

The background of the cover is a photograph of the Washington State Capitol building. The building is a large, classical-style structure with a prominent central dome and a portico supported by several columns. The scene is framed by the branches of cherry blossom trees in full bloom, with white flowers and green leaves visible in the foreground and around the building. The sky is a clear, light blue. The text is overlaid on the upper portion of the image.

# **Washington State Economic and Revenue Forecast**

September 2023  
Volume L, No. 3



## Economic and Revenue Forecast Council Members

Senator Lynda Wilson  
Senator Chris Gildon  
Senator June Robinson  
Senator Yasmin Trudeau  
Representative April Berg  
Representative Chris Corry

Representative Ed Orcutt  
Representative Timm Ormsby  
Treasurer Mike Pellicciotti  
David Schumacher, Director, OFM  
Drew Shirk, Director, DOR

## Forecast Council Staff

Dr. Steve Lerch, Executive Director, Chief Economist  
Mr. Eric Swenson, Senior Economist  
Mr. Lance Carey, Senior Economist  
Ms. Clara Harig, Economist  
Ms. Maria Dallenbach, Confidential Secretary

This Publication is available on the Internet at <http://www.erfc.wa.gov>

# Preface

## **ERFC forecasting structure and schedule**

The Economic and Revenue Forecast Council is required by Chapter 231, Section 34, Laws of 1992 (RCW 82.33.020) to prepare a quarterly state economic and revenue forecast and submit it to the Forecast Council. This report presents the state's economic and General Fund-State revenue forecast. It is issued four times a year. The Washington State GF-S revenue forecast is prepared quarterly in conjunction with the state economic forecast for the Economic and Revenue Forecast Council. The Council consists of seven members, two appointed by the Governor, four appointed by the Legislature – one from each caucus of the Senate and House of Representatives, and the State Treasurer. Current members of the Economic and Revenue Forecast Council are listed inside the front cover of this publication. The GF-S revenue forecast is updated four times per year: March (February in even-numbered years), June, September, and November. The staff of the Economic and Revenue Forecast Council is responsible for the preparation of the state's economic forecast and the forecast of the Department of Revenue's GF-S revenue sources as well as GF-S revenue from fines and forfeitures collected by the Administrative Office of the Courts with GF-S share of court fees, fines, and forfeitures. The staff is also responsible for review and coordination of the revenue forecasts of other agencies that collect relatively large amounts of GF-S revenue. These are the Department of Licensing, the Office of the Insurance Commissioner, the Lottery Commission, the State Treasurer, the Liquor and Cannabis Board, and the Office of Financial Management. The Office of Financial Management is responsible for summarizing the forecasts of all other state agencies that collect relatively smaller amounts of GF-S revenue.

## **Forecast Procedure**

For each quarterly update, the staff of the Economic and Revenue Forecast Council, under the direction of the Executive Director, reviews (and if warranted, modifies) a national economic forecast prepared by IHS Markit. A state economic forecast is then prepared using an econometric model that links Washington's economy to the national economy. After review by forecast workgroups; the Governor's Council of Economic Advisors; and the Economic and Revenue Forecast Council, this state economic forecast (updated for newly released data) is used to prepare a baseline revenue forecast for GF-S and the related funds. The forecasts are based on current law and administrative practices and do not reflect pending legal challenges to GF-S receipts until they are resolved. Additionally, at least two alternative forecasts are prepared for all GF-S and related fund sources and presented to the Forecast Council for approval. Once the Council approves the forecast, it becomes the official forecast of GF-S and related fund revenues.

Data in this publication are accurate through October 12, 2023.

# **Washington State Economic and Revenue Forecast**

Prepared by the  
Economic and Revenue Forecast Council

September 2023  
Volume L, No. 3

*This page left intentionally blank.*

# Table of Contents

<b>Preface</b> .....	<b>iii</b>
<b>List of Tables</b> .....	<b>vi</b>
<b>List of Figures</b> .....	<b>vii</b>
<b>Executive Summary</b> .....	<b>1</b>
U.S. Economic Forecast .....	2
Washington Economic Forecast .....	2
Revenue Forecast .....	3
<b>Chapter 1: U.S. Economy – Current Conditions and Forecast</b> .....	<b>5</b>
Current Conditions .....	5
Forecast .....	10
Risks to the Forecast .....	14
<b>Chapter 2: Washington Economy – Current Conditions and Forecast</b> .....	<b>20</b>
Current Conditions .....	20
Washington State Forecast.....	24
Washington Payroll Employment .....	24
Washington Personal Income.....	26
Washington Building Permits .....	26
Consumer Price Index.....	27
Alternative Scenarios.....	27
Governor’s Council of Economic Advisors (GCEA).....	29
<b>Chapter 3: Washington State Revenue Forecast Summary</b> .....	<b>41</b>
Overview .....	41
Track Record for the 2021-23 Biennium .....	43
Track Record for the 2023-25 Biennium .....	43
Recent Collection Experience .....	44
General Fund-State Revenue Forecast by Source .....	46
Department of Revenue .....	46
Forecasted Revenue from Cannabis-Related Sales .....	51
The Office of Financial Management (Other Agencies) .....	51
State Treasurer .....	52
Insurance Commissioner.....	52
Liquor and Cannabis Board.....	52
Lottery Commission .....	52
Washington Court System .....	53
The Relationship between Cash and CAAP General Fund-State Revenue Forecasts .....	53
Alternative Forecasts for the 2023-25 and 2025-27 Biennia .....	53
Washington Opportunity Pathways Account.....	54
Education Legacy Trust Account .....	54
Workforce Education Investment Account .....	54
Budgetary Balance Sheet for the 2021-23 and 2023-25 Biennia.....	55
<b>Appendix</b> .....	<b>71</b>
<b>Glossary</b> .....	<b>107</b>

## List of Tables

### **Chapter 1: U.S. Economy – Current Conditions and Forecast**

Table 1.1	U.S. Economic Forecast Summary .....	16
Table 1.2	Forecast Analysis, Comparison of Forecasts for 2021-23 .....	17
Table 1.3	Forecast Analysis, Comparison of Forecasts for 2023-25 .....	18
Table 1.4	Forecast Comparison, 2023 to 2027 .....	19

### **Chapter 2: Washington Economy – Current Conditions and Forecast**

Table 2.1	Washington Economic Forecast Summary .....	30
Table 2.2	Comparison of Alternative Forecasts .....	31
Table 2.3	Governor’s Council of Economic Advisor’s Forecast .....	32
Table 2.4	Forecast Analysis, Comparison of Forecasts for 2021-23 .....	33
Table 2.5	Forecast Analysis, Comparison of Forecasts for 2023-25 .....	34
Table 2.6	Forecast Comparison, Forecast 2023 to 2027 .....	35

### **Chapter 3: Washington State Revenue Forecast Summary**

Table 3.1	Revisions to the forecast of funds subject to the budget outlook.....	42
Table 3.2	Pre-Forecast Collection Variance of Major General Fund-State Taxes.....	44
Table 3.3	General Fund-State collections .....	56
Table 3.4	Taxable retail sales.....	57
Table 3.5	General Fund-State forecast by agency, 2021-23 biennium, Cash .....	58
Table 3.6	General Fund-State forecast by agency, 2021-23 biennium, GAAP.....	59
Table 3.7	General Fund-State forecast by agency, 2023-25 biennium, Cash .....	60
Table 3.8	General Fund-State forecast by agency, 2023-25 biennium, GAAP.....	61
Table 3.9	September 2023 General Fund-State Forecast Detail .....	62
Table 3.10	Track Record for the 2021-23 biennial forecast of funds subject to the Budget outlook .....	63
Table 3.11	Track Record for the 2023-25 Forecast of Funds Subject to the Budget Outlook .....	63
Table 3.12	2021-23 and 2023-25 Enacted Budget Balance Sheet.....	64
Table 3.13	Alternative Forecasts Compared to the Baseline Forecast, 2023-25.....	65
Table 3.14	Alternative Forecasts Compared to the Baseline Forecast, 2025-27.....	66
Table 3.15	Lottery Transfers by Fund, Cash.....	67
Table 3.16	Lottery Transfers by Fund, GAAP .....	67
Table 3.17	GF-S, ELTA and OPA (Near General Fund-State) .....	68
Table 3.18	Forecasted Distribution of Excise Tax & License Fees from Cannabis Sales .	69
Table 3.19	Workforce Education Investment Account .....	69

### **Appendix: Detail Components of the State Economic and Revenue Forecast**

Table A1.1	U.S. Economic Forecast Summary, Annual .....	71
Table A1.2	U.S. Economic Forecast Summary, Quarterly.....	72
Table A1.3	Washington Economic Forecast Summary, Annual.....	75
Table A1.4	Washington Economic Forecast Summary, Quarterly .....	76
Table A2.1	U.S. Nonagricultural Employment by Industry, Annual .....	79
Table A2.2	U.S. Nonagricultural Employment by Industry, Quarterly .....	80
Table A2.3	Washington Nonagricultural Employment by Industry, Annual.....	83
Table A2.4	Washington Nonagricultural Employment by Industry, Quarterly .....	84
Table A3.1	U.S. Personal Income by Component, Annual .....	87
Table A3.2	U.S. Personal Income by Component, Quarterly.....	88
Table A3.3	Washington Personal Income by Component, Annual.....	91
Table A3.4	Washington Personal Income by Component, Quarterly .....	92
Table A4.1	Selected Inflation Indicators .....	95
Table A4.2	Price Indexes for Gross Domestic Product .....	96
Table A5.1	Washington Resident Population and Components of Change .....	97
Table A5.2	Washington Population.....	98

Table A6.1	Summary of National and State Indicators .....	99
Table A6.2	Washington Business Indicators .....	100

## List of Figures

### Chapter 1: U.S. Economy – Current Conditions and Forecast

Figure 1.1	Labor Force Participation Rate .....	7
Figure 1.2	Consumer Price Index .....	8
Figure 1.3	Housing Units Under Construction .....	9
Figure 1.4	Real GDP Growth .....	11
Figure 1.5	Average Price of Crude Oil .....	12
Figure 1.6	Fed Funds Target Rate .....	14

### Chapter 2: Washington Economy – Current Conditions and Forecast

Figure 2.1	Washington Unemployment Rate .....	21
Figure 2.2	S&P/Case-Shiller Home Price Indices, SA .....	22
Figure 2.3	Washington Exports .....	23
Figure 2.4	Nonfarm Payroll Employment .....	25
Figure 2.5	Washington Personal Income .....	26
Figure 2.6	Seattle CPI .....	27
Figure 2.7	Comparison of Alternative of WA and U.S. Economic Forecasts .....	36
Figure 2.8	Comparison of Alternative U.S. Economic Forecasts .....	39
Figure 2.9	Comparison of Alternative Washington Economic Forecasts .....	40

### Chapter 3: Washington State Revenue Forecast Summary

Figure 3.1	Funds subject to the budget outlook as a Percentage of State Personal Income (Fiscal Years) .....	43
Figure 3.2	Revenue Act Collections .....	45
Figure 3.3	Taxable Real Estate Excise Activity, SA .....	45
Figure 3.4	Taxable Sales as a Percentage of State Personal Income .....	47

### Appendix:

#### Detail Components of the Washington State Economic and Revenue Forecast

Figure A7.1	Washington State Economic Indicators .....	101
Figure A7.2	Washington State Leading Indicators .....	102
Figure A7.3	Other State Economic Indicators .....	103
Figure A7.4	Other Economic Indicators .....	104



## Executive Summary

- **The economy continues to recover, although inflation remains high.**
- **The forecast for GDP growth in 2023 is now 2.1%, up from 1.2% in the June forecast. For 2024, real GDP growth is 1.0%, up from 0.7% in the June forecast. For 2025 through 2027, we expect growth rates of 2.0%, 2.0%, and 1.9%, unchanged from the June forecast.**
- **Oil prices have increased.**
- **The Washington economy continued to expand through the middle of 2023.**
- **Washington employment growth in June, July and August was more than expected in the June forecast.**
- **The Washington unemployment rate has remained at 3.6% since July.**
- **Washington housing construction slowed in the second quarter of 2023.**
- **Seattle home prices increased in July for a fourth consecutive month.**
- **Washington exports decreased 9.1% from the second quarter of 2022 to the second quarter of 2023.**
- **Seattle consumer price inflation outpaced the national average in the year ending in August 2023.**
- **Tracked revenue collections since June have come in above their forecasted amounts, with most of the surplus in Revenue Act taxes (the main category of GF-S taxes including retail sales and use, business and occupation, public utility and non-cigarette tobacco products).**
- **New data on taxable activity in the second quarter of 2023 indicate that underlying taxable activity for Revenue Act taxes was higher than expected in June. This has led to increases in forecasted Revenue Act taxes.**
- **Forecasted real estate excise taxes have also increased slightly due to higher-than-forecasted taxable activity.**
- **About half of the increase in tallied revenue for the 2021-23 biennium came from large payments of estate taxes that went to the Education Legacy Trust Account.**
- **The total forecast for funds subject to the budget outlook process was increased by \$265 million in the 2021-23 biennium, \$663 million in the 2023-25 biennium and \$437 million in the 2025-27 biennium.**

## U.S. Economic Forecast

*The economy continues to recover*

The economy continues to recover, although inflation remains high. Economic growth recovered quickly from the pandemic with the help of fiscal and monetary policy. Strong demand fueled by policy responses, combined with ongoing supply issues caused inflation to spike and stay elevated. The Federal Reserve is attempting to combat inflation by raising interest rates, although this threatens to slow economic growth. New COVID-19 cases have diminished and the pandemic is no longer materially impacting the economy.

*Our forecast was based on a modified version of the September S&P Global Market Intelligence forecast*

This forecast is based on a modified version of S&P Global Market Intelligence's (formally IHS Markit) September 2023 Control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to match the September 2023 Blue Chip "Consensus" GDP forecast for 2023 and 2024. The forecast for GDP growth in 2023 is now 2.1%, up from 1.2% in the June forecast (see Figure 1.4). For 2024, real GDP growth is 1.0%, up from 0.7% in the June forecast. The forecast calls for one quarter of slightly negative growth in the first quarter of next year. For 2025 through 2027, we expect growth rates of 2.0%, 2.0%, and 1.9%, unchanged from the June forecast.

*Oil prices have increased since the June forecast*

Oil prices have increased sharply since June. Supply cuts by OPEC+ and rising demand have outweighed concerns about inflation and weak economic growth. Russia and Saudi Arabia extended output cuts totaling 1.3 million barrels per day in September. The refiner acquisition price of crude oil in 2023 is expected to average \$80 per barrel, up from \$71 per barrel assumed in June. Even with the increase, oil prices are still expected to be lower than the \$95 per barrel in 2022. We expect oil prices to increase to \$83 per barrel in 2024 as the expected economic slowdown is less severe than previously anticipated and supply remains tight. Going forward, supply constraints are expected to diminish, and increased U.S. production will keep prices somewhat in check as demand recovers. We expect oil prices to decline to \$76 per barrel in 2025 and decline throughout the forecast reaching \$68 per barrel in 2027. The June forecast expected oil prices to reach \$61 per barrel in 2027.

## Washington Economic Forecast

*The Washington economy continued to expand through the middle of 2023*

The Washington economy continued to expand through the first two quarters of 2023. Washington employment growth in June, July and August was more than expected in the June forecast. In August, the Washington unemployment rate remained low at 3.6%, unchanged since July. Washington housing construction slowed in the second quarter of 2023. Seattle home prices increased in July for a fourth consecutive month. Washington exports decreased 9.1% from the second quarter of 2022 to the second quarter of 2023. Seattle consumer price inflation

outpaced the national average in the year ending in August 2023.

*The Washington forecast features a higher level of nominal personal income*

The Washington forecast features a higher level of nominal personal income throughout the forecast period compared to the June forecast and little change in the employment forecast. We expect a 6.5% increase in nominal Washington personal income this year, up from 4.8% in the June forecast. This has the effect of raising the level of the personal income forecast through 2027, although annual growth rates for 2024 – 2027 average 5.2%, the same as in June. We expect a 2.3% increase in Washington employment this year, up from the 2.1% growth rate expected in the June forecast. We expect employment growth to average 0.7% per year in 2024 through 2027, unchanged from the June forecast. We expect housing permits to total 40,400 units this year, unchanged from the June forecast, and we expect permits to average 44,300 units in 2024 through 2027, up from 44,100 units in the June forecast. We expect the Seattle headline inflation to be 5.8% this year, unchanged from the June forecast. We expect Seattle headline inflation to average 2.1% per year in 2024 through 2027, unchanged from the June forecast.

## Revenue Forecast

*Revenue act and real estate excise tax collections were stronger than expected in June, leading to increases in forecasted revenue*

Tracked revenue collections since June have come in above their forecasted amounts, with most of the surplus in Revenue Act taxes (the main category of GF-S taxes including retail sales and use, business and occupation, public utility and non-cigarette tobacco products). New data on taxable activity in the second quarter of 2023 indicate that underlying taxable activity for Revenue Act taxes was higher than previously expected, leading to an increase in forecasted taxes. Real estate excise taxes also came in higher than forecasted, resulting in slight forecast increases. The initial tally of revenue for the recently ended 2021-23 biennium is substantially higher than forecasted due to both Revenue Act taxes and unusually large payments of estate taxes into the Education Legacy Trust Account.

*Total forecast change by biennium (millions):*

21-23: +\$265  
23-25: +\$663  
25-27: +\$437

Forecasted revenue for funds subject to the budget outlook process was increased by \$265.0 million for the 2021-23 biennium, \$663.4 million in the 2023-25 biennium and \$437.4 million in the 2025-27 biennium. The September 2023 forecast for these funds total \$64,751.7 million in the 2021-23 biennium, \$66,691.9 million in the 2023-25 biennium and \$70,926.8 million in the 2025-27 biennium.

*This page left intentionally blank.*



## Chapter 1: U.S. Economy – Current Conditions and Forecast

- **The economy continues to recover, although inflation remains high.**
- **Policymakers approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic.**
- **Real GDP increased 2.1% (SAAR) in the second quarter of 2023 after increasing 2.2% (SAAR) in the first quarter of 2023.**
- **The job market remains strong.**
- **Inflation is cooling but remains high.**
- **Housing activity is trending down; the manufacturing sector is declining.**
- **Oil prices are increasing.**
- **The forecast calls for one quarter of slightly negative growth in the first quarter of next year.**
- **The forecast for GDP growth in 2023 is now 2.1%, up from 1.2% in the June forecast. For 2024, real GDP growth is 1.0%, up from 0.7% in the June forecast. For 2025 through 2027, we expect growth rates of 2.0%, 2.0%, and 1.9%, unchanged from the June forecast.**
- **We expect the Federal Reserve to increase the federal funds rate until reaching 5.50% to 5.75% in November 2023.**
- **The uncertainty in the baseline forecast is elevated due to increased economic concern regarding inflation, possible recession, the COVID-19 pandemic, and geopolitical conflicts.**

### Current Conditions

*The economy continues to recover*

The economy continues to recover, although inflation remains high. Economic growth recovered quickly from the pandemic with the help of fiscal and monetary policy. Strong demand fueled by policy responses, combined with ongoing supply issues caused inflation to spike and stay elevated. The Federal Reserve is attempting to combat inflation by raising interest rates, although this threatens to slow economic growth. New COVID-19 cases have diminished and the pandemic is no longer materially impacting the economy.

Policymakers approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic. Stimulus

*Policymakers approved trillions of dollars in stimulus*

related to the pandemic has been just over \$6.0 trillion in five major categories. Business support (\$1.56 trillion), income support (\$983 billion), state and local government funding (\$870 billion), direct payments (\$859 billion), and health spending (\$700 billion). The remainder of the spending is comprised of tax policy and other spending such as disaster support, higher education, and housing.

*The fiscal response to the pandemic has been massive*

The COVID-19 relief measures were far more substantial than the fiscal response to the 2007-09 Great Recession. The American Recovery and Reinvestment Act (ARRA) of 2009 had its highest one-year cost, or peak cost, in the third year after the initial stimulus to the federal government of \$1.0 trillion. ARRA ended up costing \$787 billion over ten years. The combination of COVID-19 stimulus to date, with the inclusion of Infrastructure Investment and Jobs Act (IIJA), is expected to have a cost of \$5.7 trillion over ten years.

*GDP increased 2.1% in the second quarter*

Real GDP increased by 2.1% (SAAR) in the second quarter of 2023 after increasing 2.2% (SAAR) in the first quarter. Growth was led by business investment in the second quarter as consumption slowed. Fixed investment rebounded in the second quarter, growing 5.2% (SAAR) after falling 9.0% (SAAR) in the first quarter. Fixed investment accounted for 0.90 points of overall GDP growth. Nonresidential fixed investment increased 7.4% (SAAR), with nonresidential construction leading the way with 16.1% (SAAR) growth. Equipment investment and intellectual property were both positive, growing 7.7% and 2.7% respectively. Fixed residential investment fell 2.2% (SAAR) and subtracted 0.09 points from overall GDP. Fixed residential investment has now declined for nine consecutive quarters. Exports and imports both declined, with the net impact of 0.04 points added to GDP growth. Government spending increased 3.3% (SAAR), increasing GDP by 0.57 points. Inventory accumulation had no impact on GDP growth in the second quarter.

*The job market remains strong*

The job market remains strong. Over three years since the unprecedented 20.7 million job decline in April 2020 due to the pandemic, employment has continued to grow (see Figure 1.1). In September, total nonfarm employment increased by 336,000 jobs. Over the past twelve months, job growth has averaged 266,000. Growth in goods producing sectors has slowed. Rising interest rates are making housing and durable goods purchases that require financing more expensive. The manufacturing sector gained 17,000 jobs in September. Construction employment increased by 11,000 as the housing market cools. Private service-providing employment increased by 234,000. Employment increases in the service sector were led by a 96,000 increase in leisure and hospitality as the sector continues to recover from deep declines related to behavioral changes since the pandemic. Health care and social assistance employment was also strong, increasing by 65,900. The only major sectors that had employment declines in September were information (-

5,000) and temporary help services (-4,200). Government payrolls increased by 73,000.

*The unemployment rate is slowly increasing*

The unemployment rate is slowly increasing after reaching a historic low of 3.4% in January 2023. In September, the unemployment rate held steady at 3.8%. The labor force participation rate held steady as well at 62.8% in September. The rate plummeted to 60.1% during the pandemic from an initial rate of 63.3%. Since the initial recovery, the labor force participation rate has slowly improved but remains below pre-pandemic levels (see Figure 1.1). Average hourly earnings are up \$1.35 from a year ago to \$33.88 while the average workweek fell 0.2 hours from last year to 34.4 hours in September.

**Figure 1.1: Labor Force Participation Rate**



Source: U.S. Bureau of Labor Statistics; data through September 2023

*Consumer confidence is declining*

Consumer confidence is once again declining after a brief uptick in the summer. Consumer confidence as measured by the Conference Board declined 5.7 points in September and is down 4.8 points since last year. The decline was driven by a deterioration in consumers' near-term outlook for income, business conditions, and the job market. The University of Michigan Consumer Sentiment index declined 1.9 points in September. Consumers expressed more pessimism of present conditions, although expectations did improve slightly. Near term inflation expectations fell slightly but remain elevated. Both measures remain below pre-pandemic levels.

*Oil prices are trending up*

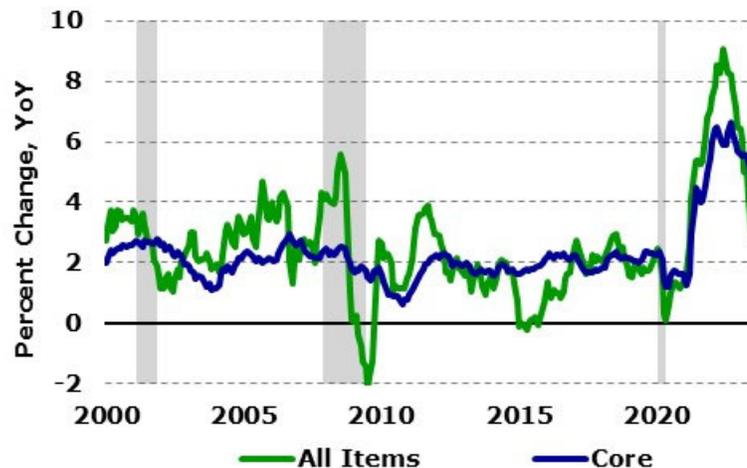
Oil prices are trending up as uncertainty to production remains elevated. The Brent spot crude price is now \$90 per barrel in the first week of October, up from \$74 at the end of June. The West Texas Intermediate (WTI) price has increased to \$86 per barrel from \$69 per barrel over the same time period. The United States has just imposed new sanctions on Russia for illicitly selling its oil above price limits put in place in response to the Ukraine war. Saudi Arabia has stuck by its production cut, although they have pledged to help stabilize the market to curb disruption fears due to the Israel-Hamas conflict. U.S. oil

production has increased over the year and is just below its pre-pandemic peak. U.S. production increased to 12.991 million bpd in July, up from 12.900 million bpd in June and up from 11.834 million bpd a year ago. Prior to the pandemic, U.S. production reached 13.000 million bpd in November 2019. Even with the increase in production, the Baker Hughes rig count has been declining since reaching a peak in November 2022. As of October 6<sup>th</sup>, the rig count in the U.S. was 619, down 143 since last year and 165 since November.

*Inflation is cooling but remains high*

Inflation is cooling but remains high (see Figure 1.2). Supply has not been able to meet the surge in demand in the wake of the pandemic. Supply chain issues due to pandemic related shutdowns contributed to the disconnect. Income support artificially boosted demand as well. Shortages of commodities have also pushed prices higher. Rents have now accelerated in lagged response to soaring home prices. Wage increases in response to higher consumer inflation have kept overall inflation more persistent. The Consumer Price Index (CPI) increased 0.4% in September from the month before, a deceleration of inflation from the 0.6% increase in August. Year-over-year, CPI was up 3.7% in September, unchanged from the prior month but down from the peak of 9.1% in June 2022. Energy prices increased 1.5% in September but are down 0.5% over the year due primarily to a sharp drop in utility gas service. Shelter cost inflation remains high, increasing 0.6% in September and up 7.2% since last year. Food prices lagged the overall increase in prices, up 0.2% since last month and up 3.7% since last year. Core consumer prices, which exclude food and energy, increased 0.3% since last month and were up 4.1% over the year.

**Figure 1.2: Consumer Price Index**



Source: Bureau of Labor Statistics; data through September 2023

*Home prices are no longer declining*

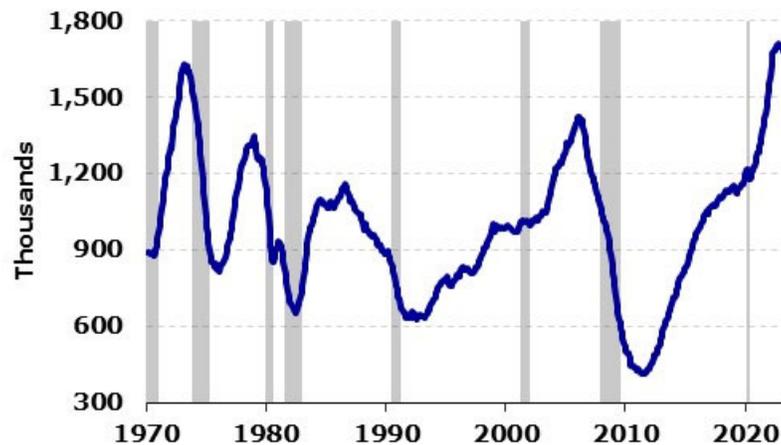
Home prices are no longer declining. The seasonally adjusted S&P CoreLogic Case-Shiller 20-city Home Price Index increased 0.9% in July and is now up 0.1% since last year (see Figure 1.3). With inflation remaining persistently high, the Federal Reserve has raised interest rates substantially. This has led to a rapid

rise in mortgage rates which has caused affordability to plummet. The rate on a 30-year mortgage increased to 7.31% as of September 28<sup>th</sup>, up from 6.70% a year ago. Despite this, the decline in home prices appears to have ended. Lumber prices have stabilized close to pre-pandemic levels. The random length lumber price reached an all-time high \$1,671 per 1,000 board feet in May 2021. Prices have trended down and reached \$493 in early October. Homebuilder confidence had been steadily improving although it has now declined for the past two months, putting it back into negative territory. In September, confidence declined five points to 45 (readings above 50 indicate optimism), down from the recent peak of 56 in July.

*Housing activity is trending down*

Housing activity is trending down. High interest rates, low confidence, and declining affordability have weighed down new construction. Housing starts softened in August, declining 11.3% since July and are 14.8% lower since last year. Single-family starts remain 2.4% higher than a year ago, but multi-family starts are down 7.3%. Builders are working through a large backlog of permitted but not started units and there is a near record number of housing units currently under construction (see figure 1.2). The inventory of new homes on the market is trending down, although there was an increase in the most recent data. In August there were 7.8 months' worth of supply, up from 7.0 in July, but down from a recent peak of 10.1 in July 2022. Housing permits increased 6.8% in August but are down 2.8% since last year. Single-family permits are up 7.1% since last year while multi-family permits are down 15.4%. New home sales declined 8.7% in August to 675,000 (SAAR) but are up 5.8% since last year.

**Figure 1.3: Housing Units Under Construction**



Source: U.S. Census Bureau; data through August 2023

*The manufacturing sector is declining*

The manufacturing sector continued its contraction but at a slower rate. The Institute for Supply Management (ISM) Report on Business index increased to 49.0 (index values below 50 indicate contraction) in September from 47.6 in August. This is the eleventh consecutive month of contraction after a 30-month

period of expansion. The new orders component improved 2.4 points to 49.2, still indicating contraction. Production turned positive, increasing 2.5 points to 52.5. The employment component also turned positive, improving 2.7 points to 51.2. Only two of the six biggest manufacturing industries registered growth in September: food, beverage, and tobacco products and petroleum and coal products. The latest G-17 report from the Federal Reserve indicates manufacturing output improved 0.1% in August but remains down 0.6% from a year ago. Durable goods improved 0.1% and nondurable goods increased 0.2% from the month before. New orders for core capital goods (nondefense capital goods excluding aircraft) increased 0.8% in August and are up 0.2% from a year ago.

*U.S. exports declined in the third quarter*

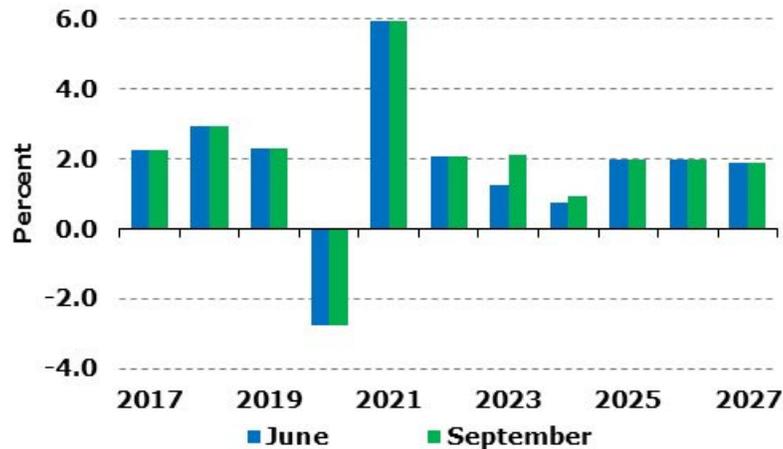
U.S. exports declined in the third quarter. Total exports in the third quarter fell 7.3% year over year, the first decline since 2020. Exports to each of the top three partner countries declined in the third quarter. Exports to Canada, Mexico, and China were down 7.3%, 3.2%, and 6.7% respectively. Oil and gas exports and petroleum and coal exports declined after exceptional growth the past two years. The value of exports in both sectors have more than doubled since the end of 2020, but declined a combined 29.1% in the third quarter. Exports of transportation equipment grew 16.4% in the third quarter and are once again the top exports by value for the United States.

## **Forecast**

*Our forecast was based on a modified version of the September S&P Global Market Intelligence forecast*

This forecast is based on a modified version of S&P Global Market Intelligence's (formally IHS Markit) September 2023 Control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to match the September 2023 Blue Chip "Consensus" GDP forecast for 2023 and 2024. The forecast for GDP growth in 2023 is now 2.1%, up from 1.2% in the June forecast (see Figure 1.4). For 2024, real GDP growth is 1.0%, up from 0.7% in the June forecast. The forecast calls for one quarter of slightly negative growth in the first quarter of next year. For 2025 through 2027, we expect growth rates of 2.0%, 2.0%, and 1.9%, unchanged from the June forecast.

**Figure 1.4: Real GDP Growth**



Source: U.S. Bureau of Economic Analysis, September 2023 ERFC forecast; historical data through 2022

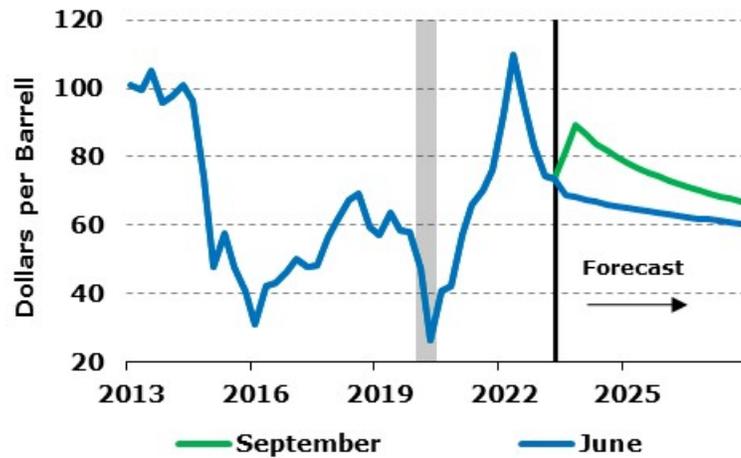
*Key assumptions are included in the forecast*

The forecast includes key assumptions related to fiscal policy. The debt ceiling is suspended through 2024 but is raised without incident before then. A federal fiscal year budget is passed in time to avoid a government shutdown. The forecast includes tariffs enacted by the U.S. and China since 2017 that are still in effect. The forecast reflects all legislation enacted through the time of the forecast.

*Oil prices have increased since the June forecast*

Oil prices have increased sharply since June. Supply cuts by OPEC+ and rising demand have outweighed concerns about inflation and weak economic growth. Russia and Saudi Arabia extended output cuts totaling 1.3 million barrels per day in September. The refiner acquisition price of crude oil in 2023 is expected to average \$80 per barrel, up from \$71 per barrel assumed in June (see Figure 1.5). Even with the increase, oil prices are still expected to be lower than the \$95 per barrel in 2022. We expect oil prices to increase to \$83 per barrel in 2024 as the expected economic slowdown is less severe than previously anticipated and supply remains tight. Going forward, supply constraints are expected to diminish, and increased U.S. production will keep prices somewhat in check as demand recovers. We expect oil prices to decline to \$76 per barrel in 2025 and decline throughout the forecast reaching \$68 per barrel in 2027. The June forecast expected oil prices to reach \$61 per barrel in 2027.

**Figure 1.5: Average Price of Crude Oil**



Source: EIA, September 2023 ERFC forecast; historical data through 2023 Q2

*Inflation is expected to fall*

Inflation (as measured by the price index for personal consumption expenditures) is expected to fall to 3.8% this year after peaking at 6.3% in 2022. Inflation was expected to fall to 3.7% this year in the previous forecast. Inflation has surged as demand recovered faster than could be accommodated by supplies of commodities and labor disrupted by the pandemic. Income support helped fuel the surge in demand, contributing to the increase in prices. Inflation is expected to moderate throughout the forecast, although slightly slower than expected in June. Inflation is expected to decline to 2.7% in 2024, and then average 2.0% from 2025 through 2027. Core inflation (excluding food and energy) is expected to be 4.2% this year, decline to 2.9% in 2024, and then trend down and average 2.1% in 2025 through 2027.

*Consumer spending growth is expected to slow*

Real consumer spending growth is expected to slow further this year as the Federal Reserve tightens monetary policy to combat inflation. Furthermore, fiscal stimulus measures are no longer giving a boost to consumers. Consumers experienced real income declines due to high inflation last year. This year, we expect continued wage growth and slowing inflation to turn real income growth positive. Real consumer spending is expected to grow 2.3% this year, down from 2.7% growth in 2022. The previous forecast expected growth of 1.7% this year. The forecast calls for growth to further soften in 2024 to 1.0%. We expect real spending growth to average 2.1% in 2025 through 2027.

*Employment growth is expected to slow*

Employment growth is expected to slow. Employment grew 4.3% in 2022 after growing 2.9% in 2021. We expect employment growth of 2.2% this year as the economy cools. The forecast then calls for a decline of 0.1% in 2024. The previous forecast expected growth of 2.2% this year followed by a 0.2% decline in 2024. Employment is expected to grow 0.1% in 2025 and then grow 0.4% per year in 2026 and 2027. The forecast expects the labor market to remain tight and the unemployment rate to

remain at a historic low of 3.6% this year. The forecast calls for the unemployment rate to peak at 4.3% in 2025 before declining to 4.1% in 2027.

*Business investment is expected to be stronger than in June*

Real nonresidential fixed investment growth is expected to slow to 3.0% this year after a 3.9% increase in 2022. The June forecast expected a 2.3% increase this year. Demand is expected to soften in line with slower overall GDP growth, lessening the need to expand production capacity. Borrowing costs remain high, reflecting tight monetary policy by the Federal Reserve. Office vacancy rates remain high as workers continue to use flexible work environments. Real nonresidential fixed investment growth is expected to increase 1.0% in 2024 and then pick up and reach 3.0% in 2027. We expect real nonresidential construction to grow 8.1% this year after declining in each of the prior three years. The forecast calls for nonresidential construction to grow slightly over the following two years at 0.8% and 0.2%. We then expect growth of 2.4% in 2026 and 2027 as some excess surplus gets worked through. However, real nonresidential construction will not have fully recovered to its level before the pandemic by the end of 2027. Real equipment investment is expected to decline 0.9% this year after growing 4.3% in 2022. We expect real equipment investment growth to turn positive in 2024 at 0.9%. We then expect growth to accelerate and reach 4.5% in 2027.

*The housing market outlook remains weak but has improved since June*

The housing market outlook remains weak although it has improved slightly since the previous forecast. High mortgage rates have lowered affordability and weighed down housing demand. High mortgage rates have also lowered supply by locking in homeowners holding mortgages financed at lower rates. Labor and material shortages remain, causing delays in finished construction. The September forecast calls for housing starts to decline 8.7% this year, down from a 12.2% decline in the previous forecast. We expect single-family and multi-family housing to decline at a similar rate. We expect total housing starts to decline another 4.9% in 2024, reaching a trough of 1.35 million units. The forecast then calls for housing starts to return to growth in 2025 at 6.3% with growth in both single-family and multi-family. We expect housing starts to grow another 1.0% in 2026 before a decline of 0.7% in 2027.

*Growth in major U.S. trading partners is expected to be stronger this year than in the previous forecast*

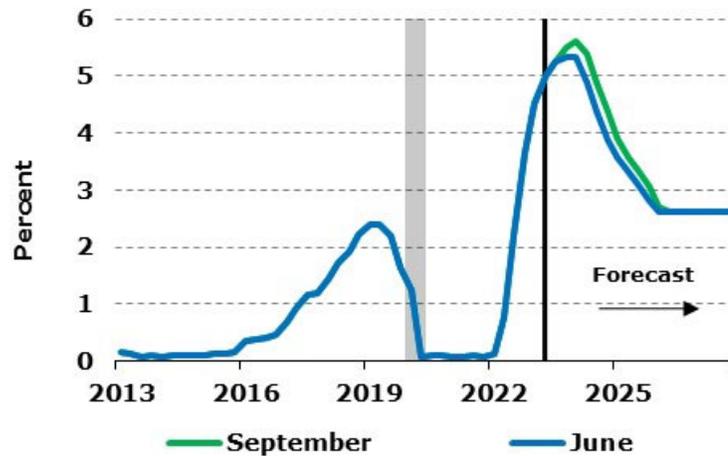
Economies throughout the world continue to recover from the COVID-19 pandemic. Economic growth of U.S. major trading partners is expected to slow this year to 2.1% from 3.4% in 2022, unchanged since the June forecast. Economic performance will vary widely across regions, with Europe and the Americas experiencing subpar growth and emerging markets of Asia-Pacific and parts of Africa achieving robust growth. China's economy has weakened in recent months and has yet to rebound back to pre-Covid levels. We expect growth in U.S. major trading partners to average 2.4% in 2024 through 2027, down slightly from the 2.5% average growth expected in the June forecast. Real U.S. exports are forecasted to slow to 2.8% this year, down from 7.1% growth in 2022. The previous forecast

expected real export growth to slow to 3.2% this year. We expect real export growth to increase and average 4.2% in 2024 through 2027.

*The Fed Funds rate is expected to peak at 5.50% to 5.75%*

The Federal Reserve will continue to raise interest rates as it strives to lower inflation to 2%. The Federal Reserve raised the target for the federal funds another 25 basis points in July, but then paused the rate increases in September. Inflation has remained high for longer than policymakers had anticipated. The economy has remained resilient with the labor market particularly tight, even as the Federal Reserve has raised rates. Our expectation is for a final 25 basis point hike in November during this cycle. We expect the federal funds rate to reach 5.50% to 5.75% (see Figure 1.6). We then expect the Federal Reserve to hold the rate steady until the second quarter 2024 when rates are slowly lowered. The rate cuts are expected to end in the first quarter of 2025 and then hold steady through 2027 at 2.50% to 2.75%. The forecast also calls for the Federal Reserve to continue removing stimulus tied to its balance sheet, allowing it to decline by about a third through 2024.

**Figure 1.6: Fed Funds Target Rate**



Source: EIA, September 2023 ERFC forecast; historical data through 2023 Q2

Table 1.1 provides a fiscal year summary of the U.S. economic indicators. For calendar year tables, see the appendix.

## Risks to the Forecast

The level of uncertainty in the baseline forecast remains elevated. Downside risks now equal upside risks. In the previous forecast, the risks were predominantly on the downside.

### Downside Risks

- Federal government shutdown
- Auto workers strike becomes prolonged
- COVID-19 infections reemerge

- Re-imposition of some social restrictions
- New travel restrictions
- War in Ukraine escalates
- Rising interest rates cause a steep recession
- Inflation remains high
- Rising mortgage rates cause a sharp downturn in affordability and housing activity
- Oil prices don't decline
- Increasing geopolitical tensions negatively affect consumer confidence
- Deficit fears limit fiscal policy
- A breakdown in trade relations
- Global growth weakens, pulling exports down
- Increased uncertainty in financial system due to banking collapse

### **Upside Risks**

- Federal Reserve increases rates to slow inflation without causing a recession
- War in Ukraine ends
- Energy prices decline faster than expected
- Increased business confidence leads to more hiring
- Increased consumer confidence gives a boost to consumer spending
- Housing sector improves faster than anticipated
- China successfully transitions to a more consumption-based economy
- European and emerging market economies grow faster than expected
- Wage growth picks up faster than expected

Table 1.1  
**U.S. Economic Forecast Summary**  
 Forecast 2023 to 2027

Fiscal Years

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	18,678.8	19,107.1	19,874.5	20,226.6	20,555.1	20,826.3	21,263.2	21,673.1
% Ch	-0.7	2.3	4.0	1.8	1.6	1.3	2.1	1.9
Real Consumption	12,802.1	13,282.4	13,995.9	14,293.4	14,537.7	14,747.1	15,072.8	15,377.3
% Ch	-1.2	3.8	5.4	2.1	1.7	1.4	2.2	2.0
Real Nonresidential Fixed Investment	2,735.9	2,750.5	2,885.7	2,995.0	3,054.3	3,074.3	3,139.5	3,231.2
% Ch	-0.9	0.5	4.9	3.8	2.0	0.7	2.1	2.9
Real Residential Fixed Investment	612.0	707.5	699.6	583.3	575.7	582.4	602.0	617.7
% Ch	1.4	15.6	-1.1	-16.6	-1.3	1.2	3.4	2.6
Real Personal Income	17,420.2	18,359.3	17,822.8	17,832.2	18,036.1	18,440.7	18,920.0	19,406.6
% Ch	4.6	5.4	-2.9	0.1	1.1	2.2	2.6	2.6
Real Per Capita Income (\$/Person)	52,572	55,285	53,514	53,286	53,615	54,538	55,668	56,807
% Ch	4.1	5.2	-3.2	-0.4	0.6	1.7	2.1	2.0
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	110.5	112.8	119.3	125.4	129.3	132.4	134.9	137.6
% Ch	1.3	2.0	5.8	5.1	3.1	2.4	1.9	2.0
U.S. Consumer Price Index (1982-84=1.0)	2.573	2.631	2.820	2.997	3.097	3.171	3.232	3.300
% Ch	1.6	2.3	7.2	6.3	3.3	2.4	1.9	2.1
Employment Cost Index (Dec. 2005=1.0)	1.395	1.437	1.509	1.585	1.658	1.725	1.785	1.849
% Ch	3.1	3.0	5.1	5.0	4.6	4.0	3.5	3.6
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	21,103.3	22,107.0	24,472.1	26,297.6	27,521.2	28,562.4	29,744.9	30,993.8
% Ch	0.7	4.8	10.7	7.5	4.7	3.8	4.1	4.2
Personal Income	19,252.7	20,707.0	21,266.4	22,370.3	23,324.4	24,410.6	25,527.0	26,697.7
% Ch	6.0	7.6	2.7	5.2	4.3	4.7	4.6	4.6
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	162.6	160.6	162.9	165.6	167.9	168.3	168.9	169.6
Total U.S. Employment	152.9	149.5	156.1	159.7	161.3	161.0	161.7	162.6
Unemployment Rate (%)	6.00	6.93	4.19	3.55	3.90	4.36	4.27	4.16
Nonfarm Payroll Employment	147.06	142.97	149.81	154.69	156.27	155.80	156.33	156.99
% Ch	-1.9	-2.8	4.8	3.3	1.0	-0.3	0.3	0.4
Manufacturing	12.52	12.17	12.60	12.96	12.97	12.41	12.12	12.07
% Ch	-2.1	-2.7	3.5	2.8	0.1	-4.3	-2.4	-0.4
Durable Manufacturing	7.82	7.57	7.83	8.07	8.14	7.78	7.57	7.55
% Ch	-2.6	-3.2	3.5	3.1	0.8	-4.4	-2.7	-0.3
Nondurable Manufacturing	4.70	4.61	4.76	4.88	4.82	4.63	4.55	4.52
% Ch	-1.4	-1.9	3.4	2.4	-1.2	-4.0	-1.8	-0.5
Construction	7.39	7.33	7.59	7.86	8.01	7.99	8.02	8.13
% Ch	-0.3	-0.9	3.7	3.5	1.9	-0.2	0.4	1.3
Service-Providing	126.48	122.92	129.04	133.25	134.65	134.74	135.52	136.09
% Ch	-2.0	-2.8	5.0	3.3	1.1	0.1	0.6	0.4
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	46.7	51.8	87.8	81.5	85.8	79.1	73.3	69.1
Personal Saving/Disposable Income (%)	13.6	15.3	6.0	3.9	4.2	5.5	5.6	5.8
Auto Sales (Millions)	3.8	3.7	2.9	3.0	3.1	3.2	3.2	3.2
% Ch	-24.2	-3.1	-23.0	4.6	3.2	1.7	3.0	-1.2
Housing Starts (Millions)	1.316	1.549	1.655	1.420	1.380	1.381	1.458	1.435
% Ch	8.2	17.7	6.9	-14.2	-2.8	0.1	5.5	-1.5
Federal Budget Surplus (Billions)	-2,151.8	-3,213.5	-1,411.8	-1,397.2	-1,643.9	-1,891.1	-1,905.9	-1,897.0
Net Exports (Billions)	-537.1	-776.0	-989.0	-838.7	-823.6	-818.2	-810.4	-758.4
3-Month Treasury Bill Rate (%)	1.20	0.07	0.37	4.10	5.34	3.94	2.68	2.39
10-Year Treasury Note Yield (%)	1.41	1.11	1.93	3.54	3.95	3.57	3.26	3.19
Bond Index of 20 G.O. Munis. (%)	3.20	2.21	2.48	3.58	3.70	3.62	3.51	3.44
30-Year Fixed Mortgage Rate (%)	3.65	2.94	3.84	6.29	6.84	5.78	5.17	4.98

Table 1.2

**Forecast Analysis**

Comparison of Forecasts for 2021-23

<b>U.S.</b>	Average Annual Rate of Growth (Percent) 2021:2-2023:2		Average Rate (Percent) 2021:3 to 2023:2	
	<b>Real GDP</b>	<b>PCE Price Index</b>	<b>3 Month T-Bill Rate</b>	<b>Mortgage Rate</b>
<b>2018</b>				
February	2.1	2.0	3.15	5.28
June	2.1	2.1	3.17	5.30
September	2.1	1.9	3.14	5.13
November	2.0	2.0	3.16	5.20
<b>2019</b>				
March	1.9	2.0	2.66	4.92
June	1.9	1.9	2.20	4.72
September	1.9	1.9	2.16	4.65
November	1.9	2.0	2.16	4.53
<b>2020</b>				
February	1.9	2.0	1.96	4.43
June	3.7	1.5	0.07	3.02
September	3.4	1.6	0.10	3.12
November	2.6	1.8	0.10	3.10
<b>2021</b>				
March	3.5	1.6	0.07	3.56
June	3.5	2.0	0.04	3.46
September	3.5	2.1	0.08	3.39
November	3.2	2.5	0.09	3.43
<b>2022</b>				
February	3.2	3.4	0.58	3.62
June	2.2	4.9	1.31	4.48
September	1.1	4.9	1.88	4.66
November	1.1	5.1	2.16	5.16
<b>2023</b>				
March	1.7	5.2	2.21	5.12
June	1.9	5.2	2.23	5.06
September	2.1	5.1	2.24	5.06

Table 1.3

**Forecast Analysis**

Comparison of Forecasts for 2023-25

<b>U.S.</b>	Average Annual Rate of Growth (Percent) 2023:2-2025:2		Average Rate (Percent) 2023:3 to 2025:2	
	<b>Real GDP</b>	<b>PCE Price Index</b>	<b>3 Month T-Bill Rate</b>	<b>Mortgage Rate</b>
<b>2020</b>				
February	2.0	2.1	2.30	4.62
June	2.3	1.7	0.13	3.24
September	2.4	1.8	0.10	3.27
November	2.0	1.9	0.08	3.29
<b>2021</b>				
March	2.2	1.9	0.23	3.92
June	1.9	1.9	0.22	3.86
September	2.2	1.9	0.47	4.02
November	2.1	2.1	0.88	4.26
<b>2022</b>				
February	2.1	2.1	1.64	4.55
June	2.1	1.7	2.61	5.00
September	2.1	1.9	3.09	5.18
November	1.7	2.1	3.87	5.69
<b>2023</b>				
March	1.4	2.2	4.16	5.93
June	1.2	2.2	3.99	5.81
September	1.5	2.5	4.64	6.31

Table 1.4

Fiscal Years

**Forecast Comparison**

Forecast 2023 to 2027

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>U.S.</b>							
<b>Real GDP</b>							
September	19,107.1	19,874.5	20,226.6	20,555.1	20,826.3	21,263.2	21,673.1
% Ch	2.3	4.0	1.8	1.6	1.3	2.1	1.9
June	19,107.1	19,874.5	20,192.4	20,289.5	20,611.8	21,029.9	21,437.7
% Ch	2.3	4.0	1.6	0.5	1.6	2.0	1.9
<b>PCE Price Index</b>							
September	112.8	119.3	125.4	129.3	132.4	134.9	137.6
% Ch	2.0	5.8	5.1	3.1	2.4	1.9	2.0
June	112.8	119.3	125.5	129.0	131.8	134.3	137.0
% Ch	2.0	5.8	5.1	2.8	2.2	1.9	2.0
<b>Unemployment Rate</b>							
September	6.93	4.19	3.55	3.90	4.36	4.27	4.16
June	6.93	4.19	3.55	3.96	4.45	4.31	4.15
<b>Mortgage Rate</b>							
September	2.94	3.84	6.29	6.84	5.78	5.17	4.98
June	2.94	3.84	6.29	6.20	5.41	4.99	4.94
<b>3 Month T-Bill Rate</b>							
September	0.07	0.37	4.10	5.34	3.94	2.68	2.39
June	0.07	0.37	4.09	4.83	3.15	2.04	1.83



## Chapter 2: Washington Economy – Current Conditions and Forecast

- **The Washington economy continued to expand through the middle of 2023.**
- **Washington employment growth in June, July and August was more than expected in the June forecast.**
- **The Washington unemployment rate has remained at 3.6% since July.**
- **Washington housing construction slowed in the second quarter of 2023.**
- **Seattle home prices increased in July for a fourth consecutive month.**
- **Washington exports decreased 9.1% from the second quarter of 2022 to the second quarter of 2023.**
- **Seattle consumer price inflation outpaced the national average in the year ending in August 2023.**

### Current Conditions

*The Washington economy continued to expand through the middle of 2023*

The Washington economy continued to expand through the first two quarters of 2023. Washington employment growth in June, July and August was more than expected in the June forecast. In August, the Washington unemployment rate remained low at 3.6%, unchanged since July. Washington housing construction slowed in the second quarter of 2023. Seattle home prices increased in July for a fourth consecutive month. Washington exports decreased 9.1% from the second quarter of 2022 to the second quarter of 2023. Seattle consumer price inflation outpaced the national average in the year ending in August 2023.

*Washington nonfarm payroll employment increased 16,500 in June through August*

We have three months of new Washington employment data since the June forecast was released. Total seasonally adjusted nonfarm payroll employment increased 16,500 in June, July, and August which was 8,400 more than the increase of 8,100 expected in the forecast. The construction sector added 3,200 jobs and manufacturing employment increased by 2,200 in the three-month period. The health care sector had the largest increase with a gain of 7,100 jobs while the largest decline in the

private sector was in administrative and support services with a loss of 3,300 jobs. Government employment dropped by 1,200, although the decline was due to a 6,700 reduction in state government education, which is notorious for seasonal adjustment issues in the summer months.

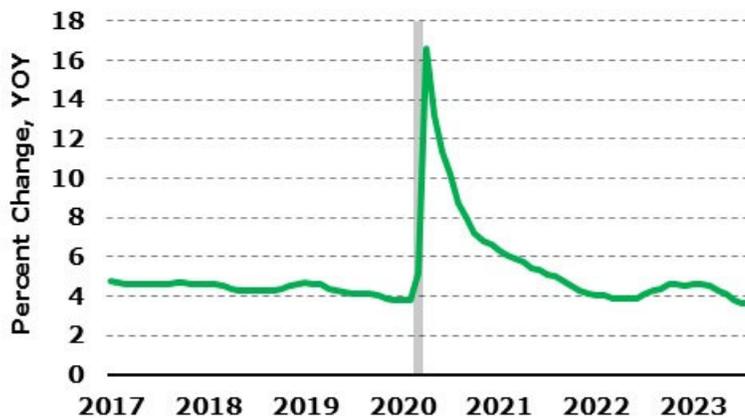
*Revisions added to the level of employment*

Revisions to employment data added 4,800 (0.1%) to the estimated level of total employment in May 2023. The combined effect of the upward revision to historical data and the stronger growth in the last three months is that August employment is 13,200 (0.4%) higher than expected in the June forecast.

*Washington's unemployment remains low*

Washington's unemployment rate remains low. The unemployment rate remained steady at 3.6% in August, unchanged since July (see Figure 2.1). The jobless rate is at a historic all-time low with data going back to 1958.

**Figure 2.1 Washington Unemployment Rate**



Source: Employment Security Department, data through August 2023

*Washington initial claims increased slightly*

Washington initial claims for unemployment insurance increased over the month of September. The seasonally adjusted number of initial claims had increased to 5,677 in the week ending September 24, 2023, an increase of 147 from the start of the month. The four-week moving average increased to 5,738. The four-week moving average is still down 97% from the April 2020 peak.

*Washington housing construction slowed in the second quarter of 2023*

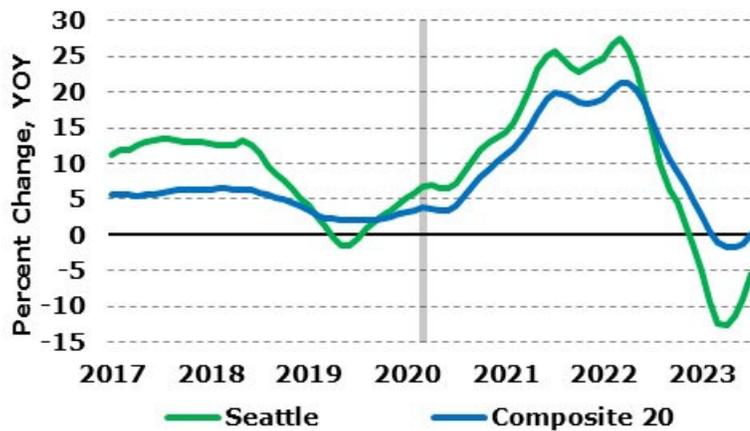
Washington housing construction slowed in the second quarter of 2023. The number of housing units authorized by building permits declined to 39,500 (SAAR) in the second quarter from 41,900 in the first quarter. The slowdown was due to a 7,000 unit drop in multi-family permits from 27,700 (SAAR) to 20,700. Single family permits increased 4,600 from 14,200 (SAAR) to 18,800 in the second quarter. Permits continued to decline in the first two months of the third quarter. A total of 36,300 units were

permitted in July and August (SAAR) consisting of 18,600 single-family units and 17,700 multi-family units. The September forecast expected 38,300 units (SAAR) in the third quarter, consisting of 19,900 single-family units and 18,400 multi-family units.

*Seattle-area home prices have stopped declining*

Seattle-area home prices have stopped declining. Home prices increased 1.7% in July, the fourth straight increase. Prior to this, Seattle home prices had declined for eleven consecutive months. In comparison, the composite-20 index has increased in each of the past five months following eight months of decline. Seattle home prices in July remain down 5.5% over the year while the composite-20 index was up 0.1% over the year.

**Figure 2.2: S&P/Case-Shiller Home Price Indices, SA**



Source: S&P/Case-Shiller Home Price Indices; data through July 2023

*Washington exports decreased 9.1% from the second quarter of 2022 to the second quarter of 2023*

According to the World Institute for Strategic Economic Research (WISER), Washington exports decreased 9.1% from the second quarter of 2022 to the second quarter of 2023 following a 2.6% year-over-year increase in the first quarter. Washington exports of transportation equipment (mostly Boeing planes) increased 4.8% over the year. Agricultural exports declined 41.1% over the year but this could be misleading as the data include soybean and corn exports which receive only minimal processing in Washington. Exports from all other sectors (mostly manufacturing) decreased 1.9% over the year.

**Figure 2.3: Washington Exports**



Source: Wiser Trade; data through 2023 Q2

*Washington car and truck sales are down in the last three months*

Washington car and truck sales have declined in each of the past three months. The seasonally adjusted number of new vehicle registrations fell 7.4% in September to 267,100 (SAAR). The number of registrations remained up 19.3% over the year in September.

*Washington personal income outpaced the national average in the first quarter of 2023*

In July, after the June forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released the preliminary state personal income estimates for the first quarter of 2023. Washington personal income increased from \$599.0 billion (SAAR) in the fourth quarter of 2022 to \$609.1 billion in the first quarter of 2023. The 6.9% increase (SAAR) in Washington personal income was the 18th highest among the states and District of Columbia and higher than the 5.1% rate increase for the U.S. as a whole. At 4.6% (SAAR), growth in Washington net earnings matched the 4.6% national average growth rate. Property income (dividends, interest, and rent) grew 7.4% in Washington compared to the 6.0% national average. However, transfer receipts grew at a 16.7% annual rate in Washington compared to an only 6.1% increase for the nation.

*New BEA estimates have been incorporated*

We have incorporated the new BEA estimates as well as an additional Washington Quarterly Census of Employment and Wages (QCEW) data. Our current estimate of Washington personal income in the first quarter of 2023 is \$9.2 billion (SAAR) or 1.9% higher than in the June forecast.

*Seattle consumer price inflation outpaced the national average in the year ending in August 2023*

Seattle metropolitan area consumer price inflation continued to exceed the national average in the year ending in August 2023. From August 2022 to August 2023, the seasonally adjusted Seattle CPI rose 5.4% compared to the 3.7% increase in the U.S. City Average index. Core prices, which exclude food and energy, increased 5.7% in Seattle and 4.3% in the national index.

Seattle shelter cost inflation exceeded the national average at 8.0% compared to 7.3%. Seattle inflation excluding shelter also exceeded the national average at 3.9% compared to 1.9%.

## Washington State Forecast

*The Washington forecast features a higher level of nominal personal income.*

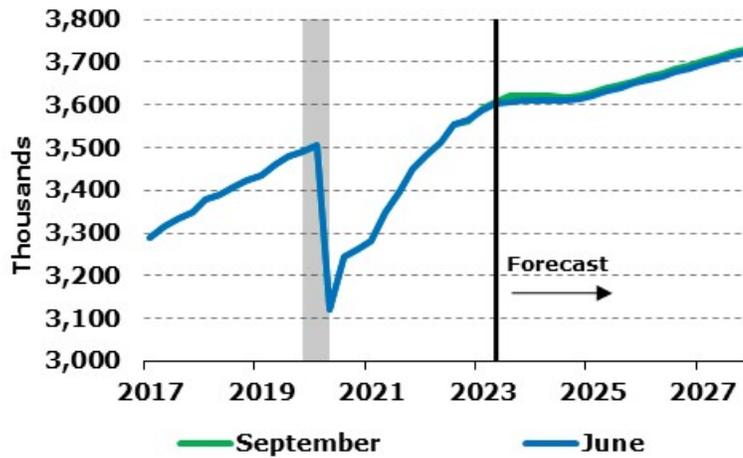
The Washington forecast features a higher level of nominal personal income throughout the forecast period compared to the June forecast and little change in the employment forecast. We expect a 6.5% increase in nominal Washington personal income this year, up from 4.8% in the June forecast. This has the effect of raising the level of the personal income forecast through 2027, although annual growth rates for 2024 – 2027 average 5.2%, the same as in June. We expect a 2.3% increase in Washington employment this year, up from the 2.1% growth rate expected in the June forecast. We expect employment growth to average 0.7% per year in 2024 through 2027, unchanged from the June forecast. We expect housing permits to total 40,400 units this year, unchanged from the June forecast, and we expect permits to average 44,300 units in 2024 through 2027, up from 44,100 units in the June forecast. We expect the Seattle headline inflation to be 5.8% this year, unchanged from the June forecast. We expect Seattle headline inflation to average 2.1% per year in 2024 through 2027, unchanged from the June forecast.

## Washington Payroll Employment

*Job growth is similar to June*

Compared to the June forecast, job growth is little changed (see Figure 2.3). We expect a 2.3% increase in Washington employment this year, up from the 2.1% growth rate expected in the June forecast. We expect slower growth during the remainder of the forecast as the U.S economy slows. We expect employment growth to average 0.7% per year in 2024 through 2027, unchanged from the June forecast. On an annual basis, we expect growth of 0.3% in 2024, 0.6% in 2025, 1.0% in 2026, and 1.0% in 2027.

**Figure 2.4: Nonfarm Payroll Employment**



Source: Employment Security Department, ERFC; historical data through 2023 Q2

*Aerospace employment is increasing*

After the grounding of the 737 Max and then the pandemic, Washington’s aerospace employment declined from 89,600 at end of 2019 to a low of 66,700 in August 2021, a loss of 22,800 jobs. Since August 2021, the industry added back 11,500 jobs, bringing the level to 78,300 in August 2023. We expect aerospace employment to continue to expand in Washington, adding nearly 8,300 jobs from the second quarter of 2023 through the fourth quarter of 2027. On an annual average basis, we expect aerospace employment to grow 8.6% this year and 5.7% in 2024, then slowing 1.8% in 2025, 0.7% in 2026, and 0.6% in 2027.

*We expect software job losses in 2023*

The software sector in Washington continued to grow throughout 2022 but has lost jobs so far this year. As of January 2023, Washington software employment was 19.3% higher than at the business cycle peak of February 2020 but has lost 1,800 jobs this year through August. We assume a total reduction of 2,000 in the third and fourth quarters of 2023 and an additional reduction of 600 jobs in the first quarter of 2024, with growth resuming in the second quarter of 2024. We expect negative growth in 2024 and moderate growth during the remainder of the forecast with growth rates of -2.2% in 2024, 1.1% in 2025, 1.4% in 2026, and 1.2% in 2027.

*Construction employment is expected to decline because of a decline in home building in 2023*

Construction has recovered more than all the jobs lost in the recession because of a surge in home building. After an initial drop in employment in April of 2020, construction employment came roaring back. As of August 2023, construction employment was 8.4% higher than at its prior peak in February 2020. We believe construction employment will peak in the third quarter of 2023. We expect a decline of 5,500 construction jobs from the

third quarter of 2023 to the third quarter of 2024. On an annual average basis, we expect construction employment to grow by 3.2% in 2023 but decline by 1.0% in 2024 before increasing by 0.1% in 2025, 2.1% in 2026 and 2.3% in 2027.

### Washington Personal Income

*Washington personal income in the first quarter was higher than in the June forecast*

In June, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the first quarter of 2023. Washington personal income increased from \$599.0 billion (SAAR) in the fourth quarter of 2021 to \$609.1 billion in the first quarter of 2023. The 6.9% increase (SAAR) in Washington personal income was the 18th highest among the states and District of Columbia and led the 5.1% rate of increase for the U.S. as a whole. We have incorporated the new BEA estimates as well as an additional Washington Quarterly Census of Employment and Wages (QCEW) data. Our current estimate of Washington personal income in the first quarter of 2023 is \$9.2 billion (SAAR) or 1.9% higher than in the June forecast.

*Our forecast for nominal personal income growth this year is 6.5%*

As a result, the level of personal income is higher than in the June forecast (see Figure 2.4). Our forecast for nominal personal income growth this year is 6.5%, up from the 4.8% rate in the June forecast. Our new forecast for nominal personal income growth in 2024 through 2027 averages 5.1% per year, up slightly from the 5.0% rate in the June forecast.

**Figure 2.5: Washington Personal Income**



Source: Bureau of Economic Analysis, ERFC; historical data through 2023 Q1

### Washington Building Permits

The Washington housing construction forecast is slightly higher than in June. The number of authorized housing units reached

*The Washington housing construction forecast is slightly higher than in June*

56,900 in 2021 which was the highest annual total since 1978. Permits declined throughout 2022 and averaged 49,300 for the year. We believe permits will recover in the fourth quarter of 2023 and in 2024. We expect housing permits to total 40,400 units this year, up from 38,000 units in the March forecast, and we expect permits to average 44,100 units in 2024 through 2027, unchanged from the June forecast. On a calendar year basis, we expect 42,400 units in 2024, 44,200 in 2025, 45,200 units in 2026, and 45,300 units in 2027.

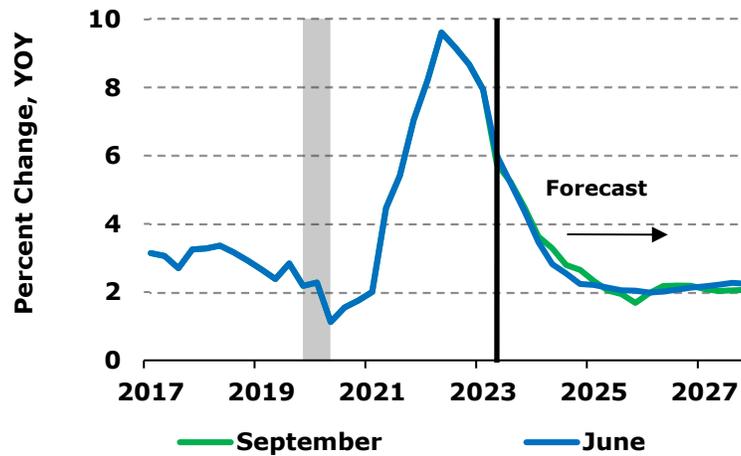
## Consumer Price Index

*The near-term inflation outlook has increased slightly since the June forecast*

The near-term inflation outlook has increased slightly since the June forecast, but we expect price pressures to diminish over the remainder of 2023 and in 2024. The Seattle CPI index rose 7.9% in 2022 which was the highest rate in the history of the series which begins with 1983 inflation. On an annual average basis, inflation will slow to 5.8% this year, unchanged from the June forecast. We expect Seattle inflation to average 3.1% in 2024, up from 2.8% in the June forecast. For 2025 through 2027, Seattle inflation will average 2.1%, essentially unchanged from the June forecast

Table 2.1 provides a fiscal year summary of the state economic indicators. For calendar year tables, see the appendix.

**Figure 2.6 Seattle CPI**



Source: Bureau of Labor Statistics, ERFC; historical data through 2023 Q2

## Alternative Scenarios

*Alternative forecasts are required by law*

In accordance with state law, the Washington State Economic and Revenue Forecast Council adopted a forecast based on optimistic assumptions and a forecast based on pessimistic assumptions in addition to the baseline forecast.

*In the optimistic scenario, stronger consumer spending, stronger productivity and a faster resolution of the Russia- Ukraine conflict drive faster growth*

## **Optimistic**

The optimistic scenario assumes stronger growth of consumer spending and stronger productivity relative to the baseline. We assume the consumer and business response to the Infrastructure Investment and Jobs Act is more robust than in the baseline, while a quicker resolution to the Russia-Ukraine conflict allows for a lower path of energy prices. We assume firms are able to implement the kinds of large productivity gains they achieved early in the pandemic, which improves corporate profitability. GDP growth is stronger than the baseline. The unemployment rate averages 3.5% in 2023 and 3.7% in 2024 compared to 3.6% and 4.2% in the baseline forecast.

*The optimistic scenario also assumes a stronger Washington economy*

In addition to reflecting the impact of the stronger U.S. forecast on the state economy, the optimistic scenario assumes that aerospace employment grows much faster than assumed in the baseline. After declining this year and in the first quarter of 2024, software employment also grows more rapidly than in the baseline forecast. In the optimistic scenario, the stronger regional economy drives Seattle consumer price inflation above the baseline. Washington average wage growth is also higher in the optimistic scenario than in the baseline. After declining in the fourth quarter of 2023, construction employment grows more rapidly in 2024-27 than in the baseline forecast. Washington nonfarm payroll employment in 2027 is higher by 63,800 jobs (1.7%) than in the baseline forecast and Washington personal income is \$36.8 billion (4.8%) higher.

## **Pessimistic**

*Growth slows as consumer spending weakens and the financial sector reduces credit availability*

The pessimistic scenario assumes weaker consumer spending and a pause in growth, barely avoiding a recession. Turmoil in the banking sector leads to tighter lending standards and a reduction in credit availability. The Russia-Ukraine conflict intensifies and drags on, leading to higher price paths for energy commodities, other industrial commodities and grains. Future GDP growth is less than the baseline forecast but remains positive. The unemployment rate averages 4.0% in 2023 and 5.9% in 2024 compared to 3.6% and 4.2% in the baseline forecast.

*The pessimistic scenario also assumes a weaker local economy*

In addition to reflecting the impact of the weaker U.S. forecast on the state economy, aerospace employment begins to decline again in the third quarter of 2024. Software employment declines more than in the baseline forecast in the third and fourth quarters of this year and continues to decline through 2027. Construction employment also declines faster than in the baseline this year and the reductions continue through 2027. The relatively weak local economy also puts downward pressure on Washington wages and the Seattle CPI. Washington nonfarm payroll employment in 2027 is 174,400 (4.7%) lower than in the baseline forecast and Washington personal income is \$47.5 billion (6.3%) lower.

Table 2.2 compares the optimistic and pessimistic forecasts with the baseline forecast.

### **Governor’s Council of Economic Advisors (GCEA)**

*The Governor’s Council of Economic Advisors’ (GCEA) national forecast has slightly lower real growth and inflation for 2023*

In the GCEA scenario, the U.S. and state forecasts were adjusted to match the average view of the Council members.

The Governor’s Council of Economic Advisors’ (GCEA) national forecast has slightly lower real growth and inflation in 2023 than our baseline forecast. The GCEA real GDP growth forecast averages 1.9% per year in 2023 through 2027, slightly higher than our 1.8% average rate. Their forecast of 1.8% average real consumer spending growth is slightly lower than our 1.9% average growth rate. The GCEA members’ personal consumption expenditures (PCE) inflation forecast averages 2.6% per year which is slightly higher than the 2.5% average rate in our forecast. The Council members’ mortgage rate forecast averages 5.7% over the five-year forecast horizon, which is the same as our average mortgage rate forecast of 5.7%. The GCEA oil price forecast averages \$81 per barrel which is higher than our \$76 average oil price.

*The Governor’s Council of Economic Advisors’ Washington forecast is similar to our baseline forecast*

The Governor’s Council of Economic Advisors’ Washington forecast is similar to our baseline forecast. The GCEA scenario for Washington real personal income growth averages 2.8% per year in 2023 through 2027, the same as in our forecast. The Council members’ forecast for total employment growth over the five-year period averages 1.3% per year compared to our 1.0% average growth rate. The Council members’ forecast for manufacturing employment growth over the five-year period averages 0.7% per year compared to our 0.4% average growth rate. The Council members’ forecast for construction employment growth over the five-year period averages 1.3% per year compared to our 1.4% average growth rate. The GCEA housing permit forecast averages 44,000 units per year compared to our forecast of 43,500 units per year.

Table 2.3 compares the Governor’s Council of Economic Advisors’ forecast with the baseline forecast.

Table 2.1  
**Washington Economic Forecast Summary**  
 Forecast 2023 to 2027

Fiscal Years

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	462.407	489.404	479.781	480.923	492.116	505.639	521.551	537.734
% Ch	6.7	5.8	-2.0	0.2	2.3	2.7	3.1	3.1
Real Wage and Salary Disb.	233.431	245.749	253.870	256.687	263.497	269.382	277.888	287.189
% Ch	3.7	5.3	3.3	1.1	2.7	2.2	3.2	3.3
Real Nonwage Income	228.976	243.656	225.910	224.236	228.618	236.256	243.663	250.544
% Ch	9.9	6.4	-7.3	-0.7	2.0	3.3	3.1	2.8
Real Per Capita Income (\$/Person)	60,174	63,295	61,807	61,565	62,490	63,698	65,154	66,571
% Ch	5.4	5.2	-2.4	-0.4	1.5	1.9	2.3	2.2
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.105	1.127	1.193	1.254	1.293	1.323	1.349	1.375
% Ch	1.3	2.0	5.8	5.1	3.1	2.4	1.9	2.0
Seattle Cons. Price Index (1982-84=1.0)	2.803	2.871	3.089	3.332	3.469	3.555	3.624	3.700
% Ch	2.1	2.4	7.6	7.9	4.1	2.5	1.9	2.1
Average Nonfarm Annual Wage	73,935	82,113	85,298	87,763	91,771	95,872	99,888	104,250
% Ch	6.1	11.1	3.9	2.9	4.6	4.5	4.2	4.4
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.92	27.87	29.08	29.54	30.52	31.70	32.76	33.87
% Ch	0.0	-3.6	4.3	1.6	3.3	3.9	3.3	3.4
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	511.011	551.903	572.333	603.199	636.137	668.983	703.375	739.495
% Ch	8.0	8.0	3.7	5.4	5.5	5.2	5.1	5.1
Disposable Personal Income	452.888	486.944	492.718	520.922	558.270	590.707	619.694	649.221
% Ch	8.5	7.5	1.2	5.7	7.2	5.8	4.9	4.8
Per Capita Income (\$/Person)	66,499	71,377	73,728	77,216	80,776	84,274	87,867	91,548
% Ch	6.8	7.3	3.3	4.7	4.6	4.3	4.3	4.2
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,968.7	3,889.2	3,940.0	4,028.8	4,082.4	4,108.8	4,143.2	4,180.7
Total Washington Employment	3,710.6	3,622.2	3,771.2	3,853.5	3,916.8	3,915.2	3,950.5	3,991.4
Unemployment Rate (%)	6.49	6.86	4.29	4.35	4.06	4.71	4.65	4.53
Nonfarm Payroll Employment	3,399.3	3,284.0	3,461.8	3,578.1	3,621.1	3,627.0	3,661.0	3,697.3
% Ch	-1.0	-3.4	5.4	3.4	1.2	0.2	0.9	1.0
Manufacturing	287.3	260.7	263.8	272.3	276.6	271.4	270.9	273.0
% Ch	-1.5	-9.3	1.2	3.2	1.6	-1.9	-0.2	0.8
Durable Manufacturing	202.5	178.7	177.8	185.1	191.7	189.8	190.4	192.2
% Ch	-1.5	-11.8	-0.5	4.1	3.6	-1.0	0.3	1.0
Aerospace	87.7	71.0	68.3	74.3	80.4	82.8	83.6	84.2
% Ch	1.3	-19.0	-3.7	8.8	8.1	3.0	1.0	0.7
Nondurable Manufacturing	84.8	82.1	86.0	87.2	84.8	81.5	80.5	80.8
% Ch	-1.7	-3.3	4.8	1.3	-2.7	-3.9	-1.3	0.4
Construction	216.2	219.5	227.8	236.8	239.9	237.1	240.4	245.8
% Ch	-0.3	1.5	3.8	3.9	1.3	-1.2	1.4	2.2
Service-Providing	2,890.1	2,798.1	2,964.5	3,063.5	3,099.4	3,113.5	3,144.6	3,173.2
% Ch	-0.9	-3.2	5.9	3.3	1.2	0.5	1.0	0.9
Software Publishers	73.6	77.9	82.7	87.1	86.0	85.9	87.0	88.2
% Ch	8.7	5.8	6.2	5.4	-1.4	-0.1	1.4	1.3
Mgmt. of Companies and Enterprises	88.8	91.3	97.7	103.5	107.1	111.4	114.8	117.8
% Ch	10.5	2.9	7.0	5.9	3.5	4.0	3.1	2.6
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	47.167	49.527	58.003	41.002	41.248	43.159	44.907	45.229
% Ch	2.6	5.0	17.1	-29.3	0.6	4.6	4.1	0.7
Single-Family	22.954	26.176	23.895	16.751	21.577	23.632	25.126	25.521
% Ch	2.7	14.0	-8.7	-29.9	28.8	9.5	6.3	1.6
Multi-Family	24.213	23.352	34.108	24.250	19.671	19.526	19.780	19.707
% Ch	2.5	-3.6	46.1	-28.9	-18.9	-0.7	1.3	-0.4
30-Year Fixed Mortgage Rate (%)	3.65	2.94	3.84	6.29	6.84	5.77	5.17	4.98

Table 2.2  
**Comparison of Alternative Forecasts**

Fiscal Years

	2022	2023	2024	2025	2026	2027
<b>U.S.</b>						
<b>Real GDP, Percent Change</b>						
Optimistic	4.0	1.8	2.7	1.8	1.8	1.6
Baseline	4.0	1.8	1.6	1.3	2.1	1.9
Pessimistic	4.0	1.8	1.8	0.7	1.4	1.8
<b>PCE Price Index, Percent Change</b>						
Optimistic	5.8	5.1	2.8	2.7	2.1	2.1
Baseline	5.8	5.1	3.1	2.4	1.9	2.0
Pessimistic	5.8	5.1	3.4	2.6	1.5	1.5
<b>Mortgage Rate, Percent</b>						
Optimistic	3.84	6.29	6.84	5.83	5.26	5.04
Baseline	3.84	6.29	6.84	5.78	5.17	4.98
Pessimistic	3.84	6.29	6.94	5.48	4.56	4.20
<b>3 Month T-Bill Rate, Percent</b>						
Optimistic	0.37	4.10	5.50	4.21	2.95	2.58
Baseline	0.37	4.10	5.34	3.94	2.68	2.39
Pessimistic	0.37	4.10	5.47	2.70	0.93	0.58
<b>Washington</b>						
<b>Real Personal Income, Percent Change</b>						
Optimistic	-2.0	0.2	5.0	3.7	3.5	3.3
Baseline	-2.0	0.2	2.3	2.7	3.1	3.1
Pessimistic	-2.0	0.2	0.4	0.7	2.5	2.3
<b>Personal Income, Percent Change</b>						
Optimistic	3.7	5.4	8.0	6.6	5.7	5.5
Baseline	3.7	5.4	5.5	5.2	5.1	5.1
Pessimistic	3.7	5.4	3.8	3.4	4.1	3.8
<b>Employment, Percent Change</b>						
Optimistic	5.4	3.4	1.9	0.6	1.1	1.3
Baseline	5.4	3.4	1.2	0.2	0.9	1.0
Pessimistic	5.4	3.4	-0.2	-1.3	-0.2	0.4
<b>Housing Permits, Thousands of Authorized Units</b>						
Optimistic	58.0	41.0	42.4	45.5	46.7	47.6
Baseline	58.0	41.0	41.2	43.2	44.9	45.2
Pessimistic	58.0	41.0	39.8	38.9	38.2	37.7

Table 2.3

Calendar Years

**Governor's Council of Economic Advisor's Forecast**

	2023	2024	2025	2026	2027
<b>U.S.</b>					
<b>Real GDP</b>					
<i>Growth</i>					
ERFC	2.1	1.0	2.0	2.0	1.9
GCEA Average	1.9	1.0	2.1	2.1	2.2
<b>Real Consumption</b>					
<i>Growth</i>					
ERFC	2.3	1.0	2.1	2.1	2.0
GCEA Average	2.0	0.6	1.8	2.3	2.1
<b>PCE Price Index</b>					
<i>Growth</i>					
ERFC	3.8	2.7	2.0	2.0	1.9
GCEA Average	3.6	2.6	2.4	2.3	2.4
<b>Mortgage Rate</b>					
<i>Percent</i>					
ERFC	6.7	6.3	5.4	5.1	4.9
GCEA Average	6.7	6.3	5.6	5.5	5.1
<b>Oil Price (Brent)</b>					
<i>Dollars per barrel</i>					
ERFC	84.9	87.6	80.9	76.4	72.9
GCEA Average	82.1	83.9	83.6	80.5	79.2
<b>Washington State</b>					
<b>Real Personal Income</b>					
<i>Growth</i>					
ERFC	2.6	2.1	3.1	3.1	3.2
GCEA Average	2.2	1.9	3.1	3.3	3.2
<b>Wage and Salary Employment</b>					
<i>Growth</i>					
ERFC	2.3	0.3	0.6	1.0	1.0
GCEA Average	2.2	0.9	1.0	1.1	1.2
<b>Manufacturing Employment</b>					
<i>Growth</i>					
ERFC	2.3	-0.2	-1.5	0.7	0.6
GCEA Average	1.9	0.0	0.2	0.8	0.7
<b>Construction Employment</b>					
<i>Growth</i>					
ERFC	3.2	-1.0	0.1	2.1	2.3
GCEA Average	2.9	-0.1	0.6	1.4	1.5
<b>Housing Permits</b>					
<i>Thousands of authorized units</i>					
ERFC	40.4	42.4	44.2	45.2	45.3
GCEA Average	40.4	43.2	44.9	45.7	45.9
<b>Washington Average Annual Wage</b>					
<i>Growth</i>					
ERFC	4.8	4.2	4.4	4.2	4.5
GCEA Average	4.2	3.7	4.4	4.4	4.3

Table 2.4  
**Forecast Analysis**  
 Comparison of Forecasts for 2021-23

<b>Washington</b>	Average Annual Rate of Growth (Percent) 2021:2-2023:2			Average Annual Rate (Thousands) 2021:3 to 2023:2
	<b>Employment</b>	<b>Personal Income</b>	<b>Real Personal Income</b>	<b>Housing Units Authorized</b>
<b>2018</b>				
February	1.0	5.0	2.9	42.4
June	0.7	5.0	2.9	41.9
September	0.8	4.8	2.9	42.0
November	1.0	4.8	2.8	41.4
<b>2019</b>				
March	1.0	4.7	2.7	42.5
June	1.1	4.9	2.9	42.0
September	1.0	4.9	2.9	42.3
November	0.9	4.8	2.8	42.2
<b>2020</b>				
February	1.0	4.6	2.6	43.4
June	2.0	3.5	2.0	40.2
September	2.6	4.6	3.0	42.8
November	2.4	3.9	2.1	43.5
<b>2021</b>				
March	3.1	0.1	-1.5	46.3
June	3.7	3.0	1.0	47.0
September	3.5	3.9	1.8	47.1
November	3.6	3.7	1.1	48.0
<b>2022</b>				
February	3.6	4.6	1.1	50.1
June	3.4	4.3	-0.6	52.4
September	3.5	4.1	-0.7	52.4
November	3.5	4.5	-0.6	50.5
<b>2023</b>				
March	4.0	4.0	-1.2	48.6
June	3.7	3.9	-1.2	49.2
September	3.8	4.8	-0.3	49.5

Table 2.5  
**Forecast Analysis**  
 Comparison of Forecasts for 2023-25

<b>Washington</b>	Average Annual Rate of Growth (Percent) 2023:2-2025:2			Average Annual Rate (Thousands) 2023:3 to 2025:2
	<b>Employment</b>	<b>Personal Income</b>	<b>Real Personal Income</b>	<b>Housing Units Authorized</b>
<b>2020</b>				
February	0.6	5.0	2.9	42.3
June	0.9	4.1	2.4	38.2
September	1.2	4.4	2.6	39.7
November	1.1	4.7	2.8	41.4
<b>2021</b>				
March	1.4	5.3	3.4	43.5
June	1.4	4.9	3.0	45.2
September	1.3	5.2	3.2	44.1
November	1.0	5.2	3.0	43.4
<b>2022</b>				
February	1.0	5.3	3.1	44.2
June	0.7	5.4	3.6	48.8
September	0.7	5.1	3.1	46.8
November	0.7	5.1	3.0	45.9
<b>2023</b>				
March	0.2	5.0	2.7	42.1
June	0.4	4.7	2.4	42.4
September	0.4	5.0	2.5	42.2

Table 2.6  
**Forecast Comparison**  
 Forecast 2023 to 2027

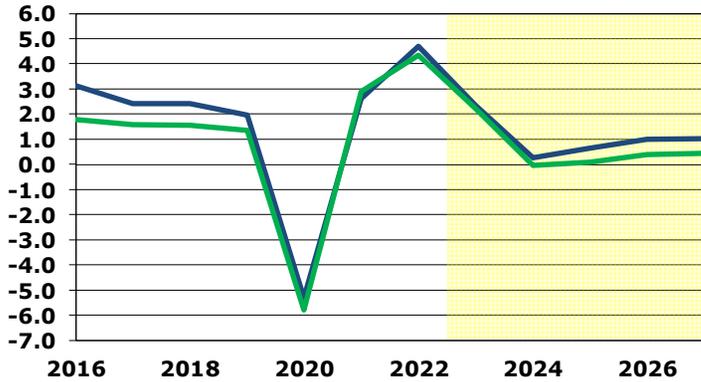
Fiscal Years

	2021	2022	2023	2024	2025	2026	2027
<b>Washington</b>							
<b>Real Personal Income</b>							
September	489.404	479.781	480.923	492.116	505.639	521.551	537.734
% Ch	5.8	-2.0	0.2	2.3	2.7	3.1	3.1
June	489.404	479.867	476.410	485.174	496.959	513.286	529.511
% Ch	5.8	-1.9	-0.7	1.8	2.4	3.3	3.2
<b>Personal Income</b>							
September	551.903	572.333	603.199	636.137	668.983	703.375	739.495
% Ch	8.0	3.7	5.4	5.5	5.2	5.1	5.1
June	551.903	572.437	597.617	625.869	654.929	689.314	725.223
% Ch	8.0	3.7	4.4	4.7	4.6	5.3	5.2
<b>Employment</b>							
September	3284.0	3461.8	3578.1	3621.1	3627.0	3661.0	3697.3
% Ch	-3.4	5.4	3.4	1.2	0.2	0.9	1.0
June	3284.0	3461.8	3577.3	3609.3	3618.2	3654.2	3690.7
% Ch	-3.4	5.4	3.3	0.9	0.2	1.0	1.0
<b>Housing Permits</b>							
September	49.527	58.003	41.002	41.248	43.159	44.907	45.229
% Ch	5.0	17.1	-29.3	0.6	4.6	4.1	0.7
June	49.527	58.003	40.464	41.631	43.146	44.625	44.990
% Ch	5.0	17.1	-30.2	2.9	3.6	3.4	0.8

Figure 2.7: Comparison of Washington and U.S. Economic Forecasts  
(Percent change)

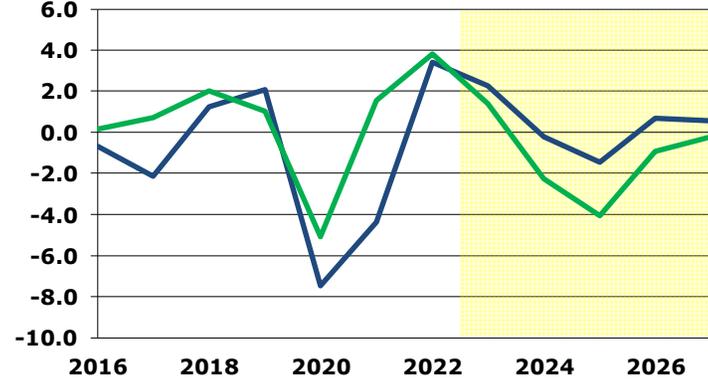
Forecast

Total Nonfarm Payroll Employment



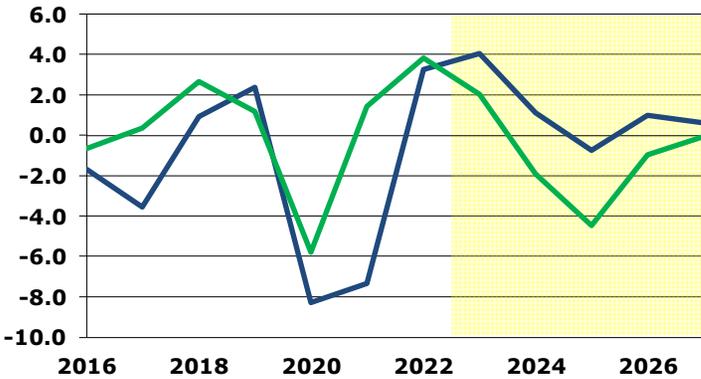
Source: WA State Employment Security Dept. 2022, ERFC 2027

Manufacturing Employment



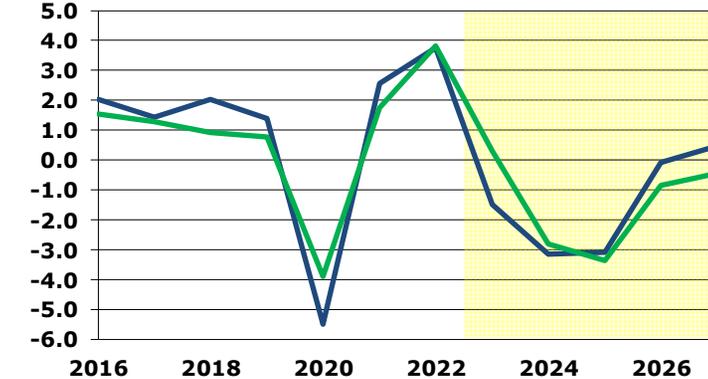
Source: WA State Employment Security Dept. 2022, ERFC 2027

Durable Manufacturing Employment



Source: WA State Employment Security Dept. 2022, ERFC 2027

Nondurable Manufacturing Employment



Source: WA State Employment Security Dept. 2022, ERFC 2027

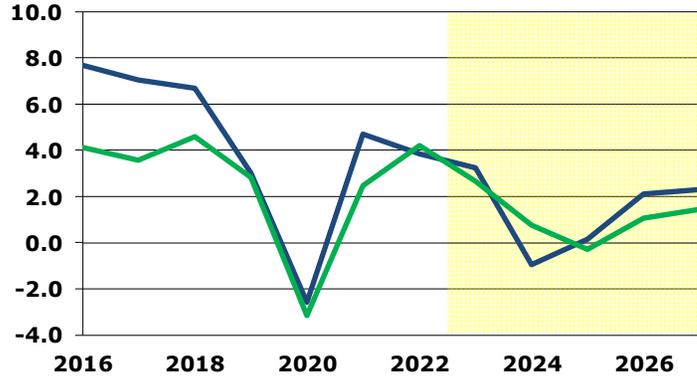
Washington

U.S.

Figure 2.7: Comparison of Washington and U.S. Economic Forecasts (continued)  
(Percent change)

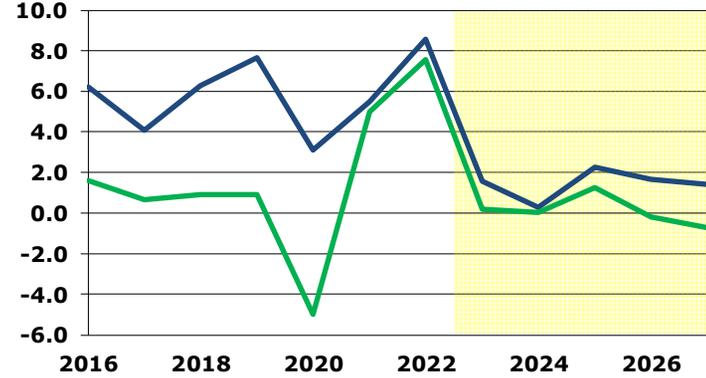
Forecast

Construction Employment



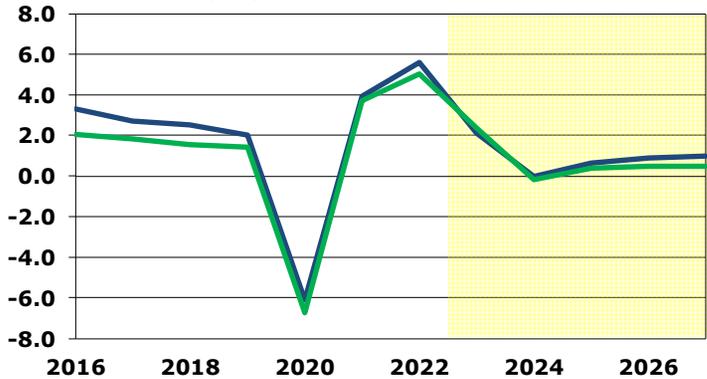
Source: WA State Employment Security Dept. 2022, ERFC 2027

Information Employment



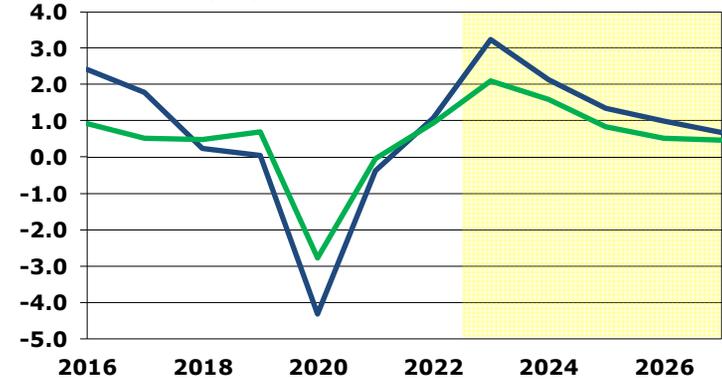
Source: WA State Employment Security Dept. 2022, ERFC 2027

Other Private Employment



Source: WA State Employment Security Dept. 2022, ERFC 2027

Government Employment



Source: WA State Employment Security Dept. 2022, ERFC 2027

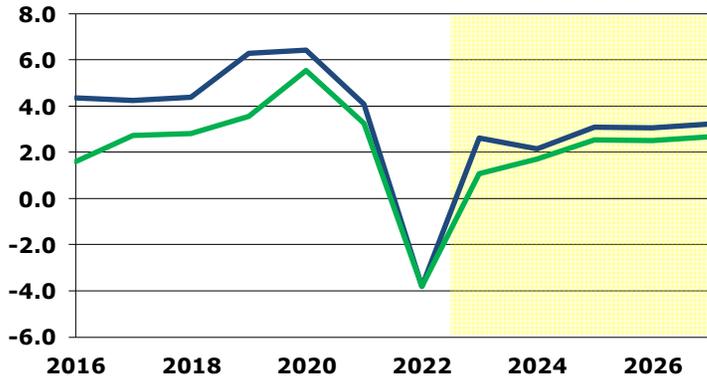
Washington

U.S.

Figure 2.7: Comparison of Washington and U.S. Economic Forecasts (continued)  
(Percent change)

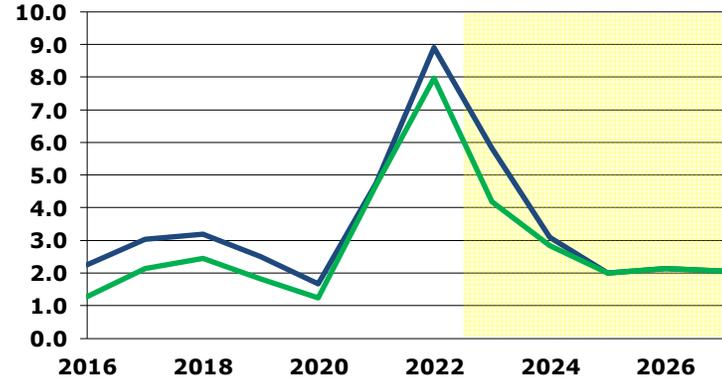
Forecast

Real Personal Income



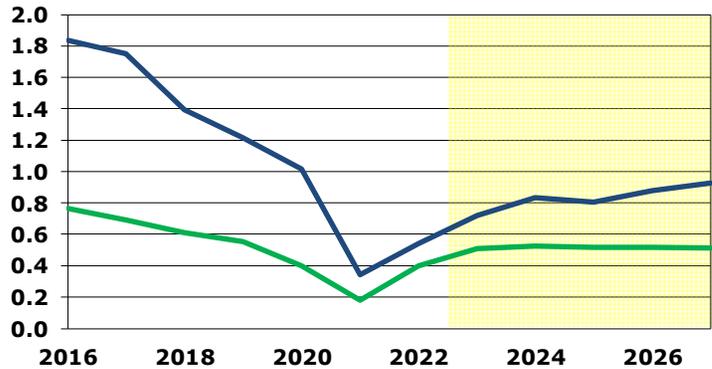
Source: Bureau of Economic Analysis 2022, ERFC 2027

Consumer Price Indices



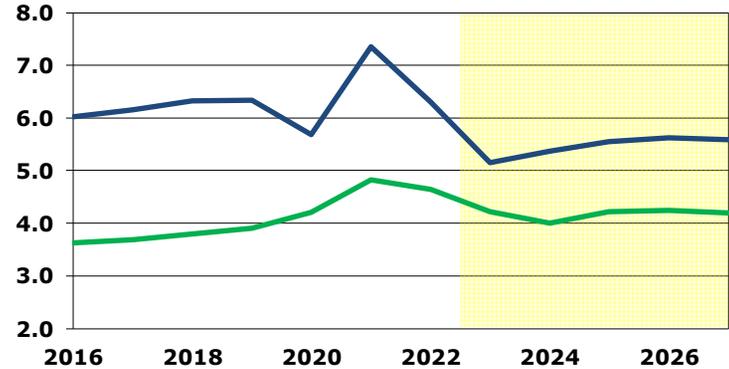
Source: Bureau of Labor Statistics 2022, ERFC 2027

Population



Source: Bureau of Economic Analysis 2022, ERFC 2027

New Housing Units Per 1,000 Population (Level)



Source: Census Bureau, Bureau of Economic Analysis 2022, ERFC 2027

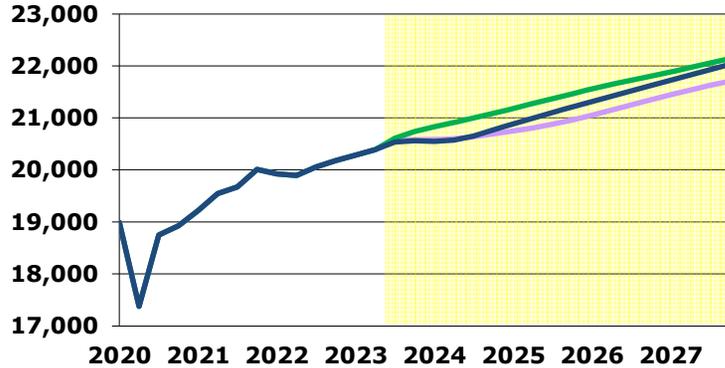
■ Washington

■ U.S.

Figure 2.8: Comparison of Alternative U.S. Economic Forecasts

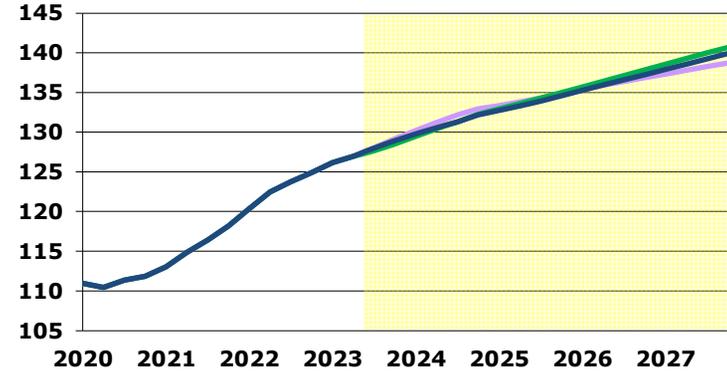
Forecast

Real GDP, Billions of 2012 Dollars



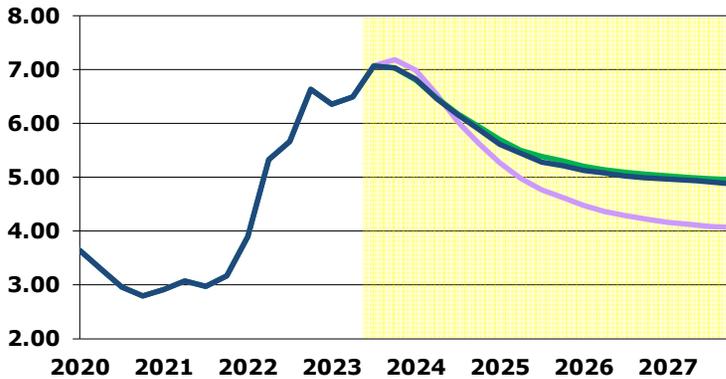
Source: Bureau of Economic Analysis 2023 Q2, ERFC 2027 Q4

PCE Price Index, 2012 = 100



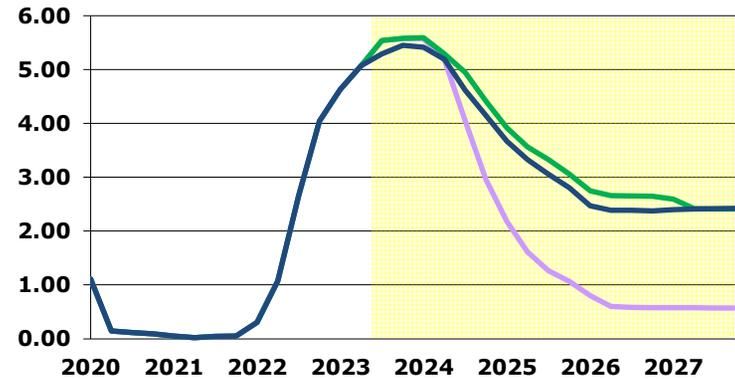
Source: Bureau of Economic Analysis 2023 Q2, ERFC 2027 Q4

Mortgage Rate, Percent



Source: Freddie Mac 2023 Q2, ERFC 2027 Q4

Three Month T-Bill Rate, Percent



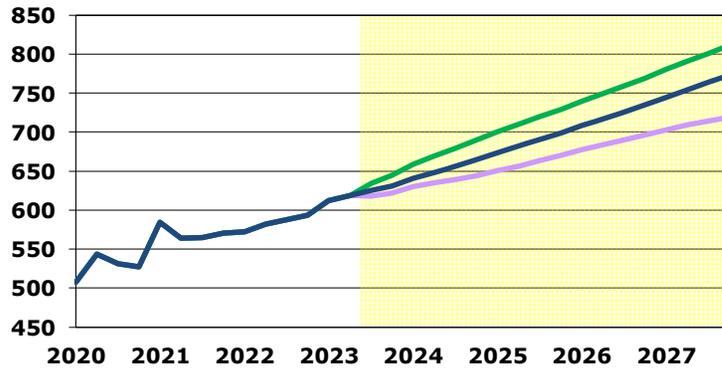
Source: Federal Reserve Board 2023 Q2, ERFC 2027 Q4

■ Baseline     
 ■ Optimistic     
 ■ Pessimistic

Figure 2.9: Comparison of Alternative Washington Economic Forecasts

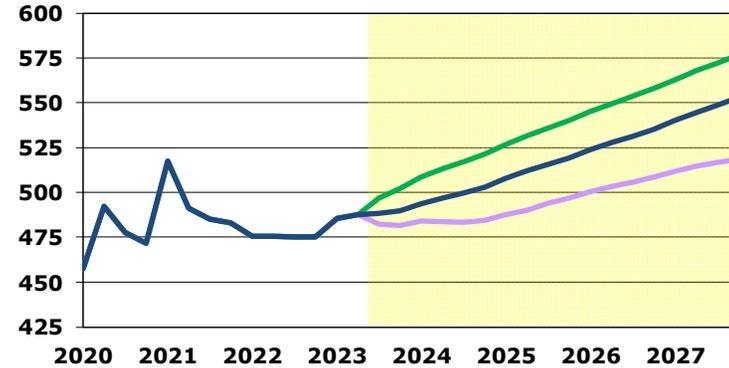
Forecast

Personal Income, Billions of Dollars



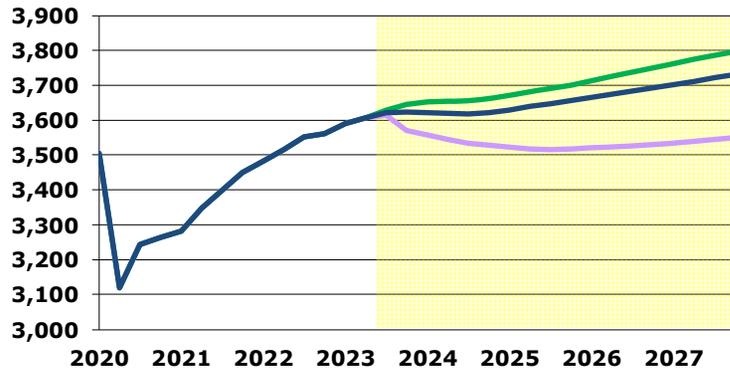
Source: Bureau of Economic Analysis 2023 Q1, ERFC 2027 Q4

Real Personal Income, Billions of 2012 Dollars



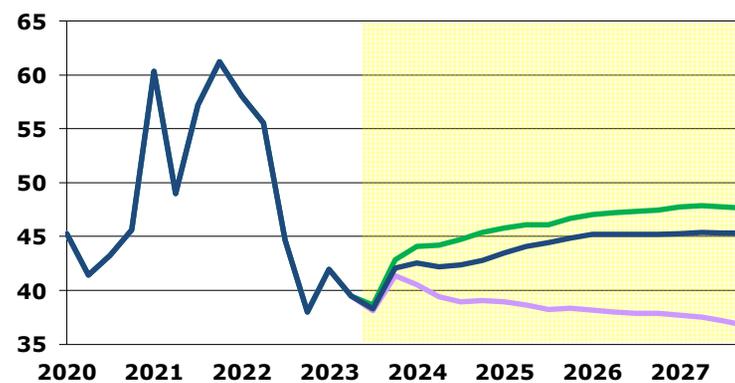
Source: Bureau of Economic Analysis 2023 Q1, ERFC 2027 Q4

Total Nonfarm Payroll Employment, Thousands



Source: WA State Employment Security 2023 Q1, ERFC 2027 Q4

Housing Permits, Thousands



Source: Census Bureau 2023 Q1, ERFC 2027 Q4

Baseline

Optimistic

Pessimistic



## Chapter 3: Washington State Revenue Forecast Summary

- **Tracked revenue collections since June have come in above their forecasted amounts, with most of the surplus in Revenue Act taxes (the main category of GF-S taxes including retail sales and use, business and occupation, public utility and non-cigarette tobacco products).**
- **New data on taxable activity in the second quarter of 2023 indicate that underlying taxable activity for Revenue Act taxes was higher than expected in June. This has led to increases in forecasted Revenue Act taxes.**
- **Forecasted real estate excise taxes have also increased slightly due to higher-than-forecasted taxable activity.**
- **About half of the increase in tallied revenue for the 2021-23 biennium came from large payments of estate taxes that went to the Education Legacy Trust Account.**
- **The total forecast for funds subject to the budget outlook process was increased by \$265 million in the 2021-23 biennium, \$663 million in the 2023-25 biennium and \$437 million in the 2025-27 biennium.**

### Overview

*Revenue act and real estate excise tax collections were stronger than expected in June, leading to increases in forecasted revenue*

Tracked revenue collections since June have come in above their forecasted amounts, with most of the surplus in Revenue Act taxes (the main category of GF-S taxes including retail sales and use, business and occupation, public utility and non-cigarette tobacco products). New data on taxable activity in the second quarter of 2023 indicate that underlying taxable activity for Revenue Act taxes was higher than previously expected, leading to an increase in forecasted taxes. Real estate excise taxes also came in higher than forecasted, resulting in slight forecast increases. The initial tally of revenue for the recently ended 2021-23 biennium is substantially higher than forecasted due to both Revenue Act taxes and unusually large payments of estate taxes into the Education Legacy Trust Account.

*Total forecast change by biennium (millions):*

21-23: +\$265  
23-25: +\$663  
25-27: +\$437

Table 3.1 summarizes the changes to forecasted revenue in funds subject to the budget outlook process for the 2021-23 through the 2025-27 biennia. Forecasted revenue for funds subject to the budget outlook process was increased by \$265.0 million for the 2021-23 biennium, \$663.4 million in the 2023-25 biennium and \$437.4 million in the 2025-27 biennium. The September 2023 forecast for these funds total \$64,751.7 million

in the 2021-23 biennium, \$66,691.9 million in the 2023-25 biennium and \$70,926.8 million in the 2025-27 biennium.

*September forecast by biennium (\$billions):*

2021-23:  
\$64.752

2023-25:  
\$66.692

2025-27:  
\$70.927

**Table 3.1: Revisions to the forecast of funds subject to the budget outlook\***

	<b>2021-23 Biennium</b>	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
Non-Economic Change	\$0.0	\$0.0	\$0.0
Forecast Change	\$265.0	\$663.4	\$437.4
<b>Total Change</b>	<b>\$265.0</b>	<b>\$663.4</b>	<b>\$437.4</b>

(\*cash basis, millions of dollars)

*The budget outlook process ensures the current biennial budget will be sustainable in the next biennium*

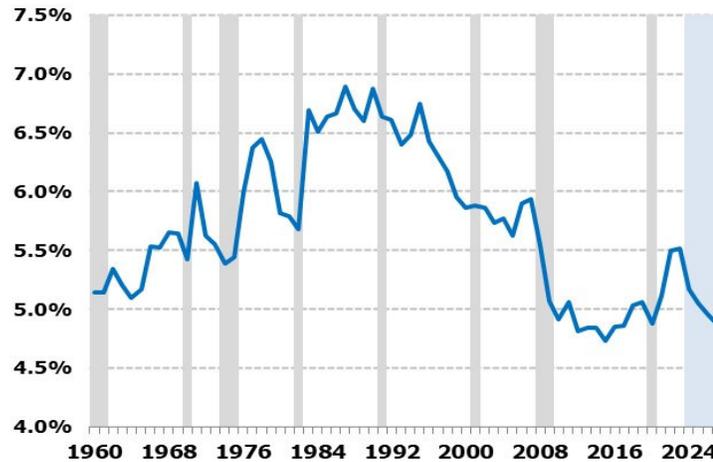
The budget outlook process ensures that the budget adopted for the current biennium will also be sustainable in the next biennium given forecasted revenue. The funds that are currently included when establishing the outlook are the General Fund-State, the Education Legacy Trust Account, the Washington Opportunity Pathways Account and the Workforce Education Investment Account. Once funded, the planned Fair Start for Kids Account will also be subject to the outlook. The recent history and forecast of these funds can be found in Table 3.17.

*Though the ratio of total collections to income has increased from the FY 2015 trough, it is expected to peak in FY 2023*

Figure 3.1 shows the ratio of revenue collected for funds subject to the budget outlook relative to state personal income. Through FY 2005, the revenue represented in the chart is what is currently defined as General Fund-State (GF-S) revenue. From FY 2006 onward the revenue includes the Education Legacy Trust Account (ELTA), which in its early years was wholly funded by the estate tax and a portion of the cigarette tax. From FY 2011 onward, the total includes the Washington Opportunity Pathways account (OPA), which is funded by Lottery receipts. From FY 2020 onward the total includes the Workforce Education Investment Account (WEIA), funded by a surtax on large service providers and companies that involve advanced computing. As can be seen in the chart, the ratio of revenue to income followed a downward trend from FY 1995 to FY 2015, broken only by the housing boom that raised the ratio from 2005 to mid-2008, and by temporary taxes and transfers of funds from non-GF-S sources into the GF-S that again boosted the ratio in FY 2011. While the ratio grew slightly in FY 2016 and FY 2017, it increased rapidly in FY 2018 and FY 2019 when the state property tax levy increased to partially displace local levies and increased further in FY 2020 with the establishment of the graduated real estate excise tax. The pandemic-related booms in real estate and spending on goods, coupled with the new WEIA surtax, increased the ratio further in FY 2021 and FY 2022, and the new tax on certain capital gains increased the ratio further in FY 2023. From FY 2024 onward, however, total revenues are expected to grow at a rate lower than the rate of income growth, causing the ratio to continue its pre-FY 2015 downward trend through FY 2027.

**Figure 3.1: Funds subject to the budget outlook as a Percentage of State Personal Income (Fiscal Years)**

*Total revenue relative to state personal income has generally been increasing since 2015 but is expected to decline after FY 2023*



Source: ERFC, data/estimates through fiscal year 2023. Gray shaded area indicates recession; blue shaded area indicates forecast.

### Track Record for the 2021-23 Biennium

*The current forecast is \$7.74 billion higher than the forecasted revenue at the time of the initial 2021-23 budget*

Table 3.10 summarizes the historical changes to the forecast of funds subject to the budget outlook for the 2021-23 biennium. The February 2018 forecast was the initial forecast for the biennium. The September 2023 forecast is \$11.96 billion (22.7%) higher than the initial forecast. Non-economic changes have increased the forecast by \$2.02 billion (3.8%). Excluding non-economic changes, the current forecast is \$9.94 billion (18.8%) higher than the initial forecast. The March 2021 forecast, coupled with a \$399 million revenue increase from legislative and budget-driven revenue changes passed in the 2021 legislative session after the March forecast, was the basis for the initial budget for the 2021-23 biennium. The September forecast of biennial revenue is \$7.74 billion (13.7%) higher than that sum.

### Track Record for the 2023-25 Biennium

*The current forecast is \$951 million higher than the forecasted revenue at the time of the initial 2023-25 budget*

Table 3.11 summarizes the historical changes to the forecast of funds subject to the budget outlook for the 2023-25 biennium. The February 2020 forecast was the initial forecast for the biennium. The September forecast of GF-S revenue is \$6.85 billion (11.4%) higher than the initial forecast. Non-economic changes have increased the forecast by \$0.63 billion (1.0%). Excluding non-economic changes, the current forecast is \$6.22 billion (10.4%) higher than the initial forecast. The March 2023 forecast, coupled with a \$287 million revenue increase from legislative and budget-driven revenue changes passed in the 2023 legislative session after the March forecast, was the basis for the initial budget for the 2023-25 biennium. The September forecast of biennial revenue is \$951 million (1.4%) higher than that sum.

## Recent Collection Experience

*Tracked collections were \$177 million (2.7%) higher than forecasted in June*

GF-S revenue collections from the Department of Revenue (DOR) and the Washington court system are tracked monthly. In the period since the June forecast, total revenue from the above sources came in \$177.2 million (2.7%) higher than expected (see Table 3.2). Revenue Act collections reported by the DOR were \$167.0 million (2.9%) higher than forecasted and revenue from other DOR tax sources was \$10.3 million (1.1%) higher than forecasted.

**Table 3.2: Pre-Forecast Collection Variance of Major General Fund-State Taxes by Agency (relative to the June forecast, cash basis, millions of dollars)**

<u>Agency/Source</u>	<u>Collection Variance</u>	<u>Percent of Estimate</u>
Department of Revenue		
Revenue Act	\$167.0	2.9%
Non-Revenue Act	\$10.3	1.1%
Subtotal	\$177.2	2.7%
Washington court system	\$0.0	0.1%
<b>Total*</b>	<b>\$177.2</b>	<b>2.7%</b>

\* Detail may not add to total due to rounding.

Source: ERFC; Period: June 11 - September 10, 2022

*Non-Revenue Act tax collections were higher than forecasted mainly due to REET*

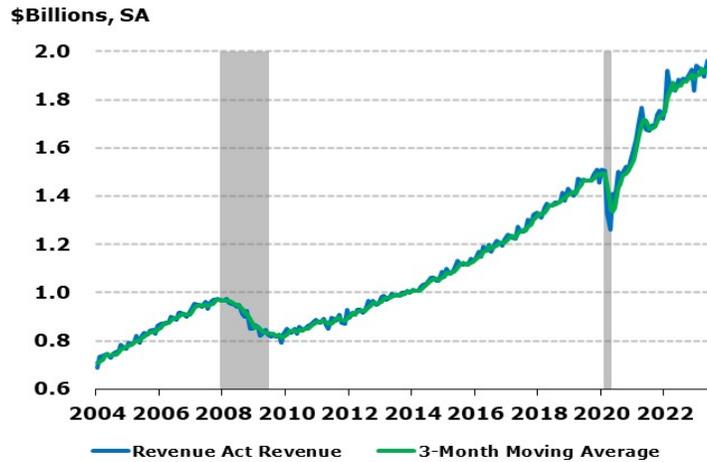
Real estate excise tax (REET) came in \$19.1 million (7.3%) higher than forecasted. Property tax collections came in \$2.0 million (0.5%) lower than forecasted. Cigarette tax collections came in \$4.4 million (5.7%) lower than forecasted and liquor sales and liter tax receipts came in \$1.4 million (1.5%) lower than forecasted. Net refunds of unclaimed property out of the GF-S were \$3.0 million higher than forecasted. Revenue from all other DOR revenue sources came in \$2.1 million (4.5%) lower than forecasted. Revenue from the Washington court system was \$12,000 (0.1%) higher than forecasted.

*Adjusted Revenue Act collections were up 3.4% year over year for second quarter activity after 5.0% year over year growth for first quarter activity*

Figure 3.2 shows seasonally adjusted Revenue Act receipts excluding payments received under the tax amnesty program in early 2011 and other large payments. It is also adjusted for past changes in payment patterns and deferred payments in the first half of 2020. As shown in the figure, collections dropped precipitously during the early months of the pandemic, with a peak decline of 14.8% year over year in the May 11-June 10, 2020 collection period (April 2020 activity). Collections then recovered, and exceptional growth began in the spring of 2021. Adjusted collections for first quarter 2023 activity (February 11 – May 10, 2023 collections) were up 5.0% year over year. Adjusted collections for second quarter 2023 activity (May 11 – August 10, 2023 collections) were up 3.4% year over year. Adjusted collections for June 2023 activity were up 4.2% year over year and collections for July 2023 activity were up 0.4% year over year.

**Figure 3.2: Revenue Act Collections\***

*Year-over-year collections growth was 0.4% in the most recent period*



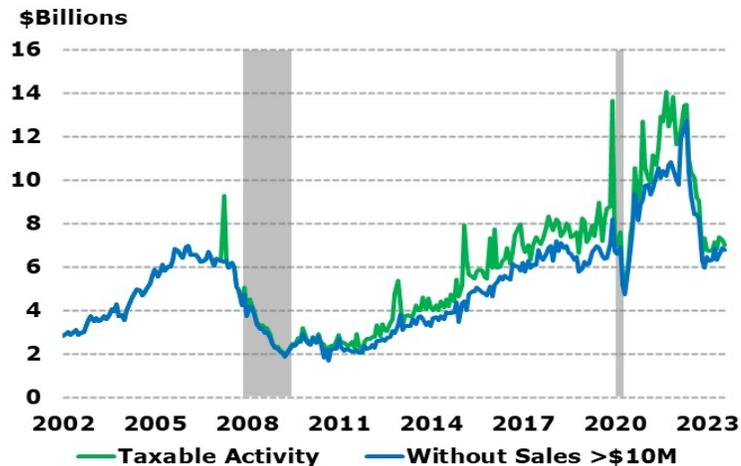
Source: ERFC; Data through September 10, 2023  
 \*Adjusted for large payments/refunds, payment pattern changes and deferred payments

*Real estate activity was slightly higher than expected in June*

Taxable real estate activity was slightly above the June forecast. Sales of property valued below \$10 million declined sharply in November and December but have increased somewhat in recent months (see Figure 3.3). Both the number of transactions and the price per transaction have declined since last year. Large commercial sales (sales greater than \$10 million) are down from their high levels of last year but remain moderately strong, averaging \$450 million per month over the last three months.

**Figure 3.3: Taxable Real Estate Excise Activity, SA**

*Residential sales activity has declined sharply since May 2022*



Source: ERFC estimates through August 2023

## General Fund-State Revenue Forecast by Source

*The GF-S is the largest of the funds subject to the budget outlook*

The General Fund-State (GF-S) is the largest of the funds subject to the budget outlook, consisting of most of the commonly paid state taxes. The history and forecast of nominal and real GF-S revenue by biennium can be found in Table 3.3. GF-S forecast changes by agency and major revenue classification for the 2021-23 biennium can be found in Table 3.5 (cash) and Table 3.6 (GAAP). Forecast changes for the 2023-25 biennium can be found in Table 3.7 (cash) and Table 3.8 (GAAP). The GF-S forecast by fiscal year and major source category through FY 2025 can be found in Table 3.9.

## Department of Revenue

*Taxes collected by DOR make up most of GF-S revenue*

The Department of Revenue (DOR) collects and administers most of Washington's GF-S revenue, accounting for 95.3% of estimated total GF-S revenue in FY 2023. The largest tax sources administered by the DOR are the retail sales tax, business and occupation tax, property tax, use tax, cigarette tax and real estate excise tax. The revenue forecasts discussed below can be found in Tables 3.5-3.8.

*Retail sales taxes are the largest source of GF-S revenue*

The retail sales tax is the largest source of GF-S revenue, accounting for 47.8% of GF-S revenue in FY 2023. The state's share of the tax is 6.5% of the sales price. While construction labor, repair services, and some other services are taxed, the tax does not apply to most services. As can be seen in Figure 3.4, taxable sales as a share of personal income has long been on a declining trend. The share fell even more sharply than the previous trend from the 2008 recession through FY 2012. In that year, 34.0% of personal income was spent on taxable items and services, the lowest percentage on record. Increased spending on construction and autos, along with legislative changes to services and companies deemed taxable, caused the share to grow through FY 2017, reaching 36.1% of personal income. Legislation passed in 2017, 2018 and March 2019 that extended the tax to bottled water and online sales caused a continued increase in the ratio. The COVID-19-related collapse in late FY 2020, coupled with federal emergency income support, caused the ratio of sales to income to dip in FY 2020. In the last months of FY 2020 and continuing into FY 2021, however, the trend of increasing purchases of nontaxable services reversed due to pandemic-related shutdowns of services and stimulus payments to households. With the limited availability of services, consumers opted to buy goods. Car sales and construction activity also increased. These trends continued into FY 2022, which, coupled with a slowdown in FY 2022 income growth after the stimulus-boosted income levels of FY 2021, caused the ratio of sales to income to spike to 38.2%. While taxable sales growth slowed in FY 2023, they are still forecasted to grow slightly faster than personal income, causing the expected ratio to increase to 38.3%. After FY 2023, however, the ratio is forecasted to continue its historical downward trend

through FY 2027 as income once again grows faster than taxable sales. Forecasted and historical taxable retail sales by fiscal year can be found in Table 3.4.

**Figure 3.4: Taxable Sales\* as Percentage of State Personal Income**

*The ratio of taxable sales to state personal income has been on a declining trend historically*



\*Past tax base adjusted to represent current base. Gray shaded area indicates recession, blue shaded area indicates forecast. Source: ERFC; Data through FY22, prelim. estimate/forecast through FY27

*Retail sales tax receipt growth forecast:*

- FY24: 1.8%
- FY25: 2.8%
- FY26: 3.5%
- FY27: 3.6%

Growth in FY 2019 taxable activity was relatively strong at 7.6%. Taxable activity growth slowed to 1.0% in FY 2020 due to pandemic-related shutdowns in the latter part of the year, but then rebounded by 11.1% in FY 2021 and 11.2% in FY 2022, supported by rising inflation. In the preliminary estimate, growth slowed to 5.7% in FY 2023. Taxable activity growth is expected to slow further to 1.6% in FY 2024. Growth is then forecasted to increase to 2.9% in FY 2025, 3.6% in FY 2026 and 3.7% in FY 2027 (see Table 3.4). Due to the lag between taxable activity and collections and the presence of tax deferrals, credits, refunds, and payments of past due taxes, the growth in actual collections differs from the growth in taxable activity. Growth in collections for FY 2020 was 1.7% and growth in FY 2021 was 10.3%. Collections increased by 12.4% in FY 2022, boosted by several large payments of past-due taxes and one large early payment of deferred taxes, and increased by 5.7% in FY 2023. Collections growth is forecasted at 1.8% in FY 2024, 2.8% in FY 2025, 3.5% in FY 2026 and 3.6% in FY 2027.

*Business and Occupation taxes are the second largest source of GF-S revenue*

The business and occupation (B&O) tax is the second largest source of GF-S revenue, accounting for 20.1% of GF-S revenue in FY 2023. It is a tax on the gross receipts of all businesses operating in Washington. The state portion of the tax applies ten different rates according to various classifications of business activities. In FY 2021, the largest contributor to total state B&O tax was the services sector, which had a gross tax rate of 1.5% and represented an estimated 45% of B&O taxes due. The next largest sector was retailing, which is taxed at 0.471% and represented an estimated 24% of taxes due, followed by the wholesaling sector, which is taxed at 0.484% and represented an estimated 19% of taxes due.

*B&O tax growth forecast:*

*FY24: 1.0%  
FY25: 2.8%  
FY26: 4.3%  
FY27: 4.4%*

In FY 2019, B&O tax receipts grew by 6.9%. Despite a second quarter collapse in activity, FY 2020 growth remained positive at 3.6% followed by growth of 7.9% in FY 2021. Collections grew 14.5% in FY 2022 due to both strong activity and the receipt of several large one-time payments of past-due taxes. Strong activity continued in FY 2023, bringing collections growth of 9.8%. The forecasted slowdown in state economic growth decreased expected growth to 1.0% in FY 2024 and 2.8% in FY 2025. Growth is then forecasted to accelerate to 4.3% in FY 2026 and 4.4% in FY 2027.

*State property taxes are the third largest source of GF-S revenue*

The state property tax levy is the third largest source of GF-S revenue, accounting for 14.5% of total revenue in FY 2023. Although the tax goes into the GF-S, it is dedicated to the funding of basic education. As discussed in the [September 2017](#) forecast publication, the total amount of the state levy was increased by new legislation in June 2017, with the increases beginning in FY 2018.

*Property tax growth forecast:*

*FY24: 2.7%  
FY25: 2.4%  
FY26: 2.4%  
FY27: 2.3%*

Constrained by prior law to a levy growth rate of one percent on existing property (or the rate of inflation if less than one percent), property tax collections grew by 1.9% in FY 2017. The first payments of the additional state levy began to arrive in the latter half of FY 2018, bringing total GF-S property tax growth of 31.4% for the fiscal year. Collections fell by 12.4% in FY 2019 due to a temporary reduction in the levy rate for calendar year 2019 and a \$936 million transfer of collections from the levy to the Education Legacy Trust Account (ELTA). Collections rebounded by 44.2% in FY 2020 due to a smaller \$83.8 million transfer to ELTA and the end of the temporary levy reduction in the second half of the year. FY 2021 collections grew by 27.3% due to a full year of collections at the unreduced levy rate along with the collection of some taxes that would have been collected in FY 2020 but were instead deferred due to the pandemic. Absent the extra payments from deferrals, growth slowed to 0.4% in FY 2022. Growth then increased to 1.5% in FY 2023. Collections growth is forecasted at 2.7% in FY 2024, 2.4% in FY 2025 and FY 2026 and 2.3% in FY 2027. Growth in property tax levies excluding new construction is once again restricted to the lesser of one percent per year or the rate of inflation beginning with the calendar year 2022 levy.

*REET rates and distributions changed on January 1, 2020*

The real estate excise tax (REET) was the fourth largest DOR source of GF-S revenue in FY 2023, accounting for 3.6% of total revenue. The tax is applied to both residential and commercial real estate, including purchases of vacant land. Prior to January 1, 2020, the state portion of REET was 1.28% of the sales price and was divided between the GF-S (92.3%), a fund for local public works (2.0%), a fund for assistance of cities and counties (1.6%) and ELTA (4.1%). As of January 1, 2020 rates are 1.1% for the portion of the selling price less than or equal to \$500 thousand, 1.28% for the portion greater than \$500 thousand and less than or equal to \$1.5 million, 2.75% for the portion greater than \$1.5 million and less than or equal to \$3.0 million and 3.0% for the portion greater than \$3.0 million. The distributions of the

tax are also changed: 79.4% is deposited in the GF-S, 1.7% in the Public Works Assistance Account, 1.4% in the City-County Assistance Account and the remainder (17.5%) in ELTA. Beginning July 1, 2023, distributions to the Public Works Assistance Account increase to 5.2% and distributions to the Education Legacy Trust Account decrease to 14%. The new rates and distributions were designed to result in increased collections for both the GF-S and ELTA.

*GF-S REET  
growth  
forecast:*

*FY24: -15.2%  
FY25: 13.8%  
FY26: 9.3%  
FY27: 11.0%*

From FY 2013 through 2019, the recovery in the residential real estate market after the Great Recession has been accompanied by a boom in commercial real estate. Sales of large commercial properties began to weaken in FY 2019 while residential sales increased, resulting in a 0.5% increase in collections in FY 2019. In the first half of FY 2020, residential sales remained strong, and commercial sales surged in December 2019 ahead of the January 1, 2020 change in tax rates. The COVID-induced real estate market downturn that began with April 2020 collections, however, brought a total decline of 0.7% in FY 2020. Sales then began to boom in July 2020, with strength in both the residential and commercial markets, bringing collections growth of 34.4% in FY 2021 and 35.9% in FY 2022. In FY 2023, higher mortgage rates and unaffordable high prices in many areas caused both the number of transactions and prices to decrease, bringing a decline in REET receipts of 43.8%. Receipts are expected to decline a further 13.8% in FY 2024. Growth is then expected to resume at 13.8% in FY 2025, 9.3% in FY 2026 and 11.0% in FY 2027.

*Use tax was  
the fifth  
largest DOR  
GF-S source  
in FY 2022*

The state use tax was the fifth largest DOR GF-S revenue source in FY 2023 at 3.3% of total receipts. The state portion of the tax is 6.5% of the purchase price for items used in the state that were not subject to the state retail sales tax. Examples of items subject to the state use tax are goods purchased out-of-state; online and mail-order purchases, where sales tax was not collected; or purchases of used vehicles from private individuals.

*Use tax growth  
forecast:*

*FY24: -7.8%  
FY25: 0.3%  
FY26: 3.2%  
FY27: 4.0%*

Use tax collections grew 9.0% in FY 2019, boosted by several large one-time purchases. Despite strong collections in the first half of the fiscal year, FY 2020 collections declined by 4.9%. Collections increased by 16.1% in FY 2021 and 7.4% in FY 2022 due to record high used car sales. While used car sales have moderated, large payments from other sectors increased growth to 12.6% in FY 2023. The absence of FY 2023's large payments is expected to cause use tax collections to decrease by 7.8% in FY 2024. Growth then continues at 0.3% in FY 2025, 3.2% in FY 2026 and 4.0% in FY 2027.

*Public utility  
taxes were the  
sixth largest DOR  
GF-S source in  
FY 2022*

Public utility taxes were the sixth largest DOR source of GF-S revenue in FY 2023, bringing in 1.8% of total receipts. The tax applies to the gross income of sales to consumers by public and privately owned utilities and is in lieu of the B&O tax. The largest source of public utility taxes is the 3.873% tax on the distribution and generation of electrical power, followed by the 3.852% tax on the distribution of natural gas.

*Growth forecast:*

FY24: 0.6%  
FY25: 2.6%  
FY26: 3.2%  
FY27: 2.2%

Public utility tax receipts grew by 0.3% in FY 2020. The expiration of a large tax credit plus growth in natural gas and electricity use increased collections by 4.2% in FY 2021. The resumption of business activities plus increases in utility prices boosted growth to 16.3% in FY 2022. Further increases in utility prices brought growth of 12.4% in FY 2023. Growth is now forecasted to slow to 0.6% in FY 2024, 2.6% in FY 2025, 3.2% in FY 2026 and 2.2% in FY 2027.

*Taxes on sales of spirits were the seventh largest DOR GF-S source in FY 2022*

State taxes on sales of spirits were the seventh largest DOR GF-S revenue source in FY 2023 at 1.1% of total receipts. Spirits sales are taxed by both volume and price. The total tax rate by volume is \$3.7708 per liter. Liter tax receipts are deposited wholly into the GF-S. The price-based spirits tax is split between the GF-S (65% of receipts) and the Liquor Excise Tax fund (35% of receipts). The overall tax rate on sales to consumers is 20.5% of the sales price and the overall rate on sales to restaurant licensees is 13.7%.

*Spirits tax growth forecast:*

FY24: 0.6%  
FY25: -0.7%  
FY26: 0.3%  
FY27: 0.6%

Total tax collections on spirits sales grew 5.2% in FY 2019. During the pandemic, spirit sales increased, with total tax collections growing by 8.2% FY 2020 and 9.9% in FY 2021. Collections increased a further 1.8% in FY 2022 and 1.5% in FY 2023. Collections are forecasted to increase by 0.6% in FY 2024 but decrease by 0.7% FY 2025 before returning to growth of 0.3% in FY 2026 and 0.6% in FY 2027.

*The cigarette tax was the eighth largest DOR GF-S source in FY 2022*

The state tax on cigarettes was the eighth largest DOR GF-S revenue source in FY 2023 at 0.9% of total receipts. Prior to FY 2010, the tax made up a much smaller portion of GF-S revenue because much of the tax was dedicated to non-GF-S accounts. In FY 2010, all of the tax except the portion dedicated to the Education Legacy Trust account was redirected to the GF-S, and in FY 2011 all of the cigarette tax was redirected to the GF-S. The current tax rate, which took effect May 1, 2010, is \$3.025 per pack of 20 cigarettes.

*Cigarette tax growth forecast:*

FY24: 0.2%  
FY25: -3.2%  
FY26: -3.8%  
FY27: -3.5%

The total number of taxed cigarettes has been on a downward trend due to a continuing decline in the number of smokers. Recently, the rate of decline has increased. Collections decreased by 3.3% in FY 2019 after decreasing by 5.4% in FY 2018. The decrease in collections accelerated to 6.0% in FY 2020, partially due to a state increase in the legal age to purchase cigarettes from 18 to 21 that took effect on January 1, 2020. Collections declined 2.4% in FY 2021 and 2.1% in FY 2022 before plunging by 12.0% in FY 2023. Because the large decline in FY 2023 collections was partially due to refunds and the timing of payments for tax stamps around the start and end of the fiscal year, collections are expected to increase by 0.2% in FY 2024 from FY 2023's depressed level. Collections are then expected to continue to decline by 3.2% in FY 2025, 3.8% in FY 2026 and 3.5% in FY 2027.

## Forecasted Revenue from Cannabis-Related Sales

*Sales of cannabis products in state-licensed stores began in July 2014*

Initiative 502, approved by voters in the November 2012 election, legalized the sale and use of recreational cannabis and cannabis products in Washington. The first legal sales of cannabis products in state-licensed stores occurred in July 2014. During the 2015 regular and special sessions, legislation was passed that substantially altered the market rules set up by the initiative. 2SSB 5052, passed during the regular session, brought previously unregulated medical marijuana dispensaries into the same regulatory regime as licensed recreational cannabis outlets. This legislation was outlined in our [June 2015](#) forecast publication. After the June 2015 forecast, 2E2SHB 2136, passed in the second special session, changed the cannabis excise tax from a 25 percent tax collected from growers, processors and retailers to a 37 percent tax on retail sales only. The law also made changes to the distribution of tax and fee revenue. Cannabis taxes and license fees are collected by the Liquor and Cannabis Board (LCB) and are placed into a dedicated fund with annual appropriations to various other accounts including the GF-S.

*Change in GF-S forecast of total cannabis-related revenue by biennium (millions):*

21-23: \$0.0  
23-25: -\$2.7  
25-27: -\$3.1

Distributions of cannabis excise taxes to the GF-S totaled \$15.3 million in the 2013-15 biennium and \$147.6 million in the 2015-17 biennium. GF-S distributions were \$248.9 million in the 2017-19 biennium and \$361.0 million in the 2019-21 biennium. The initial tally of GF-S distributions for the 2021-23 biennium is \$318.9 million, the same as expected in June. The forecast of transfers for the 2023-25 biennium has been decreased \$2.7 million to \$308.8 million. The forecast of GF-S distributions for the 2025-27 biennium has been decreased \$3.1 million to \$337.1 million. Details of the forecasted distributions from the account can be found in Table 3.18.

## The Office of Financial Management (Other Agencies)

*Forecast change by biennium (millions):*

21-23: \$4.4  
23-25: \$4.6  
25-27: \$2.9

The Office of Financial Management (OFM) is responsible for preparing General Fund-State revenue and transfer forecasts for all agencies excluding the Department of Revenue, the Liquor and Cannabis Board, the Insurance Commissioner, the Washington State Lottery, and the State Treasurer. The initial tally of OFM's net GF-S revenue for the 2021-23 biennium is \$104.0 million, \$4.4 million higher than forecasted in June. The forecast of revenue for the 2023-25 biennium was increased \$4.6 million to \$12.2 million and the forecast for the 2025-27 biennium was increased \$2.9 million to -\$92.8 million. The negative value of projected 2025-27 revenue indicates that more funds will be transferred out of the GF-S by the agencies overseen by the OFM than will be transferred into the GF-S from those agencies during that biennium.

## State Treasurer

21-23: *-\$0.5*  
23-25: *\$59.9*  
25-27: *-\$30.6*

*Forecast  
change by  
biennium  
(millions):*

The Office of the State Treasurer generates GF-S revenue by investing state short-term cash reserves. The initial tally of GF-S revenue for the 2021-23 biennium is \$233.8 million, \$0.5 million less than forecasted in June. The forecast of revenue for the 2023-25 biennium has been increased \$59.9 million to \$598.7 million, mainly due to higher expected average balances. The forecast of GF-S revenue for the 2025-27 biennium has been decreased \$30.6 million to \$402.3 million due to expected lower effective interest rates.

## Insurance Commissioner

*Forecast change by  
biennium (millions):*

21-23: *\$13.8*  
23-25: *\$33.7*  
25-27: *\$39.0*

The Office of the Insurance Commissioner collects premium taxes on most classes of insurance sold in Washington State. These taxes are distributed to the GF-S and various accounts in support of fire services. The initial tally of GF-S revenue for the 2021-23 biennium is \$1,601.1 million, \$13.8 million higher than forecasted in June. The forecast for the 2023-25 biennium has been increased \$33.7 million to \$1,729.8 million and the forecast of GF-S revenue for the 2025-27 biennium has been increased by \$39.0 million to \$1,817.5 million.

## Liquor and Cannabis Board

*Forecast  
change by  
biennium  
(millions):*

21-23: *\$0.3*  
23-25: *\$14.0*  
25-27: *\$28.9*

The Liquor and Cannabis Board (LCB) collects fees from distributors and retailers on sales of spirits and surtaxes on sales of beer and wine (sales and liter taxes on sprits are collected by the DOR). The LCB is also responsible for the collection of excise taxes and fees associated with the legalized sale and use of recreational and medicinal cannabis discussed previously. The initial tally of GF-S distributions for the 2021-23 biennium is \$674.6 million, \$0.3 million higher than expected in June. The forecast for the 2023-25 biennium has been increased \$14.0 million to \$639.2 million and the forecast of GF-S distributions for the 2025-27 biennium has been increased \$28.9 million to \$688.8 million.

## Lottery Commission

*GF-S forecast  
change by  
biennium  
(millions):*

21-23: *\$0.0*  
23-25: *\$10.5*  
25-27: *\$0.6*

While most of the proceeds from sales of lottery games go to the Washington Opportunity Pathways Account (OPA), distributions are also made to the Problem Gambling and Economic Development accounts. Details of the forecast of the distribution of Lottery earnings can be found in Table 3.15 on a cash basis and Table 3.16 on a GAAP basis. When total profits from all Washington-only games plus the Powerball game exceed \$102 million per year, the amount above \$102 million is transferred to the GF-S. The initial tally of GF-S transfers for the 2021-23 biennium is \$77.8 million, unchanged from the June forecast. The forecast of GF-S transfers for the 2023-25 biennium has been increased \$10.5 million to \$71.3 million and the forecast for

the 2025-27 biennium is has been increased \$0.6 million to \$64.7 million.

## Washington Court System

*Forecast change by biennium (millions):*

21-23: *-\$1.0*  
23-25: *\$1.2*  
25-27: *\$5.0*

The GF-S receives surcharges on certain filing fees, fines, and infraction penalties collected by the Washington court system. This revenue is transferred to the GF-S on a monthly basis. GF-S transfers for the 2021-23 biennium totaled \$85.2 million, \$1.0 million less than forecasted in June. The forecast of GF-S transfers for the 2023-25 biennium has been increased \$1.2 million to \$78.0 million and the forecast for the 2025-27 biennium has been increased \$5.0 million to \$78.1 million.

## The Relationship between the Cash and GAAP General Fund-State Revenue Forecasts

*GAAP forecasts are based on the period in which the revenue is earned rather than received*

Legislation enacted in 1987 requires that the state's biennial budget be in conformance with Generally Accepted Accounting Principles (GAAP). It also requires a GF-S revenue forecast on both a cash and GAAP basis. The GAAP forecasts of GF-S revenue for the 2017-19 and 2019-21 biennia are presented in Tables 3.6 and 3.8 and the GAAP forecast of Lottery revenue transfers for those biennia is in Table 3.15. The primary difference between the cash and GAAP forecasts is the timing of the receipt of revenue. On a GAAP basis, revenue is credited to the biennium in which it is earned even though it may not have been received. The cash forecast, on the other hand, reflects expected cash receipts during a fiscal period. The forecast on a GAAP, or accrual, basis is primarily used for financial reporting. The cash forecast is used for cash flow management and revenue tracking. The cash forecast is also the forecast used in the state's budgetary balance sheet, which is the principal tool for assessing the General Fund's current surplus or deficit position. References to the GF-S forecast in the text of this chapter refer to the cash forecast unless otherwise noted. Likewise, figures from revenue tables other than Tables 3.6, 3.8 and 3.16 are projected on a cash basis.

## Alternative Forecasts for the 2023-25 and 2025-27 Biennia

*Optimistic scenario (billions):*

23-25: *+\$3.30*  
25-27: *+\$6.47*

*Pessimistic scenario (billions):*

23-25: *-\$4.00*  
25-27: *-\$7.17*

Chapter 2 outlines optimistic and pessimistic economic scenarios relative to the baseline economic forecast. The forecast assigns a probability of 50% to the baseline forecast, 25% to the optimistic scenario and 25% to the pessimistic scenario. The revenue implications of these alternative scenarios for the 2023-25 biennium are shown in Table 3.13 and those of the 2025-27 biennium are shown in Table 3.14. For the 2023-25 biennium, the optimistic forecast generates \$66.656 billion in GF-S revenue, \$3.299 billion (5.2%) more than the baseline scenario, while the pessimistic forecast produces \$59.361 billion in revenue, \$3.996 billion (6.3%) less than the baseline. For the 2025-27 biennium, the optimistic forecast generates \$73.854

billion in GF-S revenue, \$6.472 billion (9.6%) more than the baseline scenario, while the pessimistic forecast produces \$60.212 billion in revenue, \$7.170 billion (10.6%) less than the baseline.

## Washington Opportunity Pathways Account

*OPA forecast change by biennium (millions):*

21-23: *-\$0.3*  
23-25: *\$6.6*  
25-27: *-\$0.8*

The Washington Opportunity Pathways Account (OPA) receives all profits (excluding statutory transfers) from Washington-only lottery games plus all profits from the Mega Millions game. The forecast of OPA revenue for the 2021-23 biennium has been decreased \$0.3 million to \$393.3 million. The forecast of OPA revenue for the 2023-25 biennium has been increased \$6.6 million to \$361.3 million and the forecast for the 2025-27 biennium has been decreased \$0.8 million to \$357.5 million.

## Education Legacy Trust Account

*ELTA forecast change by biennium (millions):*

21-23: *\$140.7*  
23-25: *\$12.4*  
25-27: *\$7.3*

The Education Legacy Trust Account (ELTA) was created in the 2005 legislative session, with revenue collection beginning in FY 2006. Funds from the account may only be used for support of the common schools, expanding access to higher education through funding for new enrollments and financial aid, and other educational improvement efforts. The ELTA is primarily funded by a tax on estates of over \$2 million. Legislation from the 2013 special session, however, added revenue from public utility (through FY 2023) and real estate excise taxes (REET), which had previously gone into non-GF-S accounts. Subsequent legislation also added revenue from solid waste taxes from FY 2016 – FY 2023 and a transfer of \$935 million from the additional property tax levy to the account in FY 2019. Forecasted revenue was further increased in the 2021 legislative session by ESSB 5096, which establishes a tax on certain transactions that produce capital gains above \$250,000. The forecast of ELTA revenue has been increased by \$140.7 million for the 2021-23 biennium, mainly due to higher-than-expected estate tax receipts. The forecast has been increased by \$12.4 million for the 2023-25 biennium and \$7.3 million for the 2025-27 biennium due to increased estate tax and REET collections. Forecasted ELTA receipts are now \$2,571.2 million for the 2021-23 biennium, \$2,135.9 million for the 2023-25 biennium and \$2,313.5 million for the 2025-27 biennium.

## Workforce Education Investment Account

*WEIA forecast change by biennium (millions):*

21-23: *\$13.3*  
23-25: *\$28.3*  
25-27: *\$30.8*

The Workforce Education Investment Account (WEIA) was created in the 2019 legislative session. The account, the purpose of which is to help fund the state's higher education system and student loans, was originally funded by a surcharge on specific industries that benefitted from an educated workforce. This tax was scheduled to take effect on January 1, 2020, and the Economic and Revenue Forecast Council was later tasked with forecasting revenue generated for the account. ESSB 6492, passed in early February of the 2020 legislative

session, retroactively eliminated the existing surcharge and replaced it with a simplified version that is effective April 1, 2020. The simplified surcharge applies to businesses with gross taxable activity under the “services and other activities” category of \$1 million or more (with some nonprofit and other businesses exempt). In addition to this surcharge, which equals 0.25% of gross taxable income, another surcharge is applied to a group of “select advanced computing businesses,” and is paid quarterly. The forecast of WEIA revenue has been increased by \$13.3 million in the 2021-23 biennium due to higher-than-expected collections since the June forecast. Because of this higher baseline, the forecast has been increased by \$28.3 million in the 2023-25 biennium and \$30.8 million in the 2025-27 biennium. WEIA revenue is now forecasted at \$779.0 million in the 2021-23 biennium, \$837.6 million in the 2023-25 biennium and \$874.4 million in the 2025-27 biennium. The WEIA forecast by fiscal year is presented in Table 3.19.

## **Budgetary Balance Sheet for the 2021-23 and 2023-25 Biennia**

*The forecast implies total reserves of \$7.520 billion at the end of the 2021-23 biennium and \$5.047 billion at the end of the 2023-25 biennium for GF-S, ELTA, OPA and WEIA*

Table 3.12 shows the budgetary balance sheet for the 2021-23 and 2023-25 biennia as prepared by the Office of Financial Management and the House and Senate fiscal committees. The balance sheet shows not only projected GF-S spending and resources but also total projected spending and resources for the GF-S plus the other main non-transportation state-funded accounts: the Education Legacy Trust Account (ELTA), the Washington Opportunity Pathways Account (OPA) and the Workforce Education Investment Account (WEIA). As shown in the table, the GF-S beginning fund balance for the 2021-23 biennium was \$3,673.7 million and the total beginning balance for GF-S, ELTA, OPA and WEIA combined was \$4,160.7 million. Based on the current enacted budget, the balance sheet projects total GF-S reserves of \$6,482.0 million at the end for the 2021-23 biennium and total reserves for the GF-S, ELTA, OPA and WEIA accounts of \$7,520.3 million. Based on the newly enacted budget for the 2023-25 biennium, the balance sheet projects total GF-S reserves of \$4,222.6 million at the end of the biennium and total reserves for the GF-S, ELTA, OPA and WEIA accounts of \$5,046.8 million.

Table 3.3  
**General Fund-State collections\***  
(millions of dollars, cash basis)

<b>Biennium</b>	<b>Current Dollars</b>	<b>Percent Change</b>	<b>2012 Chained Dollars</b>	<b>Percent Change</b>
1961-63	\$817.1		\$4,300.0	
1963-65	866.2	6.0%	4,439.3	3.2%
1965-67	1,128.6	30.3%	5,565.5	25.4%
1967-69	1,440.5	27.6%	6,658.6	19.6%
1969-71	1,732.7	20.3%	8,287.6	24.5%
1971-73	1,922.1	10.9%	8,506.9	2.6%
1973-75	2,372.4	23.4%	9,071.9	6.6%
1975-77	3,395.0	43.1%	11,293.8	24.5%
1977-79	4,490.0	32.3%	13,117.2	16.1%
1979-81	5,356.4	19.3%	13,016.1	-0.8%
1981-83	6,801.4	27.0%	14,382.4	10.5%
1983-85	8,202.4	20.6%	16,006.5	11.3%
1985-87	9,574.6	16.7%	17,638.7	10.2%
1987-89	10,934.1	14.2%	18,811.9	6.7%
1989-91	13,309.0	21.7%	21,088.0	12.1%
1991-93	14,862.2	11.7%	22,155.5	5.1%
1993-95	16,564.6	11.5%	23,593.5	6.5%
1995-97	17,637.7	6.5%	24,106.2	2.2%
1997-99	19,620.1	11.2%	26,113.3	8.3%
1999-01	21,262.1	8.4%	27,233.5	4.3%
2001-03	21,140.7	-0.6%	26,166.2	-3.9%
2003-05	23,388.5	10.6%	27,699.2	5.9%
2005-07	27,772.0	18.7%	31,098.9	12.3%
2007-09	27,703.0	-0.2%	29,596.4	-4.8%
2009-11	28,218.1	1.9%	29,411.6	-0.6%
2011-13	30,657.0	8.6%	30,677.3	4.3%
2013-15	33,666.0	9.8%	32,817.7	7.0%
2015-17	38,317.4	13.8%	36,733.2	11.9%
2017-19	44,142.6	15.2%	40,813.8	11.1%
2019-21	50,803.4	15.1%	45,511.0	11.5%
2021-23 <sup>F</sup>	61,008.2	20.1%	49,859.3	9.6%
2023-25 <sup>F</sup>	63,357.0	3.9%	48,446.0	-2.8%
2025-27 <sup>F</sup>	67,381.5	6.4%	49,478.0	2.1%

<sup>F</sup> September 2023 forecast

\*Total General Fund-State revenue and transfers. Cash basis; includes rate base and administrative changes. Modified cash basis: 1985-87 and prior; pure cash basis: 1987-89 and after. May not be comparable because the collection totals include the impact of rate, base and administrative changes.

Source: Department of Revenue, the Office of Financial Management and the Economic and Revenue Forecast Council 's September 2023 forecast.

Table 3.4  
**Taxable retail sales\***  
(millions of dollars)

<b>Fiscal Year</b>	<b>Amount</b>	<b>Percent Change</b>
1981	25,197	4.7%
1982	26,097	3.6%
1983	29,368	12.5%
1984	29,156	-0.7%
1985	30,687	5.3%
1986	32,158	4.8%
1987	34,647	7.7%
1988	37,452	8.1%
1989	41,429	10.6%
1990	47,183	13.9%
1991	49,812	5.6%
1992	53,189	6.8%
1993	55,319	4.0%
1994	59,009	6.7%
1995	61,927	4.9%
1996	62,817	1.4%
1997	66,748	6.3%
1998	72,059	8.0%
1999	77,197	7.1%
2000	83,335	8.0%
2001	85,633	2.8%
2002	84,418	-1.4%
2003	86,165	2.1%
2004	90,139	4.6%
2005	97,253	7.9%
2006	107,071	10.1%
2007	115,527	7.9%
2008	118,676	2.7%
2009	106,379	-10.4%
2010	99,983	-6.0%
2011	101,825	1.8%
2012	106,036	4.1%
2013	113,173	6.7%
2014	120,453	6.4%
2015	130,168	8.1%
2016	141,103	8.4%
2017	149,992	6.3%
2018	162,958	8.6%
2019	175,266	7.6%
2020	176,961	1.0%
2021	196,651	11.1%
2022	218,633	11.2%
2023 <sup>E</sup>	230,989	5.7%
2024 <sup>F</sup>	234,690	1.6%
2025 <sup>F</sup>	241,468	2.9%
2026 <sup>F</sup>	250,054	3.6%
2027 <sup>F</sup>	259,208	3.7%

<sup>E</sup> Preliminary Estimate

<sup>F</sup> September 2023 forecast

Source: ERFC

\* Actual Base. Includes statutory and administrative changes to the tax base. Historical fiscal year data are from quarterly taxable sales reported by taxpayers on the state's Combined Excise tax return. Reported totals affected by enacted legislation. Major base changes include: exemption of off-premises food, beginning 1978:3 (fiscal 1979); extension of the sales tax base to off premises food (1982:2 to 1983:2); food again exempt 1983:3 (fiscal 1984); extension of the sales tax base to candy, gum and bottled water (September 1 - December 2, 2010); elimination of sales tax exemption for residential phone service (July 1, 2013); elimination of sales tax exemption for bottled water (July 1, 2017); extension of economic nexus to certain remote sellers (January 1, 2018).

Table 3.5  
**Comparison of the General Fund-State forecast by agency**  
 2021-23 biennium; cash basis  
 (millions of dollars)

<b>Forecast by Agency</b>	<b>June 2023 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Sept 2023 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$28,755.9	\$0.0	\$40.8	\$28,796.6	\$40.8
Business & Occupation Use	11,881.3	0.0	27.9	11,909.2	27.9
Public Utility	1,880.7	0.0	26.4	1,907.2	26.4
Liquor Sales/Liter	1,028.1	0.0	5.4	1,033.5	5.4
Cigarette	702.5	0.0	(0.3)	702.2	(0.3)
Property (State Levy)	585.3	0.0	(1.6)	583.6	(1.6)
Real Estate Excise	8,917.7	0.0	1.9	8,919.6	1.9
Timber Excise	3,087.5	0.0	10.3	3,097.9	10.3
Other	8.9	0.0	0.0	8.9	0.0
Subtotal	1,289.3	0.0	(16.4)	1,272.9	(16.4)
<b>Insurance Commissioner</b>	58,137.2	0.0	94.4	58,231.6	94.4
Insurance Premiums	1,587.3	0.0	13.8	1,601.1	13.8
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	616.7	0.0	(2.3)	614.4	(2.3)
Beer & Wine Surtax	57.6	0.0	2.6	60.2	2.6
<b>Lottery Commission</b>					
Lottery Revenue	77.8	0.0	(0.0)	77.8	(0.0)
<b>State Treasurer</b>					
Interest Earnings	234.3	0.0	(0.5)	233.8	(0.5)
<b>Office of Financial Management</b>					
Other Agencies	99.7	0.0	4.4	104.0	4.4
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	86.2	0.0	(1.0)	85.2	(1.0)
<b>Total General Fund-State *</b>	<b>\$60,896.8</b>	<b>\$0.0</b>	<b>\$111.3</b>	<b>\$61,008.2</b>	<b>\$111.3</b>

<sup>1</sup> Forecast for the 2021-23 biennium adopted by the Economic and Revenue Forecast Council June 27, 2023

<sup>2</sup> Forecast for the 2021-23 biennium, adopted September 26, 2023

\*Detail may not add to totals because of rounding.

Source: ERFC, Insurance Commissioner, Lottery Commission, Office of the State Treasurer, Liquor Control Board, Office of Financial Management

Table 3.6  
**Comparison of the General Fund-State forecast by agency**  
 2021-23 biennium; GAAP basis  
 (millions of dollars)

<b>Forecast by Agency</b>	<b>June 2023 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Sept 2023 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$28,894.6	\$0.0	\$62.6	\$28,957.3	\$62.6
Business & Occupation Use	11,974.9	0.0	35.2	12,010.1	35.2
Public Utility	1,031.4	0.0	6.2	1,037.6	6.2
Liquor Sales/Liter	702.2	0.0	(1.3)	700.8	(1.3)
Cigarette	577.3	0.0	0.4	577.7	0.4
Property (State Levy)	8,867.5	0.0	(22.0)	8,845.5	(22.0)
Real Estate Excise	3,091.5	0.0	9.3	3,100.8	9.3
Timber Excise	9.1	0.0	0.8	10.0	0.8
Other	1,301.0	0.0	(21.4)	1,279.6	(21.4)
Subtotal	58,349.9	0.0	98.8	58,448.7	98.8
<b>Insurance Commissioner</b>					
Insurance Premiums	1,587.3	0.0	13.8	1,601.1	13.8
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	616.7	0.0	(2.3)	614.4	(2.3)
Beer & Wine Surtax	57.6	0.0	2.6	60.2	2.6
<b>Lottery Commission</b>					
Lottery Revenue	76.8	0.0	2.3	79.1	2.3
<b>State Treasurer</b>					
Interest Earnings	256.7	0.0	2.9	259.5	2.9
<b>Office of Financial Management</b>					
Other Agencies	99.7	0.0	4.4	104.1	4.4
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	86.2	0.0	(1.0)	85.2	(1.0)
<b>Total General Fund-State *</b>	<b>\$61,130.9</b>	<b>\$0.0</b>	<b>\$121.4</b>	<b>\$61,252.3</b>	<b>\$121.4</b>

<sup>1</sup> Forecast for the 2021-23 biennium adopted by the Economic and Revenue Forecast Council June 27, 2023

<sup>2</sup> Forecast for the 2021-23 biennium, adopted September 26, 2023

\*Detail may not add to totals because of rounding.

Source: ERFC, Insurance Commissioner, Lottery Commission, Office of the State Treasurer, Liquor Control Board, Office of Financial Management

Table 3.7

**Comparison of the General Fund-State forecast by agency**

2023-25 biennium; cash basis

(millions of dollars)

<b>Forecast by Agency</b>	<b>June 2023 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Sept 2023 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$30,296.3	\$0.0	\$239.6	\$30,535.8	\$239.6
Business & Occupation	12,586.2	0.0	179.5	12,765.7	179.5
Use	1,834.5	0.0	32.1	1,866.6	32.1
Public Utility	1,113.3	0.0	1.0	1,114.2	1.0
Liquor Sales/Liter	707.5	0.0	1.4	709.0	1.4
Cigarette	552.4	0.0	(14.0)	538.4	(14.0)
Property (State Levy)	9,338.6	0.0	(0.8)	9,337.8	(0.8)
Real Estate Excise	1,983.1	0.0	39.6	2,022.7	39.6
Timber Excise	4.1	0.0	1.1	5.1	1.1
Other	1,319.7	0.0	12.8	1,332.5	12.8
Subtotal	59,735.7	0.0	492.3	60,227.9	492.3
<b>Insurance Commissioner</b>					
Insurance Premiums	1,696.1	0.0	33.7	1,729.8	33.7
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	568.1	0.0	(5.3)	562.8	(5.3)
Beer & Wine Surtax	57.1	0.0	19.3	76.4	19.3
<b>Lottery Commission</b>					
Lottery Revenue	60.8	0.0	10.5	71.3	10.5
<b>State Treasurer</b>					
Interest Earnings	538.8	0.0	59.9	598.7	59.9
<b>Office of Financial Management</b>					
Other Agencies	7.6	0.0	4.6	12.2	4.6
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	76.9	0.0	1.2	78.0	1.2
<b>Total General Fund-State *</b>	<b>\$62,741.0</b>	<b>\$0.0</b>	<b>\$616.1</b>	<b>\$63,357.0</b>	<b>\$616.1</b>

<sup>1</sup> Forecast for the 2023-25 biennium adopted by the Economic and Revenue Forecast Council June 27, 2023<sup>2</sup> Forecast for the 2023-25 biennium, adopted September 26, 2023

\*Detail may not add to totals because of rounding.

Source: ERFC, Insurance Commissioner, Lottery Commission, Office of the State Treasurer, Liquor Control Board, Office of Financial Management

Table 3.8  
**Comparison of the General Fund-State forecast by agency**  
 2023-25 biennium; GAAP basis  
 (millions of dollars)

<b>Forecast by Agency</b>	<b>June 2023 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Sept 2023 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$30,296.3	\$0.0	\$239.6	\$30,535.8	\$239.6
Business & Occupation Use	12,586.2	0.0	179.5	12,765.7	179.5
Public Utility	1,834.5	0.0	32.1	1,866.6	32.1
Liquor Sales/Liter	1,113.3	0.0	1.0	1,114.2	1.0
Cigarette	707.5	0.0	1.4	709.0	1.4
Property (State Levy)	552.4	0.0	(14.0)	538.4	(14.0)
Real Estate Excise	9,338.6	0.0	(0.8)	9,337.8	(0.8)
Timber Excise	1,983.1	0.0	39.6	2,022.7	39.6
Other	4.1	0.0	0.5	4.5	0.5
Subtotal	1,314.0	0.0	15.6	1,329.6	15.6
<b>Insurance Commissioner</b>	59,729.9	0.0	494.5	60,224.4	494.5
Insurance Premiums	1,696.1	0.0	33.7	1,729.8	33.7
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	568.1	0.0	(5.3)	562.8	(5.3)
Beer & Wine Surtax	57.1	0.0	19.3	76.4	19.3
<b>Lottery Commission</b>					
Lottery Revenue	62.7	0.0	8.3	71.0	8.3
<b>State Treasurer</b>					
Interest Earnings	542.6	0.0	49.9	592.5	49.9
<b>Office of Financial Management</b>					
Other Agencies	7.6	0.0	4.6	12.2	4.6
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	76.9	0.0	1.2	78.0	1.2
<b>Total General Fund-State *</b>	<b>\$62,741.0</b>	<b>\$0.0</b>	<b>\$606.0</b>	<b>\$63,347.1</b>	<b>\$606.0</b>

<sup>1</sup> Forecast for the 2023-25 biennium adopted by the Economic and Revenue Forecast Council June 27, 2023

<sup>2</sup> Forecast for the 2023-25 biennium, adopted September 26, 2023

\*Detail may not add to totals because of rounding.

Source: ERFC, Insurance Commissioner, Lottery Commission, Office of the State Treasurer, Liquor Control Board, Office of Financial Management

Table 3.9

**September 2023 General Fund-State forecast detail****2021-23 to 2025-27 Biennia; Cash Basis**

(Millions of Dollars)

<b>Forecast by Source</b>	<b>Fiscal 2022</b>	<b>Fiscal 2023</b>	<b>2021-23 Biennium</b>	<b>Fiscal 2024</b>	<b>Fiscal 2025</b>	<b>2023-25 Biennium</b>	<b>Fiscal 2026</b>	<b>Fiscal 2027</b>	<b>2025-27 Biennium</b>
<b>State Taxes</b>									
Retail sales**	\$14,001.0	\$14,795.6	\$28,796.6	\$15,054.9	\$15,480.9	\$30,535.8	\$16,025.8	\$16,607.1	\$32,633.0
Business & occupation Use**	5,677.3	6,231.8	11,909.2	6,295.4	6,470.4	12,765.7	6,749.0	7,042.8	13,791.8
Public Utility	486.7	546.8	1,033.5	550.0	564.2	1,114.2	582.3	595.2	1,177.5
Liquor sales/liter	348.5	353.7	702.2	355.8	353.2	709.0	354.2	356.4	710.6
Beer & wine surtax	28.9	31.3	60.2	38.1	38.3	76.4	38.5	38.7	77.2
Cigarette	318.9	280.6	599.4	281.3	272.7	554.0	262.7	253.9	516.6
Tobacco products	45.9	46.6	92.5	50.9	48.8	99.7	48.7	48.6	97.2
Cannabis Excise Taxes	173.0	137.7	310.7	145.2	155.5	300.7	161.8	167.0	328.8
Property (state school levy)	4,426.9	4,492.7	8,919.6	4,613.2	4,724.6	9,337.8	4,837.9	4,949.3	9,787.2
Leasehold Excise Tax	40.7	45.6	86.4	40.2	40.7	80.8	41.4	42.3	83.7
Public utility district	59.6	63.2	122.8	63.9	65.8	129.7	67.3	68.7	136.0
Brokered Natural Gas	40.7	72.4	113.1	53.5	49.3	102.8	49.4	50.0	99.4
Real estate excise***	1,982.9	1,114.9	3,097.9	945.9	1,076.8	2,022.7	1,177.5	1,306.5	2,484.0
Timber excise	5.5	3.4	8.9	3.0	2.1	5.1	2.3	2.5	4.8
Estate/inheritance	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Boat excise	18.4	15.5	33.9	15.0	15.0	30.1	15.0	15.0	30.1
Insurance premiums	784.5	816.6	1,601.1	828.6	901.1	1,729.8	900.5	917.1	1,817.5
Penalties and interest on past due taxes	118.0	190.3	308.3	166.4	167.1	333.5	173.9	181.0	354.9
Other	62.2	52.4	114.6	56.3	57.5	113.8	58.6	62.5	121.1
<b>Total Taxes</b>	<b>29,516.8</b>	<b>30,301.4</b>	<b>59,818.2</b>	<b>30,489.4</b>	<b>31,418.9</b>	<b>61,908.2</b>	<b>32,511.4</b>	<b>33,707.8</b>	<b>66,219.2</b>
<b>State Non-Tax Sources</b>									
Licenses, permits, fees	180.9	190.0	371.0	188.5	189.7	378.2	192.5	195.2	387.7
Liquor & Cannabis fees	160.9	142.8	303.7	122.3	139.8	262.1	141.3	141.6	282.8
Earnings on investments	36.7	197.1	233.8	323.7	275.0	598.7	221.0	181.3	402.3
Washington Court System	42.7	42.5	85.2	38.6	39.4	78.0	39.2	38.9	78.1
Transfers of unclaimed property	154.3	181.6	336.0	183.9	177.2	361.1	179.0	180.9	359.9
Other revenue & transfers	(62.6)	(77.1)	(139.7)	(92.4)	(136.9)	(229.3)	(169.8)	(178.8)	(348.6)
<b>Total Non-Tax</b>	<b>512.9</b>	<b>677.1</b>	<b>1,189.9</b>	<b>764.5</b>	<b>684.3</b>	<b>1,448.8</b>	<b>603.2</b>	<b>559.1</b>	<b>1,162.3</b>
<b>Total General Fund-State *</b>	<b>\$30,029.7</b>	<b>\$30,978.5</b>	<b>\$61,008.2</b>	<b>\$31,253.9</b>	<b>\$32,103.2</b>	<b>\$63,357.0</b>	<b>\$33,114.6</b>	<b>\$34,266.9</b>	<b>\$67,381.5</b>

\* Detail may not add to totals due to rounding

\*\*GFS portion after Initiative 900 transfer

\*\*\*Includes penalties and interest

Table 3.10

**Track record for the 2021-23 biennial forecast of funds subject to the budget outlook**

February 2018 through September 2023

Cash Basis - Millions of Dollars

<b>Date of Forecast</b>	<b>General Fund-State</b>	<b>Education Legacy Trust Acct.</b>	<b>Washington Opportunity Pathways Acct.</b>	<b>Workforce Education Investment Acct.</b>	<b>Subtotal</b>	<b>Non-economic changes</b>	<b>Total change</b>	<b>Total of funds</b>
<b>February 2018*</b>	\$51,932	\$593	\$266	NA				\$52,790
<b>Changes to Forecast</b>								
June 2018	357	26	4	NA	387	(7) #1	380	53,170
September 2018	249	94	27	NA	369	46 #2	415	53,585
November 2018	201	2	7	NA	209	0	209	53,795
March 2019	369	0	5	NA	374	190 #3	564	54,358
June 2019	64	5	3	NA	73	605 #4	678	55,036
September 2019	(79)	21	(5)	NA	(63)	0	(63)	54,973
November 2019	175	(2)	8	NA	181	0	181	55,154
February 2020	512	25	(1)	NA	536	627 #5	1,163	56,317
June 2020	(4,570)	6	8	(56)	(4,612)	213 #6	(4,399)	51,919
September 2020	2,246	149	(5)	30	2,419	0	2,419	54,338
November 2020	297	22	6	4	328	0	328	54,666
March 2021	1,894	24	10	21	1,949	0	1,949	56,615
June 2021	1,340	6	18	35	1,399	399 #7	1,798	58,413
September 2021	845	73	1	8	927	0	927	59,341
November 2021	994	(179)	5	10	829	69 #8	898	60,238
February 2022	1,400	56	(10)	6	1,453	0	1,453	61,691
June 2022	1,392	80	(2)	83	1,552	(95) #9	1,457	63,147
September 2022	46	27	18	(19)	72	(29) #10	43	63,191
November 2022	545	196	16	5	761	0	761	63,952
March 2023	100	74	22	-3	194	0	194	64,146
June 2023	10	311	(4)	17	335	6 #11	341	64,487
September 2023	111	141	(0)	13	265	0	265	64,752
<b>Total change:</b>								
From February 2018**	8,499	1,156	129	153	9,937	2,024	11,962	
Percent change	16.4	195.1	48.7	24.4	18.8	3.8	22.7	
<b>Change in forecast since initial 2123 biennial budget***</b>	<b>6,784</b>	<b>785</b>	<b>64</b>	<b>154</b>	<b>7,787</b>	<b>(49)</b>	<b>7,738</b>	
Percent change	12.5	44.0	19.4	24.6	13.7	-0.1	13.6	

Table 3.11

**Track Record for the 2023-25 Forecast of Funds Subject to the Budget Outlook**

February 2020 through September 2023

Cash Basis - Millions of Dollars

<b>Date of Forecast</b>	<b>General Fund-State</b>	<b>Education Legacy Trust Acct.</b>	<b>Washington Opportunity Pathways Acct.</b>	<b>Workforce Education Investment Acct.</b>	<b>Subtotal</b>	<b>Non-Economic Changes</b>	<b>Total Change</b>	<b>Total of Funds</b>
<b>February 2020*</b>	\$57,930	\$925	\$321	\$667				\$59,843
<b>Changes to Forecast</b>								
June 2020	(4,682)	(9)	8	(3)	(4,685)	209 #6	(4,476)	55,367
September 2020	2,460	125	(7)	35	2,612	0	2,612	57,979
November 2020	16	14	2	(4)	28	0	28	58,007
March 2021	1,846	17	10	25	1,899	0	1,899	59,906
June 2021	1,419	(6)	16	7	1,436	810 #7	2,246	62,151
September 2021	891	31	(1)	9	931	0	931	63,082
November 2021	828	(44)	5	11	800	165 #8	965	64,047
February 2022	1,311	2	2	5	1,320	0	1,320	65,368
June 2022	1,036	21	(1)	55	1,112	(480) #9	632	65,999
September 2022	(332)	(18)	(8)	(21)	(378)	(117) #10	-495	65,504
November 2022	684	(2)	(6)	6	681	0	681	66,185
March 2023	-407	(77)	10	-9	-483	0	-483	65,702
June 2023	140	115	7	25	287	39 #11	327	66,028
September 2023	616	12	7	28	663	0	663	66,692
<b>Total change:</b>								
From February 2020	5,826	183	44	170	6,223	626	6,849	
Percent change	10.1	19.8	13.6	25.5	10.4	1.0	11.4	

\*First official forecast for the 2021-23 biennium

\*\*Change in Workforce Education Investment Account forecast represents change from the initial fiscal note estimate of \$627 million first recorded in February 2020 forecast

\*\*\*Resources for the initial 2021-23 budget include forecasted March 2021 revenue plus legislative revenue changes from 2021 session subsequent to the March forecast

#1 Sum of legislative and budget driven revenue changes from the 2018 legislative session

#2 Estimated increase in sales tax collections due US Supreme Court ruling of June 21, 2018

#3 Effects of SSB 5581, passed in March of 2019 legislative session

#4 Sum of legislative and budget driven revenue changes from the 2018 legislative session subsequent to the March 2019 forecast

#5 Establishment of Workforce Education Investment Account

#6 Legislative and budget-driven revenue changes from the 2020 legislative session

#7 Legislative and budget-driven revenue changes from the 2021 legislative session

#8 Addition of financial services tax to forecast after court approval and expected refunds from DOR rule change on apportionment

#9 Legislative and budget-driven revenue changes from the 2022 legislative session

#10 July 2022 BTA decision that allows machinery and equipment sales tax exemption for R&amp;D equipment purchases

#11 Legislative and budget-driven revenue changes from the 2023 legislative session

Table 3.12

**2021-23 and 2023-25 Enacted Budget Balance Sheet**  
**General Fund-State (GFS), Education Legacy Trust Account (ELTA),**  
**Washington Opportunity Pathways Account (OPA),**  
**Workforce Education Investment Account (WEIA), Fair Start for Kids Account (FSKA),**  
**Budget Stabilization Account (BSA) and Washington Rescue Plan Transition Account (WRPTA)**  
Dollars in Millions

	2021-23			2023-25		
	GFS	ELTA, OPA, WEIA, FSKA (1)	TOTAL	GFS	ELTA, OPA, WEIA, FSKA (1)	TOTAL
<b>RESOURCES</b>						
<b>Beginning Fund Balance</b>	<b>3,673.7</b>	<b>487.0</b>	<b>4,160.7</b>	<b>3,729.7</b>	<b>1,038.3</b>	<b>4,768.0</b>
June 2023 Revenue Forecast	60,896.8	3,589.9	64,486.7	62,741.0	3,287.5	66,028.5
September 2023 Revenue Forecast Change	111.3	153.7	265.0	616.1	47.4	663.4
<b>Current Revenue Totals</b>	<b>61,008.2</b>	<b>3,743.6</b>	<b>64,751.7</b>	<b>63,357.0</b>	<b>3,334.9</b>	<b>66,691.9</b>
Transfer to Budget Stabilization Account (1% of GSR)	(610.3)		(610.3)	(631.9)	-	(631.9)
Transfer to Budget Stabilization Account (EGSR) (2)	-		-	-	-	-
Enacted Fund Transfers	(1,275.6)	-	(1,275.6)	50.7		50.7
WRPTA Fund Transfer				1,302.0	-	1,302.0
ACFR Adjustments	9.4	2.6	12.1			-
ACFR Beginning Balance Adjustments	220.1	(36.3)	183.8			-
Actual/Assumed Prior Period Adjustments (3)	163.8	0.2	164.0	40.8	-	40.8
<b>Total Resources (Including Beginning Fund Balance)</b>	<b>63,189.4</b>	<b>4,197.0</b>	<b>67,386.4</b>	<b>67,848.3</b>	<b>4,373.1</b>	<b>72,221.4</b>
<b>EXPENDITURES</b>						
<b>Enacted Budgets</b>						
2021-23 Biennium	60,187.7	3,158.7	63,346.5			
2023-25 Biennium				66,255.5	3,548.9	69,804.4
Actual/Assumed Reversions (4)	(728.1)	-	(728.1)	(493.3)	-	(493.3)
Emergency Drought Response Acct Conditional Transfer (5)				3.0		3.0
<b>Total Expenditures</b>	<b>59,459.7</b>	<b>3,158.7</b>	<b>62,618.4</b>	<b>65,765.2</b>	<b>3,548.9</b>	<b>69,314.0</b>
<b>RESERVES</b>						
<b>Projected Ending Balance</b>	<b>3,729.7</b>	<b>1,038.3</b>	<b>4,768.0</b>	<b>2,083.2</b>	<b>824.2</b>	<b>2,907.4</b>
<b>Budget Stabilization Account</b>						
BSA Beginning Balance	19.2		19.2	652.3		652.3
Transfers from General Fund (1% of GSR)	610.3		610.3	631.9		631.9
Transfers from General Fund (EGSR) (2)	-		-	-		-
Transfers from Disaster Response Acct (05H) - FY 22	4.8		4.8			-
Prior Period Adjustments - Actual FY 22	10.3		10.3			-
Actual/Assumed Biennium - Interest Earnings	7.8		7.8	57.2		57.2
<b>Projected BSA Ending Balance</b>	<b>652.3</b>		<b>652.3</b>	<b>1,341.4</b>		<b>1,341.4</b>
<b>Washington Rescue Plan Transition Account</b>						
Beginning Balance	1,000.0		1,000.0	2,100.0		2,100.0
Transfer from General Fund	1,100.0		1,100.0			
Transfer to General Fund				(1,302.0)		(1,302.0)
<b>Projected WRPTA Ending Balance</b>	<b>2,100.0</b>		<b>2,100.0</b>	<b>798.0</b>		<b>798.0</b>
<b>Total Reserves Including BSA and WRPTA</b>	<b>6,482.0</b>	<b>1,038.3</b>	<b>7,520.3</b>	<b>4,222.6</b>	<b>824.2</b>	<b>5,046.8</b>

(1) No revenue or expenditures for 25H-Fair Start for Kids Account (FSKA).

(2) Based on the state constitution, no transfer of extraordinary revenue will occur in the 21-23 biennium because annual average state employment growth averaged less than one percent per fiscal year in the 19-21 biennium.

(3) The 2021-23 amount includes \$84 million for Gain Share.

(4) Reversion amounts are consistent with the ERFC's adopted budget outlook.

(5) SHB 1138 | Conditional transfer to bring 28E-1 to \$3 million balance, activated by Department of Ecology issuing drought emergency order.

**Acronyms**

ACFR - Annual Comprehensive Financial Report

BSA - Budget Stabilization Account

GSR - General State Revenues

EGSR - Extraordinary General State Revenues

WRPTA - Washington Rescue Plan Transition Account

Table 3.13  
**Alternative General Fund-State forecasts compared to the baseline forecast**  
**2023-25 biennium**  
(cash basis, millions of dollars)

<b><u>Forecast by Source</u></b>	<b><u>Optimistic Forecast</u></b>	<b><u>Baseline Forecast</u></b>	<b><u>Pessimistic Forecast</u></b>
<b><i>Department of Revenue</i></b>			
Retail Sales	\$32,387.2	\$30,535.8	\$28,207.6
Business & Occupation Use	13,497.0	12,765.7	11,888.8
Public Utility Property (school levy)	1,975.8	1,866.6	1,726.3
Real Estate Excise	1,170.1	1,114.2	1,036.3
Other	9,432.9	9,337.8	9,243.9
Subtotal	2,127.7	2,022.7	1,894.7
	2,665.9	2,585.1	2,523.1
	63,256.6	60,227.9	56,520.7
<b><i>Insurance Commissioner</i></b> <sup>1</sup>	1,892.5	1,729.8	1,644.6
<b><i>Lottery Commission</i></b>	73.8	71.3	69.4
<b><i>State Treasurer - Interest earnings</i></b>	674.5	598.7	473.6
<b><i>Liquor and Cannabis Surtaxes &amp; Fees</i></b> <sup>2</sup>	665.5	639.2	565.2
<b><i>Office of Financial Management</i></b>			
Other agencies	12.6	12.2	11.8
<b><i>Washington Court System</i></b>			
Court Fees, Fines & Forfeitures	81.1	78.0	76.2
<b>Total General Fund - State*</b>	<b>\$66,656.5</b>	<b>\$63,357.0</b>	<b>\$59,361.4</b>
<b>Difference from September 2023 Baseline</b>	<b>\$3,299.5</b>		<b>(\$3,995.6)</b>

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax, cannabis excise tax, distributor fees, retailer fees, licensing fees.

\* Detail may not add to total due to rounding.

Source: ERFC, Insurance Commissioner, Lottery Commission, Office of the State Treasurer, Liquor Control Board, Office of Financial Management

Table 3.14

**Alternative General Fund-State forecasts compared to the baseline forecast  
2025-27 biennium**

(cash basis, millions of dollars)

<b><u>Forecast by Source</u></b>	<b><u>Optimistic Forecast</u></b>	<b><u>Baseline Forecast</u></b>	<b><u>Pessimistic Forecast</u></b>
<b><i>Department of Revenue</i></b>			
Retail Sales	\$36,633.4	\$32,633.0	\$28,362.7
Business & Occupation Use	15,333.0	13,791.8	12,228.5
Public Utility	2,207.3	1,967.7	1,730.6
Property (school levy)	1,318.3	1,177.5	1,062.6
Real Estate Excise	9,899.5	9,787.2	9,685.6
Other	2,613.3	2,484.0	2,019.5
Subtotal	2,699.6	2,581.5	2,457.0
	70,704.4	64,422.8	57,546.6
<b><i>Insurance Commissioner<sup>1</sup></i></b>	1,905.3	1,817.5	1,727.1
<b><i>Lottery Commission</i></b>	68.0	64.7	61.6
<b><i>State Treasurer - Interest earnings</i></b>	468.2	402.3	286.0
<b><i>Liquor and Cannabis Surtaxes &amp; Fees<sup>2</sup></i></b>	721.9	688.8	605.0
<b><i>Office of Financial Management</i></b>			
Other agencies	(96.5)	(92.8)	(89.1)
<b><i>Washington Court System</i></b>			
Court Fees, Fines & Forfeitures	82.5	78.1	74.8
<b>Total General Fund - State*</b>	<b>\$73,853.8</b>	<b>\$67,381.5</b>	<b>\$60,211.9</b>
<b>Difference from September 2023 Baseline</b>	<b>\$6,472.3</b>		<b>(\$7,169.6)</b>

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax, cannabis excise tax, distributor fees, retailer fees, licensing fees.

\* Detail may not add to total due to rounding.

Source: ERFC, Insurance Commissioner, Lottery Commission, Office of the  
State Treasurer, Liquor Control Board, Office of Financial Management

Table 3.15

**Lottery transfers by fund**

September 2023 Forecast  
(cash basis, millions of dollars)

	<b>Lottery: Total Transfers:*</b>	<b>General Fund</b>	<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student Achievement Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Development Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>
2016	171.6	17.1	0.0	11.7	0.0	0.0	0.3	3.3	139.1	0.0	0.0
2017	159.7	14.8	0.0	12.2	0.0	0.0	0.3	4.8	126.6	0.0	0.0
2015-17 Biennium	331.2	31.9	0.0	23.8	0.0	0.0	0.7	8.0	265.7	0.0	0.0
2018	183.6	38.5	0.0	12.6	0.0	0.0	0.3	3.5	128.5	0.0	0.0
2019	213.8	38.7	0.0	13.1	0.0	0.0	0.4	5.8	155.7	0.0	0.0
2017-19 Biennium	397.3	77.3	0.0	25.8	0.0	0.0	0.8	9.3	284.2	0.0	0.0
2020	186.4	16.7	0.0	13.7	0.0	0.0	0.4	3.1	152.5	0.0	0.0
2021	231.6	27.7	0.0	14.2	0.0	0.0	0.5	4.8	184.4	0.0	0.0
2019-21 Biennium	418.0	44.4	0.0	27.9	0.0	0.0	0.8	8.0	336.9	0.0	0.0
2022	228.9	32.8	0.0	0.0	0.0	0.0	0.4	6.0	189.7	0.0	0.0
2023	257.3	45.0	0.0	0.0	0.0	0.0	0.5	8.1	203.7	0.0	0.0
2021-23 Biennium	486.2	77.8	0.0	0.0	0.0	0.0	0.9	14.1	393.3	0.0	0.0
2024	228.4	38.8	0.0	0.0	0.0	0.0	0.7	4.5	184.5	0.0	0.0
2025	215.5	32.5	0.0	0.0	0.0	0.0	0.9	5.2	176.9	0.0	0.0
2023-25 Biennium	443.9	71.3	0.0	0.0	0.0	0.0	1.6	9.7	361.3	0.0	0.0
2026	216.3	32.0	0.0	0.0	0.0	0.0	0.9	5.2	178.2	0.0	0.0
2027	218.1	32.6	0.0	0.0	0.0	0.0	0.9	5.2	179.4	0.0	0.0
2025-27 Biennium	434.4	64.7	0.0	0.0	0.0	0.0	1.8	10.5	357.5	0.0	0.0

Table 3.16

**Lottery transfers by fund**

September 2023 Forecast  
(GAAP basis, millions of dollars)

	<b>Lottery: Total Transfers:*</b>	<b>General Fund</b>	<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student Achievement Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Development Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>
2016	175.5	31.9	0.0	11.7	0.0	0.0	0.3	2.8	128.7	0.0	0.0
2017	161.9	16.8	0.0	12.2	0.0	0.0	0.3	4.9	126.8	0.0	0.0
2015-17 Biennium	337.4	48.7	0.0	23.8	0.0	0.0	0.7	7.7	255.5	0.0	0.0
2018	183.0	31.2	0.0	12.6	0.0	0.0	0.4	4.6	134.2	0.0	0.0
2019	215.8	30.9	0.0	13.1	0.0	0.0	0.4	4.6	166.7	0.0	0.0
2017-19 Biennium	398.8	62.1	0.0	25.8	0.0	0.0	0.8	9.2	300.9	0.0	0.0
2020	180.9	16.2	0.0	13.7	0.0	0.0	0.4	3.4	147.3	0.0	0.0
2021	229.0	23.9	0.0	14.2	0.0	0.0	0.5	4.7	185.7	0.0	0.0
2019-21 Biennium	410.0	40.1	0.0	27.9	0.0	0.0	0.8	8.1	333.1	0.0	0.0
2022	216.8	33.6	0.0	0.0	0.0	0.0	0.4	6.2	176.6	0.0	0.0
2023	253.1	45.5	0.0	0.0	0.0	0.0	0.5	7.3	199.9	0.0	0.0
2021-23 Biennium	470.0	79.1	0.0	0.0	0.0	0.0	0.9	13.5	376.4	0.0	0.0
2024	228.1	39.1	0.0	0.0	0.0	0.0	0.7	5.2	183.0	0.0	0.0
2025	214.3	31.9	0.0	0.0	0.0	0.0	0.9	5.2	176.3	0.0	0.0
2023-25 Biennium	442.4	71.0	0.0	0.0	0.0	0.0	1.6	10.5	359.3	0.0	0.0
2026	216.5	32.0	0.0	0.0	0.0	0.0	0.9	5.2	178.3	0.0	0.0
2027	218.2	32.3	0.0	0.0	0.0	0.0	0.9	5.2	179.8	0.0	0.0
2025-27 Biennium	434.8	64.3	0.0	0.0	0.0	0.0	1.8	10.5	358.1	0.0	0.0

\* Total Transfers are equal to total sales less total expenses (prizes, cost of sales, administration etc.)

Source: Lottery Commission, ERFC

Table 3.17

**General Fund-State, Education Legacy Trust Account, Opportunity Pathways Account and Workforce Education Investment Account**

History and Forecast by Fiscal Year (Cash basis)

September 2023 - Millions of Dollars

	General Fund-State (GF-S) (current definition)		Education Legacy Trust Account* (ELTA)		WA Opportunity Pathways Account (OPA)		Workforce Ed. Investment Acct. (WEIA)		Total GF-S, ELTA, OPA and WEIA	
	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.
History:										
FY 2003	\$11,721	0.8%							\$11,721	0.8%
FY 2004	\$12,358	5.4%							\$12,358	5.4%
FY 2005	\$13,036	5.5%							\$13,036	5.5%
FY 2006	\$14,318	9.8%	\$115						\$14,432	10.7%
FY 2007	\$15,467	8.0%	\$266	132.2%					\$15,734	9.0%
FY 2008	\$15,659	1.2%	\$213	-20.1%					\$15,872	0.9%
FY 2009	\$14,158	-9.6%	\$224	5.4%					\$14,382	-9.4%
FY 2010	\$13,571	-4.1%	\$157	-29.9%					\$13,728	-4.6%
FY 2011	\$14,648	7.9%	\$112	-29.0%	\$99				\$14,859	8.2%
FY 2012	\$14,874	1.5%	\$114	2.3%	\$118	19.1%			\$15,107	1.7%
FY 2013	\$15,783	6.1%	\$101	-11.5%	\$126	5.9%			\$16,009	6.0%
FY 2014	\$16,383	3.8%	\$197	95.3%	\$114	-9.4%			\$16,694	4.3%
FY 2015	\$17,283	5.5%	\$207	5.0%	\$120	5.7%			\$17,611	5.5%
FY 2016	\$18,579	7.5%	\$215	3.6%	\$139	15.7%			\$18,933	7.5%
FY 2017	\$19,739	6.2%	\$252	17.5%	\$127	-9.0%			\$20,118	6.3%
FY 2018	\$21,712	10.0%	\$302	19.6%	\$129	1.5%			\$22,143	10.1%
FY 2019	\$22,430	3.3%	\$1,352	348.1%	\$156	21.1%			\$23,938	8.1%
FY 2020	\$23,817	6.2%	\$913	-32.5%	\$153	-2.0%	\$32		\$24,915	4.1%
FY 2021	\$26,986	13.3%	\$726	-20.5%	\$184	20.9%	\$320	905.5%	\$28,217	13.3%
FY 2022	\$30,030	11.3%	\$890	22.6%	\$190	2.9%	\$369	15.1%	\$31,478	11.6%
FY 2023	\$30,978	3.2%	\$1,681	89.0%	\$204	7.4%	\$410	11.3%	\$33,274	5.7%
Forecast:										
FY 2024	\$31,254	0.9%	\$1,057	-37.2%	\$184	-9.4%	\$415	1.1%	\$32,910	-1.1%
FY 2025	\$32,103	2.7%	\$1,079	2.1%	\$177	-4.1%	\$423	1.9%	\$33,782	2.6%
FY 2026	\$33,115	3.2%	\$1,128	4.6%	\$178	0.7%	\$431	2.0%	\$34,852	3.2%
FY 2027	\$34,267	3.5%	\$1,185	5.0%	\$179	0.7%	\$443	2.9%	\$36,075	3.5%
<b>Biennial Totals</b>										
<b>09-11 Biennium</b>	<b>\$28,218</b>	<b>-5.4%</b>	<b>\$269</b>	<b>-38.5%</b>	<b>\$99</b>	<b>NA</b>	<b>\$0</b>	<b>NA</b>	<b>\$28,586</b>	<b>-5.5%</b>
<b>11-13 Biennium</b>	<b>\$30,657</b>	<b>8.6%</b>	<b>\$215</b>	<b>-19.9%</b>	<b>\$244</b>	<b>145.2%</b>	<b>\$0</b>	<b>NA</b>	<b>\$31,116</b>	<b>8.8%</b>
<b>13-15 Biennium</b>	<b>\$33,666</b>	<b>9.8%</b>	<b>\$405</b>	<b>88.0%</b>	<b>\$234</b>	<b>-4.1%</b>	<b>\$0</b>	<b>NA</b>	<b>\$34,305</b>	<b>10.2%</b>
<b>15-17 Biennium</b>	<b>\$38,317</b>	<b>13.8%</b>	<b>\$467</b>	<b>15.4%</b>	<b>\$266</b>	<b>13.6%</b>	<b>\$0</b>	<b>NA</b>	<b>\$39,050</b>	<b>13.8%</b>
<b>17-19 Biennium</b>	<b>\$44,143</b>	<b>15.2%</b>	<b>\$1,654</b>	<b>254.1%</b>	<b>\$284</b>	<b>6.9%</b>	<b>\$0</b>	<b>NA</b>	<b>\$46,081</b>	<b>18.0%</b>
<b>19-21 Biennium</b>	<b>\$50,803</b>	<b>15.1%</b>	<b>\$1,639</b>	<b>-0.9%</b>	<b>\$337</b>	<b>18.5%</b>	<b>\$352</b>	<b>NA</b>	<b>\$53,132</b>	<b>15.3%</b>
<b>21-23 Biennium</b>	<b>\$61,008</b>	<b>20.1%</b>	<b>\$2,571</b>	<b>56.9%</b>	<b>\$393</b>	<b>16.8%</b>	<b>\$779</b>	<b>121.2%</b>	<b>\$64,752</b>	<b>21.9%</b>
<b>23-25 Biennium</b>	<b>\$63,357</b>	<b>3.9%</b>	<b>\$2,136</b>	<b>-16.9%</b>	<b>\$361</b>	<b>-8.1%</b>	<b>\$838</b>	<b>7.5%</b>	<b>\$66,692</b>	<b>3.0%</b>
<b>25-27 Biennium</b>	<b>\$67,381</b>	<b>6.4%</b>	<b>\$2,313</b>	<b>8.3%</b>	<b>\$358</b>	<b>-1.1%</b>	<b>\$874</b>	<b>4.4%</b>	<b>\$70,927</b>	<b>6.3%</b>

\*Education legacy trust fund excluding FY 14 and FY 15 lottery fund transfers. Includes pension stabilization fund interest in FY 08 and FY 09.

Table 3.18

**Forecasted distribution of excise tax and license fees from cannabis sales**

September 2023

Cash forecast, thousands of dollars

Fiscal year	Total of cannabis excise taxes plus license fees	LCB administration and pre-distribution allotments	Total to distribute	Distribution of remaining funds							
				DSHS substance abuse program	Dept. of Health cannabis education program	UW/WSU research	Basic Health Plan Trust Account	Health Care Authority community health centers	OSPI dropout prevention	Local governments	General Fund-State*
2016	\$168,051	\$16,342	\$151,709	\$12,814	\$7,500	\$345	\$79,750	\$0	\$251	\$0	\$51,049
2017	\$300,635	\$22,180	\$278,455	\$27,786	\$7,500	\$345	\$145,717	\$0	\$511	\$0	\$96,596
2018	\$360,608	\$31,388	\$329,220	\$27,786	\$9,761	\$365	\$173,418	\$0	\$513	\$0	\$117,377
2019	\$391,191	\$60,749	\$330,442	\$0	\$9,764	\$365	\$188,317	\$0	\$515	\$0	\$131,482
2020	\$448,427	\$66,894	\$381,533	\$0	\$10,786	\$374	\$215,096	\$0	\$522	\$0	\$154,754
2021	\$560,929	\$70,584	\$490,345	\$0	\$10,615	\$384	\$272,521	\$0	\$530	\$0	\$206,296
2022	\$527,090	\$17,993	\$509,097	\$0	\$10,584	\$401	\$264,470	\$56,056	\$520	\$0	\$177,066
2023	\$475,235	\$20,073	\$455,162	\$0	\$11,000	\$475	\$230,431	\$48,745	\$550	\$22,157	\$141,804
2024	\$496,368	\$17,176	\$479,192	\$0	\$11,863	\$513	\$242,436	\$51,284	\$593	\$23,311	\$149,191
2025	\$530,098	\$17,882	\$512,216	\$0	\$12,354	\$534	\$259,329	\$54,858	\$618	\$24,936	\$159,587
2026	\$550,564	\$18,313	\$532,251	\$0	\$12,657	\$547	\$269,575	\$57,025	\$633	\$25,921	\$165,892
2027	\$567,721	\$18,668	\$549,053	\$0	\$12,903	\$558	\$278,173	\$58,844	\$645	\$26,747	\$171,183
<b>Biennial totals</b>											
2015-17	\$468,686	\$38,522	\$430,164	\$40,600	\$15,000	\$690	\$225,467	\$0	\$762	\$0	\$147,645
2017-19	\$751,799	\$92,137	\$659,662	\$27,786	\$19,525	\$730	\$361,735	\$0	\$1,028	\$0	\$248,859
2019-21	\$1,009,356	\$137,478	\$871,878	\$0	\$21,401	\$758	\$487,617	\$0	\$1,052	\$0	\$361,050
2021-23	\$1,002,325	\$38,066	\$964,259	\$0	\$21,584	\$876	\$494,902	\$104,801	\$1,070	\$22,157	\$318,869
2023-25	\$1,026,466	\$35,058	\$991,408	\$0	\$24,217	\$1,047	\$501,765	\$106,143	\$1,211	\$48,247	\$308,779
2025-27	\$1,118,285	\$36,982	\$1,081,304	\$0	\$25,560	\$1,105	\$547,748	\$115,870	\$1,278	\$52,668	\$337,076

\*Before distributions to local governments FY 2016-FY2022

Table 3.19

**Workforce Education Investment Account**

September 2023

Cash forecast, thousands of dollars

	FY22	FY23	2021-23 Biennium	FY24	FY25	2023-25 Biennium	FY26	FY27	2025-27 Biennium
June 2023 forecast	\$368,630	\$397,102	\$765,733	\$400,836	\$408,474	\$809,310	\$416,692	\$426,911	\$843,603
Forecast change	\$0	\$13,283	\$13,283	\$14,070	\$14,266	\$28,336	\$14,345	\$16,425	\$30,770
September 2023 forecast	\$368,630	\$410,385	\$779,016	\$414,906	\$422,740	\$837,646	\$431,037	\$443,336	\$874,373



## Detail Components of the Washington State Economic and Revenue Forecast

Calendar Years

*Note: The economic data discussed in these tables were current at the time the forecast was prepared. Many concepts have changed since then due to new releases and data revisions.*

Table A1.1

**U.S. Economic Forecast Summary**

Forecast 2023 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	18,509.1	19,609.8	20,014.1	20,442.1	20,636.5	21,049.2	21,470.2	21,878.2
% Ch	-2.8	5.9	2.1	2.1	1.0	2.0	2.0	1.9
Real Consumption	12,700.7	13,754.1	14,130.3	14,458.3	14,606.3	14,913.0	15,226.2	15,530.7
% Ch	-3.0	8.3	2.7	2.3	1.0	2.1	2.1	2.0
Real Nonresidential Fixed Investment	2,666.0	2,835.4	2,944.8	3,032.0	3,062.2	3,101.1	3,184.3	3,279.3
% Ch	-4.9	6.4	3.9	3.0	1.0	1.3	2.7	3.0
Real Residential Fixed Investment	649.8	719.4	643.1	573.4	575.2	592.1	610.4	625.6
% Ch	7.2	10.7	-10.6	-10.8	0.3	2.9	3.1	2.5
Real Personal Income	17,844.7	18,427.2	17,724.6	17,913.8	18,218.8	18,685.1	19,156.3	19,670.7
% Ch	5.5	3.3	-3.8	1.1	1.7	2.6	2.5	2.7
Real Per Capita Income (\$/Person)	53,770	55,427	53,099	53,394	54,021	55,118	56,218	57,433
% Ch	5.1	3.1	-4.2	0.6	1.2	2.0	2.0	2.2
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	111.1	115.6	122.9	127.5	130.9	133.6	136.2	138.9
% Ch	1.1	4.0	6.3	3.8	2.7	2.0	2.0	1.9
U.S. Consumer Price Index (1982-84=1.0)	2.589	2.710	2.926	3.050	3.137	3.199	3.267	3.334
% Ch	1.3	4.7	8.0	4.2	2.9	2.0	2.1	2.0
Employment Cost Index (Dec. 2005=1.0)	1.414	1.470	1.548	1.621	1.693	1.754	1.817	1.883
% Ch	2.9	4.0	5.3	4.7	4.4	3.6	3.6	3.6
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	21,060.5	23,315.1	25,462.7	26,990.6	28,001.6	29,138.6	30,371.8	31,626.0
% Ch	-1.5	10.7	9.2	6.0	3.7	4.1	4.2	4.1
Personal Income	19,832.3	21,294.8	21,777.2	22,843.4	23,857.4	24,968.5	26,101.1	27,324.0
% Ch	6.7	7.4	2.3	4.9	4.4	4.7	4.5	4.7
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	160.8	161.2	164.3	167.1	168.1	168.6	169.3	170.0
Total U.S. Employment	147.8	152.6	158.3	161.1	161.0	161.3	162.1	163.0
Unemployment Rate (%)	8.10	5.35	3.65	3.64	4.22	4.31	4.22	4.10
Nonfarm Payroll Employment	142.15	146.28	152.63	156.00	155.91	156.04	156.64	157.33
% Ch	-5.8	2.9	4.3	2.2	-0.1	0.1	0.4	0.4
Manufacturing	12.16	12.35	12.83	13.01	12.73	12.20	12.08	12.06
% Ch	-5.1	1.6	3.8	1.4	-2.2	-4.1	-1.0	-0.2
Durable Manufacturing	7.57	7.68	7.98	8.14	7.99	7.63	7.55	7.55
% Ch	-5.8	1.4	3.8	2.1	-1.8	-4.5	-1.0	-0.1
Nondurable Manufacturing	4.59	4.67	4.85	4.87	4.73	4.57	4.53	4.51
% Ch	-3.9	1.8	3.8	0.3	-2.8	-3.4	-0.9	-0.5
Construction	7.26	7.44	7.75	7.95	8.01	7.99	8.07	8.19
% Ch	-3.2	2.5	4.2	2.7	0.7	-0.3	1.1	1.5
Service-Providing	122.13	125.93	131.44	134.40	134.53	135.18	135.79	136.38
% Ch	-5.9	3.1	4.4	2.2	0.1	0.5	0.4	0.4
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	39.2	68.0	94.8	80.5	83.2	76.0	71.0	67.3
Personal Saving/Disposable Income (%)	16.8	11.9	3.5	4.0	5.1	5.6	5.6	6.0
Auto Sales (Millions)	3.4	3.4	2.9	3.1	3.1	3.2	3.2	3.2
% Ch	-27.9	-1.5	-14.2	7.9	-0.6	4.6	0.5	-2.2
Housing Starts (Millions)	1.397	1.606	1.551	1.416	1.347	1.432	1.447	1.438
% Ch	8.2	14.9	-3.4	-8.7	-4.9	6.3	1.1	-0.7
Federal Budget Surplus (Billions)	-2,957.4	-2,835.3	-1,011.0	-1,614.5	-1,795.3	-1,918.1	-1,895.9	-1,901.5
Net Exports (Billions)	-627.5	-861.7	-975.0	-811.8	-819.9	-823.0	-784.3	-734.3
3-Month Treasury Bill Rate (%)	0.37	0.04	2.02	5.11	4.84	3.22	2.41	2.41
10-Year Treasury Note Yield (%)	0.89	1.44	2.95	3.83	3.77	3.39	3.20	3.20
Bond Index of 20 G.O. Munis. (%)	2.65	2.19	3.21	3.64	3.67	3.57	3.46	3.43
30-Year Fixed Mortgage Rate (%)	3.18	3.03	5.38	6.74	6.33	5.39	5.05	4.92

Table A1.2  
**U.S. Economic Forecast Summary**  
Forecast 2023 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	19,924.1	19,895.3	20,054.7	20,182.5	20,282.8	20,386.5	20,537.8	20,561.3
% Ch , Annual Rate	-1.6	-0.6	3.2	2.6	2.0	2.1	3.0	0.5
Real Consumption	14,028.4	14,099.5	14,178.6	14,214.9	14,360.4	14,419.9	14,515.2	14,537.9
% Ch , Annual Rate	1.3	2.0	2.3	1.0	4.2	1.7	2.7	0.6
Real Nonresidential Fixed Investment	2,915.0	2,915.5	2,959.7	2,988.8	2,993.3	3,038.3	3,036.5	3,060.0
% Ch , Annual Rate	7.9	0.1	6.2	4.0	0.6	6.1	-0.2	3.1
Real Residential Fixed Investment	704.7	671.0	620.0	576.7	570.9	565.7	578.6	578.3
% Ch , Annual Rate	-3.1	-17.8	-27.1	-25.1	-4.0	-3.6	9.5	-0.2
Real Personal Income	17,718.8	17,620.8	17,751.7	17,807.0	17,848.9	17,921.1	17,926.3	17,958.9
% Ch , Annual Rate	-4.2	-2.2	3.0	1.3	0.9	1.6	0.1	0.7
Real Per Capita Income (\$/Person)	53,191	52,830	53,139	53,237	53,310	53,457	53,390	53,420
% Ch , Annual Rate	-4.4	-2.7	2.4	0.7	0.5	1.1	-0.5	0.2
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	120.3	122.5	123.8	124.9	126.2	127.0	128.0	128.9
% Ch , Annual Rate	7.5	7.3	4.3	3.7	4.1	2.5	3.4	3.0
U.S. Consumer Price Index (1982-84=1.0)	2.849	2.915	2.955	2.985	3.013	3.034	3.063	3.089
% Ch , Annual Rate	9.2	9.7	5.5	4.2	3.8	2.7	3.9	3.5
Employment Cost Index (Dec. 2005=1.0)	1.518	1.540	1.558	1.576	1.595	1.611	1.630	1.648
% Ch , Annual Rate	5.2	5.9	4.8	4.7	4.9	4.1	4.7	4.7
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	24,740.5	25,248.5	25,723.9	26,138.0	26,529.8	26,798.6	27,193.6	27,440.2
% Ch , Annual Rate	6.6	8.5	7.7	6.6	6.1	4.1	6.0	3.7
Personal Income	21,319.8	21,578.3	21,969.5	22,241.3	22,519.2	22,751.3	22,946.6	23,156.4
% Ch , Annual Rate	3.0	4.9	7.5	5.0	5.1	4.2	3.5	3.7
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	163.9	164.1	164.4	164.7	166.3	166.8	167.5	167.9
Total U.S. Employment	157.7	158.1	158.6	158.8	160.4	160.9	161.4	161.5
Unemployment Rate (%)	3.81	3.63	3.55	3.60	3.50	3.54	3.68	3.82
Nonfarm Payroll Employment	150.85	152.04	153.33	154.28	155.24	155.91	156.39	156.44
% Ch , Annual Rate	4.6	3.2	3.4	2.5	2.5	1.7	1.2	0.1
Manufacturing	12.66	12.79	12.89	12.97	12.98	12.98	13.02	13.04
% Ch , Annual Rate	4.0	4.2	3.1	2.4	0.5	0.0	1.1	0.8
Durable Manufacturing	7.87	7.94	8.01	8.08	8.10	8.11	8.17	8.19
% Ch , Annual Rate	3.5	3.8	3.5	3.2	0.9	0.9	2.7	1.1
Nondurable Manufacturing	4.79	4.85	4.88	4.89	4.89	4.87	4.85	4.86
% Ch , Annual Rate	4.7	4.7	2.4	1.0	-0.1	-1.4	-1.5	0.3
Construction	7.65	7.73	7.78	7.84	7.89	7.93	7.98	8.02
% Ch , Annual Rate	5.1	4.1	2.9	2.7	2.9	1.8	2.9	1.6
Service-Providing	129.95	130.92	132.05	132.86	133.74	134.36	134.75	134.75
% Ch , Annual Rate	4.6	3.0	3.5	2.5	2.7	1.9	1.2	0.0
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	94.4	108.7	93.2	82.8	76.1	73.8	82.4	89.9
Personal Saving/Disposable Income (%)	4.3	3.2	3.2	3.4	4.3	4.5	3.6	3.6
Auto Sales (Millions)	2.9	2.7	2.8	3.1	3.0	3.1	3.1	3.2
% Ch , Annual Rate	14.6	-15.9	7.3	49.3	-9.2	14.2	0.5	4.7
Housing Starts (Millions)	1.718	1.636	1.446	1.405	1.385	1.443	1.442	1.394
% Ch , Annual Rate	6.6	-17.8	-38.9	-10.9	-5.6	17.7	-0.3	-12.7
Federal Budget Surplus (Billions)	-929.0	-879.9	-1,015.7	-1,219.3	-1,664.0	-1,689.9	-1,546.0	-1,557.9
Net Exports (Billions)	-1,116.7	-1,035.6	-890.8	-857.1	-802.3	-804.7	-813.5	-826.8
3-Month Treasury Bill Rate (%)	0.31	1.08	2.66	4.04	4.63	5.07	5.29	5.45
10-Year Treasury Note Yield (%)	1.94	2.93	3.11	3.83	3.65	3.59	4.06	4.01
Bond Index of 20 G.O. Munis. (%)	2.40	3.25	3.37	3.82	3.57	3.57	3.71	3.70
30-Year Fixed Mortgage Rate (%)	3.90	5.33	5.66	6.63	6.36	6.49	7.07	7.03

Table A1.2 (continued)  
**U.S. Economic Forecast Summary**  
 Forecast 2023 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	20,547.0	20,574.5	20,654.1	20,770.5	20,885.3	20,995.2	21,105.5	21,210.9
% Ch , Annual Rate	-0.3	0.5	1.6	2.3	2.2	2.1	2.1	2.0
Real Consumption	14,537.5	14,560.5	14,621.4	14,705.9	14,789.5	14,871.6	14,955.3	15,035.7
% Ch , Annual Rate	0.0	0.6	1.7	2.3	2.3	2.2	2.3	2.2
Real Nonresidential Fixed Investment	3,061.7	3,059.0	3,059.9	3,068.3	3,078.1	3,090.8	3,108.0	3,127.4
% Ch , Annual Rate	0.2	-0.3	0.1	1.1	1.3	1.7	2.3	2.5
Real Residential Fixed Investment	573.7	572.2	575.6	579.4	584.6	590.0	594.5	599.3
% Ch , Annual Rate	-3.1	-1.0	2.4	2.7	3.6	3.8	3.1	3.3
Real Personal Income	18,084.4	18,174.8	18,263.3	18,352.9	18,511.6	18,635.2	18,743.3	18,850.3
% Ch , Annual Rate	2.8	2.0	2.0	2.0	3.5	2.7	2.3	2.3
Real Per Capita Income (\$/Person)	53,726	53,925	54,118	54,314	54,713	55,007	55,255	55,499
% Ch , Annual Rate	2.3	1.5	1.4	1.5	3.0	2.2	1.8	1.8
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	129.8	130.6	131.3	132.2	132.7	133.3	133.9	134.6
% Ch , Annual Rate	2.6	2.4	2.3	2.7	1.7	1.7	1.9	2.0
U.S. Consumer Price Index (1982-84=1.0)	3.108	3.127	3.146	3.170	3.179	3.190	3.206	3.222
% Ch , Annual Rate	2.5	2.4	2.4	3.1	1.2	1.4	2.0	2.1
Employment Cost Index (Dec. 2005=1.0)	1.667	1.686	1.702	1.718	1.732	1.746	1.761	1.777
% Ch , Annual Rate	4.5	4.6	4.0	3.6	3.3	3.4	3.5	3.6
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	27,621.0	27,830.1	28,100.0	28,455.2	28,713.7	28,980.7	29,275.2	29,584.6
% Ch , Annual Rate	2.7	3.1	3.9	5.2	3.7	3.8	4.1	4.3
Personal Income	23,467.3	23,727.4	23,979.5	24,255.5	24,568.8	24,838.4	25,100.4	25,366.6
% Ch , Annual Rate	5.5	4.5	4.3	4.7	5.3	4.5	4.3	4.3
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	168.0	168.1	168.1	168.2	168.4	168.5	168.7	168.8
Total U.S. Employment	161.3	161.1	160.7	160.9	161.1	161.3	161.4	161.6
Unemployment Rate (%)	3.98	4.12	4.42	4.36	4.32	4.32	4.32	4.29
Nonfarm Payroll Employment	156.23	156.00	155.74	155.68	155.76	156.01	156.14	156.24
% Ch , Annual Rate	-0.6	-0.6	-0.7	-0.2	0.2	0.6	0.3	0.3
Manufacturing	12.96	12.84	12.66	12.44	12.32	12.23	12.15	12.11
% Ch , Annual Rate	-2.5	-3.8	-5.5	-6.6	-4.0	-3.0	-2.4	-1.3
Durable Manufacturing	8.15	8.07	7.96	7.80	7.71	7.65	7.59	7.56
% Ch , Annual Rate	-2.0	-4.0	-5.3	-7.5	-4.5	-3.4	-2.8	-1.5
Nondurable Manufacturing	4.81	4.77	4.70	4.64	4.60	4.58	4.56	4.55
% Ch , Annual Rate	-3.3	-3.5	-5.7	-5.2	-3.1	-2.2	-1.7	-1.1
Construction	8.03	8.01	8.01	8.01	7.98	7.98	7.99	8.01
% Ch , Annual Rate	0.5	-0.9	0.1	-0.2	-1.5	0.2	0.5	1.0
Service-Providing	134.60	134.52	134.43	134.58	134.81	135.14	135.33	135.45
% Ch , Annual Rate	-0.4	-0.2	-0.3	0.5	0.7	1.0	0.6	0.3
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	86.9	84.1	81.8	79.9	78.2	76.6	75.2	73.9
Personal Saving/Disposable Income (%)	4.6	5.1	5.3	5.3	5.6	5.7	5.6	5.5
Auto Sales (Millions)	3.0	3.1	3.1	3.1	3.2	3.2	3.2	3.3
% Ch , Annual Rate	-12.7	2.3	1.4	6.4	5.8	7.4	1.2	1.7
Housing Starts (Millions)	1.351	1.334	1.350	1.353	1.392	1.429	1.452	1.456
% Ch , Annual Rate	-11.8	-4.7	4.8	0.8	12.1	11.2	6.4	1.1
Federal Budget Surplus (Billions)	-1,685.5	-1,786.1	-1,849.7	-1,859.6	-1,916.1	-1,938.7	-1,924.7	-1,893.1
Net Exports (Billions)	-826.2	-828.0	-826.3	-799.1	-818.0	-829.3	-826.4	-818.3
3-Month Treasury Bill Rate (%)	5.41	5.19	4.61	4.15	3.67	3.33	3.06	2.81
10-Year Treasury Note Yield (%)	3.92	3.83	3.69	3.65	3.52	3.43	3.32	3.29
Bond Index of 20 G.O. Munis. (%)	3.69	3.69	3.64	3.65	3.60	3.59	3.54	3.54
30-Year Fixed Mortgage Rate (%)	6.82	6.46	6.16	5.89	5.61	5.44	5.28	5.21

Table A1.2 (continued)  
**U.S. Economic Forecast Summary**  
 Forecast 2023 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	21,316.5	21,419.9	21,521.9	21,622.6	21,722.5	21,825.5	21,929.1	22,035.5
% Ch , Annual Rate	2.0	2.0	1.9	1.9	1.9	1.9	1.9	2.0
Real Consumption	15,112.2	15,187.9	15,264.5	15,340.2	15,414.0	15,490.4	15,568.9	15,649.6
% Ch , Annual Rate	2.1	2.0	2.0	2.0	1.9	2.0	2.0	2.1
Real Nonresidential Fixed Investment	3,150.0	3,172.6	3,195.2	3,219.4	3,243.4	3,267.0	3,291.1	3,315.5
% Ch , Annual Rate	2.9	2.9	2.9	3.1	3.0	2.9	3.0	3.0
Real Residential Fixed Investment	604.6	609.5	612.3	615.3	619.4	624.0	627.7	631.2
% Ch , Annual Rate	3.6	3.3	1.9	2.0	2.7	3.0	2.4	2.2
Real Personal Income	18,985.2	19,101.2	19,212.5	19,326.4	19,479.1	19,608.6	19,736.0	19,859.1
% Ch , Annual Rate	2.9	2.5	2.4	2.4	3.2	2.7	2.6	2.5
Real Per Capita Income (\$/Person)	55,824	56,093	56,347	56,609	56,983	57,289	57,587	57,873
% Ch , Annual Rate	2.4	1.9	1.8	1.9	2.7	2.2	2.1	2.0
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	135.3	135.9	136.6	137.2	137.9	138.5	139.2	139.9
% Ch , Annual Rate	2.0	2.0	1.9	1.9	1.9	1.9	2.0	2.0
U.S. Consumer Price Index (1982-84=1.0)	3.241	3.259	3.275	3.292	3.308	3.325	3.342	3.360
% Ch , Annual Rate	2.4	2.2	2.0	2.1	2.0	2.0	2.1	2.1
Employment Cost Index (Dec. 2005=1.0)	1.793	1.809	1.825	1.840	1.857	1.874	1.892	1.910
% Ch , Annual Rate	3.6	3.7	3.5	3.4	3.7	3.7	3.8	3.9
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	29,900.6	30,219.3	30,529.5	30,837.8	31,146.7	31,461.0	31,783.1	32,113.1
% Ch , Annual Rate	4.3	4.3	4.2	4.1	4.1	4.1	4.2	4.2
Personal Income	25,677.6	25,963.4	26,240.3	26,523.0	26,860.0	27,167.4	27,480.3	27,788.3
% Ch , Annual Rate	5.0	4.5	4.3	4.4	5.2	4.7	4.7	4.6
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	169.0	169.2	169.3	169.5	169.7	169.9	170.1	170.3
Total U.S. Employment	161.8	162.0	162.2	162.4	162.7	162.9	163.1	163.4
Unemployment Rate (%)	4.25	4.24	4.21	4.17	4.13	4.12	4.10	4.05
Nonfarm Payroll Employment	156.39	156.55	156.73	156.89	157.08	157.26	157.41	157.57
% Ch, Annual Rate	0.4	0.4	0.5	0.4	0.5	0.5	0.4	0.4
Manufacturing	12.11	12.09	12.08	12.06	12.07	12.06	12.06	12.04
% Ch, Annual Rate	-0.2	-0.5	-0.4	-0.5	0.1	-0.1	-0.2	-0.4
Durable Manufacturing	7.56	7.55	7.55	7.54	7.55	7.55	7.55	7.54
% Ch, Annual Rate	0.0	-0.5	-0.3	-0.4	0.3	0.0	0.0	-0.2
Nondurable Manufacturing	4.54	4.54	4.53	4.52	4.52	4.52	4.51	4.50
% Ch, Annual Rate	-0.4	-0.6	-0.6	-0.6	-0.2	-0.4	-0.6	-0.8
Construction	8.03	8.06	8.09	8.11	8.14	8.17	8.21	8.25
% Ch, Annual Rate	1.3	1.4	1.4	1.1	1.5	1.6	1.7	1.8
Service-Providing	135.57	135.71	135.87	136.02	136.17	136.32	136.45	136.58
% Ch, Annual Rate	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	72.7	71.5	70.4	69.5	68.6	67.7	66.8	66.1
Personal Saving/Disposable Income (%)	5.6	5.7	5.6	5.6	5.9	5.9	6.0	6.0
Auto Sales (Millions)	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.1
% Ch, Annual Rate	-0.3	-1.1	-0.3	-1.7	-4.8	-1.4	-1.1	-2.4
Housing Starts (Millions)	1.460	1.463	1.434	1.433	1.433	1.440	1.435	1.443
% Ch, Annual Rate	1.1	0.8	-7.6	-0.2	-0.1	1.9	-1.3	2.3
Federal Budget Surplus (Billions)	-1,901.3	-1,904.7	-1,894.8	-1,882.7	-1,905.7	-1,904.7	-1,902.4	-1,893.3
Net Exports (Billions)	-806.5	-790.6	-775.8	-764.4	-752.3	-741.2	-728.4	-715.1
3-Month Treasury Bill Rate (%)	2.47	2.39	2.39	2.38	2.40	2.41	2.41	2.42
10-Year Treasury Note Yield (%)	3.24	3.21	3.19	3.18	3.20	3.21	3.20	3.20
Bond Index of 20 G.O. Munis. (%)	3.50	3.47	3.44	3.43	3.44	3.44	3.43	3.42
30-Year Fixed Mortgage Rate (%)	5.12	5.08	5.02	4.99	4.96	4.94	4.91	4.88

Table A1.3  
**Washington Economic Forecast Summary**  
Forecast 2023 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	474.774	494.112	475.382	487.808	498.282	513.692	529.451	546.506
% Ch	6.4	4.1	-3.8	2.6	2.1	3.1	3.1	3.2
Real Wage and Salary Disb.	238.087	252.203	252.960	261.292	265.872	273.579	282.391	292.432
% Ch	3.1	5.9	0.3	3.3	1.8	2.9	3.2	3.6
Real Nonwage Income	236.687	241.909	222.421	226.516	232.410	240.113	247.060	254.075
% Ch	10.1	2.2	-8.1	1.8	2.6	3.3	2.9	2.8
Real Per Capita Income (\$/Person)	61,521	63,811	61,059	62,208	63,019	64,448	65,847	67,343
% Ch	5.4	3.7	-4.3	1.9	1.3	2.3	2.2	2.3
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.111	1.156	1.228	1.275	1.309	1.336	1.362	1.389
% Ch	1.1	4.0	6.3	3.8	2.7	2.0	2.0	2.0
Seattle Cons. Price Index (1982-84=1.0)	2.826	2.960	3.224	3.411	3.516	3.587	3.663	3.738
% Ch	1.7	4.7	8.9	5.8	3.1	2.0	2.1	2.1
Average Nonfarm Annual Wage	78,426	84,316	85,881	90,011	93,785	97,867	102,016	106,649
% Ch	10.0	7.5	1.9	4.8	4.2	4.4	4.2	4.5
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.32	28.05	29.90	29.63	31.15	32.22	33.31	34.47
% Ch	-2.9	-1.0	6.6	-0.9	5.1	3.4	3.4	3.5
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	527.582	570.921	583.899	621.857	652.162	686.103	721.112	758.876
% Ch	7.6	8.2	2.3	6.5	4.9	5.2	5.1	5.2
Disposable Personal Income	468.083	499.530	498.187	543.443	574.796	605.540	634.167	665.127
% Ch	8.3	6.7	-0.3	9.1	5.8	5.3	4.7	4.9
Per Capita Income (\$/Person)	68,363	73,728	74,995	79,301	82,479	86,078	89,682	93,511
% Ch	6.5	7.8	1.7	5.7	4.0	4.4	4.2	4.3
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,935.8	3,899.3	3,988.0	4,062.6	4,094.9	4,125.2	4,161.8	4,200.9
Total Washington Employment	3,602.3	3,695.9	3,821.6	3,898.3	3,909.7	3,931.7	3,970.8	4,013.5
Unemployment Rate (%)	8.46	5.22	4.17	4.05	4.52	4.69	4.59	4.46
Nonfarm Payroll Employment	3,283.3	3,369.5	3,527.9	3,610.6	3,620.0	3,643.0	3,679.2	3,716.3
% Ch	-5.3	2.6	4.7	2.3	0.3	0.6	1.0	1.0
Manufacturing	271.8	260.0	268.9	274.9	274.3	270.3	272.1	273.6
% Ch	-7.5	-4.4	3.4	2.3	-0.2	-1.5	0.7	0.6
Durable Manufacturing	189.8	175.9	181.6	189.0	191.1	189.6	191.5	192.7
% Ch	-8.3	-7.3	3.3	4.1	1.1	-0.8	1.0	0.6
Aerospace	80.1	67.6	71.3	77.4	81.8	83.3	83.9	84.4
% Ch	-9.6	-15.6	5.5	8.6	5.7	1.8	0.7	0.6
Nondurable Manufacturing	82.0	84.1	87.3	86.0	83.2	80.7	80.6	81.0
% Ch	-5.5	2.6	3.8	-1.5	-3.1	-3.1	-0.1	0.5
Construction	213.9	223.9	232.5	240.0	237.7	238.1	243.1	248.6
% Ch	-2.6	4.7	3.8	3.2	-1.0	0.1	2.1	2.3
Service-Providing	2,792.0	2,880.0	3,021.0	3,090.2	3,102.9	3,129.6	3,158.7	3,188.7
% Ch	-5.3	3.1	4.9	2.3	0.4	0.9	0.9	0.9
Software Publishers	76.0	80.0	85.1	87.5	85.5	86.4	87.6	88.7
% Ch	8.1	5.1	6.5	2.7	-2.2	1.1	1.4	1.2
Mgmt. of Companies and Enterprises	91.8	90.2	104.2	104.0	109.4	113.2	116.4	119.2
% Ch	8.4	-1.7	15.5	-0.1	5.2	3.5	2.8	2.4
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	43.881	56.941	49.033	40.427	42.445	44.198	45.181	45.302
% Ch	-9.4	29.8	-13.9	-17.6	5.0	4.1	2.2	0.3
Single-Family	23.542	25.076	20.401	18.602	22.828	24.457	25.433	25.603
% Ch	1.0	6.5	-18.6	-8.8	22.7	7.1	4.0	0.7
Multi-Family	20.339	31.865	28.632	21.825	19.616	19.741	19.748	19.700
% Ch	-19.0	56.7	-10.1	-23.8	-10.1	0.6	0.0	-0.2
30-Year Fixed Mortgage Rate (%)	3.18	3.03	5.38	6.73	6.32	5.38	5.05	4.93

Table A1.4  
**Washington Economic Forecast Summary**  
Forecast 2023 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	475.571	475.471	475.187	475.298	485.466	487.740	488.230	489.794
% Ch, Annual Rate	-6.0	-0.1	-0.2	0.1	8.8	1.9	0.4	1.3
Real Wage and Salary Disb.	252.126	253.147	254.404	252.165	259.417	260.761	261.996	262.994
% Ch, Annual Rate	-6.8	1.6	2.0	-3.5	12.0	2.1	1.9	1.5
Real Nonwage Income	223.445	222.323	220.784	223.134	226.049	226.979	226.234	226.800
% Ch, Annual Rate	-5.1	-2.0	-2.7	4.3	5.3	1.7	-1.3	1.0
Real Per Capita Income (\$/Person)	61,234	61,125	60,981	60,897	62,109	62,272	62,191	62,259
% Ch, Annual Rate	-6.4	-0.7	-0.9	-0.5	8.2	1.1	-0.5	0.4
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.203	1.224	1.237	1.249	1.261	1.269	1.280	1.289
% Ch, Annual Rate	7.5	7.3	4.3	3.7	4.1	2.5	3.4	2.8
Seattle Cons. Price Index (1982-84=1.0)	3.114	3.208	3.260	3.313	3.361	3.393	3.430	3.461
% Ch, Annual Rate	8.9	12.7	6.5	6.7	6.0	3.8	4.4	3.7
Average Nonfarm Annual Wage	84,895	85,996	86,417	86,216	88,907	89,511	90,353	91,275
% Ch, Annual Rate	-3.6	5.3	2.0	-0.9	13.1	2.7	3.8	4.1
Avg. Hourly Earnings-Mfg. (\$/Hour)	29.63	29.97	30.19	29.81	28.68	29.48	30.02	30.35
% Ch, Annual Rate	11.2	4.7	3.0	-5.0	-14.2	11.6	7.5	4.6
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	572.066	582.098	587.933	593.498	612.330	619.035	624.874	631.191
% Ch, Annual Rate	1.0	7.2	4.1	3.8	13.3	4.5	3.8	4.1
Disposable Personal Income	487.665	496.085	501.320	507.676	533.307	541.386	546.084	552.995
% Ch, Annual Rate	-5.8	7.1	4.3	5.2	21.8	6.2	3.5	5.2
Per Capita Income (\$/Person)	73,658	74,833	75,449	76,042	78,340	79,035	79,597	80,232
% Ch, Annual Rate	0.6	6.5	3.3	3.2	12.6	3.6	2.9	3.2
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,952.8	3,982.8	4,001.1	4,015.5	4,035.3	4,063.4	4,070.5	4,081.2
Total Washington Employment	3,796.1	3,827.1	3,830.8	3,832.4	3,851.9	3,898.8	3,922.5	3,919.9
Unemployment Rate (%)	3.97	3.91	4.26	4.56	4.55	4.05	3.64	3.95
Nonfarm Payroll Employment	3,483.3	3,514.6	3,552.5	3,561.3	3,590.9	3,607.6	3,621.0	3,622.8
% Ch, Annual Rate	3.9	3.6	4.4	1.0	3.4	1.9	1.5	0.2
Manufacturing	265.3	267.3	270.9	272.0	272.5	273.6	276.1	277.6
% Ch, Annual Rate	3.2	3.1	5.5	1.7	0.7	1.6	3.8	2.0
Durable Manufacturing	178.6	180.4	183.1	184.2	185.5	187.5	190.8	192.1
% Ch, Annual Rate	3.5	4.1	6.2	2.4	2.7	4.6	7.2	2.7
Aerospace	68.7	70.0	72.7	73.9	74.5	76.3	78.9	80.0
% Ch, Annual Rate	5.8	8.0	16.4	6.7	3.1	10.1	14.7	5.6
Nondurable Manufacturing	86.7	86.9	87.7	87.8	87.0	86.0	85.3	85.4
% Ch, Annual Rate	2.7	0.9	4.1	0.2	-3.4	-4.4	-3.4	0.5
Construction	229.5	230.8	235.4	234.3	237.4	239.9	242.4	240.3
% Ch, Annual Rate	3.6	2.4	8.2	-1.8	5.4	4.3	4.2	-3.5
Service-Providing	2,983.0	3,011.0	3,040.6	3,049.4	3,075.5	3,088.6	3,097.0	3,099.7
% Ch, Annual Rate	4.0	3.8	4.0	1.2	3.5	1.7	1.1	0.3
Software Publishers	83.9	85.0	85.8	85.9	88.8	88.1	87.0	86.1
% Ch, Annual Rate	7.0	5.4	3.8	0.7	14.0	-3.2	-4.9	-4.2
Mgmt. of Companies and Enterprises	102.3	104.8	105.3	104.3	102.1	102.2	105.3	106.6
% Ch, Annual Rate	49.9	10.1	2.1	-3.6	-8.4	0.5	12.5	5.0
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	58.000	55.524	44.632	37.976	41.921	39.478	38.268	42.040
% Ch, Annual Rate	-19.7	-16.0	-58.3	-47.6	48.5	-21.3	-11.7	45.7
Single-Family	24.623	23.006	18.766	15.209	14.230	18.800	19.902	21.474
% Ch, Annual Rate	4.2	-23.8	-55.7	-56.9	-23.4	204.7	25.6	35.5
Multi-Family	33.377	32.519	25.866	22.767	27.691	20.678	18.365	20.567
% Ch, Annual Rate	-33.1	-9.9	-60.0	-40.0	118.8	-68.9	-37.8	57.3
30-Year Fixed Mortgage Rate (%)	3.90	5.33	5.66	6.63	6.36	6.49	7.06	7.02

Table A1.4 (continued)  
**Washington Economic Forecast Summary**  
Forecast 2023 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	493.699	496.740	499.733	502.958	507.894	511.971	515.618	519.285
% Ch, Annual Rate	3.2	2.5	2.4	2.6	4.0	3.2	2.9	2.9
Real Wage and Salary Disb.	263.826	265.174	266.426	268.064	270.427	272.613	274.588	276.688
% Ch, Annual Rate	1.3	2.1	1.9	2.5	3.6	3.3	2.9	3.1
Real Nonwage Income	229.873	231.566	233.307	234.894	237.467	239.358	241.030	242.597
% Ch, Annual Rate	5.5	3.0	3.0	2.7	4.5	3.2	2.8	2.6
Real Per Capita Income (\$/Person)	62,625	62,883	63,142	63,426	63,921	64,302	64,625	64,945
% Ch, Annual Rate	2.4	1.7	1.7	1.8	3.2	2.4	2.0	2.0
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.297	1.305	1.312	1.321	1.327	1.332	1.339	1.345
% Ch, Annual Rate	2.6	2.5	2.3	2.6	1.7	1.7	1.9	2.0
Seattle Cons. Price Index (1982-84=1.0)	3.483	3.504	3.526	3.553	3.564	3.576	3.594	3.613
% Ch, Annual Rate	2.5	2.5	2.5	3.1	1.2	1.4	2.0	2.1
Average Nonfarm Annual Wage	92,197	93,257	94,303	95,382	96,442	97,362	98,318	99,345
% Ch, Annual Rate	4.1	4.7	4.6	4.7	4.5	3.9	4.0	4.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	30.68	31.02	31.31	31.58	31.83	32.08	32.34	32.62
% Ch, Annual Rate	4.4	4.5	3.9	3.5	3.2	3.2	3.3	3.4
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	640.313	648.170	655.803	664.360	673.724	682.044	690.167	698.479
% Ch, Annual Rate	5.9	5.0	4.8	5.3	5.8	5.0	4.8	4.9
Disposable Personal Income	562.806	571.195	578.694	586.490	595.068	602.577	609.088	615.426
% Ch, Annual Rate	7.3	6.1	5.4	5.5	6.0	5.1	4.4	4.2
Per Capita Income (\$/Person)	81,222	82,053	82,862	83,780	84,791	85,662	86,502	87,357
% Ch, Annual Rate	5.0	4.2	4.0	4.5	4.9	4.2	4.0	4.0
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	4,085.9	4,091.9	4,097.0	4,104.6	4,112.5	4,120.9	4,129.3	4,138.2
Total Washington Employment	3,913.6	3,911.0	3,902.7	3,911.3	3,919.7	3,927.2	3,935.3	3,944.8
Unemployment Rate (%)	4.22	4.42	4.74	4.71	4.69	4.70	4.70	4.67
Nonfarm Payroll Employment	3,620.8	3,619.9	3,617.2	3,622.1	3,629.1	3,639.6	3,647.6	3,655.6
% Ch, Annual Rate	-0.2	-0.1	-0.3	0.5	0.8	1.2	0.9	0.9
Manufacturing	276.9	275.6	273.5	271.3	270.6	270.2	270.1	270.4
% Ch, Annual Rate	-0.9	-1.9	-3.0	-3.2	-1.0	-0.5	-0.2	0.4
Durable Manufacturing	192.2	191.7	190.8	189.6	189.5	189.5	189.6	190.0
% Ch, Annual Rate	0.2	-1.2	-1.8	-2.5	-0.3	0.0	0.3	0.8
Aerospace	80.9	81.6	82.2	82.7	83.0	83.3	83.4	83.6
% Ch, Annual Rate	4.5	3.4	2.8	2.4	1.8	1.1	0.8	0.7
Nondurable Manufacturing	84.7	83.9	82.7	81.6	81.1	80.7	80.5	80.4
% Ch, Annual Rate	-3.4	-3.4	-5.8	-5.1	-2.7	-1.8	-1.2	-0.3
Construction	239.3	237.7	236.9	237.1	236.6	237.7	238.5	239.4
% Ch, Annual Rate	-1.6	-2.6	-1.4	0.4	-0.8	1.8	1.5	1.4
Service-Providing	3,099.4	3,101.5	3,101.8	3,108.7	3,116.9	3,126.7	3,134.0	3,140.7
% Ch, Annual Rate	0.0	0.3	0.0	0.9	1.1	1.3	0.9	0.9
Software Publishers	85.4	85.5	85.5	85.7	86.0	86.3	86.6	86.9
% Ch, Annual Rate	-3.1	0.3	0.2	1.1	1.3	1.4	1.5	1.3
Mgmt. of Companies and Enterprises	107.8	108.9	109.9	110.9	111.9	112.8	113.6	114.4
% Ch, Annual Rate	4.6	4.2	3.9	3.7	3.4	3.2	3.1	2.9
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	42.526	42.160	42.356	42.737	43.487	44.055	44.397	44.853
% Ch, Annual Rate	4.7	-3.4	1.9	3.6	7.2	5.3	3.1	4.2
Single-Family	22.247	22.687	22.993	23.386	23.837	24.311	24.634	25.045
% Ch, Annual Rate	15.2	8.1	5.5	7.0	7.9	8.2	5.4	6.9
Multi-Family	20.278	19.473	19.363	19.351	19.649	19.743	19.763	19.808
% Ch, Annual Rate	-5.5	-15.0	-2.2	-0.3	6.3	1.9	0.4	0.9
30-Year Fixed Mortgage Rate (%)	6.81	6.44	6.15	5.88	5.60	5.44	5.28	5.21

Table A1.4 (continued)  
**Washington Economic Forecast Summary**  
Forecast 2023 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	523.709	527.591	531.338	535.166	540.040	544.390	548.694	552.901
% Ch, Annual Rate	3.5	3.0	2.9	2.9	3.7	3.3	3.2	3.1
Real Wage and Salary Disb.	279.017	281.257	283.494	285.795	288.388	291.080	293.782	296.476
% Ch, Annual Rate	3.4	3.3	3.2	3.3	3.7	3.8	3.8	3.7
Real Nonwage Income	244.693	246.334	247.844	249.371	251.652	253.310	254.912	256.425
% Ch, Annual Rate	3.5	2.7	2.5	2.5	3.7	2.7	2.6	2.4
Real Per Capita Income (\$/Person)	65,355	65,692	66,009	66,332	66,781	67,163	67,536	67,894
% Ch, Annual Rate	2.5	2.1	1.9	2.0	2.7	2.3	2.2	2.1
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.352	1.359	1.365	1.372	1.378	1.385	1.392	1.399
% Ch, Annual Rate	2.0	2.0	1.9	1.9	1.9	1.9	2.0	2.0
Seattle Cons. Price Index (1982-84=1.0)	3.634	3.654	3.673	3.691	3.710	3.728	3.748	3.768
% Ch, Annual Rate	2.4	2.2	2.1	2.1	2.0	2.0	2.1	2.1
Average Nonfarm Annual Wage	100,412	101,478	102,535	103,640	104,807	106,016	107,266	108,508
% Ch, Annual Rate	4.4	4.3	4.2	4.4	4.6	4.7	4.8	4.7
Avg. Hourly Earnings-Mfg. (\$/Hour)	32.90	33.18	33.45	33.72	34.01	34.31	34.62	34.95
% Ch, Annual Rate	3.5	3.5	3.3	3.3	3.5	3.6	3.7	3.8
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	708.012	716.841	725.419	734.178	744.403	753.979	763.730	773.391
% Ch, Annual Rate	5.6	5.1	4.9	4.9	5.7	5.2	5.3	5.2
Disposable Personal Income	623.402	630.861	637.722	644.685	653.289	661.189	669.122	676.908
% Ch, Annual Rate	5.3	4.9	4.4	4.4	5.4	4.9	4.9	4.7
Per Capita Income (\$/Person)	88,354	89,256	90,120	90,999	92,052	93,020	94,004	94,970
% Ch, Annual Rate	4.6	4.1	3.9	4.0	4.7	4.3	4.3	4.2
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	4,147.9	4,157.3	4,166.4	4,175.6	4,185.4	4,195.5	4,205.9	4,216.7
Total Washington Employment	3,956.1	3,965.6	3,975.7	3,985.8	3,996.9	4,007.4	4,018.6	4,031.0
Unemployment Rate (%)	4.62	4.61	4.58	4.55	4.50	4.49	4.45	4.40
Nonfarm Payroll Employment	3,665.7	3,674.9	3,683.8	3,692.2	3,701.8	3,711.6	3,721.1	3,730.9
% Ch, Annual Rate	1.1	1.0	1.0	0.9	1.0	1.1	1.0	1.1
Manufacturing	271.2	271.9	272.4	272.8	273.3	273.6	273.8	273.9
% Ch, Annual Rate	1.3	1.0	0.8	0.6	0.7	0.4	0.3	0.2
Durable Manufacturing	190.7	191.3	191.8	192.1	192.4	192.6	192.7	192.9
% Ch, Annual Rate	1.6	1.3	1.0	0.7	0.6	0.3	0.3	0.3
Aerospace	83.7	83.8	84.0	84.1	84.3	84.4	84.5	84.5
% Ch, Annual Rate	0.6	0.6	0.7	0.7	0.7	0.6	0.4	0.3
Nondurable Manufacturing	80.5	80.6	80.6	80.7	80.9	81.0	81.0	81.1
% Ch, Annual Rate	0.5	0.4	0.3	0.3	0.8	0.6	0.3	0.1
Construction	241.2	242.3	243.8	245.0	246.5	247.9	249.3	250.9
% Ch, Annual Rate	3.0	1.9	2.4	2.1	2.4	2.3	2.4	2.5
Service-Providing	3,148.2	3,155.4	3,162.3	3,169.0	3,176.7	3,184.8	3,192.5	3,200.7
% Ch, Annual Rate	0.9	0.9	0.9	0.8	1.0	1.0	1.0	1.0
Software Publishers	87.2	87.5	87.8	88.0	88.3	88.6	88.8	89.1
% Ch, Annual Rate	1.5	1.3	1.3	1.2	1.3	1.1	1.2	1.1
Mgmt. of Companies and Enterprises	115.2	116.0	116.7	117.5	118.2	118.9	119.5	120.2
% Ch, Annual Rate	2.8	2.7	2.6	2.5	2.4	2.4	2.3	2.3
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	45.163	45.214	45.180	45.168	45.226	45.342	45.318	45.323
% Ch, Annual Rate	2.8	0.4	-0.3	-0.1	0.5	1.0	-0.2	0.0
Single-Family	25.359	25.467	25.435	25.470	25.542	25.640	25.626	25.603
% Ch, Annual Rate	5.1	1.7	-0.5	0.6	1.1	1.5	-0.2	-0.4
Multi-Family	19.804	19.746	19.745	19.698	19.684	19.702	19.692	19.720
% Ch, Annual Rate	-0.1	-1.2	0.0	-0.9	-0.3	0.4	-0.2	0.6
30-Year Fixed Mortgage Rate (%)	5.12	5.08	5.02	4.99	4.97	4.94	4.91	4.88

Table A2.1

**U.S. Nonagricultural Employment by Industry (Millions)**

Forecast 2023 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Nonfarm Payroll Employment	142.15	146.28	152.63	156.00	155.91	156.04	156.64	157.33
% Ch	-5.8	2.9	4.3	2.2	-0.1	0.1	0.4	0.4
Manufacturing	12.16	12.35	12.83	13.01	12.73	12.20	12.08	12.06
% Ch	-5.1	1.6	3.8	1.4	-2.2	-4.1	-1.0	-0.2
Durable Manufacturing	7.57	7.68	7.98	8.14	7.99	7.63	7.55	7.55
% Ch	-5.8	1.4	3.8	2.1	-1.8	-4.5	-1.0	-0.1
Wood Products	0.40	0.41	0.43	0.43	0.40	0.39	0.43	0.45
% Ch	-3.1	3.5	4.6	-0.8	-6.9	-0.5	8.0	5.4
Primary and Fabricated Metals	1.74	1.73	1.79	1.82	1.79	1.73	1.74	1.75
% Ch	-7.1	-0.4	3.6	1.6	-2.1	-3.2	0.8	0.3
Computer and Electronic Products	1.06	1.06	1.09	1.10	1.09	1.08	1.07	1.06
% Ch	-1.2	-0.3	2.7	1.3	-0.9	-1.2	-0.8	-1.4
Machinery and Electrical Equipment	1.44	1.45	1.51	1.54	1.54	1.46	1.45	1.45
% Ch	-5.9	0.7	4.1	2.4	-0.4	-5.3	-0.4	-0.2
Transportation Equipment	1.59	1.65	1.73	1.82	1.82	1.68	1.59	1.58
% Ch	-8.0	3.4	4.9	5.5	-0.1	-7.7	-5.4	-0.5
Other Durables	1.34	1.39	1.43	1.42	1.36	1.29	1.27	1.27
% Ch	-5.5	3.0	3.3	-0.5	-4.3	-5.1	-1.4	-0.6
Nondurable Manufacturing	4.59	4.67	4.85	4.87	4.73	4.57	4.53	4.51
% Ch	-3.9	1.8	3.8	0.3	-2.8	-3.4	-0.9	-0.5
Food Manufacturing	1.61	1.64	1.70	1.72	1.70	1.64	1.64	1.65
% Ch	-1.8	1.4	3.6	1.5	-1.3	-3.6	-0.2	0.9
Paper and Paper Products	0.35	0.35	0.36	0.35	0.33	0.32	0.32	0.32
% Ch	-2.9	-1.4	3.3	-2.6	-5.7	-4.6	-0.2	0.0
Other Nondurables	2.62	2.69	2.79	2.79	2.70	2.62	2.58	2.54
% Ch	-5.2	2.4	4.0	-0.1	-3.3	-3.1	-1.4	-1.4
Natural Resources and Mining	0.60	0.56	0.61	0.64	0.64	0.66	0.69	0.70
% Ch	-17.5	-6.5	8.0	5.6	0.4	2.8	4.4	2.2
Construction	7.26	7.44	7.75	7.95	8.01	7.99	8.07	8.19
% Ch	-3.2	2.5	4.2	2.7	0.7	-0.3	1.1	1.5
Trade, Transportation, and Utilities	26.62	27.66	28.66	28.84	28.22	27.66	27.49	27.40
% Ch	-3.7	3.9	3.6	0.6	-2.1	-2.0	-0.6	-0.3
Wholesale Trade	5.63	5.71	5.96	6.05	6.06	6.10	6.12	6.12
% Ch	-4.3	1.4	4.5	1.4	0.2	0.7	0.3	-0.1
Retail Trade	14.81	15.26	15.49	15.52	14.92	14.28	14.05	14.01
% Ch	-4.7	3.0	1.5	0.2	-3.9	-4.3	-1.6	-0.3
Trans., Warehousing, and Utilities	6.18	6.69	7.21	7.27	7.24	7.28	7.31	7.28
% Ch	-0.6	8.3	7.8	0.8	-0.4	0.5	0.5	-0.4
Information	2.72	2.86	3.07	3.08	3.08	3.12	3.11	3.09
% Ch	-5.0	5.0	7.6	0.2	0.0	1.3	-0.2	-0.7
Publishing Industries	0.83	0.87	0.94	0.93	0.90	0.88	0.87	0.86
% Ch	0.9	4.8	8.1	-0.8	-3.2	-2.3	-1.2	-1.8
Other Information	1.89	1.99	2.13	2.15	2.17	2.23	2.24	2.23
% Ch	-7.4	5.1	7.4	0.6	1.4	2.7	0.3	-0.3
Financial Activities	8.70	8.81	9.04	9.13	9.14	9.25	9.35	9.35
% Ch	-0.6	1.2	2.7	1.0	0.1	1.2	1.1	0.0
Professional and Business Services	20.37	21.38	22.58	22.88	22.64	23.12	23.42	23.94
% Ch	-4.5	5.0	5.6	1.3	-1.1	2.1	1.3	2.2
Education and Health Services	23.27	23.65	24.35	25.36	25.83	25.90	25.85	25.84
% Ch	-3.7	1.6	3.0	4.1	1.9	0.3	-0.2	-0.1
Leisure and Hospitality	13.13	14.15	15.85	16.61	16.69	16.94	17.16	17.20
% Ch	-20.8	7.7	12.0	4.8	0.5	1.5	1.3	0.2
Other Services	5.33	5.46	5.71	5.86	5.93	6.01	6.09	6.14
% Ch	-9.6	2.4	4.6	2.6	1.2	1.5	1.3	0.7
Federal Government	2.93	2.89	2.87	2.92	2.94	2.94	2.94	2.94
% Ch	3.6	-1.6	-0.6	1.9	0.6	0.0	0.0	0.0
State and Local Government	19.05	19.08	19.31	19.72	20.06	20.25	20.38	20.48
% Ch	-3.7	0.2	1.2	2.1	1.7	1.0	0.6	0.5

Table A2.2

**U.S. Nonagricultural Employment by Industry (Millions)**

Forecast 2023 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Nonfarm Payroll Employment	150.85	152.04	153.33	154.28	155.24	155.91	156.39	156.44
% Ch, Annual Rate	4.6	3.2	3.4	2.5	2.5	1.7	1.2	0.1
Manufacturing	12.66	12.79	12.89	12.97	12.98	12.98	13.02	13.04
% Ch, Annual Rate	4.0	4.2	3.1	2.4	0.5	0.0	1.1	0.8
Durable Manufacturing	7.87	7.94	8.01	8.08	8.10	8.11	8.17	8.19
% Ch, Annual Rate	3.5	3.8	3.5	3.2	0.9	0.9	2.7	1.1
Wood Products	0.43	0.43	0.43	0.43	0.43	0.42	0.42	0.43
% Ch, Annual Rate	7.6	4.4	0.4	-1.5	-1.9	-3.4	0.6	4.1
Primary and Fabricated Metals	1.78	1.79	1.80	1.81	1.82	1.82	1.83	1.83
% Ch, Annual Rate	4.1	2.8	3.2	2.8	0.3	0.9	1.7	0.4
Computer and Electronic Products	1.07	1.08	1.09	1.10	1.10	1.10	1.10	1.10
% Ch, Annual Rate	2.0	4.0	3.6	2.1	0.3	1.1	0.2	-0.8
Machinery and Electrical Equipment	1.49	1.51	1.51	1.52	1.53	1.53	1.55	1.57
% Ch, Annual Rate	5.8	4.5	2.1	2.8	1.9	0.3	4.1	5.3
Transportation Equipment	1.68	1.71	1.74	1.77	1.78	1.81	1.84	1.85
% Ch, Annual Rate	0.1	6.8	6.7	7.2	3.3	6.0	6.4	3.3
Other Durables	1.42	1.43	1.43	1.44	1.44	1.42	1.43	1.41
% Ch, Annual Rate	4.5	0.6	2.3	1.7	-0.7	-3.6	0.5	-4.7
Nondurable Manufacturing	4.79	4.85	4.88	4.89	4.89	4.87	4.85	4.86
% Ch, Annual Rate	4.7	4.7	2.4	1.0	-0.1	-1.4	-1.5	0.3
Food Manufacturing	1.67	1.69	1.70	1.71	1.73	1.72	1.72	1.72
% Ch, Annual Rate	5.1	4.8	2.1	2.2	3.2	-0.8	-1.4	1.4
Paper and Paper Products	0.36	0.36	0.36	0.36	0.36	0.35	0.35	0.35
% Ch, Annual Rate	7.4	3.7	-1.0	-1.1	-4.5	-5.5	-1.4	-1.8
Other Nondurables	2.76	2.79	2.81	2.82	2.80	2.80	2.78	2.78
% Ch, Annual Rate	4.0	4.8	3.1	0.5	-1.5	-1.3	-1.6	-0.2
Natural Resources and Mining	0.58	0.60	0.61	0.62	0.63	0.64	0.64	0.64
% Ch, Annual Rate	7.4	13.2	7.3	6.9	7.0	5.4	1.0	-3.5
Construction	7.65	7.73	7.78	7.84	7.89	7.93	7.98	8.02
% Ch, Annual Rate	5.1	4.1	2.9	2.7	2.9	1.8	2.9	1.6
Trade, Transportation, and Utilities	28.48	28.64	28.76	28.77	28.85	28.87	28.87	28.78
% Ch, Annual Rate	5.6	2.2	1.6	0.2	1.1	0.2	0.0	-1.2
Wholesale Trade	5.88	5.96	5.99	6.02	6.04	6.05	6.06	6.04
% Ch, Annual Rate	5.8	5.0	2.5	1.9	1.4	0.4	1.0	-1.6
Retail Trade	15.50	15.48	15.50	15.48	15.53	15.53	15.55	15.49
% Ch, Annual Rate	3.7	-0.7	0.6	-0.6	1.3	0.2	0.5	-1.7
Trans., Warehousing, and Utilities	7.10	7.21	7.27	7.27	7.28	7.28	7.25	7.25
% Ch, Annual Rate	9.8	6.5	3.2	0.3	0.6	-0.1	-1.7	0.0
Information	3.00	3.06	3.11	3.12	3.09	3.09	3.06	3.07
% Ch, Annual Rate	6.1	9.0	6.0	1.7	-3.7	-0.5	-3.2	0.7
Publishing Industries	0.92	0.94	0.95	0.95	0.94	0.94	0.93	0.92
% Ch, Annual Rate	10.9	9.9	5.1	0.1	-4.7	-1.3	-1.9	-4.9
Other Information	2.08	2.12	2.16	2.17	2.15	2.15	2.13	2.15
% Ch, Annual Rate	4.1	8.6	6.4	2.5	-3.2	-0.1	-3.8	3.2
Financial Activities	8.97	9.04	9.06	9.09	9.10	9.13	9.16	9.13
% Ch, Annual Rate	3.0	3.0	1.1	1.4	0.2	1.5	1.2	-1.1
Professional and Business Services	22.30	22.50	22.71	22.80	22.89	23.00	22.93	22.69
% Ch, Annual Rate	6.6	3.6	3.8	1.6	1.6	2.0	-1.2	-4.2
Education and Health Services	23.98	24.19	24.49	24.75	25.00	25.23	25.49	25.70
% Ch, Annual Rate	2.2	3.5	5.1	4.2	4.2	3.7	4.2	3.2
Leisure and Hospitality	15.50	15.70	15.97	16.24	16.47	16.56	16.68	16.74
% Ch, Annual Rate	11.1	5.3	6.9	7.0	5.8	2.2	3.0	1.3
Other Services	5.64	5.68	5.73	5.78	5.83	5.85	5.88	5.87
% Ch, Annual Rate	3.6	3.1	3.7	3.3	3.3	1.8	1.7	-0.6
Federal Government	2.87	2.86	2.87	2.87	2.90	2.92	2.94	2.94
% Ch, Annual Rate	-0.5	-1.4	0.4	0.9	3.2	3.1	2.8	0.4
State and Local Government	19.20	19.25	19.35	19.43	19.61	19.71	19.73	19.84
% Ch, Annual Rate	0.8	0.9	2.2	1.7	3.7	2.0	0.5	2.1

Table A2.2 (continued)

**U.S. Nonagricultural Employment by Industry (Millions)**

Forecast 2023 to 2027

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Nonfarm Payroll Employment	156.23	156.00	155.74	155.68	155.76	156.01	156.14	156.24
% Ch, Annual Rate	-0.6	-0.6	-0.7	-0.2	0.2	0.6	0.3	0.3
Manufacturing	12.96	12.84	12.66	12.44	12.32	12.23	12.15	12.11
% Ch, Annual Rate	-2.5	-3.8	-5.5	-6.6	-4.0	-3.0	-2.4	-1.3
Durable Manufacturing	8.15	8.07	7.96	7.80	7.71	7.65	7.59	7.56
% Ch, Annual Rate	-2.0	-4.0	-5.3	-7.5	-4.5	-3.4	-2.8	-1.5
Wood Products	0.42	0.40	0.39	0.38	0.39	0.39	0.40	0.41
% Ch, Annual Rate	-10.5	-13.2	-13.0	-9.2	6.6	5.9	6.3	9.2
Primary and Fabricated Metals	1.82	1.80	1.78	1.74	1.73	1.73	1.73	1.73
% Ch, Annual Rate	-2.3	-4.1	-4.9	-7.3	-2.9	-1.3	-0.2	0.5
Computer and Electronic Products	1.10	1.10	1.09	1.08	1.08	1.08	1.08	1.08
% Ch, Annual Rate	-0.7	-1.5	-2.3	-1.7	-0.8	-0.6	-0.7	-0.9
Machinery and Electrical Equipment	1.57	1.55	1.53	1.50	1.48	1.46	1.45	1.44
% Ch, Annual Rate	0.0	-3.3	-5.9	-8.4	-5.8	-4.4	-3.2	-1.3
Transportation Equipment	1.85	1.84	1.81	1.77	1.73	1.69	1.66	1.63
% Ch, Annual Rate	-0.4	-2.2	-5.8	-9.1	-9.2	-7.6	-7.7	-6.2
Other Durables	1.39	1.37	1.36	1.33	1.31	1.30	1.28	1.28
% Ch, Annual Rate	-4.1	-6.0	-4.8	-8.4	-4.6	-4.3	-3.8	-1.8
Nondurable Manufacturing	4.81	4.77	4.70	4.64	4.60	4.58	4.56	4.55
% Ch, Annual Rate	-3.3	-3.5	-5.7	-5.2	-3.1	-2.2	-1.7	-1.1
Food Manufacturing	1.72	1.72	1.69	1.67	1.65	1.64	1.63	1.63
% Ch, Annual Rate	-0.4	-1.5	-5.1	-5.6	-3.6	-3.1	-2.1	-0.5
Paper and Paper Products	0.34	0.34	0.33	0.32	0.32	0.32	0.32	0.32
% Ch, Annual Rate	-7.3	-7.6	-9.0	-7.2	-4.2	-2.0	-0.9	-0.6
Other Nondurables	2.75	2.72	2.68	2.65	2.63	2.62	2.61	2.60
% Ch, Annual Rate	-4.7	-4.2	-5.6	-4.7	-2.6	-1.7	-1.6	-1.5
Natural Resources and Mining	0.64	0.64	0.64	0.65	0.65	0.66	0.66	0.67
% Ch, Annual Rate	-0.4	2.2	1.5	2.5	2.7	2.7	4.7	4.7
Construction	8.03	8.01	8.01	8.01	7.98	7.98	7.99	8.01
% Ch, Annual Rate	0.5	-0.9	0.1	-0.2	-1.5	0.2	0.5	1.0
Trade, Transportation, and Utilities	28.57	28.35	28.08	27.90	27.78	27.67	27.61	27.57
% Ch, Annual Rate	-2.9	-3.0	-3.8	-2.5	-1.8	-1.5	-0.9	-0.5
Wholesale Trade	6.05	6.05	6.06	6.07	6.09	6.10	6.11	6.11
% Ch, Annual Rate	0.9	-0.4	1.0	0.5	1.3	0.6	0.9	-0.2
Retail Trade	15.24	15.06	14.78	14.61	14.44	14.31	14.20	14.17
% Ch, Annual Rate	-6.1	-4.7	-7.3	-4.4	-4.7	-3.6	-2.8	-0.9
Trans., Warehousing, and Utilities	7.27	7.24	7.23	7.22	7.25	7.27	7.29	7.29
% Ch, Annual Rate	0.9	-1.3	-0.5	-0.8	1.6	1.1	1.3	0.1
Information	3.09	3.09	3.06	3.07	3.11	3.11	3.13	3.12
% Ch, Annual Rate	3.3	-0.8	-3.7	1.6	4.5	1.2	1.7	-1.0
Publishing Industries	0.92	0.91	0.90	0.89	0.89	0.88	0.88	0.88
% Ch, Annual Rate	-0.6	-5.1	-5.6	-2.4	-1.7	-1.3	-0.7	-1.4
Other Information	2.17	2.18	2.16	2.18	2.22	2.23	2.25	2.24
% Ch, Annual Rate	5.0	1.1	-2.9	3.2	7.1	2.2	2.7	-0.9
Financial Activities	9.16	9.13	9.13	9.15	9.18	9.23	9.28	9.31
% Ch, Annual Rate	1.0	-1.2	0.2	0.6	1.6	2.0	2.1	1.5
Professional and Business Services	22.59	22.58	22.60	22.78	22.95	23.13	23.17	23.21
% Ch, Annual Rate	-1.7	-0.1	0.4	3.1	3.1	3.1	0.8	0.6
Education and Health Services	25.75	25.79	25.90	25.89	25.89	25.91	25.92	25.87
% Ch, Annual Rate	0.8	0.6	1.7	-0.1	0.0	0.2	0.2	-0.8
Leisure and Hospitality	16.65	16.69	16.68	16.75	16.79	16.91	16.98	17.07
% Ch, Annual Rate	-2.0	1.0	-0.2	1.6	1.0	3.0	1.5	2.2
Other Services	5.91	5.91	5.94	5.95	5.98	6.00	6.03	6.05
% Ch, Annual Rate	2.4	0.3	1.8	1.1	1.6	1.7	2.2	1.1
Federal Government	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	19.95	20.04	20.10	20.16	20.20	20.24	20.27	20.30
% Ch, Annual Rate	2.4	1.7	1.3	1.1	0.9	0.8	0.7	0.6

Table A2.2 (continued)

**U.S. Nonagricultural Employment by Industry (Millions)**

Forecast 2023 to 2027

	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1	2027Q2	2027Q3	2027Q4
Nonfarm Payroll Employment	156.39	156.55	156.73	156.89	157.08	157.26	157.41	157.57
% Ch, Annual Rate	0.4	0.4	0.5	0.4	0.5	0.5	0.4	0.4
Manufacturing	12.11	12.09	12.08	12.06	12.07	12.06	12.06	12.04
% Ch, Annual Rate	-0.2	-0.5	-0.4	-0.5	0.1	-0.1	-0.2	-0.4
Durable Manufacturing	7.56	7.55	7.55	7.54	7.55	7.55	7.55	7.54
% Ch, Annual Rate	0.0	-0.5	-0.3	-0.4	0.3	0.0	0.0	-0.2
Wood Products	0.42	0.42	0.43	0.43	0.44	0.45	0.45	0.46
% Ch, Annual Rate	10.8	7.6	5.9	4.5	5.2	5.2	5.6	5.5
Primary and Fabricated Metals	1.74	1.74	1.74	1.75	1.75	1.75	1.75	1.74
% Ch, Annual Rate	1.9	0.9	1.0	0.5	0.5	-0.3	-0.4	-0.6
Computer and Electronic Products	1.07	1.07	1.07	1.07	1.06	1.06	1.05	1.05
% Ch, Annual Rate	-0.7	-0.7	-0.9	-1.0	-1.8	-1.8	-1.6	-1.4
Machinery and Electrical Equipment	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.44
% Ch, Annual Rate	1.2	1.0	0.5	-0.2	0.0	-0.6	-0.8	-0.9
Transportation Equipment	1.61	1.59	1.58	1.57	1.57	1.58	1.58	1.58
% Ch, Annual Rate	-5.1	-5.1	-3.4	-1.9	0.9	1.5	1.0	0.1
Other Durables	1.28	1.28	1.27	1.27	1.27	1.27	1.27	1.26
% Ch, Annual Rate	-0.1	-0.6	-0.6	-1.0	-0.4	-0.7	-0.5	-0.4
Nondurable Manufacturing	4.54	4.54	4.53	4.52	4.52	4.52	4.51	4.50
% Ch, Annual Rate	-0.4	-0.6	-0.6	-0.6	-0.2	-0.4	-0.6	-0.8
Food Manufacturing	1.63	1.63	1.64	1.64	1.65	1.65	1.65	1.65
% Ch, Annual Rate	0.5	0.6	0.7	1.0	1.3	1.0	0.5	0.1
Paper and Paper Products	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32
% Ch, Annual Rate	0.5	0.3	0.2	-0.2	0.3	0.0	-0.4	-0.5
Other Nondurables	2.59	2.59	2.58	2.57	2.56	2.55	2.54	2.53
% Ch, Annual Rate	-1.1	-1.4	-1.5	-1.6	-1.2	-1.3	-1.3	-1.4
Natural Resources and Mining	0.68	0.69	0.69	0.70	0.70	0.71	0.71	0.70
% Ch, Annual Rate	4.7	4.8	4.2	3.2	2.4	1.4	0.1	-0.8
Construction	8.03	8.06	8.09	8.11	8.14	8.17	8.21	8.25
% Ch, Annual Rate	1.3	1.4	1.4	1.1	1.5	1.6	1.7	1.8
Trade, Transportation, and Utilities	27.52	27.50	27.47	27.44	27.42	27.42	27.41	27.37
% Ch, Annual Rate	-0.7	-0.3	-0.4	-0.5	-0.3	-0.1	-0.2	-0.4
Wholesale Trade	6.11	6.11	6.12	6.13	6.13	6.13	6.11	6.09
% Ch, Annual Rate	0.3	0.0	0.4	0.5	0.3	-0.2	-1.3	-1.6
Retail Trade	14.11	14.08	14.04	13.99	13.97	13.99	14.02	14.04
% Ch, Annual Rate	-1.8	-0.7	-1.3	-1.4	-0.4	0.6	0.8	0.5
Trans., Warehousing, and Utilities	7.30	7.31	7.32	7.33	7.31	7.29	7.27	7.25
% Ch, Annual Rate	0.5	0.2	0.5	0.5	-0.7	-1.2	-1.0	-1.3
Information	3.12	3.12	3.11	3.10	3.10	3.09	3.09	3.08
% Ch, Annual Rate	0.1	-0.6	-0.8	-1.3	-0.1	-0.8	-0.8	-0.9
Publishing Industries	0.88	0.87	0.87	0.87	0.86	0.86	0.85	0.85
% Ch, Annual Rate	-0.9	-1.5	-1.5	-1.7	-1.4	-2.3	-2.0	-2.2
Other Information	2.24	2.24	2.24	2.23	2.24	2.23	2.23	2.23
% Ch, Annual Rate	0.5	-0.2	-0.5	-1.2	0.4	-0.2	-0.3	-0.4
Financial Activities	9.35	9.36	9.35	9.36	9.37	9.37	9.35	9.32
% Ch, Annual Rate	1.7	0.2	0.0	0.1	0.7	-0.2	-0.7	-1.4
Professional and Business Services	23.30	23.38	23.46	23.54	23.68	23.84	24.00	24.23
% Ch, Annual Rate	1.5	1.4	1.4	1.3	2.4	2.7	2.7	3.8
Education and Health Services	25.86	25.84	25.85	25.86	25.87	25.85	25.83	25.79
% Ch, Annual Rate	-0.2	-0.2	0.1	0.3	0.2	-0.4	-0.3	-0.5
Leisure and Hospitality	17.07	17.13	17.19	17.24	17.21	17.21	17.20	17.17
% Ch, Annual Rate	0.1	1.3	1.5	1.1	-0.7	0.1	-0.3	-0.6
Other Services	6.07	6.09	6.10	6.12	6.13	6.13	6.14	6.15
% Ch, Annual Rate	1.5	0.9	1.0	1.1	0.7	0.1	0.5	0.5
Federal Government	2.94	2.94	2.94	2.94	2.94	2.94	2.94	2.94
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.33	20.36	20.39	20.42	20.44	20.47	20.50	20.52
% Ch, Annual Rate	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5

Table A2.3

**Washington Nonagricultural Employment by Industry (Thousands)**

Forecast 2023 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Nonfarm Payroll Employment	3,283.3	3,369.5	3,527.9	3,610.6	3,620.0	3,643.0	3,679.2	3,716.3
% Ch	-5.3	2.6	4.7	2.3	0.3	0.6	1.0	1.0
Manufacturing	271.8	260.0	268.9	274.9	274.3	270.3	272.1	273.6
% Ch	-7.5	-4.4	3.4	2.3	-0.2	-1.5	0.7	0.6
Durable Manufacturing	189.8	175.9	181.6	189.0	191.1	189.6	191.5	192.7
% Ch	-8.3	-7.3	3.3	4.1	1.1	-0.8	1.0	0.6
Wood Products	12.6	13.2	13.6	13.3	12.1	11.7	12.3	12.5
% Ch	-2.8	5.1	2.9	-2.4	-9.1	-2.7	4.4	2.3
Primary and Fabricated Metals	24.4	23.2	23.6	23.8	22.9	22.1	22.3	22.4
% Ch	-9.1	-5.2	2.1	0.5	-3.8	-3.4	1.0	0.4
Computer and Electronic Products	18.8	18.0	18.1	18.5	18.4	18.2	18.2	18.0
% Ch	-5.3	-4.3	0.8	2.0	-0.5	-0.8	-0.1	-1.4
Machinery and Electrical Equipment	19.3	19.2	19.9	20.6	21.0	19.9	20.5	21.1
% Ch	-8.9	-0.6	3.9	3.3	1.8	-5.0	2.8	3.1
Aerospace	80.1	67.6	71.3	77.4	81.8	83.3	83.9	84.4
% Ch	-9.6	-15.6	5.5	8.6	5.7	1.8	0.7	0.6
Other Transportation Equip.	9.1	9.2	9.5	9.7	9.4	9.2	9.1	8.9
% Ch	-6.2	0.7	4.0	2.3	-3.1	-2.2	-0.8	-2.3
Other Durables	25.6	25.6	25.5	25.7	25.5	25.1	25.2	25.3
% Ch	-8.2	0.0	-0.4	0.9	-0.7	-1.7	0.3	0.5
Nondurable Manufacturing	82.0	84.1	87.3	86.0	83.2	80.7	80.6	81.0
% Ch	-5.5	2.6	3.8	-1.5	-3.1	-3.1	-0.1	0.5
Food Manufacturing	37.6	38.8	40.3	40.3	39.1	37.3	36.9	36.8
% Ch	-4.4	3.1	3.9	0.0	-2.9	-4.6	-1.2	-0.2
Paper and Paper Products	7.5	7.5	7.7	7.9	7.5	7.1	7.0	6.9
% Ch	-3.5	0.1	3.2	2.2	-4.8	-5.8	-1.3	-1.1
Other Nondurables	36.9	37.8	39.2	37.7	36.6	36.2	36.7	37.2
% Ch	-6.9	2.5	3.8	-3.8	-3.0	-1.0	1.3	1.4
Natural Resources and Mining	5.6	5.7	5.6	5.4	5.1	5.0	5.2	5.4
% Ch	-5.1	2.1	-2.4	-2.4	-6.3	-0.9	3.7	2.8
Construction	213.9	223.9	232.5	240.0	237.7	238.1	243.1	248.6
% Ch	-2.6	4.7	3.8	3.2	-1.0	0.1	2.1	2.3
Trade, Transportation, and Utilities	580.3	606.6	612.3	617.0	602.7	591.0	588.7	589.2
% Ch	-3.7	4.5	0.9	0.8	-2.3	-2.0	-0.4	0.1
Wholesale Trade	130.1	131.4	137.0	140.0	139.9	141.0	141.9	142.4
% Ch	-4.3	1.0	4.3	2.2	-0.1	0.8	0.6	0.4
Retail Trade	326.0	344.6	338.9	340.6	326.5	312.4	307.9	307.7
% Ch	-4.3	5.7	-1.6	0.5	-4.2	-4.3	-1.4	-0.1
Trans., Warehousing, and Utilities	124.3	130.6	136.4	136.4	136.4	137.6	138.9	139.1
% Ch	-1.5	5.1	4.4	0.0	0.0	0.9	1.0	0.1
Information	149.0	157.2	170.6	173.3	173.8	177.7	180.6	183.2
% Ch	3.1	5.5	8.6	1.6	0.3	2.3	1.7	1.4
Software Publishers	76.0	80.0	85.1	87.5	85.5	86.4	87.6	88.7
% Ch	8.1	5.1	6.5	2.7	-2.2	1.1	1.4	1.2
Other Publishing Industries	8.2	8.2	8.0	7.6	7.1	6.7	6.4	6.1
% Ch	-4.0	-0.8	-2.0	-4.7	-6.8	-5.7	-4.6	-5.5
Other Information	64.7	69.0	77.5	78.2	81.1	84.5	86.6	88.4
% Ch	-1.3	6.7	12.2	0.9	3.8	4.2	2.5	2.1
Financial Activities	158.5	161.0	165.4	166.5	165.9	167.5	169.3	169.1
% Ch	-1.2	1.6	2.7	0.7	-0.4	1.0	1.1	-0.2
Professional and Business Services	473.9	496.2	545.7	548.4	550.0	566.2	579.1	595.9
% Ch	-0.1	4.7	10.0	0.5	0.3	2.9	2.3	2.9
Mgmt. of Companies and Enterprises	91.8	90.2	104.2	104.0	109.4	113.2	116.4	119.2
% Ch	8.4	-1.7	15.5	-0.1	5.2	3.5	2.8	2.4
Other Prof. and Bus. Services	382.1	406.0	441.5	444.4	440.7	453.1	462.8	476.7
% Ch	-1.9	6.3	8.7	0.7	-0.8	2.8	2.1	3.0
Education and Health Services	489.1	502.3	514.4	533.1	543.9	547.4	549.7	552.9
% Ch	-2.6	2.7	2.4	3.6	2.0	0.6	0.4	0.6
Leisure and Hospitality	262.9	283.0	326.7	343.0	344.0	347.9	351.9	353.5
% Ch	-24.3	7.6	15.4	5.0	0.3	1.1	1.2	0.4
Other Services	116.2	113.7	120.0	124.6	125.8	127.2	128.7	130.2
% Ch	-9.9	-2.2	5.6	3.8	1.0	1.1	1.2	1.2
Federal Government	78.5	76.8	75.2	77.3	78.6	78.8	79.0	79.2
% Ch	3.6	-2.2	-2.1	2.8	1.7	0.2	0.3	0.3
State and Local Government	483.6	483.2	490.8	506.9	518.0	525.9	531.6	535.5
% Ch	-5.5	-0.1	1.6	3.3	2.2	1.5	1.1	0.7

Table A2.4

**Washington Nonagricultural Employment by Industry (Thousands)**

Forecast 2023 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Nonfarm Payroll Employment	3,483.3	3,514.6	3,552.5	3,561.3	3,590.9	3,607.6	3,621.0	3,622.8
% Ch, Annual Rate	3.9	3.6	4.4	1.0	3.4	1.9	1.5	0.2
Manufacturing	265.3	267.3	270.9	272.0	272.5	273.6	276.1	277.6
% Ch, Annual Rate	3.2	3.1	5.5	1.7	0.7	1.6	3.8	2.0
Durable Manufacturing	178.6	180.4	183.1	184.2	185.5	187.5	190.8	192.1
% Ch, Annual Rate	3.5	4.1	6.2	2.4	2.7	4.6	7.2	2.7
Wood Products	13.5	13.6	13.7	13.6	13.6	13.2	13.1	13.1
% Ch, Annual Rate	3.8	2.8	2.5	-1.9	1.2	-11.8	-4.3	0.6
Primary and Fabricated Metals	23.6	23.6	23.6	23.7	24.0	24.0	23.6	23.5
% Ch, Annual Rate	1.4	0.4	-0.6	2.1	4.6	0.0	-6.9	-0.6
Computer and Electronic Products	18.0	18.1	18.2	18.2	18.4	18.5	18.6	18.6
% Ch, Annual Rate	0.8	1.3	3.0	-0.4	3.5	2.9	2.1	-0.4
Machinery and Electrical Equipment	19.7	19.9	20.1	20.0	20.2	20.2	20.7	21.2
% Ch, Annual Rate	7.4	2.7	3.6	-1.4	5.3	-0.5	8.8	11.0
Aerospace	68.7	70.0	72.7	73.9	74.5	76.3	78.9	80.0
% Ch, Annual Rate	5.8	8.0	16.4	6.7	3.1	10.1	14.7	5.6
Other Transportation Equip.	9.5	9.6	9.5	9.4	9.5	9.7	9.9	9.8
% Ch, Annual Rate	6.1	5.8	-5.5	-3.1	2.7	10.2	9.1	-6.0
Other Durables	25.6	25.6	25.4	25.4	25.3	25.6	26.1	25.9
% Ch, Annual Rate	-2.4	0.5	-3.4	0.4	-2.1	5.5	7.5	-2.3
Nondurable Manufacturing	86.7	86.9	87.7	87.8	87.0	86.0	85.3	85.4
% Ch, Annual Rate	2.7	0.9	4.1	0.2	-3.4	-4.4	-3.4	0.5
Food Manufacturing	39.8	39.9	40.6	40.8	40.8	40.5	39.9	39.9
% Ch, Annual Rate	2.1	1.1	6.5	2.2	0.4	-3.0	-6.1	0.2
Paper and Paper Products	7.7	7.7	7.8	7.7	7.7	7.9	8.0	8.0
% Ch, Annual Rate	1.2	2.5	2.5	-2.5	-1.4	9.1	8.5	-3.0
Other Nondurables	39.1	39.2	39.4	39.2	38.5	37.6	37.4	37.5
% Ch, Annual Rate	3.6	0.4	2.1	-1.3	-7.7	-8.5	-2.8	1.6
Natural Resources and Mining	5.6	5.5	5.6	5.6	5.5	5.5	5.4	5.4
% Ch, Annual Rate	-7.6	-3.4	6.6	-4.3	-1.4	-5.6	-6.0	0.6
Construction	229.5	230.8	235.4	234.3	237.4	239.9	242.4	240.3
% Ch, Annual Rate	3.6	2.4	8.2	-1.8	5.4	4.3	4.2	-3.5
Trade, Transportation, and Utilities	610.2	612.4	614.4	612.1	618.4	618.4	616.6	614.7
% Ch, Annual Rate	-3.3	1.4	1.3	-1.5	4.2	0.0	-1.1	-1.2
Wholesale Trade	135.4	136.6	137.7	138.3	140.1	139.9	140.3	139.6
% Ch, Annual Rate	5.1	3.4	3.2	1.9	5.5	-0.7	1.0	-1.8
Retail Trade	340.4	339.4	339.1	336.7	341.5	341.8	340.2	338.9
% Ch, Annual Rate	-7.7	-1.1	-0.3	-2.9	5.9	0.4	-1.9	-1.6
Trans., Warehousing, and Utilities	134.4	136.4	137.6	137.1	136.7	136.6	136.1	136.2
% Ch, Annual Rate	0.5	6.0	3.6	-1.4	-1.1	-0.3	-1.3	0.1
Information	167.0	170.0	172.4	173.1	175.1	172.3	173.0	172.8
% Ch, Annual Rate	10.0	7.2	5.8	1.6	4.6	-6.1	1.6	-0.5
Software Publishers	83.9	85.0	85.8	85.9	88.8	88.1	87.0	86.1
% Ch, Annual Rate	7.0	5.4	3.8	0.7	14.0	-3.2	-4.9	-4.2
Other Publishing Industries	8.3	8.1	7.8	7.9	7.8	7.8	7.6	7.4
% Ch, Annual Rate	3.9	-12.7	-13.7	6.5	-4.1	-3.0	-8.7	-8.1
Other Information	74.8	76.9	78.8	79.3	78.5	76.5	78.4	79.3
% Ch, Annual Rate	14.3	11.7	10.4	2.1	-4.0	-9.7	10.6	4.5
Financial Activities	165.5	165.2	165.4	165.5	165.8	166.5	167.4	166.4
% Ch, Annual Rate	3.4	-0.8	0.6	0.2	0.7	1.9	2.1	-2.4
Professional and Business Services	535.0	544.6	551.2	551.9	547.5	548.0	550.8	547.4
% Ch, Annual Rate	18.1	7.4	4.9	0.5	-3.2	0.4	2.0	-2.4
Mgmt. of Companies and Enterprises	102.3	104.8	105.3	104.3	102.1	102.2	105.3	106.6
% Ch	49.9	10.1	2.1	-3.6	-8.4	0.5	12.5	5.0
Other Prof. and Bus. Services	432.7	439.9	445.9	447.6	445.4	445.8	445.5	440.9
% Ch	11.9	6.8	5.6	1.5	-2.0	0.4	-0.3	-4.1
Education and Health Services	508.9	512.4	517.1	519.2	525.1	531.3	536.0	540.1
% Ch, Annual Rate	1.8	2.8	3.7	1.6	4.6	4.8	3.6	3.1
Leisure and Hospitality	317.8	324.9	330.0	333.9	342.3	341.5	343.6	344.6
% Ch, Annual Rate	9.5	9.2	6.4	4.8	10.4	-0.9	2.5	1.2
Other Services	118.2	119.5	120.5	121.8	124.1	124.5	124.8	125.0
% Ch, Annual Rate	4.3	4.5	3.4	4.2	7.6	1.4	0.8	0.7
Federal Government	75.5	75.1	74.9	75.2	75.8	76.6	78.4	78.5
% Ch, Annual Rate	-3.3	-1.9	-1.4	2.1	2.8	4.6	9.4	0.6
State and Local Government	484.8	486.9	494.7	496.7	501.6	509.4	506.6	510.2
% Ch, Annual Rate	-2.5	1.7	6.6	1.6	4.0	6.4	-2.2	2.9

Table A2.4 (continued)

**Washington Nonagricultural Employment by Industry (Thousands)**

Forecast 2023 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Nonfarm Payroll Employment	3,620.8	3,619.9	3,617.2	3,622.1	3,629.1	3,639.6	3,647.6	3,655.6
% Ch, Annual Rate	-0.2	-0.1	-0.3	0.5	0.8	1.2	0.9	0.9
Manufacturing	276.9	275.6	273.5	271.3	270.6	270.2	270.1	270.4
% Ch, Annual Rate	-0.9	-1.9	-3.0	-3.2	-1.0	-0.5	-0.2	0.4
Durable Manufacturing	192.2	191.7	190.8	189.6	189.5	189.5	189.6	190.0
% Ch, Annual Rate	0.2	-1.2	-1.8	-2.5	-0.3	0.0	0.3	0.8
Wood Products	12.7	12.2	11.8	11.5	11.6	11.7	11.8	11.9
% Ch, Annual Rate	-11.8	-13.7	-13.2	-10.0	3.2	2.7	2.9	5.3
Primary and Fabricated Metals	23.3	23.1	22.8	22.3	22.1	22.1	22.1	22.1
% Ch, Annual Rate	-3.2	-4.7	-5.2	-7.7	-3.1	-1.1	-0.1	0.6
Computer and Electronic Products	18.6	18.5	18.3	18.3	18.2	18.3	18.3	18.2
% Ch, Annual Rate	-0.3	-1.7	-3.0	-1.9	-0.2	0.2	0.1	-0.3
Machinery and Electrical Equipment	21.3	21.2	20.9	20.4	20.1	19.9	19.8	19.9
% Ch, Annual Rate	2.6	-2.1	-6.0	-9.9	-5.7	-3.5	-1.7	1.4
Aerospace	80.9	81.6	82.2	82.7	83.0	83.3	83.4	83.6
% Ch, Annual Rate	4.5	3.4	2.8	2.4	1.8	1.1	0.8	0.7
Other Transportation Equip.	9.6	9.4	9.4	9.3	9.3	9.2	9.2	9.2
% Ch, Annual Rate	-7.2	-6.8	-2.9	-2.5	-1.9	-1.3	-1.4	-1.0
Other Durables	25.8	25.6	25.5	25.2	25.1	25.1	25.1	25.1
% Ch, Annual Rate	-2.2	-2.4	-2.4	-3.6	-1.6	-0.8	-0.2	0.0
Nondurable Manufacturing	84.7	83.9	82.7	81.6	81.1	80.7	80.5	80.4
% Ch, Annual Rate	-3.4	-3.4	-5.8	-5.1	-2.7	-1.8	-1.2	-0.3
Food Manufacturing	39.8	39.5	38.9	38.3	37.8	37.4	37.1	37.0
% Ch, Annual Rate	-1.5	-2.6	-6.0	-6.6	-4.6	-4.1	-3.1	-1.5
Paper and Paper Products	7.8	7.6	7.4	7.3	7.2	7.1	7.1	7.0
% Ch, Annual Rate	-8.6	-8.9	-10.2	-8.5	-5.4	-3.2	-2.1	-1.7
Other Nondurables	37.1	36.8	36.4	36.1	36.1	36.2	36.3	36.4
% Ch, Annual Rate	-4.4	-3.1	-4.5	-2.7	-0.1	0.9	1.1	1.2
Natural Resources and Mining	5.3	5.1	5.0	5.0	5.0	5.0	5.0	5.1
% Ch, Annual Rate	-9.0	-8.3	-11.2	0.0	3.3	-0.3	1.2	4.0
Construction	239.3	237.7	236.9	237.1	236.6	237.7	238.5	239.4
% Ch, Annual Rate	-1.6	-2.6	-1.4	0.4	-0.8	1.8	1.5	1.4
Trade, Transportation, and Utilities	609.9	605.6	599.5	596.0	593.2	591.2	589.9	589.6
% Ch, Annual Rate	-3.0	-2.8	-4.0	-2.3	-1.8	-1.4	-0.8	-0.2
Wholesale Trade	139.8	139.7	139.9	140.1	140.6	140.9	141.3	141.4
% Ch, Annual Rate	0.6	-0.4	0.7	0.6	1.3	0.9	1.1	0.1
Retail Trade	333.5	329.5	323.2	319.6	315.7	312.9	310.7	310.1
% Ch, Annual Rate	-6.1	-4.7	-7.5	-4.5	-4.7	-3.5	-2.7	-0.8
Trans., Warehousing, and Utilities	136.6	136.3	136.3	136.3	136.9	137.4	137.9	138.1
% Ch, Annual Rate	1.1	-0.7	-0.1	0.0	1.8	1.4	1.6	0.6
Information	173.2	173.7	173.6	174.7	176.3	177.3	178.4	178.9
% Ch, Annual Rate	0.9	1.2	-0.2	2.4	3.7	2.3	2.5	1.3
Software Publishers	85.4	85.5	85.5	85.7	86.0	86.3	86.6	86.9
% Ch, Annual Rate	-3.1	0.3	0.2	1.1	1.3	1.4	1.5	1.3
Other Publishing Industries	7.4	7.2	7.0	6.9	6.8	6.8	6.7	6.6
% Ch, Annual Rate	-3.4	-8.4	-9.1	-5.7	-4.9	-4.6	-3.9	-4.8
Other Information	80.4	81.1	81.1	82.0	83.4	84.2	85.1	85.4
% Ch, Annual Rate	5.8	3.1	0.3	4.5	7.1	3.8	4.2	1.7
Financial Activities	166.6	165.7	165.6	165.7	166.3	167.2	168.1	168.6
% Ch, Annual Rate	0.4	-2.0	-0.4	0.4	1.5	2.1	2.1	1.3
Professional and Business Services	546.6	548.1	550.0	555.4	560.6	565.6	568.1	570.7
% Ch, Annual Rate	-0.6	1.1	1.4	4.0	3.7	3.6	1.8	1.8
Mgmt. of Companies and Enterprises	107.8	108.9	109.9	110.9	111.9	112.8	113.6	114.4
% Ch	4.6	4.2	3.9	3.7	3.4	3.2	3.1	2.9
Other Prof. and Bus. Services	438.9	439.2	440.1	444.5	448.7	452.8	454.5	456.2
% Ch	-1.8	0.3	0.8	4.0	3.8	3.8	1.5	1.5
Education and Health Services	541.6	542.9	545.2	545.7	546.4	547.2	548.1	548.0
% Ch, Annual Rate	1.2	1.0	1.7	0.4	0.5	0.6	0.7	-0.1
Leisure and Hospitality	343.4	344.0	343.8	344.8	345.5	347.4	348.5	350.1
% Ch, Annual Rate	-1.4	0.8	-0.3	1.2	0.7	2.3	1.2	1.8
Other Services	125.4	125.7	126.0	126.3	126.6	127.0	127.4	127.7
% Ch, Annual Rate	1.4	0.8	1.0	0.9	1.1	1.1	1.3	1.1
Federal Government	78.5	78.6	78.6	78.7	78.7	78.7	78.8	78.8
% Ch, Annual Rate	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.3
State and Local Government	514.1	517.1	519.5	521.5	523.4	525.1	526.7	528.3
% Ch, Annual Rate	3.1	2.4	1.8	1.6	1.5	1.3	1.2	1.2

Table A2.4 (continued)

**Washington Nonagricultural Employment by Industry (Thousands)**

Forecast 2023 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Nonfarm Payroll Employment	3,665.7	3,674.9	3,683.8	3,692.2	3,701.8	3,711.6	3,721.1	3,730.9
% Ch, Annual Rate	1.1	1.0	1.0	0.9	1.0	1.1	1.0	1.1
Manufacturing	271.2	271.9	272.4	272.8	273.3	273.6	273.8	273.9
% Ch, Annual Rate	1.3	1.0	0.8	0.6	0.7	0.4	0.3	0.2
Durable Manufacturing	190.7	191.3	191.8	192.1	192.4	192.6	192.7	192.9
% Ch, Annual Rate	1.6	1.3	1.0	0.7	0.6	0.3	0.3	0.3
Wood Products	12.1	12.2	12.3	12.4	12.4	12.5	12.6	12.6
% Ch, Annual Rate	6.7	4.1	2.7	1.5	2.2	2.1	2.4	2.3
Primary and Fabricated Metals	22.2	22.3	22.4	22.4	22.4	22.4	22.4	22.4
% Ch, Annual Rate	2.3	1.1	1.2	0.7	0.7	-0.3	-0.4	-0.6
Computer and Electronic Products	18.2	18.2	18.2	18.2	18.1	18.0	17.9	17.8
% Ch, Annual Rate	0.1	-0.1	-0.4	-0.7	-2.1	-2.2	-1.8	-1.5
Machinery and Electrical Equipment	20.1	20.4	20.6	20.7	20.9	21.0	21.2	21.2
% Ch, Annual Rate	5.3	4.9	4.2	3.1	3.4	2.4	2.0	1.9
Aerospace	83.7	83.8	84.0	84.1	84.3	84.4	84.5	84.5
% Ch, Annual Rate	0.6	0.6	0.7	0.7	0.7	0.6	0.4	0.3
Other Transportation Equip.	9.2	9.2	9.1	9.1	9.0	9.0	8.9	8.8
% Ch, Annual Rate	-0.5	0.2	-1.2	-2.5	-2.8	-2.8	-2.7	-2.5
Other Durables	25.1	25.1	25.2	25.2	25.2	25.3	25.3	25.4
% Ch, Annual Rate	0.8	0.6	0.5	0.4	0.6	0.5	0.6	0.7
Non durable Manufacturing	80.5	80.6	80.6	80.7	80.9	81.0	81.0	81.1
% Ch, Annual Rate	0.5	0.4	0.3	0.3	0.8	0.6	0.3	0.1
Food Manufacturing	36.9	36.9	36.9	36.9	36.9	36.9	36.8	36.7
% Ch, Annual Rate	-0.5	-0.4	-0.3	0.0	0.2	0.0	-0.6	-1.0
Paper and Paper Products	7.0	7.0	7.0	7.0	7.0	6.9	6.9	6.9
% Ch, Annual Rate	-0.6	-0.8	-0.9	-1.3	-0.8	-1.1	-1.5	-1.7
Other Nondurables	36.6	36.7	36.8	36.9	37.0	37.2	37.3	37.4
% Ch, Annual Rate	1.7	1.4	1.2	1.0	1.6	1.5	1.5	1.4
Natural Resources and Mining	5.2	5.2	5.3	5.3	5.3	5.4	5.4	5.4
% Ch, Annual Rate	5.8	4.2	3.1	2.7	3.6	2.5	1.7	0.8
Construction	241.2	242.3	243.8	245.0	246.5	247.9	249.3	250.9
% Ch, Annual Rate	3.0	1.9	2.4	2.1	2.4	2.3	2.4	2.5
Trade, Transportation, and Utilities	588.9	588.9	588.7	588.4	588.5	589.1	589.6	589.7
% Ch, Annual Rate	-0.5	0.0	-0.2	-0.2	0.1	0.4	0.4	0.1
Wholesale Trade	141.6	141.7	142.0	142.3	142.5	142.6	142.4	142.1
% Ch, Annual Rate	0.7	0.4	0.8	0.8	0.7	0.3	-0.6	-0.9
Retail Trade	308.8	308.5	307.6	306.7	306.6	307.3	308.1	308.7
% Ch, Annual Rate	-1.7	-0.5	-1.1	-1.2	-0.2	0.9	1.1	0.8
Trans., Warehousing, and Utilities	138.5	138.7	139.0	139.3	139.3	139.1	139.1	138.9
% Ch, Annual Rate	1.1	0.7	0.9	0.9	-0.1	-0.5	-0.3	-0.5
Information	179.7	180.4	181.0	181.5	182.2	182.9	183.5	184.1
% Ch, Annual Rate	1.8	1.4	1.4	1.1	1.7	1.4	1.4	1.3
Software Publishers	87.2	87.5	87.8	88.0	88.3	88.6	88.8	89.1
% Ch, Annual Rate	1.5	1.3	1.3	1.2	1.3	1.1	1.2	1.1
Other Publishing Industries	6.5	6.5	6.4	6.3	6.2	6.1	6.0	5.9
% Ch, Annual Rate	-4.2	-5.0	-5.0	-5.4	-5.0	-6.2	-5.9	-6.3
Other Information	86.0	86.4	86.8	87.2	87.7	88.2	88.7	89.1
% Ch, Annual Rate	2.6	2.1	1.9	1.5	2.5	2.2	2.1	2.0
Financial Activities	169.4	169.4	169.3	169.3	169.6	169.4	169.0	168.2
% Ch, Annual Rate	1.8	0.0	-0.2	0.0	0.7	-0.4	-0.9	-1.8
Professional and Business Services	574.3	577.7	580.8	583.8	588.2	593.1	598.0	604.3
% Ch, Annual Rate	2.6	2.3	2.2	2.1	3.1	3.4	3.3	4.3
Mgmt. of Companies and Enterprises	115.2	116.0	116.7	117.5	118.2	118.9	119.5	120.2
% Ch	2.8	2.7	2.6	2.5	2.4	2.4	2.3	2.3
Other Prof. and Bus. Services	459.1	461.7	464.0	466.3	470.0	474.2	478.4	484.1
% Ch	2.5	2.3	2.1	2.0	3.2	3.6	3.6	4.8
Education and Health Services	548.5	549.1	550.0	551.1	552.2	552.6	553.2	553.5
% Ch, Annual Rate	0.4	0.4	0.7	0.8	0.8	0.3	0.4	0.3
Leisure and Hospitality	350.3	351.3	352.5	353.5	353.2	353.5	353.6	353.5
% Ch, Annual Rate	0.3	1.2	1.3	1.1	-0.3	0.3	0.1	-0.1
Other Services	128.1	128.5	128.9	129.3	129.7	130.0	130.4	130.8
% Ch, Annual Rate	1.3	1.1	1.2	1.3	1.2	1.1	1.2	1.2
Federal Government	78.9	79.0	79.0	79.1	79.1	79.2	79.3	79.3
% Ch, Annual Rate	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
State and Local Government	529.9	531.3	532.2	533.1	534.0	535.0	536.0	537.1
% Ch, Annual Rate	1.2	1.0	0.7	0.7	0.7	0.7	0.8	0.8

Table A3.1

**U.S. Personal Income by Component (Billions of Dollars)**

Forecast 2023 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Personal Income	19,832.3	21,294.8	21,777.2	22,843.4	23,857.4	24,968.5	26,101.1	27,324.0
% Ch	6.7	7.4	2.3	4.9	4.4	4.7	4.5	4.7
Total Wage and Salary Disbursements	9,457.4	10,290.1	11,189.6	11,775.1	12,286.5	12,833.8	13,424.9	14,089.9
% Ch	1.4	8.8	8.7	5.2	4.3	4.5	4.6	5.0
Nonwage Personal Income	10,374.9	11,004.7	10,587.6	11,068.3	11,570.9	12,134.7	12,676.2	13,234.1
% Ch	12.0	6.1	-3.8	4.5	4.5	4.9	4.5	4.4
Supplements to Wages and Salaries	2,135.4	2,248.4	2,374.9	2,479.3	2,595.1	2,713.2	2,823.3	2,930.6
% Ch	0.6	5.3	5.6	4.4	4.7	4.6	4.1	3.8
Proprietor's Income	1,643.1	1,753.6	1,848.3	1,917.7	1,939.1	1,983.0	2,052.1	2,135.9
% Ch	2.6	6.7	5.4	3.8	1.1	2.3	3.5	4.1
Farm	45.2	51.3	91.7	85.4	83.7	91.0	94.5	96.2
% Ch	...	...	...	...	...	...	...	...
Nonfarm	1,597.9	1,702.2	1,756.6	1,832.3	1,855.4	1,892.0	1,957.6	2,039.7
% Ch	1.6	6.5	3.2	4.3	1.3	2.0	3.5	4.2
Less: Contribution For Govt. Soc. Ins.	1,450.0	1,540.8	1,672.1	1,760.3	1,840.2	1,924.5	2,012.9	2,092.8
% Ch	1.8	6.3	8.5	5.3	4.5	4.6	4.6	4.0
Dividends/Int./Rent	3,815.3	3,926.2	4,125.8	4,359.0	4,677.4	4,971.7	5,188.5	5,386.4
% Ch	-0.1	2.9	5.1	5.7	7.3	6.3	4.4	3.8
Transfer Payments	4,231.2	4,617.3	3,910.7	4,072.6	4,199.5	4,391.3	4,625.1	4,873.9
% Ch	34.5	9.1	-15.3	4.1	3.1	4.6	5.3	5.4

Table A3.2

**U.S. Personal Income by Component (Billions of Dollars)**

Forecast 2023 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Personal Income	21,319.8	21,578.3	21,969.5	22,241.3	22,519.2	22,751.3	22,946.6	23,156.4
% Ch, Annual Rate	3.0	4.9	7.5	5.0	5.1	4.2	3.5	3.7
Total Wage and Salary Disbursements	10,925.5	11,058.0	11,361.0	11,413.9	11,545.6	11,698.0	11,867.9	11,988.9
% Ch, Annual Rate	6.8	4.9	11.4	1.9	4.7	5.4	5.9	4.1
Nonwage Personal Income	10,394.3	10,520.2	10,608.5	10,827.4	10,973.7	11,053.3	11,078.7	11,167.5
% Ch, Annual Rate	-0.7	4.9	3.4	8.5	5.5	2.9	0.9	3.2
Supplements to Wages and Salaries	2,334.2	2,357.1	2,394.0	2,414.2	2,440.0	2,465.3	2,491.7	2,520.2
% Ch, Annual Rate	6.8	4.0	6.4	3.4	4.3	4.2	4.3	4.7
Proprietor's Income	1,811.4	1,835.4	1,863.5	1,882.9	1,909.5	1,908.7	1,919.4	1,933.4
% Ch, Annual Rate	4.9	5.4	6.3	4.2	5.8	-0.1	2.2	3.0
Farm	74.4	95.7	95.9	100.9	96.7	85.2	81.0	78.8
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	1,737.0	1,739.7	1,767.6	1,782.0	1,812.8	1,823.6	1,838.4	1,854.6
% Ch, Annual Rate	-2.0	0.6	6.6	3.3	7.1	2.4	3.3	3.6
Less: Contribution For Govt. Soc. Ins.	1,634.7	1,654.4	1,695.6	1,703.7	1,730.8	1,749.8	1,771.1	1,789.6
% Ch, Annual Rate	10.1	4.9	10.3	1.9	6.5	4.4	5.0	4.3
Dividends/Int./Rent	4,014.7	4,098.9	4,153.7	4,235.8	4,297.6	4,350.0	4,375.1	4,413.3
% Ch, Annual Rate	1.7	8.7	5.5	8.1	6.0	5.0	2.3	3.5
Transfer Payments	3,868.7	3,883.2	3,892.8	3,998.2	4,057.5	4,079.0	4,063.7	4,090.2
% Ch, Annual Rate	-5.7	1.5	1.0	11.3	6.1	2.1	-1.5	2.6

Table A3.2 (continued)

**U.S. Personal Income by Component (Billions of Dollars)**

Forecast 2023 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	23,467.3	23,727.4	23,979.5	24,255.5	24,568.8	24,838.4	25,100.4	25,366.6
% Ch, Annual Rate	5.5	4.5	4.3	4.7	5.3	4.5	4.3	4.3
Total Wage and Salary Disbursements	12,096.6	12,224.4	12,343.2	12,481.9	12,628.2	12,766.6	12,900.1	13,040.4
% Ch, Annual Rate	3.6	4.3	3.9	4.6	4.8	4.5	4.2	4.4
Nonwage Personal Income	11,370.7	11,503.0	11,636.3	11,773.6	11,940.6	12,071.8	12,200.4	12,326.2
% Ch, Annual Rate	7.5	4.7	4.7	4.8	5.8	4.5	4.3	4.2
Supplements to Wages and Salaries	2,551.1	2,580.0	2,609.8	2,639.4	2,672.7	2,700.7	2,726.5	2,752.9
% Ch, Annual Rate	5.0	4.6	4.7	4.6	5.1	4.3	3.9	3.9
Proprietor's Income	1,930.6	1,935.6	1,938.1	1,952.1	1,962.3	1,973.9	1,989.9	2,006.0
% Ch, Annual Rate	-0.6	1.0	0.5	2.9	2.1	2.4	3.3	3.3
Farm	79.6	83.2	85.5	86.6	88.7	90.6	91.9	92.9
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	1,851.0	1,852.4	1,852.6	1,865.5	1,873.5	1,883.2	1,898.0	1,913.1
% Ch, Annual Rate	-0.8	0.3	0.0	2.8	1.7	2.1	3.2	3.2
Less: Contribution For Govt. Soc. Ins.	1,813.5	1,831.7	1,848.1	1,867.4	1,896.3	1,915.4	1,933.6	1,952.7
% Ch, Annual Rate	5.4	4.1	3.6	4.2	6.3	4.1	3.9	4.0
Dividends/Int./Rent	4,537.3	4,635.2	4,727.8	4,809.2	4,881.8	4,948.1	5,002.8	5,054.3
% Ch, Annual Rate	11.7	8.9	8.2	7.1	6.2	5.5	4.5	4.2
Transfer Payments	4,165.1	4,184.0	4,208.8	4,240.3	4,320.2	4,364.5	4,414.7	4,465.7
% Ch, Annual Rate	7.5	1.8	2.4	3.0	7.8	4.2	4.7	4.7

Table A3.2 (continued)

**U.S. Personal Income by Component (Billions of Dollars)**

Forecast 2023 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Personal Income	25,677.6	25,963.4	26,240.3	26,523.0	26,860.0	27,167.4	27,480.3	27,788.3
% Ch, Annual Rate	5.0	4.5	4.3	4.4	5.2	4.7	4.7	4.6
Total Wage and Salary Disbursements	13,194.7	13,347.8	13,500.3	13,656.7	13,826.7	14,000.6	14,178.0	14,354.5
% Ch, Annual Rate	4.8	4.7	4.6	4.7	5.1	5.1	5.2	5.1
Nonwage Personal Income	12,482.9	12,615.6	12,740.0	12,866.4	13,033.4	13,166.9	13,302.3	13,433.9
% Ch, Annual Rate	5.2	4.3	4.0	4.0	5.3	4.2	4.2	4.0
Supplements to Wages and Salaries	2,784.8	2,811.5	2,836.9	2,860.1	2,888.4	2,916.5	2,943.3	2,974.2
% Ch, Annual Rate	4.7	3.9	3.7	3.3	4.0	3.9	3.7	4.3
Proprietor's Income	2,022.5	2,042.9	2,061.5	2,081.5	2,099.6	2,121.4	2,147.2	2,175.4
% Ch, Annual Rate	3.3	4.1	3.7	3.9	3.5	4.2	4.9	5.4
Farm	93.7	94.3	94.8	95.3	95.7	96.1	96.4	96.7
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	1,928.8	1,948.6	1,966.7	1,986.3	2,003.9	2,025.3	2,050.7	2,078.7
% Ch, Annual Rate	3.3	4.2	3.8	4.0	3.6	4.3	5.1	5.6
Less: Contribution For Govt. Soc. Ins.	1,982.9	2,003.9	2,024.7	2,040.1	2,063.9	2,084.5	2,099.5	2,123.2
% Ch, Annual Rate	6.3	4.3	4.2	3.1	4.8	4.1	2.9	4.6
Dividends/Int./Rent	5,111.4	5,165.5	5,215.2	5,262.2	5,315.6	5,366.0	5,410.9	5,453.3
% Ch, Annual Rate	4.6	4.3	3.9	3.7	4.1	3.8	3.4	3.2
Transfer Payments	4,547.2	4,599.5	4,651.1	4,702.7	4,793.6	4,847.6	4,900.4	4,954.2
% Ch, Annual Rate	7.5	4.7	4.6	4.5	8.0	4.6	4.4	4.5

Table A3.3

**Washington Personal Income by Component (Billions of Dollars)**

Forecast 2023 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Personal Income	527.582	570.921	583.899	621.857	652.162	686.103	721.112	758.876
% Ch	7.6	8.2	2.3	6.5	4.9	5.2	5.1	5.2
Total Wage and Salary Disbursements	264.610	291.590	310.710	333.101	347.976	365.401	384.618	406.072
% Ch	4.2	10.2	6.6	7.2	4.5	5.0	5.3	5.6
Manufacturing	22.284	21.596	23.805	25.800	27.049	27.877	29.217	30.684
% Ch	-6.6	-3.1	10.2	8.4	4.8	3.1	4.8	5.0
Durable Manufacturing	17.227	16.226	18.032	19.787	20.991	21.773	22.870	24.026
% Ch	-8.3	-5.8	11.1	9.7	6.1	3.7	5.0	5.1
Nondurable Manufacturing	5.057	5.369	5.774	6.013	6.057	6.104	6.347	6.659
% Ch	-0.5	6.2	7.5	4.1	0.7	0.8	4.0	4.9
Nonmanufacturing	234.923	262.574	279.193	299.204	312.452	328.661	346.128	365.674
% Ch	5.2	11.8	6.3	7.2	4.4	5.2	5.3	5.6
Other Private Wages	1.365	1.392	1.458	1.553	1.625	1.705	1.792	1.888
% Ch	2.8	1.9	4.8	6.5	4.6	4.9	5.1	5.4
Farm Wages	1.988	1.749	1.880	2.018	2.149	2.296	2.455	2.632
% Ch	27.6	-12.0	7.5	7.4	6.5	6.8	6.9	7.2
Military Wages	4.050	4.280	4.373	4.525	4.702	4.863	5.026	5.193
% Ch	5.0	5.7	2.2	3.5	3.9	3.4	3.4	3.3
Nonwage Personal Income	262.972	279.330	273.189	288.757	304.185	320.702	336.494	352.803
% Ch	11.2	6.2	-2.2	5.7	5.3	5.4	4.9	4.8
Supplements to Wages and Salaries	57.635	60.788	64.631	67.950	71.275	74.832	78.295	81.688
% Ch	3.9	5.5	6.3	5.1	4.9	5.0	4.6	4.3
Proprietor's Income	38.885	40.202	41.347	43.062	43.722	44.817	46.479	48.446
% Ch	6.0	3.4	2.8	4.1	1.5	2.5	3.7	4.2
Farm	1.667	0.909	1.491	1.469	1.639	1.867	1.985	2.047
% Ch	...	...	...	...	...	...	...	...
Nonfarm	37.218	39.293	39.856	41.594	42.084	42.951	44.495	46.398
% Ch	5.9	5.6	1.4	4.4	1.2	2.1	3.6	4.3
Less: Contribution For Govt. Soc. Ins.	41.828	44.403	47.700	50.258	52.554	55.096	57.822	60.311
% Ch	5.2	6.2	7.4	5.4	4.6	4.8	4.9	4.3
Plus: Residence Adjustment	4.961	5.166	5.552	5.821	6.119	6.438	6.783	7.171
% Ch	4.2	4.1	7.5	4.8	5.1	5.2	5.4	5.7
Dividends/Int./Rent	110.446	114.052	121.073	129.174	138.920	148.123	155.172	161.792
% Ch	-0.1	3.3	6.2	6.7	7.5	6.6	4.8	4.3
Transfer Payments	92.874	103.525	88.287	93.007	96.703	101.588	107.587	114.017
% Ch	35.1	11.5	-14.7	5.3	4.0	5.1	5.9	6.0
State U.I. Benefits	12.276	8.282	0.761	0.680	0.888	1.084	1.139	1.144
% Ch	1,066.0	-32.5	-90.8	-10.7	30.6	22.0	5.1	0.5
Other Transfers	80.598	95.243	87.525	92.326	95.815	100.505	106.448	112.873
% Ch	19.1	18.2	-8.1	5.5	3.8	4.9	5.9	6.0

Table A3.4

**Washington Personal Income by Component (Billions of Dollars)**

Forecast 2023 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Personal Income	572.066	582.098	587.933	593.498	612.330	619.035	624.874	631.191
% Ch, Annual Rate	1.0	7.2	4.1	3.8	13.3	4.5	3.8	4.1
Total Wage and Salary Disbursements	303.283	309.917	314.765	314.874	327.209	330.956	335.322	338.916
% Ch, Annual Rate	0.1	9.0	6.4	0.1	16.6	4.7	5.4	4.4
Manufacturing	23.289	23.500	24.153	24.280	25.145	25.501	26.050	26.504
% Ch, Annual Rate	41.7	3.7	11.6	2.1	15.0	5.8	8.9	7.1
Durable Manufacturing	17.690	17.746	18.282	18.410	19.124	19.510	20.067	20.448
% Ch, Annual Rate	63.0	1.3	12.6	2.8	16.4	8.3	11.9	7.8
Nondurable Manufacturing	5.599	5.754	5.871	5.870	6.021	5.991	5.983	6.056
% Ch, Annual Rate	-6.3	11.5	8.4	-0.1	10.7	-2.0	-0.5	4.9
Nonmanufacturing	272.425	278.741	282.845	282.762	294.116	297.414	301.114	304.172
% Ch, Annual Rate	-2.7	9.6	6.0	-0.1	17.1	4.6	5.1	4.1
Other Private Wages	1.452	1.447	1.471	1.463	1.526	1.542	1.564	1.581
% Ch, Annual Rate	0.1	-1.4	6.9	-2.3	18.4	4.4	5.6	4.5
Farm Wages	1.821	1.871	1.894	1.933	1.969	1.999	2.037	2.069
% Ch, Annual Rate	12.9	11.4	4.9	8.5	7.7	6.3	7.7	6.4
Military Wages	4.295	4.359	4.402	4.436	4.453	4.500	4.557	4.592
% Ch, Annual Rate	-4.1	6.0	4.0	3.2	1.6	4.2	5.2	3.1
Nonwage Personal Income	268.783	272.180	273.168	278.624	285.121	288.079	289.552	292.274
% Ch, Annual Rate	2.0	5.2	1.5	8.2	9.7	4.2	2.1	3.8
Supplements to Wages and Salaries	63.090	64.238	65.290	65.907	66.817	67.541	68.319	69.126
% Ch, Annual Rate	10.0	7.5	6.7	3.8	5.6	4.4	4.7	4.8
Proprietor's Income	40.961	40.877	41.476	42.074	42.680	42.835	43.197	43.538
% Ch, Annual Rate	-2.2	-0.8	6.0	5.9	5.9	1.5	3.4	3.2
Farm	1.333	1.329	1.372	1.929	1.554	1.433	1.429	1.460
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	39.628	39.548	40.105	40.145	41.126	41.402	41.768	42.078
% Ch, Annual Rate	-5.3	-0.8	5.8	0.4	10.1	2.7	3.6	3.0
Less: Contribution For Govt. Soc. Ins.	46.381	47.301	48.565	48.555	49.384	49.946	50.590	51.110
% Ch, Annual Rate	7.0	8.2	11.1	-0.1	7.0	4.6	5.3	4.2
Plus: Residence Adjustment	5.505	5.474	5.621	5.607	5.686	5.776	5.875	5.946
% Ch, Annual Rate	11.3	-2.2	11.1	-1.0	5.8	6.4	7.1	4.9
Dividends/Int./Rent	117.122	120.123	122.085	124.961	127.208	128.860	129.700	130.928
% Ch, Annual Rate	2.1	10.7	6.7	9.8	7.4	5.3	2.6	3.8
Transfer Payments	88.486	88.770	87.261	88.631	92.115	93.014	93.052	93.847
% Ch, Annual Rate	0.4	1.3	-6.6	6.4	16.7	4.0	0.2	3.5
State U.I. Benefits	0.780	0.674	0.745	0.847	0.952	0.688	0.443	0.639
% Ch, Annual Rate	-68.5	-44.3	48.9	67.0	59.8	-72.8	-82.7	330.8
Other Transfers	87.706	88.096	86.516	87.784	91.163	92.326	92.608	93.208
% Ch, Annual Rate	1.6	1.8	-7.0	6.0	16.3	5.2	1.2	2.6

Table A3.4 (continued)

**Washington Personal Income by Component (Billions of Dollars)**

Forecast 2023 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	640.313	648.170	655.803	664.360	673.724	682.044	690.167	698.479
% Ch, Annual Rate	5.9	5.0	4.8	5.3	5.8	5.0	4.8	4.9
Total Wage and Salary Disbursements	342.175	346.011	349.632	354.087	358.723	363.173	367.543	372.167
% Ch, Annual Rate	3.9	4.6	4.3	5.2	5.3	5.1	4.9	5.1
Manufacturing	26.752	27.001	27.157	27.285	27.511	27.725	27.974	28.296
% Ch, Annual Rate	3.8	3.8	2.3	1.9	3.4	3.1	3.6	4.7
Durable Manufacturing	20.693	20.923	21.104	21.246	21.457	21.648	21.861	22.126
% Ch, Annual Rate	4.9	4.5	3.5	2.7	4.0	3.6	4.0	4.9
Nondurable Manufacturing	6.059	6.078	6.054	6.039	6.055	6.077	6.113	6.170
% Ch, Annual Rate	0.2	1.3	-1.6	-1.0	1.1	1.5	2.4	3.8
Nonmanufacturing	307.079	310.577	313.955	318.196	322.487	326.630	330.656	334.871
% Ch, Annual Rate	3.9	4.6	4.4	5.5	5.5	5.2	5.0	5.2
Other Private Wages	1.597	1.616	1.633	1.654	1.675	1.695	1.714	1.735
% Ch, Annual Rate	4.0	4.8	4.3	5.3	5.3	4.9	4.7	4.9
Farm Wages	2.098	2.132	2.164	2.202	2.241	2.278	2.313	2.352
% Ch, Annual Rate	5.8	6.7	6.1	7.2	7.2	6.7	6.5	6.8
Military Wages	4.649	4.685	4.724	4.750	4.809	4.846	4.885	4.912
% Ch, Annual Rate	5.1	3.1	3.4	2.2	5.0	3.1	3.3	2.2
Nonwage Personal Income	298.138	302.159	306.171	310.273	315.001	318.871	322.624	326.312
% Ch, Annual Rate	8.3	5.5	5.4	5.5	6.2	5.0	4.8	4.7
Supplements to Wages and Salaries	70.013	70.836	71.678	72.571	73.582	74.435	75.240	76.070
% Ch, Annual Rate	5.2	4.8	4.8	5.1	5.7	4.7	4.4	4.5
Proprietor's Income	43.499	43.626	43.703	44.061	44.315	44.597	44.983	45.375
% Ch, Annual Rate	-0.4	1.2	0.7	3.3	2.3	2.6	3.5	3.5
Farm	1.517	1.615	1.688	1.735	1.797	1.851	1.892	1.926
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	41.982	42.011	42.015	42.326	42.517	42.746	43.091	43.450
% Ch, Annual Rate	-0.9	0.3	0.0	3.0	1.8	2.2	3.3	3.4
Less: Contribution For Govt. Soc. Ins.	51.785	52.302	52.769	53.360	54.228	54.811	55.374	55.972
% Ch, Annual Rate	5.4	4.1	3.6	4.6	6.7	4.4	4.2	4.4
Plus: Residence Adjustment	6.008	6.083	6.152	6.232	6.318	6.399	6.476	6.558
% Ch, Annual Rate	4.3	5.0	4.6	5.3	5.6	5.2	5.0	5.2
Dividends/Int./Rent	134.647	137.612	140.442	142.978	145.255	147.351	149.107	150.779
% Ch, Annual Rate	11.9	9.1	8.5	7.4	6.5	5.9	4.9	4.6
Transfer Payments	95.755	96.303	96.965	97.790	99.760	100.901	102.192	103.501
% Ch, Annual Rate	8.4	2.3	2.8	3.4	8.3	4.7	5.2	5.2
State U.I. Benefits	0.767	0.864	0.933	0.990	1.037	1.075	1.103	1.120
% Ch, Annual Rate	107.6	61.5	35.7	26.7	20.5	15.5	10.8	6.5
Other Transfers	94.989	95.439	96.032	96.801	98.723	99.826	101.089	102.381
% Ch, Annual Rate	7.9	1.9	2.5	3.2	8.2	4.5	5.2	5.2

Table A3.4 (continued)

**Washington Personal Income by Component (Billions of Dollars)**

Forecast 2023 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Personal Income	708.012	716.841	725.419	734.178	744.403	753.979	763.730	773.391
% Ch, Annual Rate	5.6	5.1	4.9	4.9	5.7	5.2	5.3	5.2
Total Wage and Salary Disbursements	377.208	382.146	387.046	392.074	397.520	403.145	408.917	414.707
% Ch, Annual Rate	5.5	5.3	5.2	5.3	5.7	5.8	5.9	5.8
Manufacturing	28.674	29.043	29.398	29.753	30.125	30.498	30.877	31.238
% Ch, Annual Rate	5.4	5.3	5.0	4.9	5.1	5.0	5.1	4.8
Durable Manufacturing	22.432	22.731	23.017	23.299	23.589	23.878	24.175	24.460
% Ch, Annual Rate	5.7	5.4	5.1	5.0	5.1	5.0	5.1	4.8
Nondurable Manufacturing	6.241	6.312	6.382	6.454	6.537	6.620	6.701	6.777
% Ch, Annual Rate	4.7	4.6	4.5	4.6	5.2	5.2	5.0	4.6
Nonmanufacturing	339.411	343.879	348.321	352.902	357.847	362.990	368.267	373.593
% Ch, Annual Rate	5.5	5.4	5.3	5.4	5.7	5.9	5.9	5.9
Other Private Wages	1.758	1.781	1.803	1.825	1.850	1.875	1.901	1.927
% Ch, Annual Rate	5.5	5.2	5.0	5.1	5.5	5.6	5.7	5.6
Farm Wages	2.394	2.435	2.475	2.517	2.562	2.608	2.656	2.703
% Ch, Annual Rate	7.3	7.0	6.8	6.9	7.3	7.4	7.5	7.4
Military Wages	4.971	5.008	5.048	5.076	5.136	5.175	5.217	5.246
% Ch, Annual Rate	4.9	3.0	3.3	2.2	4.8	3.0	3.3	2.3
Nonwage Personal Income	330.804	334.695	338.373	342.105	346.882	350.834	354.813	358.685
% Ch, Annual Rate	5.6	4.8	4.5	4.5	5.7	4.6	4.6	4.4
Supplements to Wages and Salaries	77.079	77.920	78.723	79.458	80.355	81.242	82.086	83.066
% Ch, Annual Rate	5.4	4.4	4.2	3.8	4.6	4.5	4.2	4.9
Proprietor's Income	45.781	46.266	46.702	47.168	47.594	48.106	48.710	49.373
% Ch, Annual Rate	3.6	4.3	3.8	4.1	3.7	4.4	5.1	5.6
Farm	1.954	1.976	1.996	2.013	2.029	2.042	2.054	2.064
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	43.827	44.290	44.706	45.155	45.565	46.064	46.656	47.309
% Ch, Annual Rate	3.5	4.3	3.8	4.1	3.7	4.5	5.2	5.7
Less: Contribution For Govt. Soc. Ins.	56.900	57.545	58.182	58.662	59.395	60.043	60.529	61.278
% Ch, Annual Rate	6.8	4.6	4.5	3.3	5.1	4.4	3.3	5.0
Plus: Residence Adjustment	6.648	6.738	6.827	6.918	7.018	7.119	7.223	7.326
% Ch, Annual Rate	5.6	5.5	5.4	5.5	5.9	5.9	6.0	5.8
Dividends/Int./Rent	152.630	154.397	156.043	157.618	159.394	161.085	162.615	164.076
% Ch, Annual Rate	5.0	4.7	4.3	4.1	4.6	4.3	3.9	3.6
Transfer Payments	105.566	106.920	108.259	109.604	111.917	113.324	114.707	116.122
% Ch, Annual Rate	8.2	5.2	5.1	5.1	8.7	5.1	5.0	5.0
State U.I. Benefits	1.128	1.136	1.143	1.150	1.152	1.148	1.143	1.134
% Ch, Annual Rate	2.7	2.8	2.6	2.4	0.9	-1.4	-2.0	-2.9
Other Transfers	104.438	105.784	107.116	108.455	110.764	112.176	113.564	114.988
% Ch, Annual Rate	8.3	5.3	5.1	5.1	8.8	5.2	5.0	5.1

Table A4.1  
**Selected Inflation Indicators**  
(PCE Price Index 2012=100; CPI 1982-84=1)

	PCE Price Index*		U.S. CPI#		Seattle CPI+	
	Index	Percent Change	Index	Percent Change	Index	Percent Change
1971	21.8	4.2	0.405	4.2	0.382	2.1
1972	22.5	3.4	0.418	3.3	0.393	2.9
1973	23.8	5.4	0.444	6.3	0.418	6.4
1974	26.2	10.4	0.493	11.0	0.464	11.0
1975	28.4	8.3	0.538	9.1	0.511	10.2
1976	30.0	5.5	0.569	5.8	0.540	5.5
1977	31.9	6.5	0.606	6.5	0.583	8.0
1978	34.1	7.0	0.652	7.6	0.640	9.9
1979	37.2	8.9	0.726	11.3	0.709	10.8
1980	41.2	10.8	0.824	13.5	0.827	16.7
1981	44.9	9.0	0.909	10.4	0.916	10.8
1982	47.4	5.6	0.965	6.2	0.978	6.7
1983	49.4	4.3	0.996	3.2	0.993	1.5
1984	51.2	3.8	1.039	4.4	1.030	3.8
1985	53.0	3.5	1.076	3.5	1.056	2.5
1986	54.2	2.2	1.097	1.9	1.066	1.0
1987	55.9	3.1	1.136	3.6	1.092	2.4
1988	58.0	3.9	1.183	4.1	1.128	3.3
1989	60.6	4.4	1.239	4.8	1.181	4.7
1990	63.2	4.4	1.307	5.4	1.268	7.3
1991	65.3	3.3	1.362	4.2	1.341	5.8
1992	67.1	2.7	1.403	3.0	1.390	3.7
1993	68.8	2.5	1.445	3.0	1.429	2.8
1994	70.2	2.1	1.482	2.6	1.478	3.4
1995	71.7	2.1	1.524	2.8	1.522	3.0
1996	73.2	2.1	1.569	2.9	1.575	3.4
1997	74.5	1.7	1.605	2.3	1.630	3.5
1998	75.1	0.8	1.630	1.5	1.677	2.9
1999	76.2	1.5	1.666	2.2	1.728	3.0
2000	78.1	2.5	1.722	3.4	1.792	3.7
2001	79.7	2.0	1.770	2.8	1.857	3.6
2002	80.7	1.3	1.799	1.6	1.893	2.0
2003	82.4	2.1	1.840	2.3	1.924	1.6
2004	84.4	2.5	1.889	2.7	1.947	1.2
2005	86.9	2.9	1.953	3.4	2.002	2.8
2006	89.3	2.8	2.016	3.2	2.076	3.7
2007	91.6	2.6	2.073	2.9	2.157	3.9
2008	94.3	3.0	2.153	3.8	2.247	4.2
2009	94.1	-0.3	2.146	-0.3	2.260	0.6
2010	95.7	1.8	2.181	1.6	2.267	0.3
2011	98.2	2.5	2.249	3.1	2.328	2.7
2012	100.0	1.9	2.296	2.1	2.387	2.5
2013	101.4	1.4	2.330	1.5	2.416	1.2
2014	102.9	1.5	2.367	1.6	2.460	1.8
2015	103.1	0.2	2.370	0.1	2.494	1.4
2016	104.1	1.0	2.400	1.3	2.550	2.3
2017	106.1	1.8	2.451	2.1	2.627	3.0
2018	108.3	2.1	2.511	2.4	2.711	3.2
2019	109.9	1.5	2.557	1.8	2.779	2.5
2020	111.1	1.1	2.589	1.3	2.826	1.7
2021	115.6	4.0	2.710	4.7	2.960	4.7
2022	122.9	6.3	2.926	8.0	3.224	8.9
Forecast						
2023	127.5	3.8	3.049	4.2	3.411	5.8
2024	130.9	2.7	3.135	2.8	3.516	3.1
2025	133.6	2.0	3.198	2.0	3.587	2.0
2026	136.2	2.0	3.266	2.1	3.663	2.1
2027	138.9	1.9	3.333	2.1	3.738	2.1

\* GDP Price Index for Personal Consumption Expenditures

# Consumer Price Index for all Urban Consumers

+ Consumer Price Index for the Seattle-Tacoma-Bremerton, WA CMSA

Consumer Price Index and PCE Price Index values shown here are annual averages of seasonally adjusted quarterly data and may differ slightly from the annual values published by the Bureau of Labor Statistics and Bureau of Economic Analysis.

Table A4.2  
**Price Indexes for Gross Domestic Product**  
(2012=100)

	Services		Food		Fuels		Gasoline	
	Index	Percent Change	Index	Percent Change	Index	Percent Change	Index	Percent Change
1971	16.7	5.5	21.4	2.3	4.9	6.4	9.1	0.7
1972	17.4	4.2	22.4	4.8	5.0	0.6	9.2	1.3
1973	18.3	4.8	25.2	12.7	5.7	14.6	10.1	9.6
1974	19.8	8.5	29.0	15.2	9.0	58.9	13.6	35.1
1975	21.5	8.6	31.2	7.5	9.8	8.5	14.6	6.7
1976	23.0	6.9	31.8	1.9	10.5	7.3	15.2	4.2
1977	24.8	7.6	33.7	5.9	11.9	13.2	16.1	5.8
1978	26.7	7.7	36.9	9.6	12.6	5.7	16.8	4.3
1979	28.9	8.4	40.5	9.8	17.3	37.9	22.5	34.0
1980	31.9	10.4	43.9	8.4	24.3	40.4	31.2	38.8
1981	35.2	10.2	47.1	7.1	29.8	22.3	34.7	11.3
1982	37.9	7.8	48.3	2.6	29.2	-1.9	32.9	-5.1
1983	40.3	6.1	48.8	1.1	26.9	-7.8	31.9	-3.3
1984	42.4	5.2	50.3	3.0	27.5	2.2	31.4	-1.5
1985	44.4	4.9	50.9	1.1	26.4	-3.9	31.6	0.8
1986	46.3	4.1	52.1	2.4	20.7	-21.7	24.8	-21.5
1987	47.7	3.0	53.7	3.2	21.2	2.6	25.8	3.8
1988	49.9	4.8	55.3	3.0	21.2	0.0	26.0	0.8
1989	52.3	4.7	58.2	5.3	22.5	5.9	28.4	9.2
1990	54.7	4.6	61.1	4.9	27.1	20.4	32.3	13.8
1991	56.8	3.9	63.0	3.1	25.8	-4.8	31.9	-1.3
1992	58.8	3.6	63.5	0.8	24.7	-4.1	31.8	-0.4
1993	60.9	3.5	64.3	1.4	24.6	-0.7	31.5	-1.0
1994	62.5	2.7	65.4	1.7	24.1	-1.8	31.6	0.5
1995	64.3	2.8	66.8	2.2	23.9	-0.9	32.1	1.6
1996	66.1	2.7	68.9	3.1	27.1	13.3	34.1	6.1
1997	67.9	2.8	70.2	1.9	27.1	0.2	34.1	0.0
1998	69.4	2.1	71.1	1.3	24.0	-11.4	29.7	-12.9
1999	70.7	2.0	72.2	1.6	24.4	1.7	32.3	8.9
2000	72.7	2.8	73.9	2.3	35.8	46.6	41.3	27.8
2001	75.1	3.2	76.1	2.9	35.1	-2.0	39.8	-3.6
2002	77.0	2.6	77.2	1.5	31.3	-10.8	37.4	-6.0
2003	79.6	3.3	78.7	1.9	37.9	20.9	43.6	16.5
2004	82.0	3.1	81.2	3.1	44.1	16.4	51.3	17.6
2005	84.8	3.4	82.6	1.7	58.7	33.0	62.3	21.6
2006	87.8	3.6	84.0	1.7	66.7	13.7	70.3	12.9
2007	90.8	3.3	87.2	3.9	71.3	6.9	76.3	8.4
2008	93.5	2.9	92.6	6.1	96.8	35.7	88.8	16.5
2009	94.2	0.8	93.7	1.2	66.2	-31.6	65.2	-26.6
2010	96.0	1.9	93.9	0.3	77.5	16.9	76.9	18.0
2011	97.9	1.9	97.7	4.0	98.6	27.3	96.6	25.7
2012	100.0	2.2	100.0	2.4	100.0	1.4	100.0	3.5
2013	102.3	2.3	101.0	1.0	98.8	-1.2	97.2	-2.8
2014	104.9	2.5	102.9	1.9	98.3	-0.5	93.5	-3.8
2015	106.8	1.8	104.1	1.1	69.9	-28.8	68.7	-26.5
2016	109.2	2.2	103.0	-1.0	58.1	-17.0	61.1	-11.1
2017	112.0	2.5	102.9	-0.1	66.8	15.1	68.9	12.8
2018	115.1	2.8	103.4	0.5	80.8	21.0	78.0	13.2
2019	117.8	2.4	104.4	1.0	77.1	-4.6	75.3	-3.4
2020	120.1	2.0	108.0	3.4	59.9	-22.3	64.2	-14.8
2021	124.5	3.6	111.4	3.2	79.0	31.9	85.8	33.7
2022	130.7	5.0	123.1	10.5	128.9	63.1	112.7	31.3

Forecast

2023	137.4	5.1	128.7	4.5	107.9	-16.2	103.1	-8.5
2024	143.1	4.1	129.3	0.5	113.5	5.1	106.8	3.5
2025	147.9	3.3	131.3	1.6	104.4	-8.0	97.7	-8.5
2026	152.1	2.9	133.6	1.7	102.3	-1.9	95.3	-2.4
2027	156.4	2.8	136.0	1.9	101.7	-0.6	94.1	-1.3

Table A5.1

**Washington Resident Population and Components of Change\***  
(Thousands)

	<u>Population</u>	<u>Change</u>	<u>Percent Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Net Migration</u>
1970	3413.2	16.2	0.5	59.9	30.0	-13.7
1971	3436.3	23.1	0.7	60.0	29.8	-7.2
1972	3430.3	-6.0	-0.2	53.1	30.4	-28.7
1973	3444.3	14.0	0.4	47.7	30.4	-3.3
1974	3508.7	64.4	1.9	48.2	29.9	46.2
1975	3567.9	59.2	1.7	50.1	30.3	39.4
1976	3634.9	67.0	1.9	51.4	30.2	45.8
1977	3715.4	80.5	2.2	54.2	29.1	55.4
1978	3836.2	120.8	3.3	57.3	30.4	94.0
1979	3979.2	143.0	3.7	60.2	30.2	113.0
1980	4132.2	153.0	3.8	65.4	31.3	118.9
1981	4229.3	97.1	2.4	68.2	31.8	60.8
1982	4276.5	47.3	1.1	70.3	31.7	8.7
1983	4307.2	30.7	0.7	69.6	32.6	-6.3
1984	4354.1	46.8	1.1	68.6	33.3	11.5
1985	4415.8	61.7	1.4	69.2	34.0	26.5
1986	4462.2	46.4	1.1	70.3	34.0	10.1
1987	4527.1	64.9	1.5	69.4	34.4	29.8
1988	4616.9	89.8	2.0	71.1	36.0	54.7
1989	4728.1	111.2	2.4	73.2	36.1	74.0
1990	4866.7	138.6	2.9	76.7	36.3	98.3
1991	5000.4	133.7	2.7	79.3	36.7	91.1
1992	5091.1	90.8	1.8	80.6	37.2	47.5
1993	5188.0	96.9	1.9	79.5	39.4	56.7
1994	5291.6	103.6	2.0	78.3	39.6	64.9
1995	5396.6	105.0	2.0	77.5	40.0	67.5
1996	5483.1	86.5	1.6	77.0	41.2	50.7
1997	5579.1	96.0	1.8	78.0	42.6	60.6
1998	5685.5	106.3	1.9	78.8	41.6	69.1
1999	5792.2	106.8	1.9	79.8	43.1	70.1
2000	5894.1	101.9	1.8	79.9	43.7	65.8
2001	5970.5	76.3	1.3	80.7	43.9	39.5
2002	6059.7	89.2	1.5	79.3	44.9	54.9
2003	6126.9	67.2	1.1	79.1	44.7	32.9
2004	6208.5	81.6	1.3	81.0	46.0	46.7
2005	6298.8	90.3	1.5	81.8	45.6	54.0
2006	6420.2	121.4	1.9	83.2	45.3	83.5
2007	6525.1	104.9	1.6	87.8	46.2	63.3
2008	6608.2	83.1	1.3	89.6	47.9	41.5
2009	6672.3	64.0	1.0	89.8	48.1	22.3
2010	6724.5	52.3	0.8	88.4	47.7	11.5
2011	6781.5	56.9	0.8	86.4	48.8	19.3
2012	6835.2	53.8	0.8	87.1	49.2	15.9
2013	6909.4	74.2	1.1	87.3	51.1	38.1
2014	7005.2	95.8	1.4	87.0	50.7	59.4
2015	7106.6	101.4	1.4	88.5	52.8	65.8
2016	7237.2	130.6	1.8	89.8	54.7	95.4
2017	7344.1	106.9	1.5	89.7	56.1	73.3
2018	7463.5	119.4	1.6	87.3	56.4	88.4
2019	7581.8	118.3	1.6	85.7	57.2	89.8
2020	7706.3	124.5	1.6	84.8	58.5	98.2
2021	7767.0	60.7	0.8	82.1	64.0	42.5
2022	7864.4	97.4	1.3	85.0	71.1	83.6
<b>Forecast</b>						
2023	7951.6	87.2	1.1	87.2	69.6	69.7
2024	8025.2	73.6	0.9	88.0	67.3	52.9
2025	8100.4	75.1	0.9	88.6	65.4	51.9
2026	8182.1	81.7	1.0	89.1	61.4	54.0
2027	8263.3	81.2	1.0	89.6	63.2	54.8

\* As of April 1 of Each Year

Source: Office of Financial Management, November 2022 Forecast

Table A5.2  
**Washington Population\***  
 (Thousands)

	<b>2018</b>	<b>2019</b>	<b>Actual 2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Forecast 2025</b>	<b>2026</b>	<b>2027</b>
Total Population	7463.5	7581.8	7706.3	7767.0	7864.4	7951.6	8025.2	8100.4	8182.1	8263.3
Percent Change	1.6	1.6	1.6	0.8	1.3	1.1	0.9	0.9	1.0	1.0
Age 17 and Under	1672.7	1688.3	1688.6	1688.2	1700.2	1708.5	1710.7	1711.4	1711.9	1712.1
Percent of Total	22.4	22.3	21.9	21.7	21.6	21.5	21.3	21.1	20.9	20.7
Age 6-18	1219.8	1236.3	1240.1	1248.5	1263.6	1275.0	1281.3	1284.9	1285.6	1279.4
Percent of Total	16.3	16.3	16.1	16.1	16.1	16.0	16.0	15.9	15.7	15.5
Age 18 and Over	5790.7	5893.5	6017.7	6078.8	6164.2	6243.2	6314.5	6388.9	6470.2	6551.2
Percent of Total	77.6	77.7	78.1	78.3	78.4	78.5	78.7	78.9	79.1	79.3
Age 21 and Over	5507.5	5606.8	5737.8	5798.5	5879.7	5954.0	6020.4	6089.1	6164.7	6241.4
Percent of Total	73.8	74.0	74.5	74.7	74.8	74.9	75.0	75.2	75.3	75.5
Age 20-34	1542.6	1567.1	1622.8	1619.1	1631.0	1636.9	1635.7	1633.7	1632.3	1631.6
Percent of Total	20.7	20.7	21.1	20.8	20.7	20.6	20.4	20.2	20.0	19.7
Age 18-64	4613.8	4663.4	4763.9	4777.2	4816.7	4848.4	4871.4	4896.2	4924.8	4955.2
Percent of Total	61.8	61.5	61.8	61.5	61.2	61.0	60.7	60.4	60.2	60.0
Age 65 and Over	1176.9	1230.1	1253.8	1301.5	1347.6	1394.8	1443.1	1492.8	1545.4	1596.0
Percent of Total	15.8	16.2	16.3	16.8	17.1	17.5	18.0	18.4	18.9	19.3

\* As of April 1 of Each Year

Source: Office of Financial Management, November 2022 Forecast

Table A6.1

**Summary of National and State Indicators**

<b>Indicator</b>	<b>Latest Data</b>	<b>Indication*</b>
U.S. Leading Index	August 2023	-
U.S. Real GDP Growth	2nd quarter 2023	-
U.S. ISM Index	September 2023	+
U.S. Employment YOY%Δ	September 2023	+
U.S. Unemployment Rate	September 2023	unchanged
U.S. Consumer Confidence	September 2023	-
U.S. Consumer Sentiment	September 2023	-
U.S. CPI YOY%Δ	September 2023	unchanged
U.S. Home Prices YOY%Δ	July 2023	+
S&P 500 Index	September 2023	+
WA Leading Index	August 2023	-
WA Employment YOY%Δ	September 2023	+
WA Aerospace Empl. YOY%Δ	September 2023	+
WA Unemployment Rate	August 2023	unchanged
WA Help Wanted Index	August 2023	+
WA Business Cycle Indicator	August 2023	+
WA Initial Unemploy. Claims	August 2023	+
WA Housing Permits	August 2023	+
WA Weekly Hours in Mfg.	August 2023	-
WA New Vehicle Registration	September 2023	-
WA In-Migration	April 2023	-
WA Exports-Total YOY%Δ	2nd quarter 2023	-
WA Exports- w/o Trans. Equip. YOY%Δ	2nd quarter 2023	-
Seattle CPI YOY%Δ	August 2023	+
Seattle Home Prices YOY%Δ	July 2023	+
WA Construction Activity Index	August 2023	+

\*Change from the previous reading

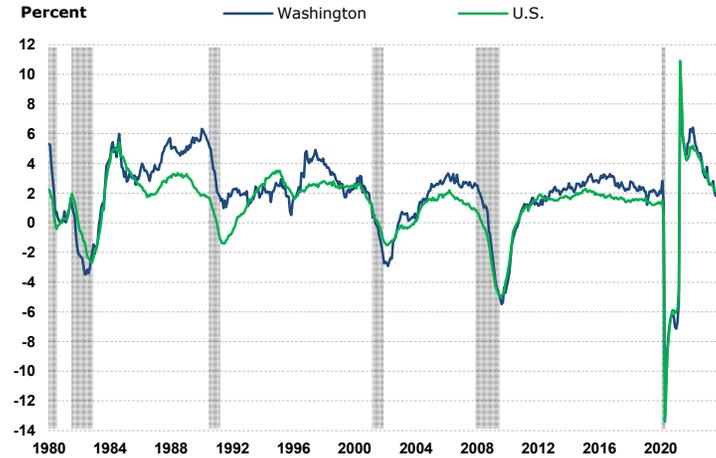
Table A6.2  
**Washington Business Indicators**  
 Historical Data

	WA Index of Leading Indicators	U.S. Index of Leading Indicators	WA State Business Cycle Indicator	WA State Construction Index	WA State Help Wanted Index	U.S. Purchasing Management Index
2016:01	118.6	99.3	63.5	105.7	128.7	48.3
2016:02	118.8	99.2	65.5	105.5	124.9	48.6
2016:03	119.4	99.2	62.8	105.7	128.9	49.9
2016:04	120.6	99.7	63.3	106.1	130.9	50.7
2016:05	121.4	99.5	65.5	106.6	148.2	51.1
2016:06	121.5	99.8	66.7	107.0	151.3	51.5
2016:07	122.2	100.2	67.7	107.5	156.3	52.0
2016:08	121.5	100.2	66.9	107.5	153.1	51.5
2016:09	121.9	100.4	67.4	108.2	143.4	51.1
2016:10	122.2	100.5	68.3	108.9	152.3	51.0
2016:11	121.6	100.7	69.3	109.6	148.8	52.4
2016:12	121.6	101.2	70.7	110.2	149.2	53.3
2017:01	122.0	101.8	69.1	110.6	152.5	54.7
2017:02	121.9	102.1	68.6	110.9	140.1	56.1
2017:03	122.7	102.6	70.4	111.2	143.4	57.0
2017:04	123.4	102.8	69.3	111.6	143.3	56.6
2017:05	124.1	103.2	70.9	111.9	149.2	55.6
2017:06	124.5	103.8	70.9	112.3	145.4	55.8
2017:07	124.9	104.1	71.0	112.9	139.5	56.3
2017:08	125.0	104.5	72.1	113.6	135.1	57.6
2017:09	125.2	104.5	73.3	113.8	140.4	58.6
2017:10	125.6	105.9	73.1	114.4	132.7	59.4
2017:11	125.5	106.3	75.2	114.9	134.7	59.2
2017:12	126.4	107.1	74.9	115.2	138.6	58.9
2018:01	126.6	107.8	74.3	115.7	136.8	59.0
2018:02	127.9	108.5	76.1	116.3	133.3	59.9
2018:03	128.6	108.8	77.2	117.0	137.4	59.7
2018:04	128.8	109.3	76.6	117.5	133.7	59.1
2018:05	128.1	109.4	77.6	117.8	128.2	58.4
2018:06	127.8	110.0	78.5	118.2	128.0	58.7
2018:07	127.5	110.4	77.8	118.3	129.3	59.0
2018:08	127.7	110.9	76.4	118.6	129.2	59.9
2018:09	128.0	111.5	76.9	118.9	132.4	59.7
2018:10	127.7	111.4	77.1	118.9	133.0	59.6
2018:11	127.7	111.5	77.0	119.1	133.3	58.9
2018:12	128.7	111.3	78.0	119.4	140.1	57.0
2019:01	129.9	111.3	78.5	119.8	154.6	56.7
2019:02	127.6	111.5	74.8	119.2	156.5	55.0
2019:03	130.9	111.7	77.5	119.3	150.1	55.4
2019:04	131.4	111.8	79.7	119.6	154.0	54.1
2019:05	131.6	111.8	79.5	120.1	150.2	53.4
2019:06	131.2	111.6	80.8	120.3	149.9	52.2
2019:07	131.6	112.0	80.7	120.8	152.0	51.7
2019:08	131.0	111.8	79.2	121.0	153.3	50.7
2019:09	130.7	111.6	80.4	121.4	154.8	49.4
2019:10	130.0	111.4	79.9	121.7	147.2	48.4
2019:11	130.5	111.6	79.8	122.1	146.6	48.1
2019:12	130.9	111.4	84.2	122.5	147.9	47.9
2020:01	130.4	112.0	80.6	122.3	149.1	48.7
2020:02	131.6	111.8	81.3	123.1	149.4	49.4
2020:03	121.2	103.5	74.3	123.1	127.9	50.0
2020:04	112.9	96.9	41.6	121.5	97.5	46.9
2020:05	119.5	99.8	46.5	120.9	119.8	44.6
2020:06	122.4	102.8	58.1	120.4	136.5	45.7
2020:07	124.7	104.9	65.0	120.0	139.8	50.0
2020:08	126.1	106.5	66.6	119.8	134.3	54.3
2020:09	125.5	107.5	71.6	119.7	133.8	55.2
2020:10	126.8	108.2	72.6	119.5	137.7	56.9
2020:11	127.7	109.2	74.1	119.2	135.6	57.4
2020:12	129.8	109.6	77.2	119.3	136.0	59.2
2021:01	130.6	110.1	77.2	119.8	141.6	59.0
2021:02	131.5	110.1	79.6	120.1	150.6	60.1
2021:03	132.9	111.5	82.5	120.5	160.4	61.4
2021:04	134.4	113.1	88.1	122.4	175.3	62.1
2021:05	135.4	114.6	88.7	123.3	176.0	62.2
2021:06	137.2	116.2	89.1	124.1	189.5	60.8
2021:07	139.4	116.6	92.5	124.8	206.7	60.4
2021:08	138.8	117.4	90.4	125.7	187.9	60.0
2021:09	138.0	117.6	91.8	126.0	193.3	60.2
2021:10	138.7	118.1	91.7	126.6	193.3	60.6
2021:11	139.6	118.8	93.9	127.3	198.7	61.0
2021:12	139.3	119.3	95.7	127.5	198.7	60.2
2022:01	140.0	118.5	95.6	127.8	198.4	59.1
2022:02	142.4	119.4	102.0	128.4	204.5	58.3
2022:03	143.1	119.3	104.2	128.9	215.1	57.8
2022:04	142.7	118.7	104.9	129.2	206.9	57.0
2022:05	142.6	117.9	104.7	129.6	204.3	56.2
2022:06	139.5	115.3	101.7	130.2	194.1	54.8
2022:07	138.7	114.4	100.7	130.3	203.9	54.0
2022:08	137.3	114.1	96.0	130.0	182.4	52.9
2022:09	137.0	113.5	93.8	130.2	194.5	52.2
2022:10	135.6	112.5	92.8	129.9	187.6	51.3
2022:11	135.1	111.5	90.3	129.3	189.8	50.0
2022:12	136.0	110.7	91.0	128.9	199.9	49.1
2023:01	137.6	110.2	89.0	128.4	197.4	48.3
2023:02	138.4	109.7	90.6	128.1	200.7	47.8
2023:03	137.6	108.4	91.8	127.5	201.9	47.1
2023:04	138.2	107.5	93.5	127.1	203.3	47.0
2023:05	138.7	106.8	95.0	126.6	206.9	46.8
2023:06	137.3	106.1	96.8	126.1	208.2	46.7
2023:07	137.2	105.8	97.1	125.7	208.2	46.4
2023:08	136.8	105.4	97.4	125.5	211.0	46.7
2023:09						47.7

# Figure A7.1: Washington State Economic Indicators

## Year-over-Year Employment Growth

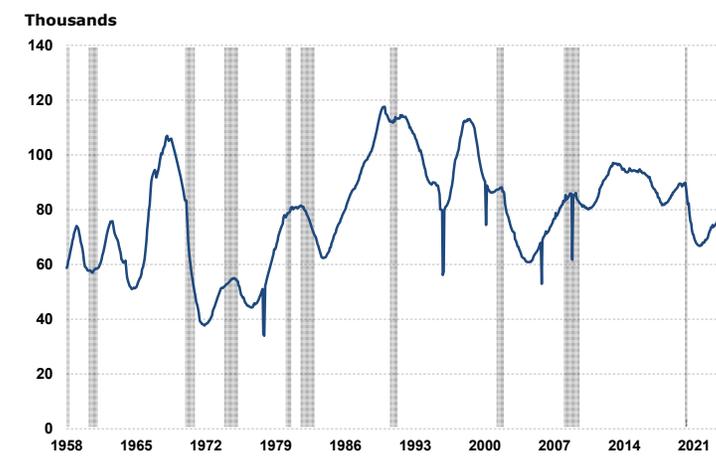
January 1980 to September 2023



\* Bureau of Labor Statistics, WA State Employment Security, ERFC Kalman Filtered Data

## Washington Aircraft and Parts Employment

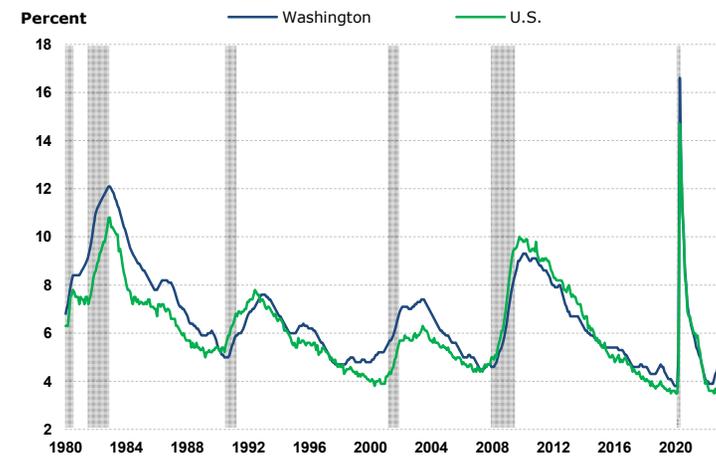
January 1958 to September 2023



\* Source: Bureau of Labor Statistics, ERFC

## Unemployment Rate, S.A.

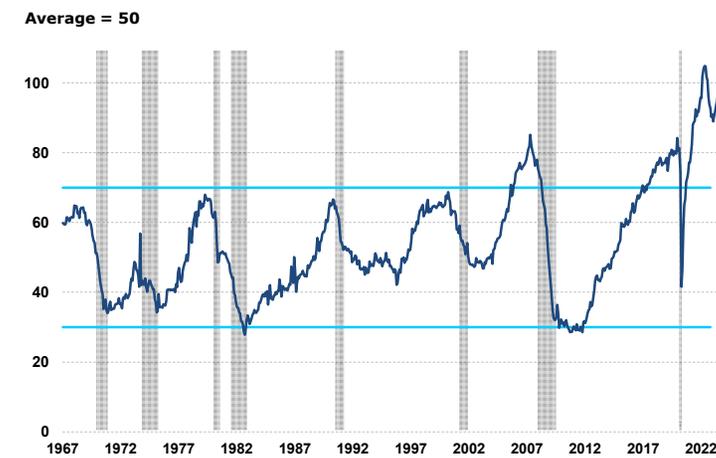
January 1980 to September 2023



\* Source: Bureau of Labor Statistics

## Washington Business Cycle Indicator

January 1968 to August 2023



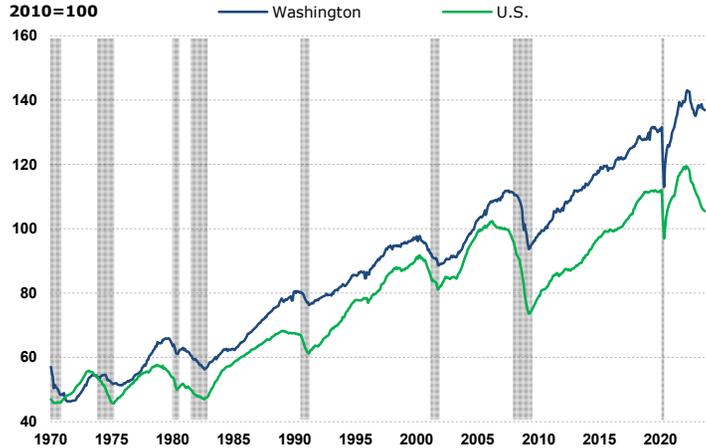
\* Source: ERFC

\* Shaded areas correspond with national recessions.  
Appendix

# Figure A7.2: Washington State Leading Indicators

## The Washington and U.S. Indexes of Leading Indicators

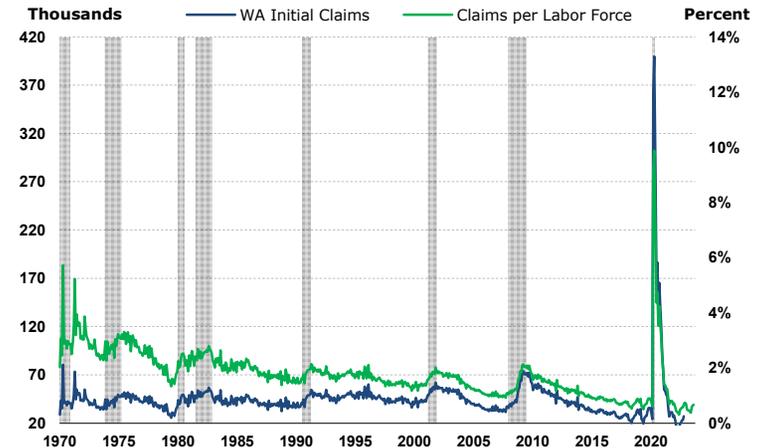
January 1970 to August 2023



\* The Conference Board, ERFC

## Washington Initial Claims for Unemployment Insurance

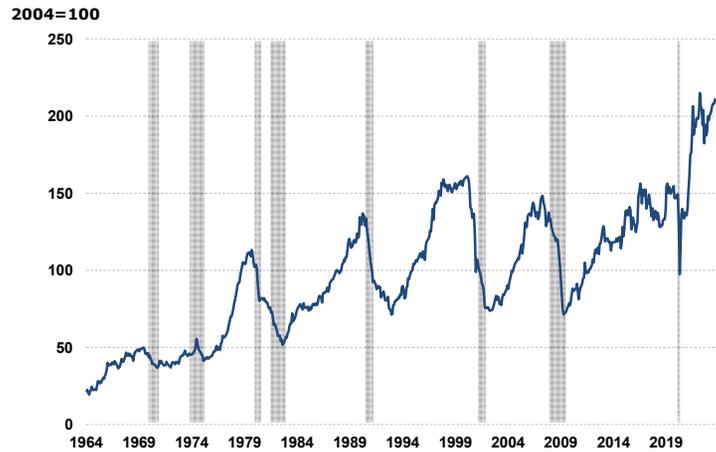
January 1970 to August 2023, S.A.



\* Source: WA State Employment Security, ERFC

## Washington State Help Wanted Index

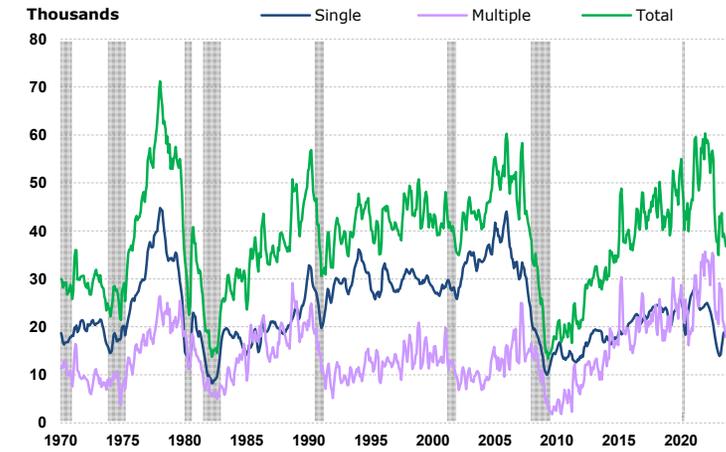
January 1964 to August 2023



\* Source: The Conference Board, ERFC

## Housing Units Authorized in Washington State

January 1970 to August 2023, 3mma, SAAR



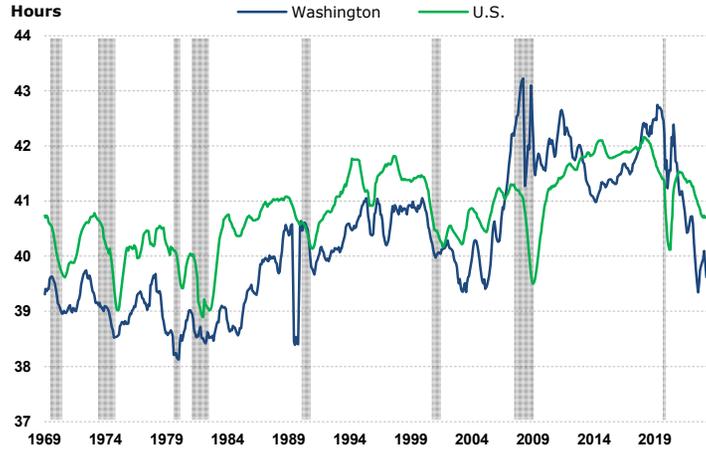
\* Source: Census Bureau, ERFC

\* Shaded areas correspond with national recessions.  
Appendix

# Figure A7.3: Other State Economic Indicators

## Average Weekly Hours in Manufacturing

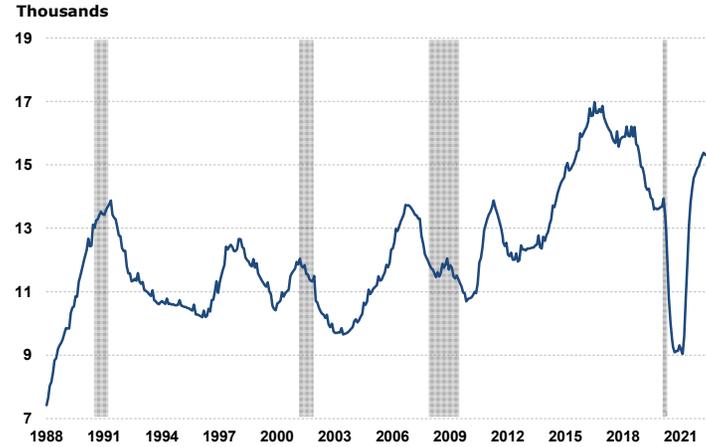
June 1969 to August 2023, 6-Mo. Moving Average, S.A.



\* Bureau of Labor Statistics, ERFC

## Washington Driver's License In-Migration

January 1988 to April 2023, 12-Month Moving Average



\* Source: WA State Department of Licensing, ERFC

## New Car and Truck Registrations in Washington

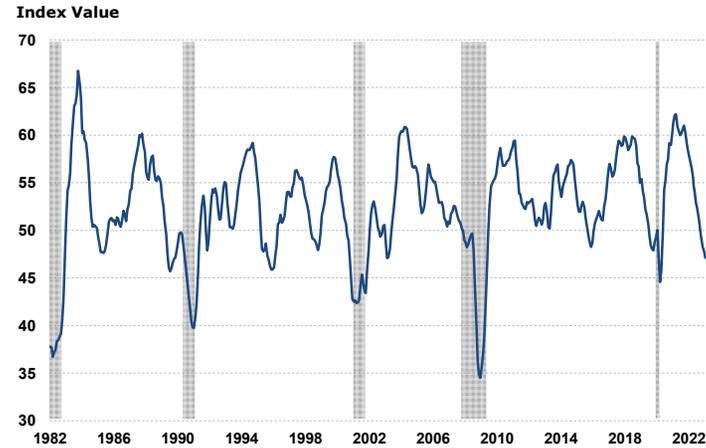
September 1970 to August 2023, 3-Month Moving Average, S.A.



\* Source: WA State Department of Licensing, ERFC

## U.S. Institute for Supply Management Index

March 1982 to September 2023, 3-Month Moving Average, S.A.



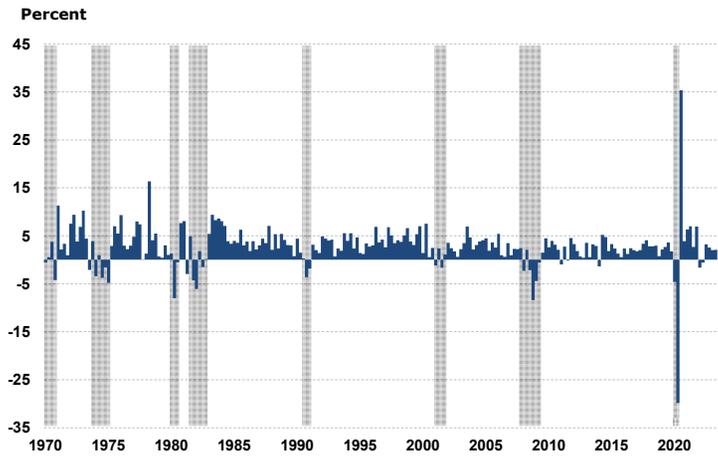
\* Source: Institute for Supply Management, ISM-WW, ERFC

\* Shaded areas correspond with national recessions.  
Appendix

Figure A7.4: Other Economic Indicators

**Quarterly U.S. Real GDP Growth**

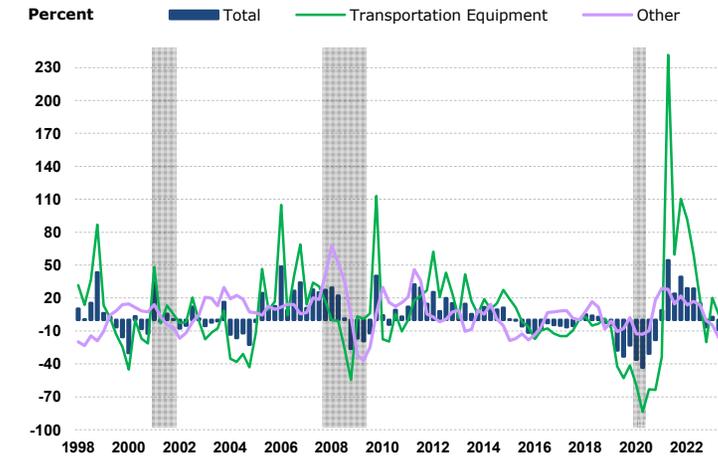
1970Q1 to 2023Q2, SAAR



\* Source: Bureau of Economic Analysis

**Washington State Export Composition**

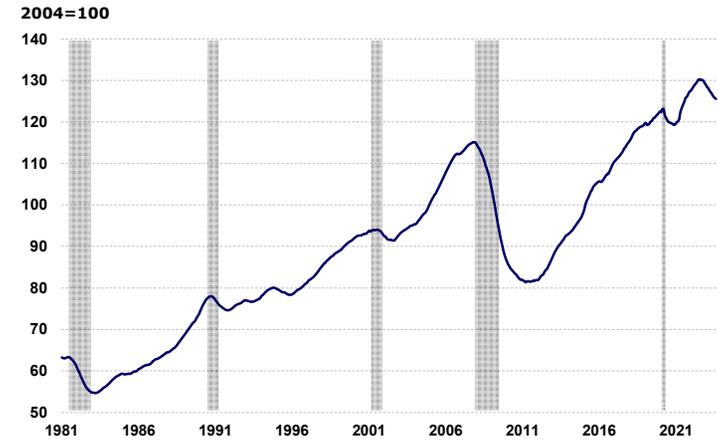
1998Q1 to 2023Q2, Year-over-year percent change



\* Source: WISER

**Washington State Construction Index**

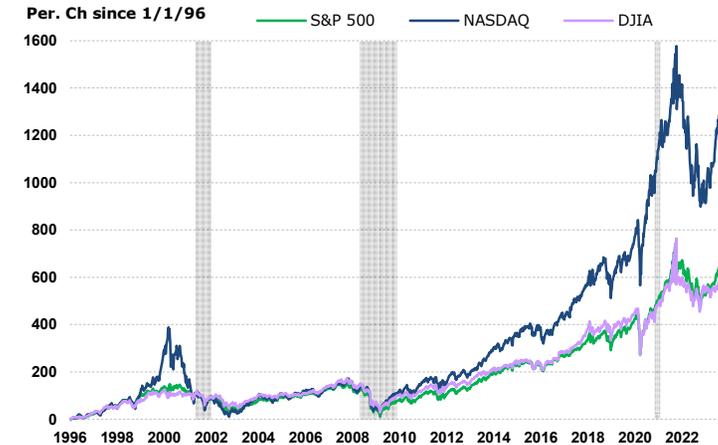
January 1981 to August 2023, 12mma



\* Source: ERFC

**National Stock Indexes**

January 1, 1996 to September 28, 2023



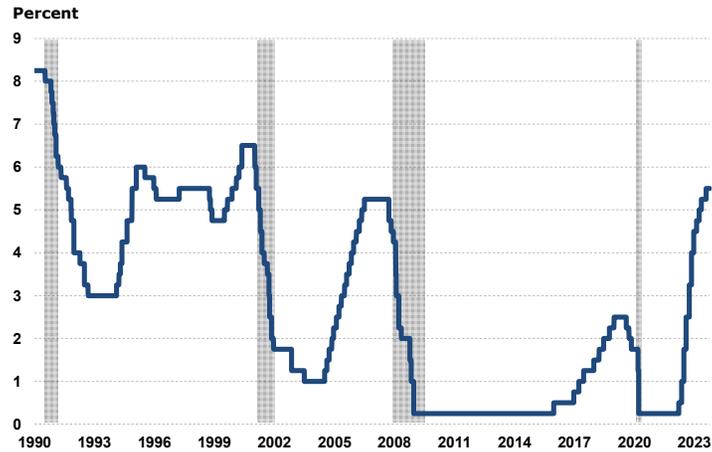
\* Source: ERFC

\* Shaded areas correspond with national recessions.  
Appendix

# Figure A7.4: Other Economic Indicators (continued...)

## Federal Funds Target Rate

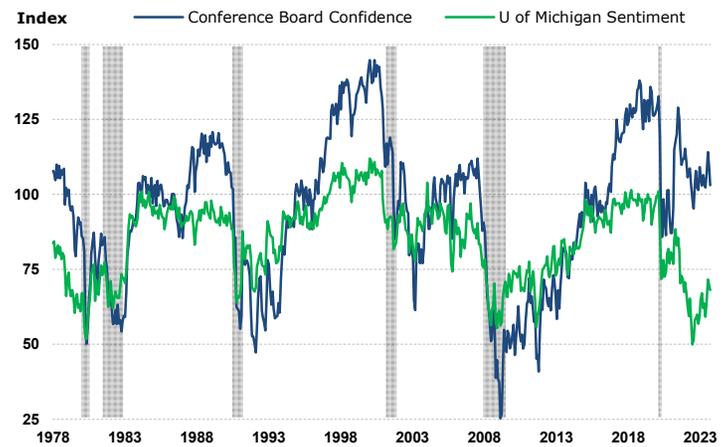
January 1, 1990 to September 29, 2023



\* Federal Reserve

## Consumer Confidence

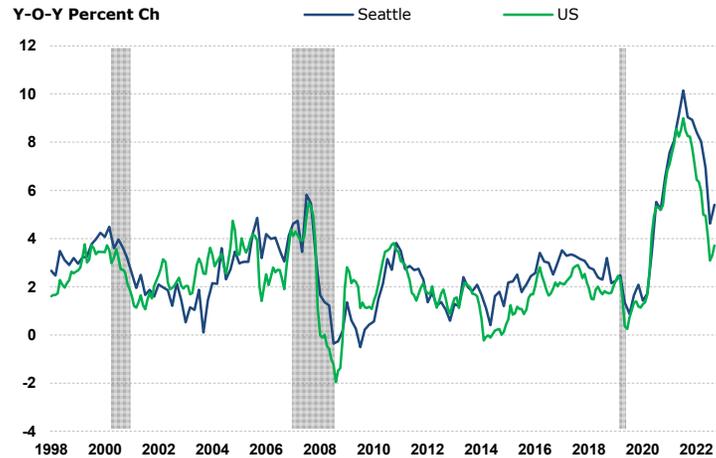
March 1978 to September 2023



\* Source: The Conference Board, University of Michigan

## Seattle vs U.S. CPI (All Urban Consumers)

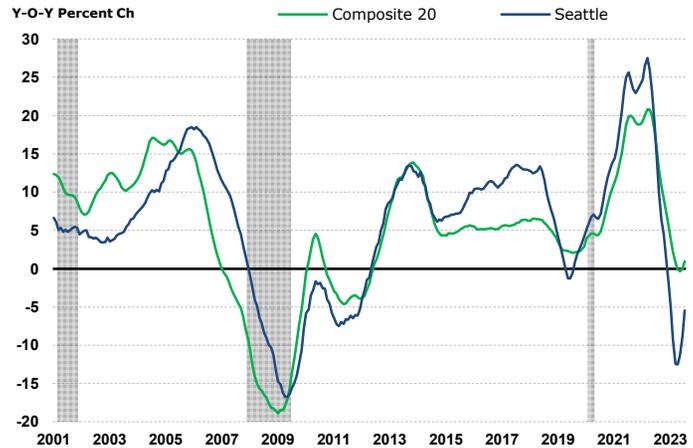
December 1998 to August 2023



\* Source: Bureau of Labor Statistics

## Case Shiller Home Price Index

January 2001 to July 2023, SA



\* Source: Case Shiller, ERFC

\* Shaded areas correspond with national recessions.  
Appendix

*This page left intentionally blank.*



## Glossary

**Biennium:** The state's two years budget cycle.

**Cash Basis:** Cash receipts received during a period. The Forecast Council forecasts revenues on a Cash and GAAP (Generally Accepted Accounting Principles) basis.

**CPI:** The Consumer Price Index for All Urban Consumers. The Bureau of Labor Statistics (BLS) updates the CPI monthly, surveying over 60,000 goods in 85 urban areas.

**Tax Elasticity:** A measure of how tax revenues respond to changes in personal income. If tax revenue elasticity is greater than one, a one percent change in personal income will be associated with more than a one percent increase in tax revenues. If elasticity is less than one, a one percent increase in personal income will be associated with less than a one percent increase in tax revenues.

**Fiscal Year:** The state's budget year. Washington State's fiscal year runs from July 1 through June 30. Fiscal year 2018, for example, ran from July 1, 2017 through June 30, 2018.

**GAAP Basis:** Generally Accepted Accounting Principles measure revenue in the period during which they accrue rather than the period in which they are received.  
**General Fund:** Accounts for all financial resources and transactions not accounted for in another fund.

**General Fund-State (GF-S) Revenue:** Resources from state sources only, excludes federal monies. The general fund is the principal state fund supporting the operation of the state.

**Implicit Price Deflator, PCE (IPD):** The IPD for consumption is a by-product of the National Income and Product Accounts. It is derived by dividing current dollar (nominal) consumer expenditures by constant dollar (real) consumer expenditures.

**Mortgage Rate:** The average interest rate on 30-year conventional loan (as reported by Freddie Mac).

**Near General Fund:** All accounts included in the General Fund - State plus the Education Legacy Trust Account and the Washington Opportunity Pathways Account.

**Non-Wage Income:** Personal income other than from wages and salaries. The major components are: proprietor's income, transfer payments, and dividends, interest and rent.

**Real GDP:** Gross Domestic Production adjusted for the price level.

**Revenue Act:** Revenue Act taxes consist of the retail sales tax, use tax, business and occupation tax, public utility tax and tobacco products tax, plus penalty and interest payments associated with those taxes.

**Personal Income:** Income from wages and salaries; other labor income; proprietor's income; dividends, interest and rent; transfer payments; and a residence adjustment. It is reduced by employee contributions for social insurance.

**Seasonally Adjusted:** Adjusted for normal seasonal variations. Monthly statistics, such as the unemployment rate, are seasonally adjusted to make month-to-month comparisons possible.

**Seasonally Adjusted Annual Rate:** A rate for a given period that is typically less than one year, but that is computed as if the rate were for a full year and seasonally adjusted.

**Nonfarm Payroll Employment:** Civilian non-farm payroll employees. The self-employed, farm workers, members of the armed forces, private household employees, and workers on strike are excluded.