The Economic Vitality Vital Sign tells us how well natural resource-based industries (aquaculture, agriculture, fishing, forestry, and recreation and tourism) are doing economically over time, as well as compared to non-natural resource-based industries. As indicated in the Legislative Statute, the Partnership is intended to manage for functioning ecosystems that support natural systems as well as social and cultural wellbeing.

Economic Vitality is an element of Human Quality of Life. Natural resource-based industries have a longstanding history in the region and their existence is important to residents of the area as they provide jobs, income, a sense of identity, and cultural heritage. Since many communities in Puget Sound have historically been dependent on aquaculture, agriculture, fishing, forestry, and recreation and tourism, a healthy, sustainable, resource-based industry contributes to job-stability and satisfaction, sustainability, and attachment to place.

<table>
<thead>
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<th>VITAL SIGN &gt; INDICATOR</th>
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<td>Economic Vitality</td>
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<tr>
<td>Employment in natural resource industries</td>
<td>MIXED RESULTS</td>
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<tr>
<td>Natural resource industry output</td>
<td>MIXED RESULTS</td>
<td>NO TARGET</td>
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<tr>
<td>Percent of employment in natural resource industries</td>
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Key Vital Sign Messages

Based on data through 2018 for indicators of natural resource industry employment, percent employment, and output:

- The region is making progress with overall growth in natural resource industries. This is largely driven by growth in the recreation and tourism sector which represents 76 percent of natural resource employment and over 80 percent of natural resource wages.
- Employment in natural resource industries increased by more than 32 percent from an estimated 75,603 jobs in 2005 to over 100,000 jobs in 2018. At the same time, wages improved from about $1.7 billion in 2005 to $2.6 billion in 2018 ($2018) – an increase of nearly 53 percent.
- Wages in fishing and timber have declined in real terms, while aquaculture, agriculture, and recreation each have increased by approximately 4 percent per year since 2005.
- Roughly three percent of Puget Sound jobs are in natural resource industries. However, people working in these jobs receive just 1.5 percent of total wages in Puget Sound. This implies that natural resource industry jobs are lower paying relative to other sectors.
- The percentage of natural resource industry employment and wages compared to all employment and wages varies across counties from approximately 1 to 19 percent. Natural resource industries tend to account for a higher percentage of wage and employment in rural counties with more recreational opportunities, such as San Juan, Clallam, Jefferson, and Whatcom Counties.
GDP in tourism and recreation has also increased consistently each year beginning in 2010. In 2010, this indicator was $3.2 billion, increasing to $5.2 billion in 2018 ($2018) – a growth of 65 percent during a period where inflation only increased 15 percent.

Combined product value, or prices paid to producers for unprocessed timber, fish, shellfish, crops, and livestock from 2005 through 2018 averaged about $1.7 billion ($2018) annually. Since 2005, the combined value of natural resource industry products has increased and decreased over the years.

Commercial fishing value (finfish and shellfish) declined significantly from $115 million in 2017 to about $64 million in 2018 ($2018). This was driven by a decrease in finfish numbers resulting in part from low coho returns and resulting fishery closures.

While economics is a component of all the Vital Signs to varying degrees (through funding, costs, benefits, and incentives), the indicators for the Economic Vitality Vital Sign are linked to other Vital Signs in more specific ways. For example,

- Employment in resource-based industries contributes to a Sense of Place where residents’ strong connections to nature partly stem from cultural and outdoor activities, including fishing, shellfish gathering, and boating.
- Sustainable natural resource industries can contribute to, and also depend on, the health of Thriving Species and Food Webs, or alternately, can have a negative impact related to over-harvesting or poor practices.
- Poor conditions related to Toxics in Fish and Water Quality can negatively impact fishing and aquaculture resources, and forestry harvesting practices can impact water quality.
- Land development pressures can impact the forestry, fishing, shellfish, and agricultural industries.

Background Documents

- Leadership Council Resolution 2015-02, Human Health and Quality of Life Vital Signs and Indicators
- Human Wellbeing Vital Signs and Indicators for Puget Sound Recovery (2015), technical report describing the recommended portfolio of Puget Sound Human Health and Quality of Life Vital Signs and indicators

Other Resources

- Articles related to ecosystem services and quality of life in the Encyclopedia of Puget Sound
- Economic Impact of Killer Whales in the Salish Sea, by Earth Economics, supported by the Seadoc Society

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