

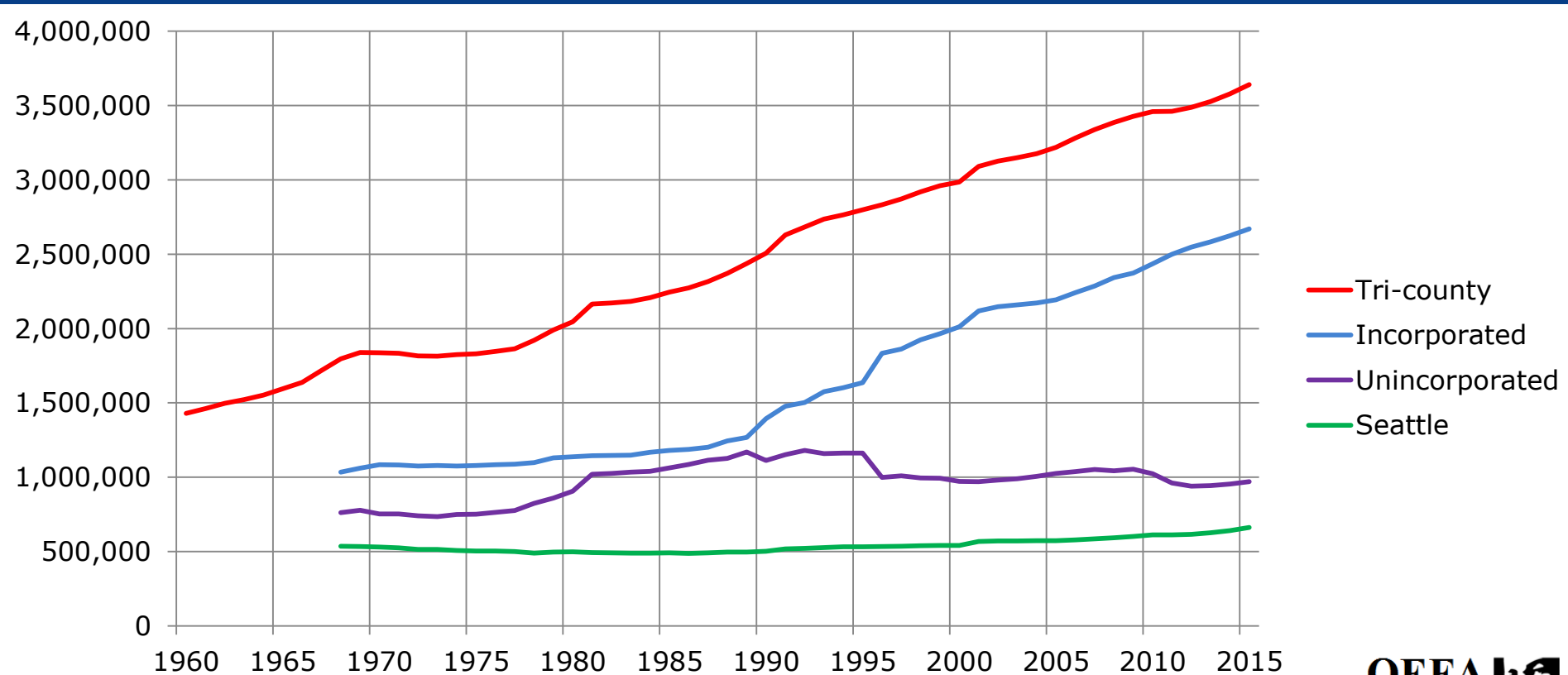


Seattle's Regional Economy: 50 Years of Change

David Reich

King County Office of Economic and Financial Analysis

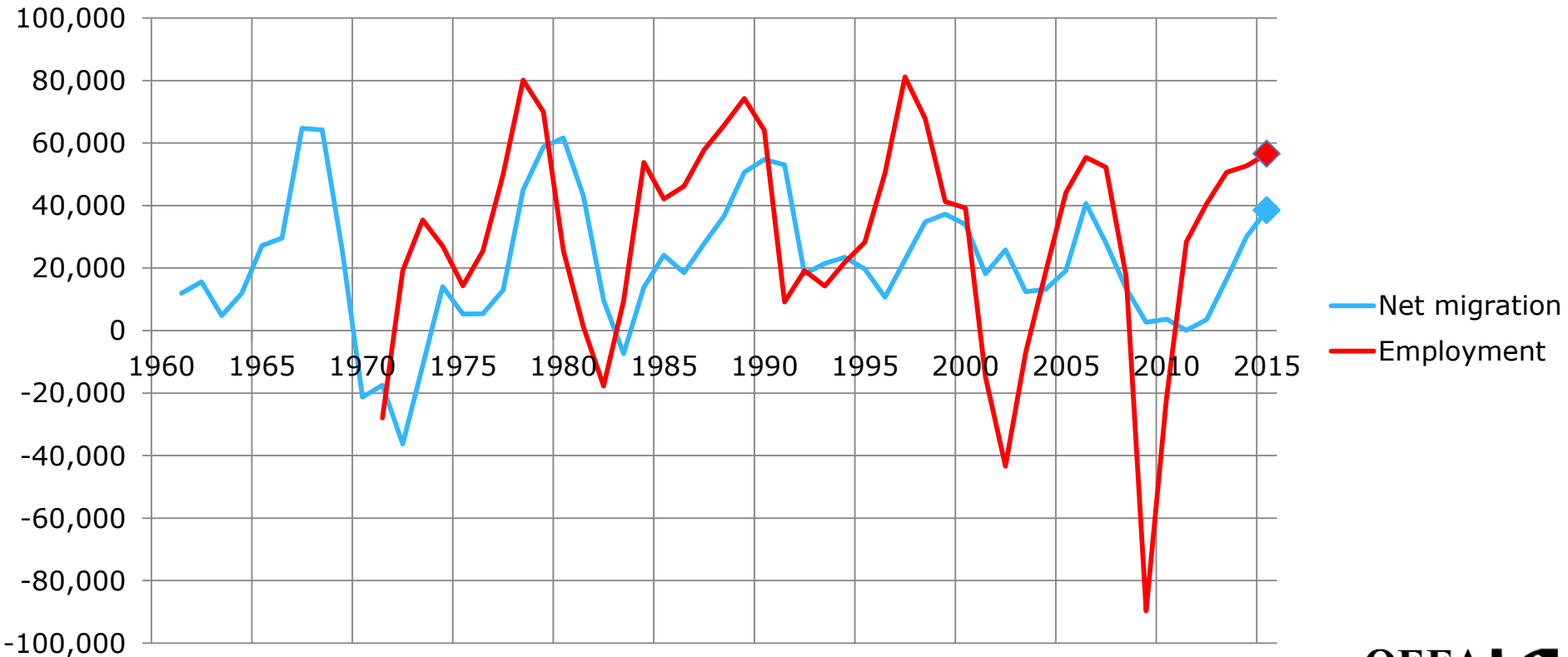
The Seattle Area Population has Grown Substantially



Source: WA OFM



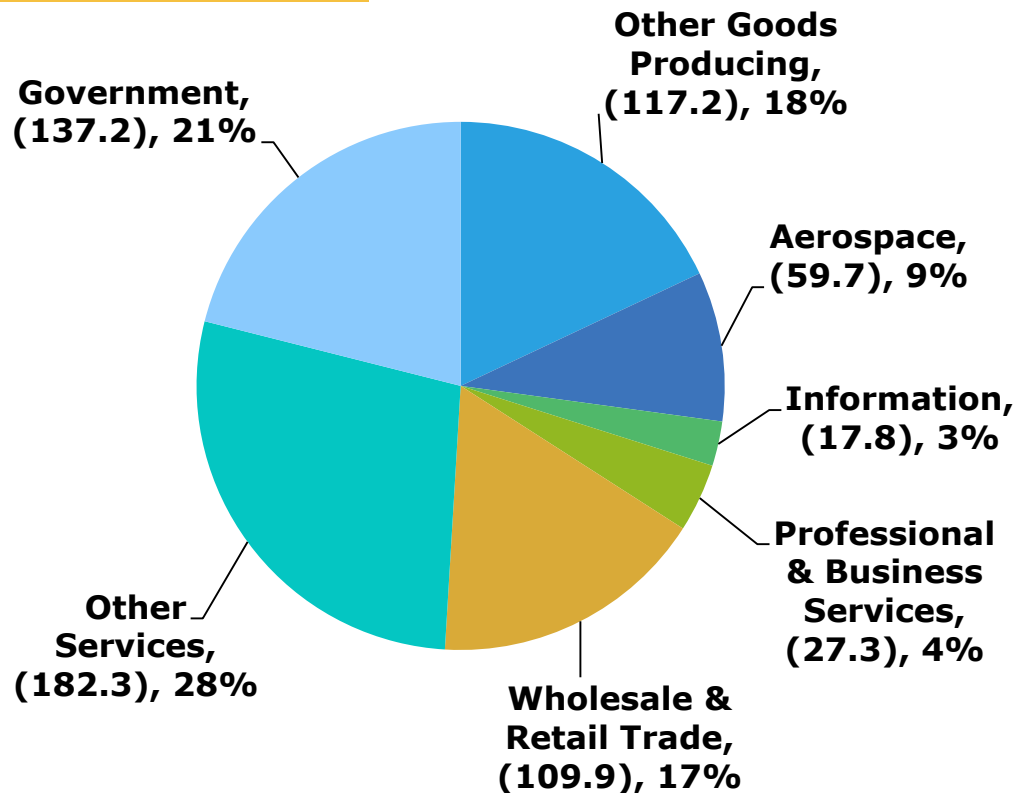
Population Growth Ebbs and Flows with the Labor Market



Source: PSEF, OFM

The Regional Industrial Mix (1970)

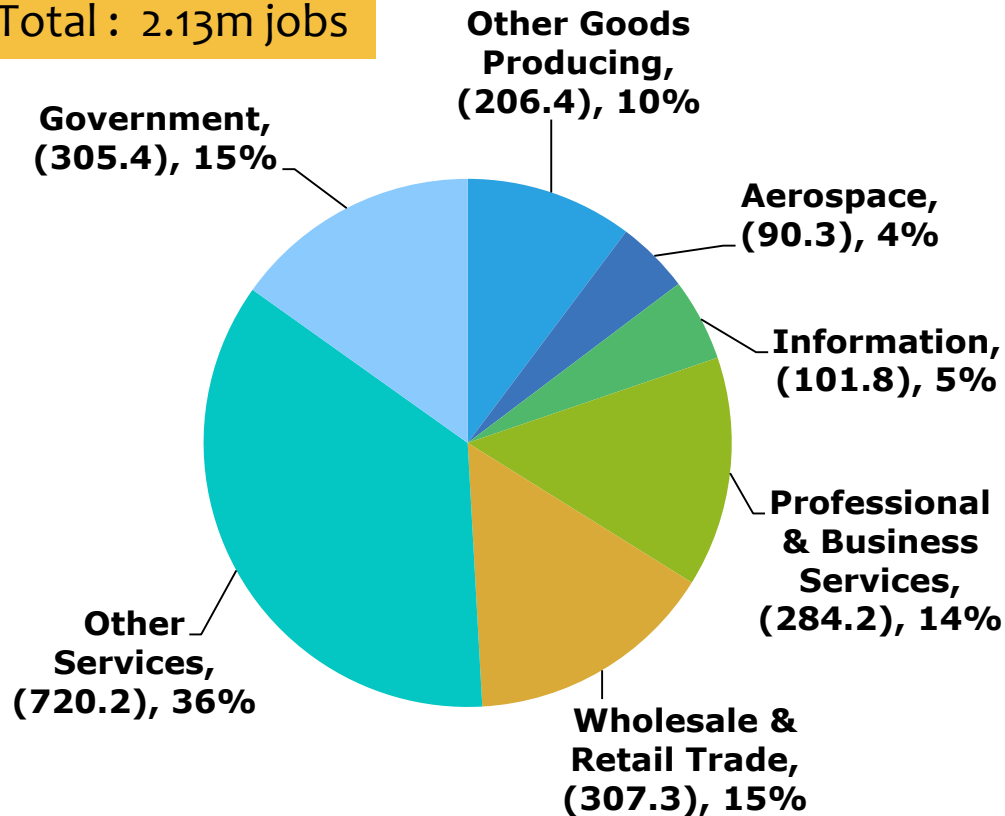
Total : 650k jobs



- **Boeing employs 100,000 in 1968 (15% of the workforce!).**
 - **First 747 (1968)**
 - **Lunar Rover**
- **Boeing bust leads to large employment reductions (39K employees by 1971)**

The Regional Industrial Mix (2015)

Total : 2.13m jobs



- **Boeing employs 78,000 or about 4% of the workforce.**
- **Working on various commercial (e.g. 737), and defense products (e.g. P-8).**
- **Huge growth in professional and business services (10X)**
- **Information growth (5X)**

Boeing's Impact Still Large in Region

From Renton's assembly plant...

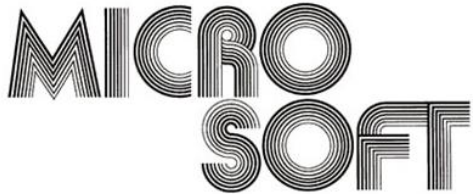


...to the great blue yonder.



- **Celebrating 100 years in 2016**
- **Seattle a one-company town in 1960s-1970s**
- **Boeing bust in early 1970s...“turn out the lights...”**
- **1970's challenges replaced with growth in air travel from the 80's to the present**
- **Continues to impact the region with facilities in all three counties and 7-yr backlog**
- **New contract ensures production in region through 2022-ish... and then...**

Technology Entrepreneurs Brought Significant Changes to the Region



- **MSFT moves to region in 1979**
 - **Huge growth creates millionaires in region (and some billionaires)**
 - **43,000 jobs, mostly in King County**
 - **Former employees have created many local startups (e.g. Valve, Zillow)**
 - **Bill & Melinda Gates Foundation**
-
- **Amazon founded in 1994**
 - **Growth powered by innovation**
 - **24,000 jobs in Washington**

Now The Clouds in Seattle Bring More Than Just Rain



- **Amazon Web Services (AWS) and Microsoft's Azure are huge cloud players**
- **Local tech talent a big draw for other tech companies**
- **Major tech companies maintain Seattle branches including:**



Google



Facebook



Dropbox

- **Other tech work on cloud, big data, virtual reality**

Other Drivers - - - What's a Salted Caramel Mocha Frappuccino?



STARBUCKS®

- Started in Pike Place Market in 1970s
- U.S. coffee renaissance
- FY 2015 revenues of \$19B



- Headquarters in Issaquah
- Retail outlets worldwide
- \$1.50 for a hot dog and soda!

NORDSTROM

- Started as local shoe store
- Mainline and rack stores
- U.S., Canada and PR locations



- Commercialized PNW outdoorsiness
- Broad appeal to full spectrum of outdoorsmen/women.

Other drivers/sectors

- Maritime industry
- Transportation
- Philanthropy
- JBLM

Governmental Partnership in Regional Growth



Day to Day Governance

- Law & Safety, Elections, Human Services

Environment

- SEPA/Farmlands/SWM
- Regional wastewater

Planning

- Comp Planning-KC
- Growth Management

Infrastructure/Transportation

- Metro/Sound Transit
- 3rd runway/Pike Place/Conv. Center/stadiums

Business Retention/Econ. Dev.

- Boeing



Regional Challenges Past & Present



Growth Related

- 2M more people in the last 50 years
- 1M more expected in next 25 years

Issues

- Education
- State Revenues
- Environment-built/natural

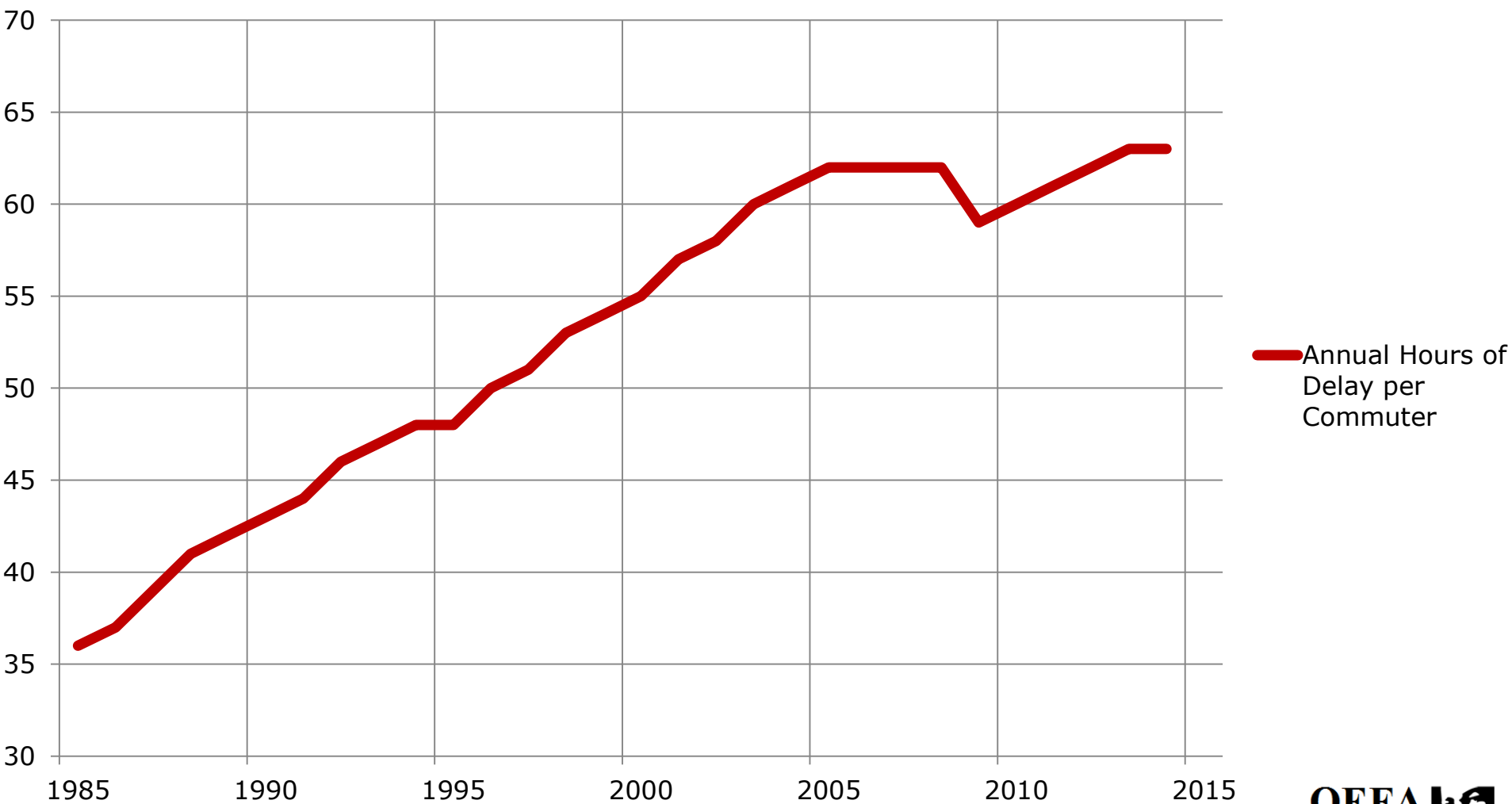
Transportation

- Congestion a problem
- Transit investments

Equity

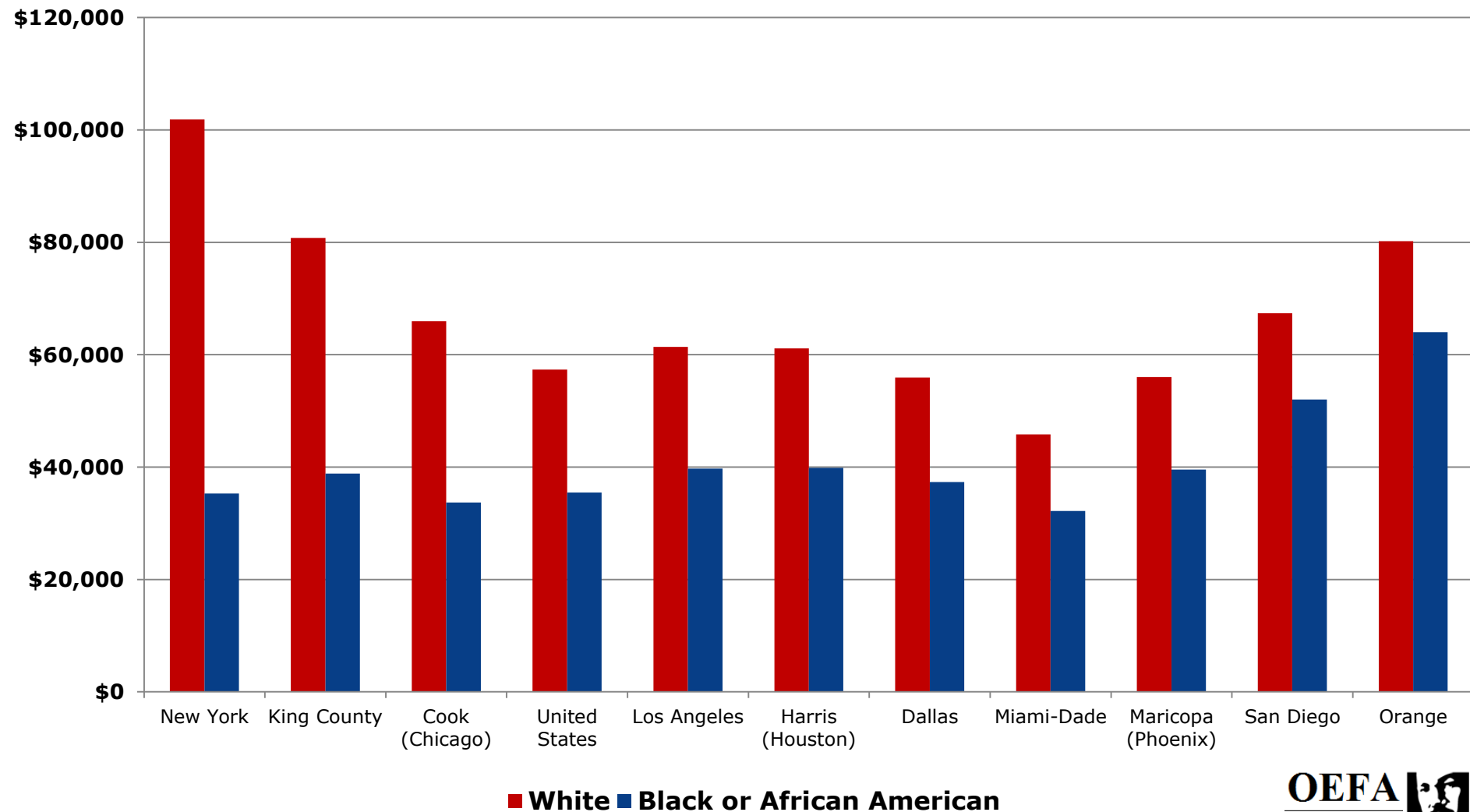
- Income
- Housing

From Bad to Worse: Seattle Commuters Stuck in Traffic



Source: Urban Mobility Report, Texas A&M University

2014 Median Household Income by Race US, King County, and Peer Counties



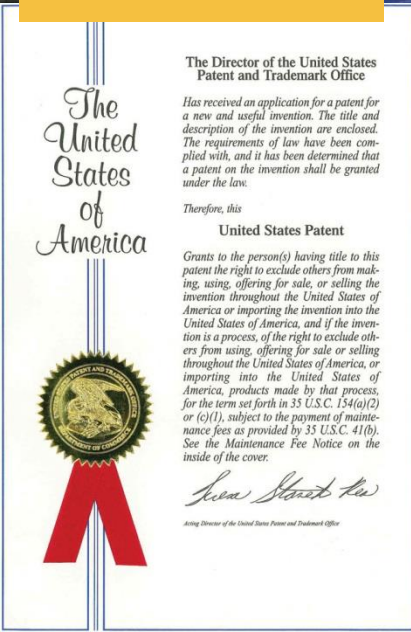
Recent Trends & Questions

Transition to global economic region...



... new ideas...

... some left behind.



- **Ongoing transition to globally focused regional economy**
 - **Global Cities Initiative**
- **Role of China**
 - **WA's largest trading partner**
 - **Alibaba, ICBC**
 - **Real estate/UW**
- **Continuing innovation**
 - **Global companies**
 - **Talent, GIX**
 - **Innovation districts (SLU)**
- **An economy for everyone?**
 - **Increasing inequity**
 - **Job growth at bottom/top**
 - **Local minimum wages**



david.reich@kingcounty.gov

Website:

<http://www.kingcounty.gov/business/Forecasting.aspx>