The 10 TRAITS of GLOBALLY FLUENT METRO AREAS

GLOBAL CITIES INITIATIVE
A JOINT PROJECT OF BROOKINGS AND JPMORGAN CHASE

SEATTLE

GDP (country rank), 2012[1]	Share National GDP, 2012[2]	GDP/Capita, 2012[3]	Population, 2012 (country rank)[4]	Share National Pop., 2012[5]	GaWC Global City Ranking, 2010[6]	# Global 2000 HQs, 2012[7]	GDP/c Growth 1993-2012[8]
$231,559,530,560 (12)	1.48%	$65,215	3,550,697 (15)	1.13%	68	10	1.46%

1) Benchmarks — what is the city's recent ranking performance in terms of global firms, connectivity, diversity, range of cultural assets, immigrants, visitors?

On the global stage, the Seattle metropolitan area is known as a regional capital in America's Pacific Northwest, an important gateway to Asia, and a hub for the aerospace and high-tech industries. Seattle's eight Fortune 500 headquarters, including global firms like Microsoft, Costco, and Starbucks, dominate the regional economy.[9]

Seattle is not included on fDi's Cities of the Future overall rankings for North America, which measure the future economic prospects of global cities. But in that same publication Seattle does rank first on economic potential, sixth on human resources, third on business friendliness, first on infrastructure, and fifth for quality of life amongst North American cities with a population between 250,000 and 750,000.[10] On measures of global firm connectivity, Seattle was measured a "Beta"—or sixth-tier—global city by researchers at the Globalization and World Cities Research Network based on connectivity to multinational advanced services firms.[11] Seattle also houses a large container port, an international airport, and a research university – the University of Washington. These three assets situate it as an important node in the global flow of goods, people, and ideas, respectively.

2) Narrative – the city's journey into and through globalization. What kind of economic and development trajectory has it taken? What has changed over time?

Seattle's transformation from a struggling industrial city in the mid-20th century to a global innovation hub is one of America's globalization success stories. Seattle's economic history is a story of industry booms and busts – the rise and fall of the Klondike Gold Rush in the late 1890s, lumber throughout the late 19th and early 20th century, and shipbuilding during World War I.

In 1910, Bill Boeing founded the Boeing Company, which would come to dominate the Seattle regional economy for the remainder of the century. Seattle boomed during the post-World War II era, but between 1970 and 1971 Boeing cut its workforce by more than half, from 81,000 to 37,000. Seattle's recession was famously summarized by a billboard that read, "Will the last person leaving Seattle—turn out the lights." However, Boeing eventually recovered, and even after relocating its headquarters to Chicago it remains the largest private employer in the metro area and anchors Seattle's world-beating aerospace cluster.[12]

Other than Boeing and its founder, the most important firm and person in Seattle's history are easily Microsoft and Bill Gates. Seattle's struggles in the late 1970s meant it was not the obvious location to found the most important technology company of the 20th century. Nevertheless, Gates and co-founder Paul Allen's desire to be nearer their Seattle-based families drew them back to the region in 1979 from New Mexico. Microsoft soon became the anchor of a vibrant information technology cluster, which eventually drew in firms like Amazon and helped spawn startups like Expedia and RealNetworks. Gates' post-Microsoft creation and stewardship of the Bill and Melinda Gates Foundation, the world's largest and most internationally focused philanthropy, has also furthered the region's global engagement.

One of the most highly educated workforces in the country – 37 percent of the population has a bachelor's degree – partly a product of the University of Washington, helps support these information technology firms and similar clusters in biotechnology and life sciences that make Seattle one of the most innovative and productive regions in the country.[13]

3) Elements of international and global orientation - In what ways is the city globally connected and relevant? What sort of trade patterns does it exhibit?

First and foremost, Seattle is a globally relevant metro area because it is a global leader in aerospace and software. Aerospace, in particular, dominates Seattle's trade profile, accounting for over $16 billion in exports in 2011, 57 percent of the region's total. Overall, exports account for 14 percent of Seattle's gross metropolitan product, the 16th-highest share among the top 100 metros. Following aerospace, Seattle's largest export categories are travel and tourism (7 percent of total exports), business services (6 percent) and royalties (6 percent).

Seattle's Pacific Northwest location makes it a natural trade partner for Canada, China, and Japan, its first-, third-, and fourth-largest export markets, respectively. The Port of Seattle is among the top 10 container ports in the United States, with products valued at $33.4 billion crossing its docks in 2009.[14]

Seattle also attracts and integrates international immigrants. Seventeen percent of its population is foreign-born, with half of these residents arriving from Asia – the fourth-highest percentage of any metro area in the United States after San Francisco, San Jose, and Detroit.[15] The demand for knowledge workers by the region's stable of innovative firms, research institutions, and universities disproportionately attracts high-skill immigrants; 38 percent of Seattle's foreign-born population has at least a college degree.[16] The University of Washington looms large as an international connector. In 2011, 18 percent of the freshman class at the University of Washington came from abroad (11 percent from China alone), up from 2 percent in 2006.[17] There are over 13,100 international students in the Seattle metro area, the 10th-largest population of all U.S. metro areas.[18]

4) To what extent is the city's international dimension inherited or intentional?

Seattle's international dimension evolved through a combination of happenstance followed by intentional global engagement. Its geographic location on the Pacific Ocean, like many West Coast cities, solidified its role in global trade and logistics, most prominently through the Port of Seattle. The economic emergence of Asia has only amplified Seattle's importance as a gateway for trade and investment to large metro economies like Shanghai, Beijing, and Tokyo.

While the origins of Seattle's comparative advantage in trade were inherited, its business, civic, and government leaders have also intentionally leveraged those strengths. The business community, led by large firms, actively partners with government and civil society to boost the region's competiveness through workforce development and education initiatives. Organizations like the Trade Development Alliance for Greater Seattle promote the region's international interests, particularly in Asia. Their trade missions and global trips ensure Seattle's leadership class remains aware of emerging trends and opportunities abroad.[19]

The other pillar of Seattle's global engagement – its status as an international innovation hub – was not a product of any one purposeful strategy. The region's pervasive sense of entrepreneurialism, with roots in speculative industries like gold and timber, certainly played a role, but so did happenstance. Seattle's two Bills – Gates and Boeing – came to the region because of family ties and the lumber industry, respectively. The software and aerospace clusters, now the two economic engines of the regional economy, began because these two brilliant innovators happened to be in Seattle.

Regardless of the seemingly random beginnings of these two clusters, Seattle has continually worked to protect them and build new ones through the intentional strategies like those led by the Prosperity Partnership, the region's leading economic development coalition. These strategies can be statewide, as with the two statewide trade associations – the Aerospace Futures Alliance (AFA) and the Washington Clean Technology Alliance (WCTA) – or more localized initiatives such as the Building Efficiency Testing and Integration (BETI) Center and Demonstration Network aimed at commercializing new products and technologies.[20]

[1] Brookings analysis of Moody's Analytics and Oxford Economics data.

[2] Ibid.

[3] Ibid.

[4] Ibid.

[5] Ibid.

[6] "The World According to GaWC; Classification of Cities 2010," September, 14, 2011.

[7] The data were produced by G. Csomós and constitute Data Set 26 of the Globalization and World Cities (GaWC) Research Network (http://www.lboro.ac.uk/gawc/) publication of inter-city data.

[8] Brookings analysis of Moody's Analytics and Oxford Economics data.

[9] Edward Hill, Travis St. Clair, Howard Wial, Harold Wolman, Patricia Atkins, Pamela Blumenthal, Sarah Ficenec, and Alec Friedhoff, "Economic Shocks and Regional Economic Resilience," In Margaret Weir et al., eds., *Urban and Regional Policy and Its Effects: Volume 4* (Washington: Brookings Institution Press, 2012).

[10] Jacqueline Walls, "American Cities of the Future 2011/12," April/May 2011, available at www.greenvillesc.gov/PublicInfo_Events/NewsArticles/AmericanCitiesoftheFuture.pdf.

[11] "The World According to GaWC; Classification of Cities 2010," Globalisation and World Cities Network, September 14, 2011.

[12] "The Boeing Company: Dealing With Change," available at www.boeing.com/history/narrative/n070boe.html.

[13] Brookings Institution analysis of American Community Survey data, U.S. Census Bureau.

[14] "The Greater Seattle Datasheet," available at www.seattle.gov/oir/datasheet/transportation.htm.

[15] "State of Metropolitan America" Brookings Metropolitan Policy Program (Washington: Brookings Institution, 2010).

[16] Matthew Hall, Audrey Singer, Gordon F. De Jong, and Deborah Roempke Graefe, "The Geography of Immigrant Skills: Educational Profiles of Metropolitan Areas" (Washington: Brookings Institution, 2011).

[17] Tamar Lewin, "Taking More Seats on Campus, Foreigners Also Pay the Freight," *New York Times*, February 4, 2012.

[18] Brookings Institution analysis of NAFSA: Association of International Educators data.

[19] Emilia Istrate, Bruce Katz, and Jonathan Rothwell, "Export Nation: How US Metros Lead Export Growth and Boost Competiveness" (Washington: Brookings Institution, 2010).

[20] "Metropolitan Business Plan for the Central Puget Sound Region," Prosperity Partnership, April 2011.

Acknowledgements