**TALENT & WORKFORCE**

**Future Assumptions:**
- Talent is the principle driver of the innovation economy.
- Productivity and earning capacity will increasingly be tied to skill levels. Wages will remain flat or decline for those with a poor education and few skills.
- Washington will remain attractive to immigrants, most of whom bring high education and skill levels with them. This will require state residents to compete with national and international talent pools.
- Washington’s education system – especially its higher education system – will dampen long-term economic recovery if it remains resource-constrained.

**Recommendations:**
1. Prioritize career and technical education programs at the high school level through more interaction with business, support of skill centers, and making use of industry standards for curriculum development and career guidance.
2. Expand the capacity of community and technical colleges and four-year universities and colleges to achieve a post-secondary education attainment rate to at least 60 percent (degrees and credentials) of the working-age population by the year 2025 to ensure a productive workforce and meet high-demand industry needs.
3. Expand flexibility of unemployment programs to fund skill development and training of dislocated workers and the long-term unemployed.
4. Attract and retain the world’s best and brightest minds and entrepreneurs to fill critical skills gaps and grow new enterprises, including greater funding for higher education tied to high demand programs and fact-based visa related reform.

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**INVESTMENT & ENTREPRENEURSHIP**

**Future Assumptions:**
- Economic growth and job creation relies increasingly on commercializing new knowledge into globally competitive products, processes and services.
- University research centers, federal labs and private R&D teams need to be connected to a responsive and robust innovation ecosystem, with a focus on local/regional manufacturing investment.
- Lack of access to business expertise, and risk-tolerant and scale-up capital act as barriers to rapid technology deployment.

**Recommendations:**
1. Accelerate innovation by proactive support of small business and the best entrepreneurial ideas and talent.
2. Enhance the Washington innovation ecosystem through large-scale collaboration and competing aggressively for federal, foundation and investment funding.
3. Target improvements to regulatory and tax policy to foster business development and job creation.

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**INFRASTRUCTURE & REGULATIONS**

**Future Assumptions:**
- Infrastructure investments will give higher priority for economic development objectives. Regulatory processes impose costs-of-doing business, and pose significant barriers to increased business investment and hiring. Regulations, and associated compliance processes to comply, should be carefully vetted as not to impose unnecessary costs-of-doing business.
- Overall levels of public infrastructure spending will likely fall as stimulus programs wind down and the public sector addresses fiscal restraints.
- Infrastructure priorities are likely to emphasize alternative energy and reduced carbon output, and anticipated response to climate change.
- Economic, national security, climate and technological trends will accelerate the transition to alternative energy sources and electric transportation systems.
- Communications infrastructure will continue to be primarily a private-sector activity.

**Recommendations:**
1. Develop alternative, sustainable financing mechanisms for transportation infrastructure to ensure basic asset preservation and investment in economic corridors.
2. Prioritize infrastructure investments of national significance to make Washington a global leader in areas such as energy efficiency, clean-water solutions, advanced manufacturing, sustainable urban design and broadband.
3. Require the use of economic development and sustainability criteria in the capital budgeting process and selecting project investments.
4. Find ways to reduce regulatory burdens and the cost of regulatory compliance to help companies grow their businesses in Washington.

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**INTERNATIONAL BUSINESS**

**Future Assumptions:**
- Globalization – the interconnectedness of markets for goods, services, capital and labor – will continue to intensify over time, but at an uneven and unpredictable pace.
- State capitalism (e.g. China) is rising as a source of competition.
- Washington ports will confront more competition from Canada, California and East Coast ports as the Panama Canal is widened and new Arctic shipping lanes possibly open.
- Slow economic recovery in the United States and uncertainty in global markets will increase protectionist pressure and threaten to escalate trade disputes into high-risk trade wars.
- State fiscal constraints will challenge policymakers to seek creative new partnerships with the private sector to promote export growth.

**Recommendations:**
1. Expand export assistance services and re-establish and increase investment in overseas representation to augment Washington’s international competitiveness and realize the Governor’s Export Initiative goals.
2. Double the number of state-led, new-to-market, cluster-based trade missions (including services industries) to increase the number of new-to-market exporting firms.
3. Optimize the state’s existing export assistance ecosystem to provide a robust and demand-driven suite of services and connections available to Washington state companies.
4. Internally innovation collaboration in the Pacific Northwest economic region by supporting cross-border research and development projects that can lead to commercialization, diversification and expansion of trade opportunities.