



Advanced Manufacturing Survey 2023 Summary



Executive Summary

The 2023 Advanced Manufacturing Survey provides insights into the county's advanced manufacturing sector's health, challenges, and opportunities, particularly in aerospace, maritime, and technology. Businesses surveyed range from start-ups to nearly century-old establishments, with a workforce as varied as two to 2,300 employees and annual revenues spanning from \$180,000 to 5 billion. The presence of a highly skilled workforce, combined with a history of innovation and a cluster of aerospace companies, underpins the county's attractiveness for advanced manufacturing.

However, growth is hindered by challenges in workforce development, with a critical shortage of skilled labor. Supply chain disruptions, regulatory hurdles, and the socioeconomic climate further complicate the landscape. Companies seek improvements in state incentives, transportation, and community conditions to remain competitive.

Key recommendations for consideration:

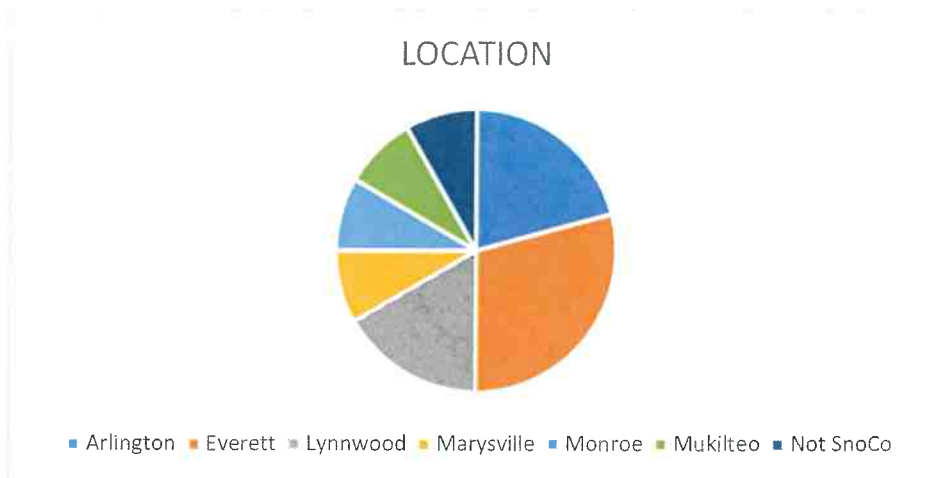
- Promoting specialized workforce training programs.
- Enhancing state incentives to attract and retain manufacturing businesses.
- Streamlining regulatory processes to accelerate growth.
- Addressing social issues that have an impact on the business climate, such as homelessness and public safety.

Immediate action can strengthen the county's position as a leading hub for advanced manufacturing and ensure long-term economic vitality.

Based on 24 Survey Responses:

1. **What is the Name and Location of your Business?**

Names of Businesses withheld.

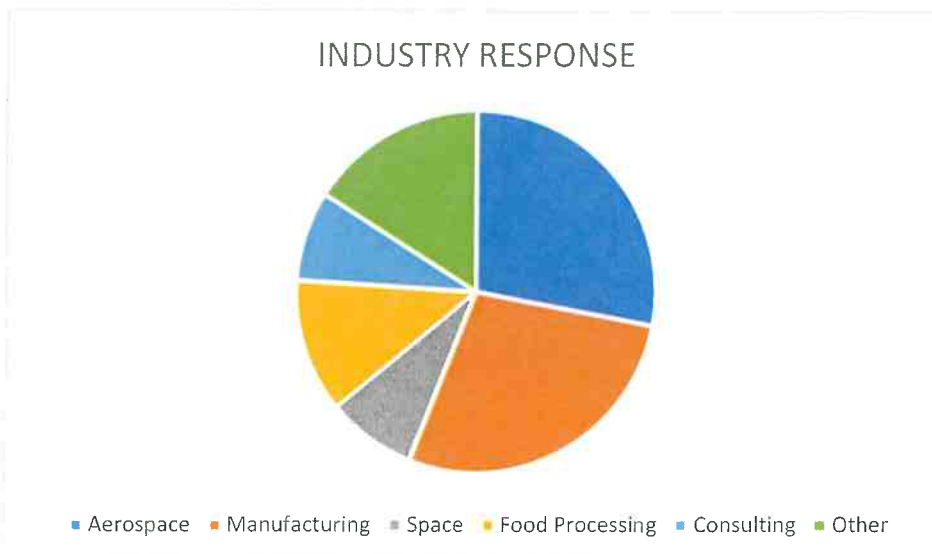


2. **How Many Years Has Your Business Been in Operation?**

The companies range from 6 to 110 years in operation, indicating a mix of well-established firms and relatively new entities. On average 33 to 36 years in business.

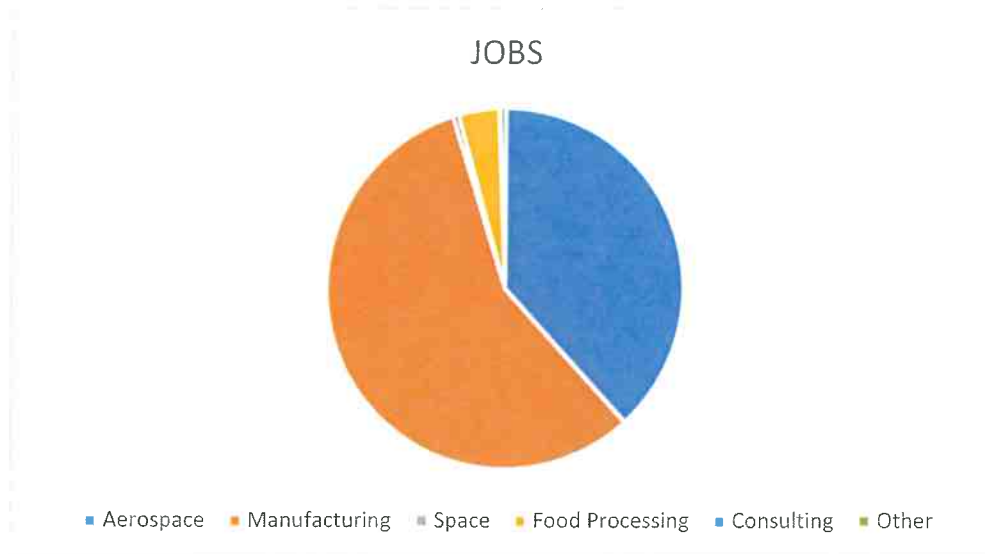
3. **What is your Primary Industry?**

Aerospace and maritime are the most common industries, with other sectors of space, education, consulting, and food processing/production also represented.



4. How many Employees Do You Have?

Employee numbers vary significantly, from as few as two employees to as many as 2,300, suggesting a wide range from small businesses to large corporations.



5. What is your Company's Annual Revenue?

- Annual revenue figures span from \$180,000 to over 5 billion highlighting the economic diversity among these businesses.
- Several businesses are heavily invested in aerospace manufacturing, consistent with Everett's historical ties to the aviation industry. The revenue figures correlate with the number of employees, indicating that larger companies tend to report higher revenues. However, not all financial data was disclosed.
- Overall, the data showcases a robust industrial presence in Everett and surrounding areas with a strong focus on manufacturing and aerospace sectors while highlighting the presence of niche markets and services. The economic impact of these businesses is significant, contributing to both local employment and the broader economy.

6. What are the primary obstacles to growth and expansion that your business is currently facing?

This survey data reflects the current challenges and concerns businesses face, focusing on the impact of recent global events on operations and growth. Key Points include:

- **Customer Engagement:** Companies are focusing on meeting new customers as a priority for growth.
- **Supply Chain Issues:** Material and supply chain delays are a significant challenge, exacerbated by the aftermath of COVID-19 and the global supply chain disruptions.
- **Labor Concerns:** There is a notable difficulty in hiring highly skilled employees. The rising costs of labor and supplies are also a recurrent theme, with some companies unable to recover from the economic impact of COVID-19.

- **Operational Challenges:** Transportation, inflation, marketing, and funding are pressing concerns. Specific sectors like the fishing industry face depressed prices and a lack of work from primary clients like Boeing.
- **Regulatory and Financial Hurdles:** Building permit delays and minimum wage requirements are affecting the cost of operations. Equipment availability and capital are also constraints.
- **Workforce Development:** There is a need for workforce training and development to support industry growth.
- **Market Conditions:** The lack of business growth from existing customers, the challenge of attracting new business, and the shortage of skilled workers are prominent issues.
- **Positive Notes:** Despite these challenges, some businesses report a stable and growing customer base, suggesting resilience and potential for recovery.

7. Are there any specific resources to support your business needs to overcome these obstacles?

Resources sought to overcome these challenges include more effective transit transportation, support for capital investments, professional marketing assistance, grants, and support for workforce training, and streamlined regulatory processes. There's also a recognition of the importance of current resources such as customers, suppliers, and government support mechanisms.

- **Transportation and Logistics:** Some businesses indicate a need for more transit routes to their place of business.
- **Workforce Development:** There's a strong call for workforce development programs, affordable employee training, and the need to pay competitive wages to attract talent.
- **Marketing and Strategy:** Professional marketing strategies and resources for day-to-day operations were requested as needs for business support.
- **Equipment and Capital:** The necessity for specialized manufacturing equipment and support for capital investment is prominent. Access to loans, lines of credit, and grants are also mentioned.
- **Regulatory Challenges:** Lengthy permit processes are a barrier, with a desire for more efficient timelines.
- **Industry-Specific Needs:** The aviation sector expresses a desire for new aircraft programs from Boeing and initiatives to encourage young people to pursue technical and manufacturing careers.
- **Manufacturing and Education:** A regional focus on domestic manufacturing and apprenticeship education is suggested as beneficial.
- **Government Regulation:** There is a concern over the impact of government regulation and taxation, with a preference for minimizing these to support business growth.

8. How would you rate the county's overall health of the advanced manufacturing industry?

The feedback on the overall health of the advanced manufacturing industry in the county presents a mixed but generally positive outlook. Responses vary from optimistic views, particularly in the defense and space industries, to concerns about workforce challenges and external societal issues.

Positive Views:

- The industry appears healthy, especially within the defense and space sectors.
- Some respondents believe the industry is robust, strong, and very good, with one noting the county's vibrancy and the space sector's growth as exciting.

Concerns:

- A recurrent theme is the struggle with finding available trained employees.
- Concerns about access to low-interest loans for capital investments.
- The need for employees to be reliable and trained, coupled with a desire for societal issues such as vandalism and homelessness to be addressed.

Uncertainty:

- Several respondents indicate uncertainty or lack of knowledge about the industry's health.
- Some responses are neutral, suggesting that the industry is "OK" or "OK at best," with a caveat that reliability is an issue.

While there are definite challenges related to the workforce and societal issues, the industry is perceived as resilient, with areas of solid growth and potential, particularly in the burgeoning space sector.

9. What factors do you believe contribute to the county's attractiveness for advanced manufacturing businesses?

The responses to the question about factors contributing to the county's attractiveness for advanced manufacturing businesses highlight a variety of strengths and areas of concern:

Strengths:

- A significant cluster of aerospace companies creates a robust industry environment and attracts new business.
- The availability of a trained workforce is frequently mentioned, along with historical nurturing and development of talent.
- The presence of quality education and training facilities contributes to a pool of skilled manufacturing professionals.
- A diverse and technical workforce, supported by Big Tech investments, drives innovation and productivity.
- The business-friendly environment of Snohomish County, along with its affordability compared to Seattle, is seen as advantageous.
- The local ecosystem is appreciated for its mix of large and dynamic small firms, as well as a strong supply chain.

Concerns and Challenges:

- The need for a more attractive state incentive program to compete with other states is noted.
- Societal issues such as drug use, crime, homelessness, and traffic congestion are seen as deterrents that need addressing.
- The cost of living and housing is becoming a problem, especially for attracting skilled workers on manufacturing wages.

- There are calls for a sound justice system and community success as foundational for manufacturing success.

The survey data concludes that the country's advanced manufacturing sector benefits from a concentration of aerospace companies, which not only fosters a robust supply chain but also draws in new customers. The availability of a well-trained workforce and the region's legacy of cultivating such talent, especially around the Puget Sound area, are repeatedly cited as key attractions. Support for capital investment and a manufacturing-friendly environment in Snohomish County, with more affordable space than neighboring King County/Seattle, add to the appeal.

However, the sector's growth is tempered by challenges such as less competitive state incentives compared to other regions, societal issues including crime, drug use, and homelessness, as well as traffic problems. The high cost of living is also a concern, impacting the ability to attract and retain skilled workers at sustainable wages.

In summary, while the county is attractive for its industrial ecosystem, skilled labor pool, and innovation-driven small firms, there is a need for strategic action to improve social conditions, enhance state incentives, and manage living costs to maintain and grow its manufacturing base.

November 2023