

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 words "LEGISLATIVE BUILDING" are visible on the pediment above the columns. The building is partially obscured by the branches of cherry blossom trees in full bloom, which are in the foreground and frame the top and sides of the building. The sky is a clear, light blue.

Washington State Economic and Revenue Forecast

**February 2024
Volume LII, No. 1**



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Washington State Economic and Revenue Forecast

Prepared by the
Economic and Revenue Forecast Council

February 2024
Volume LII, No. 1

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 eleven members, two appointed by the Governor, eight appointed by the Legislature – two 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 February 29, 2024.

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Executive Summary

- **The economy continues to expand, and inflation is trending down.**
- **The forecast for GDP growth in 2024 is now 2.4%, up from 1.2% in the November forecast. For 2025 and 2026, real GDP growth is 1.7% and 2.1%, unchanged from the November forecast.**
- **Our forecast for real GDP growth for 2027-29 is based on the most recent long-term forecast from Blue Chip which was released in October 2023. We expect growth rates of 1.9%, 1.9%, and 1.8% in 2027 through 2029.**
- **We expect the Federal Reserve to hold the federal fund rates steady at 5.25% to 5.50% until the second quarter 2024 when rates are slowly lowered.**
- **The Washington economy continued to expand through the fourth quarter of 2023.**
- **Washington employment growth in November and December was greater than expected in the November forecast.**
- **The Washington unemployment rate rose to 4.2% in December from 4.0% in November.**
- **Washington housing construction slowed in the fourth quarter of 2023.**
- **Seattle home prices increased in December and were up 3.0% compared with December 2022.**
- **Washington exports increased 6.8% from the fourth quarter of 2022 to the fourth quarter of 2023.**
- **Seattle consumer price inflation continued to outpace the national average in December.**
- **Tracked revenue collections since November have come in above their forecasted amounts.**
- **The February economic forecast projects slightly higher personal income after 2025 and housing permits after 2024, and slightly higher employment throughout. This has resulted in slight increases in forecasted Revenue Act taxes.**
- **Forecasted real estate excise taxes have increased slightly due to higher-than-expected taxable activity and forecasted lower mortgage rates.**
- **Forecasted total General Fund-State (GF-S) revenue and that of the non-GF-S accounts all increased slightly.**
- **The forecast of funds subject to the budget outlook process was increased by \$122 million in the 2023-25 biennium and \$215 million in the 2025-27 biennium.**
- **This is the first forecast to include projections for the 2027-29 biennium.**

U.S. Economic Forecast

The economy continues to recover and expand

The economy continues to expand and inflation is trending down. 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. The Federal Reserve has combatted inflation by raising interest rates which threatened to slow economic growth. It does appear, however, that inflation will be able to be tamed without a significant slowdown in 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 February S&P Global Market Intelligence forecast

This forecast is based on a modified version of S&P Global Market Intelligence's February 2024 Control forecast for the U.S. economy. The forecast for GDP growth in 2024 is now 2.4%, up from 1.2% in the November forecast. We have adjusted real gross domestic product (GDP) to be consistent with the January Blue Chip "Consensus" GDP forecast for 2025 and beyond. For 2025, real GDP growth is 1.7%, unchanged from the November forecast and for 2026 real GDP growth is 2.1%, also unchanged from the November forecast. Our forecast for real GDP growth for 2027-29 is based on the most recent long-term forecast from Blue Chip which was released in October 2023. We expect growth rates of 1.9%, 1.9%, and 1.8% in 2027 through 2029.

The Fed Funds rate of 5.25% to 5.50% is expected to be the peak

The Federal Reserve has shifted from consistently raising rates to combat inflation to holding rates steady. The Federal Reserve last raised the target for the federal funds in July 2023. Inflation has come down recently which has enabled the Federal Reserve to stop the rate increases, although they indicated they need greater confidence before rate cuts can occur. The economy has remained resilient with the labor market particularly tight, even as the Federal Reserve has raised rates. Our expectation is for the Federal Reserve to hold the rate steady at 5.25% to 5.50% until the second quarter 2024 when rates are slowly lowered. The rate cuts are expected to end in the first quarter of 2026 and then hold steady through 2029 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 2026.

Washington Economic Forecast

The Washington economy continued to expand through the fourth quarter of 2023

The Washington economy continued to expand in the fourth quarter of 2023. Washington employment growth in November and December was more than expected in the November forecast. In December, the Washington unemployment rate rose from 4.0% to 4.2%, up from the historic low of 3.6% from July to September. Washington housing construction continued to slow in the fourth quarter of 2023. Seattle home prices increased in December and were up compared with the same period in 2022. Washington exports increased 6.8% from the

fourth quarter of 2022 to the fourth quarter of 2023. Seattle consumer price inflation continued to outpace the national average in December 2023.

The Washington forecast features faster nominal personal income growth from 2024 – 2027 but starting from a lower 2023 base

The Washington forecast features a slightly lower level of nominal personal income in 2024 and 2025, but higher in the out-years compared to the November forecast as well as slightly higher employment throughout the forecast period. We expect a 5.4% increase in nominal Washington personal income this year, up from 5.1% in the November forecast but from a lower 2023 base. Annual growth rates for 2024 – 2027 average 5.6%, up from 5.5% in November. We expect a 1.4% increase in Washington employment this year, up from the 1.1% growth rate expected in the November forecast. We expect employment growth to average 0.8% per year in 2024 through 2027, similar to the November forecast. Employment growth is expected to be 0.8% in 2028 and 0.9% in 2029. We expect housing permits to total 41,400 units this year, down slightly from the November forecast, and we expect permits to average 44,200 units in 2024 through 2027, up from the 43,600 units in the November forecast. We expect the Seattle headline inflation to be 3.3% this year, up from 3.1% in the November forecast. We expect Seattle headline inflation to average 2.3% per year in 2025 through 2027, up from 2.2% in the November forecast.

Revenue Forecast

Revenue collections have come in above the forecast and the economic forecast has slightly improved

Tracked revenue collections since November have come in above their forecasted amounts. In addition, the February economic forecast projects slightly higher personal income after 2025 and housing permits after 2024 than previously forecasted, and higher employment throughout. These factors have resulted in slight increases in forecasted Revenue Act taxes in this biennium and the next. Forecasted real estate excise taxes have increased slightly due to the higher-than-expected taxable activity and lower forecasted mortgage rates. General Fund-State (GF-S) and non-GF-S forecasts have all grown slightly. This month's forecast is the first to include projections for the 2027-29 biennium.

Total forecast change by biennium (millions):

23-25: \$122
25-27: \$215

Forecasted revenue in funds subject to the budget outlook process was increased by \$121.8 million in the 2023-25 biennium and \$215.4 million in the 2025-27 biennium. The February 2024 forecast for these funds total \$67,005.1 million in the 2023-25 biennium and \$71,721.2 million in the 2025-27 biennium. The initial forecast of total revenue for the 2027-29 biennium is \$76,948.3 million.

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

- **The economy continues to expand, and inflation is trending down.**
- **Policymakers approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic.**
- **Real GDP increased 3.2% (SAAR) in the fourth quarter of 2023 after increasing 4.9% (SAAR) in the third quarter of 2023.**
- **The job market has been stronger than expected in recent months.**
- **Inflation has dropped significantly over the past few years.**
- **Housing activity is stabilizing; manufacturing output is declining.**
- **Oil prices have increased, although we expect them to decline throughout the forecast period.**
- **The forecast for GDP growth in 2024 is now 2.4%, up from 1.2% in the November forecast. For 2025 and 2026, real GDP growth is 1.7% and 2.1%, unchanged from the November forecast.**
- **Our forecast for real GDP growth for 2027-29 is based on the most recent long-term forecast from Blue Chip which was released in October 2023. We expect growth rates of 1.9%, 1.9%, and 1.8% in 2027 through 2029.**
- **We expect the Federal Reserve to hold the federal fund rates steady at 5.25% to 5.50% until the second quarter 2024 when rates are slowly lowered.**
- **The uncertainty in the baseline forecast is elevated. Downside risks outweigh upside risks.**

Current Conditions

The economy continues to expand

The economy continues to expand and inflation is trending down. 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. The Federal Reserve has combatted inflation by raising interest rates which threatened to slow economic growth. It does appear, however, that inflation will be able to be tamed without a significant slowdown in economic growth. New COVID-19 cases have diminished and the pandemic is no longer materially impacting the economy.

Policymakers approved trillions of dollars in stimulus

Policymakers approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic. Stimulus related to the pandemic has consisted of \$6.20 trillion in six major categories. Business support (\$1.56 trillion), income support (\$983 billion), state and local government funding (\$870 billion), direct payments (\$859 billion), tax policy changes (\$759 billion), and health spending (\$700 billion). The remainder of the spending is comprised of grants, loans, direct payments, and other federal funding for activities to provide relief from COVID-19.

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 cost \$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.

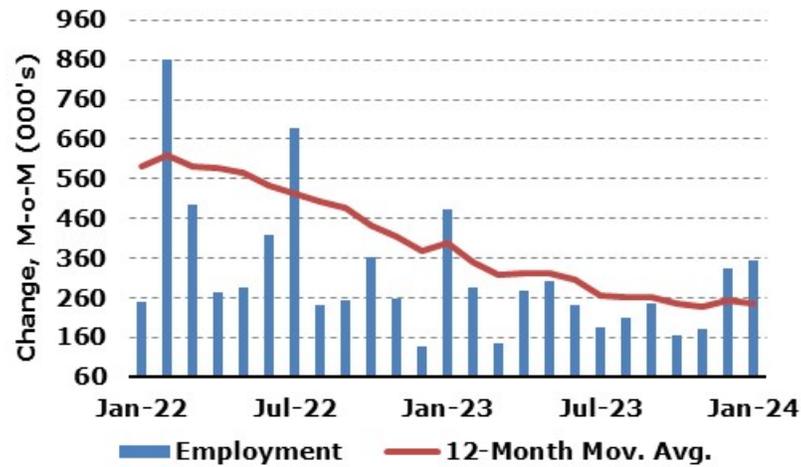
GDP increased 3.2% in the fourth quarter

Real GDP growth has been stronger than expected the past two quarters. Real GDP increased by 3.2% (SAAR) in the fourth quarter of 2023 after increasing 4.9% (SAAR) in the second quarter. Growth was led by consumer spending in the fourth quarter although growth was widespread. Consumption grew 3.0% (SAAR) contributing 2.0 percentage points to overall GDP growth. Spending on goods outpaced services, although both were strong, growing 3.2% and 2.8% respectively. Fixed investment slowed slightly to 2.5% (SAAR) from 2.6% (SAAR) in the third quarter and added 0.4 points to topline growth. Nonresidential fixed investment increased 2.4% (SAAR), with a decline in equipment investment (-2.0%) offsetting strong growth in structures (+7.5%). Exports growth outpaced imports, with the net impact of 0.3 points added to GDP growth. Government spending increased 4.2% (SAAR), increasing GDP by 0.7 points. The change in inventories subtracted 0.3 points to GDP growth in the fourth quarter.

The job market has been stronger than expected

The job market has been stronger than expected in recent months. Over three years since the unprecedented 20.7 million job decline in April 2020 due to the pandemic, employment has continued to grow. In January, total nonfarm employment increased by 353,000 jobs after increasing by 333,000 jobs the month before (see Figure 1.1). Prior to this, employment growth was slowing. Over the past twelve months, job growth has averaged 244,000. Construction employment has remained resilient and increased by another 11,000 jobs in January while the manufacturing sector increased 23,000 jobs. Private service-providing employment increased by 289,000. Employment increases in the service sector were led by a 70,300 increase in health services. Retail trade gained 45,200 jobs and professional and technical services gained 41,900 jobs. Government payrolls increased by 36,000.

Figure 1.1: Total NonFarm Employment



Source: U.S. Bureau of Labor Statistics; data through January 2024

The unemployment rate has leveled off

The unemployment rate appears to have leveled off. In January, the unemployment rate remained at 3.7% where it has been since November. The labor force participation rate stayed at 62.5% in January. 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 trended up but remains below pre-pandemic levels. Average hourly earnings are up \$1.48 from a year ago to \$34.55 while the average workweek fell 0.5 hours from last year to 34.1 hours in January.

Consumer confidence is now trending up

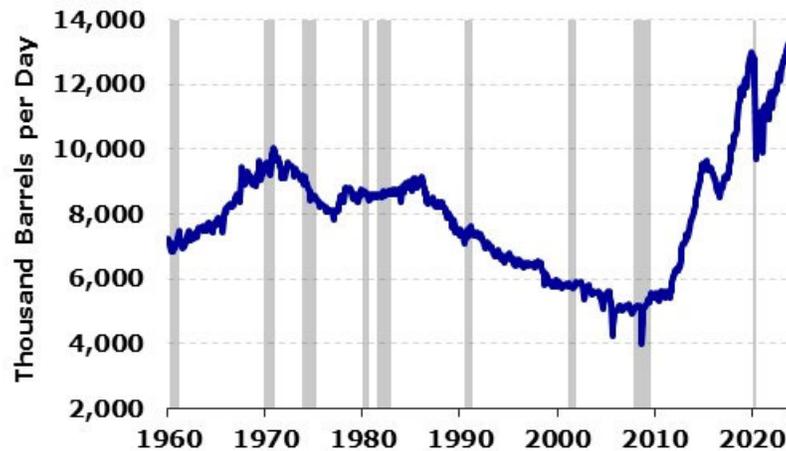
Consumer confidence is once again trending up. Consumer confidence as measured by the Conference Board declined 4.2 points in February but remains up 7.6 points since the recent trough in October. Although consumers assessment of the labor market weakened in February, the resiliency of the job market has helped solidify confidence in recent months. The University of Michigan Consumer Sentiment index increased 0.6 points in February and is up 18.3 points since the recent trough in November. Consumers expressed more pessimism towards the outlook for inflation. Despite the recent improvement on consumer attitudes, both confidence measures remain below pre-pandemic levels.

Oil prices have increased

Oil prices have increased to start the year. Uncertainty related to the Israel – Hamas war remain even as the threat of contagion to surrounding countries have eased. The potential for further production cuts by OPEC+ have also pushed prices up in the short term. The Brent spot crude price is now \$84 per barrel in the third week of February, up from \$77 to start the year. The West Texas Intermediate (WTI) price has increased to \$78 per barrel from \$72 per barrel over the same time period. U.S. oil production has increased and is now at an all-time high. U.S. production increased to 13.308 million bpd in November 2023, surpassing the previous high 13.247 million bpd in September

(see Figure 1.2). Even with the increase in production, the Baker Hughes rig count has been declining since reaching a peak in November 2022. As of February 23rd, the rig count in the U.S. was 626, down 127 since last year.

Figure 1.1: U.S. Crude Oil Production



Source: U.S. Energy Information Administration; data through November 2023

Inflation has dropped significantly over the past few years

Inflation has dropped significantly over the past few years. Supply was not 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 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 0.3% in January on a seasonally adjusted basis, an acceleration of inflation from the 0.2% increase in December. Year-over-year, CPI was up 3.1% in January, down from 3.4% in December (see Figure 1.3). Since peaking at 9.1% in June 2022, inflation has slowly come down as the Federal Reserve has raised rates. Energy prices declined 0.9% in January and are down 4.6% over the year. Shelter cost inflation remains high, increasing 0.6% in January and up 6.0% since last year. Food prices lagged the overall increase in prices, up 0.4% over the month and up 2.6% since last year. Core consumer prices, which exclude food and energy, increased 0.4% since last month and were up 3.9% over the year.

Figure 1.3: Consumer Price Index



Source: Bureau of Labor Statistics; data through January 2024

*Home prices
are increasing*

Home prices are increasing. The seasonally adjusted S&P CoreLogic Case-Shiller 20-city Home Price Index increased 0.2% in December and is now up 6.2% since last year. 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 has eased since the end of last year to 6.90% as of February 22nd, down from recent peak of 7.79% in October, but still well above pre-pandemic levels. Despite the drop in affordability, home prices have remained resilient. 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 since then and are now at \$567 as of February 26th. Homebuilder confidence has improved in recent months. In February, homebuilder confidence improved from 44 to 48 (readings above 50 indicate optimism), the third consecutive increase.

*Housing
activity is
stabilizing*

Housing activity appears to be stabilizing as headwinds have eased. High interest rates, low confidence, and low affordability have weighed down new construction. Housing starts declined in December by 4.3% but remain 7.6% higher since last year. Single-family starts are 15.8% higher than a year ago, but multi-family starts are down 7.9%. 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. The inventory of new homes on the market is has trended down. In January there were 8.3 months' worth of supply, unchanged from December, but down from a recent peak of 10.1 in July 2022. Housing permits declined 0.3% over the month in January but are up 10.0% since last year. Single-family permits are up 36.5% since last year while multi-family permits are down 22.8%. New home sales increased 1.5% in January to 661,000 (SAAR) and are up 1.8% since last year.

The manufacturing sector is declining

The manufacturing sector continues to contract. The Institute for Supply Management (ISM) Report on Business index increased 2.0 points to 49.1 in February (index values below 50 indicate contraction). This is the 15th consecutive month of contraction after a 29-month period of expansion. The new orders component improved 5.5 points to 52.5, now once again indicating growth. Production also turned positive, improving 0.5 points to 50.4. The employment component fell another 0.4 points to 47.1. Only two of the six biggest manufacturing industries registered growth in February: transportation equipment and chemical products. The latest G-17 report from the Federal Reserve indicates manufacturing output dropped 0.5% in January and is down 0.9% from a year ago. The decline was due to a 1.1% decline in nondurable manufacturing while durable manufacturing edged up 0.1%. New orders for core capital goods (nondefense capital goods excluding aircraft) increased 0.1% in January but remain down 0.2% from a year ago.

U.S. exports declined in the fourth quarter

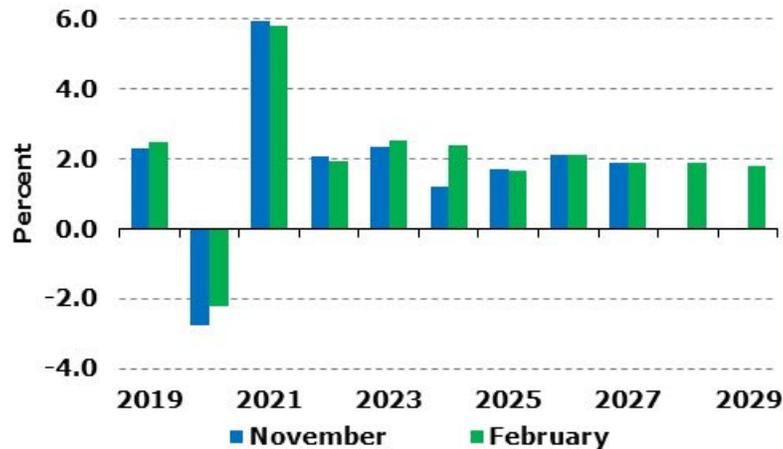
U.S. exports declined for the third consecutive quarter in the fourth quarter of 2023, dropping by 1.5% year over year. U.S. exports to Canada declined 1.9% while exports to Mexico increased 1.5%. Exports to China declined 7.0% year-over-year in the fourth quarter due primarily to a large drop in agricultural exports. 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 8.0% in the fourth quarter. Exports of transportation equipment grew 11.8% in the fourth quarter and remained the top export by value for the United States.

Forecast

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

This forecast is based on a modified version of S&P Global Market Intelligence's February 2024 Control forecast for the U.S. economy. The forecast for GDP growth in 2024 is now 2.4%, up from 1.2% in the November forecast (see Figure 1.4). We have adjusted real gross domestic product (GDP) to be consistent with the January Blue Chip "Consensus" GDP forecast for 2025 and beyond. For 2025, real GDP growth is 1.7%, unchanged from the November forecast and for 2026 real GDP growth is 2.1%, also unchanged from the November forecast. Our forecast for real GDP growth for 2027-29 is based on the most recent long-term forecast from Blue Chip which was released in October 2023. We expect growth rates of 1.9%, 1.9%, and 1.8% in 2027 through 2029.

Figure 1.4: Real GDP Growth



Source: U.S. Bureau of Economic Analysis, February 2024 ERFC forecast; historical data through 2023

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 after. Legislation is passed in time to avoid a government shutdown in March. Personal taxes are governed by current policy, which includes an extension beyond the expiration of provisions at the end of 2025 in the 2017 Tax Act. Corporate taxes, however, are governed by current law, including phase outs of provisions in the 2017 Tax Act. Social Security and Medicare benefits are paid beyond the projected exhaustion of those funds. 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 are expected to be slightly lower than the November forecast

Oil prices are expected to be slightly lower compared to the November forecast. Record-high U.S. production has offset efforts by OPEC+ to keep prices propped up. Concerns regarding geopolitical conflicts have eased, but still remain. The refiner acquisition price of crude oil in 2024 is expected to average \$72 per barrel, down from \$74 per barrel assumed in November. Going forward, supply restrictions are expected to be modest, and increased U.S. production will keep prices in check as demand increases. We expect oil prices to decline throughout the forecast reaching \$65 per barrel in 2027 and \$64 per barrel in 2028 and 2029. The November forecast expected oil prices to reach \$66 per barrel in 2027.

Inflation is expected to fall

Inflation (as measured by the price index for personal consumption expenditures) is expected to fall to 1.9% this year from 3.7% in 2023. The November forecast expected inflation to fall to 2.4% this year. Inflation has come down after the initial surge as demand recovered faster than could be accommodated by supplies of commodities and labor was disrupted by the pandemic. Income support helped fuel the surge in demand, contributing to the increase in prices. Inflation is expected to remain low throughout the forecast. Inflation is expected to

average 2.1% from 2025 through 2029. Core inflation (excluding food and energy) is expected to remain slightly higher than topline inflation. We expect core inflation to be 2.2% this year and remain at that range through 2029.

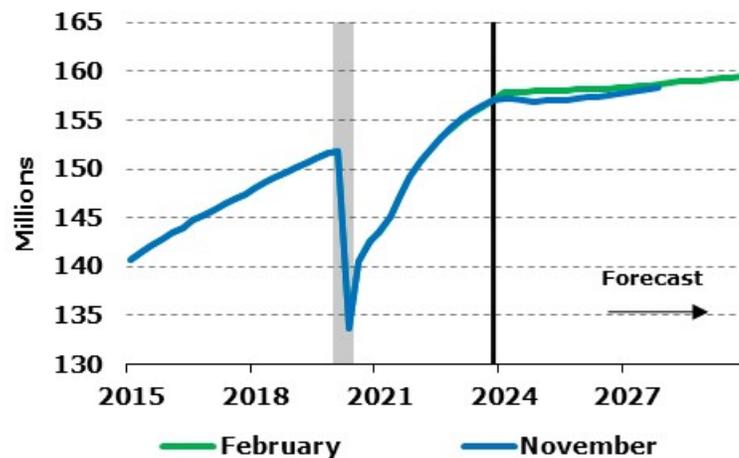
Consumer spending growth is expected to increase

Real consumer spending growth is expected to increase this year to 2.5% from 2.2% in 2023. The November forecast expected real consumption growth to slow to 1.3% this year (see figure 1.5). Falling energy prices and slowing food inflation have stabilized consumer sentiment. Consumers are also still willing to fund current spending with savings as real incomes have not kept up. This has pushed the savings rate to the lowest level since December 2022. Real consumer spending is expected to slow to 1.6% next year. The previous forecast expected growth of 1.7% next year. The forecast calls for growth to then increase and average 2.0% from 2026 through 2029.

Employment growth is expected to slow

Employment growth is expected to slow, although not as much as previously expected in the November forecast (see figure 1.6). Employment grew 2.3% in 2023 after growing 4.3% in 2022. We expect employment growth of 1.2% this year as the labor market cools. The previous forecast expected growth of 0.6% in 2024. Employment growth is expected slow further and average 0.2% in 2025 through 2029. We expect the labor market to remain tight throughout the forecast. The February forecast calls for the unemployment rate to increase slightly to 3.9% this year from a historic low of 3.6% in 2022 and 2023. The forecast calls for the unemployment rate to peak at 4.2% in 2026 and then average 4.1% in 2027 through 2029.

Figure 1.5: Nonfarm Payroll Employment



Source: U.S. Bureau of Labor Statistics, February 2024 ERFC forecast; historical data through 2023 Q4

Business investment is expected to slow

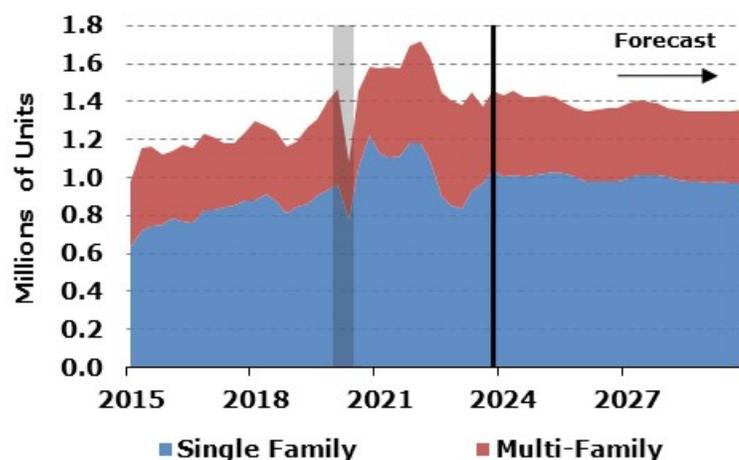
Real nonresidential fixed investment growth is expected to slow to 1.8% this year after growing 4.4% in 2023. Business spending on manufacturing structures had been surging but has peaked. Lending standards for businesses are still tightening and borrowing costs remain elevated. Office vacancy rates just

reached a record high in the fourth quarter of last year as workers continue to use flexible work environments. Going forward, real nonresidential fixed investment growth is expected to pick up as borrowing costs come down and the overall economy stabilizes. We expect real nonresidential fixed investment to average 3.0% from 2025 through 2029. We expect real nonresidential construction to grow 2.4% this year after rebounding by 12.7% in 2023. The forecast calls for nonresidential construction to slow and average 1.7% in 2025 through 2029 as some excess surplus gets worked through. We expect real nonresidential construction to have finally fully recovered to its level before the pandemic by the beginning of 2027. Real equipment investment is expected to return to growth this year at 0.8% after declining 0.1% in 2023. We then expect growth to accelerate and average 4.2% in 2025 through 2029. Investment in intellectual property products is expected to slow from 4.3% growth in 2023 to 2.4% growth this year. We expect growth to continue to trend down and reach 2.1% in 2029.

The housing market outlook remains weak

The housing market outlook remains weak. High mortgage rates have lowered affordability and weighed down housing demand. Mortgage rates have come down since the peak in October, but remain elevated by historical standards. High rates have locked in homeowners holding mortgages financed at lower rates and lowered supply. Labor and material shortages remain, causing delays in finished construction. The February forecast calls for housing starts to increase 1.5% this year, up from a 4.0% decline in the previous forecast. We expect multi-family housing to decline 9.7%, partially offsetting a 7.0% increase in single-family. We expect 2024 to be the peak in total housing starts at 1.44 million units. The forecast then calls for housing starts to slowly trend down throughout the remainder of the forecast and average 1.35 million units in 2028 and 2029 (see Figure 1.6).

Figure 1.6: Housing Starts



Source: U.S. Census Bureau, February 2024 ERFC forecast; historical data through 2023 Q4

Growth in major U.S. trading partners is expected to slow

Economic growth of U.S. major trading partners is expected to slow this year to 2.0% from 2.2% in 2023. The November forecast called for 2.1% growth this year. Economic performance will vary widely across regions. Asia-Pacific remains a key source of global growth while growth in the Eurozone, Japan, and Russia is expected to be weak. Policy stimulus in China will continue to support recovery there, although growth is still expected to slow from 2023. We expect growth in U.S. major trading partners to average 2.6% in 2025 through 2027, up from 2.5% in the November forecast. The forecast then calls for 2.5% growth in 2028 and 2029. Real U.S. export growth is forecasted to increase to 3.7% this year, up from 2.7% growth in 2023. We expect real export growth to increase to 4.9% in 2025 before trending down throughout the remainder of the forecast and reaching 3.1% growth in 2029.

The Fed Funds rate of 5.25% to 5.50% is expected to be the peak

The Federal Reserve has shifted from consistently raising rates to combat inflation to holding rates steady. The Federal Reserve last raised the target for the federal funds in July 2023. Inflation has come down recently which has enabled the Federal Reserve to stop the rate increases, although they indicated they need greater confidence before rate cuts can occur. The economy has remained resilient with the labor market particularly tight, even as the Federal Reserve has raised rates. Our expectation is for the Federal Reserve to hold the rate steady at 5.25% to 5.50% until the second quarter 2024 when rates are slowly lowered. The rate cuts are expected to end in the first quarter of 2026 and then hold steady through 2029 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 2026.

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 outweigh upside risks.

Downside Risks

- Israeli – Hamas conflict spreads throughout the region
- COVID-19 infections reemerge
- Re-imposition of some social restrictions
- New travel restrictions
- War in Ukraine escalates
- Rising interest rates cause a 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 without slowing the economy
- War in Ukraine ends
- Israeli – Hamas conflict 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 2024 to 2029

Fiscal Years

	2022	2023	2024	2025	2026	2027	2028	2029
Real National Income Accounts (Billions of Chained 2012 Dollars)								
Real Gross Domestic Product	20,214.0	20,540.4	21,157.9	21,504.1	21,932.0	22,365.2	22,794.4	23,214.6
% Ch	3.9	1.6	3.0	1.6	2.0	2.0	1.9	1.8
Real Consumption	14,158.6	14,405.8	14,771.8	15,058.1	15,332.2	15,652.5	15,966.4	16,275.5
% Ch	5.5	1.7	2.5	1.9	1.8	2.1	2.0	1.9
Real Nonresidential Fixed Investment	3,019.9	3,175.5	3,270.2	3,351.5	3,475.8	3,572.2	3,677.0	3,771.6
% Ch	5.3	5.2	3.0	2.5	3.7	2.8	2.9	2.6
Real Residential Fixed Investment	718.7	606.7	604.5	613.4	630.4	640.5	658.6	678.9
% Ch	-0.1	-15.6	-0.4	1.5	2.8	1.6	2.8	3.1
Real Personal Income	17,948.3	17,896.3	18,253.7	18,841.2	19,376.4	20,001.5	20,468.8	20,996.4
% Ch	-2.5	-0.3	2.0	3.2	2.8	3.2	2.3	2.6
Real Per Capita Income (\$/Person)	53,900	53,495	54,293	55,772	57,097	58,695	59,829	61,132
% Ch	-2.8	-0.8	1.5	2.7	2.4	2.8	1.9	2.2
Price and Wage Indexes								
PCE Price Index (2012=100)	119.1	125.4	128.6	131.0	133.8	136.7	139.6	142.5
% Ch	6.0	5.3	2.5	1.9	2.2	2.1	2.1	2.1
U.S. Consumer Price Index (1982-84=1.0)	2.820	2.997	3.090	3.158	3.229	3.304	3.380	3.456
% Ch	7.2	6.3	3.1	2.2	2.2	2.3	2.3	2.2
Employment Cost Index (Dec. 2005=1.0)	1.509	1.585	1.655	1.717	1.769	1.835	1.898	1.965
% Ch	5.1	5.0	4.4	3.8	3.0	3.7	3.4	3.5
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	24,764.2	26,569.9	28,040.8	29,081.2	30,354.5	31,643.1	33,016.5	34,397.1
% Ch	10.6	7.3	5.5	3.7	4.4	4.2	4.3	4.2
Personal Income	21,373.1	22,451.2	23,470.9	24,685.6	25,935.3	27,337.8	28,571.4	29,915.5
% Ch	3.3	5.0	4.5	5.2	5.1	5.4	4.5	4.7
Employment (Millions)								
U.S. Civilian Labor Force	162.9	165.6	167.7	168.6	169.3	169.9	170.4	170.7
Total U.S. Employment	156.1	159.7	161.4	161.8	162.2	162.8	163.3	163.6
Unemployment Rate (%)	4.19	3.55	3.77	4.04	4.15	4.16	4.13	4.12
Nonfarm Payroll Employment	149.78	154.54	157.31	157.97	158.13	158.35	158.73	159.12
% Ch	4.8	3.2	1.8	0.4	0.1	0.1	0.2	0.2
Manufacturing	12.59	12.92	12.97	12.64	12.16	12.04	11.73	11.62
% Ch	3.5	2.6	0.4	-2.5	-3.8	-1.0	-2.6	-0.9
Durable Manufacturing	7.83	8.06	8.14	7.94	7.60	7.54	7.29	7.18
% Ch	3.5	2.9	1.1	-2.5	-4.3	-0.8	-3.3	-1.5
Nondurable Manufacturing	4.76	4.87	4.82	4.70	4.56	4.50	4.44	4.45
% Ch	3.4	2.1	-0.8	-2.5	-3.0	-1.3	-1.4	0.1
Construction	7.60	7.90	8.12	8.28	8.40	8.52	8.67	8.86
% Ch	3.7	3.9	2.9	1.9	1.5	1.4	1.8	2.1
Service-Providing	129.01	133.10	135.58	136.42	136.91	137.11	137.64	137.96
% Ch	5.0	3.2	1.9	0.6	0.4	0.1	0.4	0.2
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	87.8	81.5	76.4	70.0	66.6	64.4	63.3	62.8
Personal Saving/Disposable Income (%)	5.4	4.1	4.2	5.2	6.0	6.9	6.9	7.4
Auto Sales (Millions)	2.9	3.0	3.1	3.2	3.3	3.2	3.2	3.2
% Ch	-23.1	4.5	2.6	3.8	2.2	-1.3	-1.3	-0.1
Housing Starts (Millions)	1.655	1.422	1.428	1.427	1.366	1.381	1.378	1.347
% Ch	6.9	-14.1	0.5	-0.1	-4.3	1.1	-0.3	-2.2
Federal Budget Surplus (Billions)	-1,393.9	-1,413.3	-1,620.7	-1,626.3	-1,653.2	-1,681.0	-1,657.6	-1,681.3
Net Exports (Billions)	-981.0	-850.3	-798.5	-810.8	-753.8	-719.4	-652.9	-574.9
3-Month Treasury Bill Rate (%)	0.37	4.10	5.27	4.10	2.74	2.43	2.30	2.40
10-Year Treasury Note Yield (%)	1.93	3.54	4.17	3.51	3.43	3.27	3.04	3.17
Bond Index of 20 G.O. Munis. (%)	2.49	3.63	3.69	3.38	3.40	3.33	3.14	3.18
30-Year Fixed Mortgage Rate (%)	3.88	6.31	6.85	5.74	5.30	4.95	4.95	4.86

Table 1.2

Forecast Analysis

Comparison of Forecasts for 2023-25

U.S.	Average Annual Rate of Growth (Percent) 2023:2-2025:2		Average Rate (Percent) 2023:3 to 2025:2	
	Real GDP	PCE Price Index	3 Month T-Bill Rate	Mortgage Rate
2020				
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
2021				
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
2022				
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
2023				
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
November	1.6	2.3	5.02	6.82
2024				
February	2.2	2.0	4.68	6.30

Table 1.3
Forecast Analysis
 Comparison of Forecasts for 2025-27

U.S.	Average Annual Rate of Growth (Percent) 2025:2-2027:2		Average Rate (Percent) 2025:3 to 2027:2	
	Real GDP	PCE Price Index	3 Month T-Bill Rate	Mortgage Rate
2022				
February	1.9	2.1	2.16	4.84
June	1.9	1.9	2.37	4.80
September	2.0	1.9	2.37	4.81
November	2.0	1.8	2.39	4.87
2023				
March	2.0	1.9	2.44	5.00
June	2.0	2.0	1.94	4.96
September	2.0	2.0	2.54	5.08
November	2.0	2.1	2.76	5.19
2024				
February	2.0	2.1	2.59	5.13

Table 1.4

Fiscal Years

Forecast Comparison

Forecast 2023 to 2027

	2021	2022	2023	2024	2025	2026	2027
U.S.							
Real GDP							
February	19,458.9	20,214.0	20,540.4	21,157.9	21,504.1	21,932.0	22,365.2
% Ch	2.5	3.9	1.6	3.0	1.6	2.0	2.0
November	19,458.9	20,214.0	20,540.4	20,991.1	21,215.9	21,649.2	22,083.0
% Ch	2.5	3.9	1.6	2.2	1.1	2.0	2.0
PCE Price Index							
February	112.4	119.1	125.4	128.6	131.0	133.8	136.7
% Ch	2.1	6.0	5.3	2.5	1.9	2.2	2.1
November	112.4	119.1	125.4	129.0	132.0	134.8	137.7
% Ch	2.1	6.0	5.3	2.8	2.3	2.1	2.1
Unemployment Rate							
February	6.93	4.19	3.55	3.77	4.04	4.15	4.16
November	6.93	4.19	3.55	3.99	4.36	4.27	4.19
Mortgage Rate							
February	2.94	3.88	6.31	6.85	5.74	5.30	4.95
November	2.94	3.84	6.29	7.35	6.28	5.38	5.00
3 Month T-Bill Rate							
February	0.07	0.37	4.10	5.27	4.10	2.74	2.43
November	0.07	0.37	4.10	5.48	4.56	3.10	2.42



Chapter 2: Washington Economy – Current Conditions and Forecast

- **The Washington economy continued to expand through the fourth quarter of 2023.**
- **Washington employment growth in November and December was greater than expected in the November forecast.**
- **The Washington unemployment rate rose to 4.2% in December from 4.0% in November.**
- **Washington housing construction slowed in the fourth quarter of 2023.**
- **Seattle home prices increased in December and were up 3.0% compared with December 2022.**
- **Washington exports increased 6.8% from the fourth quarter of 2022 to the fourth quarter of 2023.**
- **Seattle consumer price inflation continued to outpace the national average in December.**

Current Conditions

The Washington economy continued to expand through the fourth quarter of 2023

The Washington economy continued to expand in the fourth quarter of 2023. Washington employment growth in November and December was more than expected in the November forecast. In December, the Washington unemployment rate rose from 4.0% to 4.2%, up from the historic low of 3.6% from July to September. Washington housing construction continued to slow in the fourth quarter of 2023. Seattle home prices increased in December and were up compared with the same period in 2022. Washington exports increased 6.8% from the fourth quarter of 2022 to the fourth quarter of 2023. Seattle consumer price inflation continued to outpace the national average in December 2023.

Washington nonfarm payroll employment increased 17,200 in November and December

Washington job growth has been stronger than expected compared to the November forecast. Total seasonally adjusted nonfarm payroll employment increased 17,200 in November and December which was 9,900 more than the increase of 7,300 expected in the forecast. The construction sector declined by 500 jobs while manufacturing employment increased by 3,000 in the two months since the forecast. The increase in manufacturing was fueled by a 1,700 job gain in aerospace. Arts, entertainment, and recreation had the largest increase in the private service sector, gaining 4,300 jobs over the two months. The largest decline was in administrative and support services with a loss of 2,400 jobs. Government employment increased by 5,000, with a decline of 600 jobs in federal government and a loss of 400 jobs in local government partially offsetting a 6,000 job gain in state government.

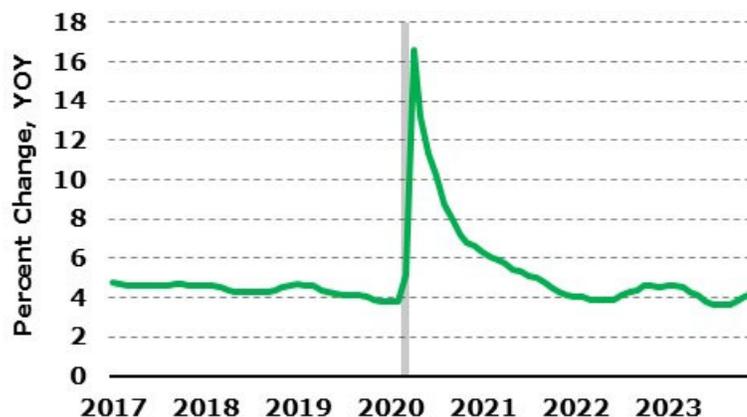
Revisions reduced the level of employment

Revisions to employment data subtracted 2,900 (-0.1%) to the estimated level of total employment in October 2023. The combined effect of the downward revision to historical data and stronger than expected employment growth in November and December is that December employment is 7,000 (0.2%) higher than expected in the November forecast.

Washington's unemployment remains low

Washington's unemployment rate has increased in each of the past three months. The unemployment rate increased to 4.2% in December from a recent trough of 3.6% in September. The September jobless rate was at a historic all-time low at 3.6% with data going back to 1958. Labor force participation remained at 64.3% in December from the month before, although it is down from the recent peak of 64.8% in May.

Figure 2.1 Washington Unemployment Rate



Source: Employment Security Department, data through December 2023

Washington initial claims increased in January

Washington initial claims for unemployment insurance increased in January. The seasonally adjusted number of initial claims totaled 23,900, an increase of 1,000 from December.

Washington housing construction continued to slow in the fourth quarter of 2023

Washington housing construction continued to slow in the fourth quarter of 2023. A total of 33,600 units (SAAR) were permitted in October, November, and December, down from 35,200 units (SAAR) in the third quarter. Permits in the fourth quarter consisted of 19,900 single-family units and 13,700 multi-family units. The November forecast assumed 36,300 units for the fourth quarter as a whole, consisting of 19,700 single-family units and 16,500 multi-family units.

Seattle-area home prices increased in December

Seattle-area home prices increased 0.3% in December after declining 0.8% in November. Home prices in Seattle are up 3.0% compared with December 2022. In comparison, growth in the composite-20 index continued in December and has remained positive in each of the past eleven months. The composite-20 index was up 6.2% year-over-year in December.

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

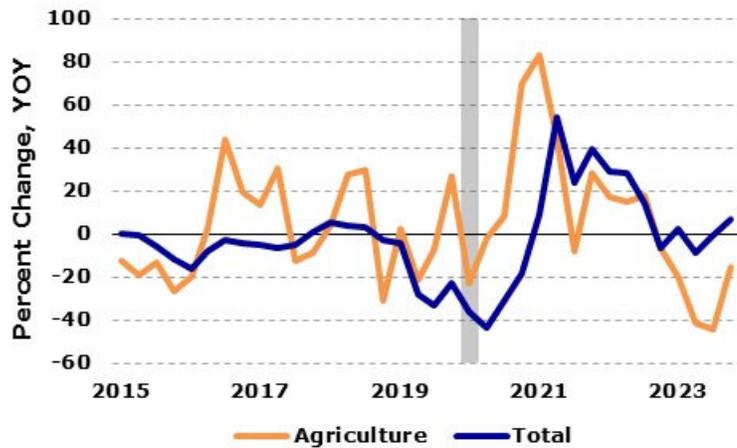


Source: S&P/Case-Shiller Home Price Indices; data through December 2023

Washington exports increased 6.8% from the fourth quarter of 2022 to the fourth quarter of 2023

According to the World Institute for Strategic Economic Research (WISER), Washington exports increased 6.8% from the fourth quarter of 2022 to the fourth quarter of 2023 (see figure). The increase was fueled by a 40.7% increase in transportation equipment exports. Agricultural exports declined 15.6% over the year, the fifth consecutive decline. Excluding transportation equipment and agricultural products, Washington exports increased 5.5% year-over-year in the fourth quarter of 2023.

Figure 2.3: Washington Exports



Source: Wiser Trade; data through 2023 Q4

Washington car and truck sales remain on an upward trend

Washington car and truck sales declined in January but remain on an upward trend. The seasonally adjusted number of new vehicle registrations fell 4.8% in January to 271,400 (SAAR). Passenger car registrations fell 5.6% while light truck registrations increased 1.8%. The number of total registrations remained up 13.8% over the year in January.

Washington personal income growth trailed the national average in the third quarter of 2023

In December, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the third quarter of 2023. Washington personal income increased from \$621.3 billion (SAAR) in the second quarter of 2023 to \$622.7 billion in the third quarter. The 0.9% increase (SAAR) in Washington personal income was the 4th lowest among the states and trailed the 3.5% rate of increase for the U.S. as a whole. At 1.7% (SAAR), growth in Washington net earnings trailed the 5.9% national average rate. Transfer receipts fell at a 3.1% annual rate in Washington compared to a 2.5% decline for the nation. Property income (dividends, interest, and rent) also trailed the nation, growing 1.3% (SAAR) in Washington compared to 1.5% for the national average.

Seattle consumer price inflation outpaced the national average in December 2023

Seattle-area consumer price inflation continues to outpace the national average. From December 2022 to December 2023, the Seattle CPI rose 4.4% compared to the 3.4% increase in the U.S. City average index. Inflation has come down sharply since reaching a peak in June of last year at 10.1% for Seattle and 9.1% for the U.S. Shelter costs in both Washington and the U.S. continue to outpace topline inflation, increasing 6.0% and 6.2% respectively. Core inflation (excluding food and energy) remains elevated. Seattle core CPI rose 4.9% in December compared to 3.9% for the U.S. City average.

Washington State Forecast

The Washington forecast features faster nominal personal income growth from 2024 – 2027 but starting from a lower 2023 base

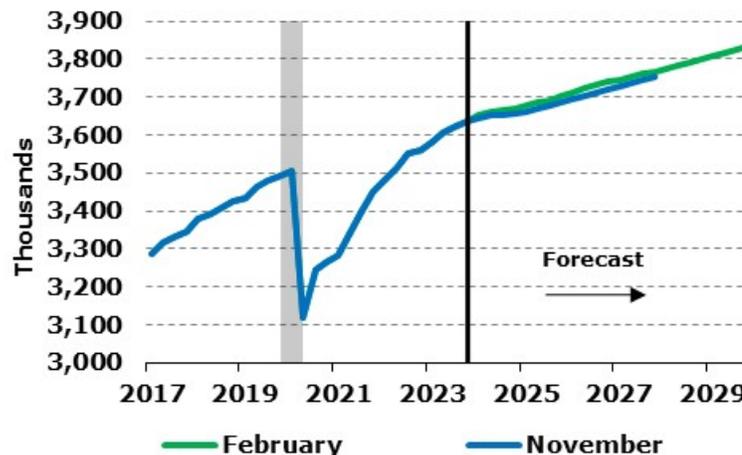
The Washington forecast features a slightly lower level of nominal personal income in 2024 and 2025, but higher in the out-years compared to the November forecast, as well as slightly higher employment throughout the forecast period. We expect a 5.4% increase in nominal Washington personal income this year, up from 5.1% in the November forecast but from a lower 2023 base. Annual growth rates for 2024 – 2027 average 5.6%, up from 5.5% in November. We expect a 1.4% increase in Washington employment this year, up from the 1.1% growth rate expected in the November forecast. We expect employment growth to average 0.8% per year in 2024 through 2027, similar to the November forecast. Employment growth is expected to be 0.8% in 2028 and 0.9% in 2029. We expect housing permits to total 41,400 units this year, down slightly from the November forecast, and we expect permits to average 44,200 units in 2024 through 2027, up from the 43,600 units in the November forecast. We expect the Seattle headline inflation to be 3.3% this year, up from 3.1% in the November forecast. We expect Seattle headline inflation to average 2.3% per year in 2025 through 2027, up from 2.2% in the November forecast.

Washington Payroll Employment

Job growth is slightly stronger than in November

We expect slightly stronger job growth than in the November forecast (see figure). We expect a 1.4% increase in Washington employment this year, up from the 1.1% growth rate expected in the November forecast. We expect slower growth during the remainder of the forecast as the U.S. economy slows. We expect employment growth to average 0.9% per year from 2025 through 2029. On an annual basis, we expect growth of 1.4% in 2024, 0.7% in 2025, 1.1% in 2026 and 0.8% in 2027 and 2028, and 0.9% in 2029.

Figure 2.4: Nonfarm Payroll Employment



Source: Employment Security Department, ERFC; historical data through 2023 Q4

Aerospace employment is increasing

After the grounding of the 737 Max and then the pandemic, Washington's aerospace employment declined from 89,600 at the 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 15,100 jobs, bringing the level to 81,900 in December 2023. We expect aerospace employment to continue to expand in Washington, reaching a total of 89,600 jobs by the end of 2028. On an annual average basis, we expect aerospace employment to grow 6.4% this year and 3.0% in 2025, 3.2% in 2026, then slowing to 1.3% in 2027, 0.4% in 2028 and -0.2% in 2029.

Software jobs decreased over 2023

The software sector in Washington continued to grow throughout 2022 and peaked in early 2023 at 88,800 jobs. However, since that time the sector has lost 7,000 jobs through December. We expect the sector to contract by 0.2% in 2024 and then grow after during the remainder of the forecast with growth rates of 2.3% in 2025, 1.2% in 2026 and 2.1% in 2027.

Construction employment is expected to increase through 2029

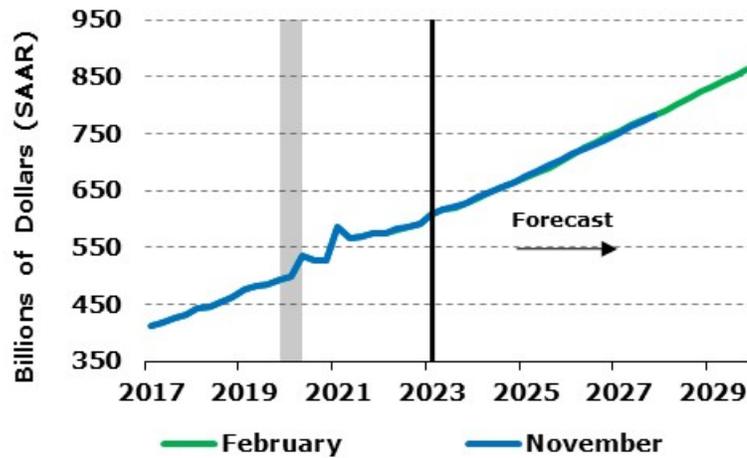
Construction has recovered more than all the jobs lost in the recession because of a surge in residential construction which peaked in 2021. As of December 2023, construction employment was 3.3% higher than at its prior peak in February 2020. We expect construction employment to continue to expand throughout the forecast period, rising to 280,000 by the fourth quarter of 2029. On an annual basis, we expect construction employment to grow by 1.6% in 2024, 2.1% in 2025, 3.6% in 2026, 2.9% in 2027 and 2028 and 3.0% in 2029.

Washington Personal Income

Our forecast for nominal personal income growth this year is 5.4%

The forecast for nominal personal income growth this year is 5.4%, up from 5.1% in the November forecast but starting from a lower 2023 base. We expect nominal personal income growth of 5.4% in 2025 as well, down from 5.9% in the previous forecast. The February forecast then has nominal personal income growth average 5.8% in 2026 and 2027, up from 5.4% in the November forecast. We then expect nominal personal income growth to slow and average 5.1% in 2028 and 2029.

Figure 2.5: Washington Personal Income



Source: Bureau of Economic Analysis, ERFC; historical data through 2023 Q3

Washington Building Permits

The Washington housing construction forecast is slightly lower in 2024 than in November

The Washington housing construction forecast for 2024 is slightly lower than in November but higher in all out-years. The number of authorized housing units reached 56,900 in 2021 which was the highest annual total since 1978. Permits declined throughout 2022 and 2023 and averaged 49,200 and 39,400 respectively. We believe permits will begin to recover in the first quarter of 2024. We expect housing permits to total 41,400 units this year, down from 41,600 units in the November forecast, and we expect permits to average 44,200 units in 2024 through 2027, up from 43,600 in the November forecast. On a calendar year basis, we expect 44,400 units in 2025, 45,100 units in 2026, 45,900 units in 2027, 45,800 units in 2028 and 45,600 units in 2029.

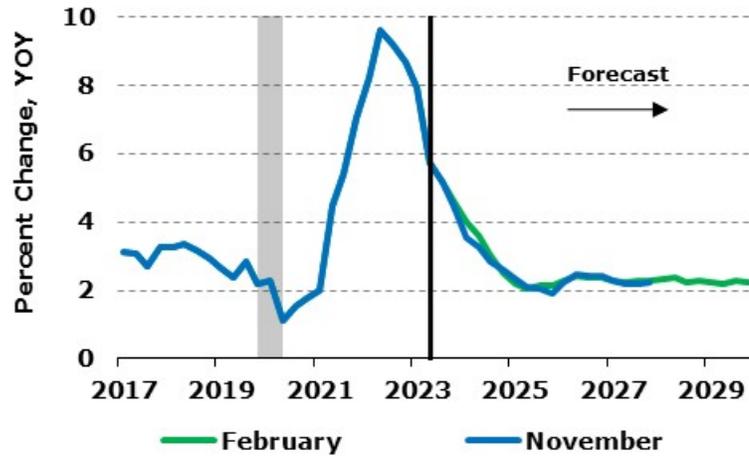
Consumer Price Index

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

The near-term inflation outlook has increased slightly since the November forecast, but we expect price pressures to continue to diminish over the remainder of 2024 and in 2025. The Seattle CPI peaked at 10.1% in June 2022 which was the highest rate since the 1980s but has generally trended down since that time. On an annual average basis, inflation will slow to 3.3% this year, up 0.2 percentage points from the November forecast. We expect Seattle inflation to average 2.1% in 2025, unchanged from the November forecast. For 2026 through 2029, Seattle inflation will average 2.3%.

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 Q4

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.

Optimistic

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

The optimistic scenario assumes stronger growth of consumer spending and stronger productivity relative to baseline. We assume that balance sheet issues in the banking sector continue to be successfully managed and that large deposit withdrawals do not repeat, allowing financial institutions to continue to support the economy through solid growth of credit. Moreover, a subsidence in the fighting in the Russia-Ukraine conflict and in the conflict in the Middle East allows for a lower path of energy prices, while firms are able to effect large productivity gains, improving corporate profitability. GDP rises 0.6 percentage point faster than the baseline through 2025, aided a bit by reduced uncertainty over a government shutdown. The economy then grows below trend through 2028. Annually, GDP rises on average 3.0% over 2024 versus 2.4% in the baseline.

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 significantly faster than assumed in the baseline. 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. Construction employment also grows more rapidly in 2024-2029

than in the baseline forecast. Washington nonfarm payroll employment in 2029 is higher by 66,900 jobs (1.7%) than in the baseline forecast and Washington personal income is \$31.2 billion (3.6%) higher.

Pessimistic

Growth slows as consumer spending weakens

The pessimistic scenario is characterized by a slight decline in both consumer spending and in GDP, compared to a growth slowdown in the baseline. Underlying this narrative is the assumption that balance sheet strains in the banking sector led financial institutions to severely tighten lending standards and curtail credit expansion. As a result, credit-dependent consumer spending and small business activity suffer greatly. Moreover, higher energy prices due to a worsening in the conflicts currently underway in Ukraine and in the Middle East weigh heavily on businesses and households. GDP declines in the middle of 2024, versus an average pace of growth of 1.5% in the baseline and the unemployment rate in this scenario rises from 3.8% in the fourth quarter of 2023 to 6.4% by late 2025, before declining to 5.0% by the end of the forecast horizon.

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 peaks in the fourth quarter of 2023 and then declines. Software employment also peaks in 2023 and remains essentially flat over the forecast period. Construction employment peaks in the second quarter of 2024 and then reductions continue through 2027 when growth resumes. The relatively weak local economy also puts downward pressure on Washington wages and the Seattle CPI. Washington nonfarm payroll employment in 2029 is 162,000 (4.2%) lower than in the baseline forecast and Washington personal income is \$51.9 billion (6.0%) lower.

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

Governor’s Council of Economic Advisors (GCEA)

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 lower real growth and slightly higher inflation for 2024

The Governor’s Council of Economic Advisors’ (GCEA) national forecast has lower real growth but slightly higher inflation in 2024 than our baseline forecast. The GCEA real GDP growth forecast averages 1.9% per year for 2024 through 2029, compared with our 2.0% per year rate. Their forecast of 1.9% average real consumer spending growth is slightly lower than our 2.0% average growth rate. The GCEA members’ personal consumption expenditures (PCE) inflation forecast averages 2.2% per year which is slightly higher than the 2.1% average rate in our forecast. The Council members’ mortgage rate forecast averages 5.3% over the six-year forecast horizon, slightly above

our average mortgage rate forecast of 5.2%. The GCEA Brent oil price forecast averages \$74 per barrel which is higher than our \$71 average Brent 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 3.2% per year for 2024 through 2029, compared to our 3.3% average. The Council members' forecast for total employment growth over the six-year period averages 1.0% per year, compared with our 0.9% average growth. The Council members' forecast for manufacturing employment growth over the six-year period averages 0.2% per year compared to our 0.1% average growth rate. The Council members' forecast for construction employment growth over the six-year period averages 2.3% per year compared to our 2.7% average growth rate. The GCEA housing permit forecast averages 44,200 units per year compared to our forecast of 44,700 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 2024 to 2029

Fiscal Years

	2022	2023	2024	2025	2026	2027	2028	2029
Real Income (Billions of Chained 2012 Dollars)								
Real Personal Income	482.800	479.268	492.281	511.019	528.421	548.682	563.985	581.257
% Ch	-1.7	-0.7	2.7	3.8	3.4	3.8	2.8	3.1
Real Wage and Salary Disb.	254.796	257.139	266.473	274.811	281.079	291.039	297.797	306.565
% Ch	3.3	0.9	3.6	3.1	2.3	3.5	2.3	2.9
Real Nonwage Income	228.003	222.129	225.809	236.208	247.342	257.643	266.188	274.692
% Ch	-6.7	-2.6	1.7	4.6	4.7	4.2	3.3	3.2
Real Per Capita Income (\$/Person)	62,196	61,359	62,597	64,532	66,253	68,284	69,679	71,315
% Ch	-2.1	-1.3	2.0	3.1	2.7	3.1	2.0	2.3
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.191	1.254	1.286	1.310	1.338	1.367	1.396	1.425
% Ch	6.0	5.3	2.5	1.9	2.2	2.1	2.1	2.1
Seattle Cons. Price Index (1982-84=1.0)	3.089	3.332	3.476	3.561	3.641	3.725	3.811	3.897
% Ch	7.6	7.9	4.3	2.5	2.2	2.3	2.3	2.2
Average Nonfarm Annual Wage	85,403	87,959	91,722	95,575	98,983	103,669	107,560	112,032
% Ch	4.0	3.0	4.3	4.2	3.6	4.7	3.8	4.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	29.08	29.54	30.68	31.85	32.75	33.92	35.03	36.21
% Ch	4.3	1.6	3.9	3.8	2.8	3.6	3.3	3.4
Current Dollar Income (Billions of Dollars)								
Personal Income	574.808	601.277	632.990	669.538	707.302	749.938	787.247	828.176
% Ch	4.1	4.6	5.3	5.8	5.6	6.0	5.0	5.2
Disposable Personal Income	498.763	526.092	559.875	592.335	624.637	660.496	691.024	725.740
% Ch	1.7	5.5	6.4	5.8	5.5	5.7	4.6	5.0
Per Capita Income (\$/Person)	74,047	76,979	80,489	84,549	88,680	93,329	97,261	101,609
% Ch	3.7	4.0	4.6	5.0	4.9	5.2	4.2	4.5
Employment (Thousands)								
Washington Civilian Labor Force	3,940.0	4,028.8	4,066.6	4,100.6	4,135.4	4,173.2	4,202.4	4,231.5
Total Washington Employment	3,771.2	3,853.5	3,901.4	3,914.8	3,947.7	3,987.4	4,017.8	4,049.2
Unemployment Rate (%)	4.29	4.35	4.06	4.53	4.54	4.45	4.39	4.31
Nonfarm Payroll Employment	3,461.8	3,575.7	3,643.6	3,674.6	3,707.6	3,743.7	3,770.9	3,804.8
% Ch	5.4	3.3	1.9	0.9	0.9	1.0	0.7	0.9
Manufacturing	263.8	272.3	280.5	278.7	277.5	278.6	277.0	277.4
% Ch	1.2	3.2	3.0	-0.7	-0.4	0.4	-0.6	0.1
Durable Manufacturing	177.8	184.9	193.7	193.9	195.0	196.6	195.5	195.1
% Ch	-0.5	4.0	4.8	0.1	0.6	0.9	-0.6	-0.2
Aerospace	68.3	74.3	81.4	83.9	87.0	88.9	89.6	89.6
% Ch	-3.7	8.8	9.6	3.0	3.7	2.2	0.8	0.1
Nondurable Manufacturing	86.0	87.4	86.8	84.8	82.5	82.0	81.5	82.3
% Ch	4.8	1.6	-0.7	-2.3	-2.7	-0.6	-0.7	1.0
Construction	227.8	235.3	237.6	242.2	249.3	257.6	264.6	272.8
% Ch	3.8	3.3	1.0	1.9	3.0	3.3	2.7	3.1
Service-Providing	2,964.5	3,062.5	3,120.2	3,148.9	3,175.9	3,202.5	3,224.1	3,249.3
% Ch	5.9	3.3	1.9	0.9	0.9	0.8	0.7	0.8
Software Publishers	82.7	86.8	84.9	86.8	88.3	89.7	91.8	93.5
% Ch	6.2	4.9	-2.2	2.2	1.8	1.5	2.3	1.8
Mgmt. of Companies and Enterprises	97.7	103.3	102.6	106.5	109.8	112.6	115.2	117.7
% Ch	7.0	5.7	-0.6	3.8	3.1	2.6	2.3	2.2
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	58.003	40.636	37.050	43.703	44.786	45.459	45.960	45.579
% Ch	17.1	-29.9	-8.8	18.0	2.5	1.5	1.1	-0.8
Single-Family	23.895	16.720	20.354	23.481	24.691	25.047	25.635	25.598
% Ch	-8.7	-30.0	21.7	15.4	5.2	1.4	2.3	-0.1
Multi-Family	34.108	23.916	16.696	20.223	20.095	20.413	20.326	19.981
% Ch	46.1	-29.9	-30.2	21.1	-0.6	1.6	-0.4	-1.7
30-Year Fixed Mortgage Rate (%)	3.88	6.31	6.85	5.74	5.30	4.95	4.95	4.86

Table 2.2
Comparison of Alternative Forecasts

Fiscal Years

	2024	2025	2026	2027	2028	2029
U.S.						
Real GDP, Percent Change						
Optimistic	3.2	2.4	2.0	1.7	1.7	1.6
Baseline	3.0	1.6	2.0	2.0	1.9	1.9
Pessimistic	2.8	0.5	1.5	2.0	2.1	2.1
PCE Price Index, Percent Change						
Optimistic	2.4	2.2	2.2	2.2	2.1	2.1
Baseline	2.5	1.9	2.2	2.1	2.1	2.1
Pessimistic	2.6	2.3	1.6	1.5	1.5	1.4
Mortgage Rate, Percent						
Optimistic	6.85	5.90	5.29	5.07	5.03	4.99
Baseline	6.85	5.74	5.30	4.95	4.93	4.94
Pessimistic	6.87	5.85	4.72	4.28	4.21	4.15
3 Month T-Bill Rate, Percent						
Optimistic	5.36	4.64	3.25	2.66	2.64	2.58
Baseline	5.27	4.10	2.74	2.43	2.39	2.34
Pessimistic	5.29	3.42	1.01	0.58	0.58	0.58
Washington						
Real Personal Income, Percent Change						
Optimistic	3.6	5.7	4.2	3.7	3.7	3.7
Baseline	2.7	3.8	3.4	3.8	3.5	3.2
Pessimistic	1.7	0.9	2.0	3.1	3.1	3.0
Personal Income, Percent Change						
Optimistic	6.1	8.0	6.4	6.0	5.9	5.9
Baseline	5.3	5.8	5.6	6.0	5.7	5.4
Pessimistic	4.4	3.3	3.6	4.7	4.6	4.5
Employment, Percent Change						
Optimistic	2.1	1.5	1.2	1.3	1.3	1.2
Baseline	1.9	0.9	0.9	1.0	0.9	0.8
Pessimistic	1.7	-1.1	-0.5	0.3	0.3	0.3
Housing Permits, Thousands of Authorized Units						
Optimistic	37.2	44.0	46.4	46.6	46.6	46.8
Baseline	37.1	43.7	44.8	45.5	45.7	45.9
Pessimistic	36.7	38.9	38.5	37.0	36.7	36.7

Table 2.3

Calendar Years

Governor's Council of Economic Advisor's Forecast

	2024	2025	2026	2027	2028
U.S.					
Real GDP					
<i>Growth</i>					
ERFC	2.4	1.7	2.1	1.9	1.9
GCEA Average	1.7	1.6	2.1	2.0	2.1
Real Consumption					
<i>Growth</i>					
ERFC	2.5	1.6	2.1	2.0	2.0
GCEA Average	1.7	1.5	2.1	2.0	2.1
PCE Price Index					
<i>Growth</i>					
ERFC	1.9	2.1	2.2	2.1	2.1
GCEA Average	2.2	2.2	2.2	2.1	2.1
Mortgage Rate					
<i>Percent</i>					
ERFC	6.2	5.5	5.1	4.9	4.9
GCEA Average	6.4	5.5	5.2	5.0	5.0
Oil Price (Brent)					
<i>Dollars per barrel</i>					
ERFC	76.6	72.9	70.7	69.4	68.8
GCEA Average	80.7	75.8	73.4	71.4	70.5
Washington State					
Real Personal Income					
<i>Growth</i>					
ERFC	3.4	3.2	4.0	3.2	2.8
GCEA Average	3.2	3.2	3.5	3.4	3.0
Wage and Salary Employment					
<i>Growth</i>					
ERFC	1.4	0.7	1.1	0.8	0.8
GCEA Average	1.3	0.7	1.0	0.9	0.9
Manufacturing Employment					
<i>Growth</i>					
ERFC	1.9	-1.7	0.7	-0.3	-0.3
GCEA Average	1.6	-1.6	0.2	0.5	0.3
Construction Employment					
<i>Growth</i>					
ERFC	1.6	2.1	3.6	2.9	2.9
GCEA Average	1.3	1.3	2.9	2.5	2.8
Housing Permits					
<i>Thousands of authorized units</i>					
ERFC	41.4	44.4	45.1	45.9	45.8
GCEA Average	41.6	43.4	44.6	45.1	45.2
Washington Average Annual Wage					
<i>Growth</i>					
ERFC	4.1	3.4	4.6	4.2	3.8
GCEA Average	3.5	3.7	4.1	4.4	4.2

Table 2.4
Forecast Analysis
 Comparison of Forecasts for 2023-25

Washington	Average Annual Rate of Growth (Percent) 2023:2-2025:2			Average Annual Rate (Thousands) 2023:3 to 2025:2
	Employment	Personal Income	Real Personal Income	Housing Units Authorized
2020				
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
2021				
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
2022				
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
2023				
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
November	0.9	5.3	2.9	40.6
2024				
February	1.1	5.1	3.1	40.4

Table 2.5
Forecast Analysis
 Comparison of Forecasts for 2025-27

Washington	Average Annual Rate of Growth (Percent) 2025:2-2027:2			Average Annual Rate (Thousands) 2025:3 to 2027:2
	Employment	Personal Income	Real Personal Income	Housing Units Authorized
2022				
February	0.8	5.1	2.9	42.9
June	1.0	5.2	3.3	47.2
September	1.0	5.3	3.3	46.6
November	1.0	5.1	3.2	46.2
2023				
March	0.9	5.2	3.2	44.8
June	1.0	5.2	3.2	44.8
September	1.0	5.1	3.1	45.1
November	0.9	5.4	3.2	44.4
2024				
February	0.9	5.9	3.7	45.0

Table 2.6
Forecast Comparison
Forecast 2023 to 2027

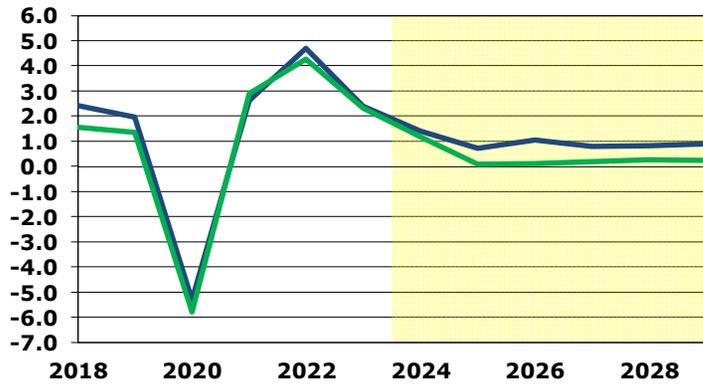
Fiscal Years

	2021	2022	2023	2024	2025	2026	2027
Washington							
Real Personal Income							
February	491.193	482.800	479.268	492.281	511.019	528.421	548.682
% Ch	7.2	-1.7	-0.7	2.7	3.8	3.4	3.8
November	491.069	483.017	479.860	491.705	507.927	525.893	542.045
% Ch	7.2	-1.6	-0.7	2.5	3.3	3.5	3.1
Personal Income							
February	552.017	574.808	601.277	632.990	669.538	707.302	749.938
% Ch	9.5	4.1	4.6	5.3	5.8	5.6	6.0
November	552.017	575.183	602.028	634.408	670.656	709.117	746.480
% Ch	9.5	4.2	4.7	5.4	5.7	5.7	5.3
Employment							
February	3284.0	3461.8	3575.7	3643.6	3674.6	3707.6	3743.7
% Ch	-3.4	5.4	3.3	1.9	0.9	0.9	1.0
November	3284.0	3461.8	3575.7	3638.9	3659.3	3690.5	3723.9
% Ch	-3.4	5.4	3.3	1.8	0.6	0.9	0.9
Housing Permits							
February	49.527	58.003	40.636	37.050	43.703	44.786	45.459
% Ch	5.0	17.1	-29.9	-8.8	18.0	2.5	1.5
November	49.527	58.003	41.002	38.670	42.470	44.184	44.648
% Ch	5.0	17.1	-29.3	-5.7	9.8	4.0	1.1

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

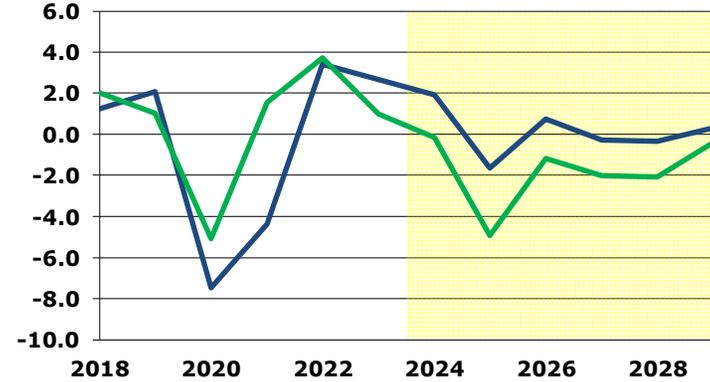
Forecast

Total Nonfarm Payroll Employment



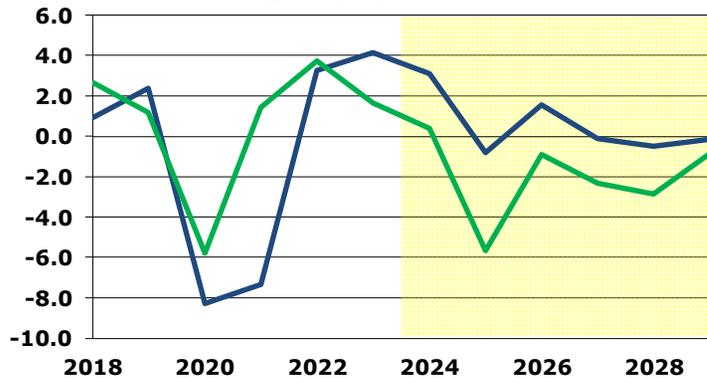
Source: WA State Employment Security Dept. 2023, ERFC 2029

Manufacturing Employment



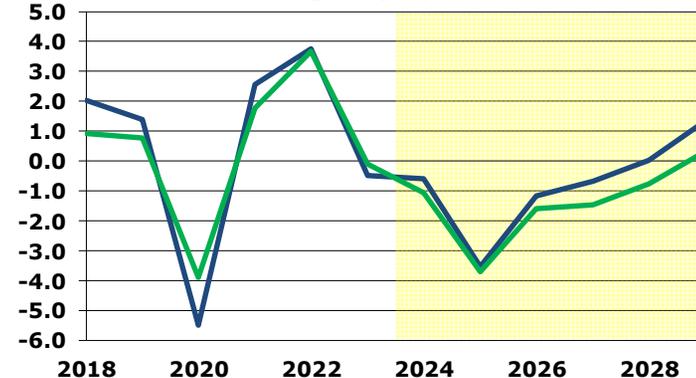
Source: WA State Employment Security Dept. 2023, ERFC 2029

Durable Manufacturing Employment



Source: WA State Employment Security Dept. 2023, ERFC 2029

Nondurable Manufacturing Employment



Source: WA State Employment Security Dept. 2023, ERFC 2029

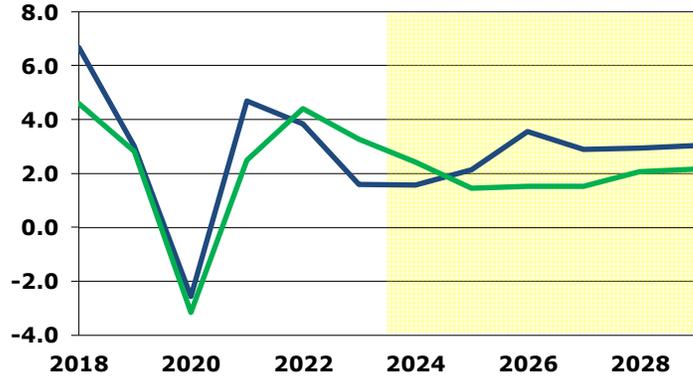
Washington

U.S.

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

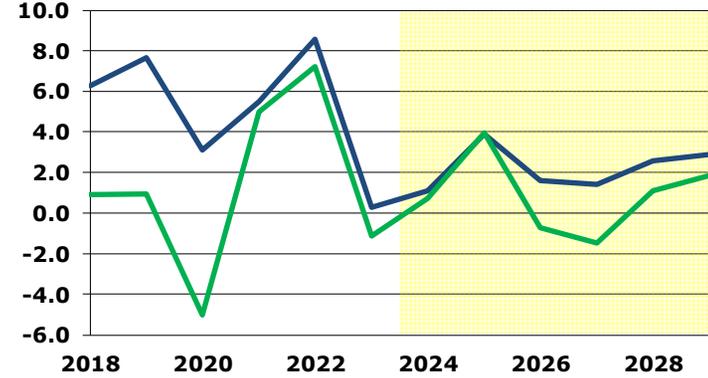
Forecast

Construction Employment



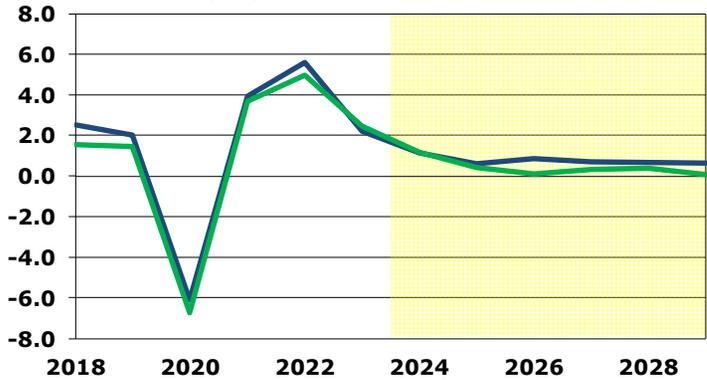
Source: WA State Employment Security Dept. 2023, ERFC 2029

Information Employment



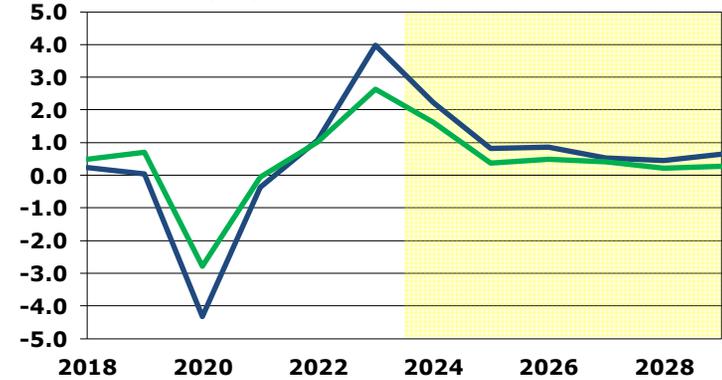
Source: WA State Employment Security Dept. 2023, ERFC 2029

Other Private Employment



Source: WA State Employment Security Dept. 2023, ERFC 2029

Government Employment



Source: WA State Employment Security Dept. 2023, ERFC 2029

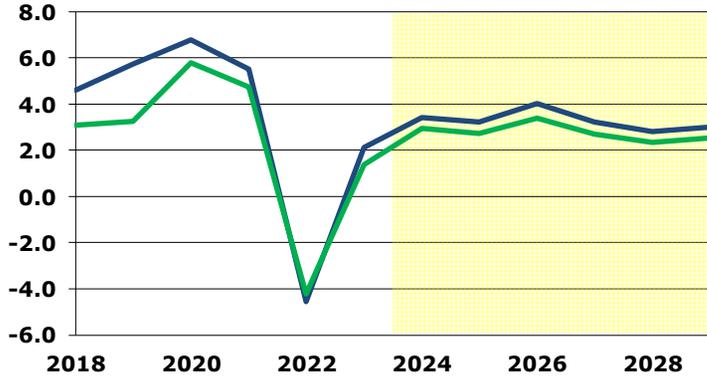
■ Washington

■ U.S.

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

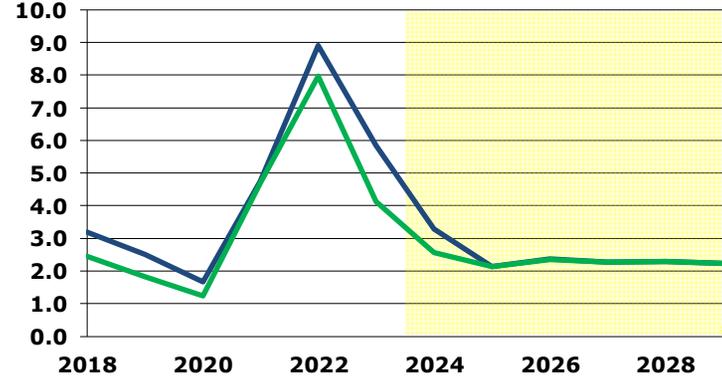
Forecast

Real Personal Income



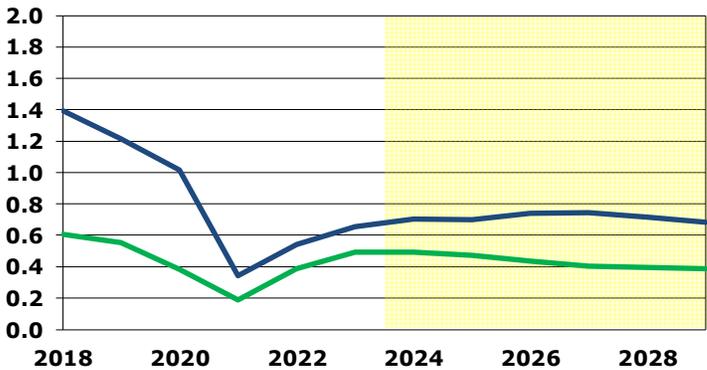
Source: Bureau of Economic Analysis 2023, ERFC 2029

Consumer Price Indices



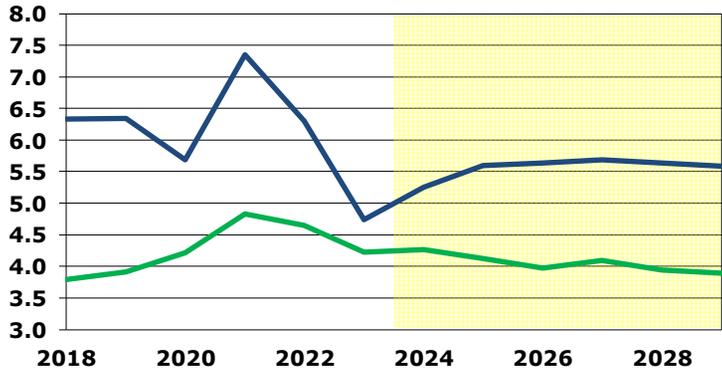
Source: Bureau of Labor Statistics 2023, ERFC 2029

Population



Source: Bureau of Economic Analysis 2023, ERFC 2029

New Housing Units Per 1,000 Population (Level)



Source: Census Bureau, Bureau of Economic Analysis 2023, ERFC 2029

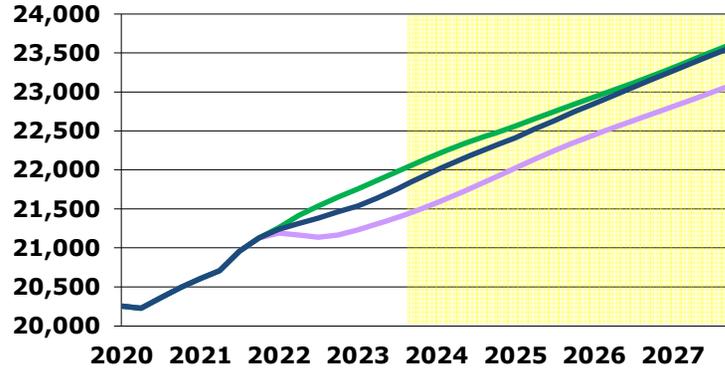
Washington

U.S.

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

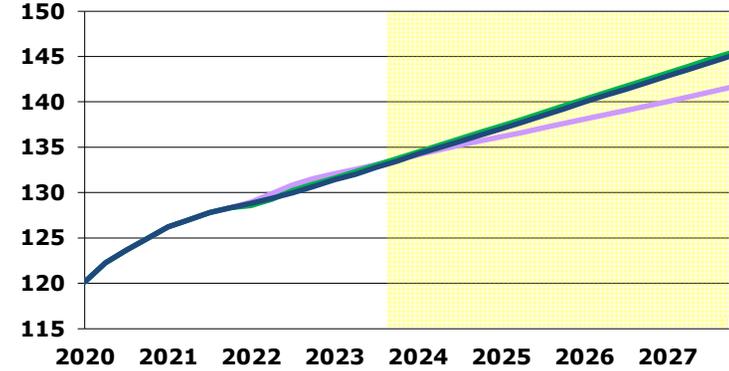
Forecast

Real GDP, Billions of 2012 Dollars



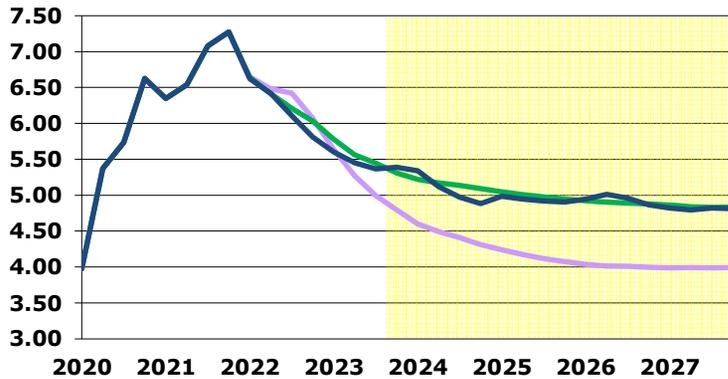
Source: Bureau of Economic Analysis 2023 Q4, ERFC 2029 Q4

PCE Price Index, 2012 = 100



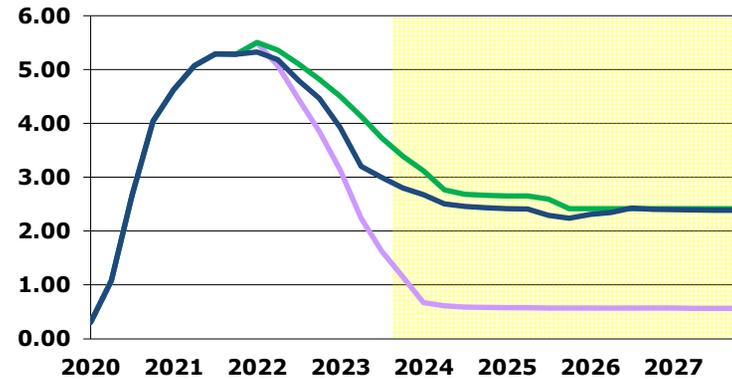
Source: Bureau of Economic Analysis 2023 Q4, ERFC 2029 Q4

Mortgage Rate, Percent



Source: Freddie Mac 2023 Q4, ERFC 2029 Q4

Three Month T-Bill Rate, Percent



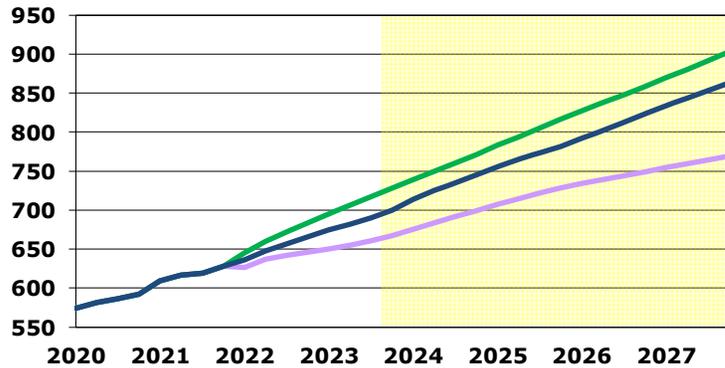
Source: Federal Reserve Board 2023 Q4, ERFC 2029 Q4

■ Baseline
 ■ Optimistic
 ■ Pessimistic

Figure 2.9: Comparison of Alternative Washington Economic Forecasts

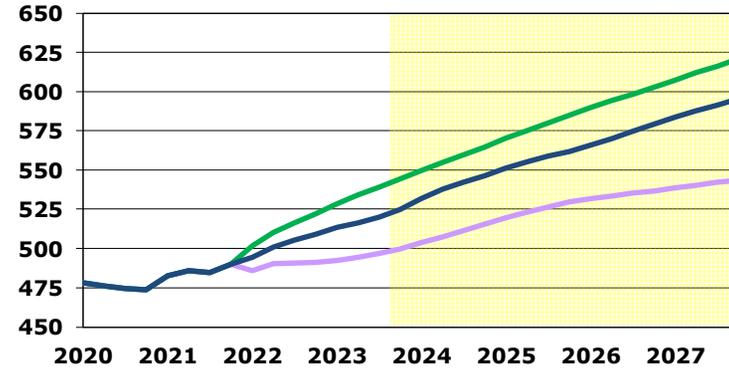
Forecast

Personal Income, Billions of Dollars



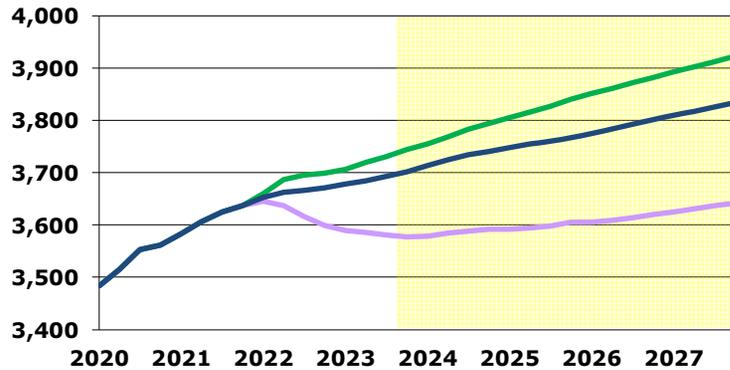
Source: Bureau of Economic Analysis 2023 Q4, ERFC 2029 Q4

Real Personal Income, Billions of 2012 Dollars



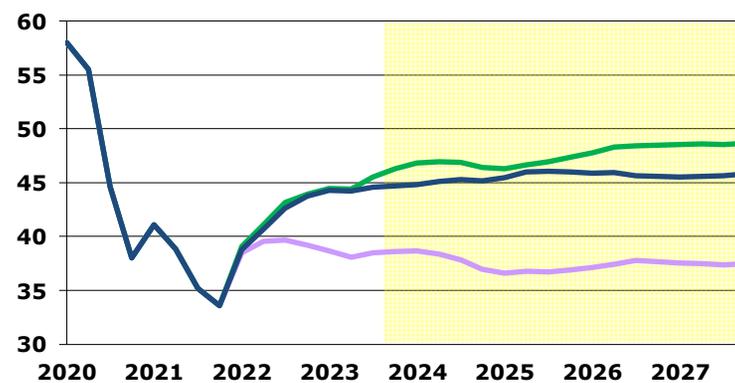
Source: Bureau of Economic Analysis 2023 Q4, ERFC 2029 Q4

Total Nonfarm Payroll Employment, Thousands



Source: WA State Employment Security 2023 Q4, ERFC 2029 Q4

Housing Permits, Thousands



Source: Census Bureau 2023 Q4, ERFC 2029 Q4

Baseline

Optimistic

Pessimistic



Chapter 3: Washington State Revenue Forecast Summary

- **Tracked revenue collections since November have come in above their forecasted amounts.**
- **The February economic forecast projects slightly higher personal income after 2025 and housing permits after 2024, and slightly higher employment throughout. This has resulted in slight increases in forecasted Revenue Act taxes.**
- **Forecasted real estate excise taxes have increased slightly due to higher-than-expected taxable activity and forecasted lower mortgage rates.**
- **Forecasted total General Fund-State (GF-S) revenue and that of the non-GF-S accounts all increased slightly.**
- **The forecast of funds subject to the budget outlook process was increased by \$122 million in the 2023-25 biennium and \$215 million in the 2025-27 biennium.**
- **This is the first forecast to include projections for the 2027-29 biennium.**

Overview

Revenue collections have come in above the forecast and the economic forecast has slightly improved

Tracked revenue collections since November have come in above their forecasted amounts. In addition, the February economic forecast projects slightly higher personal income after 2025 and housing permits after 2024 than previously forecasted, and higher employment throughout. These factors have resulted in slight increases in forecasted Revenue Act taxes in this biennium and the next. Forecasted real estate excise taxes have increased slightly due to the higher-than-expected taxable activity and lower forecasted mortgage rates. General Fund-State (GF-S) and non-GF-S forecasts have all grown slightly. This month's forecast is the first to include projections for the 2027-29 biennium.

Total forecast change by biennium (millions):

*23-25: \$122
25-27: \$215*

Table 3.1 summarizes the changes to forecasted revenue in funds subject to the budget outlook process for the 2023-25 and 2025-27 biennia. Forecasted revenue was increased by \$121.8 million in the 2023-25 biennium and \$215.4 million in the 2025-27 biennium. The February 2024 forecast for these funds total \$67,005.1 million in the 2023-25 biennium and \$71,721.2 million in the 2025-27 biennium. The initial forecast of total revenue for the 2027-29 biennium is \$76,948.3 million.

February
forecast by
biennium
(\$billions):

2023-25:
\$67.005

2025-27:
\$71.721

2027-29:
\$76.948

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

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

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

	2023-25 Biennium	2025-27 Biennium
Non-Economic Change	\$0.0	\$0.0
Forecast Change	\$121.8	\$215.4
Total Change	\$121.8	\$215.4

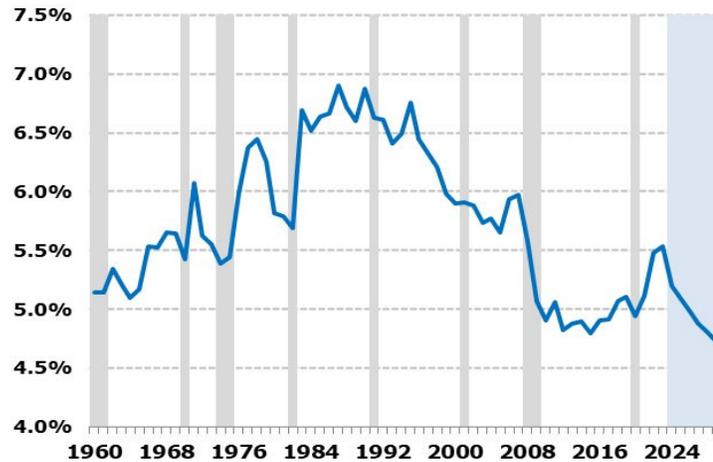
(*cash basis, millions of dollars)

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.

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 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 2029.

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 through fiscal year 2023. Gray shaded area indicates recession; blue shaded area indicates forecast.

Track Record for 2023-25 and 2025-27 Biennial forecasts

The forecast for the current biennium is \$1.26 billion higher than was forecasted at the time of the initial 2023-25 budget

Table 3.10 summarizes the historical changes to the forecast of funds subject to the budget outlook for the 2023-25 biennium and Table 3.11 tracks changes to the 2025-27 forecast. The February 2020 forecast was the initial forecast for the 2023-25 biennium. The current forecast of total revenue is \$7.16 billion (12.0%) 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 \$6.54 billion (10.9%) 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 current forecast of biennial revenue is \$1,264 million (1.9%) higher than that sum. The February 2022 forecast was the initial forecast for the 2025-27 biennium. The current forecast for the biennium is \$1.7 billion (2.4%) higher than the initial forecast.

Recent Collection Experience

Tracked collections were \$71 million (0.9%) higher than forecasted in November

GF-S revenue collections from the Department of Revenue (DOR) and the Washington court system are tracked monthly. In the period since the November forecast, total revenue from the above sources came in \$70.8 million (0.9%) higher than expected (see Table 3.2). Revenue Act collections reported by the DOR were \$71.5 million (1.2%) higher than forecasted and revenue from other DOR tax sources was \$5.2 million (0.2%) lower than forecasted.

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

<u>Agency/Source</u>	<u>Collection Variance</u>	<u>Percent of Estimate</u>
Department of Revenue		
Revenue Act	\$71.5	1.2%
Non-Revenue Act	(\$5.2)	-0.2%
Subtotal	\$66.3	0.8%
Washington court system	\$4.5	48.9%
Total*	\$70.8	0.9%

* Detail may not add to total due to rounding.

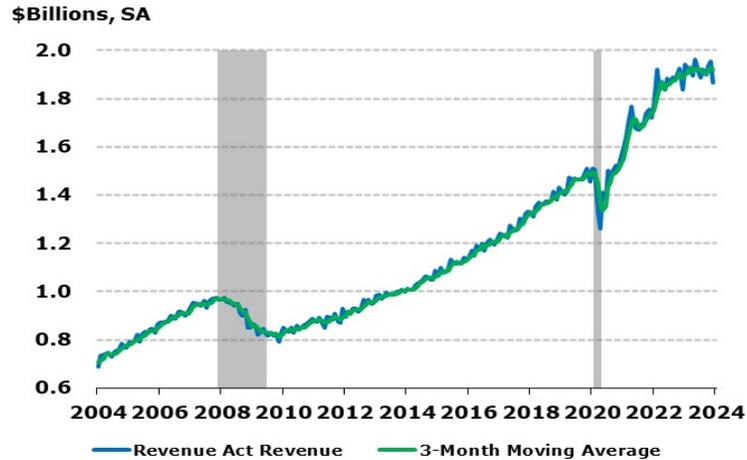
Source: ERFC; Period: November 11, 2023 - February 10, 2024

Non-Revenue Act DOR tax collections were lower than forecasted

Property tax collections came in \$5.9 million (0.3%) higher than forecasted. Real estate excise tax (REET) came in \$2.6 million (1.4%) higher than forecasted. Cigarette tax collections came in \$4.2 million (6.5%) lower than forecasted and liquor sales and liter tax receipts came in \$5.8 million (2.6%) lower than forecasted. Net refunds of unclaimed property from the GF-S were \$8.3 million (19.2%) higher than forecasted. Revenue from all other DOR revenue sources came in \$4.6 million (8.4%) higher than forecasted. Revenue from the Washington court system was \$4.5 million (48.9%) higher than forecasted.

Figure 3.2: Revenue Act Collections*

In the most recent period, collections were down 0.1% year over year



Source: ERFC; Data through February 10, 2024

*Adjusted for large payments/refunds, payment pattern changes and deferred payments

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, growth in collections began to slow in 2023. While seasonally adjusted collections have

Adjusted Revenue Act collections were up 1.0% year over year for third and fourth quarter 2023 activity after 3.4% second quarter growth

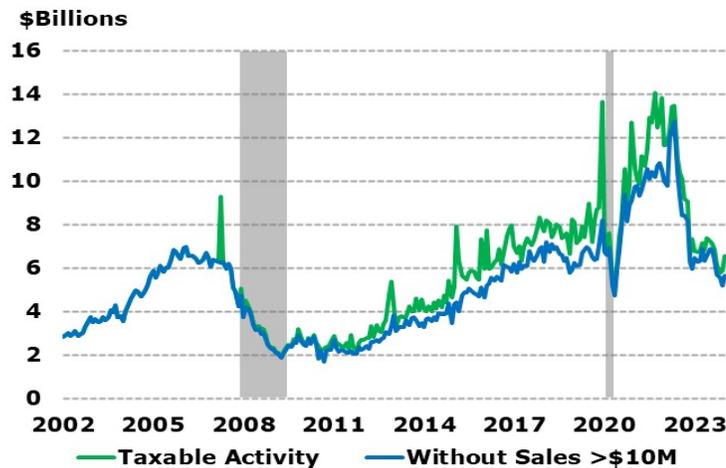
shown occasional month-to-month declines, year-over-year quarterly growth has remained low but positive. Adjusted collections for third quarter 2023 activity (August 11 – November 10, 2023 collections) and fourth quarter 2023 activity (November 11, 2023 – February 10, 2024) were both up 1.0% year over year after 3.4% growth in second quarter 2023 activity. Adjusted collections for November 2023 activity were up 1.5% year over year and collections for December 2023 activity were up 0.2% year over year.

Real estate activity has been slightly higher than forecasted in November

Taxable real estate activity was slightly above the November forecast. Sales of property valued below \$10 million have been on a declining trend since July 2023 but bounced back a bit in January (see Figure 3.3). Most of the decline was due to fewer transactions instead of lower prices. Large commercial sales (sales greater than \$10 million) are down from their high levels of 2022 but remain moderately strong, averaging \$800 million per month over the last two months.

Residential sales activity has declined sharply since May 2022

Figure 3.3: Taxable Real Estate Excise Activity, SA



Source: ERFC estimates through January 2024

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.

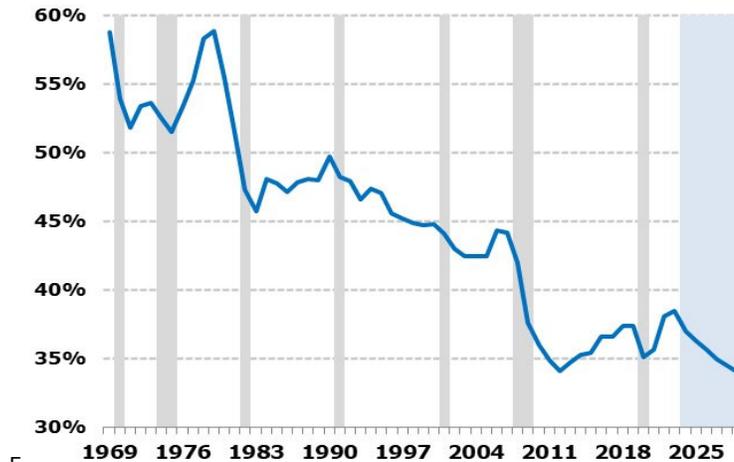
Department of Revenue

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.

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 FY23, forecast through FY29

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, 34.1% 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, including online sales, caused the share to grow to 37.4% of personal income by FY 2019. 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 jump to 38.1%. While taxable sales growth slowed in FY 2023, they still grew slightly faster than personal income, causing the ratio to increase to 38.5%. After FY 2023, however, the ratio is forecasted to continue its historical downward trend through FY 2029 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.

Retail sales tax receipt growth forecast:

FY24: 1.0%
FY25: 4.4%
FY26: 3.5%
FY27: 4.0%

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. Growth slowed to 5.7% in FY 2023 and is expected to slow further to 1.3% in FY 2024. Growth is then forecasted to increase to 3.8% in FY 2025, 3.7% in FY 2026, 4.0% in FY 2027, 3.6% in FY2028 and 3.8% in FY 2029. (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 1.0% in FY 2024, 4.4% in FY 2025, 3.5% in FY 2026 and 4.0% in FY 2027. Growth is forecasted at 3.6% in FY 2028 and 3.7% in FY 2029.

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 2023, 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 23% of taxes due, followed by the wholesaling sector, which is taxed at 0.484% and represented an estimated 20% of taxes due.

B&O tax growth forecast:

FY24: 2.6%
FY25: 2.9%
FY26: 4.5%
FY27: 5.0%

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%. Growth is expected to slow to 2.6% in FY 2024 and 2.9% in FY 2025 but then accelerate to 4.5% in FY 2026, 5.0% in FY 2027, 4.3% in FY 2028 and 4.4% in FY 2029.

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: 2.6%
FY25: 2.3%
FY26: 2.3%
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 2.6% in FY 2024 and 2.3% in FY 2025 through FY 2029. 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 were 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 rate thresholds were adjusted for inflation as of January 1, 2023 and will be adjusted every fourth year thereafter; current thresholds are \$525 thousand, \$1.525 million and \$3.025 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 increased to 5.2% and distributions to the Education Legacy Trust Account decreased 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: -17.7%
FY25: 17.5%
FY26: 9.4%
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 17.7% in FY 2024. Growth is then expected to resume at 17.5% in FY 2025, 9.4% in FY 2026, 11.0% in FY 2027, 8.5% in FY 2028 and 5.0% in FY 2029.

*Use tax was
the fifth
largest DOR
GF-S source
in FY 2023*

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: -3.0%
FY25: -1.8%
FY26: 4.3%
FY27: 4.8%*

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. As taxable use tax activity returns to trend after FY 2023's elevated levels, collections are expected to decrease by 3.0% in FY 2024 and 1.8% in FY 2025. Growth then continues at 4.3% in FY 2026, 4.8% in FY 2027 and 4.2% in FY 2028 and FY 2029.

*Public utility taxes
were the sixth
largest DOR GF-S
source in FY 2023*

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: -0.3%
FY25: 5.9%
FY26: 2.7%
FY27: 2.7%*

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. Utility price moderation and a slowdown in economic growth are expected to

bring a decline in receipts of 0.3% in FY 2024 before growth resumes at 5.9% in FY 2025, 2.7% in FY 2026 and FY 2027 and 1.8% in FY 2028 and FY 2029.

Taxes on sales of spirits were the seventh largest DOR GF-S source in FY 2023

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: -0.8%
FY25: 0.9%
FY26: 0.3%
FY27: 0.8%*

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 decrease by 0.8% in FY 2024 before returning to growth of 0.9% in FY 2025, 0.3% in FY 2026 and 0.8% in FY 2027. Collections are forecasted to grow by 0.4% in FY 2028 and FY 2029.

The cigarette tax was the eighth largest DOR GF-S source in FY 2023

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: -5.2%
FY25: -2.1%
FY26: -4.1%
FY27: -3.7%*

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. Collections are forecasted to continue to decline by 5.2% in FY 2024, 2.1% in FY 2025, 4.1% in FY 2026 and 3.7% in FY 2027. Collections are expected to decline by 4.0% in FY 2028 and 4.6% in FY 2029.

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):

23-25: $-\$20.6$
25-27: $-\$19.3$

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, \$361.0 million in the 2019-21 biennium and \$318.9 million in the 2021-23 biennium. The forecast of transfers for the 2023-25 biennium has been decreased \$20.6 million to \$284.3 million, mainly due to an adjustment for a \$17.8 million over-transfer in FY 2022. The forecast of GF-S distributions for the 2025-27 biennium has been decreased \$19.3 million to \$315.1 million. The initial forecast of GF-S distributions for the 2027-29 biennium is \$335.7 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):

23-25: $-\$29.7$
25-27: $-\$8.0$

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 forecast of net GF-S revenue for the 2023-25 biennium was decreased \$29.7 million to $-\$29.2$ million due mainly to lower-than-expected tobacco settlement payments. The forecast for the 2025-27 biennium was decreased \$8.0 million to $-\$130.6$ million. The initial forecast of net GF-S revenue for the 2027-29 biennium is $-\$149.6$ million. The negative value of projected 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

Forecast change by biennium (millions):

23-25: $\$35.4$
25-27: $\$19.9$

The Office of the State Treasurer generates GF-S revenue by investing state short-term cash reserves. The forecast of GF-S revenue for the 2023-25 biennium has been increased \$35.4 million to \$622.6 million and the forecast of GF-S revenue for the 2025-27 biennium has been increased \$19.9 million to \$416.5 million, due mainly to expected higher average fund balances.

The initial forecast of revenue for the 2027-29 biennium is \$306.6 million.

Insurance Commissioner

Forecast change by biennium (millions): 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 forecast of GF-S distributions for the 2023-25 biennium is unchanged at \$1,704.9 million and the forecast for the 2025-27 biennium has been increased \$3.2 million to \$1,797.0 million. The initial forecast of GF-S distributions for the 2027-29 biennium is \$1,867.6 million.

23-25: \$0.0
25-27: \$3.2

Liquor and Cannabis Board

Forecast change by biennium (millions): 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 forecast of GF-S distributions for the 2023-25 biennium has been decreased \$21.0 million to \$600.7 million and the forecast for the 2025-27 biennium has been decreased \$19.8 million to \$659.7 million. The initial forecast of GF-S distributions for the 2027-29 biennium is \$703.9 million.

23-25: -\$21.0
25-27: -\$19.8

Lottery Commission

GF-S forecast change by biennium (millions): 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 forecast of GF-S transfers for the 2023-25 biennium has been increased \$7.8 million to \$91.5 million and the forecast for the 2025-27 biennium is has been increased \$2.3 million to \$74.9 million. The initial forecast of transfers for the 2027-29 biennium is \$74.7 million.

23-25: \$7.8
25-27: \$2.3

Washington Court System

Forecast change by biennium (millions): 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. The forecast of GF-S transfers for the 2023-25 biennium has been increased \$18.9 million to \$100.7 million and the forecast for the 2025-27 biennium has been increased \$23.1 million to \$102.8 million due to higher-than-expected actual transfers in this fiscal

23-25: \$18.9
25-27: \$23.1

year. The initial forecast of transfers for the 2027-29 biennium is \$104.9 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: +\$2.81
25-27: +\$6.32

Pessimistic scenario (billions):

23-25: -\$3.42
25-27: -\$7.00

Chapter 2 outlines optimistic and pessimistic economic scenarios relative to the baseline economic forecast. The forecast assigns a probability of 55% to the baseline forecast, 15% to the optimistic scenario and 30% 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 \$69.818 billion in revenue subject to the budget outlook process, \$2.812 billion (4.2%) more than the baseline scenario, while the pessimistic forecast produces \$63.589 billion in revenue, \$3.417 billion (5.1%) less than the baseline. For the 2025-27 biennium, the optimistic forecast generates \$78.042 billion in GF-S revenue, \$6.321 billion (8.8%) more than the baseline scenario, while the pessimistic forecast produces \$64.724 billion in revenue, \$6.997 billion (9.8%) less than the baseline.

Washington Opportunity Pathways Account

*OPA forecast
change by
biennium
(millions):*

23-25: \$23.9
25-27: \$9.9

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 2023-25 biennium has been increased \$23.9 million to \$394.1 million and the forecast for the 2025-27 biennium has been increased \$9.9 million to \$375.9 million. Forecasted revenue for the 2027-29 biennium is \$393.1 million.

Education Legacy Trust Account

*ELTA forecast
change by
biennium
(millions):*

23-25: \$31.5
25-27: \$6.0

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. Forecasted ELTA revenue has been increased by \$31.5 million for the 2023-25 biennium due to increased estate tax receipts and \$6.0 million in the 2025-27 biennium due to slight increases in REET. Forecasted ELTA receipts are now \$2,173.1 million for the 2023-25 biennium, \$2,378.3 million for the 2025-27 biennium and \$2,595.8 million for the 2027-29 biennium.

Workforce Education Investment Account

*WEIA forecast
change by
biennium
(millions):*

23-25: \$13.0
25-27: \$31.0

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. WEIA revenue totaled \$779.0 million in the 2021-23 biennium. Forecasted revenue has been increased by \$13.0 million in the 2023-25 biennium and \$31.0 million in the 2025-27 biennium. WEIA revenue is now forecasted at \$855.7 million in the 2023-25 biennium and \$909.9 million in the 2025-27 biennium. Forecasted revenue for the 2027-29 biennium is \$977.6 million. The WEIA forecast by fiscal year is presented in Table 3.19.

Budgetary Balance Sheet for the 2023-25 Biennium

Forecasted total reserves are \$5.883 billion for the end of the 2023-25 biennium.

Table 3.12 shows the budgetary balance sheet for the 2023-25 biennium 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 2023-25 biennium was \$4,184.7 million and the total beginning balance for GF-S, ELTA, OPA and WEIA combined was \$5,287.0 million. Based on the enacted biennial budget, the balance sheet projects total GF-S reserves of \$4,906.9 million at the end of the 2023-25 biennium and total reserves for the GF-S, ELTA, OPA and WEIA accounts of \$5,883.3 million.

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

Biennium	Current Dollars	Percent Change	2012 Chained Dollars	Percent Change
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%	8,288.2	24.5%
1971-73	1,922.1	10.9%	8,507.5	2.6%
1973-75	2,372.4	23.4%	9,072.6	6.6%
1975-77	3,395.0	43.1%	11,294.6	24.5%
1977-79	4,490.0	32.3%	13,118.2	16.1%
1979-81	5,356.4	19.3%	13,017.0	-0.8%
1981-83	6,801.4	27.0%	14,383.5	10.5%
1983-85	8,202.4	20.6%	16,007.6	11.3%
1985-87	9,574.6	16.7%	17,639.7	10.2%
1987-89	10,934.1	14.2%	18,811.8	6.6%
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%	27,233.4	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%	31,098.8	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%	30,678.8	4.3%
2013-15	33,666.0	9.8%	32,862.5	7.1%
2015-17	38,317.4	13.8%	36,801.9	12.0%
2017-19	44,142.6	15.2%	40,950.7	11.3%
2019-21	50,803.4	15.1%	45,688.4	11.6%
2021-23	61,001.6	20.1%	49,893.1	9.2%
2023-25 ^F	63,582.2	4.2%	48,986.7	-1.8%
2025-27 ^F	68,057.2	7.0%	50,316.8	2.7%
2027-29 ^F	72,981.7	7.2%	51,750.3	2.8%

^F February 2024 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 February 2024 forecast.

Table 3.4
Taxable retail sales*
(millions of dollars)

Fiscal Year	Amount	Percent Change
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	231,095	5.7%
2024 ^F	234,004	1.3%
2025 ^F	242,830	3.8%
2026 ^F	251,721	3.7%
2027 ^F	261,684	4.0%
2028 ^F	271,013	3.6%
2029 ^F	281,328	3.8%

^F February 2024 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
 2023-25 biennium; cash basis
 (millions of dollars)

Forecast by Agency	Nov 2023 Forecast¹	Legislative Changes	Forecast Revision	Feb 2024 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$30,677.2	\$0.0	(\$127.5)	\$30,549.7	(\$127.5)
Business & Occupation Use	12,866.6	0.0	103.9	12,970.6	103.9
Public Utility	1,893.9	0.0	48.2	1,942.1	48.2
Liquor Sales/Liter	1,120.7	0.0	2.0	1,122.7	2.0
Cigarette	711.9	0.0	(7.1)	704.8	(7.1)
Property (State Levy)	526.6	0.0	(14.0)	512.6	(14.0)
Real Estate Excise	9,322.2	0.0	7.5	9,329.7	7.5
Timber Excise	1,986.0	0.0	9.2	1,995.2	9.2
Other	4.8	0.0	1.3	6.1	1.3
Subtotal	1,338.9	0.0	18.5	1,357.4	18.5
Insurance Commissioner	60,449.0	0.0	42.0	60,491.0	42.0
Insurance Premiums	1,704.9	0.0	0.0	1,704.9	0.0
Liquor Control Board					
Fees, Cannabis Excise Tax	562.2	0.0	(19.9)	542.4	(19.9)
Beer & Wine Surtax	59.4	0.0	(1.1)	58.3	(1.1)
Lottery Commission					
Lottery Revenue	83.7	0.0	7.8	91.5	7.8
State Treasurer					
Interest Earnings	587.2	0.0	35.4	622.6	35.4
Office of Financial Management					
Other Agencies	0.4	0.0	(29.7)	(29.2)	(29.7)
Washington Court System					
Court Fees, Fines & Forfeitures	81.9	0.0	18.9	100.7	18.9
Total General Fund-State *	\$63,528.8	\$0.0	\$53.4	\$63,582.2	\$53.4

¹ Forecast for the 2023-25 biennium adopted by the Economic and Revenue Forecast Council November 20, 2023

² Forecast for the 2023-25 biennium, adopted February 14, 2024

*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
 2023-25 biennium; GAAP basis
 (millions of dollars)

Forecast by Agency	Nov 2023 Forecast¹	Legislative Changes	Forecast Revision	Feb 2024 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$30,677.2	\$0.0	(\$127.5)	\$30,549.7	(\$127.5)
Business & Occupation Use	12,866.6	0.0	103.9	12,970.6	103.9
Public Utility	1,893.9	0.0	48.2	1,942.1	48.2
Liquor Sales/Liter	1,120.7	0.0	2.0	1,122.7	2.0
Cigarette	711.9	0.0	(7.1)	704.8	(7.1)
Property (State Levy)	526.6	0.0	(14.0)	512.6	(14.0)
Real Estate Excise	9,322.2	0.0	7.5	9,329.7	7.5
Timber Excise	1,986.0	0.0	9.2	1,995.2	9.2
Other	4.1	0.0	0.0	4.1	0.0
Subtotal	1,335.5	0.0	21.9	1,357.4	21.9
	60,444.8	0.0	44.1	60,488.9	44.1
Insurance Commissioner					
Insurance Premiums	1,704.9	0.0	0.0	1,704.9	0.0
Liquor Control Board					
Fees, Cannabis Excise Tax	562.2	0.0	(19.9)	542.4	(19.9)
Beer & Wine Surtax	59.4	0.0	(1.1)	58.3	(1.1)
Lottery Commission					
Lottery Revenue	86.7	0.0	5.7	92.3	5.7
State Treasurer					
Interest Earnings	580.2	0.0	37.6	617.8	37.6
Office of Financial Management					
Other Agencies	0.4	0.0	(29.7)	(29.2)	(29.7)
Washington Court System					
Court Fees, Fines & Forfeitures	81.9	0.0	18.9	100.7	18.9
Total General Fund-State *	\$63,520.7	\$0.0	\$55.5	\$63,576.2	\$55.5

¹ Forecast for the 2023-25 biennium adopted by the Economic and Revenue Forecast Council November 20, 2023

² Forecast for the 2023-25 biennium, adopted February 14, 2024

*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
 2025-27 biennium; cash basis
 (millions of dollars)

Forecast by Agency	Nov 2023 Forecast¹	Legislative Changes	Forecast Revision	Feb 2024 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$32,956.2	\$0.0	(\$7.2)	\$32,949.0	(\$7.2)
Business & Occupation Use	14,016.7	0.0	80.7	14,097.4	80.7
Public Utility	1,996.5	0.0	58.3	2,054.8	58.3
Liquor Sales/Liter	1,191.9	0.0	10.1	1,202.0	10.1
Cigarette	711.6	0.0	0.9	712.4	0.9
Property (State Levy)	492.9	0.0	(15.3)	477.6	(15.3)
Real Estate Excise	9,778.0	0.0	(10.8)	9,767.2	(10.8)
Timber Excise	2,471.6	0.0	14.8	2,486.4	14.8
Other	4.8	0.0	1.0	5.8	1.0
Subtotal	1,368.6	0.0	15.4	1,384.0	15.4
Insurance Commissioner					
Insurance Premiums	64,988.8	0.0	147.9	65,136.7	147.9
Liquor Control Board					
Fees, Cannabis Excise Tax	1,793.8	0.0	3.2	1,797.0	3.2
Beer & Wine Surtax	619.1	0.0	(18.5)	600.6	(18.5)
Lottery Commission					
Lottery Revenue	60.4	0.0	(1.3)	59.1	(1.3)
State Treasurer					
Interest Earnings	72.6	0.0	2.3	74.9	2.3
Office of Financial Management					
Other Agencies	(122.6)	0.0	(8.0)	(130.6)	(8.0)
Washington Court System					
Court Fees, Fines & Forfeitures	79.7	0.0	23.1	102.8	23.1
Total General Fund-State *	\$67,888.6	\$0.0	\$168.6	\$68,057.2	\$168.6

¹ Forecast for the 2025-27 biennium adopted by the Economic and Revenue Forecast Council November 20, 2023

² Forecast for the 2025-27 biennium, adopted February 14, 2024

*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
 2025-27 biennium; GAAP basis
 (millions of dollars)

Forecast by Agency	Nov 2023 Forecast¹	Legislative Changes	Forecast Revision	Feb 2024 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$32,956.2	\$0.0	(\$7.2)	\$32,949.0	(\$7.2)
Business & Occupation Use	14,016.7	0.0	80.7	14,097.4	80.7
Public Utility	1,996.5	0.0	58.3	2,054.8	58.3
Liquor Sales/Liter	1,191.9	0.0	10.1	1,202.0	10.1
Cigarette	711.6	0.0	0.9	712.4	0.9
Property (State Levy)	492.9	0.0	(15.3)	477.6	(15.3)
Real Estate Excise	9,778.0	0.0	(10.8)	9,767.2	(10.8)
Timber Excise	2,471.6	0.0	14.8	2,486.4	14.8
Other	4.2	0.0	0.0	4.2	0.0
Subtotal	1,367.4	0.0	16.6	1,384.0	16.6
	64,987.1	0.0	148.1	65,135.1	148.1
Insurance Commissioner					
Insurance Premiums	1,793.8	0.0	3.2	1,797.0	3.2
Liquor Control Board					
Fees, Cannabis Excise Tax	619.1	0.0	(18.5)	600.6	(18.5)
Beer & Wine Surtax	60.4	0.0	(1.3)	59.1	(1.3)
Lottery Commission					
Lottery Revenue	72.2	0.0	2.3	74.4	2.3
State Treasurer					
Interest Earnings	389.8	0.0	18.7	408.5	18.7
Office of Financial Management					
Other Agencies	(122.6)	0.0	(8.0)	(130.6)	(8.0)
Washington Court System					
Court Fees, Fines & Forfeitures	79.7	0.0	23.1	102.8	23.1
Total General Fund-State *	\$67,879.6	\$0.0	\$167.5	\$68,047.1	\$167.5

¹ Forecast for the 2025-27 biennium adopted by the Economic and Revenue Forecast Council November 20, 2023

² Forecast for the 2025-27 biennium, adopted February 14, 2024

*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
February 2024 General Fund-State forecast detail
2021-23 to 2027-29 Biennia; Cash Basis
(Millions of Dollars)

Forecast by Source	Fiscal 2022	Fiscal 2023	2021-23 Biennium	Fiscal 2024	Fiscal 2025	2023-25 Biennium	Fiscal 2026	Fiscal 2027	2025-27 Biennium	Fiscal 2028	Fiscal 2029	2027-29 Biennium
State Taxes												
Retail sales**	\$14,001.0	\$14,795.6	\$28,796.6	\$14,944.4	\$15,605.3	\$30,549.7	\$16,151.8	\$16,797.2	\$32,949.0	\$17,399.9	\$18,049.5	\$35,449.4
Business & occupation Use**	5,677.3	6,231.8	11,909.2	6,392.7	6,577.9	12,970.6	6,875.1	7,222.3	14,097.4	7,533.8	7,865.8	15,399.6
Public Utility	486.7	546.8	1,033.5	545.4	577.4	1,122.7	593.0	609.0	1,202.0	619.8	631.0	1,250.8
Liquor sales/liter	348.5	353.7	702.2	350.9	354.0	704.8	354.9	357.6	712.4	358.9	360.4	719.3
Beer & wine surtax	28.9	31.7	60.6	29.0	29.3	58.3	29.5	29.7	59.1	29.9	30.1	60.0
Cigarette	318.9	280.6	599.4	266.5	261.3	527.8	251.1	242.2	493.3	232.8	222.5	455.4
Tobacco products	45.9	46.6	92.5	50.0	48.4	98.4	48.2	48.1	96.4	48.0	47.9	95.9
Cannabis Excise Taxes	173.0	137.7	310.7	130.6	145.8	276.3	150.9	156.1	307.0	161.2	166.3	327.5
Property (state school levy)	4,426.9	4,492.7	8,919.6	4,611.7	4,718.1	9,329.7	4,827.3	4,940.0	9,767.2	5,054.7	5,172.7	10,227.3
Leasehold Excise Tax	40.7	45.6	86.4	43.7	42.0	85.6	42.4	43.4	85.8	44.3	45.3	89.7
Public utility district	59.6	63.2	122.8	63.9	65.8	129.7	67.3	68.7	136.0	70.2	71.6	141.8
Brokered Natural Gas	40.7	72.4	113.1	48.2	47.9	96.1	48.0	48.3	96.2	48.6	48.9	97.5
Real estate excise***	1,982.9	1,114.9	3,097.9	917.3	1,077.8	1,995.2	1,178.6	1,307.8	2,486.4	1,418.4	1,489.7	2,908.0
Timber excise	5.5	3.4	8.9	3.1	3.0	6.1	2.9	2.9	5.8	2.9	2.9	5.8
Estate/inheritance	0.1	0.0	0.1	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	30.1	15.0	45.1
Insurance premiums	784.5	803.2	1,587.7	817.5	887.4	1,704.9	889.8	907.2	1,797.0	924.8	942.8	1,867.6
Penalties and interest on past due taxes	118.0	190.3	308.3	180.5	177.4	357.9	183.7	190.3	374.0	197.1	204.0	401.1
Other	62.2	52.4	114.6	56.5	56.5	113.0	57.8	58.7	116.5	59.8	60.6	120.4
Total Taxes	29,516.8	30,288.4	59,805.2	30,446.7	31,652.5	62,099.2	32,770.8	34,095.7	66,866.5	35,330.4	36,568.3	71,898.7
State Non-Tax Sources												
Licenses, permits, fees	180.9	190.0	371.0	186.5	187.3	373.8	189.8	41.1	230.9	181.1	199.9	380.9
Liquor & Cannabis fees	160.9	147.8	308.7	129.8	136.2	266.0	143.1	150.6	293.6	155.6	160.8	316.4
Earnings on investments	36.7	197.1	233.8	339.2	283.4	622.6	231.0	185.5	416.5	154.8	151.9	306.6
Washington Court System	42.7	42.5	85.2	50.1	50.6	100.7	51.2	51.7	102.8	52.2	52.7	104.9
Transfers of unclaimed property	154.3	181.6	336.0	187.1	178.7	365.8	180.4	182.1	362.5	183.8	185.5	369.3
Other revenue & transfers	(62.6)	(75.7)	(138.3)	(109.3)	(136.7)	(245.9)	(180.7)	(35.1)	(215.8)	(194.1)	(201.0)	(395.1)
Total Non-Tax	512.9	683.5	1,196.4	783.4	699.6	1,483.0	614.8	575.9	1,190.6	533.3	549.7	1,083.0
Total General Fund-State *	\$30,029.7	\$30,971.9	\$61,001.6	\$31,230.1	\$32,352.1	\$63,582.2	\$33,385.6	\$34,671.6	\$68,057.2	\$35,863.7	\$37,118.0	\$72,981.7

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

February 2020 through February 2024

Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>General Fund-State</u>	<u>Education Legacy Trust Acct.</u>	<u>Washington Opportunity Pathways Acct.</u>	<u>Workforce Education Investment Acct.</u>	<u>Subtotal</u>	<u>Non-Economic Changes</u>	<u>Total Change</u>	<u>Total of Funds</u>
February 2020*	\$57,930	\$925	\$321	\$667				\$59,843
Changes to Forecast								
June 2020	(4,682)	(9)	8	(3)	(4,685)	209 #1	(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 #2	2,246	62,151
September 2021	891	31	(1)	9	931	0	931	63,082
November 2021	828	(44)	5	11	800	165 #3	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) #4	632	65,999
September 2022	(332)	(18)	(8)	(21)	(378)	(117) #5	(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 #6	327	66,028
September 2023	616	12	7	28	663	0	663	66,692
November 2023	172	6	9	5	191	0	191	66,883
February 2024	53	31	24	13	122	0	122	67,005
Total change:								
From February 2020	6,051	221	76	188	6,536	626	7,162	
Percent change	10.4	23.8	23.8	28.2	10.9	1.0	12.0	
Change in forecast since initial 2325 biennial budget**								
	981	165	46	72	1,264	0	1,264	
Percent change	1.6	8.2	13.3	9.1	1.9	0.0	1.9	

Table 3.11

Track Record for the 2025-27 Forecast of Funds Subject to the Budget Outlook

February 2022 through February 2024

Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>General Fund-State</u>	<u>Education Legacy Trust Acct.</u>	<u>Washington Opportunity Pathways Acct.</u>	<u>Workforce Education Investment Acct.</u>	<u>Subtotal</u>	<u>Non-Economic Changes</u>	<u>Total Change</u>	<u>Total of Funds</u>
February 2022***	\$66,533	\$2,305	\$357	\$831				\$70,025
Changes to Forecast								
June 2022	759	19	0	17	795	(619) #4	176	70,202
September 2022	4	8	(7)	(18)	(13)	(53) #5	(66)	70,136
November 2022	687	55	(4)	10	747	0	747	70,883
March 2023	(442)	(97)	9	(11)	(540)	0	(540)	70,342
June 2023	38	18	6	11	72	75 #6	147	70,489
September 2023	400	7	(1)	31	437	0	437	70,927
November 2023	507	59	8	4	579	0	579	71,506
February 2024	169	6	10	31	215	0	215	71,721
Total change:								
From February 2022	2,121	74	22	76	2,293	-597	1,696	
Percent change	3.2	3.2	6.1	9.1	3.3	-0.9	2.4	

*First official forecast for the 2023-25 biennium

**Resources for the initial 2023-25 budget include forecasted March 2023 revenue plus legislative revenue changes from 2023 session subsequent to the March forecast

***First official forecast for the 2025-27 biennium

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

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

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

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

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

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

Table 3.12

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

	2023-25		
	GFS	ELTA , OPA, WEIA, FSKA (1)	TOTAL
RESOURCES			
Beginning Fund Balance	4,184.7	1,102.4	5,287.0
November 2023 Revenue Forecast	63,528.8	3,354.5	66,883.3
February 2024 Revenue Forecast Change	53.4	68.4	121.8
Current Revenue Totals	63,582.2	3,422.9	67,005.1
Transfers to Budget Stabilization Account (1% of GSR)	(639.6)	-	(639.6)
Transfers to Budget Stabilization Account (EGSR)	-	-	-
Enacted Fund Transfers	50.7	-	50.7
WRPTA Fund Transfer	1,302.0	-	1,302.0
Actual/Assumed Prior Period Adjustments	40.8	-	40.8
Total Resources (Including Beginning Fund Balance)	68,520.8	4,525.3	73,046.1
EXPENDITURES			
Enacted Budgets			
2023-25 Biennium	66,255.5	3,548.9	69,804.4
Actual/Assumed Reversions ⁽²⁾	(493.3)	-	(493.3)
Total Expenditures	65,762.2	3,548.9	69,311.0
RESERVES			
Projected Ending Balance	2,758.7	976.4	3,735.0
Budget Stabilization Account			
Beginning Balance	652.4	-	652.4
Transfers from General Fund (1% of GSR)	639.6	-	639.6
Transfers from General Fund (EGSR)	-	-	-
Actual/Assumed Biennium - Interest Earnings	58.3	-	58.3
Projected BSA Ending Balance	1,350.3	-	1,350.3
Washington Rescue Plan Transition Account			
Beginning Balance	2,100.0	-	2,100.0
Transfer to General Fund	(1,302.0)	-	(1,302.0)
Projected WRPTA Ending Balance	798.0	-	798.0
Total Reserves Including BSA and WRPTA	4,906.9	976.4	5,883.3

(1) No revenue or expenditures for 25H - FSKA.

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

Acronyms

BSA - Budget Stabilization Account

GSR - General State Revenues

EGSR - Extraordinary General State Revenues

WRPTA - Washington Rescue Plan Transition Account

House and Senate Fiscal Committees and the Office of Financial Management

Table 3.13

Alternative forecasts compared to the baseline forecast
Funds subject to the budget outlook process, 2023-25 biennium
(cash basis, millions of dollars)

	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast
General Fund - State			
Department of Revenue			
Retail Sales	\$32,160.6	\$30,549.7	\$28,655.6
Business & Occupation	13,617.6	12,970.6	12,246.8
Use	2,041.9	1,942.1	1,824.7
Public Utility	1,181.5	1,122.7	1,060.5
Property (school levy)	9,384.2	9,329.7	9,275.0
Real Estate Excise	2,029.7	1,995.2	1,860.7
Other	2,629.0	2,581.0	2,530.0
Subtotal	63,044.6	60,491.0	57,453.3
Insurance Commissioner¹	1,747.6	1,704.9	1,662.3
Lottery Commission	93.1	91.5	89.8
State Treasurer - Interest earnings	680.1	622.6	526.7
Liquor and Cannabis Surtaxes & Fees²	612.1	600.7	538.5
Office of Financial Management	(28.9)	(29.2)	(29.5)
Washington Court System	102.6	100.7	98.7
Total General Fund - State*	\$66,251.2	\$63,582.2	\$60,339.8
Education Legacy Trust Account	\$2,264.5	\$2,173.1	\$2,062.0
Washington Opportunity Pathways Account	\$410.3	\$394.1	\$374.6
Workforce Education Investment Account	\$891.6	\$855.7	\$812.2
Total of Funds Subject to Budget Outlook*	\$69,817.5	\$67,005.1	\$63,588.5
Difference from February 2024 Baseline	\$2,812.4		(\$3,416.6)

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 forecasts compared to the baseline forecast
Funds subject to the budget outlook process, 2025-27 biennium
(cash basis, millions of dollars)

	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast
General Fund - State			
Department of Revenue			
Retail Sales	\$36,681.9	\$32,949.0	\$29,020.9
Business & Occupation Use	15,582.4	14,097.4	12,672.9
Public Utility	2,276.4	2,054.8	1,833.2
Property (school levy)	1,336.0	1,202.0	1,117.0
Real Estate Excise	9,841.8	9,767.2	9,684.7
Other	2,591.8	2,486.4	1,997.4
Subtotal	2,674.5	2,579.9	2,434.8
	70,984.7	65,136.7	58,761.0
Insurance Commissioner¹	1,842.0	1,797.0	1,752.1
Lottery Commission	77.6	74.9	70.7
State Treasurer - Interest earnings	486.9	416.5	298.4
Liquor and Cannabis Surtaxes & Fees²	683.9	659.7	572.6
Office of Financial Management	(126.7)	(130.6)	(134.6)
Washington Court System	106.6	102.8	97.0
Total General Fund - State*	\$74,055.1	\$68,057.2	\$61,417.3
Education Legacy Trust Account	\$2,588.0	\$2,378.3	\$2,146.1
Washington Opportunity Pathways Account	\$409.1	\$375.9	\$339.2
Workforce Education Investment Account	\$990.0	\$909.9	\$821.1
Total of Funds Subject to Budget Outlook*	\$78,042.2	\$71,721.2	\$64,723.7
Difference from February 2024 Baseline	\$6,321.1		(\$6,997.5)

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

February 2024 Forecast
(cash basis, millions of dollars)

	Lottery: Total Transfers:*	General Fund	Mariners Stadium	Exhibition Center & Stadium	Student Achievement Account	School Construction Account	Problem Gambling Account	Economic Development Account	Opportunity Pathways Account	Veteran's VIP Account	Education Legacy Trust Account
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	244.7	48.1	0.0	0.0	0.0	0.0	0.5	7.7	188.4	0.0	0.0
2021-23 Biennium	473.4	80.7	0.0	0.0	0.0	0.0	0.9	13.7	378.1	0.0	0.0
2024	261.3	50.4	0.0	0.0	0.0	0.0	0.8	4.5	205.7	0.0	0.0
2025	235.7	41.1	0.0	0.0	0.0	0.0	0.9	5.2	188.4	0.0	0.0
2023-25 Biennium	497.0	91.5	0.0	0.0	0.0	0.0	1.7	9.7	394.1	0.0	0.0
2026	225.8	37.7	0.0	0.0	0.0	0.0	1.0	5.2	181.9	0.0	0.0
2027	237.4	37.2	0.0	0.0	0.0	0.0	1.0	5.2	194.0	0.0	0.0
2025-27 Biennium	463.2	74.9	0.0	0.0	0.0	0.0	1.9	10.5	375.9	0.0	0.0
2028	239.4	37.2	0.0	0.0	0.0	0.0	1.0	5.2	195.9	0.0	0.0
2029	240.9	37.4	0.0	0.0	0.0	0.0	1.0	5.2	197.2	0.0	0.0
2027-29 Biennium	480.2	74.7	0.0	0.0	0.0	0.0	2.0	10.5	393.1	0.0	0.0

Table 3.16

Lottery transfers by fund

February 2024 Forecast
(GAAP basis, millions of dollars)

	Lottery: Total Transfers:*	General Fund	Mariners Stadium	Exhibition Center & Stadium	Student Achievement Account	School Construction Account	Problem Gambling Account	Economic Development Account	Opportunity Pathways Account	Veteran's VIP Account	Education Legacy Trust Account
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	253.5	54.6	0.0	0.0	0.0	0.0	0.8	5.2	192.8	0.0	0.0
2025	234.1	37.7	0.0	0.0	0.0	0.0	1.0	5.2	190.2	0.0	0.0
2023-25 Biennium	487.6	92.3	0.0	0.0	0.0	0.0	1.7	10.5	383.0	0.0	0.0
2026	235.5	37.2	0.0	0.0	0.0	0.0	1.0	5.2	192.1	0.0	0.0
2027	237.6	37.2	0.0	0.0	0.0	0.0	1.0	5.2	194.1	0.0	0.0
2025-27 Biennium	473.1	74.4	0.0	0.0	0.0	0.0	1.9	10.5	386.2	0.0	0.0
2028	239.5	37.4	0.0	0.0	0.0	0.0	1.0	5.2	195.9	0.0	0.0
2029	241.0	37.1	0.0	0.0	0.0	0.0	1.0	5.2	197.7	0.0	0.0
2027-29 Biennium	480.5	74.5	0.0	0.0	0.0	0.0	2.0	10.5	393.5	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)

February 2024 - 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 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	\$30,972	3.1%	\$1,685	89.4%	\$188	-0.7%	\$410	11.3%		\$33,256	5.6%
Forecast:											
FY 2024	\$31,230	0.8%	\$1,061	-37.0%	\$206	9.2%	\$422	2.8%		\$32,919	-1.0%
FY 2025	\$32,352	3.6%	\$1,112	4.7%	\$188	-8.4%	\$434	2.8%		\$34,086	3.5%
FY 2026	\$33,386	3.2%	\$1,160	4.3%	\$182	-3.5%	\$447	3.0%		\$35,174	3.2%
FY 2027	\$34,672	3.9%	\$1,218	5.0%	\$194	6.7%	\$463	3.6%		\$36,547	3.9%
FY 2028	\$35,864	3.4%	\$1,273	4.5%	\$196	1.0%	\$480	3.7%		\$37,813	3.5%
FY 2029	\$37,118	3.5%	\$1,323	3.9%	\$197	0.7%	\$498	3.7%		\$39,136	3.5%
Biennial Totals											
09-11 Biennium	\$28,218	-5.4%	\$269	-38.5%	\$99	NA	\$0	NA		\$28,586	-5.5%
11-13 Biennium	\$30,657	8.6%	\$215	-19.9%	\$244	145.2%	\$0	NA		\$31,116	8.8%
13-15 Biennium	\$33,666	9.8%	\$405	88.0%	\$234	-4.1%	\$0	NA		\$34,305	10.2%
15-17 Biennium	\$38,317	13.8%	\$467	15.4%	\$266	13.6%	\$0	NA		\$39,050	13.8%
17-19 Biennium	\$44,143	15.2%	\$1,654	254.1%	\$284	6.9%	\$0	NA		\$46,081	18.0%
19-21 Biennium	\$50,803	15.1%	\$1,639	-0.9%	\$337	18.5%	\$352	NA		\$53,132	15.3%
21-23 Biennium	\$61,002	20.1%	\$2,575	57.1%	\$378	12.2%	\$779	121.2%		\$64,734	21.8%
23-25 Biennium	\$63,582	4.2%	\$2,173	-15.6%	\$394	4.2%	\$856	9.8%		\$67,005	3.5%
25-27 Biennium	\$68,057	7.0%	\$2,378	9.4%	\$376	-4.6%	\$910	6.3%		\$71,721	7.0%
27-29 Biennium	\$72,982	7.2%	\$2,596	9.1%	\$393	4.6%	\$978	7.4%		\$76,948	7.3%

*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
 February 2024
 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								General Fund-State**
				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		
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	\$506,387	\$40,735	\$465,653	\$0	\$11,863	\$513	\$241,923	\$52,387	\$593	\$23,812	\$134,561	
2025	\$499,500	\$17,902	\$481,598	\$0	\$12,368	\$535	\$243,400	\$51,488	\$618	\$23,404	\$149,785	
2026	\$516,426	\$18,339	\$498,087	\$0	\$12,675	\$548	\$251,800	\$53,265	\$634	\$24,211	\$154,954	
2027	\$533,282	\$18,745	\$514,537	\$0	\$12,955	\$560	\$260,195	\$55,041	\$648	\$25,019	\$160,120	
2028	\$550,225	\$19,184	\$531,040	\$0	\$13,259	\$573	\$268,604	\$56,820	\$663	\$25,827	\$165,294	
2029	\$566,930	\$19,626	\$547,305	\$0	\$13,564	\$587	\$276,888	\$58,572	\$678	\$26,624	\$170,392	
Biennial totals												
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	\$1,005,887	\$58,637	\$947,251	\$0	\$24,231	\$1,048	\$485,323	\$103,875	\$1,211	\$47,216	\$284,346	
2025-27	\$1,049,708	\$37,084	\$1,012,624	\$0	\$25,630	\$1,108	\$511,994	\$108,306	\$1,281	\$49,230	\$315,073	
2027-29	\$1,117,155	\$38,810	\$1,078,345	\$0	\$26,823	\$1,160	\$545,491	\$115,392	\$1,341	\$52,451	\$335,687	

*In FY 2024, \$23.559 million was retained by the LCB to adjust for an over-transfer of funds in FY 2022
 **Before distributions to local governments FY 2016-FY2022

Table 3.19
Workforce Education Investment Account
 February 2024
 Cash forecast, thousands of dollars

	FY22	FY23	2021-23 Biennium	FY24	FY25	2023-25 Biennium	FY26	FY27	2025-27 Biennium	FY28	FY29	2027-29 Biennium
November 2023 forecast	\$368,630	\$410,385	\$779,016	\$416,943	\$425,759	\$842,703	\$433,426	\$445,443	\$878,869	NA	NA	NA
Forecast change	\$0	\$0	\$0	\$5,055	\$7,955	\$13,009	\$13,510	\$17,489	\$30,999	NA	NA	NA
February 2024 forecast	\$368,630	\$410,385	\$779,016	\$421,998	\$433,714	\$855,712	\$446,936	\$462,932	\$909,868	\$480,037	\$497,586	\$977,623



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 2024 to 2029

	2022	2023	2024	2025	2026	2027	2028	2029
Real National Income Accounts (Billions of Chained 2012 Dollars)								
Real Gross Domestic Product	20,332.9	20,848.4	21,348.0	21,700.7	22,156.4	22,577.4	23,006.4	23,420.5
% Ch	1.9	2.5	2.4	1.7	2.1	1.9	1.9	1.8
Real Consumption	14,265.9	14,578.9	14,941.6	15,178.4	15,497.1	15,807.1	16,123.2	16,429.5
% Ch	2.5	2.2	2.5	1.6	2.1	2.0	2.0	1.9
Real Nonresidential Fixed Investment	3,104.3	3,239.6	3,298.0	3,418.1	3,522.6	3,625.6	3,724.1	3,820.5
% Ch	5.2	4.4	1.8	3.6	3.1	2.9	2.7	2.6
Real Residential Fixed Investment	666.4	595.0	609.8	622.0	635.7	648.5	669.0	689.8
% Ch	-9.0	-10.7	2.5	2.0	2.2	2.0	3.2	3.1
Real Personal Income	17,792.4	18,036.4	18,565.7	19,070.9	19,715.2	20,248.7	20,723.0	21,247.1
% Ch	-4.2	1.4	2.9	2.7	3.4	2.7	2.3	2.5
Real Per Capita Income (\$/Person)	53,314	53,780	55,087	56,322	57,973	59,302	60,453	61,744
% Ch	-4.6	0.9	2.4	2.2	2.9	2.3	1.9	2.1
Price and Wage Indexes								
PCE Price Index (2012=100)	122.8	127.3	129.7	132.4	135.3	138.1	141.0	143.9
% Ch	6.5	3.7	1.9	2.1	2.2	2.1	2.1	2.1
U.S. Consumer Price Index (1982-84=1.0)	2.926	3.047	3.125	3.192	3.267	3.341	3.418	3.494
% Ch	8.0	4.1	2.6	2.1	2.4	2.3	2.3	2.2
Employment Cost Index (Dec. 2005=1.0)	1.548	1.619	1.690	1.741	1.802	1.867	1.931	2.000
% Ch	5.3	4.6	4.4	3.0	3.5	3.6	3.4	3.6
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	25,744.1	27,356.4	28,550.0	29,696.5	31,002.5	32,315.6	33,709.7	35,099.2
% Ch	9.1	6.3	4.4	4.0	4.4	4.2	4.3	4.1
Personal Income	21,840.8	22,966.3	24,082.7	25,251.9	26,670.5	27,964.8	29,228.0	30,583.5
% Ch	2.0	5.2	4.9	4.9	5.6	4.9	4.5	4.6
Employment (Millions)								
U.S. Civilian Labor Force	164.3	167.1	168.1	169.0	169.6	170.2	170.5	170.8
Total U.S. Employment	158.3	161.0	161.5	162.0	162.5	163.1	163.5	163.8
Unemployment Rate (%)	3.65	3.64	3.89	4.11	4.17	4.15	4.13	4.10
Nonfarm Payroll Employment	152.53	156.07	157.91	158.04	158.22	158.52	158.94	159.30
% Ch	4.3	2.3	1.2	0.1	0.1	0.2	0.3	0.2
Manufacturing	12.81	12.94	12.92	12.28	12.14	11.90	11.65	11.60
% Ch	3.7	1.0	-0.2	-4.9	-1.2	-2.0	-2.1	-0.4
Durable Manufacturing	7.97	8.10	8.13	7.67	7.60	7.42	7.21	7.15
% Ch	3.7	1.7	0.4	-5.7	-0.9	-2.3	-2.9	-0.8
Nondurable Manufacturing	4.85	4.84	4.79	4.61	4.54	4.47	4.44	4.45
% Ch	3.7	-0.1	-1.1	-3.7	-1.6	-1.5	-0.8	0.3
Construction	7.76	8.02	8.21	8.33	8.46	8.59	8.76	8.95
% Ch	4.4	3.3	2.4	1.5	1.5	1.5	2.1	2.2
Service-Providing	131.35	134.47	136.15	136.79	136.95	137.35	137.84	138.07
% Ch	4.3	2.4	1.2	0.5	0.1	0.3	0.4	0.2
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	94.8	77.6	71.8	68.1	65.4	63.8	63.0	62.8
Personal Saving/Disposable Income (%)	3.3	4.5	4.6	5.6	6.6	7.0	7.1	7.7
Auto Sales (Millions)	2.9	3.1	3.1	3.2	3.2	3.2	3.2	3.2
% Ch	-14.7	9.2	-1.3	4.8	0.6	-1.8	-0.7	-0.2
Housing Starts (Millions)	1.551	1.415	1.435	1.404	1.359	1.396	1.353	1.349
% Ch	-3.4	-8.8	1.5	-2.2	-3.2	2.7	-3.1	-0.3
Federal Budget Surplus (Billions)	-1,062.2	-1,663.3	-1,597.6	-1,641.8	-1,671.9	-1,680.5	-1,644.0	-1,726.5
Net Exports (Billions)	-971.1	-798.0	-823.7	-775.4	-741.2	-687.4	-616.2	-535.5
3-Month Treasury Bill Rate (%)	2.02	5.07	4.94	3.23	2.52	2.34	2.37	2.39
10-Year Treasury Note Yield (%)	2.95	3.96	3.87	3.34	3.42	3.11	3.13	3.14
Bond Index of 20 G.O. Munis. (%)	3.26	3.68	3.53	3.31	3.41	3.23	3.17	3.18
30-Year Fixed Mortgage Rate (%)	5.43	6.81	6.24	5.45	5.08	4.94	4.95	4.81

Table A1.2

U.S. Economic Forecast Summary

Forecast 2024 to 2029

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Real National Income Accounts (Billions of Chained 2012 Dollars)								
Real Gross Domestic Product	21,236.9	21,313.2	21,380.9	21,461.0	21,538.0	21,636.5	21,751.3	21,877.1
% Ch , Annual Rate	2.1	1.4	1.3	1.5	1.4	1.8	2.1	2.3
Real Consumption	14,835.0	14,917.2	14,979.9	15,034.2	15,080.1	15,138.2	15,208.3	15,286.9
% Ch , Annual Rate	3.2	2.2	1.7	1.5	1.2	1.5	1.9	2.1
Real Nonresidential Fixed Investment	3,269.0	3,284.3	3,304.4	3,334.3	3,366.3	3,401.0	3,436.3	3,468.6
% Ch , Annual Rate	-0.3	1.9	2.5	3.7	3.9	4.2	4.2	3.8
Real Residential Fixed Investment	608.2	611.2	609.9	610.1	613.8	619.8	624.0	630.3
% Ch , Annual Rate	5.5	1.9	-0.8	0.1	2.5	4.0	2.7	4.1
Real Personal Income	18,319.1	18,500.3	18,663.6	18,779.7	18,917.1	19,004.5	19,104.8	19,257.1
% Ch , Annual Rate	3.8	4.0	3.6	2.5	3.0	1.9	2.1	3.2
Real Per Capita Income (\$/Person)	54,455	54,927	55,345	55,623	55,964	56,157	56,390	56,776
% Ch , Annual Rate	3.3	3.5	3.1	2.0	2.5	1.4	1.7	2.8
Price and Wage Indexes								
PCE Price Index (2012=100)	128.8	129.4	130.0	130.7	131.4	132.0	132.8	133.5
% Ch , Annual Rate	1.5	1.7	1.9	2.2	2.2	1.9	2.3	2.1
U.S. Consumer Price Index (1982-84=1.0)	3.100	3.117	3.133	3.151	3.168	3.181	3.200	3.219
% Ch , Annual Rate	2.5	2.2	2.0	2.3	2.1	1.8	2.4	2.3
Employment Cost Index (Dec. 2005=1.0)	1.665	1.684	1.698	1.712	1.725	1.735	1.746	1.759
% Ch , Annual Rate	5.5	4.6	3.4	3.2	3.1	2.4	2.5	3.1
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	28,189.8	28,424.6	28,654.0	28,931.6	29,220.9	29,518.3	29,854.1	30,192.8
% Ch , Annual Rate	3.6	3.4	3.3	3.9	4.1	4.1	4.6	4.6
Personal Income	23,598.5	23,931.8	24,258.1	24,542.5	24,855.2	25,086.7	25,365.3	25,700.2
% Ch , Annual Rate	5.4	5.8	5.6	4.8	5.2	3.8	4.5	5.4
Employment (Millions)								
U.S. Civilian Labor Force	167.5	167.9	168.3	168.5	168.8	168.9	169.0	169.1
Total U.S. Employment	161.2	161.5	161.6	161.8	161.9	162.0	162.1	162.1
Unemployment Rate (%)	3.75	3.86	3.93	4.02	4.09	4.11	4.12	4.13
Nonfarm Payroll Employment	157.84	157.90	157.93	157.95	157.97	158.02	158.07	158.11
% Ch , Annual Rate	2.0	0.1	0.1	0.1	0.0	0.1	0.1	0.1
Manufacturing	12.98	13.00	12.93	12.77	12.55	12.32	12.17	12.10
% Ch , Annual Rate	1.3	0.4	-2.0	-5.1	-6.7	-7.2	-4.8	-2.1
Durable Manufacturing	8.15	8.18	8.16	8.04	7.86	7.69	7.59	7.54
% Ch , Annual Rate	1.6	1.1	-1.0	-5.5	-8.4	-8.5	-5.4	-2.2
Nondurable Manufacturing	4.83	4.82	4.78	4.73	4.68	4.62	4.58	4.56
% Ch , Annual Rate	0.8	-0.8	-3.5	-4.3	-3.5	-4.9	-3.8	-1.8
Construction	8.14	8.19	8.24	8.28	8.28	8.31	8.35	8.39
% Ch , Annual Rate	1.9	2.3	2.2	2.0	0.2	1.6	1.7	1.9
Service-Providing	136.08	136.08	136.14	136.29	136.51	136.75	136.92	136.97
% Ch , Annual Rate	2.1	0.0	0.2	0.4	0.7	0.7	0.5	0.2
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	72.8	72.3	71.6	70.5	69.4	68.5	67.7	66.9
Personal Saving/Disposable Income (%)	4.1	4.4	4.8	5.1	5.5	5.5	5.5	5.7
Auto Sales (Millions)	2.9	3.1	3.2	3.2	3.2	3.2	3.2	3.3
% Ch , Annual Rate	-23.3	19.3	14.4	4.0	-0.2	2.9	3.4	4.5
Housing Starts (Millions)	1.433	1.456	1.428	1.425	1.429	1.428	1.390	1.369
% Ch , Annual Rate	-5.6	6.5	-7.5	-0.7	1.1	-0.5	-10.3	-5.8
Federal Budget Surplus (Billions)	-1,579.9	-1,589.1	-1,609.7	-1,611.7	-1,637.1	-1,646.8	-1,648.5	-1,634.7
Net Exports (Billions)	-806.6	-827.0	-836.0	-825.1	-801.1	-781.0	-765.6	-753.8
3-Month Treasury Bill Rate (%)	5.33	5.18	4.80	4.46	3.92	3.20	3.00	2.80
10-Year Treasury Note Yield (%)	4.12	3.98	3.76	3.61	3.51	3.18	3.32	3.35
Bond Index of 20 G.O. Munis. (%)	3.65	3.57	3.48	3.44	3.42	3.18	3.32	3.34
30-Year Fixed Mortgage Rate (%)	6.62	6.42	6.11	5.81	5.60	5.45	5.37	5.39

Table A1.2 (continued)
U.S. Economic Forecast Summary
 Forecast 2024 to 2029

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Real National Income Accounts (Billions of Chained 2012 Dollars)								
Real Gross Domestic Product	21,993.0	22,106.8	22,213.6	22,312.3	22,411.4	22,523.3	22,630.3	22,744.6
% Ch , Annual Rate	2.1	2.1	1.9	1.8	1.8	2.0	1.9	2.0
Real Consumption	15,374.2	15,459.6	15,540.5	15,614.2	15,687.9	15,767.2	15,846.2	15,927.0
% Ch , Annual Rate	2.3	2.2	2.1	1.9	1.9	2.0	2.0	2.1
Real Nonresidential Fixed Investment	3,488.1	3,510.0	3,533.7	3,558.4	3,584.9	3,611.8	3,639.2	3,666.4
% Ch , Annual Rate	2.3	2.5	2.7	2.8	3.0	3.0	3.1	3.0
Real Residential Fixed Investment	632.0	635.3	637.4	638.1	640.4	646.3	650.2	657.1
% Ch , Annual Rate	1.1	2.2	1.3	0.5	1.4	3.7	2.5	4.3
Real Personal Income	19,476.8	19,666.7	19,796.7	19,920.7	20,078.6	20,209.9	20,313.3	20,392.9
% Ch , Annual Rate	4.6	4.0	2.7	2.5	3.2	2.6	2.1	1.6
Real Per Capita Income (\$/Person)	57,362	57,860	58,182	58,487	58,892	59,218	59,463	59,637
% Ch , Annual Rate	4.2	3.5	2.2	2.1	2.8	2.2	1.7	1.2
Price and Wage Indexes								
PCE Price Index (2012=100)	134.2	134.9	135.6	136.3	137.0	137.7	138.5	139.2
% Ch , Annual Rate	2.3	2.0	2.1	2.1	2.0	2.0	2.2	2.2
U.S. Consumer Price Index (1982-84=1.0)	3.239	3.258	3.276	3.295	3.313	3.331	3.351	3.370
% Ch , Annual Rate	2.6	2.3	2.3	2.3	2.2	2.2	2.4	2.4
Employment Cost Index (Dec. 2005=1.0)	1.777	1.795	1.811	1.827	1.843	1.860	1.876	1.890
% Ch , Annual Rate	4.1	4.2	3.7	3.5	3.6	3.7	3.5	3.2
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	30,527.6	30,843.7	31,163.1	31,475.4	31,796.9	32,136.7	32,481.8	32,847.1
% Ch , Annual Rate	4.5	4.2	4.2	4.1	4.1	4.3	4.4	4.6
Personal Income	26,144.3	26,531.6	26,847.9	27,158.1	27,512.5	27,832.7	28,124.7	28,389.3
% Ch , Annual Rate	7.1	6.1	4.9	4.7	5.3	4.7	4.3	3.8
Employment (Millions)								
U.S. Civilian Labor Force	169.3	169.5	169.7	169.8	170.0	170.2	170.3	170.3
Total U.S. Employment	162.3	162.4	162.6	162.8	162.9	163.1	163.2	163.3
Unemployment Rate (%)	4.18	4.18	4.16	4.16	4.17	4.16	4.13	4.13
Nonfarm Payroll Employment	158.14	158.18	158.23	158.31	158.39	158.48	158.55	158.66
% Ch , Annual Rate	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3
Manufacturing	12.19	12.20	12.11	12.06	12.02	11.97	11.87	11.73
% Ch , Annual Rate	2.8	0.3	-2.7	-1.7	-1.4	-1.7	-3.3	-4.5
Durable Manufacturing	7.62	7.64	7.59	7.55	7.52	7.48	7.40	7.29
% Ch , Annual Rate	4.4	1.0	-3.0	-1.7	-1.7	-2.2	-4.1	-5.7
Nondurable Manufacturing	4.56	4.55	4.53	4.51	4.50	4.49	4.46	4.44
% Ch , Annual Rate	0.3	-0.8	-2.2	-1.7	-0.9	-1.0	-1.9	-2.5
Construction	8.41	8.44	8.48	8.50	8.53	8.57	8.60	8.65
% Ch , Annual Rate	1.2	1.6	1.5	1.1	1.4	1.8	1.7	2.2
Service-Providing	136.88	136.88	136.97	137.07	137.16	137.26	137.39	137.59
% Ch , Annual Rate	-0.3	0.0	0.3	0.3	0.3	0.3	0.4	0.6
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	66.2	65.6	65.1	64.6	64.2	63.9	63.6	63.4
Personal Saving/Disposable Income (%)	6.2	6.6	6.7	6.8	7.0	7.1	7.0	6.8
Auto Sales (Millions)	3.3	3.3	3.2	3.2	3.2	3.2	3.2	3.2
% Ch , Annual Rate	-1.2	-0.4	-1.8	-2.9	-2.1	-0.9	-1.2	-1.8
Housing Starts (Millions)	1.350	1.357	1.364	1.366	1.390	1.405	1.403	1.388
% Ch , Annual Rate	-5.5	2.2	2.1	0.7	7.0	4.5	-0.7	-4.2
Federal Budget Surplus (Billions)	-1,656.7	-1,672.8	-1,682.8	-1,675.3	-1,688.0	-1,678.1	-1,679.6	-1,676.4
Net Exports (Billions)	-748.7	-746.9	-739.6	-729.4	-712.6	-696.2	-680.0	-660.9
3-Month Treasury Bill Rate (%)	2.67	2.51	2.46	2.44	2.41	2.41	2.29	2.24
10-Year Treasury Note Yield (%)	3.60	3.43	3.35	3.29	3.24	3.20	3.05	2.97
Bond Index of 20 G.O. Munis. (%)	3.55	3.41	3.36	3.34	3.33	3.31	3.17	3.09
30-Year Fixed Mortgage Rate (%)	5.34	5.12	4.97	4.88	4.98	4.95	4.92	4.91

Table A1.2 (continued)
U.S. Economic Forecast Summary
Forecast 2024 to 2029

	2028:1	2028:2	2028:3	2028:4	2029:1	2029:2	2029:3	2029:4
Real National Income Accounts (Billions of Chained 2012 Dollars)								
Real Gross Domestic Product	22,848.4	22,954.5	23,058.6	23,164.0	23,266.4	23,369.3	23,471.6	23,574.7
% Ch , Annual Rate	1.8	1.9	1.8	1.8	1.8	1.8	1.8	1.8
Real Consumption	16,007.5	16,084.8	16,162.3	16,238.2	16,313.2	16,388.2	16,467.5	16,549.2
% Ch , Annual Rate	2.0	1.9	1.9	1.9	1.9	1.9	2.0	2.0
Real Nonresidential Fixed Investment	3,689.3	3,712.9	3,734.9	3,759.3	3,784.1	3,808.2	3,832.6	3,857.1
% Ch , Annual Rate	2.5	2.6	2.4	2.6	2.7	2.6	2.6	2.6
Real Residential Fixed Investment	660.3	666.6	671.9	677.1	680.2	686.5	693.7	698.8
% Ch , Annual Rate	2.0	3.9	3.2	3.1	1.8	3.8	4.3	3.0
Real Personal Income	20,521.0	20,648.0	20,793.4	20,929.7	21,072.4	21,190.2	21,305.0	21,420.9
% Ch , Annual Rate	2.5	2.5	2.8	2.6	2.8	2.3	2.2	2.2
Real Per Capita Income (\$/Person)	59,952	60,264	60,629	60,968	61,324	61,608	61,883	62,161
% Ch , Annual Rate	2.1	2.1	2.4	2.3	2.4	1.9	1.8	1.8
Price and Wage Indexes								
PCE Price Index (2012=100)	140.0	140.7	141.4	142.1	142.8	143.6	144.3	145.0
% Ch , Annual Rate	2.2	2.1	2.0	2.1	2.1	2.0	2.1	2.1
U.S. Consumer Price Index (1982-84=1.0)	3.390	3.409	3.426	3.447	3.466	3.485	3.504	3.523
% Ch , Annual Rate	2.3	2.3	2.0	2.4	2.2	2.2	2.2	2.2
Employment Cost Index (Dec. 2005=1.0)	1.905	1.921	1.939	1.957	1.974	1.991	2.009	2.026
% Ch , Annual Rate	3.2	3.4	3.7	3.7	3.5	3.6	3.5	3.6
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	33,194.7	33,542.5	33,878.3	34,223.4	34,569.6	34,917.1	35,274.5	35,635.7
% Ch , Annual Rate	4.3	4.3	4.1	4.1	4.1	4.1	4.2	4.2
Personal Income	28,721.4	29,050.3	29,396.9	29,743.2	30,100.6	30,421.3	30,743.4	31,068.7
% Ch , Annual Rate	4.8	4.7	4.9	4.8	4.9	4.3	4.3	4.3
Employment (Millions)								
U.S. Civilian Labor Force	170.4	170.4	170.5	170.6	170.7	170.8	170.8	170.9
Total U.S. Employment	163.3	163.4	163.5	163.6	163.7	163.8	163.8	163.9
Unemployment Rate (%)	4.13	4.13	4.13	4.12	4.11	4.10	4.10	4.10
Nonfarm Payroll Employment	158.79	158.91	159.00	159.07	159.16	159.25	159.34	159.45
% Ch, Annual Rate	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.3
Manufacturing	11.67	11.65	11.65	11.63	11.62	11.61	11.60	11.59
% Ch, Annual Rate	-1.9	-0.9	0.1	-0.6	-0.5	-0.3	-0.2	-0.3
Durable Manufacturing	7.24	7.21	7.21	7.19	7.17	7.16	7.15	7.14
% Ch, Annual Rate	-2.7	-1.7	-0.3	-1.2	-1.0	-0.7	-0.5	-0.6
Nondurable Manufacturing	4.43	4.43	4.44	4.45	4.45	4.45	4.45	4.45
% Ch, Annual Rate	-0.6	0.2	0.7	0.5	0.2	0.2	0.2	0.1
Construction	8.69	8.74	8.79	8.83	8.88	8.93	8.98	9.03
% Ch, Annual Rate	1.8	2.4	2.1	2.2	1.9	2.4	2.3	2.1
Service-Providing	137.73	137.84	137.88	137.92	137.98	138.04	138.09	138.16
% Ch, Annual Rate	0.4	0.3	0.1	0.1	0.2	0.2	0.1	0.2
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	63.1	63.0	62.9	62.9	62.8	62.8	62.7	62.7
Personal Saving/Disposable Income (%)	6.9	7.0	7.1	7.3	7.5	7.7	7.7	7.8
Auto Sales (Millions)	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
% Ch, Annual Rate	-0.8	0.5	-0.1	0.3	0.3	-0.6	-1.9	0.0
Housing Starts (Millions)	1.366	1.353	1.346	1.347	1.346	1.349	1.347	1.354
% Ch, Annual Rate	-6.1	-3.7	-2.3	0.5	-0.4	0.9	-0.7	2.2
Federal Budget Surplus (Billions)	-1,637.2	-1,637.1	-1,643.7	-1,658.0	-1,704.0	-1,719.4	-1,729.6	-1,753.0
Net Exports (Billions)	-644.2	-626.3	-607.1	-587.2	-562.7	-542.7	-525.0	-511.5
3-Month Treasury Bill Rate (%)	2.31	2.35	2.43	2.41	2.40	2.39	2.39	2.39
10-Year Treasury Note Yield (%)	3.06	3.10	3.20	3.17	3.15	3.14	3.13	3.13
Bond Index of 20 G.O. Munis. (%)	3.14	3.15	3.21	3.17	3.17	3.17	3.19	3.19
30-Year Fixed Mortgage Rate (%)	4.95	5.01	4.96	4.87	4.82	4.79	4.82	4.81

Table A1.3
Washington Economic Forecast Summary
Forecast 2024 to 2029

	2022	2023	2024	2025	2026	2027	2028	2029
Real Income (Billions of Chained 2012 Dollars)								
Real Personal Income	475.669	485.699	502.355	518.504	539.380	556.721	572.315	589.542
% Ch	-4.6	2.1	3.4	3.2	4.0	3.2	2.8	3.0
Real Wage and Salary Disb.	253.389	262.120	271.560	276.985	286.533	294.690	301.841	310.917
% Ch	0.1	3.4	3.6	2.0	3.4	2.8	2.4	3.0
Real Nonwage Income	222.280	223.580	230.795	241.519	252.847	262.031	270.475	278.625
% Ch	-9.4	0.6	3.2	4.6	4.7	3.6	3.2	3.0
Real Per Capita Income (\$/Person)	61,096	61,980	63,656	65,247	67,376	69,031	70,459	72,089
% Ch	-5.1	1.4	2.7	2.5	3.3	2.5	2.1	2.3
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.227	1.273	1.297	1.324	1.353	1.381	1.410	1.439
% Ch	6.5	3.7	1.9	2.1	2.2	2.1	2.1	2.1
Seattle Cons. Price Index (1982-84=1.0)	3.224	3.412	3.524	3.599	3.684	3.768	3.854	3.940
% Ch	8.9	5.8	3.3	2.1	2.4	2.3	2.3	2.2
Average Nonfarm Annual Wage	85,907	90,120	93,807	96,977	101,446	105,698	109,682	114,304
% Ch	1.8	4.9	4.1	3.4	4.6	4.2	3.8	4.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	29.90	29.67	31.37	32.26	33.34	34.49	35.60	36.83
% Ch	6.6	-0.8	5.7	2.8	3.4	3.4	3.2	3.4
Current Dollar Income (Billions of Dollars)								
Personal Income	583.828	618.455	651.642	686.560	729.673	768.875	807.206	848.604
% Ch	1.7	5.9	5.4	5.4	6.3	5.4	5.0	5.1
Disposable Personal Income	504.059	546.710	576.567	606.931	643.758	675.820	707.779	743.596
% Ch	-0.3	8.5	5.5	5.3	6.1	5.0	4.7	5.1
Per Capita Income (\$/Person)	74,987	78,919	82,572	86,394	91,145	95,336	99,376	103,766
% Ch	1.1	5.2	4.6	4.6	5.5	4.6	4.2	4.4
Employment (Thousands)								
Washington Civilian Labor Force	3,988.0	4,055.6	4,081.5	4,117.4	4,155.2	4,188.7	4,216.6	4,245.5
Total Washington Employment	3,821.6	3,891.5	3,901.6	3,929.4	3,968.6	4,003.4	4,032.9	4,064.5
Unemployment Rate (%)	4.17	4.05	4.41	4.57	4.49	4.42	4.36	4.26
Nonfarm Payroll Employment	3,527.9	3,612.2	3,662.7	3,688.8	3,727.6	3,757.0	3,787.5	3,821.3
% Ch	4.7	2.4	1.4	0.7	1.1	0.8	0.8	0.9
Manufacturing	268.9	276.0	281.3	276.7	278.7	277.9	276.9	277.8
% Ch	3.4	2.7	1.9	-1.7	0.7	-0.3	-0.3	0.3
Durable Manufacturing	181.6	189.2	195.0	193.4	196.4	196.2	195.2	194.9
% Ch	3.3	4.2	3.1	-0.8	1.6	-0.1	-0.5	-0.1
Aerospace	71.3	77.8	82.9	85.4	88.1	89.3	89.6	89.5
% Ch	5.5	9.1	6.4	3.0	3.2	1.3	0.4	-0.2
Nondurable Manufacturing	87.3	86.8	86.3	83.2	82.3	81.7	81.7	82.8
% Ch	3.8	-0.5	-0.6	-3.5	-1.2	-0.7	0.0	1.3
Construction	232.5	236.2	239.9	245.0	253.7	261.1	268.7	276.8
% Ch	3.8	1.6	1.6	2.1	3.6	2.9	2.9	3.0
Service-Providing	3,021.0	3,094.6	3,136.5	3,162.3	3,190.3	3,212.9	3,236.7	3,261.2
% Ch	4.9	2.4	1.4	0.8	0.9	0.7	0.7	0.8
Software Publishers	85.1	86.0	85.8	87.8	88.8	90.7	92.6	94.4
% Ch	6.5	1.0	-0.2	2.3	1.2	2.1	2.1	1.9
Mgmt. of Companies and Enterprises	104.2	101.7	104.6	108.2	111.2	113.9	116.5	119.0
% Ch	15.5	-2.4	2.8	3.5	2.8	2.4	2.2	2.1
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	49.033	37.177	41.439	44.431	45.079	45.861	45.757	45.634
% Ch	-13.9	-24.2	11.5	7.2	1.5	1.7	-0.2	-0.3
Single-Family	20.401	17.872	22.128	24.411	24.738	25.418	25.642	25.723
% Ch	-18.6	-12.4	23.8	10.3	1.3	2.8	0.9	0.3
Multi-Family	28.632	19.305	19.311	20.020	20.341	20.442	20.115	19.910
% Ch	-10.1	-32.6	0.0	3.7	1.6	0.5	-1.6	-1.0
30-Year Fixed Mortgage Rate (%)	5.43	6.81	6.24	5.45	5.08	4.94	4.95	4.81

Table A1.4
Washington Economic Forecast Summary
Forecast 2024 to 2029

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Real Income (Billions of Chained 2012 Dollars)								
Real Personal Income	494.127	500.785	505.448	509.059	513.252	516.317	519.737	524.710
% Ch, Annual Rate	3.7	5.5	3.8	2.9	3.3	2.4	2.7	3.9
Real Wage and Salary Disb.	267.361	271.475	273.083	274.322	275.623	276.218	277.010	279.090
% Ch, Annual Rate	3.1	6.3	2.4	1.8	1.9	0.9	1.2	3.0
Real Nonwage Income	226.766	229.310	232.365	234.737	237.629	240.099	242.726	245.620
% Ch, Annual Rate	4.3	4.6	5.4	4.1	5.0	4.2	4.5	4.9
Real Per Capita Income (\$/Person)	62,776	63,511	63,994	64,342	64,759	65,032	65,346	65,851
% Ch, Annual Rate	2.9	4.8	3.1	2.2	2.6	1.7	1.9	3.1
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.288	1.294	1.300	1.307	1.314	1.320	1.328	1.335
% Ch, Annual Rate	1.5	1.7	1.9	2.2	2.2	1.9	2.3	2.1
Seattle Cons. Price Index (1982-84=1.0)	3.495	3.514	3.532	3.553	3.571	3.587	3.608	3.629
% Ch, Annual Rate	3.5	2.2	2.0	2.3	2.1	1.8	2.4	2.3
Average Nonfarm Annual Wage	91,964	93,552	94,450	95,263	96,058	96,529	97,162	98,161
% Ch, Annual Rate	2.8	7.1	3.9	3.5	3.4	2.0	2.6	4.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	30.92	31.27	31.52	31.75	31.98	32.15	32.34	32.57
% Ch, Annual Rate	5.3	4.6	3.2	3.0	2.9	2.2	2.3	2.9
Current Dollar Income (Billions of Dollars)								
Personal Income	636.528	647.812	656.957	665.271	674.361	681.562	690.049	700.270
% Ch, Annual Rate	5.3	7.3	5.8	5.2	5.6	4.3	5.1	6.1
Disposable Personal Income	563.245	573.032	581.311	588.677	596.587	602.765	609.913	618.457
% Ch, Annual Rate	5.5	7.1	5.9	5.2	5.5	4.2	4.8	5.7
Per Capita Income (\$/Person)	80,868	82,157	83,177	84,086	85,087	85,845	86,759	87,884
% Ch, Annual Rate	4.5	6.5	5.1	4.4	4.9	3.6	4.3	5.3
Employment (Thousands)								
Washington Civilian Labor Force	4,065.0	4,077.9	4,087.0	4,096.3	4,105.7	4,113.5	4,121.1	4,129.4
Total Washington Employment	3,891.0	3,899.4	3,905.0	3,911.1	3,918.0	3,925.2	3,933.0	3,941.6
Unemployment Rate (%)	4.28	4.38	4.45	4.52	4.57	4.58	4.56	4.55
Nonfarm Payroll Employment	3,652.7	3,661.6	3,665.6	3,670.9	3,677.3	3,684.4	3,692.1	3,701.4
% Ch, Annual Rate	1.8	1.0	0.4	0.6	0.7	0.8	0.8	1.0
Manufacturing	282.1	282.3	281.3	279.5	277.6	276.3	276.0	276.8
% Ch, Annual Rate	3.3	0.4	-1.5	-2.5	-2.7	-1.9	-0.4	1.1
Durable Manufacturing	195.1	195.4	195.2	194.3	193.1	192.9	193.3	194.3
% Ch, Annual Rate	3.8	0.6	-0.5	-1.7	-2.5	-0.5	1.0	2.1
Aerospace	82.3	82.6	83.0	83.5	84.1	84.8	85.8	86.7
% Ch, Annual Rate	5.1	1.6	1.8	2.5	2.9	3.4	4.8	4.1
Nondurable Manufacturing	87.0	86.9	86.1	85.2	84.5	83.4	82.7	82.4
% Ch, Annual Rate	2.3	-0.2	-3.5	-4.2	-3.4	-5.1	-3.3	-1.2
Construction	237.5	239.6	240.6	241.9	242.2	243.9	245.9	248.0
% Ch, Annual Rate	1.2	3.5	1.8	2.1	0.5	2.9	3.3	3.4
Service-Providing	3,128.0	3,134.6	3,138.8	3,144.7	3,152.7	3,159.3	3,165.4	3,171.8
% Ch, Annual Rate	1.8	0.9	0.5	0.8	1.0	0.8	0.8	0.8
Software Publishers	85.5	85.5	85.9	86.5	87.0	87.7	88.1	88.3
% Ch, Annual Rate	6.8	0.3	1.6	2.7	2.6	3.3	1.7	1.1
Mgmt. of Companies and Enterprises	103.0	104.1	105.1	106.1	107.0	107.8	108.6	109.4
% Ch, Annual Rate	7.6	4.2	3.9	3.7	3.4	3.2	3.1	2.9
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	38.748	40.680	42.605	43.723	44.286	44.199	44.542	44.697
% Ch, Annual Rate	76.8	21.5	20.3	10.9	5.3	-0.8	3.1	1.4
Single-Family	21.224	21.610	22.472	23.206	23.939	24.304	24.674	24.726
% Ch, Annual Rate	30.5	7.5	16.9	13.7	13.2	6.2	6.2	0.8
Multi-Family	17.524	19.070	20.133	20.516	20.347	19.894	19.868	19.971
% Ch, Annual Rate	164.3	40.2	24.2	7.8	-3.3	-8.6	-0.5	2.1
30-Year Fixed Mortgage Rate (%)	6.62	6.42	6.11	5.81	5.60	5.45	5.37	5.39

Table A1.4 (continued)
Washington Economic Forecast Summary
Forecast 2024 to 2029

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Real Income (Billions of Chained 2012 Dollars)								
Real Personal Income	531.565	537.673	542.093	546.190	551.088	555.357	558.803	561.636
% Ch, Annual Rate	5.3	4.7	3.3	3.1	3.6	3.1	2.5	2.0
Real Wage and Salary Disb.	282.445	285.772	287.972	289.944	292.025	294.217	295.756	296.764
% Ch, Annual Rate	4.9	4.8	3.1	2.8	2.9	3.0	2.1	1.4
Real Nonwage Income	249.119	251.901	254.122	256.246	259.063	261.140	263.047	264.872
% Ch, Annual Rate	5.8	4.5	3.6	3.4	4.5	3.2	3.0	2.8
Real Per Capita Income (\$/Person)	66,587	67,227	67,653	68,037	68,521	68,925	69,226	69,451
% Ch, Annual Rate	4.5	3.9	2.6	2.3	2.9	2.4	1.8	1.3
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.342	1.349	1.356	1.363	1.370	1.377	1.385	1.392
% Ch, Annual Rate	2.3	2.0	2.1	2.1	2.0	2.0	2.2	2.2
Seattle Cons. Price Index (1982-84=1.0)	3.652	3.673	3.694	3.715	3.736	3.756	3.778	3.800
% Ch, Annual Rate	2.6	2.3	2.3	2.3	2.2	2.2	2.4	2.4
Average Nonfarm Annual Wage	99,613	100,998	102,060	103,111	104,193	105,313	106,271	107,014
% Ch, Annual Rate	6.1	5.7	4.3	4.2	4.3	4.4	3.7	2.8
Avg. Hourly Earnings-Mfg. (\$/Hour)	32.89	33.21	33.50	33.78	34.06	34.36	34.64	34.90
% Ch, Annual Rate	4.0	4.0	3.5	3.3	3.4	3.6	3.3	3.0
Current Dollar Income (Billions of Dollars)								
Personal Income	713.535	725.355	735.178	744.625	755.123	764.827	773.688	781.864
% Ch, Annual Rate	7.8	6.8	5.5	5.2	5.8	5.2	4.7	4.3
Disposable Personal Income	629.955	640.225	648.660	656.191	664.707	672.427	679.696	686.451
% Ch, Annual Rate	7.6	6.7	5.4	4.7	5.3	4.7	4.4	4.0
Per Capita Income (\$/Person)	89,382	90,693	91,750	92,756	93,890	94,922	95,846	96,684
% Ch, Annual Rate	7.0	6.0	4.7	4.5	5.0	4.5	4.0	3.5
Employment (Thousands)								
Washington Civilian Labor Force	4,140.3	4,151.0	4,160.6	4,169.1	4,177.4	4,185.7	4,192.7	4,199.2
Total Washington Employment	3,952.2	3,963.9	3,975.0	3,983.5	3,991.4	3,999.9	4,007.8	4,014.5
Unemployment Rate (%)	4.54	4.51	4.46	4.45	4.45	4.44	4.41	4.40
Nonfarm Payroll Employment	3,712.9	3,724.0	3,733.3	3,740.4	3,747.0	3,754.1	3,759.8	3,767.0
% Ch, Annual Rate	1.2	1.2	1.0	0.8	0.7	0.8	0.6	0.8
Manufacturing	278.1	279.0	278.8	278.8	278.7	278.3	277.6	277.0
% Ch, Annual Rate	2.0	1.2	-0.2	0.0	-0.2	-0.5	-0.9	-0.9
Durable Manufacturing	195.7	196.5	196.6	196.8	196.7	196.4	196.0	195.6
% Ch, Annual Rate	2.8	1.8	0.2	0.3	-0.2	-0.6	-0.8	-0.7
Aerospace	87.4	88.0	88.4	88.8	89.1	89.3	89.4	89.5
% Ch, Annual Rate	3.3	2.6	2.0	1.6	1.3	0.9	0.7	0.5
Nondurable Manufacturing	82.5	82.4	82.2	82.0	82.0	81.9	81.6	81.4
% Ch, Annual Rate	0.1	0.0	-1.3	-0.7	-0.3	-0.3	-1.4	-1.1
Construction	250.7	252.8	254.9	256.6	258.5	260.3	261.8	263.6
% Ch, Annual Rate	4.4	3.4	3.4	2.7	3.0	2.9	2.2	2.9
Service-Providing	3,179.2	3,187.3	3,194.7	3,200.0	3,204.9	3,210.4	3,215.3	3,221.2
% Ch, Annual Rate	0.9	1.0	0.9	0.7	0.6	0.7	0.6	0.7
Software Publishers	88.3	88.6	89.0	89.4	89.9	90.3	91.0	91.6
% Ch, Annual Rate	-0.1	1.3	1.8	1.9	2.2	2.0	2.8	2.7
Mgmt. of Companies and Enterprises	110.2	110.9	111.6	112.3	113.0	113.6	114.3	114.9
% Ch, Annual Rate	2.8	2.7	2.6	2.5	2.4	2.4	2.3	2.3
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	44.780	45.125	45.267	45.146	45.452	45.973	46.054	45.964
% Ch, Annual Rate	0.7	3.1	1.3	-1.1	2.7	4.7	0.7	-0.8
Single-Family	24.682	24.681	24.779	24.810	25.083	25.515	25.546	25.530
% Ch, Annual Rate	-0.7	0.0	1.6	0.5	4.5	7.1	0.5	-0.3
Multi-Family	20.097	20.444	20.488	20.336	20.368	20.458	20.508	20.434
% Ch, Annual Rate	2.6	7.1	0.9	-2.9	0.6	1.8	1.0	-1.4
30-Year Fixed Mortgage Rate (%)	5.34	5.12	4.97	4.88	4.98	4.95	4.92	4.91

Table A1.4 (continued)
Washington Economic Forecast Summary
Forecast 2024 to 2029

	2028:1	2028:2	2028:3	2028:4	2029:1	2029:2	2029:3	2029:4
Real Income (Billions of Chained 2012 Dollars)								
Real Personal Income	565.689	569.813	574.639	579.119	583.660	587.611	591.500	595.398
% Ch, Annual Rate	2.9	2.9	3.4	3.2	3.2	2.7	2.7	2.7
Real Wage and Salary Disb.	298.299	300.370	303.103	305.591	307.725	309.842	311.972	314.131
% Ch, Annual Rate	2.1	2.8	3.7	3.3	2.8	2.8	2.8	2.8
Real Nonwage Income	267.391	269.443	271.536	273.528	275.935	277.770	279.528	281.268
% Ch, Annual Rate	3.9	3.1	3.1	3.0	3.6	2.7	2.6	2.5
Real Per Capita Income (\$/Person)	69,827	70,212	70,684	71,113	71,550	71,914	72,269	72,624
% Ch, Annual Rate	2.2	2.2	2.7	2.5	2.5	2.0	2.0	2.0
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.400	1.407	1.414	1.421	1.428	1.436	1.443	1.450
% Ch, Annual Rate	2.2	2.1	2.0	2.1	2.1	2.0	2.1	2.1
Seattle Cons. Price Index (1982-84=1.0)	3.822	3.844	3.863	3.887	3.908	3.929	3.951	3.973
% Ch, Annual Rate	2.3	2.3	2.0	2.4	2.2	2.2	2.2	2.2
Average Nonfarm Annual Wage	107,934	109,022	110,265	111,505	112,628	113,732	114,859	115,996
% Ch, Annual Rate	3.5	4.1	4.6	4.6	4.1	4.0	4.0	4.0
Avg. Hourly Earnings-Mfg. (\$/Hour)	35.15	35.44	35.75	36.07	36.37	36.67	36.98	37.29
% Ch, Annual Rate	3.0	3.3	3.6	3.6	3.3	3.4	3.4	3.4
Current Dollar Income (Billions of Dollars)								
Personal Income	791.745	801.689	812.402	822.988	833.720	843.595	853.543	863.559
% Ch, Annual Rate	5.2	5.1	5.5	5.3	5.3	4.8	4.8	4.8
Disposable Personal Income	694.838	703.111	712.028	721.140	730.594	739.199	747.863	756.727
% Ch, Annual Rate	5.0	4.8	5.2	5.2	5.3	4.8	4.8	4.8
Per Capita Income (\$/Person)	97,731	98,784	99,930	101,059	102,204	103,242	104,285	105,332
% Ch, Annual Rate	4.4	4.4	4.7	4.6	4.6	4.1	4.1	4.1
Employment (Thousands)								
Washington Civilian Labor Force	4,205.6	4,212.3	4,220.5	4,228.1	4,235.2	4,242.0	4,248.9	4,255.7
Total Washington Employment	4,021.0	4,028.0	4,036.9	4,045.6	4,053.4	4,060.8	4,068.2	4,075.5
Unemployment Rate (%)	4.39	4.38	4.35	4.32	4.29	4.27	4.25	4.24
Nonfarm Payroll Employment	3,774.3	3,782.5	3,792.4	3,800.9	3,808.9	3,817.1	3,825.4	3,833.8
% Ch, Annual Rate	0.8	0.9	1.1	0.9	0.8	0.9	0.9	0.9
Manufacturing	276.6	276.7	277.1	277.4	277.5	277.7	277.9	278.0
% Ch, Annual Rate	-0.6	0.1	0.5	0.4	0.2	0.2	0.3	0.1
Durable Manufacturing	195.3	195.2	195.2	195.2	195.1	195.0	194.9	194.8
% Ch, Annual Rate	-0.7	-0.2	0.0	-0.1	-0.2	-0.2	-0.1	-0.3
Aerospace	89.6	89.7	89.7	89.7	89.6	89.5	89.4	89.3
% Ch, Annual Rate	0.4	0.2	0.1	-0.1	-0.2	-0.3	-0.4	-0.7
Nondurable Manufacturing	81.3	81.5	81.9	82.2	82.4	82.7	83.0	83.2
% Ch, Annual Rate	-0.2	1.0	1.6	1.6	1.2	1.3	1.3	1.1
Construction	265.4	267.6	269.8	271.9	273.7	275.8	277.9	280.0
% Ch, Annual Rate	2.8	3.3	3.3	3.2	2.7	3.1	3.1	3.0
Service-Providing	3,227.1	3,232.9	3,240.3	3,246.3	3,252.3	3,258.2	3,264.1	3,270.3
% Ch, Annual Rate	0.7	0.7	0.9	0.8	0.7	0.7	0.7	0.8
Software Publishers	92.1	92.5	92.8	93.2	93.7	94.1	94.6	95.0
% Ch, Annual Rate	2.1	1.8	1.5	1.8	2.0	1.9	1.9	1.9
Mgmt. of Companies and Enterprises	115.6	116.2	116.8	117.4	118.1	118.7	119.3	119.9
% Ch, Annual Rate	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	45.873	45.950	45.641	45.562	45.516	45.597	45.602	45.820
% Ch, Annual Rate	-0.8	0.7	-2.7	-0.7	-0.4	0.7	0.0	1.9
Single-Family	25.665	25.797	25.595	25.511	25.578	25.708	25.737	25.870
% Ch, Annual Rate	2.1	2.1	-3.1	-1.3	1.0	2.1	0.5	2.1
Multi-Family	20.208	20.152	20.047	20.051	19.938	19.889	19.865	19.950
% Ch, Annual Rate	-4.4	-1.1	-2.1	0.1	-2.2	-1.0	-0.5	1.7
30-Year Fixed Mortgage Rate (%)	4.95	5.01	4.96	4.87	4.82	4.79	4.82	4.81

Table A2.1

U.S. Nonagricultural Employment by Industry (Millions)

Forecast 2024 to 2029

	2022	2023	2024	2025	2026	2027	2028	2029
Nonfarm Payroll Employment	152.53	156.07	157.91	158.04	158.22	158.52	158.94	159.30
% Ch	4.3	2.3	1.2	0.1	0.1	0.2	0.3	0.2
Manufacturing	12.81	12.94	12.92	12.28	12.14	11.90	11.65	11.60
% Ch	3.7	1.0	-0.2	-4.9	-1.2	-2.0	-2.1	-0.4
Durable Manufacturing	7.97	8.10	8.13	7.67	7.60	7.42	7.21	7.15
% Ch	3.7	1.7	0.4	-5.7	-0.9	-2.3	-2.9	-0.8
Wood Products	0.43	0.42	0.41	0.39	0.42	0.43	0.44	0.45
% Ch	4.2	-2.2	-2.0	-3.6	5.6	2.5	2.2	3.8
Primary and Fabricated Metals	1.80	1.83	1.84	1.75	1.75	1.71	1.66	1.65
% Ch	3.7	1.7	0.5	-4.8	0.1	-2.3	-2.9	-0.8
Computer and Electronic Products	1.09	1.11	1.10	1.08	1.07	1.06	1.04	1.02
% Ch	2.9	1.6	-0.9	-1.5	-0.7	-1.7	-1.8	-1.6
Machinery and Electrical Equipment	1.51	1.55	1.54	1.45	1.43	1.39	1.36	1.34
% Ch	4.4	2.5	-0.7	-5.8	-1.5	-2.6	-2.4	-1.1
Transportation Equipment	1.72	1.79	1.86	1.71	1.67	1.61	1.52	1.48
% Ch	4.4	4.2	3.9	-8.1	-2.1	-3.6	-6.1	-2.4
Other Durables	1.42	1.41	1.39	1.29	1.26	1.23	1.21	1.21
% Ch	2.9	-1.3	-1.3	-7.4	-2.1	-2.5	-1.8	0.3
Nondurable Manufacturing	4.85	4.84	4.79	4.61	4.54	4.47	4.44	4.45
% Ch	3.7	-0.1	-1.1	-3.7	-1.6	-1.5	-0.8	0.3
Food Manufacturing	1.70	1.73	1.73	1.66	1.65	1.63	1.64	1.67
% Ch	3.6	1.7	0.0	-3.8	-0.9	-0.7	0.4	1.8
Paper and Paper Products	0.36	0.36	0.35	0.34	0.33	0.33	0.33	0.33
% Ch	3.8	-1.8	-1.2	-3.6	-1.8	-1.2	-0.8	0.4
Other Nondurables	2.78	2.76	2.71	2.61	2.56	2.51	2.47	2.45
% Ch	3.7	-1.0	-1.7	-3.7	-2.0	-2.0	-1.5	-0.6
Natural Resources and Mining	0.61	0.64	0.63	0.64	0.67	0.69	0.69	0.68
% Ch	8.0	5.7	-1.8	2.2	4.3	2.8	0.0	-1.5
Construction	7.76	8.02	8.21	8.33	8.46	8.59	8.76	8.95
% Ch	4.4	3.3	2.4	1.5	1.5	1.5	2.1	2.2
Trade, Transportation, and Utilities	28.64	28.85	28.85	28.33	28.18	28.07	27.79	27.52
% Ch	3.6	0.7	0.0	-1.8	-0.5	-0.4	-1.0	-1.0
Wholesale Trade	5.98	6.12	6.12	6.23	6.15	6.19	6.19	6.12
% Ch	4.7	2.3	0.1	1.8	-1.3	0.7	0.0	-1.3
Retail Trade	15.50	15.59	15.65	14.90	14.91	14.73	14.43	14.31
% Ch	1.5	0.6	0.3	-4.7	0.1	-1.2	-2.0	-0.8
Trans., Warehousing, and Utilities	7.17	7.15	7.09	7.20	7.11	7.14	7.16	7.09
% Ch	7.2	-0.3	-0.8	1.5	-1.2	0.4	0.3	-1.0
Information	3.06	3.03	3.05	3.17	3.15	3.10	3.13	3.19
% Ch	7.2	-1.1	0.7	4.0	-0.7	-1.5	1.1	1.9
Publishing Industries	0.94	0.93	0.92	0.91	0.87	0.86	0.86	0.85
% Ch	8.1	-1.1	-1.5	-0.4	-4.4	-0.9	-0.5	-1.5
Other Information	2.12	2.11	2.13	2.26	2.28	2.24	2.27	2.35
% Ch	6.9	-0.4	0.9	5.9	0.8	-1.7	1.7	3.1
Financial Activities	9.06	9.20	9.22	9.42	9.28	9.34	9.35	9.26
% Ch	2.9	1.5	0.2	2.2	-1.5	0.7	0.1	-1.0
Professional and Business Services	22.54	22.85	23.21	23.34	23.94	23.96	24.33	24.98
% Ch	5.4	1.4	1.6	0.5	2.6	0.1	1.6	2.7
Education and Health Services	24.34	25.34	25.97	26.29	26.00	26.19	26.48	26.43
% Ch	2.9	4.1	2.5	1.2	-1.1	0.7	1.1	-0.2
Leisure and Hospitality	15.82	16.60	16.89	17.10	17.20	17.25	17.11	16.93
% Ch	11.9	4.9	1.8	1.3	0.6	0.3	-0.8	-1.0
Other Services	5.69	5.83	5.81	5.90	5.86	6.00	6.15	6.19
% Ch	4.3	2.3	-0.3	1.6	-0.7	2.4	2.5	0.6
Federal Government	2.87	2.92	2.97	2.97	2.97	2.97	2.97	2.97
% Ch	-0.7	2.0	1.5	0.0	0.0	0.0	0.0	0.0
State and Local Government	19.33	19.85	20.18	20.26	20.37	20.47	20.52	20.58
% Ch	1.3	2.7	1.6	0.4	0.5	0.5	0.2	0.3

Table A2.2

U.S. Nonagricultural Employment by Industry (Millions)

Forecast 2024 to 2029

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Nonfarm Payroll Employment	157.84	157.90	157.93	157.95	157.97	158.02	158.07	158.11
% Ch, Annual Rate	2.0	0.1	0.1	0.1	0.0	0.1	0.1	0.1
Manufacturing	12.98	13.00	12.93	12.77	12.55	12.32	12.17	12.10
% Ch, Annual Rate	1.3	0.4	-2.0	-5.1	-6.7	-7.2	-4.8	-2.1
Durable Manufacturing	8.15	8.18	8.16	8.04	7.86	7.69	7.59	7.54
% Ch, Annual Rate	1.6	1.1	-1.0	-5.5	-8.4	-8.5	-5.4	-2.2
Wood Products	0.41	0.41	0.41	0.40	0.40	0.39	0.39	0.40
% Ch, Annual Rate	-2.6	1.9	-3.8	-7.7	-6.1	-1.8	-1.9	6.8
Primary and Fabricated Metals	1.84	1.84	1.85	1.82	1.78	1.75	1.73	1.73
% Ch, Annual Rate	1.1	1.0	0.5	-5.6	-9.0	-5.0	-4.7	-0.2
Computer and Electronic Products	1.11	1.10	1.09	1.09	1.08	1.08	1.08	1.08
% Ch, Annual Rate	0.6	-2.4	-2.3	-2.3	-1.9	-0.4	-0.6	-0.5
Machinery and Electrical Equipment	1.55	1.56	1.54	1.51	1.48	1.45	1.44	1.43
% Ch, Annual Rate	-0.4	0.4	-4.5	-6.2	-9.2	-6.7	-2.6	-2.9
Transportation Equipment	1.84	1.86	1.88	1.86	1.81	1.71	1.67	1.64
% Ch, Annual Rate	6.8	5.0	3.1	-4.5	-10.0	-19.3	-9.3	-6.6
Other Durables	1.40	1.40	1.39	1.36	1.32	1.30	1.27	1.26
% Ch, Annual Rate	0.2	-0.3	-2.7	-8.0	-10.5	-8.1	-9.2	-2.5
Nondurable Manufacturing	4.83	4.82	4.78	4.73	4.68	4.62	4.58	4.56
% Ch, Annual Rate	0.8	-0.8	-3.5	-4.3	-3.5	-4.9	-3.8	-1.8
Food Manufacturing	1.74	1.74	1.73	1.70	1.69	1.66	1.65	1.64
% Ch, Annual Rate	1.5	0.1	-2.7	-4.7	-3.6	-5.9	-4.2	-0.8
Paper and Paper Products	0.35	0.36	0.35	0.35	0.34	0.34	0.34	0.34
% Ch, Annual Rate	-1.3	5.7	-4.9	-5.0	-3.5	-4.5	-3.6	-3.1
Other Nondurables	2.74	2.73	2.70	2.67	2.65	2.62	2.60	2.58
% Ch, Annual Rate	0.6	-2.1	-3.9	-4.0	-3.5	-4.4	-3.5	-2.3
Natural Resources and Mining	0.64	0.63	0.62	0.62	0.63	0.64	0.65	0.65
% Ch, Annual Rate	-3.5	-4.5	-3.6	1.2	4.1	4.7	4.6	4.0
Construction	8.14	8.19	8.24	8.28	8.28	8.31	8.35	8.39
% Ch, Annual Rate	1.9	2.3	2.2	2.0	0.2	1.6	1.7	1.9
Trade, Transportation, and Utilities	29.00	28.97	28.81	28.63	28.56	28.33	28.26	28.17
% Ch, Annual Rate	1.7	-0.4	-2.2	-2.4	-1.0	-3.2	-0.9	-1.3
Wholesale Trade	6.14	6.11	6.11	6.13	6.16	6.25	6.27	6.25
% Ch, Annual Rate	-0.9	-2.1	0.1	1.1	2.0	6.1	1.1	-0.7
Retail Trade	15.73	15.78	15.63	15.44	15.30	14.86	14.76	14.70
% Ch, Annual Rate	3.4	1.3	-3.8	-4.8	-3.6	-10.9	-2.7	-1.7
Trans., Warehousing, and Utilities	7.13	7.08	7.07	7.07	7.11	7.22	7.24	7.22
% Ch, Annual Rate	0.2	-2.5	-0.8	0.1	2.2	6.3	1.2	-0.8
Information	3.03	3.03	3.05	3.09	3.14	3.17	3.18	3.19
% Ch, Annual Rate	4.7	-1.1	2.6	6.4	6.9	2.7	1.5	2.2
Publishing Industries	0.93	0.91	0.91	0.91	0.91	0.92	0.91	0.90
% Ch, Annual Rate	7.3	-7.6	-3.1	1.1	0.7	3.7	-2.4	-4.7
Other Information	2.10	2.11	2.14	2.18	2.23	2.25	2.26	2.29
% Ch, Annual Rate	-2.2	1.9	5.1	8.7	9.5	2.3	3.1	5.1
Financial Activities	9.22	9.19	9.21	9.25	9.30	9.46	9.48	9.45
% Ch, Annual Rate	-0.5	-1.3	1.2	1.5	2.1	7.1	0.9	-1.2
Professional and Business Services	23.09	23.22	23.24	23.30	23.43	23.19	23.30	23.44
% Ch, Annual Rate	3.8	2.3	0.3	1.0	2.4	-4.1	1.9	2.4
Education and Health Services	25.96	25.90	25.99	26.03	26.05	26.36	26.39	26.36
% Ch, Annual Rate	3.4	-0.8	1.4	0.7	0.3	4.9	0.4	-0.5
Leisure and Hospitality	16.85	16.84	16.89	16.99	17.01	17.11	17.13	17.16
% Ch, Annual Rate	1.5	-0.2	1.2	2.4	0.4	2.5	0.5	0.8
Other Services	5.85	5.80	5.79	5.80	5.81	5.92	5.94	5.94
% Ch, Annual Rate	-0.8	-3.3	-0.9	0.6	1.1	7.4	1.9	-0.4
Federal Government	2.97	2.97	2.97	2.97	2.97	2.97	2.97	2.97
% Ch, Annual Rate	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.12	20.17	20.20	20.23	20.24	20.25	20.27	20.29
% Ch, Annual Rate	1.3	1.0	0.6	0.6	0.2	0.2	0.3	0.4

Table A2.2 (continued)

U.S. Nonagricultural Employment by Industry (Millions)

Forecast 2024 to 2029

	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1	2027Q2	2027Q3	2027Q4
Nonfarm Payroll Employment	158.14	158.18	158.23	158.31	158.39	158.48	158.55	158.66
% Ch, Annual Rate	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3
Manufacturing	12.19	12.20	12.11	12.06	12.02	11.97	11.87	11.73
% Ch, Annual Rate	2.8	0.3	-2.7	-1.7	-1.4	-1.7	-3.3	-4.5
Durable Manufacturing	7.62	7.64	7.59	7.55	7.52	7.48	7.40	7.29
% Ch, Annual Rate	4.4	1.0	-3.0	-1.7	-1.7	-2.2	-4.1	-5.7
Wood Products	0.41	0.42	0.42	0.42	0.42	0.43	0.43	0.43
% Ch, Annual Rate	12.7	7.4	1.2	1.5	2.2	3.3	2.8	2.0
Primary and Fabricated Metals	1.75	1.76	1.75	1.74	1.74	1.72	1.70	1.68
% Ch, Annual Rate	3.9	2.3	-1.9	-1.5	-2.0	-3.0	-4.0	-5.7
Computer and Electronic Products	1.08	1.08	1.07	1.07	1.06	1.06	1.05	1.05
% Ch, Annual Rate	-0.5	-0.8	-1.5	-1.5	-2.0	-1.9	-1.6	-1.6
Machinery and Electrical Equipment	1.44	1.44	1.42	1.42	1.41	1.40	1.39	1.37
% Ch, Annual Rate	1.4	1.1	-5.0	-1.4	-2.3	-2.5	-3.5	-4.9
Transportation Equipment	1.69	1.68	1.67	1.66	1.65	1.64	1.60	1.56
% Ch, Annual Rate	11.0	-1.1	-4.0	-2.4	-1.6	-2.0	-8.9	-11.5
Other Durables	1.26	1.27	1.26	1.25	1.24	1.23	1.22	1.21
% Ch, Annual Rate	1.8	1.3	-3.4	-2.5	-1.7	-2.7	-3.1	-5.1
Nondurable Manufacturing	4.56	4.55	4.53	4.51	4.50	4.49	4.46	4.44
% Ch, Annual Rate	0.3	-0.8	-2.2	-1.7	-0.9	-1.0	-1.9	-2.5
Food Manufacturing	1.65	1.65	1.64	1.64	1.64	1.64	1.63	1.63
% Ch, Annual Rate	1.8	0.1	-1.9	-1.0	0.0	0.0	-1.1	-2.0
Paper and Paper Products	0.34	0.33	0.33	0.33	0.33	0.33	0.33	0.33
% Ch, Annual Rate	-0.1	-0.8	-2.1	-1.3	-0.3	-0.6	-1.9	-2.8
Other Nondurables	2.58	2.57	2.55	2.54	2.53	2.52	2.50	2.48
% Ch, Annual Rate	-0.6	-1.4	-2.5	-2.2	-1.7	-1.7	-2.4	-2.8
Natural Resources and Mining	0.66	0.67	0.67	0.68	0.68	0.69	0.69	0.69
% Ch, Annual Rate	4.0	4.8	4.3	3.4	2.8	2.3	1.2	0.5
Construction	8.41	8.44	8.48	8.50	8.53	8.57	8.60	8.65
% Ch, Annual Rate	1.2	1.6	1.5	1.1	1.4	1.8	1.7	2.2
Trade, Transportation, and Utilities	28.19	28.17	28.18	28.17	28.14	28.12	28.06	27.97
% Ch, Annual Rate	0.3	-0.3	0.1	-0.1	-0.5	-0.2	-1.0	-1.2
Wholesale Trade	6.17	6.15	6.14	6.15	6.16	6.17	6.20	6.24
% Ch, Annual Rate	-5.5	-1.3	-0.1	0.1	0.7	0.7	2.3	2.4
Retail Trade	14.90	14.92	14.93	14.91	14.87	14.85	14.70	14.52
% Ch, Annual Rate	5.7	0.5	0.1	-0.5	-1.1	-0.5	-4.1	-4.6
Trans., Warehousing, and Utilities	7.12	7.10	7.11	7.11	7.11	7.11	7.15	7.20
% Ch, Annual Rate	-5.4	-1.2	0.2	0.4	-0.1	-0.3	2.7	2.8
Information	3.17	3.16	3.14	3.12	3.11	3.09	3.10	3.10
% Ch, Annual Rate	-3.1	-0.9	-2.8	-2.9	-1.4	-1.5	0.5	0.6
Publishing Industries	0.88	0.87	0.87	0.86	0.86	0.86	0.86	0.87
% Ch, Annual Rate	-9.1	-4.1	-2.2	-1.9	-0.7	-1.1	2.0	1.9
Other Information	2.29	2.29	2.27	2.25	2.24	2.23	2.23	2.23
% Ch, Annual Rate	-0.7	0.4	-3.0	-3.3	-1.6	-1.7	0.0	0.2
Financial Activities	9.31	9.27	9.26	9.27	9.29	9.30	9.36	9.42
% Ch, Annual Rate	-5.7	-2.1	-0.3	0.4	1.1	0.1	2.6	2.7
Professional and Business Services	23.89	23.95	23.96	23.96	24.02	24.06	23.92	23.84
% Ch, Annual Rate	7.9	1.0	0.2	0.1	0.9	0.7	-2.4	-1.3
Education and Health Services	26.04	26.00	25.98	25.98	26.02	26.05	26.25	26.45
% Ch, Annual Rate	-4.7	-0.7	-0.3	0.0	0.5	0.6	3.0	3.2
Leisure and Hospitality	17.13	17.16	17.23	17.28	17.25	17.24	17.25	17.24
% Ch, Annual Rate	-0.8	0.8	1.5	1.3	-0.8	-0.1	0.1	-0.2
Other Services	5.86	5.84	5.86	5.89	5.92	5.95	6.03	6.11
% Ch, Annual Rate	-5.4	-0.8	1.5	1.7	2.1	1.9	5.3	5.9
Federal Government	2.97	2.97	2.97	2.97	2.97	2.97	2.97	2.97
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.32	20.36	20.39	20.42	20.45	20.47	20.48	20.49
% Ch, Annual Rate	0.6	0.7	0.7	0.6	0.5	0.4	0.3	0.2

Table A2.2 (continued)

U.S. Nonagricultural Employment by Industry (Millions)

Forecast 2024 to 2029

	2028Q1	2028Q2	2028Q3	2028Q4	2029Q1	2029Q2	2029Q3	2029Q4
Nonfarm Payroll Employment	158.79	158.91	159.00	159.07	159.16	159.25	159.34	159.45
% Ch, Annual Rate	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.3
Manufacturing	11.67	11.65	11.65	11.63	11.62	11.61	11.60	11.59
% Ch, Annual Rate	-1.9	-0.9	0.1	-0.6	-0.5	-0.3	-0.2	-0.3
Durable Manufacturing	7.24	7.21	7.21	7.19	7.17	7.16	7.15	7.14
% Ch, Annual Rate	-2.7	-1.7	-0.3	-1.2	-1.0	-0.7	-0.5	-0.6
Wood Products	0.43	0.43	0.44	0.44	0.45	0.45	0.46	0.46
% Ch, Annual Rate	0.2	2.7	3.8	3.5	2.5	4.6	5.9	5.4
Primary and Fabricated Metals	1.67	1.66	1.66	1.66	1.65	1.65	1.65	1.64
% Ch, Annual Rate	-2.8	-1.5	-0.7	-0.8	-0.7	-0.8	-0.9	-1.1
Computer and Electronic Products	1.04	1.04	1.03	1.03	1.03	1.02	1.02	1.01
% Ch, Annual Rate	-2.0	-1.8	-1.7	-1.6	-1.5	-1.5	-1.4	-1.4
Machinery and Electrical Equipment	1.36	1.36	1.36	1.35	1.35	1.35	1.34	1.34
% Ch, Annual Rate	-2.0	-1.2	-0.7	-1.1	-0.9	-1.3	-1.3	-1.4
Transportation Equipment	1.53	1.52	1.51	1.50	1.49	1.48	1.48	1.47
% Ch, Annual Rate	-5.5	-4.8	-0.5	-4.0	-2.8	-1.8	-1.4	-1.2
Other Durables	1.20	1.20	1.21	1.21	1.21	1.21	1.21	1.21
% Ch, Annual Rate	-1.5	0.1	0.5	0.4	0.1	0.1	0.4	0.2
Nondurable Manufacturing	4.43	4.43	4.44	4.45	4.45	4.45	4.45	4.45
% Ch, Annual Rate	-0.6	0.2	0.7	0.5	0.2	0.2	0.2	0.1
Food Manufacturing	1.63	1.64	1.64	1.65	1.66	1.67	1.67	1.68
% Ch, Annual Rate	0.7	1.7	2.3	1.9	1.5	1.7	1.8	1.7
Paper and Paper Products	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
% Ch, Annual Rate	-0.7	0.2	0.8	0.6	0.3	0.3	0.2	0.0
Other Nondurables	2.47	2.47	2.47	2.46	2.46	2.46	2.45	2.45
% Ch, Annual Rate	-1.4	-0.7	-0.3	-0.5	-0.7	-0.7	-0.8	-0.9
Natural Resources and Mining	0.69	0.69	0.69	0.68	0.68	0.68	0.68	0.67
% Ch, Annual Rate	-0.2	-0.3	-1.0	-1.7	-1.8	-1.3	-1.6	-1.8
Construction	8.69	8.74	8.79	8.83	8.88	8.93	8.98	9.03
% Ch, Annual Rate	1.8	2.4	2.1	2.2	1.9	2.4	2.3	2.1
Trade, Transportation, and Utilities	27.90	27.82	27.77	27.69	27.61	27.55	27.48	27.44
% Ch, Annual Rate	-1.0	-1.1	-0.7	-1.2	-1.1	-0.9	-0.9	-0.6
Wholesale Trade	6.24	6.22	6.17	6.15	6.14	6.12	6.11	6.09
% Ch, Annual Rate	-0.3	-1.2	-2.8	-1.4	-0.8	-1.1	-1.0	-0.9
Retail Trade	14.46	14.41	14.45	14.41	14.36	14.32	14.29	14.27
% Ch, Annual Rate	-1.9	-1.2	1.1	-1.1	-1.6	-0.9	-0.9	-0.5
Trans., Warehousing, and Utilities	7.21	7.19	7.14	7.12	7.11	7.10	7.09	7.08
% Ch, Annual Rate	0.1	-0.9	-2.5	-1.2	-0.5	-0.8	-0.7	-0.6
Information	3.11	3.13	3.14	3.16	3.17	3.19	3.20	3.21
% Ch, Annual Rate	1.3	2.1	1.2	2.2	2.1	1.7	1.8	1.7
Publishing Industries	0.87	0.86	0.86	0.85	0.85	0.85	0.84	0.84
% Ch, Annual Rate	-0.9	-1.7	-3.3	-1.8	-1.0	-1.2	-1.2	-1.1
Other Information	2.25	2.27	2.28	2.30	2.32	2.34	2.36	2.37
% Ch, Annual Rate	2.1	3.6	3.0	3.8	3.2	2.8	2.9	2.6
Financial Activities	9.42	9.39	9.32	9.29	9.27	9.26	9.26	9.25
% Ch, Annual Rate	0.0	-1.2	-2.9	-1.5	-0.5	-0.5	-0.2	-0.5
Professional and Business Services	24.01	24.19	24.48	24.65	24.80	24.93	25.05	25.14
% Ch, Annual Rate	2.8	3.2	4.9	2.8	2.4	2.1	1.8	1.6
Education and Health Services	26.51	26.53	26.44	26.43	26.44	26.43	26.42	26.44
% Ch, Annual Rate	0.9	0.3	-1.4	-0.1	0.2	-0.1	-0.1	0.2
Leisure and Hospitality	17.17	17.14	17.09	17.05	16.98	16.95	16.92	16.89
% Ch, Annual Rate	-1.6	-0.8	-1.0	-0.9	-1.6	-0.8	-0.8	-0.6
Other Services	6.15	6.16	6.14	6.15	6.17	6.19	6.20	6.21
% Ch, Annual Rate	2.4	0.9	-1.1	0.5	1.4	0.7	0.6	0.8
Federal Government	2.97	2.97	2.97	2.97	2.97	2.97	2.97	2.97
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.50	20.51	20.53	20.54	20.56	20.58	20.59	20.61
% Ch, Annual Rate	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4

Table A2.3

Washington Nonagricultural Employment by Industry (Thousands)

Forecast 2024 to 2029

	2022	2023	2024	2025	2026	2027	2028	2029
Nonfarm Payroll Employment	3,527.9	3,612.2	3,662.7	3,688.8	3,727.6	3,757.0	3,787.5	3,821.3
% Ch	4.7	2.4	1.4	0.7	1.1	0.8	0.8	0.9
Manufacturing	268.9	276.0	281.3	276.7	278.7	277.9	276.9	277.8
% Ch	3.4	2.7	1.9	-1.7	0.7	-0.3	-0.3	0.3
Durable Manufacturing	181.6	189.2	195.0	193.4	196.4	196.2	195.2	194.9
% Ch	3.3	4.2	3.1	-0.8	1.6	-0.1	-0.5	-0.1
Wood Products	13.6	13.5	13.2	12.5	12.8	12.7	12.7	12.8
% Ch	2.9	-0.3	-2.7	-5.4	2.3	-0.1	-0.5	0.8
Primary and Fabricated Metals	23.6	23.8	23.8	22.6	22.5	21.9	21.3	21.1
% Ch	2.1	0.6	-0.1	-4.7	-0.7	-2.5	-2.8	-0.9
Computer and Electronic Products	18.1	18.3	18.3	18.0	17.9	17.6	17.2	16.9
% Ch	0.8	1.0	-0.3	-1.7	-0.1	-1.9	-2.2	-1.8
Machinery and Electrical Equipment	19.9	20.6	21.4	20.1	20.3	20.1	20.0	20.3
% Ch	3.9	3.6	3.8	-5.9	0.6	-0.6	-0.5	1.4
Aerospace	71.3	77.8	82.9	85.4	88.1	89.3	89.6	89.5
% Ch	5.5	9.1	6.4	3.0	3.2	1.3	0.4	-0.2
Other Transportation Equip.	9.5	9.8	10.0	9.9	9.8	9.4	9.2	8.9
% Ch	4.0	3.2	2.1	-1.4	-0.8	-4.1	-2.3	-3.1
Other Durables	25.5	25.2	25.5	25.0	25.1	25.1	25.2	25.5
% Ch	-0.4	-1.0	1.2	-2.2	0.4	0.2	0.2	1.2
Nondurable Manufacturing	87.3	86.8	86.3	83.2	82.3	81.7	81.7	82.8
% Ch	3.8	-0.5	-0.6	-3.5	-1.2	-0.7	0.0	1.3
Food Manufacturing	40.3	40.7	40.0	38.1	37.2	36.7	36.4	36.6
% Ch	3.9	0.9	-1.7	-4.8	-2.3	-1.3	-0.8	0.6
Paper and Paper Products	7.7	7.6	7.6	7.3	7.0	6.9	6.7	6.7
% Ch	3.2	-1.4	0.1	-4.9	-3.1	-2.4	-2.0	-0.7
Other Nondurables	39.2	38.5	38.7	37.9	38.1	38.1	38.6	39.5
% Ch	3.8	-1.8	0.4	-2.0	0.4	0.2	1.1	2.4
Natural Resources and Mining	5.6	5.4	5.0	4.9	4.9	5.1	5.2	5.5
% Ch	-2.4	-2.7	-7.8	-2.8	1.5	2.8	3.4	4.8
Construction	232.5	236.2	239.9	245.0	253.7	261.1	268.7	276.8
% Ch	3.8	1.6	1.6	2.1	3.6	2.9	2.9	3.0
Trade, Transportation, and Utilities	612.3	619.5	618.5	606.9	607.0	606.3	601.5	598.0
% Ch	0.9	1.2	-0.2	-1.9	0.0	-0.1	-0.8	-0.6
Wholesale Trade	137.0	140.4	140.8	143.1	142.4	143.7	144.2	143.3
% Ch	4.3	2.5	0.2	1.6	-0.5	1.0	0.4	-0.7
Retail Trade	338.9	340.3	338.0	321.7	322.7	319.3	313.0	310.8
% Ch	-1.6	0.4	-0.7	-4.8	0.3	-1.1	-2.0	-0.7
Trans., Warehousing, and Utilities	136.4	138.8	139.7	142.2	142.0	143.3	144.2	143.9
% Ch	4.4	1.8	0.7	1.8	-0.1	0.9	0.7	-0.2
Information	170.6	171.1	173.0	179.7	182.6	185.2	189.9	195.4
% Ch	8.6	0.3	1.1	3.9	1.6	1.4	2.6	2.9
Software Publishers	85.1	86.0	85.8	87.8	88.8	90.7	92.6	94.4
% Ch	6.5	1.0	-0.2	2.3	1.2	2.1	2.1	1.9
Other Publishing Industries	8.0	7.7	7.4	7.1	6.5	6.3	6.0	5.7
% Ch	-2.0	-4.5	-3.9	-3.4	-8.2	-4.3	-4.1	-5.5
Other Information	77.5	77.5	79.8	84.8	87.2	88.2	91.3	95.4
% Ch	12.2	0.0	3.0	6.3	2.8	1.1	3.5	4.5
Financial Activities	165.4	165.7	165.7	169.7	170.1	169.3	169.4	168.1
% Ch	2.7	0.2	0.0	2.4	0.3	-0.5	0.0	-0.7
Professional and Business Services	545.7	548.4	557.2	567.6	585.5	595.1	608.4	627.8
% Ch	10.0	0.5	1.6	1.9	3.1	1.6	2.2	3.2
Mgmt. of Companies and Enterprises	104.2	101.7	104.6	108.2	111.2	113.9	116.5	119.0
% Ch	15.5	-2.4	2.8	3.5	2.8	2.4	2.2	2.1
Other Prof. and Bus. Services	441.5	446.7	452.6	459.4	474.3	481.2	491.9	508.8
% Ch	8.7	1.2	1.3	1.5	3.2	1.5	2.2	3.4
Education and Health Services	514.4	532.1	544.4	551.7	550.6	556.6	564.1	566.0
% Ch	2.4	3.4	2.3	1.3	-0.2	1.1	1.3	0.3
Leisure and Hospitality	326.7	344.3	350.7	353.6	355.4	356.5	354.8	352.2
% Ch	15.4	5.4	1.9	0.8	0.5	0.3	-0.5	-0.7
Other Services	120.0	125.0	125.6	126.7	127.5	129.3	131.0	132.2
% Ch	5.6	4.2	0.5	0.9	0.6	1.4	1.4	0.9
Federal Government	75.2	77.5	78.6	78.8	78.9	79.1	79.3	79.5
% Ch	-2.1	3.0	1.5	0.2	0.2	0.3	0.2	0.2
State and Local Government	490.8	511.0	522.8	527.6	532.5	535.6	538.2	542.0
% Ch	1.6	4.1	2.3	0.9	0.9	0.6	0.5	0.7

Table A2.4

Washington Nonagricultural Employment by Industry (Thousands)

Forecast 2024 to 2029

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Nonfarm Payroll Employment	3,652.7	3,661.6	3,665.6	3,670.9	3,677.3	3,684.4	3,692.1	3,701.4
% Ch, Annual Rate	1.8	1.0	0.4	0.6	0.7	0.8	0.8	1.0
Manufacturing	282.1	282.3	281.3	279.5	277.6	276.3	276.0	276.8
% Ch, Annual Rate	3.3	0.4	-1.5	-2.5	-2.7	-1.9	-0.4	1.1
Durable Manufacturing	195.1	195.4	195.2	194.3	193.1	192.9	193.3	194.3
% Ch, Annual Rate	3.8	0.6	-0.5	-1.7	-2.5	-0.5	1.0	2.1
Wood Products	13.4	13.3	13.2	12.9	12.6	12.5	12.4	12.5
% Ch, Annual Rate	-3.6	-0.7	-5.6	-8.9	-7.5	-3.9	-4.0	3.4
Primary and Fabricated Metals	23.8	23.9	23.9	23.5	22.9	22.6	22.4	22.5
% Ch, Annual Rate	2.8	1.2	0.5	-6.0	-9.6	-5.3	-3.2	1.7
Computer and Electronic Products	18.5	18.3	18.2	18.0	17.9	17.9	18.0	18.0
% Ch, Annual Rate	5.3	-3.3	-3.2	-3.1	-2.5	0.5	0.2	0.4
Machinery and Electrical Equipment	21.4	21.7	21.4	21.1	20.5	20.1	20.0	20.0
% Ch, Annual Rate	9.2	4.2	-4.1	-6.5	-11.1	-7.4	-0.5	-1.5
Aerospace	82.3	82.6	83.0	83.5	84.1	84.8	85.8	86.7
% Ch, Annual Rate	5.1	1.6	1.8	2.5	2.9	3.4	4.8	4.1
Other Transportation Equip.	10.1	10.1	10.0	10.0	9.9	9.9	9.8	9.8
% Ch, Annual Rate	-3.7	-1.3	-2.3	-1.4	-0.9	-1.3	-2.5	0.0
Other Durables	25.7	25.6	25.5	25.3	25.1	25.0	24.9	24.9
% Ch, Annual Rate	2.4	-1.9	-0.5	-2.7	-3.5	-1.7	-2.3	0.0
Nondurable Manufacturing	87.0	86.9	86.1	85.2	84.5	83.4	82.7	82.4
% Ch, Annual Rate	2.3	-0.2	-3.5	-4.2	-3.4	-5.1	-3.3	-1.2
Food Manufacturing	40.4	40.3	39.9	39.3	38.9	38.2	37.7	37.5
% Ch, Annual Rate	6.0	-0.9	-3.6	-5.7	-4.6	-7.0	-4.7	-1.8
Paper and Paper Products	7.7	7.8	7.6	7.5	7.4	7.3	7.2	7.1
% Ch, Annual Rate	-3.0	5.1	-6.3	-6.4	-4.8	-5.9	-5.0	-4.4
Other Nondurables	38.9	38.9	38.6	38.4	38.2	37.9	37.8	37.8
% Ch, Annual Rate	-0.2	-0.5	-2.9	-2.3	-1.8	-2.9	-1.6	0.1
Natural Resources and Mining	5.1	5.1	4.9	4.9	4.8	4.9	4.8	4.9
% Ch, Annual Rate	-10.7	-4.7	-9.7	-5.7	-1.7	4.1	-4.7	2.7
Construction	237.5	239.6	240.6	241.9	242.2	243.9	245.9	248.0
% Ch, Annual Rate	1.2	3.5	1.8	2.1	0.5	2.9	3.3	3.4
Trade, Transportation, and Utilities	620.7	621.3	617.8	614.1	612.4	606.3	605.1	603.8
% Ch, Annual Rate	-0.1	0.4	-2.2	-2.4	-1.1	-3.9	-0.8	-0.9
Wholesale Trade	141.0	140.6	140.6	141.0	141.6	143.3	143.7	143.7
% Ch, Annual Rate	-0.8	-1.3	0.1	1.0	1.8	5.0	1.3	-0.2
Retail Trade	339.6	341.1	337.7	333.5	330.4	320.6	318.5	317.2
% Ch, Annual Rate	0.6	1.8	-3.9	-4.9	-3.7	-11.3	-2.7	-1.6
Trans., Warehousing, and Utilities	140.1	139.6	139.5	139.7	140.5	142.4	142.9	143.0
% Ch, Annual Rate	-0.8	-1.3	-0.4	0.5	2.3	5.6	1.5	0.1
Information	171.4	172.0	173.3	175.4	177.7	179.2	180.4	181.7
% Ch, Annual Rate	4.9	1.3	3.1	5.0	5.2	3.5	2.7	2.9
Software Publishers	85.5	85.5	85.9	86.5	87.0	87.7	88.1	88.3
% Ch, Annual Rate	6.8	0.3	1.6	2.7	2.6	3.3	1.7	1.1
Other Publishing Industries	7.6	7.4	7.3	7.2	7.2	7.2	7.1	7.0
% Ch, Annual Rate	-0.8	-11.0	-6.2	-1.7	-2.1	1.3	-5.6	-8.3
Other Information	78.3	79.0	80.2	81.8	83.5	84.3	85.2	86.4
% Ch, Annual Rate	3.5	3.6	5.8	8.2	8.8	3.9	4.4	5.8
Financial Activities	165.9	165.2	165.6	166.2	167.1	170.4	170.8	170.3
% Ch, Annual Rate	-0.9	-1.8	1.0	1.5	2.2	8.1	1.1	-1.3
Professional and Business Services	552.1	556.7	558.6	561.3	565.7	564.7	567.6	572.4
% Ch, Annual Rate	1.9	3.4	1.4	2.0	3.2	-0.7	2.1	3.4
Mgmt. of Companies and Enterprises	103.0	104.1	105.1	106.1	107.0	107.8	108.6	109.4
% Ch	7.6	4.2	3.9	3.7	3.4	3.2	3.1	2.9
Other Prof. and Bus. Services	449.0	452.6	453.5	455.3	458.8	456.9	459.0	463.0
% Ch	0.7	3.3	0.8	1.6	3.1	-1.6	1.8	3.6
Education and Health Services	543.4	543.1	545.0	546.1	546.9	552.6	553.6	553.7
% Ch, Annual Rate	2.6	-0.2	1.3	0.9	0.6	4.2	0.7	0.1
Leisure and Hospitality	350.1	350.0	350.6	352.0	352.2	353.7	354.0	354.6
% Ch, Annual Rate	2.8	-0.1	0.7	1.6	0.2	1.8	0.3	0.6
Other Services	125.5	125.5	125.6	125.8	126.0	126.7	127.0	127.2
% Ch, Annual Rate	0.1	-0.2	0.3	0.6	0.8	2.2	1.1	0.6
Federal Government	78.6	78.6	78.6	78.7	78.7	78.7	78.8	78.8
% Ch, Annual Rate	0.7	0.2	0.1	0.2	0.2	0.2	0.2	0.2
State and Local Government	520.3	522.3	523.7	525.1	526.0	527.0	528.0	529.3
% Ch, Annual Rate	2.7	1.5	1.1	1.1	0.7	0.7	0.8	1.0

Table A2.4 (continued)

Washington Nonagricultural Employment by Industry (Thousands)

Forecast 2024 to 2029

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Nonfarm Payroll Employment	3,712.9	3,724.0	3,733.3	3,740.4	3,747.0	3,754.1	3,759.8	3,767.0
% Ch, Annual Rate	1.2	1.2	1.0	0.8	0.7	0.8	0.6	0.8
Manufacturing	278.1	279.0	278.8	278.8	278.7	278.3	277.6	277.0
% Ch, Annual Rate	2.0	1.2	-0.2	0.0	-0.2	-0.5	-0.9	-0.9
Durable Manufacturing	195.7	196.5	196.6	196.8	196.7	196.4	196.0	195.6
% Ch, Annual Rate	2.8	1.8	0.2	0.3	-0.2	-0.6	-0.8	-0.7
Wood Products	12.7	12.8	12.8	12.7	12.7	12.8	12.8	12.7
% Ch, Annual Rate	8.3	3.8	-1.9	-0.8	-0.1	0.7	0.0	-0.7
Primary and Fabricated Metals	22.6	22.5	22.4	22.4	22.2	22.1	21.8	21.6
% Ch, Annual Rate	1.0	-0.9	-1.9	-1.4	-2.0	-3.2	-4.3	-4.5
Computer and Electronic Products	18.0	18.0	17.9	17.8	17.7	17.6	17.5	17.5
% Ch, Annual Rate	0.4	-0.2	-1.6	-1.5	-2.6	-2.4	-1.8	-1.8
Machinery and Electrical Equipment	20.2	20.3	20.2	20.3	20.2	20.2	20.1	20.0
% Ch, Annual Rate	4.5	2.4	-1.6	0.6	-0.4	-1.7	-1.5	-1.5
Aerospace	87.4	88.0	88.4	88.8	89.1	89.3	89.4	89.5
% Ch, Annual Rate	3.3	2.6	2.0	1.6	1.3	0.9	0.7	0.5
Other Transportation Equip.	9.8	9.8	9.8	9.7	9.6	9.4	9.3	9.3
% Ch, Annual Rate	0.1	-0.5	-0.9	-3.9	-5.8	-6.2	-4.1	-1.8
Other Durables	25.0	25.1	25.1	25.1	25.1	25.1	25.1	25.1
% Ch, Annual Rate	1.4	2.1	0.1	0.4	0.3	-0.1	-0.5	-0.4
Nondurable Manufacturing	82.5	82.4	82.2	82.0	82.0	81.9	81.6	81.4
% Ch, Annual Rate	0.1	0.0	-1.3	-0.7	-0.3	-0.3	-1.4	-1.1
Food Manufacturing	37.4	37.3	37.1	37.0	36.9	36.8	36.6	36.5
% Ch, Annual Rate	-1.9	-1.0	-2.0	-1.0	-1.1	-1.1	-2.3	-1.0
Paper and Paper Products	7.1	7.1	7.0	7.0	6.9	6.9	6.9	6.8
% Ch, Annual Rate	-1.2	-2.0	-3.4	-2.6	-1.4	-1.7	-3.2	-4.2
Other Nondurables	38.0	38.1	38.1	38.1	38.1	38.2	38.2	38.1
% Ch, Annual Rate	2.3	1.2	-0.3	-0.1	0.7	0.7	-0.2	-0.7
Natural Resources and Mining	4.9	4.9	4.9	5.0	5.0	5.0	5.1	5.1
% Ch, Annual Rate	1.4	3.3	2.2	1.7	3.0	3.6	3.1	4.1
Construction	250.7	252.8	254.9	256.6	258.5	260.3	261.8	263.6
% Ch, Annual Rate	4.4	3.4	3.4	2.7	3.0	2.9	2.2	2.9
Trade, Transportation, and Utilities	606.2	606.7	607.5	607.8	607.5	607.7	606.0	603.9
% Ch, Annual Rate	1.6	0.3	0.6	0.2	-0.2	0.1	-1.1	-1.4
Wholesale Trade	142.4	142.2	142.3	142.5	142.9	143.3	144.0	144.8
% Ch, Annual Rate	-3.6	-0.5	0.5	0.6	1.0	1.0	2.1	2.1
Retail Trade	322.1	322.7	323.0	322.8	322.1	321.8	318.5	314.7
% Ch, Annual Rate	6.3	0.8	0.4	-0.3	-0.9	-0.3	-4.1	-4.7
Trans., Warehousing, and Utilities	141.8	141.8	142.1	142.4	142.5	142.6	143.5	144.4
% Ch, Annual Rate	-3.3	0.0	0.9	0.8	0.3	0.2	2.5	2.6
Information	181.8	182.5	182.9	183.2	183.9	184.5	185.6	186.7
% Ch, Annual Rate	0.3	1.5	0.8	0.7	1.5	1.4	2.4	2.4
Software Publishers	88.3	88.6	89.0	89.4	89.9	90.3	91.0	91.6
% Ch, Annual Rate	-0.1	1.3	1.8	1.9	2.2	2.0	2.8	2.7
Other Publishing Industries	6.7	6.6	6.5	6.4	6.3	6.2	6.2	6.2
% Ch, Annual Rate	-13.4	-7.9	-5.8	-5.4	-4.1	-4.6	-0.8	-1.0
Other Information	86.8	87.3	87.4	87.4	87.7	87.9	88.4	88.9
% Ch, Annual Rate	1.8	2.5	0.2	0.0	1.2	1.1	2.3	2.4
Financial Activities	170.0	170.4	170.3	169.9	169.4	169.1	169.2	169.5
% Ch, Annual Rate	-0.8	1.1	-0.4	-0.8	-1.2	-0.7	0.2	0.7
Professional and Business Services	580.1	584.4	587.7	589.7	592.8	595.5	595.5	596.7
% Ch, Annual Rate	5.5	3.0	2.3	1.4	2.1	1.8	0.0	0.8
Mgmt. of Companies and Enterprises	110.2	110.9	111.6	112.3	113.0	113.6	114.3	114.9
% Ch	2.8	2.7	2.6	2.5	2.4	2.4	2.3	2.3
Other Prof. and Bus. Services	470.0	473.5	476.1	477.5	479.8	481.9	481.2	481.7
% Ch	6.1	3.0	2.3	1.1	2.0	1.7	-0.6	0.5
Education and Health Services	550.2	550.2	550.7	551.4	552.7	554.0	557.9	562.0
% Ch, Annual Rate	-2.5	0.0	0.3	0.5	0.9	1.0	2.9	3.0
Leisure and Hospitality	354.1	354.8	355.9	356.9	356.4	356.5	356.6	356.6
% Ch, Annual Rate	-0.5	0.7	1.3	1.1	-0.5	0.0	0.2	0.0
Other Services	127.1	127.3	127.6	128.0	128.5	128.9	129.5	130.2
% Ch, Annual Rate	-0.5	0.6	1.2	1.2	1.3	1.3	2.0	2.2
Federal Government	78.9	78.9	79.0	79.0	79.1	79.1	79.2	79.2
% Ch, Annual Rate	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
State and Local Government	530.8	532.2	533.2	534.0	534.7	535.3	535.9	536.4
% Ch, Annual Rate	1.2	1.0	0.8	0.6	0.5	0.4	0.4	0.4

Table A2.4 (continued)

Washington Nonagricultural Employment by Industry (Thousands)

Forecast 2024 to 2029

	2028:1	2028:2	2028:3	2028:4	2029:1	2029:2	2029:3	2029:4
Nonfarm Payroll Employment	3,774.3	3,782.5	3,792.4	3,800.9	3,808.9	3,817.1	3,825.4	3,833.8
% Ch, Annual Rate	0.8	0.9	1.1	0.9	0.8	0.9	0.9	0.9
Manufacturing	276.6	276.7	277.1	277.4	277.5	277.7	277.9	278.0
% Ch, Annual Rate	-0.6	0.1	0.5	0.4	0.2	0.2	0.3	0.1
Durable Manufacturing	195.3	195.2	195.2	195.2	195.1	195.0	194.9	194.8
% Ch, Annual Rate	-0.7	-0.2	0.0	-0.1	-0.2	-0.2	-0.1	-0.3
Wood Products	12.7	12.7	12.7	12.7	12.7	12.7	12.8	12.9
% Ch, Annual Rate	-2.2	-0.1	0.6	0.4	-0.4	1.5	2.6	2.2
Primary and Fabricated Metals	21.4	21.3	21.3	21.2	21.2	21.1	21.1	21.0
% Ch, Annual Rate	-3.0	-1.6	-0.7	-0.9	-0.8	-0.9	-1.0	-1.2
Computer and Electronic Products	17.3	17.2	17.1	17.1	17.0	16.9	16.9	16.8
% Ch, Annual Rate	-2.7	-2.2	-2.1	-1.8	-1.7	-1.7	-1.6	-1.4
Machinery and Electrical Equipment	20.0	20.0	20.0	20.1	20.2	20.3	20.3	20.4
% Ch, Annual Rate	-1.0	0.5	1.4	1.6	1.9	1.2	1.3	1.1
Aerospace	89.6	89.7	89.7	89.7	89.6	89.5	89.4	89.3
% Ch, Annual Rate	0.4	0.2	0.1	-0.1	-0.2	-0.3	-0.4	-0.7
Other Transportation Equip.	9.2	9.2	9.2	9.1	9.0	8.9	8.9	8.8
% Ch, Annual Rate	-1.5	-1.3	-1.6	-3.2	-4.0	-3.7	-3.0	-2.9
Other Durables	25.1	25.1	25.2	25.3	25.3	25.4	25.5	25.6
% Ch, Annual Rate	-0.1	0.6	1.4	1.3	1.1	1.2	1.3	1.2
Nondurable Manufacturing	81.3	81.5	81.9	82.2	82.4	82.7	83.0	83.2
% Ch, Annual Rate	-0.2	1.0	1.6	1.6	1.2	1.3	1.3	1.1
Food Manufacturing	36.4	36.4	36.4	36.5	36.6	36.6	36.7	36.7
% Ch, Annual Rate	-1.5	0.1	0.7	0.9	0.5	0.6	0.7	0.7
Paper and Paper Products	6.8	6.7	6.7	6.7	6.7	6.7	6.7	6.7
% Ch, Annual Rate	-1.9	-0.9	-0.2	-0.5	-0.7	-0.8	-0.9	-1.1
Other Nondurables	38.2	38.4	38.7	39.0	39.2	39.4	39.6	39.8
% Ch, Annual Rate	1.3	2.2	2.8	2.6	2.3	2.2	2.1	2.0
Natural Resources and Mining	5.1	5.2	5.3	5.3	5.4	5.5	5.5	5.6
% Ch, Annual Rate	1.4	4.8	4.0	4.5	3.7	6.5	5.9	4.8
Construction	265.4	267.6	269.8	271.9	273.7	275.8	277.9	280.0
% Ch, Annual Rate	2.8	3.3	3.3	3.2	2.7	3.1	3.1	3.0
Trade, Transportation, and Utilities	602.7	601.5	601.5	600.3	599.1	598.3	597.5	597.1
% Ch, Annual Rate	-0.8	-0.8	0.0	-0.8	-0.8	-0.5	-0.5	-0.3
Wholesale Trade	144.8	144.6	143.9	143.6	143.5	143.3	143.2	143.0
% Ch, Annual Rate	0.1	-0.6	-1.8	-0.8	-0.3	-0.6	-0.5	-0.4
Retail Trade	313.3	312.4	313.5	312.8	311.6	311.1	310.5	310.2
% Ch, Annual Rate	-1.8	-1.1	1.4	-0.9	-1.5	-0.7	-0.8	-0.4
Trans., Warehousing, and Utilities	144.6	144.5	144.0	143.9	144.0	143.9	143.9	143.9
% Ch, Annual Rate	0.5	-0.3	-1.3	-0.3	0.2	-0.1	0.0	0.0
Information	187.9	189.3	190.5	191.9	193.4	194.7	196.1	197.4
% Ch, Annual Rate	2.6	3.0	2.5	3.0	3.0	2.8	2.9	2.8
Software Publishers	92.1	92.5	92.8	93.2	93.7	94.1	94.6	95.0
% Ch, Annual Rate	2.1	1.8	1.5	1.8	2.0	1.9	1.9	1.9
Other Publishing Industries	6.1	6.1	5.9	5.9	5.8	5.7	5.6	5.6
% Ch, Annual Rate	-4.4	-5.5	-7.6	-5.8	-4.8	-5.2	-5.2	-5.1
Other Information	89.7	90.8	91.8	92.9	93.9	94.9	95.9	96.8
% Ch, Annual Rate	3.8	4.8	4.3	4.9	4.5	4.2	4.3	4.1
Financial Activities	170.0	169.9	169.0	168.5	168.4	168.2	168.1	167.8
% Ch, Annual Rate	1.2	-0.2	-2.1	-1.2	-0.1	-0.7	-0.3	-0.6
Professional and Business Services	600.4	604.4	611.9	617.1	621.7	626.0	630.0	633.6
% Ch, Annual Rate	2.5	2.7	5.1	3.4	3.0	2.8	2.5	2.3
Mgmt. of Companies and Enterprises	115.6	116.2	116.8	117.4	118.1	118.7	119.3	119.9
% Ch	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1
Other Prof. and Bus. Services	484.8	488.2	495.1	499.6	503.6	507.4	510.7	513.7
% Ch	2.6	2.9	5.8	3.7	3.3	3.0	2.6	2.4
Education and Health Services	563.7	564.7	563.8	564.3	565.2	565.7	566.2	567.0
% Ch, Annual Rate	1.2	0.7	-0.6	0.4	0.6	0.4	0.4	0.6
Leisure and Hospitality	355.6	355.1	354.5	353.9	352.9	352.4	351.9	351.5
% Ch, Annual Rate	-1.1	-0.5	-0.7	-0.6	-1.2	-0.6	-0.5	-0.4
Other Services	130.6	131.0	131.1	131.4	131.7	132.0	132.3	132.6
% Ch, Annual Rate	1.3	1.0	0.5	0.9	1.0	0.9	0.9	0.9
Federal Government	79.3	79.3	79.4	79.4	79.5	79.5	79.5	79.6
% Ch, Annual Rate	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
State and Local Government	537.0	537.7	538.6	539.5	540.4	541.4	542.5	543.6
% Ch, Annual Rate	0.4	0.5	0.6	0.7	0.7	0.8	0.8	0.8

Table A3.1

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

Forecast 2024 to 2029

	2022	2023	2024	2025	2026	2027	2028	2029
Personal Income	21,840.8	22,966.3	24,082.7	25,251.9	26,670.5	27,964.8	29,228.0	30,583.5
% Ch	2.0	5.2	4.9	4.9	5.6	4.9	4.5	4.6
Total Wage and Salary Disbursements	11,116.0	11,805.3	12,426.1	12,851.9	13,465.7	14,050.4	14,616.1	15,269.9
% Ch	7.8	6.2	5.3	3.4	4.8	4.3	4.0	4.5
Nonwage Personal Income	10,724.7	11,161.0	11,656.6	12,400.0	13,204.7	13,914.4	14,611.9	15,313.6
% Ch	-3.3	4.1	4.4	6.4	6.5	5.4	5.0	4.8
Supplements to Wages and Salaries	2,323.2	2,436.5	2,544.7	2,628.5	2,727.5	2,823.1	2,918.3	3,035.1
% Ch	4.0	4.9	4.4	3.3	3.8	3.5	3.4	4.0
Proprietor's Income	1,790.9	1,849.4	1,964.7	2,113.6	2,254.8	2,362.7	2,445.8	2,570.0
% Ch	2.4	3.3	6.2	7.6	6.7	4.8	3.5	5.1
Farm	81.7	55.6	44.2	66.7	84.7	86.1	84.2	86.7
% Ch	13.1	-32.0	-20.5	51.1	26.9	1.6	-2.3	3.0
Nonfarm	1,709.1	1,793.9	1,920.6	2,046.9	2,170.1	2,276.6	2,361.6	2,483.3
% Ch	1.9	5.0	7.1	6.6	6.0	4.9	3.7	5.2
Less: Contribution For Govt. Soc. Ins.	1,701.7	1,803.6	1,888.2	1,942.7	2,029.1	2,094.6	2,173.9	2,271.3
% Ch	9.2	6.0	4.7	2.9	4.5	3.2	3.8	4.5
Dividends/Int./Rent	4,310.3	4,580.8	4,853.2	5,227.1	5,636.5	5,963.2	6,281.3	6,562.2
% Ch	7.0	6.3	5.9	7.7	7.8	5.8	5.3	4.5
Transfer Payments	4,002.1	4,097.8	4,182.0	4,373.4	4,615.1	4,860.0	5,140.5	5,417.6
% Ch	-13.8	2.4	2.1	4.6	5.5	5.3	5.8	5.4

Table A3.2

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

Forecast 2024 to 2029

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	23,598.5	23,931.8	24,258.1	24,542.5	24,855.2	25,086.7	25,365.3	25,700.2
% Ch, Annual Rate	5.4	5.8	5.6	4.8	5.2	3.8	4.5	5.4
Total Wage and Salary Disbursements	12,203.2	12,375.4	12,505.9	12,620.2	12,729.7	12,791.4	12,875.3	13,011.2
% Ch, Annual Rate	6.0	5.8	4.3	3.7	3.5	2.0	2.7	4.3
Nonwage Personal Income	11,395.3	11,556.5	11,752.2	11,922.4	12,125.5	12,295.4	12,490.0	12,689.1
% Ch, Annual Rate	4.9	5.8	6.9	5.9	7.0	5.7	6.5	6.5
Supplements to Wages and Salaries	2,506.2	2,533.1	2,558.5	2,581.2	2,605.5	2,620.9	2,634.5	2,653.2
% Ch, Annual Rate	5.0	4.4	4.1	3.6	3.8	2.4	2.1	2.9
Proprietor's Income	1,900.3	1,944.1	1,987.2	2,027.5	2,069.0	2,095.7	2,129.5	2,160.2
% Ch, Annual Rate	2.9	9.5	9.2	8.4	8.4	5.3	6.6	5.9
Farm	39.9	40.8	45.4	50.6	59.9	63.3	68.6	75.1
% Ch, Annual Rate	-25.4	10.1	52.1	54.6	97.3	24.4	37.5	43.8
Nonfarm	1,860.4	1,903.2	1,941.8	1,976.9	2,009.0	2,032.4	2,061.0	2,085.1
% Ch, Annual Rate	3.7	9.5	8.4	7.4	6.7	4.7	5.7	4.8
Less: Contribution For Govt. Soc. Ins.	1,863.3	1,882.9	1,897.1	1,909.3	1,930.0	1,935.3	1,944.2	1,961.2
% Ch, Annual Rate	7.0	4.3	3.0	2.6	4.4	1.1	1.9	3.5
Dividends/Int./Rent	4,718.6	4,796.7	4,902.9	4,994.8	5,081.7	5,171.1	5,271.2	5,384.6
% Ch, Annual Rate	5.5	6.8	9.2	7.7	7.1	7.2	8.0	8.9
Transfer Payments	4,133.6	4,165.5	4,200.7	4,228.3	4,299.3	4,342.9	4,398.9	4,452.3
% Ch, Annual Rate	5.9	3.1	3.4	2.6	6.9	4.1	5.3	4.9

Table A3.2 (continued)

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

Forecast 2024 to 2029

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Personal Income	26,144.3	26,531.6	26,847.9	27,158.1	27,512.5	27,832.7	28,124.7	28,389.3
% Ch, Annual Rate	7.1	6.1	4.9	4.7	5.3	4.7	4.3	3.8
Total Wage and Salary Disbursements	13,212.9	13,406.1	13,550.6	13,693.3	13,842.7	13,997.5	14,128.5	14,232.9
% Ch, Annual Rate	6.3	6.0	4.4	4.3	4.4	4.6	3.8	3.0
Nonwage Personal Income	12,931.4	13,125.5	13,297.3	13,464.8	13,669.8	13,835.2	13,996.3	14,156.4
% Ch, Annual Rate	7.9	6.1	5.3	5.1	6.2	4.9	4.7	4.7
Supplements to Wages and Salaries	2,685.2	2,716.7	2,743.5	2,764.6	2,789.0	2,813.1	2,834.3	2,855.9
% Ch, Annual Rate	4.9	4.8	4.0	3.1	3.6	3.5	3.0	3.1
Proprietor's Income	2,201.8	2,240.2	2,273.6	2,303.7	2,328.3	2,355.7	2,375.1	2,391.9
% Ch, Annual Rate	7.9	7.2	6.1	5.4	4.4	4.8	3.3	2.9
Farm	81.0	84.6	86.2	87.0	87.2	87.0	85.9	84.2
% Ch, Annual Rate	35.7	19.0	7.4	3.9	1.2	-1.0	-5.1	-7.5
Nonfarm	2,120.7	2,155.5	2,187.4	2,216.7	2,241.1	2,268.7	2,289.2	2,307.6
% Ch, Annual Rate	7.0	6.7	6.1	5.5	4.5	5.0	3.7	3.3
Less: Contribution For Govt. Soc. Ins.	1,997.1	2,023.1	2,041.9	2,054.6	2,074.4	2,091.9	2,099.6	2,112.4
% Ch, Annual Rate	7.5	5.3	3.8	2.5	3.9	3.4	1.5	2.5
Dividends/Int./Rent	5,499.8	5,600.4	5,682.5	5,763.2	5,849.4	5,926.7	6,000.6	6,076.1
% Ch, Annual Rate	8.8	7.5	6.0	5.8	6.1	5.4	5.1	5.1
Transfer Payments	4,541.6	4,591.3	4,639.5	4,687.9	4,777.6	4,831.6	4,885.9	4,945.0
% Ch, Annual Rate	8.3	4.5	4.3	4.2	7.9	4.6	4.6	4.9

Table A3.2 (continued)

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

Forecast 2024 to 2029

	2028:1	2028:2	2028:3	2028:4	2029:1	2029:2	2029:3	2029:4
Personal Income	28,721.4	29,050.3	29,396.9	29,743.2	30,100.6	30,421.3	30,743.4	31,068.7
% Ch, Annual Rate	4.8	4.7	4.9	4.8	4.9	4.3	4.3	4.3
Total Wage and Salary Disbursements	14,366.0	14,523.5	14,700.3	14,874.4	15,033.0	15,189.0	15,347.8	15,509.8
% Ch, Annual Rate	3.8	4.5	5.0	4.8	4.3	4.2	4.2	4.3
Nonwage Personal Income	14,355.4	14,526.9	14,696.6	14,868.8	15,067.5	15,232.3	15,395.6	15,558.9
% Ch, Annual Rate	5.7	4.9	4.8	4.8	5.5	4.4	4.4	4.3
Supplements to Wages and Salaries	2,881.2	2,903.8	2,929.8	2,958.5	2,992.1	3,020.3	3,049.1	3,079.0
% Ch, Annual Rate	3.6	3.2	3.6	4.0	4.6	3.8	3.9	4.0
Proprietor's Income	2,405.6	2,429.5	2,456.9	2,491.1	2,519.7	2,552.5	2,586.5	2,621.2
% Ch, Annual Rate	2.3	4.0	4.6	5.7	4.7	5.3	5.4	5.5
Farm	83.5	83.6	84.3	85.1	85.6	86.2	87.1	88.0
% Ch, Annual Rate	-3.2	0.4	3.5	3.6	2.2	3.1	3.9	4.3
Nonfarm	2,322.1	2,345.9	2,372.5	2,406.0	2,434.1	2,466.3	2,499.5	2,533.2
% Ch, Annual Rate	2.5	4.2	4.6	5.8	4.8	5.4	5.5	5.5
Less: Contribution For Govt. Soc. Ins.	2,140.5	2,161.4	2,185.2	2,208.6	2,239.8	2,260.6	2,281.7	2,303.3
% Ch, Annual Rate	5.4	4.0	4.5	4.4	5.8	3.8	3.8	3.8
Dividends/Int./Rent	6,162.0	6,245.0	6,322.7	6,395.3	6,463.1	6,530.4	6,596.2	6,659.1
% Ch, Annual Rate	5.8	5.5	5.1	4.7	4.3	4.2	4.1	3.9
Transfer Payments	5,047.0	5,109.9	5,172.5	5,232.5	5,332.5	5,389.7	5,445.5	5,502.9
% Ch, Annual Rate	8.5	5.1	5.0	4.7	7.9	4.4	4.2	4.3

Table A3.3

Washington Personal Income by Component (Billions of Dollars)

Forecast 2023 to 2027

	2022	2023	2024	2025	2026	2027	2028	2029
Personal Income	583.828	618.455	651.642	686.560	729.673	768.875	807.206	848.604
% Ch	1.7	5.9	5.4	5.4	6.3	5.4	5.0	5.1
Total Wage and Salary Disbursements	311.022	333.771	352.257	366.753	387.621	406.988	425.723	447.544
% Ch	6.6	7.3	5.5	4.1	5.7	5.0	4.6	5.1
Manufacturing	23.824	25.750	27.644	28.177	29.820	31.038	32.006	33.285
% Ch	10.3	8.1	7.4	1.9	5.8	4.1	3.1	4.0
Durable Manufacturing	18.051	19.762	21.527	22.112	23.554	24.560	25.308	26.236
% Ch	11.2	9.5	8.9	2.7	6.5	4.3	3.0	3.7
Nondurable Manufacturing	5.774	5.988	6.117	6.065	6.266	6.478	6.698	7.049
% Ch	7.6	3.7	2.1	-0.8	3.3	3.4	3.4	5.2
Nonmanufacturing	279.265	299.793	315.954	329.562	348.345	366.073	383.431	403.516
% Ch	6.3	7.4	5.4	4.3	5.7	5.1	4.7	5.2
Other Private Wages	1.460	1.538	1.619	1.684	1.782	1.867	1.947	2.042
% Ch	4.2	5.3	5.3	4.0	5.8	4.8	4.3	4.9
Farm Wages	2.211	2.346	2.496	2.619	2.795	2.955	3.108	3.288
% Ch	20.6	6.1	6.4	4.9	6.7	5.7	5.2	5.8
Military Wages	4.261	4.343	4.544	4.711	4.879	5.055	5.232	5.413
% Ch	-0.4	1.9	4.6	3.7	3.6	3.6	3.5	3.5
Nonwage Personal Income	272.806	284.684	299.384	319.807	342.052	361.888	381.483	401.060
% Ch	-3.4	4.4	5.2	6.8	7.0	5.8	5.4	5.1
Supplements to Wages and Salaries	64.228	68.095	71.272	73.959	77.330	80.416	83.520	87.323
% Ch	5.6	6.0	4.7	3.8	4.6	4.0	3.9	4.6
Proprietor's Income	42.174	43.951	47.018	50.588	54.015	56.626	58.658	61.656
% Ch	1.7	4.2	7.0	7.6	6.8	4.8	3.6	5.1
Farm	1.074	0.668	0.719	1.316	1.742	1.834	1.840	1.904
% Ch	...	...	...	...	...	...	...	...
Nonfarm	41.101	43.284	46.300	49.271	52.273	54.792	56.818	59.751
% Ch	2.1	5.3	7.0	6.4	6.1	4.8	3.7	5.2
Less: Contribution For Govt. Soc. Ins.	49.099	52.711	55.208	56.962	59.853	61.969	64.457	67.567
% Ch	10.0	7.4	4.7	3.2	5.1	3.5	4.0	4.8
Plus: Residence Adjustment	6.189	6.436	6.769	7.018	7.376	7.718	8.049	8.431
% Ch	11.9	4.0	5.2	3.7	5.1	4.6	4.3	4.7
Dividends/Int./Rent	122.407	129.596	137.500	148.435	160.562	170.473	180.181	188.831
% Ch	5.3	5.9	6.1	8.0	8.2	6.2	5.7	4.8
Transfer Payments	86.907	89.318	92.032	96.769	102.622	108.622	115.531	122.386
% Ch	-15.6	2.8	3.0	5.1	6.0	5.8	6.4	5.9
State U.I. Benefits	0.887	0.890	1.018	1.047	0.968	0.937	0.903	0.839
% Ch	-89.4	0.4	14.3	2.8	-7.6	-3.2	-3.6	-7.0
Other Transfers	86.020	88.427	91.014	95.723	101.654	107.686	114.629	121.547
% Ch	-9.1	2.8	2.9	5.2	6.2	5.9	6.4	6.0

Table A3.4

Washington Personal Income by Component (Billions of Dollars)

Forecast 2024 to 2029

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	636.528	647.812	656.957	665.271	674.361	681.562	690.049	700.270
% Ch, Annual Rate	5.3	7.3	5.8	5.2	5.6	4.3	5.1	6.1
Total Wage and Salary Disbursements	344.411	351.178	354.940	358.501	362.140	364.621	367.784	372.469
% Ch, Annual Rate	4.7	8.1	4.4	4.1	4.1	2.8	3.5	5.2
Manufacturing	27.084	27.670	27.869	27.953	27.996	27.994	28.167	28.550
% Ch, Annual Rate	-1.4	8.9	2.9	1.2	0.6	0.0	2.5	5.6
Durable Manufacturing	21.052	21.519	21.716	21.822	21.880	21.943	22.139	22.485
% Ch, Annual Rate	-3.6	9.2	3.7	2.0	1.1	1.2	3.6	6.4
Nondurable Manufacturing	6.032	6.151	6.153	6.131	6.116	6.051	6.027	6.066
% Ch, Annual Rate	6.5	8.1	0.1	-1.4	-0.9	-4.2	-1.5	2.6
Nonmanufacturing	308.836	314.881	318.349	321.751	325.240	327.657	330.569	334.783
% Ch, Annual Rate	5.2	8.1	4.5	4.3	4.4	3.0	3.6	5.2
Other Private Wages	1.579	1.615	1.633	1.650	1.666	1.675	1.687	1.709
% Ch, Annual Rate	5.2	9.6	4.6	4.1	4.0	2.2	3.1	5.2
Farm Wages	2.425	2.487	2.520	2.551	2.582	2.601	2.627	2.666
% Ch, Annual Rate	6.1	10.5	5.5	5.0	4.9	3.1	4.0	6.1
Military Wages	4.487	4.526	4.568	4.596	4.656	4.694	4.734	4.760
% Ch, Annual Rate	7.4	3.5	3.7	2.5	5.4	3.3	3.5	2.3
Nonwage Personal Income	292.117	296.633	302.017	306.770	312.220	316.941	322.266	327.801
% Ch, Annual Rate	5.9	6.3	7.5	6.4	7.3	6.2	6.9	7.0
Supplements to Wages and Salaries	69.959	71.016	71.724	72.391	73.161	73.673	74.167	74.836
% Ch, Annual Rate	5.0	6.2	4.0	3.8	4.3	2.8	2.7	3.7
Proprietor's Income	45.436	46.539	47.567	48.531	49.501	50.164	50.973	51.713
% Ch, Annual Rate	4.2	10.1	9.1	8.4	8.2	5.5	6.6	5.9
Farm	0.535	0.632	0.779	0.928	1.139	1.242	1.370	1.514
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	44.902	45.907	46.788	47.603	48.362	48.922	49.603	50.198
% Ch, Annual Rate	3.9	9.3	7.9	7.2	6.5	4.7	5.7	4.9
Less: Contribution For Govt. Soc. Ins.	54.295	55.138	55.521	55.879	56.517	56.709	57.023	57.599
% Ch, Annual Rate	6.8	6.4	2.8	2.6	4.6	1.4	2.2	4.1
Plus: Residence Adjustment	6.639	6.739	6.815	6.882	6.946	6.982	7.031	7.111
% Ch, Annual Rate	6.4	6.2	4.6	4.0	3.8	2.1	2.8	4.6
Dividends/Int./Rent	133.580	135.866	138.939	141.617	144.162	146.788	149.730	153.061
% Ch, Annual Rate	5.7	7.0	9.4	7.9	7.4	7.5	8.3	9.2
Transfer Payments	90.797	91.611	92.494	93.227	94.968	96.043	97.388	98.680
% Ch, Annual Rate	8.2	3.6	3.9	3.2	7.7	4.6	5.7	5.4
State U.I. Benefits	0.993	1.003	1.031	1.045	1.047	1.052	1.052	1.036
% Ch, Annual Rate	49.9	4.3	11.5	5.6	0.9	1.8	0.1	-6.1
Other Transfers	89.804	90.608	91.463	92.182	93.920	94.991	96.335	97.644
% Ch, Annual Rate	7.8	3.6	3.8	3.2	7.8	4.6	5.8	5.5

Table A3.4 (continued)

Washington Personal Income by Component (Billions of Dollars)

Forecast 2024 to 2029

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Personal Income	713.535	725.355	735.178	744.625	755.123	764.827	773.688	781.864
% Ch, Annual Rate	7.8	6.8	5.5	5.2	5.8	5.2	4.7	4.3
Total Wage and Salary Disbursements	379.134	385.525	390.542	395.283	400.144	405.190	409.487	413.131
% Ch, Annual Rate	7.4	6.9	5.3	4.9	5.0	5.1	4.3	3.6
Manufacturing	29.168	29.707	30.036	30.369	30.679	30.977	31.186	31.311
% Ch, Annual Rate	8.9	7.6	4.5	4.5	4.1	4.0	2.7	1.6
Durable Manufacturing	23.005	23.454	23.739	24.018	24.267	24.504	24.681	24.788
% Ch, Annual Rate	9.6	8.0	4.9	4.8	4.2	4.0	2.9	1.8
Nondurable Manufacturing	6.163	6.252	6.298	6.352	6.411	6.473	6.505	6.523
% Ch, Annual Rate	6.6	5.9	2.9	3.5	3.8	3.9	2.0	1.1
Nonmanufacturing	340.680	346.408	350.988	355.305	359.733	364.376	368.369	371.813
% Ch, Annual Rate	7.2	6.9	5.4	5.0	5.1	5.3	4.5	3.8
Other Private Wages	1.742	1.773	1.796	1.817	1.838	1.860	1.878	1.892
% Ch, Annual Rate	7.9	7.3	5.2	4.7	4.8	4.9	3.9	3.0
Farm Wages	2.724	2.778	2.820	2.859	2.899	2.940	2.975	3.004
% Ch, Annual Rate	8.8	8.2	6.2	5.7	5.7	5.9	4.8	4.0
Military Wages	4.820	4.859	4.903	4.933	4.995	5.036	5.079	5.110
% Ch, Annual Rate	5.1	3.3	3.6	2.5	5.2	3.3	3.5	2.4
Nonwage Personal Income	334.400	339.830	344.636	349.342	354.979	359.637	364.201	368.734
% Ch, Annual Rate	8.3	6.7	5.8	5.6	6.6	5.4	5.2	5.1
Supplements to Wages and Salaries	75.935	76.975	77.862	78.548	79.335	80.112	80.763	81.455
% Ch, Annual Rate	6.0	5.6	4.7	3.6	4.1	4.0	3.3	3.5
Proprietor's Income	52.720	53.659	54.479	55.200	55.793	56.451	56.921	57.340
% Ch, Annual Rate	8.0	7.3	6.2	5.4	4.4	4.8	3.4	3.0
Farm	1.645	1.731	1.779	1.813	1.834	1.844	1.838	1.820
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	51.076	51.928	52.700	53.387	53.960	54.607	55.083	55.519
% Ch, Annual Rate	7.2	6.8	6.1	5.3	4.4	4.9	3.5	3.2
Less: Contribution For Govt. Soc. Ins.	58.776	59.646	60.285	60.704	61.329	61.884	62.128	62.534
% Ch, Annual Rate	8.4	6.1	4.4	2.8	4.2	3.7	1.6	2.6
Plus: Residence Adjustment	7.228	7.341	7.426	7.509	7.597	7.687	7.764	7.825
% Ch, Annual Rate	6.8	6.4	4.7	4.6	4.7	4.9	4.0	3.2
Dividends/Int./Rent	156.463	159.459	161.939	164.387	166.994	169.353	171.618	173.929
% Ch, Annual Rate	9.2	7.9	6.4	6.2	6.5	5.8	5.5	5.5
Transfer Payments	100.829	102.041	103.215	104.401	106.588	107.918	109.263	110.719
% Ch, Annual Rate	9.0	4.9	4.7	4.7	8.6	5.1	5.1	5.4
State U.I. Benefits	1.002	0.973	0.951	0.946	0.942	0.936	0.937	0.931
% Ch, Annual Rate	-12.3	-11.4	-8.7	-2.1	-1.5	-2.7	0.6	-2.6
Other Transfers	99.827	101.069	102.265	103.456	105.646	106.982	108.326	109.788
% Ch, Annual Rate	9.2	5.1	4.8	4.7	8.7	5.2	5.1	5.5

Table A3.4 (continued)

Washington Personal Income by Component (Billions of Dollars)

Forecast 2024 to 2029

	2028:1	2028:2	2028:3	2028:4	2029:1	2029:2	2029:3	2029:4
Personal Income	791.745	801.689	812.402	822.988	833.720	843.595	853.543	863.559
% Ch, Annual Rate	5.2	5.1	5.5	5.3	5.3	4.8	4.8	4.8
Total Wage and Salary Disbursements	417.502	422.601	428.515	434.276	439.565	444.819	450.180	455.612
% Ch, Annual Rate	4.3	5.0	5.7	5.5	5.0	4.9	4.9	4.9
Manufacturing	31.506	31.805	32.178	32.535	32.834	33.131	33.437	33.737
% Ch, Annual Rate	2.5	3.9	4.8	4.5	3.7	3.7	3.8	3.6
Durable Manufacturing	24.939	25.161	25.435	25.695	25.911	26.125	26.346	26.561
% Ch, Annual Rate	2.5	3.6	4.4	4.1	3.4	3.3	3.4	3.3
Nondurable Manufacturing	6.567	6.644	6.743	6.840	6.923	7.006	7.091	7.175
% Ch, Annual Rate	2.7	4.8	6.1	5.9	4.9	4.9	4.9	4.9
Nonmanufacturing	375.873	380.569	385.991	391.290	396.150	400.999	405.942	410.974
% Ch, Annual Rate	4.4	5.1	5.8	5.6	5.1	5.0	5.0	5.1
Other Private Wages	1.910	1.933	1.959	1.985	2.008	2.030	2.053	2.076
% Ch, Annual Rate	3.9	4.7	5.6	5.3	4.7	4.5	4.6	4.6
Farm Wages	3.040	3.082	3.132	3.179	3.223	3.266	3.310	3.354
% Ch, Annual Rate	4.8	5.7	6.6	6.2	5.6	5.4	5.5	5.5
Military Wages	5.172	5.212	5.256	5.287	5.351	5.393	5.438	5.471
% Ch, Annual Rate	5.0	3.1	3.4	2.4	4.9	3.2	3.4	2.4
Nonwage Personal Income	374.243	379.088	383.887	388.712	394.155	398.776	403.363	407.947
% Ch, Annual Rate	6.1	5.3	5.2	5.1	5.7	4.8	4.7	4.6
Supplements to Wages and Salaries	82.284	83.031	83.914	84.853	85.932	86.845	87.778	88.738
% Ch, Annual Rate	4.1	3.7	4.3	4.5	5.2	4.3	4.4	4.4
Proprietor's Income	57.682	58.257	58.934	59.759	60.450	61.238	62.054	62.882
% Ch, Annual Rate	2.4	4.1	4.7	5.7	4.7	5.3	5.4	5.4
Farm	1.818	1.828	1.847	1.866	1.879	1.895	1.913	1.931
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	55.864	56.429	57.088	57.893	58.571	59.343	60.141	60.950
% Ch, Annual Rate	2.5	4.1	4.7	5.8	4.8	5.4	5.5	5.5
Less: Contribution For Govt. Soc. Ins.	63.389	64.042	64.822	65.575	66.552	67.220	67.902	68.593
% Ch, Annual Rate	5.6	4.2	5.0	4.7	6.1	4.1	4.1	4.1
Plus: Residence Adjustment	7.903	7.995	8.098	8.200	8.293	8.384	8.477	8.571
% Ch, Annual Rate	4.0	4.7	5.3	5.1	4.6	4.5	4.5	4.5
Dividends/Int./Rent	176.540	179.068	181.444	183.672	185.763	187.841	189.881	191.838
% Ch, Annual Rate	6.1	5.9	5.4	5.0	4.6	4.6	4.4	4.2
Transfer Payments	113.224	114.779	116.318	117.804	120.269	121.688	123.076	124.511
% Ch, Annual Rate	9.4	5.6	5.5	5.2	8.6	4.8	4.6	4.7
State U.I. Benefits	0.927	0.918	0.892	0.873	0.861	0.847	0.832	0.818
% Ch, Annual Rate	-1.8	-3.7	-10.9	-8.2	-5.8	-6.2	-7.0	-6.4
Other Transfers	112.297	113.861	115.426	116.930	119.409	120.841	122.245	123.693
% Ch, Annual Rate	9.5	5.7	5.6	5.3	8.8	4.9	4.7	4.8

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	101.3	1.3	2.330	1.5	2.416	1.2
2014	102.7	1.4	2.367	1.6	2.460	1.8
2015	102.9	0.2	2.370	0.1	2.494	1.4
2016	104.0	1.0	2.400	1.3	2.550	2.3
2017	105.8	1.7	2.451	2.1	2.627	3.0
2018	107.9	2.0	2.511	2.4	2.711	3.2
2019	109.5	1.4	2.557	1.8	2.779	2.5
2020	110.7	1.1	2.589	1.3	2.826	1.7
2021	115.3	4.2	2.710	4.7	2.960	4.7
2022	122.8	6.5	2.926	8.0	3.224	8.9
2023	127.3	3.7	3.047	4.1	3.412	5.8
Forecast						
2024	129.7	1.9	3.125	2.6	3.524	3.3
2025	132.4	2.1	3.192	2.1	3.599	2.1
2026	135.3	2.2	3.267	2.4	3.684	2.4
2027	138.1	2.1	3.341	2.3	3.768	2.3
2028	141.0	2.1	3.418	2.3	3.854	2.3
2029	143.9	2.1	3.494	2.2	3.940	2.2

* 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	6.3	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	6.0	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	102.2	2.2	101.0	1.0	98.9	-1.1	97.2	-2.8
2014	104.6	2.3	102.9	1.9	98.6	-0.3	93.5	-3.8
2015	106.5	1.8	104.1	1.1	71.0	-28.0	68.8	-26.4
2016	108.9	2.3	103.0	-1.0	59.6	-15.9	61.3	-11.0
2017	111.5	2.4	102.9	-0.1	68.3	14.4	69.0	12.7
2018	114.5	2.6	103.4	0.5	81.3	19.1	78.1	13.1
2019	117.1	2.3	104.5	1.0	77.7	-4.4	75.5	-3.4
2020	119.4	2.0	107.9	3.3	62.0	-20.2	64.4	-14.6
2021	123.9	3.8	111.3	3.1	80.9	30.5	85.9	33.4
2022	130.6	5.4	122.8	10.3	126.4	56.2	112.3	30.8
2023	137.2	5.1	128.9	5.0	107.8	-14.7	101.2	-9.9
Forecast								
2024	142.1	3.6	129.4	0.4	108.0	0.2	92.4	-8.6
2025	146.6	3.2	131.8	1.9	103.2	-4.4	88.5	-4.2
2026	151.0	3.0	134.8	2.2	102.4	-0.8	87.7	-1.0
2027	155.3	2.9	137.7	2.2	103.7	1.3	88.7	1.2

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	84.5	70.7	83.7
2023	7951.2	86.8	1.1	83.2	68.8	72.4
Forecast						
2024	8031.7	80.6	1.0	85.0	65.0	60.6
2025	8100.0	68.3	0.9	85.5	66.1	48.9
2026	8171.1	71.1	0.9	85.9	67.3	52.5
2027	8247.5	76.4	0.9	86.4	68.6	58.6
2028	8324.3	76.8	0.9	86.9	69.9	59.9
2029	8400.4	76.0	0.9	87.4	71.4	60.0

* As of April 1 of Each Year

Source: Office of Financial Management, November 2023 Forecast

Table A5.2
Washington Population*
 (Thousands)

	Actual				Forecast			
	2020	2021	2022	2023	2024	2025	2026	2027
Total Population	7706.3	7767.0	7864.4	7951.2	8031.7	8100.0	8171.1	8247.5
Percent Change	1.6	0.8	1.3	1.1	1.0	0.9	0.9	0.9
Age 17 and Under	1680.2	1680.0	1691.0	1695.4	1696.3	1692.8	1689.5	1687.3
Percent of Total	21.8	21.6	21.5	21.3	21.1	20.9	20.7	20.5
Age 6-18	1246.2	1250.7	1263.2	1271.3	1275.3	1275.3	1274.7	1269.3
Percent of Total	16.2	16.1	16.1	16.0	15.9	15.7	15.6	15.4
Age 18 and Over	6026.1	6087.0	6173.4	6255.7	6335.5	6407.2	6481.7	6560.3
Percent of Total	78.2	78.4	78.5	78.7	78.9	79.1	79.3	79.5
Age 21 and Over	5733.3	5798.2	5885.3	5964.2	6038.0	6104.6	6174.3	6248.8
Percent of Total	74.4	74.7	74.8	75.0	75.2	75.4	75.6	75.8
Age 20-34	1629.0	1627.4	1637.8	1641.5	1641.0	1636.2	1633.7	1635.3
Percent of Total	21.1	21.0	20.8	20.6	20.4	20.2	20.0	19.8
Age 18-64	4773.8	4787.9	4829.0	4864.4	4895.0	4919.6	4948.5	4982.9
Percent of Total	61.9	61.6	61.4	61.2	60.9	60.7	60.6	60.4
Age 65 and Over	1252.3	1299.1	1344.5	1391.3	1440.5	1487.6	1533.2	1577.4
Percent of Total	16.2	16.7	17.1	17.5	17.9	18.4	18.8	19.1

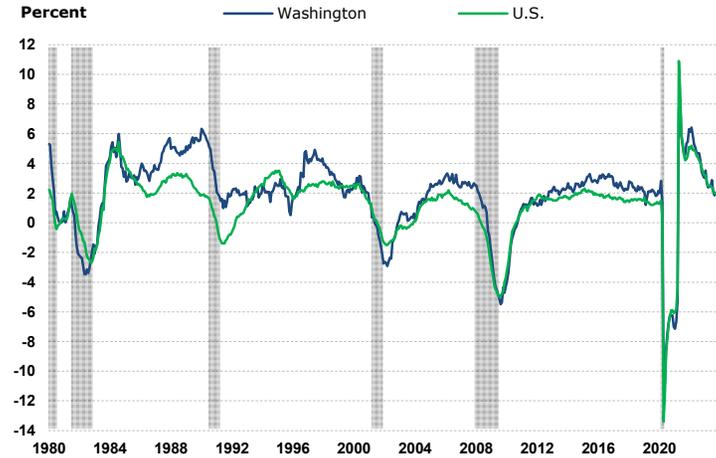
* As of April 1 of Each Year

Source: Office of Financial Management, November 2022 Forecast

Figure A6.1: Washington State Economic Indicators

Year-over-Year Employment Growth

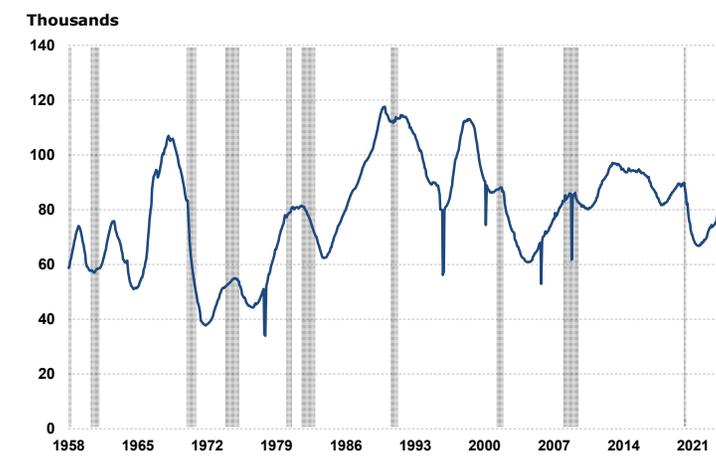
January 1980 to January 2024



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

Washington Aircraft and Parts Employment

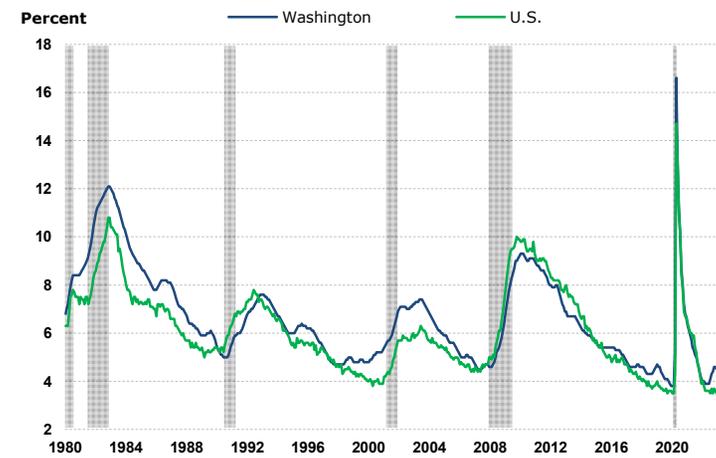
January 1958 to December 2023



* Source: Bureau of Labor Statistics, ERFC

Unemployment Rate, S.A.

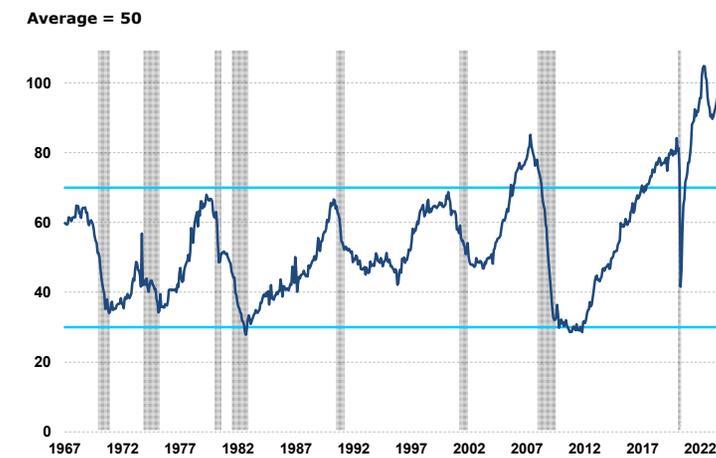
January 1980 to January 2024



* Source: Bureau of Labor Statistics

Washington Business Cycle Indicator

January 1968 to December 2023



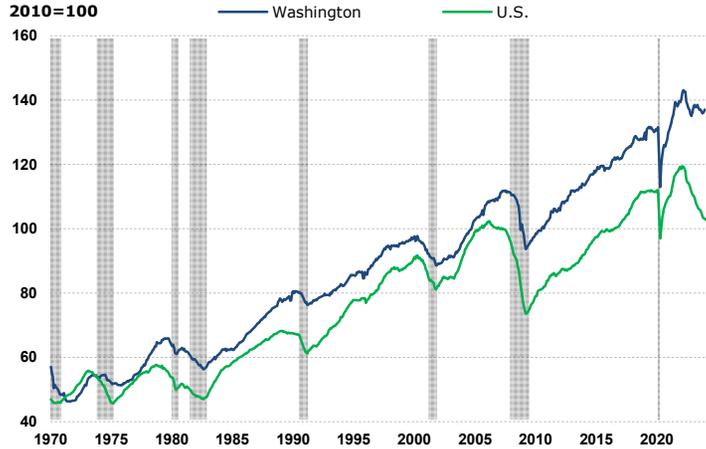
* Source: ERFC

* Shaded areas correspond with national recessions.
Appendix

Figure A6.2: Washington State Leading Indicators

The Washington and U.S. Indexes of Leading Indicators

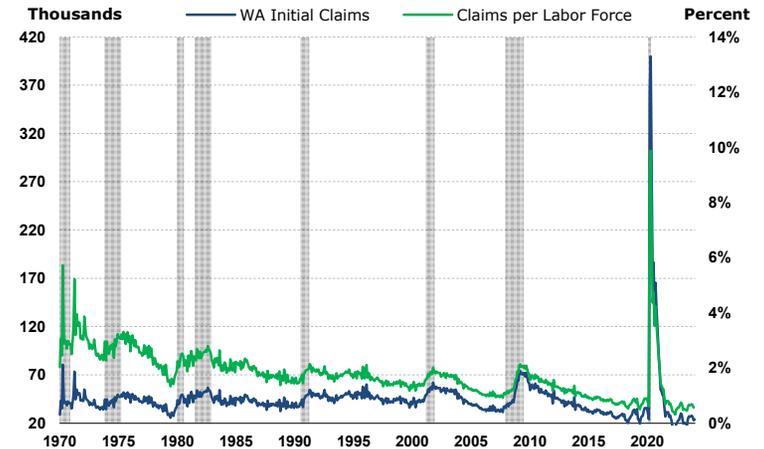
January 1970 to January 2024



* The Conference Board, ERFC

Washington Initial Claims for Unemployment Insurance

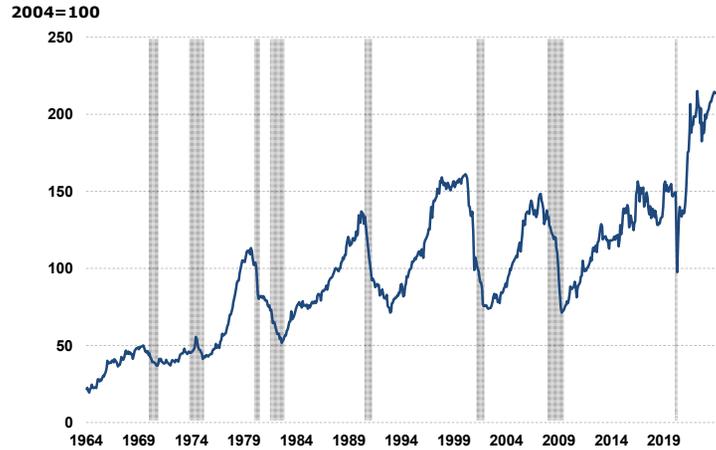
January 1970 to January 2024, S.A.



* Source: WA State Employment Security, ERFC

Washington State Help Wanted Index

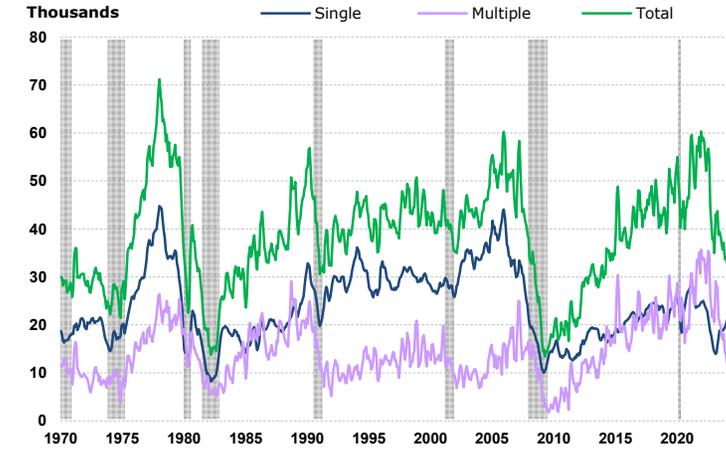
January 1964 to December 2023



* Source: The Conference Board, ERFC

Housing Units Authorized in Washington State

January 1970 to January 2024, 3mma, SAAR



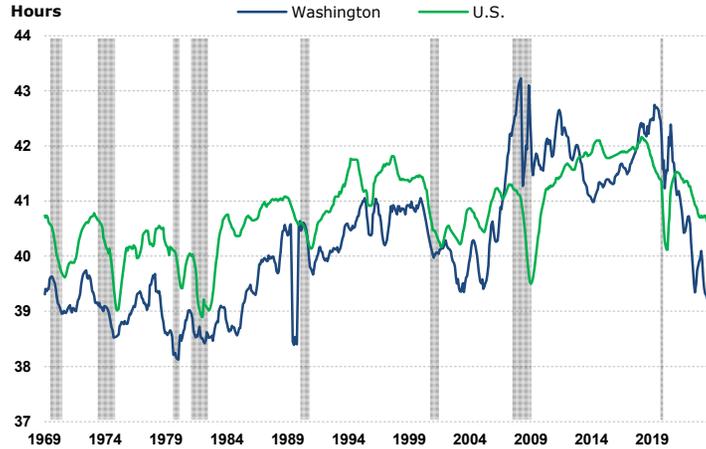
* Source: Census Bureau, ERFC

* Shaded areas correspond with national recessions.
Appendix

Figure A6.3: Other State Economic Indicators

Average Weekly Hours in Manufacturing

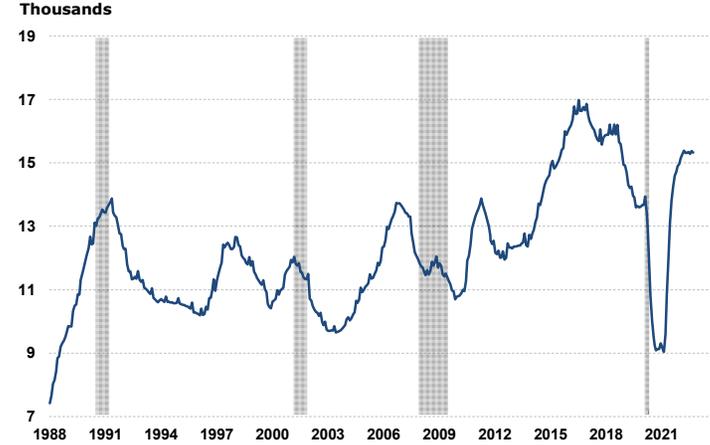
June 1969 to December 2023, 6-Mo. Moving Average, S.A.



* Bureau of Labor Statistics, ERFC

Washington Driver's License In-Migration

January 1988 to December 2023, 12-Month Moving Average



* Source: WA State Department of Licensing, ERFC

New Car and Truck Registrations in Washington

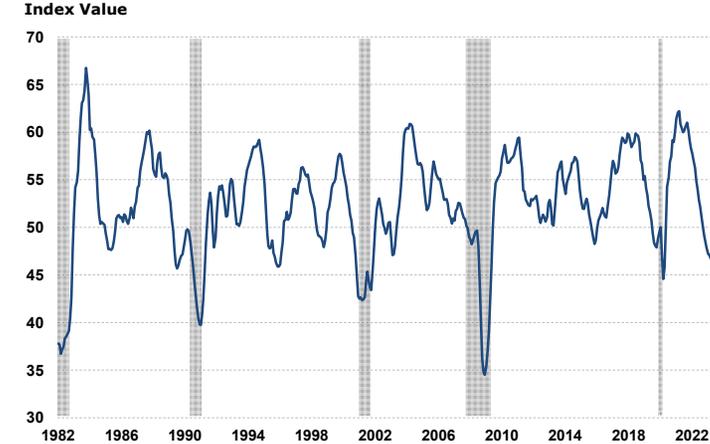
September 1970 to January 2024, 3-Month Moving Average, S.A.



* Source: WA State Department of Licensing, ERFC

U.S. Institute for Supply Management Index

March 1982 to January 2024, 3-Month Moving Average, S.A.



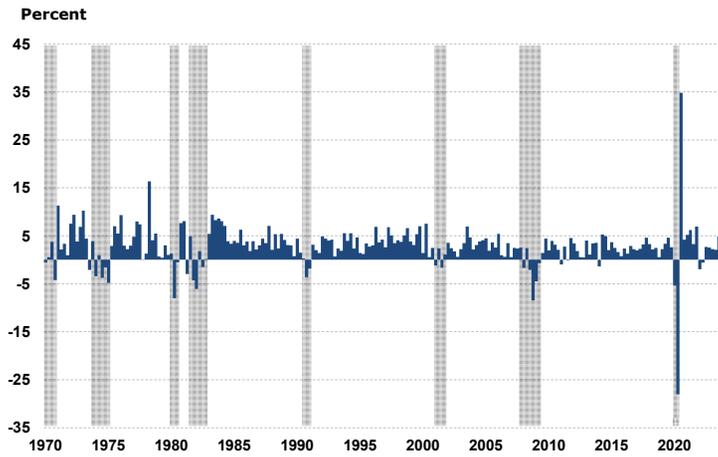
* Source: Institute for Supply Management, ISM-WW, ERFC

* Shaded areas correspond with national recessions.
Appendix

Figure A6.4: Other Economic Indicators

Quarterly U.S. Real GDP Growth

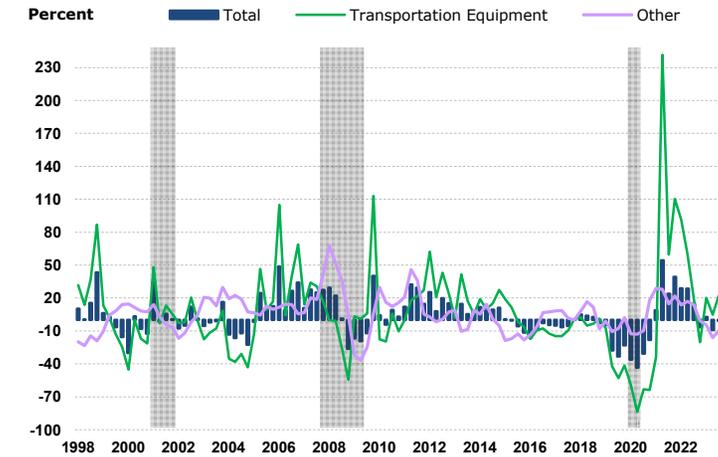
1970Q1 to 2023Q4, SAAR



* Source: Bureau of Economic Analysis

Washington State Export Composition

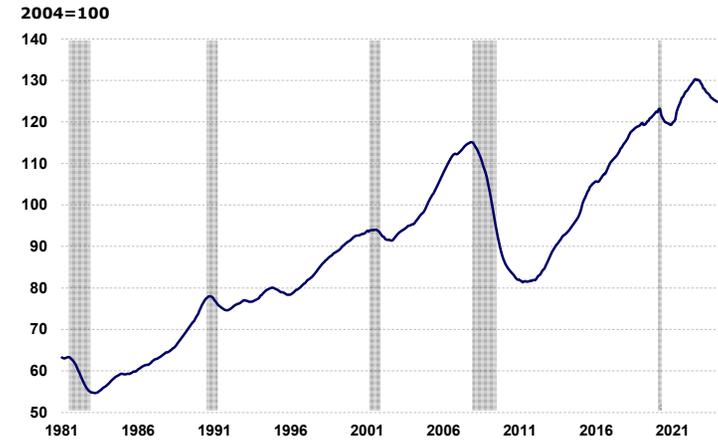
1998Q1 to 2023Q4, Year-over-year percent change



* Source: WISER

Washington State Construction Index

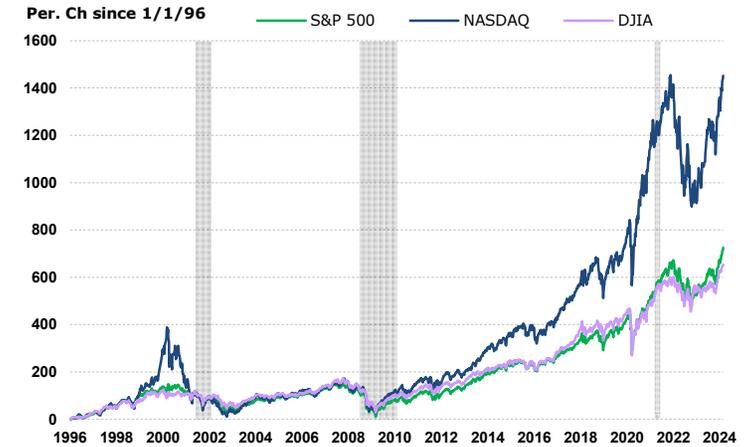
January 1981 to December 2023, 12mma



* Source: ERFC

National Stock Indexes

January 1, 1996 to February 22, 2024



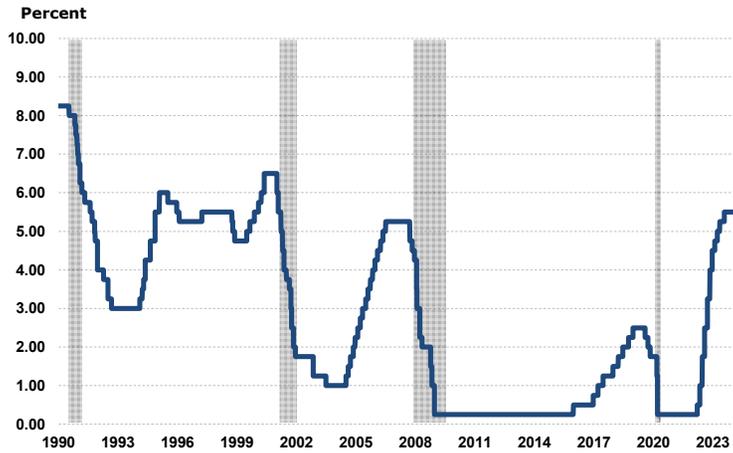
* Source: ERFC

* Shaded areas correspond with national recessions.
Appendix

Figure A6.4: Other Economic Indicators (continued...)

Federal Funds Target Rate

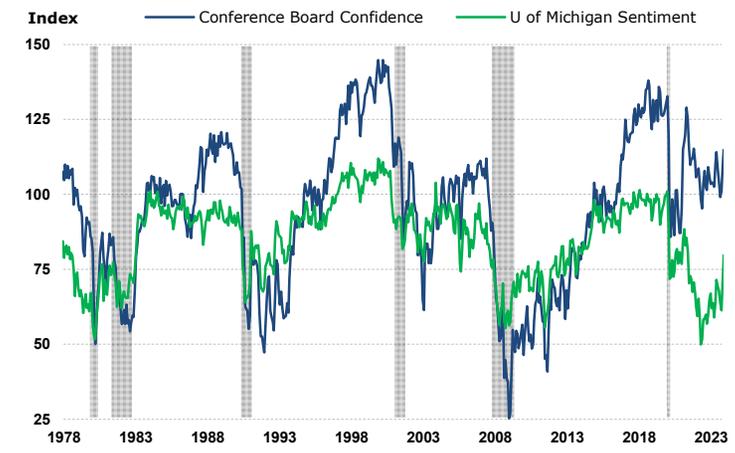
January 1, 1990 to February 28, 2024



* Federal Reserve

Consumer Confidence

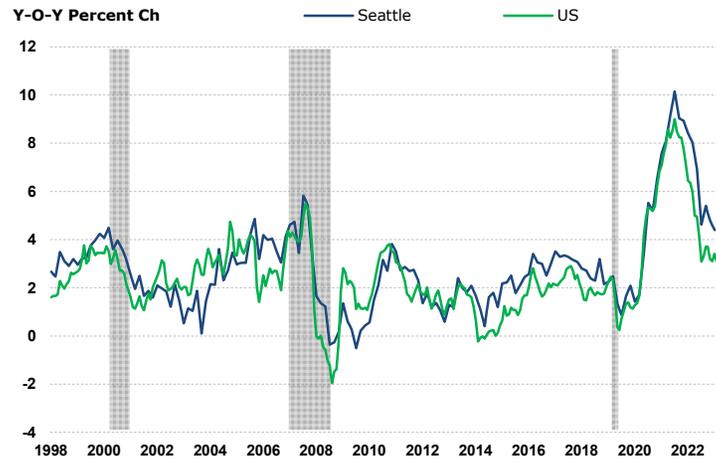
March 1978 to February 2024



* Source: The Conference Board, University of Michigan

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

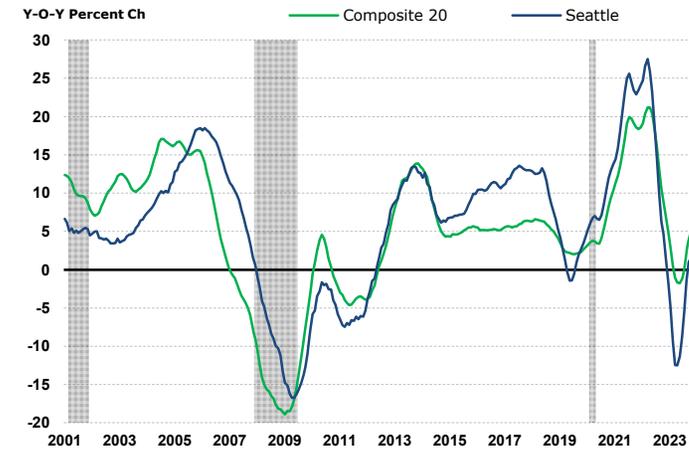
December 1998 to January 2024



* Source: Bureau of Labor Statistics

Case Shiller Home Price Index

January 2001 to December 2023, SA



* Source: Case Shiller, ERFC

* Shaded areas correspond with national recessions.
Appendix

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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.