

2023 ANNUAL MEETING & Economic Forecast

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2023 KEDA ANNUAL MEETING

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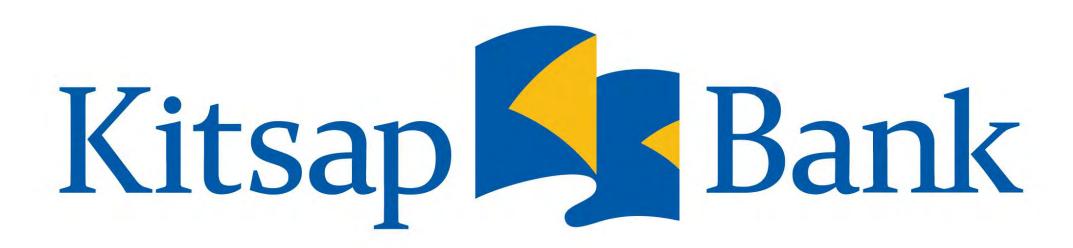
KEDA Founding Investors:





11:00	Networking & Lunch
11:30	Welcome
11:40	Economic Forecast
12:10	SharedWork Program
12:12	Board Elections & SAFE Boats International Announcement
12:20	KEDA 2022 Annual Report & 2023 Plan
12:30	Matchstick Lab, Microbusiness Accelerator Spotlight
12:50	Economic Champion Award
1:00	Closing Remarks

Premier Sponsor

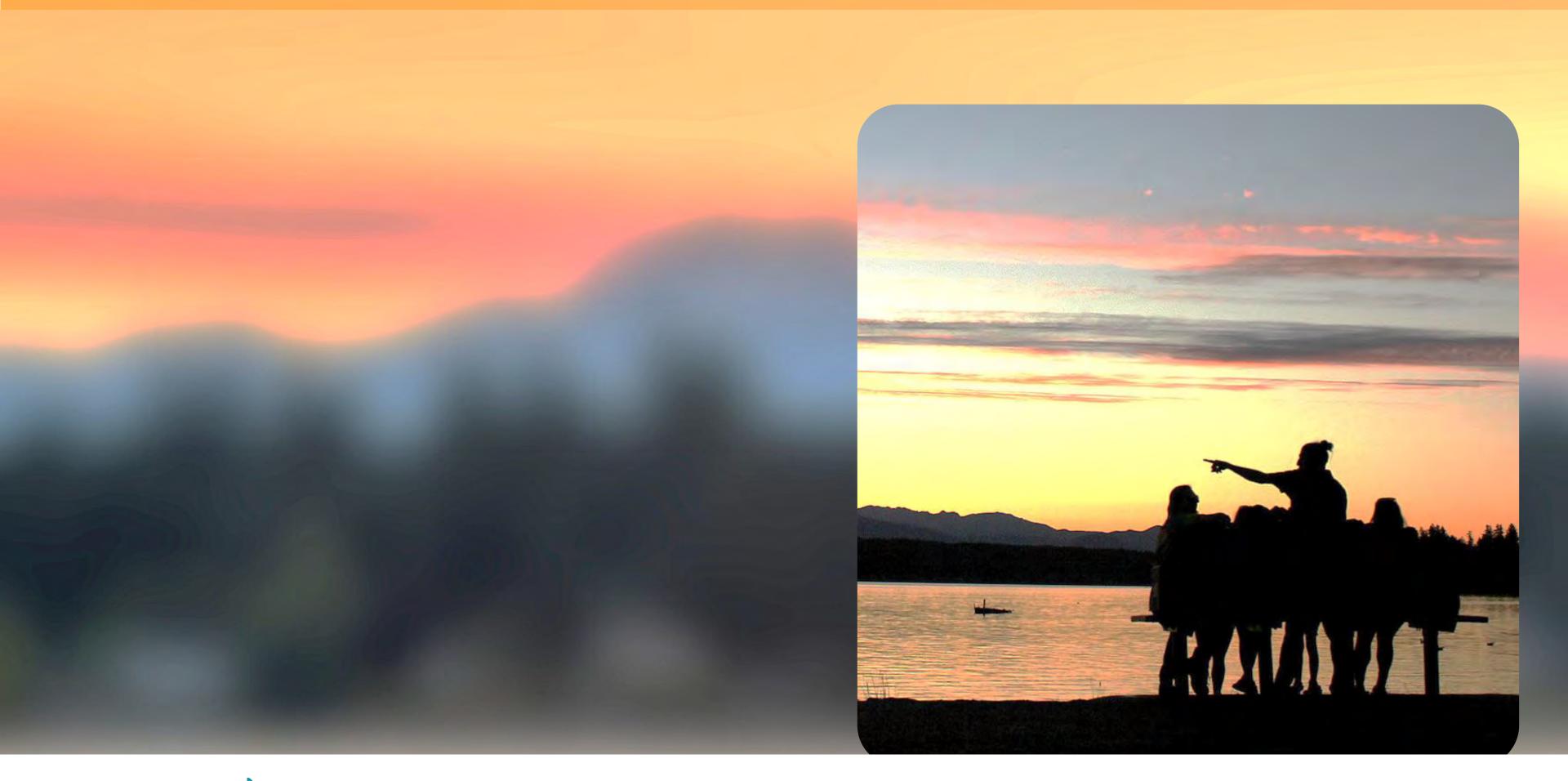


Recognized as Washington State's:

2nd Oldest Family-Owned Business

6th Largest Women-Owned Business

34th Largest Family-Owned







Economic Forecast

Featuring:



James McCafferty

Co-Director, Center for Economic & Business Research, WWU



Hart Hodges

Co-Director, Center for Economic & Business Research, WWU

Yogi Was Right

Kitsap Economic Development Association

March 30, 2023

Hart Hodges
James McCafferty



Today

- National Outlook
 - Get ready for an argument
- The Puget Sound and Kitsap County
- A Few Stray Thoughts

"It's tough to make predictions, especially about the future", Yogi Berra



Not This Kind of Argument

Fed's Bullard sees more rate hikes as bank stress abates

St. Louis Fed President James Bullard is optimistic stresses in the the banking system will abate in the weeks and months ahead.

Yahoo Finance



Business Fox Business - yesterday

Bill Ackman warns US economy headed for 'train wreck' after latest Fed rate hike

Hedge fund manager Bill Ackman sounds the alarm on the state of the U.S. economy amid a banking crisis and the Federal Reserve's fight against inflation.



Bill Ackman blasts Yellen's rejection of full deposit insurance: A 'guarantee is...



Unlimited Deposit Insurance Can't Solve Everything The Wall Street Journal



CENTER FOR ECONOMIC AND BUSINESS RESEARCH



National Outlook

	2022	2023	2024
Blue Chip			
CPI	8.2	3.6	2.4
Unemployment	3.7	4.0	4.6
GDP	1.8	0.7	1.2
<u>NABE</u>			
GDP	1.8	0.5	



National Outlook

Maybe

Doubtful

	2022	2023	2024
Blue Chip			
CPI	8.2	3.6	2.4
Unemployment	3.7	4.0	4.6
GDP	1.8	0.7	1.2
<u>NABE</u>			
GDP	1.8	0.5	

Misleading

So... no recession?



National Outlook

	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Blue Chip				
Unemployment	3.6	3.9	4.2	4.5
GDP	-0.1	-0.5	-0.1	0.6

Be careful: some numbers are % change year over year... while others are from one quarter to the next.



Quiz

What is the definition of a recession?

a) Two consecutive quarters of decline in GDP

b) A significant, widespread, and prolonged downturn in economic activity



A Recession

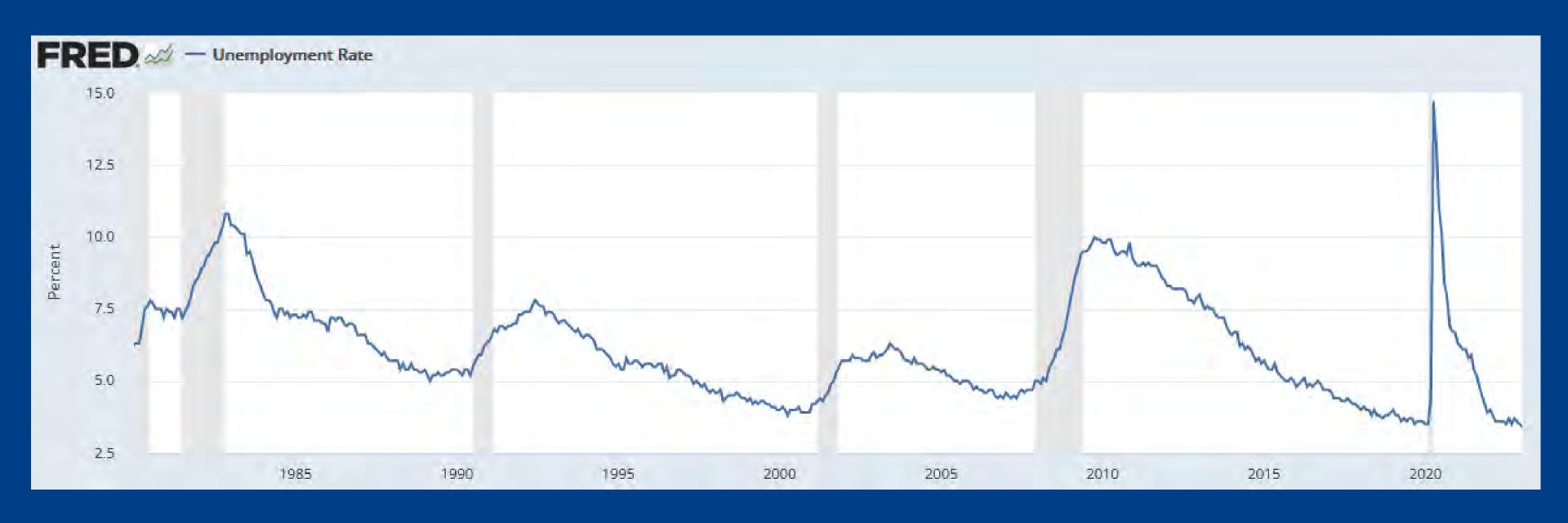
A significant, widespread, and prolonged downturn in economic activity

Economists at the NBER look at nonfarm payrolls, industrial production, retail sales, and other metrics to determine if/when a recession begins and ends

... also, keep an eye on data revisions

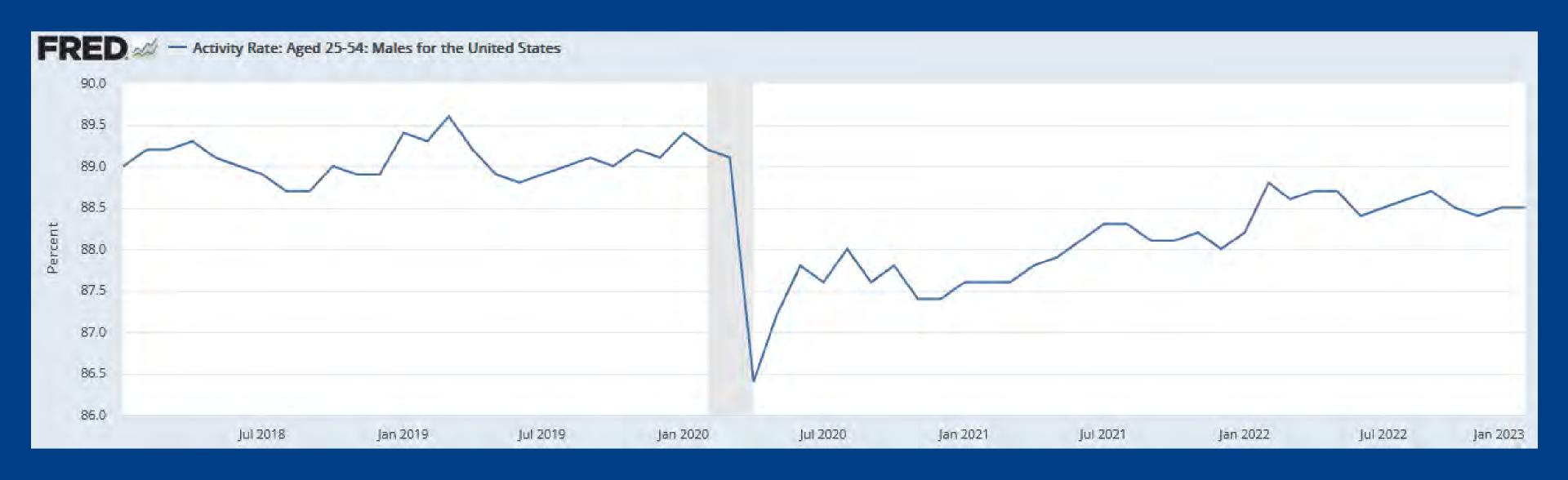


Recession? ... with 5% unemployment





People Opting Out





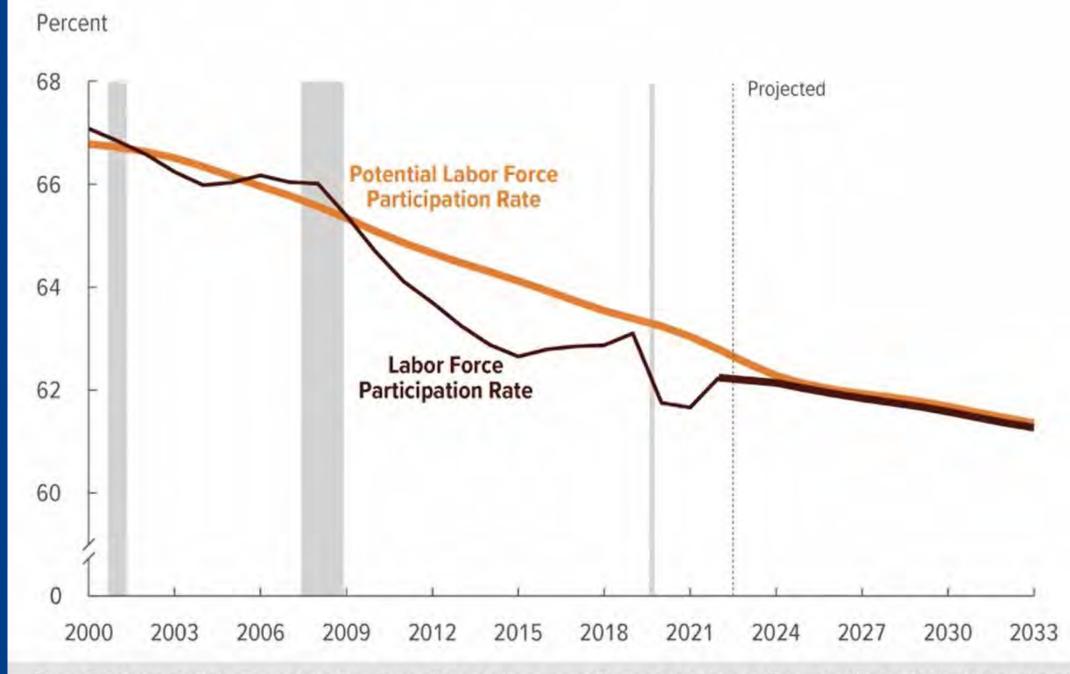
Long Term Trends





Not a Covid Issue

Labor Force Participation



The labor force participation rate declines after 2023 as the negative effects of the aging of the population offset the short-term effects of the expanding economy.

The labor force participation rate is the share of the civilian noninstitutionalized population age 16 or older that has jobs or that is available for work and is either seeking work or expecting to be recalled from a temporary layoff.

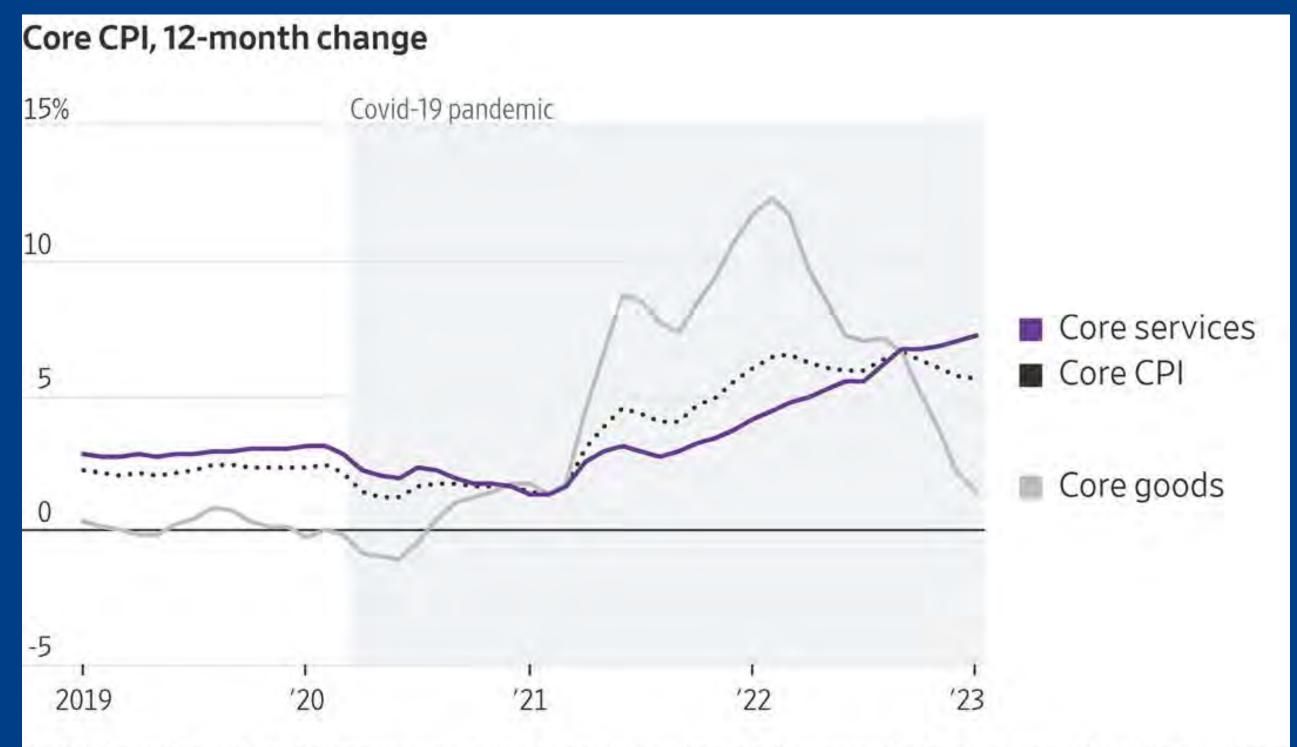
Will we have a Recession in 2023?

Low labor force participation could mean low unemployment, which will make it hard to say we are in a recession...

What else to consider?



Inflation



Note: Core CPI refers to consumer-price index less food and energy. Core services refers to services less energy services. Core goods excludes food and energy items.

Source: Labor Department

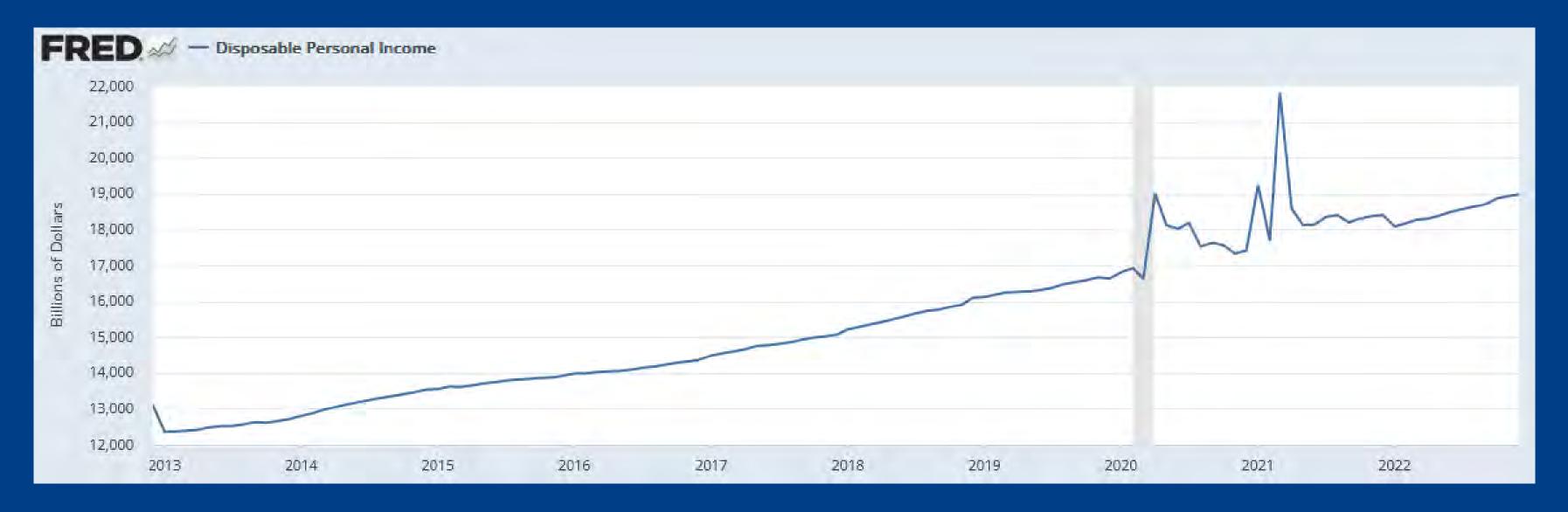
Where do Prices go from Here?

Deflationary pressures in durable goods as supply chain constraints and manufacturing bottlenecks ease... and the demand for goods vs services return to 'normal'

Inflationary pressures with China's reopening, war in Ukraine continuing, and the lingering effects of stimulus money



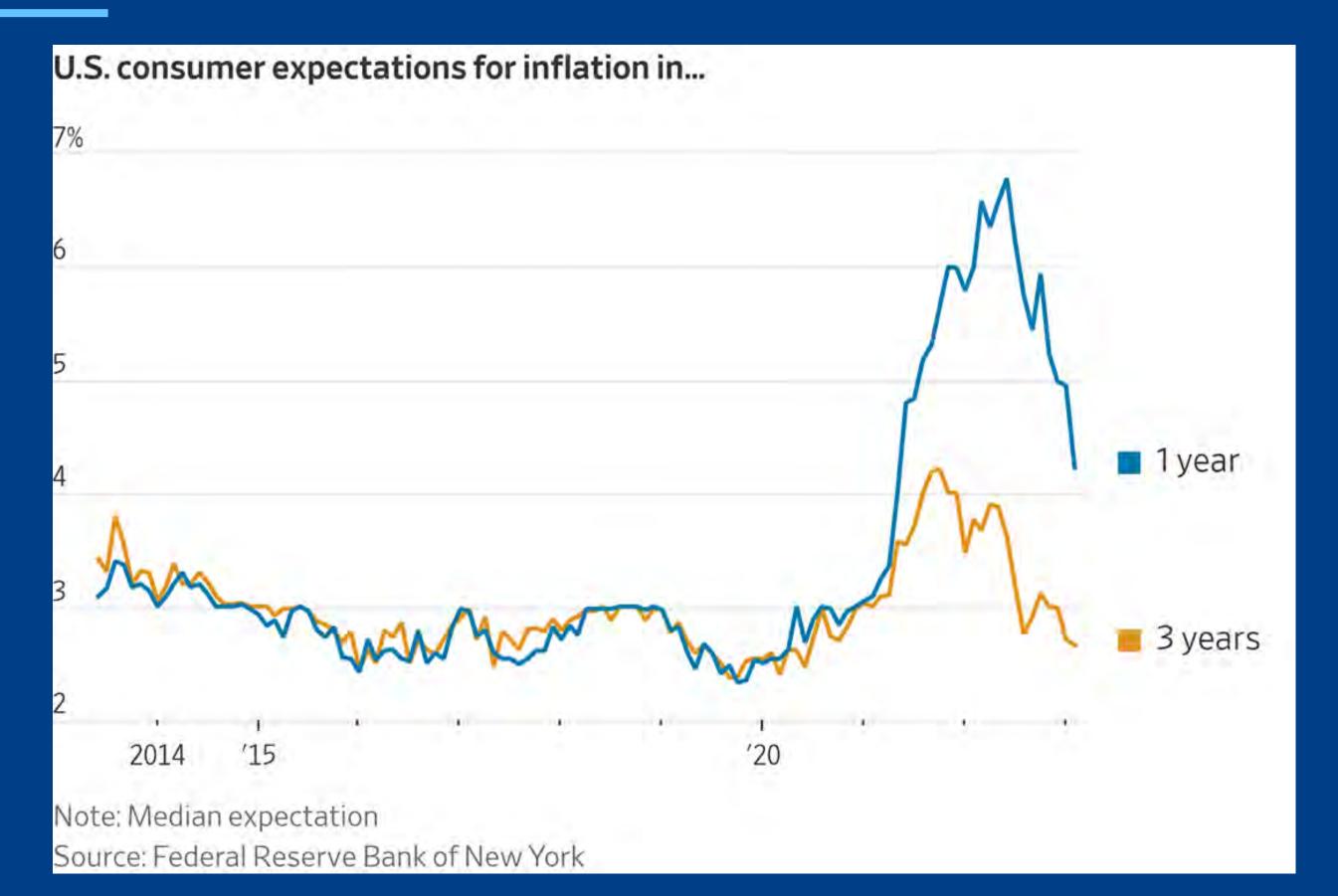
\$ Still Out There (not evenly distributed)





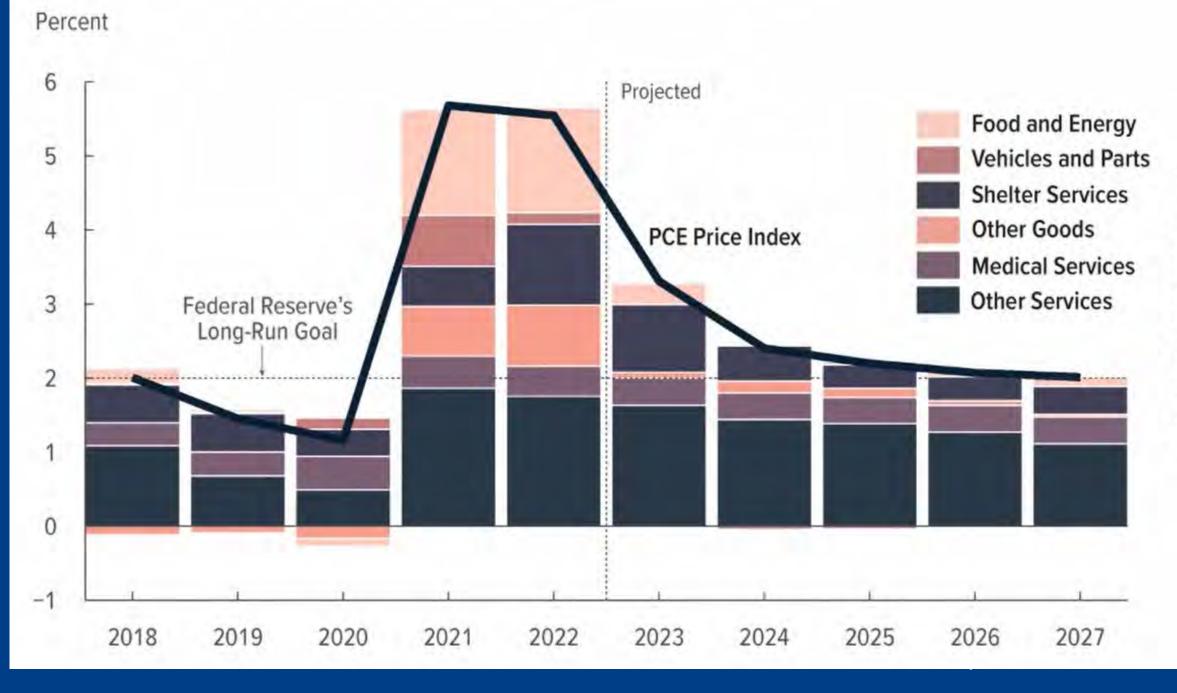


2% Inflation is a ways away



Inflation

Contributions to Overall Inflation



The alleviation of upward pressure on the prices of food, energy, and other goods and the downward pressure on prices in shelter services are the two main causes of falling inflation in 2023 and 2024.

Fed Funds Rate

- How many more rate increases?
 - One more ?
- When do you expect rate cuts?
 - According to the BlueChip and other sources, not until 2024

- An important question is whether going back to
 - 2% or so is reasonable? CENTER FOR ECONOMIC AND WESTERN WASHINGTON WASHINGTON

The Fed's Challenge(s)

All at the same time:

- How to manage inflation?
- How to encourage a modest amount of growth in the near future?
- How to maintain stability in the financial sector?

Growth in many sectors was pulled forward with

Covid – there has be a selbsetored of ECONOMIC AND WESTERN WASHINGTON WAN

From There to Here

National and global trends will drive economic activity in this region

But local trends aren't exactly the same as national trends... and local decisions matter a great deal.

What do you think is going to happen here? And why? How do we compare to other areas?



Puget Sound

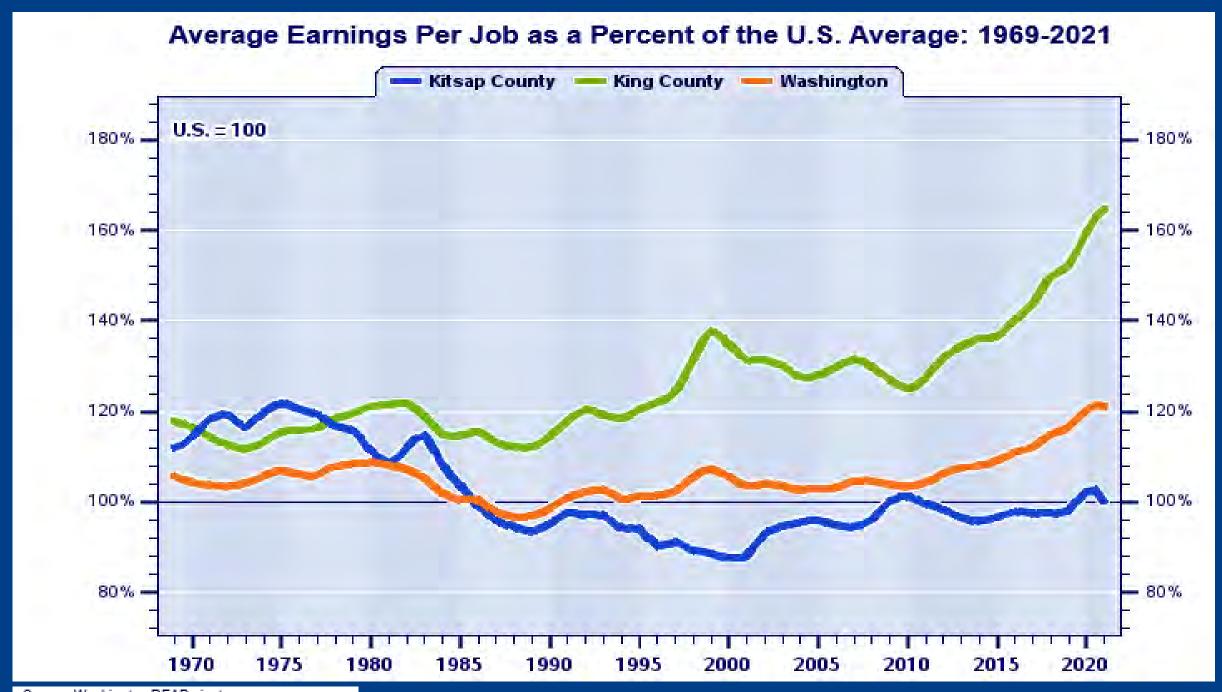
	2021	2022	2023	2024
Puget Sound Region				
Employment	1.6	5.1	0.4	0.5
Personal income (cur. \$)	8.4	2.2	4.8	5.0
Consumer price index	4.7	8.9	4.6	2.9
Housing permits	28.5	-11.3	-6.1	2.0
Population	0.8	1.1	1.9	1.5
United States*				
GDP (2012 \$)	5.9	2.1	0.8	1.2
Employment	2.7	4.3	-0.1	1.8
Personal income (cur. \$)	7.4	2.1	4.7	4.9
Consumer price index	4.7	8.0	3.9	2.4
Housing starts	14.6	-2.8	-17.1	4.7

Bremerton MSA



Data from WA Employment Security

Kitsap County



Source: Washington.REAProject.org Data: Regional Income Division, BEA (11-16-2022)



Housing

County	Avg Annual Wage (2022 Q3)	Housing: Median Resale (2022 Q4)	Affordability Index (2022 Q4)
Kitsap	\$68,343	\$504,700	67.7
Island	\$55,322	\$567,400	67.3
King	\$116,802	\$860,400	55.5
Whatcom	\$60,103	\$572,200	58.6



Local efforts matter

Office space transition in urban areas

- How to incentivize conversions
- How to make urban areas appealing... or how to add amenities to suburban areas

Conflict and Poverty

- Dissatisfaction with disparities
- Homelessness

Energy and Environmental Security

- Water and food
- Grid Security



Keep up with us

Email: cebr@wwu.edu

Phone: 360-650-3909

Twitter: @ PugetSoundEF

LinkedIn: WWU Center for Economic and Business

Research

Instagram: @ wwucebr

Facebook: WWU Center for Economic and



SharedWork Program



Rafael Colón

Business Outreach Manager Employment Security Department

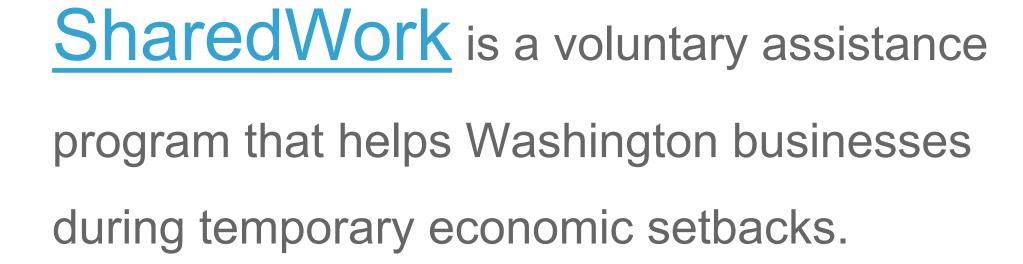
www.SharedWorkwa.com





SharedWork - A proven business solution!

What is SharedWork?



- Employers reduce worker hours to save payroll costs, instead of cutting jobs.
- SharedWork pays employees a prorated percentage of unemployment insurance benefits.



Contact SharedWork

Employers can verify their eligibility in minutes and get answers by calling 800-752-2500 and choosing Option 3.

800-752-2500

8am to 4pm, Monday through Friday

Option 1 – Claims

Option 2 – Existing Plans

Option 3 – New Plan Inquiry

Option 4 – I was asked to call

sharedworkplansect@esd.wa.gov

More ways to learn about SharedWork

- Watch our commercial on <u>Youtube</u>.
- The SharedWork program will be hosting many regional and statewide **free virtual events** for employers in Washington.

esd.wa.gov/SharedWork/events

- The SharedWork program will be hosting weekly webinars through the year end to help businesses get informed.
- Wednesdays 10:45 a.m. | <u>SharedWork</u>
 <u>Q&A for businesses webinar</u>.
- Download the <u>SharedWork info card</u>.

2023 KEDA Board Elections

KEDA BOARD OF DIRECTORS / 2023 BALLOT

NEW & RENEWING MEMBER	RS	
Mary McClure Commissioner, Port of Kingston	Renewing Director	March 31, 2026
Angie Tomisser Associate Principal, Rice Fergus Miller	Renewing Director	March 31, 2026
Chris Cook Senior Partner, Hearthstone CPA Group	New Director	March 31, 2026
Holly Hill Sr Director Western Locations, Outreach & Continuing Education, WWU	New Director	March 31, 2026
Jennifer Kreidler-Moss CEO, Peninsula Health Services	New Director	March 31, 2026
Richard Schwarz CEO, SAFE Boats International	New Director	March 31, 2026
OFFICERS SLATE		
Chair: Erin Leedham, General Manager, Kitsap Mall		March 31, 2024
Vice Chair: Roger Newton, Owner, Newton Building & Development		March 31, 2024
Treasurer: Chad Melton, President, St. Michael Medical Center		March 31, 2025

GSAFEBOATS



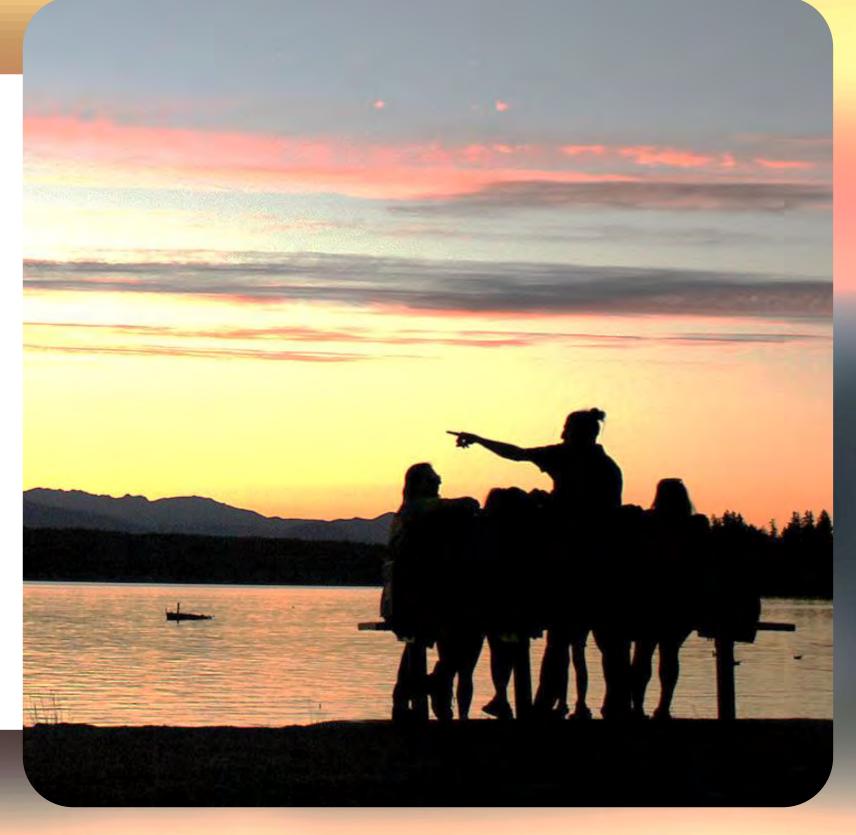


VISION

Economic vitality for all - in ONE spectacular place!

MISSION

To facilitate healthy economic growth and investments that support livable, resilient communities, fueled by innovation and the diverse people and businesses of Kitsap.







Business Retention, Expansion & Recruitment







Enhanced Shop Local initiative Sponsored by Kitsap Credit Union & Kitsap County







The Power of Knowledge and Leadership

Silver Award for Excellence in Economic Development



Outstanding Achievement Economic Development Award for Economic Response & Recovery





PTAC Government Contracting Technical Assistance



JAMES DAVIS PTAC Program Manager



TERRY HOMBURG Contracting Specialist (Volunteer)



MARY JO JUAREZ PTAC Business Counselor



MONA CARLSON Contracting Specialist (Volunteer)

- Unique Kitsap clients
- 395 Counseling sessions
- 399 Hours counseling and prep
 - PTAC classes & co-hosted events
 - Class hours 95
- 383 Total class attendees (WA state)



2022

Other Business Retention and Expansion Activity



Monitor and Engage on Economic Issues

- Growth in Kitsap
- Housing Capacity
- Cost of Living

Resume Site Visits

- 32 visits / associated activities
- Bainbridge Island "Day Road" Day

Conduct Recruitment Activity

- 13 Engagements
- 3 C-level visits to Kitsap

Entrepreneurship and Innovation:

Ongoing Working Group Meetings

Partnerships:

Office of Representative Derek Kilmer, Community Project Funding; Small Business Development Center; Kitsap Chambers of Commerce; Regional Economic Development District; Jurisdictions' Economic Development Committees; Kitsap County Broadband Action Team; Workforce Partners (Olympic Workforce Development Council,

Employment Security Department)

2022 Publications









Outreach & Media

- 8 KEDA Voices (Kitsap Sun column)
- 4 Featured Stories (KEDA website)
- 4 News Releases
- **30** Newsletters
- 3 Digital Hours









BUSINESS JOURNAL

Kitsap's housing market is expanding — but will it ever be enough?

Joe Morrison Regional economy

Published 7:00 a.m. PT April 28, 2022 | Updated 10:26 a.m. PT April 28, 2022



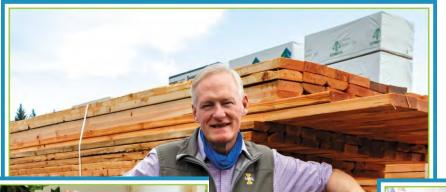
Sports Opinion Kitsap Life Obituaries Advertise eNewspaper
Building our community by
volunteering your talents

Erin Leedham Regional economy

Published 11:29 a.m. PT Aug. 8, 2022













\re ity

cooking in t-up, there's ica (with the tsap, we are ming spring. 🤊 🦻

re, Co-owner er, Silverdale ettlefish.com



It's the nature of Kitsap communities to support small businessess

66 I retired early from BAE Industries on command staff at Naval Base Kitsap Keyport. I've always enjoyed creating. We are a zerowaste soap shop offering eco-friendly soaps, creams, balms, baby care products, beard care products, dish and laundry soaps. FROG Soap is celebrating its 10-year anniversary this September.



H Laura Kneib, Owner | Soapmaker FROG Soap™, Bremerton 360-627-8063 • frogsoap.com

Kitsap for

e been very fortunate to enjoy general contractors, custom buil ers and professional remodelers. do. This year, we will be expanding business. We always want to de ice to our clients.

> Scott Blackburn, Presiden Evergreen Lumber, Port Orc evergreenlumber.

Love Helping Build Our Community

66 We have been business owners for over 30 years, and we believe we should share that giving back is the key to success. Our apprenticeship program through Consele Products Barber & Beauty Lounge teaches diversity and inclusiveness. Their job is not just to own it, but share it with everyone. Our new school — Transforming & Rejuvenate Academy is all about giving. Young minds, big business. Our nonprofit, Love Me for Me, from Kindergarten to 7th graders — after school, spring and summer breaks, gives kids a place to go. 99



Reuben and Tovi Wilkins, Owners Concele Products, Bremerton 360-479-9199

nesses

ding apparel for local ects to life — whether house graphic design

Operations Manager awk Press, Poulsbo skyhawkpress.com

Happy to be a part of the Kitsap Business Community

66 Fresh and local go hand-in-hand when it comes to coffee. In 2003, Grounds for Change in Poulsbo began roasting and delivering coffee - giving local retailers fresh, local coffee to enjoy the next day. We roast 100% fair trade, organic coffee and were the first certified carbon-free roaster in the nation.

grounds Schange

Kelsey Marshall, Owner Grounds for Change, Poulsbo 360-779-0401 • groundsforchange.com

Events



Business Briefings

Sound West Group (Marina Square)
Visit Kitsap (Tourism Economy)
Naval Base Kitsap

In-Person Events

Fall Forum –KEDA Signature Event

Digital Events

Virtual Annual Meeting Kitsap Digital Hours









Seth AbelsonProgram Manager



Rochelle LeMay
Business Development
Manager

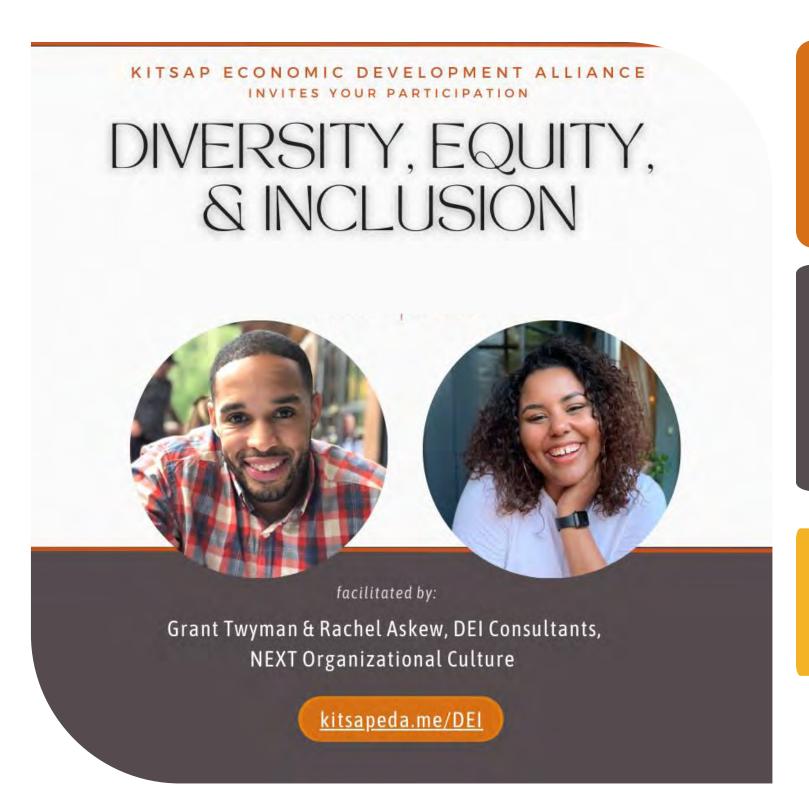
Launched via a Washington State Department of Commerce Innovation Cluster Accelerator grant in March 2022

- 42 Members
 - 2 Int'l Collaboration Agreements
 - 2 Institutional MOU
 - 2 Projects
 - 2 Initiatives

- 4 Programs
- 4 Distinct Focus Areas
- 3 Major Industry Events
- 1 Industry Board Leadership



DEI Focus: Intentional & Meaningful



DEI COMMUNITY ENGAGEMENT SESSION

- Digital, March 1
- 50+ Community Attendees

ALSO

- We work to bring a DEI Lens to ALL KEDA activities
- Ongoing Leadership and Board Engagement on DEI
- Convened Bremerton childcare / early education discussion

Digital event: business technical assistance

KITSAP DIGITAL HOUR

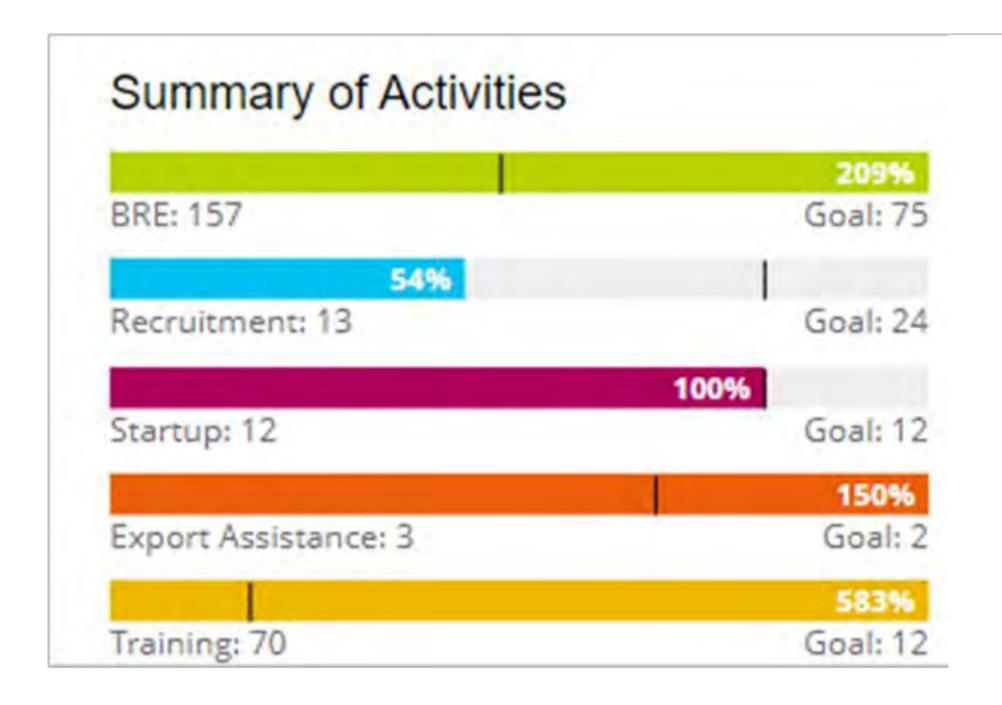


#NationalBlackBusinessMonth
BUSINESS CREDIBILITY
& CREDIT

kitsapeda.me/KDH



2022 Annual Goals - Summary







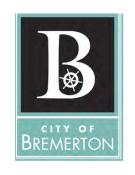
INVESTORS & PARTNERS



















































Kitsap Chambers



Workforce Orgs



Agency Partners



Service Orgs

KEDA Investor Members

Accountability Plus, Inc.

Art Anderson Associates

Bainbridge Chamber of Commerce

Bradley Scott

Bremerton Housing Authority

Cascade Natural Gas

City of Bainbridge Island

City of Bremerton

City of Port Orchard

City of Poulsbo

Express Employment Professionals

Fairbank Construction

First Federal Bank

First Underwriters

Giant Leap (Excell Puget Sound)

Greater Kitsap Chamber of Commerce

Hearthstone CPA Group

Help Desk Cavalry

Holly Ridge Center

Jim Carmichael & Associates

KCIB

Kingston Chamber of Commerce

Kitsap Bank

Kitsap Building Association

Kitsap County

Kitsap Credit Union

Kitsap Mall

Kitsap Public Facilities District

Kitsap Regional Library

Kitsap Sun

Kitsap Transit

KLB Enterprises

Korsmo Construction

KPUD

Land Title Company

Liberty Bank

Lyons Painting & Design LLC

Martha and Mary Child Care Facility

Mentor Company

Microsoft

Newton Building & Development

Noo-Kayet Investments

Nova Group, Inc

Office Xpats

Olympic College

OneBuild

Pacific NW Title

Paratransit Services

Peninsula Community Health Services

PME Construction

Port Madison Enterprises

Port of Bremerton Port of Kingston

Poulsbo Chamber of Commerce

PSRC

Puget Sound Fnergy

Raydient Places+Properties

Raytheon

Rice Fergus Miller

SAFE Boats International Silverdale Water District

Skookum

Sound Publishing Inc.

Sound West Group

South Kitsap Chamber of Commerce

Southard Beckham Atwater & Berry

South Kitsap Chamber of Commerce

Spark Commons

St. Michael Medical Center

Suquamish Tribal Council

Terry Homberg

The Doctors Clinic

Tim Ryan Construction TMF CNC Machining

Town and Country Markets
United Moving & Storage

Vibe Coworks

Visit Kitsap

Washington State Dept of Commerce

Watson Furniture Group West Sound Workforce

Westbay Auto Parts

Western Washington University

Wet Annle Media



KEDA'S WORK CATEGORIES



I. Business Retention,
Expansion & Recovery



II. Organizational & Resource Development



III. Communications,
Outreach & Marketing



IV. Focus Areas



Diversity, Equity & Inclusion

Workforce

ECONOMIC DEVELOPMENT KEDA 223 ANNUALAPLAN

WAV-C



BRER

Business Retention, Expansion & Recovery

Initiate Formal Business Retention and Expansion Program (BRER 02)

- Interview 25+ Employers
- Selections based on a variety of data
- KEDA site visits will exceed this target

BRER Entrepreneurship Support



BIPOC Business Forum (BRER 3)



Fund/Execute Microbusiness Accelerator (BRER 4)

With VIBE Coworks, Kitsap Bank, Kitsap Community Resources



Business Support



Comp Plan Engagement (BRER 5)



Spend Local
Buy Close By Campaign
(BRER 6)



Marketing, Communications & Outreach



Community Engagement (COM 01)

 Increase relationships with Navy, DoD, Prime Contractors

Public Events (COM 02)

- Annual Meeting/Economic Forecast
- Fall Forum (expanded)

Publications (COM 03)

- Top Employers
- Economic Profile Update



Program 1: PTAC Government Contracting

Goals



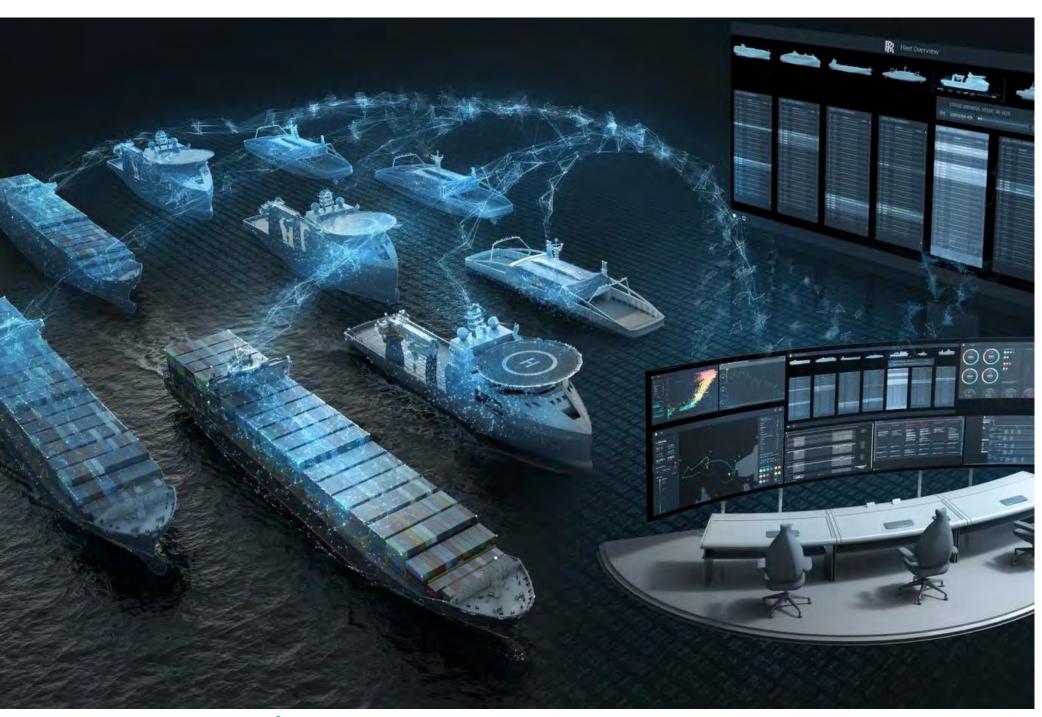








Program 2: WAV-C



Primary Metrics

- 75 Cluster members by year end
- 2 Projects committed or launched
- 2 Events
 - Online General Assembly
 - In Person
- **\$** Pursue operating capital



Focus Area 1: Workforce

Year 1: Assess opportunities to scale workforce

Examples:

- Navy / DOD Transitions
- Job Skills Training Programs
- Construction Trades
- Skills Training (Gap Analysis)
- Apprenticeship Pilot Programs?

Event: Major Employer Roundtable

Identify Metrics for Targeting & Success





Focus Area 2: Diversity, Equity & Inclusion

Finalize DEI Engagement by June 30th

- Survey KEDA Investors and Clients on Demographics, Industry, Experience
- Establish ongoing strategy, work plan and final "DEI at KEDA" Report

Community Partnership Building Event

May 4th - Marvin Williams Center, Bremerton





ONEKitsap





Micro-Business Accelerator

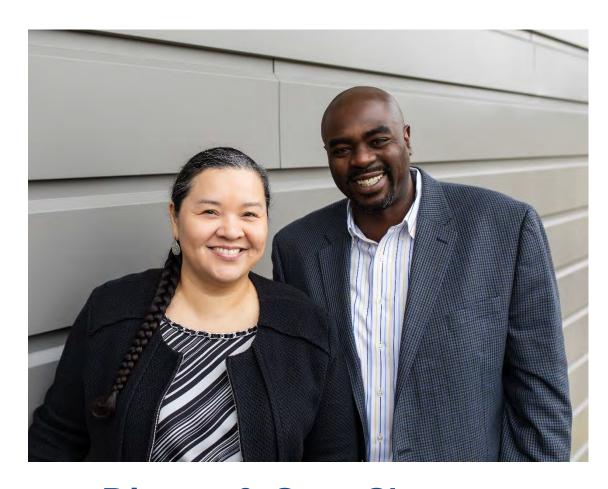




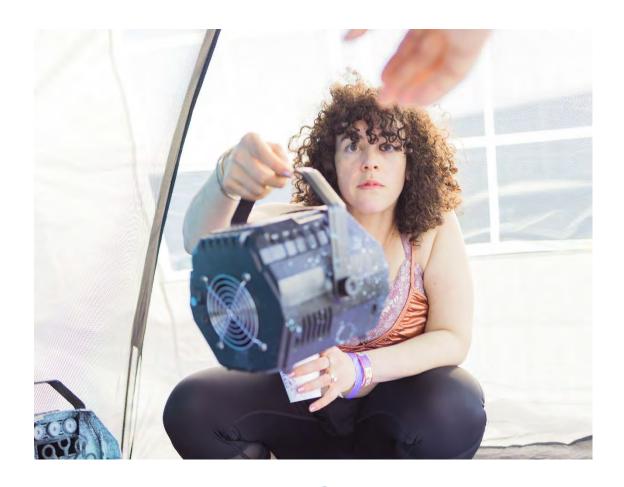
- Vibe Coworks Membership
- Business Plan Training
- Mentorship
- Lightening Talks
- Dedicated Office

Matchstick Lab

MICROBUSINESS ACCELERATOR SPOTLIGHT

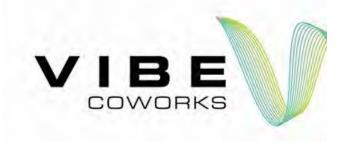


Dionne & Greg Showers Backflow Assembly Solutions



Reama Schuldt **Spread Supplies**













Economic Champion Award

John Clauson

Executive Director, Kitsap Transit



Please join us in thanking today's sponsors

Premier Sponsor:



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