

Des Moines

Kent

Economic Visioning Report

Lakeland North



Federal Way

Auburn

Lakeland South

Algona

Pacific

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Visioning

FOR BUSINESS SUCCESS

Are we living up to our economic potential? It's a question businesses ask themselves as they review the bottom line and consider growth opportunity for their companies. It's also a question the business leaders ask as they look to the economic climate of the community.

When we look to the future, what do we see? Business leaders, like the Chamber, see prosperity. How to get there? The opinions on what moves us forward are as diverse as our businesses; however, mutual experiences and clear needs emerge as honest, recurring patterns. Every business has a compelling story of facing challenges and achieving success.

At the Chamber, we know these unique stories are part of a larger narrative of an economic journey, rich with open-minded colleagues, alliances and partnerships-- battles lost and won in the quest for sustainable growth. The following report pulls together the shared themes from business leaders in a SWOT analysis conducted over the past four months. It's more than a good story and it's not fiction.

The Economic Visioning Report is a business narrative based on real world strengths and weaknesses, identifying real threats and obstacles to economic success. Importantly, it also showcases what our business leaders see as viable opportunities for inclusive business growth.

The Visioning Report is part of a series of studies the Chamber will undertake as part of its Prosperity Project, building on the foundation of the business baseline of our economic development work. More information is available online at fedwaychamber.com/economic-development/.

And remember, every day that you open your doors for business, you are the hero of the story. Thank you for taking the Federal Way to success—



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EY Executive Summary

In October 2021, the Greater Federal Way Chamber of Commerce hired Ernst & Young LLP (EY) to assist the Chamber in examining Federal Way's competitive position for economic development. Through this effort, the Chamber sought to better understand the economic conditions and opportunities in Federal Way by engaging a global firm with extensive national experience in economic development leading practices to provide outside perspectives.

To further these objectives, EY conducted economic visioning sessions on behalf of the Chamber and supplemental research to enhance understanding of issues raised by participants. This process included interviews and focus groups with over 75 diverse business leaders from in and outside Federal Way. Participating organizations represented different industry sectors and ranged in size from small businesses to Fortune 500 companies

This narrative report provides a unified, external perspective on different economic factors identified by stakeholders as important to the future of Federal Way. The analysis considers how these factors relate to regional and global trends and how they potentially affect the future economic health of the community.

Overall, the findings reveal that Federal Way has many competitive strengths but is not living up to its full economic development potential. Lack of primary industries and careers, limited business resources, and an unfriendly business reputation offset strengths offered by Federal Way's geographic location, racial diversity, and relative affordability.

Despite challenges, business leaders describe a potential bright future for Federal Way: a future where the city is a center of primary jobs that offer both living-wages and high-paying career pathways. This future could feature a robust, mixed-use downtown core with office buildings alongside commercial and residential. This potential future could support diverse businesses and people through expanded resources which are often housed at Chamber of Commerce's. These visions of a more prosperous community are possible, but they require addressing numerous preset challenges.

This report illuminates factors that influence Federal Way's economic fortunes: both the positive and negative. In doing so, it provides a foundation for Chamber-led strategic planning and possible initiatives that can help the business community move forward in alignment towards a more prosperous future.



Business Narratives

Introduction

This chapter shares business narratives about Federal Way, Washington. These narratives were developed based on a combination of qualitative and quantitative information. Qualitative inputs included the perspectives of over 75 business owners, operators and other related stakeholders in Federal Way engaged through interviews and focus groups conducted from December 2021 through April 2022.

Quantitative inputs included a review of past studies, the Chamber of Commerce's data reports, and supplemental data collected by EY and shared in the Appendix to this report. These inputs were filtered and qualified through EY's perspectives as a national economic development subject-matter resources that brings awareness of conditions and leading practices in comparable communities across the State of Washington and the nation.

The narrative structure of the chapter follows that of a strengths, weaknesses, opportunities and threats (SWOT) analysis. It shares perspectives on Federal Way's competitive business assets but also its challenges. Ultimately, it provides perspectives on where business leaders in Federal Way say they want the city to be in the future and what might hold the community back.

This visioning process provides the foundation for a strategic plan by outlining conditions today and describing a vision for the future. Building on this foundation, Chamber-led strategic planning and initiatives can help the business community move forward in alignment and determine how elected officials and other stakeholders can support a strategic plan for economic growth in Federal Way.

Strengths: A Region of Opportunity

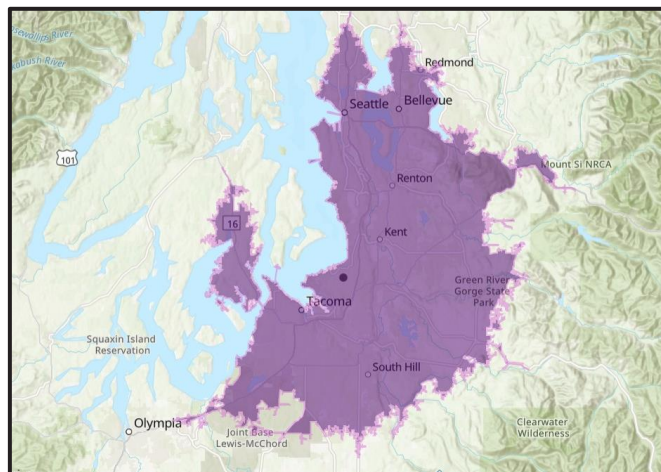
Federal Way and the surrounding region have lots of economic potential. Throughout conversations with business owners, descriptions of opportunity came up frequently: opportunities for growth, opportunities to thrive, opportunities to start a business and opportunities for redevelopment were all topics of discussion. For many reasons, Federal Way appears on the cusp of positive economic change. This section highlights some of the strengths that inform that perspective.

Geographic Location

Opportunity starts with Federal Way's strategic location in the Puget Sound. The city is located 20 miles south of Seattle and less than 15 miles east of Tacoma. As traffic congestion and affordability challenges push more people and businesses to South King County, Federal Way is well-positioned to benefit economically (although this movement south may put additional upwards cost and congestion pressure on the city).

Located on Interstate 5 and the Pacific Highway, Federal Way offers easy highway access for residents, businesses and consumers, which makes it an attractive location for many commercial businesses. Federal Way will soon be connected to Sound Transit through light rail, which has the potential to bring even more economic opportunities by providing more transportation options that further enhance Federal Way's connectivity with the surrounding regional economy - bringing people, businesses and resources, such as education, across the Sound closer together.

45-minute drive-time map to Federal Way



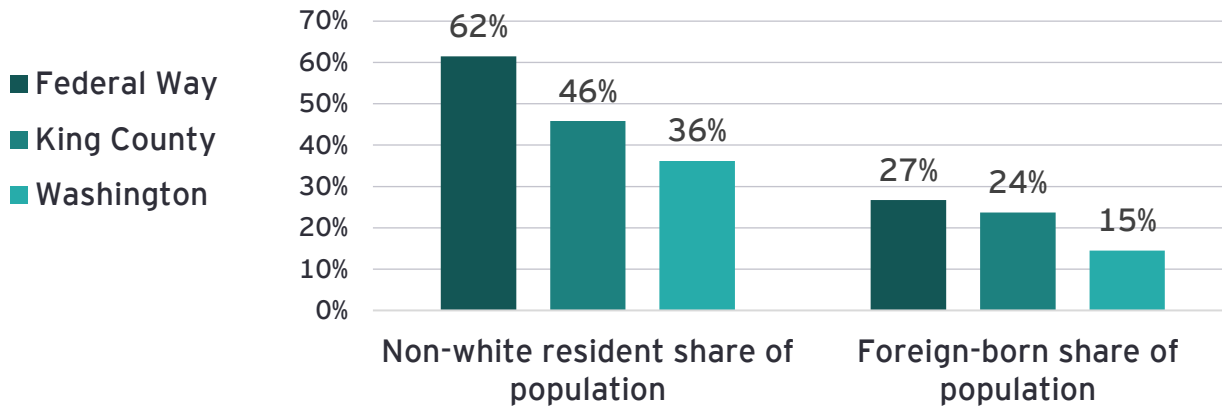
Source: ArcGIS

Light rail has the potential to accelerate redevelopment in Federal Way as well by encouraging new investment, businesses and activities in surrounding areas. Overall, local stakeholders shared their excitement about the prospect. Some fear it may affect crime, but most looked forward to improved regional access, increased business opportunities and growth of the regional labor pool.

Racially and Ethnically Diverse

A growing body of research demonstrates that racial diversity contributes to economic prosperity in a community. People and businesses are drawn to more diverse communities, which benefit from the different talents and perspectives that diverse residents offer.

Racial and ethnic diversity, 2020



Source: US Census, American Community Survey, 5-year estimate

Federal Way is one of the most diverse communities in King County and Washington. According to the most recent Census data, nearly 62% of Federal Way residents are people of color, compared to 36% in Washington and 42% nationally. Relatedly, 27% of residents are foreign-born, compared to 15% in Washington and 14% nationally. Within the Puget Sound region, only Kent (63% non-white) and Bellevue (39% foreign-born) are comparable. With over 100 languages spoken in the Federal Way school system, the community is truly a welcoming location for diverse families.

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The new HUB Program does a great job of connecting students to higher education pathways.

An Education Anchor

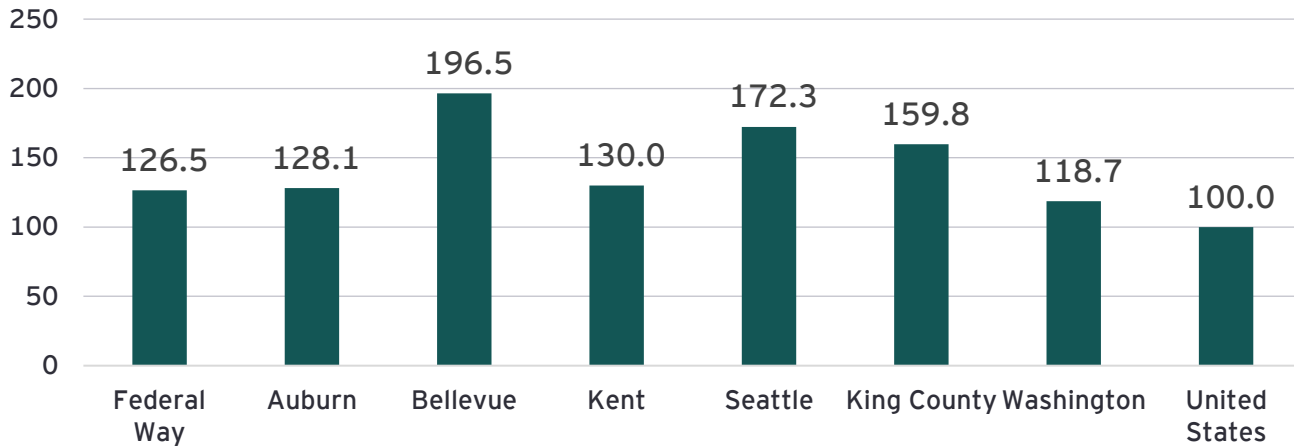
In fact, the school system and family supportive nature of Federal Way were frequently cited as primary selling points. Schools and the opportunities they provide for students to connect to higher education and career pathways are reasons many families move to the city.

Educational institutions are anchors for economic development, especially as a technical skills become even more in-demand from companies. With Highline College's main campus located only 5 miles away and the Hub providing educational opportunities within Federal Way, the city is well-positioned to support business and student needs.

Relatively Affordable

Regions with high costs of living may find it difficult to attract and retain talent. A higher cost of living disproportionately affects lower-income families and may create socioeconomic imbalances and hiring challenges for many "working-class" occupations, including teachers, nurses, and hospitality workers.

Cost of living index - overall rating (higher values indicate greater cost), 2022



Source: Sperling's Best Places

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Our family moved to Federal Way for the location, schools and cost of living and we don't see ourselves leaving.

Federal Way is one of the most affordable locations in King County. Although housing costs continue to increase, median home values and median rents remain below most other cities in the county. Groceries, utilities and other factors also remain more affordable in Federal Way. This makes the city an attractive location for individuals and families and, in turn, businesses that frequently follow talent. As Seattle and locations on the East Side grow increasingly unaffordable, many people and businesses are considering locations further south.

A High Quality of Life

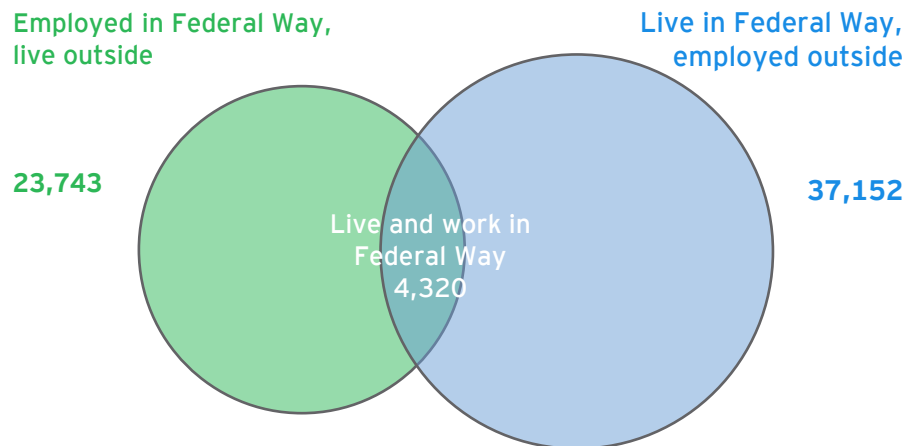
Nearly every interviewee mentioned the breathtaking beauty of Federal Way. The city has an abundance of parks and trails that residents enjoy using on lunch breaks and weekends. Federal Way's natural beauty combines with the city's location, racial diversity, ethnic food options, school system, family-friendliness and relative affordability to create an overall high quality of life.

All of these factors contribute to the economic development potential of Federal Way. These are the reasons interviewees stated they moved to Federal Way in the first place and the reasons many have stayed.

Weaknesses: Limited Options

Despite Federal Way's many strengths, the city and its residents are less prosperous than one might expect. Prosperity can be measured in different ways, and within Federal Way it appears that limited options contribute to lower incomes and higher poverty. This includes limited job and career options, but also limited entertainment options which, from an economic development perspective, contribute to a community's ability to attract and retain talent and in turn, primary employers.

Commute patterns, 2019



Source: US Census Longitudinal Employer-Household Dynamics

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I would like to see larger companies establish themselves in Federal Way so residents don't have to commute out of town.

Talent Exporter

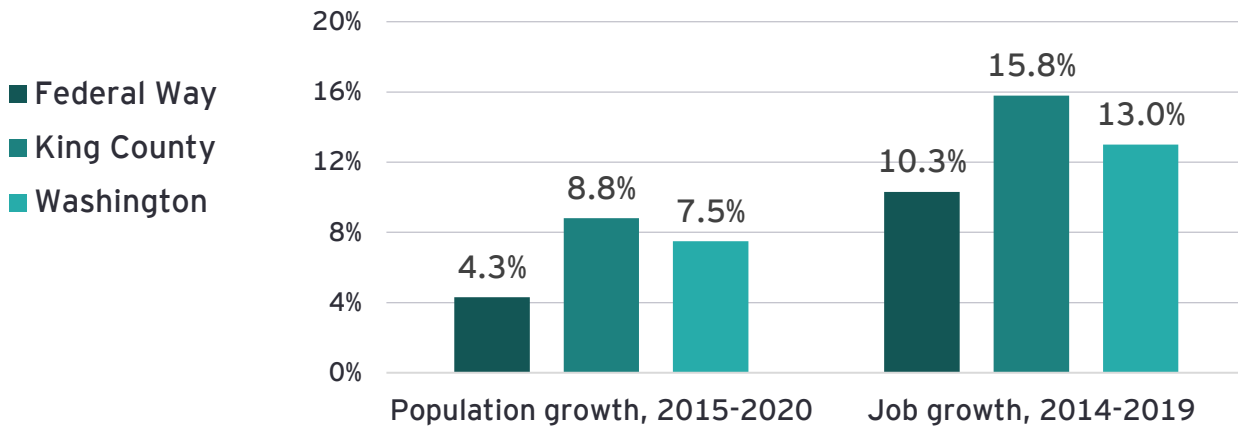
Federal Way is deeply integrated into the surrounding Puget Sound economy and for most of its history has been considered a bedroom community. In 2019, nearly 90% of employed residents of Federal Way commuted to jobs outside of the city. Similarly, over 84% of the local jobs are filled by non-residents. Notably, Federal Way exports more working residents than Auburn (85% out-commuting), Kent (83%) and Bellevue (74%). Federal Way has exported more talent than it draws in for decades, which reflects the relatively slow local growth of primary employers who would attract in more workers and investment.

The ratio of local jobs to residents further underscores Federal Way's challenge creating primary employment. With 0.39 jobs per resident, Federal Way is below the national average of 0.44, which would indicate a balanced community. Auburn in contrast has a ratio of 0.69 jobs per resident, demonstrating that it is an employment destination in the region.

Slow Growth

Measured both by population and jobs, Federal Way is growing more slowly than its neighbors in King County and the state average. From 2015 to 2020, Federal Way's population grew only 4.3%, less than half the rate of growth in King County (8.8%), Auburn (8.6%), Bellevue (8.6%) and Seattle (13.5%) over the same period.

Population and job growth



Source: US Census, American Community Survey, 5-year estimate

From 2014 to 2019, employment in Federal Way grew 10.3%, slower than King County (15.8%), Auburn (11.8%), Bellevue (16.7%), Kent (13.7%) and Seattle (16.5%). More recently, restrictions due to the COVID-19 pandemic negatively impacted employment across the country, but Federal Way was more severely impacted than many areas. The city lost 7.5% of jobs from 2019 to 2021, compared to a 6.3% contraction in King County overall and 5.2% in Washington.

Low Industry Diversity

A diverse industry base is key to a thriving economy and provides residents with many opportunities across different industries and accompanying pay. Industry diversity also contributes to economic resiliency: a community's ability to withstand disruptions to the economy caused by outside factors such as the pandemic or 2008 recession.

An industry cluster analysis reveals that Federal Way's largest employment sector is Government (which includes the school district, the city's largest employer), followed by Healthcare, Entertainment, Retail and Construction. Notably, none of these are primary employment sectors, and Retail and Entertainment pay salaries well below average (\$45,100 and \$38,200, respectively).

Limited Career Pathways

Related to a lack of industry diversity, Federal Way offers limited career pathways for residents. This was noted by many stakeholders in the community but especially those working with youth. They noted that many young adults leave the community immediately upon graduating, seeking better career opportunities and entertainment options in other locations. Supplemental research backs up these observations. According to the Census, in 2020 only 16% of Federal Way residents held high-wage occupations (those paying 75% higher than median). This was about half the level of King County overall. Contrastingly, approximately 25% of Federal Way residents are employed in low-wage occupations compared to 16% in King County.

Lack of a Downtown Core

A resilient downtown core generally features a mixture of activities and uses, including office space, restaurants, entertainment, dining options, and housing. As primary employers, office users play an important role in stimulating additional economic activity and impacts, while providing a range of job opportunities across the income spectrum. A resilient downtown core can also help with business recruitment, as primary employers seek transit-connected locations with housing, entertainment, and activities desired by their employees. Federal Way does not currently have a well-recognized downtown core or a “Main Street.” The lack of a concentrated, walkable entertainment, employment and shopping district was made clear when an interviewee asked, “Does Federal Way have a downtown?”

The desire for a walkable downtown with mixed-use offerings came across in almost all stakeholder conversations, along with a general desire for more entertainment options throughout the community. Many business leaders residing in Federal Way feel forced to travel outside of the city to shop at high-end stores and dine at non-chain restaurants. These desires came from both long-time and new business residents of all ages and backgrounds.

As individuals seek those more walkable, connected options when choosing cities in which to live, businesses follow the talent. Without a vibrant core, central gathering place with offerings for business users, Federal Way may face continued challenges recruiting and retaining employers.

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Most people who lived in Federal Way worked for Boeing or Weyerhaeuser. Although we are starting to get some new businesses, Federal Way still has the vibe of a bedroom community.

Opportunities: A Vision of Prosperity

Business owners want to see Federal Way thrive. They want new primary businesses to start up and locate in the city and for their children to find jobs in the community. Economic development is critical to achieving this vision for Federal Way. When discussing their visions for the future of Federal Way, stakeholders share some common themes:

Building a Thriving Base of Primary Jobs

At the most basic level, stakeholders want to see Federal Way thrive and support the growth of primary businesses that sell goods and services as well as office space to support professional industries. Primary business growth would help raise household incomes, which are some of the lowest in King County, and lower poverty levels, which are some of the highest in the region. A thriving primary jobs base generates tax revenues that allow the city to continue to provide exceptional services without putting pressure on the residents. Stakeholders also described their vision of a thriving Federal Way that is safe, connected, family-oriented, and business-friendly. Considering the many strengths of the community and the relative affluence of King County more broadly, building a thriving business base seems attainable and would be marked by many of the following additional elements.

Making Federal Way An Employment Destination

Creating a more prosperous Federal Way will be directly linked to establishing the city as a center for primary jobs that pay living wages. This would mean reversing a decades-long trend of the city serving as a talent exporter to rest of King County. Creating more primary jobs, those that export goods and services, would bring in outside dollars, increase the tax base and help reduce the cost burden on residents for maintaining local services. Becoming an employment destination would also help generate more economic activity as employees live, shop, and spend time in the community, which can help decrease crime by creating more job opportunities and bringing more people and eyes to the streets. During stakeholder conversations throughout this process, business leaders currently commuting out of Federal Way noted they would prefer to stay local if jobs were present or if the city was more supportive of their business.

This opportunity should not be too far out of reach. Federal Way was once home to Weyerhaeuser, which although relocated has left a strong legacy in its former campus that offers excellent relocation potential for other companies. Site locations, especially campus headquarters in major metropolitan areas, are in short supply across the country. If utilized for targeted business attraction, this property offers a variety of pathways to accelerate economic growth in Federal Way.

Federal Way's competitive strengths make it attractive to some of the larger primary industries currently clustered in the city, such as Back Office (2,230 jobs), Finance (1,580), Aerospace (1,470), Software / IT (1,420), Transportation & Logistics (1,190), and Professional Services (750). Aerospace is the most concentrated employment cluster in Federal Way, and although the cluster has lost jobs in recent years, it remains a legacy industry in the region. Software / IT is the fastest growing primary industry in the city. This industry is more concentrated in Federal Way than the US average, seen in its LQ of 1.6, but this is much less concentrated than Software / IT is in other cities in King County. Part of the industries growth in Federal Way is likely due to greater affordability than in north King County.

With the addition of light rail, Federal Way will become even more accessible and could potentially support growth in many of these industries, but that success may be reliant on city's ability to address a number of threats discussed in the next section, from lack of modern office space to perceived permitting challenges.

Supporting Diverse People and Businesses

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I want a walkable downtown core with mixed-use areas and places for people of all ages to hang out after work and on the weekends.

Existing and new businesses are the primary source of job creation in the United States. Supporting them in Federal Way directly creates jobs and can also open up opportunities for future business recruitment. Businesses want to move to areas where the current businesses feel valued, supported and engaged in the community. As one of the most diverse cities in Washington, Federal Way has many strengths, including a large minority-owned business community. According to the US Census, nearly 36% of small businesses in Federal Way are minority-owned.

Through this engagement, many business owners noted that Federal Way has fewer resources available to support small businesses than other communities. Additionally, some stakeholders noted that it was even harder for business owners who do not speak English or are moving from a different country to find and access resources. With a large foreign-born population and highly diverse population, stakeholders noted that more resources and more equitable access for diverse business owners would be important to growing local economic opportunity.

Developing a Dynamic Downtown

Many stakeholders feel that the current moment presents a unique opportunity to develop downtown Federal way into a dynamic, mixed-use commercial center featuring office users, retail, housing, culture and entertainment options. The mall and many existing commercial areas in its vicinity and along Pacific Highway are past their prime and well-positioned for redevelopment. Light rail may also bring new access, investment and excitement to historically underutilized areas of the city. Importantly, stakeholders expressed a vision for downtown that included much more than new residences, and expressed concerns that housing might be the focus for development instead of office. A more dynamic downtown would be mixed-use, featuring residential alongside office space, retail, restaurants and other activities that could keep the area active throughout the day and on nights and weekends. This type of downtown development connected with transit is a top location criteria for many technology firms and other types of businesses sought by Federal Way stakeholders.

Telling a Better Story

Lastly, stakeholders want to hear a better story told about Federal Way. Many interviewed expressed frustration that community members and elected officials are fixated on negative stories, especially around crime and homelessness, which are not issues unique to Federal Way. Those stories will not necessarily go away until crime decreases, but residents would like to see more leaders and organizations sharing and discussing the many positive stories about the community while also looking for solutions to the negative issues in the city. This could include celebrating success stories, such as improvements throughout the school system, the thriving businesses owned by immigrants and the presence of World Vision, a Fortune 500 company's headquarters. Notably, the repetition of negative stories about Federal Way has a direct affect on the city's business reputation and makes it harder to attract, retain and grow businesses.

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All you hear is the negative story, but that story doesn't necessarily match up. We have really innovative things happening in the schools. People in this community care and their generosity blows you away.

Threats: Poor Business Reputation

Despite Federal Way's many strengths and opportunities, there are reasons to be concerned. As noted, Federal Way has been seen as a bedroom community since its incorporation in 1990. Traditionally, bedroom communities are not seen as places to open a business, unless it's a non-primary business that serves the residents, such as retail or personnel services like barber shops. Federal Way continues to be seen as both a bedroom community and has the reputation of being a hard place to do business. Business owners inside the city repeatedly noted that they faced delays and challenges opening businesses and conducting business for reasons discussed below. Many also felt unrecognized and unsupported by city leaders, especially considering the commitment and investment they make within the city.

Permitting Challenges

Permitting is a vital step in the process of opening a business or developing a property in a community. The quicker companies can get permits, the faster they can begin production or sales. In addition to permitting taking an exceptionally long time, business leaders noted permit feedback is also inconsistent and unpredictable and includes changing or inconsistent fees. This is a recurring theme mentioned by many of the interviewed business owners. If new businesses speak with those currently operating in the city regarding permitting, it will likely deter investment in Federal Way. This was not a one-off impression heard through the planning process, but a recurring theme and source of intense frustration expressed by all but one of the businesses and developers who had been through the process.

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Developers and business owners know permitting takes forever in Federal Way. There isn't an efficient way to navigate the process.

High Crime

Although the issue spans the region, Federal Way has a reputation for being a high-crime city. The topic of crime was brought up in every discussion with business owners. Issues business owners are experiencing include loitering, vandalism, theft and assault. Although there are similar trends across the region, it is notably worse in Federal Way due to its location on Pacific Highway, among other factors. Continued high crime may deter people from investing, living and opening their business in Federal Way. More than one interviewee noted that they were considering moving their business and home out of Federal Way due to safety concerns.

Inequitable Outreach to Diverse Businesses

Although Federal Way is a diverse community, some business leaders noted people of color do not feel recognized and supported in the community personally or professionally. Racial and ethnic communities in Federal Way tend to operate in silos with little to no communication and collaboration among other groups. Business leaders noticed only some ethnic communities in the city are celebrated and expressed a want for all ethnicities to be involved and included in the community identity. Diversity is an economic strength in communities, but it takes intentional support and collaboration to make all diverse communities thrive. Without greater support and connectivity between Federal Way's diverse cultures, it may be difficult to bolster, grow and retain local talent and businesses.

Limited Business Resources

Business owners and entrepreneurs interviewed noted that Federal Way has fewer resources to support businesses than other communities. The Chamber and the Small Business Development Center at Highline College provide a variety of services and resources but, beyond those, there are few organizations offering financial resources, training, advising or other assistance to help businesses grow. Lacking a business accelerator, incubator or other innovation center, Federal Way's entrepreneurial ecosystem is particularly sparse. Participants in this process were excited by the idea of developing an accelerator to support start-up businesses in the community. Stakeholders also mentioned a lack of venture capital for start-up initiatives within the community. Without additional support for small businesses and entrepreneurs, attempts to establish Federal Way as a business destination may slow, especially due to a high concentration of such resources in many neighboring communities.

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There is a gap in communication on how small businesses are supported on a day-to-day basis – especially in the Black and brown communities.

Lack of Strategic Focus

Throughout this process, stakeholders expressed their visions for Federal Way's future, independently revealing shared themes. Despite these shared themes, many interviewed were unaware that others shared their frustrations and desires. In particular, stakeholders noted that they were unaware of the City's vision for the future and for downtown, despite this being a common theme within City planning materials and an area of focus for city leadership. A group of stakeholders mentioned the need for intentional, strategic development instead of what a business leader noted as “hodgepodge” development within the city.

The disconnect between the perspectives of business stakeholders and some elected officials may reflect more of a communication breakdown than a substantive difference, but it remains an issue.

Business leaders in Federal Way see a gap in communication from elected leadership about the realities they see and what they are told. Economic development attraction efforts led by the city are not targeted on specific clusters or types of jobs that match Federal Way's assets. Instead, the city counts non-primary employers, such as restaurants and retail, as recruitment successes alongside primary employers, such as software companies. For example, the city's Tech Hub Action Plan offers background definition of technology ecosystem terms and case studies rather than specific actions on how to develop the industry in Federal Way. It also does not address many of the challenges that Federal Way faces in this area, especially relative to other communities in King County that are well-positioned to support tech firms with dense areas of residential and office, strong transit service, technology-focused non-profits and support organizations, research universities, and other key features. That said, a strong focused attraction effort that included infrastructure development could support Federal Way's effort to grow this business base within the city.

To the business community, many of the city's successful recruitments appear natural expansions based on Federal Way's demographics, versus the result of targeted economic development strategies to achieve goals discussed in this report. One stakeholder mentioned that business leaders look towards the Chamber for discussion about business and economic growth, especially around retention and expansion. Without focus and alignment, economic development efforts may continue to be piecemeal and not deliver the results desired by the business community.

Federal Way has great potential and can become the city the business leaders envision. Clear and consistent communication could be a helpful starting point for that journey. Without realistic communication about the challenges in Federal Way and positive storytelling about the strengths and opportunities, disconnects may continue to reinforce the city's reputation as an inefficient and costly place to do business.



Supplemental Data Appendix

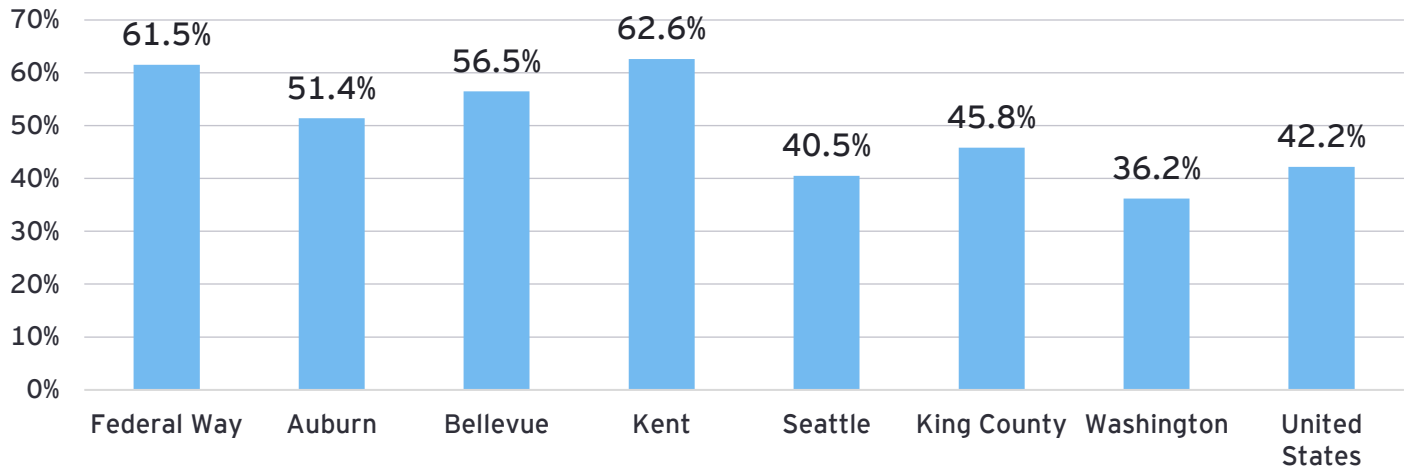
This data appendix contains supplemental data collected by EY through the planning process to qualify observations made by stakeholders and better inform the narratives report.

Most data are from publicly available data sources, such as the US Census, but some employment data, which is not available at the city level from public sources, was purchased from a private vendor that does economic modelling. In all contexts the data are the most recently available at the time of this reports production.

This appendix is not intended to be comprehensive in nature but, in combination with data collected by the Chamber of Commerce and available online at [fedwaychamber.com/economic-dashboards](https://www.fedwaychamber.com/economic-dashboards), provides additional context regarding Federal Way's economic development position.

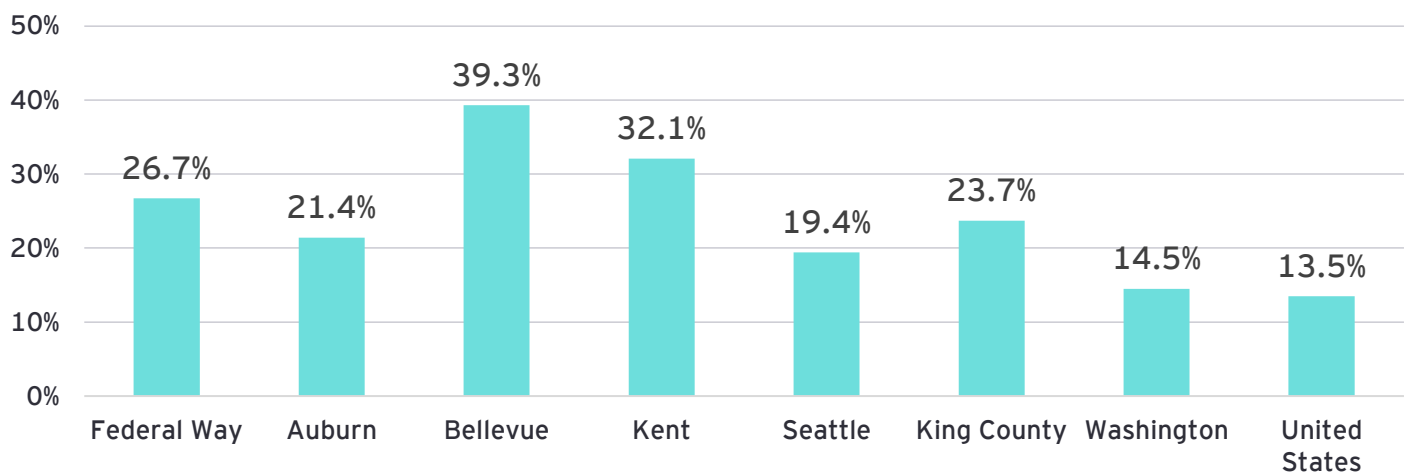
Population Diversity

Share of population that is non-white, 2020



Source:
American Community Survey, 5-year estimate

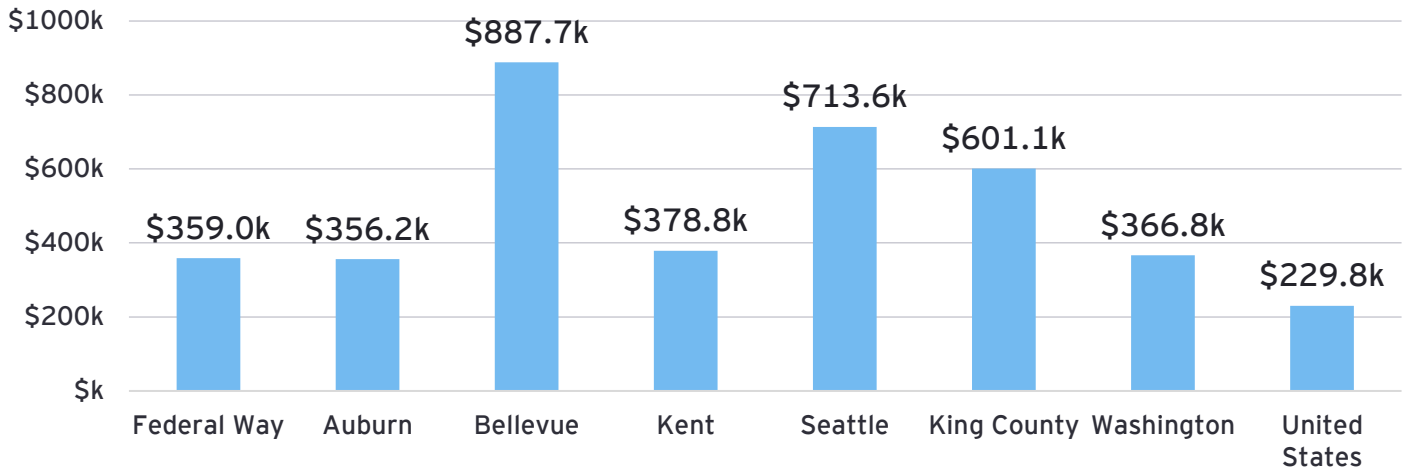
Share of population that is foreign-born, 2020



Source:
American Community Survey, 5-year estimate

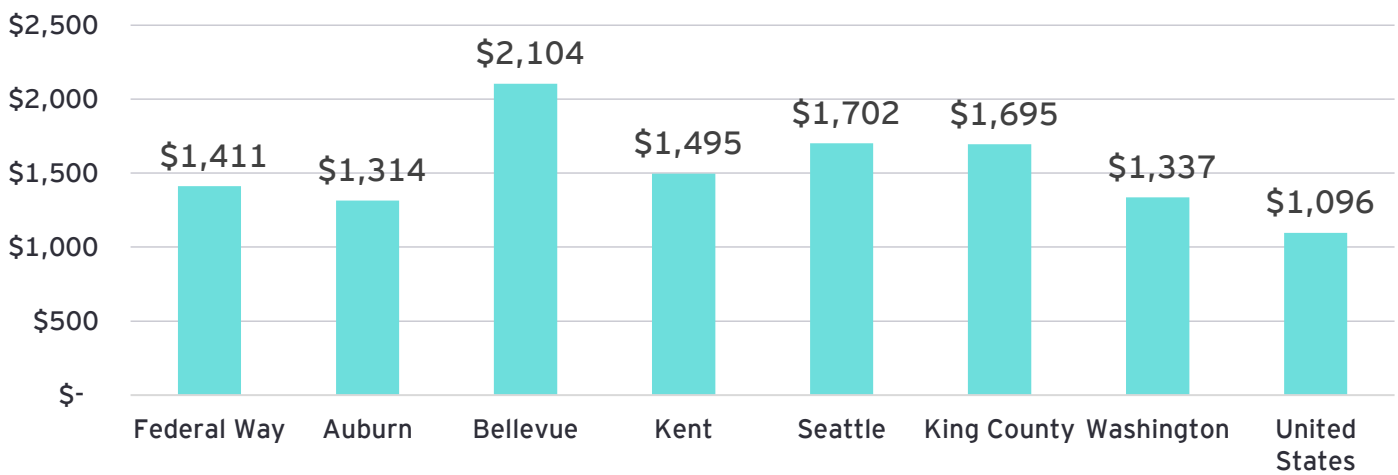
Housing Affordability

Median home value, 2020



Source:
American Community Survey, 5-year estimate

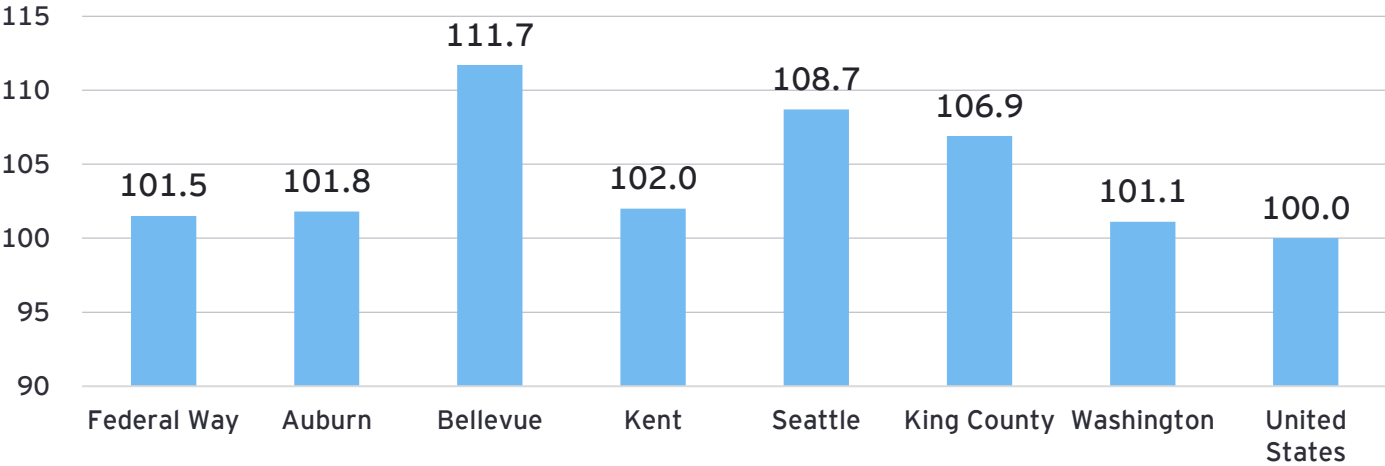
Median rent, 2020



Source:
American Community Survey, 5-year estimate

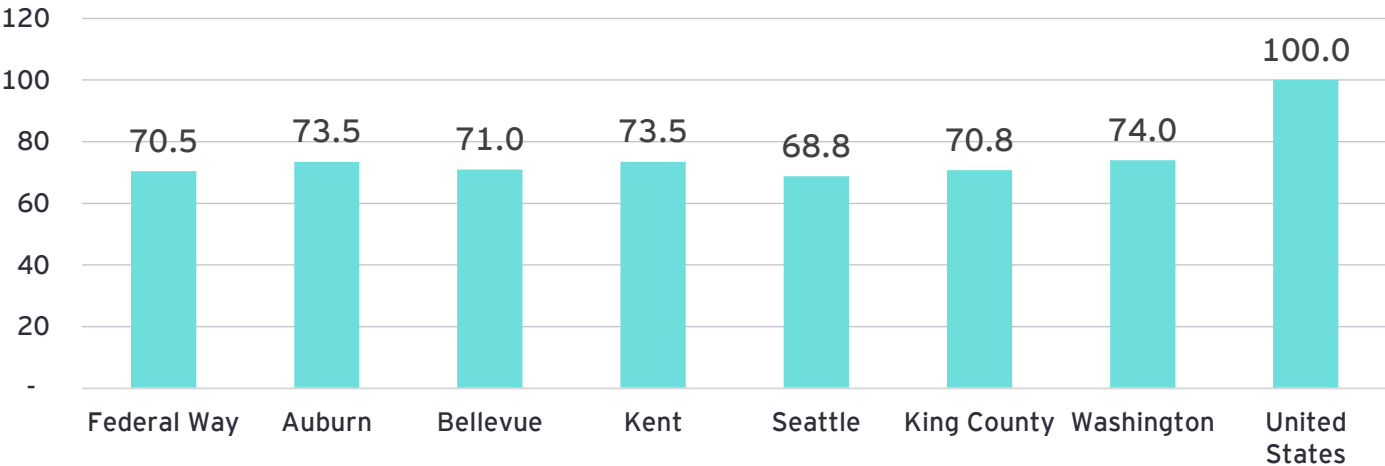
Other Affordability

Cost of living index - grocery rating, 2022



Source: Sperling's Best Places

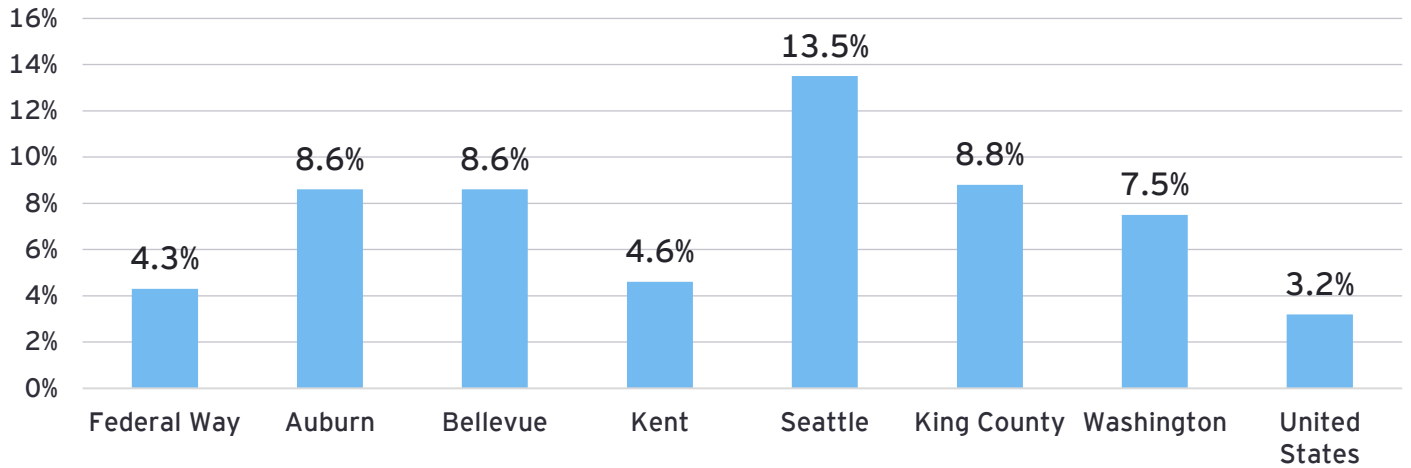
Cost of living index - utility rating, 2022



Source: Sperling's Best Places

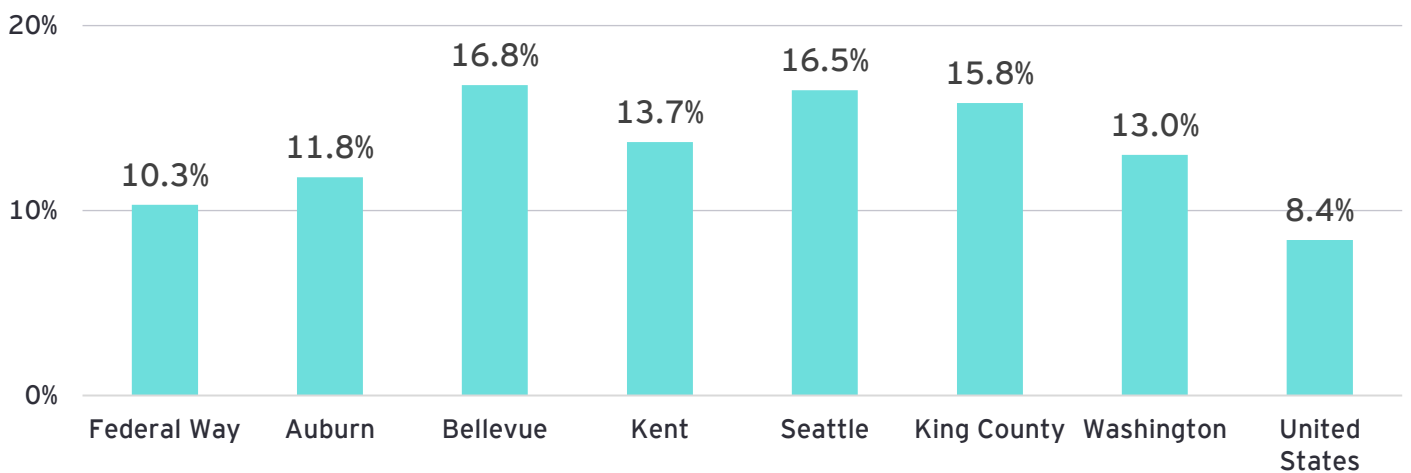
Population and Job Growth

Population growth, 2015-2020



Source:
American Community Survey, 5-year estimate

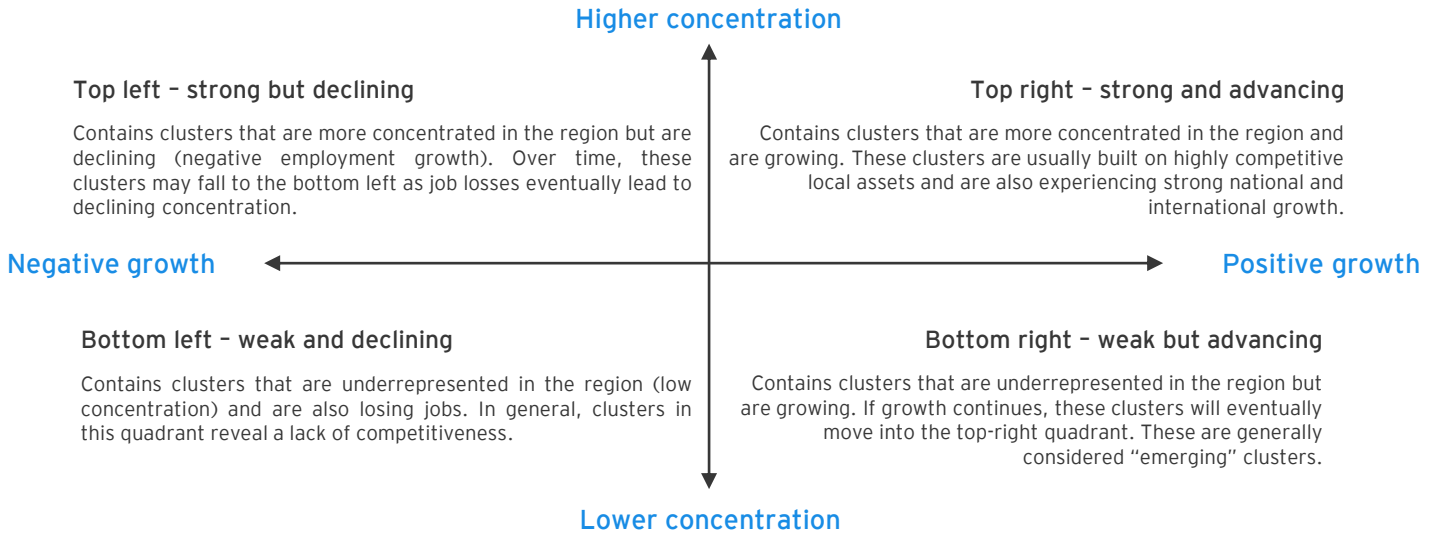
Total job growth, 2014-2019



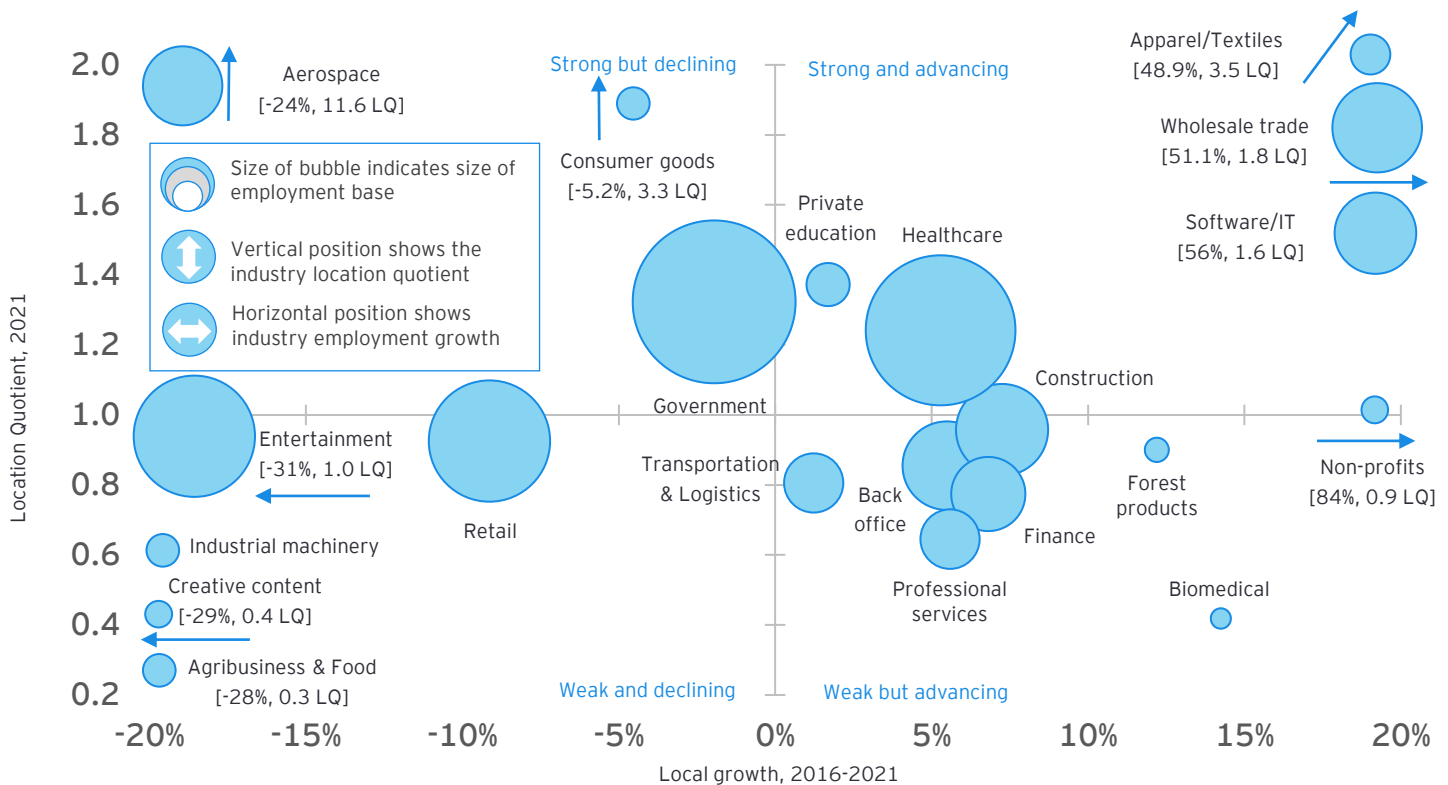
Source:
EMSI

Industry Cluster Analysis: Bubble Chart

The “bubble chart” below combines location quotients (LQs), growth and relative size to illustrate a snapshot of Federal Way’s industry cluster performance. A location quotient is the relative concentration or density of a specific cluster in a region compared to the US average. For example, a 1.5 LQ indicates that the location has 50% more jobs as a share of the overall economy than the US. This usually indicates local competitive strengths in that cluster. The horizontal axis displays employment growth of each cluster from 2016 through 2021. The vertical axis shows the LQ. The size of each bubble indicates the number of local jobs in the cluster. Clusters can generally be grouped in four categories, as described in the map below.



Industry cluster bubble chart



Source:
EY using EMSI data

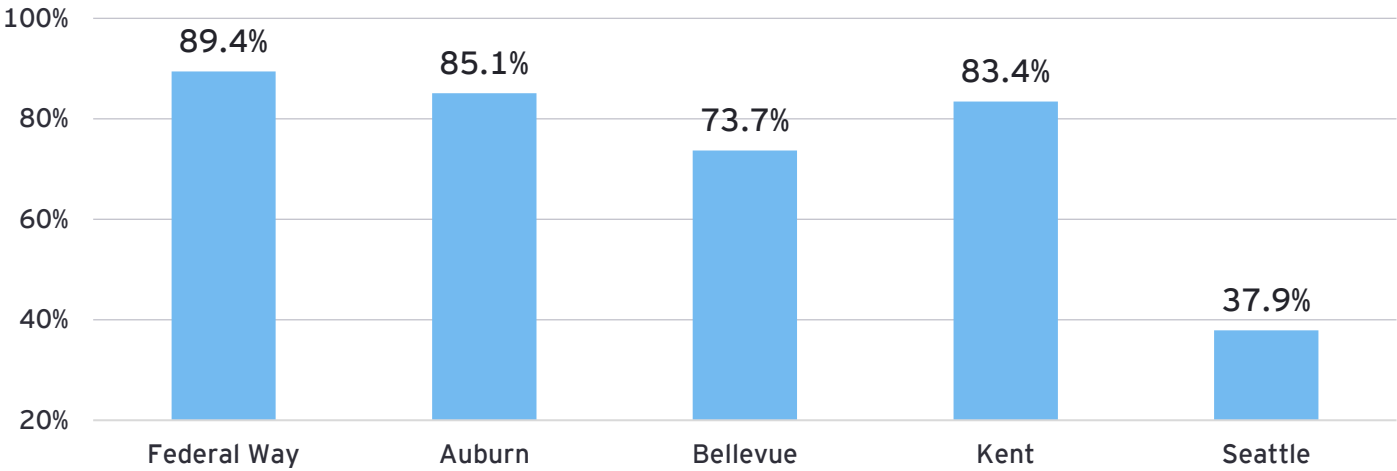
Industry Cluster Analysis: Data Tables

Title	2016 jobs	2021 jobs	Job growth	LQ	Average wage	Share of King County average wage
Aerospace	1,926	1,471	-23.6%	11.6	\$135.0k	106%
Agribusiness & food	359	258	-28.0%	0.3	\$93.3k	147%
Apparel & textiles	190	283	48.9%	3.5	\$57.2k	105%
Back office	2,111	2,227	5.5%	0.9	\$59.4k	69%
Biomedical	113	129	14.2%	0.4	\$82.0k	89%
Construction	2,23	2,394	7.6%	1.0	\$72.9k	91%
Consumer goods mfg.	305	289	-5.2%	3.3	\$118.9k	122%
Creative content	248	176	-28.7%	0.4	\$77.2k	82%
Education (private)	539	549	1.7%	1.4	\$46.3k	96%
Electronics	20	11	-45.4%	0.0	\$189.3	158%
Entertainment	5,100	3,507	-31.2%	1	\$38.2k	91%
Finance	1,475	1,575	6.8%	0.8	\$133.3k	104%
Forest Products	159	178	12.2%	0.9	\$92.1	108%
Government	7,588	7,440	-2.0%	1.3	\$82.8k	101%
Healthcare	5,991	6,308	5.3%	1.2	\$47.4k	74%
Industrial machinery	389	307	-21.1%	0.5	\$66.8	77%
Non-profits	147	270	83.5%	0.9	\$59.9k	79%
Professional services	700	748	6.8%	0.6	\$91.3k	86%
Research	203	198	-2.5%	0.3	\$133.1k	94%
Retail	3,627	3,303	-8.9%	0.8	\$45.1k	93%
Software/IT	909	1,422	56.4%	1.6	\$229.5k	87%
Telecom services	67	43	-35.5%	0.2	\$92.9k	47%
Transportation & logistics	1,179	1,191	1.0%	0.8	\$92.9k	91%
Wholesale Trade	1,553	2,423	56%	1.8	\$195.8k	106%
TOTAL	37,190	36,776	-1.1%		\$84.1k	75%

Source:
EY using EMSI data

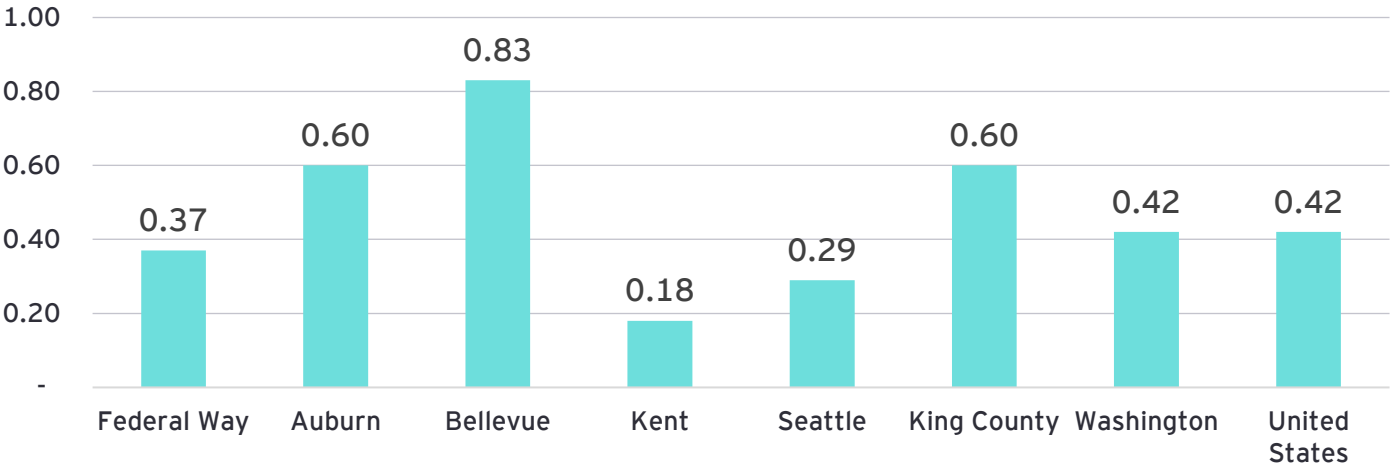
Commuting and Job Density

Share of employed residents commuting out, 2019



Source: US Census, Longitudinal Employer-Household Dynamics

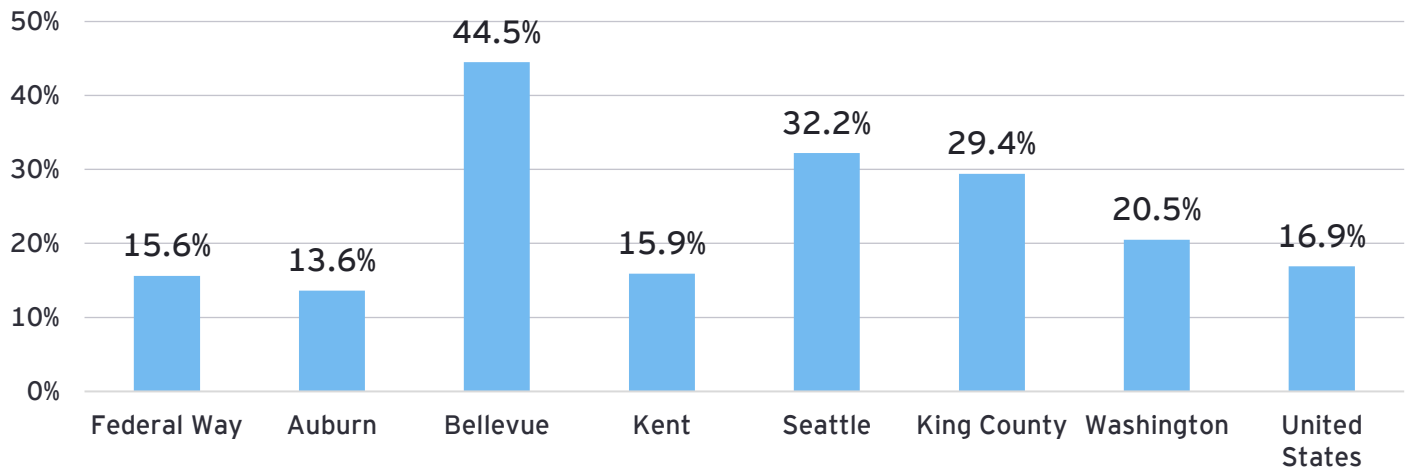
Ratio of jobs to residents, 2020



Source: EMSI and US Census

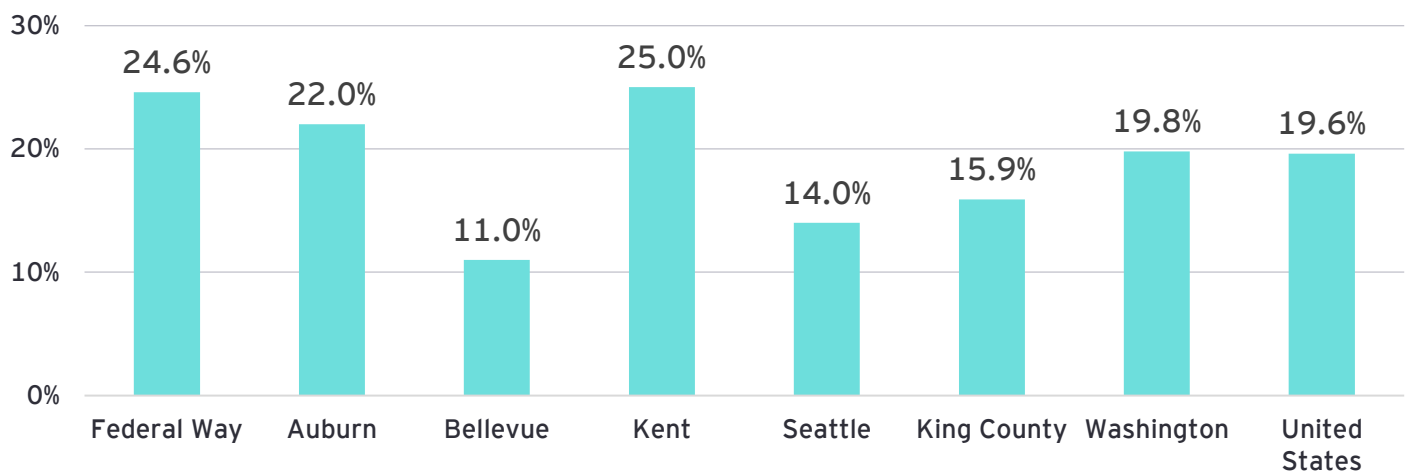
High and Low Wage Occupations

Share of residents employed in high-wage occupations (paying 75% higher than median), 2020



Source:
American Community Survey, 5-year estimate

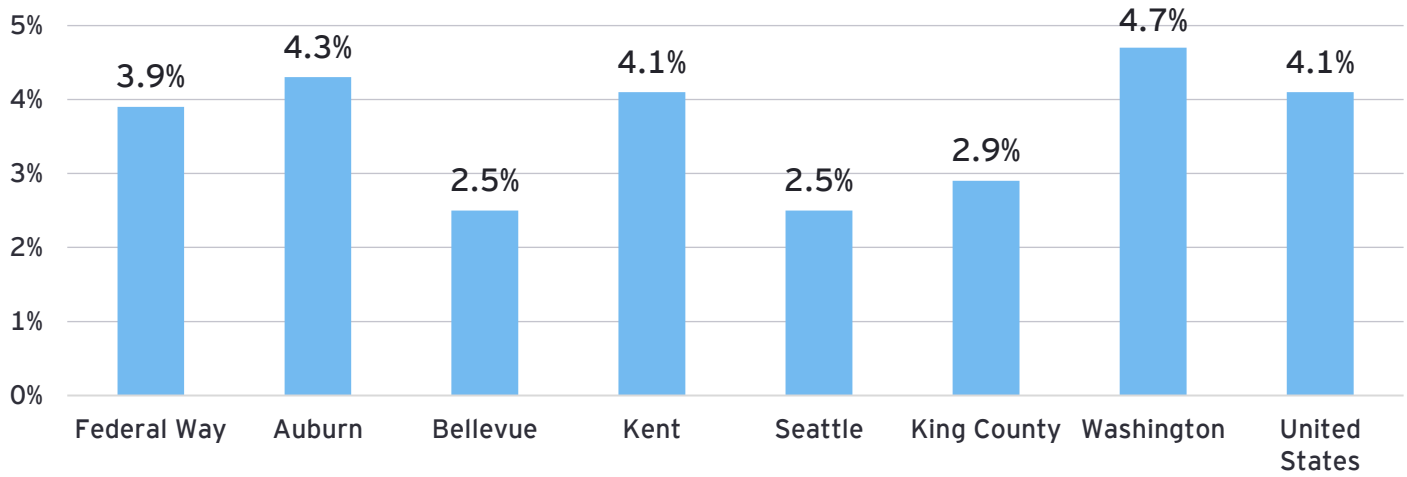
Share of residents employed in low-wage occupations (paying 40% less than median), 2020



Source:
American Community Survey, 5-year estimate

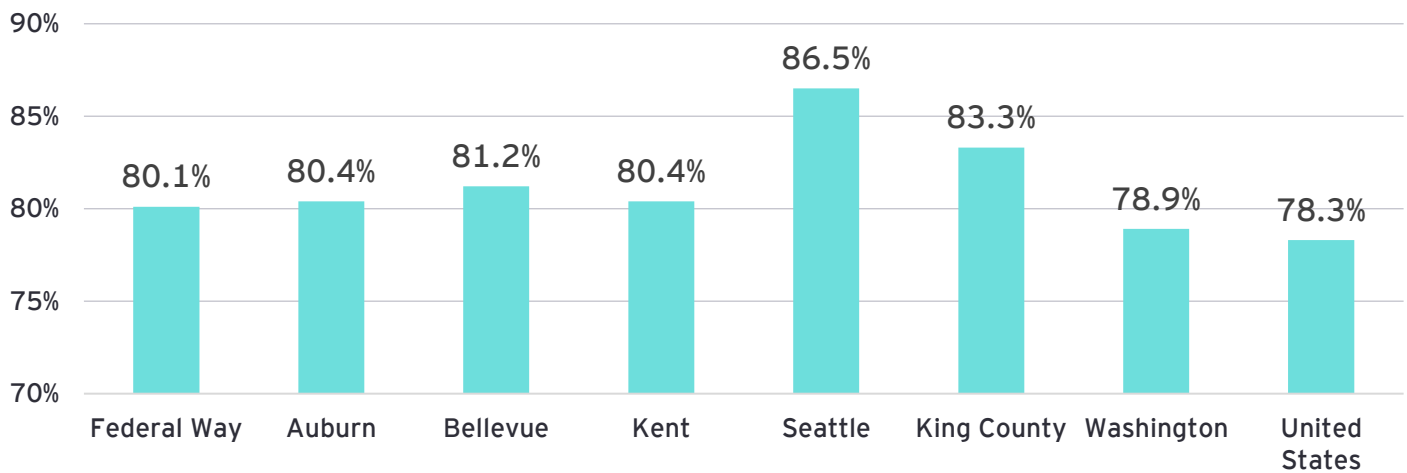
Unemployment and Labor Force Participation

Unemployment rate, February 2022



Source:
US Bureau of Labor Statistics

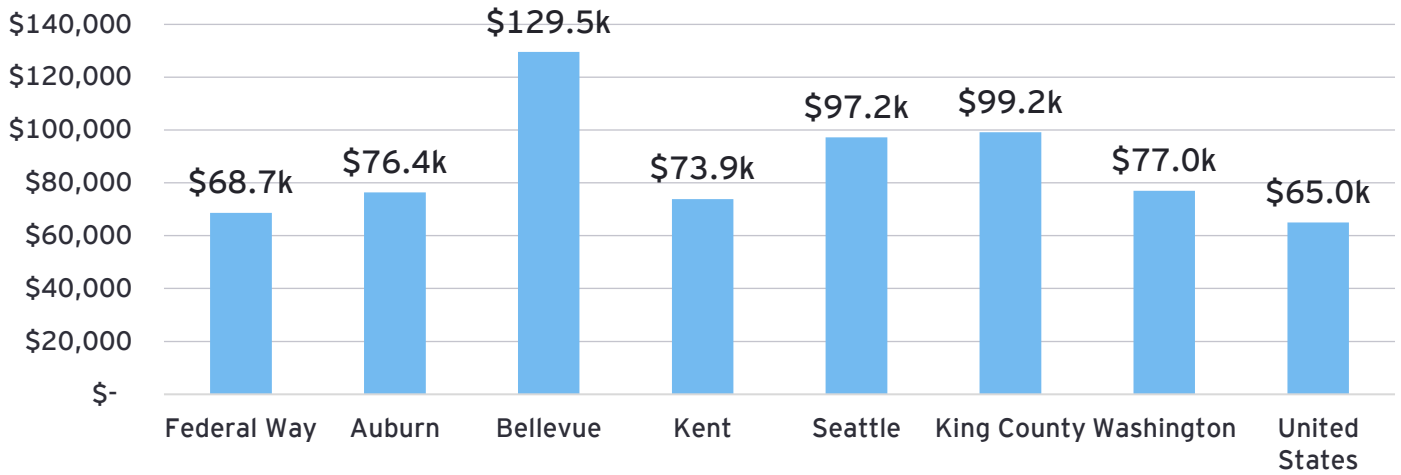
Labor force participation rate among 25- to 64-year-old residents, 2020



Source:
American Community Survey, 5-year estimate

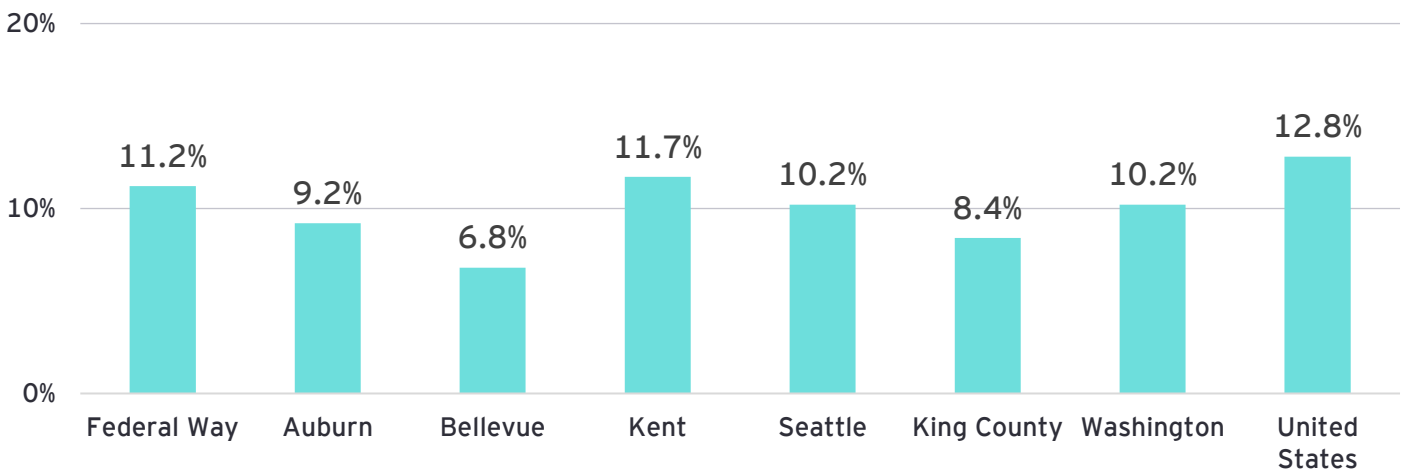
Income and Poverty

Median household income, 2020



Source:
American Community Survey, 5-year estimate

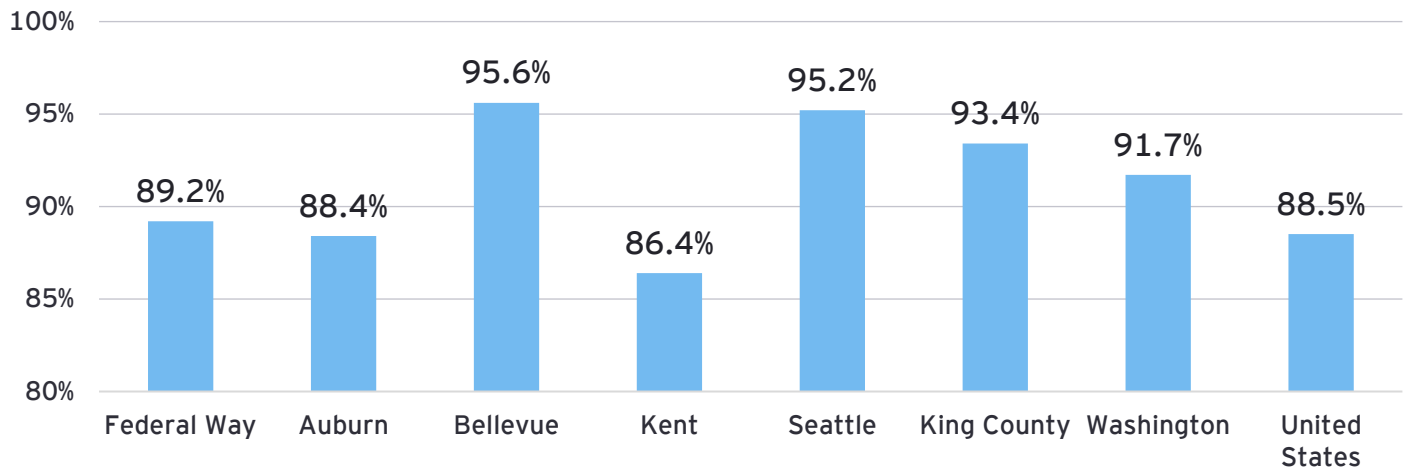
Share of population in poverty, 2020



Source:
American Community Survey, 5-year estimate

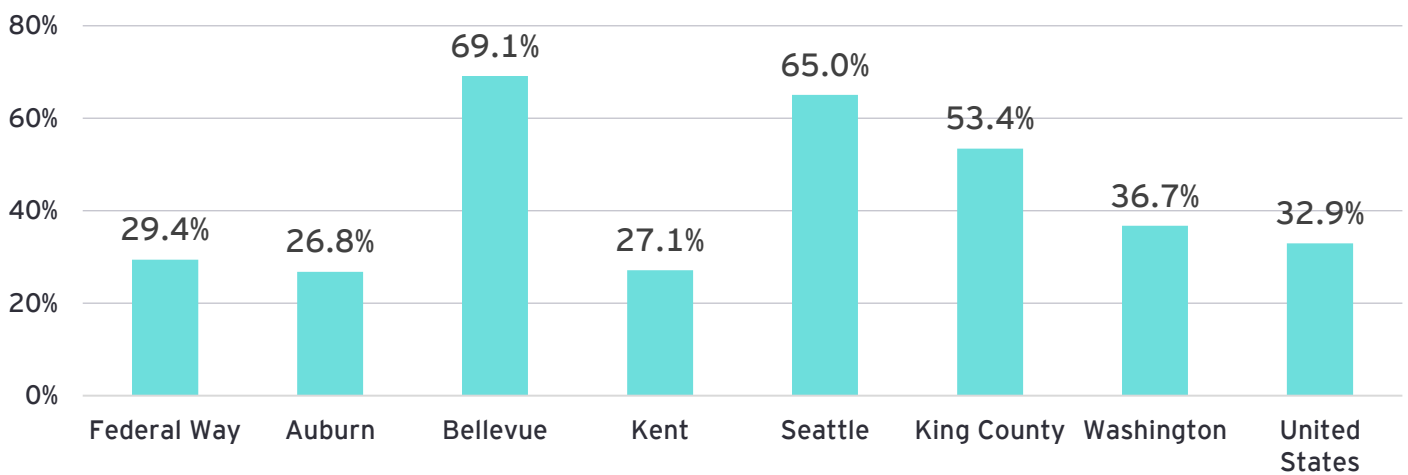
Educational Attainment

Share of population over 25 with a high school degree or higher, 2020



Source:
American Community Survey, 5-year estimate

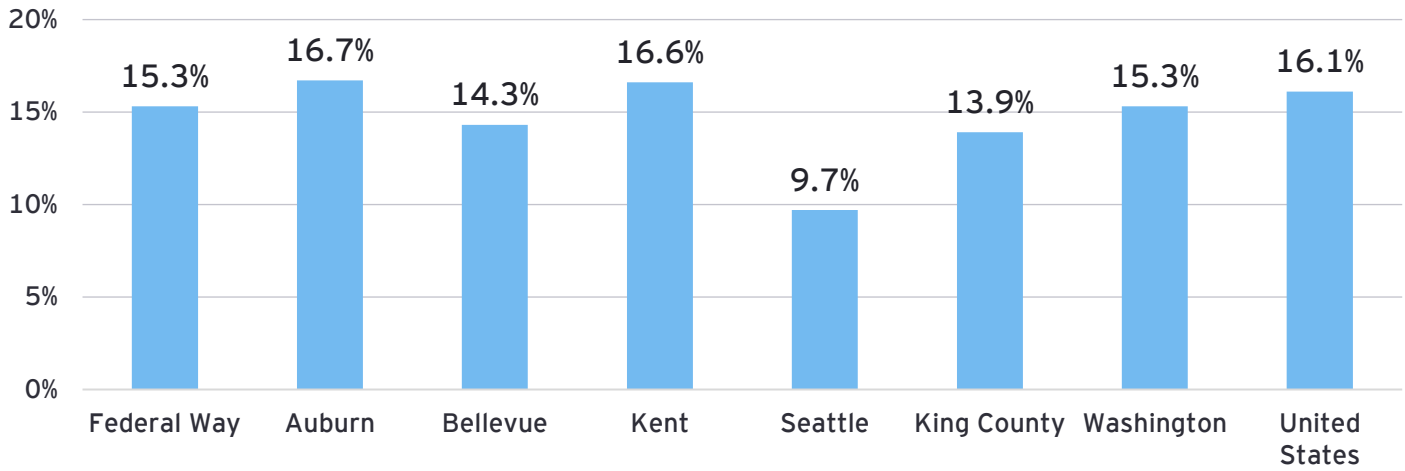
Share of population over 25 with a bachelor's degree or higher, 2020



Source:
American Community Survey, 5-year estimate

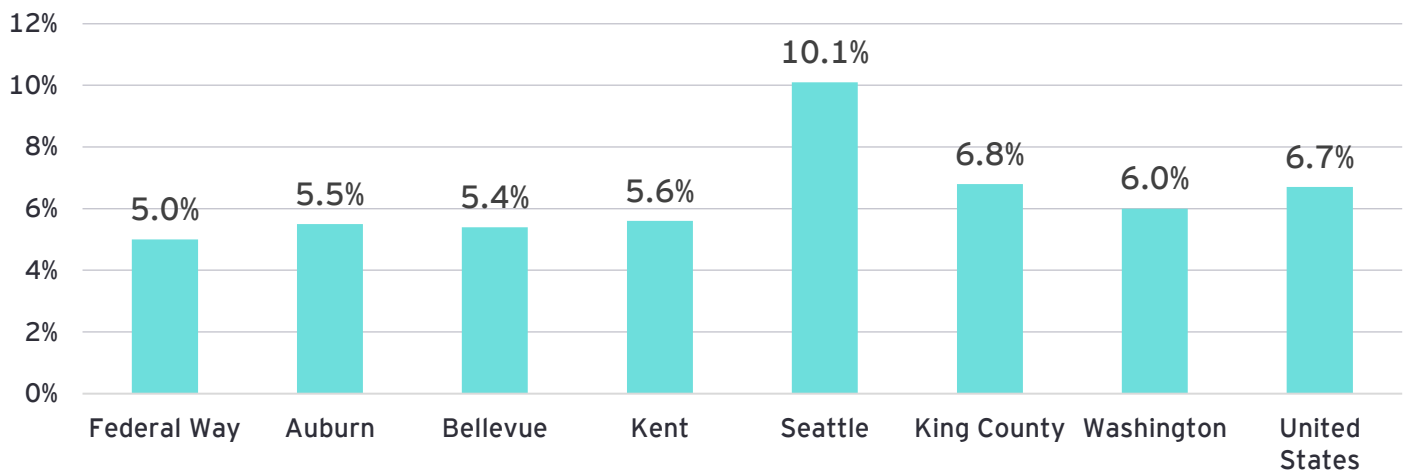
Student Population

Share of population enrolled in K-12 schools, 2020



Source:
American Community Survey, 5-year estimate

Share of population enrolled in college or university, 2020



Source:
American Community Survey, 5-year estimate

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Thank you!

District 30 Legislators

State Senator

The Honorable Claire Wilson

State Representatives

The Honorable Jamila Taylor

The Honorable Jesse Johnson



A membership organization focused on economic development, the Greater Federal Way Chamber works to identify potential strategic pathways to prosperity for our business base. Through reports and studies, business surveys, and researched economic data, the Chamber identifies high-priority issues and develops programming to address business needs as it looks to support diverse, regionally connected opportunities for economic growth.



The Prosperity Project is a series of reports, studies, and strategies, building upon the economic data collected as part of the Horizon Initiative and other economic development work at the Chamber. The Prosperity Project adds business visioning to that data as our community looks to support and promote inclusive economic development in the greater Federal Way region of the south Puget Sound.

The Chamber believes data-driven strategies create sustainable business growth. The Horizon Initiative sets the economic baseline, measuring the statistics and trends that will influence the direction and sustainability of our shared future. Learn more about business recovery and other economic data online at fedwaychamber.com//economic-development

Collaboration plays a critical role in investment decision making. Efforts to retain, expand, and attract business are tied to an economic climate that practices respectful, reasonable, and inclusive leadership. Work Together for the Greater Good and its 8 steps of Collaboration is available for presentation. Contact the Chamber to schedule, 253-838-2605

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