Building a Resilient Seattle Economy

City of Seattle, Fall 2026

The City is releasing an independent economic assessment commissioned by the Office of Economic Development, alongside Mayor Katie B. Wilson's initial actions to strengthen Seattle's economic resilience. The City has not adopted or endorsed the report's recommendations but will use its findings to build shared understanding and inform a more resilient, accessible economic future for Seattle.

The big takeaway

Over the last decade, Seattle's economy delivered strong growth, higher wages and broad opportunity, but relied heavily on a small number of large employers. As the economy changes, Seattle must retain employers and workers while creating conditions for more industries and mid-sized firms to grow.

Growth, but too concentrated

- Firms with 100 or more employees generated 74.5% of Seattle-area job growth from 2014–2023, compared with 68.5% nationally.
- Mid-sized firms (20-99 employees) generated only 16.6% of job growth, less than every peer region and well below San Diego at 32.9%, Austin at 28.5%, Minneapolis at 28.4% and Portland at 25.5%.
- Concentration also shows up within tech:
    - Just four firms account for one-quarter of Seattle's software-engineering demand, compared with 18 in San Jose and 39 in San Francisco.
    - Seattle added only 16 tech firms employing between 50-249 employees from 2017–2023, compared with 104 in San Francisco, 53 in Austin and 42 in Denver. Seattle's all-industry mid-sized establishment count grew normally over the same period – 118 net new mid-sized establishments – even as these establishments generated less job growth than expected.

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High costs affect businesses differently

Seattle does not have a single business climate – it has several that respond differently to challenges like rising wages, rents, and other dynamics. These varying climates matter for Seattle's economic diversity, which in turn helps insulate the City from shocks that disproportionately affect one sector. Businesses have different tolerances for disruption, and their variable dynamics when costs rise include:

- **Restaurants and childcare businesses get squeezed:** Low margins leave little room to absorb costs.
- **Manufacturers and traded services get priced out:** They compete nationally and may relocate when Seattle becomes too expensive.
- **Universities, healthcare, the Port and utilities remain anchored:** Their missions and infrastructure tie them to Seattle.
- **Tech, finance, law firms and corporate headquarters pay for proximity:** They can afford Seattle but can move to nearby cities with lower costs and fewer barriers.

Seattle-area manufacturing firms declined 7.4% from 2014–2021, while manufacturing employment fell 11.7% from 2014–2024.

Families face the same pressures. A Seattle-area couple with two young children needs 91.5% more than a couple without children, exceeding every peer city outside the Bay Area, including Denver at 84.5%, Boston at 77.4%, Portland at 70.1% and Austin at 70%.

Housing, childcare, energy and neighborhood vitality shape Seattle's ability to retain workers, employers and investment.

Report findings: Retain and reconfigure

- **Retain:** Keep employers, industries and workers that support Seattle's jobs and tax base.
- **Reconfigure:** Use Seattle's workforce, capital, research institutions and infrastructure to grow new industries and more mid-sized firms.

City response

Mayor Wilson will unveil several Executive Orders on Wednesday, September 9 to bring leaders together and launch immediate work to support innovation, strengthen Seattle's business environment, and make City government easier to navigate.

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