Attachment B
Exhibit A

Economic Development Element

Part 2 – Technical Information

City of Tumwater 2025 Comprehensive Plan

Balancing Nature and Community: Tumwater's Path to Sustainable Growth

DRAFT VERSION OCTOBER 20, 2026

October 2026

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CITY OF TUMWATER

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Chapter 1. Introduction

A. Background

The Economic Development Element (Element) is part of Tumwater's Comprehensive Plan and was prepared in accordance with the Growth Management Act (Chapter 36.70A RCW). Economic development is one of the Act's planning goals, which directs communities to encourage economic development that is consistent with adopted comprehensive plans and to promote economic opportunity for all residents, especially unemployed and disadvantaged people (RCW 36.70A.020(5)). The Act also authorizes an optional economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life (RCW 36.70A.070(7)).

This Element also responds to the 2025 Thurston County County-Wide Planning Policies, which address economic development and employment growth on a regional basis. It draws on the City's 2019 Updated Economic Development Plan, adopted in January 2020, and updates that plan's analysis with current data.

This Element is organized in two parts. **Part 1** contains the element's goals, policies, and implementation actions. **Part 2** contains the technical economic analysis of the region.

B. How to Read this Element

Part 2 presents the economic analysis on which the goals and policies of Part 1 are based. Each analysis chapter closes with a discussion of what its findings mean for economic development in Tumwater.

Chapters 2 through 5 describe the people side of Tumwater's economy including its population and households, its housing market, its household incomes and consumer spending, and its workforce.

Chapters 6 and 7 describe the business side, including the industries that operate in Tumwater and the land available to accommodate their growth.

Chapter 8 synthesizes the analysis into an assessment of strengths, weaknesses, opportunities, and threats.

C. Connections with Other Elements

This Element relies on and is consistent with the other Elements of the Comprehensive Plan. The Housing chapter draws directly on the adopted 2025 Housing Element, which contains the City's primary analysis of housing need, land capacity, and displacement risk. The Employment Land Needs chapter relies on the buildable lands analysis carried out in the Land Use Element. The

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district strategies discussed throughout this part implement the Capitol Boulevard Corridor Plan and the City's planning for the Brewery District. The transportation, utility, and capital facilities investments needed to support employment land are detailed through the Transportation Element, the Utilities Element, and the Capital Facilities Plan. Climate and resilience considerations are addressed in the Climate Element.

D. About the Data

Data for this analysis was provided, in part, by the Thurston Economic Development Council. The employment, wage, industry, and occupation figures in this part are drawn from JobsEQ®, a labor market data platform maintained by Chmura Economics & Analytics, using data for the first quarter of 2026 exported July 28, 2026. Demographic, income, and social indicator figures are U.S. Census Bureau American Community Survey five-year estimates, principally the 2020-2024 estimates, accessed through the same platform. Housing figures are drawn from the adopted 2025 Housing Element. Employment land figures are drawn from the Thurston Regional Planning Council's Buildable Lands Report (2021, version 5, August 2022) and the Land Use Element. Consumer expenditure figures are Zoom Prospector estimates accessed via the Washington State Department of Commerce Choose Washington site selector.

Current conditions in this Element are reported for Tumwater city limits, using American Community Survey and JobsEQ data. Projections are reported for Tumwater and its urban growth area, using Thurston Regional Planning Council forecasts. The two geographies are not interchangeable. Where a city-limits population series spans 2016, it reflects an annexation that moved residents from the urban growth area into Tumwater; the combined city and urban growth area total is unaffected.

American Community Survey values are five-year survey estimates and carry margins of error that can be meaningful for a city of Tumwater's size. Year-to-year movements in any single indicator should be read as direction rather than precision.

Dollar figures throughout this part are nominal and are not adjusted for inflation unless noted. Occupation figures, classified by the Standard Occupational Classification, describe what workers do; industry figures, classified by the North American Industry Classification System, describe what businesses produce. The two measures count the same jobs from different directions and are not interchangeable; each chapter identifies which measure it uses.

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Chapter 2. Demographics

A. Introduction

The Demographics chapter describes the population and household trends that shape Tumwater's workforce, consumer demand, and growth management obligations. It focuses on the people who live in Tumwater including how many individuals reside within the community, how fast their numbers are growing, and how the community's age structure, diversity, and educational attainment are evolving in Tumwater over time.

B. Population

The American Community Survey (ACS)[1] estimates Tumwater's population at 26,956 for the 2020-2024 period, up from 17,121 in the 2007-2011 period, an increase of 57.4 percent. The number of households grew from 7,230 to 10,929 over the same period. Figure ED-1 shows the population series, and Table ED-1 provides the population and household counts behind it.

Part of this increase reflects growth in Tumwater's boundaries rather than growth within a fixed space. Tumwater annexed its eastern and western urban growth areas during the period, most visibly in 2016, when the survey population jumped by more than 3,200 people in a single year. The 2019 Economic Development Plan estimated that annexation accounted for approximately 62 percent of the population Tumwater added between 2006 and 2016.[2] With consistent boundaries since the 2016 annexation, Tumwater's population has grown an average of 2.8 percent per year.

Looking forward, the Thurston Regional Planning Council projects Tumwater and its urban growth area to reach 46,080 residents by 2045[3].

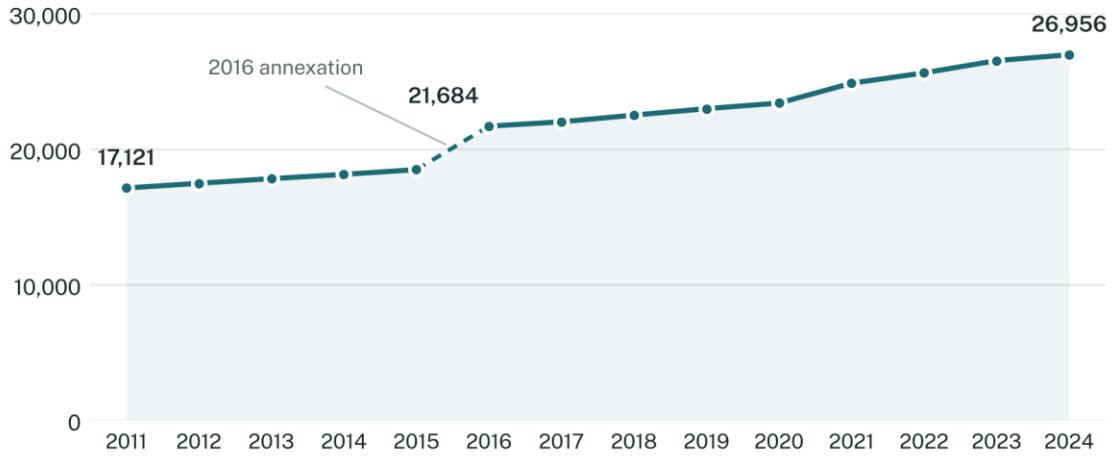
An area of specific interest is the ratio over time between residents and jobs. The Thurston Regional Planning Council forecasts both population and employment growth for Tumwater and its urban growth area. Employment is forecast to grow from 27,030 jobs in 2017 to 37,760 by 2045, about 1.2 percent per year,[4] while population is forecast to grow from 26,546 residents to 46,080, about 2.0 percent per year.[5] The two were close to parity in 2017, but by 2045 the area is forecast to have 8,320 more residents than jobs. Figure ED-2 compares the two forecasts. Over time, this gap could

[1]U.S. Census Bureau, American Community Survey (ACS) 5-year estimates, accessed via JobsEQ®, exported July 28, 2026. Estimates are five-year rolling averages for the Tumwater city limits and are labeled by the ending year of the five-year period.
[2]Tumwater, 2019 Updated Economic Development Plan (adopted January 2020).
[3] Thurston Regional Planning Council, Population Estimates and Forecast by Jurisdiction (Table 3), forecast adopted 2018. Projections cover Tumwater and its urban growth area together. The adopted Tumwater Housing Element, Part 2 – Technical Information (2025) carries the 2045 projection as 46,070.
[4] Thurston Regional Planning Council, Employment Estimates and Forecast by Jurisdiction and Sector (Table 7), dated December 19, 2019. Employment is a first-quarter measure.
[5] Thurston Regional Planning Council, Population Estimates and Forecast by Jurisdiction (Table 3), forecast adopted 2018. The 2017 population is an April 1 estimate assembled from Tumwater and urban growth area components.

have implications for the character of Tumwater as a place where people live, but not necessarily where they work.

This dynamic could increase the importance of retaining residents' spending locally and increase the City's reliance on consumer demand for ongoing revenue generation.

Figure ED-1. Tumwater Population, 2011-24.



Source: JobsEQ®, U.S. Census American Community Survey 5-Year Estimates ending in the year shown; exported July 28, 2026.

Note: The dashed segment marks the 2016 annexation; the increase between 2015 and 2016 reflects a boundary change rather than growth within a constant area.

Table ED-1. Population & Households in Tumwater, 2011-24.

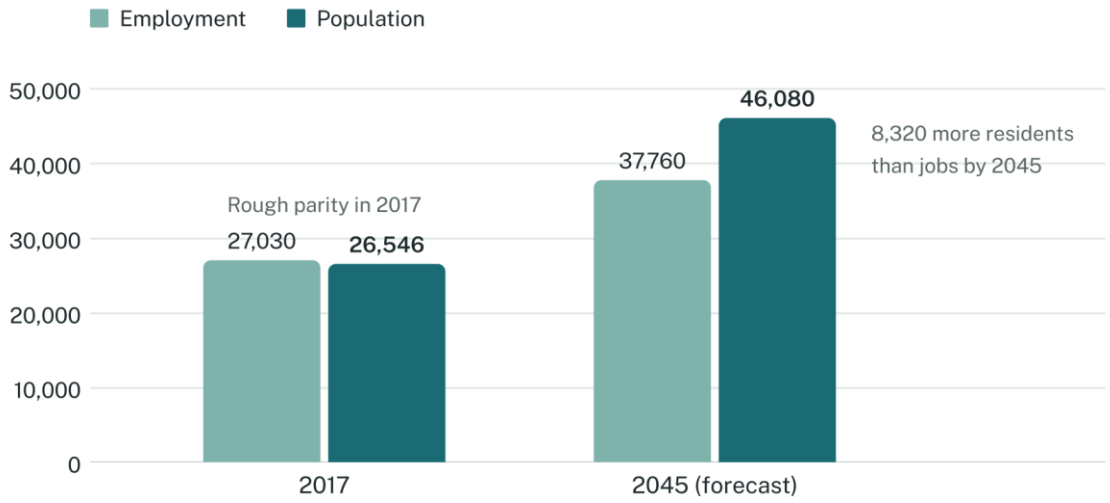
Year	Population	Total Households
2011	17,121	7,230
2012	17,469	7,503
2013	17,813	7,762
2014	18,128	7,773
2015	18,478	7,987
2016	21,684	9,342
2017	22,005	9,297
2018	22,500	9,336
2019	22,974	9,568
2020	23,390	9,272
2021	24,855	9,730
2022	25,617	9,967

Year	Population	Total Households
2023	26,519	10,863
2024	26,956	10,929

Source: JobsEQ®, U.S. Census American Community Survey 5-Year Estimates ending in the year shown; exported July 28, 2026.

Note: Values are American Community Survey 5-year estimates for the Tumwater city limits and reflect boundary changes, including the 2016 annexation. Household data may be different from sections of plan due to differences between vendor methodologies.

Figure ED-2. Population & Employment in Tumwater & Its Urban Growth Area, 2017 & 2045.



Sources: Thurston Regional Planning Council, Employment Estimates and Forecast by Jurisdiction and Sector, Table 7, December 19, 2019; and Population Estimates and Forecast by Jurisdiction, Table 3, forecast adopted 2018.

Note: Employment is a first-quarter 2017 estimate; population is an April 1 estimate. The 2017 population is assembled from Tumwater and urban growth area components.

C. Age

Tumwater's age structure is changing at both ends of the distribution. Its median age has increased from 35.5 in 2011 to 37.1 in 2024. The population under 25 is shrinking as a proportion of the whole, while the population 65 and older is growing. Table ED-2 summarizes the change.

Table ED-2. Age Distribution in Tumwater, 2011 & 2024.

Age Group	2011 Share	2024 Share	Change (pts)
Under 18	22.8%	20.8%	-2.0
18 to 24	9.2%	7.9%	-1.3
25 to 34	16.9%	16.9%	0.0
35 to 44	12.1%	14.6%	+2.5
45 to 54	13.1%	12.9%	-0.2

Age Group	2011 Share	2024 Share	Change (pts)
55 to 64	12.2%	11.4%	-0.8
65 & over	13.7%	15.6%	+1.9
Median age	35.5	37.1	+1.6

Source: JobsEQ®, U.S. Census American Community Survey 5-Year Estimates ending in the year shown; exported July 28, 2026.

As the data is evaluated, two significant points emerge:

1. Children and young adults make up a decreasing percentage of the total population in Tumwater, which will tighten workforce pathways.[6] Although this trend is not unique to the region, the proportion of residents aged 24 or younger has declined from 32.0 percent in 2011 to 28.7 percent in 2024. This shift may create more workforce challenges over the next 10 to 20 years as fewer young people enter the local workforce. It highlights the need for strong partnerships with the Tumwater School District, New Market Skills Center, South Puget Sound Community College, The Evergreen State College, and Saint Martin's University to support workforce development.

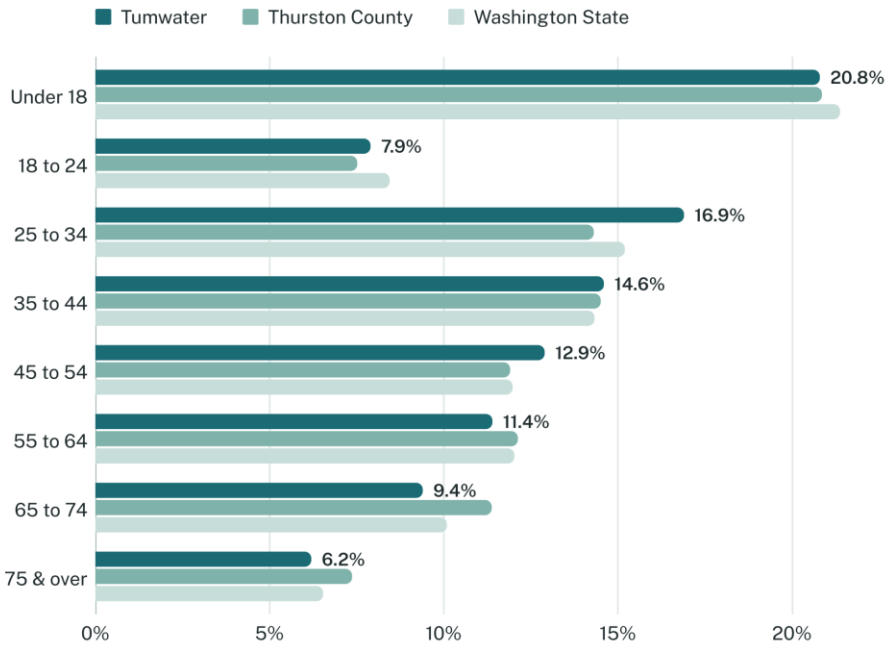
2. Senior populations represent a rising share of the population but have relatively few local options for health and support services. As with the dynamics among young people, the increase in senior populations is a demographic trend across most of the United States. The proportion of individuals 65 and over living in Tumwater is 15.6 percent, up from 13.7 percent in 2011, and the countywide senior share is projected to increase to 22.7 percent by 2045.[7] This demographic change is happening at the same time as a significant gap in health care services within Tumwater. As of the first quarter of 2026, Health Care and Social Assistance is one of the least concentrated industry sectors in Tumwater, at 28 percent of the national norm.[8] This imbalance decreases local access to critical services required by the senior population and pushes that care, and the spending attached to it, into other jurisdictions, creating revenue loss for Tumwater.

Benchmarked against Thurston County and Washington State, Tumwater remains a comparatively young city. Its median age of 37.1 is below the County's 40.0 and the State's 38.3, and residents age 25 to 34 make up 16.9 percent of Tumwater's population against 14.3 percent countywide. The combined age 25 to 44 share has risen from 28.9 percent in 2011 to 31.5 percent in 2024. Tumwater is currently drawing early and mid-career households at a rate higher than County and State

[6] See Table ED-2
[7] Tumwater Housing Element, Part 2 – Technical Information (2025), Chapter 1.C, citing Thurston Regional Planning Council countywide projections.
[8] JobsEQ® Industry Snapshot, Tumwater city, WA, 2026Q1, exported July 28, 2026. Health Care and Social Assistance employment of 1,129 with a location quotient of 0.28.

averages. In contrast, younger age groups are decreasing over time. Figure ED-3 compares the full age distribution.

Figure ED-3. Age Distribution in Tumwater, Thurston County & Washington State, 2024.



Source: JobsEQ®, U.S. Census American Community Survey 5-Year Estimates, 2020-2024; exported July 28, 2026.

D. Race and Ethnicity

Tumwater has diversified over the survey series. Of the U.S. Census race and ethnicity categories, the *white* (alone) share of the population fell from 86.2 percent in 2011 to 69.3 percent in 2024, while residents identifying as *two or more races* rose from 5.0 percent to 13.8 percent. *Black or African American* residents increased from 0.9 percent to 4.8 percent, *Asian* residents from 3.7 percent to 7.3 percent, and *Hispanic or Latino* residents of any race from 5.4 percent to 9.3 percent. Table ED-3 presents the full comparison.

The foreign-born share of the population has drifted upward within a narrow range, reaching 7.5 percent in 2024 up from 6.1 percent, and 2.7 percent of residents age 5 and over speak English less than "very well."

Given Tumwater's increasingly diverse population (see Table ED-3), outreach processes should be mindful of how to reach diverse audiences where they reside, while recognizing that simply providing material in non-English languages might not be the primary barrier to reaching diverse populations.

Table ED-3. Race & Ethnicity in Tumwater, 2011 & 2024.

Race / Ethnicity	2011 Persons	2011 %	2024 Persons	2024 %
White	14,755	86.2%	18,692	69.3%
Black or African American	155	0.9%	1,300	4.8%
American Indian & Alaska Native	407	2.4%	195	0.7%
Asian	626	3.7%	1,965	7.3%
Native Hawaiian & Other Pacific Islander	1	0.0%	130	0.5%
Some Other Race	316	1.8%	945	3.5%
Two or More Races	861	5.0%	3,729	13.8%
Hispanic or Latino (of any race)	923	5.4%	2,503	9.3%

Source: JobsEQ®, U.S. Census American Community Survey 5-Year Estimates ending in the year shown; exported July 28, 2026.

Notes: Race categories are for persons identifying with one race alone except as labeled; Hispanic or Latino persons may be of any race, so categories do not sum to the total population. Changes to U.S. Census Bureau race and ethnicity questions beginning with the 2020 Census affect the comparability of race categories across the series.

E. Educational Attainment

Tumwater has a higher concentration of highly educated workers, compared to the County and State. This effect is driven primarily by the concentration of major State agencies located throughout Tumwater.

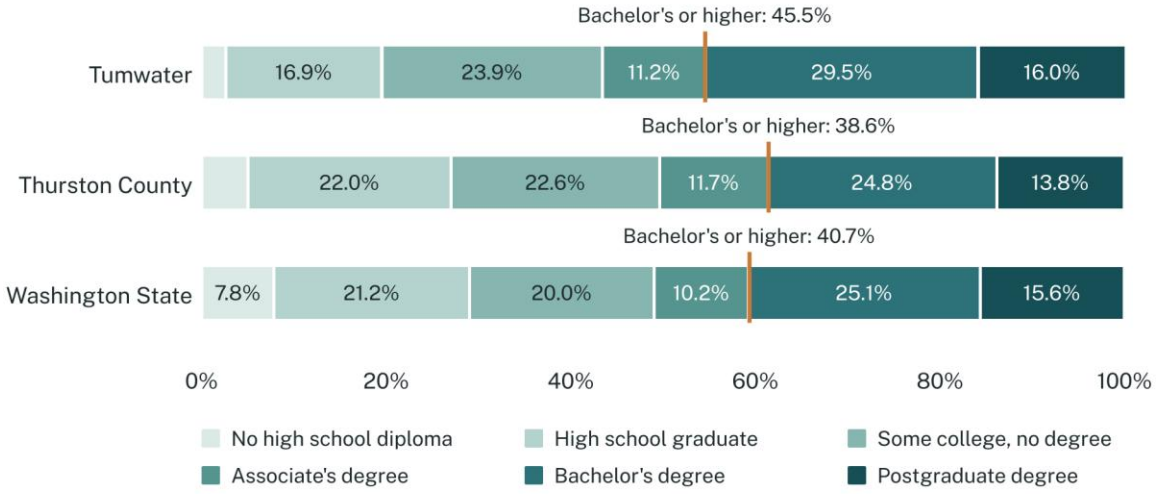
Among residents age 25 to 64, 45.5 percent hold a bachelor's degree or higher (29.5 percent bachelor's, 16.0 percent postgraduate), up from 39.4 percent in 2011[9]. Adding associate's degrees (11.2 percent) brings the share with a postsecondary credential to 56.7 percent. The share without a high school diploma fell from 4.6 percent to 2.6 percent.

The City's 45.5 percent bachelor's-or-higher share compares with 38.6 percent countywide and 40.7 percent statewide, and its share of adults without a high school diploma is roughly one-third of the statewide figure. Figure ED-4 and Table ED-4 compare attainment across the three geographies.

This highly educated workforce represents a strategic advantage for Tumwater as it pursues a strategy of economic diversification, as access to a college-educated workforce is presently available for recruitment efforts.

[9] The 2011 figure is the ACS 5-year estimate ending 2011, accessed via JobsEQ®, exported February 13, 2026; the current figure is the ACS 5-Year Estimates, 2020-2024, via JobsEQ®, exported July 28, 2026. Both are for the population age 25 to 64.

Figure ED-4. Educational Attainment of the Population Age 25 to 64 in Tumwater, Thurston County & Washington State, 2024.



Source: JobsEQ®, U.S. Census American Community Survey 5-Year Estimates, 2020-2024; exported July 28, 2026.

Note: Figures are for the population age 25 to 64. The rule on each bar marks the threshold above which residents hold a bachelor's degree or higher.

Table ED-4. Educational Attainment of the Population Age 25 to 64 in Tumwater, Thurston County & Washington State, 2024.

Educational Attainment	Tumwater Persons	Tumwater %	Thurston County %	Washington %
No high school diploma	387	2.6%	5.0%	7.8%
High school graduate	2,531	16.9%	22.0%	21.2%
Some college, no degree	3,593	23.9%	22.6%	20.0%
Associate's degree	1,675	11.2%	11.7%	10.2%
Bachelor's degree	4,423	29.5%	24.8%	25.1%
Postgraduate degree	2,404	16.0%	13.8%	15.6%

Source: JobsEQ®, U.S. Census American Community Survey 5-Year Estimates, 2020-2024; exported July 28, 2026.

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Chapter 3. Housing

A. Introduction

This chapter summarizes housing conditions and trends through an economic development lens: what the cost, availability, and production of housing mean for Tumwater's ability to attract and retain workers, staff its businesses, and sustain consumer demand. The adopted 2025 Housing Element[10] contains the City's primary analysis of housing need, land capacity, displacement risk, and unit targets. This chapter draws directly on that work, cites it throughout, and adds the workforce and market linkages specific to economic development.

Housing affordability directly affects Tumwater's economy and workforce. An affordable housing market is critical to maintaining a high quality of life for residents and helping Tumwater attract and retain the workforce needed to support local employers and economic growth.

B. Housing Costs & Affordability

Homeownership in Tumwater has moved beyond the reach of the median-income household. As of the fourth quarter of 2024, the median house price in Thurston County was $515,800.[11] The Housing Element calculates that purchasing a home at this price with a 30-year mortgage at 6.65 percent and a 20 percent down payment of about $102,000 would require a monthly payment of roughly $3,117 plus utilities, affordable only at approximately 118 percent of area median income for a four-person household.[12] New homes typically sell for more, and Tumwater ranked less affordable than 40 percent of Washington cities.[13]

The Housing Element tracks the Housing Affordability Index maintained by the Washington Center for Real Estate Research at the University of Washington, where an index of 100 represents balance between a household's ability to pay and the cost of housing. This Element finds that affordability for both median-income and first-time home buyers has declined at approximately the same rate across Thurston County cities since 2010.[14] The economic development significance is direct. A household earning the area median income cannot afford to purchase the typical home in Tumwater. This narrows the pool of workers who can establish themselves in Tumwater, tightens the available labor pool for employers, and shifts home-ownership toward higher income households.

[10]Tumwater Housing Element, Part 2 – Technical Information (2025).
[11]Tumwater Housing Element, Part 2 – Technical Information (2025), p. 23, citing Washington Housing Market Report, Fourth Quarter 2024, Washington Center for Real Estate Research.
[12]Tumwater Housing Element, Part 2 – Technical Information (2025), p. 24, citing Zillow, end of 2024.
[13]Tumwater Housing Element, Part 2 – Technical Information (2025), p. 24.
[14]Tumwater Housing Element, Part 2 – Technical Information (2025), pp. 24-25, Figures H-10 & H-11, citing Washington Center for Real Estate Research Housing Affordability Index data, 2024.

C. Rental Market & Cost Burden

Renting remains the more attainable pathway, but rental affordability is strained for a large share of households. The average rent in Tumwater was $1,747 in the third quarter of 2024, and the federal Fair Market Rent for a two-bedroom unit in the Olympia-Tumwater metropolitan area is $1,843 for Fiscal Year 2025.[15] The Washington Center for Real Estate Research renter affordability indices tracked in the Housing Element show renter affordability below its mid-2010s levels for Thurston County cities.[16]

The Housing Element reports that 47.7 percent of Tumwater renter households were cost-burdened, spending more than 30 percent of income on housing, compared with 17 percent of owner households. Across all Tumwater households, owners, and renters together, almost 15 percent were severely cost-burdened, spending more than half their income on housing.[17] Table ED-5 presents the distribution for renter households.

Table ED-5. Gross Rent as a Percentage of Household Income in Tumwater, 2023.

Occupied Units Paying Rent	Number of Units	Percentage
Less than 15.0 percent	417	10.0%
15.0 to 19.9 percent	732	17.5%
20.0 to 24.9 percent	406	9.7%
25.0 to 29.9 percent	630	15.1%
30.0 to 34.9 percent	455	10.9%
35.0 percent or more	1,538	36.8%

Source: 2023 U.S. Census American Community Survey 5-Year Estimates, Table DP04, as presented in the Tumwater Housing Element, Part 2, Table H-9.

High housing costs leave households with less money to spend at local businesses. This reduces local consumer spending and makes it harder for lower-wage workers in Tumwater's retail, food service, and care sectors to afford to live in the community.

D. Housing Inventory & Tenure

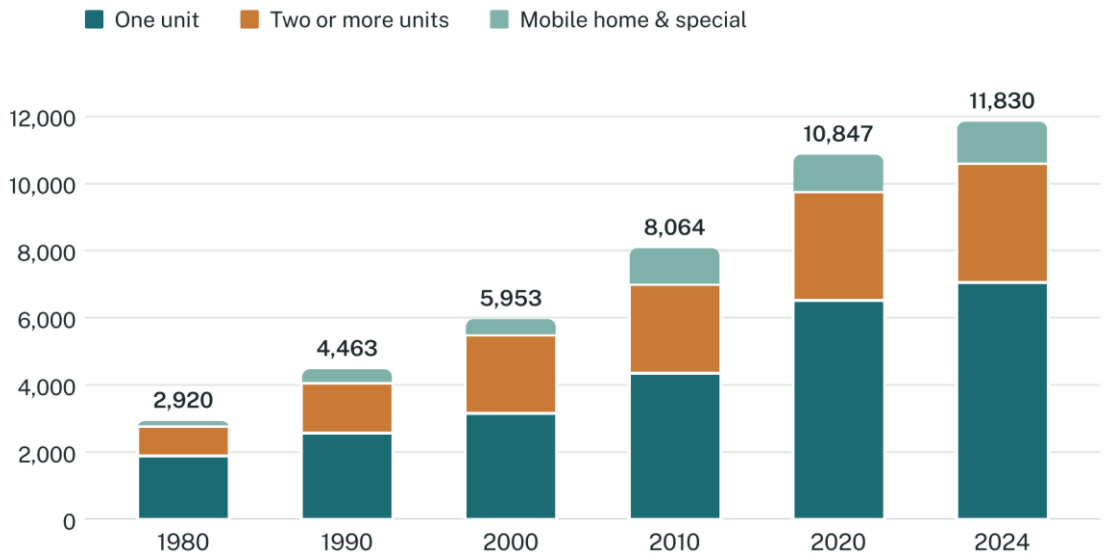
Tumwater had 11,830 housing units in 2024, a 47 percent increase from 2010. About 60 percent of homes are single-unit structures, up from 54 percent in 2010, and more than ten percent are mobile homes or special housing units, a stock the Housing Element identifies as vital to Tumwater's

[15]Tumwater Housing Element, Part 2 – Technical Information (2025), pp. 26-27, Figure H-12, citing Washington Center for Real Estate Research rents data, third quarter 2024; and Table H-8, U.S. Department of Housing and Urban Development Fiscal Year 2025 Fair Market Rents.
[16]Tumwater Housing Element, Part 2 – Technical Information (2025), pp. 27-28, Figures H-13 & H-14, citing Washington Center for Real Estate Research renter affordability index data, 2024.
[17]Tumwater Housing Element, Part 2 – Technical Information (2025), p. 23, citing U.S. Department of Housing and Urban Development Affordability Strategy (CHAS), 2021.

affordable housing supply.[18] Figure ED-5 and Table ED-6 break down the inventory by type since 1980.

As of 2023, 61.1 percent of Tumwater's 10,863 households owned their homes and 38.9 percent rented.[19] The Housing Element's estimate of housing supply by income places about half of the 2020 city and urban growth area stock at levels affordable to households earning 80 percent of area median income or less, while cautioning that costs have risen substantially since the underlying survey and the affordable share is likely now smaller.[20]

Figure ED-5. Housing Units in Tumwater by Type, 1980-2024.



Source: Washington State Office of Financial Management, Intercensal Estimates of April 1 Population and Housing, as presented in the Tumwater Housing Element, Part 2, Table H-10.

Table ED-6. Housing Units in Tumwater by Type, 1980-2024.

Year	Total Units	One Unit	Two or More Units	Mobile Home & Special
1980	2,920	1,901	876	143
1990	4,463	2,563	1,504	396
2000	5,953	3,155	2,328	470
2010	8,064	4,354	2,638	1,072

[18]Tumwater Housing Element, Part 2 – Technical Information (2025), pp. 29-30, Table H-10 and accompanying text, citing Washington State Office of Financial Management intercensal estimates.
[19]Tumwater Housing Element, Part 2 – Technical Information (2025), p. 17, Table H-3, citing 2023 U.S. Census American Community Survey 5-Year Estimates, Table B25009.
[20]Tumwater Housing Element, Part 2 – Technical Information (2025), p. 30, Table H-11 and accompanying text. The Housing Element cautions that the underlying survey data predate recent cost increases and likely overstate the current supply of homes affordable at lower incomes.

Year	Total Units	One Unit	Two or More Units	Mobile Home & Special
2020	10,847	6,527	3,223	1,097
2024	11,830	7,045	3,552	1,233

Source: Washington State Office of Financial Management, Intercensal Estimates of April 1 Population and Housing, as presented in the Tumwater Housing Element, Part 2, Table H-10.

E. Production Trends & Projected Need

Single-family houses were the most permitted housing type between 2014 and 2023[21]. Multifamily permitting totaled 748 units over the period, of which 25 were middle housing units in duplexes and triplexes, and 53 accessory dwelling units were permitted from 2014 through 2024.[22] Measured from the inventory series, Tumwater added about 270 housing units per year between 2010 and 2024, a figure that includes 211 units added through annexation rather than new construction.[23]

That pace falls short of what the adopted plan requires. The Growth Management Act directs Tumwater to "plan for and accommodate housing affordable to all economic segments of the population."[24] Through the process established by HB 1220 (Chapter 254, Laws of 2021), the Thurston Regional Planning Council forecasted that Tumwater and its urban growth area will need to add 9,192 net new housing units between 2020 and 2045, an average of roughly 370 units per year over the planning period, well above the recent rate of production.[25] Table ED-7 presents the allocation.

Table ED-7. Allocation of Projected Tumwater Housing Needs, 2020-45.

Geography	Housing Units Available in 2020	Projected Housing Units Needed in 2045	2020-45 Projected Housing Need
City	11,064	17,740	6,676
Urban Growth Area	1,210	3,726	2,516
Total	**12,274**	**21,466**	**9,192**

Source: Thurston Regional Planning Council, Planning for and Accommodating Housing Needs in Thurston County, 2025, as presented in the Tumwater Housing Element, Part 2, Table H-17.

[21] [21]Tumwater Housing Element, Part 2 – Technical Information (2025), p. 36, Figure H-18 and accompanying text, citing Washington Center for Real Estate Research, 2024, and Tumwater, 2024.
[22]Tumwater Housing Element, Part 2 – Technical Information (2025), p. 36, Figure H-18 and accompanying text, citing Washington Center for Real Estate Research, 2024, and Tumwater, 2024.
[23]Derived from the Tumwater Housing Element, Part 2 – Technical Information (2025), p. 29, Table H-10: 11,830 units in 2024 less 8,064 units in 2010, over 14 years. The Housing Element notes 211 of these units were added through annexation between 2020 and 2024 (p. 30).
[24]Growth Management Act, RCW 36.70A, as quoted in the Tumwater Housing Element, Part 2 – Technical Information (2025), p. 38.
[25] Tumwater Housing Element, Part 2 – Technical Information (2025), p. 41, Table H-17, citing Thurston Regional Planning Council, Planning for and Accommodating Housing Needs in Thurston County, 2025.

The composition of that need is also significant. Of the 9,192 units allocated to Tumwater and its urban growth area, 5,694, about 62 percent, must be affordable to households earning 80 percent of area median income or below.[26] Table ED-8 shows the full income-level allocation.

The Housing Element's land capacity analysis found enough land capacity to meet Tumwater's overall housing needs, but very little additional capacity for lower-income housing. Capacity for housing that is affordable to households earning 80 percent or less of area median income exceeds the required need by only 35 units.[27]

Table ED-8. Housing Need Allocation for Tumwater & Its Urban Growth Area by Income Level, 2020-45.

Income Level	Housing Units
Emergency housing (beds)	184
0-30% AMI, permanent supportive housing	723
0-30% AMI, other	1,736
30-50% AMI	1,309
50-80% AMI	1,926
80-100% AMI	1,140
100-120% AMI	798
Greater than 120% AMI	1,561
Total housing units	**9,192**

Source: Thurston Regional Planning Council, Planning for and Accommodating Housing Needs in Thurston County, 2025, as presented in the Tumwater Housing Element, Part 2, Table H-18.

Notes: AMI is area median income. Emergency housing is allocated in beds rather than units and is excluded from the unit total. Numbers may not sum due to rounding.

F. Implications for Economic Development

For workforce attraction and retention, housing costs create challenges for both homeowners and renters. A home purchase requires roughly 118 percent of area median income, placing ownership out of reach for many workers in Tumwater's consumer-facing and goods movement sectors, while nearly half of renters are already cost-burdened. The Workforce chapter in this Element finds that labor is most available in occupations with wages least able to support local housing costs. This suggests that housing affordability, not labor supply, may be a significant constraint on Tumwater's ability to attract and retain its workforce.

[26] Tumwater Housing Element, Part 2 – Technical Information (2025), p. 42, Table H-18, citing Thurston Regional Planning Council, Planning for and Accommodating Housing Needs in Thurston County, 2025.
[27] Tumwater Housing Element, Part 2 – Technical Information (2025), pp. 46-47, Table H-23 and accompanying text, citing Thurston Regional Planning Council, Planning for and Accommodating Housing Needs in Thurston County, 2025.

For consumer demand, high housing costs also reduce local spending. Income spent on housing is unavailable for groceries, dining, and services that Tumwater's subarea district strategies aim to capture.

Housing production is therefore important to Tumwater's economic development . Meeting the adopted allocation, roughly 370 units per year with more than three-fifths affordable at or below 80 percent of area median income, will help support the workforce and consumer base on which many of this Element's strategies depend. Concentrating housing near the Capitol Boulevard Corridor and Brewery District can also bring new residents and spending into areas the City is working to revitalize.

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Chapter 4. Household Income and Consumer Demand

A. Introduction

This chapter reviews household income levels and distribution, the economic well-being of Tumwater's households, and the consumer spending those incomes support. Income is central to two economic development concerns: equity (who shares in Tumwater's prosperity) and market feasibility (whether local household spending can support the retail, dining, and district revitalization strategies in Tumwater's planning process).[28] All dollar figures in this chapter are nominal.[29] Nominal values are those values not adjusted for inflation.

Tumwater households earn a median income of $95,212, and nearly half of all households now report incomes of $100,000 or more, up from 22.4 percent in 2011. In nominal terms, the shift is clear, with income distribution rising sharply.[30]). A substantial part of the rise in income reflects inflation moving households across fixed dollar brackets rather than gains in purchasing power.

B. Income & Distribution

Median household income reached $95,212 in the 2020-2024 estimate, up from $63,598 in the 2007-2011 period, a 49.7 percent nominal increase. Mean income rose faster still, from $72,043 to $114,446, an increase of 59 percent. Figure ED-6 traces the median income series.

Compared with the County and State, Tumwater sits essentially at County parity and modestly below the State. Tumwater's median income of $95,212 compares with $96,563 countywide and $98,141 statewide, and its income distribution closely tracks the County's across nearly every bracket. The State's higher median income is largely explained by its much larger share of households earning $200,000 or more, 18.5 percent statewide compared with 12.0 percent in Tumwater, a concentration driven by the central Puget Sound economy. Table ED-9 presents the full comparison.

Table ED-10 shows a significant upward shift in the nominal income distribution between 2011 and 2024. Households with incomes under $25,000 fell from 1,484 to 864 in absolute terms even as total households grew by more than half, and households earning $200,000 or more grew from 214 to 1,315.

Inflation, particularly since the COVID-19 pandemic, contributed to rising wages and moved households into higher fixed income brackets. Additionally, because housing costs rose steeply over

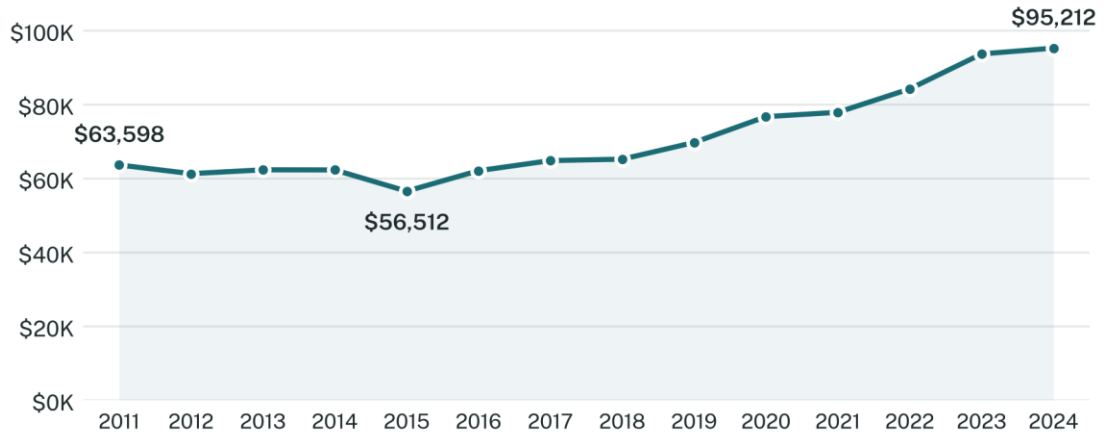
[28] U.S. Census Bureau, American Community Survey (ACS) 5-year estimates, accessed via JobsEQ®, exported July 28, 2026. Estimates are for the Tumwater city limits and are labeled by the ending year of the five-year period.

[29] All dollar figures in this chapter are nominal and are not adjusted for inflation.

[30] See Table ED-10

the same period, the shift may also reflect changes in the households able to afford to live in Tumwater. Some lower-income households may have been displaced or unable to move into Tumwater, while higher-income households moved in. The available data do not allow these effects or other contributing factors to be separated.

Figure ED-6. Median Household Income in Tumwater, 2011-24.



Source: JobsEQ®, U.S. Census American Community Survey 5-Year Estimates ending in the year shown; exported July 28, 2026.

Note: Values are nominal and are not adjusted for inflation.

Table ED-9. Household Income Distribution in Tumwater, Thurston County & Washington State, 2024.

Income Bracket	Tumwater	Thurston County	Washington
Less than $10,000	2.8%	4.1%	3.9%
$10,000 to $14,999	1.4%	2.1%	2.5%
$15,000 to $24,999	3.8%	4.4%	4.6%
$25,000 to $34,999	6.1%	4.4%	5.0%
$35,000 to $49,999	9.1%	7.9%	8.2%
$50,000 to $74,999	17.3%	15.5%	14.1%
$75,000 to $99,999	12.2%	13.6%	12.4%
$100,000 to $149,999	23.1%	23.8%	19.2%
$150,000 to $199,999	12.1%	12.1%	11.4%
$200,000 or more	12.0%	12.1%	18.5%
Median income (dollars)	**$95,212**	**$96,563**	**$98,141**

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Income Bracket	Tumwater	Thurston County	Washington
Mean income (dollars)	**$114,446**	**$114,140**	**$134,588**

Source: JobsEQ®, U.S. Census American Community Survey 5-Year Estimates, 2020-2024; exported July 28, 2026.

Note: Values are nominal. Median and mean rows are dollars; all other rows are shares of households.

Table ED-10. Household Income Distribution in Tumwater, 2011 & 2024.

Income Bracket (nominal)	2011 Households	2011 Share	2024 Households	2024 Share
Under $25,000	1,484	20.5%	864	7.9%
$25,000 to $49,999	1,405	19.4%	1,666	15.2%
$50,000 to $99,999	2,721	37.6%	3,230	29.5%
$100,000 to $199,999	1,406	19.4%	3,854	35.3%
$200,000 or more	214	3.0%	1,315	12.0%
Total households	**7,230**	**100.0%**	**10,929**	**100.0%**

Source: JobsEQ®, U.S. Census American Community Survey 5-Year Estimates ending in the year shown; exported July 28, 2026.

C. Social & Economic Well-Being

Most measures of household economic well-being have improved substantially and now compare favorably with the County and State. The poverty rate fell from 14.1 percent of residents in 2011 to 7.0 percent in 2024, below the County's 9.5 percent and the State's 9.9 percent. The uninsured share fell from 11.6 percent to 3.5 percent, the share of households receiving food assistance declined from 11.2 percent to 7.9 percent, and the share of children living in single-parent families fell from 45.1 percent to 29.4 percent. One indicator moved in the opposite direction: the share of working age residents with a disability rose from 10.8 percent in 2012 to 13.3 percent in 2024. Table ED-11 presents the indicators together.

Similar to the improvements in income measures, these metrics partly reflect changes in who can afford to live in Tumwater. The displacement risk analysis in the adopted Housing Element provides important context for interpreting these trends.[31]

Even with these favorable averages, Tumwater's poverty and food assistance rates represent a meaningful population. Roughly one in fourteen residents live below the poverty line and about one

[31]Tumwater Housing Element, Part 2 – Technical Information (2025), Chapter 4.F, Displacement Risk, p. 70.

in thirteen households receives food assistance. These households are important to consider in the retail and consumer spending analysis that follows.

Table ED-11. Social & Economic Well-Being Indicators in Tumwater, Thurston County & Washington State, 2011 & 2024.

Indicator	Tumwater 2011	Tumwater 2024	Thurston County 2024	Washington 2024
Poverty rate, all people	14.1%	7.0%	9.5%	9.9%
Households receiving food assistance	11.2%*	7.9%	11.2%	11.5%
Uninsured share of population	11.6%*	3.5%	5.0%	6.3%
Children living in single-parent families	45.1%	29.4%	30.0%	28.4%
Population age 18-64 with a disability	10.8%*	13.3%	14.4%	11.3%

Sources: JobsEQ®, U.S. Census American Community Survey 5-Year Estimates ending in the year shown (2011-24 series) and 2020-2024 estimates; exported July 28, 2026.

*Note: * 2012 value shown; a 2011 estimate is not available for this indicator.*

D. Consumer Demand

Tumwater's roughly 11,450 households generate an estimated $1.26 billion in annual spending across all categories.[32] After excluding shelter, taxes and retirement, transportation, utilities, and other expenses that generally cannot be captured by local businesses, approximately $283 million per year remains in categories where a local business can compete for household spending: groceries ($76.6 million), entertainment ($71.4 million), dining out ($55.2 million), household furnishings ($33.5 million), apparel ($23.1 million), personal care ($15.3 million), and alcoholic beverages ($7.8 million). Table ED-12 presents the categories with per-household comparisons.

Table ED-12. Annual Household Expenditures by Category in Tumwater, Lacey & Olympia, 2025.

Category	Tumwater Total ($M)	Per Household: Tumwater	Lacey	Olympia
Groceries	$76.6	$6,690	$6,849	$6,212
Entertainment	$71.4	$6,235	$6,075	$5,631
Dining out	$55.2	$4,818	$4,671	$4,334
Household furnishings & equipment	$33.5	$2,927	$2,827	$2,628

[32] Zoom Prospector consumer expenditure estimates, 2025 estimates & 2030 projections, accessed via the Washington State Department of Commerce Choose Washington site selector, July 28, 2026.

Category	Tumwater Total ($M)	Per Household: Tumwater	Lacey	Olympia
Apparel	$23.1	$2,017	$1,961	$1,818
Personal care	$15.3	$1,336	$1,349	$1,230
Alcoholic beverages	$7.8	$677	$651	$606
Health care	$74.1	$6,470	$6,498	$6,440
All categories, total	**$1,258.1**			

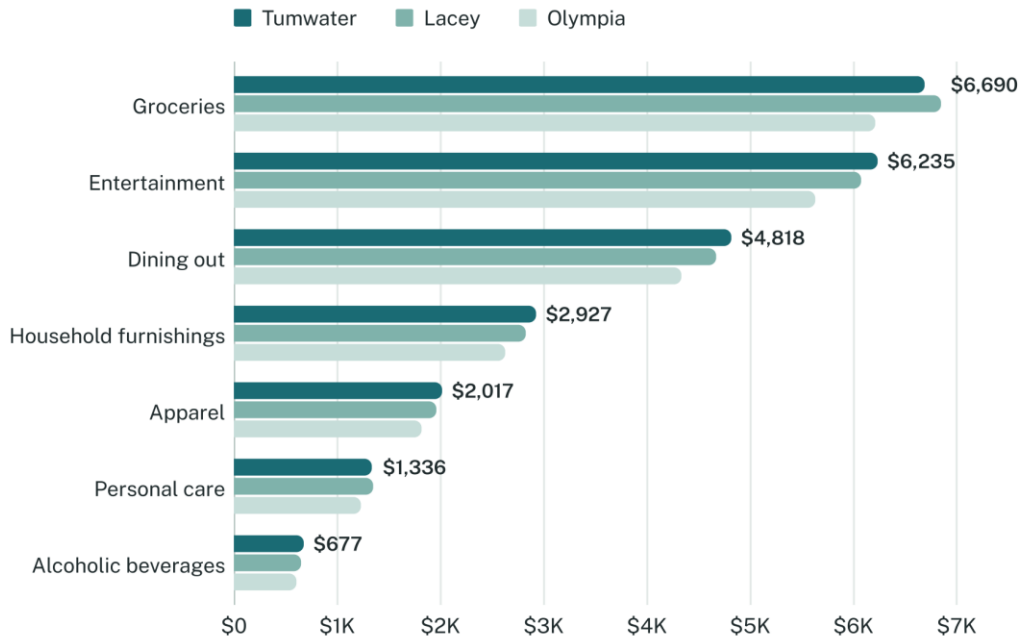
Source: Zoom Prospector consumer expenditure estimates, 2025 estimates & 2030 projections, accessed via the Washington State Department of Commerce Choose Washington site selector, July 28, 2026.

Notes: Values are nominal 2025 estimates. The vendor's household base for Tumwater (approximately 11,450) differs from the American Community Survey estimate of 10,929 households used elsewhere in this chapter; the two sources are not combined in any computation. Capturable subtotal reflects the seven categories listed above it.

Tumwater households spend more per household than Lacey and Olympia in most discretionary categories while trailing Lacey slightly in groceries and personal care. However, Tumwater's consumer market is the smallest of the three by a wide margin with roughly 11,450 households and $1.26 billion in total expenditures against Lacey's roughly 24,100 households and $2.5 billion and Olympia's 26,100 households and $2.6 billion. Tumwater offers retailers relatively high per-household spending, but a smaller customer base. Figure ED-7 compares the discretionary categories.

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Figure ED-7. Discretionary Expenditures Per Household in Tumwater, Lacey & Olympia, 2025.



Source: Zoom Prospector consumer expenditure estimates, 2025 estimates & 2030 projections, accessed via the Washington State Department of Commerce Choose Washington site selector, July 28, 2026.

Note: Values are nominal 2025 estimates.

The expenditure projections show Tumwater's consumer spending growing about 5.0 percent from 2025 to 2030, driven almost entirely by growth in the number of households; projected spending per household is flat to slightly declining in nominal terms. This means most new consumer spending will come from new households. It is therefore important to the redevelopment of commercial activity in the Capitol Boulevard Corridor and Brewery District to concentrate new housing in or near these districts when feasible, bringing new customers and spending directly into the areas the City is working to revitalize.

Health care is the fastest-growing major spending category in all three cities and is projected to grow 8.7 percent in Tumwater by 2030, faster than any other category. This growth is largely driven by an aging population, and particularly important for Tumwater because Health Care and Social Assistance is one of Tumwater's least concentrated industries with local employment only 28 percent of the national average.[33] Rapidly growing demand combined with a relatively small local health care sector points to a potential service gap for residents and means health care spending may continue to flow to providers outside Tumwater.

[33]JobsEQ® Industry Snapshot, Tumwater city, WA, 2026Q1, exported July 28, 2026. Health Care and Social Assistance employment of 1,129 with a location quotient of 0.28

E. Implications for Economic Development

These figures suggest a clear strategy: increase the amount of money Tumwater residents spend locally by improving business conditions, preparing sites for development, and strengthening key commercial districts (especially in the areas where the $283 million in local consumer spending is focused). Tumwater's per-household spending advantage over Lacey and Olympia supports the potential for mid-market and some premium businesses, especially in food services, entertainment, and personal services where discretionary spending matters most. This strengthens the potential for commercial redevelopment in Tumwater's Capitol Corridor and the Brewery District.

At the same time, the well-being data identify a meaningful number of price-sensitive households, meaning one-size-fits-all retail strategy will not serve the entire local population. A mixed strategy that supports both value-oriented essentials and more premium discretionary services is the more resilient and equitable approach.

Finally, the demand forecast makes the housing linkage clearer. With per-household spending projected to remain flat, essentially all consumer demand growth through 2030 will come from new households. The housing production identified in the Housing chapter is therefore also an important part of Tumwater's consumer demand strategy.

Chapter 5. Workforce

A. Introduction

This chapter analyzes employment patterns in Tumwater, including the types of jobs, wages, and projected employment growth, to inform business support and sector strategies.[34]

Tumwater's job base stood at 25,653 in the first quarter of 2026, having grown at an average of 3.8 percent per year over the past five years, faster than Thurston County's 3.0 percent and Washington State's 2.3 percent. The median occupational wage is $63,400, with jobs distributed broadly across wage levels: 27.8 percent are in occupations with median wages under $50,000, while a nearly identical 27.6 percent are in occupations at $90,000 or more. Resident unemployment, at 5.3 percent, is in line with the county's 5.2 percent and the state's 5.1 percent.[35] The primary challenge ahead is maintaining the workforce pathway. Of the roughly 14,200 job openings projected in

[34]JobsEQ® Occupation Snapshot, Tumwater city, WA, 2026Q1, exported July 28, 2026. Data are four-quarter moving averages. Occupation data are classified by Standard Occupational Classification (SOC) and describe jobs located in Tumwater; they are distinct from the industry (NAICS) measures used in the Industry profile.
[35]U.S. Census American Community Survey 5-Year Estimates, 2020-2024, via JobsEQ®, exported July 28, 2026; see the Demographics chapter for the full resident labor force discussion.

Tumwater over the next five years, 94% will be needed to replace workers who retire, leave the labor force, or change occupations, rather than to fill newly created jobs.[36]

Unless otherwise noted, historical figures in this chapter cover 2021Q1 through 2026Q1 and forecasts cover 2026Q1 through 2031Q1.

B. Who Employs Tumwater's Workforce

Government employs 39.3 percent of Tumwater's workforce (including 28.3 percent in state government alone, with local government adding 10.9 percent), while the private sector accounts for 56.4 percent and self-employment about 4 percent.[37] Table ED-13 presents the breakdown. The ownership data show whether individual occupations are concentrated in the public and private sector. This distinction is used later in this chapter to determine whether occupational concentrations are driven by state government or private sector demand.

Table ED-13. Employment by Ownership in Tumwater, 2026Q1.

Ownership	Jobs	Share
Private	14,462	56.4%
State Government	7,252	28.3%
Local Government	2,789	10.9%
Self-Employment	1,047	4.1%
Federal Government	37	0.1%
Total – all occupations	**25,653**	**100.0%**

Source: JobsEQ® Occupation Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026.

Note: Ownership categories sum to 25,587; the remaining 66 jobs are unallocated across ownership in the source extracts.

C. What Tumwater's Workforce Does

Table ED-14 and Figure ED-8 present employment across the 22 major occupation groups. Office and administrative support is the largest occupation group at 3,050 jobs, followed by business and financial operations (2,525) and transportation and material moving (2,028). The location quotient (LQ) column measures how concentrated an occupation is in Tumwater compared with the nation. As of 2026, life, physical, and social science occupations were more than three times as concentrated as the national average; legal and protective service occupations were roughly two and a half times as concentrated; and community and social service occupations were about twice as concentrated as the national average. These concentrations largely reflect Tumwater's state government employment base.

[36]Derived from the JobsEQ® five-year forecast: exits (5,853) plus occupational transfers (7,596) as a share of total demand (14,242) equals 94.4 percent.
[37]JobsEQ® Occupation Snapshot ownership-level extracts (Federal Government, State Government, Local Government, Private, Self-Employment), Tumwater city, WA, 2026Q1, exported July 28, 2026.

Table ED-14. Employment by Occupation Group in Tumwater, 2026Q1.

Occupation Group	Jobs	Share	Median Wage	LQ
Office & administrative support	3,050	11.9%	$55,300	1.08
Business & financial operations	2,525	9.8%	$87,300	1.50
Transportation & material moving	2,028	7.9%	$48,900	0.93
Sales & related	2,010	7.8%	$45,400	0.90
Management	1,470	5.7%	$135,500	0.73
Protective service	1,406	5.5%	$83,700	2.47
Food preparation & serving	1,390	5.4%	$41,000	0.66
Construction & extraction	1,378	5.4%	$74,400	1.19
Educational instruction & library	1,259	4.9%	$62,300	0.89
Computer & mathematical	1,229	4.8%	$113,900	1.50
Community & social service	992	3.9%	$74,500	2.01
Production	959	3.7%	$50,500	0.71
Installation, maintenance & repair	891	3.5%	$68,700	0.90
Building & grounds maintenance	842	3.3%	$45,700	1.00
Life, physical & social science	748	2.9%	$91,600	3.18
Healthcare practitioners & technical	650	2.5%	$113,100	0.42
Healthcare support	598	2.3%	$47,800	0.46
Architecture & engineering	537	2.1%	$103,200	1.31
Legal	526	2.1%	$119,200	2.42
Personal care & service	497	1.9%	$46,400	0.74
Arts, design, entertainment & media	455	1.8%	$66,700	1.03
Farming, fishing & forestry	212	0.8%	$42,600	1.45
Total – all occupations	**25,653**	**100.0%**	**$63,400**	**1.00**

Source: JobsEQ® Occupation Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026.

Note: LQ is the location quotient, the ratio of the occupation group's local employment share to its national share; 1.00 equals the national concentration. 1.20 would be equivalent to 120% the average concentration. 0.80 would be equivalent to 80% average concentration. Median wages are occupation-group medians for covered employment.

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Figure ED-8. Employment by Occupation Group in Tumwater, 2026Q1.



Source: JobsEQ® Occupation Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026.

Beneath the group totals, the detailed occupations tell three stories:

1. The first is that Tumwater's most concentrated large occupations reflect the presence of state agencies. Environmental scientists and specialists (170 jobs at more than twelve times the national concentration), probation officers and correctional treatment specialists (161 jobs, nearly twelve times), and eligibility interviewers for government programs (228 jobs, nearly ten times), are among the most concentrated, along with correctional officers, social workers, and civil engineers. These occupations have median wages ranging from roughly $69,000 to $112,000. These stable, benefited, middle-to-upper wage jobs support consumer spending on which Tumwater's local businesses depend.

2. The second is about the movement of goods. Tumwater's position on Interstate 5 between the Seattle and Portland markets supports 392 heavy and tractor-trailer truck drivers at a median wage of $64,700, together with 386 freight and material movers and 421 stockers and order fillers.

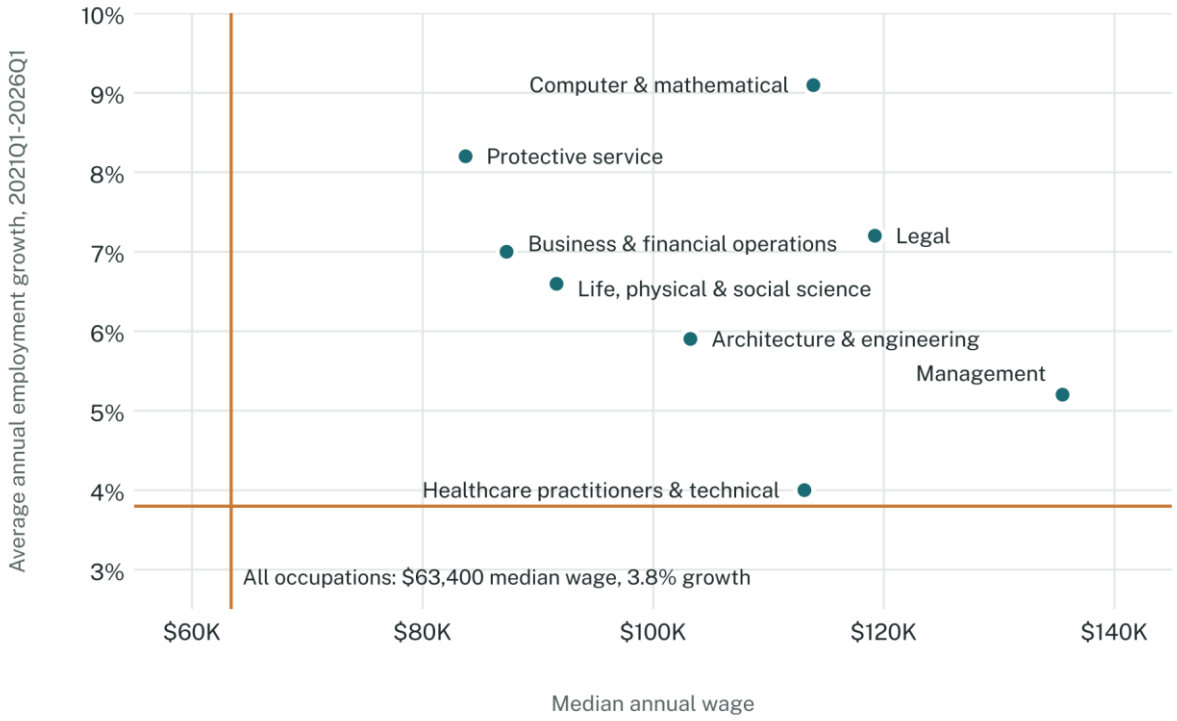
3. The third is Tumwater's direct to consumer retail sectors. The city's single largest detailed occupation category is retail salespersons at 593 jobs, with fast food and counter workers (428) and cashiers (388) close behind, all at median wages near $38,000.

D. Wages & Growth

Tumwater's high-wage occupations are growing faster than other occupations and faster than regional and state averages. Among the eight occupation groups with median annual wages at least 25 percent above the citywide median of $63,400, computer and mathematical occupations grew fastest, averaging 9.1 percent annual growth, well above the county's 5.7 percent and the state's 4.2 percent. Protective service and business and financial operations followed. Figure ED-9 and Table ED-15 compare wages and growth across the three geographies. All eight high-wage groups grew faster than the citywide average of 3.8 percent and their counterparts in both the County and State.

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Figure ED-9. Median Wage & Average Annual Employment Growth by High-Wage Occupation Group in Tumwater, 2021Q1-2026Q1.



Source: JobsEQ® Occupation Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026.
Note: The crosshair marks the citywide median wage and citywide average annual employment growth. Includes the eight occupation groups with a median annual wage at least 25 percent above the citywide median.

Table ED-15. Median Wage & Average Annual Employment Growth by High-Wage Occupation Group in Tumwater, Thurston County & Washington State, 2021Q1-2026Q1.

Occupation Group	Median Wage	Jobs	Tumwater	Thurston County	Washington
Management	$135,500	1,470	5.2%	3.9%	4.2%
Legal	$119,200	526	7.2%	3.9%	2.8%
Computer & mathematical	$113,900	1,229	9.1%	5.7%	4.2%
Healthcare practitioners & technical	$113,100	650	4.0%	2.4%	2.2%
Architecture & engineering	$103,200	537	5.9%	3.1%	1.8%
Life, physical & social science	$91,600	748	6.6%	3.7%	3.4%
Business & financial operations	$87,300	2,525	7.0%	4.5%	4.5%
Protective service	$83,700	1,406	8.2%	4.8%	4.1%
All occupations	**$63,400**	**25,653**	**3.8%**	**3.0%**	**2.3%**

Source: JobsEQ® Occupation Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026.

Note: Includes the eight occupation groups with a median annual wage at least 25 percent above the citywide median of $63,400, sorted by median wage. Growth is average annual employment growth, 2021Q1-2026Q1.

Software developers provide one indication that Tumwater's ability to attract private-sector knowledge-based employment. The occupation supports 410 jobs at a median wage of $128,600 and has grown at an average of 11.1 percent per year over the past five years, above the county's 7.8 percent and the state's 5.3 percent. About four in five of those jobs are in the private sector, and even when measured on private employment alone, software development remains more concentrated in Tumwater than nationally.

Management analysts, lawyers, and accountants and auditors together account for roughly 940 jobs and are more concentrated in Tumwater than nationally, though a majority of the management analyst and lawyer positions are in state government. Their concentration reflects the presence of state agencies as well as private demand. Tumwater's professional workforce creates an opportunity to support additional private-sector employment in these occupations.

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E. Labor Supply

Labor force participation is 66.9 percent overall and 83.1 percent among prime working age residents[38], with resident unemployment at 5.3 percent.[39] The City relies on workers who live outside Tumwater, hosting about 1.8 jobs for every resident labor force participant[40] and more than a quarter of employed residents work from home[41].

The defining labor challenge over the next five years will be replacing workers who leave or change occupations. Of the roughly 14,200 projected job openings, about 5,850 will result from workers leaving the workforce, including retirements, and about 7,600 from workers changing occupations, compared with only about 790 net new positions. In other words, replacement demand accounts for approximately 94 percent of projected job openings, while job growth accounts for only 6 percent.

Local unemployment is highest among several lower-wage occupations: cashiers at 10.1 percent, freight and material movers at 9.9 percent, stockers and landscaping workers at 9.2 percent, and fast food and counter workers at 8.5 percent, compared with 5.3 percent across all occupations citywide. These are modeled estimates that are more useful for identifying patterns than precise employment rates. However, the pattern consistently indicates that available labor is greatest in occupations with some of the lowest wages.

F. Implications for Economic Development

The workforce priority is building the workforce pathway, retaining young workers, and preparing for retirements and other worker transitions rather than staffing net job growth. The workforce challenge is succession planning. With growth accounting for less than six percent of projected openings, the practical challenge is replacing workers leaving Tumwater's stable public and private professional workforce. This increases the importance of education and training partnerships with the Tumwater School District, New Market Skills Center, South Puget Sound Community College, The Evergreen State College, and Saint Martin's University identified in the Demographics chapter.

Tumwater's fastest growth is in computer, business, and professional occupations that pay well above[42] the citywide median and are expanding faster locally than in the County or State. This growth is supported by a highly educated resident workforce: 45.5 percent of residents aged 25 to 64 hold a bachelor's degree or higher. Software developers (410 jobs growing at 11.1 percent per

[38] Prime working age refers to the civilian population age 25 to 54, the standard band used by the U.S. Bureau of Labor Statistics; the overall participation rate is measured on the civilian population age 16 and over. U.S. Census American Community Survey 5-Year Estimates, 2020-2024, via JobsEQ®, exported July 28, 2026.
[39] U.S. Census American Community Survey 5-Year Estimates, 2020-2024, via JobsEQ®, exported July 28, 2026.
[40] Derived: 25,653 jobs located in Tumwater (JobsEQ 2026Q1) against 14,391 resident labor force participants (ACS 2020-2024).
[41] U.S. Census American Community Survey 5-Year Estimates, 2020-2024, via JobsEQ®, exported July 28, 2026.
[42] *JobsEQ® Occupation Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026. See Table ED-15.*

year) provide evidence that Tumwater can attract knowledge-based employment when the workforce is available, even without a large existing cluster of businesses.

Finally, 39.3 percent of Tumwater's jobs are in government. That employment base is both a strength (e.g., provides stable, benefited employment that supports local consumer spending) and a concentration risk. The occupation data also show opportunities for continued diversification in private professional services, goods movement, and, if the current service gap can be addressed, health care services.

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Chapter 6. Industry

A. Introduction

This chapter examines the economy's supply side and the industries that operate within Tumwater, including their scale, wages, concentration relative to national norms, and growth trends. Where the Workforce chapter examines the type of work performed in Tumwater (occupations), this chapter examines the types of businesses that provide those jobs (industries).

Industry data in this chapter are drawn from the same 2026Q1 dataset used in the Workforce chapter, at the 2-digit sector level.[43] Tumwater supported 25,653 jobs as of the first quarter of 2026, with an average annual wage of $77,127. Employment grew at an average of 3.8 percent per year over the past five years, outpacing Thurston County's 3.0 percent, and Washington State's 2.3 percent. Tumwater's industry structure is distinguished by its high concentration of Public Administration employment. Table ED-16 presents the full sector detail, and Figure ED-10 compares each sector's five-year employment trends with projected growth over the next five years.

Unless otherwise noted, historical figures in this chapter cover 2021Q1 through 2026Q1 and forecasts cover 2026Q1 through 2031Q1.

Table ED-16. Employment, Wages, Concentration, Five-Year Growth & Forecast by Industry Sector in Tumwater, Thurston County & Washington State, 2026Q1.

Industry Sector	Jobs	Avg Ann Wage	LQ	5-Yr Ann %: Tumwater	Thurston Co.	Washington	Forecast Ann %	Est. Payroll ($M)
Public administration	8,334	$95,828	6.93	7.1%	3.8%	2.7%	0.5%	798.6
Retail trade	2,255	$46,610	0.92	0.5%	0.1%	-3.2%	0.4%	105.1
Administrative & support services	1,985	$57,391	1.29	6.5%	2.4%	1.9%	0.6%	113.9
Professional, scientific & technical	1,637	$120,866	0.89	11.2%	6.8%	3.4%	1.2%	197.9
Educational services	1,605	$65,095	0.77	3.0%	3.8%	2.6%	-0.2%	104.5
Construction	1,452	$86,906	0.94	-3.2%	0.4%	0.8%	0.8%	126.2
Manufacturing	1,379	$74,294	0.70	0.9%	0.0%	0.5%	0.5%	102.5
Wholesale trade	1,290	$106,354	1.37	6.4%	5.4%	0.5%	0.7%	137.2
Accommodation & food services	1,170	$30,292	0.53	3.1%	6.2%	6.9%	0.7%	35.4

[43]JobsEQ® Industry Snapshot, Tumwater city, WA, 2026Q1, exported July 28, 2026. Data are four-quarter moving averages of Quarterly Census of Employment and Wages data supplemented by modeled estimates. History and forecast figures cover five-year windows. Industry data are classified by NAICS at the 2-digit level, the finest level available for Tumwater, and are distinct from the occupation (SOC) measures in the Workforce chapter, which draw on the same 2026Q1 vintage.

Industry Sector	Jobs	Avg Ann Wage	LQ	5-Yr Ann %: Tumwater	Thurston Co.	Washington	Forecast Ann %	Est. Payroll ($M)
Health care & social assistance	1,129	$70,438	0.28	-2.4%	1.2%	2.5%	1.4%	79.5
Arts, entertainment & recreation	804	$44,479	1.47	8.9%	7.3%	10.6%	0.3%	35.8
Transportation & warehousing	788	$54,485	0.61	0.5%	7.8%	6.3%	0.8%	42.9
Other services	497	$61,533	0.46	-2.4%	2.9%	2.5%	0.8%	30.6
Information	438	$136,106	0.92	8.4%	3.3%	1.4%	1.4%	59.6
Finance & insurance	368	$108,880	0.37	0.0%	1.4%	-0.3%	0.7%	40.1
Agriculture, forestry & fishing	298	$53,805	0.97	-7.2%	-5.2%	-1.3%	0.3%	16.0
Real estate & rental	202	$62,985	0.45	1.0%	0.2%	1.8%	0.7%	12.7
Utilities	21	$155,980	0.15	6.2%	-0.1%	1.5%	0.5%	3.3
Total – all industries	**25,653**	**$77,127**	**1.00**	**3.8%**	**3.0%**	**2.3%**	**0.6%**	**2,041.8**

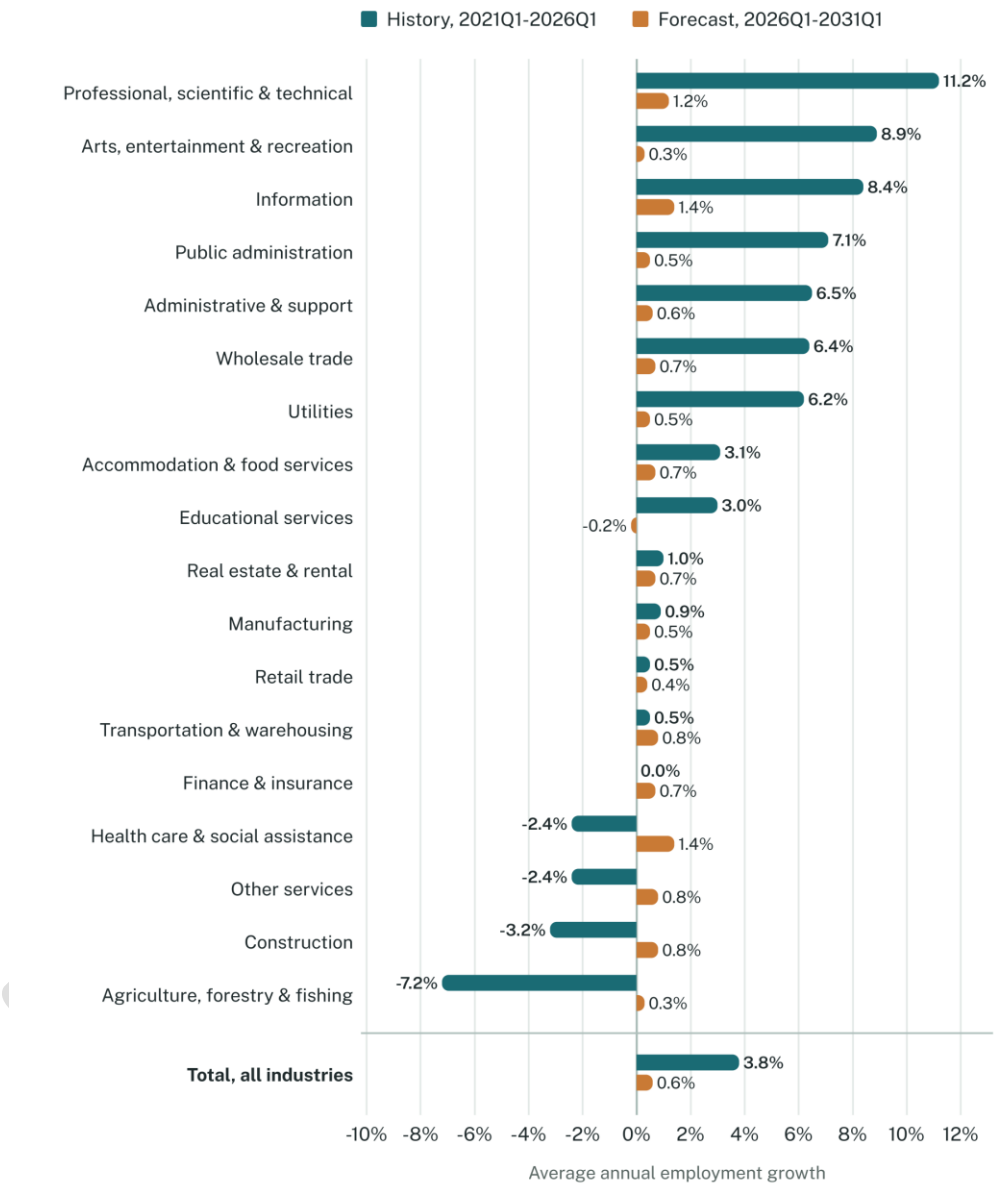
Source: JobsEQ® Industry Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026.

Notes: LQ is the location quotient relative to the nation; 1.00 equals the national concentration. NAICS sectors 31, 44, and 48 represent the combined sectors 31-33, 44-45, and 48-49. Mining (NAICS 21) and Management of Companies (NAICS 55) report no employment in Tumwater and are omitted.

Notes: Forecast Ann % is the five-year forecast of average annual employment growth, 2026Q1-2031Q1, modeled consistent with national industry projections. Estimated annual payroll is employment multiplied by average annual wage; it is computed from the two published columns, is not reported by JobsEQ®, excludes proprietor income, benefits beyond covered wages, and returns to capital, and is nominal.

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Figure ED-10. Average Annual Employment Growth by Industry Sector in Tumwater, History 2021Q1-2026Q1 & Forecast 2026Q1-2031Q1.



Source: JobsEQ® Industry Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026.

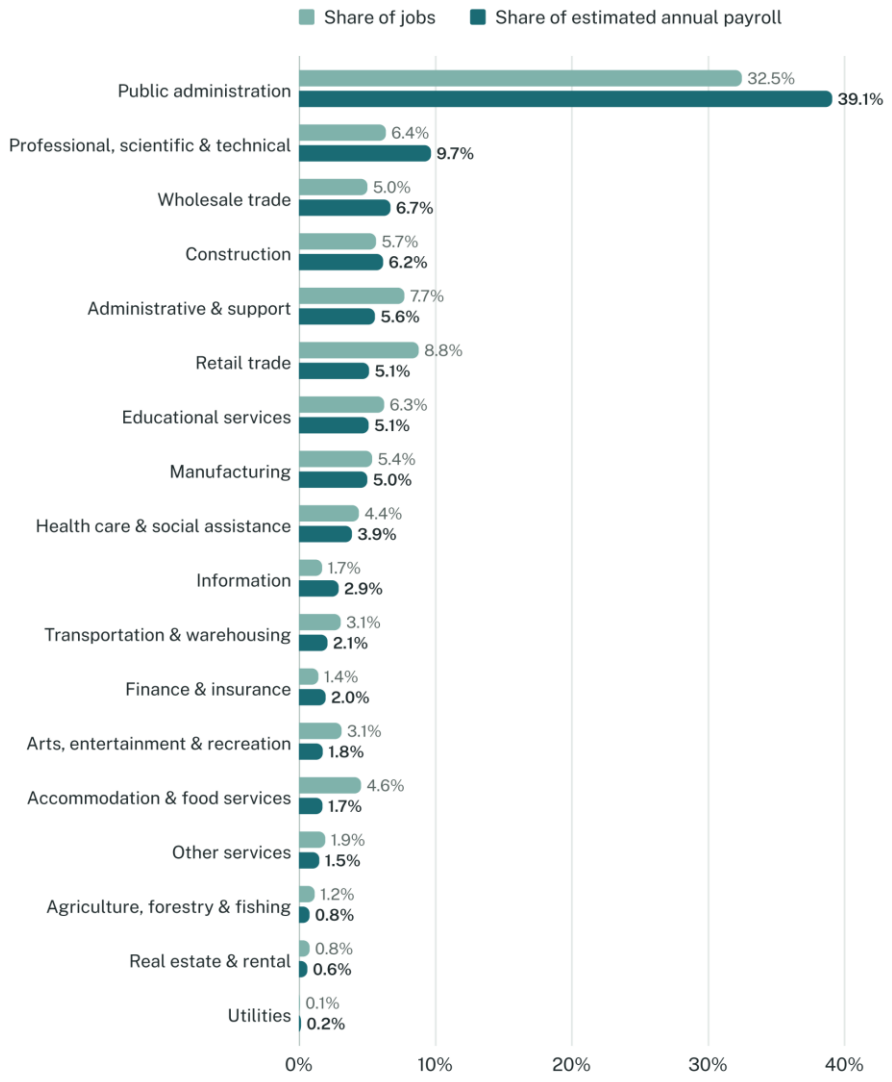
Note: Forecast growth rates reflect national industry projections applied to local industry composition and should be read as direction rather than precise magnitude.

B. Estimated Annual Payroll

Gross domestic product, the standard measure of economic output, is not published at the city level. Estimated annual payroll, calculated by multiplying each sector's employment multiplied by its average annual wage, is used here as a proxy for the relative economic size of each sector. It excludes proprietor income, employee benefits beyond covered wages, and returns on investment income, so it understated total economic activity.

Measured this way, Tumwater's sectors generate roughly $2.0 billion in estimated annual payroll while Public Administration accounts for 32.5 percent of Tumwater's jobs but 39.1 percent of its estimated payroll, and Professional, Scientific, and Technical Services accounts for 6.4 percent of jobs but only 9.7 percent of payroll. At the other end, Accommodation and Food Services accounts for 4.6 percent of jobs but 1.7 percent of payroll. Figure ED-11 compares each sector's share of jobs with its share of estimated payroll. All figures are nominal.

Figure ED-11. Share of Jobs & Share of Estimated Annual Payroll by Industry Sector in Tumwater, 2026Q1.



Source: JobsEQ® Industry Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026. Estimated annual payroll computed as employment multiplied by average annual wage.

C. Public Administration Anchor

Public Administration accounts for 8,334 jobs or 32.5 percent of all employment in Tumwater. It has a location quotient of 6.93, meaning it is concentrated in Tumwater at roughly seven times the

national average. Average annual wages in the sector are $95,828 and are above the citywide average. Individually, no other industry sector has even a third of Public Administration's employment, but the majority of Tumwater's jobs are still in the private sector. Tumwater has a large and highly concentrated public-sector employment base within an economy where most jobs remain private.

Public Administration's recent employment growth is not expected to continue at the same pace. Public Administration added 2,422 jobs over the past five years, growing at an average of 7.1 percent annually, but its five-year forecast is flat at about 0.5 percent per year. Of the sector's 4,005 projected openings over the next five years, only 192 represent net new positions. The remaining openings are projected to replace workers who leave the labor force or change occupations.[44] Public Administration is expected to remain a major employment based but contribute little job growth in the near term. Most new jobs will need to come from other sectors.

This concentration is examined in the Strengths, Weaknesses, Opportunities, and Threats (SWOC) analysis as both a strength (providing a stable, high-wage, relatively cycle-resistant employment base) and a risk (due to Tumwater's dependence on state government budget, employment, and facilities decisions).

D. Notable Private Sector Concentrations

Tumwater's private economy shows three notable industry concentrations at or above national norms.

Source for the data strips in this and the following two sections: JobsEQ®, Industry Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026.

1) Wholesale Trade

JOBS	AVG ANN WAGE	LQ	5-YR ANN %	FORECAST ANN %
1,290	**$106,354**	**1.37**	**6.4%**	**0.7%**

Wholesale Trade added 344 jobs over the past five years, while employment statewide remained flat. Tumwater's location along Interstate 5 between the Seattle and Portland markets supports its role in wholesale trade and goods movement.

2) Administrative and Support Services

JOBS	AVG ANN WAGE	LQ	5-YR ANN %	FORECAST ANN %
1,985	**$57,391**	**1.29**	**6.5%**	**0.6%**

Administrative and Support Services is growing faster than the sector in both County and State. Wages are moderate, but the sector provides significant entry-level employment opportunities.

[44]JobsEQ® Industry Snapshot, Tumwater city, WA, 2026Q1, exported July 28, 2026. Exits and transfers are approximate estimates based on occupation separation rates applied to industry staffing patterns, per the source.

3) Arts, Entertainment, and Recreation

JOBS	AVG ANN WAGE	LQ	5-YR ANN %	FORECAST ANN %
804	$44,479	1.47	8.9%	0.3%

Arts, Entertainment, and Recreation is growing faster than any private sector other than *Professional, Scientific, and Technical Services*. Continued growth in arts and culture can support Tumwater's placemaking district redevelopment strategies, including efforts to create more vibrant commercial districts and potentially establish a Washington State Creative District.

E. Professional, Scientific, and Technical Services

JOBS	AVG ANN WAGE	LQ	5-YR ANN %	FORECAST ANN %
1,637	$120,866	0.89	11.2%	1.2%

Professional, Scientific, and Technical Services is one of the most promising sectors in Tumwater. With average wages well above the citywide average and the fastest five-year growth among private sectors, it presents a strong opportunity for economic diversification particularly because it draws on many of the same professional skills found in state government employment. Its location quotient remains just below the national norm, suggesting room for future growth. The combination of rapid growth, high wages, and an existing skilled workforce supports a strategy that leverages workforce talent.

F. Notable Underrepresented Sectors

This section calls out four sectors of significance that sit below national norms.

1) Health Care and Social Assistance

JOBS	AVG ANN WAGE	LQ	5-YR ANN %	FORECAST ANN %
1,129	$70,438	0.28	-2.4%	1.4%

Health Care and Social Assistance is one of the City's primary service gaps. The sector lost 144 jobs over the past five years, declining 2.4 percent annually, even as it grew 1.2 percent annually in the County and 2.5 percent statewide. Combined with the Demographics chapter's finding that the countywide senior share will reach 22.7 percent by 2045, and the Household Income and Consumer Demand chapter's finding that health care is the fastest-growing spending category in all three principal cities, the direction of the local health sector is an area of economic concern.

Healthcare support occupations, the aides and assistants an aging population needs most, are the only occupation group with more than 500 jobs besides construction and extraction that has shrunk over the past five years, contracting 1.9 percent per year compared to 2.7 percent growth in Thurston County and 2.9 percent growth statewide.

The aggregate gap partly reflects the regional concentration of major medical facilities in Olympia and may not be closable by recruitment alone. However, a strategy of neighborhood-based, small to medium–sized healthcare facilities are achievable within Tumwater and may become more viable as housing becomes more concentrated along the Capitol Corridor and in the Brewery District.

2) Manufacturing

JOBS	AVG ANN WAGE	LQ	5-YR ANN %	FORECAST ANN %
1,379	**$74,294**	**0.70**	**0.9%**	**0.5%**

Manufacturing is under-concentrated relative to national norms and shows no momentum for change. This finding creates direct tension with goal language carried forward from the 2019 plan. The manufacturing strategy in this Element rests on available land, district identity, completion of the Habitat Conservation Plan and the City Council's aspiration for Tumwater to be known as a community where businesses can make things.

3) Accommodation and Food Services and Retail Trade

Accommodation and Food Services (1,170 jobs, location quotient 0.53) and *Retail Trade* (2,255 jobs, 0.92) both sit below national norms as well. This is the industry-level expression of the consumer-spending revenue loss concern documented in the Household Income and Consumer Demand chapter. This is likely due to the relatively slow progress of district revitalization within the Capitol Corridor and Brewery Districts, which could help capture the millions in available consumer demand identified in the previous sections.

G. Forecast and Demand Structure

The five-year forecast for total employment is 0.6 percent annual growth.[45] The forecast reflects national industry projections applied to Tumwater's industry composition.

The demand structure repeats, on the industry side, the finding of the Workforce chapter. Of 14,647 projected openings across all industries over five years, 6,180 arise from labor force exits and 7,700 from occupational transfers. Only 768 openings, 5.2 percent, represent net employment growth: approximately 95 percent of projected industry labor demand is replacement, consistent with the 94 percent found on the occupational side over the same five-year horizon. The two are computed using slightly different data methods and are cited separately, but both tell the same story: nearly 95% of job openings will come from retirements and transfers, as opposed to new net job creation. Table ED-17 summarizes the findings.

Table ED-17. Five-Year Labor Demand Structure in Tumwater, 2026Q1.

Measure	Value
Total projected openings	14,647
Openings from labor force exits	6,180
Openings from occupational transfers	7,700
Openings from net employment growth	768

[45] JobsEQ® Industry Snapshot, Tumwater city, WA, 2026Q1, exported July 28, 2026. Forecast is modeled by Chmura consistent with BLS national 10-year projections.

Measure	Value
Replacement share of total demand	94.8%

Source: JobsEQ® Industry Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026.

Note: Exits and transfers are approximate estimates based on occupation separation rates applied to industry staffing patterns. Components may not sum to the total due to rounding.

Health Care and Social Assistance (about 1.4 percent per year), Information (1.4 percent), and Professional, Scientific, and Technical Services (1.2 percent) are the sectors forecast to grow modestly faster than Tumwater as a whole. Tumwater's dominant sector of Public Administration is forecast to remain flat and Educational Services is the only sector forecast to contract. This supports the previous finding that diversification of Tumwater's employment base will be required for continued economic growth.

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Chapter 7. Employment Land Needs

A. Introduction

The preceding chapters describe Tumwater's economy including its industries, residents, housing, incomes, and workforce. This chapter considers whether Tumwater has the land to accommodate future growth. The Growth Management Act requires comprehensive plans and development regulations to provide sufficient land capacity to accommodate each jurisdiction's allocated housing and employment growth (RCW 36.70A.115). The Washington State Department of Commerce implements this requirement through a land capacity analysis (WAC 365-196-325).

Thurston County is one of seven Washington counties subject to the Growth Management Act's review and evaluation program, commonly called the Buildable Lands Program (RCW 36.70A.215). Under that program, the Thurston Regional Planning Council periodically evaluates whether the county's urban areas contain sufficient land for 20 years of residential, commercial, and industrial growth, and has issued Buildable Lands Reports in 2002, 2007, 2014, and 2021.

This chapter relies on the 2021 Buildable Lands Report to answer the employment land question for Tumwater: "Does Tumwater and its urban growth area contain enough commercially and industrially zoned land to accommodate forecast job growth?"[46] The answer, explained below, is yes, though it is not clear whether that land can actually be developed and brought to market.

B. Forecast Employment Growth

The Thurston Regional Planning Council forecasts around 35,800 net new jobs in Thurston County between 2020 and 2040, with about 95 percent locating in the county's urban areas. Of the roughly 33,900 jobs forecast for the urban areas, Tumwater is expected to add 5,900, about 17 percent of the countywide urban total. Table ED-18 breaks that growth down by the type of zoning district where new jobs are expected to locate.

Most growth in Tumwater will occur in commercial and mixed-use zones, which contain retail, offices, services, and state and local government employment. Tumwater's forecast is distinctive: about 13 percent of its job growth is expected in industrial zones, roughly double the 6 percent industrial share for the county's urban areas as a whole, and more than a third of all industrial job growth forecast for the County's urban areas is expected to occur in Tumwater. The forecast

[46] Thurston Regional Planning Council, Buildable Lands Report, 2021, version 5, August 2022. Consistent with the report's treatment of urban areas, figures in this chapter combine Tumwater and its unincorporated urban growth area unless noted otherwise. The Council's forecast and inventory figures are not comparable to the JobsEQ employment series used in the Workforce and Industry chapters, which cover Tumwater alone under a different employment definition and vintage.

reinforces the role documented the Industry chapter: Tumwater is one of the region's principal locations for manufacturing, warehousing, and goods-movement employment.

Table ED-18. Forecast Employment Growth by Type of Zone in Tumwater & All Thurston County Urban Areas, 2020-40.

Urban Area	Commercial or Mixed Use	Industrial	Residential & Schools	Total
Tumwater	4,090	760	1,060	5,900
All Thurston County Urban Areas	27,350	2,030	4,520	33,900
Tumwater Share	15.0%	37.4%	23.5%	17.4%

Source: Thurston Regional Planning Council, 2021 Buildable Lands Report for Thurston County, Table 4-1 (TRPC Employment Forecast), p. 46.

Notes: Tumwater figures include Tumwater and its unincorporated urban growth area. Components may not sum to totals due to rounding. Share row computed from report figures.

C. How Employment Translates into Land Demand

The Buildable Lands Report estimates land need from two observed characteristics of the existing building stock: the floor-to-area ratio, which measures how intensively buildings and their required parking, stormwater facilities, and landscaping occupy a parcel, and building area per employee, which varies widely by industry. Together, these factors convert forecasted job numbers into acres of land. The resulting ratio indicates how many jobs can be accommodated per acre of developed land.

Table ED-19 shows these measures for existing commercial and industrial buildings in Tumwater. Commercial buildings within Tumwater's designated urban corridor develop far more intensively than those outside it with 21,400 square feet of building per developed acre and nearly 79 jobs per acre, compared with 8,400 square feet and about 15 jobs per acre outside the urban corridor. Industrial buildings require the most space per worker, at roughly 1,170 square feet per employee, and support about 11.5 jobs per developed acre. A key finding is that the same employment growth consumes several times more land in low-intensity formats than in corridor-style development.

Table ED-19. Building & Employment Density in Existing Commercial & Industrial Buildings in Tumwater.

Building Type & Location	Floor Area per Developed Acre (sq. ft.)	Floor Area per Employee (sq. ft.)	Employees per Developed Acre
Commercial, within urban corridor	21,400	270	78.6
Commercial, outside urban corridors	8,400	550	15.3
Industrial	13,400	1,170	11.5

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Source: Thurston Regional Planning Council, 2021 Buildable Lands Report for Thurston County, Table 4-2, p. 50.

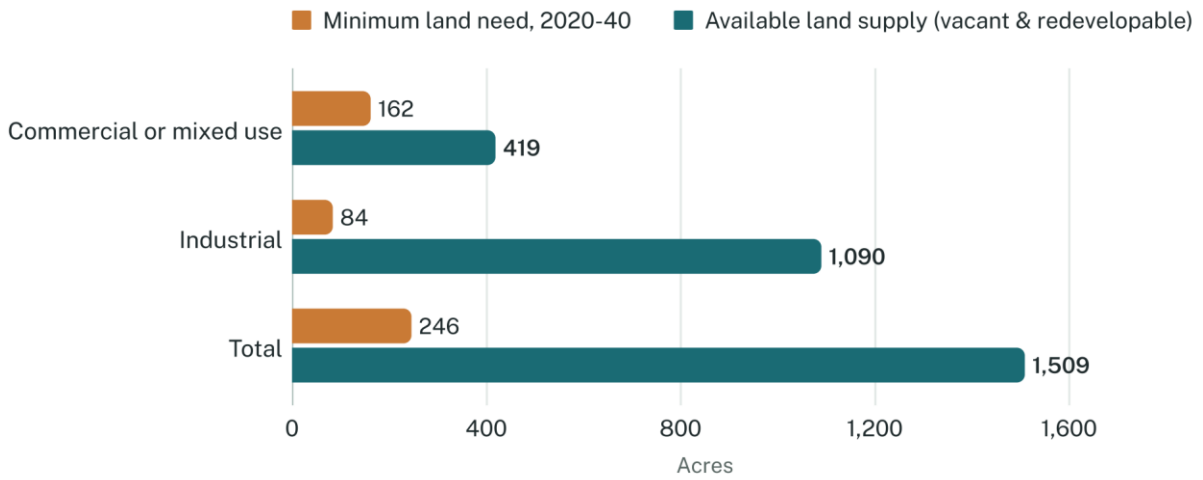
Note: The inventory includes buildings permitted through the end of 2019 and excludes schools, churches, colleges, hospitals, the airport, Port of Olympia property, and certain other public and institutional facilities.

D. Land Demand and Supply

Applying average employment densities to the forecast, the report estimates that Tumwater needs a minimum of nearly 246 acres to accommodate employment growth in commercial, mixed-use, and industrial zones between 2020 and 2040 with 162 acres for commercial and mixed-use growth and 84 acres for industrial growth. Figure ED-12 and Table ED-20 compare that minimum need with the land available.

Tumwater contains about 419 acres of vacant and redevelopable land in commercial and mixed-use zones, roughly two and a half times the minimum need, and about 1,090 acres in industrial zones, roughly 13 times the minimum need. The report separately identifies capacity for approximately one million square feet of additional building space on Port of Olympia property in Tumwater, beyond the acreage shown in the table.

Figure ED-12. Commercial & Industrial Land Supply Compared to Minimum Land Need in Tumwater, 2020-40.



Sources: Thurston Regional Planning Council, 2021 Buildable Lands Report for Thurston County, Tables 4-3 & 4-4, pp. 52-53.

Table ED-20. Minimum Employment Land Need & Available Land Supply in Tumwater, 2020-40.

Zone Category	Minimum Land Need (acres)	Vacant (acres)	Redevelopable (acres)	Total Supply (acres)
Commercial or Mixed Use	162	297	122	419

Zone Category	Minimum Land Need (acres)	Vacant (acres)	Redevelopable (acres)	Total Supply (acres)
Industrial	84	887	203	1,090
Total	**246**	**1,184**	**325**	**1,509**

Sources: Thurston Regional Planning Council, 2021 Buildable Lands Report for Thurston County, Tables 4-3 & 4-4, pp. 52-53.

Tumwater's roughly 887 acres of vacant industrial land is the largest industrial land supply of any jurisdiction in Thurston County and represents more than half of the countywide urban total. Industrial recruitment for the metropolitan area therefore depends substantially on land in Tumwater, and the manufacturing goals identified elsewhere in this analysis depend on this land supply.

For the county's urban areas, the report finds "enough vacant, partially developed, and redevelopable land" to support employment growth forecast to 2040.[47] For Tumwater specifically, supply exceeds minimum need in both categories by a wide margin.

E. Supply Constraints

The sufficiency finding carries two qualifications:

1. The report cautions that questions remain about how much of the commercial and industrial land supply will actually be available for development because of federal Endangered Species Act listings, and it identifies Port of Olympia property in Tumwater as an area of particular uncertainty.[48] Four federally listed species have habitat that overlaps substantially with developable land in Thurston County, including the Mazama pocket gopher, which has the most extensive range of the four listed species. Tumwater, in partnership with the Port of Olympia, has been developing a Habitat Conservation Plan to give affected property owners defined options for mitigating the impacts of future development.
2. The analysis assumes that roads, utilities, and other infrastructure will be built or extended as land develops. Much of the industrial supply is unimproved, and the report notes that a robust land supply requires a full range of options for potential businesses, from raw land to served sites to existing vacant buildings. The acreage totals therefore describe zoned capacity, not sites ready for immediate occupancy.

In both cases, unlocking Tumwater's land capacity depends on significant public investment.

[47] 2021 Buildable Lands Report for Thurston County, p. 51.
[48] 2021 Buildable Lands Report for Thurston County, pp. 43 & 51.

F. 2025 Buildable Lands Update

The Land Use Element reports a more recent and more conservative estimate of buildable commercial and industrial land of 729.6 acres in Tumwater and its urban growth area combined[49]. That estimate comes from the Thurston Regional Planning Council's 2025 Tumwater Land Use Alternatives Analysis, which used the same land capacity model as the Buildable Lands Report but updated the land base to account for development completed or approved through February 2025, applied current zoning, and removed lands anticipated to be preserved as mitigation under a habitat conservation plan.

The 2021 Buildable Lands Report answers the countywide statutory question using a common method across jurisdictions, while the 2025 analysis reflects Tumwater's current land base and policy choices. Under either estimate the conclusion is the same and even the more conservative 729.6-acre figure is roughly three times the 246-acre minimum need identified for 2020 through 2040 though still contingent on addressing both the endangered species and infrastructure concerns above.

G. Implications for Economic Development

Tumwater and its urban growth area contain sufficient commercial, mixed-use, and industrial land to accommodate forecast employment growth through the planning period, satisfying the land capacity requirement of RCW 36.70A.115. The conclusion holds under both the 2021 Buildable Lands Report and the more conservative 2025 analysis prepared for the Land Use Element.

Tumwater holds a larger supply of industrial land than any other jurisdiction in the County, and the sufficiency of that supply is not in question. What remains uncertain is how much of it can be brought to market, and how quickly. Resolution of Endangered Species Act mitigation requirements and the extension of infrastructure to unimproved sites will determine whether the industrial land base functions as an economic asset or remains available only on paper.

[49]Tumwater Land Use Element, Part 2 – Technical Information (2025), Table LU-9.

Chapter 8. Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis

A. Introduction

This chapter synthesizes the above findings into a single strategic assessment using the SWOC framework of strengths, weaknesses, opportunities, and threats. Findings in this chapter are drawn from the preceding analysis chapters.

B. Strengths

1) Sustained Population and Employment Growth

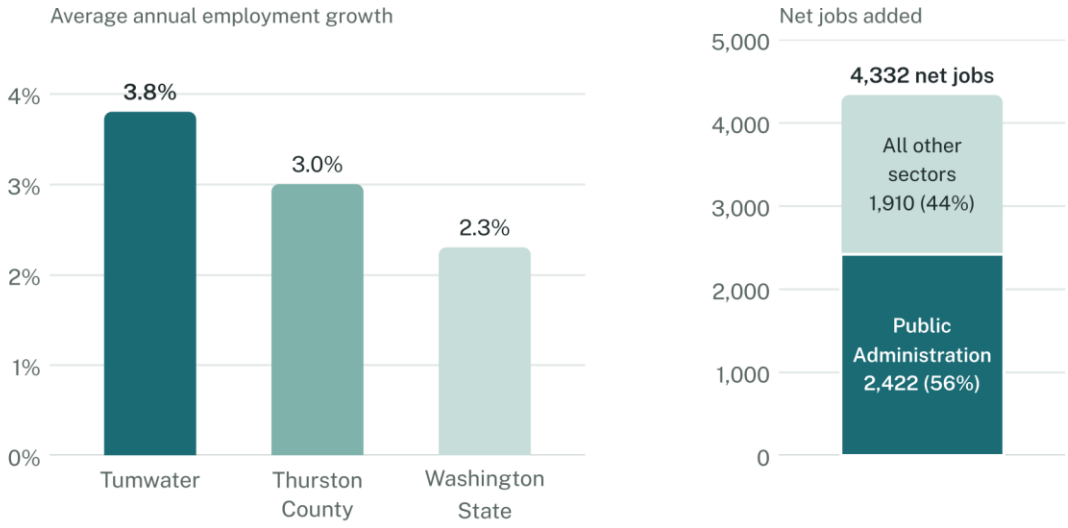
Tumwater has grown faster than regional and statewide averages on both the resident and employment sides. The population rose from 17,121 in the 2007–2011 American Community Survey period to 26,956 in the 2020–2024 period, an increase of 57.4 percent. Part of that increase reflects annexation, but with boundaries essentially stable since 2016, population has still grown an average of 2.8 percent per year. On the employment side, Tumwater's job base stood at 25,653 in the first quarter of 2026, having grown an average of 3.8 percent per year over the past five years, faster than Thurston County's 3.0 percent and Washington State's 2.3 percent.

Growth of this kind expands both the labor pool available to employers and the customer base available to local businesses and generates the level of consumer demand that makes district redevelopment feasible.

However, more than half of the five-year employment growth came from a single sector: Public Administration added 2,422 of the 4,332 net jobs, and that sector is forecast to be essentially flat at about 0.5 percent per year. Figure ED-13 compares the growth rates and shows how concentrated that growth was. This qualification connects the strength to the challenges identified below related to institutional concentration and replacement-driven labor demand.

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Figure ED-13. Employment Growth & Its Concentration in Tumwater, 2021Q1-2026Q1.



Source: JobsEQ® Industry Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026.

Note: The left panel compares average annual employment growth across the three geographies. The right panel divides the 4,332 net jobs Tumwater added between Public Administration and all other sectors combined.

2) Strong Household Purchasing Power

The share of households earning $100,000 or more reached 47.3 percent in the 2020–2024 ACS estimate and the median household income now sits at $95,212. Tumwater households outspend neighboring jurisdictions in most discretionary spending categories. Figure ED-6 and Table ED-9 present the income and distribution, and Figure ED-7 compares per-household expenditures across the three cities.

Tumwater offers retailers, restaurateurs, and personal-service businesses the highest total household expenditure of the three principal cities, leading in twelve of seventeen categories. Lacey's five category leads are concentrated in non-discretionary spending such as groceries, health care, and utilities; Tumwater's advantage is concentrated in discretionary and committed categories, including entertainment, dining out, apparel, household furnishings, and education. This has a direct impact on the feasibility of redevelopment efforts in Tumwater's aging business districts.

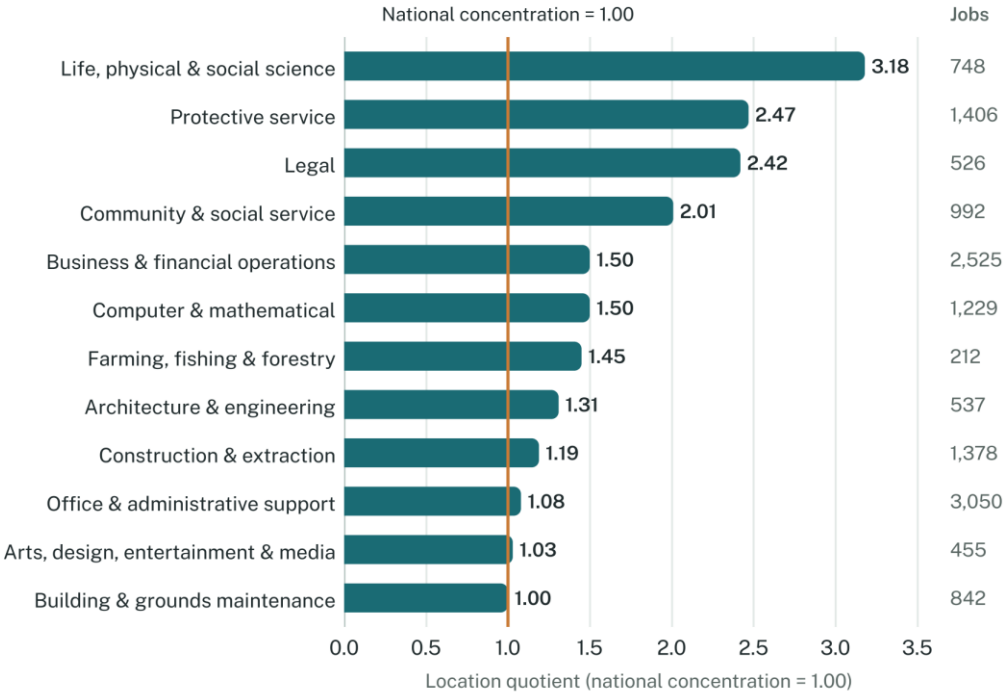
3) A Stable Public-Sector Employment Anchor

Public Administration accounts for 8,334 jobs, 32.5 percent of all employment in Tumwater, at a location quotient of 6.93, roughly seven times the national concentration. Average annual wages in Public Administration are $95,828, well above the citywide average of $77,127, and the sector added 2,422 jobs over the past five years.

These are stable, benefited, middle-to-upper-wage positions. They sustain consumer demand through economic cycles, support a surrounding market of contractors, suppliers, and professional-service firms, and contribute to the stability of Tumwater's consumer demand for services. Deep Concentrations of Skilled and Credentialed Workers

Tumwater's occupational profile is rich in technical and professional work. It exceeds the national concentration in twelve of the 22 major occupation groups, with the strongest concentrations in scientific, legal, protective, and social service work: life, physical, and social science occupations stand at more than three times the national norm (location quotient 3.18), protective service at 2.47, legal at 2.42, and community and social service at 2.01. Figure ED-14 presents all twelve groups. Conversely, the concentration in farming, fishing, and forestry occupations (1.45, with 212 jobs) reflects agricultural operations in and around Tumwater rather than the professional cluster this strength describes.

Figure ED-14. Occupation Groups at or Above the National Concentration in Tumwater, 2026Q1.



Source: JobsEQ® Occupation Snapshot, Tumwater city, WA, 2026Q1; exported July 28, 2026.
Note: Includes all occupation major groups at or above the national concentration of 1.00.

Resident educational attainment reinforces this. Among residents aged 25 to 64, 45.5 percent hold a bachelor's degree or higher, up from 39.4 percent in 2011, and 56.7 percent hold a postsecondary credential of some kind. Because housing costs rose steeply over the same period, some of this increase reflects a change in which households live in Tumwater rather than gains among households already here. The attainment advantage holds against both benchmarks: Tumwater's

45.5 percent bachelor's-or-higher share compares with 38.6 percent in Thurston County and 40.7 percent statewide, and only 2.6 percent of Tumwater residents age 25 to 64 lack a high school diploma, compared with 5.0 percent countywide and 7.8 percent statewide. Figure ED-4 in the Demographics chapter compares the full distributions.

4) Private-Sector Diversification

Diversification is an established trend in Tumwater. *Professional, Scientific, and Technical Services* is the fastest-growing sector in Tumwater, adding 672 jobs over five years at 11.2 percent annual growth, compared with 6.8 percent in the county and 3.4 percent statewide and pays a thriving wage at $120,866. Information grew 8.4 percent annually at wages of $136,106 and software developers grew 11.1 percent per year, above the state's 5.3 percent, at a median wage of $128,600.

Because the *Professional, Scientific, and Technical Services* sector still sits just below the national concentration at a location quotient of 0.89, this growth shows a sector expanding to take advantage of Tumwater's talent base rather than one that has exhausted it.

5) An Established Goods-Movement Economy

Wholesale Trade is a private sector employment pillar in Tumwater with 1,290 jobs at average wages of $106,354 growing 6.4 percent annually compared with essentially flat statewide performance. Anchored by Tumwater's Interstate 5 position between the Seattle and Portland markets, the city can build on this existing cluster in Thurston County and its geographic advantage between two major metropolitan markets.

6) Housing Production

Tumwater permitted an average of 279 housing units per year across 2023 and 2024, up from an average of about 164 units per year over 2014–2022, and 65 percent of the 2023–24 units were in multifamily structures, compared with 37 percent over the prior nine years.[50]

The pivot toward multifamily construction is the clearest evidence available that Tumwater can respond to housing pressure with increased supply, both in scale and type. It has not yet closed the gap with the adopted production requirement (that shortfall is treated under Threats), but its positive momentum demonstrates that Tumwater is responding to the challenge directly.

[50]County and Place Building Permit Data Report, second quarter 2025 edition, place annual data for Tumwater, 2014–2024. Multifamily shares are multifamily units as a percentage of total permitted units. This finding is carried out in the Housing chapter's production discussion.

C. Weaknesses

1) Home Ownership Costs

The typical Tumwater home was valued at approximately $510,000 at the end of 2024; purchasing it with a 30-year mortgage at prevailing rates and a 20 percent down payment would require roughly 118 percent of area median income for a four-person household. The buyer affordability indices tracked by the Washington Center for Real Estate Research have been declining for Thurston County cities at approximately the same rate since 2010.

That narrows the pool of workers who can establish themselves in Tumwater and shifts homeownership toward higher income households, consistent with the income shifts identified in earlier sections.

2) Challenges for Renters

Renting remains more attainable than homeownership. The average rent in Tumwater was $1,747 in the third quarter of 2024. By 2023, 47.7 percent of Tumwater renters paid more than 30 percent of household income toward gross rent, and nearly a quarter of renter households were severely cost-burdened. Almost 15 percent of all Tumwater households spent more than half their income on housing.

The ownership market offers workers at median income few points of entry, and the rental market that absorbs them consumes an outsized share of their income. Every dollar a cost-burdened household spends on housing is a dollar unavailable to the local consumer economy to support small businesses.

3) Public Administration Anchor

The *Public Administration* sector alone accounts for 32.5 percent of Tumwater employment. The five-year forecast for Public Administration is flat at about 0.5 percent annual growth, and of the sector's 4,005 projected openings only 192 represent net new positions.

A local economy in which roughly one third of total jobs depend on the budget decisions, leasing practices, and staffing policies of a single institutional employer has limited capacity to absorb a contraction within that employer. This is the central structural argument for economic diversification, and it is the finding that drives much of Part 1.

4) Labor Demand

Of the roughly 14,200 job openings projected in Tumwater over the next five years, about 5,850 come from labor force exits (retirements and departures) and about 7,600 from transfers between occupations. Only about 790 openings (less than 6 percent of the total) represent net employment growth.

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Tumwater's workforce challenge over the planning period is therefore less about job growth and more about pathway development, retention, and succession planning.

5) Youth Unemployment

Resident unemployment of 5.3 percent is in line with county and state levels, but unemployment among residents aged 16 to 19 stands at 16.4 percent, roughly three times the citywide rate. As labor costs increase, entry-level and less experienced workers become less competitive, creating a gap between those seeking work and opportunities for employment.

6) Workforce Pathway

Residents under 25 fell from 32.0 percent of Tumwater's population in 2011 to 28.7 percent in 2024, while residents 65 and over rose from 13.7 to 15.6 percent. The countywide senior share is projected to reach 22.7 percent by 2045. Tumwater remains a comparatively young city (its median age of 37.1 is below both the county's 40.0 and the state's 38.3), but these trends will create workforce pressures over time.

Future job openings will continue to result from replacing retiring or departing workers, instead of new job growth. At the same time, the groups entering the workforce are getting smaller, while those leaving are increasing. This trend creates greater challenges for employers, especially those with owner-operated businesses, to find successors and maintain operations.

6) Residential Growth Is Outpacing Employment Growth

Population in Tumwater and its urban growth area is projected to grow about 2.0 percent per year, from 26,546 residents in 2017 to 46,080 by 2045, while employment in the same area is forecast to grow about 1.2 percent per year, from 27,030 jobs to 37,760. The two were roughly equal in 2017; by 2045 the area is forecast to have 8,320 more residents than jobs.

Currently Tumwater has more jobs than residents participating in the labor force, but if that divergence holds, Tumwater may become progressively more residential and less a place of work. The consequences are fiscal as well as economic as Tumwater's revenue base becomes more dependent on capturing household spending locally and puts it in a higher stake's competition with its neighbors.

D. Opportunities

1) Private Industry Adjacent to Government

Tumwater has a large pool of professional and technical workers, especially in fields that support government and regulated industries. Occupations such as law, compliance, environmental science, engineering, program administration, accounting, and information technology are all more common in Tumwater than the national average. The industry that would ordinarily employ such workers privately remains underbuilt (the *Professional, Scientific, and Technical Services* sector stands at a

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location quotient of 0.89), but it is growing faster than elsewhere in the region, at 11.2 percent annually.

That pairing signals a recruitment opportunity. Candidate activities include environmental and regulatory consulting, government-operations and regulatory technology, legal support services, audit and program administration, and engineering services. Proximity to the state's largest institutional buyer strengthens the case further.

2) Health Care and the Care Economy

The *Health Care and Social Assistance* sector represents a significant service gap in Tumwater, and it is widening: 1,129 jobs at a location quotient of 0.28, having lost 144 jobs over the past five years even as the sector grew countywide and statewide. Demand is moving in the opposite direction. Health care is the fastest-growing spending category in all three principal cities, projected to grow 8.7 percent in Tumwater by 2030, the sector carries the strongest forecast of any major local sector at about 1.4 percent per year, and the countywide senior share is projected to reach 22.7 percent by 2045. A local supply of care shrinking while local need is rising is both a service gap for residents and a recurring economic leakage.

The aggregate concentration gap reflects the absence of a hospital and the region's concentration of major medical facilities in Olympia; it is not a gap Tumwater can likely close through recruitment alone. The realistic targets are outpatient services, clinics, senior and residential care, home-based care, and support businesses sized to the resident population.

3) Diversify Workforce Housing

The recent shift toward multifamily production indicates that Tumwater can increase supply in both scale and type. Extending that shift into missing-middle housing, smaller ownership products, and mixed-income development helps address that affordability gap. Homeownership is not only a primary way residents build wealth and retirement security , but also allows them to establish themselves in the community, fostering a greater sense of belonging and stability.

4) Revitalize Local Districts to Capture More Household Spending

Approximately $283 million of Tumwater household spending each year falls into categories a local business district can compete for: groceries ($76.6 million), entertainment ($71.4 million), dining out ($55.2 million), household furnishings ($33.5 million), apparel ($23.1 million), personal care ($15.3 million), and alcoholic beverages ($7.8 million). Tumwater households spend more per household in most of these categories than their Lacey and Olympia counterparts.

This is the most concrete near-term opportunity in the analysis because the demand already exists and is already being spent, much of it outside Tumwater. Capturing a larger share depends on business conditions, site readiness, and district vitality with district-based development in the Capitol Boulevard Corridor and the Brewery District as the primary vehicle. And because total

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consumer demand is projected to grow about 5.0 percent between 2025 and 2030 almost entirely by growth in the number of households, business creation and housing production in and near those districts are mutually dependent and also depend on the successful rehabilitation of Tumwater's many brownfields.

5) Convert Remote Work into Local Economic Activity

More than a quarter of employed Tumwater residents now work from home, up from about 4 percent in 2011.[51] That places workers away from traditional employment and commercial centers during the work week. Investing in attractive business districts, placemaking efforts, welcoming gathering places and neighborhood-scale commercial development are strategies that Tumwater can leverage to keep local business districts vibrant.

6) Build Youth and Career Pathways

Teen unemployment at roughly three times the citywide rate sits alongside roughly 14,200 projected openings dominated by replacement need. These trends indicate an alignment problem rather than a scarcity problem: the local economy generates thousands of openings each year that its youngest eligible workers are slow to be employed in.

Paid internships, pre-apprenticeships, first job programs, and employer-connected education are tools that can help fill this gap. Career pathways can connect entry-level service and retail workers into management, project management, skilled trades, logistics, health care, engineering, information technology, and public-systems occupations, all of which Tumwater already hosts at scale. Existing institutional partners include the Pacific Mountain Workforce Development Council, Tumwater School District, New Market Skills Center, South Puget Sound Community College, The Evergreen State College, and Saint Martin's University should take prominent leadership roles alongside Tumwater in facilitating these pathways.

7) Support Inclusive Entrepreneurship

Tumwater's population has diversified over the last decade, with residents identifying as two or more races rising from 5.0 to 13.8 percent of the population and Hispanic or Latino residents increasing from 5.4 to 9.3 percent.

Culturally responsive business assistance, multilingual permitting guidance, procurement support, and targeted entrepreneurial outreach can expand the pool of new businesses. The evidence also indicates that translation alone is unlikely to be sufficient as English language proficiency is not likely to be a primary barrier. Rather, Tumwater should focus on making city resources more accessible to diverse communities, and outreach should meet people where they are rather than assuming a single point of contact.

[51] US Census American Community Survey 5-Year Estimates, 2020-2024 via JobsEQ; exported July 17, 2026

8) Establish a Tourism and Place-Branding Strategy on a Measured Base

Arts, Entertainment, and Recreation supports 804 jobs at a location quotient of 1.47, and is growing 8.9 percent annually, an above-norm concentration that has not previously featured in Tumwater's economic development framing. Combined with Tumwater's brewing heritage, the Deschutes River corridor, historic sites, and parks, this sector provides the foundation for a destination and identity strategy that could draw spending from beyond the resident base and help offset Tumwater's smaller regional consumer demand totals.

9) Leverage the Airport, Port Industrial Land, and Interstate 5

The Olympia Regional Airport and the Port of Olympia's New Market Industrial Campus sit within Tumwater and combined with Interstate 5 access and Tumwater's position between the Portland and Seattle markets, form the physical basis of the distribution, logistics, and wholesale strategy supported elsewhere in this analysis.

Access to airport infrastructure also creates opportunities for high-wage employment in aerospace and advanced avionics including training facilities, maintenance and repair and supply chain manufacturing for the aerospace and avionics industries.

E. Threats

1) Housing Affordability and Workforce Stability

If home prices continue to rise faster than incomes and ownership remains attainable only above the area median, workers will increasingly live farther from Tumwater or leave the regional market altogether. Employers would face longer recruitment cycles, upward wage pressure, higher turnover, and commuting-related instability. Longer commutes would also increase demand, contribute to traffic congestion, and make climate goals more difficult to achieve.

These threats fall unevenly across populations with the bulk of the impact falling on those who are least able to absorb it. Those without the means to live close to employment centers will face longer commutes and higher fuel costs.

2) State Budget and Facilities

In Tumwater, 28.3 percent of jobs depend on the Washington State operating budget. If the state reduces its budget, consolidates agencies, changes its leasing practices, or restructures the public sector, Tumwater would feel the impact more than most cities of its size.

This impact would go beyond just public employees. Contractors, professional service firms, property owners, retailers, and restaurants that rely on government workers and their spending would also be affected. If a major state facility were relocated or consolidated, it would have both direct and indirect effects on Tumwater’s local economy.

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3) Automation Impacts

Many of Tumwater's largest occupations involve routine tasks like transaction processing and information management. Office and administrative support is the city's largest occupational group, with 3,050 jobs. Major occupations also include retail salespersons (593 jobs), fast food and counter workers (428), stockers and order fillers (421), and cashiers (388), with median wages ranging from about $38,000 to $48,000.

Automating these tasks could reduce the number of entry-level job openings, even as employers continue to need replacements for remaining positions. This shift would especially impact opportunities for young workers starting their careers. As it becomes harder to find entry-level workers and wages rise, employers may increasingly turn to automation to manage labor costs and staffing needs.

4) Regional Competition

Olympia and Lacey each have roughly twice Tumwater's household count and more established commercial concentrations that Tumwater does not match. Without distinctive districts, development-ready sites, and competitive development conditions, Tumwater will continue to lose household spending and business investment to neighboring jurisdictions.

This threat can compound over time. Spending that leaves Tumwater reduces the market evidence supporting new business formation, which in turn gives residents fewer reasons to spend locally.

5) Replacement Pressure

Population aging, occupational exits, high transfer rates, and a reduction in qualified young workers may make it progressively harder for employers to maintain staffing at all, independent of whether the economy grows. Of the roughly 14,200 openings projected over five years, about 5,850 arise from labor force exits alone.

The risk is greatest in service, care, logistics, construction, and administrative occupations with large annual replacement needs, and in public-sector professional occupations, where retirements must be filled from a shrinking pool of qualified candidates.

6) The Condition of Anchor Sites

Large, historically significant, and underutilized properties occupy anchor positions in Tumwater's priority redevelopment districts, most prominently the former brewery properties in the Brewery District and the former Washington State Department of Transportation headquarters. The 2019 Economic Development Plan called for exploring grants, donations, and public-private partnerships to rehabilitate the Old Brewhouse, a recognition that renewal of this kind cannot rely on private

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investment alone.[52] Where such sites occupy anchor positions in a district, their condition constrains the district as a whole and not merely the individual parcel. The health of these districts is vital to capturing Tumwater's increasing consumer demand and district revitalization cannot succeed if these areas remain anchored by prominent sites in decline.

F. Conclusion

This analysis defines Tumwater as a city with considerable strengths, including rapid population and job growth, high household purchasing power, and a well-educated workforce. However, these benefits are unevenly distributed and bring their own set of risks. This analysis identifies three main themes:

- the need to balance the stability offered by a strong public sector employment base with the risk of overdependence;
- the importance of connecting housing growth, household spending, and business district vitality;
- and the challenge of shifting workforce dynamics, with most future job openings resulting from workforce replacement rather than new job creation.

Economic diversification depends on a workforce that can afford to live in Tumwater, while revitalizing business districts relies on both housing growth and improving key sites. Additionally, workforce development is linked to the success of diversification efforts. Addressing these challenges will require a coordinated strategy that integrates economic diversification, housing development, and workforce planning, rather than treating them as isolated initiatives.

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[52] Tumwater 2019 Updated Economic Development Plan (adopted January 2020), Goal 4, Policy 4.A, and implementation discussion of the brewery properties and Brewery District.