

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

Washington State Economic and Revenue Forecast

June 2024
Volume LIII, No. 2



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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 July 11, 2024.

Washington State Economic and Revenue Forecast

Prepared by the
Economic and Revenue Forecast Council

June 2024
Volume LIII, No. 2

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Executive Summary

- **The economy continues to expand although inflation remains elevated.**
- **We expect real GDP to increase 2.3% in 2024 and 1.8% in 2025, up from the 2.0% and 1.7% growth rates assumed in the February forecast.**
- **Our forecast for real GDP growth in 2026-29 is based on the most recent long term forecast from Blue Chip which was released in March 2024. We expect growth rates of 2.0%, 2.0%, 1.9%, and 1.9% in 2026 through 2029.**
- **We expect the Federal Reserve to hold the federal fund rates steady at 5.25% to 5.50% until December 2024 when rates are slowly lowered.**
- **The Washington economy continued to expand through the first quarter of 2024.**
- **Washington employment growth continued into 2024.**
- **The Washington unemployment rate rose to 4.9% in May from 4.8% in April.**
- **Washington housing construction ticked up in the first quarter of 2024.**
- **Seattle home prices increased in April and were up 7.5% compared with April 2023.**
- **Washington exports decreased 6.9% from the first quarter of 2023 to the first quarter of 2024.**
- **Seattle consumer price inflation continued to outpace the national average in June.**
- **Tracked revenue collections since February have come in close to their forecasted amounts.**
- **The June economic forecast of state personal income is lower through FY 2025 but higher in the following fiscal years. The forecast of housing permits is lower in all fiscal years. This has resulted in slight decreases in forecasted Revenue Act taxes in the current and next biennia and slight increases in the 2027-29 biennium.**
- **Forecasted real estate excise taxes have increased slightly due to higher-than-expected taxable activity.**
- **Net receipts of capital gains taxes in FY 2024 were much lower than those of FY 2023 and have prompted a lower forecast going forward.**
- **Legislative and budget-driven revenue changes from the 2024 legislative session produced slight decreases in the current and next biennia and slight increases in the 2027-29 biennium.**
- **The forecast of funds subject to the budget outlook process was decreased by \$477 million in the 2023-25 biennium and \$189 million in the 2025-27 biennium but increased by \$96 million in the 2027-29 biennium.**

U.S. Economic Forecast

The economy continues to expand

The economy continues to expand although inflation remains elevated. 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 to slow economic activity and price growth. With inflation declining, the Federal Reserve shifted to a more accommodative stance. Recent high inflation readings, however, have delayed the assumption of rate cuts. Four years after the onset of COVID-19, the direct effects of the pandemic are no longer materially impacting the economy.

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

This forecast is based on a modified version of S&P Global Market Intelligence's June 2024 control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to be consistent with the Blue Chip "Consensus" GDP forecast for 2024 and 2025. We expect real GDP to increase 2.3% in 2024 and 1.8% in 2025, up from the 2.0% and 1.7% growth rates assumed in the February forecast. Our forecast for real GDP growth in 2026-29 is based on the most recent long term forecast from Blue Chip which was released in March 2024. We expect growth rates of 2.0%, 2.0%, 1.9%, and 1.9% in 2026 through 2029 which is very close to the 2.1%, 1.9%, 1.9%, and 1.8% rates in the February forecast.

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. During this time, the economy has remained resilient with the labor market particularly tight. As inflation declined, the Federal Reserve adopted an easing bias in January 2024. Since then, however, inflation failed to decline further, diminishing the outlook for rate cuts. Our expectation is for the Federal Reserve to hold the rate steady at 5.25% to 5.50% until their final meeting of the year in December when rates are cut by 25 basis points. The February forecast assumed the first rate cut of the cycle would occur in the second quarter 2024. The rate cuts are expected to end in the second 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 reducing assets from its balance sheet, although they are now expected to do so at a slower pace than previously anticipated.

Washington Economic Forecast

The Washington economy continued to expand into 2024

The Washington economy continued to expand in the first half of 2024. In May, the Washington unemployment rate rose from 4.8% to 4.9%, up from the historic low of 3.8% in the second quarter of 2023. Washington housing permits were mostly flat for the first part of 2024. Home prices in Seattle are up 7.5% compared with April 2023. Washington exports decreased 6.9%

from the first quarter of 2023 to the first quarter of 2024. Seattle consumer price inflation continued to outpace the national average in June 2024.

The Washington forecast features faster nominal personal income growth from 2025 – 2029

The Washington forecast features a slightly lower level of nominal personal income in 2024, but higher in the out-years compared to the February forecast, but lower employment throughout the forecast period. We expect a 5.3% increase in nominal Washington personal income this year, down from 5.4% in the February forecast. We expect a 1.3% increase in Washington employment this year, down from the 1.4% growth rate expected in the February forecast. We expect similar employment growth as the growth forecasted in the February forecast. By 2029, we forecast 1,000 more jobs than the February forecast. We expect housing permits to total 37,000 units this year, down from the February forecast, and we expect permits to average 43,000 units in 2025 through 2029, down from the 45,400 units in the February forecast. We expect the Seattle headline inflation to be 3.3% this year, up from 3.1% in the November forecast. We expect Seattle inflation to average 2.6% in 2025, up 0.5 percentage points from the February forecast. The Seattle CPI growth rate is predicted to gradually decline to 2.2% by 2029.

Revenue Forecast

Revenue collections have come in close to the forecast but the economic forecast is slightly weaker than the previous forecast in the near term

Total tracked revenue collections since February have come in close to their forecasted amounts. The June economic forecast projects slightly lower personal income than expected in February in FY 2024 and 2025 but higher income in fiscal years 2026 through 2029. Projected housing permits, however, are lower throughout the forecast period. These factors, along with observed recent activity, have resulted in decreases in forecasted Revenue Act taxes through fiscal year 2027 and slight increases thereafter. Forecasted real estate excise taxes have increased slightly due to the higher-than-expected taxable activity and lower forecasted mortgage rates. Net receipts of capital gains taxes in FY 2024 were much lower than those of FY 2023 and have prompted a lower forecast going forward. Legislative and budget-driven revenue changes from the 2024 legislative session produced slight decreases in the current and next biennia and slight increases in the 2027-29 biennium.

Total forecast change by biennium (millions):

23-25: -\$477
25-27: -\$189
27-29: +\$96

Forecasted revenue was decreased by \$476.7 million in the 2023-25 biennium and \$189.0 million in the 2025-27 biennium but increased by \$96.1 million in the 2027-29 biennium. A portion of the forecast revision was due to legislation and budget-driven revenue changes from the 2024 session. These changes subtracted \$33.9 million in expected revenue from the current biennium and \$36.9 million from the next biennium but added \$33.8 million to revenue for the 2027-29 biennium. The June 2024 forecast for funds subject to the budget outlook process total \$66,528.4 million in the 2023-25 biennium, \$71,532.2 million in the 2025-27 biennium and \$77,044.4 million in the 2027-29 biennium.

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

- **The economy continues to expand although inflation remains elevated.**
- **Policymakers approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic.**
- **Real GDP increased 1.4% (SAAR) in the first quarter of 2024 after increasing 3.4% (SAAR) in the fourth quarter of 2023.**
- **The job market has been stronger than expected.**
- **Housing activity is slowing; manufacturing output is declining.**
- **Oil prices have increased, although we expect them to decline throughout the forecast period.**
- **We expect real GDP to increase 2.3% in 2024 and 1.8% in 2025, up from the 2.0% and 1.7% growth rates assumed in the February forecast.**
- **Our forecast for real GDP growth in 2026-29 is based on the most recent long term forecast from Blue Chip which was released in March 2024. We expect growth rates of 2.0%, 2.0%, 1.9%, and 1.9% in 2026 through 2029.**
- **We expect the Federal Reserve to hold the federal fund rates steady at 5.25% to 5.50% until December 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 although inflation remains elevated. 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 to slow economic activity and price growth. With inflation declining, the Federal Reserve shifted to a more accommodative stance. Recent high inflation readings, however, have delayed the assumption of rate cuts. Four years after the onset of COVID-19, the pandemic is no longer materially impacting the economy.

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

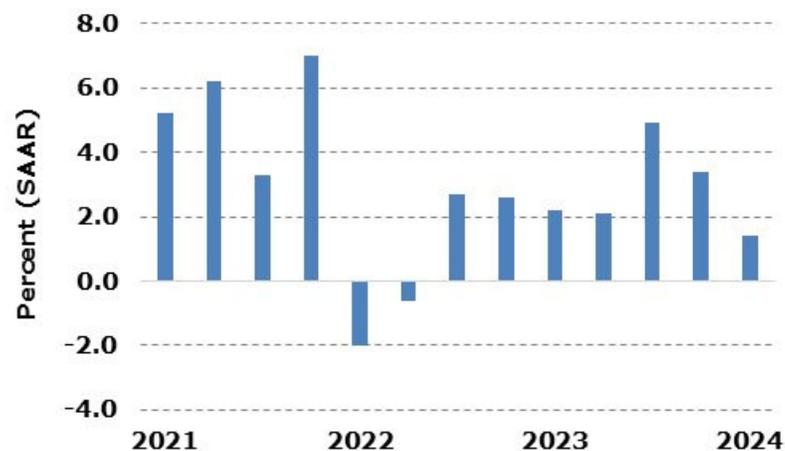
Policymakers approved trillions of dollars in stimulus

related to the pandemic consisted of \$6.21 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 (\$772 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.

GDP increased 1.4% in the first quarter

Real GDP growth slowed in the first quarter. Real GDP increased 1.4% (SAAR) in the first quarter of 2024 after increasing 3.4% (SAAR) in the fourth quarter (see Figure 1.1). Growth was led by consumer spending on services and residential fixed investment. Consumption grew 1.5% (SAAR) contributing 1.0 percentage points to overall GDP growth. Consumer spending on services grew 3.3% (SAAR) adding 1.5 points to topline GDP. Spending on goods declined by 2.3% (SAAR), subtracting 0.5 points from growth. Fixed investment grew 7.0% (SAAR) from 3.5% (SAAR) in the fourth quarter and added 1.2 points to topline growth. Nonresidential fixed investment increased 4.4% (SAAR), led by 7.7% (SAAR) growth in intellectual property products. Residential investment rebounded in the first quarter, growing 16.0% (SAAR) after 2.8% (SAAR) growth in the fourth quarter and added 0.6 points to overall GDP growth. Import growth outpaced exports, with the net impact of 0.7 points subtracted from GDP growth. Government spending increased 1.8% (SAAR), increasing GDP by 0.3 points. The change in inventories subtracted 0.4 points to GDP growth in the first quarter.

Figure 1.1: Real GDP Growth



Source: U.S. Bureau of Economic Analysis; data through 2024 Q1

The job market has been stronger than expected

The job market continues to outpace consensus expectations. Over four years since the unprecedented 20.5 million job decline in April 2020 due to the pandemic, employment has continued to grow. In June, total nonfarm employment increased by 206,000 jobs after increasing by 218,000 jobs the month before. Over the

past twelve months, job growth has averaged 218,000. Construction employment has remained resilient and increased by another 27,000 jobs in June. The manufacturing sector has been trending down and declined by 8,000 jobs in June. Private service-providing employment increased by 117,000. Employment increases in the service sector were led by an 82,400 increase in health care and social assistance. Temporary help services was the weakest sector in June, declining by 48,900 jobs. Government payrolls increased by 70,000.

The unemployment rate is increasing

The unemployment rate is increasing (see Figure 1.2). In June, the unemployment rate increased 0.1 percentage points to 4.1% and is up 0.5 percentage points since last year. The labor force participation rate improved to 62.6% in June from 62.5% the month before. 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 leveled off and remains below pre-pandemic levels. Average hourly earnings are up \$1.30 from a year ago to \$35.00 while the average workweek fell 0.1 hours from last year to 34.3 hours in June.

Figure 1.2: Unemployment Rate



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

Consumer confidence is declining

Consumer confidence is declining. Consumer confidence as measured by the Conference Board declined 0.9 points in June and is down 9.7 points since last year. An increase in consumers' view of present conditions was offset by a decline in expectations. Confidence is being supported by a strong labor market while concerns about business conditions are increasing. The University of Michigan Consumer Sentiment index fell 0.9 points as well in June but remains up 4.0 points since last year. Consumers expressed more pessimism towards both present conditions and expectations. Both confidence measures remain well below pre-pandemic levels.

Oil prices are increasing

Oil prices are increasing due to solid demand and constrained supply growth. OPEC+ has pushed prices up in the short term with production cuts that are scheduled to stay in place through

September. Uncertainty related to the Israel – Hamas war remain even as the threat of contagion to surrounding countries have eased. The Brent spot crude price is now \$88 per barrel to start July, up \$11 from a year ago. The West Texas Intermediate (WTI) price has increased to \$85 per barrel from \$72 per barrel since last year. U.S. oil production has plateaued since reaching an all-time high in November of 13.295 million bpd. U.S. production in April was 13.248 million bpd, up from 13.176 the prior month. The Baker Hughes rig count has been declining since reaching a peak in November 2022. As of July 5th, the rig count in the U.S. was 585, down 95 since last year.

Inflation eased in June

Inflation eased in June after months of stagnation. After peaking at 9.1% in June 2022, inflation declined as the Federal Reserve has raised rates. Since then, inflation has remained 3% or higher in each of the past thirteen months. Rents have accelerated in lagged response to soaring home prices and a supply/demand imbalance in rental housing. Wage increases in response to higher consumer inflation have kept overall inflation more persistent. The Consumer Price Index (CPI) declined in June 0.1% on a seasonally adjusted basis, the first monthly decline in four years. Year-over-year, CPI was up 3.0% in June, down from 3.3% in May (see Figure 1.3). Energy prices declined 2.0% in June and are up just 1.0% over the year. Shelter cost inflation remains high, increasing 0.2% in June and up 5.2% since last year. Food price inflation has moderated, up 0.2% in June and up 2.2% since last year. Core consumer prices, which exclude food and energy, increased 0.1% since last month and were up 3.3% over the year.

Figure 1.3: Consumer Price Index



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

Home prices are increasing

Home prices are increasing. The seasonally adjusted S&P CoreLogic Case-Shiller National Home Price Index increased 0.3% in April and is now up 6.3% 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 6.95% as of July 3rd, down from recent peak of 7.79% in October 2023, but still well above pre-pandemic levels. Despite the drop in affordability, home prices have remained resilient due to a limited supply of homes for sale. 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 \$478 as of July 8th. Homebuilder confidence has declined in recent months. In June, homebuilder confidence fell from 45 to 43 (readings above 50 indicate optimism), the second consecutive increase.

Housing activity is slowing

Housing activity is slowing as headwinds have persisted. High interest rates, low confidence, and low affordability have weighed down new construction. Housing starts declined in May by 5.5% and are down 19.3% since last year. Single-family starts are 1.7% lower than a year ago, and multi-family starts are down 52.4%. 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 has trended up as builders have struggled to sell new construction. In May there were 9.3 months' worth of supply, up from 8.1 in April, and up from 6.9 a year ago. Housing permits declined 2.8% over the month in May and are down 8.7% since last year. Single-family permits are up 4.1% since last year while multi-family permits are down 27.9%. New home sales declined 11.3% in January to 698,000 (SAAR) and are down 16.5% since last year.

The manufacturing sector is contracting

The manufacturing sector continues to contract. The Institute for Supply Management (ISM) Report on Business index declined 0.2 points to 48.5 in June (index values below 50 indicate contraction). The index has indicated contraction in manufacturing sector in 19 of the past 20 months. The new orders component improved 3.9 points to 49.3. Production fell into contraction territory to 48.5, 1.7 points below last month. The employment component also turned negative, dropping 1.8 points to 49.3. Eight of the 17 manufacturing industries reported growth in June with the remaining indicating contraction. Unlike the ISM report, the latest G-17 report from the Federal Reserve indicates manufacturing output rose 0.9% in May and is up 0.1% from a year ago. Durable goods increased 0.6% while nondurable goods increased 1.1% from the prior month. New orders for core capital goods (nondefense capital goods excluding aircraft) declined 0.6% in May but remain up 0.9% from a year ago.

U.S. exports increased in the first quarter

U.S. exports increased for the first quarter of 2024, growing by 0.1% year over year. U.S. exports to our three largest export partners declined since last year. Exports to Canada and Mexico each declined 1.1% year-over-year and exports to China declined 4.9%. Partially offsetting some of this decline was a 17.2% year-over-year increase to the Netherlands, our fourth

largest trade partner. Exports of transportation equipment grew 3.9% in the first quarter and remained the top export by value for the United States.

Forecast

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

This forecast is based on a modified version of S&P Global Market Intelligence's June 2024 control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to be consistent with the Blue Chip "Consensus" GDP forecast for 2024 and 2025. We expect real GDP to increase 2.3% in 2024 and 1.8% in 2025, up from the 2.0% and 1.7% growth rates assumed in the February forecast. Our forecast for real GDP growth in 2026-29 is based on the most recent long term forecast from Blue Chip which was released in March 2024. We expect growth rates of 2.0%, 2.0%, 1.9%, and 1.9% in 2026 through 2029 which is very close to the 2.1%, 1.9%, 1.9%, and 1.8% rates in the February forecast.

The forecast includes key assumptions related to fiscal policy

The forecast includes key assumptions related to fiscal policy. The debt ceiling is suspended through 2024 and is raised without incident in 2025. 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 the Inflation Reduction Act and phase outs of provisions in the 2017 Tax Act. Social Security and Medicare benefits are paid beyond the projected exhaustion of those funds. One quarter of the \$95 billion foreign aid package (HR 815) acts as a boost to U.S. GDP growth. 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.

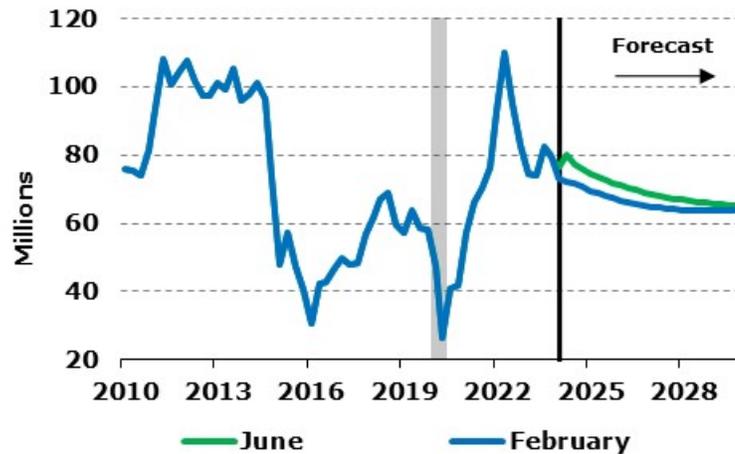
The projection for population has been raised

The projection for population has been raised through 2029 compared to the February forecast. We have assumed faster growth of immigration over recent history and in the forecast. The faster growth is more closely aligned with new estimates from the Congressional Budget Office.

Oil prices are expected to be higher compared to the previous forecast

Oil prices are expected to be higher compared to the February forecast (see Figure 1.5). Record-high U.S. production has offset efforts by OPEC+ to keep prices propped up by limiting supply. Geopolitical conflicts have continued around oil producing nations. The refiner acquisition price of crude oil in 2024 is expected to average \$77 per barrel, up from \$72 per barrel assumed in February. 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 2029. The February forecast expected oil prices to reach \$64 per barrel in 2029.

Figure 1.4: Average Price of Crude Oil



Source: U.S. Energy Information Administration, June 2024 ERFC forecast; historical data through 2024 Q1

Inflation is expected to fall

Inflation (as measured by the price index for personal consumption expenditures) is expected to fall to 2.6% this year from 3.7% in 2023. The February forecast expected inflation to fall to 2.0% 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. The forecast calls for inflation to average 2.2% from 2025 through 2029. Core inflation (excluding food and energy) is expected to be higher than topline inflation this year at 2.9%. We expect core inflation to trend down and average 2.3% from 2025 through 2029.

Consumer spending growth is expected to increase

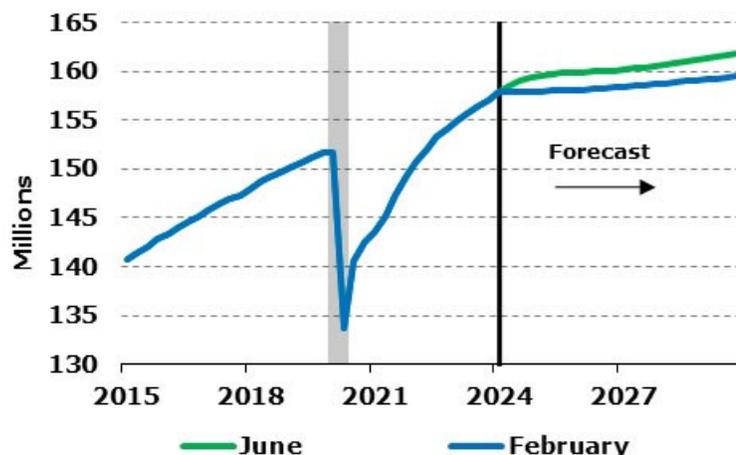
Real consumer spending growth is expected to increase this year to 2.3% from 2.2% in 2023. The February forecast expected real consumption growth to increase to 2.5% this year. The strong labor market has been offset by persistently high inflation, which has weighed on consumer sentiment. Consumers are also still willing to fund current spending with savings as real incomes have not kept up. This has pushed the personal saving rate to below 4.0% this year. In the decade prior to the pandemic, the saving rate averaged 6.2%. Real consumer spending is expected to slow to 1.9% next year. The previous forecast expected growth of 1.6% 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 February forecast (see figure 1.5). Employment grew 2.3% in 2023 after growing 4.3% in 2022. We expect employment growth of 1.7% this year as the labor market cools. The previous forecast expected growth of 1.2% in 2024. Employment growth is expected slow further and average 0.3% in 2025 through 2029. We expect the labor market to

remain tight throughout the forecast. The June 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 increase to 4.0% in 2025 and then average 4.3% in 2026 through 2029.

Figure 1.5: Nonfarm Payroll Employment



Source: U.S. Bureau of Labor Statistics, June 2024 ERFC forecast; historical data through 2024 Q1

Business investment is expected to slow

Real nonresidential fixed investment growth is expected to slow to 3.9% this year after growing 4.5% in 2023. Higher expected borrowing costs due to the assumption of delayed rate cuts by the Federal Reserve is expected to limit investment. Lending standards for businesses are still tightening and borrowing costs remain elevated. Business spending on manufacturing structures is slowing. Office vacancy rates appear to have plateaued, but remain high as the shift to flexible work environments is likely permanent. Going forward, real nonresidential fixed investment growth is expected to continue to slow. We expect real nonresidential fixed investment to average 2.3% from 2025 through 2029. We expect real nonresidential construction to grow 4.1% this year after rebounding by 12.7% in 2023. The forecast calls for nonresidential construction to slow and average 1.3% in 2025 through 2029 as some excess surplus gets worked through. We expect real nonresidential construction to have fully recovered to its level before the pandemic by the middle of 2025. Real equipment investment is expected to return to growth this year at 2.4% after declining 0.3% in 2023. We then expect growth to accelerate and average 3.5% in 2025 through 2029. Investment in intellectual property products is expected to increase from 4.5% growth in 2023 to 5.2% growth this year. We expect growth to trend down and average 1.6% from 2025 through 2029.

The housing market outlook remains weak

The housing market outlook remains weak. High mortgage rates have lowered affordability and weighed down housing demand. In response, buyers have switched to adjustable-rate mortgages which make up twice the share of all mortgages compared to

four years ago. As rates have remained high, payments have reset at higher levels, further reducing affordability. High rates have also locked in homeowners holding fixed-rate mortgages financed at lower rates and lowered supply. Labor and material shortages remain, causing delays in finished construction. The June forecast calls for housing starts to decline 2.8% this year, down from a 1.5% increase in the previous forecast. We expect multi-family housing to decline 26.0%, offsetting an 8.8% increase in single-family. We expect 2024 to be the trough in total housing starts at 1.38 million units. The forecast then calls for housing starts to slowly trend up throughout the remainder of the forecast and average 1.44 million units in 2029.

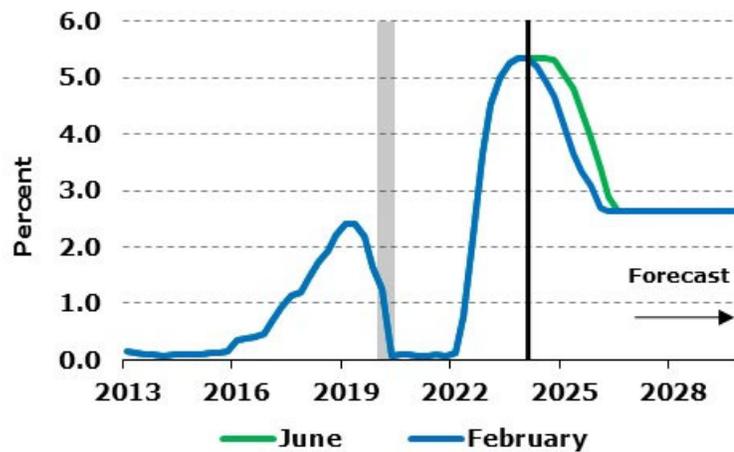
Growth in major U.S. trading partners is expected to be stronger compared to February

Economic growth of U.S. major trading partners is expected to be stronger compared to the previous forecast. The June forecast calls for 2.3% growth this year compared to 2.0% growth in the previous forecast. Real GDP growths forecasts for this year have been revised up in some major economies, particularly in the eurozone and the United Kingdom. Growth in China and Russia have also been revised up. We expect growth in U.S. major trading partners to reach 2.6% in 2025, up from 2.5% in the February forecast. The forecast then calls for global growth to slowly trend down and reach 2.4% in 2029. Real U.S. export growth is forecasted to increase to 2.0% this year, down from 2.6% growth in 2023. We expect real export growth to increase to 4.9% in 2027 before trending down throughout the remainder of the forecast and reaching 3.6% 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. During this time, the economy has remained resilient with the labor market particularly tight. As inflation declined, the Federal Reserve adopted an easing bias in January 2024. Since then, however, inflation failed to decline further, diminishing the outlook for rate cuts. Our expectation is for the Federal Reserve to hold the rate steady at 5.25% to 5.50% until their final meeting of the year in December when rates are cut by 25 basis points. The February forecast assumed the first rate cut of the cycle would occur in the second quarter 2024 (see Figure 1.6). The rate cuts are expected to end in the second 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 reducing assets from its balance sheet, although they are now expected to do so at a slower pace than previously anticipated.

Figure 1.6: Fed Funds Target Rate



Source: U.S. Federal Reserve, June 2024 ERFC forecast; historical data through 2024 Q1

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
- War in Ukraine escalates
- Inflation remains elevated
- COVID-19 infections reemerge
- Re-imposition of some social restrictions
- New travel restrictions
- 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 or debt 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

- Inflation declines faster than expected
- Federal Reserve cuts rates sooner than expected
- 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 2017 Dollars)								
Real Gross Domestic Product	21,694.4	22,044.7	22,695.0	23,095.7	23,552.1	24,015.1	24,489.1	24,952.2
% Ch	3.9	1.6	3.0	1.8	2.0	2.0	2.0	1.9
Real Consumption	14,977.2	15,238.8	15,615.4	15,921.4	16,239.8	16,575.9	16,903.7	17,246.3
% Ch	5.5	1.7	2.5	2.0	2.0	2.1	2.0	2.0
Real Nonresidential Fixed Investment	3,046.4	3,203.4	3,332.7	3,461.9	3,549.9	3,624.5	3,716.6	3,799.0
% Ch	5.3	5.2	4.0	3.9	2.5	2.1	2.5	2.2
Real Residential Fixed Investment	887.2	748.9	755.2	753.6	777.9	805.7	834.3	867.4
% Ch	-0.1	-15.6	0.8	-0.2	3.2	3.6	3.5	4.0
Real Personal Income	18,986.0	18,931.1	19,261.1	19,797.4	20,369.1	21,011.5	21,509.6	22,098.3
% Ch	-2.5	-0.3	1.7	2.8	2.9	3.2	2.4	2.7
Real Per Capita Income (\$/Person)	56,934	56,250	56,621	57,658	58,894	60,451	61,633	63,060
% Ch	-2.9	-1.2	0.7	1.8	2.1	2.6	2.0	2.3
Price and Wage Indexes								
PCE Price Index (2017=100)	112.6	118.6	121.9	125.0	128.1	131.0	133.9	136.9
% Ch	6.0	5.3	2.8	2.5	2.5	2.3	2.2	2.2
U.S. Consumer Price Index (1982-84=1.0)	2.820	2.997	3.097	3.182	3.263	3.343	3.425	3.506
% Ch	7.2	6.3	3.4	2.8	2.5	2.5	2.5	2.4
Employment Cost Index (Dec. 2005=1.0)	1.509	1.585	1.649	1.707	1.774	1.847	1.914	1.985
% Ch	5.0	5.0	4.1	3.5	3.9	4.1	3.6	3.7
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	24,764.2	26,569.9	28,103.0	29,341.4	30,747.6	32,108.1	33,539.8	34,976.8
% Ch	10.6	7.3	5.8	4.4	4.8	4.4	4.5	4.3
Personal Income	21,373.1	22,451.2	23,489.2	24,742.4	26,098.8	27,527.7	28,812.9	30,244.4
% Ch	3.3	5.0	4.6	5.3	5.5	5.5	4.7	5.0
Employment (Millions)								
U.S. Civilian Labor Force	162.9	165.6	167.7	168.9	170.0	170.9	171.4	171.7
Total U.S. Employment	156.1	159.7	161.3	162.2	163.0	163.5	163.8	164.3
Unemployment Rate (%)	4.19	3.55	3.81	4.00	4.14	4.36	4.42	4.33
Nonfarm Payroll Employment	149.78	154.54	157.45	159.46	159.85	160.14	160.65	161.29
% Ch	4.8	3.2	1.9	1.3	0.2	0.2	0.3	0.4
Manufacturing	12.59	12.92	12.97	12.80	12.26	12.07	11.75	11.69
% Ch	3.5	2.6	0.4	-1.3	-4.3	-1.5	-2.7	-0.5
Durable Manufacturing	7.83	8.06	8.14	8.01	7.59	7.46	7.20	7.14
% Ch	3.5	2.9	1.1	-1.6	-5.4	-1.7	-3.4	-0.9
Nondurable Manufacturing	4.76	4.87	4.82	4.79	4.67	4.61	4.55	4.55
% Ch	3.4	2.1	-0.8	-0.7	-2.4	-1.2	-1.5	0.0
Construction	7.60	7.90	8.14	8.32	8.49	8.67	8.88	9.11
% Ch	3.7	3.9	3.1	2.3	1.9	2.2	2.4	2.6
Service-Providing	129.01	133.10	135.71	137.70	138.44	138.69	139.31	139.80
% Ch	5.0	3.2	2.0	1.5	0.5	0.2	0.4	0.4
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	87.8	81.5	79.8	75.4	71.3	68.5	66.7	65.4
Personal Saving/Disposable Income (%)	5.4	4.1	3.9	4.4	5.2	6.2	6.3	6.9
Auto Sales (Millions)	2.9	3.0	3.1	3.1	3.2	3.2	3.2	3.2
% Ch	-23.1	4.5	2.8	2.0	3.3	-0.5	-1.4	-0.2
Housing Starts (Millions)	1.654	1.421	1.405	1.391	1.399	1.407	1.416	1.433
% Ch	6.9	-14.1	-1.2	-1.0	0.6	0.6	0.6	1.2
Federal Budget Surplus (Billions)	-1,393.9	-1,413.3	-1,600.2	-1,542.6	-1,578.3	-1,623.4	-1,636.3	-1,642.4
Net Exports (Billions)	-981.0	-850.3	-833.3	-877.8	-805.1	-753.6	-685.2	-624.0
3-Month Treasury Bill Rate (%)	0.37	4.10	5.30	4.87	3.42	2.42	2.31	2.41
10-Year Treasury Note Yield (%)	1.93	3.54	4.36	3.98	3.52	3.28	3.13	3.23
Bond Index of 20 G.O. Munis. (%)	2.48	3.59	3.77	3.63	3.48	3.38	3.26	3.26
30-Year Fixed Mortgage Rate (%)	3.88	6.31	7.04	6.20	5.47	5.02	5.07	4.93

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
June	2.3	2.5	5.08	6.62

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
June	2.0	2.4	2.92	5.24

Table 1.4

Fiscal Years

Forecast Comparison

Forecast 2024 to 2029

	2023	2024	2025	2026	2027	2028	2029
U.S.							
Real GDP							
June	22,044.7	22,695.0	23,095.7	23,552.1	24,015.1	24,489.1	24,952.2
% Ch	1.6	3.0	1.8	2.0	2.0	2.0	1.9
February	22,044.7	22,625.3	22,962.7	23,419.7	23,882.2	24,340.5	24,789.2
% Ch	1.6	2.6	1.5	2.0	2.0	1.9	1.8
PCE Price Index							
June	118.6	121.9	125.0	128.1	131.0	133.9	136.9
% Ch	5.3	2.8	2.5	2.5	2.3	2.2	2.2
February	118.6	121.7	124.1	126.7	129.4	132.2	134.9
% Ch	5.3	2.6	1.9	2.2	2.1	2.1	2.1
Unemployment Rate							
June	3.55	3.81	4.00	4.14	4.36	4.42	4.33
February	3.55	3.77	4.04	4.15	4.16	4.13	4.12
Mortgage Rate							
June	6.31	7.04	6.20	5.47	5.02	5.07	4.93
February	6.31	6.85	5.74	5.30	4.95	4.95	4.86
3 Month T-Bill Rate							
June	4.10	5.30	4.87	3.42	2.42	2.31	2.41
February	4.10	5.27	4.10	2.74	2.43	2.30	2.40



Chapter 2: Washington Economy – Current Conditions and Forecast

- **The Washington economy continued to expand through the first quarter of 2024.**
- **Washington employment growth continued into 2024.**
- **The Washington unemployment rate rose to 4.9% in May from 4.8% in April.**
- **Washington housing construction ticked up in the first quarter of 2024.**
- **Seattle home prices increased in April and were up 7.5% compared with April 2023.**
- **Washington exports decreased 6.9% from the first quarter of 2023 to the first quarter of 2024.**
- **Seattle consumer price inflation continued to outpace the national average in June.**

Current Conditions

The Washington economy continued to expand into 2024

The Washington economy continued to expand in the first half of 2024. In May, the Washington unemployment rate rose from 4.8% to 4.9%, up from the historic low of 3.8% in the second quarter of 2023. Washington housing permits were mostly flat for the first part of 2024. Home prices in Seattle are up 7.5% compared with April 2023. Washington exports decreased 6.9% from the first quarter of 2023 to the first quarter of 2024. Seattle consumer price inflation continued to outpace the national average in June 2024.

Washington nonfarm payroll employment increased 42,800 in the first six months of 2024

We have six months of new Washington employment data since the February forecast was released. Employment growth has been stronger than expected compared to the previous forecast. Total seasonally adjusted nonfarm payroll employment increased by 42,800 in the first half of 2024. The February forecast called for growth of 18,200 over the same time period. Government employment grew by 11,000. Private service providing employment increased 23,000 since December, led by a 10,800 job gain in education and health services. For the six-month period, construction employment grew by 5,700 and

manufacturing adding 3,300 jobs. Aerospace product and equipment manufacturing employment growth made up the largest share of manufacturing growth, with 2,100 jobs added.

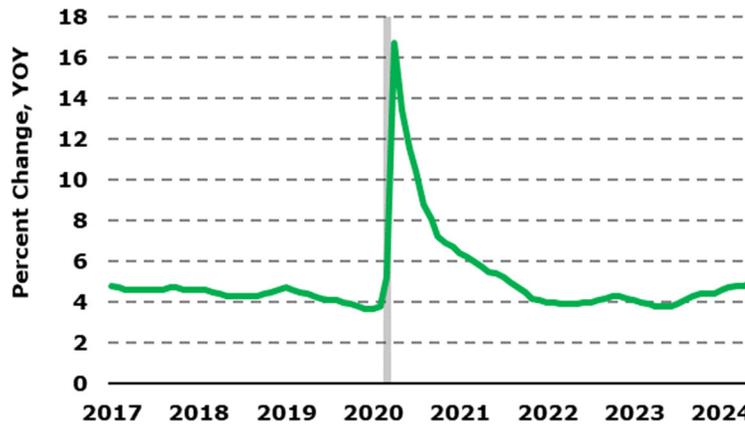
Revisions reduced the level of employment

We have also incorporated another quarter of benchmark employment data from the Quarterly Census of Employment and Wages (QCEW). The new QCEW data and other revisions to employment data subtracted 32,800 (-0.9%) to the estimated level of total employment in December 2023. Approximately 11,100 of the revision came from a misclassification of gig drivers that was erroneously included in the employment numbers and has since been corrected. The lower revisions combined with the stronger than expected job growth since the previous forecast has resulted in June employment being 8,300 lower than assumed in February.

Washington's unemployment rate has steadily increased

Washington's unemployment rate has steadily increased for the past year, increasing 1.1 percentage points from a year ago (see Figure 2.1). The unemployment rate increased to 4.9% in May from 4.8% in April. The jobless rate was near a historic all-time low at 3.8% during the second quarter of 2023. Labor force participation dropped to 63.7% in May, which is down from 64.5% a year ago.

Figure 2.1 Washington Unemployment Rate



Source: Employment Security Department, data through May 2024

Washington initial claims increased in June

Washington initial claims for unemployment insurance increased in June. The seasonally adjusted number of initial claims totaled 25,700, an increase of 5% compared to June 2023.

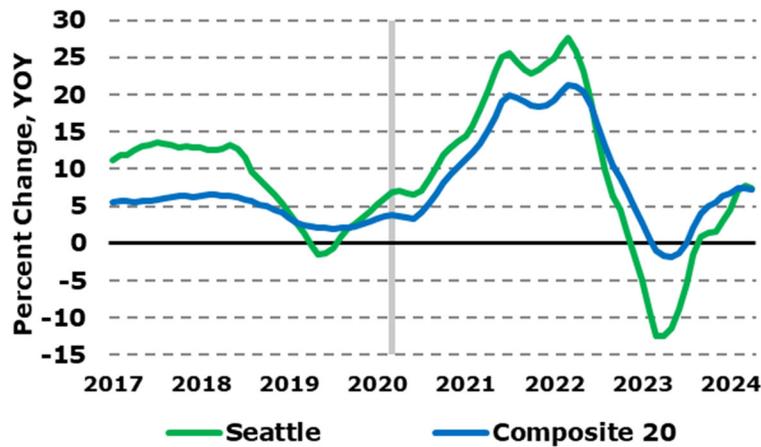
Washington housing permits increased in the first quarter of 2024

Washington housing permits ticked up in the first quarter of 2024. A total of 38,000 units (SAAR) were permitted in January, February, and March, up from 34,500 units (SAAR) in the fourth quarter. Permits in the first quarter consisted of 20,600 single-family units and 17,400 multi-family units. The February forecast assumed 38,750 units for the first quarter, consisting of 21,220 single-family units and 17,520 multi-family units.

Seattle-area home prices increased in April

According to the S&P/Case-Shiller Home Price Indices, Seattle-area home prices increased 0.1% in April which was lower than then the 0.4% composite-20 increase. Home prices in Seattle are up 7.5% compared with April 2023 (see Figure 2.2). In comparison, the composite-20 index was up 7.2% year-over-year in April.

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

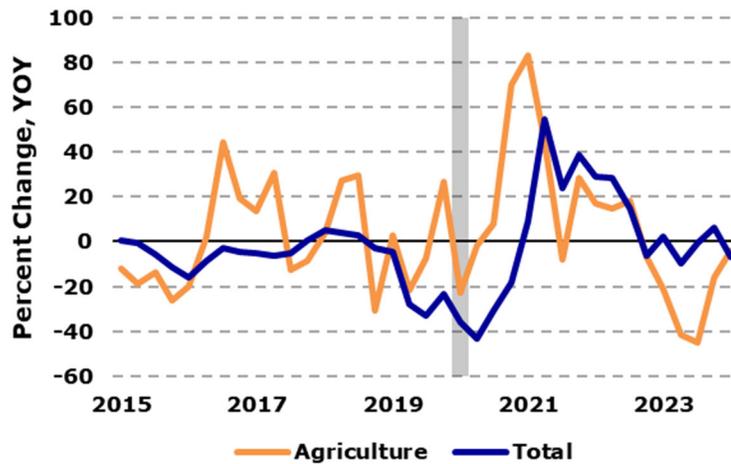


Source: S&P/Case-Shiller Home Price Indices; data through April 2024

Washington exports decreased 6.9% from the first quarter of 2023 to the first quarter of 2024

According to the World Institute for Strategic Economic Research (WISER), Washington exports decreased 6.9% from the first quarter of 2023 to the first quarter of 2024 (see Figure 2.3). Transportation equipment exports and agricultural exports both declined from this period last year, falling 18.1% and 4.1% respectively. Declines to those products were partially offset by a 54.2% increase to exports of petroleum and coal products.

Figure 2.3: Washington Exports



Source: Wiser Trade; data through 2024 Q1

Washington car and truck sales fell

Washington car and truck sales declined in June. Sales growth has been relatively flat since last summer until the recent fall. The seasonally adjusted number of new vehicle registrations fell 9.3% in June to 246,300 (SAAR). Passenger car registrations fell 7.5% while light truck registrations decreased 21.9%. The number of total registrations remained down 14.9% over the year in June.

Washington personal income growth trailed the national average in the first quarter of 2024

In July, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released the preliminary state personal income estimates for the first quarter of 2024. Washington personal income increased from \$635.6 billion (SAAR) in the fourth quarter of 2023 to \$645.1 billion in the first quarter of 2024. The 6.1% increase (SAAR) in Washington personal income was the 15th lowest among the states and District of Columbia and trailed the 7.0% (SAAR) rate of increase for the U.S. as a whole. Growth in Washington wages trailed the U.S. in the first quarter, with Washington wages increasing 4.1% (SAAR) compared to 5.5% (SAAR) for the nation. Dividends, interest, and rent grew 5.4% (SAAR) in Washington compared to 6.0% (SAAR) for the nation. Growth in transfer payments was strong for both Washington and the nation, increasing 18.4% (SAAR) and 16.8% (SAAR) respectively. The increase in transfer receipts in the first quarter of 2024 reflected a 3.2% cost-of-living adjustment for social security recipients, along with increases in refundable tax credits and Medicaid benefits.

Seattle consumer price inflation outpaced the national average in June 2024

Seattle-area consumer price inflation continues to outpace the national average. From June 2023 to June 2024, the Seattle CPI rose 3.8% compared to the 3.0% 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 5.2% and 5.1% respectively.

Core inflation (excluding food and energy) remains elevated. Seattle core CPI rose 4.4% in June compared to 3.3% for the U.S. City average.

Washington State Forecast

The Washington forecast features faster nominal personal income growth from 2025 - 2029

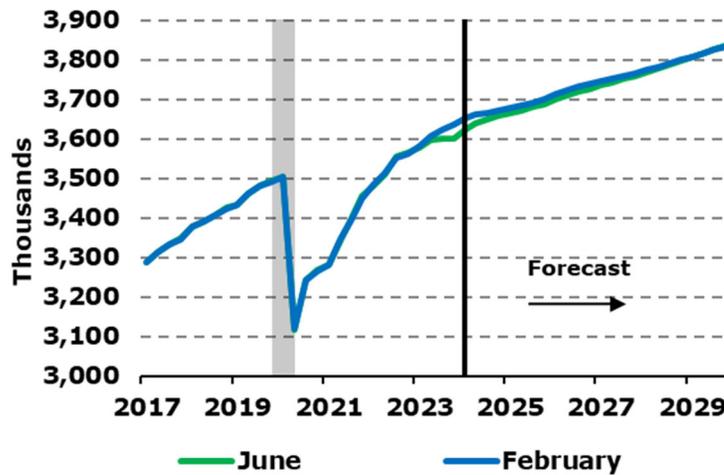
The Washington forecast features a slightly lower level of nominal personal income in 2024, but higher in the out-years compared to the February forecast, but lower employment throughout the forecast period. We expect a 5.3% increase in nominal Washington personal income this year, down from 5.4% in the February forecast. We expect a 1.3% increase in Washington employment this year, down from the 1.4% growth rate expected in the February forecast. We expect similar employment growth as the growth forecasted in the February forecast. By 2029, we forecast 1,000 more jobs than the February forecast. We expect housing permits to total 37,000 units this year, down from the February forecast, and we expect permits to average 43,000 units in 2025 through 2029, down from the 45,400 units in the February forecast. We expect the Seattle headline inflation to be 3.3% this year, up from 3.1% in the November forecast. We expect Seattle inflation to average 2.6% in 2025, up 0.5 percentage points from the February forecast. The Seattle CPI growth rate is predicted to gradually decline to 2.2% by 2029.

Washington Payroll Employment

Job growth is slightly stronger than in February from 2025-29

We expect slightly weaker job growth this year, but slightly stronger growth from 2025 through 2029 than in the February forecast (see Figure 2.4). Washington employment is expected to increase 1.3% this year, which is slightly below the 1.4% growth rate expected in the February forecast. We forecast employment growth to average 1.0% from 2025 through 2029, compared with 0.9% average annual growth expected in the February forecast. Forecasted payroll employment is nearly unchanged by the end of the forecast period (2029). We are projecting 1,000 more nonfarm payroll jobs for 2029 in the June forecast than we forecasted in the February forecast.

Figure 2.4: Nonfarm Payroll Employment



Source: Employment Security Department, ERFC; historical data through 2024 Q1

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 16,000 jobs, bringing the level to 82,800 in June 2024. We expect aerospace employment to continue to expand in Washington, reaching a total of 89,300 jobs by the end of 2029. On an annual average basis, we expect aerospace employment to grow 5.2% this year and 1.0% in 2025, 5.2% in 2026, then slowing to 2.6% in 2027, 0.7% in 2028 and -0.2% in 2029.

Software jobs are rebounding from a recent decline

Software sector employment in Washington peaked in early 2023 at 88,500 jobs and proceeded to shed 4,500 that year. The fortunes of this sector reversed in the first half of 2024. The sector added 2,200 jobs so far this year and is up to 86,700 in June 2024. We expect growth to continue during the remainder of the forecast with growth rates of 2.4% in 2025, 1.5% in 2026, 2.3% in 2027, 2.3% in 2028, and 1.9% in 2029.

Construction employment is expected to increase through 2029

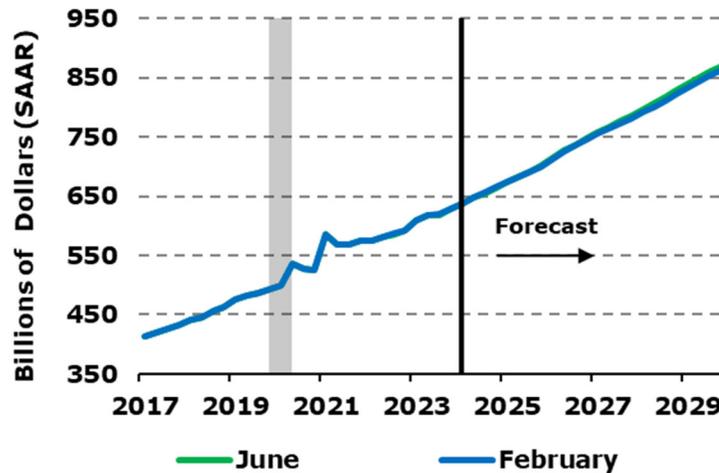
Construction has recovered more than all the jobs lost in the recession because of a surge in residential construction which peaked in 2021. As of June 2024, construction employment was 4.8% higher than at its prior peak in February 2020. We expect construction employment to continue to expand throughout the forecast period, rising to 275,200 by 2029. On an annual basis, we expect construction employment to grow by 3.3% in 2025, 3.2% in 2026, 3.5% in 2027, 3.3% in 2028, and 3.2% in 2029.

Washington Personal Income

Our forecast for nominal personal income growth this year is 5.5%

There is little change to near term forecast of nominal personal income growth this year. We forecasted 5.3% growth in the June forecast, down a little bit from 5.4% in the February forecast (see Figure 2.5). Our current forecast of nominal personal income growth is 5.5% in 2025, 6.5% in 2026, 5.5% in 2027, 5.3% in 2028, and 5.3% in 2029. These forecasted growth rates are slightly higher than the February forecast. The expected 2029 nominal personal income is \$6.4 billion greater than the 2029 forecasted amount from the February forecast.

Figure 2.5: Washington Personal Income



Source: Bureau of Economic Analysis, ERFC; historical data through 2024 Q1

Washington Building Permits

The Washington housing permit forecast is lower in 2024 than in February

The Washington housing permit forecast for 2024 is lower than in February but the growth rate is higher in 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 49,000 and 37,100 respectively. We believe permits will begin to recover in 2025. In February, we forecasted a rebound in 2024, but now we don't expect to see rebound until 2025, but continued modest growth afterwards. On a calendar year basis, we expect 39,900 units in 2025, 42,000 units in 2026, 43,600 units in 2027, 44,500 units in 2028 and 45,100 units in 2029.

Consumer Price Index

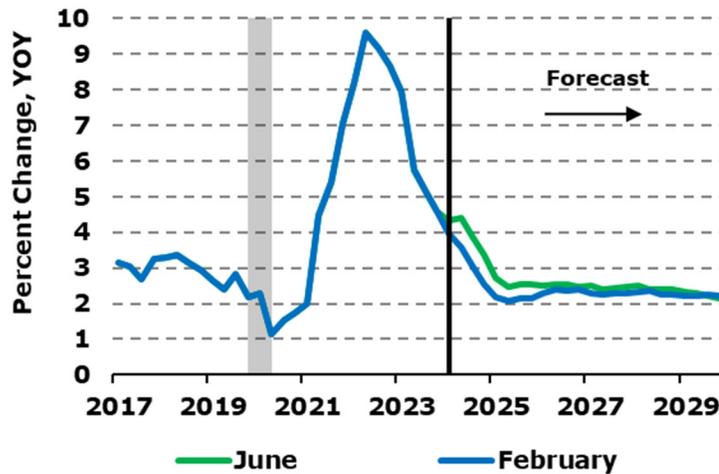
Seattle consumer price index remains elevated in 2024

Inflation growth is down from last year but remains stubbornly elevated. The near-term inflation outlook has increased since the February forecast, but we expect price pressures to continue to diminish into 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 4.0% this year, up 0.7 percentage points from the February forecast (see Figure 2.6). We expect Seattle inflation to average 2.6% in 2025, up 0.5 percentage points from the February forecast. The Seattle CPI growth rate is predicted to gradually decline to 2.2% by 2029.

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 2024 Q1

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 0.9 percentage points faster than the baseline through 2025, aided by reduced

uncertainty over a government shutdown in the fall. The economy then grows below trend through 2028. GDP rises on average 2.7% over 2024 and 2025, versus 2.1% in the base.

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 72,800 jobs (1.9%) than in the baseline forecast and Washington personal income is \$35.3 billion (4.1%) 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 second half of 2024, versus average growth of 1.7% in the baseline, and recovers weakly thereafter, remaining subdued relative to the baseline through late 2025. On an annual basis, GDP growth averages an unimpressive 1.1% through 2025, versus growth averaging 2.1% in the base case over 2024 and 2025.

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 second quarter of 2024 and then declines. Software employment also peaks in 2024 and remains essentially flat over the forecast period. Construction employment peaks in the fourth 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 196,900 (5.2%) lower than in the baseline forecast and Washington personal income is \$86.9 billion (10.2%) lower.

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

Governor’s Council of Economic Advisors (GCEA)

The Governor’s Council of Economic Advisors’ (GCEA) national forecast has higher real growth and slightly higher inflation for 2024

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 higher real growth and slightly lower inflation in 2025 and 2026 than our baseline forecast. The GCEA real GDP growth forecast averages 2.1% per year for 2024 through 2029, compared with our 2.0% per year rate. Their forecast of 2.0% average real consumer spending growth is slightly lower than our 2.1% average growth rate. The GCEA members’ personal consumption expenditures (PCE) inflation forecast averages 2.4% per year which is slightly higher than the 2.3% average rate in our forecast. The Council members’ mortgage rate forecast averages 5.8% over the six-year forecast horizon, slightly above our average mortgage rate forecast of 5.4%. The GCEA Brent oil price forecast averages \$81 per barrel which is higher than our \$75 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 3.1% per year for 2024 through 2029, compared to our 3.1% average. The Council members’ forecast for total employment growth over the six-year period averages 1.1% per year, compared with our 1.0% average growth. The Council members’ forecast for manufacturing employment growth over the six-year period averages 0.5% per year compared to our 0.1% average growth rate. The Council members’ forecast for construction employment growth over the six-year period averages 2.8% per year compared to our 2.9% average growth rate. The GCEA housing permit forecast averages 43,000 units per year compared to our forecast of 42,000 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 2017 Dollars)								
Real Personal Income	510.691	506.913	519.136	534.864	553.129	573.834	590.435	609.397
% Ch	-1.7	-0.7	2.4	3.0	3.4	3.7	2.9	3.2
Real Wage and Salary Disb.	269.504	271.980	281.423	289.459	296.557	306.622	313.882	323.580
% Ch	3.3	0.9	3.5	2.9	2.5	3.4	2.4	3.1
Real Nonwage Income	241.187	234.932	237.713	245.405	256.572	267.212	276.553	285.817
% Ch	-6.7	-2.6	1.2	3.2	4.6	4.1	3.5	3.3
Real Per Capita Income (\$/Person)	65,790	64,997	66,209	67,561	69,278	71,359	72,923	74,742
% Ch	-2.1	-1.2	1.9	2.0	2.5	3.0	2.2	2.5
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.126	1.186	1.219	1.250	1.281	1.310	1.339	1.369
% Ch	6.0	5.3	2.8	2.5	2.5	2.3	2.2	2.2
Seattle Cons. Price Index (1982-84=1.0)	3.089	3.332	3.485	3.594	3.685	3.776	3.869	3.960
% Ch	7.6	7.9	4.6	3.1	2.5	2.5	2.5	2.4
Average Nonfarm Annual Wage	85,395	87,975	92,561	96,339	100,325	105,037	108,960	113,633
% Ch	4.0	3.0	5.2	4.1	4.1	4.7	3.7	4.3
Avg. Hourly Earnings-Mfg. (\$/Hour)	29.08	29.54	31.02	32.72	33.96	35.32	36.54	37.85
% Ch	4.4	1.6	5.0	5.5	3.8	4.0	3.5	3.6
Current Dollar Income (Billions of Dollars)								
Personal Income	574.779	601.197	633.101	668.466	708.726	751.801	790.916	834.045
% Ch	4.1	4.6	5.3	5.6	6.0	6.1	5.2	5.5
Disposable Personal Income	498.922	525.159	555.868	584.769	619.239	655.903	687.619	724.523
% Ch	1.8	5.3	5.8	5.2	5.9	5.9	4.8	5.4
Per Capita Income (\$/Person)	74,044	77,086	80,742	84,436	88,765	93,490	97,682	102,294
% Ch	3.7	4.1	4.7	4.6	5.1	5.3	4.5	4.7
Employment (Thousands)								
Washington Civilian Labor Force	3,922.6	4,001.5	4,028.0	4,041.0	4,079.8	4,118.8	4,148.6	4,177.1
Total Washington Employment	3,754.7	3,839.6	3,845.9	3,842.6	3,879.4	3,917.2	3,950.0	3,985.8
Unemployment Rate (%)	4.28	4.05	4.52	4.91	4.91	4.89	4.79	4.58
Nonfarm Payroll Employment	3,461.8	3,574.7	3,616.6	3,662.6	3,694.6	3,731.5	3,765.4	3,803.6
% Ch	5.4	3.3	1.2	1.3	0.9	1.0	0.9	1.0
Manufacturing	263.7	272.3	276.1	274.2	273.1	275.9	275.0	275.7
% Ch	1.2	3.2	1.4	-0.7	-0.4	1.0	-0.3	0.2
Durable Manufacturing	177.8	185.1	190.7	189.3	190.1	193.5	193.3	193.1
% Ch	-0.5	4.1	3.0	-0.7	0.4	1.8	-0.1	-0.1
Aerospace	68.3	74.3	80.8	81.2	84.5	88.0	89.3	89.4
% Ch	-3.7	8.8	8.7	0.6	4.0	4.2	1.4	0.2
Nondurable Manufacturing	85.9	87.2	85.4	84.9	83.0	82.4	81.7	82.6
% Ch	4.7	1.5	-2.0	-0.6	-2.2	-0.8	-0.8	1.1
Construction	227.8	234.4	230.9	238.5	245.4	253.9	262.5	271.0
% Ch	3.8	2.9	-1.5	3.3	2.9	3.5	3.4	3.2
Service-Providing	2,964.7	3,062.5	3,104.2	3,145.1	3,171.3	3,196.8	3,222.6	3,251.4
% Ch	6.0	3.3	1.4	1.3	0.8	0.8	0.8	0.9
Software Publishers	82.8	87.5	84.7	86.6	88.3	89.9	92.1	93.9
% Ch	6.4	5.7	-3.2	2.3	1.9	1.8	2.5	1.9
Mgmt. of Companies and Enterprises	97.5	103.4	102.0	104.4	107.9	111.0	113.8	116.5
% Ch	6.8	6.0	-1.4	2.4	3.3	2.8	2.5	2.4
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	58.001	40.521	35.790	38.309	40.995	42.905	44.150	44.840
% Ch	17.3	-30.1	-11.7	7.0	7.0	4.7	2.9	1.6
Single-Family	23.888	16.768	20.036	20.571	21.817	23.296	24.076	24.450
% Ch	-8.8	-29.8	19.5	2.7	6.1	6.8	3.3	1.6
Multi-Family	34.113	23.753	15.754	17.738	19.179	19.609	20.074	20.390
% Ch	46.5	-30.4	-33.7	12.6	8.1	2.2	2.4	1.6
30-Year Fixed Mortgage Rate (%)	3.88	6.31	7.04	6.20	5.47	5.02	5.07	4.93

Table 2.2
Comparison of Alternative Forecasts

Fiscal Years

	2024	2025	2026	2027	2028	2029
U.S.						
Real GDP, Percent Change						
Optimistic	3.0	2.5	2.3	1.8	1.7	1.7
Baseline	3.0	1.8	2.0	2.0	2.0	2.0
Pessimistic	2.9	0.3	1.0	1.9	2.0	2.1
PCE Price Index, Percent Change						
Optimistic	2.8	2.7	2.6	2.1	2.1	2.1
Baseline	2.8	2.5	2.5	2.3	2.2	2.2
Pessimistic	2.8	2.8	2.1	1.5	1.4	1.4
Mortgage Rate, Percent						
Optimistic	7.03	6.32	5.47	5.13	5.09	5.05
Baseline	7.04	6.20	5.47	5.02	5.02	5.05
Pessimistic	7.04	6.33	5.01	4.38	4.30	4.23
3 Month T-Bill Rate, Percent						
Optimistic	5.32	5.32	4.08	2.70	2.67	2.64
Baseline	5.30	4.87	3.42	2.42	2.37	2.33
Pessimistic	5.31	4.47	1.85	0.59	0.58	0.58
Washington						
Real Personal Income, Percent Change						
Optimistic	2.8	5.1	4.4	3.9	3.8	3.7
Baseline	2.4	3.0	3.4	3.7	3.5	3.2
Pessimistic	2.0	0.2	1.4	3.1	3.2	3.1
Personal Income, Percent Change						
Optimistic	5.6	7.9	7.1	6.1	5.9	5.9
Baseline	5.3	5.6	6.0	6.1	5.8	5.5
Pessimistic	4.9	3.0	3.6	4.7	4.6	4.6
Employment, Percent Change						
Optimistic	1.2	1.9	1.1	1.2	1.2	1.3
Baseline	1.2	1.3	0.9	1.0	0.9	0.9
Pessimistic	1.1	-0.5	-0.8	0.1	0.2	0.3
Housing Permits, Thousands of Authorized Units						
Optimistic	35.9	39.1	42.8	45.5	46.0	46.6
Baseline	35.8	38.3	41.0	42.9	43.3	43.6
Pessimistic	35.7	35.1	35.4	36.2	36.4	36.7

Table 2.3
Governor's Council of Economic Advisor's Forecast

Calendar Years

	2024	2025	2026	2027	2028	2029
U.S.						
Real GDP						
<i>Growth</i>						
ERFC	2.3	1.8	2.0	2.0	1.9	1.9
GCEA Average	2.4	2.0	2.0	2.0	2.0	2.1
Real Consumption						
<i>Growth</i>						
ERFC	2.3	1.9	2.1	2.0	2.0	2.0
GCEA Average	2.2	1.8	2.2	2.0	1.9	2.1
PCE Price Index						
<i>Growth</i>						
ERFC	2.6	2.4	2.4	2.2	2.2	2.1
GCEA Average	2.7	2.3	2.3	2.3	2.4	2.2
Mortgage Rate						
<i>Percent</i>						
ERFC	6.7	5.8	5.1	5.1	5.0	4.9
GCEA Average	7.0	6.4	5.6	5.4	5.2	5.1
Oil Price (Brent)						
<i>Dollars per barrel</i>						
ERFC	82.4	77.9	74.8	72.7	71.2	70.2
GCEA Average	83.3	81.6	81.1	79.5	78.9	79.0
Washington State						
Real Personal Income						
<i>Growth</i>						
ERFC	2.6	3.0	3.9	3.2	3.0	3.1
GCEA Average	2.5	2.9	4.0	3.1	2.9	3.0
Wage and Salary Employment						
<i>Growth</i>						
ERFC	1.3	0.9	1.0	0.9	1.0	1.0
GCEA Average	1.4	1.2	1.1	1.0	1.0	1.0
Manufacturing Employment						
<i>Growth</i>						
ERFC	1.0	-1.7	1.2	0.1	-0.1	0.2
GCEA Average	0.9	-0.8	1.0	0.5	0.5	0.6
Construction Employment						
<i>Growth</i>						
ERFC	0.8	3.3	3.2	3.5	3.3	3.2
GCEA Average	1.1	2.8	3.0	3.2	3.2	3.2
Housing Permits						
<i>Thousands of authorized units</i>						
ERFC	37.0	39.9	42.0	43.6	44.5	45.1
GCEA Average	38.0	41.0	43.2	44.7	45.3	45.8
Washington Average Annual Wage						
<i>Growth</i>						
ERFC	4.3	3.8	4.9	4.1	3.9	4.3
GCEA Average	4.4	4.0	4.5	4.1	3.9	4.0

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
June	1.0	5.1	2.6	37.0

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
June	0.9	6.1	3.7	41.7

Table 2.6
Forecast Comparison
 Forecast 2024 to 2029

Fiscal Years

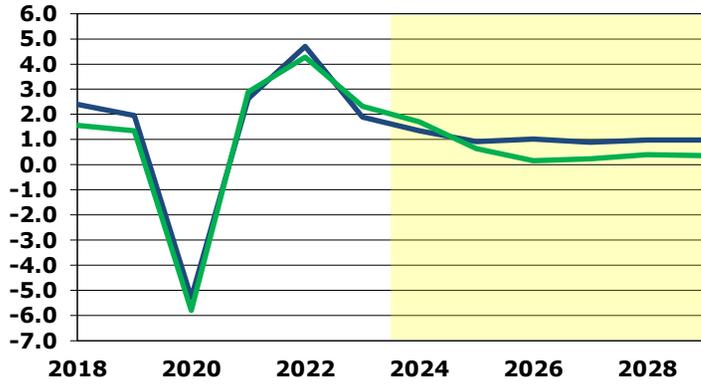
	2023	2024	2025	2026	2027	2028	2029
Washington							
Real Personal Income ¹							
June	506.913	519.136	534.864	553.129	573.834	590.435	609.397
% Ch	-0.7	2.4	3.0	3.4	3.7	2.9	3.2
February	479.268	492.281	511.019	528.421	548.682	563.985	581.257
% Ch	-0.7	2.7	3.8	3.4	3.8	2.8	3.1
Personal Income							
June	601.197	633.101	668.466	708.726	751.801	790.916	834.045
% Ch	4.6	5.3	5.6	6.0	6.1	5.2	5.5
February	601.277	632.990	669.538	707.302	749.938	787.247	828.176
% Ch	4.6	5.3	5.8	5.6	6.0	5.0	5.2
Employment							
June	3574.7	3616.6	3662.6	3694.6	3731.5	3765.4	3803.6
% Ch	3.3	1.2	1.3	0.9	1.0	0.9	1.0
February	3575.7	3643.6	3674.6	3707.6	3743.7	3770.9	3804.8
% Ch	3.3	1.9	0.9	0.9	1.0	0.7	0.9
Housing Permits							
June	40.521	35.790	38.309	40.995	42.905	44.150	44.840
% Ch	-30.1	-11.7	7.0	7.0	4.7	2.9	1.6
February	40.636	37.050	43.703	44.786	45.459	45.960	45.579
% Ch	-29.9	-8.8	18.0	2.5	1.5	1.1	-0.8

¹ Washington Real Personal Income was in 2012 dollars in February, 2017 dollars in June

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

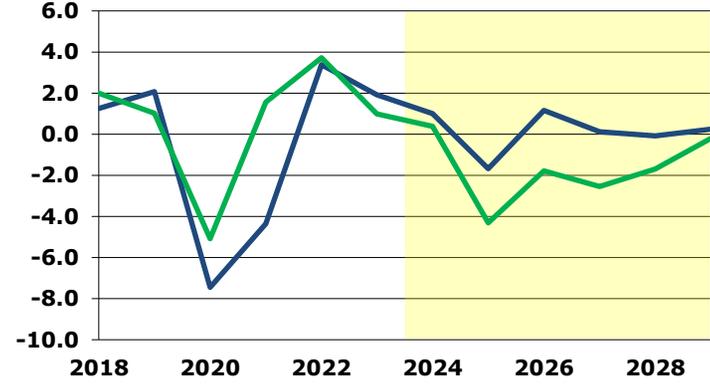
Forecast

Total Nonfarm Payroll Employment



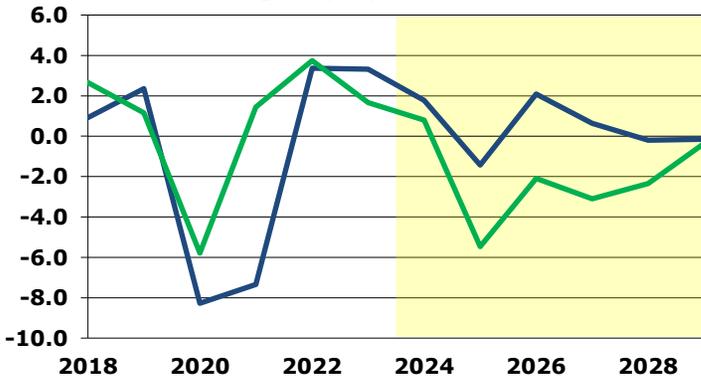
Source: WA State Employment Security Dept. 2023, ERFC 2029

Manufacturing Employment



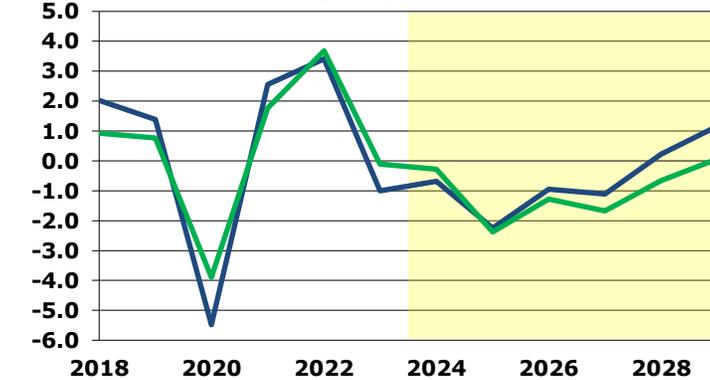
Source: WA State Employment Security Dept. 2023, ERFC 2029

Durable Manufacturing Employment



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

Nondurable Manufacturing Employment



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

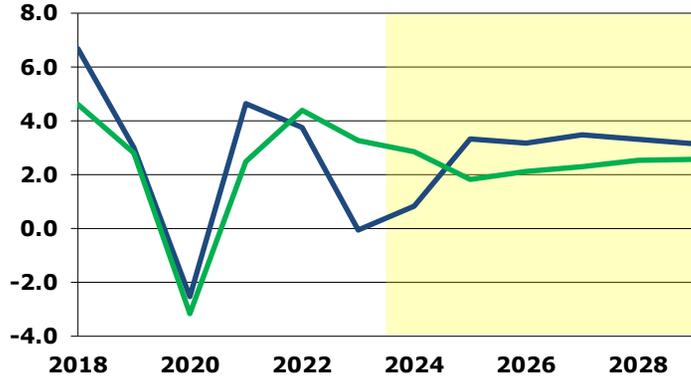
Washington

U.S.

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

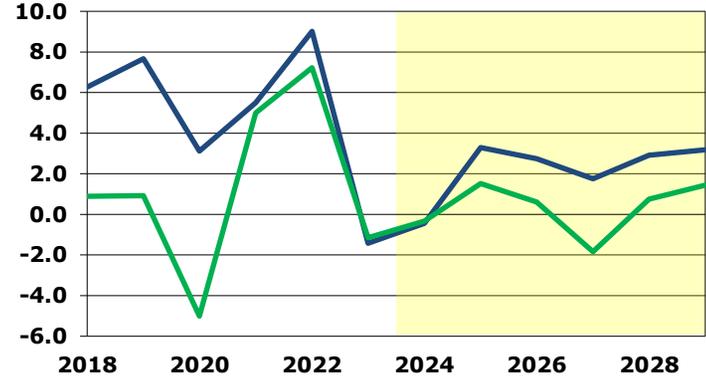
Forecast

Construction Employment



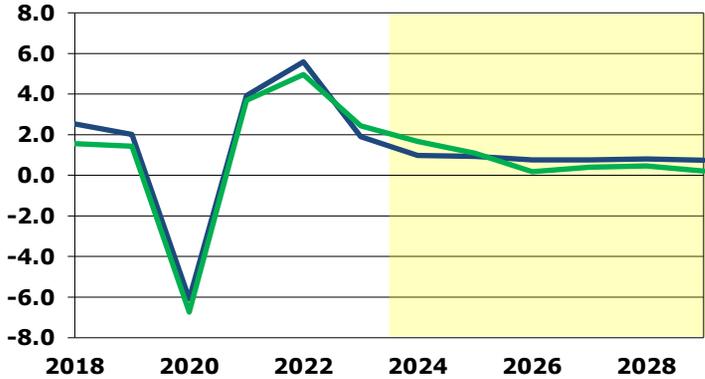
Source: WA State Employment Security Dept. 2023, ERFC 2029

Information Employment



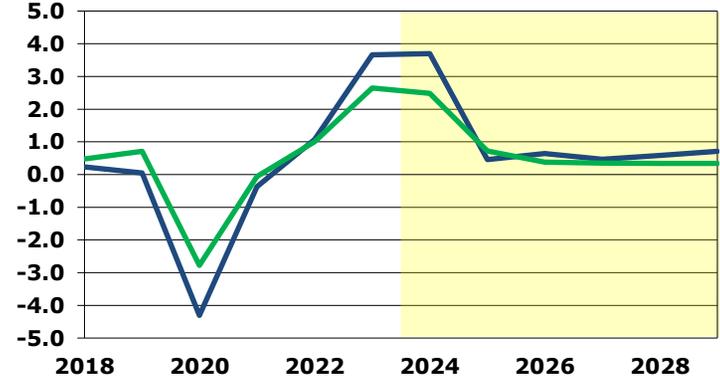
Source: WA State Employment Security Dept. 2023, ERFC 2029

Other Private Employment



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

Government Employment



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

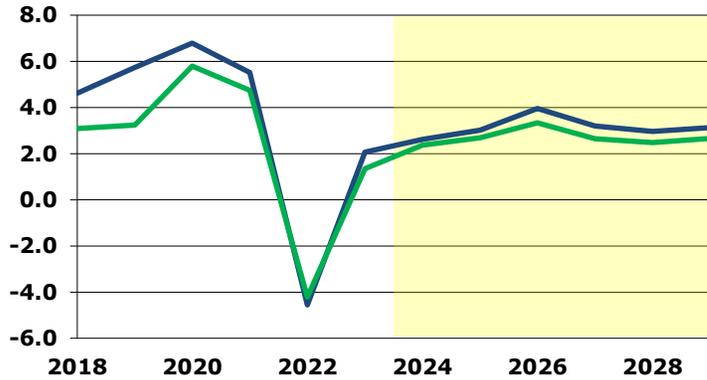
Washington

U.S.

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

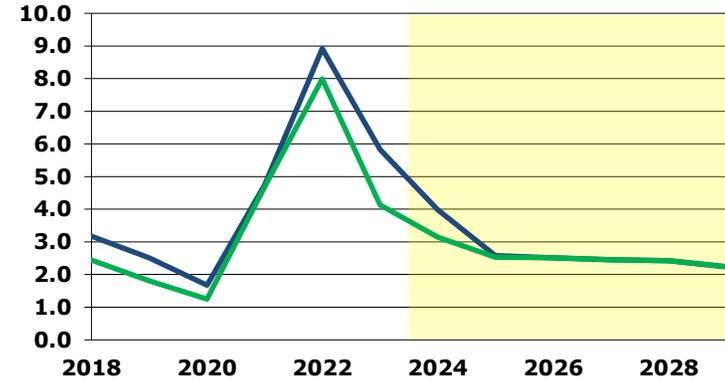
Forecast

Real Personal Income



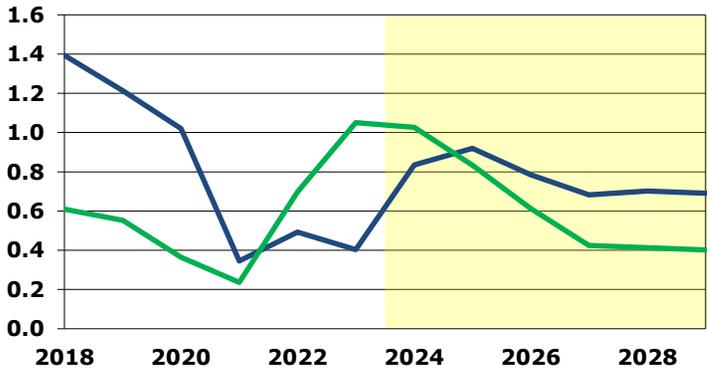
Source: Bureau of Economic Analysis 2023, ERFC 2029

Consumer Price Indices



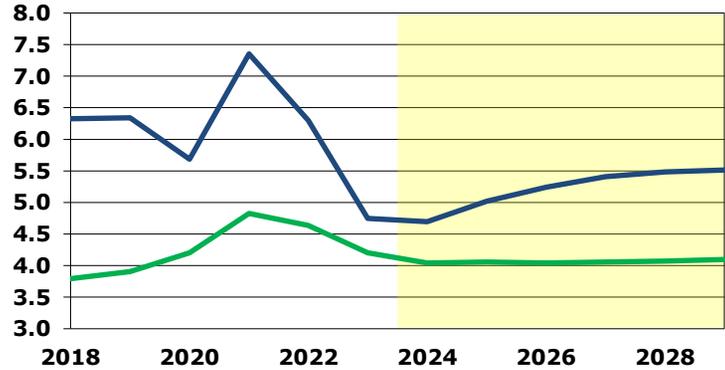
Source: Bureau of Labor Statistics 2023, ERFC 2029

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

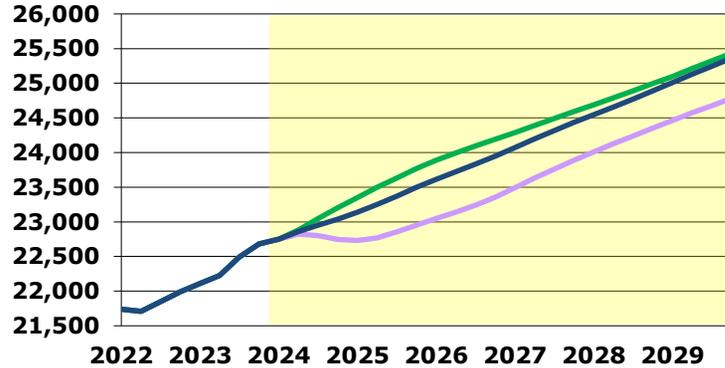
Washington

U.S.

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

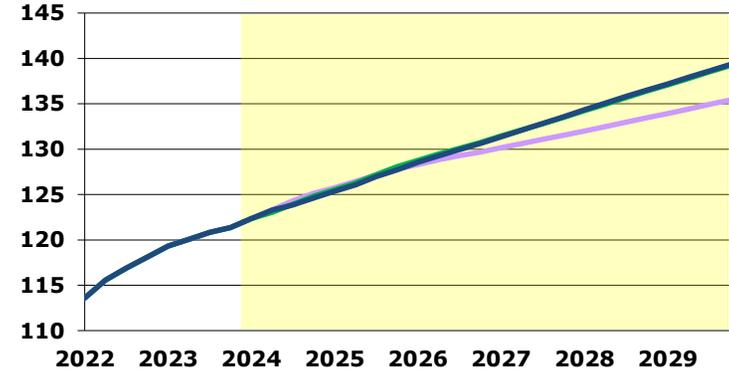
Forecast

Real GDP, Billions of 2017 Dollars



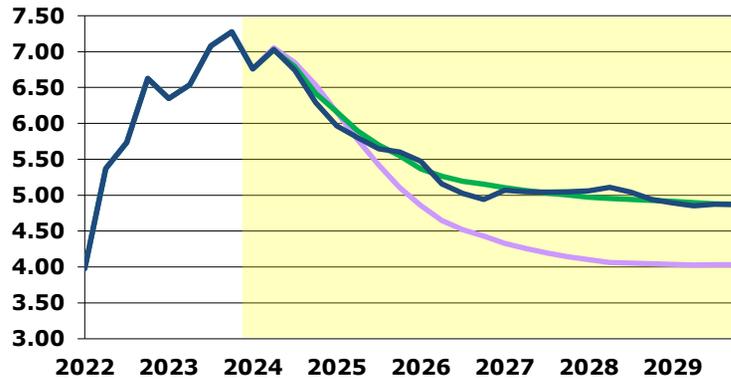
Source: Bureau of Economic Analysis 2024 Q1, ERFC 2029 Q4

PCE Price Index, 2017 = 100



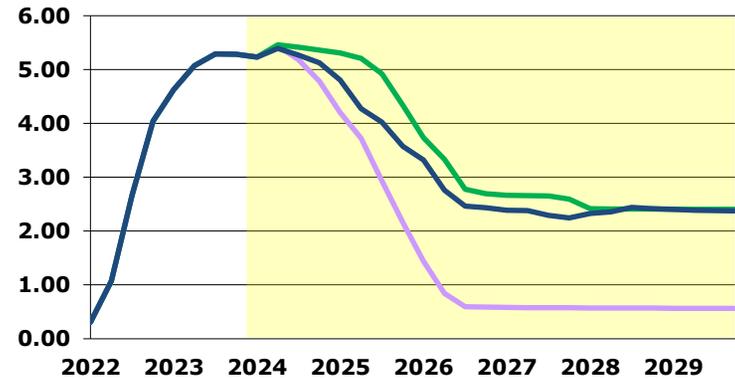
Source: Bureau of Economic Analysis 2024 Q1, ERFC 2029 Q4

Mortgage Rate, Percent



Source: Freddie Mac 2024 Q1, ERFC 2029 Q4

Three Month T-Bill Rate, Percent



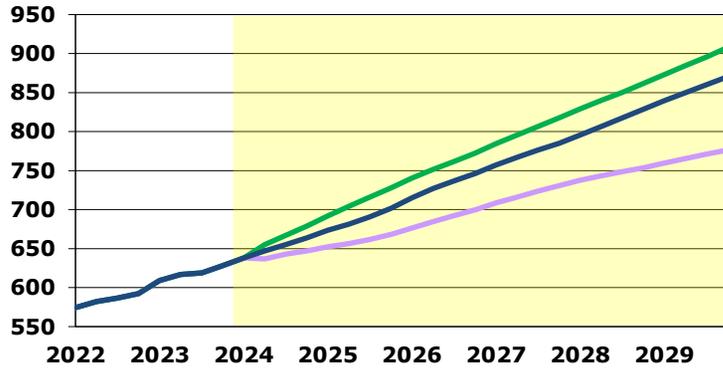
Source: Federal Reserve Board 2024 Q1, ERFC 2029 Q4

■ Baseline ■ Optimistic ■ Pessimistic

Figure 2.9: Comparison of Alternative Washington Economic Forecasts

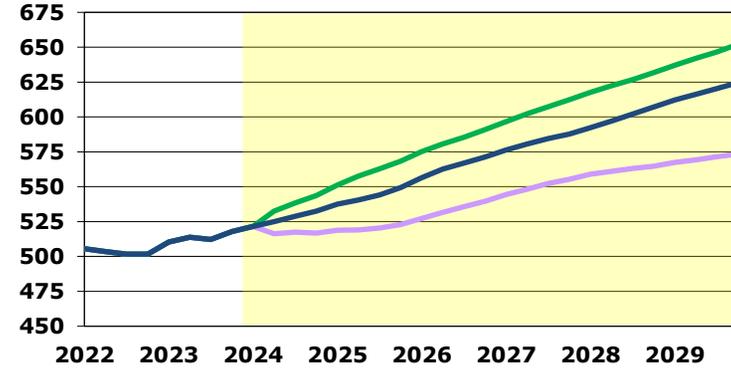
Forecast

Personal Income, Billions of Dollars



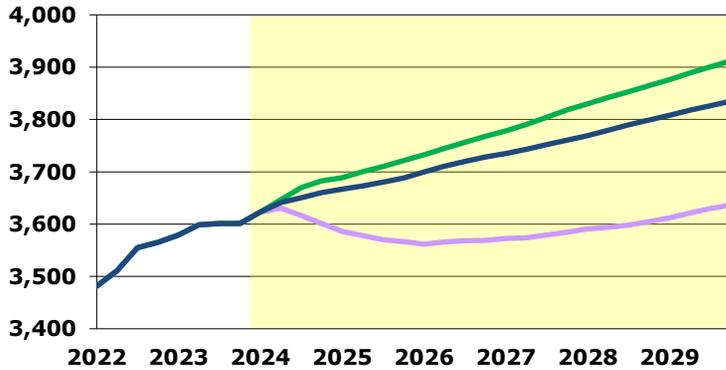
Source: Bureau of Economic Analysis 2024 Q1, ERFC 2029 Q4

Real Personal Income, Billions of 2017 Dollars



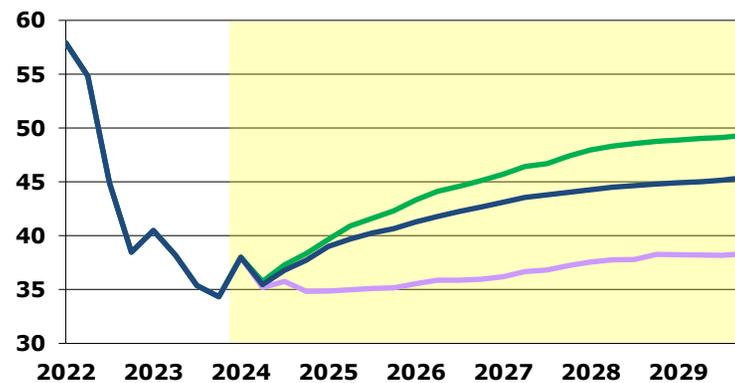
Source: Bureau of Economic Analysis 2024 Q1, ERFC 2029 Q4

Total Nonfarm Payroll Employment, Thousands



Source: WA State Employment Security 2024 Q1, ERFC 2029 Q4

Housing Permits, Thousands



Source: Census Bureau 2024 Q1, ERFC 2029 Q4

Baseline

Optimistic

Pessimistic



Chapter 3: Washington State Revenue Forecast Summary

- **Tracked revenue collections since February have come in close to their forecasted amounts.**
- **The June economic forecast of state personal income is lower through FY 2025 but higher in the following fiscal years. The forecast of housing permits is lower in all fiscal years. This has resulted in slight decreases in forecasted Revenue Act taxes in the current and next biennia and slight increases in the 2027-29 biennium.**
- **Forecasted real estate excise taxes have increased slightly due to higher-than-expected taxable activity.**
- **Net receipts of capital gains taxes in FY 2024 were much lower than those of FY 2023 and have prompted a lower forecast going forward.**
- **Legislative and budget-driven revenue changes from the 2024 legislative session produced slight decreases in the current and next biennia and slight increases in the 2027-29 biennium.**
- **The forecast of funds subject to the budget outlook process was decreased by \$477 million in the 2023-25 biennium and \$189 million in the 2025-27 biennium but increased by \$96 million in the 2027-29 biennium.**

Overview

Revenue collections have come in close to the forecast but the economic forecast is slightly weaker than the previous forecast in the near term

Total tracked revenue collections since February have come in close to their forecasted amounts. The June economic forecast projects slightly lower personal income than expected in February in FY 2024 and 2025 but higher income in fiscal years 2026 through 2029. Projected housing permits, however, are lower throughout the forecast period. These factors, along with observed recent activity, have resulted in decreases in forecasted Revenue Act taxes through fiscal year 2027 and slight increases thereafter. Forecasted real estate excise taxes have increased slightly due to the higher-than-expected taxable activity and lower forecasted mortgage rates. Net receipts of capital gains taxes in FY 2024 were much lower than those of FY 2023 and have prompted a lower forecast going forward. Legislative and budget-driven revenue changes from the 2024 legislative session produced slight decreases in the current and next biennia and slight increases in the 2027-29 biennium.

Total forecast change by biennium (millions):

23-25: -\$477
 25-27: -\$189
 27-29: +\$96

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 decreased by \$476.7 million in the 2023-25 biennium and \$189.0 million in the 2025-27 biennium but increased by \$96.1 million in the 2027-29 biennium. A portion of the forecast revision was due to legislation and budget-driven revenue changes from the 2024 session. These changes subtracted \$33.9 million in expected revenue from the current biennium and \$36.9 million from the next biennium but added \$33.8 million to revenue for the 2027-29 biennium. The June 2024 forecast for funds subject to the budget outlook process total \$66,528.4 million in the 2023-25 biennium, \$71,532.2 million in the 2025-27 biennium and \$77,044.4 million in the 2027-29 biennium.

June forecast by biennium (\$billions):

2023-25:
\$66.528

2025-27:
\$71.532

2027-29:
\$77.044

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

	2023-25 Biennium	2025-27 Biennium	2027-29 Biennium
Non-Economic Change	(\$33.9)	(\$36.9)	\$33.8
Forecast Change	(\$442.8)	(\$152.1)	\$62.3
Total Change	(\$476.7)	(\$189.0)	\$96.1

(*cash basis, millions of dollars)

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

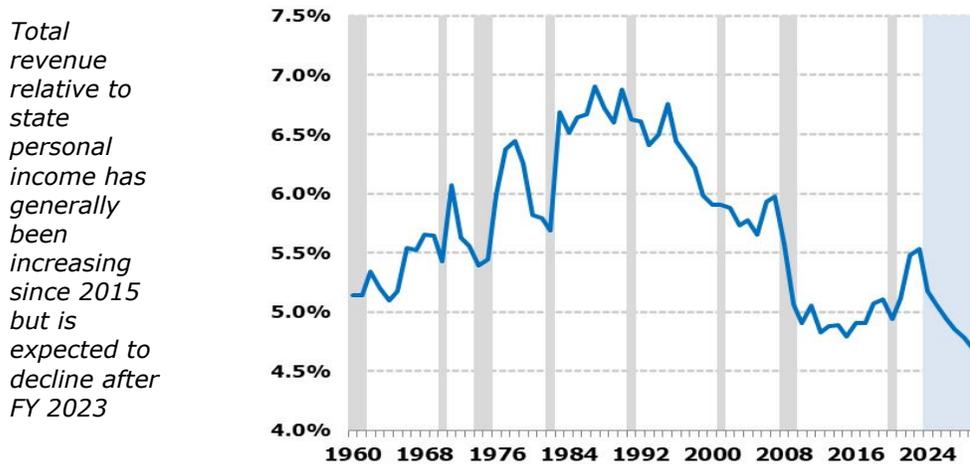
The budget outlook process ensures that the budget adopted for the current biennium will also be sustainable in the next biennium given forecasted revenue. The funds that are currently included when establishing the outlook are the General Fund-State, the Education Legacy Trust Account, the Washington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

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

Figure 3.1 shows the ratio of revenue collected for funds subject to the budget outlook relative to state personal income. Through FY 2005, the revenue represented in the chart is what is currently defined as 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)



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 \$787 million 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 \$6.69 billion (11.2%) higher than the initial forecast. Non-economic changes have increased the forecast by \$0.59 billion (1.0%). Excluding non-economic changes, the current forecast is \$6.09 billion (10.2%) 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 \$787 million (1.2%) higher than that sum. The February 2022 forecast was the initial forecast for the 2025-27 biennium. The current forecast for the biennium is \$1.51 billion (2.2%) higher than the initial forecast.

Recent Collection Experience

Tracked collections were \$14 million (0.1%) higher than forecasted in February

GF-S revenue collections from the Department of Revenue (DOR) and the Washington court system are tracked monthly. In the period since the February forecast, total revenue from the above sources came in \$13.8 million (0.1%) higher than expected (see Table 3.2). Revenue Act collections reported by the DOR were \$40.1 million (0.6%) lower than forecasted and revenue from other DOR tax sources was \$52.3 million (0.9%) higher than forecasted.

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

<u>Agency/Source</u>	<u>Collection Variance</u>	<u>Percent of Estimate</u>
Department of Revenue		
Revenue Act	(\$40.1)	-0.6%
Non-Revenue Act	\$52.3	1.9%
Subtotal	\$12.2	0.1%
Washington court system	\$1.6	10.3%
Total*	\$13.8	0.1%

* Detail may not add to total due to rounding.

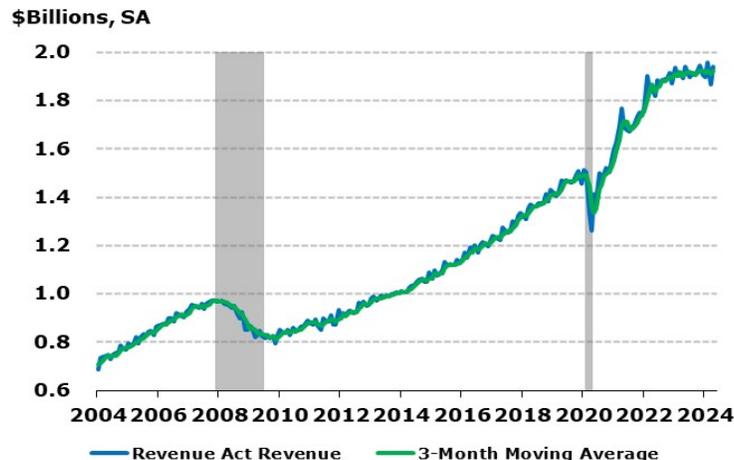
Source: ERFC; Period: February 11, 2023 - June 10, 2024

Non-Revenue Act DOR tax collections were higher than forecasted

Property tax collections came in \$44.6 million (2.1%) higher than forecasted. Real estate excise tax (REET) came in \$17.1 million (5.7%) higher than forecasted. Cigarette tax collections came in \$8.6 million (10.8%) lower than forecasted and liquor sales and liter tax receipts came in \$5.8 million (5.5%) lower than forecasted. Net deposits of unclaimed property into the GF-S were \$24.5 million higher than forecasted. Revenue from all other DOR revenue sources came in \$19.5 million (14.4%) lower than forecasted. Revenue from the Washington court system was \$1.6 million (10.3%) higher than forecasted.

Figure 3.2: Revenue Act Collections*

Adjusted total collections over the last four months were up 0.9% year over year



Source: ERFC; Data through June 10, 2024

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

Adjusted Revenue Act collections were up 0.03% year over year for first quarter 2024 activity after 1.0% growth in Q3 and Q4 of 2023

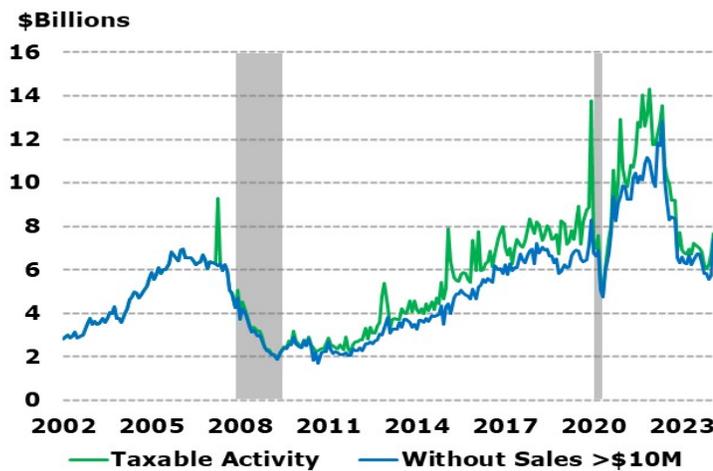
Figure 3.2 shows seasonally adjusted Revenue Act receipts excluding payments received under the tax amnesty program in early 2011 and other large payments. It is also adjusted for past changes in payment patterns and deferred payments in the first half of 2020. As shown in the figure, growth in collections began to slow in 2023. While seasonally adjusted collections have shown occasional month-to-month declines, year-over-year quarterly growth has remained low but positive. Adjusted collections for first quarter 2024 activity (February 11 – May 10, 2024 collections) were up only 0.03% year over year. 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. Adjusted collections for March 2024 activity were down 3.4% year over year while collections for April 2024 activity were up 3.4% year over year. Total adjusted collections in the four months since the last forecast were up 0.9% year over year.

Real estate activity has been higher than forecasted in February

Taxable real estate activity has been higher than the February forecast. Sales of property valued below \$10 million saw declines starting in the middle of 2023 but began to rebound in January and have since fluctuated around a higher level (see Figure 3.3). Large commercial sales (sales greater than \$10 million) are a bit lower than their usual levels, averaging \$450 million per month over the last four months.

Figure 3.3: Taxable Real Estate Excise Activity, SA

Residential sales activity has declined sharply since May 2022



Source: ERFC estimates through May 2024

Legislative and Budget-Driven Revenue Changes to the Forecast

Legislative and budget-driven revenue changes produced a relatively small net decrease in expected revenue

Table 3.20 summarizes the legislative and budget-driven revenue changes to the forecast from bills passed in the 2024 legislative session. The total effect of these changes, as summarized in Table 3.1 above, are relatively small. The largest impacts came from tax exemptions and deferrals and budget driven revenue changes to the distribution of Liquor and

Cannabis Board funds. Changes to the forecast resulting from new legislation are discussed in the relevant revenue source sections.

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 2023-25 biennium can be found in Table 3.5 (cash) and Table 3.6 (GAAP). Forecast changes for the 2025-27 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.

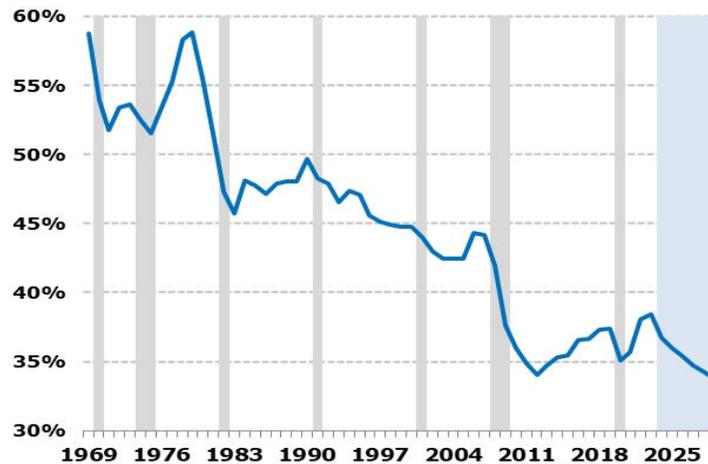
Department of Revenue

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 38.4%. 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.

New legislation has reduced expected retail sales tax receipts by \$61.5 million

As can be seen in Table 3.20, there were four new laws passed in the 2024 legislative session that impacted the retail sales tax. All of the laws reduced expected collections. The largest reduction came from deferral of sales taxes on improvements to the SR 520 corridor, which reduced expected collections by \$56.2 million through FY 2029. Altogether, the four laws reduced expected retail sales tax collections by a total of \$61.5 million through FY 2029.

Retail sales tax receipt growth forecast:

*FY24: 0.5%
FY25: 3.9%
FY26: 4.0%
FY27: 4.3%*

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 0.5% in FY 2024. Growth is then forecasted to increase to 3.5% in FY 2025, 4.1% in FY 2026, 4.2% in FY 2027, 3.8% in FY2028 and 3.7% 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 0.5% in FY 2024, 3.9% in FY 2025, 4.0% in FY 2026 and 4.3% in FY 2027 and 3.8% in FY 2028 and 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.

New legislation has reduced expected B&O collections by \$18.6 million

As can be seen in Table 3.20, there were three new laws passed in the 2024 legislative session that impacted the B&O tax. One exempted certain sales of emissions credits from taxation, one expanded a credit, and one increased the expected usage of a preferential tax rate. Altogether, the three laws reduced expected B&O tax collections by a total of \$18.6 million through FY 2029.

B&O tax growth forecast:

*FY24: 2.7%
FY25: 2.0%
FY26: 5.1%
FY27: 5.4%*

In FY 2019, B&O tax receipts grew by 6.9%. Despite a second quarter collapse in activity, FY 2020 growth remained positive at 3.6% followed by growth of 7.9% in FY 2021. Collections grew 14.5% in FY 2022 due to both strong activity and the receipt of several large one-time payments of past-due taxes. Strong activity continued in FY 2023, bringing collections growth of 9.8%. Growth is expected to slow to 2.7% in FY 2024 and 2.0% in FY 2025 but then accelerate to 5.1% in FY 2026, 5.4% in FY 2027 and 4.4% in FY 2028 and 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: 2.3%
FY25: 2.5%
FY26: 2.4%
FY27: 2.3%*

Constrained by prior law to a levy growth rate of one percent on existing property (or the rate of inflation if less than one percent), property tax collections grew by 1.9% in FY 2017. The first payments of the additional state levy began to arrive in the latter half of FY 2018, bringing total GF-S property tax growth of 31.4% for the fiscal year. Collections fell by 12.4% in FY 2019 due to a temporary reduction in the levy rate for calendar year 2019 and a \$936 million transfer of collections from the levy to the Education Legacy Trust Account (ELTA). Collections rebounded by 44.2% in FY 2020 due to a smaller \$83.8 million transfer to ELTA and the end of the temporary levy reduction in the second half of the year. FY 2021 collections grew by 27.3% due to a full year of collections at the unreduced levy rate along with the collection of some taxes that would have been collected in FY 2020 but were instead deferred due to the pandemic. Absent the extra payments from deferrals, growth slowed to

0.4% in FY 2022. Growth then increased to 1.5% in FY 2023. Collections growth is forecasted at 2.3% in FY 2024, 2.5% in FY 2025, 2.4% in FY 2026 and 2.3% in FY 2027 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: -14.9%
FY25: 14.7%
FY26: 9.4%
FY27: 10.5%*

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 14.9% in FY 2024. Growth is then expected to resume at 14.7% in FY 2025, 9.4% in FY 2026, 10.5% in FY 2027, 8.5% in FY 2028 and 5.2% in FY 2029.

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

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

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: -2.0%
FY25: -2.5%
FY26: 3.5%
FY27: 5.0%*

Use tax collections grew 9.0% in FY 2019, boosted by several large one-time purchases. Despite strong collections in the first half of the fiscal year, FY 2020 collections declined by 4.9%. Collections increased by 16.1% in FY 2021 and 7.4% in FY 2022 due to record high used car sales. While used car sales have moderated, large payments from other sectors increased growth to 12.6% in FY 2023. As taxable use tax activity returns to trend after FY 2023's elevated levels, collections are expected to decrease by 2.0% in FY 2024 and 2.5% in FY 2025. Growth then continues at 3.5% in FY 2026, 5.0% in FY 2027, 4.4% in FY 2028 and 4.3% in 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.

Two new laws impacted the public utility tax forecast

As can be seen in Table 3.20, there were two pieces of legislation in the 2024 session that impacted the public utilities tax. The bill that had the most impact was HB1976, which was designed to increase the use of a previously adopted credit that was expected to reach its mandated cap of \$75 million in FY 2029. The cap is now expected to be reached in FY 2027 so the credit will expire in that year. This has reduced expected collections by a cumulative \$47.3 million in FY 2025 through 2027 and increased collections by a cumulative \$37.5 million in FY 2028 and 2029.

Growth forecast:

*FY24: -2.1%
FY25: 3.8%
FY26: 4.1%
FY27: 5.6%*

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 2.1% in FY 2024 before growth resumes at 3.8% in FY 2025, 4.1% in FY 2026, 5.6% in FY 2027, 3.3% in FY 2028 and 3.5% in 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: -2.1%
FY25: -2.9%
FY26: 0.4%
FY27: 1.0%

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 2.1% in FY 2024 and 2.9% in FY 2025 before returning to growth of 0.4% in FY in FY 2026 and 1.0% in FY 2027 through 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: -9.1%
FY25: -1.3%
FY26: -3.3%
FY27: -3.1%

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 9.1% in FY 2024, 1.3% in FY 2025, 3.3% in FY 2026 and 3.1% in FY 2027. Collections are expected to decline by 3.5% in FY 2028 and 4.1% 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: *-\$17.5*
25-27: *-\$10.1*
27-29: *-\$8.2*

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. As can be seen in Table 3.20, forecasted GF-S distributions were decreased by a new law that provided exemption from cannabis taxes for certain users of medical cannabis. The exemption subtracts an expected \$0.9 million in the current biennium, \$8.4 million in the next biennium and \$11.2 million in the 2027-29 biennium. Including the losses from the exemption, the forecast of transfers for the 2023-25 biennium has been decreased \$17.5 million to \$266.9 million due to lower-than-expected sales since February. The net forecast of GF-S distributions for the 2025-27 biennium has been decreased \$10.1 million to \$304.9 million and the forecast for the 2027-29 biennium has been decreased \$8.2 million to \$327.5 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: *-\$8.9*
25-27: *-\$2.1*
27-29: *-\$4.4*

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 \$8.9 million to -\$38.1 million, the forecast for the 2025-27 biennium was decreased \$2.1 million to -\$132.7 million and the forecast for the 2027-29 biennium was reduced \$4.4 million to -\$154.1 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: *\$22.3*
25-27: *\$82.2*
27-29: *\$49.6*

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 \$22.3 million to \$644.9 million, the forecast of GF-S revenue for the 2025-27 biennium has been increased \$82.2 million to \$498.7 million and the forecast for the 2027-29 biennium has been increased \$49.6 million to \$356.3 million. The forecast increases were mainly due to expected higher average fund balances though forecasted effective interest rates also increased from FY 2024 through FY 2027.

Insurance Commissioner

*Forecast change by
biennium (millions):*

23-25: *-\$1.2*

25-27: *-\$1.3*

27-29: *-\$1.5*

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. As can be seen in Table 3.20, the forecast has been reduced by a new law that increased transfers of fire insurance premiums out of the GF-S and increased by a one-time change in budget-driven revenue in FY 2025. The net change in forecasted GF-S distributions for the 2023-25 biennium is a reduction of \$1.2 million, bringing the forecast to \$1,703.8 million. The forecast for the 2025-27 biennium has been decreased \$1.3 million to \$1,795.7 million and the forecast for the 2027-29 biennium has been decreased \$1.5 million to \$1,866.2 million.

Liquor and Cannabis Board

*Forecast
change by
biennium
(millions):*

23-25: *-\$27.2*

25-27: *-\$9.2*

27-29: *-\$7.0*

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. As can be seen in Table 3.20, the LCB forecast has been impacted by several budget-driven revenue changes. While the changes subtracted \$2.5 million from expected revenue for the current biennium, they have added \$30.2 million in the next biennium and \$30.9 million in the 2027-29 biennium. The budget-driven increases for the next two biennia, however, have been outweighed by a forecasted reduction in distributor fees stemming from a reduction in expected liquor sales. The net change in the forecast of GF-S distributions from these factors is a \$27.2 million decrease in the current biennium, a \$9.2 million decrease in the next biennium and a \$7.0 million reduction for the 2027-29 biennium. Forecasted LCB transfers to the GF-S are now \$573.5 million for the 2023-25 biennium, \$650.6 million for the 2025-27 biennium and \$696.9 million for the 2027-29 biennium.

Lottery Commission

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

23-25: *\$3.4*

25-27: *-\$1.0*

27-29: *-\$0.7*

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 \$3.4 million to \$94.9 million, while the forecast for the 2025-27 biennium is has been decreased

\$1.0 million to \$73.9 million and the forecast for the 2027-29 biennium has been decreased \$0.7 million to \$74.0 million.

Washington Court System

Forecast change by biennium (millions):

23-25: \$2.4
25-27: \$2.8
27-29: \$1.7

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 \$2.4 million to \$103.1 million, the forecast for the 2025-27 biennium has been increased \$2.8 million to \$105.6 million and the forecast for the 2027-29 biennium has been increased \$1.7 million to \$106.6 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 2023-25 and 2025-27 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: +\$2.40
25-27: +\$6.05

Pessimistic scenario (billions):

23-25: -\$2.64
25-27: -\$6.56

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, 20% to the optimistic scenario and 25% to the pessimistic scenario. The revenue implications of these alternative scenarios for the 2023-25 biennium are shown in Table 3.13 and those of the 2025-27 biennium are shown in Table 3.14. For the 2023-25 biennium, the optimistic forecast generates \$68.933 billion in revenue subject to the budget outlook process, \$2.404 billion (3.6%) more than the baseline scenario, while the pessimistic forecast produces \$63.890 billion in revenue, \$2.639 billion (4.0%) less than the baseline. For the 2025-27 biennium, the optimistic

forecast generates \$77.579 billion in GF-S revenue, \$6.047 billion (8.5%) more than the baseline scenario, while the pessimistic forecast produces \$64.968 billion in revenue, \$6.564 billion (9.2%) less than the baseline.

Washington Opportunity Pathways Account

OPA forecast change by biennium (millions):

23-25: *-\$26.7*
25-27: *-\$30.8*
27-29: *-\$28.5*

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. Since February, lottery receipts have been coming lower than forecasted, which has reduced the outlook going forward. The forecast of OPA revenue for the 2023-25 biennium has been decreased \$26.7 million to \$367.4 million and the forecast for the 2025-27 biennium has been decreased \$30.8 million to \$345.0 million. Forecasted revenue for the 2027-29 biennium has been decreased \$28.5 million to \$364.6 million. As can be seen in Table 3.20, budget-driven revenue changes decreased the forecast by \$0.1 million in the current biennium but increased the forecast by \$0.3 million in the next biennium and \$0.5 million in the 2027-29 biennium.

Education Legacy Trust Account

ELTA forecast change by biennium (millions):

23-25: *-\$188.1*
25-27: *-\$118.9*
27-29: *-\$46.7*

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 decreased in all three biennia due to a large reduction in forecasted capital gains tax revenue. While the tax brought in \$500 million in ELTA funds in FY 2023, reduced collections and large refunds have reduced expected receipts to \$363 million in FY 2024, a reduction of \$161 million from the February forecast. The forecasted reductions in the next five fiscal years are similar in magnitude. The reductions, however, were partially offset by large increases in forecasted estate taxes, which had been coming in well above previous forecasts, and slight increases in forecasted REET. The net forecast reductions were \$188.1 million in the 2023-25 biennium, \$118.9 million in the 2025-27 biennium and \$46.7 million in the 2027-29 biennium. Forecasted ELTA receipts are now \$1985.0 million for the 2023-25 biennium, \$2,259.4 million

for the 2025-27 biennium and \$2,549.1 million for the 2027-29 biennium.

Workforce Education Investment Account

WEIA forecast change by biennium (millions):

23-25: \$24.1
25-27: \$33.9
27-29: \$42.3

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 \$24.1 million in the 2023-25 biennium, \$33.9 million in the 2025-27 biennium and \$42.3 million in the 2027-29 biennium. WEIA revenue is now forecasted at \$879.8 million in the 2023-25 biennium, \$943.8 million in the 2025-27 biennium and \$1,019.9 million for the 2027-29 biennium. The WEIA forecast by fiscal year is presented in Table 3.19.

Budgetary Balance Sheet for the 2023-25 Biennium

Forecasted total reserves are \$3.250 billion at 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 \$2,811.6 million at the end of the 2023-25 biennium and total reserves for the GF-S, ELTA, OPA and WEIA accounts of \$3,249.7 million.

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

<u>Biennium</u>	<u>Current Dollars</u>	<u>Percent Change</u>	2017	
			<u>Chained Dollars</u>	<u>Percent Change</u>
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%	8,767.4	31.7%
1971-73	1,922.1	10.9%	8,999.4	2.6%
1973-75	2,372.4	23.4%	9,597.2	6.6%
1975-77	3,395.0	43.1%	11,947.7	24.5%
1977-79	4,490.0	32.3%	13,876.7	16.1%
1979-81	5,356.4	19.3%	13,769.6	-0.8%
1981-83	6,801.4	27.0%	15,215.1	10.5%
1983-85	8,202.4	20.6%	16,933.2	11.3%
1985-87	9,574.6	16.7%	18,659.6	10.2%
1987-89	10,934.1	14.2%	19,899.6	6.6%
1989-91	13,309.0	21.7%	22,307.3	12.1%
1991-93	14,862.2	11.7%	23,436.5	5.1%
1993-95	16,564.6	11.5%	24,957.7	6.5%
1995-97	17,637.7	6.5%	25,500.0	2.2%
1997-99	19,620.1	11.2%	27,623.2	8.3%
1999-01	21,262.1	8.4%	28,808.1	4.3%
2001-03	21,140.7	-0.6%	27,679.1	-3.9%
2003-05	23,388.5	10.6%	29,300.7	5.9%
2005-07	27,772.0	18.7%	32,897.0	12.3%
2007-09	27,703.0	-0.2%	31,307.7	-4.8%
2009-11	28,218.1	1.9%	31,112.2	-0.6%
2011-13	30,657.0	8.6%	32,452.7	4.3%
2013-15	33,666.0	9.8%	34,762.6	7.1%
2015-17	38,317.4	13.8%	38,929.8	12.0%
2017-19	44,142.6	15.2%	43,318.5	11.3%
2019-21	50,803.4	15.1%	48,330.2	11.6%
2021-23	61,001.6	20.1%	52,777.9	9.2%
2023-25 ^F	63,296.1	3.8%	51,269.3	-2.9%
2025-27 ^F	67,983.9	7.4%	52,471.7	2.3%
2027-29 ^F	73,110.8	7.5%	53,995.1	2.9%

^F June 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 June 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	232,282	0.5%
2025 ^F	240,464	3.5%
2026 ^F	250,332	4.1%
2027 ^F	260,945	4.2%
2028 ^F	270,901	3.8%
2029 ^F	281,007	3.7%

^F June 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	Feb 2024 Forecast¹	Legislative Changes	Forecast Revision	Jun 2024 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$30,549.7	(\$15.3)	(\$209.0)	\$30,325.4	(\$224.3)
Business & Occupation Use	12,970.6	(1.8)	(44.4)	12,924.4	(46.1)
Public Utility	1,942.1	0.0	12.9	1,955.0	12.9
Liquor Sales/Liter	1,122.7	(14.0)	(17.6)	1,091.1	(31.6)
Cigarette	704.8	0.0	(22.5)	682.3	(22.5)
Property (State Levy)	512.6	0.0	(19.5)	493.2	(19.5)
Real Estate Excise	9,329.7	0.0	(19.8)	9,309.9	(19.8)
Timber Excise	1,995.2	0.0	42.0	2,037.1	42.0
Other	6.1	0.0	(2.3)	3.9	(2.3)
Subtotal	1,357.4	0.0	34.4	1,391.8	34.4
	60,491.0	(31.1)	(245.8)	60,214.1	(276.9)
Insurance Commissioner					
Insurance Premiums	1,704.9	(0.1)	(1.1)	1,703.8	(1.2)
Liquor Control Board					
Fees, Cannabis Excise Tax	542.4	(2.5)	(23.5)	516.4	(26.0)
Beer & Wine Surtax	58.3	0.0	(1.2)	57.1	(1.2)
Lottery Commission					
Lottery Revenue	91.5	0.0	3.4	94.9	3.4
State Treasurer					
Interest Earnings	622.6	0.0	22.3	644.9	22.3
Office of Financial Management					
Other Agencies	(29.2)	0.0	(8.9)	(38.1)	(8.9)
Washington Court System					
Court Fees, Fines & Forfeitures	100.7	0.0	2.4	103.1	2.4
Total General Fund-State *	\$63,582.2	(\$33.6)	(\$252.4)	\$63,296.1	(\$286.1)

¹ Forecast for the 2023-25 biennium adopted by the Economic and Revenue Forecast Council February 14, 2024

² Forecast for the 2023-25 biennium, adopted June 26, 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	Feb 2024 Forecast¹	Legislative Changes	Forecast Revision	Jun 2024 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$30,549.7	(\$15.3)	(\$209.0)	\$30,325.4	(\$224.3)
Business & Occupation	12,970.6	(1.8)	(44.4)	12,924.4	(46.1)
Use	1,942.1	0.0	12.9	1,955.0	12.9
Public Utility	1,122.7	(14.0)	(17.6)	1,091.1	(31.6)
Liquor Sales/Liter	704.8	0.0	(22.5)	682.3	(22.5)
Cigarette	512.6	0.0	(19.5)	493.2	(19.5)
Property (State Levy)	9,329.7	0.0	(19.8)	9,309.9	(19.8)
Real Estate Excise	1,995.2	0.0	42.0	2,037.1	42.0
Timber Excise	4.1	0.0	(0.2)	3.9	(0.2)
Other	1,357.4	0.0	34.0	1,391.4	34.0
Subtotal	60,488.9	(31.1)	(244.1)	60,213.7	(275.2)
Insurance Commissioner					
Insurance Premiums	1,704.9	(0.1)	(1.1)	1,703.8	(1.2)
Liquor Control Board					
Fees, Cannabis Excise Tax	542.4	(2.5)	(23.5)	516.4	(26.0)
Beer & Wine Surtax	58.3	0.0	(1.2)	57.1	(1.2)
Lottery Commission					
Lottery Revenue	92.3	0.0	2.6	94.9	2.6
State Treasurer					
Interest Earnings	617.8	0.0	25.0	642.9	25.0
Office of Financial Management					
Other Agencies	(29.2)	0.0	(8.9)	(38.1)	(8.9)
Washington Court System					
Court Fees, Fines & Forfeitures	100.7	0.0	2.4	103.1	2.4
Total General Fund-State *	\$63,576.2	(\$33.6)	(\$248.8)	\$63,293.7	(\$282.5)

¹ Forecast for the 2023-25 biennium adopted by the Economic and Revenue Forecast Council February 14, 2024² Forecast for the 2023-25 biennium, adopted June 26, 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	Feb 2024 Forecast¹	Legislative Changes	Forecast Revision	Jun 2024 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$32,949.0	(\$24.6)	(\$90.1)	\$32,834.3	(\$114.7)
Business & Occupation Use	14,097.4	(7.0)	3.1	14,093.6	(3.9)
Public Utility	2,054.8	0.0	(7.5)	2,047.2	(7.5)
Liquor Sales/Liter	1,202.0	(33.7)	21.6	1,189.9	(12.1)
Cigarette	712.4	0.0	(34.1)	678.3	(34.1)
Property (State Levy)	477.6	0.0	(11.3)	466.3	(11.3)
Real Estate Excise	9,767.2	0.0	(2.1)	9,765.1	(2.1)
Timber Excise	2,486.4	0.0	19.7	2,506.1	19.7
Other	5.8	0.0	(2.0)	3.9	(2.0)
Subtotal	1,384.0	0.0	23.4	1,407.4	23.4
Insurance Commissioner	65,136.7	(65.3)	(79.3)	64,992.1	(144.6)
Insurance Premiums	1,797.0	(1.3)	0.0	1,795.7	(1.3)
Liquor Control Board					
Fees, Cannabis Excise Tax	600.6	30.2	(38.3)	592.5	(8.1)
Beer & Wine Surtax	59.1	0.0	(1.1)	58.1	(1.1)
Lottery Commission					
Lottery Revenue	74.9	0.0	(1.0)	73.9	(1.0)
State Treasurer					
Interest Earnings	416.5	0.0	82.2	498.7	82.2
Office of Financial Management					
Other Agencies	(130.6)	0.0	(2.1)	(132.7)	(2.1)
Washington Court System					
Court Fees, Fines & Forfeitures	102.8	0.0	2.8	105.6	2.8
Total General Fund-State *	\$68,057.2	(\$36.4)	(\$36.9)	\$67,983.9	(\$73.2)

¹ Forecast for the 2025-27 biennium adopted by the Economic and Revenue Forecast Council February 14, 2024

² Forecast for the 2025-27 biennium, adopted June 26, 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	Feb 2024 Forecast¹	Legislative Changes	Forecast Revision	Jun 2024 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$32,949.0	(\$24.6)	(\$90.1)	\$32,834.3	(\$114.7)
Business & Occupation Use	14,097.4	(7.0)	3.1	14,093.6	(3.9)
Public Utility	2,054.8	0.0	(7.5)	2,047.2	(7.5)
Liquor Sales/Liter	1,202.0	(33.7)	21.6	1,189.9	(12.1)
Cigarette	712.4	0.0	(34.1)	678.3	(34.1)
Property (State Levy)	477.6	0.0	(11.3)	466.3	(11.3)
Real Estate Excise	9,767.2	0.0	(2.1)	9,765.1	(2.1)
Timber Excise	2,486.4	0.0	19.7	2,506.1	19.7
Other	4.2	0.0	(0.3)	3.9	(0.3)
Subtotal	1,384.0	0.0	23.4	1,407.4	23.4
	65,135.1	(65.3)	(77.7)	64,992.1	(143.0)
Insurance Commissioner					
Insurance Premiums	1,797.0	(1.3)	0.0	1,795.7	(1.3)
Liquor Control Board					
Fees, Cannabis Excise Tax	600.6	30.2	(38.3)	592.5	(8.1)
Beer & Wine Surtax	59.1	0.0	(1.1)	58.1	(1.1)
Lottery Commission					
Lottery Revenue	74.4	0.0	(0.5)	74.0	(0.5)
State Treasurer					
Interest Earnings	408.5	0.0	82.0	490.5	82.0
Office of Financial Management					
Other Agencies	(130.6)	0.0	(2.1)	(132.7)	(2.1)
Washington Court System					
Court Fees, Fines & Forfeitures	102.8	0.0	2.8	105.6	2.8
Total General Fund-State *	\$68,047.1	(\$36.4)	(\$34.9)	\$67,975.8	(\$71.2)

¹ Forecast for the 2025-27 biennium adopted by the Economic and Revenue Forecast Council February 14, 2024

² Forecast for the 2025-27 biennium, adopted June 26, 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
June 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	\$14,871.9	\$15,453.4	\$30,325.4	\$16,071.1	\$16,763.2	\$32,834.3	\$17,402.5	\$18,061.6	\$35,464.1
Business & occupation Use**	5,677.3	6,231.8	11,909.2	6,397.8	6,526.6	12,924.4	6,862.4	7,231.2	14,093.6	7,551.4	7,885.0	15,436.4
Public Utility	486.7	546.8	1,033.5	535.4	555.7	1,091.1	578.6	611.3	1,189.9	631.2	653.3	1,284.5
Liquor sales/liter	348.5	353.7	702.2	346.2	336.1	682.3	337.4	340.9	678.3	344.5	348.1	692.5
Beer & wine surtax	28.9	31.7	60.6	28.3	28.7	57.1	28.9	29.1	58.1	29.3	29.6	58.9
Cigarette	318.9	280.6	599.4	255.0	252.4	507.4	244.3	237.3	481.6	229.4	220.4	449.8
Tobacco products	45.9	46.6	92.5	46.4	45.0	91.4	44.9	44.7	89.6	44.6	44.5	89.1
Cannabis Excise Taxes	173.0	137.7	310.7	123.6	136.0	259.6	146.0	151.6	297.6	156.6	163.4	320.0
Property (state school levy)	4,426.9	4,492.7	8,919.6	4,597.6	4,712.3	9,309.9	4,826.3	4,938.8	9,765.1	5,053.2	5,170.8	10,224.0
Leasehold Excise Tax	40.7	45.6	86.4	48.9	49.7	98.6	49.8	49.9	99.7	50.0	50.1	100.2
Public utility district	59.6	63.2	122.8	62.0	63.4	125.4	64.8	66.3	131.0	67.9	69.4	137.3
Brokered Natural Gas	40.7	72.4	113.1	44.6	44.8	89.4	45.3	46.3	91.6	47.2	48.2	95.5
Real estate excise***	1,982.9	1,114.9	3,097.9	948.8	1,088.4	2,037.1	1,190.5	1,315.6	2,506.1	1,427.7	1,501.6	2,929.3
Timber excise	5.5	3.4	8.9	2.0	1.9	3.9	1.9	2.0	3.9	2.0	2.0	4.0
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	15.6	15.6	31.2	15.4	15.4	30.7	15.4	15.4	30.7
Insurance premiums	784.5	803.2	1,587.7	817.0	886.8	1,703.8	889.2	906.5	1,795.7	924.1	942.0	1,866.2
Penalties and interest on past due taxes	118.0	190.3	308.3	183.8	181.9	365.7	188.4	195.1	383.5	202.1	209.2	411.3
Other	62.2	52.4	114.6	57.7	56.3	114.0	57.2	58.1	115.4	58.9	59.8	118.7
Total Taxes	29,516.8	30,288.4	59,805.2	30,372.7	31,400.0	61,772.7	32,641.2	34,051.9	66,693.0	35,332.7	36,616.7	71,949.4
State Non-Tax Sources												
Licenses, permits, fees	180.9	190.0	371.0	180.5	181.7	362.2	185.7	40.2	226.0	194.1	197.7	391.8
Liquor & Cannabis fees	160.9	147.8	308.7	137.4	119.4	256.8	143.6	151.3	294.9	156.5	161.5	318.0
Earnings on investments	36.7	197.1	233.8	328.0	316.9	644.9	276.7	222.0	498.7	180.1	176.2	356.3
Washington Court System	42.7	42.5	85.2	51.1	52.0	103.1	52.7	53.0	105.6	53.2	53.4	106.6
Transfers of unclaimed property	154.3	181.6	336.0	209.9	189.7	399.6	190.6	191.5	382.1	192.7	194.0	386.7
Other revenue & transfers	(62.6)	(75.7)	(138.3)	(110.9)	(132.2)	(243.1)	(180.5)	(35.8)	(216.3)	(194.5)	(203.5)	(397.9)
Total Non-Tax	512.9	683.5	1,196.4	796.0	727.4	1,523.4	668.7	622.2	1,290.9	582.1	579.2	1,161.3
Total General Fund-State *	\$30,029.7	\$30,971.9	\$61,001.6	\$31,168.7	\$32,127.4	\$63,296.1	\$33,309.9	\$34,674.0	\$67,983.9	\$35,914.8	\$37,195.9	\$73,110.8

* 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 June 2024

Cash Basis - Millions of Dollars

Date of Forecast	General Fund-State	Education Legacy Trust Acct.	Washington Opportunity Pathways Acct.	Workforce Education Investment Acct.	Subtotal	Non-Economic Changes	Total Change	Total of Funds
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
June 2024	(252)	(188)	(27)	24	(443)	(34) #7	(477)	66,528
Total change:								
From February 2020	5,799	32	50	212	6,093	592	6,685	
Percent change	10.0	3.5	15.5	31.8	10.2	1.0	11.2	
Change in forecast since initial 2325 biennial budget**								
	729	-23	19	96	821	(34)	787	
Percent change	1.2	-1.1	5.6	12.2	1.2	-0.1	1.2	

Table 3.11

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

February 2022 through June 2024

Cash Basis - Millions of Dollars

Date of Forecast	General Fund-State	Education Legacy Trust Acct.	Washington Opportunity Pathways Acct.	Workforce Education Investment Acct.	Subtotal	Non-Economic Changes	Total Change	Total of Funds
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
June 2024	-37	-119	(31)	35	-152	-37 #7	-189	71,532
Total change:								
From February 2022	2,084	-45	-9	111	2,141	-634	1,507	
Percent change	3.1	-2.0	-2.6	13.3	3.1	-0.9	2.2	

*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

#7 Legislative and budget-driven revenue changes from the 2024 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
February 2024 Revenue Forecast	63,582.2	3,422.9	67,005.1
June 2024 Revenue Forecast Change	(252.4)	(190.4)	(442.8)
Current Revenue Totals	63,329.8	3,232.5	66,562.3
Transfers to Budget Stabilization Account (1% of GSR)	(639.7)	-	(639.7)
Transfers to Budget Stabilization Account (EGSR)	-	-	-
Prior Enacted Fund Transfers	50.7	-	50.7
Prior WRPTA Fund Transfer	1,302.0	-	1,302.0
Actual/Assumed Prior Period Adjustments	40.8	-	40.8
2024 Legislative Session - Enacted Budgets			
Revenue Legislation	(32.6)	(0.2)	(32.8)
Budget Driven Revenue	(1.0)	(0.1)	(1.1)
New Fund Transfers	(58.0)	-	(58.0)
New WRPTA Fund Transfer	798.0	-	798.0
Prior Period Adjustment - Gain Share ⁽³⁾	71.5	-	71.5
Total Resources (Including Beginning Fund Balance)	69,046.1	4,334.6	73,380.7
EXPENDITURES			
Enacted Budgets			
2023-25 Biennium	66,255.5	3,548.9	69,804.4
2024 Supplemental Budget	1,795.3	347.6	2,142.9
2024 Supplemental Budget - Governor's Vetoes / Lapses	(2.1)	-	(2.1)
Actual/Assumed Reversions ⁽²⁾	(482.7)	-	(482.7)
Total Expenditures	67,565.9	3,896.5	71,462.4
RESERVES			
Projected Ending Balance	1,480.2	438.1	1,918.2
Budget Stabilization Account			
Beginning Balance	652.4	-	652.4
Transfers from General Fund (1% of GSR)	639.7	-	639.7
Transfers from General Fund (EGSR)	-	-	-
Appropriations	(21.1)	-	(21.1)
Actual/Assumed Biennium - Interest Earnings	60.5	-	60.5
Projected BSA Ending Balance	1,331.4	-	1,331.4
Washington Rescue Plan Transition Account			
Beginning Balance	2,100.0	-	2,100.0
Transfer to General Fund	(2,100.0)	-	(2,100.0)
Projected WRPTA Ending Balance	-	-	-
Total Reserves Including BSA and WRPTA	2,811.6	438.1	3,249.7

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

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

(3) Gain Share amount reflects FY24 actuals.

Acronyms

BSA - Budget Stabilization Account

GSR - General State Revenues

EGSR - Extraordinary General State Revenues

WRPTA - Washington Rescue Plan Transition Account

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	\$31,661.1	\$30,325.4	\$28,811.9
Business & Occupation	13,458.1	12,924.4	12,311.1
Use	2,051.5	1,955.0	1,865.3
Public Utility	1,148.7	1,091.1	1,041.4
Property (school levy)	9,335.7	9,309.9	9,284.1
Real Estate Excise	2,067.1	2,037.1	1,927.6
Other	2,607.4	2,571.2	2,530.4
Subtotal	62,329.6	60,214.1	57,771.9
Insurance Commissioner¹	1,794.3	1,703.8	1,748.5
Lottery Commission	96.2	94.9	93.5
State Treasurer - Interest earnings	688.4	644.9	570.3
Liquor and Cannabis Surtaxes & Fees²	581.6	573.5	514.3
Office of Financial Management	(37.8)	(38.1)	(38.4)
Washington Court System	104.6	103.1	101.5
Total General Fund - State*	\$65,557.0	\$63,296.1	\$60,761.6
Education Legacy Trust Account	\$2,056.8	\$1,985.0	\$1,904.2
Washington Opportunity Pathways Account	\$407.6	\$367.4	\$379.2
Workforce Education Investment Account	\$911.3	\$879.8	\$844.6
Total of Funds Subject to Budget Outlook*	\$68,932.7	\$66,528.4	\$63,889.6
Difference from June 2024 Baseline	\$2,404.3		(\$2,638.8)

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: ERF, 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	\$36,238.9	\$32,834.3	\$29,265.0
Business & Occupation Use	15,471.1	14,093.6	12,671.3
Public Utility	2,277.6	2,047.2	1,844.6
Property (school levy)	1,318.8	1,189.9	1,113.3
Real Estate Excise	9,864.9	9,765.1	9,661.4
Other	2,664.9	2,506.1	1,975.1
Subtotal	2,647.0	2,555.9	2,410.4
	70,483.3	64,992.1	58,941.1
Insurance Commissioner¹	1,907.4	1,795.7	1,814.3
Lottery Commission	76.5	73.9	69.7
State Treasurer - Interest earnings	576.9	498.7	367.8
Liquor and Cannabis Surtaxes & Fees²	673.8	650.6	563.5
Office of Financial Management	(128.7)	(132.7)	(136.7)
Washington Court System	109.4	105.6	99.6
Total General Fund - State*	\$73,698.6	\$67,983.9	\$61,719.4
Education Legacy Trust Account	\$2,449.5	\$2,259.4	\$2,050.9
Washington Opportunity Pathways Account	\$407.5	\$345.0	\$341.2
Workforce Education Investment Account	\$1,023.1	\$943.8	\$856.8
Total of Funds Subject to Budget Outlook*	\$77,578.7	\$71,532.2	\$64,968.3
Difference from June 2024 Baseline	\$6,046.6		(\$6,563.8)

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

June 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	254.2	50.4	0.0	0.0	0.0	0.0	0.8	5.0	198.1	0.0	0.0
2025	220.6	44.5	0.0	0.0	0.0	0.0	0.9	5.8	169.3	0.0	0.0
2023-25 Biennium	474.8	94.9	0.0	0.0	0.0	0.0	1.7	10.8	367.4	0.0	0.0
2026	209.8	36.9	0.0	0.0	0.0	0.0	1.0	5.8	166.2	0.0	0.0
2027	222.6	37.0	0.0	0.0	0.0	0.0	1.0	5.8	178.9	0.0	0.0
2025-27 Biennium	432.4	73.9	0.0	0.0	0.0	0.0	1.9	11.6	345.0	0.0	0.0
2028	225.1	37.0	0.0	0.0	0.0	0.0	1.0	5.8	181.3	0.0	0.0
2029	227.1	37.0	0.0	0.0	0.0	0.0	1.0	5.8	183.3	0.0	0.0
2027-29 Biennium	452.2	74.0	0.0	0.0	0.0	0.0	2.0	11.6	364.6	0.0	0.0

Table 3.16

Lottery transfers by fund

June 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	245.6	58.0	0.0	0.0	0.0	0.0	0.8	5.8	181.0	0.0	0.0
2025	218.3	36.9	0.0	0.0	0.0	0.0	0.9	5.8	174.7	0.0	0.0
2023-25 Biennium	463.9	94.9	0.0	0.0	0.0	0.0	1.7	11.6	355.6	0.0	0.0
2026	220.6	37.0	0.0	0.0	0.0	0.0	1.0	5.8	176.9	0.0	0.0
2027	222.8	37.0	0.0	0.0	0.0	0.0	1.0	5.8	179.1	0.0	0.0
2025-27 Biennium	443.5	74.0	0.0	0.0	0.0	0.0	1.9	11.6	356.0	0.0	0.0
2028	225.3	37.2	0.0	0.0	0.0	0.0	1.0	5.8	181.3	0.0	0.0
2029	227.4	37.0	0.0	0.0	0.0	0.0	1.0	5.8	183.6	0.0	0.0
2027-29 Biennium	452.7	74.2	0.0	0.0	0.0	0.0	2.0	11.6	364.9	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)

June 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	\$31,169	0.6%	\$959	-43.1%	\$198	5.1%	\$433	5.5%	\$32,759	-1.5%
FY 2025	\$32,127	3.1%	\$1,026	7.0%	\$169	-14.5%	\$447	3.2%	\$33,770	3.1%
FY 2026	\$33,310	3.7%	\$1,093	6.5%	\$166	-1.9%	\$463	3.6%	\$35,032	3.7%
FY 2027	\$34,674	4.1%	\$1,166	6.7%	\$179	7.7%	\$481	3.8%	\$36,500	4.2%
FY 2028	\$35,915	3.6%	\$1,240	6.3%	\$181	1.4%	\$500	4.0%	\$37,836	3.7%
FY 2029	\$37,196	3.6%	\$1,309	5.6%	\$183	1.1%	\$520	4.0%	\$39,208	3.6%
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	\$63,296	3.8%	\$1,985	-22.9%	\$367	-2.8%	\$880	12.9%	\$66,528	2.8%
25-27 Biennium	\$67,984	7.4%	\$2,259	13.8%	\$345	-6.1%	\$944	7.3%	\$71,532	7.5%
27-29 Biennium	\$73,111	7.5%	\$2,549	12.8%	\$365	5.7%	\$1,020	8.1%	\$77,044	7.7%

*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
 June 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	\$483,451	\$40,735	\$442,717	\$0	\$11,863	\$513	\$229,997	\$49,864	\$593	\$22,665	\$127,222
2025	\$467,820	\$17,907	\$449,913	\$0	\$12,368	\$535	\$226,924	\$48,003	\$618	\$21,820	\$139,645
2026	\$499,750	\$18,344	\$481,406	\$0	\$12,675	\$548	\$243,125	\$51,430	\$633	\$23,377	\$149,616
2027	\$518,261	\$18,750	\$499,511	\$0	\$12,955	\$560	\$252,381	\$53,388	\$647	\$24,267	\$155,311
2028	\$534,701	\$19,190	\$515,512	\$0	\$13,259	\$574	\$260,529	\$55,112	\$663	\$25,051	\$160,325
2029	\$556,746	\$19,631	\$537,114	\$0	\$13,564	\$587	\$271,588	\$57,451	\$678	\$26,114	\$167,131
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	\$951,271	\$58,642	\$892,629	\$0	\$24,231	\$1,048	\$456,920	\$97,867	\$1,211	\$44,485	\$266,867
2025-27	\$1,018,011	\$37,094	\$980,917	\$0	\$25,630	\$1,109	\$495,506	\$104,819	\$1,281	\$47,645	\$304,927
2027-29	\$1,091,447	\$38,821	\$1,052,626	\$0	\$26,823	\$1,160	\$532,117	\$112,563	\$1,340	\$51,165	\$327,457

*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
 June 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
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
Forecast change	\$0	\$0	\$0	\$11,076	\$13,050	\$24,126	\$16,069	\$17,857	\$33,925	\$19,874	\$22,413	\$42,287
June 2024 forecast	\$368,630	\$410,385	\$779,016	\$433,074	\$446,764	\$879,838	\$463,005	\$480,789	\$943,793	\$499,911	\$519,999	\$1,019,910

Table 3.20

Legislative and Budget-Driven Revenue Changes from 2024 Legislative Session

Amounts in millions of dollars

General-Fund State

Bill number	Bill title	Tax Type/Fee	Source	FY24	FY25	FY26	FY27	FY28	FY29
2024 Revenue Legislation									
1453	Medical Cannabis/Tax	GFS	0123	0.0	(0.9)	(3.1)	(5.3)	(5.5)	(5.7)
1757	Farmer/sales Tax Remittance	GFS	0101	0.0	(0.2)	(0.0)	(0.0)	(0.0)	(0.0)
1862	Disabled Veteran Assist./Tax	GFS	0101	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
1976	Incentives/Energy Upgrades	GFS	0135	0.0	(13.9)	(21.8)	(11.7)	21.4	16.1
2199	CCA Tax Exemptions	GFS	0105	0.0	(0.9)	(2.0)	(3.0)	(4.2)	(4.4)
2306	Main Street Tax Credits	GFS	0105	0.0	(0.5)	(0.5)	(0.3)	(0.1)	0.0
2306	Main Street Tax Credits	GFS	0135	0.0	(0.1)	(0.1)	(0.1)	(0.0)	0.0
2482	Reinstating Semiconductor Tax Incentives	GFS	0101	0.0	0.0	0.0	0.0	0.0	(0.6)
2482	Reinstating Semiconductor Tax Incentives	GFS	0105	0.0	0.0	0.0	0.0	0.0	(0.0)
5986	Out-of-Network Health Costs	GFS	0405	0.0	0.0	0.0	0.0	0.0	0.0
6038	Child Care Tax Preference	GFS	0105	0.0	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)
6087	Fire Service Training Account	GFS	0190	0.0	(0.6)	(0.6)	(0.7)	(0.7)	(0.8)
6175	Existing Structures/Tax	GFS	0101	0.0	0.0	(0.8)	(1.3)	(1.4)	(1.4)
6316	SR 520 Corridor	GFS	0101	(2.2)	(13.0)	(11.2)	(11.2)	(9.3)	(9.3)
Total Revenue legislation-fiscal year-GFS				(2.2)	(30.5)	(40.7)	(34.2)	(0.5)	(6.8)
Biennium Totals					(32.6)		(75.0)		(7.3)

Workforce Education Investment Account

2199	CCA Tax Exemptions	WEIA	0105	0.0	(0.2)	(0.3)	(0.5)	(0.7)	(0.7)
Total Revenue legislation-fiscal year-WEIA				0.0	(0.2)	(0.3)	(0.5)	(0.7)	(0.7)
Biennium Totals					(0.2)		(0.8)		(1.4)

2024 Budget Driven Revenue

		FY24	FY25	FY26	FY27	FY28	FY29
Liquor Control Board (Liquor)	GFS	(0.2)	(1.3)	18.2	20.4	20.8	21.3
Liquor Control Board (Marijuana)	GFS	17.8	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Lottery	OPA	0.1	(0.1)	0.1	0.2	0.2	0.2
Marijuana Distribution Changes	GFS	0.0	0.0	0.0	0.0	0.0	0.0
Health Care for the Uninsured	GFS	0.0	0.5	0.0	0.0	0.0	0.0
Account for Return to DMA Adjustment for f	GFS	(17.8)	0.0	0.0	0.0	0.0	0.0
Total budget driven revenue-fiscal year-NGFS		(0.1)	(1.0)	18.3	20.6	21.1	21.5
Biennium Totals			(1.1)		38.9		42.6



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 2017 Dollars)								
Real Gross Domestic Product	21,822.0	22,376.9	22,901.2	23,314.8	23,781.1	24,256.7	24,717.6	25,187.2
% Ch	1.9	2.5	2.3	1.8	2.0	2.0	1.9	1.9
Real Consumption	15,090.8	15,426.1	15,779.0	16,072.9	16,410.4	16,738.6	17,073.4	17,414.8
% Ch	2.5	2.2	2.3	1.9	2.1	2.0	2.0	2.0
Real Nonresidential Fixed Investment	3,131.6	3,271.7	3,399.3	3,513.0	3,582.0	3,673.0	3,757.0	3,843.9
% Ch	5.2	4.5	3.9	3.3	2.0	2.5	2.3	2.3
Real Residential Fixed Investment	822.6	735.3	759.9	763.5	791.6	820.1	849.4	888.2
% Ch	-9.0	-10.6	3.4	0.5	3.7	3.6	3.6	4.6
Real Personal Income	18,821.2	19,073.7	19,525.2	20,049.4	20,719.1	21,267.9	21,794.4	22,372.6
% Ch	-4.2	1.3	2.4	2.7	3.3	2.6	2.5	2.7
Real Per Capita Income (\$/Person)	56,207	56,368	57,116	58,165	59,742	61,065	62,319	63,717
% Ch	-4.9	0.3	1.3	1.8	2.7	2.2	2.1	2.2
Price and Wage Indexes								
PCE Price Index (2017=100)	116.0	120.4	123.5	126.5	129.6	132.5	135.4	138.3
% Ch	6.5	3.7	2.6	2.4	2.4	2.2	2.2	2.1
U.S. Consumer Price Index (1982-84=1.0)	2.926	3.047	3.143	3.222	3.303	3.384	3.466	3.544
% Ch	8.0	4.1	3.1	2.5	2.5	2.5	2.4	2.2
Employment Cost Index (Dec. 2005=1.0)	1.548	1.619	1.676	1.739	1.812	1.881	1.949	2.020
% Ch	5.3	4.6	3.5	3.7	4.2	3.8	3.6	3.7
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	25,744.1	27,360.9	28,717.1	30,034.4	31,426.3	32,819.0	34,259.6	35,706.2
% Ch	9.1	6.3	5.0	4.6	4.6	4.4	4.4	4.2
Personal Income	21,840.8	22,961.3	24,119.1	25,368.5	26,851.2	28,172.7	29,518.3	30,934.5
% Ch	2.0	5.1	5.0	5.2	5.8	4.9	4.8	4.8
Employment (Millions)								
U.S. Civilian Labor Force	164.3	167.1	168.2	169.5	170.5	171.2	171.6	171.9
Total U.S. Employment	158.3	161.0	161.6	162.7	163.3	163.7	164.0	164.5
Unemployment Rate (%)	3.65	3.64	3.93	4.04	4.27	4.41	4.38	4.28
Nonfarm Payroll Employment	152.53	156.07	158.72	159.72	159.98	160.35	160.98	161.55
% Ch	4.3	2.3	1.7	0.6	0.2	0.2	0.4	0.4
Manufacturing	12.81	12.94	12.99	12.43	12.21	11.90	11.70	11.67
% Ch	3.7	1.0	0.4	-4.3	-1.8	-2.6	-1.7	-0.2
Durable Manufacturing	7.97	8.10	8.17	7.72	7.56	7.32	7.15	7.13
% Ch	3.7	1.7	0.8	-5.5	-2.1	-3.1	-2.3	-0.4
Nondurable Manufacturing	4.85	4.84	4.83	4.71	4.65	4.57	4.54	4.55
% Ch	3.7	-0.1	-0.3	-2.4	-1.3	-1.7	-0.7	0.1
Construction	7.76	8.02	8.25	8.40	8.58	8.77	8.99	9.22
% Ch	4.4	3.3	2.9	1.8	2.1	2.3	2.5	2.6
Service-Providing	131.35	134.47	136.85	138.25	138.51	138.97	139.59	139.96
% Ch	4.3	2.4	1.8	1.0	0.2	0.3	0.4	0.3
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	94.8	77.6	78.0	73.1	69.8	67.5	66.0	64.9
Personal Saving/Disposable Income (%)	3.3	4.5	4.0	4.7	5.9	6.3	6.5	7.2
Auto Sales (Millions)	2.9	3.1	3.0	3.2	3.2	3.2	3.2	3.2
% Ch	-14.7	9.2	-2.6	5.7	0.8	-1.3	-0.9	-0.2
Housing Starts (Millions)	1.552	1.421	1.382	1.398	1.402	1.413	1.423	1.439
% Ch	-3.3	-8.4	-2.8	1.2	0.3	0.8	0.8	1.1
Federal Budget Surplus (Billions)	-1,062.2	-1,664.2	-1,530.2	-1,564.9	-1,606.3	-1,620.7	-1,636.0	-1,682.1
Net Exports (Billions)	-971.1	-798.7	-893.0	-837.2	-780.5	-718.8	-654.9	-585.6
3-Month Treasury Bill Rate (%)	2.02	5.07	5.25	4.17	2.74	2.33	2.39	2.39
10-Year Treasury Note Yield (%)	2.95	3.96	4.35	3.59	3.43	3.15	3.22	3.18
Bond Index of 20 G.O. Munis. (%)	3.21	3.69	3.76	3.47	3.44	3.32	3.28	3.24
30-Year Fixed Mortgage Rate (%)	5.43	6.81	6.70	5.75	5.15	5.05	5.04	4.87

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 2017 Dollars)								
Real Gross Domestic Product	22,749.8	22,860.3	22,953.6	23,040.9	23,139.0	23,249.1	23,371.3	23,499.7
% Ch , Annual Rate	1.3	2.0	1.6	1.5	1.7	1.9	2.1	2.2
Real Consumption	15,663.8	15,749.7	15,819.1	15,883.4	15,954.4	16,029.0	16,111.2	16,197.0
% Ch , Annual Rate	2.0	2.2	1.8	1.6	1.8	1.9	2.1	2.1
Real Nonresidential Fixed Investment	3,341.9	3,389.3	3,419.1	3,446.8	3,476.4	3,505.2	3,525.7	3,544.8
% Ch , Annual Rate	3.3	5.8	3.6	3.3	3.5	3.4	2.4	2.2
Real Residential Fixed Investment	771.3	766.4	755.4	746.7	752.2	760.2	766.4	775.3
% Ch , Annual Rate	15.4	-2.5	-5.6	-4.5	3.0	4.3	3.3	4.7
Real Personal Income	19,331.9	19,446.9	19,599.4	19,722.5	19,890.1	19,977.8	20,083.7	20,246.1
% Ch , Annual Rate	3.7	2.4	3.2	2.5	3.4	1.8	2.1	3.3
Real Per Capita Income (\$/Person)	56,753	56,950	57,263	57,497	57,865	58,007	58,209	58,579
% Ch , Annual Rate	2.6	1.4	2.2	1.6	2.6	1.0	1.4	2.6
Price and Wage Indexes								
PCE Price Index (2017=100)	122.3	123.3	123.9	124.6	125.3	126.1	127.0	127.7
% Ch , Annual Rate	3.3	3.0	1.9	2.5	2.4	2.3	2.9	2.4
U.S. Consumer Price Index (1982-84=1.0)	3.110	3.137	3.153	3.172	3.190	3.214	3.233	3.253
% Ch , Annual Rate	3.8	3.5	2.1	2.4	2.2	3.2	2.4	2.4
Employment Cost Index (Dec. 2005=1.0)	1.662	1.664	1.681	1.698	1.717	1.730	1.745	1.762
% Ch , Annual Rate	4.5	0.5	4.2	4.2	4.5	3.2	3.4	4.0
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	28,255.9	28,588.9	28,858.7	29,164.8	29,498.2	29,843.7	30,221.8	30,573.9
% Ch , Annual Rate	4.3	4.8	3.8	4.3	4.7	4.8	5.2	4.7
Personal Income	23,652.0	23,971.4	24,276.1	24,576.9	24,932.0	25,184.8	25,498.7	25,858.5
% Ch , Annual Rate	7.1	5.5	5.2	5.0	5.9	4.1	5.1	5.8
Employment (Millions)								
U.S. Civilian Labor Force	167.5	168.0	168.4	168.8	169.2	169.4	169.7	169.9
Total U.S. Employment	161.2	161.3	161.7	162.0	162.4	162.6	162.8	162.9
Unemployment Rate (%)	3.78	3.98	3.99	3.98	4.00	4.02	4.05	4.10
Nonfarm Payroll Employment	157.82	158.51	159.09	159.44	159.60	159.70	159.79	159.81
% Ch , Annual Rate	2.0	1.8	1.5	0.9	0.4	0.3	0.2	0.1
Manufacturing	12.96	13.03	13.05	12.93	12.74	12.49	12.29	12.20
% Ch , Annual Rate	0.4	2.2	0.7	-3.7	-5.6	-7.8	-6.1	-3.0
Durable Manufacturing	8.14	8.20	8.21	8.11	7.97	7.77	7.61	7.53
% Ch , Annual Rate	0.9	2.7	0.8	-4.6	-7.1	-9.6	-7.9	-4.0
Nondurable Manufacturing	4.82	4.83	4.84	4.82	4.78	4.72	4.68	4.66
% Ch , Annual Rate	-0.4	1.5	0.5	-2.0	-3.0	-4.9	-3.1	-1.6
Construction	8.17	8.22	8.27	8.32	8.33	8.37	8.41	8.47
% Ch , Annual Rate	3.6	2.4	2.1	2.7	0.6	2.0	1.9	2.5
Service-Providing	136.05	136.63	137.15	137.56	137.89	138.20	138.43	138.49
% Ch , Annual Rate	2.0	1.7	1.5	1.2	0.9	0.9	0.7	0.2
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	77.6	81.1	77.5	76.0	74.6	73.5	72.5	71.6
Personal Saving/Disposable Income (%)	3.8	3.7	4.0	4.3	4.7	4.7	4.7	4.9
Auto Sales (Millions)	2.9	3.1	3.0	3.1	3.2	3.2	3.2	3.3
% Ch , Annual Rate	-21.6	18.2	-3.1	11.8	8.0	1.9	3.0	3.4
Housing Starts (Millions)	1.403	1.355	1.387	1.382	1.397	1.399	1.396	1.401
% Ch , Annual Rate	-19.5	-13.1	9.9	-1.6	4.6	0.6	-1.0	1.4
Federal Budget Surplus (Billions)	-1,574.0	-1,509.3	-1,516.7	-1,520.8	-1,563.9	-1,569.1	-1,570.3	-1,556.3
Net Exports (Billions)	-850.1	-920.1	-912.5	-889.4	-867.0	-842.4	-825.9	-813.7
3-Month Treasury Bill Rate (%)	5.23	5.39	5.27	5.13	4.81	4.27	4.02	3.58
10-Year Treasury Note Yield (%)	4.16	4.67	4.45	4.12	3.90	3.44	3.56	3.46
Bond Index of 20 G.O. Munis. (%)	3.47	4.03	3.84	3.71	3.63	3.33	3.48	3.42
30-Year Fixed Mortgage Rate (%)	6.76	7.03	6.74	6.29	5.97	5.80	5.64	5.60

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 2017 Dollars)								
Real Gross Domestic Product	23,611.9	23,725.7	23,836.4	23,950.4	24,074.8	24,198.9	24,317.9	24,435.4
% Ch , Annual Rate	1.9	1.9	1.9	1.9	2.1	2.1	2.0	1.9
Real Consumption	16,281.9	16,369.2	16,454.6	16,536.0	16,615.1	16,698.0	16,779.2	16,862.1
% Ch , Annual Rate	2.1	2.2	2.1	2.0	1.9	2.0	2.0	2.0
Real Nonresidential Fixed Investment	3,557.1	3,572.1	3,589.0	3,609.8	3,637.8	3,661.5	3,685.3	3,707.4
% Ch , Annual Rate	1.4	1.7	1.9	2.3	3.1	2.6	2.6	2.4
Real Residential Fixed Investment	781.4	788.6	795.1	801.3	810.2	816.2	823.4	830.7
% Ch , Annual Rate	3.2	3.8	3.3	3.2	4.5	3.0	3.5	3.6
Real Personal Income	20,477.2	20,669.5	20,797.8	20,931.8	21,092.6	21,223.9	21,335.1	21,420.1
% Ch , Annual Rate	4.6	3.8	2.5	2.6	3.1	2.5	2.1	1.6
Real Per Capita Income (\$/Person)	59,157	59,630	59,929	60,251	60,653	60,971	61,229	61,409
% Ch , Annual Rate	4.0	3.2	2.0	2.2	2.7	2.1	1.7	1.2
Price and Wage Indexes								
PCE Price Index (2017=100)	128.6	129.2	129.9	130.6	131.4	132.1	132.8	133.6
% Ch , Annual Rate	2.6	2.2	2.2	2.1	2.3	2.2	2.2	2.3
U.S. Consumer Price Index (1982-84=1.0)	3.270	3.296	3.315	3.333	3.351	3.375	3.396	3.415
% Ch , Annual Rate	2.1	3.3	2.3	2.2	2.3	2.8	2.5	2.4
Employment Cost Index (Dec. 2005=1.0)	1.784	1.804	1.821	1.837	1.856	1.873	1.889	1.904
% Ch , Annual Rate	5.2	4.5	3.8	3.6	4.1	3.8	3.4	3.2
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	30,936.2	31,258.4	31,589.3	31,921.2	32,282.8	32,639.1	32,991.9	33,362.2
% Ch , Annual Rate	4.8	4.2	4.3	4.3	4.6	4.5	4.4	4.6
Personal Income	26,323.6	26,714.2	27,026.1	27,341.1	27,708.4	28,035.4	28,335.6	28,611.3
% Ch , Annual Rate	7.4	6.1	4.8	4.7	5.5	4.8	4.4	3.9
Employment (Millions)								
U.S. Civilian Labor Force	170.2	170.4	170.7	170.9	171.0	171.2	171.3	171.4
Total U.S. Employment	163.0	163.2	163.3	163.4	163.5	163.7	163.7	163.8
Unemployment Rate (%)	4.19	4.23	4.29	4.36	4.39	4.41	4.43	4.42
Nonfarm Payroll Employment	159.86	159.95	160.02	160.09	160.17	160.27	160.40	160.56
% Ch , Annual Rate	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.4
Manufacturing	12.27	12.27	12.18	12.11	12.03	11.96	11.86	11.74
% Ch , Annual Rate	2.2	0.2	-2.8	-2.3	-2.7	-2.3	-3.4	-4.0
Durable Manufacturing	7.59	7.60	7.54	7.49	7.43	7.37	7.29	7.20
% Ch , Annual Rate	3.3	0.5	-3.3	-2.7	-3.3	-2.8	-4.3	-5.1
Nondurable Manufacturing	4.67	4.67	4.64	4.62	4.60	4.59	4.57	4.54
% Ch , Annual Rate	0.5	-0.2	-2.1	-1.8	-1.7	-1.4	-1.9	-2.2
Construction	8.51	8.55	8.60	8.64	8.70	8.74	8.80	8.85
% Ch , Annual Rate	1.9	2.2	2.1	2.1	2.5	2.2	2.6	2.6
Service-Providing	138.42	138.44	138.54	138.64	138.74	138.86	139.03	139.26
% Ch , Annual Rate	-0.2	0.1	0.3	0.3	0.3	0.3	0.5	0.7
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	70.8	70.1	69.4	68.8	68.2	67.7	67.3	66.9
Personal Saving/Disposable Income (%)	5.5	5.9	6.0	6.1	6.3	6.3	6.3	6.1
Auto Sales (Millions)	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
% Ch , Annual Rate	-0.6	-0.2	-0.3	-1.7	-1.4	-1.0	-1.7	-2.1
Housing Starts (Millions)	1.399	1.401	1.402	1.405	1.411	1.411	1.413	1.415
% Ch , Annual Rate	-0.4	0.5	0.3	0.7	1.9	-0.1	0.7	0.4
Federal Budget Surplus (Billions)	-1,582.0	-1,604.7	-1,618.5	-1,620.0	-1,636.0	-1,619.3	-1,617.1	-1,610.3
Net Exports (Billions)	-793.5	-787.1	-776.5	-764.7	-745.1	-728.1	-711.0	-691.1
3-Month Treasury Bill Rate (%)	3.32	2.76	2.46	2.44	2.39	2.38	2.29	2.24
10-Year Treasury Note Yield (%)	3.64	3.43	3.34	3.31	3.23	3.23	3.11	3.05
Bond Index of 20 G.O. Munis. (%)	3.59	3.42	3.37	3.38	3.37	3.40	3.29	3.22
30-Year Fixed Mortgage Rate (%)	5.47	5.16	5.03	4.94	5.07	5.05	5.04	5.05

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 2017 Dollars)								
Real Gross Domestic Product	24,545.4	24,657.7	24,774.0	24,893.2	25,009.1	25,132.6	25,244.7	25,362.6
% Ch , Annual Rate	1.8	1.8	1.9	1.9	1.9	2.0	1.8	1.9
Real Consumption	16,944.0	17,029.5	17,117.1	17,202.9	17,290.3	17,374.8	17,456.9	17,537.5
% Ch , Annual Rate	2.0	2.0	2.1	2.0	2.0	2.0	1.9	1.9
Real Nonresidential Fixed Investment	3,726.6	3,746.9	3,766.7	3,787.9	3,809.2	3,832.5	3,854.9	3,879.1
% Ch , Annual Rate	2.1	2.2	2.1	2.3	2.3	2.5	2.4	2.5
Real Residential Fixed Investment	839.0	844.1	851.9	862.6	870.8	884.3	893.6	904.2
% Ch , Annual Rate	4.0	2.5	3.8	5.1	3.8	6.4	4.2	4.9
Real Personal Income	21,568.8	21,714.5	21,869.7	22,024.7	22,186.0	22,312.7	22,434.0	22,557.7
% Ch , Annual Rate	2.8	2.7	2.9	2.9	3.0	2.3	2.2	2.2
Real Per Capita Income (\$/Person)	61,770	62,123	62,503	62,881	63,280	63,578	63,860	64,150
% Ch , Annual Rate	2.4	2.3	2.5	2.4	2.6	1.9	1.8	1.8
Price and Wage Indexes								
PCE Price Index (2017=100)	134.3	135.1	135.8	136.5	137.2	137.9	138.6	139.3
% Ch , Annual Rate	2.3	2.2	2.2	2.1	2.0	2.1	2.1	2.0
U.S. Consumer Price Index (1982-84=1.0)	3.435	3.456	3.477	3.498	3.515	3.534	3.554	3.573
% Ch , Annual Rate	2.3	2.4	2.5	2.4	2.0	2.3	2.2	2.2
Employment Cost Index (Dec. 2005=1.0)	1.922	1.939	1.958	1.977	1.994	2.012	2.029	2.046
% Ch , Annual Rate	3.7	3.7	3.9	3.8	3.6	3.5	3.5	3.4
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	33,727.3	34,077.6	34,438.4	34,795.1	35,149.2	35,524.6	35,889.9	36,261.3
% Ch , Annual Rate	4.5	4.2	4.3	4.2	4.1	4.3	4.2	4.2
Personal Income	28,976.0	29,328.8	29,701.0	30,067.3	30,437.7	30,771.4	31,099.6	31,429.1
% Ch , Annual Rate	5.2	5.0	5.2	5.0	5.0	4.5	4.3	4.3
Employment (Millions)								
U.S. Civilian Labor Force	171.4	171.5	171.6	171.7	171.8	171.9	171.9	172.0
Total U.S. Employment	163.9	164.0	164.1	164.2	164.4	164.5	164.6	164.7
Unemployment Rate (%)	4.42	4.40	4.37	4.34	4.31	4.29	4.27	4.26
Nonfarm Payroll Employment	160.73	160.90	161.07	161.23	161.37	161.49	161.61	161.74
% Ch , Annual Rate	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3
Manufacturing	11.70	11.69	11.70	11.69	11.68	11.67	11.67	11.67
% Ch , Annual Rate	-1.2	-0.4	0.3	-0.3	-0.2	-0.5	0.0	-0.1
Durable Manufacturing	7.17	7.15	7.15	7.14	7.14	7.12	7.12	7.12
% Ch , Annual Rate	-1.8	-0.9	0.1	-0.7	-0.2	-0.6	-0.1	-0.2
Nondurable Manufacturing	4.54	4.54	4.55	4.55	4.55	4.55	4.55	4.55
% Ch , Annual Rate	-0.2	0.3	0.5	0.2	-0.1	-0.3	0.0	0.0
Construction	8.91	8.96	9.02	9.08	9.13	9.20	9.25	9.31
% Ch , Annual Rate	2.7	2.3	2.6	2.6	2.4	2.9	2.4	2.7
Service-Providing	139.41	139.55	139.65	139.76	139.86	139.93	140.00	140.07
% Ch , Annual Rate	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	66.5	66.1	65.8	65.5	65.2	65.0	64.8	64.6
Personal Saving/Disposable Income (%)	6.3	6.4	6.6	6.8	7.0	7.1	7.2	7.3
Auto Sales (Millions)	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
% Ch , Annual Rate	-1.1	0.2	0.0	0.3	0.3	-0.6	-1.9	-0.1
Housing Starts (Millions)	1.416	1.420	1.426	1.432	1.437	1.437	1.437	1.445
% Ch , Annual Rate	0.4	1.3	1.5	1.8	1.5	-0.1	0.2	2.1
Federal Budget Surplus (Billions)	-1,654.7	-1,663.2	-1,604.9	-1,621.4	-1,666.0	-1,677.4	-1,684.7	-1,700.4
Net Exports (Billions)	-676.4	-662.5	-647.2	-633.5	-617.7	-597.6	-575.3	-551.9
3-Month Treasury Bill Rate (%)	2.33	2.36	2.44	2.42	2.40	2.39	2.38	2.37
10-Year Treasury Note Yield (%)	3.16	3.19	3.28	3.25	3.22	3.19	3.17	3.16
Bond Index of 20 G.O. Munis. (%)	3.28	3.26	3.30	3.26	3.24	3.24	3.24	3.24
30-Year Fixed Mortgage Rate (%)	5.06	5.11	5.04	4.94	4.89	4.85	4.87	4.87

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

	2022	2023	2024	2025	2026	2027	2028	2029
Real Income (Billions of Chained 2017 Dollars)								
Real Personal Income	503.171	513.568	526.991	542.872	564.311	582.359	599.632	618.392
% Ch	-4.6	2.1	2.6	3.0	3.9	3.2	3.0	3.1
Real Wage and Salary Disb.	268.039	277.492	285.727	292.206	302.117	310.400	318.402	328.302
% Ch	0.1	3.5	3.0	2.3	3.4	2.7	2.6	3.1
Real Nonwage Income	235.132	236.075	241.264	250.666	262.195	271.959	281.230	290.090
% Ch	-9.4	0.4	2.2	3.9	4.6	3.7	3.4	3.2
Real Per Capita Income (\$/Person)	64,656	65,726	66,885	68,272	70,416	72,176	73,799	75,586
% Ch	-5.0	1.7	1.8	2.1	3.1	2.5	2.2	2.4
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.160	1.204	1.235	1.265	1.296	1.325	1.354	1.383
% Ch	6.5	3.7	2.6	2.4	2.4	2.2	2.2	2.1
Seattle Cons. Price Index (1982-84=1.0)	3.224	3.412	3.548	3.639	3.731	3.822	3.915	4.003
% Ch	8.9	5.8	4.0	2.6	2.5	2.5	2.4	2.2
Average Nonfarm Annual Wage	85,901	90,629	94,482	98,078	102,836	107,053	111,203	115,933
% Ch	1.8	5.5	4.3	3.8	4.9	4.1	3.9	4.3
Avg. Hourly Earnings-Mfg. (\$/Hour)	29.89	29.71	32.08	33.31	34.67	35.94	37.19	38.49
% Ch	6.6	-0.6	8.0	3.8	4.1	3.7	3.5	3.5
Current Dollar Income (Billions of Dollars)								
Personal Income	583.828	618.246	650.984	686.904	731.336	771.432	812.146	855.053
% Ch	1.7	5.9	5.3	5.5	6.5	5.5	5.3	5.3
Disposable Personal Income	504.060	544.892	569.512	600.552	638.815	671.604	705.702	742.688
% Ch	-0.3	8.1	4.5	5.5	6.4	5.1	5.1	5.2
Per Capita Income (\$/Person)	75,018	79,122	82,620	86,384	91,257	95,608	99,952	104,512
% Ch	1.2	5.5	4.4	4.6	5.6	4.8	4.5	4.6
Employment (Thousands)								
Washington Civilian Labor Force	3,969.5	4,025.7	4,026.4	4,059.9	4,100.6	4,134.6	4,162.5	4,191.3
Total Washington Employment	3,807.6	3,861.7	3,831.1	3,860.5	3,899.4	3,933.9	3,967.1	4,003.9
Unemployment Rate (%)	4.08	4.07	4.85	4.91	4.91	4.86	4.69	4.47
Nonfarm Payroll Employment	3,528.2	3,595.2	3,643.6	3,677.1	3,714.5	3,747.7	3,784.4	3,821.8
% Ch	4.7	1.9	1.3	0.9	1.0	0.9	1.0	1.0
Manufacturing	268.8	273.9	276.7	272.0	275.2	275.5	275.3	275.9
% Ch	3.4	1.9	1.0	-1.7	1.2	0.1	-0.1	0.2
Durable Manufacturing	181.8	187.8	191.2	188.4	192.4	193.6	193.2	192.9
% Ch	3.4	3.3	1.8	-1.4	2.1	0.6	-0.2	-0.1
Aerospace	71.3	77.5	81.5	82.3	86.6	88.8	89.4	89.3
% Ch	5.5	8.6	5.2	1.0	5.2	2.6	0.7	-0.2
Nondurable Manufacturing	87.0	86.1	85.5	83.6	82.8	81.9	82.1	83.0
% Ch	3.4	-1.0	-0.7	-2.2	-0.9	-1.1	0.2	1.2
Construction	232.3	232.2	234.1	241.9	249.6	258.3	266.8	275.2
% Ch	3.8	-0.1	0.8	3.3	3.2	3.5	3.3	3.2
Service-Providing	3,021.6	3,083.5	3,127.8	3,158.4	3,184.9	3,208.9	3,237.0	3,264.9
% Ch	4.9	2.1	1.4	1.0	0.8	0.8	0.9	0.9
Software Publishers	86.0	85.9	85.6	87.6	88.9	91.0	93.1	94.9
% Ch	7.6	-0.1	-0.4	2.4	1.5	2.3	2.3	1.9
Mgmt. of Companies and Enterprises	104.1	101.9	102.7	106.2	109.5	112.4	115.2	117.8
% Ch	15.4	-2.1	0.8	3.5	3.0	2.7	2.5	2.3
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	49.030	37.097	36.997	39.906	42.000	43.633	44.549	45.117
% Ch	-13.9	-24.3	-0.3	7.9	5.2	3.9	2.1	1.3
Single-Family	20.400	18.056	20.375	21.171	22.588	23.801	24.267	24.671
% Ch	-18.6	-11.5	12.8	3.9	6.7	5.4	2.0	1.7
Multi-Family	28.630	19.041	16.621	18.735	19.412	19.831	20.283	20.447
% Ch	-10.2	-33.5	-12.7	12.7	3.6	2.2	2.3	0.8
30-Year Fixed Mortgage Rate (%)	5.43	6.81	6.70	5.75	5.15	5.05	5.04	4.87

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 2017 Dollars)								
Real Personal Income	521.567	524.935	528.924	532.538	537.465	540.529	544.144	549.352
% Ch, Annual Rate	2.9	2.6	3.1	2.8	3.8	2.3	2.7	3.9
Real Wage and Salary Disb.	282.202	284.893	287.074	288.740	290.710	291.311	292.256	294.547
% Ch, Annual Rate	0.8	3.9	3.1	2.3	2.8	0.8	1.3	3.2
Real Nonwage Income	239.365	240.042	241.851	243.798	246.755	249.217	251.888	254.804
% Ch, Annual Rate	5.4	1.1	3.0	3.3	4.9	4.1	4.4	4.7
Real Per Capita Income (\$/Person)	66,449	66,704	67,043	67,342	67,811	68,049	68,359	68,871
% Ch, Annual Rate	1.7	1.5	2.0	1.8	2.8	1.4	1.8	3.0
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.223	1.233	1.239	1.246	1.253	1.261	1.270	1.277
% Ch, Annual Rate	3.3	3.0	1.9	2.5	2.4	2.3	2.9	2.4
Seattle Cons. Price Index (1982-84=1.0)	3.506	3.542	3.560	3.582	3.602	3.630	3.651	3.673
% Ch, Annual Rate	4.8	4.1	2.1	2.4	2.2	3.2	2.4	2.4
Average Nonfarm Annual Wage	92,956	94,077	95,001	95,894	96,935	97,525	98,347	99,506
% Ch, Annual Rate	1.7	4.9	4.0	3.8	4.4	2.5	3.4	4.8
Avg. Hourly Earnings-Mfg. (\$/Hour)	31.57	31.93	32.25	32.57	32.92	33.16	33.42	33.74
% Ch, Annual Rate	13.0	4.6	4.0	4.0	4.3	3.0	3.2	3.8
Current Dollar Income (Billions of Dollars)								
Personal Income	638.121	647.069	655.133	663.614	673.706	681.412	690.857	701.639
% Ch, Annual Rate	6.3	5.7	5.1	5.3	6.2	4.7	5.7	6.4
Disposable Personal Income	558.340	566.007	573.127	580.576	589.385	595.987	603.877	612.958
% Ch, Annual Rate	3.5	5.6	5.1	5.3	6.2	4.6	5.4	6.2
Per Capita Income (\$/Person)	81,298	82,224	83,041	83,917	85,001	85,785	86,790	87,962
% Ch, Annual Rate	5.1	4.6	4.0	4.3	5.3	3.7	4.8	5.5
Employment (Thousands)								
Washington Civilian Labor Force	4,026.7	4,016.9	4,026.1	4,035.8	4,046.5	4,055.6	4,064.2	4,073.4
Total Washington Employment	3,837.7	3,820.8	3,828.2	3,837.7	3,847.7	3,856.6	3,864.6	3,873.2
Unemployment Rate (%)	4.69	4.88	4.91	4.91	4.91	4.91	4.91	4.92
Nonfarm Payroll Employment	3,622.8	3,641.0	3,650.7	3,660.0	3,666.9	3,673.0	3,680.2	3,688.1
% Ch, Annual Rate	2.4	2.0	1.1	1.0	0.8	0.7	0.8	0.9
Manufacturing	277.0	277.7	277.0	275.1	273.2	271.7	271.2	272.0
% Ch, Annual Rate	3.3	0.9	-1.0	-2.7	-2.6	-2.3	-0.7	1.2
Durable Manufacturing	191.7	192.0	191.2	189.7	188.4	188.0	188.1	189.1
% Ch, Annual Rate	3.8	0.6	-1.6	-3.2	-2.6	-0.9	0.3	2.2
Aerospace	81.5	82.3	81.3	80.9	81.1	81.7	82.7	83.9
% Ch, Annual Rate	6.0	4.2	-4.6	-2.1	0.8	3.1	5.1	5.6
Nondurable Manufacturing	85.3	85.6	85.7	85.4	84.8	83.7	83.1	82.9
% Ch, Annual Rate	2.3	1.5	0.5	-1.7	-2.7	-5.2	-2.9	-0.9
Construction	230.5	232.6	235.5	237.9	239.6	241.1	242.6	244.3
% Ch, Annual Rate	3.4	3.8	5.0	4.1	3.0	2.6	2.5	2.7
Service-Providing	3,110.1	3,125.6	3,133.2	3,142.2	3,149.3	3,155.5	3,161.7	3,167.0
% Ch, Annual Rate	2.3	2.0	1.0	1.2	0.9	0.8	0.8	0.7
Software Publishers	84.8	85.3	85.8	86.3	86.8	87.6	87.9	88.2
% Ch, Annual Rate	2.7	2.2	2.4	2.4	2.4	3.5	1.7	1.5
Mgmt. of Companies and Enterprises	101.9	101.9	103.0	104.0	104.9	105.8	106.7	107.5
% Ch, Annual Rate	-3.1	0.2	4.2	3.9	3.7	3.5	3.3	3.2
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	37.997	35.468	36.787	37.736	39.013	39.699	40.240	40.673
% Ch, Annual Rate	50.0	-24.1	15.7	10.7	14.2	7.2	5.6	4.4
Single-Family	20.556	20.506	20.197	20.244	20.771	21.072	21.283	21.559
% Ch, Annual Rate	5.2	-1.0	-5.9	0.9	10.8	5.9	4.1	5.3
Multi-Family	17.441	14.963	16.590	17.492	18.243	18.627	18.958	19.114
% Ch, Annual Rate	138.2	-45.8	51.1	23.6	18.3	8.7	7.3	3.3
30-Year Fixed Mortgage Rate (%)	6.76	7.03	6.74	6.29	5.97	5.80	5.64	5.60

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 2017 Dollars)								
Real Personal Income	556.467	562.552	566.876	571.351	576.350	580.759	584.628	587.698
% Ch, Annual Rate	5.3	4.4	3.1	3.2	3.5	3.1	2.7	2.1
Real Wage and Salary Disb.	298.054	301.370	303.436	305.608	307.637	309.808	311.528	312.627
% Ch, Annual Rate	4.8	4.5	2.8	2.9	2.7	2.9	2.2	1.4
Real Nonwage Income	258.413	261.182	263.439	265.744	268.713	270.950	273.101	275.072
% Ch, Annual Rate	5.8	4.4	3.5	3.5	4.5	3.4	3.2	2.9
Real Per Capita Income (\$/Person)	69,627	70,255	70,672	71,110	71,613	72,042	72,398	72,651
% Ch, Annual Rate	4.5	3.7	2.4	2.5	2.9	2.4	2.0	1.4
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.286	1.292	1.299	1.306	1.314	1.321	1.328	1.336
% Ch, Annual Rate	2.6	2.2	2.2	2.1	2.3	2.2	2.2	2.3
Seattle Cons. Price Index (1982-84=1.0)	3.692	3.723	3.744	3.764	3.785	3.811	3.835	3.857
% Ch, Annual Rate	2.1	3.3	2.3	2.2	2.3	2.8	2.5	2.4
Average Nonfarm Annual Wage	101,033	102,415	103,424	104,472	105,572	106,680	107,607	108,354
% Ch, Annual Rate	6.3	5.6	4.0	4.1	4.3	4.3	3.5	2.8
Avg. Hourly Earnings-Mfg. (\$/Hour)	34.16	34.53	34.84	35.14	35.49	35.81	36.09	36.37
% Ch, Annual Rate	5.1	4.4	3.7	3.5	4.0	3.7	3.2	3.1
Current Dollar Income (Billions of Dollars)								
Personal Income	715.343	727.068	736.636	746.296	757.124	767.145	776.458	785.001
% Ch, Annual Rate	8.0	6.7	5.4	5.3	5.9	5.4	4.9	4.5
Disposable Personal Income	624.904	635.217	643.546	651.593	660.392	668.081	675.508	682.434
% Ch, Annual Rate	8.0	6.8	5.3	5.1	5.5	4.7	4.5	4.2
Per Capita Income (\$/Person)	89,505	90,801	91,836	92,884	94,075	95,163	96,154	97,041
% Ch, Annual Rate	7.2	5.9	4.6	4.6	5.2	4.7	4.2	3.7
Employment (Thousands)								
Washington Civilian Labor Force	4,085.1	4,096.3	4,105.9	4,114.9	4,123.0	4,131.4	4,138.8	4,145.3
Total Washington Employment	3,884.2	3,895.6	3,904.8	3,913.1	3,921.1	3,930.0	3,938.3	3,946.2
Unemployment Rate (%)	4.92	4.90	4.90	4.90	4.90	4.88	4.85	4.80
Nonfarm Payroll Employment	3,699.7	3,710.5	3,719.7	3,728.2	3,735.0	3,743.1	3,751.9	3,760.7
% Ch, Annual Rate	1.3	1.2	1.0	0.9	0.7	0.9	0.9	0.9
Manufacturing	273.8	275.3	275.7	275.9	275.9	275.9	275.4	274.8
% Ch, Annual Rate	2.6	2.3	0.5	0.4	0.0	-0.1	-0.7	-0.9
Durable Manufacturing	190.7	192.3	193.0	193.5	193.7	193.8	193.6	193.3
% Ch, Annual Rate	3.3	3.4	1.4	1.0	0.5	0.2	-0.4	-0.6
Aerospace	85.0	86.2	87.2	87.9	88.4	88.7	89.0	89.2
% Ch, Annual Rate	5.8	5.8	4.4	3.2	2.3	1.6	1.2	0.9
Nondurable Manufacturing	83.1	83.0	82.7	82.4	82.2	82.1	81.8	81.5
% Ch, Annual Rate	0.9	-0.2	-1.6	-1.2	-1.1	-0.7	-1.3	-1.7
Construction	246.4	248.4	250.5	252.9	255.2	257.1	259.2	261.5
% Ch, Annual Rate	3.5	3.3	3.5	3.9	3.6	3.1	3.3	3.5
Service-Providing	3,174.7	3,181.9	3,188.6	3,194.5	3,199.0	3,205.1	3,212.1	3,219.3
% Ch, Annual Rate	1.0	0.9	0.8	0.7	0.6	0.8	0.9	0.9
Software Publishers	88.3	88.7	89.1	89.6	90.1	90.6	91.3	91.9
% Ch, Annual Rate	0.3	1.7	2.0	2.0	2.5	2.2	2.9	2.9
Mgmt. of Companies and Enterprises	108.3	109.1	109.9	110.6	111.3	112.0	112.8	113.4
% Ch, Annual Rate	3.0	2.9	2.8	2.7	2.7	2.6	2.5	2.5
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	41.271	41.798	42.257	42.674	43.130	43.560	43.794	44.046
% Ch, Annual Rate	6.0	5.2	4.5	4.0	4.3	4.0	2.2	2.3
Single-Family	22.035	22.390	22.760	23.166	23.499	23.761	23.913	24.033
% Ch, Annual Rate	9.1	6.6	6.8	7.3	5.9	4.5	2.6	2.0
Multi-Family	19.236	19.408	19.498	19.508	19.631	19.799	19.880	20.013
% Ch, Annual Rate	2.6	3.6	1.9	0.2	2.6	3.5	1.6	2.7
30-Year Fixed Mortgage Rate (%)	5.47	5.16	5.03	4.94	5.07	5.05	5.04	5.05

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 2017 Dollars)								
Real Personal Income	592.336	597.077	602.070	607.044	612.099	616.375	620.468	624.626
% Ch, Annual Rate	3.2	3.2	3.4	3.3	3.4	2.8	2.7	2.7
Real Wage and Salary Disb.	314.446	316.926	319.729	322.507	324.895	327.189	329.424	331.700
% Ch, Annual Rate	2.3	3.2	3.6	3.5	3.0	2.9	2.8	2.8
Real Nonwage Income	277.890	280.152	282.342	284.537	287.204	289.185	291.044	292.925
% Ch, Annual Rate	4.2	3.3	3.2	3.1	3.8	2.8	2.6	2.6
Real Per Capita Income (\$/Person)	73,093	73,549	74,035	74,517	75,011	75,405	75,775	76,153
% Ch, Annual Rate	2.5	2.5	2.7	2.6	2.7	2.1	2.0	2.0
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.343	1.351	1.358	1.365	1.372	1.379	1.386	1.393
% Ch, Annual Rate	2.3	2.2	2.2	2.1	2.0	2.1	2.1	2.0
Seattle Cons. Price Index (1982-84=1.0)	3.879	3.903	3.927	3.950	3.970	3.992	4.014	4.035
% Ch, Annual Rate	2.3	2.4	2.5	2.4	2.0	2.3	2.2	2.2
Average Nonfarm Annual Wage	109,357	110,523	111,823	113,108	114,238	115,365	116,498	117,631
% Ch, Annual Rate	3.8	4.3	4.8	4.7	4.1	4.0	4.0	3.9
Avg. Hourly Earnings-Mfg. (\$/Hour)	36.69	37.01	37.36	37.70	38.02	38.34	38.65	38.96
% Ch, Annual Rate	3.6	3.5	3.8	3.7	3.5	3.4	3.3	3.3
Current Dollar Income (Billions of Dollars)								
Personal Income	795.756	806.446	817.666	828.716	839.758	850.041	860.136	870.277
% Ch, Annual Rate	5.6	5.5	5.7	5.5	5.4	5.0	4.8	4.8
Disposable Personal Income	691.741	700.794	710.327	719.945	729.474	738.347	747.042	755.889
% Ch, Annual Rate	5.6	5.3	5.6	5.5	5.4	5.0	4.8	4.8
Per Capita Income (\$/Person)	98,195	99,340	100,546	101,728	102,909	103,991	105,044	106,102
% Ch, Annual Rate	4.8	4.7	4.9	4.8	4.7	4.3	4.1	4.1
Employment (Thousands)								
Washington Civilian Labor Force	4,151.7	4,158.6	4,166.2	4,173.6	4,180.7	4,188.0	4,194.9	4,201.7
Total Washington Employment	3,953.3	3,962.1	3,971.8	3,981.2	3,990.4	3,999.9	4,008.4	4,016.8
Unemployment Rate (%)	4.78	4.73	4.66	4.61	4.55	4.49	4.45	4.40
Nonfarm Payroll Employment	3,769.4	3,779.5	3,789.6	3,799.1	3,808.1	3,817.6	3,826.2	3,835.1
% Ch, Annual Rate	0.9	1.1	1.1	1.0	1.0	1.0	0.9	0.9
Manufacturing	274.8	275.1	275.5	275.7	275.8	275.8	276.0	276.2
% Ch, Annual Rate	0.1	0.4	0.5	0.2	0.2	0.0	0.3	0.2
Durable Manufacturing	193.2	193.2	193.3	193.1	193.1	192.9	192.9	192.8
% Ch, Annual Rate	-0.2	0.0	0.0	-0.2	-0.2	-0.3	-0.1	-0.1
Aerospace	89.4	89.4	89.5	89.5	89.4	89.4	89.3	89.1
% Ch, Annual Rate	0.6	0.4	0.2	0.0	-0.2	-0.3	-0.5	-0.7
Nondurable Manufacturing	81.6	81.9	82.2	82.5	82.7	82.9	83.1	83.3
% Ch, Annual Rate	0.8	1.4	1.7	1.4	1.0	0.8	1.1	1.1
Construction	263.7	265.7	267.9	270.0	272.0	274.2	276.3	278.4
% Ch, Annual Rate	3.4	3.2	3.3	3.1	3.1	3.3	3.0	3.1
Service-Providing	3,225.7	3,233.4	3,240.9	3,248.1	3,254.8	3,262.0	3,268.3	3,274.8
% Ch, Annual Rate	0.8	1.0	0.9	0.9	0.8	0.9	0.8	0.8
Software Publishers	92.4	92.9	93.2	93.7	94.1	94.6	95.1	95.6
% Ch, Annual Rate	2.1	2.0	1.6	1.8	2.1	2.0	2.1	2.1
Mgmt. of Companies and Enterprises	114.1	114.8	115.5	116.2	116.8	117.5	118.2	118.9
% Ch, Annual Rate	2.4	2.4	2.4	2.4	2.3	2.3	2.3	2.3
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	44.266	44.496	44.645	44.792	44.915	45.009	45.144	45.401
% Ch, Annual Rate	2.0	2.1	1.3	1.3	1.1	0.8	1.2	2.3
Single-Family	24.114	24.244	24.314	24.394	24.492	24.601	24.713	24.876
% Ch, Annual Rate	1.4	2.2	1.1	1.3	1.6	1.8	1.8	2.7
Multi-Family	20.152	20.251	20.331	20.397	20.423	20.408	20.431	20.525
% Ch, Annual Rate	2.8	2.0	1.6	1.3	0.5	-0.3	0.4	1.8
30-Year Fixed Mortgage Rate (%)	5.06	5.11	5.04	4.94	4.89	4.85	4.87	4.87

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	158.72	159.72	159.98	160.35	160.98	161.55
% Ch	4.3	2.3	1.7	0.6	0.2	0.2	0.4	0.4
Manufacturing	12.81	12.94	12.99	12.43	12.21	11.90	11.70	11.67
% Ch	3.7	1.0	0.4	-4.3	-1.8	-2.6	-1.7	-0.2
Durable Manufacturing	7.97	8.10	8.17	7.72	7.56	7.32	7.15	7.13
% Ch	3.7	1.7	0.8	-5.5	-2.1	-3.1	-2.3	-0.4
Wood Products	0.43	0.42	0.41	0.38	0.40	0.41	0.42	0.45
% Ch	4.2	-2.2	-1.6	-6.7	4.2	2.5	2.9	7.3
Primary and Fabricated Metals	1.80	1.83	1.84	1.73	1.69	1.66	1.62	1.61
% Ch	3.7	1.7	0.4	-5.6	-2.3	-2.0	-2.2	-0.9
Computer and Electronic Products	1.09	1.11	1.10	1.10	1.10	1.08	1.07	1.05
% Ch	2.9	1.7	-0.4	-0.2	-0.5	-1.1	-1.6	-1.5
Machinery and Electrical Equipment	1.51	1.55	1.55	1.46	1.41	1.38	1.35	1.34
% Ch	4.4	2.5	0.0	-5.9	-3.1	-2.4	-2.1	-1.1
Transportation Equipment	1.72	1.79	1.87	1.75	1.72	1.60	1.52	1.50
% Ch	4.4	4.2	4.7	-6.5	-1.7	-7.2	-5.1	-1.0
Other Durables	1.42	1.41	1.39	1.29	1.23	1.19	1.17	1.18
% Ch	2.9	-1.3	-1.2	-7.1	-4.5	-3.3	-1.6	0.5
Nondurable Manufacturing	4.85	4.84	4.83	4.71	4.65	4.57	4.54	4.55
% Ch	3.7	-0.1	-0.3	-2.4	-1.3	-1.7	-0.7	0.1
Food Manufacturing	1.70	1.73	1.74	1.69	1.68	1.67	1.68	1.70
% Ch	3.6	1.6	0.8	-2.7	-0.7	-0.9	0.6	1.5
Paper and Paper Products	0.36	0.36	0.35	0.34	0.34	0.33	0.33	0.33
% Ch	3.8	-1.8	-2.2	-2.7	-1.2	-1.6	-0.6	0.1
Other Nondurables	2.78	2.76	2.74	2.68	2.63	2.58	2.54	2.52
% Ch	3.7	-1.0	-0.7	-2.2	-1.7	-2.2	-1.5	-0.9
Natural Resources and Mining	0.61	0.64	0.63	0.65	0.69	0.71	0.70	0.69
% Ch	8.0	5.8	-1.2	2.1	6.1	3.1	-0.7	-1.2
Construction	7.76	8.02	8.25	8.40	8.58	8.77	8.99	9.22
% Ch	4.4	3.3	2.9	1.8	2.1	2.3	2.5	2.6
Trade, Transportation, and Utilities	28.64	28.85	29.07	28.82	28.58	28.36	28.15	27.93
% Ch	3.6	0.7	0.8	-0.9	-0.8	-0.8	-0.7	-0.8
Wholesale Trade	5.98	6.12	6.13	6.22	6.16	6.23	6.24	6.17
% Ch	4.7	2.3	0.2	1.5	-1.1	1.2	0.2	-1.1
Retail Trade	15.50	15.59	15.83	15.38	15.27	14.91	14.65	14.56
% Ch	1.5	0.6	1.5	-2.8	-0.7	-2.4	-1.7	-0.7
Trans., Warehousing, and Utilities	7.17	7.14	7.11	7.22	7.16	7.23	7.26	7.20
% Ch	7.2	-0.3	-0.4	1.5	-0.9	1.0	0.4	-0.8
Information	3.06	3.03	3.02	3.06	3.08	3.03	3.05	3.09
% Ch	7.2	-1.1	-0.3	1.5	0.6	-1.8	0.7	1.4
Publishing Industries	0.95	0.95	0.92	0.92	0.89	0.88	0.88	0.87
% Ch	8.6	-0.1	-2.2	-0.3	-3.8	-0.4	-0.5	-1.6
Other Information	2.12	2.08	2.09	2.14	2.20	2.14	2.17	2.23
% Ch	6.6	-1.6	0.5	2.3	2.5	-2.4	1.2	2.7
Financial Activities	9.06	9.20	9.18	9.38	9.31	9.40	9.41	9.34
% Ch	2.9	1.5	-0.2	2.2	-0.8	1.0	0.1	-0.8
Professional and Business Services	22.54	22.84	23.21	23.62	24.21	24.08	24.36	24.99
% Ch	5.4	1.4	1.6	1.8	2.5	-0.5	1.2	2.5
Education and Health Services	24.34	25.34	26.17	26.66	26.56	26.87	27.20	27.22
% Ch	2.9	4.1	3.3	1.9	-0.4	1.2	1.2	0.1
Leisure and Hospitality	15.82	16.60	16.98	17.24	17.23	17.43	17.38	17.23
% Ch	11.9	4.9	2.3	1.5	0.0	1.1	-0.3	-0.9
Other Services	5.69	5.83	5.87	5.95	5.93	6.11	6.28	6.33
% Ch	4.3	2.3	0.7	1.3	-0.3	3.1	2.7	0.8
Federal Government	2.87	2.92	3.01	3.02	3.02	3.02	3.02	3.02
% Ch	-0.7	2.0	2.8	0.5	0.0	0.0	0.0	0.0
State and Local Government	19.33	19.86	20.34	20.49	20.58	20.66	20.74	20.82
% Ch	1.3	2.7	2.4	0.7	0.4	0.4	0.4	0.4

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	157.82	158.51	159.09	159.44	159.60	159.70	159.79	159.81
% Ch, Annual Rate	2.0	1.8	1.5	0.9	0.4	0.3	0.2	0.1
Manufacturing	12.96	13.03	13.05	12.93	12.74	12.49	12.29	12.20
% Ch, Annual Rate	0.4	2.2	0.7	-3.7	-5.6	-7.8	-6.1	-3.0
Durable Manufacturing	8.14	8.20	8.21	8.11	7.97	7.77	7.61	7.53
% Ch, Annual Rate	0.9	2.7	0.8	-4.6	-7.1	-9.6	-7.9	-4.0
Wood Products	0.41	0.42	0.41	0.40	0.39	0.38	0.38	0.38
% Ch, Annual Rate	-0.6	2.9	-4.6	-11.9	-8.0	-6.9	-7.3	3.4
Primary and Fabricated Metals	1.84	1.84	1.84	1.82	1.78	1.75	1.71	1.69
% Ch, Annual Rate	1.5	0.7	-0.7	-4.3	-8.1	-7.5	-8.7	-3.8
Computer and Electronic Products	1.11	1.10	1.10	1.10	1.10	1.10	1.10	1.10
% Ch, Annual Rate	-0.1	-1.3	0.4	-0.1	-0.2	0.2	-0.7	-0.6
Machinery and Electrical Equipment	1.55	1.55	1.56	1.54	1.50	1.47	1.44	1.42
% Ch, Annual Rate	-1.3	1.2	1.1	-5.9	-8.5	-7.5	-9.5	-4.1
Transportation Equipment	1.84	1.88	1.90	1.88	1.85	1.75	1.72	1.69
% Ch, Annual Rate	5.4	11.0	2.4	-3.1	-7.2	-19.2	-7.0	-6.4
Other Durables	1.39	1.39	1.40	1.37	1.34	1.31	1.27	1.25
% Ch, Annual Rate	-1.6	-0.6	2.0	-7.0	-9.4	-9.3	-12.1	-5.6
Nondurable Manufacturing	4.82	4.83	4.84	4.82	4.78	4.72	4.68	4.66
% Ch, Annual Rate	-0.4	1.5	0.5	-2.0	-3.0	-4.9	-3.1	-1.6
Food Manufacturing	1.73	1.74	1.74	1.74	1.72	1.70	1.68	1.67
% Ch, Annual Rate	0.6	2.8	-0.1	-1.2	-3.3	-6.5	-3.7	-0.9
Paper and Paper Products	0.35	0.35	0.35	0.35	0.34	0.34	0.34	0.34
% Ch, Annual Rate	-3.6	-0.6	-1.1	-2.8	-3.0	-4.6	-2.5	-1.9
Other Nondurables	2.73	2.74	2.75	2.73	2.71	2.69	2.67	2.65
% Ch, Annual Rate	-0.5	0.9	1.1	-2.5	-2.7	-3.9	-2.8	-1.9
Natural Resources and Mining	0.64	0.63	0.63	0.63	0.63	0.64	0.65	0.66
% Ch, Annual Rate	-0.4	-4.5	-4.7	0.5	3.4	5.1	6.4	6.1
Construction	8.17	8.22	8.27	8.32	8.33	8.37	8.41	8.47
% Ch, Annual Rate	3.6	2.4	2.1	2.7	0.6	2.0	1.9	2.5
Trade, Transportation, and Utilities	28.92	29.09	29.16	29.12	29.06	28.81	28.77	28.64
% Ch, Annual Rate	0.8	2.3	1.0	-0.6	-0.7	-3.4	-0.5	-1.8
Wholesale Trade	6.15	6.12	6.12	6.13	6.16	6.25	6.25	6.24
% Ch, Annual Rate	0.1	-2.3	0.1	0.7	1.7	6.1	-0.1	-0.5
Retail Trade	15.64	15.85	15.93	15.88	15.77	15.32	15.28	15.16
% Ch, Annual Rate	1.2	5.5	2.0	-1.2	-2.8	-11.0	-1.0	-3.0
Trans., Warehousing, and Utilities	7.13	7.12	7.11	7.10	7.14	7.25	7.25	7.24
% Ch, Annual Rate	0.5	-0.5	-0.3	-0.4	1.9	6.4	0.1	-0.4
Information	3.02	3.00	3.01	3.04	3.06	3.06	3.05	3.09
% Ch, Annual Rate	2.8	-2.2	1.3	3.5	2.5	0.7	-2.1	5.8
Publishing Industries	0.93	0.92	0.92	0.92	0.92	0.93	0.92	0.91
% Ch, Annual Rate	-2.4	-1.6	-0.5	-0.3	-0.6	3.6	-3.0	-3.8
Other Information	2.09	2.08	2.09	2.12	2.14	2.13	2.12	2.18
% Ch, Annual Rate	5.3	-2.4	2.1	5.3	3.8	-0.5	-1.7	10.2
Financial Activities	9.23	9.16	9.15	9.19	9.25	9.42	9.43	9.43
% Ch, Annual Rate	-0.1	-2.8	-0.3	1.6	2.7	7.5	0.6	0.1
Professional and Business Services	22.94	23.18	23.27	23.45	23.68	23.44	23.64	23.73
% Ch, Annual Rate	1.2	4.3	1.5	3.2	4.0	-4.0	3.4	1.5
Education and Health Services	26.01	26.09	26.28	26.30	26.33	26.73	26.77	26.81
% Ch, Annual Rate	4.3	1.3	2.9	0.3	0.5	6.1	0.6	0.6
Leisure and Hospitality	16.85	16.93	17.00	17.15	17.16	17.27	17.27	17.26
% Ch, Annual Rate	1.5	2.0	1.5	3.6	0.2	2.6	0.1	-0.2
Other Services	5.88	5.85	5.87	5.86	5.87	5.97	5.98	5.98
% Ch, Annual Rate	1.6	-2.0	0.7	-0.1	0.1	7.0	0.7	0.2
Federal Government	2.98	3.00	3.02	3.02	3.02	3.02	3.02	3.02
% Ch, Annual Rate	3.8	2.4	3.1	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.22	20.31	20.39	20.43	20.45	20.48	20.50	20.52
% Ch, Annual Rate	3.1	1.9	1.5	0.8	0.5	0.5	0.4	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	159.86	159.95	160.02	160.09	160.17	160.27	160.40	160.56
% Ch, Annual Rate	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.4
Manufacturing	12.27	12.27	12.18	12.11	12.03	11.96	11.86	11.74
% Ch, Annual Rate	2.2	0.2	-2.8	-2.3	-2.7	-2.3	-3.4	-4.0
Durable Manufacturing	7.59	7.60	7.54	7.49	7.43	7.37	7.29	7.20
% Ch, Annual Rate	3.3	0.5	-3.3	-2.7	-3.3	-2.8	-4.3	-5.1
Wood Products	0.39	0.40	0.40	0.41	0.41	0.41	0.41	0.41
% Ch, Annual Rate	11.7	8.4	3.5	2.4	2.5	2.5	0.3	-0.6
Primary and Fabricated Metals	1.70	1.70	1.69	1.68	1.68	1.67	1.66	1.64
% Ch, Annual Rate	1.2	1.2	-2.6	-1.5	-1.9	-1.9	-2.9	-4.3
Computer and Electronic Products	1.10	1.10	1.10	1.09	1.09	1.09	1.08	1.08
% Ch, Annual Rate	-0.5	-0.3	-0.8	-0.8	-1.4	-1.3	-1.3	-1.3
Machinery and Electrical Equipment	1.42	1.42	1.41	1.40	1.39	1.39	1.38	1.36
% Ch, Annual Rate	-0.2	0.1	-3.3	-2.1	-2.0	-2.2	-3.2	-4.0
Transportation Equipment	1.74	1.74	1.72	1.69	1.65	1.63	1.58	1.53
% Ch, Annual Rate	12.7	-0.3	-5.9	-6.0	-8.6	-6.2	-10.6	-11.0
Other Durables	1.25	1.24	1.23	1.22	1.21	1.20	1.19	1.18
% Ch, Annual Rate	-1.2	-0.7	-4.7	-3.4	-2.9	-3.2	-3.2	-4.5
Nondurable Manufacturing	4.67	4.67	4.64	4.62	4.60	4.59	4.57	4.54
% Ch, Annual Rate	0.5	-0.2	-2.1	-1.8	-1.7	-1.4	-1.9	-2.2
Food Manufacturing	1.68	1.69	1.68	1.68	1.67	1.67	1.66	1.66
% Ch, Annual Rate	1.7	1.2	-1.4	-1.0	-1.1	-0.6	-1.1	-1.5
Paper and Paper Products	0.34	0.34	0.33	0.33	0.33	0.33	0.33	0.33
% Ch, Annual Rate	0.9	-0.3	-2.2	-1.8	-1.3	-1.1	-1.9	-2.4
Other Nondurables	2.65	2.64	2.63	2.61	2.60	2.59	2.57	2.55
% Ch, Annual Rate	-0.2	-1.1	-2.5	-2.3	-2.1	-2.0	-2.4	-2.6
Natural Resources and Mining	0.67	0.68	0.69	0.70	0.70	0.71	0.71	0.71
% Ch, Annual Rate	6.0	7.1	6.2	3.9	2.7	2.3	1.0	-0.9
Construction	8.51	8.55	8.60	8.64	8.70	8.74	8.80	8.85
% Ch, Annual Rate	1.9	2.2	2.1	2.1	2.5	2.2	2.6	2.6
Trade, Transportation, and Utilities	28.64	28.60	28.57	28.51	28.42	28.39	28.34	28.29
% Ch, Annual Rate	-0.1	-0.4	-0.4	-0.8	-1.3	-0.4	-0.7	-0.8
Wholesale Trade	6.16	6.15	6.16	6.16	6.19	6.20	6.24	6.28
% Ch, Annual Rate	-4.9	-0.7	0.3	0.3	1.9	0.9	2.4	2.6
Retail Trade	15.32	15.30	15.26	15.18	15.05	15.00	14.86	14.71
% Ch, Annual Rate	4.2	-0.3	-1.2	-1.9	-3.6	-1.2	-3.6	-3.9
Trans., Warehousing, and Utilities	7.16	7.15	7.16	7.17	7.19	7.19	7.24	7.29
% Ch, Annual Rate	-4.7	-0.5	0.6	0.5	1.1	0.1	2.8	3.0
Information	3.10	3.10	3.07	3.05	3.04	3.02	3.02	3.02
% Ch, Annual Rate	1.1	0.7	-3.7	-2.5	-1.3	-2.8	-1.0	0.2
Publishing Industries	0.89	0.89	0.88	0.88	0.88	0.88	0.88	0.89
% Ch, Annual Rate	-7.9	-3.1	-1.7	-1.7	0.5	-0.7	2.0	2.2
Other Information	2.20	2.22	2.19	2.17	2.16	2.14	2.13	2.13
% Ch, Annual Rate	5.1	2.3	-4.5	-2.8	-1.9	-3.6	-2.2	-0.6
Financial Activities	9.33	9.30	9.30	9.31	9.35	9.36	9.42	9.46
% Ch, Annual Rate	-4.5	-1.3	0.2	0.3	1.9	0.5	2.3	2.0
Professional and Business Services	24.18	24.23	24.22	24.21	24.19	24.20	24.04	23.91
% Ch, Annual Rate	7.9	0.8	-0.2	-0.2	-0.2	0.1	-2.7	-2.0
Education and Health Services	26.56	26.55	26.56	26.58	26.69	26.73	26.93	27.15
% Ch, Annual Rate	-3.7	-0.1	0.2	0.3	1.6	0.7	3.0	3.2
Leisure and Hospitality	17.14	17.16	17.27	17.37	17.36	17.41	17.45	17.48
% Ch, Annual Rate	-2.8	0.4	2.6	2.4	-0.2	1.0	1.0	0.7
Other Services	5.91	5.91	5.94	5.97	6.02	6.06	6.14	6.23
% Ch, Annual Rate	-4.5	-0.1	1.9	2.2	3.8	2.5	5.4	6.1
Federal Government	3.02	3.02	3.02	3.02	3.02	3.02	3.02	3.02
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.55	20.57	20.59	20.61	20.63	20.65	20.67	20.69
% Ch, Annual Rate	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4

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	160.73	160.90	161.07	161.23	161.37	161.49	161.61	161.74
% Ch, Annual Rate	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3
Manufacturing	11.70	11.69	11.70	11.69	11.68	11.67	11.67	11.67
% Ch, Annual Rate	-1.2	-0.4	0.3	-0.3	-0.2	-0.5	0.0	-0.1
Durable Manufacturing	7.17	7.15	7.15	7.14	7.14	7.12	7.12	7.12
% Ch, Annual Rate	-1.8	-0.9	0.1	-0.7	-0.2	-0.6	-0.1	-0.2
Wood Products	0.41	0.42	0.42	0.43	0.44	0.45	0.46	0.47
% Ch, Annual Rate	3.8	4.5	5.1	6.2	7.3	8.4	9.7	8.9
Primary and Fabricated Metals	1.63	1.63	1.62	1.62	1.61	1.61	1.61	1.61
% Ch, Annual Rate	-2.0	-1.1	-0.8	-1.2	-0.8	-1.2	-0.6	-0.3
Computer and Electronic Products	1.07	1.07	1.06	1.06	1.06	1.05	1.05	1.04
% Ch, Annual Rate	-2.0	-1.8	-1.8	-1.6	-1.5	-1.5	-1.4	-1.3
Machinery and Electrical Equipment	1.35	1.35	1.35	1.35	1.34	1.34	1.33	1.33
% Ch, Annual Rate	-2.0	-0.7	-0.6	-1.2	-1.0	-1.6	-1.1	-0.9
Transportation Equipment	1.52	1.51	1.52	1.51	1.51	1.50	1.50	1.49
% Ch, Annual Rate	-3.0	-2.6	1.3	-1.7	-0.9	-1.2	-1.1	-2.1
Other Durables	1.17	1.17	1.17	1.18	1.18	1.18	1.18	1.18
% Ch, Annual Rate	-1.3	0.3	0.6	0.4	0.6	-0.1	0.9	1.0
Nondurable Manufacturing	4.54	4.54	4.55	4.55	4.55	4.55	4.55	4.55
% Ch, Annual Rate	-0.2	0.3	0.5	0.2	-0.1	-0.3	0.0	0.0
Food Manufacturing	1.66	1.67	1.68	1.69	1.69	1.70	1.70	1.71
% Ch, Annual Rate	1.4	1.9	2.1	1.7	1.3	1.0	1.4	1.3
Paper and Paper Products	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
% Ch, Annual Rate	-0.1	0.4	0.7	0.3	-0.1	-0.4	-0.1	-0.2
Other Nondurables	2.55	2.54	2.54	2.53	2.53	2.52	2.51	2.51
% Ch, Annual Rate	-1.2	-0.8	-0.5	-0.7	-1.0	-1.1	-0.9	-0.9
Natural Resources and Mining	0.70	0.70	0.70	0.70	0.70	0.70	0.69	0.69
% Ch, Annual Rate	-1.6	-1.1	-1.1	-1.1	-1.1	-1.0	-1.5	-1.6
Construction	8.91	8.96	9.02	9.08	9.13	9.20	9.25	9.31
% Ch, Annual Rate	2.7	2.3	2.6	2.6	2.4	2.9	2.4	2.7
Trade, Transportation, and Utilities	28.23	28.16	28.13	28.08	28.02	27.96	27.90	27.85
% Ch, Annual Rate	-0.9	-0.9	-0.4	-0.8	-0.9	-0.8	-0.8	-0.7
Wholesale Trade	6.28	6.26	6.22	6.20	6.19	6.18	6.17	6.16
% Ch, Annual Rate	-0.2	-1.0	-2.5	-1.4	-0.5	-0.8	-0.8	-0.7
Retail Trade	14.66	14.62	14.67	14.66	14.61	14.58	14.54	14.51
% Ch, Annual Rate	-1.6	-0.9	1.4	-0.3	-1.4	-0.9	-1.1	-0.8
Trans., Warehousing, and Utilities	7.30	7.28	7.24	7.22	7.21	7.20	7.20	7.19
% Ch, Annual Rate	0.1	-0.8	-2.3	-1.2	-0.2	-0.6	-0.4	-0.4
Information	3.03	3.05	3.05	3.06	3.07	3.09	3.10	3.11
% Ch, Annual Rate	1.6	2.3	0.9	0.9	1.5	1.8	1.8	1.3
Publishing Industries	0.89	0.88	0.88	0.87	0.87	0.87	0.86	0.86
% Ch, Annual Rate	-0.9	-1.6	-3.2	-2.1	-1.0	-1.3	-1.1	-0.9
Other Information	2.14	2.16	2.18	2.19	2.20	2.22	2.24	2.25
% Ch, Annual Rate	2.7	4.0	2.6	2.1	2.5	3.1	2.9	2.1
Financial Activities	9.46	9.44	9.38	9.35	9.34	9.34	9.34	9.33
% Ch, Annual Rate	-0.1	-0.9	-2.4	-1.4	-0.2	-0.3	0.1	-0.5
Professional and Business Services	24.07	24.22	24.49	24.68	24.83	24.94	25.04	25.14
% Ch, Annual Rate	2.6	2.5	4.6	3.1	2.4	1.7	1.7	1.6
Education and Health Services	27.21	27.24	27.17	27.17	27.20	27.21	27.21	27.24
% Ch, Annual Rate	0.9	0.5	-1.0	-0.1	0.6	0.1	0.0	0.3
Leisure and Hospitality	17.41	17.39	17.37	17.35	17.27	17.24	17.21	17.18
% Ch, Annual Rate	-1.6	-0.4	-0.6	-0.5	-1.7	-0.6	-0.7	-0.8
Other Services	6.27	6.29	6.28	6.28	6.31	6.32	6.34	6.35
% Ch, Annual Rate	2.5	1.1	-0.8	0.5	1.5	1.0	0.8	1.0
Federal Government	3.02	3.02	3.02	3.02	3.02	3.02	3.02	3.02
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.71	20.73	20.75	20.77	20.79	20.81	20.83	20.85
% Ch, Annual Rate	0.4	0.4	0.4	0.4	0.4	0.4	0.4	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	3,528.2	3,595.2	3,643.6	3,677.1	3,714.5	3,747.7	3,784.4	3,821.8
% Ch	4.7	1.9	1.3	0.9	1.0	0.9	1.0	1.0
Manufacturing	268.8	273.9	276.7	272.0	275.2	275.5	275.3	275.9
% Ch	3.4	1.9	1.0	-1.7	1.2	0.1	-0.1	0.2
Durable Manufacturing	181.8	187.8	191.2	188.4	192.4	193.6	193.2	192.9
% Ch	3.4	3.3	1.8	-1.4	2.1	0.6	-0.2	-0.1
Wood Products	13.6	13.6	13.3	12.4	12.8	12.8	12.8	13.0
% Ch	3.1	-0.1	-2.4	-6.3	3.3	0.0	-0.1	1.5
Primary and Fabricated Metals	23.7	23.8	23.6	22.2	21.7	21.2	20.7	20.5
% Ch	2.2	0.4	-0.8	-5.9	-2.4	-2.1	-2.4	-1.1
Computer and Electronic Products	18.2	18.4	18.3	18.5	18.6	18.4	18.1	17.8
% Ch	1.1	0.9	0.0	0.8	0.4	-0.8	-1.9	-1.7
Machinery and Electrical Equipment	19.9	20.3	20.3	19.1	18.9	18.8	18.8	19.1
% Ch	4.0	1.7	0.0	-5.8	-1.1	-0.5	0.0	1.8
Aerospace	71.3	77.5	81.5	82.3	86.6	88.8	89.4	89.3
% Ch	5.5	8.6	5.2	1.0	5.2	2.6	0.7	-0.2
Other Transportation Equip.	9.5	9.6	9.8	9.6	9.5	9.1	8.9	8.6
% Ch	4.0	0.6	1.9	-1.4	-0.9	-4.2	-2.5	-3.2
Other Durables	25.6	24.8	24.5	24.3	24.3	24.4	24.5	24.6
% Ch	-0.1	-3.0	-1.3	-0.7	0.2	0.3	0.4	0.6
Nondurable Manufacturing	87.0	86.1	85.5	83.6	82.8	81.9	82.1	83.0
% Ch	3.4	-1.0	-0.7	-2.2	-0.9	-1.1	0.2	1.2
Food Manufacturing	40.1	40.7	41.5	40.1	39.1	38.3	38.1	38.3
% Ch	3.4	1.4	2.0	-3.4	-2.5	-2.1	-0.5	0.4
Paper and Paper Products	7.8	7.5	7.1	6.8	6.7	6.5	6.4	6.3
% Ch	3.5	-3.8	-4.7	-4.1	-2.4	-2.9	-1.8	-1.1
Other Nondurables	39.1	37.9	36.9	36.6	37.0	37.1	37.6	38.5
% Ch	3.4	-2.9	-2.8	-0.6	1.0	0.3	1.3	2.3
Natural Resources and Mining	5.5	5.5	5.1	4.7	4.9	5.0	5.3	5.7
% Ch	-2.9	-0.6	-8.1	-6.0	2.2	3.9	5.4	6.3
Construction	232.3	232.2	234.1	241.9	249.6	258.3	266.8	275.2
% Ch	3.8	-0.1	0.8	3.3	3.2	3.5	3.3	3.2
Trade, Transportation, and Utilities	612.3	615.3	611.3	604.6	601.8	597.9	594.6	592.2
% Ch	0.9	0.5	-0.7	-1.1	-0.5	-0.6	-0.6	-0.4
Wholesale Trade	137.1	140.1	140.6	142.8	142.0	143.8	144.4	143.6
% Ch	4.4	2.2	0.4	1.5	-0.5	1.2	0.4	-0.5
Retail Trade	338.7	338.0	335.4	324.7	322.7	315.2	310.0	308.5
% Ch	-1.7	-0.2	-0.8	-3.2	-0.6	-2.3	-1.6	-0.5
Trans., Warehousing, and Utilities	136.5	137.3	135.3	137.1	137.1	139.0	140.2	140.1
% Ch	4.5	0.6	-1.4	1.3	0.0	1.4	0.9	-0.1
Information	171.4	168.9	168.2	173.7	178.5	181.6	186.9	192.9
% Ch	9.0	-1.4	-0.4	3.3	2.7	1.8	2.9	3.2
Software Publishers	86.0	85.9	85.6	87.6	88.9	91.0	93.1	94.9
% Ch	7.6	-0.1	-0.4	2.4	1.5	2.3	2.3	1.9
Other Publishing Industries	7.9	7.4	6.6	6.4	5.8	5.6	5.4	5.0
% Ch	-3.0	-6.4	-11.2	-3.4	-8.3	-4.1	-4.4	-6.3
Other Information	77.4	75.6	76.0	79.7	83.7	85.0	88.5	93.0
% Ch	12.1	-2.4	0.6	4.8	5.0	1.6	4.1	5.0
Financial Activities	165.3	165.0	165.4	170.1	170.6	169.7	169.5	169.6
% Ch	2.6	-0.1	0.2	2.8	0.3	-0.5	-0.1	0.0
Professional and Business Services	545.4	549.2	553.6	568.3	585.5	597.4	613.1	630.9
% Ch	9.9	0.7	0.8	2.6	3.0	2.0	2.6	2.9
Mgmt. of Companies and Enterprises	104.1	101.9	102.7	106.2	109.5	112.4	115.2	117.8
% Ch	15.4	-2.1	0.8	3.5	3.0	2.7	2.5	2.3
Other Prof. and Bus. Services	441.3	447.3	450.9	462.0	476.0	485.1	498.0	513.0
% Ch	8.7	1.4	0.8	2.5	3.0	1.9	2.7	3.0
Education and Health Services	514.5	532.0	548.1	554.6	557.8	564.1	570.1	573.4
% Ch	2.4	3.4	3.0	1.2	0.6	1.1	1.1	0.6
Leisure and Hospitality	326.6	343.3	348.9	351.2	350.5	353.2	352.6	350.4
% Ch	15.4	5.1	1.6	0.6	-0.2	0.8	-0.2	-0.6
Other Services	120.0	122.9	123.7	124.7	125.1	126.8	128.4	129.6
% Ch	5.6	2.4	0.6	0.8	0.4	1.3	1.3	0.9
Federal Government	75.2	77.3	79.9	80.5	80.6	80.8	80.9	81.1
% Ch	-2.1	2.8	3.4	0.7	0.1	0.2	0.2	0.2
State and Local Government	490.9	509.5	528.5	530.7	534.5	537.3	540.7	544.9
% Ch	1.6	3.8	3.7	0.4	0.7	0.5	0.6	0.8

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	3,622.8	3,641.0	3,650.7	3,660.0	3,666.9	3,673.0	3,680.2	3,688.1
% Ch, Annual Rate	2.4	2.0	1.1	1.0	0.8	0.7	0.8	0.9
Manufacturing	277.0	277.7	277.0	275.1	273.2	271.7	271.2	272.0
% Ch, Annual Rate	3.3	0.9	-1.0	-2.7	-2.6	-2.3	-0.7	1.2
Durable Manufacturing	191.7	192.0	191.2	189.7	188.4	188.0	188.1	189.1
% Ch, Annual Rate	3.8	0.6	-1.6	-3.2	-2.6	-0.9	0.3	2.2
Wood Products	13.6	13.4	13.2	12.8	12.5	12.3	12.4	12.5
% Ch, Annual Rate	-2.1	-5.2	-6.2	-12.4	-9.1	-4.4	0.9	3.8
Primary and Fabricated Metals	23.6	23.7	23.7	23.4	22.9	22.4	21.9	21.6
% Ch, Annual Rate	-0.1	2.4	-0.5	-4.5	-8.5	-8.0	-9.3	-4.2
Computer and Electronic Products	18.4	18.2	18.3	18.4	18.4	18.5	18.5	18.5
% Ch, Annual Rate	3.8	-4.4	2.1	1.2	1.0	1.7	-0.1	0.1
Machinery and Electrical Equipment	20.2	20.2	20.5	20.2	19.6	19.1	18.8	18.8
% Ch, Annual Rate	0.8	1.4	5.4	-6.4	-10.7	-9.0	-6.6	-0.2
Aerospace	81.5	82.3	81.3	80.9	81.1	81.7	82.7	83.9
% Ch, Annual Rate	6.0	4.2	-4.6	-2.1	0.8	3.1	5.1	5.6
Other Transportation Equip.	9.7	9.8	9.8	9.7	9.7	9.6	9.6	9.6
% Ch, Annual Rate	8.6	1.9	-1.4	-0.7	-2.5	-2.7	-1.1	0.2
Other Durables	24.8	24.4	24.4	24.3	24.3	24.3	24.3	24.3
% Ch, Annual Rate	4.3	-6.3	1.3	-1.9	-0.1	-0.1	-0.4	-0.2
Nondurable Manufacturing	85.3	85.6	85.7	85.4	84.8	83.7	83.1	82.9
% Ch, Annual Rate	2.3	1.5	0.5	-1.7	-2.7	-5.2	-2.9	-0.9
Food Manufacturing	41.1	41.9	41.7	41.4	41.0	40.2	39.7	39.5
% Ch, Annual Rate	8.1	8.3	-2.5	-2.1	-4.2	-7.3	-4.7	-2.0
Paper and Paper Products	7.2	7.2	7.1	7.0	7.0	6.9	6.8	6.7
% Ch, Annual Rate	-6.2	-0.1	-2.3	-4.2	-4.4	-6.3	-3.9	-3.3
Other Nondurables	37.1	36.6	37.0	36.9	36.8	36.6	36.5	36.6
% Ch, Annual Rate	-2.0	-5.3	4.5	-0.6	-0.8	-2.7	-0.6	0.8
Natural Resources and Mining	5.2	5.1	5.0	4.9	4.7	4.7	4.7	4.8
% Ch, Annual Rate	-12.1	-8.6	-9.8	-10.6	-9.6	-2.3	3.1	6.4
Construction	230.5	232.6	235.5	237.9	239.6	241.1	242.6	244.3
% Ch, Annual Rate	3.4	3.8	5.0	4.1	3.0	2.6	2.5	2.7
Trade, Transportation, and Utilities	610.1	610.8	612.6	611.7	610.5	603.8	603.2	600.8
% Ch, Annual Rate	-1.6	0.5	1.2	-0.5	-0.8	-4.3	-0.4	-1.6
Wholesale Trade	140.2	140.6	140.8	141.0	141.6	143.2	143.3	143.1
% Ch, Annual Rate	0.0	1.1	0.6	0.7	1.7	4.7	0.1	-0.3
Retail Trade	333.8	335.0	336.8	335.8	333.3	323.2	322.4	319.9
% Ch, Annual Rate	-1.6	1.5	2.1	-1.2	-2.9	-11.7	-1.0	-3.0
Trans., Warehousing, and Utilities	136.1	135.2	135.0	134.9	135.6	137.4	137.6	137.7
% Ch, Annual Rate	-3.2	-2.6	-0.6	-0.2	1.8	5.6	0.6	0.3
Information	166.8	167.2	168.5	170.3	171.8	173.2	173.9	176.0
% Ch, Annual Rate	4.5	0.8	3.2	4.2	3.8	3.2	1.6	5.0
Software Publishers	84.8	85.3	85.8	86.3	86.8	87.6	87.9	88.2
% Ch, Annual Rate	2.7	2.2	2.4	2.4	2.4	3.5	1.7	1.5
Other Publishing Industries	6.7	6.6	6.6	6.5	6.4	6.5	6.4	6.2
% Ch, Annual Rate	-25.1	-1.8	-3.8	-3.6	-3.9	1.4	-7.0	-8.1
Other Information	75.3	75.2	76.1	77.4	78.6	79.1	79.6	81.5
% Ch, Annual Rate	10.0	-0.5	4.8	7.0	6.0	3.0	2.2	10.3
Financial Activities	164.4	165.6	165.5	166.2	167.4	170.8	171.0	170.9
% Ch, Annual Rate	0.4	2.9	-0.3	1.7	3.1	8.3	0.4	-0.2
Professional and Business Services	550.9	551.4	553.7	558.4	562.8	566.1	570.2	573.9
% Ch, Annual Rate	1.2	0.4	1.7	3.4	3.2	2.4	2.9	2.7
Mgmt. of Companies and Enterprises	101.9	101.9	103.0	104.0	104.9	105.8	106.7	107.5
% Ch	-3.1	0.2	4.2	3.9	3.7	3.5	3.3	3.2
Other Prof. and Bus. Services	449.1	449.5	450.7	454.4	457.9	460.3	463.5	466.4
% Ch	2.2	0.4	1.1	3.3	3.1	2.1	2.8	2.6
Education and Health Services	541.5	549.1	550.7	551.2	552.4	554.4	555.4	556.4
% Ch, Annual Rate	2.9	5.7	1.2	0.4	0.9	1.5	0.7	0.7
Leisure and Hospitality	348.3	348.2	348.7	350.6	350.3	351.7	351.5	351.2
% Ch, Annual Rate	2.7	-0.2	0.6	2.2	-0.3	1.5	-0.2	-0.4
Other Services	122.7	124.0	124.1	124.1	124.2	124.7	124.9	125.0
% Ch, Annual Rate	0.3	4.2	0.3	0.2	0.2	1.8	0.4	0.4
Federal Government	78.9	79.9	80.5	80.5	80.5	80.5	80.5	80.5
% Ch, Annual Rate	2.0	5.4	2.8	0.1	0.1	0.1	0.1	0.1
State and Local Government	526.4	529.5	529.0	529.3	529.3	530.2	531.2	532.3
% Ch, Annual Rate	7.7	2.4	-0.4	0.2	0.0	0.7	0.7	0.8

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	3,699.7	3,710.5	3,719.7	3,728.2	3,735.0	3,743.1	3,751.9	3,760.7
% Ch, Annual Rate	1.3	1.2	1.0	0.9	0.7	0.9	0.9	0.9
Manufacturing	273.8	275.3	275.7	275.9	275.9	275.9	275.4	274.8
% Ch, Annual Rate	2.6	2.3	0.5	0.4	0.0	-0.1	-0.7	-0.9
Durable Manufacturing	190.7	192.3	193.0	193.5	193.7	193.8	193.6	193.3
% Ch, Annual Rate	3.3	3.4	1.4	1.0	0.5	0.2	-0.4	-0.6
Wood Products	12.7	12.9	12.9	12.9	12.9	12.9	12.8	12.8
% Ch, Annual Rate	7.5	4.7	0.7	-0.3	-0.2	-0.2	-2.0	0.2
Primary and Fabricated Metals	21.7	21.8	21.6	21.6	21.4	21.3	21.2	20.9
% Ch, Annual Rate	1.4	1.3	-2.7	-1.5	-2.1	-2.1	-3.1	-4.6
Computer and Electronic Products	18.5	18.6	18.6	18.6	18.5	18.4	18.4	18.3
% Ch, Annual Rate	0.5	0.8	-0.1	-0.1	-1.3	-1.1	-1.1	-1.3
Machinery and Electrical Equipment	18.8	19.0	18.9	18.9	18.9	18.8	18.8	18.6
% Ch, Annual Rate	-0.2	3.7	-2.2	-0.1	0.0	-0.2	-1.9	-3.3
Aerospace	85.0	86.2	87.2	87.9	88.4	88.7	89.0	89.2
% Ch, Annual Rate	5.8	5.8	4.4	3.2	2.3	1.6	1.2	0.9
Other Transportation Equip.	9.6	9.6	9.5	9.4	9.3	9.2	9.1	9.0
% Ch, Annual Rate	0.6	-1.3	-2.0	-4.2	-5.9	-4.8	-4.3	-2.2
Other Durables	24.3	24.3	24.3	24.3	24.4	24.4	24.4	24.4
% Ch, Annual Rate	0.6	0.4	0.2	0.1	0.5	0.4	0.3	0.3
Nondurable Manufacturing	83.1	83.0	82.7	82.4	82.2	82.1	81.8	81.5
% Ch, Annual Rate	0.9	-0.2	-1.6	-1.2	-1.1	-0.7	-1.3	-1.7
Food Manufacturing	39.5	39.3	39.0	38.8	38.6	38.4	38.2	38.0
% Ch, Annual Rate	-0.9	-1.9	-2.5	-2.1	-2.1	-1.7	-2.2	-2.6
Paper and Paper Products	6.7	6.7	6.6	6.6	6.5	6.5	6.4	6.4
% Ch, Annual Rate	0.0	-1.4	-3.6	-3.1	-2.7	-2.4	-3.4	-4.0
Other Nondurables	36.9	37.1	37.0	37.0	37.1	37.1	37.1	37.1
% Ch, Annual Rate	3.2	1.8	-0.2	0.0	0.3	0.6	0.0	-0.4
Natural Resources and Mining	4.8	4.8	4.9	4.9	4.9	5.0	5.1	5.2
% Ch, Annual Rate	0.6	1.4	1.7	2.5	4.8	4.0	6.1	6.3
Construction	246.4	248.4	250.5	252.9	255.2	257.1	259.2	261.5
% Ch, Annual Rate	3.5	3.3	3.5	3.9	3.6	3.1	3.3	3.5
Trade, Transportation, and Utilities	602.2	602.2	601.9	601.0	599.1	598.8	597.6	596.2
% Ch, Annual Rate	1.0	0.0	-0.2	-0.6	-1.3	-0.2	-0.8	-0.9
Wholesale Trade	141.9	141.8	142.1	142.3	142.9	143.3	144.0	144.8
% Ch, Annual Rate	-3.4	-0.2	0.6	0.7	1.8	1.0	2.1	2.3
Retail Trade	323.6	323.5	322.6	321.1	318.1	317.2	314.3	311.1
% Ch, Annual Rate	4.7	-0.2	-1.1	-1.9	-3.7	-1.1	-3.7	-4.0
Trans., Warehousing, and Utilities	136.7	136.9	137.3	137.7	138.1	138.3	139.3	140.3
% Ch, Annual Rate	-2.9	0.4	1.2	1.1	1.4	0.6	2.9	3.0
Information	177.2	178.4	178.8	179.5	180.4	181.0	182.0	183.2
% Ch, Annual Rate	2.8	2.8	0.8	1.4	2.1	1.3	2.2	2.8
Software Publishers	88.3	88.7	89.1	89.6	90.1	90.6	91.3	91.9
% Ch, Annual Rate	0.3	1.7	2.0	2.0	2.5	2.2	2.9	2.9
Other Publishing Industries	6.0	5.9	5.8	5.7	5.7	5.6	5.6	5.6
% Ch, Annual Rate	-13.6	-7.6	-5.8	-5.8	-3.0	-4.6	-1.0	-0.6
Other Information	82.9	83.9	83.9	84.2	84.6	84.7	85.1	85.7
% Ch, Annual Rate	6.8	4.9	0.1	1.3	1.9	0.8	1.8	2.8
Financial Activities	171.0	170.7	170.5	170.1	169.9	169.7	169.7	169.7
% Ch, Annual Rate	0.2	-0.7	-0.4	-0.9	-0.5	-0.4	-0.1	0.0
Professional and Business Services	579.4	584.2	587.8	590.4	593.0	595.8	598.8	602.2
% Ch, Annual Rate	3.9	3.3	2.5	1.8	1.7	2.0	2.0	2.3
Mgmt. of Companies and Enterprises	108.3	109.1	109.9	110.6	111.3	112.0	112.8	113.4
% Ch	3.0	2.9	2.8	2.7	2.7	2.6	2.5	2.5
Other Prof. and Bus. Services	471.1	475.1	477.9	479.8	481.6	483.8	486.0	488.8
% Ch	4.1	3.4	2.4	1.6	1.5	1.8	1.9	2.3
Education and Health Services	556.8	557.2	557.9	559.2	561.5	562.8	565.1	567.0
% Ch, Annual Rate	0.3	0.3	0.5	1.0	1.6	1.0	1.6	1.3
Leisure and Hospitality	349.2	349.4	350.9	352.4	352.3	353.0	353.6	354.1
% Ch, Annual Rate	-2.2	0.1	1.8	1.7	-0.1	0.8	0.8	0.5
Other Services	124.8	124.9	125.2	125.6	126.0	126.4	127.0	127.7
% Ch, Annual Rate	-0.6	0.5	1.0	1.1	1.5	1.2	1.9	2.1
Federal Government	80.6	80.6	80.6	80.7	80.7	80.7	80.8	80.8
% Ch, Annual Rate	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
State and Local Government	533.4	534.3	534.9	535.5	536.2	536.8	537.6	538.4
% Ch, Annual Rate	0.8	0.7	0.4	0.5	0.5	0.5	0.6	0.6

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	3,769.4	3,779.5	3,789.6	3,799.1	3,808.1	3,817.6	3,826.2	3,835.1
% Ch, Annual Rate	0.9	1.1	1.1	1.0	1.0	1.0	0.9	0.9
Manufacturing	274.8	275.1	275.5	275.7	275.8	275.8	276.0	276.2
% Ch, Annual Rate	0.1	0.4	0.5	0.2	0.2	0.0	0.3	0.2
Durable Manufacturing	193.2	193.2	193.3	193.1	193.1	192.9	192.9	192.8
% Ch, Annual Rate	-0.2	0.0	0.0	-0.2	-0.2	-0.3	-0.1	-0.1
Wood Products	12.8	12.8	12.8	12.8	12.9	13.0	13.1	13.2
% Ch, Annual Rate	0.1	-0.1	0.4	0.6	1.4	2.4	3.4	2.8
Primary and Fabricated Metals	20.8	20.7	20.7	20.6	20.6	20.5	20.5	20.4
% Ch, Annual Rate	-2.2	-1.2	-0.9	-1.4	-0.9	-1.4	-0.7	-0.4
Computer and Electronic Products	18.2	18.1	18.0	17.9	17.9	17.8	17.7	17.7
% Ch, Annual Rate	-2.5	-2.2	-2.1	-1.8	-1.6	-1.6	-1.4	-1.2
Machinery and Electrical Equipment	18.6	18.7	18.8	18.9	19.0	19.0	19.1	19.2
% Ch, Annual Rate	0.2	2.4	2.6	1.5	2.0	0.8	1.8	2.1
Aerospace	89.4	89.4	89.5	89.5	89.4	89.4	89.3	89.1
% Ch, Annual Rate	0.6	0.4	0.2	0.0	-0.2	-0.3	-0.5	-0.7
Other Transportation Equip.	9.0	8.9	8.9	8.8	8.7	8.7	8.6	8.5
% Ch, Annual Rate	-1.8	-1.6	-2.2	-3.3	-4.0	-3.7	-3.0	-2.8
Other Durables	24.5	24.5	24.5	24.6	24.6	24.6	24.7	24.7
% Ch, Annual Rate	0.4	0.5	0.6	0.5	0.6	0.4	0.7	0.8
Nondurable Manufacturing	81.6	81.9	82.2	82.5	82.7	82.9	83.1	83.3
% Ch, Annual Rate	0.8	1.4	1.7	1.4	1.0	0.8	1.1	1.1
Food Manufacturing	38.0	38.1	38.2	38.2	38.3	38.3	38.3	38.3
% Ch, Annual Rate	0.3	0.8	1.0	0.6	0.2	-0.1	0.3	0.2
Paper and Paper Products	6.4	6.4	6.4	6.3	6.3	6.3	6.3	6.3
% Ch, Annual Rate	-1.2	-0.6	-0.3	-0.8	-1.2	-1.6	-1.3	-1.4
Other Nondurables	37.2	37.5	37.7	37.9	38.2	38.3	38.6	38.8
% Ch, Annual Rate	1.6	2.3	2.8	2.5	2.2	2.0	2.3	2.3
Natural Resources and Mining	5.2	5.3	5.3	5.4	5.5	5.6	5.7	5.8
% Ch, Annual Rate	5.7	4.4	4.5	7.0	5.7	8.0	6.7	6.8
Construction	263.7	265.7	267.9	270.0	272.0	274.2	276.3	278.4
% Ch, Annual Rate	3.4	3.2	3.3	3.1	3.1	3.3	3.0	3.1
Trade, Transportation, and Utilities	595.2	594.4	594.7	594.2	593.2	592.5	591.8	591.2
% Ch, Annual Rate	-0.7	-0.6	0.2	-0.4	-0.6	-0.5	-0.5	-0.4
Wholesale Trade	144.9	144.7	144.1	143.8	143.8	143.6	143.5	143.4
% Ch, Annual Rate	0.1	-0.5	-1.6	-0.8	-0.1	-0.4	-0.3	-0.3
Retail Trade	309.9	309.2	310.5	310.4	309.4	308.8	308.1	307.6
% Ch, Annual Rate	-1.5	-0.8	1.7	-0.1	-1.3	-0.8	-0.9	-0.7
Trans., Warehousing, and Utilities	140.5	140.5	140.0	139.9	140.0	140.1	140.1	140.2
% Ch, Annual Rate	0.5	-0.1	-1.3	-0.4	0.4	0.2	0.2	0.2
Information	184.7	186.3	187.7	189.0	190.5	192.1	193.7	195.2
% Ch, Annual Rate	3.3	3.6	2.9	2.9	3.2	3.3	3.4	3.1
Software Publishers	92.4	92.9	93.2	93.7	94.1	94.6	95.1	95.6
% Ch, Annual Rate	2.1	2.0	1.6	1.8	2.1	2.0	2.1	2.1
Other Publishing Industries	5.5	5.4	5.3	5.2	5.1	5.1	5.0	4.9
% Ch, Annual Rate	-5.0	-6.0	-8.4	-7.0	-5.5	-6.0	-5.7	-5.6
Other Information	86.8	88.0	89.1	90.2	91.2	92.4	93.6	94.7
% Ch, Annual Rate	5.1	6.0	5.0	4.7	4.9	5.3	5.2	4.6
Financial Activities	169.6	169.5	169.5	169.6	169.6	169.6	169.6	169.5
% Ch, Annual Rate	-0.2	-0.1	-0.1	0.1	0.1	-0.1	0.0	-0.3
Professional and Business Services	606.2	610.8	615.4	620.1	624.7	629.2	633.0	636.6
% Ch, Annual Rate	2.6	3.1	3.0	3.1	3.0	2.9	2.4	2.3
Mgmt. of Companies and Enterprises	114.1	114.8	115.5	116.2	116.8	117.5	118.2	118.9
% Ch	2.4	2.4	2.4	2.4	2.3	2.3	2.3	2.3
Other Prof. and Bus. Services	492.0	496.0	499.9	504.0	507.9	511.7	514.8	517.8
% Ch	2.7	3.2	3.2	3.3	3.1	3.1	2.4	2.3
Education and Health Services	568.8	570.0	570.5	571.0	572.3	573.0	573.7	574.7
% Ch, Annual Rate	1.3	0.8	0.4	0.4	0.9	0.5	0.5	0.7
Leisure and Hospitality	353.0	352.8	352.5	352.2	351.1	350.7	350.2	349.8
% Ch, Annual Rate	-1.2	-0.2	-0.4	-0.3	-1.3	-0.4	-0.5	-0.5
Other Services	128.1	128.4	128.5	128.8	129.1	129.4	129.7	130.0
% Ch, Annual Rate	1.3	1.0	0.5	0.8	1.0	0.9	0.9	0.9
Federal Government	80.9	80.9	81.0	81.0	81.0	81.1	81.1	81.2
% Ch, Annual Rate	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
State and Local Government	539.3	540.2	541.2	542.2	543.2	544.3	545.5	546.6
% Ch, Annual Rate	0.6	0.7	0.8	0.8	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	22,961.3	24,119.1	25,368.5	26,851.2	28,172.7	29,518.3	30,934.5
% Ch	2.0	5.1	5.0	5.2	5.8	4.9	4.8	4.8
Total Wage and Salary Disbursements	11,116.0	11,798.1	12,422.4	12,974.6	13,629.0	14,210.3	14,816.3	15,502.3
% Ch	7.8	6.1	5.3	4.4	5.0	4.3	4.3	4.6
Nonwage Personal Income	10,724.7	11,163.2	11,696.7	12,393.9	13,222.3	13,962.4	14,702.0	15,432.2
% Ch	-3.3	4.1	4.8	6.0	6.7	5.6	5.3	5.0
Supplements to Wages and Salaries	2,323.2	2,436.0	2,552.0	2,659.2	2,768.0	2,861.6	2,957.2	3,078.9
% Ch	4.0	4.9	4.8	4.2	4.1	3.4	3.3	4.1
Proprietor's Income	1,790.9	1,848.4	1,926.3	2,049.0	2,210.9	2,345.1	2,437.1	2,570.9
% Ch	2.4	3.2	4.2	6.4	7.9	6.1	3.9	5.5
Farm	81.7	54.3	38.1	55.8	81.5	86.0	81.7	82.8
% Ch	13.1	-33.5	-29.9	46.5	46.1	5.6	-5.1	1.4
Nonfarm	1,709.1	1,794.1	1,888.2	1,993.2	2,129.3	2,259.0	2,355.4	2,488.1
% Ch	1.9	5.0	5.2	5.6	6.8	6.1	4.3	5.6
Less: Contribution For Govt. Soc. Ins.	1,701.7	1,802.6	1,897.2	1,969.4	2,060.3	2,124.3	2,209.3	2,311.6
% Ch	9.2	5.9	5.2	3.8	4.6	3.1	4.0	4.6
Dividends/Int./Rent	4,310.3	4,580.7	4,791.9	5,134.0	5,554.8	5,894.7	6,245.5	6,537.8
% Ch	7.0	6.3	4.6	7.1	8.2	6.1	6.0	4.7
Transfer Payments	4,002.1	4,100.7	4,323.7	4,521.1	4,748.8	4,985.3	5,271.4	5,556.2
% Ch	-13.8	2.5	5.4	4.6	5.0	5.0	5.7	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	23,652.0	23,971.4	24,276.1	24,576.9	24,932.0	25,184.8	25,498.7	25,858.5
% Ch, Annual Rate	7.1	5.5	5.2	5.0	5.9	4.1	5.1	5.8
Total Wage and Salary Disbursements	12,141.8	12,345.7	12,526.6	12,675.8	12,824.0	12,901.6	13,008.7	13,164.2
% Ch, Annual Rate	5.7	6.9	6.0	4.9	4.8	2.4	3.4	4.9
Nonwage Personal Income	11,510.2	11,625.8	11,749.5	11,901.1	12,107.9	12,283.2	12,490.0	12,694.3
% Ch, Annual Rate	8.7	4.1	4.3	5.3	7.1	5.9	6.9	6.7
Supplements to Wages and Salaries	2,506.2	2,535.9	2,567.8	2,597.9	2,630.0	2,649.9	2,667.1	2,689.7
% Ch, Annual Rate	5.6	4.8	5.1	4.8	5.0	3.1	2.6	3.4
Proprietor's Income	1,890.4	1,909.5	1,938.6	1,966.7	2,004.2	2,025.4	2,064.8	2,101.4
% Ch, Annual Rate	1.7	4.1	6.2	5.9	7.8	4.3	8.0	7.3
Farm	36.6	36.4	38.5	40.7	48.0	50.6	57.6	66.8
% Ch, Annual Rate	-13.6	-2.5	25.5	24.5	93.9	23.5	67.5	81.1
Nonfarm	1,853.8	1,873.1	1,900.1	1,926.0	1,956.1	1,974.8	2,007.2	2,034.6
% Ch, Annual Rate	2.0	4.2	5.9	5.6	6.4	3.9	6.7	5.6
Less: Contribution For Govt. Soc. Ins.	1,863.7	1,888.1	1,909.9	1,927.2	1,953.2	1,960.3	1,972.3	1,991.7
% Ch, Annual Rate	8.6	5.3	4.7	3.7	5.5	1.5	2.5	4.0
Dividends/Int./Rent	4,722.0	4,751.8	4,806.4	4,887.4	4,971.4	5,072.5	5,185.9	5,306.3
% Ch, Annual Rate	5.8	2.5	4.7	6.9	7.1	8.4	9.2	9.6
Transfer Payments	4,255.3	4,316.7	4,346.6	4,376.2	4,455.5	4,495.7	4,544.6	4,588.6
% Ch, Annual Rate	17.5	5.9	2.8	2.8	7.4	3.7	4.4	3.9

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	26,323.6	26,714.2	27,026.1	27,341.1	27,708.4	28,035.4	28,335.6	28,611.3
% Ch, Annual Rate	7.4	6.1	4.8	4.7	5.5	4.8	4.4	3.9
Total Wage and Salary Disbursements	13,377.8	13,573.5	13,711.5	13,853.1	14,003.5	14,155.5	14,286.4	14,395.7
% Ch, Annual Rate	6.6	6.0	4.1	4.2	4.4	4.4	3.8	3.1
Nonwage Personal Income	12,945.8	13,140.7	13,314.6	13,488.0	13,704.9	13,879.9	14,049.2	14,215.6
% Ch, Annual Rate	8.2	6.2	5.4	5.3	6.6	5.2	5.0	4.8
Supplements to Wages and Salaries	2,725.4	2,757.8	2,784.0	2,804.7	2,829.8	2,852.7	2,871.9	2,892.0
% Ch, Annual Rate	5.4	4.8	3.9	3.0	3.6	3.3	2.7	2.8
Proprietor's Income	2,145.1	2,189.8	2,234.2	2,274.3	2,307.0	2,336.6	2,358.6	2,378.1
% Ch, Annual Rate	8.6	8.6	8.4	7.4	5.9	5.2	3.8	3.3
Farm	74.5	80.5	84.3	86.8	87.6	87.3	85.8	83.5
% Ch, Annual Rate	54.8	35.8	20.2	12.4	4.1	-1.3	-7.0	-10.4
Nonfarm	2,070.5	2,109.3	2,150.0	2,187.6	2,219.4	2,249.3	2,272.8	2,294.6
% Ch, Annual Rate	7.2	7.7	7.9	7.2	6.0	5.5	4.3	3.9
Less: Contribution For Govt. Soc. Ins.	2,028.9	2,054.9	2,072.5	2,084.7	2,104.5	2,121.3	2,128.9	2,142.4
% Ch, Annual Rate	7.7	5.2	3.5	2.4	3.9	3.2	1.4	2.6
Dividends/Int./Rent	5,422.7	5,521.3	5,598.7	5,676.7	5,764.8	5,853.0	5,938.2	6,022.7
% Ch, Annual Rate	9.1	7.5	5.7	5.7	6.4	6.3	5.9	5.8
Transfer Payments	4,681.6	4,726.7	4,770.2	4,816.9	4,907.8	4,958.9	5,009.4	5,065.3
% Ch, Annual Rate	8.4	3.9	3.7	4.0	7.8	4.2	4.1	4.5

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	28,976.0	29,328.8	29,701.0	30,067.3	30,437.7	30,771.4	31,099.6	31,429.1
% Ch, Annual Rate	5.2	5.0	5.2	5.0	5.0	4.5	4.3	4.3
Total Wage and Salary Disbursements	14,544.5	14,717.4	14,908.1	15,095.1	15,260.0	15,421.2	15,582.8	15,745.3
% Ch, Annual Rate	4.2	4.8	5.3	5.1	4.4	4.3	4.3	4.2
Nonwage Personal Income	14,431.6	14,611.4	14,792.9	14,972.3	15,177.7	15,350.3	15,516.8	15,683.8
% Ch, Annual Rate	6.2	5.1	5.1	4.9	5.6	4.6	4.4	4.4
Supplements to Wages and Salaries	2,918.2	2,942.0	2,969.4	2,999.4	3,033.8	3,063.6	3,093.8	3,124.3
% Ch, Annual Rate	3.7	3.3	3.8	4.1	4.7	4.0	4.0	4.0
Proprietor's Income	2,395.1	2,417.5	2,450.2	2,485.7	2,516.6	2,555.0	2,588.5	2,623.4
% Ch, Annual Rate	2.9	3.8	5.5	5.9	5.1	6.2	5.4	5.5
Farm	82.1	81.4	81.5	81.7	81.9	82.3	83.0	84.0
% Ch, Annual Rate	-6.4	-3.0	0.2	1.2	0.8	2.1	3.6	4.8
Nonfarm	2,313.0	2,336.1	2,368.7	2,404.0	2,434.7	2,472.6	2,505.5	2,539.4
% Ch, Annual Rate	3.2	4.0	5.7	6.1	5.2	6.4	5.4	5.5
Less: Contribution For Govt. Soc. Ins.	2,172.8	2,195.8	2,221.6	2,246.8	2,279.2	2,300.8	2,322.3	2,344.0
% Ch, Annual Rate	5.8	4.3	4.8	4.6	5.9	3.8	3.8	3.8
Dividends/Int./Rent	6,115.2	6,207.6	6,290.4	6,368.7	6,437.5	6,505.1	6,572.0	6,636.6
% Ch, Annual Rate	6.3	6.2	5.4	5.1	4.4	4.3	4.2	4.0
Transfer Payments	5,175.9	5,240.1	5,304.5	5,365.3	5,469.0	5,527.4	5,584.8	5,643.4
% Ch, Annual Rate	9.0	5.1	5.0	4.7	8.0	4.3	4.2	4.3

Table A3.3

Washington Personal Income by Component (Billions of Dollars)

Forecast 2024 to 2029

	2022	2023	2024	2025	2026	2027	2028	2029
Personal Income	583.828	618.246	650.984	686.904	731.336	771.432	812.146	855.053
% Ch	1.7	5.9	5.3	5.5	6.5	5.5	5.3	5.3
Total Wage and Salary Disbursements	311.022	334.062	352.956	369.724	391.536	411.174	431.247	453.945
% Ch	6.6	7.4	5.7	4.8	5.9	5.0	4.9	5.3
Manufacturing	23.822	25.676	26.806	27.489	29.289	30.582	31.642	32.902
% Ch	10.3	7.8	4.4	2.5	6.5	4.4	3.5	4.0
Durable Manufacturing	18.051	19.680	20.611	21.235	22.809	23.928	24.743	25.655
% Ch	11.2	9.0	4.7	3.0	7.4	4.9	3.4	3.7
Nondurable Manufacturing	5.772	5.997	6.195	6.254	6.480	6.654	6.899	7.247
% Ch	7.5	3.9	3.3	1.0	3.6	2.7	3.7	5.0
Nonmanufacturing	279.267	300.156	317.467	333.158	352.713	370.629	389.212	410.181
% Ch	6.3	7.5	5.8	4.9	5.9	5.1	5.0	5.4
Other Private Wages	1.460	1.540	1.625	1.701	1.803	1.890	1.977	2.077
% Ch	4.2	5.5	5.5	4.7	6.0	4.8	4.6	5.0
Farm Wages	2.211	2.350	2.501	2.641	2.825	2.987	3.152	3.340
% Ch	20.6	6.3	6.4	5.6	7.0	5.7	5.5	6.0
Military Wages	4.261	4.340	4.557	4.735	4.906	5.085	5.263	5.446
% Ch	-0.4	1.9	5.0	3.9	3.6	3.6	3.5	3.5
Nonwage Personal Income	272.806	284.184	298.028	317.180	339.800	360.259	380.899	401.108
% Ch	-3.4	4.2	4.9	6.4	7.1	6.0	5.7	5.3
Supplements to Wages and Salaries	64.228	68.208	71.670	74.841	78.453	81.543	84.719	88.665
% Ch	5.6	6.2	5.1	4.4	4.8	3.9	3.9	4.7
Proprietor's Income	42.174	43.675	45.598	48.646	52.580	55.879	58.195	61.442
% Ch	1.7	3.6	4.4	6.7	8.1	6.3	4.1	5.6
Farm	1.074	0.487	0.403	1.012	1.621	1.795	1.777	1.827
% Ch	...	...	...	...	...	...	...	...
Nonfarm	41.101	43.188	45.195	47.634	50.959	54.083	56.418	59.615
% Ch	2.1	5.1	4.6	5.4	7.0	6.1	4.3	5.7
Less: Contribution For Govt. Soc. Ins.	49.099	52.924	56.007	58.153	61.179	63.321	66.036	69.318
% Ch	10.0	7.8	5.8	3.8	5.2	3.5	4.3	5.0
Plus: Residence Adjustment	6.189	6.445	6.782	7.105	7.488	7.828	8.182	8.583
% Ch	11.9	4.1	5.2	4.8	5.4	4.5	4.5	4.9
Dividends/Int./Rent	122.407	129.574	135.581	145.390	157.593	167.693	178.217	187.129
% Ch	5.3	5.9	4.6	7.2	8.4	6.4	6.3	5.0
Transfer Payments	86.907	89.206	94.404	99.351	104.865	110.638	117.623	124.606
% Ch	-15.6	2.6	5.8	5.2	5.5	5.5	6.3	5.9
State U.I. Benefits	0.887	0.878	1.420	1.560	1.502	1.442	1.408	1.367
% Ch	-89.4	-1.0	61.7	9.9	-3.7	-4.0	-2.3	-2.9
Other Transfers	86.020	88.328	92.984	97.790	103.363	109.196	116.215	123.239
% Ch	-9.1	2.7	5.3	5.2	5.7	5.6	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	638.121	647.069	655.133	663.614	673.706	681.412	690.857	701.639
% Ch, Annual Rate	6.3	5.7	5.1	5.3	6.2	4.7	5.7	6.4
Total Wage and Salary Disbursements	345.265	351.177	355.573	359.808	364.402	367.239	371.055	376.199
% Ch, Annual Rate	4.2	7.0	5.1	4.8	5.2	3.2	4.2	5.7
Manufacturing	25.896	26.965	27.158	27.205	27.305	27.275	27.479	27.898
% Ch, Annual Rate	-14.8	17.6	2.9	0.7	1.5	-0.4	3.0	6.2
Durable Manufacturing	19.829	20.788	20.904	20.924	21.010	21.050	21.257	21.625
% Ch, Annual Rate	-19.9	20.8	2.3	0.4	1.7	0.7	4.0	7.1
Nondurable Manufacturing	6.067	6.177	6.254	6.281	6.294	6.225	6.222	6.273
% Ch, Annual Rate	5.2	7.5	5.1	1.8	0.8	-4.3	-0.2	3.3
Nonmanufacturing	310.867	315.575	319.661	323.765	328.139	330.937	334.462	339.093
% Ch, Annual Rate	5.9	6.2	5.3	5.2	5.5	3.5	4.3	5.7
Other Private Wages	1.585	1.617	1.639	1.659	1.679	1.689	1.705	1.729
% Ch, Annual Rate	3.7	8.4	5.6	4.9	5.1	2.4	3.8	5.7
Farm Wages	2.431	2.486	2.525	2.561	2.599	2.620	2.651	2.694
% Ch, Annual Rate	4.7	9.3	6.5	5.8	6.0	3.3	4.7	6.7
Military Wages	4.487	4.534	4.590	4.618	4.679	4.717	4.758	4.786
% Ch, Annual Rate	8.8	4.3	5.0	2.5	5.4	3.3	3.5	2.3
Nonwage Personal Income	292.856	295.892	299.559	303.806	309.305	314.173	319.802	325.439
% Ch, Annual Rate	8.9	4.2	5.1	5.8	7.4	6.4	7.4	7.2
Supplements to Wages and Salaries	70.378	71.284	72.095	72.923	73.890	74.505	75.101	75.866
% Ch, Annual Rate	6.2	5.3	4.6	4.7	5.4	3.4	3.2	4.1
Proprietor's Income	44.625	45.206	45.922	46.637	47.539	48.093	49.036	49.914
% Ch, Annual Rate	3.1	5.3	6.5	6.4	8.0	4.7	8.1	7.4
Farm	0.219	0.331	0.468	0.592	0.791	0.900	1.075	1.280
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	44.406	44.875	45.454	46.045	46.748	47.193	47.961	48.635
% Ch, Annual Rate	2.1	4.3	5.3	5.3	6.2	3.9	6.7	5.7
Less: Contribution For Govt. Soc. Ins.	55.048	55.819	56.345	56.816	57.607	57.846	58.258	58.902
% Ch, Annual Rate	9.0	5.7	3.8	3.4	5.7	1.7	2.9	4.5
Plus: Residence Adjustment	6.618	6.737	6.843	6.931	7.017	7.063	7.125	7.216
% Ch, Annual Rate	6.1	7.4	6.4	5.2	5.1	2.6	3.6	5.2
Dividends/Int./Rent	133.573	134.435	136.001	138.316	140.721	143.621	146.876	150.342
% Ch, Annual Rate	6.0	2.6	4.7	7.0	7.1	8.5	9.4	9.8
Transfer Payments	92.710	94.049	95.043	95.814	97.744	98.736	99.921	101.002
% Ch, Annual Rate	18.9	5.9	4.3	3.3	8.3	4.1	4.9	4.4
State U.I. Benefits	1.284	1.421	1.473	1.503	1.528	1.557	1.579	1.578
% Ch, Annual Rate	422.2	50.2	15.3	8.6	6.7	7.7	5.9	-0.4
Other Transfers	91.426	92.628	93.570	94.311	96.216	97.180	98.342	99.424
% Ch, Annual Rate	16.8	5.4	4.1	3.2	8.3	4.1	4.9	4.5

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	715.343	727.068	736.636	746.296	757.124	767.145	776.458	785.001
% Ch, Annual Rate	8.0	6.7	5.4	5.3	5.9	5.4	4.9	4.5
Total Wage and Salary Disbursements	383.150	389.504	394.306	399.183	404.128	409.237	413.747	417.582
% Ch, Annual Rate	7.6	6.8	5.0	5.0	5.0	5.2	4.5	3.8
Manufacturing	28.563	29.167	29.536	29.889	30.210	30.533	30.738	30.849
% Ch, Annual Rate	9.9	8.7	5.2	4.9	4.4	4.3	2.7	1.5
Durable Manufacturing	22.175	22.696	23.028	23.338	23.613	23.880	24.057	24.163
% Ch, Annual Rate	10.6	9.7	6.0	5.5	4.8	4.6	3.0	1.8
Nondurable Manufacturing	6.388	6.472	6.508	6.551	6.597	6.652	6.681	6.686
% Ch, Annual Rate	7.5	5.4	2.3	2.7	2.8	3.4	1.7	0.3
Nonmanufacturing	345.224	350.847	355.174	359.606	364.104	368.785	372.990	376.638
% Ch, Annual Rate	7.4	6.7	5.0	5.1	5.1	5.2	4.6	4.0
Other Private Wages	1.764	1.795	1.817	1.838	1.860	1.883	1.902	1.917
% Ch, Annual Rate	8.3	7.2	4.9	4.9	4.8	4.9	4.1	3.2
Farm Wages	2.754	2.808	2.848	2.889	2.929	2.971	3.008	3.039
% Ch, Annual Rate	9.2	8.2	5.9	5.8	5.7	5.9	5.0	4.2
Military Wages	4.847	4.886	4.930	4.961	5.024	5.065	5.109	5.140
% Ch, Annual Rate	5.2	3.3	3.6	2.5	5.2	3.3	3.5	2.4
Nonwage Personal Income	332.192	337.564	342.331	347.113	352.996	357.908	362.711	367.419
% Ch, Annual Rate	8.6	6.6	5.8	5.7	7.0	5.7	5.5	5.3
Supplements to Wages and Salaries	77.058	78.109	78.972	79.674	80.486	81.252	81.884	82.550
% Ch, Annual Rate	6.4	5.6	4.5	3.6	4.1	3.9	3.2	3.3
Proprietor's Income	50.982	52.068	53.146	54.121	54.918	55.654	56.219	56.723
% Ch, Annual Rate	8.8	8.8	8.5	7.5	6.0	5.5	4.1	3.6
Farm	1.453	1.589	1.685	1.755	1.794	1.810	1.801	1.777
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	49.530	50.479	51.461	52.366	53.125	53.845	54.419	54.946
% Ch, Annual Rate	7.6	7.9	8.0	7.2	5.9	5.5	4.3	3.9
Less: Contribution For Govt. Soc. Ins.	60.123	60.985	61.586	62.020	62.656	63.216	63.488	63.925
% Ch, Annual Rate	8.6	5.9	4.0	2.9	4.2	3.6	1.7	2.8
Plus: Residence Adjustment	7.341	7.455	7.536	7.619	7.707	7.796	7.872	7.936
% Ch, Annual Rate	7.1	6.4	4.4	4.5	4.7	4.7	4.0	3.3
Dividends/Int./Rent	153.709	156.588	158.877	161.200	163.815	166.441	168.989	171.527
% Ch, Annual Rate	9.3	7.7	6.0	6.0	6.6	6.6	6.3	6.1
Transfer Payments	103.225	104.328	105.386	106.519	108.726	109.982	111.234	112.609
% Ch, Annual Rate	9.1	4.3	4.1	4.4	8.5	4.7	4.6	5.0
State U.I. Benefits	1.540	1.511	1.488	1.469	1.462	1.449	1.434	1.422
% Ch, Annual Rate	-9.3	-7.1	-6.1	-4.8	-1.9	-3.6	-4.1	-3.2
Other Transfers	101.686	102.816	103.898	105.050	107.263	108.533	109.800	111.187
% Ch, Annual Rate	9.4	4.5	4.3	4.5	8.7	4.8	4.8	5.1

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	795.756	806.446	817.666	828.716	839.758	850.041	860.136	870.277
% Ch, Annual Rate	5.6	5.5	5.7	5.5	5.4	5.0	4.8	4.8
Total Wage and Salary Disbursements	422.434	428.058	434.221	440.275	445.734	451.226	456.670	462.151
% Ch, Annual Rate	4.7	5.4	5.9	5.7	5.1	5.0	4.9	4.9
Manufacturing	31.105	31.439	31.833	32.189	32.478	32.750	33.044	33.334
% Ch, Annual Rate	3.4	4.4	5.1	4.6	3.6	3.4	3.6	3.6
Durable Manufacturing	24.353	24.597	24.882	25.140	25.350	25.547	25.758	25.966
% Ch, Annual Rate	3.2	4.1	4.7	4.2	3.4	3.1	3.4	3.3
Nondurable Manufacturing	6.753	6.842	6.950	7.049	7.129	7.204	7.286	7.368
% Ch, Annual Rate	4.0	5.4	6.5	5.8	4.6	4.3	4.6	4.6
Nonmanufacturing	381.109	386.287	391.932	397.522	402.558	407.667	412.705	417.794
% Ch, Annual Rate	4.8	5.5	6.0	5.8	5.2	5.2	5.0	5.0
Other Private Wages	1.938	1.963	1.991	2.018	2.042	2.065	2.088	2.112
% Ch, Annual Rate	4.4	5.3	5.8	5.6	4.8	4.7	4.6	4.5
Farm Wages	3.079	3.126	3.177	3.228	3.273	3.318	3.362	3.407
% Ch, Annual Rate	5.4	6.2	6.8	6.5	5.7	5.6	5.5	5.5
Military Wages	5.203	5.243	5.287	5.319	5.383	5.426	5.471	5.504
% Ch, Annual Rate	5.0	3.1	3.4	2.4	4.9	3.2	3.4	2.4
Nonwage Personal Income	373.323	378.388	383.445	388.441	394.024	398.815	403.465	408.126
% Ch, Annual Rate	6.6	5.5	5.5	5.3	5.9	5.0	4.7	4.7
Supplements to Wages and Salaries	83.421	84.223	85.131	86.101	87.207	88.177	89.148	90.128
% Ch, Annual Rate	4.3	3.9	4.4	4.6	5.2	4.5	4.5	4.5
Proprietor's Income	57.158	57.723	58.520	59.377	60.129	61.059	61.870	62.711
% Ch, Annual Rate	3.1	4.0	5.6	6.0	5.2	6.3	5.4	5.5
Farm	1.767	1.768	1.779	1.792	1.802	1.816	1.834	1.855
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	55.391	55.955	56.741	57.585	58.326	59.244	60.036	60.856
% Ch, Annual Rate	3.3	4.1	5.7	6.1	5.2	6.4	5.5	5.6
Less: Contribution For Govt. Soc. Ins.	64.868	65.606	66.432	67.239	68.260	68.971	69.669	70.371
% Ch, Annual Rate	6.0	4.6	5.1	4.9	6.2	4.2	4.1	4.1
Plus: Residence Adjustment	8.023	8.124	8.236	8.345	8.441	8.536	8.630	8.725
% Ch, Annual Rate	4.5	5.1	5.6	5.4	4.7	4.5	4.5	4.5
Dividends/Int./Rent	174.296	177.067	179.566	181.938	184.043	186.117	188.177	190.177
% Ch, Annual Rate	6.6	6.5	5.8	5.4	4.7	4.6	4.5	4.3
Transfer Payments	115.292	116.858	118.425	119.918	122.463	123.896	125.309	126.757
% Ch, Annual Rate	9.9	5.5	5.5	5.1	8.8	4.8	4.6	4.7
State U.I. Benefits	1.421	1.413	1.403	1.394	1.386	1.371	1.362	1.352
% Ch, Annual Rate	-0.2	-2.2	-2.8	-2.8	-2.3	-4.2	-2.7	-2.7
Other Transfers	113.871	115.444	117.021	118.524	121.078	122.525	123.947	125.405
% Ch, Annual Rate	10.0	5.6	5.6	5.2	8.9	4.9	4.7	4.8

Table A4.1
Selected Inflation Indicators
(PCE Price Index 2017=100; CPI 1982-84=1)

	PCE Price Index*		U.S. CPI#		Seattle CPI+	
	Index	Percent Change	Index	Percent Change	Index	Percent Change
1971	20.6	4.2	0.405	4.2	0.382	2.1
1972	21.3	3.4	0.418	3.3	0.393	2.9
1973	22.5	5.4	0.444	6.3	0.418	6.4
1974	24.8	10.4	0.493	11.0	0.464	11.0
1975	26.9	8.3	0.538	9.1	0.511	10.2
1976	28.3	5.5	0.569	5.8	0.540	5.5
1977	30.2	6.5	0.606	6.5	0.583	8.0
1978	32.3	7.0	0.652	7.6	0.640	9.9
1979	35.1	8.9	0.726	11.3	0.709	10.8
1980	38.9	10.8	0.824	13.5	0.827	16.7
1981	42.4	9.0	0.909	10.4	0.916	10.8
1982	44.8	5.6	0.965	6.2	0.978	6.7
1983	46.7	4.3	0.996	3.2	0.993	1.5
1984	48.4	3.8	1.039	4.4	1.030	3.8
1985	50.1	3.5	1.076	3.5	1.056	2.5
1986	51.2	2.2	1.097	1.9	1.066	1.0
1987	52.8	3.1	1.136	3.6	1.092	2.4
1988	54.9	3.9	1.183	4.1	1.128	3.3
1989	57.3	4.4	1.239	4.8	1.181	4.7
1990	59.8	4.4	1.307	5.4	1.268	7.3
1991	61.8	3.3	1.362	4.2	1.341	5.8
1992	63.4	2.7	1.403	3.0	1.390	3.7
1993	65.0	2.5	1.445	3.0	1.429	2.8
1994	66.4	2.1	1.482	2.6	1.478	3.4
1995	67.8	2.1	1.524	2.8	1.522	3.0
1996	69.2	2.1	1.569	2.9	1.575	3.4
1997	70.4	1.7	1.605	2.3	1.630	3.5
1998	71.0	0.8	1.630	1.5	1.677	2.9
1999	72.0	1.5	1.666	2.2	1.728	3.0
2000	73.8	2.5	1.722	3.4	1.792	3.7
2001	75.3	2.0	1.770	2.8	1.857	3.6
2002	76.3	1.3	1.799	1.6	1.893	2.0
2003	77.9	2.1	1.840	2.3	1.924	1.6
2004	79.8	2.5	1.889	2.7	1.947	1.2
2005	82.1	2.9	1.953	3.4	2.002	2.8
2006	84.4	2.8	2.016	3.2	2.076	3.7
2007	86.6	2.6	2.073	2.9	2.157	3.9
2008	89.2	3.0	2.153	3.8	2.247	4.2
2009	88.9	-0.3	2.146	-0.3	2.260	0.6
2010	90.5	1.8	2.181	1.6	2.267	0.3
2011	92.8	2.5	2.249	3.1	2.328	2.7
2012	94.5	1.9	2.296	2.1	2.387	2.5
2013	95.8	1.3	2.330	1.5	2.416	1.2
2014	97.1	1.4	2.367	1.6	2.460	1.8
2015	97.3	0.2	2.370	0.1	2.494	1.4
2016	98.3	1.0	2.400	1.3	2.550	2.3
2017	100.0	1.7	2.451	2.1	2.627	3.0
2018	102.0	2.0	2.511	2.4	2.711	3.2
2019	103.5	1.4	2.557	1.8	2.779	2.5
2020	104.6	1.1	2.588	1.2	2.826	1.7
2021	109.0	4.2	2.710	4.7	2.960	4.7
2022	116.0	6.5	2.926	8.0	3.224	8.9
2023	120.4	3.7	3.047	4.1	3.412	5.8
Forecast						
2024	123.5	2.6	3.143	3.1	3.548	4.0
2025	126.5	2.4	3.222	2.5	3.639	2.6
2026	129.6	2.4	3.303	2.5	3.731	2.5
2027	132.5	2.2	3.384	2.5	3.822	2.5
2028	135.4	2.2	3.466	2.4	3.915	2.4
2029	138.3	2.1	3.544	2.2	4.003	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
(2017=100)

	Services		Food		Fuels		Gasoline	
	Index	Percent Change	Index	Percent Change	Index	Percent Change	Index	Percent Change
1971	15.0	5.5	20.8	2.3	7.2	6.3	13.2	0.7
1972	15.6	4.2	21.7	4.8	7.3	0.6	13.4	1.3
1973	16.4	4.8	24.5	12.7	8.3	14.6	14.6	9.6
1974	17.8	8.5	28.2	15.2	13.2	58.9	19.8	35.1
1975	19.3	8.6	30.3	7.5	14.3	8.5	21.1	6.7
1976	20.6	6.9	30.9	1.9	15.4	7.3	22.0	4.2
1977	22.2	7.6	32.7	5.9	17.4	13.2	23.3	5.8
1978	23.9	7.7	35.9	9.6	18.4	5.7	24.3	4.3
1979	25.9	8.4	39.4	9.8	25.4	37.9	32.5	34.0
1980	28.6	10.4	42.7	8.4	35.6	40.4	45.2	38.8
1981	31.5	10.2	45.7	7.1	43.6	22.3	50.2	11.3
1982	34.0	7.8	46.9	2.6	42.8	-1.9	47.7	-5.1
1983	36.1	6.1	47.5	1.1	39.4	-7.8	46.1	-3.3
1984	38.0	5.2	48.9	3.0	40.3	2.2	45.4	-1.5
1985	39.8	4.9	49.4	1.1	38.7	-3.9	45.8	0.8
1986	41.5	4.1	50.6	2.4	30.3	-21.7	36.0	-21.5
1987	42.7	3.0	52.2	3.2	31.1	2.6	37.4	3.8
1988	44.8	4.8	53.7	3.0	31.1	0.0	37.7	0.8
1989	46.9	4.7	56.6	5.3	32.9	6.0	41.2	9.2
1990	49.0	4.6	59.3	4.9	39.7	20.4	46.9	13.8
1991	50.9	3.9	61.2	3.1	37.8	-4.8	46.2	-1.3
1992	52.8	3.6	61.7	0.8	36.2	-4.1	46.1	-0.4
1993	54.6	3.5	62.5	1.4	36.0	-0.7	45.6	-1.0
1994	56.1	2.7	63.6	1.7	35.3	-1.8	45.8	0.5
1995	57.6	2.8	65.0	2.2	35.0	-0.9	46.5	1.6
1996	59.2	2.7	66.9	3.1	39.7	13.3	49.4	6.1
1997	60.9	2.8	68.2	1.9	39.7	0.2	49.4	0.0
1998	62.2	2.1	69.1	1.3	35.2	-11.4	43.0	-12.9
1999	63.4	2.0	70.2	1.6	35.8	1.7	46.8	8.9
2000	65.2	2.8	71.9	2.3	52.5	46.6	59.8	27.8
2001	67.3	3.2	73.9	2.9	51.5	-2.0	57.7	-3.6
2002	69.0	2.6	75.1	1.5	45.9	-10.8	54.2	-6.0
2003	71.3	3.3	76.5	1.9	55.5	20.9	63.1	16.5
2004	73.5	3.1	78.9	3.1	64.6	16.4	74.2	17.6
2005	76.0	3.4	80.2	1.7	86.0	33.0	90.3	21.6
2006	78.8	3.6	81.6	1.7	97.7	13.7	101.9	12.9
2007	81.4	3.3	84.8	3.9	104.5	6.9	110.5	8.4
2008	83.8	2.9	89.9	6.1	141.8	35.7	128.6	16.5
2009	84.4	0.8	91.0	1.2	97.1	-31.6	94.4	-26.6
2010	86.1	1.9	91.3	0.3	113.5	16.9	111.3	18.0
2011	87.7	1.9	94.9	4.0	144.5	27.3	139.9	25.7
2012	89.6	2.2	97.2	2.4	146.5	1.4	144.8	3.5
2013	91.7	2.2	98.1	1.0	144.9	-1.1	140.8	-2.8
2014	93.8	2.3	100.0	1.9	144.5	-0.3	135.5	-3.8
2015	95.5	1.8	101.1	1.1	104.0	-28.0	99.7	-26.4
2016	97.6	2.3	100.1	-1.0	87.4	-15.9	88.7	-11.0
2017	100.0	2.4	100.0	-0.1	100.0	14.4	100.0	12.7
2018	102.6	2.6	100.5	0.5	119.1	19.1	113.1	13.1
2019	105.0	2.3	101.5	1.0	113.8	-4.4	109.3	-3.4
2020	107.1	2.0	104.9	3.3	90.8	-20.2	93.3	-14.6
2021	111.1	3.8	108.2	3.1	118.5	30.5	124.4	33.4
2022	117.1	5.4	119.3	10.3	185.2	56.2	162.7	30.8
2023	123.0	5.0	125.2	5.0	156.6	-15.4	147.2	-9.5
Forecast								
2024	128.0	4.1	126.4	1.0	147.3	-5.9	144.1	-2.1
2025	132.6	3.6	128.6	1.7	140.2	-4.9	138.5	-3.9
2026	137.0	3.3	131.8	2.5	138.0	-1.6	135.8	-1.9
2027	141.0	3.0	135.0	2.4	137.9	-0.1	135.4	-0.3
2028	145.2	3.0	138.3	2.4	138.0	0.1	136.6	0.9
2029	149.4	2.9	141.1	2.1	137.2	-0.6	137.5	0.7

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	2028	2029
Total Population	7706.3	7767.0	7864.4	7951.2	8031.7	8100.0	8171.1	8247.5	8324.3	8400.4
Percent Change	1.6	0.8	1.3	1.1	1.0	0.9	0.9	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	1685.4	1683.9
Percent of Total	21.8	21.6	21.5	21.3	21.1	20.9	20.7	20.5	20.2	20.0
Age 6-18	1246.2	1250.7	1263.2	1271.3	1275.3	1275.3	1274.7	1269.3	1265.2	1259.1
Percent of Total	16.2	16.1	16.1	16.0	15.9	15.7	15.6	15.4	15.2	15.0
Age 18 and Over	6026.1	6087.0	6173.4	6255.7	6335.5	6407.2	6481.7	6560.3	6639.0	6716.5
Percent of Total	78.2	78.4	78.5	78.7	78.9	79.1	79.3	79.5	79.8	80.0
Age 21 and Over	5733.3	5798.2	5885.3	5964.2	6038.0	6104.6	6174.3	6248.8	6324.7	6400.8
Percent of Total	74.4	74.7	74.8	75.0	75.2	75.4	75.6	75.8	76.0	76.2
Age 20-34	1629.0	1627.4	1637.8	1641.5	1641.0	1636.2	1633.7	1635.3	1639.6	1646.6
Percent of Total	21.1	21.0	20.8	20.6	20.4	20.2	20.0	19.8	19.7	19.6
Age 18-64	4773.8	4787.9	4829.0	4864.4	4895.0	4919.6	4948.5	4982.9	5019.0	5055.7
Percent of Total	61.9	61.6	61.4	61.2	60.9	60.7	60.6	60.4	60.3	60.2
Age 65 and Over	1252.3	1299.1	1344.5	1391.3	1440.5	1487.6	1533.2	1577.4	1619.9	1660.8
Percent of Total	16.2	16.7	17.1	17.5	17.9	18.4	18.8	19.1	19.5	19.8

Table A6.1

Summary of National and State Indicators

Indicator	Latest Data	Indication*
U.S. Leading Index	April 2024	-
U.S. Real GDP Growth	1st quarter 2024	-
U.S. ISM Index	June 2024	+
U.S. Employment YOY%Δ	June 2024	-
U.S. Unemployment Rate	May 2024	+
U.S. Consumer Confidence	June 2024	-
U.S. Consumer Sentiment	June 2024	+
U.S. CPI YOY%Δ	June 2024	-
U.S. Home Prices YOY%Δ	April 2024	+
S&P 500 Index	July 2024	+
WA Leading Index	April 2024	+
WA Employment YOY%Δ	June 2024	+
WA Aerospace Empl. YOY%Δ	June 2024	+
WA Unemployment Rate	May 2024	+
WA Help Wanted Index	April 2024	+
WA Business Cycle Indicator	May 2024	+
WA Initial Unemploy. Claims	May 2024	-
WA Housing Permits	May 2024	+
WA Weekly Hours in Mfg.	May 2024	+
WA New Vehicle Registration	June 2024	-
WA In-Migration	May 2024	-
WA Exports-Total YOY%Δ	1st quarter 2024	-
WA Exports- w/o Trans. Equip. YOY%Δ	1st quarter 2024	+
Seattle CPI YOY%Δ	June 2024	-
Seattle Home Prices YOY%Δ	April 2024	+
WA Construction Activity Index	April 2024	+

*Change from the previous reading

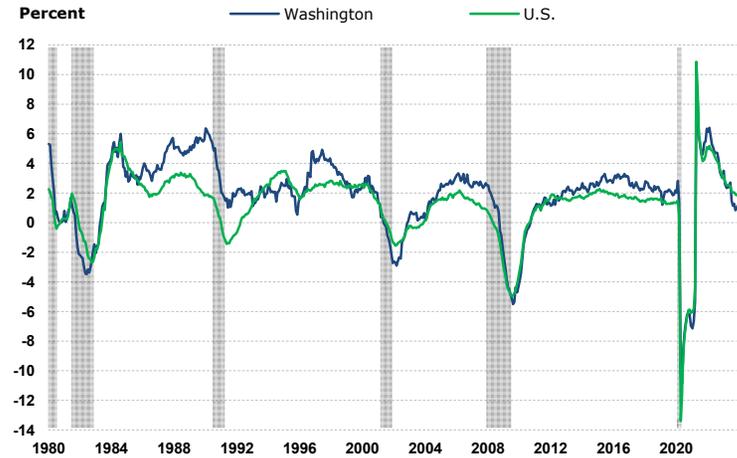
Table A6.2
Washington Business Indicators
 Historical Data

	WA Index of Leading Indicators	U.S. Index of Leading Indicators	WA State Business Cycle Indicator	WA State Construction Index	WA State Help Wanted Index	U.S. Purchasing Management Index
2016:01	118.8	99.3	63.5	107.0	128.7	48.3
2016:02	119.0	99.2	65.6	108.5	124.9	48.6
2016:03	119.5	99.2	62.8	108.0	128.9	49.9
2016:04	120.6	99.7	63.3	109.0	130.9	50.7
2016:05	121.4	99.5	65.4	109.7	148.2	51.1
2016:06	121.5	99.8	66.7	109.9	151.3	51.5
2016:07	122.1	100.2	67.8	109.5	156.3	52.0
2016:08	121.4	100.2	66.9	107.5	153.1	51.5
2016:09	121.9	100.4	67.4	112.1	143.4	51.1
2016:10	122.2	100.5	68.3	112.3	152.3	51.0
2016:11	121.6	100.7	69.3	112.7	148.8	52.4
2016:12	121.7	101.2	70.7	113.8	149.2	53.3
2017:01	122.2	101.8	69.2	111.5	152.5	54.7
2017:02	122.1	102.1	68.7	111.8	140.1	56.1
2017:03	122.8	102.6	70.5	112.2	143.4	57.0
2017:04	123.4	102.8	69.2	112.9	143.3	56.6
2017:05	124.0	103.2	70.8	113.6	149.2	55.6
2017:06	124.5	103.8	70.9	115.0	145.4	55.8
2017:07	124.9	104.1	71.0	115.5	139.5	56.3
2017:08	124.9	104.5	72.1	115.9	135.1	57.6
2017:09	125.3	104.5	73.3	115.3	140.4	58.6
2017:10	125.6	105.9	73.2	119.5	132.7	59.4
2017:11	125.5	106.3	75.2	118.0	134.7	59.2
2017:12	126.5	107.1	75.1	117.8	138.6	58.9
2018:01	126.8	107.8	74.5	117.1	136.8	59.0
2018:02	128.2	108.5	76.2	119.0	133.3	59.9
2018:03	128.7	108.8	77.2	120.6	137.4	59.7
2018:04	128.8	109.3	76.4	118.9	133.7	59.1
2018:05	128.0	109.4	77.5	116.9	128.2	58.4
2018:06	127.8	110.0	78.5	119.0	128.0	58.7
2018:07	127.5	110.4	77.8	117.4	129.3	59.0
2018:08	127.6	110.9	76.4	119.1	129.2	59.9
2018:09	128.0	111.5	76.9	118.5	132.4	59.7
2018:10	127.7	111.4	77.2	119.8	133.0	59.6
2018:11	127.8	111.5	77.2	120.3	133.3	58.9
2018:12	128.8	111.3	78.2	121.9	140.1	57.0
2019:01	130.2	111.3	78.8	121.1	154.6	56.7
2019:02	127.8	111.5	75.0	112.3	156.5	55.0
2019:03	131.0	111.7	77.8	121.4	150.1	55.4
2019:04	131.4	111.8	79.4	122.7	154.0	54.1
2019:05	131.4	111.8	79.2	121.9	150.2	53.4
2019:06	131.1	111.6	80.5	121.6	149.9	52.2
2019:07	131.5	112.0	80.4	123.7	152.0	51.7
2019:08	130.9	111.8	79.1	121.5	153.3	50.7
2019:09	130.8	111.6	80.6	123.1	154.8	49.4
2019:10	130.1	111.4	80.1	122.8	147.2	48.4
2019:11	130.7	111.6	80.1	125.5	146.6	48.1
2019:12	131.2	111.4	84.7	126.1	147.9	47.9
2020:01	130.7	112.0	81.4	119.0	149.1	48.7
2020:02	131.8	111.8	81.6	121.6	149.4	49.4
2020:03	121.3	103.5	74.4	121.6	127.9	50.0
2020:04	112.9	96.9	41.3	103.8	97.5	46.9
2020:05	119.3	99.8	46.3	114.9	119.8	44.6
2020:06	122.4	102.8	58.0	115.6	136.5	45.7
2020:07	124.7	104.9	64.9	118.5	139.8	50.0
2020:08	126.0	106.5	66.6	119.4	134.3	54.3
2020:09	125.8	107.5	71.8	121.8	133.8	55.2
2020:10	127.0	108.2	73.2	121.1	137.7	56.9
2020:11	128.1	109.2	74.7	122.2	135.6	57.4
2020:12	130.3	109.6	77.8	127.2	136.0	59.2
2021:01	130.9	110.1	78.2	125.5	141.6	59.0
2021:02	131.7	110.1	80.0	124.6	150.6	60.1
2021:03	132.9	111.5	82.5	126.5	160.4	61.4
2021:04	134.3	113.1	87.4	125.8	175.3	62.1
2021:05	135.0	114.6	87.9	125.3	176.0	62.2
2021:06	137.1	116.2	88.4	124.5	189.5	60.8
2021:07	139.4	116.6	91.9	126.7	206.7	60.4
2021:08	138.8	117.4	90.2	130.4	187.9	60.0
2021:09	138.3	117.6	92.3	124.8	193.3	60.2
2021:10	139.1	118.1	92.3	128.5	193.3	60.6
2021:11	140.3	118.8	94.9	129.6	198.7	61.0
2021:12	139.9	119.3	96.6	129.4	198.7	60.2
2022:01	139.8	118.5	96.8	126.1	198.4	59.1
2022:02	142.0	119.4	102.4	127.7	204.5	58.3
2022:03	142.7	119.3	104.2	130.0	215.1	57.7
2022:04	142.0	118.7	103.8	127.4	206.9	57.2
2022:05	141.8	117.9	103.7	128.8	204.3	56.3
2022:06	139.2	115.3	100.6	130.0	194.1	55.0
2022:07	138.7	114.4	100.3	128.4	203.9	54.0
2022:08	137.2	114.1	96.0	127.1	182.4	52.9
2022:09	137.4	113.5	94.6	126.2	194.5	52.2
2022:10	136.1	112.5	95.6	125.3	187.6	51.3
2022:11	135.7	111.5	93.1	122.9	189.8	50.0
2022:12	136.5	110.7	93.4	123.5	199.9	49.1
2023:01	137.8	110.2	91.0	121.4	197.4	48.3
2023:02	138.1	109.7	91.0	125.1	200.7	47.8
2023:03	137.4	108.4	92.0	123.2	201.9	47.2
2023:04	137.5	107.5	93.0	122.8	203.3	47.1
2023:05	138.1	106.9	94.9	124.8	206.9	46.7
2023:06	137.1	106.2	96.8	124.1	208.2	46.7
2023:07	136.5	105.9	96.8	121.2	208.2	46.5
2023:08	136.5	105.5	97.4	123.6	211.0	46.8
2023:09	135.8	104.7	96.4	121.7	212.8	47.6
2023:10	135.1	103.8	94.7	120.6	214.5	47.7
2023:11	135.4	103.3	94.8	118.3	214.5	47.4
2023:12	136.6	103.1	96.5	120.2	220.3	46.9
2024:01	136.4	102.5	94.9	120.3	211.5	47.6
2024:02	136.9	102.7	96.8	121.9	212.3	48.0
2024:03	138.0	102.4	97.1	125.2	219.4	49.1
2024:04	137.6	101.8	98.4	123.5	219.4	49.1

Figure A7.1: Washington State Economic Indicators

Year-over-Year Employment Growth

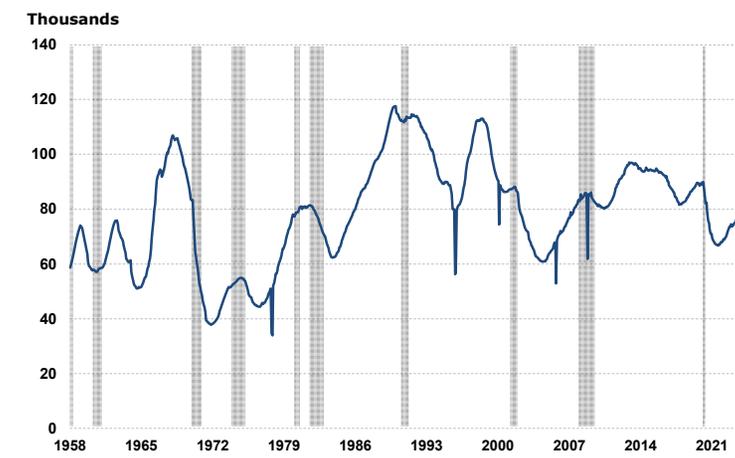
January 1980 to June 2024



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

Washington Aircraft and Parts Employment

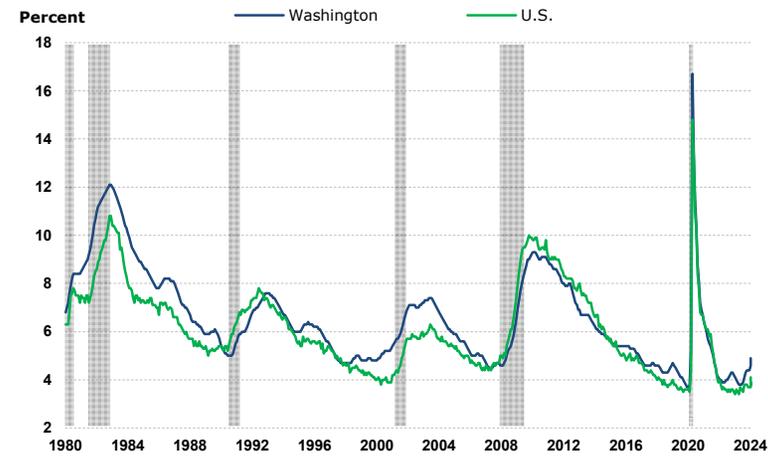
January 1958 to June 2024



* Source: Bureau of Labor Statistics, ERFC

Unemployment Rate, S.A.

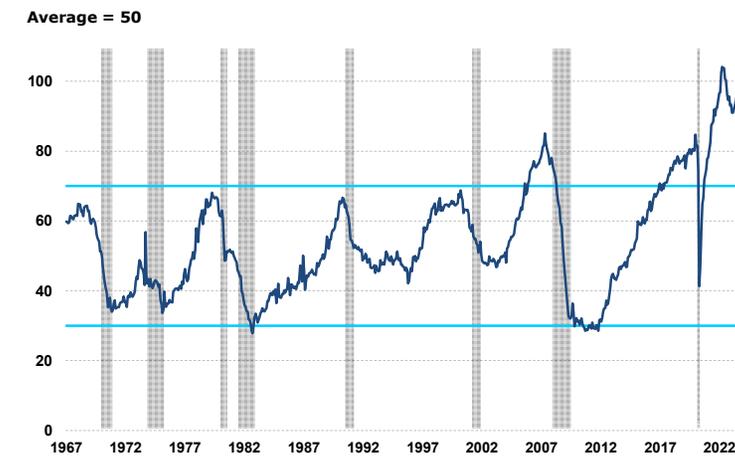
January 1980 to May 2024



* Source: Bureau of Labor Statistics

Washington Business Cycle Indicator

January 1968 to April 2024



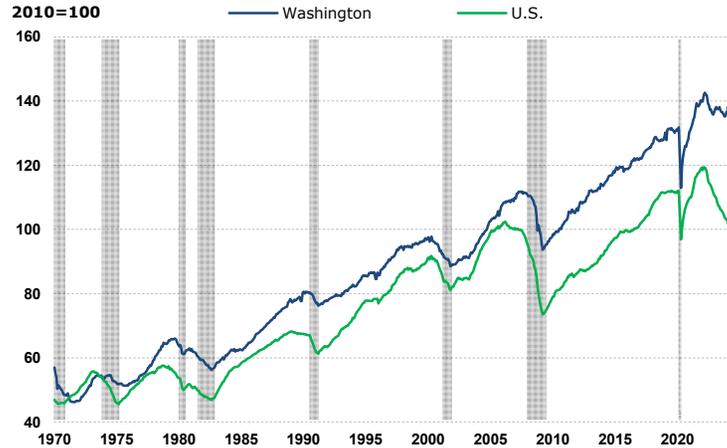
* Source: ERFC

* Shaded areas correspond with national recessions.
Appendix

Figure A7.2: Washington State Leading Indicators

The Washington and U.S. Indexes of Leading Indicators

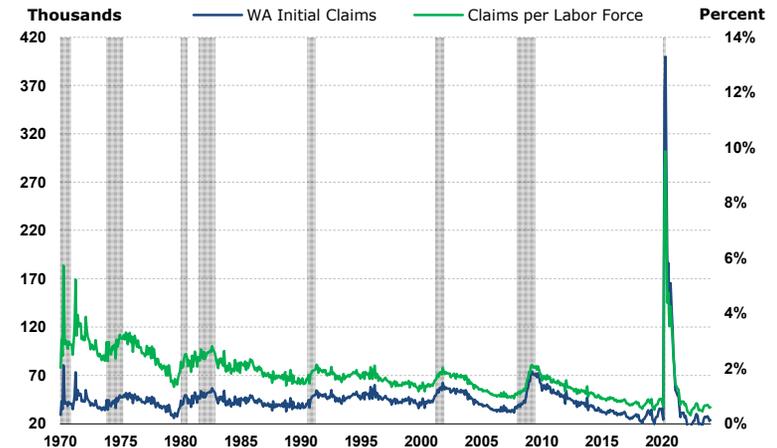
January 1970 to April 2024



* The Conference Board, ERFC

Washington Initial Claims for Unemployment Insurance

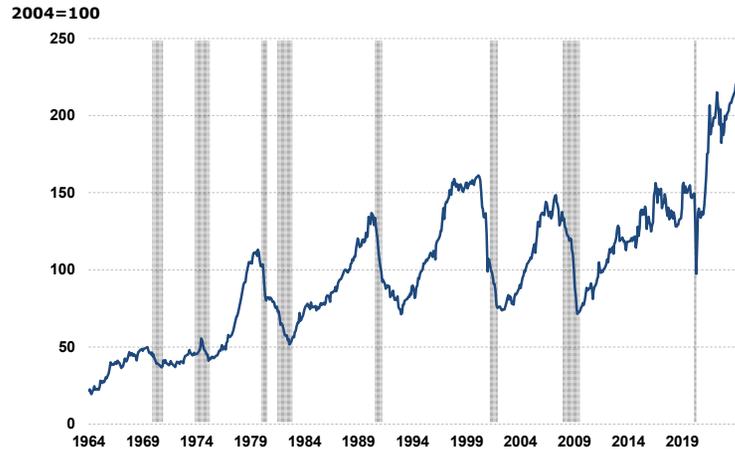
January 1970 to June 2024, S.A.



* Source: WA State Employment Security, ERFC

Washington State Help Wanted Index

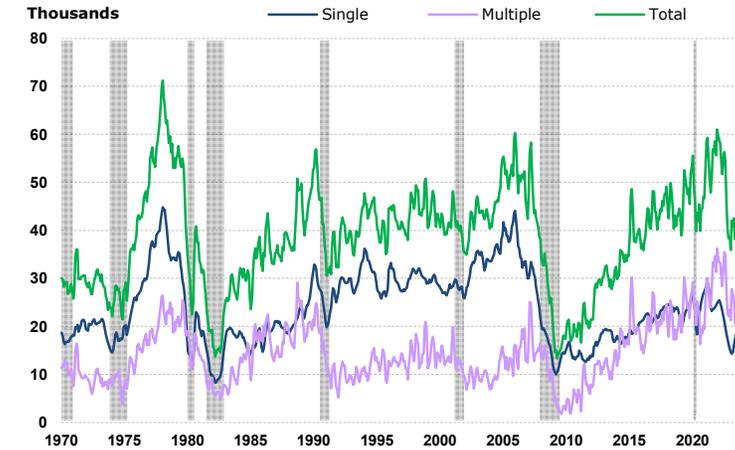
January 1964 to April 2024



* Source: The Conference Board, ERFC

Housing Units Authorized in Washington State

January 1970 to May 2024, 3mma, SAAR



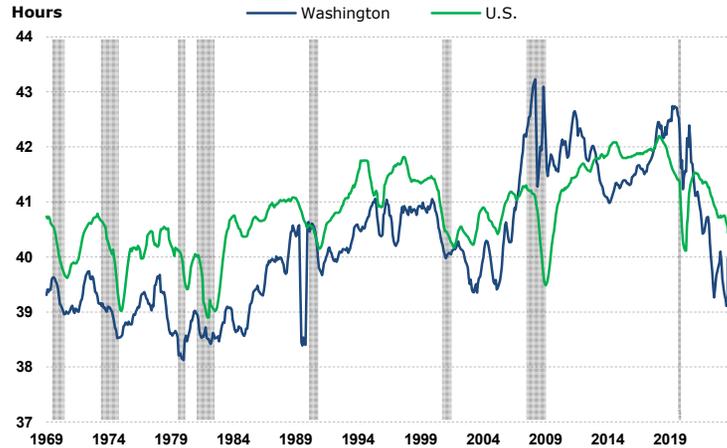
* Source: Census Bureau, ERFC

* Shaded areas correspond with national recessions.
Appendix

Figure A7.3: Other State Economic Indicators

Average Weekly Hours in Manufacturing

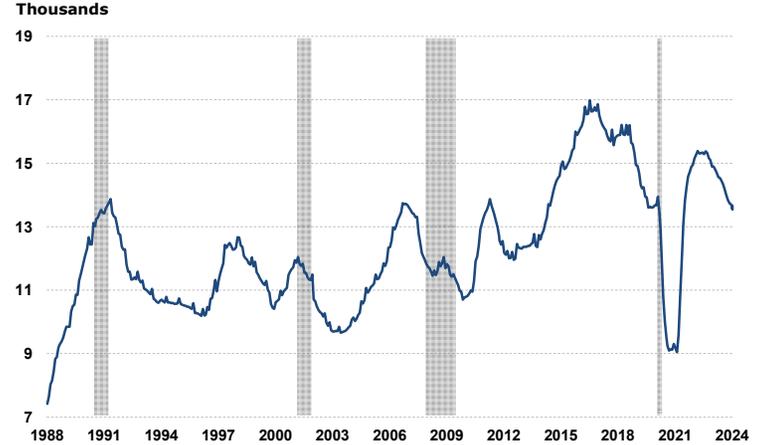
June 1969 to May 2024, 6-Month Moving Average, S.A.



* Bureau of Labor Statistics, ERFC

Washington Driver's License In-Migration

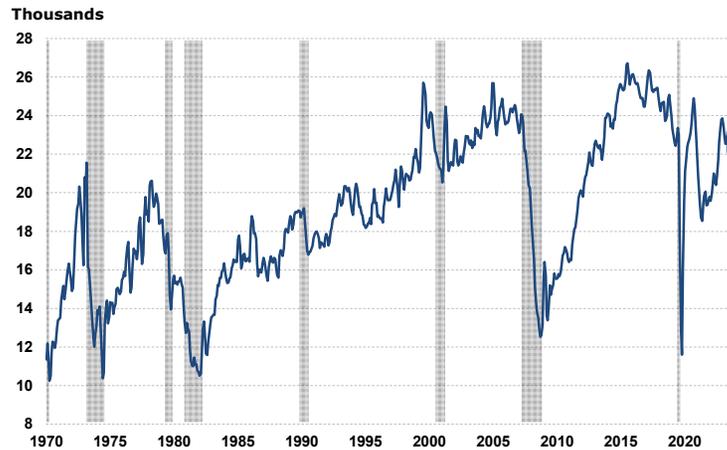
January 1988 to May 2024, 12-Month Moving Average



* Source: WA State Department of Licensing, ERFC

New Car and Truck Registrations in Washington

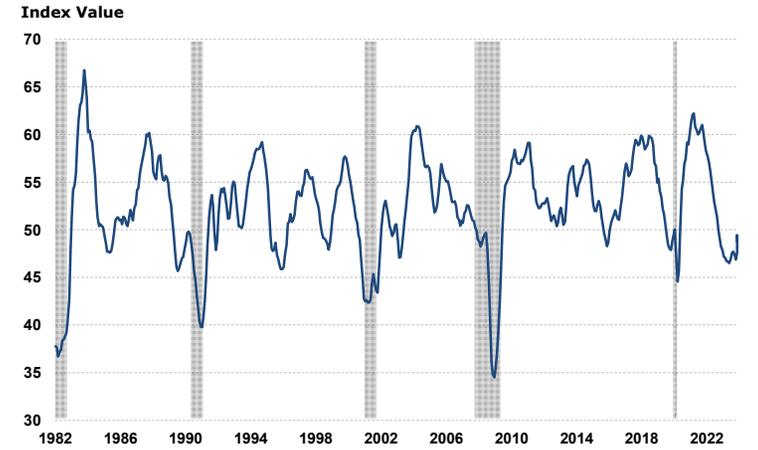
September 1970 to June 2024, 3-Month Moving Average, S.A.



* Source: WA State Department of Licensing, ERFC

U.S. Institute for Supply Management Index

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



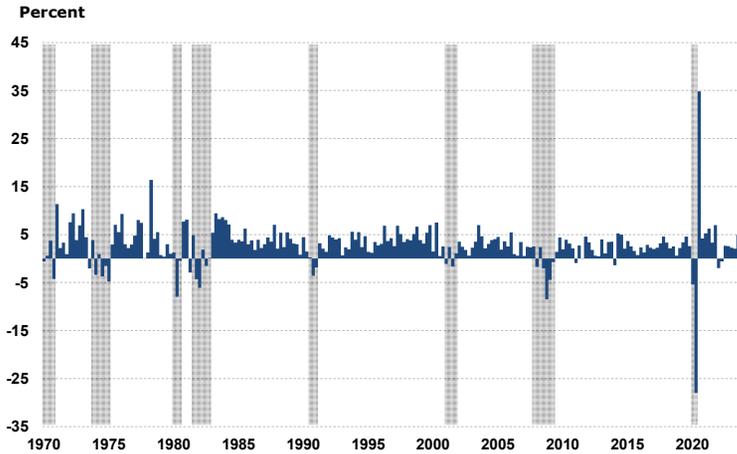
* Source: Institute for Supply Management, ISM-WW, ERFC

* Shaded areas correspond with national recessions.
Appendix

Figure A7.4: Other Economic Indicators

Quarterly U.S. Real GDP Growth

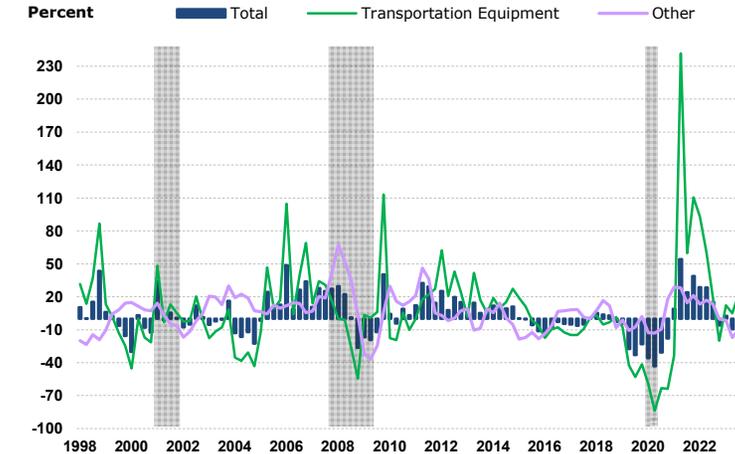
1970Q1 to 2024Q1, SAAR



* Source: Bureau of Economic Analysis

Washington State Export Composition

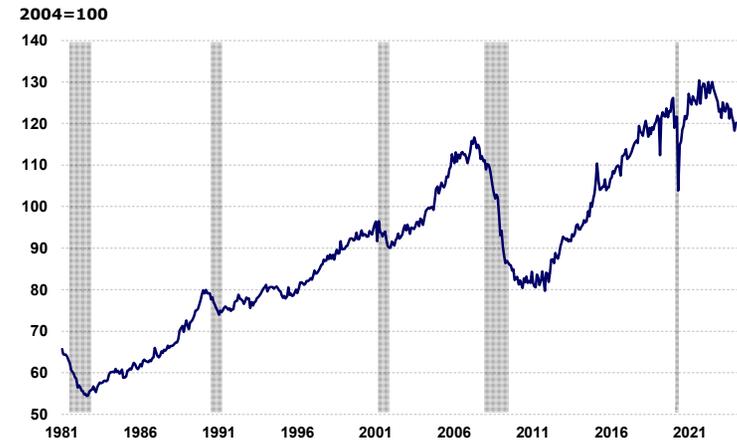
1998Q1 to 2024 Q1, Year-over-year percent change



* Source: WISER

Washington State Construction Index

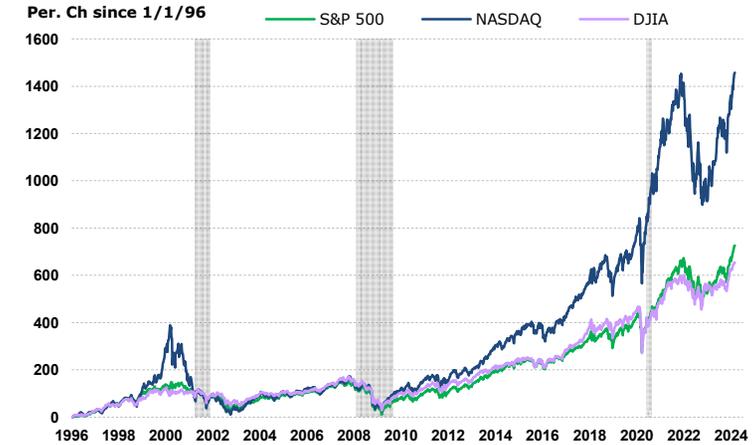
January 1981 to April 2024, 12mma



* Source: ERFC

National Stock Indexes

January 1, 1996 to July 5, 2024



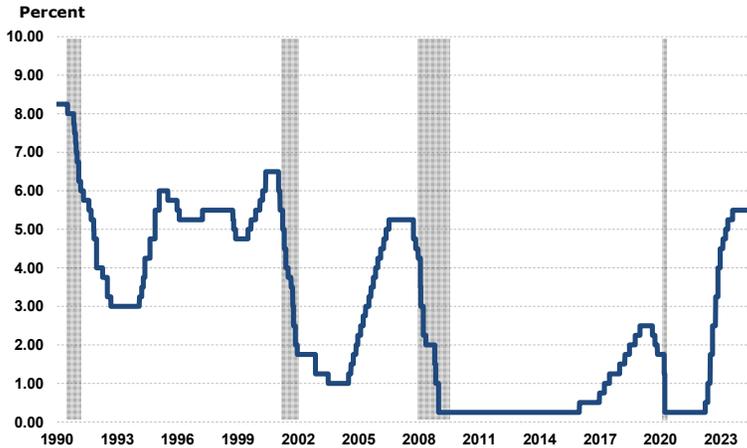
* Source: ERFC

* Shaded areas correspond with national recessions.
Appendix

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

Federal Funds Target Rate

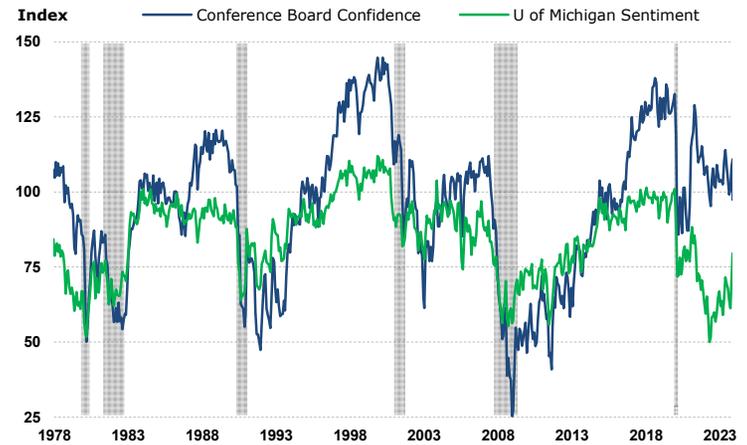
January 1, 1990 to July 11, 2024



* Federal Reserve

Consumer Confidence

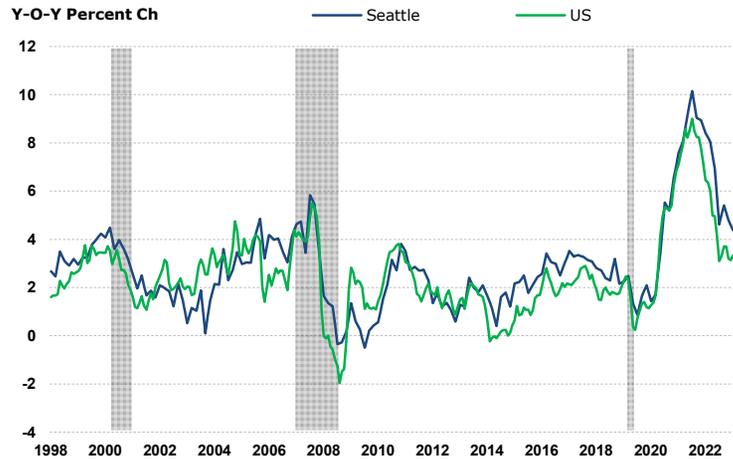
March 1978 to June 2024



* Source: The Conference Board, University of Michigan

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

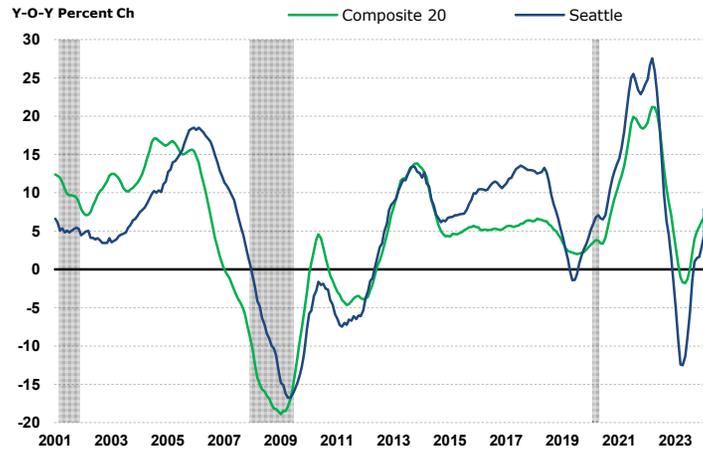
December 1998 to June 2024



* Source: Bureau of Labor Statistics

Case Shiller Home Price Index

January 2001 to April 2024, 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.