

Matchstick Lab

CONNECTING CAPITAL ACROSS KITSAP

A roadmap to help entrepreneurs access the funding they need to grow from here

October 2026

OVERVIEW

A VISION FOR KITSAP'S FUTURE

From October 2025 through 2026, Matchstick Lab conducted extensive research to understand the capital needs of Kitsap businesses, the barriers preventing them from accessing funding, and opportunities to strengthen the local capital landscape.

Through a series of surveys, interviews, and roundtable discussions with more than 130 business owners, investors, lenders, and business support leaders, this research builds on Kitsap's existing economic development efforts and identifies new opportunities to connect businesses with capital, strengthen our local economy, and invest in what Kitsap can become.

Table of Contents

Exploring the Landscape 04

Finding capital shouldn't feel this hard.

What Businesses Need 13

Different businesses need different paths to capital.

Understanding Capital Sources 20

What different capital sources can offer—and where gaps remain.

The Opportunity 24

Imagine what Kitsap businesses could build with the right capital.

The Path Forward 34

Kitsap's capital future is ours to build.

FOREWORD

WHAT COULD KITSAP BUILD IF WE BACKED IT?

Capital does more than finance businesses. It shapes who builds, what gets built, and how communities share in the value created.



How can Kitsap connect support for entrepreneurs with investors ready to back local businesses?

Ten years ago, while sitting in my tiny NYC apartment, I was told Kitsap lacked the money and connections needed to grow the high-growth startups found elsewhere. I wondered whether those ingredients were caught in a chicken-and-egg problem.

At Vibe Coworks, we started with what we could change: connection. We built Kitsap's largest shared workspace and coworking community—a place where entrepreneurs, innovators, and remote workers could find one another and feel part of something larger.

Matchstick Lab grew from that community. As its founding Executive Director, I've seen what those relationships make possible—and how often businesses still struggle to find capital.

As Washington State's only recipient of the SBA's 2025 Growth Accelerator Fund award in Capital Formation—and one of just 33 selected nationally—Matchstick Lab used the opportunity to ask: *How can Kitsap connect support for entrepreneurs with investors ready to back local businesses?*

Over the past year, we've explored that question through surveys, interviews, and roundtables with business owners, lenders, investors, and community leaders.

Three findings stand out: 43% of surveyed entrepreneurs reported struggling to access the capital they need to grow. For every $1 in private investment per business in Kitsap, King County attracted $37 and Snohomish County attracted $56. Investors also described a lack of vetted local opportunities and trusted ways to find them.

This report maps how capital moves through Kitsap and where our greatest collective opportunities lie. It looks across public, private, and philanthropic capital, offering insight to help local leaders align resources, create financing mechanisms where gaps remain, and effectively connect businesses with the capital they need to grow.

Building that system will take all of us—lenders, investors, foundations, local governments, colleges, business-support organizations, entrepreneurs, and residents. If you've wondered how to put more of Kitsap's resources to work, consider this report an invitation to help build the answer.

Alanna Imbach
Executive Director, Matchstick Lab
Founder, Vibe Coworks



Exploring the Landscape

FINDING CAPITAL SHOULDN'T FEEL THIS HARD.

LOCAL BUSINESSES ARE AT THE HEART OF OUR COMMUNITY.

With more than 23,000 local businesses, Kitsap's entrepreneurs define our economy, community, and quality of life.

A Community Defined by Local Business

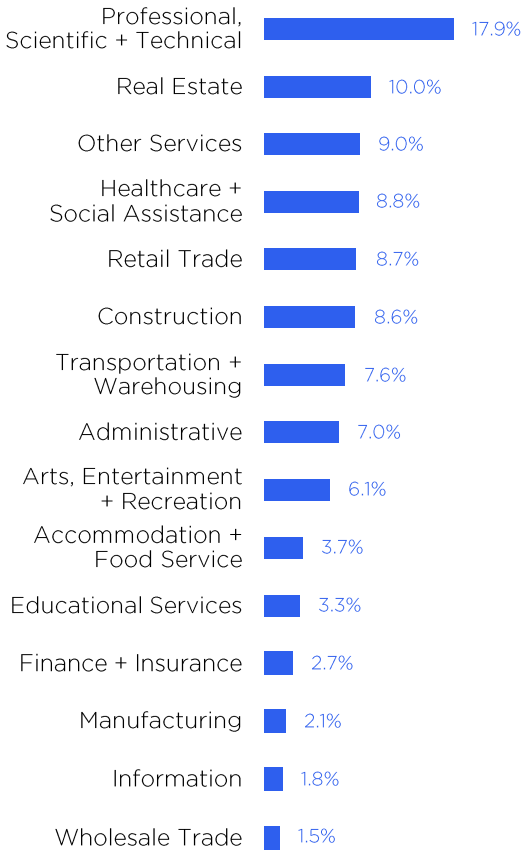
Kitsap is home to over 23,000 local businesses. From single-person micro-businesses to large-scale employers, these businesses support more than 63,000 local jobs and generate $3.3 billion in employee earnings each year.[1,2]

Professional services and real estate account for the largest number of businesses in Kitsap, while healthcare, retail, and accommodation and food services account for more than half of its private-sector jobs—a higher share than in neighboring counties.

Beyond driving the local economy, Kitsap businesses shape our communities—strengthening downtowns, supporting local causes, and providing essential services that residents rely on every day. Two-thirds of Kitsap residents value these local businesses, and more than 7 in 10 believe that we need to invest in their growth.[3,4]

Yet, on average, more than 500 Kitsap businesses close each year, leaving more vacant storefronts, fewer local services, and over 2,600 jobs lost annually.[5]

Kitsap Businesses by Industry



U.S. Census | Business Patterns (2023)
U.S. Census | Non-Employer Statistics (2023)

KITSAP BUSINESSES NEED CAPITAL.

For Kitsap businesses pursuing growth in an uncertain economy, access to capital is more important than ever.

The Rising Need for Timely, Flexible Funding

Across Washington State, businesses are facing growing financial pressure from taxes, healthcare, fuel, inflation, tariffs, and other rising costs.[6] While most Kitsap entrepreneurs initially self-fund their business, relying solely on personal savings and customer revenue can limit their growth.

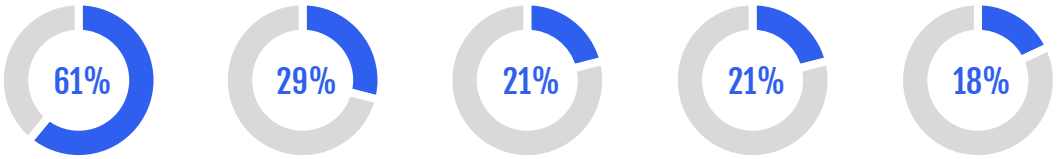
Because of this, 62% of Kitsap entrepreneurs surveyed are planning to pursue outside funding within the next two years, most commonly to grow their customer base, develop new products, expand facilities, or enter new markets. Most are seeking less than $100,000.

43% **of surveyed Kitsap entrepreneurs have been unable to access the capital they need to grow.**

Matchstick Lab | 2026 Kitsap Business Survey

Many of these business owners (43%), however, have been "unable to move forward" in their business due to a lack of funding. Closing this gap could have a significant impact. State research shows that targeted financial and technical support can help underserved businesses grow 30% faster and create more jobs.[7]

How Kitsap Businesses Say They Would Use New Capital



Matchstick Lab | 2026 Kitsap Business Survey

A BROAD RANGE OF CAPITAL IS ALREADY HERE.

From traditional lending to private investment, Kitsap has many of the resources needed to support local business growth.

An Extensive but Complicated Capital Network

Kitsap businesses have access to a diverse range of capital sources, including banks and credit unions, government agencies, private investors, and other financial institutions.

Over 150 organizations and programs can fund or support Kitsap businesses—many here at home or just a ferry ride away. In 2025, Kitsap businesses received nearly $1.6 billion in government contracts—far more than most counties in the state—while receiving similar levels of loans and grants as other counties of its size.[8,9,10]

Moreover, with more than 650 residents earning over $1 million annually and an estimated 20,000 households that may qualify as accredited investors, Kitsap also benefits from a significant pool of private wealth that could potentially be tapped for local investment.[11,12]

"There's a lot of money in Kitsap. All the elements are here. It just needs to get organized."

Kitsap Community Development Leader

Types of Funding Small Businesses Often Rely On

Examples of funding sources commonly available to small businesses across counties

Private Capital
- Angel Investors
- Venture Capital
- Crowdfunding

Community + Mission Lending
- Microloans
- CDFI Loans
- Community Lending

Philanthropic Capital
- Pitch Competition + Prizes
- Community Foundation Impact Investments

Public Funding
- Federal R+D Grants
- Local + State Grants
- SSBCI Lending + Investment Programs

Traditional Lending
- SBA-Backed Loans
- Bank + Credit Union Loans
- Lines of Credit
- Equipment + Commercial Real Estate Loans

OUR CAPITAL

Organization Types	40+ In Kitsap	60+ Across the Puget Sound	50+ State + Federal
Support Organizations	Kitsap SBDC • KEDA • Matchstick Lab • Kitsap Community Resources BE$T • Kitsap SCORE • Vibe Coworks • Spark Commons • Olympic College • WWU on the Peninsulas • Greater Kitsap Chamber • Bainbridge Island Chamber • Greater Poulsbo Chamber • South Kitsap Chamber • Kingston Chamber • Asset Building Coalition	Center for Inclusive Entrepreneurship • Startup 253 • TractionSpace • Founder Institute Seattle • Founders Live Seattle • New Tech Northwest • UW CoMotion • Creative Destruction Lab Seattle • Maritime Blue • Warfighting Integration Network • PNW Mission Acceleration Center • WTIA • Life Science Washington • CleanTech Alliance • Northwest Native	U.S. Small Business Administration (SBA) • SCORE • Minority Business Development Agency (MBDA) • U.S. Department of Agriculture (USDA) Rural Development • U.S. Economic Development Administration (EDA) • WA Department of Commerce • Startup Washington
Traditional Lending	Kitsap Bank • Kitsap Credit Union • Liberty Bank • Peninsula Credit Union	Heritage Bank • BECU • First Fed • Timberland Bank • 1st Security Bank • Gesa Credit Union • Commencement Bank • Coastal Community Bank • Peoples Bank • Sound Credit Union • Sound Community Bank	Columbia Bank • WaFd Bank • Washington Trust Bank • KeyBank • Navy Federal Credit Union • Silicon Valley Bank • U.S. Bank • Chase Bank • Bank of America • Wells Fargo
Public Lending	Kitsap Credit Union (Kitsap's only CDFI)	Business Impact NW • Craft3 • Evergreen Business Capital • Community Finance • Heritage Bank CDE • Denkyem Co-op • Seattle Credit Union • Rainier Valley Community Development Fund	SBA 7(a) Loans • SBA 504 Loans • SBA Microloans • Small Business Flex Fund 2 (paused) • WA Owner-Occupied CRE Loans • WA Collateral Support Program • WA Revenue-Based Financing Fund • WA Linked Deposit Program • USDA Rural Development Loans
Public Funding	Kitsap County • City Governments (Bremerton, Bainbridge Island, Poulsbo, Port Orchard) • Suquamish Tribe • S'Klallam Tribe • Port of Bremerton • Port of Kingston • Port of Poulsbo • Port of Silverdale • Olympic Workforce Development Council	Washington State Department of Commerce • Community Economic Revitalization Board (CERB) • Washington State Department of Transportation (WSDOT) • Washington State Department of Enterprise Services (DES)	U.S. Department of Defense (DoD) • Naval Sea Systems Command (NAVSEA) • Naval Undersea Warfare Center (NUWC) • SBIR / STTR Programs • U.S. Department of Energy (DOE) • National Science Foundation (NSF) • U.S. Department of Agriculture (USDA) • EDA Grants
Private Investment	Port Madison Enterprises • Noo-Kayet Investments • Capital6 Eagle • Massive Tech Ventures • Realize Impact	Alliance of Angels • Keiretsu Forum Northwest • Seattle Angel Conference • SeaChange Fund • Element 8 • TiE Angels Seattle • Washington State Black Angel Network • FBomb Angels • WINGS • Flying Fish Partners • Madrona Venture Group • Voyager Capital • Founders' Co-op • Pioneer Square Labs • AI2 Incubator • Pier 70 Ventures • Maveron	Y Combinator • Techstars • 500 Global • Plug and Play Ventures • SOSV • Right Side Capital Management • First Round Capital • Alumni Ventures • Lux Capital • DCVC • Eclipse Ventures • Khosla Ventures • Founders Fund • New Enterprise Associates • VertueLab
Community + Philanthropic Funding	Kitsap Community Foundation • Bainbridge Community Foundation • Suquamish Foundation • Port Gamble S'Klallam Foundation • United Way of Kitsap County	Seattle Foundation • Greater Tacoma Community Foundation • Social Venture Partners Seattle • Community Capital Development	Wefunder • StartEngine • KickStarter • IndieGoGo • Republic • Honeycomb Credit • Kiva

Note: This list is representative, not comprehensive. Many organizations serve multiple functions, and the roles highlighted reflect some of their most important contributions to the ecosystem rather than their full scope of work.

KITSAP'S FRAGMENTED CAPITAL STACK CREATES CONFUSION.

For many businesses, the barrier to capital is knowing where to start.

A Complex and Overwhelming System to Navigate

For many Kitsap businesses interviewed, the biggest barrier to funding is understanding what options exist and how to access them. A notable 61% of surveyed business owners have previously chosen not to pursue funding because it was simply "too difficult and time-consuming."

In addition to frustrating and confusing local entrepreneurs, this complexity can also make it more difficult for lenders, investors, and support organizations to understand their own roles within the system, and how they can work together to support local businesses. As a result, valuable resources may go underutilized because businesses don't know they exist.

Barriers to Funding According to Business Owners



Matchstick Lab | 2026 Kitsap Business Survey

Business Support Exists. Knowing Where to Start Can Be Hard.

Kitsap has an established network of organizations supporting businesses, from foundational education and mentorship to financial preparation, networking, and expansion support. But their roles and services aren't always clear.

As a result, entrepreneurs may struggle to identify the right resources at the right stage. Greater clarity about how organizations complement one another—and where gaps remain—would also help public and private funders make more informed decisions about where to invest. All of this can lead to confusion, missed opportunities, and unnecessary barriers to businesses needing support.

Seven Local Resources, Seven Complementary Roles

Resources	Idea	Launch	Growth	Expansion
The Educator **KCR BE$T Program**	**Foundational business education** "I have a business idea, but where do I start?"			
The Advisor **Kitsap SBDC**	**Personalized business advising and financial preparation** "I need help getting my business financially ready."			
The Mentor **SCORE**	**Experienced business mentorship and practical guidance** "I need advice from someone who's been there."			
The Connector **Matchstick Lab**	**Peer learning and capital connections** "I'm ready to take my business to the next level."			
The Place **Vibe Coworks**		**Business workspace, resources, and community** "I need a place to work and connect with others."		
The Network **Chambers of Commerce**		**Business networking, advocacy, and local connections** "How can I meet more customers and local partners?"		
The Economic Developer **Kitsap Economic Development Alliance**			**Business retention, expansion, recruitment, and industry sector strategy** "How can I access bigger opportunities and expand?"	

Note: This list is representative, not comprehensive. Many organizations serve multiple functions, and the roles highlighted reflect some of their most important contributions to the ecosystem rather than their full scope of work.

PRIVATE INVESTMENT IS LAGGING.

Despite strong federal contracting, Kitsap trails behind many peer counties in private investment.

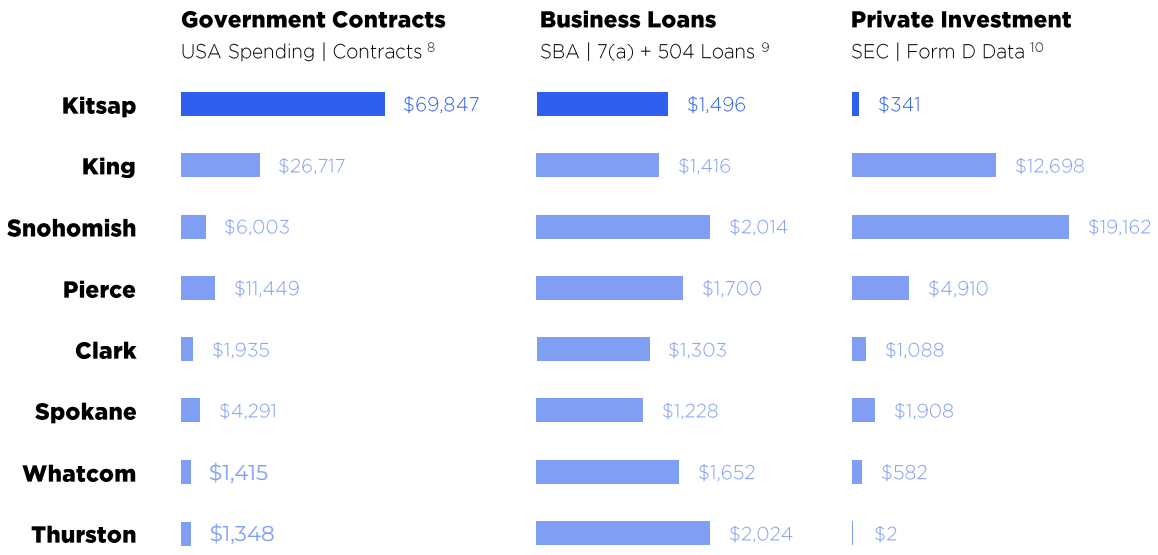
A Significant Gap in Private and Alternative Capital

Government contracts are a major source of capital for Kitsap businesses, generating more than twice as much funding per business as in King County.

While small business lending per business was relatively consistent across counties, Kitsap attracted significantly less private investment than its neighbors. In 2025, Kitsap attracted just $341 in private investment per business, compared with $12,698 in King County and $19,162 in Snohomish County.

Capital Received Per Business Across Washington Counties

Total funding received in 2025 divided by number of businesses in each county



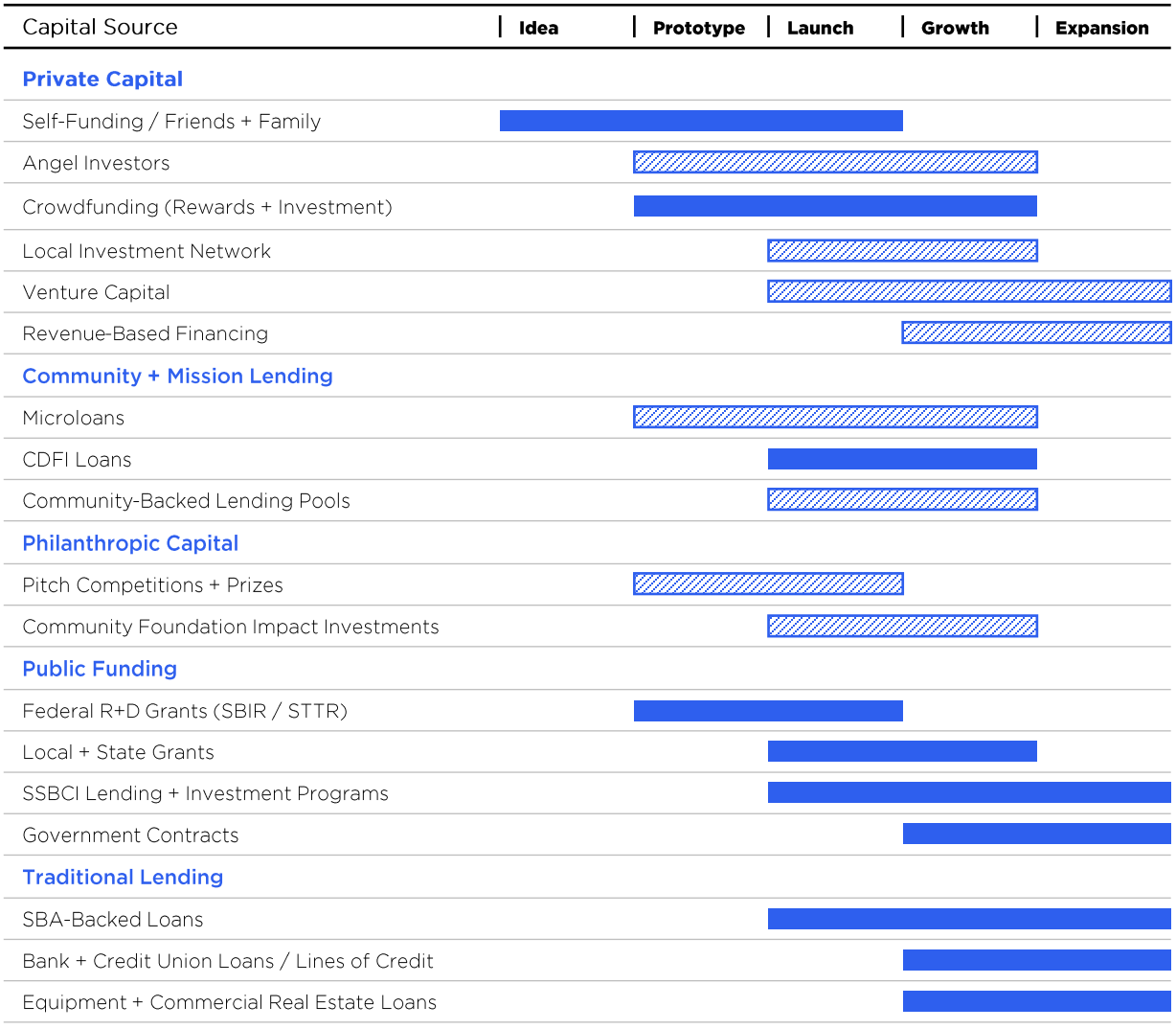
Note: Public data is limited to select funding sources and does not represent all capital received in each county.

The Most Critical Gap: Early-Stage Funding

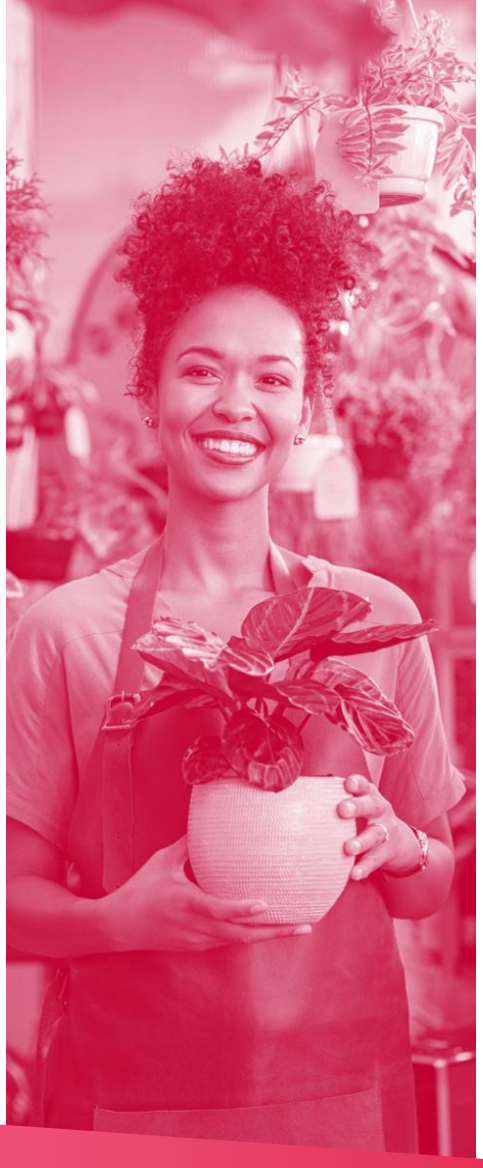
For Kitsap businesses, the most critical funding gaps exist early on, as traditional financing favors established businesses, leaving startups more dependent on non-traditional sources of capital.

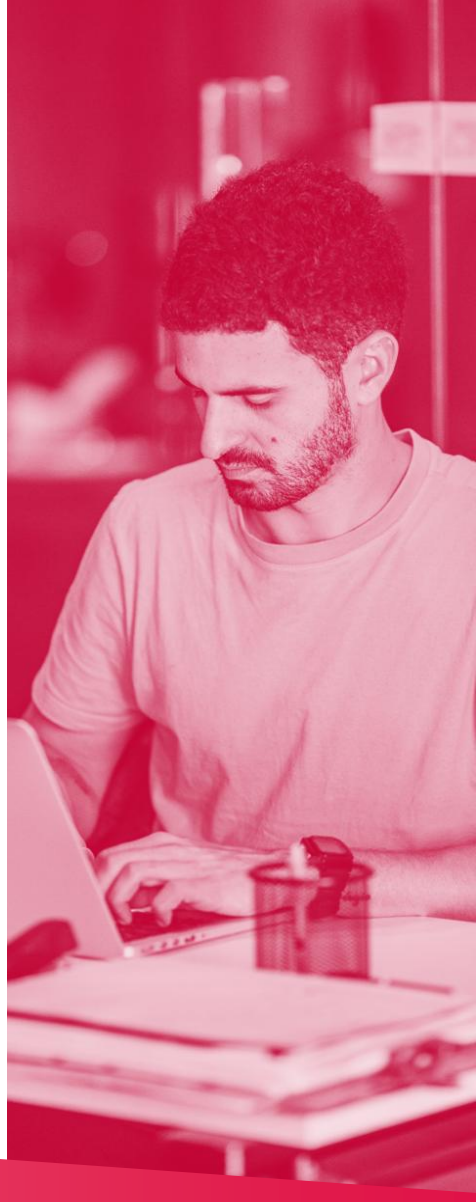
This is compounded by a lack of flexible, non-traditional financing options in Kitsap, such as microloans, community-backed lending pools, and local investor networks. These mechanisms can help bridge the gap for businesses that are not yet eligible for conventional financing but need capital to launch and grow.

Capital Sources Available by Growth Stage









What Kitsap Businesses Need

DIFFERENT BUSINESSES NEED DIFFERENT PATHS TO CAPITAL.

CAPITAL SHOULD FIT THE WAY BUSINESSES IN KITSAP GROW.

This starts by aligning capital needs to a business' market reach and growth priorities.

Growth Goals and Market Reach Shape Capital Needs

Here in Kitsap, our greatest opportunity is to connect businesses with the capital that already exists, while creating flexible financing solutions to fill remaining gaps. Doing this requires repositioning capital around the needs of businesses—not institutions.

To do that, we need to rethink how we define Kitsap's local businesses.

While knowledge and connections were common barriers shared by nearly all Kitsap businesses, conversations with entrepreneurs revealed other challenges that were specific to certain types of businesses.

A restaurant owner needed help understanding funding options, while a manufacturing leader needed industry-specific financial expertise, and a software founder needed introductions to investors.

"Different businesses require different approaches to funding. There's no one-size-fits-all solution."

Kitsap Business Owner

Capital needs were less defined by each business's industry, size, or maturity than by how they wanted to grow, and what that growth required. Put another way: *How much—and how fast—does the business want to scale, and is the market large enough to support that growth and repay or return the capital?*



Growth Target:
Is the business pursuing stability, gradual growth, or rapid scale?



Market Reach:
Is the business serving a local, regional, national, or global market?

Together, these two factors create four distinct business profiles, each with different capital needs and barriers.

THE NEEDS

Community Businesses:

Local restaurants, retailers, contractors, and other businesses pursuing gradual growth while serving local markets.

Regional Growth Businesses:

Construction companies, health providers, and other businesses pursuing larger-scale growth while serving local or regional markets.

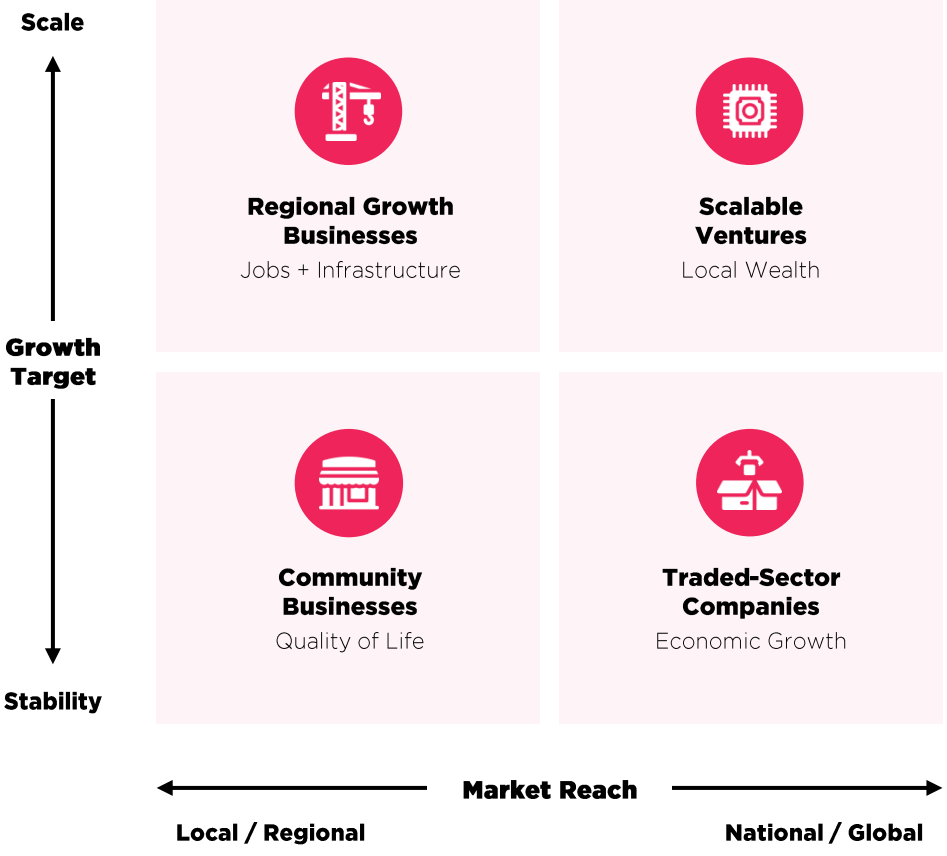
Traded-Sector Companies:

Manufacturers, food producers, and other export-oriented businesses pursuing gradual growth while serving national or global markets.

Scalable Ventures:

AI, automation, and other technology companies pursuing rapid growth while serving national or global markets.

Four Types of Businesses Driving Kitsap's Economy



THE BARRIERS

COMMUNITY BUSINESSES NEED TRUSTED GUIDANCE.

Many simply don't know what funding options are available—or who to turn to for trusted information.

Receiving Trusted Guidance

From local restaurants and shops to professional services, community businesses are critical to Kitsap's local employment and quality of life. Despite relying largely on personal savings to fund their businesses, some may need small amounts of capital from time to time to hire employees, purchase equipment, or improve their facilities.

While many may qualify for existing loan programs, they often don't know what capital is available, which option is right for them, or how to access it. More importantly, most are unsure who to turn to for guidance. As multiple community business owners put it: "We don't know what we don't know."

This uncertainty can make owners hesitant to take on outside investment or debt, leading many to rely on self-funding or existing credit rather than seek new sources of capital. Without access to additional capital, many grow more slowly than they otherwise could and remain particularly vulnerable to unexpected market changes.

Kitsap Business Owner Perspectives

"I'd be open to different types of funding, I just don't know what those options are, besides a line of credit."

"I get push notifications through social media about all of these different people with expertise, but I don't know who's who."

"When it comes to capital, I don't know what I don't know. And that's probably the fear that keeps me from looking more into those loans."

"Why would anybody be interested in what I've got going on? What do I have to offer an investor? I just don't want to be laughed out of a room."

THE BARRIERS

REGIONAL GROWTH BUSINESSES NEED FINANCIAL PREPARATION.

Despite being profitable, many of these larger, capital-intensive local businesses may not be traditionally bankable.

Becoming Finance-Ready for Growth

From construction and transportation to business support, regional growth businesses provide essential services to Kitsap communities while creating jobs for residents. These businesses are often capital-intensive, requiring upfront funding for equipment, facilities, inventory, and labor—particularly when launching a new product, responding to a major contract, or pursuing other critical growth opportunities.

Yet even when profitable, many lack the sophisticated financial systems and documentation needed to qualify for larger loans. This creates a "missing middle" in which businesses are viable but not yet conventionally bankable.

This is a catch-22 where they have opportunities to grow but cannot secure the capital needed to pursue them. With access to ongoing financial support, these businesses can become more capital-ready before they need financing.

Kitsap Business Owner Perspectives

"The feedback was 'come back when you're done with production and have customers.' But we need the capital to make the product to get the customers."

"You say, 'hey, I'm ready to apply for a loan. And the bank goes, 'here are the documents you need.' And then you go, holy shit, I've never had those before."

"If we get much bigger, we're going to need our own facility. And that equipment is expensive. At this point, a really big contract could almost be a kiss of death."

THE BARRIERS

TRADED-SECTOR COMPANIES NEED SPECIALIZED NETWORKS.

Companies expanding beyond Kitsap need industry-specific ecosystems that may not exist locally.

Building Specialized Networks Locally—and Beyond

From maritime technology to advanced manufacturing, traded-sector companies (those that sell products and services to customers outside of the region) bring external revenue into the county that circulates throughout the local economy.

Kitsap's close-knit community provides a strong foundation for launching these businesses. However, as companies scale, they often outgrow the local ecosystem and need greater access to more specialized, industry-specific investors, talent, customers, and infrastructure outside the county.

For these businesses, access to capital often depends on the strength of their ecosystem, as sector-specific connections and resources can reduce risk for lenders and investors.

Just as importantly, these businesses need investors, lenders and other financial partners who truly understand their unique industries, markets, and growth models.

Kitsap Business Owner Perspectives

"Many local investors have money, but that doesn't mean they've taken anything from zero to one. As I get bigger, I'd love to know more people in my industry."

"These investors you're inviting in, you're going to be talking to them for the next 10 years. So, it's always helpful to have somebody with sector-specific experience."

"It's profoundly difficult to find finance people who actually understand your business. Most have no incentive to help you truly put together a roadmap to grow your business."

THE BARRIERS

SCALABLE VENTURES NEED INVESTOR CONNECTIONS.

Access to capital often depends on having the right network.

Meeting the Right Investors

Venture-scale companies can grow rapidly, generating significant economic value with relatively few employees. By serving global markets at relatively little additional cost, they stand to bring significant investment into Kitsap while also creating high-paying jobs. As they grow, founders and employees may also invest in new businesses—building the next generation of Kitsap companies.

Unlike other businesses, scalable companies typically require significant early-stage investment to develop their product before they can generate revenue.

For this reason, funding opportunities are often driven by trust, with introductions coming through lawyers, accountants, current investors, and other connections. Beyond capital, these companies rely on investors for the mentorship, networks, and guidance needed to scale, making the right investor fit even more critical.

Local founders typically look beyond Kitsap to build these relationships in Seattle, Bellevue, Redmond, Tacoma, and the broader Puget Sound. But building those connections from a distance can be difficult.

Kitsap Business Owner Perspectives

"Investor connections would help anyone, really. High value connections make a big difference."

"Investors don't have to be close. Wires transfer anywhere. The bigger factor is meeting people."

"You go to these startup events, and most applications die at the front door. You need networking opportunities."



Understanding Kitsap's Capital Sources

WHAT DIFFERENT CAPITAL SOURCES CAN OFFER— AND WHERE GAPS REMAIN.

TRADITIONAL LENDERS CANNOT FUND EVERY BUSINESS.

Local banks and credit unions want to support Kitsap businesses, but stricter lending requirements limit who they can finance.

Becoming Finance-Ready Before Seeking Capital

Banks and credit unions in Kitsap share a strong interest in supporting local businesses, but promising ideas and close relationships alone are often not enough to qualify a business for financing, especially as lending requirements become increasingly rigid.

Financial institutions need more businesses that are traditionally lendable, with Kitsap lenders interviewed identifying reliable revenue and cash flow, accurate financial records, profitability, and collateral as key factors in assessing lending risk.

Many businesses approach a lender before they are ready for financing, particularly pre-revenue businesses and those seeking working capital.

"It's no longer that old credit box where, 'I know your family, you're a good person. They don't lend like that anymore. It's all about numbers."

Kitsap Lender

Top Financing Barriers, According to Kitsap Lenders

Percentage of surveyed lenders citing each challenge

100%	**Insufficient revenue or cash flow**
86%	**Incomplete financial records**
57%	**Limited available collateral**

Matchstick Lab | 2026 Kitsap Lender Survey

Lenders also called out the need for alternative financing for businesses that cannot access traditional lending, either because they do not meet lending requirements or are ineligible for certain programs. This includes lawful permanent residents (Green Card holders), due to a new SBA rule that now requires 100% U.S. citizen or national ownership for loan eligibility.[13] For these entrepreneurs, lenders pointed to CDFIs, microloans, and other alternative lending programs as potential pathways to consider.

INDIVIDUAL INVESTORS DON'T HAVE COMMUNITY OR A TRUSTED WAY IN.

Experienced investors in Kitsap aren't seeing local deals, so their money goes elsewhere. Other Kitsap residents could invest, but have no way to start.

EXPERIENCED INVESTORS

Investing, just not here

600+ **Kitsap professionals report skills and experience in angel investing, venture capital, or private investing on LinkedIn.**

LinkedIn Campaign Manager [14]

POTENTIAL INVESTORS

Ready, but no on-ramp

~20K **Kitsap households may qualify as accredited investors. Local Investment Networks can include non-accredited investors, too.**

U.S. Securities + Exchange Commission [15]

Kitsap's experienced investors are active, but in angel groups and networks in Seattle and across the Puget Sound. There is no local group where they can meet each other or see Kitsap companies.

Investors we interviewed said that they are interested in contributing not only their money, but also their knowledge and connections. At the same time, they told us that they don't know of viable, investable businesses here, and have no trusted way to find or vet them. So Kitsap wealth funds companies elsewhere.

Many more residents would likely invest in businesses they know and care about, if someone showed them how.

When Matchstick Lab held an event exploring whether a Local Investment Network could work in Kitsap, 50 business owners, investors, and community leaders showed up to learn more. By building programs and networks to engage newer investors, we can mobilize local wealth, providing clear opportunities to invest in businesses that matter to them.

Both Groups Are Missing the Same Thing

Experienced investors and potential investors face the same challenge: the lack of a local network that prepares investable businesses and brings investors together whether it's as angels or as members of Kitsap's first Local Investment Network.

Both paths are laid out in the Strategic Roadmap section.

Investor Perspectives

"I live in Kitsap, but I invest in other places. If there was an investment group here, I'd be happy to invest as a way to support the ecosystem."

"Maintaining our investor group [one that is outside of Kitsap] has actually taken the least amount of time and effort... Our challenge is getting a pipeline of businesses."

"We need people to learn how to invest, and we need to showcase local companies. When we engage the community, we rise together."



PHILANTHROPIC CAPITAL HAS YET TO BE ACTIVATED.

Kitsap's own research has already shown how a small share of local wealth could fuel local businesses.

A Community of Givers

Kitsap's donors already give generously. The Bainbridge and Kitsap Community Foundations alone direct more than $6.5 million each year to local causes, and one in four local wills currently includes a charitable gift—three times the national average.[16,17]

That giving rests on broad wealth, not a few fortunes, with an **estimated $12 billion projected to pass between generations in Kitsap by 2027.**[18]

Many donors are ready to do more than give, with nearly 4 in 5 charitable donors also engaging in impact investing.[19] These numbers can shift our community mentality from "glass half empty" to a "glass half full."

Kitsap's 2018 Transfer of Wealth report went beyond charitable giving. It explicitly called for putting philanthropic assets to work for local businesses, reporting that:

- Philanthropy can provide gap financing for small businesses.
- Successful entrepreneurs can endow programs that support emerging entrepreneurs.
- Community foundations can invest a portion of their endowments locally, earning both financial returns and community impact.

No single foundation can, or should, do this alone. Families, donor-advised funds, service clubs, and legacy gifts each play a part.

Examples from Other Regions

Traverse City's Rotary Charities invested $500K alongside a local nonprofit lender, Venture North, to back 35 small businesses with $2.5M+ in loans.

Oregon Community Foundation matched $10M from 24 donors to create the Oregon Impact Fund, financing ~20 local businesses in its first year.

Community Foundation of Southeast Michigan used $19M to build a local business support network that has helped serve 38K+ small businesses.

The Most Critical Gap: Early-Stage Funding

Kitsap's Transfer of Wealth Report illustrates how even a modest philanthropic commitment could generate significant investment in local businesses.

By directing just 5% of philanthropic endowment contributions toward local investment funds, Kitsap could unlock $31 million in initial capital. Over 20 years, that funding could support up to $900 million in community lending through reinvestment and leverage.

That's the equivalent of 3,600 small-business loans of $250,000 each.

Turning a Small Philanthropic Commitment Into Major Investment

Projections based on recommendations from Transfer of Wealth Report

$12B — **10-year transfer of private wealth in Kitsap (2017-2027)**

↓

$617M — **Transferred wealth committed to philanthropic endowments (5%)**

↓

$31M — **Endowment funds invested in local funds (5%)**

↓

$90M — Projected local gap financing over 20 years

↓

$900M — Total community investments (10:1 leverage)

LOCUS | Kitsap Area Transfer of Wealth Report (2018) [18]



The Opportunity

IMAGINE WHAT KITSAP BUSINESSES COULD BUILD WITH THE RIGHT CAPITAL.

STRATEGIC ROADMAP

CLOSING KITSAP'S CAPITAL GAP

Five moves to connect, expand, and strengthen capital in the region.

CONNECT

1 Connect Kitsap businesses to the money that's already here.

A single, business-friendly front door that helps businesses learn about, prepare for, and navigate available funding options that are right for their business.

EXPAND

2 Create community lending mechanisms to fill gaps.

Provide community-backed lending to help local lenders finance businesses that don't qualify for conventional loans.

3 Build Kitsap's first local investor community.

Bring individual investors and interested residents together through a Local Investment Network, and formal angel investor education programs.

4 Bring more state and federal funding into Kitsap.

Build a coordinated pathway to help local businesses access more state and federal funding.

STRENGTHEN

5 Build industry networks that attract investment.

Organize around maritime, engineering, blue tech, and life sciences, such that Kitsap's strengths reduce risks for investors.

Proven Elsewhere

$13.8M+

Invested by neighbors in 400+ local deals through Jefferson County's LION network.[20]

$31M

In small business loans Craft3 made from $9M in state SSBCI funds.[21]

460+

New angel investors trained by the Seattle Angel Conference, investing $4.6M.[22]

Results from comparable programs. See sources.[19]

THE MISSING PIECE

Kitsap has strong organizations supporting business growth. What it lacks is dedicated capacity focused on startup and small-business capital access, working alongside existing economic development efforts. **Building that capacity is the first investment.**

KEY OPPORTUNITY 1: **CAPITAL HUB**

CONNECT KITSAP BUSINESSES TO THE MONEY THAT'S ALREADY HERE.

Create a single, business-friendly front door to educate and prepare businesses to access existing financing.

A More Connected Capital Support System

Kitsap already has organizations helping businesses find funding, prepare for financing, and navigate growth. But entrepreneurs tell us that those services aren't always easy to find or connected to one another. By bringing existing resources and partners together through a shared front door, we can help entrepreneurs find the right starting point, connect to the right people, and use support that already exists.

! This will require dedicated, funded capacity to maintain shared resources and connect capital-access partners.

The Building Blocks of a Capital Hub

- ✓ **Capital Guide:** Publish a simple playbook with capital options in Kitsap to help local businesses understand their choices.
- ✓ **Central "Front Door":** Establish a shared starting point that connects businesses to existing advisors, lenders, investors, and funding programs, rather than creating a separate service.
- ✓ **Resource Map:** Maintain a current map of capital resources that participating organizations can use and share with the businesses they serve.
- ✓ **Financial Pathway:** Build a financial readiness program with Kitsap's existing education and business support partners, including local colleges, mentoring networks, and community lenders.

Examples from Other Regions

Atlanta's Cobb Chamber and a local university co-developed a Financial Readiness Accelerator to help local businesses prepare for funding.

Seattle Metropolitan Chamber created the Community Business Connector, reaching 2,000+ businesses and referring them to support.

Community Foundation for Greater Atlanta funded the launch of Go Georgia Capital, a digital platform matching local businesses with lenders.

KEY OPPORTUNITY 2: **COMMUNITY LENDING**

CREATE COMMUNITY LENDING MECHANISMS TO FILL GAPS.

Develop more flexible community micro-lending for businesses that cannot access conventional funding.

Building Community-Backed Lending

While stronger knowledge and connections can improve access to existing capital, some businesses still encounter financing gaps that existing sources cannot fill—especially owners who fall short on collateral, credit history or time in business.

One opportunity is to bring philanthropic funders and local lenders together to explore a community-backed lending program. Philanthropic capital could help reduce lender risk, making it possible to finance businesses that might not otherwise qualify.

In nearby Bellingham, the Whatcom Community Foundation recently partnered with First Fed Bank and the Western Washington University Small Business Development Center to launch a micro-lending program offering loans of $2,500 to $50,000 to entrepreneurs who may not qualify for traditional financing.

Borrowers must first work with the SBDC to prepare for financing and receive ongoing business advising throughout the life of the loan. The foundation funds serve as a backstop, covering losses only after other collateral has been exhausted. As loans are repaid, funds are reinvested to support additional lending.

The Building Blocks of Community Financing

- ✓ **Community Capital:** Explore philanthropic or other community funding to establish a loan-loss reserve or collateral pool that reduces lender risk.
- ✓ **Lending Partner:** Identify a local bank, credit union, or community lender that is interested in developing and administering the program.
- ✓ **Business Preparation:** Work with Kitsap SBDC and other business advisors to help borrowers prepare for financing and navigate the lending process.

Examples from Other Regions

Whatcom Community Foundation partnered with First Fed Bank and the local SBDC to launch a Micro-Lending Fund offering loans of up to $50,000 to businesses that struggle to access traditional financing.

KEY OPPORTUNITY 3: **LOCAL INVESTMENT**

BUILD KITSAP'S FIRST LOCAL INVESTOR COMMUNITY.

Mobilize local wealth to provide businesses with new capital, mentorship, and connections.

Two Pathways to Local Investment

Kitsap has active individual investors and residents who want to invest, but no network connecting them with each other or with local businesses. By strengthening these connections, we can help businesses access not only capital, but also the specialized mentorship, networks, and guidance they need to scale. Unlike community-backed lending pools, this approach relies on individuals investing their own capital directly in local businesses.

There are two complementary approaches that accomplish this.

1. **Local Investment Network (LIN):** Modeled after the Jefferson County LION, this network would bring residents together to learn about investing, discover local opportunities, and lend or invest directly in local businesses.

2. **Angel Investor Development:** Connect current and prospective Kitsap investors with established regional groups, including the Seattle Angel Conference, Alliance of Angels, FBomb Angels, and Keiretsu Forum Northwest, to build knowledge, relationships, and opportunities to invest in Kitsap businesses. A local angel group could emerge as interest and activity grow.

The Building Blocks of Local Investment

- ✓ **Investor Education:** Help residents understand investment options and evaluate local business opportunities.
- ✓ **Business Readiness:** Work with local business support organizations to identify and prepare businesses.
- ✓ **Investor Outreach:** Identify and engage residents interested in putting their capital to work in Kitsap businesses.
- ✓ **Investor Engagement:** Organize regular gatherings to introduce businesses to investors.
- ✓ **Network Coordination:** Establish a dedicated organizer to engage investors, facilitate investment opportunities, and track outcomes.

A Local Investment Network could be the first step, building on Kitsap's existing businesses and growing community interest in local investing. In parallel, connections with regional angel networks could help develop local investors and open new funding opportunities for higher-growth companies.

Comparing Kitsap Investment Pathways

Models	Local Investment Network	Kitsap Angel Development
Target Investors	Any Kitsap resident, whether accredited or not	Local accredited investors interested in backing high-growth companies
Opportunities	Community and regional growth businesses, typically seeking $100K or less.	Traded-sector and scalable ventures, especially maritime, technology, and and defense
Process	Members learn how to invest, are presented with vetted local businesses, and invest directly in opportunities.	Investors train through programs like the Seattle Angel Conference or FBomb Angels, then invest alongside established Puget Sound angel groups.
Examples from Other Regions	Jefferson County LION: $13.8M invested across 400+ deals with 132 entities since 2006	Seattle Angel Conference: 460+ investors trained and $4.6M+ invested in its first decade

RECOMMENDATION 4: **PUBLIC FUNDING**

BRING MORE STATE + FEDERAL FUNDING INTO KITSAP.

Build a coordinated pathway to help local businesses access more state and federal funding.

Capturing More State and Federal Investment

While Kitsap attracts significant federal capital through defense contracts, there is a major opportunity to bring additional state and federal funding into the local economy to support other sectors.

Beyond SBA and USDA loans, many lesser-known public funding programs are available to support small businesses. However, local businesses—and even funders—may not know about or be prepared to access this capital.

Kitsap needs to compete for this capital. By identifying these funding opportunities, preparing businesses, and building relationships with funding partners, Kitsap can bring more public investment into the local economy.

! Through the U.S. State Small Business Credit Initiative (SSBCI), Washington has received $160+ million to support small business lending and investment.

The Building Blocks of Public Capital Access

- ✓ **Funding Inventory:** Identify state and federal financing programs relevant to Kitsap businesses.
- ✓ **Funding Partnerships:** Engage local lenders / CDFIs and program managers to expand public financing in Kitsap.
- ✓ **Business Matching:** Work with economic development partners and financial institutions to connect businesses.
- ✓ **Application Readiness:** Leverage Kitsap SBDC to prepare local businesses for public funding.
- ✓ **Business Outreach:** Promote available funding opportunities through KEDA, SBDC, lenders, and business networks.

Examples from Other Regions

Craft3, a nonprofit CDFI, previously partnered with the Washington State Department of Commerce to leverage $9 million in SSBCI funding to provide $31 million in small business loans.

Comparing Public Funding Options

Funding	State Small Business Credit Initiative (SSBCI)	Washington Equitable Access to Credit	Small Business Innovation (SBIR/STTR)	Washington Clean Energy Fund
Total Funding	$163M allocated to Washington	Up to $8M / year for Washington	Varies by Agency	$10M total for Washington
Maximum Per Business	Up to $500K in revenue-based financing	No fixed cap; loans up to $260K+	Up to $2M+ in federal grants or contracts	Up to $2M in competitive grants
Eligibility	Washington small businesses	Underserved businesses	Innovative tech startups	Clean energy projects
Funding Administrator	WA Commerce through approved lenders / investors	WA Commerce through nonprofit CDFIs	Federal agencies including (e.g., NSF, NIH, DoD)	WA Commerce with competitive grants

RECOMMENDATION 5: **INDUSTRY ECOSYSTEM**

BUILD INDUSTRY NETWORKS THAT ATTRACT INVESTMENT.

Build specialized industry networks around Kitsap's competitive strengths to reduce investment risk.

Capital Follows Strong Ecosystems

A strong local ecosystem gives businesses access to not only capital, but the talent, customers, research, mentorship, and networks they need to succeed at every stage. By reducing risk, these ecosystems also make local businesses more attractive to investors.

Kitsap has a strong foundation of business support, but as companies grow, they frequently need more industry-specific networks that truly understand their business. Without these, businesses may struggle to scale locally—or go elsewhere to find these resources.

Whether Silicon Valley, Research Triangle, or Space Coast, successful industry clusters require sustained investment before businesses become truly attractive to investors. For this reason, it is critical to make targeted investments that reinforce a region's existing strengths—allowing each investment to compound the next rather than spreading resources across multiple areas and diluting their impact.



Fast-growing tech startup Avalara was founded on Bainbridge Island, moved its headquarters to Seattle, and Iwas acquired for $8.4B.[23]

"The most successful cluster initiatives are in regions willing to place strategic bets on distinct cluster opportunities. These places have a long-term mindset and are unafraid to 'pick winners' from the broad array of potential alternatives."

Brookings | Rethinking Cluster Initiatives (2018) [24]

RECOMMENDATION 5: INDUSTRY ECOSYSTEM

Building on Kitsap's Maritime Strengths

Driven by the Navy, Kitsap's economy is anchored by a highly concentrated maritime, defense, and advanced manufacturing cluster that accounts for half of the county's workforce and economic output.[25] This includes:

- Naval Base Kitsap which supports 40,000+ workers—generating $6.8B in annual state GDP.[26]
- Puget Sound Naval Shipyard, SAFE Boats, and Pacific Ship Repair, which anchor Kitsap's maritime ecosystem.[27]
- Suquamish Seafoods, harvesting 500,000 pounds of geoduck each year—much of it exported globally.[28]
- Olympic College's support of maritime engineering, manufacturing, and environmental studies workforces.[29]
- NUWC Keyport which supports defense R&D with ~2,000 square nautical miles of undersea test ranges.[30]

Continuing to expand and strengthen this ecosystem requires aligning Kitsap's existing assets around a shared strategy—prioritizing the industries where Kitsap has a competitive advantage. Once confirmed, Kitsap should designate cluster leadership—combining a dedicated lead, such as KEDA, with 8-12 senior industry representatives—to set shared priorities for improving access to the customers, talent, mentors, research, and capital that businesses need to grow.

Kitsap's Maritime Cluster: Four Areas of Strength

Maritime Technology

Creating advanced technologies for maritime and naval applications.

Advanced Manufacturing

Building and repairing complex maritime and defense systems.

Blue + Clean Technology

Developing new technology for sustainable use of marine resources.

Marine Environment

Advancing solutions to protect and restore marine environments.



The Path Forward

KITSAP'S CAPITAL FUTURE IS OURS TO BUILD.

MAKING IT HAPPEN

WE ALL HAVE A ROLE TO PLAY.

There is more opportunity than ever to close Kitsap's capital gap, but turning opportunity into action will require coordinated, cross-sector commitment.

From Research to Action

Kitsap has the organizations, expertise, and resources to make meaningful progress on these recommendations. What's missing today is the dedicated capacity to connect the pieces, bring partners together, and keep the work moving forward.

The next step is to organize partners around a shared implementation plan, support the development of local investor networks, and make it easier for entrepreneurs to find and navigate funding opportunities.

Matchstick Lab is ready to help coordinate the next phase, working alongside KEDA, SBDC, financial institutions, investors, and other partners to move these recommendations into action. With sustained funding and commitment, we can put more of Kitsap's capital to work backing the people and businesses building our region's future.

Key Contributions

Community Foundations + Civic Organizations	Provide catalytic funding to launch community lending, local investment networks, and other initiatives to boost capital access.
Local Banks + Credit Unions	Participate in community-backed lending, connect customers to public financing, and refer businesses to SBDC for support.
Individual Investors + Private Donors	Join the Local Investment Network and provide local businesses with investment and mentorship to grow.
Kitsap Economic Development Alliance (KEDA)	Integrate capital access into growth strategies and connect businesses with public funding.
SBDC, KCR, Matchstick Lab + Other Support Organizations	Expand services to improve capital navigation, strengthen capital access and readiness, and expand financing options.
Olympic College + Western Washington University	Connect businesses with financial expertise and develop a skilled workforce aligned with Kitsap's regional strengths.
Kitsap County + Local Cities and Ports	Support programs, convene partners, and invest in initiatives that expand capital access.

> It might not be perfect, **but just do something.** Then, you can learn from it, and we can do something else.
>
> Kitsap Community Development Leader

"I go to Seattle to invest and mentor because there are structures set up there to do so. Investors [in Kitsap] don't know about the innovators and local innovators don't think that Kitsap-based investors are worth the time or effort to get in front-of."

"Most [businesses] just don't know where to start. We need one, centralized location where people can ask questions or bounce ideas to see what's a good fit for them before applying."

"Getting business owners connected to lenders early in the process is key in order to prepare them for when they ultimately do need financing. Share your business goals with a lender before you need them."

"For me to invest in local businesses, I need the knowledge of what's percolating—and the structure to help vet viability. A trusted vetting process ensures that viable entrepreneurs are in it for the right reasons."

"We need one-on-one counseling on how to raise capital when banks or credit unions are not an option. Having a few pilot programs—or companies as showcase examples—would help demonstrate how growth works in Kitsap."

"One of the things I was really concerned about is if this business is successful, I'll have to go back to the city. I'll have to go back to where the talent is. All of the serious business people were going to Seattle."

"The answers may be obvious to you, but the options are exhausting to us. I'm overwhelmed with what I don't know. And I have no time to work outside the business, since I am the sole employee."

"Business owners can get desperate for financing and will say 'yes' to large weekly payments without understanding how it will impact lending opportunities later, and the cash flow now."

"There needs to be attention to sustainable funding and staffing in order to be able to support these efforts. You'll need to fund the group that can sustain all of the organizing work."

"I think the connection between business, education, military, and local government is incredibly important and one that Kitsap's agencies have not been successful in bridging."

SOURCES

About the Research

As part of this project, Matchstick Lab conducted surveys, interviews, and roundtable discussions with more than 130 local business owners, lenders, investors, and business support leaders across Kitsap, including:

- 2026 Kitsap Business Survey
- 2026 Kitsap Lender Survey
- 2026 Local Investor Network Survey

The findings draw on these firsthand perspectives, along with insights from additional sources (right) provided the conclusions in this report.

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Matchstick Lab

LIGHT A MATCH WITH US

LET'S BUILD WHAT'S NEXT, TOGETHER.

This report is a starting point, and turning its recommendations into action will take collaboration. Lenders, investors, funders, and public partners each have a role to play. If you see an opportunity to contribute, we want to hear from you.

GET INVOLVED

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