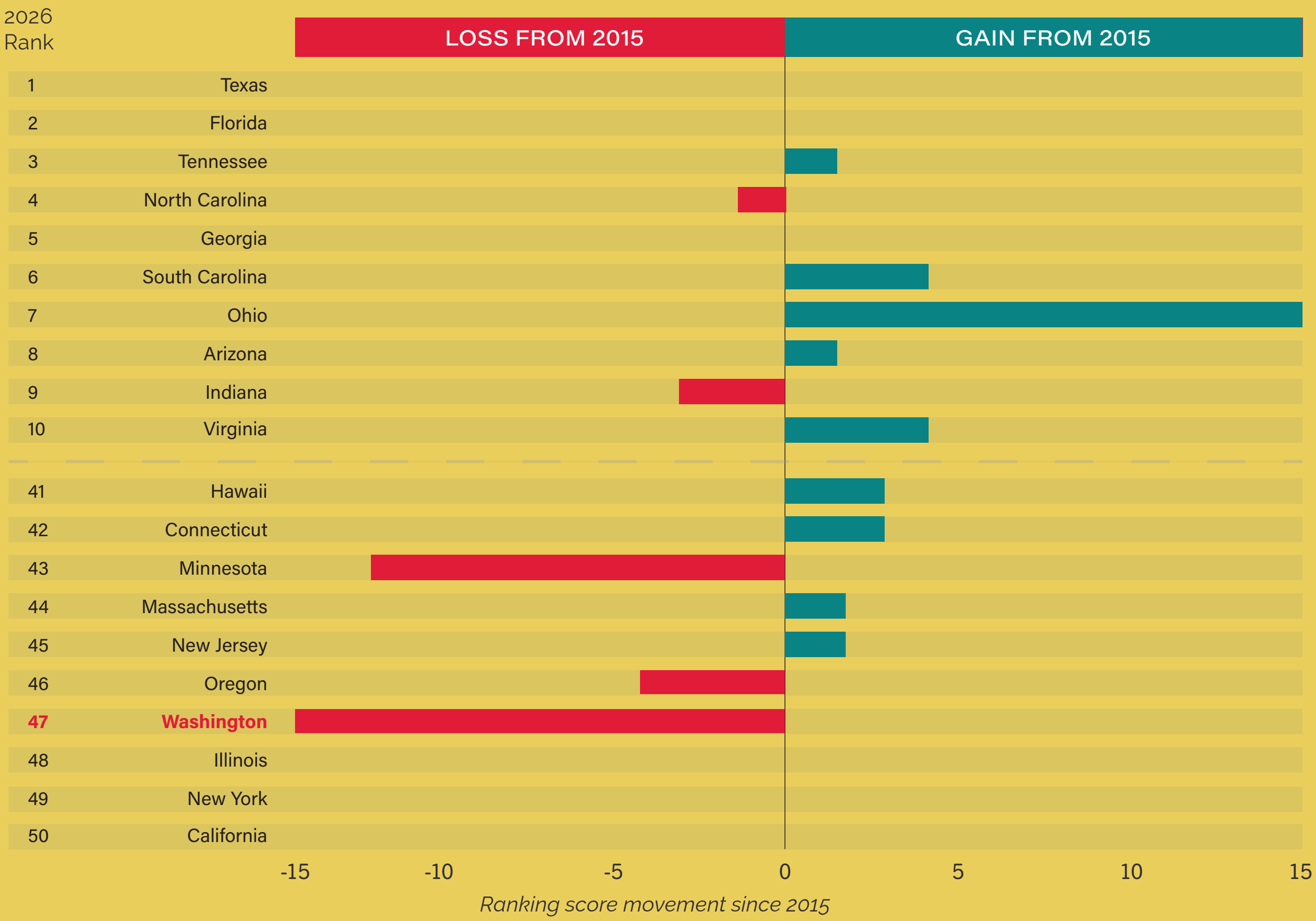
At times, the signal comes through hostile rhetoric toward business. More often, it reflects complacency: Puget Sound has grown accustomed to employers choosing to be here, while competing regions have become far more intentional about welcoming them, solving problems, and building lasting partnerships. The result is that business leaders increasingly say the welcome mat is not out. Washington's position in a national survey of CEOs fell from thirty-second in 2015 to forty-seventh today.[39]

In practice, partnership is reflected in whether decision-makers are accessible, calls are returned, agencies coordinate, and permitting or regulatory questions receive timely answers. In other regions, business leaders describe public officials reaching out proactively and helping them navigate government as they grow. Across Puget Sound, responsibility for retaining existing employers and attracting new ones remains fragmented among agencies, jurisdictions, and organizations.

The challenge is not any one policy or cost. It is the cumulative effect of lower predictability, higher costs, weakening affordability, and a declining culture of partnership.

Improving the culture of partnership does not have to be expensive. It starts with simple actions: returning calls, resolving permitting questions, coordinating across agencies, and recognizing the value employers bring to the region. These everyday choices can materially affect whether a business chooses to grow here.

CEO Survey of Best & Worst States for Business 2026 (1=best, 50=worst)



Partnership for a COMPETITIVE PUGET SOUND
Jobs. Innovation. Opportunity.

SPOTLIGHT

A Warning Sign: The Consequences of Losing Anchor Industry Jobs

Technology, aerospace, defense, and maritime are not the only industries that matter to Puget Sound. They are priorities because of their outsized role in the regional economy and because their success affects far more workers, businesses, and communities than their employment numbers alone suggest. Together, these industries support an estimated one million additional jobs through suppliers, contractors, local businesses, and household spending.[40]

Their impact reaches far beyond their own payrolls. Anchor employers purchase from regional suppliers and small businesses. The facilities and infrastructure they require, including technology campuses, aerospace facilities, laboratories, and clean-energy projects, also create construction jobs throughout the region. When these industries expand, opportunities spread throughout the economy. When growth slows, those impacts are felt just as broadly. Seattle ranked among the country's top two cities for construction cranes for seven consecutive years during the employment boom; crane counts declined as regional hiring slowed after 2022.[41]

Anchor employers and investors also help create the next generation of companies and jobs. Microsoft alumni have founded 161 of the 625 fastest-growing companies on the 2026 Washington Tech Universe Map, while Amazon alumni have founded 58. Alumni from Expedia, Boeing, Zillow, and RealNetworks have founded another 29 companies. Together, these six anchor employers have helped create and start 40% of the region's fastest-growing companies.[42]

They also strengthen the region's civic and philanthropic capacity. Washington residents contribute more than $6 billion in charitable giving annually, while five Washington foundations and Microsoft's philanthropy together provide more than $1 billion each year to organizations working on housing, global health, education, climate, and other community priorities.[43]

Jobs and investment are mobile. Companies can expand in other states, build facilities in competing regions, or move teams to locations they believe offer stronger advantages. Every lost expansion, canceled project, or relocated team has ripple effects throughout the region. The consequences reach far beyond the workers and companies directly involved, affecting suppliers, small businesses, local governments, nonprofits, and communities across Puget Sound.

When Puget Sound loses 1,000 jobs

When 1,000 higher-wage jobs are eliminated, relocated, or created somewhere else, the consequences extend far beyond the workers and companies directly involved:

More than $200 million in annual income no longer circulates through the regional economy.

As many as 5,000 additional jobs could be placed at risk as household and business spending declines.

Approximately $15 million to $20 million in annual public revenue could be lost, which is funding that supports schools, transit, housing, public safety, infrastructure, and other essential services.

A Regional Agenda to Restore Competitiveness: Seven Goals and Twenty Recommendations

Puget Sound can be confident about its strengths and clear-eyed about the need to act. The region has extraordinary assets, but the warning signs show that those advantages cannot be taken for granted. Getting our region back on track will require concrete action across several goals to foster entrepreneurship, retain and expand existing businesses and jobs, and attract new companies and investment. This agenda translates the region's warning signs into seven goals and 20 recommendations.

The first goal is overarching: King, Kitsap, Pierce, and Snohomish counties must work together to create one of the most competitive regions in the world. That means aligning priorities, speaking with a unified voice to employers and investors, and jointly pursuing jobs and investment at a scale no jurisdiction can achieve alone.

The next four goals address the immediate barriers to economic competitiveness the region must fix now: partnership, tax competitiveness, the cumulative impact of policies, and permitting. The final two look ahead to connecting talent pipelines to regional employers and supporting both the industries that drive jobs today and the emerging industries that will define tomorrow.

Among them, the plan's highest-priority recommendations focus on the day-to-day conditions that shape whether businesses choose to locate, invest, grow, and create jobs in Puget Sound: building a stronger culture of partnership; creating a simple, fair, competitive, and predictable tax structure; and ensuring that policies, regulations, and taxes are effective and workable.

Seven Goals to Restore Our Competitiveness

ECONOMIC COMPETITIVENESS

1. **Compete together to create one of the most competitive regions in the world**
2. **Create local business customer service and improve the culture of partnership**
3. **Create tax structures that are simple, fair, competitive, and predictable**
4. **Ensure policies, regulations, and taxes achieve their intended impact**
5. **Streamline permitting timelines and complexity**
6. **Connect talent pipelines to regional employers and hubs of commerce**

ECONOMIC DEVELOPMENT

7. **Ensure regional industries are set up to thrive**

A PRACTICAL ACTION FRAMEWORK

The 20 recommendations were developed using three considerations:

- **Near-Term and Implementable.** Each recommendation can begin or make meaningful progress within the next three years, with some early actions possible within weeks or months.
- **Practical Within Budget Realities.** Many peer regions and states have strengthened their economies through major economic-development investments, structured incentives, and successful new programs. Those approaches merit consideration, but they are not a major focus of this plan. Given current budget pressures, the recommendations concentrate primarily on improving policies, processes, partnerships, and institutions rather than requiring significant new spending.
- **Clear Owners and Partners.** Each recommendation can be advanced by an identifiable combination of cities, counties, ports, tribes, state leaders, employers, labor, and education and workforce partners.

Each recommendation also draws on best practices and examples from peer regions, adapted to Puget Sound's unique circumstances.

GOAL 1 COMPETE TOGETHER TO CREATE ONE OF THE MOST COMPETITIVE REGIONS IN THE WORLD

Puget Sound competes globally and nationally as a single economy. Workers commute across county lines, employers recruit talent from throughout the region, supply chains span multiple jurisdictions, and investors see one regional market instead of dozens of separate cities and counties. Yet many decisions that shape growth, investment, and job creation are made independently. To compete effectively with peer regions, the Puget Sound region must align around common economic priorities while preserving local leadership and decision-making.

The world's most competitive regions pair local autonomy with regional coordination. They have trusted conveners that bring together public, private, academic, labor, Tribal, and civic leaders around a shared understanding of the region's economic opportunities and challenges. Local priorities will always differ, but a common vision helps ensure those differences add up to a stronger regional strategy. The Puget Sound region must launch a renewed, long-term effort to strengthen economic competitiveness, attract investment, and create more good-paying jobs.

1. Advance a Shared Regional Economic Vision

Fragmented action produces fragmented results. Today the economic vision for our region is largely implicit and fragmented: four counties, dozens of cities, and a wide range of employers, institutions, and civic partners each pursue their own priorities, with limited shared articulation of where the regional economy is headed or what it will take to compete together.

Recommendation: The county executives of King, Pierce, and Snohomish counties, together with a Kitsap County Commissioner, should provide ongoing executive leadership on regional economic competitiveness. They should champion a shared regional economic vision and common priorities, and when aligned, serve as a unified regional voice on issues affecting jobs, investment, and long-term competitiveness.

As the region's economic development organization, Greater Seattle Partners (GSP) should steward implementation of this shared vision in partnership with the region's four Associate Development Organizations (ADOs) and the Puget Sound Regional Council (PSRC). Building on PSRC's Comprehensive Economic Development Strategy, GSP and PSRC should prepare an annual regional competitiveness assessment that combines employer feedback, regional economic data, progress on this plan's recommendations, and emerging opportunities and challenges.

That assessment should inform an annual regional message to residents and our elected leaders at the local, state, and federal levels setting out the region's economic outlook, shared priorities, and the actions needed to strengthen competitiveness. Throughout the year, the county executives and Kitsap Commissioner should also meet regularly with key employers and other regional partners to hear directly about opportunities and barriers, strengthen relationships, and identify issues requiring coordinated action.

Together with mayors, local governments, Tribal governments, ADOs, labor, employers, and other regional partners, these complementary leadership roles will help ensure Puget Sound competes as one region.

CASE STUDY Columbus 2020

Central Ohio launched a single 11-county strategy in 2010 with explicit decade-long goals for jobs, income, investment, and national standing. A dedicated regional organization tracked and published progress every year. By the end of the decade, the region had reached its 150,000-job goal, exceeded its $8 billion investment target, and nearly achieved its income goal.[44] In 2026, Ohio was named CNBC's Top State for Business for the first time ever.[45]

2. Launch a Regional Partnership to Implement Best Practices

Washington's designated Associate Development Organizations (ADOs), including Economic Alliance Snohomish County, Kitsap Economic Development Alliance, the Seattle Metro Chamber, and the Tacoma-Pierce County Economic Development Board, serve as the trusted local voice of employers, supporting business growth, workforce needs, and economic development in their communities. Many of the same challenges facing employers extend beyond jurisdictional boundaries. Issues such as permitting, workforce development, infrastructure, housing, and business climate require regional coordination rather than isolated local action. Any regional effort should build on and amplify the trusted local relationships, market knowledge, and employer support that ADOs already provide, while connecting their work to a shared regional strategy.

Recommendation: GSP should convene the region's ADOs in partnership with PSRC, employers, elected officials, and economic development leaders through recurring regional competitiveness and solutions summits with the goal of supporting jurisdictions. These sessions should identify barriers to business growth, highlight successful local practices, share employer feedback, and develop coordinated strategies to address challenges that extend across jurisdictional boundaries. Topics could include permitting, site selection, regulatory processes, and business customer service. The goal should not be to create uniform policies across all jurisdictions, but to accelerate the adoption of proven approaches and reduce unnecessary complexity for employers operating throughout the region. By creating a regular forum for peer learning and problem-solving, the region can move more quickly from isolated successes to broad regional improvements that support job growth, investment, and competitiveness.

CASE STUDY Opportunity Austin

Opportunity Austin is a five-county regional economic-development partnership that aligns business, local governments, economic-development organizations, education partners, and civic leaders around shared regional priorities. Its Regional Partner Council brings together local economic-development organizations to coordinate strategy and tactics across the region, while its business-retention, talent, and policy councils create regular forums for employer engagement and action on issues such as workforce, infrastructure, housing, energy, and public safety.[46]

GOAL 2 CREATE LOCAL BUSINESS CUSTOMER SERVICE AND IMPROVE THE CULTURE OF PARTNERSHIP

Washington's ranking in CEO business climate surveys has fallen from #32 in 2015 to #47 today,[47] and business leaders consistently describe peer regions as doing a better job of rolling out the "welcome mat" for employers. Growing jobs and investment depends on more than regulations and tax policy. It also depends on a strong partnership between employers and government. The regions that attract and retain businesses combine efficient public services with a culture of partnership. Local governments are responsive and solutions-oriented, and employers are engaged partners in creating jobs, investing in communities, and helping solve regional challenges. Every interaction with local government sends a signal about whether employers are viewed as partners in strengthening the community and economy.

3. Establish Business Concierge Services in Every City and County

Our ADOs are on the frontlines of navigating many issues for businesses but cannot always resolve issues that are within the local jurisdiction's control. Employers often enter government through a single question, then discover that the answer depends on several departments or levels of government. The concierge model should serve businesses of every size from small and mid-sized employers, contractors, and growing local companies without dedicated government-relations, legal, or permitting staff to major employers navigating complex expansions, investments, and interagency requirements. A senior, accountable point of contact or team can reduce delay and turn fragmented interactions into a clear service pathway.

Recommendation: Every employer should have a clear path to assistance, whether they are expanding, navigating permitting, resolving a regulatory challenge, or connecting to workforce and economic development resources. Every city and county should designate an empowered business concierge, which is a senior staff member responsible for coordinating across departments, troubleshooting issues, and serving as a single point of contact when government action is required. Unlike a navigator who simply refers a business to the appropriate office, the concierge is accountable for moving issues toward resolution and ensuring employers do not get lost in the system.

4. Develop a Local Government Playbook to Strengthen the Culture of Partnership

Jurisdictions vary widely in staffing, experience, and access to economic development tools. Smaller cities may want to improve employer service but lack the capacity to develop templates, training, and operating practices from scratch. Shared tools can improve both the mechanics of service and the tone that tells employers they are welcome.

Recommendation: A playbook could provide practical strategies, tools, and best practices to help local jurisdictions strengthen partnerships with employers, establish regular two-way communication, respond to business concerns, and create opportunities for employers to contribute to local economic and community priorities. The playbook would help communities foster a stronger culture of partnership by ensuring employers consistently experience a region that is welcoming, responsive, and committed to helping them succeed.

CASE STUDY California Economic Development Playbook

The California Association for Local Economic Development published a recovery and resiliency playbook in 2022 for more than 1,100 member jurisdictions. It packaged model frameworks, best practices, and ready-to-use guidance in one resource. The approach lowered the barrier for under-resourced communities to adopt proven practices without building a program from the ground up.[48]

GOAL 3 CREATE TAX STRUCTURES THAT ARE SIMPLE, FAIR, COMPETITIVE, AND PREDICTABLE

Puget Sound's tax structure has stacked at every level—state, county, and city—over decades, and the shift in the last ten years has been steep. On a cross-state competitiveness index, Washington's overall tax ranking has fallen from #11 in 2015 to #45 today.[49] Newly introduced statewide taxes, such as capital gains and personal income, and higher taxes on business account for much of the change. Local taxes have stacked on top through rising municipal gross-receipts, sales, payroll, and property taxes. The result is a system that is not simple, fair, competitive, or predictable.

A simple tax system is transparent, easy to understand, administer, and comply with. A fair tax system distributes responsibility broadly and equitably across individuals and businesses. A competitive tax system compares favorably with peer states and regions, supports business attraction and retention, encourages investment and innovation, and enables long-term job growth. A predictable tax system provides stability and certainty by minimizing frequent or unexpected changes, allowing businesses and individuals to make long-term investment, hiring, and location decisions with confidence while supporting sustained job creation and economic growth.

Washington is now in the bottom half of states across every tax category at once, a position almost no competitive state occupies.[50] Even among high-tax peers, most stay competitive in at least one category. Oregon carries high income taxes but has no sales tax, and California has a heavy overall burden but no estate tax. Each peer state is competitive in at least one category, while Washington is middling-to-poor in all of them. A modernized structure would treat tax as a strategic choice for our region, deciding which categories Washington and Puget Sound most want to compete in and protecting that advantage, rather than treating each tax as a separate decision and losing focus on our overall competitive position. Choosing categories to "win" in would support growth in the overall tax base as more taxpayers contribute to our region. Taxes fund critical programs that our region needs and we need a simple, fair, competitive, and predictable system to maximize the funding for these programs.

By aligning tax policy across jurisdictions and prioritizing predictability and stability, the region can reduce uncertainty for employers while strengthening its economic competitiveness and fiscal sustainability.

Tax competitiveness ranking reveals WA's high taxes in nearly every category

	Overall	Personal Income	Capital Gains	Estate	Corporate	Sales	Property	Unemployment Insurance
CO	38	18	21	1	20	39	34	40
OR	35	45	45	40	49	4	28	41
IL	38	25	28	40	42	37	41	42
MA	43	43	44	40	33	22	48	45
WA	45	45	45	50	47	49	25	49
CA	48	50	50	1	41	46	27	26
NY	50	48	49	40	28	42	47	38

State ranking by tax category (1=best, 50=worst)

5. Develop a Tax Strategy That Addresses Tax Stacking and Creates a Simple, Fair, Competitive, and Predictable Tax Structure

Washington does not have a tax strategy that is simple, fair, competitive, and predictable, which negatively impacts business growth and attraction, entrepreneurship, jobs, and taxpayer confidence. Rather than assessing individual taxes in isolation, a tax strategy evaluates major taxes together and considers their combined effect on taxpayers, employers, and jobs. A tax structure should promote economic growth, fiscal sustainability, quality public services, and clear accountability for how tax revenue is raised, spent, and translated into results.

Businesses experience state and local taxes as a cumulative burden, even though decisions about individual taxes are often made separately at the local, regional, and state levels. Washington's B&O system, parallel city gross-receipts taxes, multiple classifications, and separate filing requirements create complexity for firms operating across the region. A tax system can raise stable public revenue while still being evaluated for simplicity, fairness, competitiveness, and predictability.

> ***Recommendation:*** State, county, and city leaders should develop a coordinated tax strategy that examines the full structure rather than isolated rates. Local jurisdictions should work toward common definitions, simpler classifications, and more unified administration; regional and state leaders should benchmark the combined burden against peer regions and identify categories in which Washington intends to remain competitive. Any reform should protect fiscal sustainability while giving employers and residents greater stability for investment, hiring, and location decisions.

CASE STUDY Utah Tax Structure Evaluation

Over several years, Utah commissioned a four-part tax-modernization series to examine its overall revenue system, including sales and use taxes, user fees, property taxes, and individual income taxes. By sequencing the review across major revenue sources, the state was able to consider how they function together and use the findings to inform long-term tax-policy choices rather than treating each tax in isolation.[51]

CASE STUDY Idaho Tax Burden Study

Idaho produces a recurring statewide Tax Burden Study that evaluates the state's combined state-and-local tax structure across major tax types, including individual and corporate income, sales, property, and motor-vehicle taxes. The study gives policymakers a consistent framework for reviewing the state's tax mix and comparing it with other states over time.[52]

GOAL 4 ENSURE POLICIES, REGULATIONS, AND TAXES ACHIEVE THEIR INTENDED IMPACT

Well-intentioned, individually defensible policies can stack to materially shift the region's competitive position. Sustaining the region's strengths requires a more disciplined check on new policies before they are enacted, an honest, ongoing review of whether existing policies continue to deliver their intended outcomes, and visible tracking of the cumulative burden a business archetype faces across all levels of government.

At the state level, there are several avenues for reviewing government performance and fiscal policy, including legislatively assigned Joint Legislative Audit and Review Committee audits and tax-preference reviews, State Auditor performance audits, and studies or reporting requirements directed through legislation or budget provisos. These tools can provide scrutiny of individual programs, agencies, or tax preferences, but they are episodic. They do not provide a regular, cross-cutting examination of the cumulative economic effects of policies, regulations, and taxes on households, employers, investment, and regional competitiveness.

While some jurisdictions in Washington already produce high-quality revenue forecasts and fiscal notes, this recommendation complements those functions by evaluating the broader economic consequences of significant tax and regulatory proposals, including private-sector costs, investment, competitiveness, and tax incidence.

Ultimately, this is about accountability: ensuring that taxes, spending, and regulations deliver the results promised to taxpayers and communities.

6. Implement an Economic Impact Analysis for Major Policies, Regulations, and Taxes

The state, cities, and counties may adopt taxes, regulations, and policies without a consistent understanding of who ultimately bears the cost, how businesses and residents will respond, or how each new measure compounds the burden already on the books.

> ***Recommendation:*** Fiscal notes typically capture the effect on a government's own budget, missing the broader economic impact. An Economic Impact Analysis would require the state and local jurisdictions to assess tax incidence and added regulatory or fiscal burden for residents and businesses. Larger jurisdictions such as the state, counties, and cities with more than 150,000 people should use a more sophisticated analysis carried out by staff economists or financial analysts, including an estimate of compliance costs, effects on jobs and investment, a comparison to peer jurisdictions, and an evaluation of lower-cost alternatives capable of achieving the same policy objective.

CASE STUDY California Standardized Regulatory Impact Assessment

California requires proposed state regulations with more than $50 million in economic impact to undergo a standardized assessment. The review covers direct costs, jobs, competitiveness, and alternatives, and an independent finance unit comments publicly on the work. More than 80 major regulations had completed the process since 2014, creating a record of expected effects before rules take effect.[53]

CASE STUDY Oregon Economic Analysis of Major Legislation

Oregon's Legislature maintains a nonpartisan Legislative Revenue Office that supports lawmakers with independent economic analysis of major tax legislation. Its economists evaluate tax incidence, distributional effects, taxpayer behavior, and comparative tax policy to help legislators understand who ultimately bears the cost of proposed tax changes and how those proposals may affect Oregon's economy.[54]

7. Establish a Regular Review Process for Existing Policies, Regulations, and Taxes

Well-intentioned policies, regulations, and taxes can remain in place long after conditions change or their original purpose has been fulfilled. Over time, outdated, duplicative, or conflicting requirements can accumulate, increasing costs and complexity without delivering meaningful public benefit. A regular review process can help preserve effective policies while identifying those that should be updated, streamlined, consolidated, or sunsetted.

Washington and major local jurisdictions should establish a recurring review of existing policies, regulations, and taxes guided by three questions:

1. Is it still achieving its intended outcome?
2. Is it still necessary?
3. Do unintended consequences outweigh the benefits?

> ***Recommendation:*** An effectiveness review would put existing rules on a recurring examination against three tests: whether they still deliver their intended effect, whether they are still needed, and whether they are producing unintended consequences greater than their benefit. Jurisdictions could begin by building a complete inventory of existing requirements and using AI-enabled tools to flag potential candidates for staff and public review. Options range from a periodic five-year review, to automatic sunset with cost-benefit re-justification, to annual public-dashboard reporting.

CASE STUDY Oregon Five-Year Rule Review

Oregon law requires agencies to review rules within five years and test whether each still has its intended effect, whether the original fiscal estimate held, and whether the rule remains necessary. Agencies report their findings to the Secretary of State. The model creates a recurring, documented discipline without requiring automatic repeal.[55]

CASE STUDY New York's AI-Enabled Regulatory Inventory

New York is using AI-enabled tools to review a regulatory landscape spanning roughly 18 million words of legal text, including regulations, laws, fees, mandated reports, boards, and commissions. The state partnered with Stanford University's RegLab and government-reform nonprofits to build a structured review process. The tools identified thousands of potential candidates for review, including outdated paper, fax, wet-signature, and notarization requirements; duplicative or disproportionate fees and penalties; requirements that impose significant compliance costs; and reports or commissions that may no longer be needed. Agency experts and the Governor's Office retain responsibility for reviewing, vetting, and advancing any final changes.[56]

GOAL 5 STREAMLINE PERMITTING TIMELINES AND COMPLEXITY

Permitting delays increase the cost of everyday life. When housing projects wait months or years for approval, those building homes carry higher financing, labor, and materials costs, which can be passed on through higher rents and home prices. When energy and grid projects are delayed, the region has fewer options to meet growing demand efficiently, contributing to higher energy costs. Clear standards, reliable timelines, modern intake, and sufficient review capacity can improve speed while preserving health, safety, environmental review, and public accountability.

Although some of these reforms are proposed at the state level, their benefits would be felt most directly in Puget Sound. Faster and more predictable permitting can lower costs, accelerate housing production, support industrial and commercial investment, and help deliver the energy infrastructure needed for future job growth.

8. Establish Clear Permit Timelines and Accountability

Unbounded review timelines increase carrying and financing costs and make project outcomes difficult to predict. For a typical 120-unit multifamily development, permit delays can add up to $45,000 per unit, far more than the permit fees themselves.[57] Predictability matters as much as speed. When applicants know when a decision will be made, they can better manage financing, construction schedules, hiring, and investment decisions.

Recommendation: Jurisdictions should adopt clear, project-based timelines for permit review and publicly report performance against them. A permit shot clock, with binding decision deadlines and deemed approval when deadlines are missed, is one effective model. Jurisdictions could use clear performance goals that set transparent expectations by project type and complexity. In every case, jurisdictions should use public dashboards to track and report permit decision metrics and timelines, creating transparency and accountability for applicants, policymakers, and the public.

CASE STUDY Minnesota's 60-Day Decision Requirement

Minnesota requires local governments to approve or deny many zoning, land-use, and development applications within 60 days of receiving a completed application, with limited opportunities for extension. A missed decision becomes an automatic approval, which courts have enforced consistently for three decades. The enforceability and the change to the outcome are important. By establishing deadlines and consequences for inaction, the law provides applicants with greater certainty about when a decision will be made and reduces the risk of projects being delayed indefinitely.[58]

9. Advance Objective Permitting Standards with Technology

Applicants often invest significant time and resources without knowing whether they have met expectations. Clear standards shift the focus from negotiating interpretations to demonstrating compliance, reducing delays and improving consistency for applicants, reviewers, and the public.

Recommendation: Especially with local housing, commercial, and industrial projects, cities and counties should replace discretionary review with objective permitting standards that include clear, checklist-based criteria, reserving discretion for significant variances. These standards should be paired with tech-enabled intake, permit review, and workflow management to improve predictability, consistency, and efficiency.

CASE STUDY California SB 35

California's SB 35 requires qualifying housing projects in underperforming jurisdictions to use ministerial review and objective standards; more than 18,000 units were approved or in process during its first four years.[59]

CASE STUDY City of Bellevue and City of Everett

Bellevue and Everett are piloting Govstream.ai tools to make permitting more predictable, transparent, and responsive for residents, businesses, and staff. The tools provide code-based guidance, flag missing materials and basic issues before submission, and help cities receive more complete applications, reducing avoidable delays and uncertainty. Bellevue and Everett are targeting a 30 percent reduction in pre-application guidance time and a 50 percent reduction in resubmittals.[60]

10. Create a Statewide Siting Framework for Critical Clean Energy Infrastructure

Permitting has become a major bottleneck to the expansion of clean-energy generation, transmission, and storage needed to meet Washington and Puget Sound's growing electricity demand and long-term energy goals.

The Horse Heaven wind and solar project required approximately 44 months to receive site certification through EFSEC, which is more than three times the state's 12-month target, and this project continues to navigate additional permitting requirements before construction can begin.[61] By contrast, a 250-megawatt solar project in Texas was built in approximately 16 months, illustrating how permitting design can significantly affect overall project timelines.[62]

Recommendation: Washington should create objective statewide siting standards, a limited state approval process for qualifying projects when local permitting fails to reach a timely or consistent outcome, and expedited direct judicial review for the largest projects. Together, these reforms would provide greater permitting certainty, reduce unnecessary delays, and ensure infrastructure of statewide significance can be evaluated through a predictable and transparent process.

CASE STUDY Michigan State Siting Backstop

Michigan passed Public Act 233 in 2023 to address a problem familiar in Washington: utility-scale renewables stalling against local opposition even as the state pursues its clean-energy goals. Effective in late 2024, the law lets developers of qualifying solar, wind, and storage projects seek approval from the Michigan Public Service Commission when a local government denies a project, misses a 120-day decision deadline, or imposes standards stricter than the state's, with the commission then required to rule within a year. The intent is a backstop that allows routine siting to stay local, while preventing a single jurisdiction from indefinitely blocking infrastructure of statewide importance.[63]

11. Authorize Applicant-Funded Expedited Permit Review for Clean Energy Infrastructure

EFSEC already recovers review costs from applicants, yet reviews often remain slow and capacity-constrained, with projects waiting in a queue subject to limited staffing and soft deadlines. This uncertainty increases financing risk, delays investment decisions, and can push major energy projects to other states.

Recommendation: Washington should authorize an optional applicant-funded expedited review track for qualifying clean-energy projects. This path would allow projects to pay an additional fee to fund dedicated review capacity in exchange for a guaranteed review timeline.

CASE STUDY California Opt-In Certification

California created an applicant-funded state certification path in 2022 for large clean-energy and storage projects, with a 270-day decision target after a complete application. By summer 2026, eleven projects had opted in and three approvals represented about 2,600 megawatts of generation and over 4,500 megawatts of storage.[64] The program shows how dedicated, fee-supported capacity and a firm clock can produce decisions at scale.

GOAL 6 CONNECT TALENT PIPELINES TO REGIONAL EMPLOYERS AND HUBS OF COMMERCE

Talent is the region's single most important resource. Puget Sound has long thrived by developing homegrown talent and welcoming people from around the world who choose to build their lives, careers, and businesses here. Puget Sound benefits from nationally competitive educational and research assets. These include the University of Washington; Washington State University, including WSU Everett, its programs serving communities across Western Washington, and its 65,000 alumni who call Puget Sound home; strong private universities; community and technical colleges; and research institutions, including Pacific Northwest National Laboratory (PNNL).

Across the region, employers, labor unions, educational institutions, workforce development organizations, and economic development partners are already doing strong work to connect talent to opportunity. The opportunity is to build on these strengths through stronger coordination that aligns education, research, apprenticeships, and workforce training with regional economic needs.

Maintaining that advantage will require UW and the state to expand capacity in high-demand programs, such as computing and engineering programs where student interest continues to exceed available seats.

12. Deepen the University of Washington's Partnership in Regional Economic Development

The University of Washington is one of the region's most powerful economic assets, educating nearly 64,000 students annually across its Seattle, Bothell, and Tacoma campuses and conducting approximately $1.7 billion in annual research and development.[65] Beyond its role as a research university, UW is also one of Washington's largest employers, with more than 37,000 faculty and staff.[66]

Leading innovation regions connect their research universities directly to employers, commercialization, talent strategies, and industry attraction. The 2026 Washington Tech Universe Map identified UW connections to 143 of the region's 625 fast-growing companies, illustrating its role not only as a talent and research institution, but also as a powerful source of founders, innovators, and new enterprise formation.[67] UW's deepening partnership with Washington State University is another important regional asset, connecting Puget Sound's innovation economy with WSU's statewide research, workforce, and extension capabilities. A stronger downtown Seattle presence by UW could also link students and research to employers, entrepreneurs, and underused urban properties.

Recommendation: UW, employers, economic development organizations, and local governments should deepen their partnership around investment attraction, industry engagement, research commercialization, and talent. UW should advance a downtown Seattle campus concept that combines education, executive learning, startup and small-business support, and cross-disciplinary entrepreneurship. The university's regional role should complement its academic mission and create clearer pathways from research and learning to companies, jobs, and place-based revitalization.

CASE STUDY Washington, D.C.: Johns Hopkins at the Former Newseum Site

Johns Hopkins acquired and transformed the former Newseum into a flagship graduate campus in a $650 million project. The project strategically co-locates programs in public health, international affairs, government, policy, and business alongside federal agencies, international organizations, nonprofits, and major employers, strengthening connections between education, workforce development, and one of the region's largest economic sectors.[68]

CASE STUDY Indianapolis: Indiana University + 16 Tech Innovation District

More than $2.4 billion in announced investments is reshaping downtown Indianapolis as a health and life sciences hub. Indiana University, Lilly Endowment, IU Health, and the 16 Tech Innovation District are aligning research, commercialization, workforce development, startup formation, and industry partnerships around a shared biosciences growth strategy.[69]

CASE STUDY Phoenix: Arizona State University Downtown Phoenix Expansion

A multibillion-dollar partnership among Arizona State University, the City of Phoenix, healthcare institutions, developers, and employers positioned downtown Phoenix as a hub for health sciences, medical education, biosciences, technology, and innovation. The expansion intentionally aligned university growth with employer needs, industry partnerships, talent development, and the long-term expansion of targeted sectors critical to the region's economy.[70]

13. Strengthen Regional Employer- and Sector-Led Workforce Coordination With Community and Technical Colleges and Four-Year Institutions to Build Stronger Talent Pipelines

Washington's community and technical colleges and four-year institutions already work closely with employers through program advisory committees and independently develop certificate, degree, and apprenticeship programs that align with employer needs. Employers such as Boeing have also demonstrated the value of long-standing partnerships with community and technical colleges to build strong talent pipelines. The opportunity is to build on these successful partnerships by creating additional opportunities for employers, educators, labor, and workforce organizations to coordinate workforce planning through local cross-sector convenings and regional, sector-led collaboration across the Puget Sound region.

Maintaining that advantage will require more than stronger coordination. It will require sufficient capacity in the programs employers most need. High-demand programs, from computing and engineering at four-year institutions to resource-intensive programs in maritime, healthcare, advanced manufacturing, and other fields at community and technical colleges, cannot expand without adequate and predictable funding. The state and regional partners should ensure that program capacity, faculty, facilities, equipment, and student supports keep pace with demonstrated demand.

> ***Recommendation:*** The region should establish a regional employer- and sector-led workforce convening that brings together employers, industry associations, labor, community and technical colleges, universities, workforce development councils, and other workforce partners to identify shared workforce priorities and communicate coordinated demand signals across educational institutions. Building on successful local models, this effort could focus on shared workforce needs across aerospace, defense, maritime, technology, clean energy, healthcare, and life sciences. Rather than relying solely on dozens of individual employer-college relationships, employers and industry sectors could collectively define regional workforce priorities while educational institutions align certificate, degree, apprenticeship, and other workforce training programs to meet those needs.

CASE STUDY Pierce County Quarterly Workforce Meetings

Pierce County economic development, colleges, UW Tacoma, and employers have begun meeting quarterly to compare labor-market signals and workforce priorities. The partners identify which institutions are best positioned to deliver programs and where coordination can reduce duplication. The model provides a local foundation that could be connected to a broader four-county, sector-led system.

GOAL 7 ENSURE REGIONAL INDUSTRIES ARE SET UP TO THRIVE

Puget Sound's economic and industry strength is built across the region. Ports and shipyards, military installations, aerospace facilities, research institutions, technology centers, supplier networks, and workforce pipelines together form a connected economic ecosystem that supports jobs and innovation in cities across the region.

Technology, aerospace, defense, and maritime are globally significant anchors. AI-enabled hardware, commercial space, sustainable aviation fuel, and fusion offer pathways to the next generation of growth. Industry-specific strategies can connect facilities, permitting, workforce, suppliers, commercialization, and investment around each opportunity.

14. Develop a Puget Sound Technology Competitiveness and Growth Strategy

Puget Sound has an extraordinary concentration of technology talent, research institutions, major corporations, and entrepreneurial capacity. Yet this position is not guaranteed. As AI reshapes the economy and emerging fields such as quantum, robotics, advanced computing, and energy technologies create new centers of innovation, Puget Sound faces increasing competition from the Bay Area, New York, Boston, Austin, San Diego, and other markets for founders, venture capital, high-growth companies, and major corporate investment.

Without a more intentional strategy, Puget Sound risks losing additional jobs, technology investment, headquarters, talent, and company growth to competing regions, and over time, seeing its technology sector shrink relative to both the state economy and national competitors. The objective is therefore not simply to promote growth, but to protect and strengthen the region's position as a leading technology center.

> ***Recommendation:*** Challenge Seattle and PSRC should develop a Technology Competitiveness and Growth Strategy centered on two priorities: retaining and supporting continued expansion and investment by the region's major technology companies, and creating a more competitive startup and scale-up ecosystem. Beyond addressing the business climate, taxes, and regulations, the strategy should identify actions to retain locally headquartered companies and increase the number that start, remain, and scale in the region. These could include stronger pathways from technology talent and research to founders and new companies; better access to early-stage capital and investors; deeper connections between startups and major corporate customers; more effective commercialization of university and research-institution innovation; and targeted support for high-potential companies facing decisions about where to locate, grow, or establish headquarters. The strategy should also identify ways to use the region's technology strengths to accelerate innovation in key Puget Sound industries, including AI-enabled aerospace, energy, healthcare and life sciences, cybersecurity, and maritime.

15. Create a Coordinated Industrial Space Strategy for AI-Enabled Industries

The new generation of AI models is doing more than transforming software; it is enabling new devices, systems, and industries that look very different from classic computing. In robotics, advanced manufacturing, maritime, energy, and materials science, AI is creating a new generation of companies with physical needs very different from those of traditional software firms. The Pacific Northwest is well positioned at the leading edge of this shift.

Hardware startups need affordable warehouse, lab, manufacturing, testing, and scale-up space with reliable energy and timely utility connections. High land costs, slow permitting, constrained energy capacity, inadequate infrastructure, and difficult retrofits can determine whether a growing company stays in the region or moves elsewhere.

> ***Recommendation:*** The state and local jurisdictions should create a coordinated industrial-space strategy for AI-enabled industries. Cities and counties should identify permit-ready or adaptable sites, accelerate code-compliant reuse, protect critical industrial capacity, and support shared maker, testing, and scale-up facilities. Regional partners should maintain a common inventory, connect companies to sites across county lines, and align space investments with workforce, transit, energy, and supplier needs.

16. Scale the Puget Sound Commercial Space Ecosystem

Puget Sound's commercial-space footprint includes launch systems, satellite manufacturing, broadband constellations, research, and an extensive aerospace supply chain. A recent study estimates about $7 billion in statewide economic impact and more than 13,000 direct jobs, while the global space economy is projected to continue rapid growth.[71] The region's strengths are distributed across communities including Kent Valley, Redmond, and Kirkland.

> ***Recommendation:*** Space Northwest, local governments, and industry leaders should build a shared commercial-space identity that connects the region's complementary strengths. Local jurisdictions should make specialized testing and manufacturing space easier to create through adaptive reuse and targeted site readiness. Regional partners should coordinate attraction, commercialization, supplier development, workforce, and startup acceleration so companies experience one ecosystem rather than several disconnected clusters.

17. Accelerate Sustainable Aviation and Maritime Fuel Development

Washington combines a world-leading aerospace base, port infrastructure, sustainable aviation fuel (SAF) research, and access to Pacific Coast markets. It also has an opportunity to leverage its major ports, maritime employers, and shipping corridors to advance sustainable maritime fuels. More than $44 billion in U.S. SAF production investment has been announced through 2030, but producers need reliable demand and policy certainty to finance facilities.[72] Fragmented credit systems and uncoordinated purchasing weaken the investment signal.

> ***Recommendation:*** Washington should pursue three linked actions: long-term SAF and sustainable maritime-fuel procurement commitments; alignment of incentives and credit frameworks across the Pacific Coast; and coordinated fuel purchasing across aviation, maritime, and other transport sectors. Local ports, airlines, shipping companies, and other major fuel users can aggregate demand and support infrastructure, while state and regional leaders negotiate market alignment and remove permitting barriers. The Cascadia Sustainable Aviation Accelerator should serve as a platform for technology, financing, and producer coordination, with an expanded role in connecting aviation and maritime fuel-market development. Building on Washington State University's existing leadership in sustainable aviation fuel research, the Accelerator can connect research, technology validation, workforce development, and commercial deployment across Washington.

18. Expand Regional Maritime Workforce Partnerships

Puget Sound's maritime economy is anchored by a diverse base of employers across ports, shipyards, ferries, fishing, logistics, naval activity, and marine services, while the national maritime sector faces a major workforce shortage.[73] National policy is creating a significant opening. New federal investment in naval shipbuilding, maritime industrial-base capacity, commercial shipyards, and sealift readiness is intended to rebuild U.S. capacity after decades of contraction. Puget Sound is well positioned to compete for this work, but doing so will require more skilled workers, supplier capacity, and coordinated regional support.

Welding, machining, engineering, and other technical skills transfer across maritime, aerospace, and defense. The region already has a strong foundation of locally delivered programs, including Maritime Blue and its youth career initiatives; Maritime 253 Skills Center in Tacoma; Maritime High School; Core Plus Maritime; Seattle Maritime Academy; South Seattle College's Harbor Island Training Center at Vigor; the Washington State Ferries–MITAGS apprenticeship; and the Puget Sound Naval Shipyard apprenticeship. The opportunity is to better connect these programs and pathways to one another, to employer demand, and to the broader regional economy.

> ***Recommendation:*** State and regional leaders should expand maritime workforce partnerships that connect employers, labor, apprenticeships, high schools, colleges, and workforce organizations. The partnership should coordinate, rather than replace, locally delivered programs by aligning training capacity with employer demand, expanding paid work-based learning, creating clearer pathways into maritime careers, and publicly tracking outcomes. Shared planning should also deliberately connect maritime skills to aerospace, defense, and other advanced-manufacturing opportunities.

CASE STUDY Hampton Roads Regional Maritime Training System

Hampton Roads has built a regional maritime workforce system that brings together 38 training providers, public schools, colleges, universities, community organizations, and employers representing approximately 85 percent of the region's maritime jobs. Rather than replacing local programs, the system aligns employer demand with locally delivered training and creates clearer pathways into careers across shipbuilding, ship repair, ports, logistics, and offshore wind. Since launching in 2024, the system reports more than 6,650 workers enrolled and 5,800 graduates entering the workforce. Employers identified demand for 5,017 skilled workers as of September 2025. The system aims to expand annual training capacity from fewer than 5,000 to nearly 10,000 trainees by 2028[74]

19. Strengthen the Puget Sound Defense, Aerospace, and Maritime Supplier Ecosystem

Washington ranks seventh nationally in total military personnel but only sixteenth in defense contract spending, and the state no longer has a coordinated, state-level effort to close that gap and continue to grow its supplier base.[75] That gap represents jobs, supplier contracts, and federal dollars that could otherwise support local manufacturers, small businesses, technology firms, and workers across the Puget Sound region.

Federal opportunities reach far beyond installations into manufacturers, technology firms, professional services, and small suppliers. Companies often need coordinated help with identification, readiness, procurement rules, workforce, and connections to prime contractors.

Recommendation: Build on the existing work of Washington APEX Accelerator, the University of Washington Center for Consulting & Business Development, community and technical colleges, Associate Development Organizations, research institutions like PNNL, and regional industry partners to establish a formal regional partnership that expands Puget Sound's supplier base for federal contracting opportunities through coordinated supplier identification, readiness, and prime contractor engagement. The partnership should identify high-potential manufacturers and technology companies, strengthen connections with prime contractors such as Boeing, Blue Origin, PACCAR, and major federal installations, and better align existing training, procurement assistance, workforce development, and business support programs to create a coordinated pathway for companies to compete for federal contracts. To provide sustained leadership, Washington should reestablish a high-level position responsible for coordinating defense-related economic development, workforce, innovation, infrastructure, and federal engagement across state agencies. Working with defense installations, employers, regional partners, and federal officials, this position could represent Washington in defense investment decisions and lead a deliberate strategy to expand the state's defense supplier base and capture greater federal investment, benefiting advanced manufacturing, life sciences, and other strategic industries.

20. Advance the Puget Sound Commercial Fusion Cluster

Washington has a once-in-a-generation opportunity to become the global leader in commercial fusion. Puget Sound is home to the nation's highest concentration of commercial fusion companies including Helion, Zap Energy, Avalanche Energy, ExoFusion, Kyoto Fusioneering, and General Fusion (B.C.) as well as world-class research institutions such as the UW, Washington State University, and PNNL.[76]

Recommendation: Building on the leadership of the CleanTech Alliance and these unique regional assets, state and regional partners should strengthen the commercial fusion ecosystem through coordinated permitting, workforce development, supplier development, and commercialization to accelerate deployment, attract investment, and position Puget Sound as the world's premier hub for commercial fusion.

CASE STUDY SC Defense Initiative

SC Defense is an initiative that brings together existing aerospace, manufacturing, logistics, technology, workforce, academic, and economic-development partners around a shared goal of expanding South Carolina's defense economy. Rather than creating a new standalone organization, the initiative aligns existing industry clusters and partners to help companies navigate defense contracting, strengthen supply chains, connect suppliers to opportunities, and grow the state's defense industrial base. The model demonstrates how a coordinated regional effort can expand supplier participation and federal contracting opportunities without creating a new organization.

We Will Compete More Effectively When We Act in Partnership

Puget Sound has always been at its best when it has brought people together around bold ideas and a shared determination to make them real. We built world-leading infrastructure, created companies that changed the world, and developed a regional economy that has created opportunity for generations. That history gives us a strong foundation, but it does not guarantee our future. To compete in the years ahead, we must renew the partnerships that have always enabled this region to turn its strengths into opportunity.

The warning signs are flashing. The facts are clear. We are losing jobs, fewer new businesses are starting and surviving, and the cost, complexity, and uncertainty of doing business have risen sharply. We cannot afford to debate whether the challenges are real or wait for them to resolve themselves. We must step up to meet fierce competition and restore our competitiveness.

The stakes are immediate. We are already seeing companies reduce local workforces, move jobs elsewhere, and build and expand in other parts of the country. Startups are increasingly choosing to launch and scale in other regions. The consequences reach far beyond any one employer: workers lose jobs and the chance to build a future here, small businesses lose customers, and the construction, supplier, and hospitality jobs that accompany major employers are created elsewhere.

Jobs and investment do not wait for a region to resolve its challenges. Acting with urgency will help ensure that companies can stay, grow, and create jobs in Puget Sound by making the path forward more predictable, the cost of doing business more manageable, and our commitment to partnership unmistakable.

This agenda is a call to action and a practical course correction. At its core is a simple idea: we will compete more effectively when we act in partnership. That includes making Puget Sound a region where employers, entrepreneurs, and workers know they are welcome, with a practical path to invest, grow, and create opportunity. It calls for King, Kitsap, Pierce, and Snohomish counties to compete together; on government to be a more predictable and responsive partner; and on all of us to recognize that the conditions businesses face directly shape the jobs and opportunities available across our region.

We can meet this moment. Puget Sound has real strengths, ingenuity, and leadership to succeed, but success will require a strong partnership, sustained focus, and follow-through across sectors, jurisdictions, and communities. Our county leaders, mayors, local and Tribal governments, Greater Seattle Partners, the Puget Sound Regional Council, business, labor, educational institutions, and community organizations must work together to align efforts, measure progress, and deliver results.

Together, we can keep Puget Sound strong: one globally competitive region where businesses stay and grow, jobs create opportunity, and communities thrive.

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End Notes

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