

Highlights: Tariffs Effects on the King County Economy



Tariffs Increase US and Local Prices to Business & Consumers

- Businesses Have to Pay more for Certain Imports Used in Producing Some Goods
- Businesses Pass on none, a portion or all of the price increase from tariffs to consumers
- Threats of tariffs in the news causes consumers to expect prices to rise in the future & thus they purchase more now to avoid the future tariff
 - leads to higher demand and potentially higher prices
- Price increases lead to Inflation Going Up

Trade War Can Negatively Lower National Forecasts

- Reduction in US Real GDP – greater uncertainty means less spending
- Raise expectations of Higher Prices in the future which increases Inflation
- Federal Reserve is Less Likely to cut federal funds rate with uncertainty & inflation expected to rise
- Interest Rates on Mortgages and Consumer Loans Remain High

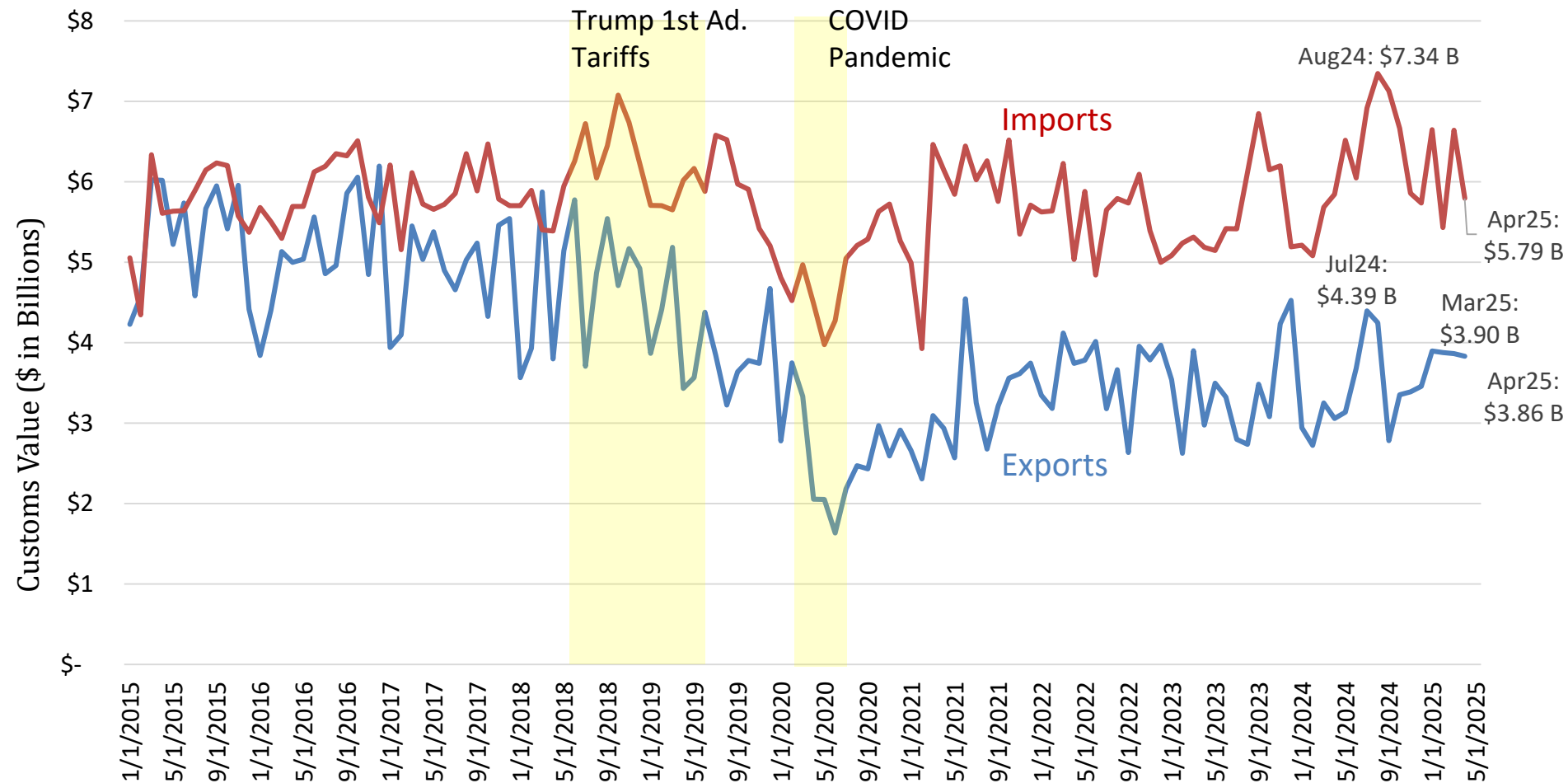
KC economy should see growth in prices but no growth in sales and employment

- Anticipate KC inflation to grow over the next year
- King County taxable sales dropped 0.5% year-over-year in 2024 and the first quarter growth has been minimal over 2024 so anticipate slow taxable sales and even minor year over year decline.
- Employment in 2025 has been flat

Seattle Metro Area (Ports & Air) Cargo Exports & Imports over the last 10 years



Seattle Metro Port & Air Exports & Imports Values (\$)

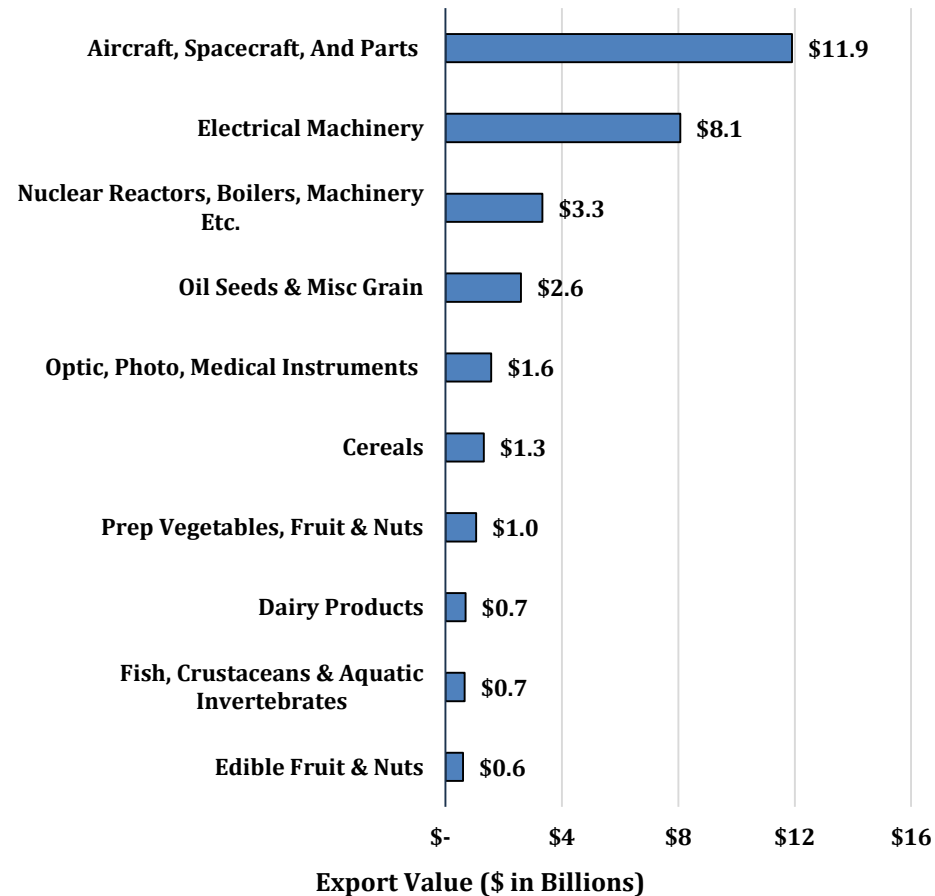


What do we export?

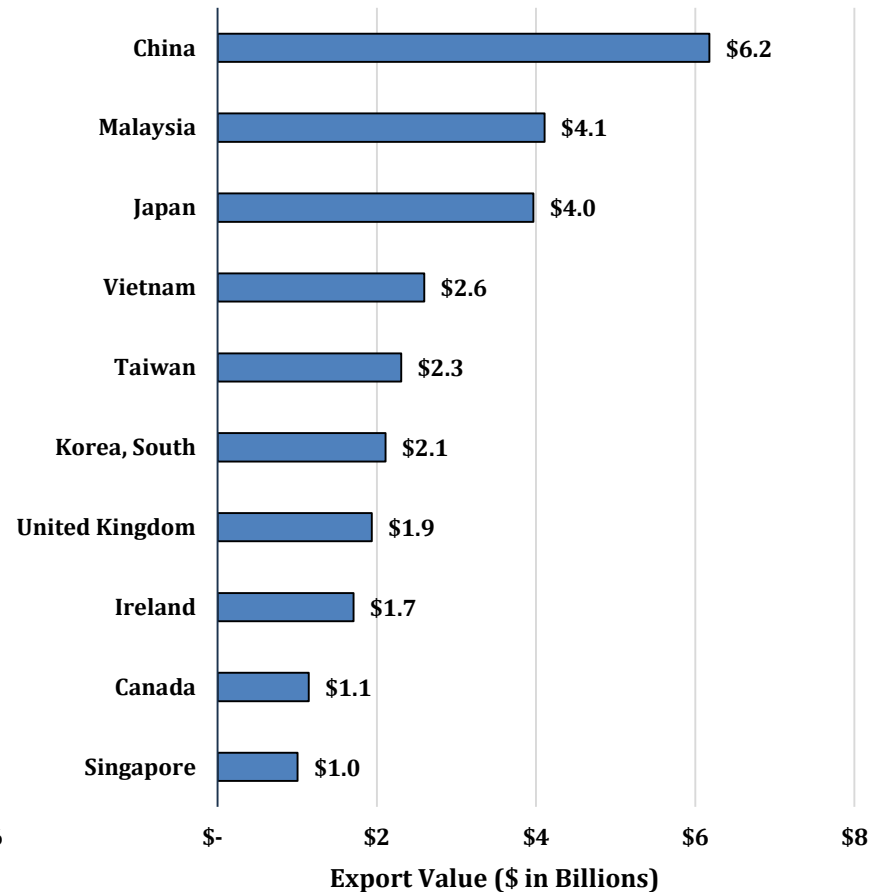
And where does it go?



Top 10
2024 Seattle Metro Exports – By Type



Top 10
2024 Seattle Metro Exports - By Country

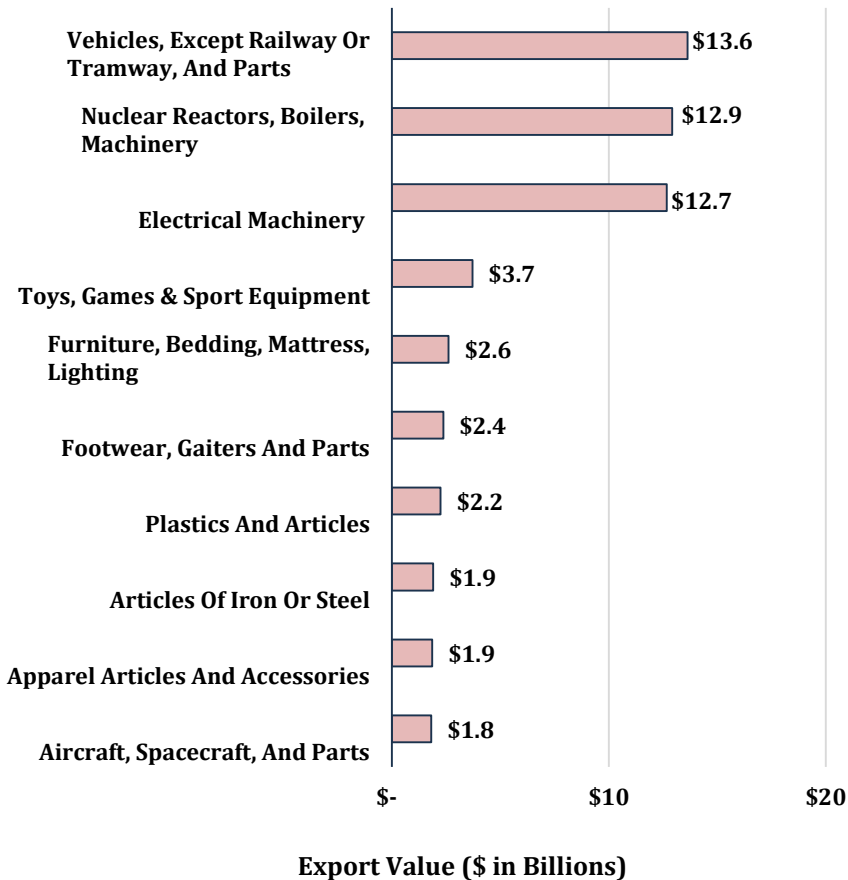


NOTE: Includes exports from Seattle, Everett and Tacoma ports and SEATAC

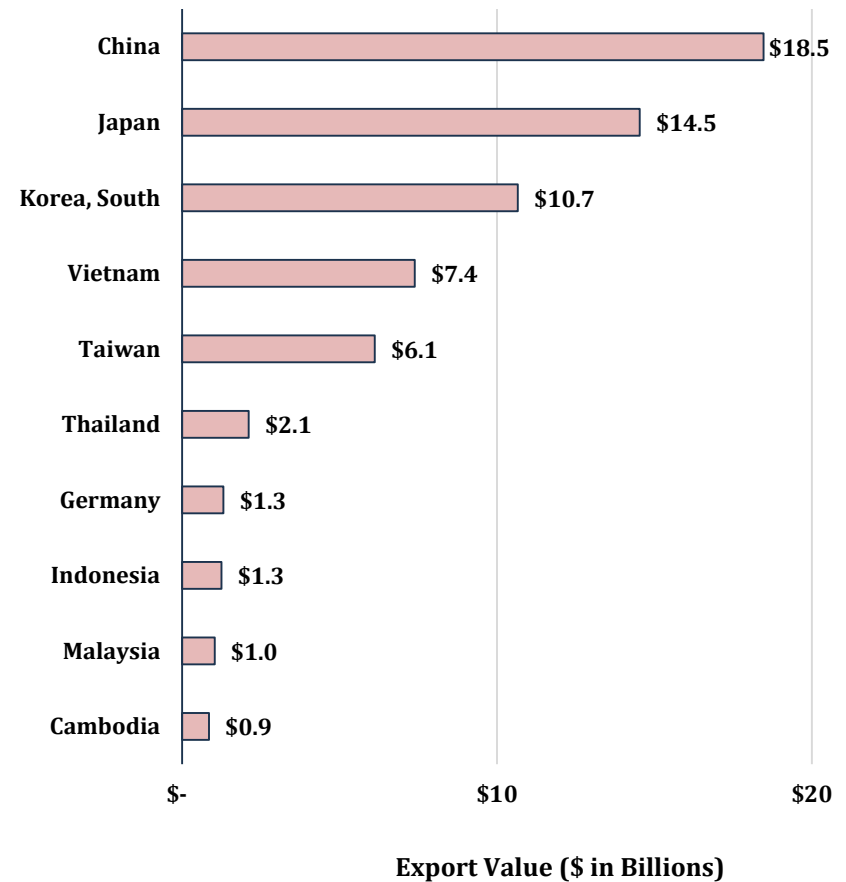
What do we import?

And where does it come from?

OEFA  **Top 10 Type of Seattle Metro Imports - 2024**



Top 10 Seattle Metro Imports By Country of Origin - 2024



NOTE: Includes imports arriving at Seattle, Everett and Tacoma ports and SEATAC

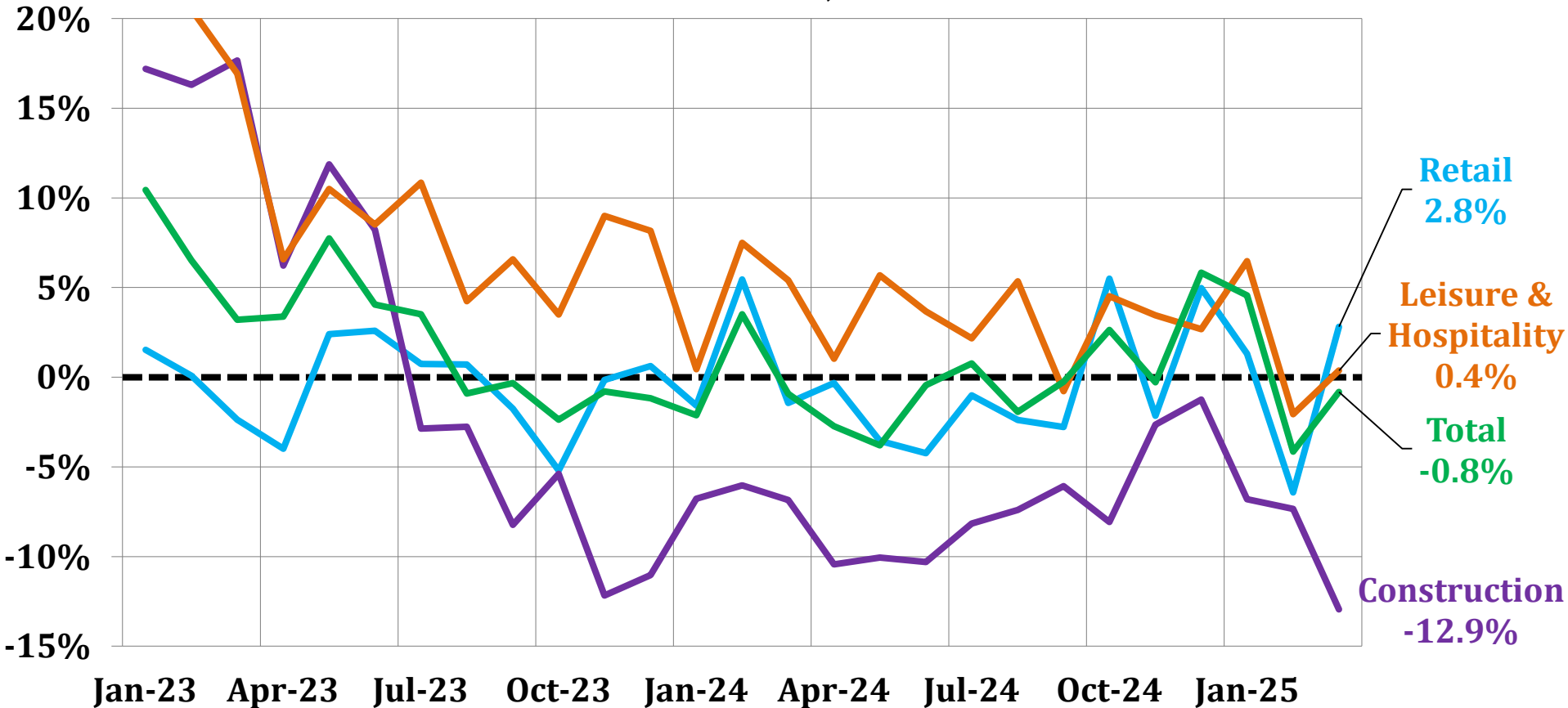
Taxable sales have limped along for the last 18 months, dragged by declining construction activity



King County Taxable Sales Growth

YOY growth rates of taxable sales for select sectors

Source: WA DOR, KC OEFA



A soft labor market and weak taxable sales continue in 2025, but inflation still cool



King County Economic Indicators
2023-2024 Actuals with 2025 YTD & 20 Year Average
Source: WA ESD, Case-Shiller, WA DOR, BLS

