



2023

Priority Industry and Workforce Assessment



Rebecca Martin, CCE, IOM
Greater Federal Way
Chamber CEO

DATA IS

Good for Business

Our Chamber members know that serving a broader business community means understanding the type of businesses growing in our regional footprint. Having that data allows businesses to plan for their own growth, expanding their marketplace and spurring innovation to reach new customers.

Businesses of every type are heroically tireless, looking for customers to buy

products and services or developing new products and services as the economic inflow and outflow of industry sectors evolves.

Industry data keeps business engaged in the workforce. To meet the demand of a rapidly changing business climate, employers know a well-prepared workforce is foundationally important. Data helps guide discussions with educational institutions to ensure there are flexible, nimble opportunities to develop needed programs. At its core, workforce is directly tied to education.

Sector data allows us to be intentional with our strategies for growth, particularly as we look at the economic impact in our area of the Washington Department of Commerce focus industries. In the growth hub city of Federal Way:

- A hotspot for talent in this field, Aerospace earnings per job are above the national average.
- In Agribusiness and Forest Products, earnings per job are the same as the national average.
- Earnings per job for Life Sciences, Maritime, and Information, Communication & Technology are all above the national average.

In addition to the WA focus industries, key growth sectors in Federal Way and other economic development dashboards are available online, fedwaychamber.com

At the Chamber, it's not just about research and statistics. Our business leaders are interested in seeing the regional economy grow. The annual sector data report is a helpful way to frame how we prioritize growth and innovation to accelerate overall growth.



SPECIAL EDITION
(PRINTED 6/23)

Rebecca Martin, CCE, IOM
President & CEO

Rachel M. Porter
Membership Manager

Susie Magdaleno
Administrative Coordinator

Anthony Carrillo
Graphic Designer

BOARD OF DIRECTORS

Greg Garcia, Chair
Citylight Financial, Inc.

Shawn Harju, Vice Chair
Chrysalis Solutions, PLLC

Michael Gintz, Treasurer
Brantley Janson

Dan Eisenman, Past Chair
Equalus, LLC

DIRECTORS-AT-LARGE

Dr. Dani Pfeiffer, Ed.D
Federal Way Public School District

Dr. John Mosby, Ph.D.
Highline College

Sara Oh
Kumon

Mark Sims
New York Life

Kim Zier Suchan
Caffé D'arte, LLC

Jeannette Ramirez
JRComputax, Inc.

Jaime Monjae
Azteca Mexican Restaurant

Russell Woolley
Virginia Mason Franciscan Health

fedwaychamber.com • 253.838.2605
© 2023 All Rights Reserved

Publication design by Clare Parfitt





GREATER FEDERAL WAY CHAMBER
Promoting Economic Prosperity Since 1953

fedwaychamber.com

Take the Federal Way

GREATER FEDERAL WAY CHAMBER OF COMMERCE

Celebrating seven decades working to support a dynamic business climate and economic prosperity in the greater Federal Way region.

Don't miss the Gala and Impact Awards on November 18, 6-9 PM at Woodbridge Corporate Park.

We are Greater Federal Way

The face of business

Join our network.
fedwaychamber.com



Sarah Asay
Realtor,
Ace Group
Chamber
Ambassador



We are Greater Federal Way

The face of business

Join our network.
fedwaychamber.com



Dr. John Mosby
President,
Highline
College
Chamber
Board of
Directors



We are Greater Federal Way

The face of business

Join our network.
fedwaychamber.com



Sara Oh
Director,
Kumon
Chamber
Board of
Directors



We are Greater Federal Way

The face of business

Join our network.
fedwaychamber.com



Larissa Sklar
Financial
Advisor,
Edward
Jones
Chamber
Ambassador



We are **Greater** Federal Way
The face of business.



Greg Garcia

Chair, Board of Directors
Owner, Citylight Financial, Inc.

Through the Greater Federal Way Chamber of Commerce, businesses and individuals can make a difference in our community. Our chamber leverages the talents and resources of its members to enhance economic opportunities for us all.

Become a member. **Join today.**
fedwaychamber.com





Why focus on priority industries?

Economically sustainable communities generally require a mixture of business activity to support the tax base, which provides necessary funds to pay for public services such as police, fire and schools and reduces the tax share that most be covered by residents. Importantly, a strong base of diverse industries in a community can also provide prosperous career pathways for residents and opportunities for entrepreneurs to start their own businesses to provide services and goods to local companies.

Economic development activities aim to encourage business growth in order to achieve these outcomes: maintaining a strong tax base, creating rewarding career opportunities for residents, and opening opportunities for wealth creation through entrepreneurship and new business formation. Economic developers and workforce training providers have limited resources and tools to achieve these objectives and cannot support all industries equally. The needs of an aerospace manufacturer are different from those of a software developer, and a community's assets, such as real estate, infrastructure and educational programs, are more supportive of some industries than others.

As a result, it is important to focus economic development and workforce training on those priority industries that present the greatest potential for economic growth and prosperity in a community. This does not mean that other industries are ignored. Economic development efforts that support a business-friendly environment and stimulate growth have a positive effect across all industry sectors. By focusing limited resources and programs on priority industries, economic developers seek to spur growth that is most advantageous and desirable for a community, while stimulating broad-based growth for all.

About this report

In this report, we reviewed trends across all industries and occupations in Federal Way to better inform the identification of industries and occupations that could be the focus of economic development activities and workforce training programs, such as career and technical education in local schools and more advanced skills programs at post-secondary institutions, such as Highline College.

Building on this research, information gathered about Federal Way's competitive strengths and aspirations during our economic visioning work for the Chamber, and our perspective as economic development professionals who work across the country, we provide suggestions for priority industries that could be a focus for economic development in Federal Way. For each of these industries, we provide a profile that describes the industry, why it could be a priority for Federal Way, and the primary occupations that make up each.

The information in this report provides a foundation for future programs and strategies. Educators can consider occupations in priority industries as potential areas of focus for training that could connect students with rewarding career pathways. Elected officials can consider how regulations and infrastructure investments might accelerate priority industry growth, and entrepreneurs may be inspired to start a new business in one of these industries or that provides services directly to them.

Geographic focus

When identifying industry opportunities for a community, it is helpful to examine trends within the region surrounding the community, the state, and the nation overall. A community's workforce extends beyond its geographic boundaries, with workers often commuting across multiple jurisdictions each day between their places of residence and work. Similarly, businesses benefit from assets across the region, and although an industry may not be present in Federal Way today, if they are growing within the region or county, they may have potential to grow locally.

For the purposes of this study, we examined trends in a few different geographies using the best available employment data, which is available at the national, state, county, and zip code levels. In defining the South Sound region and City of Federal Way, we used the following zip codes:

Federal Way

- 98003
- 98023
- 98063
- 98093

South Sound / District 30 region

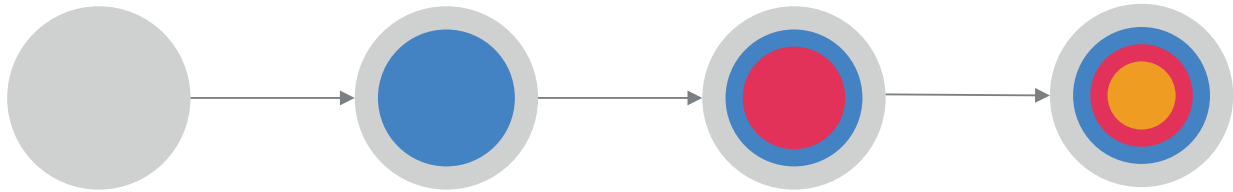
- 98001
- 98002
- 98003
- 98023
- 98030
- 98047
- 98063
- 98071
- 98092
- 98093
- 98148
- 98198
- 98390
- 98422

Identifying priority industries

Priority industry selection is not an exact science - no single mathematical formula can identify the perfect industries for a community. Priority selection is instead an iterative process - combining both quantitative and qualitative information. Through a process of data analysis and a review of community assets, priority industries are identified and tailored to Federal Way's specific assets, needs, and opportunities.

For the purposes of this study, we utilized four primary filters when considering industries for prioritization in Federal Way. The analysis begins with a global view of whether an industry is growing and then filters through an increasingly local lens until the prioritization is validated.

Priority industry filtering process



1. Is the industry growing and projected to grow within the region and US?

Examining national trends helps determine if the target industry will continue to grow and create future opportunities in Federal Way.

2. Do we have local assets (or could create them) to support the industry's growth?

An examination of local assets as well as a contrast with key competitors further underscores local competitiveness for the industry.

3. Would this create good career pathways for our residents?

Understanding if the priority industries have accessible career pathways highlights both the potential opportunities for residents, as well as the future success of that industry to source talent.

4. Does the industry align with the Federal Way's goals and values?

Industries should also be evaluated based on local goals and values, drawn from stakeholder feedback gained during the visioning process, past research, and examination of related planning documents.

Suggested priority industries

Based on our analysis of industry and occupation trends, familiarity with Federal Way's competitive assets and stakeholder aspiration, and knowledge of national and global industry dynamics, EY identified the following suggested priority industries for Federal Way, which are described in more detail in the profiles in section 4 of this report. Included in this summary of industry specific statistics in Federal Way.

Life sciences	<ul style="list-style-type: none">▶ Number of jobs: 6,300▶ Concentration/LQ: 0.77▶ Recent growth: -11.2%▶ Average salary: \$62,400
Business and professional services	<ul style="list-style-type: none">▶ Number of jobs: 8,400▶ Concentration/LQ: 0.31▶ Recent growth: -5.7%▶ Average salary: \$125,500
Software information and technology	<ul style="list-style-type: none">▶ Number of jobs: 1,591▶ Concentration/LQ: 0.58▶ Recent growth: 79.5%▶ Average salary: \$204,000
Supply chain management and support services	<ul style="list-style-type: none">▶ Number of jobs: 1,500▶ Concentration/LQ: 0.70▶ Growth: -3.7%▶ Average salary: \$97,900





Industry cluster analysis

Introduction

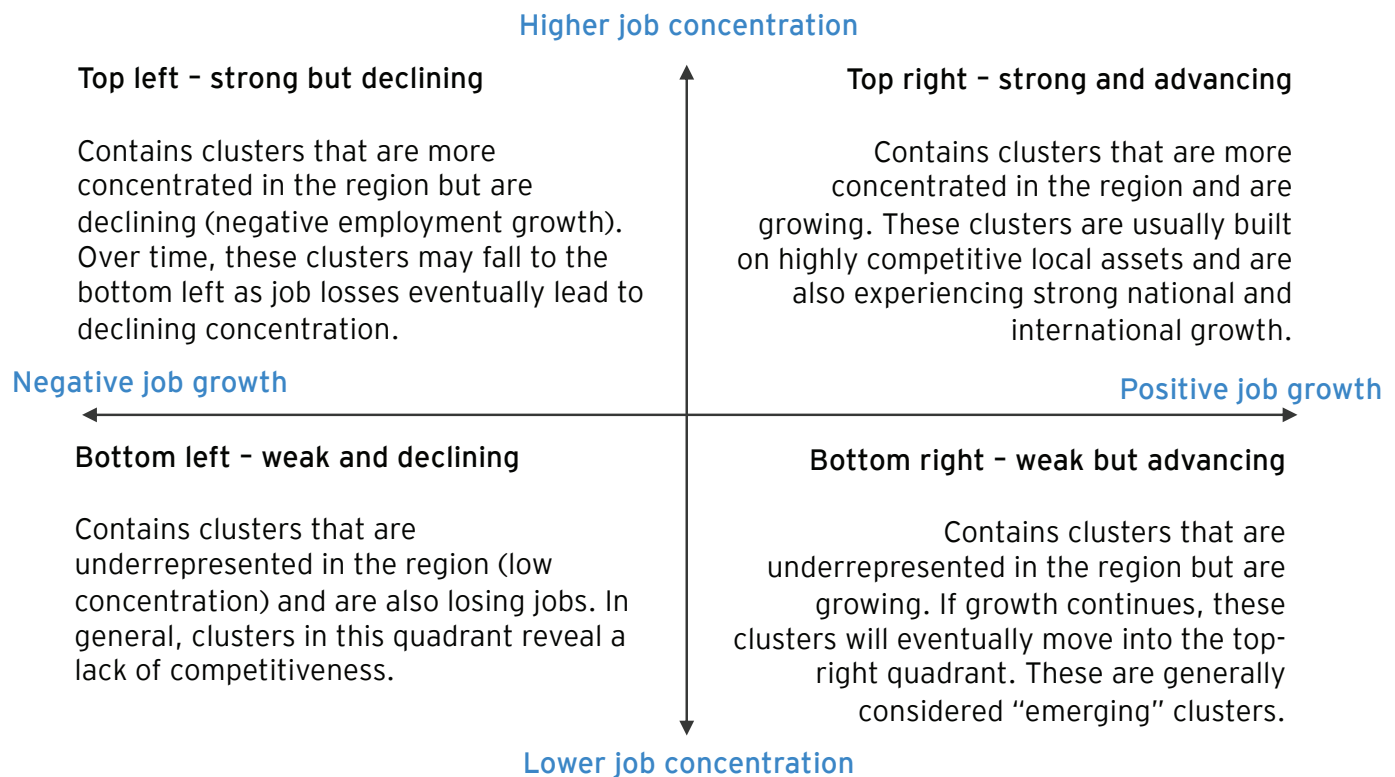
In this section of the report, we examine trends across all industry employment clusters to better understand how they are performing within the South Sound region, Washington, and the nation.

Industry employment data is classified by the US government utilizing North American Industry Classification System (NAICS). Every business operation in the country is assigned a NAICS code that categorizes its industry. These codes do not always represent how industry clusters operate in the modern economy, however. EY has developed a proprietary methodology for combining NAICS codes into industry clusters that are more intuitive and reflect interrelated dynamics between sectors.

In the following pages, we present data and analyze trends occurring within these clusters in order to identify potential priority industries on which Federal Way could focus economic development activities.

Industry cluster analysis: introduction

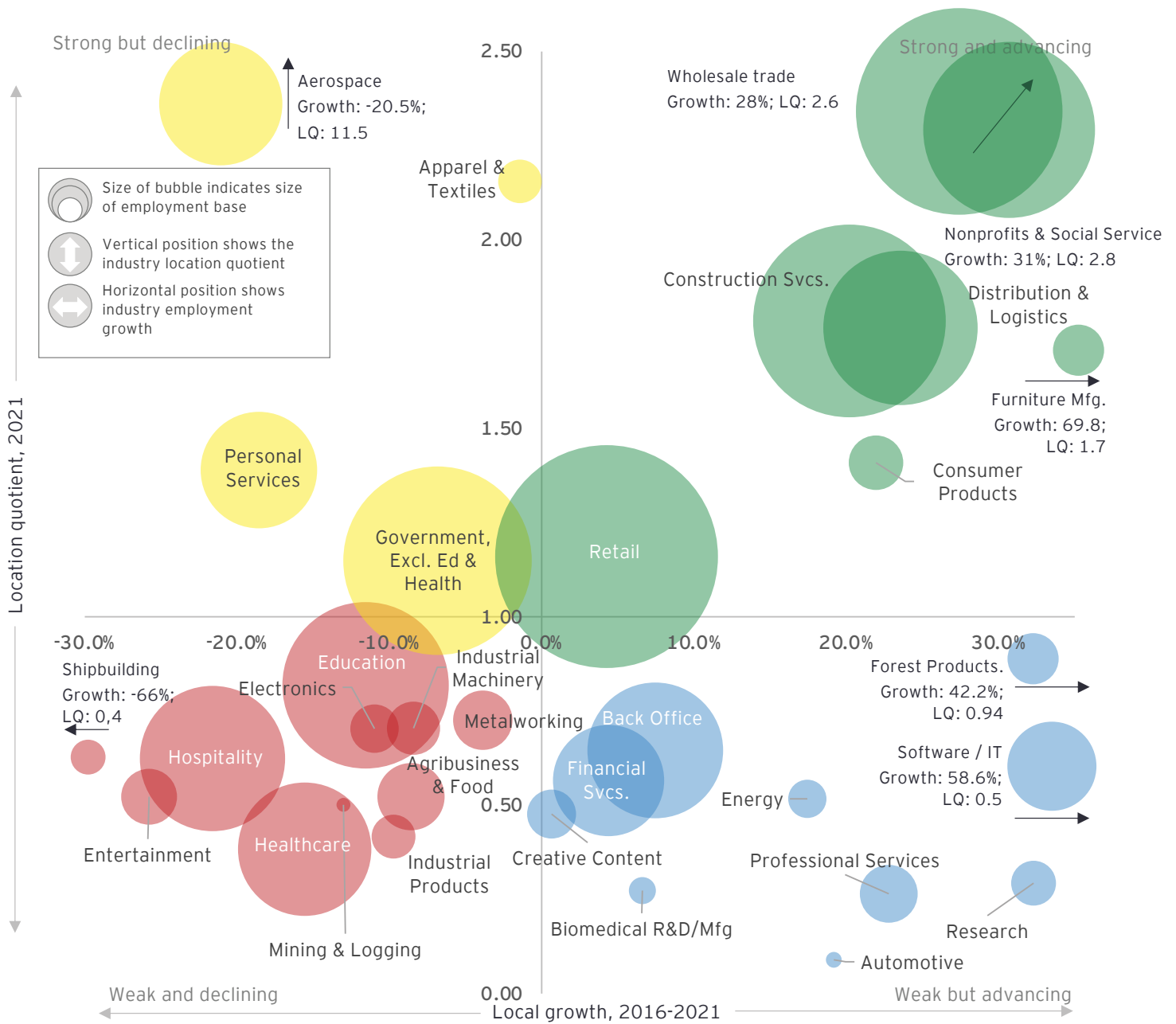
The “bubble chart” on the following page combines location quotients (LQs), growth and relative size to illustrate a snapshot of the South Sound region’s industry cluster performance. A location quotient is the relative concentration or density of a specific cluster in a region compared to the US average. 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.



The page following the bubble chart displays the same data in a table that includes additional information on average wages and how the industry cluster is performing across Washington and the US. In turn, this is followed by discussion of key findings from the cluster analysis.

Industry cluster analysis: bubble chart

1. South Sound industry cluster trends, 2016-2021



Source: Lightcast and EY

Industry cluster analysis: data table

2. Industry cluster performance, 2016-2021

Cluster	Employment 2021	LQ, 2021		Average Salary, 2021		Growth, 2016 - 2021		
	South Sound	South Sound	WA	South Sound	WA	South Sound	WA	US
Aerospace	5,207	11.48	6.05	\$115,492	\$118,406	-20.5%	-25.7%	-1.6%
Agribusiness & Food	1,539	0.52	1.94	\$55,112	\$42,406	-8.6%	-2.9%	4.3%
Apparel & Textiles	645	2.16	0.54	\$56,315	\$52,443	-1.4%	-4.7%	-18.5%
Automotive	84	0.09	0.19	\$68,678	\$68,992	19.2%	3.3%	1.8%
Back Office	6,275	0.65	0.76	\$59,607	\$71,195	7.5%	5.5%	1.8%
Biomedical R&D/Mfg.	249	0.27	0.57	\$105,455	\$81,952	6.6%	2.7%	11.9%
Construction Svcs.	12,646	1.79	1.21	\$80,649	\$73,741	20.2%	20.4%	11.0%
Consumer Products	1,012	1.41	1.16	\$74,906	\$72,071	22.0%	0.8%	3.1%
Creative Content	816	0.48	0.60	\$77,203	\$75,837	0.6%	-19.1%	-16.0%
Distribution & Logistics	8,119	1.77	0.73	\$68,726	\$66,079	23.6%	22.4%	37.2%
Education	9,435	0.82	0.15	\$73,551	\$46,318	-11.6%	5.0%	-2.0%
Electronics	798	0.70	0.67	\$103,919	\$108,760	-11.0%	-10.9%	1.8%
Energy	499	0.52	0.33	\$116,996	\$128,253	17.4%	9.8%	-11.3%
Entertainment	1,062	0.52	0.94	\$72,079	\$58,435	-25.8%	-19.9%	-13.8%
Financial Svcs.	4,213	0.57	0.77	\$135,153	\$107,770	4.4%	7.1%	6.5%
Forest Products	478	0.94	1.16	\$76,155	\$75,597	42.2%	-2.8%	-4.2%
Furniture Mfg.	601	1.71	0.67	\$53,297	\$51,140	69.8%	-8.3%	-4.6%
Gov't, Excl. Ed & Health	12,100	1.15	0.96	\$93,416	\$82,170	-6.8%	2.2%	0.0%
Healthcare	6,057	0.38	0.78	\$65,574	\$72,189	-15.6%	4.9%	3.8%
Hospitality	7,189	0.62	0.84	\$32,227	\$28,241	-21.6%	-11.2%	-8.7%
Industrial Machinery	963	0.70	0.61	\$78,478	\$76,479	-8.4%	-4.7%	-1.1%
Industrial Products	655	0.42	0.53	\$61,955	\$67,743	-9.7%	-7.5%	1.7%
Metalworking	1,201	0.73	0.55	\$62,927	\$63,366	-3.9%	-9.8%	-3.7%
Mining & Logging	66	0.50	0.56	\$77,063	\$73,202	-13.0%	-14.5%	6.2%
Non-Profits & Social Svc	11,511	2.77	1.37	\$40,391	\$37,749	31.0%	19.6%	7.2%
Personal Services	4,623	1.39	0.93	\$53,178	\$41,957	-18.6%	-5.8%	-4.4%
Professional Services	1,139	0.26	0.87	\$85,106	\$90,494	22.8%	6.9%	8.0%
Research	685	0.29	1.02	\$118,471	\$131,062	32.3%	37.2%	20.9%
Retail	16,916	1.16	0.89	\$53,300	\$44,615	4.3%	1.7%	-4.0%
Shipbuilding	5	0.04	1.33	\$0	\$68,549	-65.9%	-12.1%	9.0%
Software / Info. Tech.	1,627	0.47	2.30	\$231,455	\$258,356	58.6%	45.2%	25.4%
Telecom Services	281	0.44	1.16	\$171,434	\$147,323	109.4%	-18.2%	-16.4%
Transportation	894	0.91	1.05	\$79,732	\$81,018	-4.8%	0.5%	-9.5%
Wholesale Trade	15,619	2.60	1.39	\$163,397	\$142,701	28.4%	19.2%	-0.9%
Total	136,285	1.00	1.00	\$82,505	\$82,489	3.2%	4.3%	1.3%

Source: Lightcast and EY

Identifying cluster analysis: key findings

In 2021, over 143 million people were employed across all industry clusters in the US. Nationally, these clusters saw on average a 1.3% employment growth from 2016 to 2021. South Sound grew above that average at 3.2% from 2016 to 2021, employing over 136 thousand residents within the region in 2021. Notably, and not seen in this chart, Federal Way actually lost total employment over this period: with a decline of 464 jobs accounting for a 1.3% loss overall.

South Sound has 10 industry clusters that are heavily concentrated within the region compared to the national average. Half of these clusters, including nonprofits and distribution & logistics, experienced growth of over 20% from 2016 to 2021, but industries such as aerospace and personal services experienced negative growth.

The region also has 11 clusters that have experienced negative growth and are not concentrated within the region. Industries like healthcare and agribusiness are declining at quicker rates when compared to the state of Washington and the US. These combined with the industries that are heavily concentrated and declining may pose significant challenges for the region if not addressed.

South Sound has 10 clusters that, while not heavily concentrated within the region, experienced growth from 2016 to 2021 and present promising potential for residents and the regional economy. These include industries such as software/IT, research, energy and professional services, all which have average salaries over \$85,000.

The average annual salary in the South Sound region among clusters was over \$82,000, beating the national average annual salary of \$67,000.

Key takeaways

- The largest five industry clusters in South Sound contribute to the local economy, including government, retail, wholesale trade, non-profits and social services, and education.
- Eight of South Sound's 11 clusters with high wage potential (average annual salary \$85,000) are experiencing growth at a greater rate than the state or national levels, including biomedical R&D and manufacturing; energy; financial services; professional services; research; software and IT; telecom; and wholesale trade.
- Aerospace is the most heavily concentrated cluster in the South Sound region, but has lost jobs from 2016-2021.



Occupation cluster analysis

Introduction

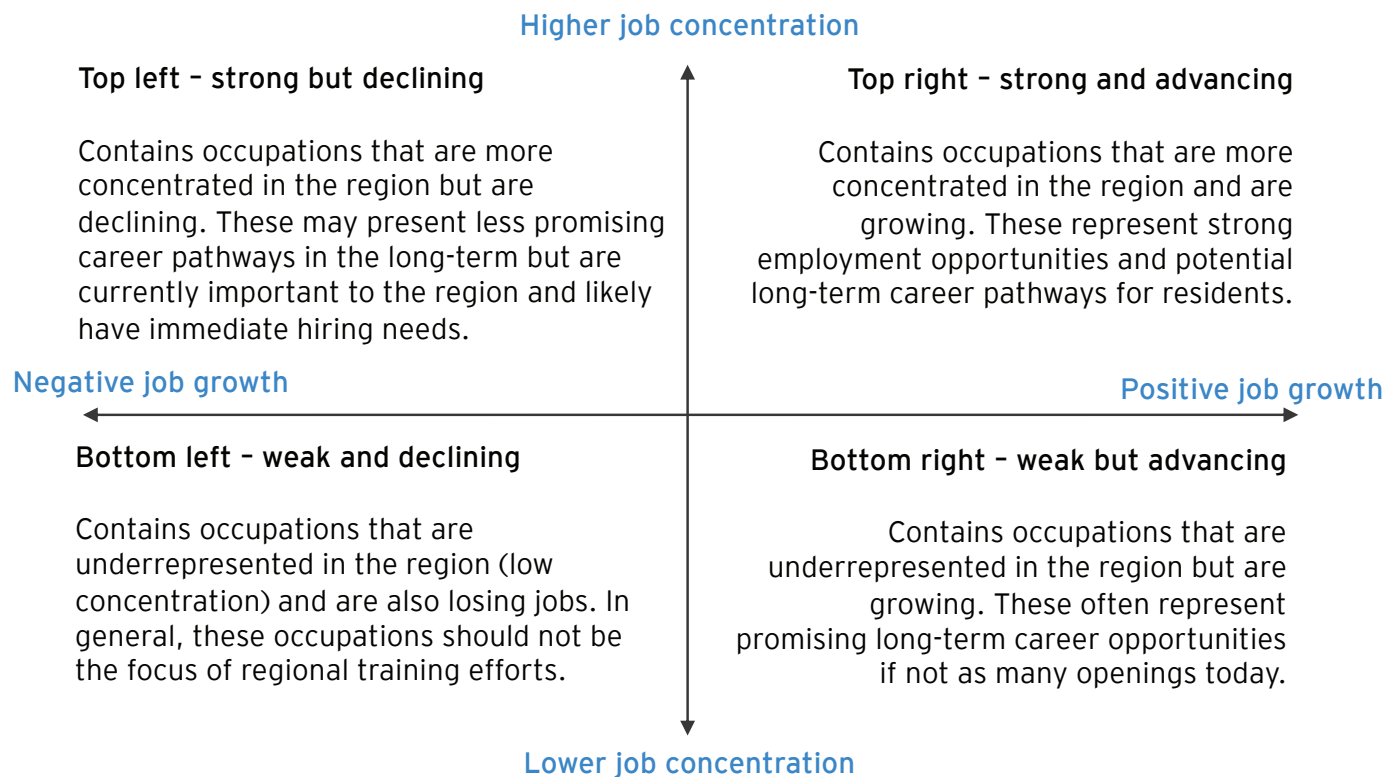
In this section of the report, we examine trends across all occupation clusters to better understand which occupations are currently concentrated and growing in the South Sound region, Washington, and the nation.

Similar to NAICS codes for businesses, occupations are categorized by the US government using the Standard Occupational Classification System (SOC). Also similar to NAICS, SOC codes are not always intuitive or reflective of modern employment dynamics. For analysis purposes, EY combines SOC coded occupations into occupation clusters that more accurately reflect dynamics in the modern economy and are easier to communicate.

In the following pages, we present data and analyze trends occurring within these occupation clusters to better understand relative occupation strengths and challenges overall within the South Sound region. In turn, this helps us understand which industries Federal Way may be better able to support. It also offers useful information for other organizations seeking to understand regional dynamics and can inform business and education strategies.

Occupation cluster analysis: introduction

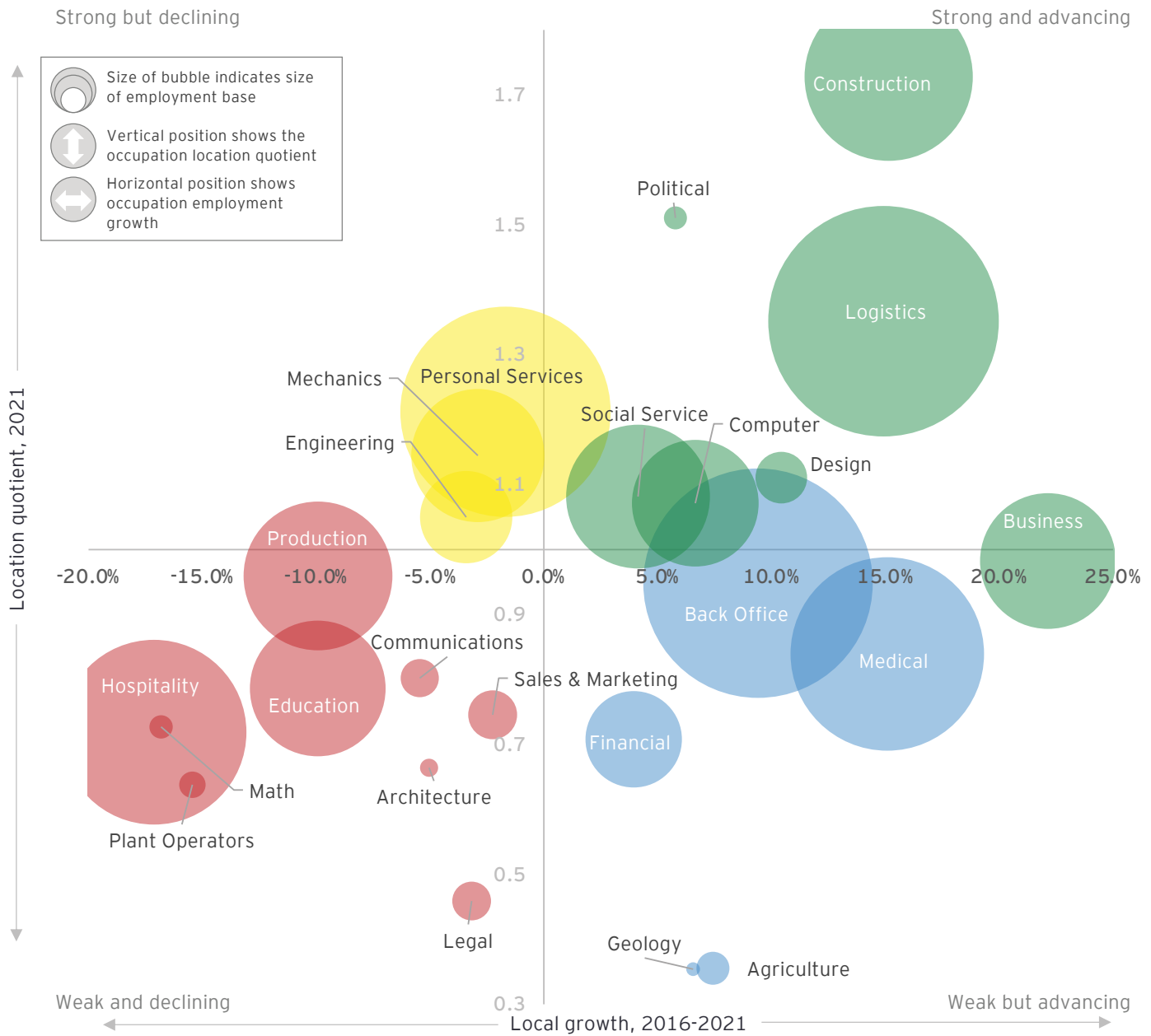
Like the industry cluster bubble chart, the occupation cluster chart on the following page combines location quotients (LQs), growth and relative size to illustrate a snapshot of the South Sound region's occupation cluster performance. A location quotient is the relative concentration or density of a specific cluster in a region compared to the US average. For example, a 1.5 LQ indicates that the location has 50% more occupations as a share of the overall economy than the US. The horizontal axis displays employment growth of each occupation cluster from 2016 through 2021. The vertical axis shows the LQ. The size of each bubble indicates the number of local occupations in the cluster. Clusters can generally be grouped in four categories, as described in the map below.



The page following the bubble chart displays the same data in a table that includes additional information on average wages and how the occupation cluster is performing across Washington and the US. In turn, this is followed by discussion of key findings from the cluster analysis.

Occupation cluster analysis: bubble chart

3. South Sound occupation cluster trends, 2016-2021



Source: Lightcast and EY

Occupation cluster analysis: data table

2. Occupation cluster performance, 2016-2021

Cluster	Employment 2021	LQ, 2021		Average hourly earnings, 2021		Growth, 2016 - 2021		
	South Sound	South Sound	WA	South Sound	WA	South Sound	WA	US
Agriculture	376	0.4	3.0	\$ 19.28	\$ 23.45	7.4%	-3.1%	-4.0%
Architecture	113	0.7	1.4	\$ 42.87	\$ 40.81	-5.0%	19.4%	2.0%
Back Office	18,200	0.9	0.9	\$ 34.21	\$ 31.91	9.4%	7.5%	-4.6%
Business	6,371	1.0	0.9	\$ 67.84	\$ 58.42	22.1%	30.4%	42.4%
Communications	503	0.8	1.0	\$ 45.65	\$ 44.81	-5.5%	7.8%	1.5%
Computer	5,547	1.1	1.7	\$ 58.79	\$ 56.68	6.7%	28.1%	9.8%
Construction	9,783	1.7	1.2	\$ 35.00	\$ 30.93	15.1%	28.3%	6.2%
Design	921	1.1	1.1	\$ 37.32	\$ 33.93	10.4%	14.5%	-3.1%
Education	6,366	0.8	0.9	\$ 37.72	\$ 34.64	-9.9%	8.0%	-2.2%
Engineering	2,944	1.0	1.3	\$ 46.04	\$ 43.61	-3.4%	8.6%	2.2%
Financial	3,213	0.7	0.9	\$ 48.36	\$ 42.72	3.9%	13.5%	13.8%
Geology	65	0.4	0.4	\$ 7.72	\$ 27.64	6.6%	-9.8%	-20.0%
Hospitality	11,804	0.7	1.1	\$ 23.31	\$ 22.45	-17.1%	11.6%	-9.6%
Legal	519	0.5	0.8	\$ 51.13	\$ 46.35	-3.2%	11.7%	11.8%
Logistics	18,376	1.4	0.9	\$ 31.00	\$ 29.92	14.9%	10.7%	10.2%
Math	188	0.7	1.1	\$ 51.08	\$ 53.41	-16.8%	25.1%	23.1%
Mechanics	6,127	1.1	1.0	\$ 30.92	\$ 29.36	-2.9%	10.6%	3.6%
Medical	12,945	0.8	0.9	\$ 47.42	\$ 60.17	15.1%	21.4%	9.1%
Plant Operators	241	0.6	0.8	\$ 42.53	\$ 42.16	-15.4%	-3.1%	3.0%
Sales & Marketing	826	0.7	0.8	\$ 55.29	\$ 46.01	-2.2%	2.9%	22.7%
Performance	386	0.8	1.5	\$ 34.34	\$ 38.20	-26.3%	11.5%	-9.3%
Political	183	1.5	1.4	\$ 45.57	\$ 40.05	5.8%	19.5%	1.0%
Production	7,654	1.0	0.9	\$ 24.10	\$ 22.57	-9.9%	3.6%	-5.0%
Personal Services	15,289	1.2	1.0	\$ 27.81	\$ 27.35	-1.7%	9.5%	-9.5%
Social Service	7,148	1.1	0.9	\$ 35.12	\$ 31.68	4.1%	15.7%	1.6%
Total	131,943	1.0	1.0	\$ 39.22	\$ 38.37	3.1%	4.3%	1.3%

Occupation cluster analysis: key findings

Total occupation employment mirrors total industry employment, and therefore overall growth trends are identical to the previous section, with growth in Washington (4.3%) exceeding the US (1.3%) from 2016 to 2021, and the South Sound region (3.1%) falling in-between.

Nine occupation clusters in the South Sound were more concentrated than the US average. Of these, six grew from 2016 to 2021, including Construction, Logistics, Social Service, Computer, and Design occupations. In contrast, Personal Services, Mechanics, and Engineering occupations, while concentrated, lost employment over this period.

Emerging occupations, that are currently less concentrated but growing included Back Office, Medical, and Financial. Occupations that are less concentrated and were declining over this period included Hospitality, Education, Production, Sales & Marketing, and Legal occupations.

Key takeaways

- The largest occupation clusters in the South Sound region are Logistics (18,400 jobs), Back Office (18,200), Personal Services (15,300), Medical (13,000), and Hospitality (11,800).
- Besides Medical, which pays an average hourly wage of \$47.42, all of these largest occupation clusters pay below average salaries: \$31.00 an hour for Logistics, \$34.21 an hour for Back Office, \$27.81 an hour for Personal Services, and \$23.31 an hour for Hospitality.
- The most concentrated occupation cluster in the South Sound is Construction, which has an LQ of 1.7, grew 15% from 2016 to 2021, and pays an average hourly wage of \$35.00.
- Growing occupation clusters that pay above average salaries in the region include Business (22% growth, \$67.84 / hour), Computer (6.7%, \$58.79), and Financial (3.9%, \$48.36).
- Higher wage occupation clusters that have been losing jobs from 2016 to 2021 include Engineering (-3.4% growth, \$46.04 / hour), Sales & Marketing (-2.2%, \$55.29), and Architecture (-5.0%, \$42.87).



Priority industry and workforce profiles

Introduction

In this section of the report, we share priority industry and associated workforce profiles for the four primary industry opportunities we have identified for Federal Way. Notably, these industries do not exactly match the clusters analyzed in the previous sections. Instead, they are tailored to specifically match unique economic development opportunities identified for Federal Way. For example, Life Sciences combines both healthcare and biomedical, as they share similar workforce, real estate, infrastructure, and related business needs and combined present an opportunity for increased growth in Federal Way through economic development activities.

The four priority industries profiles are Life Sciences, Business and Professional Services, Software and Information Technology, and Supply Chain Management and Support Services.

Within each profile, we provide a description of the industry and its business needs; share recent trends within the industry nationally, regionally, and locally; and explain why it could be a priority industry for Federal Way.

We also include an analysis of occupation trends and a data table that shows local and regional information on the top 20 occupations that comprise these industries nationally. Data include the number of jobs in each occupation currently in the South Sound region, the average annual forecast openings over the next five years, typical entry level education for each occupation, typical on-the-job training required, and the average annual wages within the region.

This information can provide a baseline for economic development strategic support efforts and workforce training and education programming.

Life sciences

About the industry

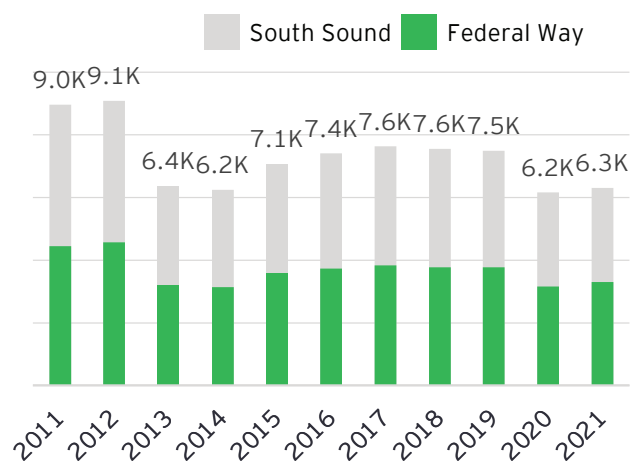
The Life Sciences industry involves the protection and improvement of human health. It encompasses a variety of sectors, including pharmaceuticals development and production, medical device manufacturing, and scientific research. It also covers the provision of medical care in hospitals, outpatient care, dental offices, urgent care and elderly care. The Life Sciences require significant education and training for their workers, including medical doctors, nurses, therapists and technicians.

While medical care providers are spread across the US, the cluster has historically concentrated in regions with large populations and available workforce. Due to funding changes, consolidation and population declines in rural areas, hospitals and medical care operations have become increasingly concentrated in locations from which they can serve a large population.

The technology portion of the industry involves significant levels of research spending and relies on high levels of public and private funding and innovation support. As a result, regions with a major research university are especially well-positioned to support the industry.

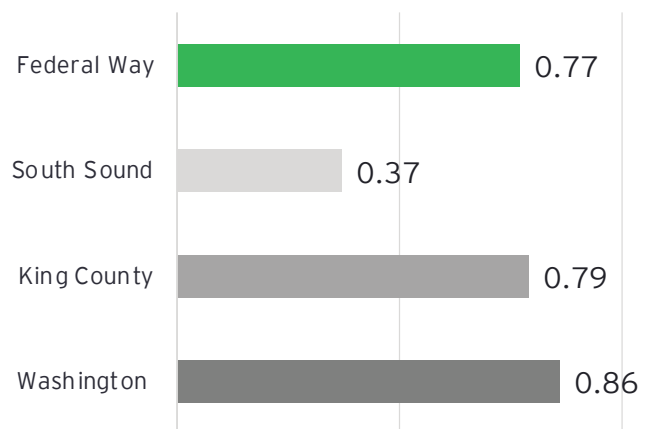
Over the past several decade, the Life Sciences industry has benefitted from sustained increases in healthcare spending as well as technological innovation. The COVID-19 pandemic accelerated the adoption of technology across the industry, which continues to drive change and growth. The pandemic has also put increased strain on workers in the Life Sciences, which makes the presence of robust training programs and a strong workforce pipeline more important than ever.

Life sciences employment, 2011 - 2021



Source: Lightcast and EY

Life sciences location quotient, 2021



Industry trends

In 2021, the Life Sciences industry employed almost 18 million people across the US. The industry grew 4.7% nationally from 2016 to 2021 and is expected to grow another 7.8% from 2022 to 2027. Life Sciences growth in King County and Washington have exceeded this pace in recent years, growing 9.0% and 8.0% respectively from 2016 to 2021, adding 11,190 new jobs in King County alone.

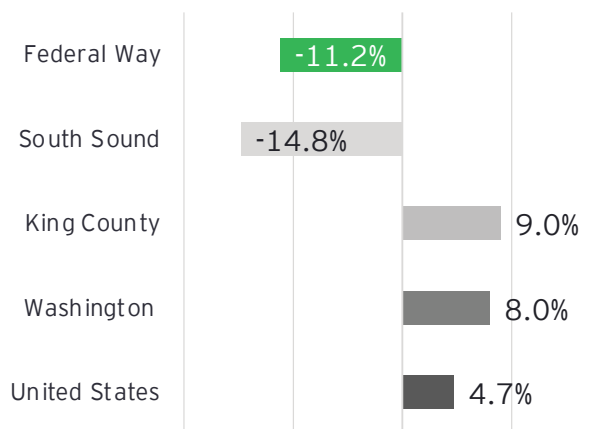
Over this same time period, however, the South Sound region lost over 1,000 Life Sciences jobs, declining nearly 15% overall. The industry is slightly more concentrated in Federal Way alone, with an LQ of 0.77, but the city also saw a loss of Life Sciences jobs.

The Life Sciences industry pays an average annual wage of \$67,200 in the South Sound region, which is below the overall regional average wage of \$82,500. This is likely due to a high concentration of lower-wage, home health aides in the region, as compared to King County overall, where the industry pays an average annual wage of \$87,000.

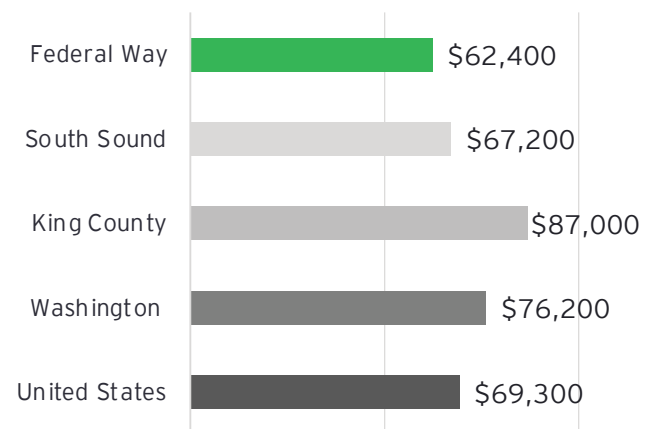
Why should this be a priority for Federal Way?

Although the Life Sciences industry appears to be declining in recent years in the South Sound region, it remains a large and important sector for Federal Way. The city was home to nearly 3,300 Life Sciences jobs in 2021 and many of these are providing direct care to residents. Life Sciences contributes to quality of life in Federal Way, and recent job losses highlight the importance of identifying ways to support growth in this industry to enhance quality of life and availability of services for residents.

Life sciences growth, 2016 - 2021



Life sciences average annual wage, 2021



Source: Lightcast and EY

Occupation trends

The South Sound region is home to many of the top occupations that make up the Life Sciences industry, which offer a range of opportunities for individuals with varying education levels.

Registered nurses are the most common occupation in the industry, and the South Sound region currently employs over 1,100 individuals in this role, which requires a bachelor's degree and pays a regional average wage of \$102,00. The region is forecast to have an average of 76 annual openings for these positions over the next five years.

The Life Sciences occupations with the most forecast average annual openings include Home health and personal care aides (1,509 average annual openings, \$38,400 average annual wage), Office clerks (294, \$48,700), supervisors of office and administrative support workers (136, \$81,200), Nursing assistants (118, \$41,700), and Receptionists and information clerks (82, \$41,900).

Top 20 Life Sciences Occupations

Occupation	South Sound employment 2021	Forecast avg. annual openings '22-'27	Typical entry level education	Typical on-the-job training	Average annual wages
Registered Nurses	1,111	76	Bachelor's degree	None	\$102,024
Home Health and Personal Care Aides	6,854	1,509	High school diploma	Short-term	\$38,355
Nursing Assistants	813	118	Postsecondary nondegree	None	\$41,642
Medical Assistants	294	52	Postsecondary nondegree	None	\$51,958
Medical Secretaries / Admin. Assistants	147	21	High school diploma	Moderate	\$51,064
Licensed Practical / Lic. Vocational Nurses	206	17	Postsecondary nondegree	None	\$68,120
Receptionists and Information Clerks	610	82	High school diploma	Short-term	\$41,933
Medical and Health Services Managers	132	14	Bachelor's degree	None	\$151,445
Dental Assistants	242	36	Postsecondary nondegree	None	\$49,150
Clinical Lab Technologists and Technicians	102	4	Bachelor's degree	None	\$69,326
Office Clerks, General	2,265	294	High school diploma	Short-term	\$48,693
Supervisors of Office / Admin. Support	1,187	136	High school diploma	None	\$81,224
Nurse Practitioners	63	4	Master's degree	None	\$140,546
Maids and Housekeeping Cleaners	415	58	None	Short-term	\$38,646
Physical Therapists	87	4	Doctoral	None	\$103,272
Dental Hygienists	186	15	Associate's degree	None	\$113,422
Radiologic Technologists and Technicians	35	4	Associate's degree	None	\$85,488
Physicians, All Other	79	4	Doctoral	Residency	\$277,992
Subst. Abuse / Mental Health Counselors	303	29	Bachelor's degree	None	\$61,173
Billing and Posting Clerks	377	47	High school diploma	Moderate	\$47,798

Source: Lightcast and EY

Business and professional services

About the industry

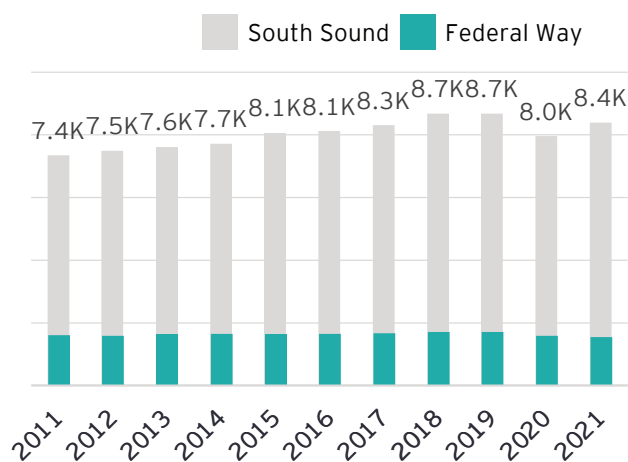
The Business and Professional Services industry includes a wide range of sectors, including corporate headquarters, back office operations, financial services, engineering, legal, insurance, consulting and much more.

Although these sectors involve different functions and clients, they share many common characteristics. Specifically, Business and Professional Services firms typically require relatively limited infrastructure support beyond office space (ideally Class-A, newer office); fast, reliable internet connectivity; and proximity to national and international airports. The availability of talent, an appealing quality of life and a competitive tax climate are other important factors in a region's ability to support and attract businesses in this industry. They also tend to cluster in areas with a large base of employers in other industries to which they sell their services.

In recent decades, Business and Professional Services has emerged as one of the primary drivers of the US economy. The industry has benefited from a variety of favorable macroeconomic forces. Growth in financial services has been propelled by a wave of deregulation during much of the 1980s and 1990s, though the industry has been subject to more stringent oversight in the wake of the Great Recession. As American businesses do more business overseas and technology makes operations more complex, global commerce drives growth in corporate headquarters and back office operations.

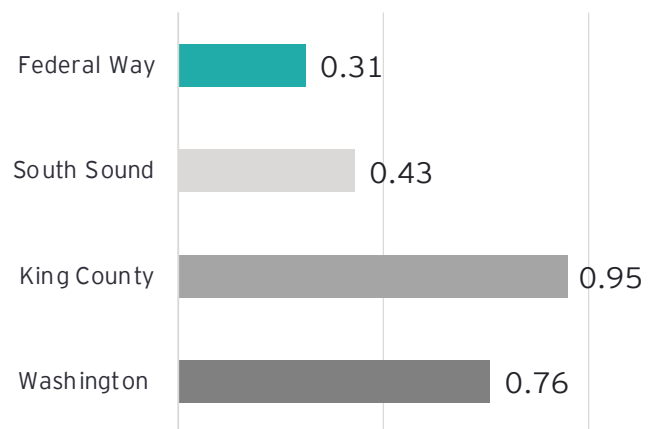
At the community level, Business and Professional Services firms have become increasingly sophisticated in their site selection strategies. Where companies may have once remained largely rooted in their original hometowns, today firms typically invest in locales with especially favorable operating environments, available office space and a large labor pool.

Professional svcs. employment, 2011 - 2021



Source: Lightcast and EY

Professional svcs. location quotient, 2021



Industry trends

In 2021, the Business and Professional Services industry employed nearly 20.5 million people across the US. The industry grew 5.5% nationally from 2016 to 2021 and is expected to grow another 6.9% from 2022 to 2027. Although growth has been slightly slower in King County and Washington in recent years both areas are forecast to see rapid Business and Professional Services growth from 2022 to 2027 (12.2% and 10.7% respectively). Notably, just over half of all the Business and Professional Services jobs in Washington are located in King County, which has an LQ of 0.95.

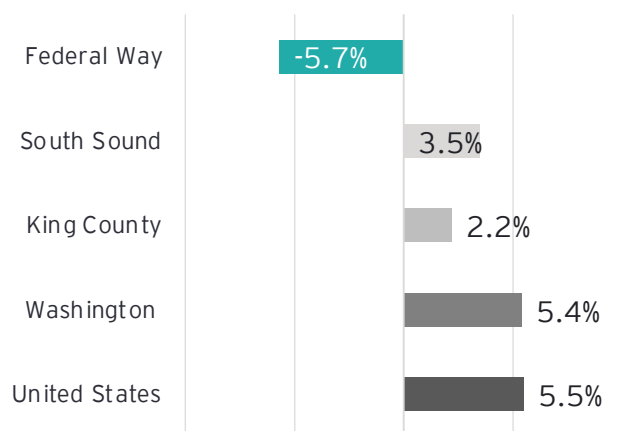
In contrast, the industry is half as concentrated in the South Sound, where it has an LQ of 0.43. The industry is growing within the region overall, and although Federal Way saw a decline in jobs from 2016 to 2021, Business and Professional Services is forecast to grow 8.5% locally from 2022 to 2027.

The Business and Professional services industry pays an average annual wage of \$105,700 in the South Sound region (and \$125,500 in Federal Way), which is above the overall overall regional average wage of \$82,500 and the Washington and US industry average wages (\$104,000 and \$104,200 respectively).

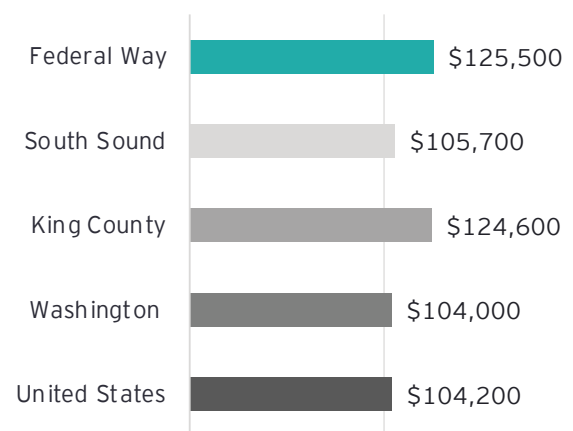
Why should this be a priority for Federal Way?

Business and Professional Services is an area with significant potential in Federal Way. Currently, the lack of available Class-A office space may limit the ability to grow and attract businesses in this industry, but the new light rail connection, access to Seattle-Tacoma International Airport, proximity to other growing businesses, and Federal Way's relative affordability make it a potentially attractive location for businesses in this industry. This industry also presents a wide range of accessible career opportunities for individuals with different levels of education.

Professional svcs. growth, 2016 - 2021



Professional svcs. average annual wage, 2021



Source: Lightcast and EY

Occupation trends

Business and Professional Services industry occupations require a mix of training from a high school diploma and short-term on-the-job training through a professional degree. The wages vary accordingly.

Customer service representatives are the most common occupation in the industry, and the South Sound region currently employs nearly 1,100 individuals in this role, which requires only a high school diploma and short-term on-the-job training and pays a regional average wage of \$46,700. The region is forecast to have an average of 334 annual openings for these positions over the next five years.

The Business and Professional Services occupations with the most forecast average annual openings include Laborers and material movers (649 average annual openings, \$40,800 average annual wage), Office clerks (294, \$48,700), General and operations managers (207, \$149,600), Software developers (204, \$148,600), and Business operations specialists, all other (165, \$91,300).

Top 20 Business and Professional Services Occupations

Occupation	South Sound employment 2021	Forecast avg. annual openings '22-'27	Typical entry level education	Typical on-the-job training	Average annual wages
Customer Service Representatives	2,247	334	High school diploma	Short-term	\$46,717
Accountants and Auditors	1,086	118	Bachelor's degree	None	\$93,891
General and Operations Managers	1,985	207	Bachelor's degree	None	\$149,614
Laborers and Material Movers	3,743	649	No formal education	Short-term	\$40,810
Lawyers	284	24	Professional degree	None	\$152,110
Office Clerks, General	2,265	294	High school diploma	Short-term	\$48,693
Bookkeeping, Accounting, Auditing Clerks	1,311	170	Some college, no degree	Moderate	\$55,370
Management Analysts	733	78	Bachelor's degree	None	\$123,760
Insurance Sales Agents	224	29	High school diploma	Moderate	\$84,032
Sec., Com., Financial Svcs Sales Agents	295	29	Bachelor's degree	Moderate	\$79,144
Supervisors of Office / Admin Support	1,187	136	High school diploma	None	\$81,224
Financial Managers	394	42	Bachelor's degree	None	\$178,589
Software Developers	1,811	204	Bachelor's degree	None	\$148,574
Secretaries and Administrative Assistants	1,273	152	High school diploma	Short-term	\$52,000
Tellers	166	20	High school diploma	Short-term	\$45,406
Market Rsrch. Analysts / Marketing Spclst.	826	113	Bachelor's degree	None	\$100,589
Human Resources Specialists	832	91	Bachelor's degree	None	\$91,250
Loan Officers	237	23	Bachelor's degree	Moderate	\$90,210
Paralegals and Legal Assistants	102	19	Associate's degree	None	\$80,933
Business Operations Specialists, All Other	1,711	165	Bachelor's degree	None	\$91,250

Source: Lightcast and EY

Software and information technology

About the industry

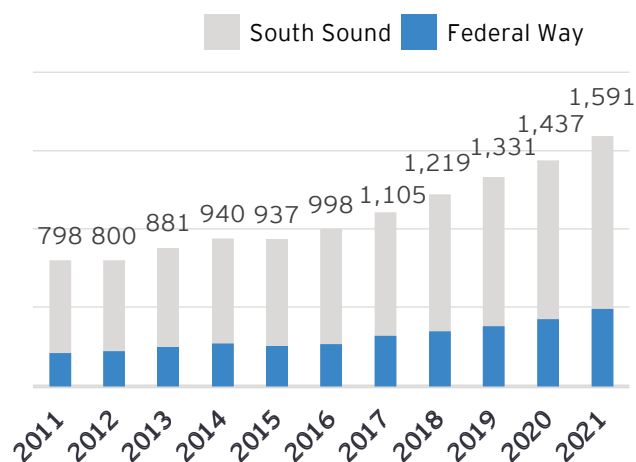
The Software and Information Technology industry encompasses businesses engaged in software production, internet application development, computer hardware production, computer systems design, and data hosting and security. Software and Information Technology talent is in high demand across the county, and businesses tend to cluster in regions with a large supportive labor pool, strong training programs, and an attractive quality of life to help recruit new employees.

Proximity to post-secondary educational institutions that can deliver a sustained pipeline of new workers with advanced skills is especially appealing, but so are code training programs and bootcamps that can bring students into the workforce with less advanced training. Traditional infrastructure needs are modest. Beyond office space and fast, reliable internet connectivity, Software and Information Technology companies have few significant location needs.

The industry has grown rapidly with few disruptions over the past twenty years, fueled by a continuous evolution of digital platforms. At the beginning of the 21st century, the explosive growth of the internet gave rise to search engines that have expanded into numerous other fields. As access to the internet became increasingly mobile, developers of devices and social media platform thrived. All of this work is further supported by cloud infrastructure built by large technology firms.

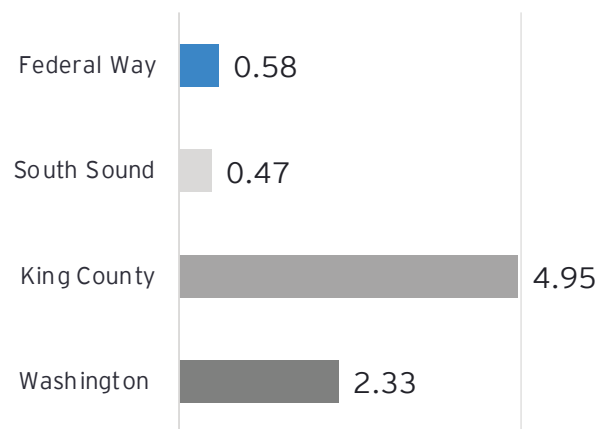
Looking ahead, continued innovations in areas such as the internet of things (IoT), artificial intelligence, and robotics will contribute to the development of new markets. Similarly, the continued integration of technology into other sectors will likely drive growth for many years.

Software & IT employment, 2011 - 2021



Source: Lightcast and EY

Software & IT location quotient, 2021



Industry trends

In 2021, the Software and Information Technology industry employed over 4 million people across the US. It is also one of the fastest growing industries in the country. From 2016 to 2021, the industry grew 26% in the United States, 46% in Washington, 48% in King County, 59% in the South Sound region, and 80% in Federal Way.

King County is home to one of the most concentrated and dynamic Software and Information Technology clusters in the country, with nearly 170,000 jobs in 2021. This makes up 87% of all Software and Information Technology jobs in Washington and gives the county an LQ of 4.95.

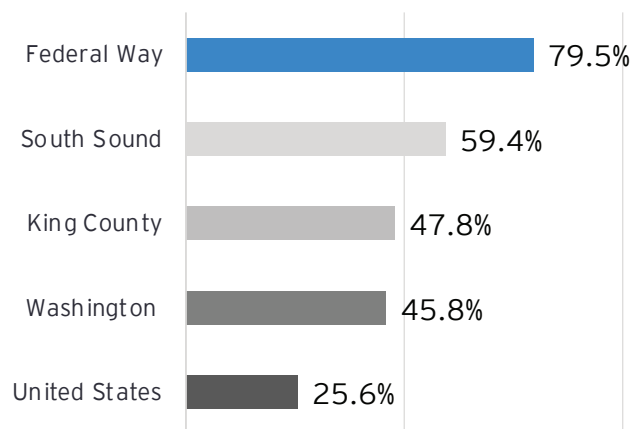
In contrast, the South Sound region is home to only 1% of King County's Software and Information Technology industry, and Federal Way only 0.3%. Despite being relatively small today (only 500 jobs in Federal Way and 1,600 in the region overall), the industry is growing rapidly locally and is forecast to continue to do so.

The Software and Information Technology industry pay some of the highest wages in the region at \$234,000, well above the overall regional average wage of \$82,500, but below the King County industry average (\$277,100).

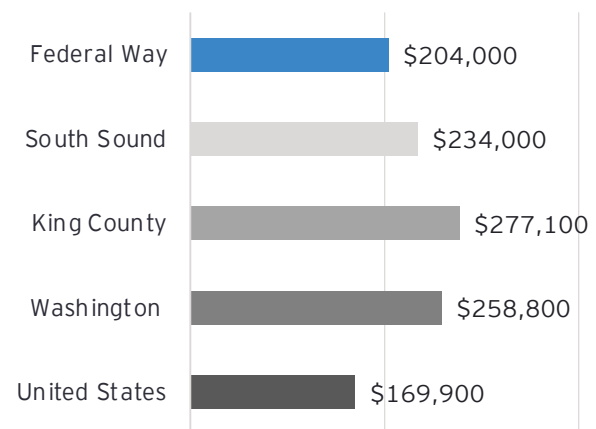
Why should this be a priority for Federal Way?

Software and Information Technology is already one of the fastest growing industries in Federal Way and the nation, and the industry poised for continued growth with the right support. This is one of the largest industries in King County, and as other areas get more expensive, Federal Way will offer competitive location advantages, especially with the light rail. Access to talent, particularly individuals with software development skills, is a top need in this industry, and expanding related training programs can both support the industry and connect local students to rewarding career pathways.

Software & IT growth, 2016 - 2021



Software & IT average annual wage, 2021



Source: Lightcast and EY

Occupation trends

Most of the top occupations that comprise the Software and Information Technology industry require at least a bachelor's degree for an entry level position and pay above average wages.

Software developers are the most common occupation in the industry, and the South Sound region currently employs over 1,800 individuals in this role, which requires a bachelor's degree and pays a regional average wage of \$148,600. The region is forecast to have an average of 204 annual openings for these positions over the next five years.

The Software and Information Technology occupations with the most forecast average annual openings include Customer service representatives (334 average annual openings, \$46,700 average annual wages), General and operations managers (207, \$149,600), Software Developers (204, \$148,574) Accountants and auditors (118, \$93,900), and Market research analysts and marketing specialists (113, \$100,600).

Top 20 Software and Information Technology Occupations

Occupation	South Sound employment 2021	Forecast avg. annual openings '22-'27	Typical entry level education	Typical on-the-job training	Average annual wages
Software Developers	1,811	204	Bachelor's degree	None	\$148,574
Computer User Support Specialists	451	47	Some college, no degree	None	\$66,165
Computer / Information Systems Managers	338	39	Bachelor's degree	None	\$186,846
Sales Representatives of Services	508	71	High school diploma	Moderate	\$78,374
Computer Systems Analysts	409	39	Bachelor's degree	None	\$117,998
General and Operations Managers	1,985	207	Bachelor's degree	None	\$149,614
Computer Occupations, All Other	416	36	Bachelor's degree	None	\$101,754
Customer Service Representatives	2,247	334	High school diploma	Short-term	\$46,717
Software Quality Assur. Analysts / Testers	206	25	Bachelor's degree	None	\$107,203
Project Management Specialists	742	74	Bachelor's degree	None	\$126,422
Market Rsrch. Analysts / Marketing Spclst.	826	113	Bachelor's degree	None	\$100,589
Network / Computer Systems Admins.	223	20	Bachelor's degree	None	\$102,149
Management Analysts	733	78	Bachelor's degree	None	\$123,760
Computer Programmers	94	4	Bachelor's degree	None	\$121,742
Information Security Analysts	87	12	Bachelor's degree	None	\$127,962
Computer Network Architects	86	4	Bachelor's degree	None	\$137,176
Accountants and Auditors	1,086	118	Bachelor's degree	None	\$93,891
Sales Managers	418	39	Bachelor's degree	None	\$169,853
Computer Network Support Specialists	88	8	Associate's degree	None	\$95,098
Sales Representatives, Technical Products	351	41	Bachelor's degree	Moderate	\$124,155

Source: Lightcast and EY

Supply chain management and support services

About the Industry

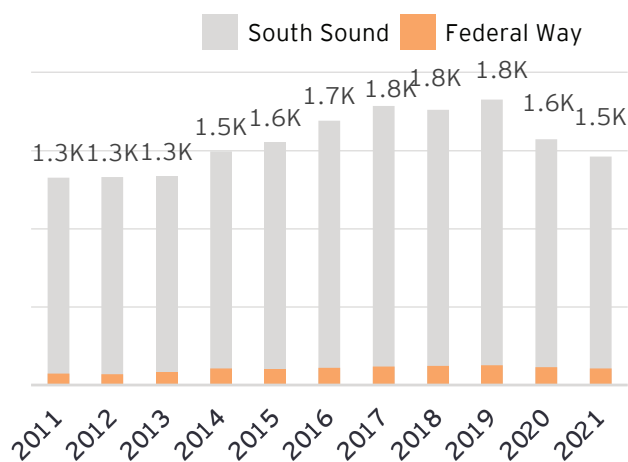
The Supply Chain Management & Support Services industry is comprised of businesses that facilitate the transport of goods via rail, road, water, and air. Notably, this industry does not include fulfillment centers and other traditional warehousing operations. Rather, Supply Chain Management & Support Services operations typically involve higher-value functions such as providing logistical sales and services and advice to companies on how to improve their logistical efficiency or increase the resiliency of their supply chains.

The rise of sprawling supply chains and growth of e-commerce have helped make Supply Chain Management & Support Services an increasingly vital link in the global economy. Companies typically cluster within a broader logistics and distribution ecosystem in locations with strong access to logistical infrastructure. For example, businesses in this industry are often concentrated around major port and air cargo facilities.

Changes in supply chains following the COVID-19 pandemic have also increased demand for Supply Chain Management and Support Services, especially as more companies look to on-shore production and build greater redundancy and reliability in their supply chains.

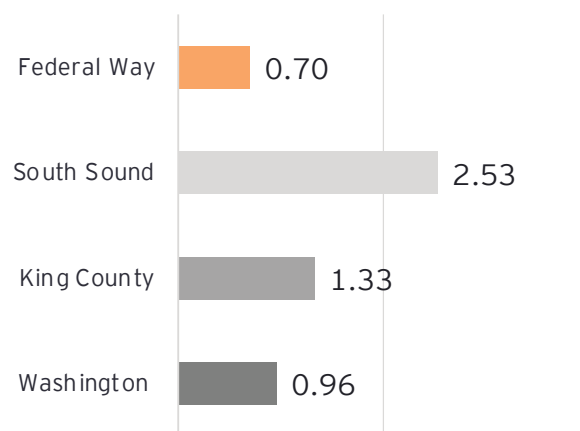
Businesses in this industry utilize a wide mixture of skillsets and offer potentially financially rewarding career pathways for many with less advanced education, especially in sales. Their real estate needs also vary. Many operate out of offices but typically do not require Class-A like other professional services firms.

Supply chain employment, 2011 - 2021



Source: Lightcast and EY

Supply chain location quotient, 2021



Industry trends

The Supply Chain Management and Support Services industry is smaller than others, employing over 600,000 people across the US in 2021. The industry grew 13.4% nationally from 2016 to 2021 and is expected to grow another 8.7% from 2022 to 2027. Across Washington, however, the industry lost jobs over the same period. From 2016 to 2021, the industry declined 12% in Washington, 12.7% in King County, 13.5% in the South Sound region, and 3.7% in Federal Way.

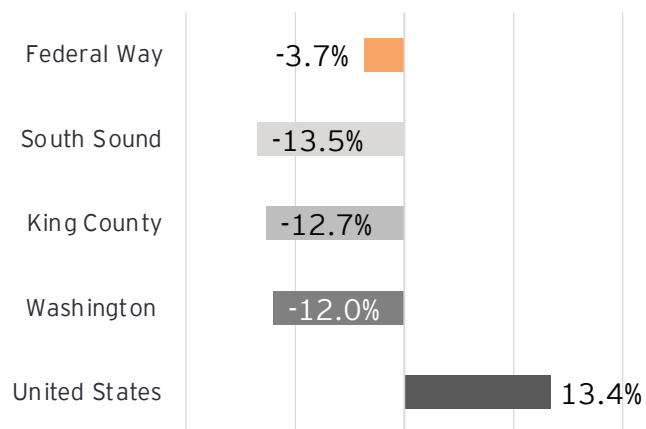
The industry nonetheless remains highly concentrated in the King County and the South Sound region, with LQs of 1.33 and 2.53 respectively. Supply Chain Management and Support Services jobs are less concentrated in Federal Way though, which only had 103 jobs and an LQ of 0.70 in 2021.

The Supply Chain Management and Support Services industry pays an average annual wage of \$97,900 in Federal Way, which is above the city's overall average wage and above the national industry's average wage of \$79,100.

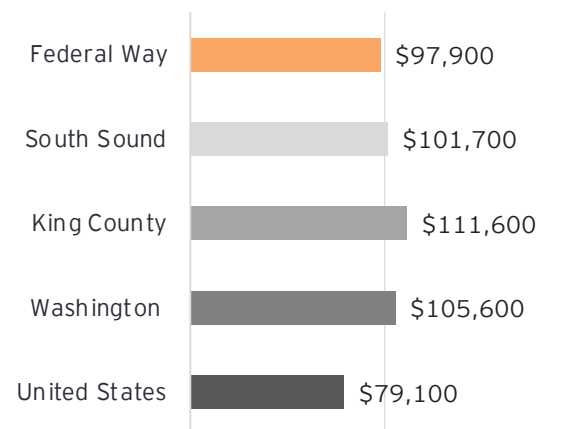
Why should this be a priority for Federal Way?

Supply Chain Management and Support Services is an important industry within the South Sound region and King County overall. Since it is less present in Federal Way, this indicates that there is potential to increase local growth, especially considering the city's strategic location between the Port of Tacoma and Seattle-Tacoma International Airport and with access to Interstate 5 and Washington State Routes 18 and 167. The industry also provides a variety of career pathways for individuals with different skill sets.

Supply chain growth, 2016 - 2021



Supply chain average annual wage, 2021



Source: Lightcast and EY

Occupation trends

The top occupations that comprise the Supply Chain Management and Support Services industry generally have relatively low barriers to entry and pay slightly below average salaries.

Cargo and freight agents are the most common occupation in the industry, and the South Sound region currently employs 198 individuals in this role, which requires a high school diploma and short-term on-the-job training and pays an average annual wage of \$56,400. The region is forecast to have an average of 26 annual openings for these positions over the next five years.

The Supply Chain Management and Support Services occupations with the most forecast average annual openings include Laborers and material movers (649 average annual openings, \$40,800 average annual wages), Customer service representatives (334, \$46,700), Heavy and tractor-trailer truck drivers (305, \$61,100), Office clerks (294, \$48,700), and General and operations managers (207, \$149,600).

Top 20 Supply Chain Management and Support Services Occupations

Occupation	South Sound employment 2021	Forecast avg. annual openings '22-'27	Typical entry level education	Typical on-the-job training	Average annual wages
Cargo and Freight Agents	198	26	High school diploma	Short-term	\$56,389
Laborers and Material Movers	3,743	649	No formal education	Short-term	\$40,810
General and Operations Managers	1,985	207	Bachelor's degree	None	\$149,614
Sales Representatives of Services	508	71	High school diploma	Moderate	\$78,374
Heavy and Tractor-Trailer Truck Drivers	2,267	305	Postsecondary nondegree	Short-term	\$61,131
Aircraft Mechanics / Service Technicians	316	26	Postsecondary nondegree	None	\$70,034
Customer Service Representatives	2,247	334	High school diploma	Short-term	\$46,717
Management Analysts	733	78	Bachelor's degree	None	\$123,760
Supervisors of Office / Admin Support	1,187	136	High school diploma	None	\$81,224
Bookkeeping, Account., / Auditing Clerks	1,311	170	Some college, no degree	Moderate	\$55,370
Passenger Attendants	11	4	High school diploma	Short-term	\$37,336
Office Clerks, General	2,265	294	High school diploma	Short-term	\$48,693
Supervisors Transportation Workers	975	131	High school diploma	None	\$69,326
Industrial Truck and Tractor Operators	1,046	172	No formal education	Short-term	\$46,384
Captains, Mates, Pilots of Water Vessels	32	4	Postsecondary nondegree	None	\$98,696
Dispatchers	239	27	High school diploma	Moderate	\$59,467
Shipping, Receiving, and Inventory Clerks	1,362	156	High school diploma	Short-term	\$48,901
Market Rsrch. Analysts / Marketing Spec.	826	113	Bachelor's degree	None	\$100,589
Logisticians	249	30	Bachelor's degree	None	\$95,930
Business Operations Specialists, All Other	1,711	165	Bachelor's degree	None	\$91,250

Source: Lightcast and EY

About Ernst & Young (EY)

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2023 Ernst & Young LLP.
All Rights Reserved.

Disclaimer

Our Report may be relied upon by the Greater Federal Way Chamber of Commerce for the purpose set out in the Scope section only pursuant to the terms of our engagement letter dated October 15, 2021 and the amendment dated December 16, 2022 . We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance upon our report by the other party.

This report may not be republished without the consent of the Greater Federal Way Chamber of Commerce.

GREATER FEDERAL WAY
Chamber of Commerce

The Chamber of Commerce Building
31919 1st Ave S, Ste 202
Federal Way, WA 98003



This publication was printed/mailed by **Minuteman Press**

Pivotal Partners



Virginia Mason
Franciscan Health™

woodbridge
CORPORATE PARK



FEDERAL WAY
PUBLIC SCHOOLS
Each Scholar: A voice. A dream. A BRIGHT future.



Lakehaven
WATER & SEWER DISTRICT



Cornerstone Investors

HIGHLINE
COLLEGE



Champion Investors

