

The background image shows the Washington State Capitol building, a grand neoclassical structure with a prominent dome and a portico supported by tall columns. The building is partially framed by the delicate, white blossoms of cherry trees in the foreground. The sky is a clear, bright blue. The overall scene is bright and celebratory, likely representing the state's spring season.

# **Washington State Economic and Revenue Forecast**

November 2023  
Volume LI, No. 4



## Economic and Revenue Forecast Council Members

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

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

## Forecast Council Staff

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

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

# Preface

## **ERFC forecasting structure and schedule**

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

## **Forecast Procedure**

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

Data in this publication are accurate through December 4, 2023.

# **Washington State Economic and Revenue Forecast**

Prepared by the  
Economic and Revenue Forecast Council

November 2023  
Volume LI, No. 4

# Table of Contents

<b>Preface</b> .....	<b>iii</b>
<b>List of Tables</b> .....	<b>vi</b>
<b>List of Figures</b> .....	<b>vii</b>
<b>Executive Summary</b> .....	<b>1</b>
U.S. Economic Forecast .....	1
Washington Economic Forecast .....	1
Revenue Forecast .....	3
<b>Chapter 1: U.S. Economy – Current Conditions and Forecast</b> .....	<b>5</b>
Current Conditions .....	5
Forecast .....	10
Risks to the Forecast .....	15
<b>Chapter 2: Washington Economy – Current Conditions and Forecast</b> .....	<b>20</b>
Current Conditions .....	20
Washington State Forecast.....	23
Washington Payroll Employment .....	23
Washington Personal Income.....	25
Washington Building Permits .....	26
Consumer Price Index.....	26
Alternative Scenarios.....	27
Governor’s Council of Economic Advisors (GCEA).....	28
<b>Chapter 3: Washington State Revenue Forecast Summary</b> .....	<b>41</b>
Overview .....	41
Track Record for the 2021-23 Biennium .....	43
Track Record for the 2023-25 Biennium .....	43
Recent Collection Experience .....	44
General Fund-State Revenue Forecast by Source .....	46
Department of Revenue .....	46
Forecasted Revenue from Cannabis-Related Sales .....	51
The Office of Financial Management (Other Agencies) .....	51
State Treasurer .....	52
Insurance Commissioner.....	52
Liquor and Cannabis Board.....	52
Lottery Commission .....	52
Washington Court System .....	53
The Relationship between Cash and CAAP General Fund-State Revenue Forecasts .....	53
Alternative Forecasts for the 2023-25 and 2025-27 Biennia .....	53
Washington Opportunity Pathways Account.....	54
Education Legacy Trust Account .....	54
Workforce Education Investment Account .....	54
Budgetary Balance Sheet for the 2021-23 and 2023-25 Biennia.....	55
<b>Appendix</b> .....	<b>70</b>
<b>Glossary</b> .....	<b>107</b>

## List of Tables

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

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

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

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

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

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

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

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

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

## List of Figures

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

Figure 1.1	Total Nonfarm Employment .....	7
Figure 1.2	Consumer Price Index .....	8
Figure 1.3	Housing Units Authorized by Building Permits .....	9
Figure 1.4	Real GDP Growth .....	11
Figure 1.5	Average Price of Crude Oil .....	12
Figure 1.6	Fed Funds Target Rate .....	14

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

Figure 2.1	Washington Unemployment Rate .....	21
Figure 2.2	S&P/Case-Shiller Home Price Indices, SA .....	22
Figure 2.3	Washington Exports.....	23
Figure 2.4	Nonfarm Payroll Employment.....	24
Figure 2.5	Washington Personal Income .....	26
Figure 2.6	Seattle CPI.....	27
Figure 2.7	Comparison of Alternative of WA and U.S. Economic Forecasts .....	36
Figure 2.8	Comparison of Alternative U.S. Economic Forecasts.....	39
Figure 2.9	Comparison of Alternative Washington Economic Forecasts .....	40

### Chapter 3: Washington State Revenue Forecast Summary

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

### Appendix:

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

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

*This page left intentionally blank.*



## Executive Summary

- **The economy continues to expand, although inflation remains high.**
- **The forecast for GDP growth in 2023 is now 2.4%, up from 2.1% in the September forecast. For 2024, real GDP growth is 1.2%, up from 1.0% in the September forecast. For 2025 through 2027, we expect growth rates of 1.7%, 2.1%, and 1.9%. The September forecast called for growth of 2.0%, 2.0%, and 1.9% in 2025 through 2027.**
- **Oil prices are declining.**
- **The Washington economy continued to expand through the third quarter of 2023.**
- **Washington employment growth in September and October was more than expected in the September forecast.**
- **The Washington unemployment rate rose to 3.8%, the first increase since June.**
- **Washington housing construction slowed in the third quarter of 2023.**
- **Seattle home prices increased in August for a fifth consecutive month.**
- **Washington exports decreased 0.8% from the third quarter of 2022 to the third quarter of 2023.**
- **Seattle consumer price inflation outpaced the national average in the year ending in October 2023.**
- **Tracked revenue collections since September have come in slightly below their forecasted amounts.**
- **Despite Revenue Act taxes coming in slightly lower than forecasted, the November economic forecast projects higher personal income and employment, including construction employment. This has resulted in slight increases in forecasted Revenue Act taxes, with most of the increases occurring after FY24.**
- **Forecasted real estate excise taxes have decreased slightly due to lower-than-expected taxable activity.**
- **The final tally of funds subject to the budget outlook process for the 2021-23 biennium was \$18 million lower than estimated in September. The forecast of these funds was increased by \$191 million in the 2023-25 biennium and \$579 million in the 2025-27 biennium.**

## U.S. Economic Forecast

*The economy continues to recover and expand*

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

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

This forecast is based on a modified version of S&P Global Market Intelligence's (formally HIS Markit) November 2023 Control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to match the November 2023 Blue Chip "Consensus" GDP forecast for 2023 and 2024. The forecast for GDP growth in 2023 is now 2.4%, up from 2.1% in the September forecast. For 2024, real GDP growth is 1.2%, up from 1.0% in the September forecast. The forecast calls for three quarters of growth below 1.0% (SAAR) starting in the fourth quarter of this year. However, we no longer expect a quarter of negative growth as we did in the previous forecast. For 2025 through 2027, we expect growth rates of 1.7%, 2.1%, and 1.9%. The September forecast called for growth of 2.0%, 2.0%, and 1.9% in 2025 through forecast.

*Oil prices have declined since the September forecast*

Oil prices have declined since September. Increased production by some OPEC+ members, combined with record-high U.S. production have led to oil prices easing. Saudi Arabia is assumed to support more production cuts, however as OPEC+ has given up market share in an attempt to keep prices elevated, more members are producing above target levels. Concerns regarding the spread of the Israel – Hamas conflict have eased, diminishing some upward pressure on oil prices. The refiner acquisition price of crude oil in 2023 is expected to average \$77 per barrel, down from \$80 per barrel assumed in September (see Figure 1.5). 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 \$66 per barrel in 2027. The September forecast expected oil prices to reach \$68 per barrel in 2027.

## Washington Economic Forecast

*The Washington economy continued to expand through the third quarter of 2023*

The Washington economy continued to expand through the first three quarters of 2023. Washington employment growth in September and October was more than expected in the September forecast. In October, the Washington unemployment rate rose from 3.6% to 3.8%, the first increase since June. Washington housing construction continued to slow in the third quarter of 2023. Seattle home prices increased in August for a

ffifth consecutive month. Washington exports decreased 0.8% from the third quarter of 2022 to the third quarter of 2023. Seattle consumer price inflation outpaced the national average in the year ending in October 2023.

*The Washington forecast features a higher level of nominal personal income in 2025 - 2027*

The Washington forecast features a slightly higher level of nominal personal income in 2025 through 2027 compared to the September forecast as well as slightly higher employment throughout the forecast period. We expect a 6.1% increase in nominal Washington personal income this year, down from 6.5% in the September forecast. Annual growth rates for 2024 – 2027 average 5.4%, up from 5.1% in September. We expect a 2.4% increase in Washington employment this year, up from the 2.3% growth rate expected in the September forecast. We expect employment growth to average 0.9% per year in 2024 through 2027, up from 0.7% in the September forecast. We expect housing permits to total 38,300 units this year, down from the September forecast, and we expect permits to average 43,600 units in 2024 through 2027, down from 44,300 units in the September forecast. We expect the Seattle headline inflation to be 5.8% this year, unchanged from the September forecast. We expect Seattle headline inflation to average 2.4% per year in 2024 through 2027, up from 2.1% in the September forecast.

## Revenue Forecast

*Despite a shortfall in collections, forecasted revenue has increased due to the improved economic forecast*

Tracked revenue collections since September, including Revenue Act collections, have come in slightly below their forecasted amounts. Despite this shortfall, the November economic forecast projects higher personal income and employment, including construction employment. This has resulted in slight increases in forecasted Revenue Act taxes, with most of the increases occurring after FY24. Forecasted real estate excise taxes, however, have decreased slightly due to the lower-than-expected taxable activity.

*Total forecast change by biennium (millions):*

21-23: *-\$18*  
23-25: *\$191*  
25-27: *\$579*

The final tally of funds subject to the budget outlook process was \$64,733.8 million in the 2021-23 biennium, \$17.9 million less than reported in September. Forecasted revenue for was increased by \$191.4 million in the 2023-25 biennium and \$578.9 million in the 2025-27 biennium. The November 2023 forecast for these funds total \$66,883.3 million in the 2023-25 biennium and \$71,505.8 million in the 2025-27 biennium.

*This page left intentionally blank.*



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

- **The economy continues to expand, although inflation remains high.**
- **Policymakers approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic.**
- **Real GDP increased 5.2% (SAAR) in the third quarter of 2023 after increasing 2.1% (SAAR) in the second quarter of 2023.**
- **The job market appears to be moderating.**
- **Inflation is cooling but remains high.**
- **Housing activity is trending down; manufacturing output is declining.**
- **Oil prices are declining.**
- **We expect three quarters of 1% or below GDP growth, but no longer expect a negative quarter.**
- **The forecast for GDP growth in 2023 is now 2.4%, up from 2.1% in the September forecast. For 2024, real GDP growth is 1.2%, up from 1.0% in the September forecast. For 2025 through 2027, we expect growth rates of 1.7%, 2.1%, and 1.9%. The September forecast called for growth of 2.0%, 2.0%, and 1.9% in 2025 through 2027.**
- **We expect the Federal Reserve to increase the federal funds rate until reaching 5.50% to 5.75%.**
- **The uncertainty in the baseline forecast is elevated due to increased economic concern regarding inflation, possible recession, the COVID-19 pandemic, and geopolitical conflicts.**

### Current Conditions

*The economy continues to expand*

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

*Policymakers approved trillions of dollars in stimulus*

Policymakers approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic. Stimulus related to the pandemic has consisted of \$6.15 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 (\$710 billion), and health spending (\$700 billion). The remainder of the spending is comprised of grants, loans, direct payments, and other federal funding for activities to provide relief from COVID-19.

*The fiscal response to the pandemic has been massive*

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

*GDP increased 5.2% in the third quarter*

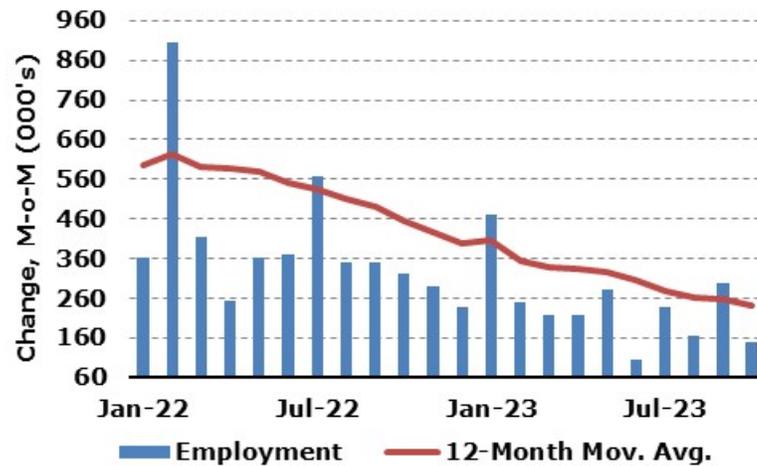
Real GDP increased by 5.2% (SAAR) in the third quarter of 2023 after increasing 2.1% (SAAR) in the second quarter. Growth was led by consumer spending in the third quarter as business investment slowed. Consumption grew 3.6% (SAAR) contributing 2.4 percentage points to overall GDP growth. Spending on goods outpaced services, although both were strong, growing 4.7% and 3.0% respectively. Fixed investment slowed to 2.4% (SAAR) from 5.2% (SAAR) in the second quarter and added 0.4 points to topline growth. Nonresidential fixed investment increased 1.3% (SAAR), with a decline in equipment investment (-3.5%) offsetting strong growth in structures (+6.9%). Fixed residential investment rebounded with 6.2% (SAAR) growth after declining 2.2% (SAAR) in the second quarter. Exports and imports both grew, with the net impact of 0.04 points subtracted to GDP growth. Government spending increased 5.5% (SAAR), increasing GDP by 0.9 points. Inventory accumulation added 1.4 points to GDP growth in the third quarter.

*The job market appears to be moderating*

The job market appears to be moderating. Over three years since the unprecedented 20.7 million job decline in April 2020 due to the pandemic, employment has continued to grow, but is now slowing. In October, total nonfarm employment increased by 150,000 jobs. Over the past twelve months, job growth has averaged 243,000 (see Figure 1.1). Construction employment has remained resilient and increased by another 23,000 in October. The manufacturing sector lost 35,000 jobs in October with most of the decline coming from transportation equipment manufacturing due to the now ended UAW strike. Private service-providing employment increased by 110,000. Employment increases in the service sector were led by a 77,000 increase in health services. Leisure and hospitality gained 19,000 jobs as the sector continues to recover from deep

declines related to behavioral changes since the pandemic. Government payrolls increased by 51,000.

**Figure 1.1: Total Nonfarm Employment**



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

*The unemployment rate is slowly increasing*

The unemployment rate is slowly increasing after reaching a historic low of 3.4% in January 2023. In October, the unemployment rate increased to 3.9% from 3.8%. The labor force participation rate fell slightly to 62.8% from 62.7% 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 slowly trended up but remains below pre-pandemic levels. Average hourly earnings are up \$1.34 from a year ago to \$34.00 while the average workweek fell 0.3 hours from last year to 34.3 hours in October.

*Consumer confidence is trending down*

Consumer confidence continues to trend down from a brief uptick in the summer. Consumer confidence as measured by the Conference Board improved 2.9 points in November but remains down 12.0 points since the recent peak in July. In November, the improvement came from a small increase in expectations while consumers attitudes towards present conditions continued to decline. The University of Michigan Consumer Sentiment index declined 2.5 points in November. Consumers expressed more pessimism towards both their present conditions and their future expectations. Inflation expectations rose sharply. Both confidence measures remain below pre-pandemic levels.

*Oil prices are trending down*

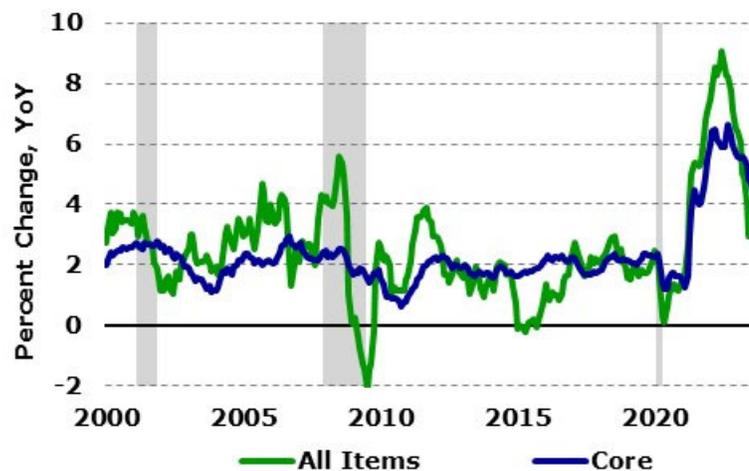
Oil prices are trending down as uncertainty regarding geopolitical events has waned. The Brent spot crude price is now \$82 per barrel in the first week of October, down from \$96 at the end of September. The West Texas Intermediate (WTI) price has dropped to \$77 per barrel from \$91 per barrel over the same time period. OPEC+ appears to have internal disagreement regarding production cuts versus maintaining market share. U.S. oil production has increased and is now at an all-time high. U.S.

production increased to 13.053 million bpd in August 2023, surpassing the previous high 13.000 million bpd in November 2019. Even with the increase in production, the Baker Hughes rig count has been declining since reaching a peak in November 2022. As November 22<sup>nd</sup>, the rig count in the U.S. was 622, down 162 since last year.

*Inflation is cooling but remains high*

Inflation is cooling but remains high (see Figure 1.2). Supply has not been able to meet the surge in demand in the wake of the pandemic. Supply chain issues due to pandemic related shutdowns contributed to the disconnect. Income support artificially boosted demand as well. Shortages of commodities have also pushed prices higher. Rents have accelerated in lagged response to soaring home prices. Wage increases in response to higher consumer inflation have kept overall inflation more persistent. The Consumer Price Index (CPI) was unchanged from September to October, a deceleration of inflation from the 0.4% increase in September. Year-over-year, CPI was up 3.2% in October, down from 3.7% in September. Since peaking at 9.1% in June 2022, inflation has slowly come down as the Federal Reserve has raised rates. Energy prices declined 2.5% in October and are down 4.5% over the year due primarily to a sharp drop in utility gas service and fuel oil. Shelter cost inflation remains high, increasing 0.3% in October and up 6.7% since last year. Food prices lagged the overall increase in prices, up 0.3% over the month and up 3.3% since last year. Core consumer prices, which exclude food and energy, increased 0.2% since last month and were up 4.0% over the year.

**Figure 1.2: Consumer Price Index**



Source: Bureau of Labor Statistics; data through October 2023

*Home prices are increasing*

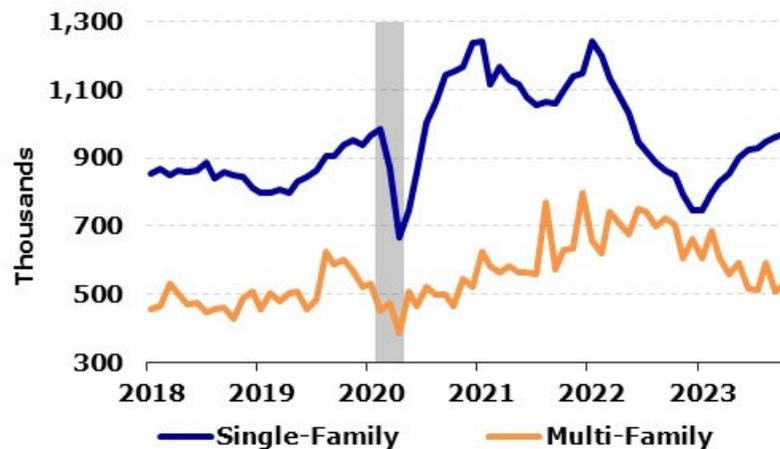
Home prices are increasing. The seasonally adjusted S&P CoreLogic Case-Shiller 20-city Home Price Index increased 0.7% in September and is now up 3.9% since last year. With inflation remaining persistently high, the Federal Reserve has raised interest rates substantially. This has led to a rapid rise in mortgage rates which has caused affordability to plummet. The

rate on a 30-year mortgage has eased in recent weeks to 7.29% as of November 22<sup>nd</sup>, down from 7.79% last month, but still up from 6.58% a year ago. Despite the drop in affordability, the decline in home prices appears to have ended. Lumber prices have stabilized close to pre-pandemic levels. The random length lumber price reached an all-time high \$1,671 per 1,000 board feet in May 2021. Prices have trended down since then and are now at \$546 as of November 27<sup>th</sup>. Despite the housing market appearing to stabilize, homebuilder confidence has plummeted in recent months. In November, homebuilder confidence declined from 40 to 34 (readings above 50 indicate optimism), the lowest level since December 2022 and well below the recent peak of 56 in July.

*Housing activity is trending down*

Housing activity is trending down, led by declines in the multi-family segment. High interest rates, low confidence, and declining affordability have weighed down new construction. Housing starts improved in October, increasing 1.6% since September but remain 4.2% lower since last year. Single-family starts are 13.1% higher than a year ago, but multi-family starts are down 30.0%. Builders are working through a large backlog of permitted but not started units and there is a near record number of housing units currently under construction. The inventory of new homes on the market is trending down, although there was an increase in the most recent data. In October there were 7.8 months' worth of supply, up from 7.2 in September, but down from a recent peak of 10.1 in July 2022. Housing permits increased 1.8% over the month in October but are down 3.7% since last year. Single-family permits are up 14.0% since last year while multi-family permits are down 25.0% (see Figure 1.3). New home sales declined 5.6% in October to 679,000 (SAAR) but are up 17.7% since last year.

**Figure 1.3: Housing Units Authorized by Building Permits**



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

The manufacturing sector continues to contract. The Institute for Supply Management (ISM) Report on Business index was unchanged in December at 46.7 (index values below 50 indicate

*The manufacturing sector is declining*

contraction). This is the 13th consecutive month of contraction after a 30-month period of expansion. The new orders component improved 2.8 points to 48.3, still indicating contraction. Production again turned negative, declining 1.9 points to 48.5. The employment component fell another 1.0 points to 45.8. Only two of the six biggest manufacturing industries registered growth in December: food, beverage, and tobacco products and transportation equipment. The latest G-17 report from the Federal Reserve indicates manufacturing output dropped 0.7% in October and is down 1.7% from a year ago. The decline was mostly due to a 10.0% decline in motor vehicles that was affected by strikes at several motor vehicle manufacturers. Excluding motor vehicles, manufacturing output edged up 0.1%. New orders for core capital goods (nondefense capital goods excluding aircraft) declined 0.1% in October but remain up 1.8% from a year ago.

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

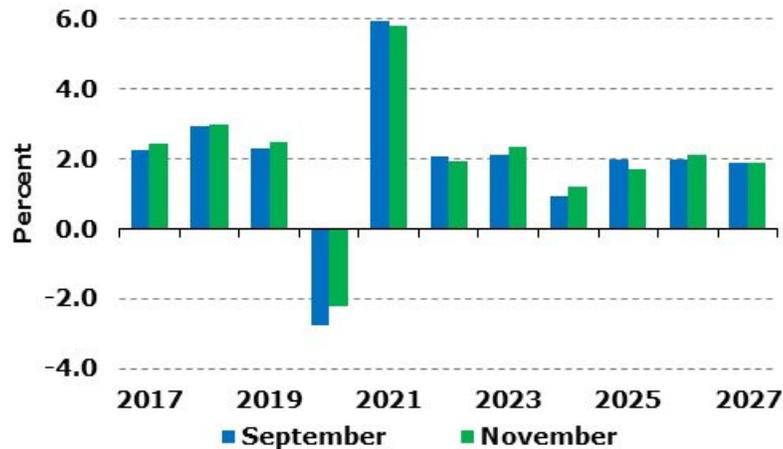
U.S. exports declined for the second consecutive quarter in the third quarter of 2023, dropping by 5.8% year over year. Exports to each of the top three partner countries declined in the third quarter. U.S. exports to Canada, Mexico, and China were down 2.8%, 2.6%, and 10.3% respectively. Oil and gas exports and petroleum and coal exports declined after exceptional growth the past two years. The value of exports in both sectors have more than doubled since the end of 2020, but declined a combined 23.3% in the third quarter. Exports of transportation equipment grew 19.0% in the third quarter and remained the top export by value for the United States.

## **Forecast**

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

This forecast is based on a modified version of S&P Global Market Intelligence's (formally HIS Markit) November 2023 Control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to match the November 2023 Blue Chip "Consensus" GDP forecast for 2023 and 2024. The forecast for GDP growth in 2023 is now 2.4%, up from 2.1% in the September forecast (see Figure 1.4). For 2024, real GDP growth is 1.2%, up from 1.0% in the September forecast. The forecast calls for three quarters of growth below 1.0% (SAAR) starting in the fourth quarter of this year. However, we no longer expect a quarter of negative growth as we did in the previous forecast. For 2025 through 2027, we expect growth rates of 1.7%, 2.1%, and 1.9%. The September forecast called for growth of 2.0%, 2.0%, and 1.9% in 2025 through 2027.

**Figure 1.4: Real GDP Growth**



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

*Key assumptions are included in the forecast*

The forecast includes key assumptions related to fiscal policy. The debt ceiling is suspended through 2024 but is raised without incident before then. A federal fiscal year budget is passed in time to avoid a government shutdown. Personal taxes are governed by current policy, which includes an extension beyond the expiration in 2026 of provisions in the 2017 Tax Act. Corporate taxes, however, are governed by current law, including phase outs of provisions in the 2017 Tax Act. Social Security and Medicare benefits are paid beyond the projected exhaustion of those funds. The forecast includes tariffs enacted by the U.S. and China since 2017 that are still in effect. The forecast reflects all legislation enacted through the time of the forecast.

*Oil prices have declined since the September forecast*

Oil prices have declined since September. Increased production by some OPEC+ members, combined with record-high U.S. production have led to oil prices easing. Saudi Arabia is assumed to support more production cuts, however as OPEC+ has given up market share in an attempt to keep prices elevated, more members are producing above target levels. Concerns regarding the spread of the Israel – Hamas conflict have eased, diminishing some upward pressure on oil prices. The refiner acquisition price of crude oil in 2023 is expected to average \$77 per barrel, down from \$80 per barrel assumed in September (see Figure 1.5). 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 \$66 per barrel in 2027. The September forecast expected oil prices to reach \$68 per barrel in 2027.

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



Source: EIA, November 2023 ERFC forecast; historical data through 2023 Q3

*Inflation is expected to fall*

Inflation (as measured by the price index for personal consumption expenditures) is expected to fall to 3.8% this year after peaking at 6.3% in 2022, unchanged since the previous forecast. Inflation surged as demand recovered faster than could be accommodated by supplies of commodities and labor disrupted by the pandemic. Income support helped fuel the surge in demand, contributing to the increase in prices. Inflation is expected to moderate throughout the forecast. Inflation is expected to decline to 2.4% in 2024, and then average 2.1% from 2025 through 2027. Core inflation (excluding food and energy) is expected to remain slightly higher than topline inflation. We expect core inflation to be 4.2% this year, decline to 2.8% in 2024, and then trend down to 2.2% in 2026 and 2027.

*Consumer spending growth is expected to slow*

Real consumer spending growth is expected to slow further this year as the Federal Reserve tightens monetary policy to combat inflation. Furthermore, fiscal stimulus measures are no longer giving a boost to consumers. Consumers experienced real income declines due to high inflation last year. This year, we expect continued wage growth and slowing inflation to turn real income growth positive. Real consumer spending is expected to grow 2.2% this year, down from 2.6% growth in 2022. The previous forecast expected growth of 2.3% this year. The forecast calls for growth to further soften in 2024 to 1.3%. We expect real spending growth to average 1.9% in 2025 through 2027, down from the 2.1% average in 2025 through 2027 expected in the September forecast.

*Employment growth is expected to slow*

Employment growth is expected to slow, although not as much as previously expected in the September forecast. Employment grew 4.3% in 2022 after growing 2.9% in 2021. We expect employment growth of 2.3% this year as the economy cools. The forecast then calls for growth of 0.6% in 2024. The previous forecast expected growth of 2.2% this year followed by a 0.1% decline in 2024. Employment growth is expected to be flat in

2025 and then average 0.3% per year in 2026 and 2027. We expect the labor market to remain tight throughout the forecast. The November forecast calls for the unemployment rate to increase slightly to 3.7% this year from a historic low of 3.6% in 2022. The forecast calls for the unemployment rate to peak at 4.3% in 2024 and 2025 before declining to 4.2% in 2027.

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

Real nonresidential fixed investment growth is expected to be stronger than in the previous forecast. The November forecast calls for growth of 4.2% this year after a 5.2% increase in 2022. The September forecast expected a 3.0% increase this year. Business spending on manufacturing structures has been surging but is near a peak. Going forward, demand is expected to soften in line with slower overall GDP growth, lessening the need to expand production capacity. Borrowing costs remain high, reflecting tight monetary policy by the Federal Reserve. Office vacancy rates remain high as workers continue to use flexible work environments. Real nonresidential fixed investment growth is expected to slow and average 2.2% from 2024 through 2027. We expect real nonresidential construction to grow 11.4% this year after declining in each of the prior three years. The forecast calls for nonresidential construction to slow and average 1.0% in 2024 through 2027 as some excess surplus gets worked through. Real nonresidential construction will not have fully recovered to its level before the pandemic by the end of 2027. Real equipment investment is expected to decline 0.1% this year after growing 5.2% in 2022. We expect real equipment investment growth to turn positive in 2024 at 2.0%. We then expect growth to accelerate and reach 3.6% in 2027. Investment in intellectual property products is expected to slow from 9.1% growth in 2022 to 4.5% growth this year. We expect growth to continue to trend down and reach 1.5% in 2027.

*The housing market outlook remains weak*

The housing market outlook remains weak. High mortgage rates have lowered affordability and weighed down housing demand. Mortgage rates have surged 450 basis points since the third quarter of 2021 to the highest level in over 20 years. This has locked in homeowners holding mortgages financed at lower rates and lowered supply. Labor and material shortages remain, causing delays in finished construction. The November forecast calls for housing starts to decline 10.0% this year, down from a 8.7% decline in the previous forecast. We expect multi-family housing to lead the decline, dropping 14.1% this year compared to a 7.7% decline in single-family. We expect total housing starts to decline another 4.0% in 2024, reaching a trough of 1.34 million units. The forecast then calls for housing starts to return to growth in 2025 at 5.4% with growth in both single-family and multi-family. We expect housing starts to grow another 2.1% in 2026 and 0.9% in 2027.

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

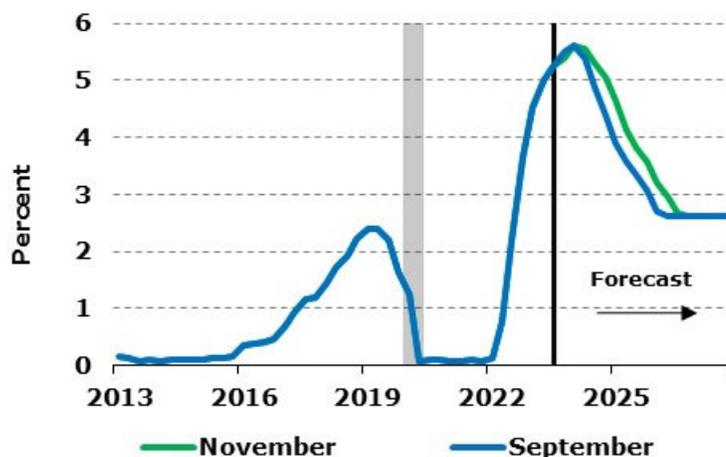
Economic growth of U.S. major trading partners is expected to slow this year to 2.2% from 3.4% in 2022, up from 2.1% in the September forecast. Economic performance will vary widely across regions, with Europe and the Americas experiencing subpar growth and emerging markets of Asia-Pacific and parts of

Africa achieving robust growth. China's economy has begun to stabilize after a downturn earlier in the year. Consumption in China, however, and has yet to rebound back to pre-Covid levels due to low consumer confidence. We expect growth in U.S. major trading partners to average 2.4% in 2024 through 2027, unchanged since the September forecast. Real U.S. exports are forecasted to slow to 2.8% this year, down from 7.0% growth in 2022, unchanged since the previous forecast. We expect real export growth to increase and average 3.9% in 2024 through 2027, down from 4.2% growth expected in September.

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

The Federal Reserve will continue to raise interest rates as it strives to lower inflation to 2%. The Federal Reserve raised the target for the federal funds another 25 basis points in July, but then held the rate steady in the September and November meetings. Inflation has remained high for longer than policymakers had anticipated. The economy has remained resilient with the labor market particularly tight, even as the Federal Reserve has raised rates. Our expectation is for a final 25 basis point hike in December during this cycle. We expect the federal funds rate to reach 5.50% to 5.75% (see Figure 1.6). We then expect the Federal Reserve to hold the rate steady until the second quarter 2024 when rates are slowly lowered. The rate cuts are expected to end in the third quarter of 2026 and then hold steady through 2027 at 2.50% to 2.75%. The previous forecast expected a slightly less gradual reduction in rates. The forecast also calls for the Federal Reserve to continue removing stimulus tied to its balance sheet, allowing it to decline by about a third through 2024.

**Figure 1.6: Fed Funds Target Rate**



Source: EIA, November 2023 ERFC forecast; historical data through 2023 Q3

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

## **Risks to the Forecast**

The level of uncertainty in the baseline forecast remains elevated. Downside risks now outweigh upside risks. In the previous forecast, the risks were balanced.

### **Downside Risks**

- Israeli – Hamas conflict spreads throughout the region
- COVID-19 infections reemerge
- Re-imposition of some social restrictions
- New travel restrictions
- War in Ukraine escalates
- Rising interest rates cause a recession
- Inflation remains high
- Rising mortgage rates cause a sharp downturn in affordability and housing activity
- Oil prices don't decline
- Increasing geopolitical tensions negatively affect consumer confidence
- Deficit fears limit fiscal policy
- A breakdown in trade relations
- Global growth weakens, pulling exports down
- Increased uncertainty in financial system due to banking collapse

### **Upside Risks**

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

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

Fiscal Years

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	18,977.4	19,458.9	20,214.0	20,540.4	20,991.1	21,215.9	21,649.2	22,083.0
% Ch	-0.1	2.5	3.9	1.6	2.2	1.1	2.0	2.0
Real Consumption	12,909.6	13,421.6	14,155.9	14,405.7	14,699.9	14,871.5	15,173.0	15,486.0
% Ch	-0.8	4.0	5.5	1.8	2.0	1.2	2.0	2.1
Real Nonresidential Fixed Investment	2,860.5	2,867.3	3,019.9	3,175.5	3,275.2	3,332.4	3,403.0	3,484.1
% Ch	-0.3	0.2	5.3	5.2	3.1	1.7	2.1	2.4
Real Residential Fixed Investment	622.6	719.0	718.7	606.7	590.5	593.9	625.6	644.0
% Ch	1.5	15.5	-0.1	-15.6	-2.7	0.6	5.3	2.9
Real Personal Income	17,254.9	18,408.1	17,948.3	17,899.3	18,199.2	18,729.9	19,282.6	19,776.9
% Ch	4.3	6.7	-2.5	-0.3	1.7	2.9	3.0	2.6
Real Per Capita Income (\$/Person)	52,073	55,432	53,891	53,486	54,100	55,393	56,734	57,891
% Ch	3.8	6.5	-2.8	-0.8	1.1	2.4	2.4	2.0
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	110.0	112.4	119.1	125.4	129.0	132.0	134.8	137.7
% Ch	1.2	2.1	6.0	5.3	2.8	2.3	2.1	2.1
U.S. Consumer Price Index (1982-84=1.0)	2.573	2.631	2.820	2.997	3.087	3.161	3.229	3.304
% Ch	1.6	2.3	7.2	6.3	3.0	2.4	2.2	2.3
Employment Cost Index (Dec. 2005=1.0)	1.395	1.437	1.509	1.585	1.652	1.715	1.777	1.841
% Ch	3.1	3.0	5.1	5.0	4.2	3.8	3.6	3.6
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	21,304.1	22,391.2	24,764.2	26,569.9	27,947.9	28,957.0	30,186.8	31,466.8
% Ch	1.2	5.1	10.6	7.3	5.2	3.6	4.2	4.2
Personal Income	18,988.7	20,691.6	21,373.1	22,455.0	23,480.7	24,730.3	26,000.5	27,235.7
% Ch	5.6	9.0	3.3	5.1	4.6	5.3	5.1	4.8
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	162.6	160.6	162.9	165.6	168.1	169.2	170.1	170.8
Total U.S. Employment	152.9	149.5	156.1	159.7	161.4	161.9	162.8	163.6
Unemployment Rate (%)	6.00	6.93	4.19	3.55	3.99	4.36	4.27	4.19
Nonfarm Payroll Employment	147.06	142.97	149.81	154.69	156.98	157.00	157.25	157.79
% Ch	-1.9	-2.8	4.8	3.3	1.5	0.0	0.2	0.3
Manufacturing	12.52	12.17	12.60	12.96	13.00	12.66	12.24	12.02
% Ch	-2.1	-2.7	3.5	2.8	0.4	-2.7	-3.3	-1.7
Durable Manufacturing	7.82	7.57	7.83	8.07	8.15	7.95	7.66	7.50
% Ch	-2.6	-3.2	3.5	3.1	1.0	-2.5	-3.6	-2.1
Nondurable Manufacturing	4.70	4.61	4.76	4.88	4.85	4.71	4.57	4.52
% Ch	-1.4	-1.9	3.4	2.4	-0.7	-3.0	-2.8	-1.2
Construction	7.39	7.33	7.59	7.86	8.05	8.15	8.29	8.46
% Ch	-0.3	-0.9	3.7	3.5	2.5	1.2	1.7	2.1
Service-Providing	126.48	122.92	129.04	133.25	135.28	135.54	136.05	136.60
% Ch	-2.0	-2.8	5.0	3.3	1.5	0.2	0.4	0.4
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	46.7	51.8	87.8	81.5	78.0	72.6	69.2	66.5
Personal Saving/Disposable Income (%)	11.9	14.4	5.4	4.1	4.1	5.8	6.5	6.8
Auto Sales (Millions)	3.8	3.7	2.9	3.0	3.1	3.2	3.3	3.2
% Ch	-24.3	-3.1	-23.1	4.5	4.0	1.8	2.8	-1.3
Housing Starts (Millions)	1.316	1.549	1.655	1.422	1.353	1.375	1.436	1.447
% Ch	8.2	17.7	6.9	-14.1	-4.8	1.6	4.4	0.8
Federal Budget Surplus (Billions)	-2,113.0	-3,135.0	-1,393.9	-1,412.1	-1,594.2	-1,731.2	-1,772.0	-1,787.5
Net Exports (Billions)	-537.4	-770.2	-981.0	-850.3	-764.7	-725.6	-742.7	-721.5
3-Month Treasury Bill Rate (%)	1.20	0.07	0.37	4.10	5.48	4.56	3.10	2.42
10-Year Treasury Note Yield (%)	1.41	1.11	1.93	3.54	4.51	3.97	3.41	3.22
Bond Index of 20 G.O. Munis. (%)	3.19	2.21	2.49	3.63	4.03	3.82	3.49	3.35
30-Year Fixed Mortgage Rate (%)	3.65	2.94	3.84	6.29	7.35	6.28	5.38	5.00

Table 1.2

**Forecast Analysis**

Comparison of Forecasts for 2021-23

<b>U.S.</b>	Average Annual Rate of Growth (Percent) 2021:2-2023:2		Average Rate (Percent) 2021:3 to 2023:2	
	<b>Real GDP</b>	<b>PCE Price Index</b>	<b>3 Month T-Bill Rate</b>	<b>Mortgage Rate</b>
<b>2018</b>				
February	2.1	2.0	3.15	5.28
June	2.1	2.1	3.17	5.30
September	2.1	1.9	3.14	5.13
November	2.0	2.0	3.16	5.20
<b>2019</b>				
March	1.9	2.0	2.66	4.92
June	1.9	1.9	2.20	4.72
September	1.9	1.9	2.16	4.65
November	1.9	2.0	2.16	4.53
<b>2020</b>				
February	1.9	2.0	1.96	4.43
June	3.7	1.5	0.07	3.02
September	3.4	1.6	0.10	3.12
November	2.6	1.8	0.10	3.10
<b>2021</b>				
March	3.5	1.6	0.07	3.56
June	3.5	2.0	0.04	3.46
September	3.5	2.1	0.08	3.39
November	3.2	2.5	0.09	3.43
<b>2022</b>				
February	3.2	3.4	0.58	3.62
June	2.2	4.9	1.31	4.48
September	1.1	4.9	1.88	4.66
November	1.1	5.1	2.16	5.16
<b>2023</b>				
March	1.7	5.2	2.21	5.12
June	1.9	5.2	2.23	5.06
September	2.1	5.1	2.24	5.06
November	2.1	5.3	2.24	5.06

Table 1.3

**Forecast Analysis**

Comparison of Forecasts for 2023-25

<b>U.S.</b>	Average Annual Rate of Growth (Percent) 2023:2-2025:2		Average Rate (Percent) 2023:3 to 2025:2	
	<b>Real GDP</b>	<b>PCE Price Index</b>	<b>3 Month T-Bill Rate</b>	<b>Mortgage Rate</b>
<b>2020</b>				
February	2.0	2.1	2.30	4.62
June	2.3	1.7	0.13	3.24
September	2.4	1.8	0.10	3.27
November	2.0	1.9	0.08	3.29
<b>2021</b>				
March	2.2	1.9	0.23	3.92
June	1.9	1.9	0.22	3.86
September	2.2	1.9	0.47	4.02
November	2.1	2.1	0.88	4.26
<b>2022</b>				
February	2.1	2.1	1.64	4.55
June	2.1	1.7	2.61	5.00
September	2.1	1.9	3.09	5.18
November	1.7	2.1	3.87	5.69
<b>2023</b>				
March	1.4	2.2	4.16	5.93
June	1.2	2.2	3.99	5.81
September	1.5	2.5	4.64	6.31
November	1.6	2.3	5.02	6.82

Table 1.4  
**Forecast Comparison**  
 Forecast 2023 to 2027

Fiscal Years

	2021	2022	2023	2024	2025	2026	2027
<b>U.S.</b>							
<b>Real GDP</b>							
November	19,458.9	20,214.0	20,540.4	20,991.1	21,215.9	21,649.2	22,083.0
% Ch	2.5	3.9	1.6	2.2	1.1	2.0	2.0
September	19,107.1	19,874.5	20,226.6	20,555.1	20,826.3	21,263.2	21,673.1
% Ch	2.3	4.0	1.8	1.6	1.3	2.1	1.9
<b>PCE Price Index</b>							
November	112.4	119.1	125.4	129.0	132.0	134.8	137.7
% Ch	2.1	6.0	5.3	2.8	2.3	2.1	2.1
September	112.8	119.3	125.4	129.3	132.4	134.9	137.6
% Ch	2.0	5.8	5.1	3.1	2.4	1.9	2.0
<b>Unemployment Rate</b>							
November	6.93	4.19	3.55	3.99	4.36	4.27	4.19
September	6.93	4.19	3.55	3.90	4.36	4.27	4.16
<b>Mortgage Rate</b>							
November	2.94	3.84	6.29	7.35	6.28	5.38	5.00
September	2.94	3.84	6.29	6.84	5.78	5.17	4.98
<b>3 Month T-Bill Rate</b>							
November	0.07	0.37	4.10	5.48	4.56	3.10	2.42
September	0.07	0.37	4.10	5.34	3.94	2.68	2.39



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

- **The Washington economy continued to expand through the third quarter of 2023.**
- **Washington employment growth in September and October was more than expected in the September forecast.**
- **The Washington unemployment rate rose to 3.8%, the first increase since June.**
- **Washington housing construction slowed in the third quarter of 2023.**
- **Seattle home prices increased in August for a fifth consecutive month.**
- **Washington exports decreased 0.8% from the third quarter of 2022 to the third quarter of 2023.**
- **Seattle consumer price inflation outpaced the national average in the year ending in October 2023.**

### Current Conditions

*The Washington economy continued to expand through the third quarter of 2023*

The Washington economy continued to expand through the first three quarters of 2023. Washington employment growth in September and October was more than expected in the September forecast. In October, the Washington unemployment rate rose from 3.6% to 3.8%, the first increase since June. Washington housing construction continued to slow in the third quarter of 2023. Seattle home prices increased in August for a fifth consecutive month. Washington exports decreased 0.8% from the third quarter of 2022 to the third quarter of 2023. Seattle consumer price inflation outpaced the national average in the year ending in October 2023.

*Washington nonfarm payroll employment increased 3,500 in September and October*

Washington job growth is trending down. We have two months of Washington employment data since the September forecast was released. Total seasonally adjusted nonfarm payroll employment increased 3,500 in September and October which was 1,700 more than the increase of 1,800 expected in the forecast. The construction sector increased by 700 jobs while manufacturing employment declined by 800 in the two-month period. Education services had the largest increase with a gain

of 4,500 jobs. The largest decline was in social assistance with a loss of 2,500 jobs. Government employment increased by 3,200, with a decline of 400 jobs in federal government partially offsetting a 3,600 job gain in local government.

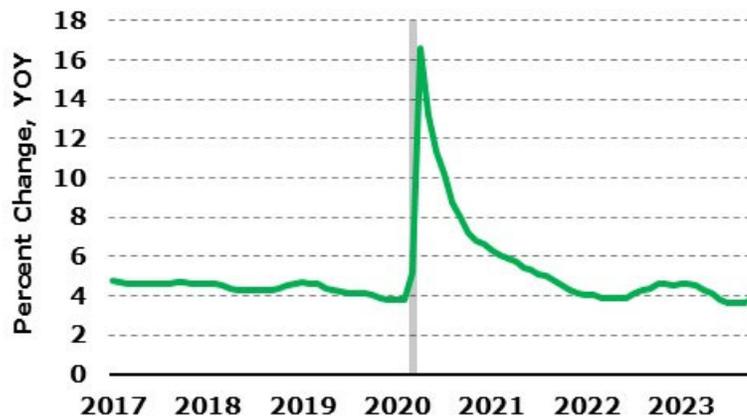
*Revisions added to the level of employment*

Revisions to employment data added 4,100 (0.1%) to the estimated level of total employment in August 2023. The combined effect of the upward revision to historical data and stronger than expected employment growth in September and October is that October employment is 5,800 (0.2%) higher than expected in the September forecast.

*Washington's unemployment remains low*

Washington's unemployment rate increased for the first time since June this month. The unemployment rate increased to 3.8% in October from 3.6% in September. The September jobless rate was at a historic all-time low with data going back to 1958. Labor force participation declined in October, reaching 64.3%, the lowest since January.

**Figure 2.1 Washington Unemployment Rate**



Source: Employment Security Department, data through October 2023

*Washington initial claims increased in October*

Washington initial claims for unemployment insurance increased in October. The seasonally adjusted number of initial claims totaled 33,400, an increase of 4,047 from September.

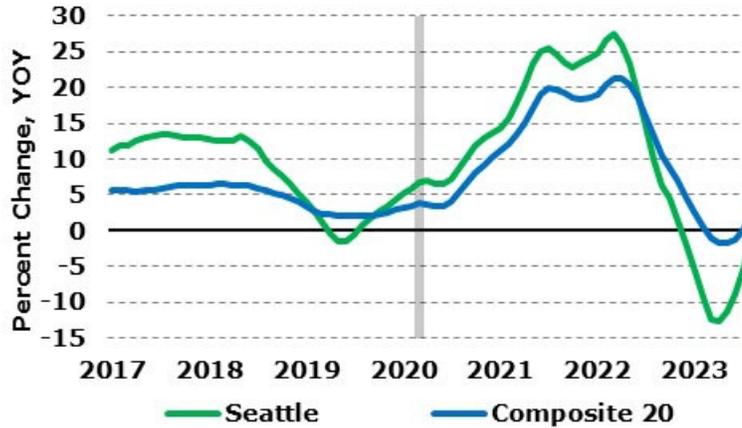
*Washington housing construction continued to slow in the third quarter of 2023*

Washington housing construction continued to slow in the third quarter of 2023. A total of 35,700 units (SAAR) were permitted in July, August, and September, down from 39,500 units (SAAR) in the second quarter. Third quarter permits consisted of 18,800 single-family units and 16,900 multi-family units. The September forecast expected 38,300 units (SAAR) for the third quarter as a whole consisting of 19,900 single-family units and 18,400 multi-family units.

Seattle-area home prices have stopped declining. Home prices increased 1.5% in August, the fifth straight increase. Prior to this, Seattle home prices had declined for eleven consecutive months. In comparison, the composite-20 index has increased in each of the past six months following eight months of decline. Seattle home prices in August remain down 1.4% over the year while the composite-20 index was up 2.2% over the year.

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

*Seattle-area home prices have stopped declining*

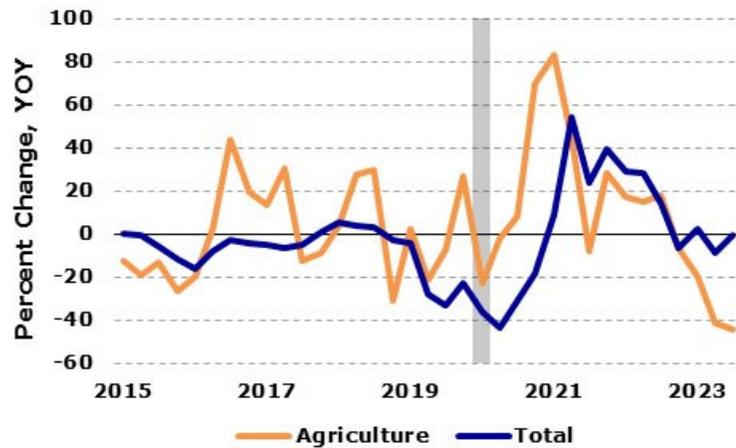


Source: S&P/Case-Shiller Home Price Indices; data through August 2023

*Washington exports decreased 0.8% from the third quarter of 2022 to the third quarter of 2023*

According to the World Institute for Strategic Economic Research (WISER), Washington exports declined 0.8% from the third quarter of 2022 to the third quarter of 2023. The decline was primarily due to a 44.6% drop in passthrough exports of agricultural products which are not produced in the state. Excluding agricultural products, Washington exports increased 11.0% year over year in the third quarter of 2023. Exports of transportation equipment (mostly Boeing planes) increased for a third consecutive quarter, rising 22.1%.

**Figure 2.3: Washington Exports**



Source: Wiser Trade; data through 2023 Q3

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

Washington car and truck sales have declined in each of the past four months. The seasonally adjusted number of new vehicle registrations fell 3.1% in October to 258,700 (SAAR). Passenger car registrations fell 3.3% and light truck registrations fell 1.5%. The number of total registrations remained up 3.6% over the year in October.

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

In September, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the second quarter of 2023. Washington personal income increased from \$611.2 billion (SAAR) in the first quarter to \$618.9 billion in the second quarter of 2023. The 5.2% increase (SAAR) in Washington personal income was the 6th highest among the states and led the 4.3% rate of increase for the U.S. as a whole. Growth in wages and salaries led the increase at 7.1% (SAAR) compared to 6.6% growth for the U.S.

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

Seattle-area consumer price inflation continues to outpace the national average. From October 2022 to October 2023, the Seattle CPI rose 4.8% compared to the 3.2% 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. are rising, contributing to the increase in topline inflation. Core inflation (excluding food and energy) remains elevated. Seattle core CPI rose 5.5% in October compared to 4.0% for the U.S. City average.

### **Washington State Forecast**

The Washington forecast features a slightly higher level of nominal personal income in 2025 through 2027 compared to the

*The Washington forecast features a higher level of nominal personal income in 2025 - 2027*

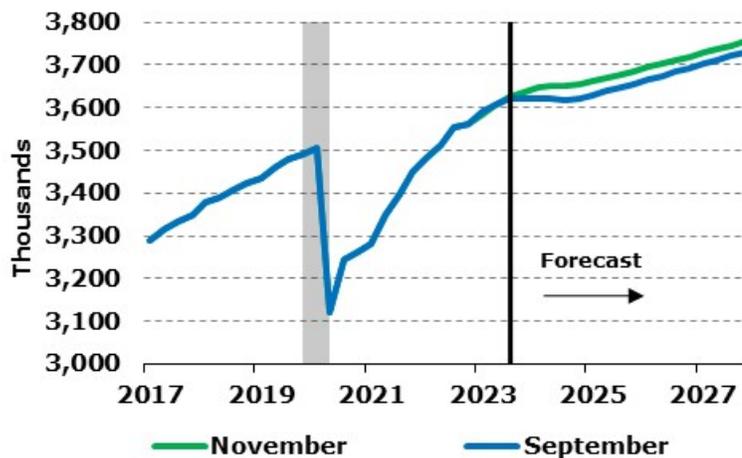
September forecast as well as slightly higher employment throughout the forecast period. We expect a 6.1% increase in nominal Washington personal income this year, down from 6.5% in the September forecast. Annual growth rates for 2024 – 2027 average 5.4%, up from 5.1% in September. We expect a 2.4% increase in Washington employment this year, up from the 2.3% growth rate expected in the September forecast. We expect employment growth to average 0.9% per year in 2024 through 2027, up from 0.7% in the September forecast. We expect housing permits to total 38,300 units this year, down from the September forecast, and we expect permits to average 43,600 units in 2024 through 2027, down from 44,300 units in the September forecast. We expect the Seattle headline inflation to be 5.8% this year, unchanged from the September forecast. We expect Seattle headline inflation to average 2.4% per year in 2024 through 2027, up from 2.1% in the September forecast.

### Washington Payroll Employment

*Job growth is slightly stronger than in September*

We expect slightly stronger job growth than in the September forecast (see Figure 2.3). We expect a 2.4% increase in Washington employment this year, up from the 2.3% growth rate expected in the September forecast. We expect slower growth during the remainder of the forecast as the U.S economy slows. We expect employment growth to average 0.9% per year in 2024 through 2027, up from 0.7% the September forecast. On an annual basis, we expect growth of 1.1% in 2024, 0.6% in 2025, and 0.9% in 2026 and 2027.

**Figure 2.4: Nonfarm Payroll Employment**



Source: Employment Security Department, ERFC; historical data through 2023 Q3

*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 11,900 jobs, bringing the level to 78,600 in October 2023. We expect aerospace employment to continue to expand in Washington, reaching a total of 85,500 jobs by the end of 2027. On an annual average basis, we expect aerospace employment to grow 8.6% this year and 6.3% in 2024, then slowing to 2.7% in 2025, 0.8% in 2026, and 0.4% in 2027.

*We expect software job losses in 2023*

The software sector in Washington continued to grow throughout 2022 but has lost jobs so far this year. As of January 2023, Washington software employment was 19.2% higher than at the business cycle peak of February 2020 but has lost 4,700 jobs this year through October. Employment growth is expected to resume in the fourth quarter of 2023. We expect growth of only 0.2% in 2024 and moderate growth during the remainder of the forecast with growth rates of 1.5% in 2025 and 1.6% in 2026 and 2027.

*Construction employment is expected to increase through 2027*

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 October 2023, construction employment was 5.7% higher than at its prior peak in February 2020. We expect construction employment to continue to expand throughout the forecast period, rising to over 259,000 by the fourth quarter of 2027. On an annual basis, we expect construction employment to grow by 1.7% in 2023, 1.2% in 2024, 1.6% in 2025, 3.2% in 2026 and 2.5% in 2027.

## **Washington Personal Income**

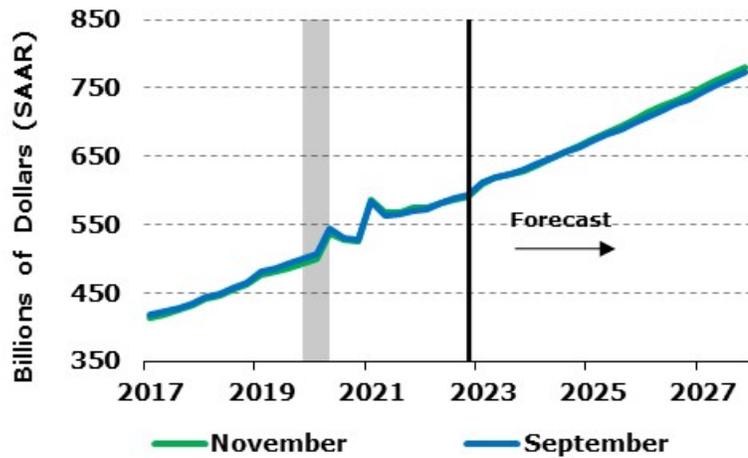
*Historic Washington personal income data were revised after the September forecast*

In September, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the second quarter of 2023. Washington personal income increased from \$611.2 billion (SAAR) in the first quarter to \$618.9 billion in the second quarter of 2023. The 5.2% increase (SAAR) in Washington personal income was the 6th highest among the states and led the 4.3% rate of increase for the U.S. as a whole. Growth in wages and salaries led the increase at 7.1% (SAAR) compared to 6.6% growth for the U.S. The BEA also released revised annual personal income estimates in September for 1979 through 2022 as part of its annual revision of the National Income and Product Accounts (NIPAs).

*Our forecast for nominal personal income growth this year is 6.1%*

As a result of these data revisions, historic personal income data are lower for 2013 through 2020 and higher in 2021 and 2022 compared to the data available for the September forecast (see Figure 2.5). Our forecast for nominal personal income growth this year is 6.1%, down from the 6.5% rate in the September forecast. Our new forecast for nominal personal income growth in 2024 through 2027 averages 5.4% per year, up slightly from the 5.1% rate in the September forecast.

**Figure 2.5: Washington Personal Income**



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

## Washington Building Permits

*The Washington housing construction forecast is slightly lower than in September*

The Washington housing construction forecast is slightly lower than in September. The number of authorized housing units reached 56,900 in 2021 which was the highest annual total since 1978. Permits declined throughout 2022 and averaged 49,000 for the year. We believe permits will recover in the fourth quarter of 2023 and in 2024. We expect housing permits to total 38,300 units this year, down from 40,400 units in the September forecast, and we expect permits to average 43,600 units in 2024 through 2027, down from 44,300 in the September forecast. On a calendar year basis, we expect 41,600 units in 2024, 43,400 in 2025, 44,500 units in 2026, and 44,800 units in 2027.

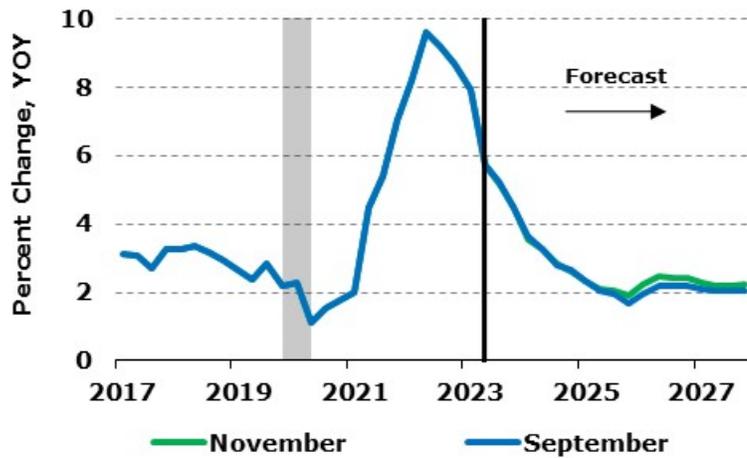
## Consumer Price Index

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

The near-term inflation outlook has increased slightly since the September forecast, but we expect price pressures to diminish over the remainder of 2023 and in 2024. The Seattle CPI index rose 7.9% in 2022 which was the highest rate in the history of the series which begins with 1983 inflation. On an annual average basis, inflation will slow to 5.8% this year, unchanged from the September forecast. We expect Seattle inflation to average 3.1% in 2024, unchanged from the September forecast. For 2025 through 2027, Seattle inflation will average 2.2%, up from 2.1% in the September forecast.

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

**Figure 2.6 Seattle CPI**



Source: Bureau of Labor Statistics, ERFC; historical data through 2023 Q3

**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 the baseline. We assume that the recent turmoil in the banking sector is successfully managed and that fears of contagion remain contained, allowing financial institutions to continue to support the economy through solid growth of credit. Moreover, a cessation of active fighting in the Russia-Ukraine conflict and a quick resolution to 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. The unemployment rate averages 3.6% in 2023 and 4.0% in 2024 compared to 3.7% and 4.0% in the baseline forecast.

*The optimistic scenario also assumes a stronger Washington economy*

In addition to reflecting the impact of the stronger U.S. forecast on the state economy, the optimistic scenario assumes that aerospace employment grows much faster than assumed in the baseline. After declining the first three quarters of this year, 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 2024-27 than in the baseline forecast. Washington nonfarm payroll employment in

2027 is higher by 67,000 jobs (1.8%) than in the baseline forecast and Washington personal income is \$30.3 billion (4.0%) higher.

### **Pessimistic**

*Growth slows as consumer spending weakens and a shallow recession occurs*

The pessimistic scenario is characterized by a small decline in consumer spending and a shallow recession, compared to a growth slowdown in the baseline. Underlying this narrative is the assumption that the recent turmoil in the banking sector leads 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. The unemployment rate averages 3.7% in 2023 and 5.8% in 2024 compared to 3.7% and 4.0% in the baseline forecast.

*The pessimistic scenario also assumes a weaker local economy*

In addition to reflecting the impact of the weaker U.S. forecast on the state economy, aerospace employment begins to decline again in the first quarter of 2025. Software employment declines more than in the baseline forecast in 2024 and continues to decline through 2027. Construction employment also declines faster than in the baseline in the fourth quarter of this year and the reductions continue through 2027. The relatively weak local economy also puts downward pressure on Washington wages and the Seattle CPI. Washington nonfarm payroll employment in 2027 is 161,000 (4.3%) lower than in the baseline forecast and Washington personal income is \$51.9 billion (6.8%) lower.

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

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

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

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

The Governor’s Council of Economic Advisors’ (GCEA) national forecast has slightly lower real growth but slightly higher inflation in 2024 than our baseline forecast. The GCEA real GDP growth forecast averages 1.9% per year in 2023 through 2027, the same as the ERFC average rate. Their forecast of 1.8% average real consumer spending growth is slightly lower than our 1.9% average growth rate. The GCEA members’ personal consumption expenditures (PCE) inflation forecast averages 2.7% per year which is slightly higher than the 2.5% average rate in our forecast. The Council members’ mortgage rate forecast averages 6.0% over the five-year forecast horizon, slightly above our average mortgage rate forecast of 5.9%. The GCEA Brent oil price forecast averages \$81 per barrel which is higher than our \$76 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 2.9% per year in 2023 through 2027, the same as in our forecast. The Council members' forecast for total employment growth over the five-year period averages 1.2% per year, the same as in our forecast. The Council members' forecast for manufacturing employment growth over the five-year period averages 0.8% per year compared to our 0.5% average growth rate. The Council members' forecast for construction employment growth over the five-year period averages 1.7% per year compared to our 2.0% average growth rate. The GCEA housing permit forecast averages 43,600 units per year compared to our forecast of 42,500 units per year.

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

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

Fiscal Years

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	458.222	491.069	483.017	479.860	491.705	507.927	525.893	542.045
% Ch	6.3	7.2	-1.6	-0.7	2.5	3.3	3.5	3.1
Real Wage and Salary Disb.	234.535	246.663	255.057	257.720	265.413	270.921	278.741	287.123
% Ch	3.8	5.2	3.4	1.0	3.0	2.1	2.9	3.0
Real Nonwage Income	223.687	244.406	227.960	222.140	226.292	237.006	247.153	254.923
% Ch	9.0	9.3	-6.7	-2.6	1.9	4.7	4.3	3.1
Real Per Capita Income (\$/Person)	59,630	63,510	62,224	61,435	62,508	64,106	65,850	67,294
% Ch	5.1	6.5	-2.0	-1.3	1.7	2.6	2.7	2.2
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.100	1.124	1.191	1.254	1.290	1.320	1.348	1.377
% Ch	1.2	2.1	6.0	5.3	2.8	2.3	2.1	2.1
Seattle Cons. Price Index (1982-84=1.0)	2.803	2.871	3.089	3.332	3.468	3.554	3.631	3.715
% Ch	2.1	2.4	7.6	7.9	4.1	2.5	2.2	2.3
Average Nonfarm Annual Wage	73,973	82,119	85,510	88,163	91,768	95,329	99,329	103,576
% Ch	6.2	11.0	4.1	3.1	4.1	3.9	4.2	4.3
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.92	27.87	29.08	29.54	30.41	31.50	32.60	33.72
% Ch	0.0	-3.6	4.3	1.6	2.9	3.6	3.5	3.4
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	504.267	552.017	575.183	602.028	634.408	670.656	709.117	746.480
% Ch	7.6	9.5	4.2	4.7	5.4	5.7	5.7	5.3
Disposable Personal Income	450.077	490.243	499.132	526.727	560.017	593.602	626.101	657.320
% Ch	7.6	8.9	1.8	5.5	6.3	6.0	5.5	5.0
Per Capita Income (\$/Person)	65,621	71,392	74,095	77,075	80,648	84,643	88,792	92,673
% Ch	6.3	8.8	3.8	4.0	4.6	5.0	4.9	4.4
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,968.7	3,889.2	3,940.0	4,028.8	4,072.0	4,107.3	4,145.3	4,181.9
Total Washington Employment	3,710.6	3,622.2	3,771.2	3,853.5	3,907.3	3,914.7	3,954.2	3,993.4
Unemployment Rate (%)	6.49	6.86	4.29	4.35	4.04	4.69	4.61	4.51
Nonfarm Payroll Employment	3,399.3	3,284.0	3,461.8	3,575.7	3,638.9	3,659.3	3,690.5	3,723.9
% Ch	-1.0	-3.4	5.4	3.3	1.8	0.6	0.9	0.9
Manufacturing	287.3	260.7	263.8	272.3	279.5	278.1	276.1	275.4
% Ch	-1.5	-9.3	1.2	3.2	2.6	-0.5	-0.7	-0.2
Durable Manufacturing	202.5	178.7	177.8	184.9	192.6	193.8	193.8	193.4
% Ch	-1.5	-11.8	-0.5	4.0	4.2	0.6	0.0	-0.2
Aerospace	87.7	71.0	68.3	74.3	80.5	83.7	84.9	85.4
% Ch	1.3	-19.0	-3.7	8.8	8.3	3.9	1.5	0.6
Nondurable Manufacturing	84.8	82.1	86.0	87.4	86.8	84.4	82.3	82.0
% Ch	-1.7	-3.3	4.8	1.6	-0.6	-2.8	-2.4	-0.4
Construction	216.2	219.5	227.8	235.3	238.0	240.3	246.9	254.0
% Ch	-0.3	1.5	3.8	3.3	1.2	1.0	2.8	2.9
Service-Providing	2,890.1	2,798.1	2,964.5	3,062.5	3,116.0	3,135.7	3,162.3	3,189.2
% Ch	-0.9	-3.2	5.9	3.3	1.7	0.6	0.8	0.8
Software Publishers	73.6	77.9	82.7	86.8	85.4	86.9	88.3	89.7
% Ch	8.7	5.8	6.2	4.9	-1.6	1.8	1.6	1.6
Mgmt. of Companies and Enterprises	88.8	91.3	97.7	103.3	103.1	106.9	110.2	113.1
% Ch	10.5	2.9	7.0	5.7	-0.2	3.7	3.1	2.6
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	47.167	49.527	58.003	41.002	38.670	42.470	44.184	44.648
% Ch	2.6	5.0	17.1	-29.3	-5.7	9.8	4.0	1.1
Single-Family	22.954	26.176	23.895	16.751	20.621	23.284	24.521	25.038
% Ch	2.7	14.0	-8.7	-29.9	23.1	12.9	5.3	2.1
Multi-Family	24.213	23.352	34.108	24.250	18.049	19.186	19.662	19.610
% Ch	2.5	-3.6	46.1	-28.9	-25.6	6.3	2.5	-0.3
30-Year Fixed Mortgage Rate (%)	3.65	2.94	3.84	6.29	7.35	6.28	5.38	5.00

Table 2.2  
**Comparison of Alternative Forecasts**

Fiscal Years

	2022	2023	2024	2025	2026	2027
<b>U.S.</b>						
<b>Real GDP, Percent Change</b>						
Optimistic	3.9	1.6	2.7	1.7	1.9	1.6
Baseline	3.9	1.6	2.2	1.1	2.0	2.0
Pessimistic	3.9	1.6	1.9	0.3	1.6	1.9
<b>PCE Price Index, Percent Change</b>						
Optimistic	6.0	5.3	2.8	2.6	2.2	2.1
Baseline	6.0	5.3	2.8	2.3	2.1	2.1
Pessimistic	6.0	5.3	3.2	2.7	1.6	1.5
<b>Mortgage Rate, Percent</b>						
Optimistic	3.84	6.29	7.36	6.43	5.45	5.06
Baseline	3.84	6.29	7.35	6.28	5.38	5.00
Pessimistic	3.84	6.29	7.44	6.22	4.81	4.24
<b>3 Month T-Bill Rate, Percent</b>						
Optimistic	0.37	4.10	5.56	4.91	3.42	2.66
Baseline	0.37	4.10	5.48	4.56	3.10	2.42
Pessimistic	0.37	4.10	5.53	3.79	1.42	0.61
<b>Washington</b>						
<b>Real Personal Income, Percent Change</b>						
Optimistic	-1.6	-0.7	4.1	4.7	4.1	3.2
Baseline	-1.6	-0.7	2.5	3.3	3.5	3.1
Pessimistic	-1.6	-0.7	0.9	0.5	2.7	2.5
<b>Personal Income, Percent Change</b>						
Optimistic	4.2	4.7	7.1	7.4	6.3	5.4
Baseline	4.2	4.7	5.4	5.7	5.7	5.3
Pessimistic	4.2	4.7	4.2	3.2	4.4	4.0
<b>Employment, Percent Change</b>						
Optimistic	5.4	3.3	2.1	1.0	1.2	1.3
Baseline	5.4	3.3	1.8	0.6	0.9	0.9
Pessimistic	5.4	3.3	1.1	-1.4	-0.2	0.4
<b>Housing Permits, Thousands of Authorized Units</b>						
Optimistic	58.0	41.0	39.2	43.3	45.0	45.6
Baseline	58.0	41.0	38.7	42.5	44.2	44.6
Pessimistic	58.0	41.0	37.8	37.4	36.9	36.0

Table 2.3

Calendar Years

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

	2023	2024	2025	2026	2027
<b>U.S.</b>					
<b>Real GDP</b>					
<i>Growth</i>					
ERFC	2.4	1.2	1.7	2.1	1.9
GCEA Average	2.4	1.1	2.1	2.0	2.1
<b>Real Consumption</b>					
<i>Growth</i>					
ERFC	2.2	1.3	1.7	2.1	2.0
GCEA Average	2.3	0.7	1.6	2.3	2.1
<b>PCE Price Index</b>					
<i>Growth</i>					
ERFC	3.8	2.4	2.2	2.2	2.1
GCEA Average	3.8	2.6	2.4	2.3	2.4
<b>Mortgage Rate</b>					
<i>Percent</i>					
ERFC	6.9	7.0	5.7	5.1	4.9
GCEA Average	6.9	6.7	5.9	5.4	5.1
<b>Oil Price (Brent)</b>					
<i>Dollars per barrel</i>					
ERFC	82.5	78.7	75.4	72.7	70.6
GCEA Average	83.3	83.4	81.7	79.1	78.2
<b>Washington State</b>					
<b>Real Personal Income</b>					
<i>Growth</i>					
ERFC	2.2	2.6	3.6	3.2	3.1
GCEA Average	2.4	2.0	3.3	3.3	3.3
<b>Wage and Salary Employment</b>					
<i>Growth</i>					
ERFC	2.4	1.1	0.6	0.9	0.9
GCEA Average	2.3	0.8	0.9	1.0	1.1
<b>Manufacturing Employment</b>					
<i>Growth</i>					
ERFC	2.5	1.5	-1.2	-0.3	-0.1
GCEA Average	2.3	0.0	0.2	0.8	0.7
<b>Construction Employment</b>					
<i>Growth</i>					
ERFC	1.7	1.2	1.6	3.2	2.5
GCEA Average	2.3	0.4	0.8	2.3	2.5
<b>Housing Permits</b>					
<i>Thousands of authorized units</i>					
ERFC	38.3	41.6	43.4	44.5	44.8
GCEA Average	39.1	43.0	44.5	45.4	46.1
<b>Washington Average Annual Wage</b>					
<i>Growth</i>					
ERFC	5.1	3.2	4.2	4.2	4.5
GCEA Average	4.9	3.6	4.4	4.2	4.3

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

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

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

<b>Washington</b>	Average Annual Rate of Growth (Percent) 2023:2-2025:2			Average Annual Rate (Thousands) 2023:3 to 2025:2
	<b>Employment</b>	<b>Personal Income</b>	<b>Real Personal Income</b>	<b>Housing Units Authorized</b>
<b>2020</b>				
February	0.6	5.0	2.9	42.3
June	0.9	4.1	2.4	38.2
September	1.2	4.4	2.6	39.7
November	1.1	4.7	2.8	41.4
<b>2021</b>				
March	1.4	5.3	3.4	43.5
June	1.4	4.9	3.0	45.2
September	1.3	5.2	3.2	44.1
November	1.0	5.2	3.0	43.4
<b>2022</b>				
February	1.0	5.3	3.1	44.2
June	0.7	5.4	3.6	48.8
September	0.7	5.1	3.1	46.8
November	0.7	5.1	3.0	45.9
<b>2023</b>				
March	0.2	5.0	2.7	42.1
June	0.4	4.7	2.4	42.4
September	0.4	5.0	2.5	42.2
November	0.9	5.3	2.9	40.6

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

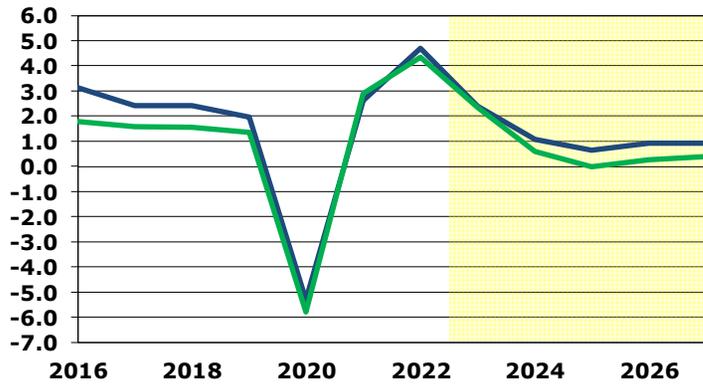
Fiscal Years

	2021	2022	2023	2024	2025	2026	2027
<b>Washington</b>							
<b>Real Personal Income</b>							
November	491.069	483.017	479.860	491.705	507.927	525.893	542.045
% Ch	7.2	-1.6	-0.7	2.5	3.3	3.5	3.1
September	489.404	479.781	480.923	492.116	505.639	521.551	537.734
% Ch	5.8	-2.0	0.2	2.3	2.7	3.1	3.1
<b>Personal Income</b>							
November	552.017	575.183	602.028	634.408	670.656	709.117	746.480
% Ch	9.5	4.2	4.7	5.4	5.7	5.7	5.3
September	551.903	572.333	603.199	636.137	668.983	703.375	739.495
% Ch	8.0	3.7	5.4	5.5	5.2	5.1	5.1
<b>Employment</b>							
November	3284.0	3461.8	3575.7	3638.9	3659.3	3690.5	3723.9
% Ch	-3.4	5.4	3.3	1.8	0.6	0.9	0.9
September	3284.0	3461.8	3578.1	3621.1	3627.0	3661.0	3697.3
% Ch	-3.4	5.4	3.4	1.2	0.2	0.9	1.0
<b>Housing Permits</b>							
November	49.527	58.003	41.002	38.670	42.470	44.184	44.648
% Ch	5.0	17.1	-29.3	-5.7	9.8	4.0	1.1
September	49.527	58.003	41.002	41.248	43.159	44.907	45.229
% Ch	5.0	17.1	-29.3	0.6	4.6	4.1	0.7

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

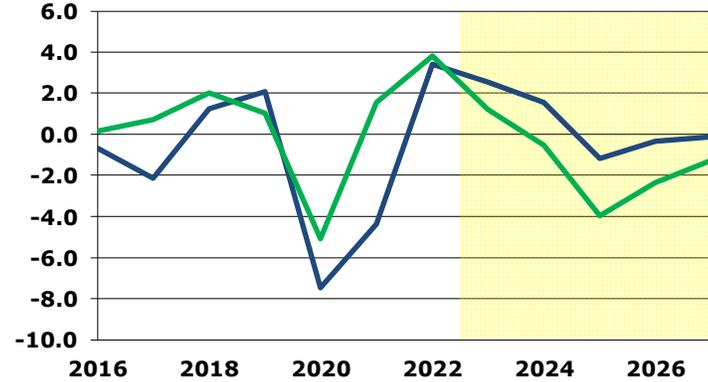
Forecast

Total Nonfarm Payroll Employment



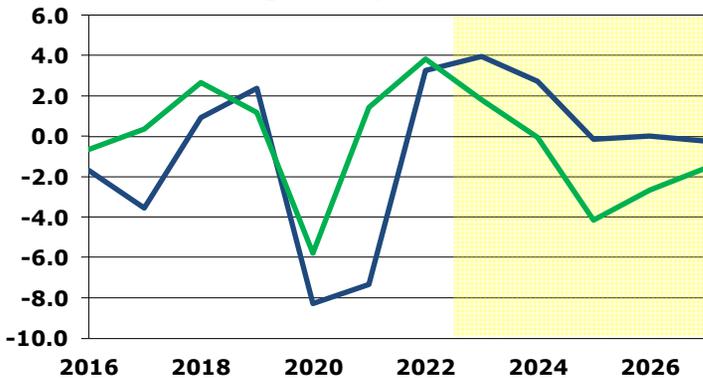
Source: WA State Employment Security Dept. 2022, ERFC 2027

Manufacturing Employment



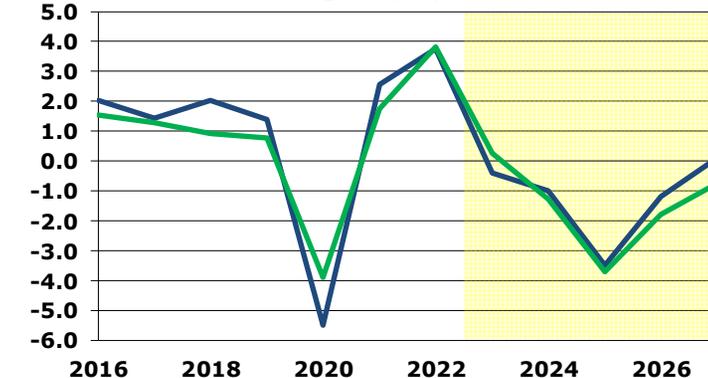
Source: WA State Employment Security Dept. 2022, ERFC 2027

Durable Manufacturing Employment



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

Nondurable Manufacturing Employment



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

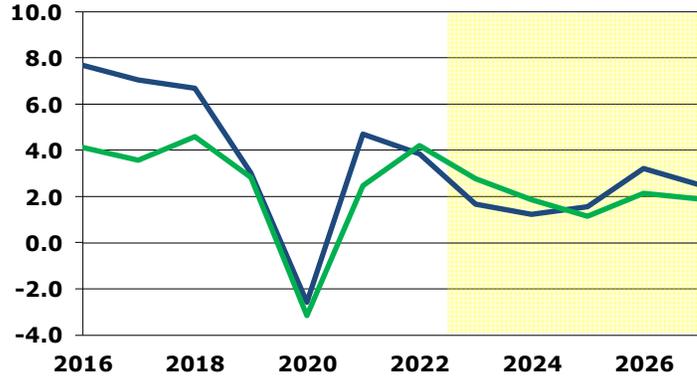
Washington

U.S.

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

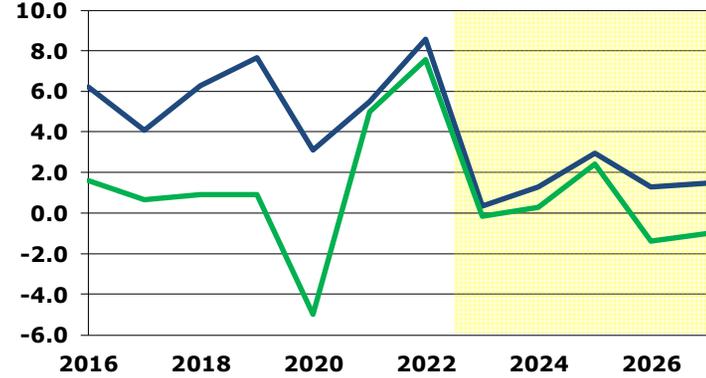
Forecast

Construction Employment



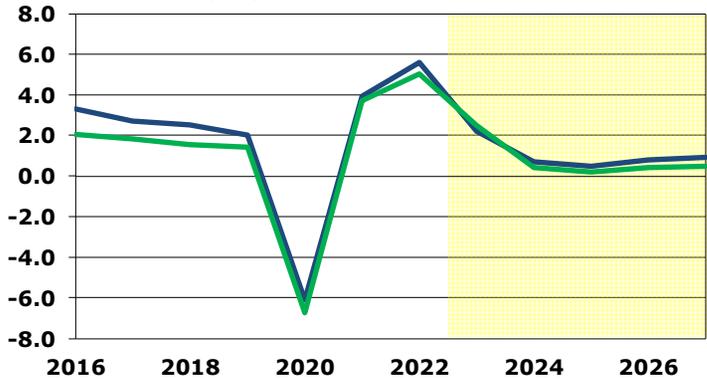
Source: WA State Employment Security Dept. 2022, ERFC 2027

Information Employment



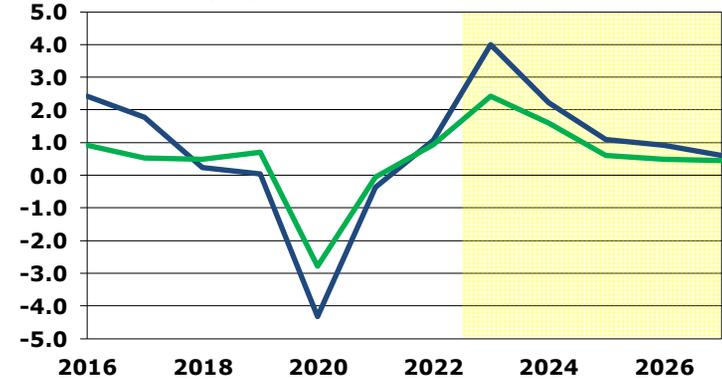
Source: WA State Employment Security Dept. 2022, ERFC 2027

Other Private Employment



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

Government Employment



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

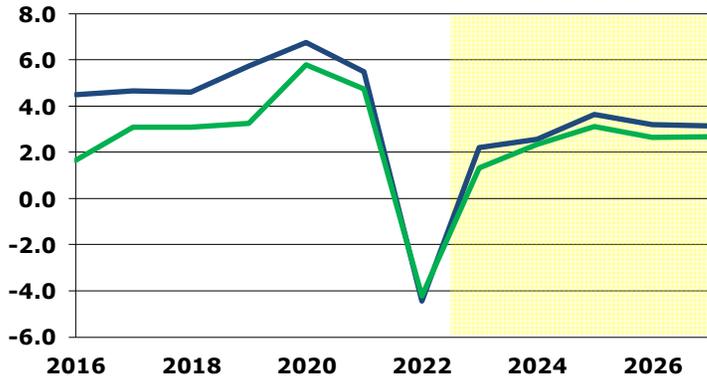
Washington

U.S.

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

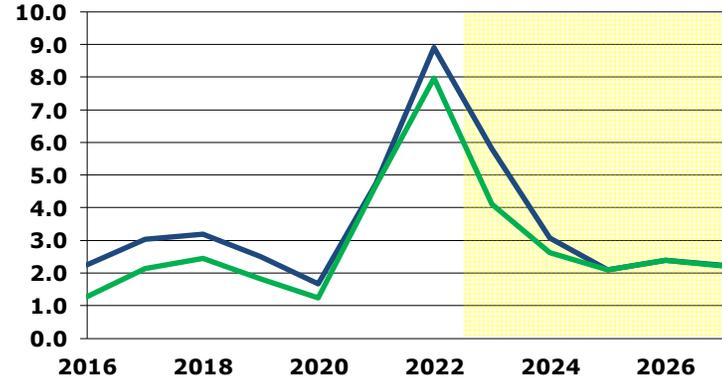
Forecast

Real Personal Income



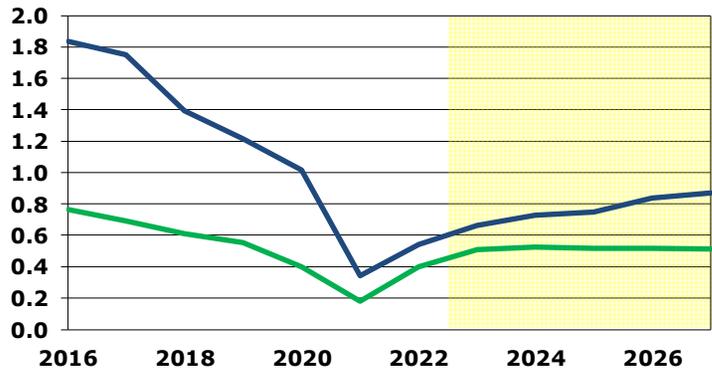
Source: Bureau of Economic Analysis 2022, ERFC 2027

Consumer Price Indices



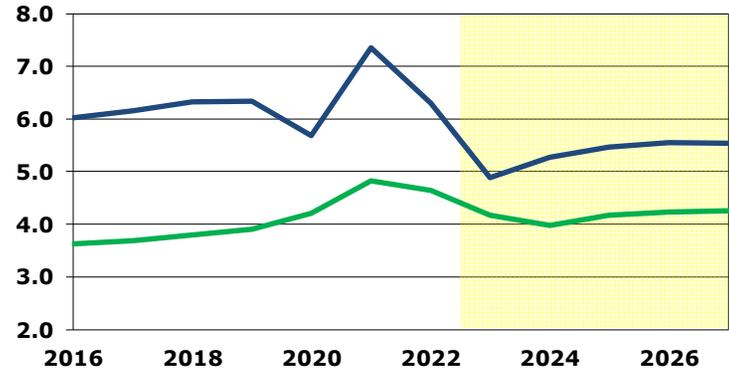
Source: Bureau of Labor Statistics 2022, ERFC 2027

Population



Source: Bureau of Economic Analysis 2022, ERFC 2027

New Housing Units Per 1,000 Population (Level)



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

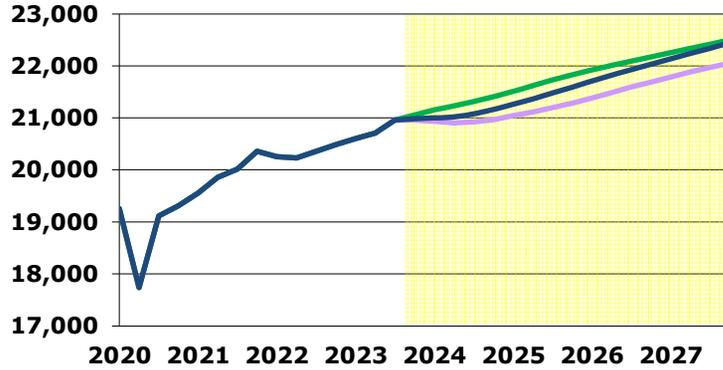
Washington

U.S.

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

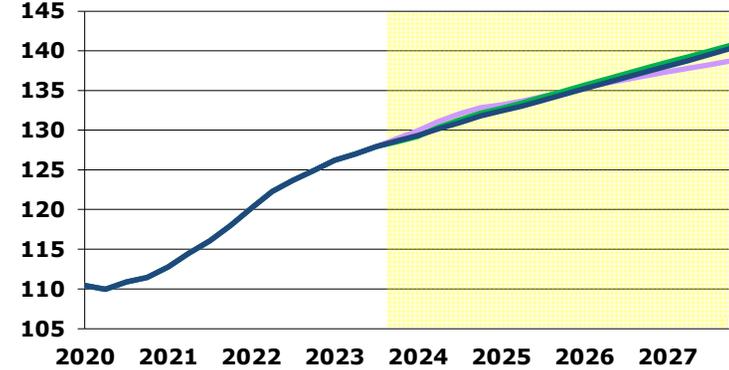
Forecast

Real GDP, Billions of 2012 Dollars



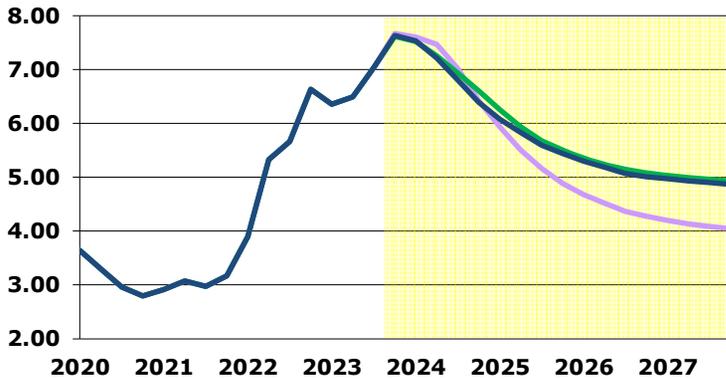
Source: Bureau of Economic Analysis 2023 Q2, ERFC 2027 Q4

PCE Price Index, 2012 = 100



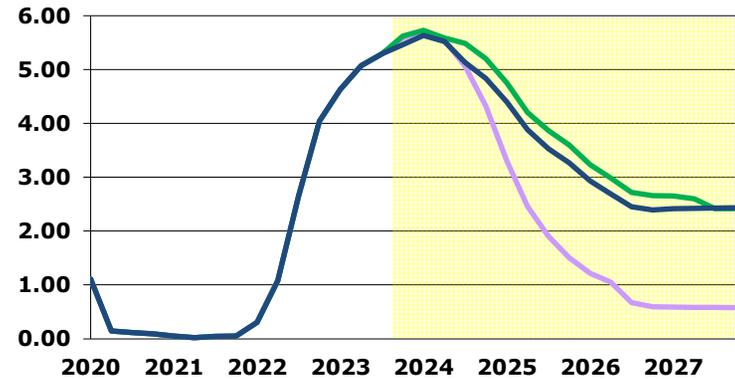
Source: Bureau of Economic Analysis 2023 Q2, ERFC 2027 Q4

Mortgage Rate, Percent



Source: Freddie Mac 2023 Q2, ERFC 2027 Q4

Three Month T-Bill Rate, Percent



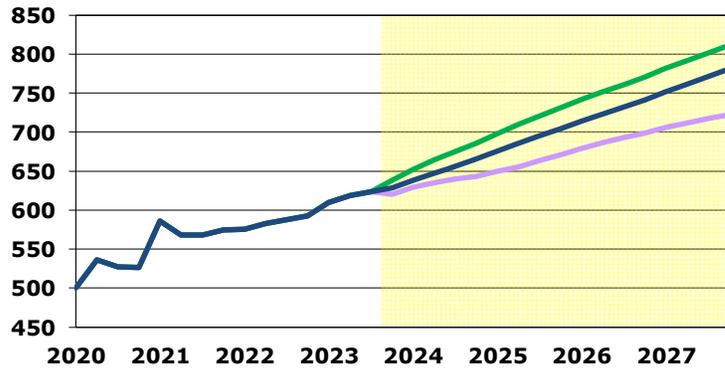
Source: Federal Reserve Board 2023 Q2, ERFC 2027 Q4

■ Baseline     
 ■ Optimistic     
 ■ Pessimistic

Figure 2.9: Comparison of Alternative Washington Economic Forecasts

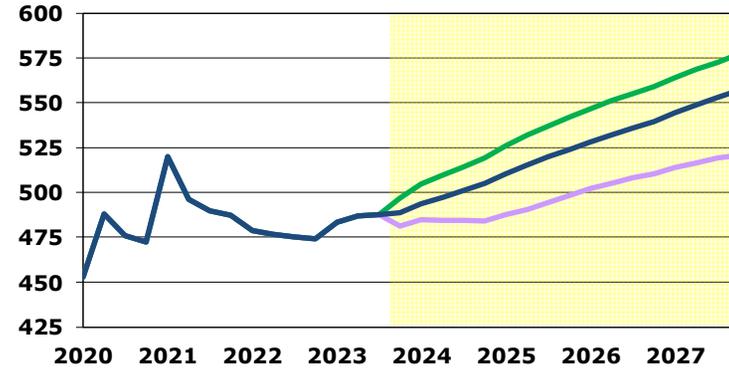
Forecast

Personal Income, Billions of Dollars



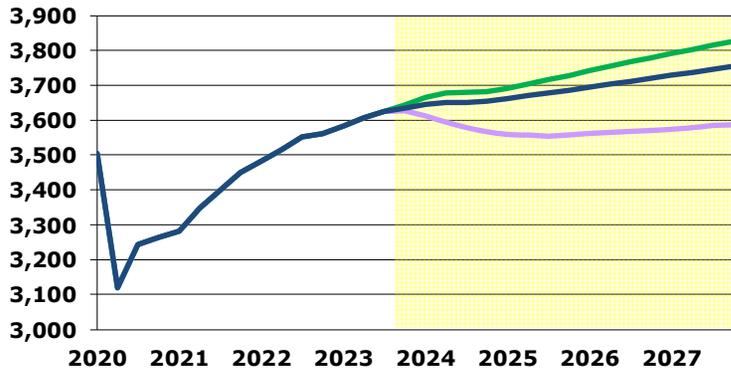
Source: Bureau of Economic Analysis 2023 Q1, ERFC 2027 Q4

Real Personal Income, Billions of 2012 Dollars



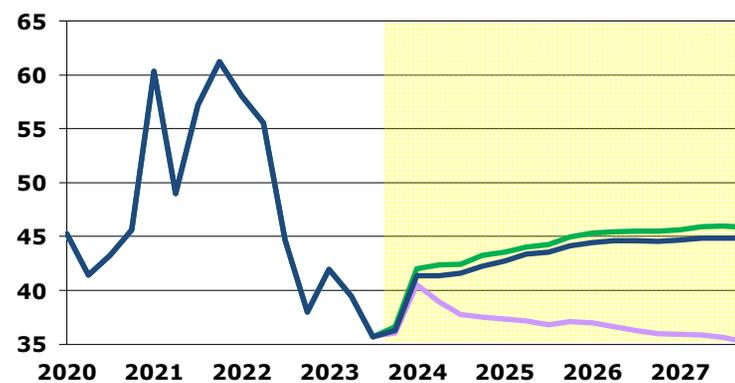
Source: Bureau of Economic Analysis 2023 Q1, ERFC 2027 Q4

Total Nonfarm Payroll Employment, Thousands



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

Housing Permits, Thousands



Source: Census Bureau 2023 Q1, ERFC 2027 Q4

Baseline

Optimistic

Pessimistic



## Chapter 3: Washington State Revenue Forecast Summary

- **Tracked revenue collections since September have come in slightly below their forecasted amounts.**
- **Despite Revenue Act taxes coming in slightly lower than forecasted, the November economic forecast projects higher personal income and employment, including construction employment. This has resulted in slight increases in forecasted Revenue Act taxes, with most of the increases occurring after FY24.**
- **Forecasted real estate excise taxes have decreased slightly due to lower-than-expected taxable activity.**
- **The final tally of funds subject to the budget outlook process for the 2021-23 biennium was \$18 million lower than estimated in September. The forecast of these funds was increased by \$191 million in the 2023-25 biennium and \$579 million in the 2025-27 biennium.**

### Overview

*Despite a shortfall in collections, forecasted revenue has increased due to the improved economic forecast*

Tracked revenue collections since September, including Revenue Act collections, have come in slightly below their forecasted amounts. Despite this shortfall, the November economic forecast projects higher personal income and employment, including construction employment. This has resulted in slight increases in forecasted Revenue Act taxes, with most of the increases occurring after FY24. Forecasted real estate excise taxes, however, have decreased slightly due to the lower-than-expected taxable activity.

*Total forecast change by biennium (millions):*

*21-23: -\$18  
23-25: \$191  
25-27: \$579*

Table 3.1 summarizes the changes to forecasted revenue in funds subject to the budget outlook process for the 2021-23 through the 2025-27 biennia. The final tally of funds subject to the budget outlook process was \$64,733.8 million in the 2021-23 biennium, \$17.9 million less than reported in September. Forecasted revenue for was increased by \$191.4 million in the 2023-25 biennium and \$578.9 million in the 2025-27 biennium. The November 2023 forecast for these funds total \$66,883.3 million in the 2023-25 biennium and \$71,505.8 million in the 2025-27 biennium.

November  
forecast by  
biennium  
(\$billions):

2021-23:  
\$64.734

2023-25:  
\$66.883

2025-27:  
\$71.506

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

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

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

	<b>2021-23 Biennium</b>	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
Non-Economic Change	\$0.0	\$0.0	\$0.0
Forecast Change	<b>(\$17.9)</b>	\$191.4	\$578.9
<b>Total Change</b>	<b>(\$17.9)</b>	<b>\$191.4</b>	<b>\$578.9</b>

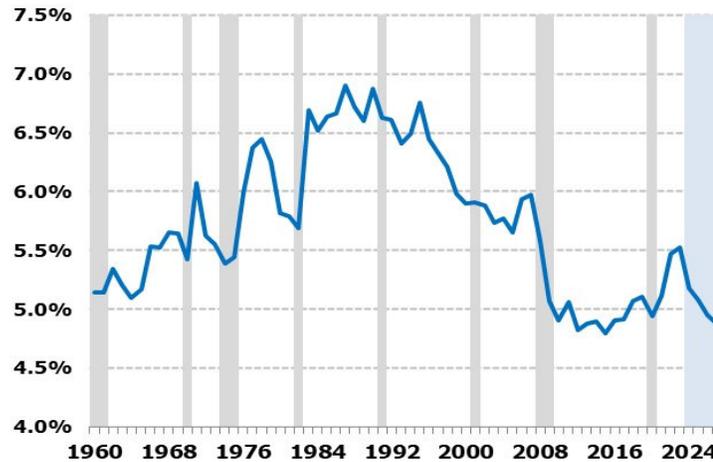
(\*cash basis, millions of dollars)

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

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

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

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



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

### Track Record for the 2021-23 Biennium

*The final tally is \$7.72 billion higher than the forecasted revenue at the time of the initial 2021-23 budget*

Table 3.10 summarizes the historical changes to the forecast of funds subject to the budget outlook for the 2021-23 biennium. The February 2018 forecast was the initial forecast for the biennium. The accounting of biennial revenue finalized in November 2023 is \$11.94 billion (22.6%) higher than the initial forecast. Non-economic changes have increased the revenue by \$2.02 billion (3.8%). Excluding non-economic changes, the final tally is \$9.92 billion (18.8%) higher than the initial forecast. The March 2021 forecast, coupled with a \$399 million revenue increase from legislative and budget-driven revenue changes passed in the 2021 legislative session after the March forecast, was the basis for the initial budget for the 2021-23 biennium. The final tally of biennial revenue is \$7.72 billion (13.5%) higher than that sum.

### Track Record for the 2023-25 Biennium

*The current forecast is \$1.14 billion higher than the forecasted revenue at the time of the initial 2023-25 budget*

Table 3.11 summarizes the historical changes to the forecast of funds subject to the budget outlook for the 2023-25 biennium. The February 2020 forecast was the initial forecast for the biennium. The November forecast of GF-S revenue is \$7.04 billion (11.8%) higher than the initial forecast. Non-economic changes have increased the forecast by \$0.63 billion (1.0%). Excluding non-economic changes, the current forecast is \$6.41 billion (10.7%) 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 November forecast of biennial revenue is \$1,142 million (1.7%) higher than that sum.

## Recent Collection Experience

Tracked collections were \$42 million (0.9%) lower than forecasted in September

GF-S revenue collections from the Department of Revenue (DOR) and the Washington court system are tracked monthly. In the period since the September forecast, total revenue from the above sources came in \$41.7 million (0.9%) lower than expected (see Table 3.2). Revenue Act collections reported by the DOR were \$12.3 million (0.3%) lower than forecasted and revenue from other DOR tax sources was \$31.9 million (5.6%) lower than forecasted.

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

<u>Agency/Source</u>	<u>Collection Variance</u>	<u>Percent of Estimate</u>
Department of Revenue		
Revenue Act	(\$12.3)	-0.3%
Non-Revenue Act	(\$31.9)	-5.6%
Subtotal	(\$44.2)	-1.0%
Washington court system	\$2.5	42.7%
<b>Total*</b>	<b>(\$41.7)</b>	<b>-0.9%</b>

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

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

Non-Revenue Act tax collections were lower than forecasted mainly due to REET and property tax

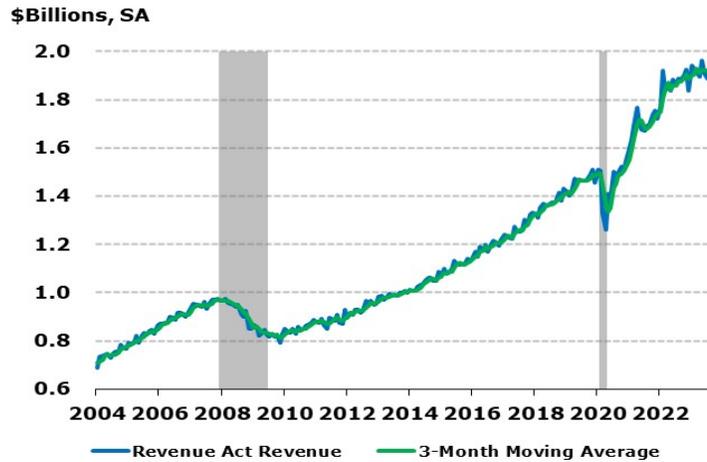
Property tax collections came in \$15.1 million (14.6%) lower than forecasted. Real estate excise tax (REET) came in \$13.5 million (8.0%) lower than forecasted. Cigarette tax collections came in \$2.6 million (5.3%) lower than forecasted and liquor sales and liter tax receipts came in \$1.6 million (2.6%) lower than forecasted. Net deposits of unclaimed property into the GF-S were \$4.8 million (3.2%) higher than forecasted. Revenue from all other DOR revenue sources came in \$3.9 million (11.4%) lower than forecasted. Revenue from the Washington court system was \$2.5 million (42.7%) higher than forecasted.

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

Figure 3.2 shows seasonally adjusted Revenue Act receipts excluding payments received under the tax amnesty program in early 2011 and other large payments. It is also adjusted for past changes in payment patterns and deferred payments in the first half of 2020. As shown in the figure, collections dropped precipitously during the early months of the pandemic, with a peak decline of 14.8% year over year in the May 11-June 10, 2020 collection period (April 2020 activity). Collections then recovered, and exceptional growth began in the spring of 2021. Adjusted collections for second quarter 2023 activity (May 11 - August 10, 2023 collections) were up 3.4% year over year. Adjusted collections for third quarter 2023 activity (August 11 - November 10, 2023 collections) were up 1.0% year over year. Adjusted collections for August 2023 activity were up 2.7% year over year and collections for September 2023 activity were down 0.1% year over year.

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

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



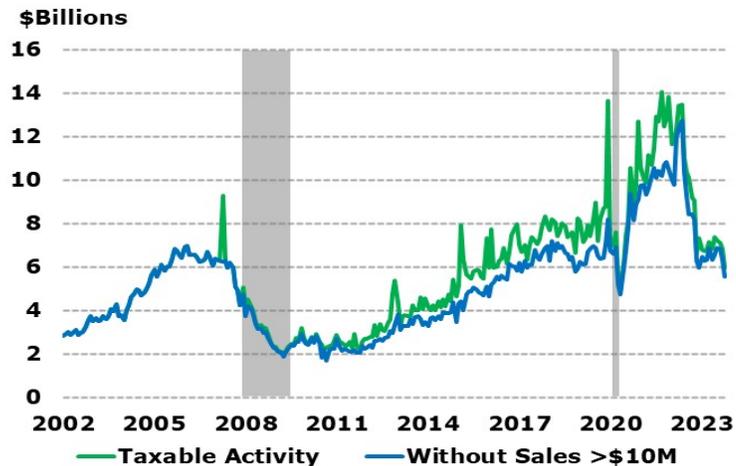
Source: ERFC; Data through November 10, 2023  
 \*Adjusted for large payments/refunds, payment pattern changes and deferred payments

*Real estate activity declined in September and October*

Taxable real estate activity was slightly above the September forecast. Sales of property valued below \$10 million declined sharply in September and October after gradually increasing in the previous months (see Figure 3.3). Most of the decline was due to fewer transactions instead of lower prices. Large commercial sales (sales greater than \$10 million) are down from their high levels of last year but remain moderately strong, averaging \$400 million per month over the last three months.

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

*Residential sales activity has declined sharply since May 2022*



Source: ERFC estimates through October 2023

## General Fund-State Revenue Forecast by Source

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

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

## Department of Revenue

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

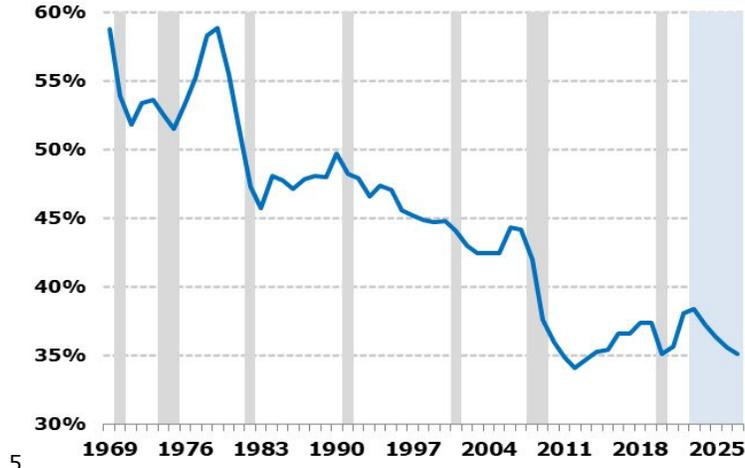
The Department of Revenue (DOR) collects and administers most of Washington's GF-S revenue, accounting for 95.3% of estimated total GF-S revenue in FY 2023. The largest tax sources administered by the DOR are the retail sales tax, business and occupation tax, property tax, use tax, cigarette tax and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

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

The retail sales tax is the largest source of GF-S revenue, accounting for 47.8% of GF-S revenue in FY 2023. The state's share of the tax is 6.5% of the sales price. While construction labor, repair services, and some other services are taxed, the tax does not apply to most services. As can be seen in Figure 3.4, taxable sales as a share of personal income has long been on a declining trend. The share fell even more sharply than the previous trend from the 2008 recession through FY 2012. In that year, 34.1% 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 2027 as income once again grows faster than taxable sales. Forecasted and historical taxable retail sales by fiscal year can be found in Table 3.4.

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

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



\*Past tax base adjusted to represent current base. Gray shaded area indicates recession, blue shaded area indicates forecast.  
Source: ERFC; Data through FY23, forecast through FY27

*Retail sales tax receipt growth forecast:*

- FY24: 1.7%
- FY25: 3.9%
- FY26: 3.5%
- FY27: 3.7%

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 2.2% in FY 2024. Growth is then forecasted to increase to 3.1% in FY 2025, 3.6% in FY 2026 and 3.7% in FY 2027 (see Table 3.4). Due to the lag between taxable activity and collections and the presence of tax deferrals, credits, refunds, and payments of past due taxes, the growth in actual collections differs from the growth in taxable activity. Growth in collections for FY 2020 was 1.7% and growth in FY 2021 was 10.3%. Collections increased by 12.4% in FY 2022, boosted by several large payments of past-due taxes and one large early payment of deferred taxes, and increased by 5.7% in FY 2023. Collections growth is forecasted at 1.7% in FY 2024, 3.9% in FY 2025, 3.5% in FY 2026 and 3.7% in FY 2027.

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

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

*B&O tax growth forecast:*

*FY24: 1.1%  
FY25: 4.2%  
FY26: 4.5%  
FY27: 4.4%*

In FY 2019, B&O tax receipts grew by 6.9%. Despite a second quarter collapse in activity, FY 2020 growth remained positive at 3.6% followed by growth of 7.9% in FY 2021. Collections grew 14.5% in FY 2022 due to both strong activity and the receipt of several large one-time payments of past-due taxes. Strong activity continued in FY 2023, bringing collections growth of 9.8%. Growth is expected to slow to 1.1% in FY 2024 but then accelerate to 4.2 % in FY 2025, 4.5% in FY 2026 and 4.4% in FY 2027.

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

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

*Property tax growth forecast:*

*FY24: 2.5%  
FY25: 2.5%  
FY26: 2.4%  
FY27: 2.4%*

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 2.5% in FY 2024 and FY 2025 and 2.4% in FY 2026 and FY 2027. Growth in property tax levies excluding new construction is once again restricted to the lesser of one percent per year or the rate of inflation beginning with the calendar year 2022 levy.

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

The real estate excise tax (REET) was the fourth largest DOR source of GF-S revenue in FY 2023, accounting for 3.6% of total revenue. The tax is applied to both residential and commercial real estate, including purchases of vacant land. Prior to January 1, 2020, the state portion of REET was 1.28% of the sales price and was divided between the GF-S (92.3%), a fund for local public works (2.0%), a fund for assistance of cities and counties (1.6%) and ELTA (4.1%). As of January 1, 2020 rates 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: -18.0%  
FY25: 17.2%  
FY26: 9.3%  
FY27: 11.0%*

From FY 2013 through 2019, the recovery in the residential real estate market after the Great Recession has been accompanied by a boom in commercial real estate. Sales of large commercial properties began to weaken in FY 2019 while residential sales increased, resulting in a 0.5% increase in collections in FY 2019. In the first half of FY 2020, residential sales remained strong, and commercial sales surged in December 2019 ahead of the January 1, 2020 change in tax rates. The COVID-induced real estate market downturn that began with April 2020 collections, however, brought a total decline of 0.7% in FY 2020. Sales then began to boom in July 2020, with strength in both the residential and commercial markets, bringing collections growth of 34.4% in FY 2021 and 35.9% in FY 2022. In FY 2023, higher mortgage rates and unaffordable high prices in many areas caused both the number of transactions and prices to decrease, bringing a decline in REET receipts of 43.8%. Receipts are expected to decline a further 18.0% in FY 2024. Growth is then expected to resume at 17.2% in FY 2025, 9.3% in FY 2026 and 11.0% in FY 2027.

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

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

*Use tax growth forecast:*

*FY24: -6.1%  
FY25: -0.4%  
FY26: 3.5%  
FY27: 4.0%*

Use tax collections grew 9.0% in FY 2019, boosted by several large one-time purchases. Despite strong collections in the first half of the fiscal year, FY 2020 collections declined by 4.9%. Collections increased by 16.1% in FY 2021 and 7.4% in FY 2022 due to record high used car sales. While used car sales have moderated, large payments from other sectors increased growth to 12.6% in FY 2023. As taxable use tax activity returns to trend after FY 2023's elevated levels, collections are expected to decrease by 6.1% in FY 2024 and 0.4% in FY 2025. Growth then continues at 3.5% in FY 2026 and 4.0% in FY 2027.

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

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

largest source of public utility taxes is the 3.873% tax on the distribution and generation of electrical power, followed by the 3.852% tax on the distribution of natural gas.

*Growth  
forecast:*

*FY24: 1.0%  
FY25: 3.0%  
FY26: 3.6%  
FY27: 2.3%*

Public utility tax receipts grew by 0.3% in FY 2020. The expiration of a large tax credit plus growth in natural gas and electricity use increased collections by 4.2% in FY 2021. The resumption of business activities plus increases in utility prices boosted growth to 16.3% in FY 2022. Further increases in utility prices brought growth of 12.4% in FY 2023. Growth is now forecasted to slow to 1.0% in FY 2024, 3.0% in FY 2025, 3.6% in FY 2026 and 2.3% in FY 2027.

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

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

*Spirits tax  
growth  
forecast:*

*FY24: 1.2%  
FY25: -1.0%  
FY26: 0.2%  
FY27: 0.5%*

Total tax collections on spirits sales grew 5.2% in FY 2019. During the pandemic, spirit sales increased, with total tax collections growing by 8.2% FY 2020 and 9.9% in FY 2021. Collections increased a further 1.8% in FY 2022 and 1.5% in FY 2023. Collections are forecasted to increase by 1.2% in FY 2024 but decrease by 1.0% in FY 2025 before returning to growth of 0.2% in FY 2026 and 0.5% in FY 2027.

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

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

*Cigarette tax  
growth  
forecast:*

*FY24: -2.8%  
FY25: -1.6%  
FY26: -3.9%  
FY27: -3.5%*

The total number of taxed cigarettes has been on a downward trend due to a continuing decline in the number of smokers. Recently, the rate of decline has increased. Collections decreased by 3.3% in FY 2019 after decreasing by 5.4% in FY 2018. The decrease in collections accelerated to 6.0% in FY 2020, partially due to a state increase in the legal age to purchase cigarettes from 18 to 21 that took effect on January 1, 2020. Collections declined 2.4% in FY 2021 and 2.1% in FY 2022 before plunging by 12.0% in FY 2023. Collections are expected to continue to decline by 2.8% in FY 2024, 1.6% in FY 2025, 3.9% in FY 2026 and 3.5% in FY 2027.

## Forecasted Revenue from Cannabis-Related Sales

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

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

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

21-23: \$0.0  
23-25: -\$3.9  
25-27: -\$2.7

Distributions of cannabis excise taxes to the GF-S totaled \$15.3 million in the 2013-15 biennium and \$147.6 million in the 2015-17 biennium. GF-S distributions were \$248.9 million in the 2017-19 biennium and \$361.0 million in the 2019-21 biennium. The final tally of GF-S distributions for the 2021-23 biennium is \$318.9 million, the same as reported in September. The forecast of transfers for the 2023-25 biennium has been decreased \$3.9 million to \$304.9 million. The forecast of GF-S distributions for the 2025-27 biennium has been decreased \$2.7 million to \$334.3 million. Details of the forecasted distributions from the account can be found in Table 3.18.

## The Office of Financial Management (Other Agencies)

*Forecast change by biennium (millions):*

21-23: -\$1.7  
23-25: -\$11.8  
25-27: -\$29.8

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 final tally of OFM's net GF-S revenue for the 2021-23 biennium is \$102.4 million, \$1.7 million less than reported in September. The forecast of revenue for the 2023-25 biennium was decreased \$11.8 million to \$0.4 million and the forecast for the 2025-27 biennium was decreased \$29.8 million to -\$122.6 million, mainly due to decreased transfers from the Health Care Authority. The negative value of projected 2025-27 revenue indicates that more funds will be transferred out of the GF-S by the agencies overseen by the OFM than will be transferred into the GF-S from those agencies during that biennium.

## State Treasurer

*Forecast  
change by  
biennium  
(millions):*

21-23: \$0.0  
23-25: -\$11.5  
25-27: -\$5.7

The Office of the State Treasurer generates GF-S revenue by investing state short-term cash reserves. The final tally of GF-S revenue for the 2021-23 biennium is \$233.8 million, the same as reported in September. The forecast of revenue for the 2023-25 biennium has been decreased \$11.5 million to \$587.2 million and the forecast of GF-S revenue for the 2025-27 biennium has been decreased \$5.7 million to \$396.6 million due to expected lower average fund balances.

## Insurance Commissioner

*Forecast change by  
biennium (millions):*

21-23: -\$13.4  
23-25: -\$24.8  
25-27: -\$23.7

The Office of the Insurance Commissioner collects premium taxes on most classes of insurance sold in Washington State. These taxes are distributed to the GF-S and various accounts in support of fire services. The final tally of GF-S revenue for the 2021-23 biennium is \$1,587.7 million, \$13.4 million less than reported in September. The forecast for the 2023-25 biennium has been decreased \$24.8 million to \$1,704.9 million and the forecast of GF-S revenue for the 2025-27 biennium has been decreased by \$23.7 million to \$1,793.8 million.

## Liquor and Cannabis Board

*Forecast  
change by  
biennium  
(millions):*

21-23: \$5.4  
23-25: -\$17.5  
25-27: -\$9.3

The Liquor and Cannabis Board (LCB) collects fees from distributors and retailers on sales of spirits and surtaxes on sales of beer and wine (sales and liter taxes on sprits are collected by the DOR). The LCB is also responsible for the collection of excise taxes and fees associated with the legalized sale and use of recreational and medicinal cannabis discussed previously. The final tally of GF-S distributions for the 2021-23 biennium was \$680.0 million, \$5.4 million higher than reported in September. The forecast for the 2023-25 biennium has been decreased \$17.5 million to \$621.7 million and the forecast of GF-S distributions for the 2025-27 biennium has been decreased \$9.3 million to \$679.5 million.

## Lottery Commission

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

21-23: \$3.1  
23-25: \$12.5  
25-27: \$8.0

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 final tally of GF-S transfers for the 2021-23 biennium is \$80.9 million, \$3.1 million more than reported in September. The forecast of GF-S transfers for the 2023-25 biennium has been increased \$12.5 million to \$83.7 million and

the forecast for the 2025-27 biennium is has been increased \$8.0 million to \$72.6 million.

## Washington Court System

*Forecast change  
by biennium  
(millions):*

21-23: \$0.0  
23-25: \$3.9  
25-27: \$1.6

The GF-S receives surcharges on certain filing fees, fines, and infraction penalties collected by the Washington court system. This revenue is transferred to the GF-S on a monthly basis. GF-S transfers for the 2021-23 biennium totaled \$85.2 million, the same as reported in September. The forecast of GF-S transfers for the 2023-25 biennium has been increased \$3.9 million to \$81.9 million and the forecast for the 2025-27 biennium has been increased \$1.6 million to \$79.7 million.

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

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

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

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

*Optimistic  
scenario  
(billions):*

23-25: +\$2.99  
25-27: +\$6.24

*Pessimistic  
scenario  
(billions):*

23-25: -\$3.64  
25-27: -\$6.94

Chapter 2 outlines optimistic and pessimistic economic scenarios relative to the baseline economic forecast. The forecast assigns a probability of 55% to the baseline forecast, 15% to the optimistic scenario and 30% to the pessimistic scenario. The revenue implications of these alternative scenarios for the 2023-25 biennium are shown in Table 3.13 and those of the 2025-27 biennium are shown in Table 3.14. For the 2023-25 biennium, the optimistic forecast generates \$66.514 billion in GF-S revenue, \$2.986 billion (4.7%) more than the baseline scenario, while the pessimistic forecast produces \$59.884 billion in revenue, \$3.645 billion (5.7%) less than the baseline. For the 2025-27 biennium, the optimistic forecast generates \$74.125

billion in GF-S revenue, \$6.236 billion (9.2%) more than the baseline scenario, while the pessimistic forecast produces \$60.952 billion in revenue, \$6.937 billion (10.2%) less than the baseline.

## Washington Opportunity Pathways Account

*OPA forecast change by biennium (millions):*

21-23: *-\$15.3*  
23-25: *\$8.8*  
25-27: *\$8.5*

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. The final tally of OPA revenue for the 2021-23 biennium was \$378.1 million, \$15.3 million less than estimated in September. The forecast of OPA revenue for the 2023-25 biennium has been increased \$8.8 million to \$370.2 million and the forecast for the 2025-27 biennium has been increased \$8.5 million to \$366.0 million.

## Education Legacy Trust Account

*ELTA forecast change by biennium (millions):*

21-23: *\$3.9*  
23-25: *\$5.7*  
25-27: *\$58.8*

The Education Legacy Trust Account (ELTA) was created in the 2005 legislative session, with revenue collection beginning in FY 2006. Funds from the account may only be used for support of the common schools, expanding access to higher education through funding for new enrollments and financial aid, and other educational improvement efforts. The ELTA is primarily funded by a tax on estates of over \$2 million. Legislation from the 2013 special session, however, added revenue from public utility (through FY 2023) and real estate excise taxes (REET), which had previously gone into non-GF-S accounts. Subsequent legislation also added revenue from solid waste taxes from FY 2016 – FY 2023 and a transfer of \$935 million from the additional property tax levy to the account in FY 2019. Forecasted revenue was further increased in the 2021 legislative session by ESSB 5096, which establishes a tax on certain transactions that produce capital gains above \$250,000. The final tally of ELTA revenue for the 2021-23 biennium was \$2,575.1 million, \$3.9 million more than was reported in September. The forecast has been increased by \$5.7 million for the 2023-25 biennium and \$58.8 million in the 2025-27 biennium, with decreases in REET and capital gains tax outweighed by increases in estate taxes. Forecasted ELTA receipts are now \$2,141.6 million for the 2023-25 biennium and \$2,372.3 million for the 2025-27 biennium.

## Workforce Education Investment Account

*WEIA forecast change by biennium (millions):*

21-23: *\$0.0*  
23-25: *\$5.1*  
25-27: *\$4.5*

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, the same as reported in September. Forecasted revenue has been increased by \$5.1 million in the 2023-25 biennium and \$4.5 million in the 2025-27 biennium. WEIA revenue is now forecasted at \$842.7 million in the 2023-25 biennium and \$878.9 million in the 2025-27 biennium. The WEIA forecast by fiscal year is presented in Table 3.19.

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

*Final reserves at the end of the 2021-23 biennium totaled \$8.039 billion.*

*Forecasted total reserves are \$5.762 billion for the end of the 2023-25 biennium.*

Table 3.12 shows the budgetary balance sheet for the 2021-23 and 2023-25 biennia as prepared by the Office of Financial Management and the House and Senate fiscal committees. The balance sheet shows not only projected GF-S spending and resources but also total projected spending and resources for the GF-S plus the other main non-transportation state-funded accounts: the Education Legacy Trust Account (ELTA), the Washington Opportunity Pathways Account (OPA) and the Workforce Education Investment Account (WEIA). As shown in the table, the GF-S beginning fund balance for the 2021-23 biennium was \$3,673.7 million and the total beginning balance for GF-S, ELTA, OPA and WEIA combined was \$4,160.7 million. The final tabulation of GF-S reserves at the end of the 2021-23 biennium was \$6,937.0 million and the total reserves for the GF-S, ELTA, OPA and WEIA accounts totaled \$8,039.4 million. Based on the enacted biennial budget, the balance sheet projects total GF-S reserves of \$4,853.6 million at the end of the 2023-25 biennium and total reserves for the GF-S, ELTA, OPA and WEIA accounts of \$5,761.5 million.

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

<b>Biennium</b>	<b>Current Dollars</b>	<b>Percent Change</b>	<b>2012 Chained Dollars</b>	<b>Percent Change</b>
1961-63	\$817.1		\$4,300.0	
1963-65	866.2	6.0%	4,439.3	3.2%
1965-67	1,128.6	30.3%	5,565.5	25.4%
1967-69	1,440.5	27.6%	6,658.6	19.6%
1969-71	1,732.7	20.3%	8,287.6	24.5%
1971-73	1,922.1	10.9%	8,506.3	2.6%
1973-75	2,372.4	23.4%	9,072.3	6.7%
1975-77	3,395.0	43.1%	11,292.2	24.5%
1977-79	4,490.0	32.3%	13,115.4	16.1%
1979-81	5,356.4	19.3%	13,016.4	-0.8%
1981-83	6,801.4	27.0%	14,381.6	10.5%
1983-85	8,202.4	20.6%	16,005.5	11.3%
1985-87	9,574.6	16.7%	17,638.4	10.2%
1987-89	10,934.1	14.2%	18,809.6	6.6%
1989-91	13,309.0	21.7%	21,087.6	12.1%
1991-93	14,862.2	11.7%	22,153.9	5.1%
1993-95	16,564.6	11.5%	23,592.1	6.5%
1995-97	17,637.7	6.5%	24,104.9	2.2%
1997-99	19,620.1	11.2%	26,111.8	8.3%
1999-01	21,262.1	8.4%	27,231.7	4.3%
2001-03	21,140.7	-0.6%	26,165.2	-3.9%
2003-05	23,388.5	10.6%	27,697.0	5.9%
2005-07	27,772.0	18.7%	31,097.3	12.3%
2007-09	27,703.0	-0.2%	29,596.0	-4.8%
2009-11	28,218.1	1.9%	29,411.0	-0.6%
2011-13	30,657.0	8.6%	30,678.4	4.3%
2013-15	33,666.0	9.8%	32,861.8	7.1%
2015-17	38,317.4	13.8%	36,800.7	12.0%
2017-19	44,142.6	15.2%	40,949.7	11.3%
2019-21	50,803.4	15.1%	45,680.8	11.6%
2021-23	61,001.6	20.1%	49,888.3	9.2%
2023-25 <sup>F</sup>	63,528.8	4.1%	48,672.6	-2.4%
2025-27 <sup>F</sup>	67,888.6	6.9%	49,818.9	2.4%

<sup>F</sup> November 2023 forecast

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

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

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

<b>Fiscal Year</b>	<b>Amount</b>	<b>Percent Change</b>
1981	25,197	4.7%
1982	26,097	3.6%
1983	29,368	12.5%
1984	29,156	-0.7%
1985	30,687	5.3%
1986	32,158	4.8%
1987	34,647	7.7%
1988	37,452	8.1%
1989	41,429	10.6%
1990	47,183	13.9%
1991	49,812	5.6%
1992	53,189	6.8%
1993	55,319	4.0%
1994	59,009	6.7%
1995	61,927	4.9%
1996	62,817	1.4%
1997	66,748	6.3%
1998	72,059	8.0%
1999	77,197	7.1%
2000	83,335	8.0%
2001	85,633	2.8%
2002	84,418	-1.4%
2003	86,165	2.1%
2004	90,139	4.6%
2005	97,253	7.9%
2006	107,071	10.1%
2007	115,527	7.9%
2008	118,676	2.7%
2009	106,379	-10.4%
2010	99,983	-6.0%
2011	101,825	1.8%
2012	106,036	4.1%
2013	113,173	6.7%
2014	120,453	6.4%
2015	130,168	8.1%
2016	141,103	8.4%
2017	149,992	6.3%
2018	162,958	8.6%
2019	175,266	7.6%
2020	176,961	1.0%
2021	196,651	11.1%
2022	218,633	11.2%
2023	231,095	5.7%
2024 <sup>F</sup>	236,114	2.2%
2025 <sup>F</sup>	243,439	3.1%
2026 <sup>F</sup>	252,258	3.6%
2027 <sup>F</sup>	261,673	3.7%

<sup>F</sup> November 2023 forecast

Source: ERFC

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

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

<b>Forecast by Agency</b>	<b>Sept 2023 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Nov 2023 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$28,796.6	\$0.0	\$0.0	\$28,796.6	\$0.0
Business & Occupation Use	11,909.2	0.0	0.0	11,909.2	0.0
Public Utility	1,033.5	0.0	0.0	1,033.5	0.0
Liquor Sales/Liter	702.2	0.0	0.0	702.2	0.0
Cigarette	583.6	0.0	0.0	583.6	0.0
Property (State Levy)	8,919.6	0.0	0.0	8,919.6	0.0
Real Estate Excise	3,097.9	0.0	0.0	3,097.9	0.0
Timber Excise	8.9	0.0	0.0	8.9	0.0
Other	1,272.9	0.0	0.0	1,272.9	0.0
Subtotal	58,231.6	0.0	0.0	58,231.6	0.0
<b>Insurance Commissioner</b>					
Insurance Premiums	1,601.1	0.0	(13.4)	1,587.7	(13.4)
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	614.4	0.0	5.0	619.4	5.0
Beer & Wine Surtax	60.2	0.0	0.4	60.6	0.4
<b>Lottery Commission</b>					
Lottery Revenue	77.8	0.0	3.1	80.9	3.1
<b>State Treasurer</b>					
Interest Earnings	233.8	0.0	0.0	233.8	0.0
<b>Office of Financial Management</b>					
Other Agencies	104.0	0.0	(1.7)	102.4	(1.7)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	85.2	0.0	0.0	85.2	0.0
<b>Total General Fund-State *</b>	<b>\$61,008.2</b>	<b>\$0.0</b>	<b>(\$6.6)</b>	<b>\$61,001.6</b>	<b>(\$6.6)</b>

<sup>1</sup> Forecast for the 2021-23 biennium adopted by the Economic and Revenue Forecast Council September 26, 2023

<sup>2</sup> Forecast for the 2021-23 biennium, adopted November 20, 2023

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

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

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

<b>Forecast by Agency</b>	<b>Sept 2023 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Nov 2023 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$28,957.3	\$0.0	\$0.0	\$28,957.3	\$0.0
Business & Occupation Use	12,010.1	0.0	0.0	12,010.1	0.0
Public Utility	1,929.3	0.0	0.0	1,929.3	0.0
Liquor Sales/Liter	1,037.6	0.0	0.0	1,037.6	0.0
Cigarette	700.8	0.0	0.0	700.8	0.0
Property (State Levy)	577.7	0.0	0.0	577.7	0.0
Real Estate Excise	8,845.5	0.0	(0.0)	8,845.5	(0.0)
Timber Excise	3,100.8	0.0	0.0	3,100.8	0.0
Other	10.0	0.0	(0.8)	9.1	(0.8)
Subtotal	1,279.6	0.0	2.6	1,282.2	2.6
	58,448.7	0.0	1.7	58,450.4	1.7
<b>Insurance Commissioner</b>					
Insurance Premiums	1,601.1	0.0	(13.4)	1,587.7	(13.4)
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	614.4	0.0	5.0	619.4	5.0
Beer & Wine Surtax	60.2	0.0	0.4	60.6	0.4
<b>Lottery Commission</b>					
Lottery Revenue	79.1	0.0	0.0	79.1	0.0
<b>State Treasurer</b>					
Interest Earnings	259.5	0.0	0.0	259.5	0.0
<b>Office of Financial Management</b>					
Other Agencies	104.1	0.0	(1.7)	102.4	(1.7)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	85.2	0.0	0.0	85.2	0.0
<b>Total General Fund-State *</b>	<b>\$61,252.3</b>	<b>\$0.0</b>	<b>(\$8.0)</b>	<b>\$61,244.4</b>	<b>(\$8.0)</b>

<sup>1</sup> Forecast for the 2021-23 biennium adopted by the Economic and Revenue Forecast Council September 26, 2023

<sup>2</sup> Forecast for the 2021-23 biennium, adopted November 20, 2023

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

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

Table 3.7

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

2023-25 biennium; cash basis

(millions of dollars)

<b>Forecast by Agency</b>	<b>Sept 2023 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Nov 2023 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$30,535.8	\$0.0	\$141.4	\$30,677.2	\$141.4
Business & Occupation Use	12,765.7	0.0	100.9	12,866.6	100.9
Public Utility	1,866.6	0.0	27.3	1,893.9	27.3
Liquor Sales/Liter	1,114.2	0.0	6.5	1,120.7	6.5
Cigarette	709.0	0.0	3.0	711.9	3.0
Property (State Levy)	538.4	0.0	(11.8)	526.6	(11.8)
Real Estate Excise	9,337.8	0.0	(15.5)	9,322.2	(15.5)
Timber Excise	2,022.7	0.0	(36.7)	1,986.0	(36.7)
Other	5.1	0.0	(0.3)	4.8	(0.3)
Subtotal	1,332.5	0.0	6.4	1,338.9	6.4
	60,227.9	0.0	221.0	60,449.0	221.0
<b>Insurance Commissioner</b>					
Insurance Premiums	1,729.8	0.0	(24.8)	1,704.9	(24.8)
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	562.8	0.0	(0.6)	562.2	(0.6)
Beer & Wine Surtax	76.4	0.0	(17.0)	59.4	(17.0)
<b>Lottery Commission</b>					
Lottery Revenue	71.3	0.0	12.5	83.7	12.5
<b>State Treasurer</b>					
Interest Earnings	598.7	0.0	(11.5)	587.2	(11.5)
<b>Office of Financial Management</b>					
Other Agencies	12.2	0.0	(11.8)	0.4	(11.8)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	78.0	0.0	3.9	81.9	3.9
<b>Total General Fund-State *</b>	<b>\$63,357.0</b>	<b>\$0.0</b>	<b>\$171.8</b>	<b>\$63,528.8</b>	<b>\$171.8</b>

<sup>1</sup> Forecast for the 2023-25 biennium adopted by the Economic and Revenue Forecast Council September 26, 2023<sup>2</sup> Forecast for the 2023-25 biennium, adopted November 20, 2023

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

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

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

<b>Forecast by Agency</b>	<b>Sept 2023 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Nov 2023 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$30,535.8	\$0.0	\$141.4	\$30,677.2	\$141.4
Business & Occupation Use	12,765.7	0.0	100.9	12,866.6	100.9
Public Utility	1,866.6	0.0	27.3	1,893.9	27.3
Liquor Sales/Liter	1,114.2	0.0	6.5	1,120.7	6.5
Cigarette	709.0	0.0	3.0	711.9	3.0
Property (State Levy)	538.4	0.0	(11.8)	526.6	(11.8)
Real Estate Excise	9,337.8	0.0	(15.5)	9,322.2	(15.5)
Timber Excise	2,022.7	0.0	(36.7)	1,986.0	(36.7)
Other	4.5	0.0	(0.5)	4.1	(0.5)
Subtotal	1,329.6	0.0	6.0	1,335.5	6.0
	60,224.4	0.0	220.4	60,444.8	220.4
<b>Insurance Commissioner</b>					
Insurance Premiums	1,729.8	0.0	(24.8)	1,704.9	(24.8)
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	562.8	0.0	(0.6)	562.2	(0.6)
Beer & Wine Surtax	76.4	0.0	(17.0)	59.4	(17.0)
<b>Lottery Commission</b>					
Lottery Revenue	71.0	0.0	15.7	86.7	15.7
<b>State Treasurer</b>					
Interest Earnings	592.5	0.0	(12.3)	580.2	(12.3)
<b>Office of Financial Management</b>					
Other Agencies	12.2	0.0	(11.8)	0.4	(11.8)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	78.0	0.0	3.9	81.9	3.9
<b>Total General Fund-State *</b>	<b>\$63,347.1</b>	<b>\$0.0</b>	<b>\$173.6</b>	<b>\$63,520.7</b>	<b>\$173.6</b>

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

<sup>2</sup> Forecast for the 2023-25 biennium, adopted November 20, 2023

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

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

Table 3.9

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

(Millions of Dollars)

<b>Forecast by Source</b>	<b>Fiscal 2022</b>	<b>Fiscal 2023</b>	<b>2021-23 Biennium</b>	<b>Fiscal 2024</b>	<b>Fiscal 2025</b>	<b>2023-25 Biennium</b>	<b>Fiscal 2026</b>	<b>Fiscal 2027</b>	<b>2025-27 Biennium</b>
<b>State Taxes</b>									
Retail sales**	\$14,001.0	\$14,795.6	\$28,796.6	\$15,043.2	\$15,634.0	\$30,677.2	\$16,179.2	\$16,777.1	\$32,956.2
Business & occupation Use**	5,677.3	6,231.8	11,909.2	6,302.0	6,564.6	12,866.6	6,857.4	7,159.3	14,016.7
Public Utility	486.7	546.8	1,033.5	552.1	568.6	1,120.7	589.2	602.7	1,191.9
Liquor sales/liter	348.5	353.7	702.2	357.8	354.2	711.9	354.9	356.6	711.6
Beer & wine surtax	28.9	31.7	60.6	29.6	29.8	59.4	30.1	30.3	60.4
Cigarette	318.9	280.6	599.4	272.9	268.9	541.8	258.7	249.9	508.6
Tobacco products	45.9	46.6	92.5	51.2	49.0	100.2	48.9	48.8	97.7
Cannabis Excise Taxes	173.0	137.7	310.7	142.8	154.1	296.9	160.4	165.8	326.2
Property (state school levy)	4,426.9	4,492.7	8,919.6	4,603.1	4,719.1	9,322.2	4,831.0	4,946.9	9,778.0
Leasehold Excise Tax	40.7	45.6	86.4	41.6	41.5	83.0	41.9	42.8	84.8
Public utility district	59.6	63.2	122.8	63.9	65.8	129.7	67.3	68.7	136.0
Brokered Natural Gas	40.7	72.4	113.1	50.3	47.9	98.2	48.0	48.3	96.2
Real estate excise***	1,982.9	1,114.9	3,097.9	914.3	1,071.6	1,986.0	1,171.6	1,300.0	2,471.6
Timber excise	5.5	3.4	8.9	2.7	2.1	4.8	2.3	2.5	4.8
Estate/inheritance	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Boat excise	18.4	15.5	33.9	15.0	15.0	30.1	15.0	15.0	30.1
Insurance premiums	784.5	803.2	1,587.7	817.5	887.4	1,704.9	888.7	905.2	1,793.8
Penalties and interest on past due taxes	118.0	190.3	308.3	166.4	168.6	335.0	175.5	182.7	358.2
Other	62.2	52.4	114.6	57.4	56.9	114.2	57.9	61.9	119.7
<b>Total Taxes</b>	<b>29,516.8</b>	<b>30,288.4</b>	<b>59,805.2</b>	<b>30,432.6</b>	<b>31,644.4</b>	<b>62,077.0</b>	<b>32,756.6</b>	<b>33,982.5</b>	<b>66,739.1</b>
<b>State Non-Tax Sources</b>									
Licenses, permits, fees	180.9	190.0	371.0	188.1	189.4	377.5	192.8	196.3	389.1
Liquor & Cannabis fees	160.9	147.8	308.7	129.4	135.9	265.3	142.7	150.2	292.9
Earnings on investments	36.7	197.1	233.8	324.2	263.0	587.2	217.6	179.0	396.6
Washington Court System	42.7	42.5	85.2	41.9	40.0	81.9	39.9	39.8	79.7
Transfers of unclaimed property	154.3	181.6	336.0	189.0	178.7	367.7	180.4	182.1	362.5
Other revenue & transfers	(62.6)	(75.7)	(138.3)	(87.7)	(140.0)	(227.7)	(181.8)	(189.5)	(371.3)
<b>Total Non-Tax</b>	<b>512.9</b>	<b>683.5</b>	<b>1,196.4</b>	<b>784.9</b>	<b>667.0</b>	<b>1,451.8</b>	<b>591.6</b>	<b>558.0</b>	<b>1,149.5</b>
<b>Total General Fund-State *</b>	<b>\$30,029.7</b>	<b>\$30,971.9</b>	<b>\$61,001.6</b>	<b>\$31,217.4</b>	<b>\$32,311.4</b>	<b>\$63,528.8</b>	<b>\$33,348.2</b>	<b>\$34,540.4</b>	<b>\$67,888.6</b>

\* Detail may not add to totals due to rounding

\*\*GFS portion after Initiative 900 transfer

\*\*\*Includes penalties and interest

Table 3.10

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

February 2018 through November 2023

Cash Basis - Millions of Dollars

<b>Date of Forecast</b>	<b>General Fund-State</b>	<b>Education Legacy Trust Acct.</b>	<b>Washington Opportunity Pathways Acct.</b>	<b>Workforce Education Investment Acct.</b>	<b>Subtotal</b>	<b>Non-economic changes</b>	<b>Total change</b>	<b>Total of funds</b>
<b>February 2018*</b>	\$51,932	\$593	\$266	NA				\$52,790
<b>Changes to Forecast</b>								
June 2018	357	26	4	NA	387	(7) #1	380	53,170
September 2018	249	94	27	NA	369	46 #2	415	53,585
November 2018	201	2	7	NA	209	0	209	53,795
March 2019	369	0	5	NA	374	190 #3	564	54,358
June 2019	64	5	3	NA	73	605 #4	678	55,036
September 2019	(79)	21	(5)	NA	(63)	0	(63)	54,973
November 2019	175	(2)	8	NA	181	0	181	55,154
February 2020	512	25	(1)	NA	536	627 #5	1,163	56,317
June 2020	(4,570)	6	8	(56)	(4,612)	213 #6	(4,399)	51,919
September 2020	2,246	149	(5)	30	2,419	0	2,419	54,338
November 2020	297	22	6	4	328	0	328	54,666
March 2021	1,894	24	10	21	1,949	0	1,949	56,615
June 2021	1,340	6	18	35	1,399	399 #7	1,798	58,413
September 2021	845	73	1	8	927	0	927	59,341
November 2021	994	(179)	5	10	829	69 #8	898	60,238
February 2022	1,400	56	(10)	6	1,453	0	1,453	61,691
June 2022	1,392	80	(2)	83	1,552	(95) #9	1,457	63,147
September 2022	46	27	18	(19)	72	(29) #10	43	63,191
November 2022	545	196	16	5	761	0	761	63,952
March 2023	100	74	22	(3)	194	0	194	64,146
June 2023	10	311	(4)	17	335	6 #11	341	64,487
September 2023	111	141	(0)	13	265	0	265	64,752
November 2023	(7)	4	(15)	0	(18)	0	-18	64,734
<b>Total change:</b>								
From February 2018**	8,492	1,160	114	153	9,919	2,024	11,944	
Percent change	16.4	195.8	42.9	24.4	18.8	3.8	22.6	

Table 3.11

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

February 2020 through November 2023

Cash Basis - Millions of Dollars

<b>Date of Forecast</b>	<b>General Fund-State</b>	<b>Education Legacy Trust Acct.</b>	<b>Washington Opportunity Pathways Acct.</b>	<b>Workforce Education Investment Acct.</b>	<b>Subtotal</b>	<b>Non-Economic Changes</b>	<b>Total Change</b>	<b>Total of Funds</b>
<b>February 2020*</b>	\$57,930	\$925	\$321	\$667				\$59,843
<b>Changes to Forecast</b>								
June 2020	(4,682)	(9)	8	(3)	(4,685)	209 #6	(4,476)	55,367
September 2020	2,460	125	(7)	35	2,612	0	2,612	57,979
November 2020	16	14	2	(4)	28	0	28	58,007
March 2021	1,846	17	10	25	1,899	0	1,899	59,906
June 2021	1,419	(6)	16	7	1,436	810 #7	2,246	62,151
September 2021	891	31	(1)	9	931	0	931	63,082
November 2021	828	(44)	5	11	800	165 #8	965	64,047
February 2022	1,311	2	2	5	1,320	0	1,320	65,368
June 2022	1,036	21	(1)	55	1,112	(480) #9	632	65,999
September 2022	(332)	(18)	(8)	(21)	(378)	(117) #10	-495	65,504
November 2022	684	(2)	(6)	6	681	0	681	66,185
March 2023	(407)	(77)	10	(9)	(483)	0	-483	65,702
June 2023	140	115	7	25	287	39 #11	327	66,028
September 2023	616	12	7	28	663	0	663	66,692
November 2023	172	6	9	5	191	0	191	66,883
<b>Total change:</b>								
From February 2020	5,998	189	53	175	6,414	626	7,040	
Percent change	10.4	20.4	16.4	26.2	10.7	1.0	11.8	
<b>Change in forecast since initial 2325 biennial budget***</b>								
	<b>928</b>	<b>134</b>	<b>22</b>	<b>58</b>	<b>1,142</b>	<b>0</b>	<b>1,142</b>	
Percent change	1.5	6.7	6.4	7.5	1.7	0.0	1.7	

\*First official forecast for the 2021-23 biennium

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

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

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

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

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

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

#5 Establishment of Workforce Education Investment Account

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

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

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

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

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

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

Table 3.12

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

	2021-23			2023-25		
	GFS	ELTA, OPA, WEIA, FSKA (1)	TOTAL	GFS	ELTA, OPA, WEIA, FSKA (1)	TOTAL
<b>RESOURCES</b>						
<b>Beginning Fund Balance</b>	<b>3,673.7</b>	<b>487.0</b>	<b>4,160.7</b>	<b>4,184.7</b>	<b>1,102.4</b>	<b>5,287.0</b>
September 2023 Revenue Forecast	61,008.2	3,743.6	64,751.7	63,357.0	3,334.9	66,691.9
November 2023 Revenue Forecast Change <sup>(2)</sup>	(6.6)	(11.3)	(17.9)	171.8	19.6	191.4
<b>Current Revenue Totals</b>	<b>61,001.6</b>	<b>3,732.2</b>	<b>64,733.8</b>	<b>63,528.8</b>	<b>3,354.5</b>	<b>66,883.3</b>
Transfer to Budget Stabilization Account (1% of GSR)	(610.3)		(610.3)	(637.9)	-	(637.9)
Transfer to Budget Stabilization Account (EGSR) <sup>(3)</sup>	-		-	-	-	-
Enacted Fund Transfers	(1,275.6)	-	(1,275.6)	50.7		50.7
WRPTA Fund Transfer				1,302.0	-	1,302.0
ACFR Adjustments	(61.5)	45.4	(16.2)			-
ACFR Beginning Balance Adjustments	220.1	(36.3)	183.8			-
Actual/Assumed Prior Period Adjustments	222.2	0.2	222.4	40.8	-	40.8
<b>Total Resources (Including Beginning Fund Balance)</b>	<b>63,170.3</b>	<b>4,228.4</b>	<b>67,398.7</b>	<b>68,469.0</b>	<b>4,456.9</b>	<b>72,925.9</b>
<b>EXPENDITURES</b>						
<b>Enacted Budgets</b>						
2021-23 Biennium	60,187.7	3,158.7	63,346.5			
2023-25 Biennium				66,255.5	3,548.9	69,804.4
Actual/Assumed Reversions <sup>(3)</sup>	(1,202.1)	(32.7)	(1,234.8)	(493.3)	-	(493.3)
<b>Total Expenditures</b>	<b>58,985.6</b>	<b>3,126.1</b>	<b>62,111.7</b>	<b>65,762.2</b>	<b>3,548.9</b>	<b>69,311.0</b>
<b>RESERVES</b>						
<b>Projected Ending Balance</b>	<b>4,184.7</b>	<b>1,102.4</b>	<b>5,287.0</b>	<b>2,706.9</b>	<b>908.0</b>	<b>3,614.9</b>
<b>Budget Stabilization Account</b>						
BSA Beginning Balance	19.2		19.2	652.4		652.4
Transfers from General Fund (1% of GSR)	610.3		610.3	637.9		637.9
Transfers from General Fund (EGSR) <sup>(4)</sup>	-		-	-		-
Transfers from Disaster Response Acct (05H) - FY 22	4.8		4.8			-
Prior Period Adjustments - Actual FY 22	10.3		10.3			-
Actual/Assumed Biennium - Interest Earnings	7.8		7.8	58.4		58.4
<b>Projected BSA Ending Balance</b>	<b>652.4</b>		<b>652.4</b>	<b>1,348.7</b>		<b>1,348.7</b>
<b>Washington Rescue Plan Transition Account</b>						
Beginning Balance	1,000.0		1,000.0	2,100.0		2,100.0
Transfer from General Fund	1,100.0		1,100.0			
Transfer to General Fund				(1,302.0)		(1,302.0)
<b>Projected WRPTA Ending Balance</b>	<b>2,100.0</b>		<b>2,100.0</b>	<b>798.0</b>		<b>798.0</b>
<b>Total Reserves Including BSA and WRPTA</b>	<b>6,937.0</b>	<b>1,102.4</b>	<b>8,039.4</b>	<b>4,853.6</b>	<b>908.0</b>	<b>5,761.5</b>

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

(2) The conditional transfer to bring account 28E-1 to a \$3 million balance, activated by Department of Ecology issuing drought emergency order per SHB 1138(2023), has been incorporated into the revenue forecast.

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

(4) Based on the state constitution, no transfer of extraordinary revenue will occur in 2021-23 because annual average state employment growth averaged less than 1% per fiscal year in the 2019-21 biennium.

Acronyms

ACFR - Annual Comprehensive Financial Report

BSA - Budget Stabilization Account

GSR - General State Revenues

EGSR - Extraordinary General State Revenues

WRPTA - Washington Rescue Plan Transition Account

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

<b><u>Forecast by Source</u></b>	<b><u>Optimistic Forecast</u></b>	<b><u>Baseline Forecast</u></b>	<b><u>Pessimistic Forecast</u></b>
<b><i>Department of Revenue</i></b>			
Retail Sales	\$32,320.9	\$30,677.2	\$28,689.6
Business & Occupation Use	13,540.0	12,866.6	12,129.7
Public Utility Property (school levy)	2,002.2	1,893.9	1,763.0
Real Estate Excise	1,172.7	1,120.7	1,058.5
Other	9,547.7	9,322.2	9,102.7
Subtotal	2,034.8	1,986.0	1,823.2
	2,644.4	2,582.3	2,522.1
	63,262.7	60,449.0	57,088.8
<b><i>Insurance Commissioner</i></b> <sup>1</sup>	1,781.7	1,704.9	1,610.4
<b><i>Lottery Commission</i></b>	87.9	83.7	79.5
<b><i>State Treasurer - Interest earnings</i></b>	652.2	587.2	476.4
<b><i>Liquor and Cannabis Surtaxes &amp; Fees</i></b> <sup>2</sup>	645.0	621.7	548.6
<b><i>Office of Financial Management</i></b>			
Other agencies	0.5	0.4	0.4
<b><i>Washington Court System</i></b>			
Court Fees, Fines & Forfeitures	84.4	81.9	79.9
<b>Total General Fund - State*</b>	<b>\$66,514.4</b>	<b>\$63,528.8</b>	<b>\$59,884.1</b>
<b>Difference from November 2023 Baseline</b>	<b>\$2,985.6</b>		<b>(\$3,644.7)</b>

1 Insurance premiums, General Fund-State portion.

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

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

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

Table 3.14

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

(cash basis, millions of dollars)

<b><u>Forecast by Source</u></b>	<b><u>Optimistic Forecast</u></b>	<b><u>Baseline Forecast</u></b>	<b><u>Pessimistic Forecast</u></b>
<b><i>Department of Revenue</i></b>			
Retail Sales	\$36,650.2	\$32,956.2	\$29,189.3
Business & Occupation Use	15,469.3	14,016.7	12,678.4
Public Utility	2,230.0	1,996.5	1,765.6
Property (school levy)	1,320.3	1,191.9	1,112.5
Real Estate Excise	10,158.5	9,778.0	9,253.8
Other	2,546.0	2,471.6	1,921.2
Subtotal	2,678.2	2,577.9	2,439.8
	71,052.4	64,988.8	58,360.7
<b><i>Insurance Commissioner</i></b> <sup>1</sup>	1,868.5	1,793.8	1,688.7
<b><i>Lottery Commission</i></b>	76.3	72.6	69.0
<b><i>State Treasurer - Interest earnings</i></b>	461.8	396.6	281.1
<b><i>Liquor and Cannabis Surtaxes &amp; Fees</i></b> <sup>2</sup>	709.8	679.5	594.3
<b><i>Office of Financial Management</i></b>			
Other agencies	(127.5)	(122.6)	(117.7)
<b><i>Washington Court System</i></b>			
Court Fees, Fines & Forfeitures	83.4	79.7	75.9
<b>Total General Fund - State*</b>	<b>\$74,124.6</b>	<b>\$67,888.6</b>	<b>\$60,952.0</b>
<b>Difference from November 2023 Baseline</b>	<b>\$6,236.0</b>		<b>(\$6,936.6)</b>

1 Insurance premiums, General Fund-State portion.

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

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

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

Table 3.15

**Lottery transfers by fund**

November 2023 Forecast

(cash basis, millions of dollars)

	<b>Lottery: Total Transfers:*</b>	<b>General Fund</b>	<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student Achievement Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Development Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>
2016	171.6	17.1	0.0	11.7	0.0	0.0	0.3	3.3	139.1	0.0	0.0
2017	159.7	14.8	0.0	12.2	0.0	0.0	0.3	4.8	126.6	0.0	0.0
2015-17 Biennium	331.2	31.9	0.0	23.8	0.0	0.0	0.7	8.0	265.7	0.0	0.0
2018	183.6	38.5	0.0	12.6	0.0	0.0	0.3	3.5	128.5	0.0	0.0
2019	213.8	38.7	0.0	13.1	0.0	0.0	0.4	5.8	155.7	0.0	0.0
2017-19 Biennium	397.3	77.3	0.0	25.8	0.0	0.0	0.8	9.3	284.2	0.0	0.0
2020	186.4	16.7	0.0	13.7	0.0	0.0	0.4	3.1	152.5	0.0	0.0
2021	231.6	27.7	0.0	14.2	0.0	0.0	0.5	4.8	184.4	0.0	0.0
2019-21 Biennium	418.0	44.4	0.0	27.9	0.0	0.0	0.8	8.0	336.9	0.0	0.0
2022	228.9	32.8	0.0	0.0	0.0	0.0	0.4	6.0	189.7	0.0	0.0
2023	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	240.6	46.5	0.0	0.0	0.0	0.0	0.7	4.5	189.0	0.0	0.0
2025	224.6	37.3	0.0	0.0	0.0	0.0	0.9	5.2	181.2	0.0	0.0
2023-25 Biennium	465.2	83.7	0.0	0.0	0.0	0.0	1.6	9.7	370.2	0.0	0.0
2026	224.6	36.1	0.0	0.0	0.0	0.0	0.9	5.2	182.4	0.0	0.0
2027	226.3	36.6	0.0	0.0	0.0	0.0	0.9	5.2	183.6	0.0	0.0
2025-27 Biennium	451.0	72.6	0.0	0.0	0.0	0.0	1.8	10.5	366.0	0.0	0.0

Table 3.16

**Lottery transfers by fund**

November 2023 Forecast

(GAAP basis, millions of dollars)

	<b>Lottery: Total Transfers:*</b>	<b>General Fund</b>	<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student Achievement Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Development Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>
2016	175.5	31.9	0.0	11.7	0.0	0.0	0.3	2.8	128.7	0.0	0.0
2017	161.9	16.8	0.0	12.2	0.0	0.0	0.3	4.9	126.8	0.0	0.0
2015-17 Biennium	337.4	48.7	0.0	23.8	0.0	0.0	0.7	7.7	255.5	0.0	0.0
2018	183.0	31.2	0.0	12.6	0.0	0.0	0.4	4.6	134.2	0.0	0.0
2019	215.8	30.9	0.0	13.1	0.0	0.0	0.4	4.6	166.7	0.0	0.0
2017-19 Biennium	398.8	62.1	0.0	25.8	0.0	0.0	0.8	9.2	300.9	0.0	0.0
2020	180.9	16.2	0.0	13.7	0.0	0.0	0.4	3.4	147.3	0.0	0.0
2021	229.0	23.9	0.0	14.2	0.0	0.0	0.5	4.7	185.7	0.0	0.0
2019-21 Biennium	410.0	40.1	0.0	27.9	0.0	0.0	0.8	8.1	333.1	0.0	0.0
2022	216.8	33.6	0.0	0.0	0.0	0.0	0.4	6.2	176.6	0.0	0.0
2023	253.1	45.5	0.0	0.0	0.0	0.0	0.5	7.3	199.9	0.0	0.0
2021-23 Biennium	470.0	79.1	0.0	0.0	0.0	0.0	0.9	13.5	376.4	0.0	0.0
2024	244.5	50.6	0.0	0.0	0.0	0.0	0.8	5.2	187.9	0.0	0.0
2025	222.8	36.1	0.0	0.0	0.0	0.0	0.9	5.2	180.6	0.0	0.0
2023-25 Biennium	467.3	86.7	0.0	0.0	0.0	0.0	1.7	10.5	368.5	0.0	0.0
2026	224.8	36.1	0.0	0.0	0.0	0.0	0.9	5.2	182.6	0.0	0.0
2027	226.5	36.1	0.0	0.0	0.0	0.0	0.9	5.2	184.2	0.0	0.0
2025-27 Biennium	451.3	72.2	0.0	0.0	0.0	0.0	1.8	10.5	366.8	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)

November 2023 - Millions of Dollars

	General Fund-State (GF-S) (current definition)		Education Legacy Trust Account* (ELTA)		WA Opportunity Pathways Account (OPA)		Workforce Ed. Investment Acct. (WEIA)		Total GF-S, ELTA, OPA and WEIA	
	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.
History:										
FY 2003	\$11,721	0.8%							\$11,721	0.8%
FY 2004	\$12,358	5.4%							\$12,358	5.4%
FY 2005	\$13,036	5.5%							\$13,036	5.5%
FY 2006	\$14,318	9.8%	\$115						\$14,432	10.7%
FY 2007	\$15,467	8.0%	\$266	132.2%					\$15,734	9.0%
FY 2008	\$15,659	1.2%	\$213	-20.1%					\$15,872	0.9%
FY 2009	\$14,158	-9.6%	\$224	5.4%					\$14,382	-9.4%
FY 2010	\$13,571	-4.1%	\$157	-29.9%					\$13,728	-4.6%
FY 2011	\$14,648	7.9%	\$112	-29.0%	\$99				\$14,859	8.2%
FY 2012	\$14,874	1.5%	\$114	2.3%	\$118	19.1%			\$15,107	1.7%
FY 2013	\$15,783	6.1%	\$101	-11.5%	\$126	5.9%			\$16,009	6.0%
FY 2014	\$16,383	3.8%	\$197	95.3%	\$114	-9.4%			\$16,694	4.3%
FY 2015	\$17,283	5.5%	\$207	5.0%	\$120	5.7%			\$17,611	5.5%
FY 2016	\$18,579	7.5%	\$215	3.6%	\$139	15.7%			\$18,933	7.5%
FY 2017	\$19,739	6.2%	\$252	17.5%	\$127	-9.0%			\$20,118	6.3%
FY 2018	\$21,712	10.0%	\$302	19.6%	\$129	1.5%			\$22,143	10.1%
FY 2019	\$22,430	3.3%	\$1,352	348.1%	\$156	21.1%			\$23,938	8.1%
FY 2020	\$23,817	6.2%	\$913	-32.5%	\$153	-2.0%	\$32		\$24,915	4.1%
FY 2021	\$26,986	13.3%	\$726	-20.5%	\$184	20.9%	\$320	905.5%	\$28,217	13.3%
FY 2022	\$30,030	11.3%	\$890	22.6%	\$190	2.9%	\$369	15.1%	\$31,478	11.6%
FY 2023	\$30,972	3.1%	\$1,685	89.4%	\$188	-0.7%	\$410	11.3%	\$33,256	5.6%
Forecast:										
FY 2024	\$31,217	0.8%	\$1,029	-39.0%	\$189	0.3%	\$417	1.6%	\$32,852	-1.2%
FY 2025	\$32,311	3.5%	\$1,113	8.2%	\$181	-4.1%	\$426	2.1%	\$34,031	3.6%
FY 2026	\$33,348	3.2%	\$1,158	4.1%	\$182	0.7%	\$433	1.8%	\$35,122	3.2%
FY 2027	\$34,540	3.6%	\$1,214	4.8%	\$184	0.6%	\$445	2.8%	\$36,383	3.6%
<b>Biennial Totals</b>										
<b>09-11 Biennium</b>	<b>\$28,218</b>	<b>-5.4%</b>	<b>\$269</b>	<b>-38.5%</b>	<b>\$99</b>	<b>NA</b>	<b>\$0</b>	<b>NA</b>	<b>\$28,586</b>	<b>-5.5%</b>
<b>11-13 Biennium</b>	<b>\$30,657</b>	<b>8.6%</b>	<b>\$215</b>	<b>-19.9%</b>	<b>\$244</b>	<b>145.2%</b>	<b>\$0</b>	<b>NA</b>	<b>\$31,116</b>	<b>8.8%</b>
<b>13-15 Biennium</b>	<b>\$33,666</b>	<b>9.8%</b>	<b>\$405</b>	<b>88.0%</b>	<b>\$234</b>	<b>-4.1%</b>	<b>\$0</b>	<b>NA</b>	<b>\$34,305</b>	<b>10.2%</b>
<b>15-17 Biennium</b>	<b>\$38,317</b>	<b>13.8%</b>	<b>\$467</b>	<b>15.4%</b>	<b>\$266</b>	<b>13.6%</b>	<b>\$0</b>	<b>NA</b>	<b>\$39,050</b>	<b>13.8%</b>
<b>17-19 Biennium</b>	<b>\$44,143</b>	<b>15.2%</b>	<b>\$1,654</b>	<b>254.1%</b>	<b>\$284</b>	<b>6.9%</b>	<b>\$0</b>	<b>NA</b>	<b>\$46,081</b>	<b>18.0%</b>
<b>19-21 Biennium</b>	<b>\$50,803</b>	<b>15.1%</b>	<b>\$1,639</b>	<b>-0.9%</b>	<b>\$337</b>	<b>18.5%</b>	<b>\$352</b>	<b>NA</b>	<b>\$53,132</b>	<b>15.3%</b>
<b>21-23 Biennium</b>	<b>\$61,002</b>	<b>20.1%</b>	<b>\$2,575</b>	<b>57.1%</b>	<b>\$378</b>	<b>12.2%</b>	<b>\$779</b>	<b>121.2%</b>	<b>\$64,734</b>	<b>21.8%</b>
<b>23-25 Biennium</b>	<b>\$63,529</b>	<b>4.1%</b>	<b>\$2,142</b>	<b>-16.8%</b>	<b>\$370</b>	<b>-2.1%</b>	<b>\$843</b>	<b>8.2%</b>	<b>\$66,883</b>	<b>3.3%</b>
<b>25-27 Biennium</b>	<b>\$67,889</b>	<b>6.9%</b>	<b>\$2,372</b>	<b>10.8%</b>	<b>\$366</b>	<b>-1.1%</b>	<b>\$879</b>	<b>4.3%</b>	<b>\$71,506</b>	<b>6.9%</b>

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

Table 3.18

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

November 2023

Cash forecast, thousands of dollars

Fiscal year	Total of cannabis excise taxes plus license fees	LCB administration and pre-distribution allotments	Total to distribute	Distribution of remaining funds							
				DSHS substance abuse program	Dept. of Health cannabis education program	UW/WSU research	Basic Health Plan Trust Account	Health Care Authority community health centers	OSPI dropout prevention	Local governments	General Fund-State*
2016	\$168,051	\$16,342	\$151,709	\$12,814	\$7,500	\$345	\$79,750	\$0	\$251	\$0	\$51,049
2017	\$300,635	\$22,180	\$278,455	\$27,786	\$7,500	\$345	\$145,717	\$0	\$511	\$0	\$96,596
2018	\$360,608	\$31,388	\$329,220	\$27,786	\$9,761	\$365	\$173,418	\$0	\$513	\$0	\$117,377
2019	\$391,191	\$60,749	\$330,442	\$0	\$9,764	\$365	\$188,317	\$0	\$515	\$0	\$131,482
2020	\$448,427	\$66,894	\$381,533	\$0	\$10,786	\$374	\$215,096	\$0	\$522	\$0	\$154,754
2021	\$560,929	\$70,584	\$490,345	\$0	\$10,615	\$384	\$272,521	\$0	\$530	\$0	\$206,296
2022	\$527,090	\$17,993	\$509,097	\$0	\$10,584	\$401	\$264,470	\$56,056	\$520	\$0	\$177,066
2023	\$475,235	\$20,073	\$455,162	\$0	\$11,000	\$475	\$230,431	\$48,745	\$550	\$22,157	\$141,804
2024	\$488,808	\$17,176	\$471,632	\$0	\$11,863	\$513	\$238,505	\$50,453	\$593	\$22,933	\$146,772
2025	\$525,617	\$17,882	\$507,735	\$0	\$12,354	\$534	\$256,999	\$54,365	\$618	\$24,711	\$158,153
2026	\$546,166	\$18,313	\$527,853	\$0	\$12,657	\$547	\$267,288	\$56,542	\$633	\$25,701	\$164,485
2027	\$563,639	\$18,712	\$544,927	\$0	\$12,933	\$559	\$276,010	\$58,387	\$646	\$26,539	\$169,852
<b>Biennial totals</b>											
2015-17	\$468,686	\$38,522	\$430,164	\$40,600	\$15,000	\$690	\$225,467	\$0	\$762	\$0	\$147,645
2017-19	\$751,799	\$92,137	\$659,662	\$27,786	\$19,525	\$730	\$361,735	\$0	\$1,028	\$0	\$248,859
2019-21	\$1,009,356	\$137,478	\$871,878	\$0	\$21,401	\$758	\$487,617	\$0	\$1,052	\$0	\$361,050
2021-23	\$1,002,325	\$38,066	\$964,259	\$0	\$21,584	\$876	\$494,902	\$104,801	\$1,070	\$22,157	\$318,869
2023-25	\$1,014,425	\$35,058	\$979,367	\$0	\$24,217	\$1,047	\$495,504	\$104,818	\$1,211	\$47,645	\$304,926
2025-27	\$1,109,805	\$37,025	\$1,072,780	\$0	\$25,590	\$1,107	\$543,299	\$114,929	\$1,279	\$52,240	\$334,338

\*Before distributions to local governments FY 2016-FY2022

Table 3.19

**Workforce Education Investment Account**

November 2023

Cash forecast, thousands of dollars

	<u>FY22</u>	<u>FY23</u>	<u>2021-23 Biennium</u>	<u>FY24</u>	<u>FY25</u>	<u>2023-25 Biennium</u>	<u>FY26</u>	<u>FY27</u>	<u>2025-27 Biennium</u>
<b>September 2023 forecast</b>	\$368,630	\$410,385	\$779,016	\$414,906	\$422,740	\$837,646	\$431,037	\$443,336	\$874,373
<b>Forecast change</b>	\$0	\$0	\$0	\$2,038	\$3,020	\$5,057	\$2,389	\$2,107	\$4,496
<b>November 2023 forecast</b>	\$368,630	\$410,385	\$779,016	\$416,943	\$425,759	\$842,703	\$433,426	\$445,443	\$878,869



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

Calendar Years

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

Table A1.1  
**U.S. Economic Forecast Summary**  
Forecast 2023 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	18,853.3	19,946.8	20,332.9	20,813.5	21,065.1	21,423.2	21,873.1	22,288.7
% Ch	-2.2	5.8	1.9	2.4	1.2	1.7	2.1	1.9
Real Consumption	12,832.8	13,909.7	14,265.0	14,582.0	14,765.2	15,016.2	15,331.5	15,638.2
% Ch	-2.5	8.4	2.6	2.2	1.3	1.7	2.1	2.0
Real Nonresidential Fixed Investment	2,786.2	2,949.6	3,104.3	3,234.6	3,307.1	3,364.8	3,444.2	3,522.4
% Ch	-4.7	5.9	5.2	4.2	2.2	1.7	2.4	2.3
Real Residential Fixed Investment	661.2	732.2	666.4	592.2	586.6	609.9	636.7	651.1
% Ch	7.2	10.7	-9.0	-11.1	-1.0	4.0	4.4	2.3
Real Personal Income	17,734.7	18,575.6	17,792.4	18,027.4	18,448.5	19,021.0	19,524.0	20,043.2
% Ch	5.8	4.7	-4.2	1.3	2.3	3.1	2.6	2.7
Real Per Capita Income (\$/Person)	53,439	55,874	53,303	53,733	54,702	56,109	57,297	58,521
% Ch	5.4	4.6	-4.6	0.8	1.8	2.6	2.1	2.1
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	110.7	115.3	122.8	127.4	130.6	133.4	136.3	139.2
% Ch	1.1	4.2	6.5	3.8	2.4	2.2	2.2	2.1
U.S. Consumer Price Index (1982-84=1.0)	2.589	2.710	2.926	3.046	3.126	3.192	3.268	3.341
% Ch	1.3	4.7	8.0	4.1	2.6	2.1	2.4	2.2
Employment Cost Index (Dec. 2005=1.0)	1.414	1.470	1.548	1.620	1.684	1.745	1.809	1.875
% Ch	2.9	4.0	5.3	4.6	4.0	3.6	3.7	3.7
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	21,322.9	23,594.0	25,744.1	27,336.7	28,410.5	29,555.5	30,833.0	32,114.8
% Ch	-0.9	10.7	9.1	6.2	3.9	4.0	4.3	4.2
Personal Income	19,629.0	21,407.7	21,840.8	22,973.8	24,086.3	25,374.4	26,611.0	27,891.3
% Ch	6.9	9.1	2.0	5.2	4.8	5.3	4.9	4.8
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	160.8	161.2	164.3	167.1	168.7	169.7	170.4	171.2
Total U.S. Employment	147.8	152.6	158.3	161.0	161.5	162.4	163.2	164.0
Unemployment Rate (%)	8.10	5.35	3.65	3.65	4.29	4.31	4.23	4.16
Nonfarm Payroll Employment	142.15	146.28	152.63	156.18	157.09	157.07	157.49	158.10
% Ch	-5.8	2.9	4.3	2.3	0.6	0.0	0.3	0.4
Manufacturing	12.16	12.35	12.83	12.98	12.92	12.40	12.11	11.96
% Ch	-5.1	1.6	3.8	1.2	-0.5	-4.0	-2.3	-1.3
Durable Manufacturing	7.57	7.68	7.98	8.12	8.11	7.78	7.57	7.45
% Ch	-5.8	1.4	3.8	1.8	-0.1	-4.1	-2.7	-1.6
Nondurable Manufacturing	4.59	4.67	4.85	4.86	4.80	4.62	4.54	4.51
% Ch	-3.9	1.8	3.8	0.3	-1.3	-3.7	-1.8	-0.8
Construction	7.26	7.44	7.75	7.96	8.11	8.20	8.38	8.54
% Ch	-3.2	2.5	4.2	2.8	1.9	1.1	2.1	1.9
Service-Providing	122.13	125.93	131.44	134.59	135.42	135.81	136.31	136.89
% Ch	-5.9	3.1	4.4	2.4	0.6	0.3	0.4	0.4
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	39.2	68.0	94.8	77.8	74.4	70.8	67.7	65.4
Personal Saving/Disposable Income (%)	15.3	11.3	3.3	4.3	5.0	6.3	6.6	7.0
Auto Sales (Millions)	3.4	3.4	2.9	3.1	3.1	3.2	3.2	3.2
% Ch	-27.9	-1.5	-14.7	8.8	-0.1	4.2	0.4	-2.3
Housing Starts (Millions)	1.397	1.606	1.551	1.397	1.340	1.413	1.443	1.456
% Ch	8.2	14.9	-3.4	-10.0	-4.0	5.4	2.1	0.9
Federal Budget Surplus (Billions)	-2,894.4	-2,739.9	-1,062.2	-1,626.5	-1,647.7	-1,767.1	-1,776.7	-1,801.6
Net Exports (Billions)	-626.4	-858.2	-971.1	-795.8	-742.9	-730.2	-738.9	-692.7
3-Month Treasury Bill Rate (%)	0.37	0.04	2.02	5.11	5.28	3.77	2.62	2.43
10-Year Treasury Note Yield (%)	0.89	1.44	2.95	4.03	4.37	3.65	3.27	3.22
Bond Index of 20 G.O. Munis. (%)	2.65	2.19	3.26	3.76	4.01	3.65	3.39	3.33
30-Year Fixed Mortgage Rate (%)	3.18	3.03	5.38	6.88	6.99	5.74	5.14	4.92

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

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	20,255.4	20,226.8	20,360.0	20,489.4	20,603.4	20,708.7	20,956.7	20,985.3
% Ch , Annual Rate	-2.0	-0.6	2.7	2.6	2.2	2.1	4.9	0.5
Real Consumption	14,173.6	14,244.4	14,300.1	14,342.1	14,475.8	14,504.9	14,646.7	14,700.5
% Ch , Annual Rate	0.0	2.0	1.6	1.2	3.8	0.8	4.0	1.5
Real Nonresidential Fixed Investment	3,053.2	3,092.9	3,128.8	3,142.4	3,186.5	3,244.3	3,243.6	3,264.0
% Ch , Annual Rate	10.7	5.3	4.7	1.7	5.7	7.4	-0.1	2.5
Real Residential Fixed Investment	723.5	696.5	645.1	600.4	592.2	589.0	594.6	593.2
% Ch , Annual Rate	-1.8	-14.1	-26.4	-24.9	-5.3	-2.2	3.9	-0.9
Real Personal Income	17,818.7	17,716.1	17,805.2	17,829.7	17,941.8	18,020.6	18,047.2	18,100.2
% Ch , Annual Rate	-4.9	-2.3	2.0	0.6	2.5	1.8	0.6	1.2
Real Per Capita Income (\$/Person)	53,491	53,116	53,299	53,305	53,587	53,754	53,750	53,841
% Ch , Annual Rate	-5.1	-2.8	1.4	0.0	2.1	1.2	0.0	0.7
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	120.2	122.3	123.7	124.9	126.2	127.0	127.9	128.6
% Ch , Annual Rate	7.7	7.2	4.7	4.1	4.2	2.5	2.9	2.3
U.S. Consumer Price Index (1982-84=1.0)	2.849	2.915	2.955	2.985	3.013	3.034	3.060	3.078
% Ch , Annual Rate	9.2	9.7	5.5	4.2	3.8	2.7	3.6	2.3
Employment Cost Index (Dec. 2005=1.0)	1.518	1.540	1.558	1.576	1.595	1.611	1.628	1.644
% Ch , Annual Rate	5.2	5.9	4.8	4.7	4.9	4.1	4.3	4.0
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	25,029.1	25,544.3	25,994.6	26,408.4	26,813.6	27,063.0	27,623.5	27,846.8
% Ch , Annual Rate	6.2	8.5	7.2	6.5	6.3	3.8	8.5	3.3
Personal Income	21,410.5	21,659.7	22,018.8	22,274.1	22,643.9	22,883.4	23,082.9	23,284.9
% Ch , Annual Rate	2.4	4.7	6.8	4.7	6.8	4.3	3.5	3.5
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	163.9	164.1	164.4	164.7	166.3	166.8	167.6	167.9
Total U.S. Employment	157.7	158.1	158.6	158.8	160.4	160.9	161.4	161.3
Unemployment Rate (%)	3.81	3.63	3.55	3.60	3.50	3.54	3.69	3.89
Nonfarm Payroll Employment	150.85	152.04	153.33	154.28	155.24	155.91	156.52	157.03
% Ch , Annual Rate	4.6	3.2	3.4	2.5	2.5	1.7	1.6	1.3
Manufacturing	12.66	12.79	12.89	12.97	12.98	12.98	12.99	12.98
% Ch , Annual Rate	4.0	4.2	3.1	2.4	0.5	0.0	0.1	-0.1
Durable Manufacturing	7.87	7.94	8.01	8.08	8.10	8.11	8.14	8.13
% Ch , Annual Rate	3.5	3.8	3.5	3.2	0.9	0.9	1.4	-0.6
Nondurable Manufacturing	4.79	4.85	4.88	4.89	4.89	4.87	4.85	4.85
% Ch , Annual Rate	4.7	4.7	2.4	1.0	-0.1	-1.4	-2.0	0.5
Construction	7.65	7.73	7.78	7.84	7.89	7.93	7.99	8.04
% Ch , Annual Rate	5.1	4.1	2.9	2.7	2.9	1.8	3.3	2.6
Service-Providing	129.95	130.92	132.05	132.86	133.74	134.36	134.90	135.36
% Ch , Annual Rate	4.6	3.0	3.5	2.5	2.7	1.9	1.6	1.4
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	94.4	108.7	93.2	82.8	76.1	73.8	82.3	79.1
Personal Saving/Disposable Income (%)	3.9	3.0	3.2	3.2	4.8	5.2	3.8	3.5
Auto Sales (Millions)	2.9	2.8	2.8	3.0	3.0	3.2	3.2	3.1
% Ch , Annual Rate	26.8	-9.4	4.8	24.9	3.5	24.1	0.9	-10.6
Housing Starts (Millions)	1.718	1.636	1.446	1.405	1.385	1.450	1.359	1.393
% Ch , Annual Rate	6.6	-17.8	-38.9	-10.9	-5.6	19.9	-22.7	10.3
Federal Budget Surplus (Billions)	-974.4	-960.5	-1,072.7	-1,241.2	-1,673.7	-1,660.7	-1,645.7	-1,526.1
Net Exports (Billions)	-1,089.7	-1,025.6	-892.0	-877.2	-825.7	-806.1	-784.6	-766.7
3-Month Treasury Bill Rate (%)	0.31	1.08	2.66	4.04	4.63	5.07	5.29	5.46
10-Year Treasury Note Yield (%)	1.94	2.93	3.11	3.83	3.65	3.59	4.15	4.71
Bond Index of 20 G.O. Munis. (%)	2.44	3.27	3.52	3.82	3.57	3.59	3.77	4.10
30-Year Fixed Mortgage Rate (%)	3.90	5.33	5.66	6.63	6.36	6.49	7.04	7.63

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

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	21,000.6	21,021.5	21,074.2	21,163.9	21,260.7	21,364.7	21,477.0	21,590.3
% Ch , Annual Rate	0.3	0.4	1.0	1.7	1.8	2.0	2.1	2.1
Real Consumption	14,717.2	14,735.3	14,773.4	14,834.9	14,901.5	14,976.4	15,054.3	15,132.7
% Ch , Annual Rate	0.5	0.5	1.0	1.7	1.8	2.0	2.1	2.1
Real Nonresidential Fixed Investment	3,288.2	3,305.1	3,310.2	3,324.9	3,339.8	3,354.7	3,372.5	3,392.0
% Ch , Annual Rate	3.0	2.1	0.6	1.8	1.8	1.8	2.1	2.3
Real Residential Fixed Investment	589.3	585.0	583.2	588.9	597.4	606.1	613.5	622.7
% Ch , Annual Rate	-2.6	-2.9	-1.2	4.0	5.9	5.9	5.0	6.1
Real Personal Income	18,263.2	18,386.1	18,516.7	18,628.0	18,812.2	18,962.8	19,097.4	19,211.9
% Ch , Annual Rate	3.7	2.7	2.9	2.4	4.0	3.2	2.9	2.4
Real Per Capita Income (\$/Person)	54,257	54,552	54,869	55,128	55,601	55,974	56,299	56,563
% Ch , Annual Rate	3.1	2.2	2.3	1.9	3.5	2.7	2.3	1.9
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	129.3	130.2	130.9	131.8	132.4	133.0	133.7	134.4
% Ch , Annual Rate	2.2	2.6	2.3	2.7	1.9	1.9	2.1	2.2
U.S. Consumer Price Index (1982-84=1.0)	3.096	3.116	3.136	3.158	3.168	3.181	3.200	3.219
% Ch , Annual Rate	2.4	2.6	2.6	2.9	1.3	1.6	2.4	2.4
Employment Cost Index (Dec. 2005=1.0)	1.660	1.677	1.693	1.707	1.722	1.737	1.753	1.769
% Ch , Annual Rate	4.0	4.2	3.8	3.5	3.4	3.6	3.7	3.7
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	28,050.1	28,271.3	28,496.4	28,824.1	29,109.4	29,398.2	29,695.7	30,018.7
% Ch , Annual Rate	3.0	3.2	3.2	4.7	4.0	4.0	4.1	4.4
Personal Income	23,622.3	23,932.5	24,240.9	24,549.6	24,906.2	25,224.7	25,536.6	25,830.1
% Ch , Annual Rate	5.9	5.4	5.3	5.2	5.9	5.2	5.0	4.7
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	168.3	168.6	168.9	169.1	169.4	169.6	169.8	170.0
Total U.S. Employment	161.4	161.3	161.5	161.7	162.0	162.2	162.5	162.7
Unemployment Rate (%)	4.09	4.31	4.38	4.37	4.35	4.33	4.30	4.28
Nonfarm Payroll Employment	157.17	157.18	157.04	156.94	156.97	157.03	157.10	157.20
% Ch , Annual Rate	0.4	0.0	-0.4	-0.3	0.1	0.1	0.2	0.3
Manufacturing	13.03	13.01	12.91	12.72	12.54	12.47	12.35	12.25
% Ch , Annual Rate	1.5	-0.5	-3.3	-5.7	-5.5	-2.3	-3.6	-3.3
Durable Manufacturing	8.17	8.17	8.12	8.00	7.86	7.83	7.75	7.67
% Ch , Annual Rate	2.2	0.0	-2.7	-5.9	-6.4	-1.7	-4.0	-4.1
Nondurable Manufacturing	4.86	4.84	4.79	4.72	4.67	4.64	4.60	4.58
% Ch , Annual Rate	0.3	-1.2	-4.3	-5.4	-3.9	-3.1	-2.9	-2.0
Construction	8.07	8.10	8.12	8.15	8.15	8.18	8.22	8.27
% Ch , Annual Rate	1.4	1.6	0.8	1.7	-0.2	1.6	1.7	2.4
Service-Providing	135.43	135.43	135.38	135.43	135.63	135.72	135.87	136.02
% Ch , Annual Rate	0.2	0.0	-0.1	0.1	0.6	0.3	0.4	0.4
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	75.6	74.9	74.1	73.1	72.1	71.2	70.3	69.5
Personal Saving/Disposable Income (%)	4.3	4.8	5.3	5.6	6.1	6.4	6.5	6.4
Auto Sales (Millions)	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.3
% Ch , Annual Rate	0.2	-0.2	1.1	6.3	5.5	7.0	0.9	1.6
Housing Starts (Millions)	1.339	1.322	1.345	1.356	1.384	1.415	1.423	1.431
% Ch , Annual Rate	-14.6	-5.1	7.2	3.3	8.6	9.0	2.5	2.2
Federal Budget Surplus (Billions)	-1,577.9	-1,627.2	-1,685.3	-1,700.6	-1,754.1	-1,784.6	-1,780.3	-1,749.3
Net Exports (Billions)	-765.6	-742.0	-742.6	-721.6	-714.5	-723.5	-737.9	-744.7
3-Month Treasury Bill Rate (%)	5.64	5.52	5.13	4.84	4.40	3.88	3.53	3.27
10-Year Treasury Note Yield (%)	4.66	4.53	4.22	4.06	3.88	3.73	3.56	3.44
Bond Index of 20 G.O. Munis. (%)	4.16	4.10	3.92	3.88	3.78	3.69	3.60	3.52
30-Year Fixed Mortgage Rate (%)	7.53	7.21	6.80	6.39	6.08	5.83	5.59	5.44

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

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	21,707.1	21,822.2	21,931.4	22,031.5	22,133.0	22,236.2	22,338.0	22,447.4
% Ch , Annual Rate	2.2	2.1	2.0	1.8	1.9	1.9	1.8	2.0
Real Consumption	15,212.2	15,293.1	15,373.1	15,447.7	15,524.1	15,599.0	15,675.6	15,754.0
% Ch , Annual Rate	2.1	2.1	2.1	2.0	2.0	1.9	2.0	2.0
Real Nonresidential Fixed Investment	3,413.5	3,434.2	3,454.5	3,474.7	3,494.2	3,513.1	3,531.6	3,550.9
% Ch , Annual Rate	2.6	2.4	2.4	2.4	2.3	2.2	2.1	2.2
Real Residential Fixed Investment	630.1	636.1	639.5	641.3	645.1	650.0	652.1	657.4
% Ch , Annual Rate	4.8	3.9	2.1	1.2	2.4	3.0	1.3	3.3
Real Personal Income	19,351.5	19,469.6	19,581.5	19,693.4	19,850.7	19,982.2	20,108.4	20,231.5
% Ch , Annual Rate	2.9	2.5	2.3	2.3	3.2	2.7	2.5	2.5
Real Per Capita Income (\$/Person)	56,901	57,175	57,429	57,683	58,070	58,380	58,674	58,958
% Ch , Annual Rate	2.4	1.9	1.8	1.8	2.7	2.2	2.0	2.0
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	135.2	135.9	136.6	137.4	138.1	138.8	139.5	140.3
% Ch , Annual Rate	2.3	2.2	2.1	2.1	2.1	2.0	2.2	2.2
U.S. Consumer Price Index (1982-84=1.0)	3.240	3.260	3.277	3.296	3.313	3.331	3.350	3.369
% Ch , Annual Rate	2.7	2.5	2.2	2.3	2.2	2.1	2.3	2.4
Employment Cost Index (Dec. 2005=1.0)	1.785	1.801	1.817	1.832	1.849	1.866	1.884	1.903
% Ch , Annual Rate	3.7	3.7	3.5	3.4	3.7	3.7	3.9	4.1
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	30,353.0	30,679.7	30,994.1	31,305.2	31,625.5	31,942.3	32,271.5	32,619.8
% Ch , Annual Rate	4.5	4.4	4.2	4.1	4.2	4.1	4.2	4.4
Personal Income	26,166.4	26,468.8	26,757.5	27,051.1	27,408.0	27,726.2	28,051.8	28,379.4
% Ch , Annual Rate	5.3	4.7	4.4	4.5	5.4	4.7	4.8	4.8
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	170.2	170.4	170.5	170.7	170.9	171.1	171.2	171.4
Total U.S. Employment	162.9	163.2	163.4	163.5	163.7	163.9	164.1	164.4
Unemployment Rate (%)	4.26	4.23	4.21	4.20	4.19	4.16	4.15	4.12
Nonfarm Payroll Employment	157.29	157.41	157.55	157.70	157.87	158.03	158.18	158.33
% Ch, Annual Rate	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Manufacturing	12.20	12.14	12.08	12.03	12.00	11.98	11.94	11.91
% Ch, Annual Rate	-1.5	-2.2	-1.9	-1.5	-0.8	-0.9	-1.1	-1.2
Durable Manufacturing	7.64	7.59	7.54	7.51	7.49	7.47	7.44	7.41
% Ch, Annual Rate	-1.6	-2.6	-2.3	-1.8	-1.0	-1.3	-1.5	-1.6
Nondurable Manufacturing	4.56	4.55	4.53	4.52	4.52	4.51	4.50	4.50
% Ch, Annual Rate	-1.4	-1.5	-1.2	-1.1	-0.5	-0.4	-0.5	-0.6
Construction	8.31	8.36	8.40	8.44	8.48	8.52	8.55	8.60
% Ch, Annual Rate	2.3	2.3	2.1	1.5	1.9	1.9	1.7	2.2
Service-Providing	136.10	136.22	136.37	136.53	136.68	136.82	136.97	137.11
% Ch, Annual Rate	0.2	0.4	0.4	0.5	0.4	0.4	0.4	0.4
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	68.7	68.1	67.4	66.8	66.2	65.7	65.1	64.7
Personal Saving/Disposable Income (%)	6.6	6.7	6.6	6.6	6.9	7.0	7.0	7.1
Auto Sales (Millions)	3.3	3.3	3.2	3.2	3.2	3.2	3.2	3.2
% Ch, Annual Rate	-0.3	-1.2	-0.4	-1.8	-5.0	-1.5	-1.2	-2.5
Housing Starts (Millions)	1.441	1.448	1.439	1.443	1.448	1.457	1.454	1.465
% Ch, Annual Rate	2.7	2.1	-2.4	1.0	1.6	2.3	-0.8	3.3
Federal Budget Surplus (Billions)	-1,774.7	-1,783.7	-1,777.7	-1,770.5	-1,798.8	-1,803.1	-1,804.7	-1,799.9
Net Exports (Billions)	-745.0	-743.0	-737.9	-729.5	-716.1	-702.2	-685.3	-667.2
3-Month Treasury Bill Rate (%)	2.93	2.69	2.45	2.39	2.42	2.42	2.43	2.44
10-Year Treasury Note Yield (%)	3.36	3.28	3.24	3.21	3.22	3.22	3.22	3.22
Bond Index of 20 G.O. Munis. (%)	3.46	3.39	3.37	3.35	3.35	3.34	3.33	3.32
30-Year Fixed Mortgage Rate (%)	5.30	5.18	5.07	5.01	4.97	4.93	4.90	4.87

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

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	472.267	498.242	476.124	486.613	499.129	517.300	533.852	550.659
% Ch	6.8	5.5	-4.4	2.2	2.6	3.6	3.2	3.1
Real Wage and Salary Disb.	239.268	253.042	253.858	262.904	267.776	274.777	282.780	291.907
% Ch	3.2	5.8	0.3	3.6	1.9	2.6	2.9	3.2
Real Nonwage Income	232.999	245.200	222.265	223.709	231.352	242.522	251.071	258.751
% Ch	10.7	5.2	-9.4	0.6	3.4	4.8	3.5	3.1
Real Per Capita Income (\$/Person)	61,196	64,344	61,155	62,089	63,224	65,039	66,564	68,069
% Ch	5.7	5.1	-5.0	1.5	1.8	2.9	2.3	2.3
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.107	1.153	1.228	1.274	1.306	1.334	1.363	1.392
% Ch	1.1	4.2	6.5	3.8	2.4	2.2	2.2	2.1
Seattle Cons. Price Index (1982-84=1.0)	2.826	2.960	3.224	3.411	3.515	3.589	3.675	3.756
% Ch	1.7	4.7	8.9	5.8	3.1	2.1	2.4	2.2
Average Nonfarm Annual Wage	78,490	84,360	86,076	90,465	93,390	97,309	101,404	105,923
% Ch	10.1	7.5	2.0	5.1	3.2	4.2	4.2	4.5
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.32	28.05	29.90	29.60	30.97	32.03	33.15	34.32
% Ch	-2.9	-1.0	6.6	-1.0	4.6	3.4	3.5	3.5
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	522.714	574.267	584.422	620.139	651.666	690.094	727.640	766.281
% Ch	7.9	9.9	1.8	6.1	5.1	5.9	5.4	5.3
Disposable Personal Income	466.721	505.590	504.654	547.566	576.067	610.244	641.678	673.714
% Ch	8.2	8.3	-0.2	8.5	5.2	5.9	5.2	5.0
Per Capita Income (\$/Person)	67,732	74,160	75,063	79,125	82,545	86,763	90,725	94,721
% Ch	6.8	9.5	1.2	5.4	4.3	5.1	4.6	4.4
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,935.8	3,899.3	3,988.0	4,056.6	4,088.9	4,126.2	4,163.9	4,200.4
Total Washington Employment	3,602.3	3,695.9	3,821.6	3,894.0	3,903.8	3,933.7	3,974.3	4,013.0
Unemployment Rate (%)	8.46	5.22	4.17	4.01	4.53	4.66	4.55	4.46
Nonfarm Payroll Employment	3,283.3	3,369.5	3,527.9	3,611.9	3,650.5	3,673.7	3,707.4	3,741.3
% Ch	-5.3	2.6	4.7	2.4	1.1	0.6	0.9	0.9
Manufacturing	271.8	260.0	268.9	275.7	280.0	276.6	275.7	275.3
% Ch	-7.5	-4.4	3.4	2.5	1.5	-1.2	-0.3	-0.1
Durable Manufacturing	189.8	175.9	181.6	188.8	193.9	193.6	193.7	193.2
% Ch	-8.3	-7.3	3.3	4.0	2.7	-0.2	0.0	-0.2
Aerospace	80.1	67.6	71.3	77.4	82.3	84.5	85.2	85.5
% Ch	-9.6	-15.6	5.5	8.6	6.3	2.7	0.8	0.4
Nondurable Manufacturing	82.0	84.1	87.3	86.9	86.0	83.0	82.0	82.1
% Ch	-5.5	2.6	3.8	-0.4	-1.0	-3.5	-1.2	0.1
Construction	213.9	223.9	232.5	236.3	239.2	243.0	250.8	257.0
% Ch	-2.6	4.7	3.8	1.7	1.2	1.6	3.2	2.5
Service-Providing	2,792.0	2,880.0	3,021.0	3,094.4	3,126.1	3,149.0	3,175.6	3,203.5
% Ch	-5.3	3.1	4.9	2.4	1.0	0.7	0.8	0.9
Software Publishers	76.0	80.0	85.1	86.2	86.4	87.6	89.0	90.5
% Ch	8.1	5.1	6.5	1.2	0.2	1.5	1.6	1.6
Mgmt. of Companies and Enterprises	91.8	90.2	104.2	102.0	105.0	108.6	111.7	114.4
% Ch	8.4	-1.7	15.5	-2.1	3.0	3.5	2.8	2.4
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	43.881	56.941	49.033	38.349	41.618	43.450	44.533	44.779
% Ch	-9.4	29.8	-13.9	-21.8	8.5	4.4	2.5	0.6
Single-Family	23.542	25.076	20.401	17.892	22.361	24.056	24.833	25.185
% Ch	1.0	6.5	-18.6	-12.3	25.0	7.6	3.2	1.4
Multi-Family	20.339	31.865	28.632	20.457	19.257	19.394	19.700	19.594
% Ch	-19.0	56.7	-10.1	-28.6	-5.9	0.7	1.6	-0.5
30-Year Fixed Mortgage Rate (%)	3.18	3.03	5.38	6.88	6.99	5.74	5.14	4.92

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

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	478.576	476.742	475.023	474.155	483.320	486.943	487.608	488.582
% Ch, Annual Rate	-6.8	-1.5	-1.4	-0.7	8.0	3.0	0.5	0.8
Real Wage and Salary Disb.	253.430	254.175	255.063	252.767	259.820	263.230	264.313	264.253
% Ch, Annual Rate	-7.1	1.2	1.4	-3.6	11.6	5.4	1.7	-0.1
Real Nonwage Income	225.146	222.567	219.960	221.388	223.500	223.714	223.296	224.329
% Ch, Annual Rate	-6.5	-4.5	-4.6	2.6	3.9	0.4	-0.7	1.9
Real Per Capita Income (\$/Person)	61,620	61,289	60,960	60,751	61,834	62,196	62,155	62,170
% Ch, Annual Rate	-7.2	-2.1	-2.1	-1.4	7.3	2.4	-0.3	0.1
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.202	1.223	1.237	1.249	1.262	1.270	1.279	1.286
% Ch, Annual Rate	7.7	7.2	4.7	4.1	4.2	2.5	2.9	2.3
Seattle Cons. Price Index (1982-84=1.0)	3.114	3.208	3.260	3.313	3.361	3.393	3.428	3.460
% Ch, Annual Rate	8.9	12.7	6.5	6.7	6.0	3.8	4.2	3.8
Average Nonfarm Annual Wage	85,149	86,179	86,554	86,420	89,257	90,422	90,976	91,206
% Ch, Annual Rate	-4.2	4.9	1.8	-0.6	13.8	5.3	2.5	1.0
Avg. Hourly Earnings-Mfg. (\$/Hour)	29.63	29.97	30.19	29.81	28.68	29.48	30.00	30.25
% Ch, Annual Rate	11.2	4.7	3.0	-5.0	-14.2	11.6	7.3	3.3
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	575.046	582.863	587.435	592.345	609.986	618.345	623.691	628.533
% Ch, Annual Rate	0.3	5.5	3.2	3.4	12.5	5.6	3.5	3.1
Disposable Personal Income	494.775	502.197	507.677	513.965	538.950	546.315	550.763	554.236
% Ch, Annual Rate	-5.3	6.1	4.4	5.0	20.9	5.6	3.3	2.5
Per Capita Income (\$/Person)	74,042	74,931	75,385	75,894	78,040	78,980	79,502	79,978
% Ch, Annual Rate	-0.1	4.9	2.4	2.7	11.8	4.9	2.7	2.4
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,952.8	3,982.8	4,001.1	4,015.5	4,035.3	4,063.4	4,065.9	4,061.9
Total Washington Employment	3,796.1	3,827.1	3,830.8	3,832.4	3,851.9	3,898.8	3,919.1	3,906.3
Unemployment Rate (%)	3.97	3.91	4.26	4.56	4.55	4.05	3.61	3.83
Nonfarm Payroll Employment	3,483.3	3,514.6	3,552.5	3,561.3	3,582.8	3,605.9	3,624.0	3,634.8
% Ch, Annual Rate	3.9	3.6	4.4	1.0	2.4	2.6	2.0	1.2
Manufacturing	265.3	267.3	270.9	272.0	272.2	274.1	277.9	278.6
% Ch, Annual Rate	3.2	3.1	5.5	1.7	0.3	2.8	5.6	1.0
Durable Manufacturing	178.6	180.4	183.1	184.2	185.4	187.0	191.0	191.9
% Ch, Annual Rate	3.5	4.1	6.2	2.4	2.4	3.6	8.9	1.8
Aerospace	68.7	70.0	72.7	73.9	74.5	76.2	79.4	79.7
% Ch, Annual Rate	5.8	8.0	16.4	6.7	3.1	9.5	18.3	1.1
Nondurable Manufacturing	86.7	86.9	87.7	87.8	86.9	87.1	86.9	86.7
% Ch, Annual Rate	2.7	0.9	4.1	0.2	-4.0	1.1	-1.1	-0.7
Construction	229.5	230.8	235.4	234.3	235.9	235.5	236.7	237.3
% Ch, Annual Rate	3.6	2.4	8.2	-1.8	2.8	-0.8	2.1	1.1
Service-Providing	2,983.0	3,011.0	3,040.6	3,049.4	3,069.2	3,090.9	3,104.0	3,113.5
% Ch, Annual Rate	4.0	3.8	4.0	1.2	2.6	2.9	1.7	1.2
Software Publishers	83.9	85.0	85.8	85.9	88.7	86.7	84.5	84.8
% Ch, Annual Rate	7.0	5.4	3.8	0.7	13.6	-8.8	-9.9	1.5
Mgmt. of Companies and Enterprises	102.3	104.8	105.3	104.3	102.4	101.1	102.1	102.3
% Ch, Annual Rate	49.9	10.1	2.1	-3.6	-7.2	-5.1	4.4	0.5
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	58.000	55.524	44.632	37.976	41.921	39.478	35.711	36.286
% Ch, Annual Rate	-19.7	-16.0	-58.3	-47.6	48.5	-21.3	-33.0	6.6
Single-Family	24.623	23.006	18.766	15.209	14.230	18.800	18.797	19.742
% Ch, Annual Rate	4.2	-23.8	-55.7	-56.9	-23.4	204.7	-0.1	21.7
Multi-Family	33.377	32.519	25.866	22.767	27.691	20.678	16.914	16.544
% Ch, Annual Rate	-33.1	-9.9	-60.0	-40.0	118.8	-68.9	-55.2	-8.5
30-Year Fixed Mortgage Rate (%)	3.90	5.33	5.66	6.63	6.36	6.49	7.04	7.63

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

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	493.459	497.172	501.079	504.806	510.471	515.354	519.755	523.620
% Ch, Annual Rate	4.1	3.0	3.2	3.0	4.6	3.9	3.5	3.0
Real Wage and Salary Disb.	265.933	267.154	268.338	269.680	271.771	273.894	275.788	277.657
% Ch, Annual Rate	2.6	1.8	1.8	2.0	3.1	3.2	2.8	2.7
Real Nonwage Income	227.526	230.018	232.740	235.126	238.700	241.460	243.967	245.963
% Ch, Annual Rate	5.8	4.5	4.8	4.2	6.2	4.7	4.2	3.3
Real Per Capita Income (\$/Person)	62,674	63,033	63,417	63,774	64,371	64,861	65,286	65,637
% Ch, Annual Rate	3.3	2.3	2.5	2.3	3.8	3.1	2.6	2.2
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.293	1.302	1.309	1.318	1.324	1.330	1.337	1.344
% Ch, Annual Rate	2.2	2.6	2.3	2.7	1.9	1.9	2.1	2.2
Seattle Cons. Price Index (1982-84=1.0)	3.481	3.503	3.525	3.551	3.562	3.576	3.598	3.619
% Ch, Annual Rate	2.4	2.6	2.6	2.9	1.3	1.6	2.4	2.4
Average Nonfarm Annual Wage	92,000	92,889	93,837	94,833	95,821	96,826	97,803	98,784
% Ch, Annual Rate	3.5	3.9	4.1	4.3	4.2	4.3	4.1	4.1
Avg. Hourly Earnings-Mfg. (\$/Hour)	30.53	30.84	31.12	31.37	31.62	31.89	32.17	32.45
% Ch, Annual Rate	3.8	4.0	3.7	3.3	3.2	3.5	3.6	3.6
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	638.257	647.151	655.981	665.275	675.833	685.536	695.007	703.998
% Ch, Annual Rate	6.3	5.7	5.6	5.8	6.5	5.9	5.6	5.3
Disposable Personal Income	563.313	571.758	580.348	588.847	598.263	606.949	614.453	621.312
% Ch, Annual Rate	6.7	6.1	6.1	6.0	6.6	5.9	5.0	4.5
Per Capita Income (\$/Person)	81,065	82,047	83,022	84,047	85,223	86,280	87,299	88,248
% Ch, Annual Rate	5.5	4.9	4.8	5.0	5.7	5.1	4.8	4.4
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	4,075.0	4,085.1	4,093.0	4,102.4	4,112.0	4,121.6	4,130.9	4,140.2
Total Washington Employment	3,903.8	3,900.2	3,901.5	3,909.6	3,918.9	3,928.8	3,938.5	3,948.7
Unemployment Rate (%)	4.20	4.53	4.68	4.70	4.69	4.68	4.66	4.63
Nonfarm Payroll Employment	3,645.9	3,650.7	3,650.7	3,654.9	3,661.9	3,669.7	3,677.4	3,685.9
% Ch, Annual Rate	1.2	0.5	0.0	0.5	0.8	0.9	0.8	0.9
Manufacturing	280.5	280.9	280.1	278.3	277.0	277.1	276.5	276.0
% Ch, Annual Rate	2.8	0.6	-1.1	-2.6	-1.8	0.1	-0.8	-0.8
Durable Manufacturing	193.6	194.1	194.3	193.6	193.2	193.9	193.9	193.6
% Ch, Annual Rate	3.7	1.1	0.4	-1.3	-0.9	1.4	0.0	-0.6
Aerospace	81.0	82.0	82.8	83.5	84.1	84.4	84.7	84.8
% Ch, Annual Rate	6.7	5.0	4.1	3.6	2.7	1.8	1.2	0.9
Nondurable Manufacturing	86.9	86.8	85.8	84.6	83.8	83.2	82.7	82.4
% Ch, Annual Rate	0.8	-0.5	-4.4	-5.4	-3.8	-2.9	-2.6	-1.4
Construction	238.8	239.2	238.8	240.0	240.3	242.1	243.8	245.6
% Ch, Annual Rate	2.6	0.7	-0.7	2.0	0.4	3.2	2.8	3.0
Service-Providing	3,121.2	3,125.3	3,126.6	3,131.5	3,139.5	3,145.4	3,152.0	3,159.1
% Ch, Annual Rate	1.0	0.5	0.2	0.6	1.0	0.8	0.8	0.9
Software Publishers	86.1	86.2	86.4	86.8	87.1	87.4	87.8	88.2
% Ch, Annual Rate	6.3	0.3	1.2	1.6	1.6	1.5	1.7	1.6
Mgmt. of Companies and Enterprises	103.4	104.5	105.5	106.5	107.4	108.2	109.1	109.8
% Ch, Annual Rate	4.6	4.2	3.9	3.7	3.4	3.2	3.1	2.9
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	41.323	41.359	41.575	42.213	42.711	43.379	43.561	44.148
% Ch, Annual Rate	68.2	0.3	2.1	6.3	4.8	6.4	1.7	5.5
Single-Family	21.866	22.077	22.444	23.058	23.624	24.009	24.172	24.419
% Ch, Annual Rate	50.5	3.9	6.8	11.4	10.2	6.7	2.7	4.2
Multi-Family	19.458	19.282	19.132	19.156	19.087	19.371	19.389	19.729
% Ch, Annual Rate	91.3	-3.6	-3.1	0.5	-1.4	6.1	0.4	7.2
30-Year Fixed Mortgage Rate (%)	7.53	7.21	6.80	6.39	6.08	5.83	5.59	5.44

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

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	528.138	532.060	535.762	539.446	544.337	548.635	552.794	556.869
% Ch, Annual Rate	3.5	3.0	2.8	2.8	3.7	3.2	3.1	3.0
Real Wage and Salary Disb.	279.732	281.785	283.785	285.819	288.188	290.698	293.145	295.598
% Ch, Annual Rate	3.0	3.0	2.9	2.9	3.4	3.5	3.4	3.4
Real Nonwage Income	248.405	250.275	251.977	253.627	256.149	257.937	259.649	261.270
% Ch, Annual Rate	4.0	3.0	2.7	2.6	4.0	2.8	2.7	2.5
Real Per Capita Income (\$/Person)	66,065	66,413	66,731	67,045	67,506	67,892	68,260	68,616
% Ch, Annual Rate	2.6	2.1	1.9	1.9	2.8	2.3	2.2	2.1
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.352	1.359	1.366	1.374	1.381	1.388	1.395	1.403
% Ch, Annual Rate	2.3	2.2	2.1	2.1	2.1	2.0	2.2	2.2
Seattle Cons. Price Index (1982-84=1.0)	3.643	3.665	3.685	3.706	3.726	3.745	3.766	3.788
% Ch, Annual Rate	2.7	2.5	2.2	2.3	2.2	2.1	2.3	2.4
Average Nonfarm Annual Wage	99,839	100,890	101,912	102,976	104,115	105,303	106,520	107,754
% Ch, Annual Rate	4.3	4.3	4.1	4.2	4.5	4.6	4.7	4.7
Avg. Hourly Earnings-Mfg. (\$/Hour)	32.74	33.02	33.29	33.56	33.86	34.16	34.47	34.81
% Ch, Annual Rate	3.5	3.5	3.3	3.3	3.5	3.6	3.8	4.0
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	714.130	723.334	732.102	740.993	751.568	761.256	771.163	781.138
% Ch, Annual Rate	5.9	5.3	4.9	4.9	5.8	5.3	5.3	5.3
Disposable Personal Income	630.303	638.335	645.465	652.610	661.554	669.650	677.755	685.895
% Ch, Annual Rate	5.9	5.2	4.5	4.5	5.6	5.0	4.9	4.9
Per Capita Income (\$/Person)	89,331	90,289	91,187	92,094	93,206	94,204	95,225	96,250
% Ch, Annual Rate	5.0	4.4	4.0	4.0	4.9	4.4	4.4	4.4
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	4,150.2	4,159.7	4,168.5	4,177.2	4,186.3	4,195.6	4,205.0	4,214.7
Total Washington Employment	3,959.6	3,970.1	3,979.5	3,988.2	3,997.8	4,008.1	4,017.7	4,028.5
Unemployment Rate (%)	4.59	4.56	4.53	4.52	4.50	4.47	4.45	4.42
Nonfarm Payroll Employment	3,695.1	3,703.6	3,711.6	3,719.2	3,728.1	3,736.8	3,745.5	3,754.6
% Ch, Annual Rate	1.0	0.9	0.9	0.8	1.0	0.9	0.9	1.0
Manufacturing	276.0	275.8	275.5	275.4	275.4	275.4	275.3	275.2
% Ch, Annual Rate	0.1	-0.3	-0.4	-0.3	0.0	0.0	-0.1	-0.2
Durable Manufacturing	193.8	193.8	193.6	193.5	193.4	193.3	193.1	192.9
% Ch, Annual Rate	0.5	-0.1	-0.4	-0.2	-0.1	-0.2	-0.4	-0.4
Aerospace	85.0	85.1	85.2	85.3	85.4	85.5	85.5	85.5
% Ch, Annual Rate	0.7	0.6	0.5	0.5	0.4	0.3	0.2	0.0
Nondurable Manufacturing	82.2	82.1	81.9	81.9	82.0	82.1	82.2	82.2
% Ch, Annual Rate	-0.7	-0.8	-0.5	-0.3	0.4	0.5	0.4	0.4
Construction	248.2	250.1	251.7	253.1	254.9	256.2	257.6	259.3
% Ch, Annual Rate	4.2	3.2	2.6	2.2	2.8	2.2	2.1	2.6
Service-Providing	3,165.7	3,172.4	3,179.0	3,185.4	3,192.5	3,199.8	3,207.2	3,214.7
% Ch, Annual Rate	0.8	0.9	0.8	0.8	0.9	0.9	0.9	0.9
Software Publishers	88.5	88.8	89.2	89.5	89.9	90.3	90.7	91.0
% Ch, Annual Rate	1.6	1.6	1.5	1.6	1.7	1.6	1.7	1.6
Mgmt. of Companies and Enterprises	110.6	111.3	112.0	112.7	113.4	114.1	114.7	115.4
% Ch, Annual Rate	2.8	2.7	2.6	2.5	2.4	2.4	2.3	2.3
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	44.442	44.583	44.580	44.526	44.643	44.845	44.824	44.806
% Ch, Annual Rate	2.7	1.3	0.0	-0.5	1.1	1.8	-0.2	-0.2
Single-Family	24.678	24.816	24.862	24.974	25.102	25.215	25.213	25.211
% Ch, Annual Rate	4.3	2.3	0.7	1.8	2.1	1.8	0.0	0.0
Multi-Family	19.764	19.767	19.718	19.552	19.541	19.630	19.611	19.595
% Ch, Annual Rate	0.7	0.1	-1.0	-3.3	-0.2	1.8	-0.4	-0.3
30-Year Fixed Mortgage Rate (%)	5.30	5.18	5.07	5.01	4.97	4.93	4.90	4.87

Table A2.1

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

Forecast 2023 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Nonfarm Payroll Employment	142.15	146.28	152.63	156.18	157.09	157.07	157.49	158.10
% Ch	-5.8	2.9	4.3	2.3	0.6	0.0	0.3	0.4
Manufacturing	12.16	12.35	12.83	12.98	12.92	12.40	12.11	11.96
% Ch	-5.1	1.6	3.8	1.2	-0.5	-4.0	-2.3	-1.3
Durable Manufacturing	7.57	7.68	7.98	8.12	8.11	7.78	7.57	7.45
% Ch	-5.8	1.4	3.8	1.8	-0.1	-4.1	-2.7	-1.6
Wood Products	0.40	0.41	0.43	0.42	0.41	0.41	0.43	0.45
% Ch	-3.1	3.5	4.6	-1.2	-3.5	-0.3	5.0	4.1
Primary and Fabricated Metals	1.74	1.73	1.79	1.82	1.83	1.79	1.76	1.73
% Ch	-7.1	-0.4	3.6	1.5	0.4	-2.3	-1.6	-1.7
Computer and Electronic Products	1.06	1.06	1.09	1.10	1.09	1.08	1.07	1.05
% Ch	-1.2	-0.3	2.7	1.1	-0.8	-1.0	-1.0	-1.6
Machinery and Electrical Equipment	1.44	1.45	1.51	1.54	1.53	1.46	1.41	1.38
% Ch	-5.9	0.7	4.1	1.9	-0.2	-5.0	-2.9	-2.1
Transportation Equipment	1.59	1.65	1.73	1.81	1.86	1.72	1.61	1.57
% Ch	-8.0	3.4	4.9	5.0	2.5	-7.5	-6.3	-2.6
Other Durables	1.34	1.39	1.43	1.43	1.39	1.33	1.29	1.27
% Ch	-5.5	3.0	3.3	-0.4	-2.2	-4.6	-2.9	-1.5
Nondurable Manufacturing	4.59	4.67	4.85	4.86	4.80	4.62	4.54	4.51
% Ch	-3.9	1.8	3.8	0.3	-1.3	-3.7	-1.8	-0.8
Food Manufacturing	1.61	1.64	1.70	1.72	1.72	1.66	1.64	1.65
% Ch	-1.8	1.4	3.6	1.6	0.0	-3.6	-1.3	0.4
Paper and Paper Products	0.35	0.35	0.36	0.35	0.34	0.32	0.31	0.31
% Ch	-2.9	-1.4	3.3	-2.7	-3.1	-6.0	-1.9	-0.7
Other Nondurables	2.62	2.69	2.79	2.79	2.74	2.64	2.59	2.55
% Ch	-5.2	2.4	4.0	-0.2	-1.8	-3.4	-2.1	-1.5
Natural Resources and Mining	0.60	0.56	0.61	0.64	0.64	0.66	0.69	0.72
% Ch	-17.5	-6.5	8.0	6.0	0.1	2.6	5.2	3.2
Construction	7.26	7.44	7.75	7.96	8.11	8.20	8.38	8.54
% Ch	-3.2	2.5	4.2	2.8	1.9	1.1	2.1	1.9
Trade, Transportation, and Utilities	26.62	27.66	28.66	28.87	28.55	28.13	28.07	28.07
% Ch	-3.7	3.9	3.6	0.7	-1.1	-1.5	-0.2	0.0
Wholesale Trade	5.63	5.71	5.96	6.07	6.07	6.11	6.14	6.13
% Ch	-4.3	1.4	4.5	1.7	0.1	0.7	0.4	-0.1
Retail Trade	14.81	15.26	15.49	15.53	15.28	14.79	14.66	14.69
% Ch	-4.7	3.0	1.5	0.3	-1.6	-3.2	-0.9	0.2
Trans., Warehousing, and Utilities	6.18	6.69	7.21	7.27	7.20	7.23	7.27	7.25
% Ch	-0.6	8.3	7.8	0.8	-1.0	0.4	0.6	-0.3
Information	2.72	2.86	3.07	3.07	3.08	3.15	3.11	3.08
% Ch	-5.0	5.0	7.6	-0.1	0.3	2.4	-1.4	-1.0
Publishing Industries	0.83	0.87	0.94	0.93	0.90	0.88	0.86	0.85
% Ch	0.9	4.8	8.1	-0.7	-3.3	-2.4	-1.9	-1.6
Other Information	1.89	1.99	2.13	2.13	2.17	2.27	2.24	2.23
% Ch	-7.4	5.1	7.4	0.1	1.8	4.4	-1.2	-0.8
Financial Activities	8.70	8.81	9.04	9.13	9.12	9.26	9.36	9.34
% Ch	-0.6	1.2	2.7	1.0	-0.1	1.5	1.1	-0.2
Professional and Business Services	20.37	21.38	22.58	22.97	23.07	23.24	23.35	23.74
% Ch	-4.5	5.0	5.6	1.7	0.5	0.7	0.5	1.6
Education and Health Services	23.27	23.65	24.35	25.37	25.91	26.03	26.04	26.05
% Ch	-3.7	1.6	3.0	4.2	2.1	0.5	0.0	0.0
Leisure and Hospitality	13.13	14.15	15.85	16.60	16.77	16.91	17.08	17.17
% Ch	-20.8	7.7	12.0	4.8	1.0	0.8	1.0	0.5
Other Services	5.33	5.46	5.71	5.86	5.84	5.89	5.97	6.03
% Ch	-9.6	2.4	4.6	2.7	-0.3	0.8	1.5	0.9
Federal Government	2.93	2.89	2.87	2.93	2.95	2.95	2.95	2.95
% Ch	3.6	-1.6	-0.6	2.0	0.8	0.0	0.0	0.0
State and Local Government	19.05	19.08	19.31	19.79	20.13	20.27	20.38	20.48
% Ch	-3.7	0.2	1.2	2.5	1.7	0.7	0.5	0.5

Table A2.2

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

Forecast 2023 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Nonfarm Payroll Employment	150.85	152.04	153.33	154.28	155.24	155.91	156.52	157.03
% Ch, Annual Rate	4.6	3.2	3.4	2.5	2.5	1.7	1.6	1.3
Manufacturing	12.66	12.79	12.89	12.97	12.98	12.98	12.99	12.98
% Ch, Annual Rate	4.0	4.2	3.1	2.4	0.5	0.0	0.1	-0.1
Durable Manufacturing	7.87	7.94	8.01	8.08	8.10	8.11	8.14	8.13
% Ch, Annual Rate	3.5	3.8	3.5	3.2	0.9	0.9	1.4	-0.6
Wood Products	0.43	0.43	0.43	0.43	0.43	0.42	0.42	0.42
% Ch, Annual Rate	7.6	4.4	0.4	-1.5	-1.9	-3.4	-1.4	0.4
Primary and Fabricated Metals	1.78	1.79	1.80	1.81	1.82	1.82	1.82	1.83
% Ch, Annual Rate	4.1	2.8	3.2	2.8	0.3	0.9	1.1	0.3
Computer and Electronic Products	1.07	1.08	1.09	1.10	1.10	1.10	1.10	1.10
% Ch, Annual Rate	2.0	4.0	3.6	2.1	0.3	1.1	-0.3	-2.4
Machinery and Electrical Equipment	1.49	1.51	1.51	1.52	1.53	1.53	1.54	1.54
% Ch, Annual Rate	5.8	4.5	2.1	2.8	1.9	0.3	2.0	1.0
Transportation Equipment	1.68	1.71	1.74	1.77	1.78	1.81	1.83	1.82
% Ch, Annual Rate	0.1	6.8	6.7	7.2	3.3	6.0	4.3	-1.1
Other Durables	1.42	1.43	1.43	1.44	1.44	1.42	1.42	1.42
% Ch, Annual Rate	4.5	0.6	2.3	1.7	-0.7	-3.6	-0.6	-1.3
Nondurable Manufacturing	4.79	4.85	4.88	4.89	4.89	4.87	4.85	4.85
% Ch, Annual Rate	4.7	4.7	2.4	1.0	-0.1	-1.4	-2.0	0.5
Food Manufacturing	1.67	1.69	1.70	1.71	1.73	1.72	1.72	1.73
% Ch, Annual Rate	5.1	4.8	2.1	2.2	3.2	-0.8	-1.3	2.2
Paper and Paper Products	0.36	0.36	0.36	0.36	0.36	0.35	0.35	0.35
% Ch, Annual Rate	7.4	3.7	-1.0	-1.1	-4.5	-5.5	-3.6	0.0
Other Nondurables	2.76	2.79	2.81	2.82	2.80	2.80	2.78	2.78
% Ch, Annual Rate	4.0	4.8	3.1	0.5	-1.5	-1.3	-2.3	-0.4
Natural Resources and Mining	0.58	0.60	0.61	0.62	0.63	0.64	0.64	0.65
% Ch, Annual Rate	7.4	13.2	7.3	6.9	7.0	5.4	1.7	1.4
Construction	7.65	7.73	7.78	7.84	7.89	7.93	7.99	8.04
% Ch, Annual Rate	5.1	4.1	2.9	2.7	2.9	1.8	3.3	2.6
Trade, Transportation, and Utilities	28.48	28.64	28.76	28.77	28.85	28.87	28.87	28.88
% Ch, Annual Rate	5.6	2.2	1.6	0.2	1.1	0.2	0.0	0.1
Wholesale Trade	5.88	5.96	5.99	6.02	6.04	6.05	6.07	6.10
% Ch, Annual Rate	5.8	5.0	2.5	1.9	1.4	0.4	1.4	1.9
Retail Trade	15.50	15.48	15.50	15.48	15.53	15.53	15.54	15.52
% Ch, Annual Rate	3.7	-0.7	0.6	-0.6	1.3	0.2	0.1	-0.4
Trans., Warehousing, and Utilities	7.10	7.21	7.27	7.27	7.28	7.28	7.26	7.25
% Ch, Annual Rate	9.8	6.5	3.2	0.3	0.6	-0.1	-1.4	-0.2
Information	3.00	3.06	3.11	3.12	3.09	3.09	3.05	3.05
% Ch, Annual Rate	6.1	9.0	6.0	1.7	-3.7	-0.5	-5.5	0.0
Publishing Industries	0.92	0.94	0.95	0.95	0.94	0.94	0.93	0.93
% Ch, Annual Rate	10.9	9.9	5.1	0.1	-4.7	-1.3	-2.7	-2.1
Other Information	2.08	2.12	2.16	2.17	2.15	2.15	2.12	2.12
% Ch, Annual Rate	4.1	8.6	6.4	2.5	-3.2	-0.1	-6.6	0.9
Financial Activities	8.97	9.04	9.06	9.09	9.10	9.13	9.15	9.14
% Ch, Annual Rate	3.0	3.0	1.1	1.4	0.2	1.5	1.0	-0.5
Professional and Business Services	22.30	22.50	22.71	22.80	22.89	23.00	23.00	22.99
% Ch, Annual Rate	6.6	3.6	3.8	1.6	1.6	2.0	-0.1	-0.1
Education and Health Services	23.98	24.19	24.49	24.75	25.00	25.23	25.52	25.74
% Ch, Annual Rate	2.2	3.5	5.1	4.2	4.2	3.7	4.5	3.6
Leisure and Hospitality	15.50	15.70	15.97	16.24	16.47	16.56	16.65	16.74
% Ch, Annual Rate	11.1	5.3	6.9	7.0	5.8	2.2	2.3	2.2
Other Services	5.64	5.68	5.73	5.78	5.83	5.85	5.88	5.89
% Ch, Annual Rate	3.6	3.1	3.7	3.3	3.3	1.8	1.7	0.6
Federal Government	2.87	2.86	2.87	2.87	2.90	2.92	2.94	2.95
% Ch, Annual Rate	-0.5	-1.4	0.4	0.9	3.2	3.1	3.4	1.2
State and Local Government	19.20	19.25	19.35	19.43	19.61	19.71	19.85	19.98
% Ch, Annual Rate	0.8	0.9	2.2	1.7	3.7	2.0	2.9	2.7

Table A2.2 (continued)

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

Forecast 2023 to 2027

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Nonfarm Payroll Employment	157.17	157.18	157.04	156.94	156.97	157.03	157.10	157.20
% Ch, Annual Rate	0.4	0.0	-0.4	-0.3	0.1	0.1	0.2	0.3
Manufacturing	13.03	13.01	12.91	12.72	12.54	12.47	12.35	12.25
% Ch, Annual Rate	1.5	-0.5	-3.3	-5.7	-5.5	-2.3	-3.6	-3.3
Durable Manufacturing	8.17	8.17	8.12	8.00	7.86	7.83	7.75	7.67
% Ch, Annual Rate	2.2	0.0	-2.7	-5.9	-6.4	-1.7	-4.0	-4.1
Wood Products	0.42	0.41	0.40	0.40	0.40	0.41	0.41	0.41
% Ch, Annual Rate	0.0	-9.7	-7.0	-7.1	1.7	8.8	3.1	3.6
Primary and Fabricated Metals	1.83	1.83	1.84	1.81	1.79	1.80	1.79	1.77
% Ch, Annual Rate	0.4	1.4	1.0	-5.3	-5.0	1.0	-2.0	-3.3
Computer and Electronic Products	1.10	1.09	1.09	1.09	1.08	1.08	1.08	1.08
% Ch, Annual Rate	0.5	-0.8	-1.8	-1.5	-1.0	0.0	-0.7	-1.1
Machinery and Electrical Equipment	1.56	1.55	1.53	1.50	1.47	1.47	1.45	1.44
% Ch, Annual Rate	3.8	-2.4	-4.7	-7.8	-7.2	-1.7	-3.3	-4.3
Transportation Equipment	1.86	1.88	1.86	1.83	1.77	1.74	1.69	1.66
% Ch, Annual Rate	7.5	5.4	-4.9	-5.7	-11.8	-7.8	-9.9	-8.0
Other Durables	1.41	1.40	1.40	1.37	1.35	1.34	1.32	1.31
% Ch, Annual Rate	-1.8	-2.8	-1.7	-7.7	-6.4	-1.7	-4.5	-4.5
Nondurable Manufacturing	4.86	4.84	4.79	4.72	4.67	4.64	4.60	4.58
% Ch, Annual Rate	0.3	-1.2	-4.3	-5.4	-3.9	-3.1	-2.9	-2.0
Food Manufacturing	1.73	1.74	1.72	1.70	1.68	1.67	1.65	1.65
% Ch, Annual Rate	1.3	1.6	-3.5	-5.7	-4.1	-3.6	-3.3	-1.4
Paper and Paper Products	0.35	0.34	0.34	0.33	0.32	0.32	0.32	0.32
% Ch, Annual Rate	0.2	-4.9	-7.4	-8.3	-6.5	-5.0	-3.8	-2.1
Other Nondurables	2.77	2.76	2.73	2.69	2.67	2.65	2.63	2.62
% Ch, Annual Rate	-0.3	-2.4	-4.5	-4.9	-3.5	-2.5	-2.6	-2.4
Natural Resources and Mining	0.64	0.64	0.64	0.64	0.65	0.65	0.66	0.67
% Ch, Annual Rate	-1.2	-2.4	-0.5	2.9	3.7	2.8	4.0	4.9
Construction	8.07	8.10	8.12	8.15	8.15	8.18	8.22	8.27
% Ch, Annual Rate	1.4	1.6	0.8	1.7	-0.2	1.6	1.7	2.4
Trade, Transportation, and Utilities	28.81	28.61	28.44	28.31	28.24	28.11	28.07	28.09
% Ch, Annual Rate	-0.9	-2.8	-2.3	-1.8	-1.1	-1.7	-0.5	0.2
Wholesale Trade	6.08	6.06	6.07	6.08	6.10	6.10	6.12	6.13
% Ch, Annual Rate	-1.4	-1.2	1.0	0.4	1.4	0.2	1.1	0.5
Retail Trade	15.50	15.36	15.18	15.06	14.93	14.80	14.72	14.71
% Ch, Annual Rate	-0.5	-3.7	-4.5	-3.3	-3.3	-3.6	-2.2	-0.2
Trans., Warehousing, and Utilities	7.23	7.19	7.19	7.17	7.20	7.21	7.24	7.25
% Ch, Annual Rate	-1.1	-2.2	-0.3	-0.7	1.6	0.5	1.4	0.7
Information	3.08	3.07	3.07	3.09	3.14	3.15	3.17	3.15
% Ch, Annual Rate	3.9	-0.4	-0.3	2.8	6.2	1.8	1.7	-1.8
Publishing Industries	0.92	0.90	0.90	0.89	0.89	0.88	0.88	0.88
% Ch, Annual Rate	-2.7	-6.6	-3.3	-1.8	-1.9	-2.4	-1.4	-2.1
Other Information	2.16	2.17	2.17	2.20	2.25	2.27	2.29	2.28
% Ch, Annual Rate	6.9	2.4	1.0	4.7	9.6	3.5	3.0	-1.7
Financial Activities	9.10	9.09	9.14	9.16	9.20	9.24	9.28	9.31
% Ch, Annual Rate	-1.8	-0.5	2.3	0.9	1.8	1.4	1.8	1.6
Professional and Business Services	22.98	23.19	23.04	23.08	23.19	23.26	23.25	23.25
% Ch, Annual Rate	-0.1	3.6	-2.6	0.6	1.9	1.2	-0.1	-0.1
Education and Health Services	25.88	25.84	25.97	25.94	25.98	26.00	26.06	26.06
% Ch, Annual Rate	2.2	-0.7	2.0	-0.5	0.6	0.3	0.9	0.1
Leisure and Hospitality	16.69	16.74	16.78	16.87	16.86	16.89	16.91	16.97
% Ch, Annual Rate	-1.1	1.1	1.0	2.1	-0.2	0.8	0.4	1.5
Other Services	5.87	5.83	5.83	5.84	5.85	5.87	5.90	5.93
% Ch, Annual Rate	-1.5	-2.6	0.4	0.4	1.0	0.9	2.3	1.9
Federal Government	2.95	2.95	2.95	2.95	2.95	2.95	2.95	2.95
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.06	20.10	20.15	20.19	20.22	20.25	20.28	20.31
% Ch, Annual Rate	1.6	0.9	0.9	0.8	0.7	0.6	0.6	0.6

Table A2.2 (continued)

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

Forecast 2023 to 2027

	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1	2027Q2	2027Q3	2027Q4
Nonfarm Payroll Employment	157.29	157.41	157.55	157.70	157.87	158.03	158.18	158.33
% Ch, Annual Rate	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Manufacturing	12.20	12.14	12.08	12.03	12.00	11.98	11.94	11.91
% Ch, Annual Rate	-1.5	-2.2	-1.9	-1.5	-0.8	-0.9	-1.1	-1.2
Durable Manufacturing	7.64	7.59	7.54	7.51	7.49	7.47	7.44	7.41
% Ch, Annual Rate	-1.6	-2.6	-2.3	-1.8	-1.0	-1.3	-1.5	-1.6
Wood Products	0.42	0.43	0.43	0.43	0.44	0.44	0.45	0.45
% Ch, Annual Rate	8.0	4.9	3.0	2.8	4.3	4.8	4.6	5.5
Primary and Fabricated Metals	1.77	1.76	1.75	1.75	1.74	1.73	1.73	1.71
% Ch, Annual Rate	-0.5	-1.6	-1.9	-1.5	-1.2	-1.8	-2.1	-2.5
Computer and Electronic Products	1.08	1.07	1.07	1.07	1.06	1.05	1.05	1.05
% Ch, Annual Rate	-0.9	-1.1	-1.4	-1.4	-2.0	-1.9	-1.6	-1.4
Machinery and Electrical Equipment	1.43	1.42	1.41	1.40	1.39	1.39	1.38	1.37
% Ch, Annual Rate	-1.9	-3.1	-3.0	-2.3	-1.6	-1.5	-2.0	-2.5
Transportation Equipment	1.64	1.61	1.60	1.58	1.58	1.57	1.56	1.56
% Ch, Annual Rate	-5.0	-6.1	-3.9	-3.1	-1.4	-1.9	-2.2	-2.0
Other Durables	1.30	1.29	1.29	1.28	1.28	1.27	1.27	1.27
% Ch, Annual Rate	-1.8	-2.7	-2.7	-1.9	-0.7	-1.1	-1.1	-1.3
Nondurable Manufacturing	4.56	4.55	4.53	4.52	4.52	4.51	4.50	4.50
% Ch, Annual Rate	-1.4	-1.5	-1.2	-1.1	-0.5	-0.4	-0.5	-0.6
Food Manufacturing	1.64	1.64	1.64	1.64	1.64	1.64	1.65	1.65
% Ch, Annual Rate	-0.8	-0.8	-0.4	0.2	0.8	0.9	0.7	0.6
Paper and Paper Products	0.32	0.31	0.31	0.31	0.31	0.31	0.31	0.31
% Ch, Annual Rate	-1.1	-1.2	-1.0	-1.2	-0.4	-0.4	-0.6	-0.6
Other Nondurables	2.61	2.59	2.58	2.57	2.56	2.55	2.55	2.54
% Ch, Annual Rate	-1.8	-1.9	-1.8	-1.8	-1.3	-1.3	-1.3	-1.3
Natural Resources and Mining	0.68	0.69	0.70	0.71	0.71	0.72	0.72	0.72
% Ch, Annual Rate	5.8	6.2	5.4	4.3	3.4	2.3	0.8	-0.2
Construction	8.31	8.36	8.40	8.44	8.48	8.52	8.55	8.60
% Ch, Annual Rate	2.3	2.3	2.1	1.5	1.9	1.9	1.7	2.2
Trade, Transportation, and Utilities	28.07	28.07	28.06	28.06	28.06	28.07	28.08	28.06
% Ch, Annual Rate	-0.2	0.0	-0.1	0.0	-0.1	0.2	0.1	-0.2
Wholesale Trade	6.13	6.14	6.14	6.14	6.15	6.15	6.13	6.11
% Ch, Annual Rate	0.3	0.1	0.1	0.4	0.3	-0.1	-1.1	-1.3
Retail Trade	14.68	14.67	14.65	14.63	14.64	14.67	14.71	14.74
% Ch, Annual Rate	-0.8	-0.2	-0.5	-0.5	0.1	0.9	1.0	0.8
Trans., Warehousing, and Utilities	7.26	7.27	7.27	7.28	7.27	7.25	7.24	7.22
% Ch, Annual Rate	0.5	0.4	0.4	0.6	-0.6	-1.0	-0.8	-1.1
Information	3.13	3.11	3.10	3.08	3.08	3.08	3.07	3.07
% Ch, Annual Rate	-2.3	-2.3	-2.0	-1.8	-0.3	-0.5	-0.6	-0.9
Publishing Industries	0.87	0.87	0.86	0.86	0.86	0.85	0.85	0.84
% Ch, Annual Rate	-2.0	-2.0	-2.1	-1.8	-1.2	-1.6	-1.6	-1.8
Other Information	2.26	2.25	2.24	2.23	2.23	2.23	2.23	2.22
% Ch, Annual Rate	-2.5	-2.4	-2.0	-1.8	0.1	0.0	-0.2	-0.5
Financial Activities	9.35	9.36	9.36	9.36	9.37	9.35	9.33	9.31
% Ch, Annual Rate	1.5	0.3	0.1	0.2	0.1	-0.7	-0.7	-1.1
Professional and Business Services	23.29	23.32	23.38	23.42	23.54	23.66	23.79	23.97
% Ch, Annual Rate	0.7	0.6	1.0	0.6	2.0	2.0	2.3	3.0
Education and Health Services	26.05	26.04	26.02	26.04	26.06	26.05	26.05	26.03
% Ch, Annual Rate	-0.2	-0.2	-0.2	0.3	0.3	-0.1	-0.1	-0.2
Leisure and Hospitality	16.97	17.04	17.12	17.20	17.17	17.18	17.17	17.15
% Ch, Annual Rate	0.1	1.5	2.1	1.7	-0.6	0.2	-0.1	-0.5
Other Services	5.95	5.97	5.98	6.00	6.01	6.02	6.03	6.04
% Ch, Annual Rate	1.6	1.1	0.9	1.2	0.9	0.4	0.8	0.8
Federal Government	2.95	2.95	2.95	2.95	2.95	2.95	2.95	2.95
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.34	20.36	20.39	20.42	20.44	20.47	20.50	20.52
% Ch, Annual Rate	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5

Table A2.3

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

Forecast 2023 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Nonfarm Payroll Employment	3,283.3	3,369.5	3,527.9	3,611.9	3,650.5	3,673.7	3,707.4	3,741.3
% Ch	-5.3	2.6	4.7	2.4	1.1	0.6	0.9	0.9
Manufacturing	271.8	260.0	268.9	275.7	280.0	276.6	275.7	275.3
% Ch	-7.5	-4.4	3.4	2.5	1.5	-1.2	-0.3	-0.1
Durable Manufacturing	189.8	175.9	181.6	188.8	193.9	193.6	193.7	193.2
% Ch	-8.3	-7.3	3.3	4.0	2.7	-0.2	0.0	-0.2
Wood Products	12.6	13.2	13.6	13.6	13.0	12.6	12.9	13.0
% Ch	-2.8	5.1	2.9	-0.2	-4.2	-2.7	1.9	1.1
Primary and Fabricated Metals	24.4	23.2	23.6	23.9	24.0	23.4	23.0	22.6
% Ch	-9.1	-5.2	2.1	0.9	0.4	-2.5	-1.6	-1.8
Computer and Electronic Products	18.8	18.0	18.1	18.3	18.4	18.3	18.1	17.8
% Ch	-5.3	-4.3	0.8	1.1	0.1	-0.6	-0.6	-1.8
Machinery and Electrical Equipment	19.3	19.2	19.9	20.7	21.4	20.4	20.1	20.1
% Ch	-8.9	-0.6	3.9	3.9	3.4	-4.8	-1.5	-0.1
Aerospace	80.1	67.6	71.3	77.4	82.3	84.5	85.2	85.5
% Ch	-9.6	-15.6	5.5	8.6	6.3	2.7	0.8	0.4
Other Transportation Equip.	9.1	9.2	9.5	9.7	9.6	9.4	9.3	9.0
% Ch	-6.2	0.7	4.0	2.3	-1.1	-2.2	-1.2	-3.1
Other Durables	25.6	25.6	25.5	25.2	25.3	25.1	25.1	25.2
% Ch	-8.2	0.0	-0.4	-1.2	0.5	-0.9	0.0	0.4
Nondurable Manufacturing	82.0	84.1	87.3	86.9	86.0	83.0	82.0	82.1
% Ch	-5.5	2.6	3.8	-0.4	-1.0	-3.5	-1.2	0.1
Food Manufacturing	37.6	38.8	40.3	40.9	40.4	38.5	37.6	37.3
% Ch	-4.4	3.1	3.9	1.5	-1.3	-4.6	-2.4	-0.6
Paper and Paper Products	7.5	7.5	7.7	7.6	7.5	6.9	6.7	6.6
% Ch	-3.5	0.1	3.2	-1.4	-1.9	-7.5	-3.2	-1.9
Other Nondurables	36.9	37.8	39.2	38.4	38.2	37.6	37.7	38.2
% Ch	-6.9	2.5	3.8	-2.2	-0.5	-1.5	0.4	1.2
Natural Resources and Mining	5.6	5.7	5.6	5.5	5.2	5.1	5.3	5.4
% Ch	-5.1	2.1	-2.4	-1.7	-4.4	-2.1	3.4	2.6
Construction	213.9	223.9	232.5	236.3	239.2	243.0	250.8	257.0
% Ch	-2.6	4.7	3.8	1.7	1.2	1.6	3.2	2.5
Trade, Transportation, and Utilities	580.3	606.6	612.3	619.4	614.0	605.8	606.0	608.1
% Ch	-3.7	4.5	0.9	1.2	-0.9	-1.3	0.0	0.3
Wholesale Trade	130.1	131.4	137.0	140.4	140.8	141.9	142.8	143.3
% Ch	-4.3	1.0	4.3	2.5	0.3	0.7	0.7	0.3
Retail Trade	326.0	344.6	338.9	340.3	333.6	323.0	320.8	322.2
% Ch	-4.3	5.7	-1.6	0.4	-2.0	-3.2	-0.7	0.4
Trans., Warehousing, and Utilities	124.3	130.6	136.4	138.7	139.7	140.9	142.4	142.7
% Ch	-1.5	5.1	4.4	1.7	0.7	0.9	1.1	0.2
Information	149.0	157.2	170.6	171.2	173.4	178.5	180.8	183.4
% Ch	3.1	5.5	8.6	0.4	1.3	3.0	1.3	1.5
Software Publishers	76.0	80.0	85.1	86.2	86.4	87.6	89.0	90.5
% Ch	8.1	5.1	6.5	1.2	0.2	1.5	1.6	1.6
Other Publishing Industries	8.2	8.2	8.0	7.6	6.9	6.5	6.1	5.8
% Ch	-4.0	-0.8	-2.0	-5.8	-9.1	-6.0	-5.7	-5.6
Other Information	64.7	69.0	77.5	77.5	80.2	84.5	85.7	87.2
% Ch	-1.3	6.7	12.2	0.0	3.5	5.3	1.5	1.8
Financial Activities	158.5	161.0	165.4	165.6	165.0	167.1	168.8	168.0
% Ch	-1.2	1.6	2.7	0.1	-0.3	1.3	1.0	-0.5
Professional and Business Services	473.9	496.2	545.7	548.6	556.0	566.6	576.1	590.0
% Ch	-0.1	4.7	10.0	0.5	1.4	1.9	1.7	2.4
Mgmt. of Companies and Enterprises	91.8	90.2	104.2	102.0	105.0	108.6	111.7	114.4
% Ch	8.4	-1.7	15.5	-2.1	3.0	3.5	2.8	2.4
Other Prof. and Bus. Services	382.1	406.0	441.5	446.6	451.0	458.0	464.5	475.6
% Ch	-1.9	6.3	8.7	1.2	1.0	1.5	1.4	2.4
Education and Health Services	489.1	502.3	514.4	532.1	544.0	548.0	550.9	554.1
% Ch	-2.6	2.7	2.4	3.4	2.2	0.7	0.5	0.6
Leisure and Hospitality	262.9	283.0	326.7	343.8	346.1	347.9	350.9	352.8
% Ch	-24.3	7.6	15.4	5.3	0.6	0.5	0.9	0.5
Other Services	116.2	113.7	120.0	125.1	125.9	126.9	128.3	129.7
% Ch	-9.9	-2.2	5.6	4.2	0.7	0.7	1.1	1.1
Federal Government	78.5	76.8	75.2	77.4	78.4	78.5	78.7	78.9
% Ch	3.6	-2.2	-2.1	3.0	1.2	0.2	0.2	0.3
State and Local Government	483.6	483.2	490.8	511.2	523.3	529.7	535.0	538.5
% Ch	-5.5	-0.1	1.6	4.2	2.4	1.2	1.0	0.7

Table A2.4

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

Forecast 2023 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Nonfarm Payroll Employment	3,483.3	3,514.6	3,552.5	3,561.3	3,582.8	3,605.9	3,624.0	3,634.8
% Ch, Annual Rate	3.9	3.6	4.4	1.0	2.4	2.6	2.0	1.2
Manufacturing	265.3	267.3	270.9	272.0	272.2	274.1	277.9	278.6
% Ch, Annual Rate	3.2	3.1	5.5	1.7	0.3	2.8	5.6	1.0
Durable Manufacturing	178.6	180.4	183.1	184.2	185.4	187.0	191.0	191.9
% Ch, Annual Rate	3.5	4.1	6.2	2.4	2.4	3.6	8.9	1.8
Wood Products	13.5	13.6	13.7	13.6	13.5	13.6	13.6	13.6
% Ch, Annual Rate	3.8	2.8	2.5	-1.9	-2.6	1.8	0.5	-1.2
Primary and Fabricated Metals	23.6	23.6	23.6	23.7	24.0	23.9	23.7	23.9
% Ch, Annual Rate	1.4	0.4	-0.6	2.1	4.5	-2.1	-2.5	3.7
Computer and Electronic Products	18.0	18.1	18.2	18.2	18.4	18.4	18.3	18.3
% Ch, Annual Rate	0.8	1.3	3.0	-0.4	3.5	0.7	-2.8	1.2
Machinery and Electrical Equipment	19.7	19.9	20.1	20.0	20.3	20.3	20.9	21.2
% Ch, Annual Rate	7.4	2.7	3.6	-1.4	7.0	0.5	10.3	7.0
Aerospace	68.7	70.0	72.7	73.9	74.5	76.2	79.4	79.7
% Ch, Annual Rate	5.8	8.0	16.4	6.7	3.1	9.5	18.3	1.1
Other Transportation Equip.	9.5	9.6	9.5	9.4	9.5	9.7	9.9	9.9
% Ch, Annual Rate	6.1	5.8	-5.5	-3.1	2.8	7.7	11.1	-3.2
Other Durables	25.6	25.6	25.4	25.4	25.2	24.9	25.2	25.3
% Ch, Annual Rate	-2.4	0.5	-3.4	0.4	-3.1	-3.8	4.2	2.3
Non durable Manufacturing	86.7	86.9	87.7	87.8	86.9	87.1	86.9	86.7
% Ch, Annual Rate	2.7	0.9	4.1	0.2	-4.0	1.1	-1.1	-0.7
Food Manufacturing	39.8	39.9	40.6	40.8	40.8	41.3	40.7	40.7
% Ch, Annual Rate	2.1	1.1	6.5	2.2	-0.1	5.4	-5.6	-0.5
Paper and Paper Products	7.7	7.7	7.8	7.7	7.7	7.5	7.6	7.7
% Ch, Annual Rate	1.2	2.5	2.5	-2.5	-1.4	-9.4	2.1	9.3
Other Nondurables	39.1	39.2	39.4	39.2	38.4	38.3	38.6	38.3
% Ch, Annual Rate	3.6	0.4	2.1	-1.3	-8.5	-1.3	3.3	-2.8
Natural Resources and Mining	5.6	5.5	5.6	5.6	5.5	5.5	5.5	5.5
% Ch, Annual Rate	-7.6	-3.4	6.6	-4.3	-5.6	-0.4	2.1	-2.9
Construction	229.5	230.8	235.4	234.3	235.9	235.5	236.7	237.3
% Ch, Annual Rate	3.6	2.4	8.2	-1.8	2.8	-0.8	2.1	1.1
Trade, Transportation, and Utilities	610.2	612.4	614.4	612.1	617.5	619.1	620.8	620.1
% Ch, Annual Rate	-3.3	1.4	1.3	-1.5	3.6	1.0	1.1	-0.4
Wholesale Trade	135.4	136.6	137.7	138.3	139.7	139.9	140.9	141.2
% Ch, Annual Rate	5.1	3.4	3.2	1.9	4.0	0.7	2.8	0.8
Retail Trade	340.4	339.4	339.1	336.7	341.0	340.8	340.3	338.9
% Ch, Annual Rate	-7.7	-1.1	-0.3	-2.9	5.3	-0.2	-0.6	-1.6
Trans., Warehousing, and Utilities	134.4	136.4	137.6	137.1	136.8	138.4	139.6	140.1
% Ch, Annual Rate	0.5	6.0	3.6	-1.4	-0.8	4.6	3.6	1.3
Information	167.0	170.0	172.4	173.1	175.0	170.5	169.7	169.7
% Ch, Annual Rate	10.0	7.2	5.8	1.6	4.4	-9.8	-2.0	0.1
Software Publishers	83.9	85.0	85.8	85.9	88.7	86.7	84.5	84.8
% Ch, Annual Rate	7.0	5.4	3.8	0.7	13.6	-8.8	-9.9	1.5
Other Publishing Industries	8.3	8.1	7.8	7.9	7.8	7.8	7.4	7.2
% Ch, Annual Rate	3.9	-12.7	-13.7	6.5	-3.3	-3.8	-15.1	-12.1
Other Information	74.8	76.9	78.8	79.3	78.4	76.1	77.8	77.7
% Ch, Annual Rate	14.3	11.7	10.4	2.1	-4.2	-11.4	9.2	-0.3
Financial Activities	165.5	165.2	165.4	165.5	165.1	165.2	166.1	165.9
% Ch, Annual Rate	3.4	-0.8	0.6	0.2	-1.0	0.4	2.2	-0.6
Professional and Business Services	535.0	544.6	551.2	551.9	546.5	547.2	550.7	550.0
% Ch, Annual Rate	18.1	7.4	4.9	0.5	-3.9	0.5	2.6	-0.5
Mgmt. of Companies and Enterprises	102.3	104.8	105.3	104.3	102.4	101.1	102.1	102.3
% Ch	49.9	10.1	2.1	-3.6	-7.2	-5.1	4.4	0.5
Other Prof. and Bus. Services	432.7	439.9	445.9	447.6	444.1	446.1	448.5	447.7
% Ch	11.9	6.8	5.6	1.5	-3.1	1.9	2.2	-0.7
Education and Health Services	508.9	512.4	517.1	519.2	525.1	529.2	533.9	540.2
% Ch, Annual Rate	1.8	2.8	3.7	1.6	4.6	3.2	3.6	4.8
Leisure and Hospitality	317.8	324.9	330.0	333.9	338.7	344.0	346.8	345.9
% Ch, Annual Rate	9.5	9.2	6.4	4.8	5.9	6.4	3.3	-0.9
Other Services	118.2	119.5	120.5	121.8	123.6	125.4	125.6	125.7
% Ch, Annual Rate	4.3	4.5	3.4	4.2	5.9	6.0	0.8	0.3
Federal Government	75.5	75.1	74.9	75.2	76.1	76.9	78.5	78.3
% Ch, Annual Rate	-3.3	-1.9	-1.4	2.1	4.5	4.2	8.6	-0.9
State and Local Government	484.8	486.9	494.7	496.7	501.7	513.4	512.0	517.7
% Ch, Annual Rate	-2.5	1.7	6.6	1.6	4.1	9.7	-1.1	4.5

Table A2.4 (continued)

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

Forecast 2023 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Nonfarm Payroll Employment	3,645.9	3,650.7	3,650.7	3,654.9	3,661.9	3,669.7	3,677.4	3,685.9
% Ch, Annual Rate	1.2	0.5	0.0	0.5	0.8	0.9	0.8	0.9
Manufacturing	280.5	280.9	280.1	278.3	277.0	277.1	276.5	276.0
% Ch, Annual Rate	2.8	0.6	-1.1	-2.6	-1.8	0.1	-0.8	-0.8
Durable Manufacturing	193.6	194.1	194.3	193.6	193.2	193.9	193.9	193.6
% Ch, Annual Rate	3.7	1.1	0.4	-1.3	-0.9	1.4	0.0	-0.6
Wood Products	13.5	13.1	12.8	12.5	12.5	12.7	12.7	12.7
% Ch, Annual Rate	-2.3	-10.6	-8.2	-8.4	-0.9	5.0	0.2	0.7
Primary and Fabricated Metals	24.0	24.0	24.1	23.7	23.4	23.5	23.4	23.2
% Ch, Annual Rate	0.6	1.4	0.9	-5.6	-5.3	1.2	-2.0	-3.5
Computer and Electronic Products	18.4	18.4	18.3	18.2	18.2	18.3	18.3	18.2
% Ch, Annual Rate	2.3	-0.1	-2.1	-1.6	-0.7	1.3	-0.1	-0.8
Machinery and Electrical Equipment	21.7	21.6	21.4	20.9	20.4	20.5	20.4	20.2
% Ch, Annual Rate	8.9	-0.6	-4.4	-8.9	-8.2	0.5	-2.1	-3.7
Aerospace	81.0	82.0	82.8	83.5	84.1	84.4	84.7	84.8
% Ch, Annual Rate	6.7	5.0	4.1	3.6	2.7	1.8	1.2	0.9
Other Transportation Equip.	9.8	9.6	9.6	9.5	9.5	9.4	9.4	9.4
% Ch, Annual Rate	-3.9	-4.6	-2.6	-1.3	-3.1	-2.2	-0.8	0.1
Other Durables	25.4	25.3	25.3	25.2	25.1	25.1	25.1	25.0
% Ch, Annual Rate	0.3	-0.3	-0.4	-2.5	-1.6	0.8	-0.2	-0.8
Nondurable Manufacturing	86.9	86.8	85.8	84.6	83.8	83.2	82.7	82.4
% Ch, Annual Rate	0.8	-0.5	-4.4	-5.4	-3.8	-2.9	-2.6	-1.4
Food Manufacturing	40.7	40.8	40.3	39.6	39.1	38.6	38.2	38.0
% Ch, Annual Rate	0.2	0.5	-4.4	-6.6	-5.1	-4.6	-4.3	-2.5
Paper and Paper Products	7.7	7.6	7.4	7.2	7.1	7.0	6.9	6.8
% Ch, Annual Rate	-0.8	-6.2	-8.8	-9.9	-8.0	-6.4	-5.2	-3.4
Other Nondurables	38.5	38.4	38.1	37.8	37.6	37.6	37.6	37.6
% Ch, Annual Rate	1.8	-0.5	-3.4	-3.2	-1.5	-0.4	-0.3	0.0
Natural Resources and Mining	5.4	5.3	5.2	5.1	5.1	5.1	5.1	5.2
% Ch, Annual Rate	-5.1	-7.7	-9.3	-3.4	0.9	-1.7	0.8	4.4
Construction	238.8	239.2	238.8	240.0	240.3	242.1	243.8	245.6
% Ch, Annual Rate	2.6	0.7	-0.7	2.0	0.4	3.2	2.8	3.0
Trade, Transportation, and Utilities	619.5	615.5	611.8	609.3	607.7	605.3	604.7	605.3
% Ch, Annual Rate	-0.4	-2.6	-2.4	-1.6	-1.0	-1.6	-0.4	0.4
Wholesale Trade	140.9	140.6	140.8	141.0	141.4	141.6	142.1	142.3
% Ch, Annual Rate	-0.7	-1.0	0.7	0.5	1.4	0.5	1.2	0.7
Retail Trade	338.6	335.4	331.5	328.8	326.1	323.1	321.5	321.5
% Ch, Annual Rate	-0.4	-3.7	-4.6	-3.2	-3.3	-3.5	-2.1	0.0
Trans., Warehousing, and Utilities	140.0	139.5	139.5	139.6	140.2	140.6	141.2	141.6
% Ch, Annual Rate	-0.2	-1.4	0.0	0.1	1.9	1.0	1.7	1.1
Information	172.2	172.9	173.6	175.0	176.9	178.1	179.3	179.8
% Ch, Annual Rate	6.1	1.5	1.7	3.2	4.6	2.7	2.7	1.1
Software Publishers	86.1	86.2	86.4	86.8	87.1	87.4	87.8	88.2
% Ch, Annual Rate	6.3	0.3	1.2	1.6	1.6	1.5	1.7	1.6
Other Publishing Industries	7.1	6.9	6.8	6.7	6.6	6.5	6.4	6.3
% Ch, Annual Rate	-5.9	-10.5	-6.9	-5.2	-5.4	-6.0	-4.9	-5.8
Other Information	79.0	79.8	80.4	81.5	83.2	84.2	85.1	85.3
% Ch, Annual Rate	7.0	3.9	3.0	5.5	8.8	4.7	4.3	1.1
Financial Activities	164.9	164.4	165.2	165.5	166.2	166.7	167.5	168.1
% Ch, Annual Rate	-2.3	-1.2	1.9	0.6	1.7	1.4	1.8	1.5
Professional and Business Services	551.8	557.5	556.0	558.8	562.8	566.2	567.8	569.6
% Ch, Annual Rate	1.3	4.2	-1.1	2.0	2.9	2.4	1.2	1.3
Mgmt. of Companies and Enterprises	103.4	104.5	105.5	106.5	107.4	108.2	109.1	109.8
% Ch	4.6	4.2	3.9	3.7	3.4	3.2	3.1	2.9
Other Prof. and Bus. Services	448.3	453.0	450.5	452.3	455.5	457.9	458.7	459.7
% Ch	0.5	4.2	-2.2	1.6	2.8	2.2	0.7	0.9
Education and Health Services	542.9	542.7	545.2	545.2	546.4	547.3	548.8	549.6
% Ch, Annual Rate	2.1	-0.2	1.9	0.0	0.9	0.7	1.1	0.5
Leisure and Hospitality	345.1	345.7	346.1	347.4	347.2	347.6	347.9	348.9
% Ch, Annual Rate	-0.9	0.6	0.5	1.4	-0.2	0.5	0.3	1.2
Other Services	125.8	125.8	125.9	126.1	126.4	126.6	127.0	127.4
% Ch, Annual Rate	0.3	-0.1	0.5	0.6	0.8	0.8	1.2	1.2
Federal Government	78.3	78.3	78.4	78.4	78.4	78.5	78.5	78.6
% Ch, Annual Rate	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2
State and Local Government	520.6	522.5	524.2	525.8	527.4	528.9	530.4	531.9
% Ch, Annual Rate	2.3	1.4	1.3	1.2	1.2	1.1	1.1	1.1

Table A2.4 (continued)

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

Forecast 2023 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Nonfarm Payroll Employment	3,695.1	3,703.6	3,711.6	3,719.2	3,728.1	3,736.8	3,745.5	3,754.6
% Ch, Annual Rate	1.0	0.9	0.9	0.8	1.0	0.9	0.9	1.0
Manufacturing	276.0	275.8	275.5	275.4	275.4	275.4	275.3	275.2
% Ch, Annual Rate	0.1	-0.3	-0.4	-0.3	0.0	0.0	-0.1	-0.2
Durable Manufacturing	193.8	193.8	193.6	193.5	193.4	193.3	193.1	192.9
% Ch, Annual Rate	0.5	-0.1	-0.4	-0.2	-0.1	-0.2	-0.4	-0.4
Wood Products	12.8	12.9	12.9	12.9	12.9	13.0	13.0	13.1
% Ch, Annual Rate	4.3	1.8	0.2	0.0	1.3	1.7	1.5	2.3
Primary and Fabricated Metals	23.2	23.1	22.9	22.8	22.8	22.7	22.5	22.4
% Ch, Annual Rate	-0.3	-1.7	-2.0	-1.6	-1.2	-1.9	-2.2	-2.7
Computer and Electronic Products	18.2	18.2	18.1	18.1	17.9	17.8	17.8	17.7
% Ch, Annual Rate	-0.3	-0.8	-1.4	-1.3	-2.5	-2.3	-1.7	-1.4
Machinery and Electrical Equipment	20.2	20.1	20.0	20.0	20.0	20.1	20.1	20.0
% Ch, Annual Rate	0.1	-1.7	-1.6	-0.4	0.7	0.9	0.2	-0.7
Aerospace	85.0	85.1	85.2	85.3	85.4	85.5	85.5	85.5
% Ch, Annual Rate	0.7	0.6	0.5	0.5	0.4	0.3	0.2	0.0
Other Transportation Equip.	9.4	9.3	9.3	9.2	9.1	9.0	9.0	8.9
% Ch, Annual Rate	-1.3	-1.5	-1.5	-2.9	-3.8	-4.1	-3.6	-2.2
Other Durables	25.1	25.1	25.1	25.1	25.1	25.2	25.2	25.2
% Ch, Annual Rate	0.4	0.1	0.0	0.2	0.7	0.5	0.4	0.4
Nondurable Manufacturing	82.2	82.1	81.9	81.9	82.0	82.1	82.2	82.2
% Ch, Annual Rate	-0.7	-0.8	-0.5	-0.3	0.4	0.5	0.4	0.4
Food Manufacturing	37.8	37.6	37.5	37.4	37.4	37.4	37.3	37.3
% Ch, Annual Rate	-1.9	-1.9	-1.5	-0.9	-0.3	-0.1	-0.4	-0.5
Paper and Paper Products	6.8	6.7	6.7	6.7	6.6	6.6	6.6	6.5
% Ch, Annual Rate	-2.4	-2.4	-2.2	-2.4	-1.5	-1.6	-1.8	-1.8
Other Nondurables	37.6	37.7	37.8	37.8	38.0	38.1	38.3	38.4
% Ch, Annual Rate	0.7	0.6	0.8	0.7	1.4	1.5	1.6	1.6
Natural Resources and Mining	5.2	5.3	5.3	5.3	5.4	5.4	5.4	5.5
% Ch, Annual Rate	5.7	3.9	2.3	2.2	3.5	2.8	1.0	2.3
Construction	248.2	250.1	251.7	253.1	254.9	256.2	257.6	259.3
% Ch, Annual Rate	4.2	3.2	2.6	2.2	2.8	2.2	2.1	2.6
Trade, Transportation, and Utilities	605.5	606.0	606.2	606.4	606.9	607.8	608.6	609.1
% Ch, Annual Rate	0.1	0.3	0.1	0.2	0.3	0.6	0.5	0.3
Wholesale Trade	142.6	142.8	142.9	143.1	143.4	143.5	143.3	143.0
% Ch, Annual Rate	0.7	0.5	0.4	0.7	0.6	0.3	-0.5	-0.7
Retail Trade	320.9	320.9	320.7	320.5	320.7	321.7	322.7	323.6
% Ch, Annual Rate	-0.6	0.0	-0.3	-0.3	0.3	1.2	1.3	1.0
Trans., Warehousing, and Utilities	142.0	142.3	142.5	142.8	142.8	142.7	142.6	142.5
% Ch, Annual Rate	1.1	0.9	0.7	0.9	0.0	-0.4	-0.2	-0.4
Information	180.2	180.6	181.0	181.5	182.3	183.1	183.8	184.5
% Ch, Annual Rate	0.8	0.9	1.0	1.1	1.8	1.7	1.6	1.5
Software Publishers	88.5	88.8	89.2	89.5	89.9	90.3	90.7	91.0
% Ch, Annual Rate	1.6	1.6	1.5	1.6	1.7	1.6	1.7	1.6
Other Publishing Industries	6.2	6.1	6.0	6.0	5.9	5.8	5.7	5.6
% Ch, Annual Rate	-5.8	-5.8	-6.0	-5.7	-5.1	-5.7	-5.6	-6.1
Other Information	85.4	85.6	85.8	86.0	86.5	87.0	87.5	87.9
% Ch, Annual Rate	0.6	0.7	0.9	1.1	2.4	2.3	2.1	2.0
Financial Activities	168.8	168.9	168.8	168.8	168.7	168.3	167.8	167.2
% Ch, Annual Rate	1.7	0.1	-0.2	0.0	-0.1	-1.1	-1.1	-1.5
Professional and Business Services	572.3	574.9	577.6	579.7	583.6	587.6	591.8	597.1
% Ch, Annual Rate	2.0	1.8	1.9	1.5	2.7	2.7	2.9	3.6
Mgmt. of Companies and Enterprises	110.6	111.3	112.0	112.7	113.4	114.1	114.7	115.4
% Ch	2.8	2.7	2.6	2.5	2.4	2.4	2.3	2.3
Other Prof. and Bus. Services	461.7	463.5	465.6	467.0	470.2	473.5	477.1	481.7
% Ch	1.8	1.6	1.8	1.2	2.8	2.8	3.1	3.9
Education and Health Services	550.1	550.6	551.1	552.1	553.2	553.8	554.5	555.0
% Ch, Annual Rate	0.4	0.4	0.4	0.7	0.8	0.5	0.5	0.4
Leisure and Hospitality	349.1	350.2	351.7	352.9	352.6	352.9	352.9	352.7
% Ch, Annual Rate	0.2	1.3	1.7	1.4	-0.3	0.3	0.0	-0.2
Other Services	127.8	128.1	128.5	128.8	129.2	129.5	129.8	130.2
% Ch, Annual Rate	1.2	1.1	1.1	1.2	1.1	1.0	1.0	1.1
Federal Government	78.6	78.7	78.7	78.8	78.8	78.9	78.9	79.0
% Ch, Annual Rate	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
State and Local Government	533.4	534.6	535.5	536.3	537.1	538.0	539.0	540.0
% Ch, Annual Rate	1.2	0.9	0.7	0.6	0.6	0.6	0.7	0.7

Table A3.1

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

Forecast 2023 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Personal Income	19,629.0	21,407.7	21,840.8	22,973.8	24,086.3	25,374.4	26,611.0	27,891.3
% Ch	6.9	9.1	2.0	5.2	4.8	5.3	4.9	4.8
Total Wage and Salary Disbursements	9,464.6	10,312.6	11,116.0	11,812.2	12,345.6	12,867.0	13,438.9	14,084.1
% Ch	1.5	9.0	7.8	6.3	4.5	4.2	4.4	4.8
Nonwage Personal Income	10,164.4	11,095.0	10,724.7	11,161.6	11,740.7	12,507.3	13,172.1	13,807.3
% Ch	12.5	9.2	-3.3	4.1	5.2	6.5	5.3	4.8
Supplements to Wages and Salaries	2,130.0	2,233.2	2,323.2	2,436.3	2,546.7	2,641.6	2,742.6	2,845.5
% Ch	0.3	4.8	4.0	4.9	4.5	3.7	3.8	3.8
Proprietor's Income	1,583.8	1,749.1	1,790.9	1,840.3	1,907.7	1,991.4	2,059.3	2,143.7
% Ch	1.9	10.4	2.4	2.8	3.7	4.4	3.4	4.1
Farm	44.4	72.2	81.7	59.2	62.1	84.9	91.2	85.6
% Ch	38.4	62.8	13.1	-27.6	4.9	36.8	7.4	-6.1
Nonfarm	1,539.4	1,676.8	1,709.1	1,781.1	1,845.6	1,906.5	1,968.2	2,058.1
% Ch	1.1	8.9	1.9	4.2	3.6	3.3	3.2	4.6
Less: Contribution For Govt. Soc. Ins.	1,449.3	1,558.0	1,701.7	1,804.7	1,876.1	1,943.8	2,023.4	2,097.9
% Ch	1.7	7.5	9.2	6.1	4.0	3.6	4.1	3.7
Dividends/Int./Rent	3,669.9	4,028.9	4,310.3	4,584.5	4,934.0	5,399.6	5,740.2	6,008.3
% Ch	1.0	9.8	7.0	6.4	7.6	9.4	6.3	4.7
Transfer Payments	4,229.9	4,641.9	4,002.1	4,105.2	4,228.4	4,418.6	4,653.4	4,907.6
% Ch	34.5	9.7	-13.8	2.6	3.0	4.5	5.3	5.5

Table A3.2

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

Forecast 2023 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Personal Income	21,410.5	21,659.7	22,018.8	22,274.1	22,643.9	22,883.4	23,082.9	23,284.9
% Ch, Annual Rate	2.4	4.7	6.8	4.7	6.8	4.3	3.5	3.5
Total Wage and Salary Disbursements	10,886.7	10,988.9	11,271.4	11,317.0	11,565.4	11,749.7	11,911.4	12,022.3
% Ch, Annual Rate	5.0	3.8	10.7	1.6	9.1	6.5	5.6	3.8
Nonwage Personal Income	10,523.8	10,670.8	10,747.3	10,957.0	11,078.4	11,133.7	11,171.5	11,262.6
% Ch, Annual Rate	-0.2	5.7	2.9	8.0	4.5	2.0	1.4	3.3
Supplements to Wages and Salaries	2,290.7	2,306.2	2,337.8	2,357.9	2,399.8	2,422.0	2,449.7	2,473.8
% Ch, Annual Rate	3.5	2.7	5.6	3.5	7.3	3.8	4.7	4.0
Proprietor's Income	1,756.4	1,774.4	1,807.4	1,825.3	1,827.4	1,824.1	1,845.8	1,863.6
% Ch, Annual Rate	-2.9	4.2	7.6	4.0	0.5	-0.7	4.9	3.9
Farm	73.0	86.0	84.0	84.0	71.2	58.2	53.4	53.9
% Ch, Annual Rate	100.5	92.9	-8.8	-0.2	-48.2	-55.4	-29.4	3.7
Nonfarm	1,683.4	1,688.4	1,723.4	1,741.4	1,756.2	1,765.9	1,792.5	1,809.8
% Ch, Annual Rate	-5.6	1.2	8.5	4.2	3.5	2.2	6.2	3.9
Less: Contribution For Govt. Soc. Ins.	1,663.2	1,684.7	1,726.1	1,732.8	1,773.9	1,796.2	1,816.7	1,831.9
% Ch, Annual Rate	10.9	5.3	10.2	1.6	9.8	5.1	4.6	3.4
Dividends/Int./Rent	4,179.4	4,282.4	4,346.5	4,432.8	4,522.8	4,563.7	4,598.8	4,652.8
% Ch, Annual Rate	2.5	10.2	6.1	8.2	8.4	3.7	3.1	4.8
Transfer Payments	3,960.6	3,992.4	3,981.8	4,073.7	4,102.4	4,120.1	4,093.8	4,104.4
% Ch, Annual Rate	0.4	3.3	-1.1	9.6	2.8	1.7	-2.5	1.0

Table A3.2 (continued)

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

Forecast 2023 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	23,622.3	23,932.5	24,240.9	24,549.6	24,906.2	25,224.7	25,536.6	25,830.1
% Ch, Annual Rate	5.9	5.4	5.3	5.2	5.9	5.2	5.0	4.7
Total Wage and Salary Disbursements	12,155.4	12,286.5	12,407.2	12,533.2	12,666.4	12,800.7	12,933.0	13,068.2
% Ch, Annual Rate	4.5	4.4	4.0	4.1	4.3	4.3	4.2	4.2
Nonwage Personal Income	11,466.8	11,646.1	11,833.7	12,016.3	12,239.8	12,424.0	12,603.7	12,761.9
% Ch, Annual Rate	7.5	6.4	6.6	6.3	7.6	6.2	5.9	5.1
Supplements to Wages and Salaries	2,512.5	2,535.0	2,558.4	2,580.8	2,607.0	2,629.8	2,652.9	2,676.5
% Ch, Annual Rate	6.4	3.6	3.7	3.5	4.1	3.5	3.6	3.6
Proprietor's Income	1,873.5	1,893.2	1,919.6	1,944.4	1,963.3	1,983.7	2,001.9	2,016.9
% Ch, Annual Rate	2.1	4.3	5.7	5.3	3.9	4.2	3.7	3.0
Farm	54.0	58.5	65.8	70.1	76.2	82.9	89.0	91.7
% Ch, Annual Rate	0.7	38.0	60.1	28.9	39.8	39.7	32.7	12.7
Nonfarm	1,819.5	1,834.8	1,853.8	1,874.3	1,887.0	1,900.8	1,913.0	1,925.2
% Ch, Annual Rate	2.2	3.4	4.2	4.5	2.7	2.9	2.6	2.6
Less: Contribution For Govt. Soc. Ins.	1,856.6	1,869.8	1,882.2	1,895.8	1,919.7	1,935.7	1,951.6	1,968.3
% Ch, Annual Rate	5.5	2.9	2.7	2.9	5.1	3.4	3.3	3.5
Dividends/Int./Rent	4,754.0	4,873.6	4,995.7	5,112.8	5,239.9	5,353.4	5,459.4	5,545.5
% Ch, Annual Rate	9.0	10.5	10.4	9.7	10.3	8.9	8.2	6.5
Transfer Payments	4,183.5	4,214.0	4,242.1	4,274.1	4,349.3	4,392.8	4,441.0	4,491.2
% Ch, Annual Rate	7.9	3.0	2.7	3.1	7.2	4.1	4.5	4.6

Table A3.2 (continued)

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

Forecast 2023 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Personal Income	26,166.4	26,468.8	26,757.5	27,051.1	27,408.0	27,726.2	28,051.8	28,379.4
% Ch, Annual Rate	5.3	4.7	4.4	4.5	5.4	4.7	4.8	4.8
Total Wage and Salary Disbursements	13,216.9	13,365.4	13,511.4	13,662.0	13,826.8	13,996.2	14,168.9	14,344.3
% Ch, Annual Rate	4.6	4.6	4.4	4.5	4.9	5.0	5.0	5.0
Nonwage Personal Income	12,949.6	13,103.4	13,246.2	13,389.2	13,581.1	13,730.0	13,882.9	14,035.1
% Ch, Annual Rate	6.0	4.8	4.4	4.4	5.9	4.5	4.5	4.5
Supplements to Wages and Salaries	2,705.9	2,731.3	2,755.3	2,777.8	2,805.5	2,832.3	2,857.4	2,886.8
% Ch, Annual Rate	4.5	3.8	3.6	3.3	4.1	3.9	3.6	4.2
Proprietor's Income	2,031.9	2,050.8	2,067.8	2,086.8	2,106.7	2,128.3	2,154.1	2,185.6
% Ch, Annual Rate	3.0	3.8	3.4	3.7	3.9	4.2	5.0	6.0
Farm	92.6	92.2	90.9	89.0	87.3	85.8	84.9	84.4
% Ch, Annual Rate	4.1	-1.4	-5.9	-7.9	-7.6	-6.4	-4.4	-2.1
Nonfarm	1,939.4	1,958.5	1,977.0	1,997.8	2,019.5	2,042.4	2,069.3	2,101.1
% Ch, Annual Rate	3.0	4.0	3.8	4.3	4.4	4.6	5.4	6.3
Less: Contribution For Govt. Soc. Ins.	1,996.1	2,015.3	2,034.3	2,048.2	2,070.4	2,090.0	2,103.9	2,127.3
% Ch, Annual Rate	5.8	3.9	3.8	2.8	4.4	3.8	2.7	4.5
Dividends/Int./Rent	5,631.8	5,708.9	5,778.2	5,841.9	5,912.8	5,979.0	6,041.1	6,100.6
% Ch, Annual Rate	6.4	5.6	4.9	4.5	4.9	4.6	4.2	4.0
Transfer Payments	4,576.0	4,627.7	4,679.0	4,730.8	4,826.5	4,880.5	4,934.1	4,989.5
% Ch, Annual Rate	7.8	4.6	4.5	4.5	8.3	4.6	4.5	4.6

Table A3.3

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

Forecast 2023 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Personal Income	522.714	574.267	584.422	620.139	651.666	690.094	727.640	766.281
% Ch	7.9	9.9	1.8	6.1	5.1	5.9	5.4	5.3
Total Wage and Salary Disbursements	264.864	291.843	311.616	335.050	349.603	366.558	385.430	406.213
% Ch	4.3	10.2	6.8	7.5	4.3	4.8	5.1	5.4
Manufacturing	22.284	21.604	23.811	25.583	27.021	27.916	29.033	30.286
% Ch	-6.6	-3.1	10.2	7.4	5.6	3.3	4.0	4.3
Durable Manufacturing	17.228	16.236	18.046	19.462	20.725	21.607	22.542	23.503
% Ch	-8.3	-5.8	11.1	7.8	6.5	4.3	4.3	4.3
Nondurable Manufacturing	5.057	5.367	5.766	6.121	6.296	6.309	6.491	6.783
% Ch	-0.5	6.1	7.4	6.2	2.9	0.2	2.9	4.5
Nonmanufacturing	235.125	262.727	279.873	301.184	313.904	329.577	346.921	366.013
% Ch	5.3	11.7	6.5	7.6	4.2	5.0	5.3	5.5
Other Private Wages	1.365	1.402	1.460	1.558	1.637	1.715	1.801	1.894
% Ch	2.8	2.7	4.1	6.7	5.1	4.8	5.0	5.2
Farm Wages	2.041	1.833	2.211	2.365	2.504	2.648	2.804	2.976
% Ch	31.0	-10.2	20.6	7.0	5.9	5.7	5.9	6.1
Military Wages	4.048	4.278	4.261	4.361	4.536	4.702	4.871	5.045
% Ch	5.2	5.7	-0.4	2.3	4.0	3.7	3.6	3.6
Nonwage Personal Income	257.850	282.424	272.806	285.089	302.063	323.535	342.210	360.069
% Ch	11.9	9.5	-3.4	4.5	6.0	7.1	5.8	5.2
Supplements to Wages and Salaries	57.473	60.826	64.228	67.898	71.045	74.032	77.290	80.557
% Ch	3.6	5.8	5.6	5.7	4.6	4.2	4.4	4.2
Proprietor's Income	37.250	41.466	42.174	44.038	45.981	47.961	49.630	51.676
% Ch	4.0	11.3	1.7	4.4	4.4	4.3	3.5	4.1
Farm	1.383	1.220	1.074	0.870	1.200	1.724	1.908	1.857
% Ch	...	...	...	...	...	...	...	...
Nonfarm	35.867	40.246	41.101	43.167	44.781	46.237	47.723	49.818
% Ch	4.5	12.2	2.1	5.0	3.7	3.3	3.2	4.4
Less: Contribution For Govt. Soc. Ins.	41.652	44.622	49.099	52.765	54.872	57.014	59.570	61.933
% Ch	4.9	7.1	10.0	7.5	4.0	3.9	4.5	4.0
Plus: Residence Adjustment	5.196	5.531	6.189	6.539	6.847	7.151	7.486	7.863
% Ch	9.4	6.4	11.9	5.7	4.7	4.5	4.7	5.0
Dividends/Int./Rent	106.820	116.207	122.407	129.757	139.912	153.481	163.713	172.001
% Ch	1.3	8.8	5.3	6.0	7.8	9.7	6.7	5.1
Transfer Payments	92.763	103.016	86.907	89.623	93.150	97.923	103.660	109.906
% Ch	35.0	11.1	-15.6	3.1	3.9	5.1	5.9	6.0
State U.I. Benefits	12.095	8.362	0.887	0.652	0.791	0.989	0.984	0.964
% Ch	1,053.5	-30.9	-89.4	-26.4	21.3	25.0	-0.4	-2.1
Other Transfers	80.668	94.654	86.020	88.970	92.359	96.934	102.676	108.942
% Ch	19.3	17.3	-9.1	3.4	3.8	5.0	5.9	6.1

Table A3.4

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

Forecast 2023 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Personal Income	575.046	582.863	587.435	592.345	609.986	618.345	623.691	628.533
% Ch, Annual Rate	0.3	5.5	3.2	3.4	12.5	5.6	3.5	3.1
Total Wage and Salary Disbursements	304.515	310.753	315.422	315.773	327.912	334.262	338.078	339.947
% Ch, Annual Rate	0.0	8.4	6.1	0.4	16.3	8.0	4.6	2.2
Manufacturing	23.308	23.507	24.159	24.273	25.150	25.097	25.975	26.109
% Ch, Annual Rate	22.8	3.5	11.6	1.9	15.3	-0.8	14.7	2.1
Durable Manufacturing	17.695	17.782	18.297	18.409	19.154	18.989	19.786	19.917
% Ch, Annual Rate	32.2	2.0	12.1	2.5	17.2	-3.4	17.9	2.7
Nondurable Manufacturing	5.613	5.725	5.862	5.863	5.996	6.108	6.188	6.192
% Ch, Annual Rate	-1.9	8.3	9.9	0.1	9.3	7.7	5.3	0.2
Nonmanufacturing	273.291	279.376	283.328	283.498	294.640	300.959	303.725	305.411
% Ch, Annual Rate	-2.2	9.2	5.8	0.2	16.7	8.9	3.7	2.2
Other Private Wages	1.460	1.443	1.472	1.463	1.518	1.544	1.581	1.588
% Ch, Annual Rate	2.0	-4.8	8.5	-2.5	16.0	6.9	10.0	1.8
Farm Wages	2.171	2.187	2.219	2.267	2.308	2.337	2.399	2.415
% Ch, Annual Rate	101.1	3.0	6.0	8.9	7.5	5.1	10.9	2.8
Military Wages	4.286	4.241	4.244	4.273	4.295	4.325	4.398	4.423
% Ch, Annual Rate	-0.9	-4.1	0.3	2.7	2.1	2.8	6.9	2.3
Nonwage Personal Income	270.531	272.110	272.013	276.572	282.073	284.083	285.613	288.587
% Ch, Annual Rate	0.7	2.4	-0.1	6.9	8.2	2.9	2.2	4.2
Supplements to Wages and Salaries	62.883	63.496	64.702	65.833	66.850	67.464	68.316	68.962
% Ch, Annual Rate	4.3	4.0	7.8	7.2	6.3	3.7	5.1	3.8
Proprietor's Income	42.019	41.631	42.188	42.859	43.173	43.709	44.374	44.894
% Ch, Annual Rate	-2.3	-3.6	5.5	6.5	3.0	5.1	6.2	4.8
Farm	1.172	0.920	0.867	1.336	0.845	0.854	0.852	0.930
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	40.846	40.711	41.322	41.524	42.328	42.855	43.522	43.964
% Ch, Annual Rate	-2.1	-1.3	6.1	2.0	8.0	5.1	6.4	4.1
Less: Contribution For Govt. Soc. Ins.	47.449	48.424	49.987	50.535	51.822	52.494	53.156	53.589
% Ch, Annual Rate	7.1	8.5	13.5	4.5	10.6	5.3	5.1	3.3
Plus: Residence Adjustment	6.195	6.140	6.228	6.190	6.408	6.498	6.592	6.658
% Ch, Annual Rate	42.9	-3.5	5.9	-2.4	14.8	5.8	5.9	4.0
Dividends/Int./Rent	119.177	121.647	123.199	125.605	128.005	129.105	130.162	131.756
% Ch, Annual Rate	-0.2	8.6	5.2	8.0	7.9	3.5	3.3	5.0
Transfer Payments	87.707	87.620	85.681	86.620	89.459	89.800	89.324	89.906
% Ch, Annual Rate	1.8	-0.4	-8.6	4.5	13.8	1.5	-2.1	2.6
State U.I. Benefits	0.884	0.815	0.858	0.990	0.983	0.921	0.312	0.394
% Ch, Annual Rate	-48.5	-27.9	23.2	76.9	-2.9	-23.0	-98.7	154.8
Other Transfers	86.822	86.805	84.823	85.630	88.477	88.879	89.013	89.512
% Ch, Annual Rate	2.6	-0.1	-8.8	3.9	14.0	1.8	0.6	2.3

Table A3.4 (continued)

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

Forecast 2023 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	638.257	647.151	655.981	665.275	675.833	685.536	695.007	703.998
% Ch, Annual Rate	6.3	5.7	5.6	5.8	6.5	5.9	5.6	5.3
Total Wage and Salary Disbursements	343.967	347.745	351.291	355.407	359.809	364.340	368.779	373.305
% Ch, Annual Rate	4.8	4.5	4.1	4.8	5.0	5.1	5.0	5.0
Manufacturing	26.588	26.931	27.202	27.365	27.531	27.815	28.039	28.279
% Ch, Annual Rate	7.5	5.3	4.1	2.4	2.4	4.2	3.3	3.5
Durable Manufacturing	20.322	20.613	20.888	21.076	21.248	21.521	21.729	21.930
% Ch, Annual Rate	8.4	5.8	5.4	3.7	3.3	5.2	3.9	3.7
Nondurable Manufacturing	6.265	6.318	6.314	6.289	6.283	6.294	6.310	6.349
% Ch, Annual Rate	4.8	3.4	-0.2	-1.6	-0.4	0.7	1.0	2.5
Nonmanufacturing	308.836	312.180	315.366	319.236	323.355	327.507	331.624	335.824
% Ch, Annual Rate	4.6	4.4	4.1	5.0	5.3	5.2	5.1	5.2
Other Private Wages	1.609	1.629	1.646	1.665	1.685	1.706	1.725	1.746
% Ch, Annual Rate	5.4	4.9	4.3	4.8	4.9	4.9	4.7	4.8
Farm Wages	2.453	2.488	2.520	2.555	2.592	2.629	2.666	2.703
% Ch, Annual Rate	6.4	5.9	5.2	5.7	5.9	5.9	5.7	5.7
Military Wages	4.482	4.518	4.558	4.586	4.646	4.684	4.725	4.753
% Ch, Annual Rate	5.4	3.3	3.6	2.4	5.3	3.3	3.6	2.4
Nonwage Personal Income	294.290	299.406	304.689	309.868	316.024	321.196	326.228	330.693
% Ch, Annual Rate	8.1	7.1	7.2	7.0	8.2	6.7	6.4	5.6
Supplements to Wages and Salaries	70.063	70.699	71.358	72.060	72.905	73.654	74.403	75.167
% Ch, Annual Rate	6.5	3.7	3.8	4.0	4.8	4.2	4.1	4.2
Proprietor's Income	45.181	45.651	46.247	46.845	47.296	47.776	48.203	48.571
% Ch, Annual Rate	2.6	4.2	5.3	5.3	3.9	4.1	3.6	3.1
Farm	0.991	1.120	1.288	1.400	1.537	1.679	1.807	1.875
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	44.189	44.532	44.959	45.445	45.758	46.097	46.396	46.696
% Ch, Annual Rate	2.1	3.1	3.9	4.4	2.8	3.0	2.6	2.6
Less: Contribution For Govt. Soc. Ins.	54.322	54.684	55.021	55.461	56.216	56.748	57.272	57.818
% Ch, Annual Rate	5.6	2.7	2.5	3.2	5.6	3.8	3.7	3.9
Plus: Residence Adjustment	6.735	6.812	6.883	6.956	7.034	7.113	7.190	7.269
% Ch, Annual Rate	4.8	4.6	4.2	4.4	4.6	4.5	4.4	4.5
Dividends/Int./Rent	134.703	138.165	141.692	145.089	148.783	152.107	155.232	157.804
% Ch, Annual Rate	9.3	10.7	10.6	9.9	10.6	9.2	8.5	6.8
Transfer Payments	91.930	92.763	93.531	94.378	96.222	97.296	98.473	99.701
% Ch, Annual Rate	9.3	3.7	3.4	3.7	8.0	4.5	4.9	5.1
State U.I. Benefits	0.604	0.758	0.870	0.932	0.969	0.988	0.998	0.999
% Ch, Annual Rate	451.5	148.5	73.5	31.9	16.8	8.1	4.1	0.3
Other Transfers	91.326	92.005	92.661	93.446	95.252	96.307	97.475	98.701
% Ch, Annual Rate	8.4	3.0	2.9	3.4	8.0	4.5	4.9	5.1

Table A3.4 (continued)

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

Forecast 2023 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Personal Income	714.130	723.334	732.102	740.993	751.568	761.256	771.163	781.138
% Ch, Annual Rate	5.9	5.3	4.9	4.9	5.8	5.3	5.3	5.3
Total Wage and Salary Disbursements	378.245	383.086	387.783	392.606	397.902	403.357	408.946	414.645
% Ch, Annual Rate	5.4	5.2	5.0	5.1	5.5	5.6	5.7	5.7
Manufacturing	28.601	28.896	29.171	29.464	29.786	30.121	30.455	30.782
% Ch, Annual Rate	4.6	4.2	3.9	4.1	4.4	4.6	4.5	4.4
Durable Manufacturing	22.196	22.435	22.653	22.883	23.128	23.380	23.630	23.875
% Ch, Annual Rate	4.9	4.4	3.9	4.1	4.3	4.4	4.4	4.2
Nondurable Manufacturing	6.405	6.461	6.518	6.581	6.658	6.741	6.824	6.907
% Ch, Annual Rate	3.6	3.5	3.6	3.9	4.8	5.1	5.1	4.9
Nonmanufacturing	340.317	344.762	349.083	353.522	358.367	363.378	368.518	373.787
% Ch, Annual Rate	5.5	5.3	5.1	5.2	5.6	5.7	5.8	5.8
Other Private Wages	1.768	1.790	1.811	1.833	1.857	1.881	1.906	1.931
% Ch, Annual Rate	5.3	5.1	4.8	4.8	5.3	5.4	5.4	5.5
Farm Wages	2.745	2.785	2.824	2.864	2.907	2.952	2.998	3.045
% Ch, Annual Rate	6.3	6.0	5.7	5.7	6.2	6.3	6.4	6.4
Military Wages	4.814	4.852	4.894	4.923	4.985	5.025	5.069	5.100
% Ch, Annual Rate	5.2	3.2	3.5	2.4	5.1	3.2	3.5	2.5
Nonwage Personal Income	335.886	340.248	344.319	348.387	353.666	357.899	362.218	366.492
% Ch, Annual Rate	6.4	5.3	4.9	4.8	6.2	4.9	4.9	4.8
Supplements to Wages and Salaries	76.123	76.933	77.699	78.406	79.285	80.137	80.932	81.873
% Ch, Annual Rate	5.2	4.3	4.0	3.7	4.6	4.4	4.0	4.7
Proprietor's Income	48.956	49.421	49.842	50.303	50.790	51.310	51.929	52.673
% Ch, Annual Rate	3.2	3.9	3.4	3.8	3.9	4.2	4.9	5.9
Farm	1.909	1.920	1.911	1.892	1.873	1.858	1.850	1.849
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	47.047	47.501	47.931	48.411	48.917	49.452	50.079	50.824
% Ch, Annual Rate	3.0	3.9	3.7	4.1	4.2	4.5	5.2	6.1
Less: Contribution For Govt. Soc. Ins.	58.705	59.317	59.910	60.348	61.048	61.673	62.132	62.880
% Ch, Annual Rate	6.3	4.2	4.1	3.0	4.7	4.2	3.0	4.9
Plus: Residence Adjustment	7.356	7.443	7.528	7.616	7.713	7.812	7.913	8.015
% Ch, Annual Rate	4.9	4.8	4.7	4.8	5.2	5.2	5.3	5.3
Dividends/Int./Rent	160.398	162.741	164.869	166.844	169.027	171.078	173.016	174.881
% Ch, Annual Rate	6.7	6.0	5.3	4.9	5.3	4.9	4.6	4.4
Transfer Payments	101.758	103.027	104.291	105.567	107.900	109.235	110.560	111.929
% Ch, Annual Rate	8.5	5.1	5.0	5.0	9.1	5.0	4.9	5.0
State U.I. Benefits	0.989	0.984	0.982	0.982	0.976	0.969	0.961	0.950
% Ch, Annual Rate	-3.9	-2.0	-1.0	0.0	-2.4	-2.7	-3.5	-4.4
Other Transfers	100.768	102.042	103.309	104.585	106.924	108.266	109.599	110.979
% Ch, Annual Rate	8.6	5.2	5.1	5.0	9.3	5.1	5.0	5.1

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

	PCE Price Index*		U.S. CPI#		Seattle CPI+	
	Index	Percent Change	Index	Percent Change	Index	Percent Change
1971	21.8	4.2	0.405	4.2	0.382	2.1
1972	22.5	3.4	0.418	3.3	0.393	2.9
1973	23.8	5.4	0.444	6.3	0.418	6.4
1974	26.2	10.4	0.493	11.0	0.464	11.0
1975	28.4	8.3	0.538	9.1	0.511	10.2
1976	30.0	5.5	0.569	5.8	0.540	5.5
1977	31.9	6.5	0.606	6.5	0.583	8.0
1978	34.1	7.0	0.652	7.6	0.640	9.9
1979	37.2	8.9	0.726	11.3	0.709	10.8
1980	41.2	10.8	0.824	13.5	0.827	16.7
1981	44.9	9.0	0.909	10.4	0.916	10.8
1982	47.4	5.6	0.965	6.2	0.978	6.7
1983	49.4	4.3	0.996	3.2	0.993	1.5
1984	51.2	3.8	1.039	4.4	1.030	3.8
1985	53.0	3.5	1.076	3.5	1.056	2.5
1986	54.2	2.2	1.097	1.9	1.066	1.0
1987	55.9	3.1	1.136	3.6	1.092	2.4
1988	58.0	3.9	1.183	4.1	1.128	3.3
1989	60.6	4.4	1.239	4.8	1.181	4.7
1990	63.2	4.4	1.307	5.4	1.268	7.3
1991	65.3	3.3	1.362	4.2	1.341	5.8
1992	67.1	2.7	1.403	3.0	1.390	3.7
1993	68.8	2.5	1.445	3.0	1.429	2.8
1994	70.2	2.1	1.482	2.6	1.478	3.4
1995	71.7	2.1	1.524	2.8	1.522	3.0
1996	73.2	2.1	1.569	2.9	1.575	3.4
1997	74.5	1.7	1.605	2.3	1.630	3.5
1998	75.1	0.8	1.630	1.5	1.677	2.9
1999	76.2	1.5	1.666	2.2	1.728	3.0
2000	78.1	2.5	1.722	3.4	1.792	3.7
2001	79.7	2.0	1.770	2.8	1.857	3.6
2002	80.7	1.3	1.799	1.6	1.893	2.0
2003	82.4	2.1	1.840	2.3	1.924	1.6
2004	84.4	2.5	1.889	2.7	1.947	1.2
2005	86.9	2.9	1.953	3.4	2.002	2.8
2006	89.3	2.8	2.016	3.2	2.076	3.7
2007	91.6	2.6	2.073	2.9	2.157	3.9
2008	94.3	3.0	2.153	3.8	2.247	4.2
2009	94.1	-0.3	2.146	-0.3	2.260	0.6
2010	95.7	1.8	2.181	1.6	2.267	0.3
2011	98.2	2.5	2.249	3.1	2.328	2.7
2012	100.0	1.9	2.296	2.1	2.387	2.5
2013	101.3	1.3	2.330	1.5	2.416	1.2
2014	102.7	1.4	2.367	1.6	2.460	1.8
2015	102.9	0.2	2.370	0.1	2.494	1.4
2016	104.0	1.0	2.400	1.3	2.550	2.3
2017	105.8	1.7	2.451	2.1	2.627	3.0
2018	107.9	2.0	2.511	2.4	2.711	3.2
2019	109.5	1.4	2.557	1.8	2.779	2.5
2020	110.7	1.1	2.589	1.3	2.826	1.7
2021	115.3	4.2	2.710	4.7	2.960	4.7
2022	122.8	6.5	2.926	8.0	3.224	8.9
Forecast						
2023	127.4	3.8	3.046	4.1	3.411	5.8
2024	130.6	2.4	3.126	2.6	3.515	3.1
2025	133.4	2.2	3.192	2.1	3.589	2.1
2026	136.3	2.2	3.268	2.4	3.675	2.4
2027	139.2	2.1	3.341	2.2	3.756	2.2

\* GDP Price Index for Personal Consumption Expenditures

# Consumer Price Index for all Urban Consumers

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

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

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

	Services		Food		Fuels		Gasoline	
	Index	Percent Change	Index	Percent Change	Index	Percent Change	Index	Percent Change
1971	16.7	5.5	21.4	2.3	4.9	6.3	9.1	0.7
1972	17.4	4.2	22.4	4.8	5.0	0.6	9.2	1.3
1973	18.3	4.8	25.2	12.7	5.7	14.6	10.1	9.6
1974	19.8	8.5	29.0	15.2	9.0	58.9	13.6	35.1
1975	21.5	8.6	31.2	7.5	9.8	8.5	14.6	6.7
1976	23.0	6.9	31.8	1.9	10.5	7.3	15.2	4.2
1977	24.8	7.6	33.7	5.9	11.9	13.2	16.1	5.8
1978	26.7	7.7	36.9	9.6	12.6	5.7	16.8	4.3
1979	28.9	8.4	40.5	9.8	17.3	37.9	22.5	34.0
1980	31.9	10.4	43.9	8.4	24.3	40.4	31.2	38.8
1981	35.2	10.2	47.1	7.1	29.8	22.3	34.7	11.3
1982	37.9	7.8	48.3	2.6	29.2	-1.9	32.9	-5.1
1983	40.3	6.1	48.8	1.1	26.9	-7.8	31.9	-3.3
1984	42.4	5.2	50.3	3.0	27.5	2.2	31.4	-1.5
1985	44.4	4.9	50.9	1.1	26.4	-3.9	31.6	0.8
1986	46.3	4.1	52.1	2.4	20.7	-21.7	24.8	-21.5
1987	47.7	3.0	53.7	3.2	21.2	2.6	25.8	3.8
1988	49.9	4.8	55.3	3.0	21.2	0.0	26.0	0.8
1989	52.3	4.7	58.2	5.3	22.5	6.0	28.4	9.2
1990	54.7	4.6	61.1	4.9	27.1	20.4	32.3	13.8
1991	56.8	3.9	63.0	3.1	25.8	-4.8	31.9	-1.3
1992	58.8	3.6	63.5	0.8	24.7	-4.1	31.8	-0.4
1993	60.9	3.5	64.3	1.4	24.6	-0.7	31.5	-1.0
1994	62.5	2.7	65.4	1.7	24.1	-1.8	31.6	0.5
1995	64.3	2.8	66.8	2.2	23.9	-0.9	32.1	1.6
1996	66.1	2.7	68.9	3.1	27.1	13.3	34.1	6.1
1997	67.9	2.8	70.2	1.9	27.1	0.2	34.1	0.0
1998	69.4	2.1	71.1	1.3	24.0	-11.4	29.7	-12.9
1999	70.7	2.0	72.2	1.6	24.4	1.7	32.3	8.9
2000	72.7	2.8	73.9	2.3	35.8	46.6	41.3	27.8
2001	75.1	3.2	76.1	2.9	35.1	-2.0	39.8	-3.6
2002	77.0	2.6	77.2	1.5	31.3	-10.8	37.4	-6.0
2003	79.6	3.3	78.7	1.9	37.9	20.9	43.6	16.5
2004	82.0	3.1	81.2	3.1	44.1	16.4	51.3	17.6
2005	84.8	3.4	82.6	1.7	58.7	33.0	62.3	21.6
2006	87.8	3.6	84.0	1.7	66.7	13.7	70.3	12.9
2007	90.8	3.3	87.2	3.9	71.3	6.9	76.3	8.4
2008	93.5	2.9	92.6	6.1	96.8	35.7	88.8	16.5
2009	94.2	0.8	93.7	1.2	66.2	-31.6	65.2	-26.6
2010	96.0	1.9	93.9	0.3	77.5	16.9	76.9	18.0
2011	97.9	1.9	97.7	4.0	98.6	27.3	96.6	25.7
2012	100.0	2.2	100.0	2.4	100.0	1.4	100.0	3.5
2013	102.2	2.2	101.0	1.0	98.9	-1.1	97.2	-2.8
2014	104.6	2.3	102.9	1.9	98.6	-0.3	93.5	-3.8
2015	106.5	1.8	104.1	1.1	71.0	-28.0	68.8	-26.4
2016	108.9	2.3	103.0	-1.0	59.6	-15.9	61.3	-11.0
2017	111.5	2.4	102.9	-0.1	68.3	14.4	69.0	12.7
2018	114.5	2.6	103.4	0.5	81.3	19.1	78.1	13.1
2019	117.1	2.3	104.5	1.0	77.7	-4.4	75.5	-3.4
2020	119.4	2.0	107.9	3.3	62.0	-20.2	64.4	-14.6
2021	123.9	3.8	111.3	3.1	80.9	30.5	85.9	33.4
2022	130.6	5.4	122.8	10.3	126.4	56.2	112.3	30.8
Forecast								
2023	137.3	5.2	128.8	4.9	106.9	-15.4	101.4	-9.7
2024	142.9	4.1	129.7	0.7	103.2	-3.4	98.2	-3.2
2025	147.7	3.3	132.5	2.2	94.8	-8.2	90.2	-8.2
2026	152.0	2.9	135.4	2.2	94.3	-0.5	89.4	-0.8
2027	156.4	2.9	138.5	2.3	94.5	0.2	89.2	-0.3

Table A5.1

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

	<u>Population</u>	<u>Change</u>	<u>Percent Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Net Migration</u>
1970	3413.2	16.2	0.5	59.9	30.0	-13.7
1971	3436.3	23.1	0.7	60.0	29.8	-7.2
1972	3430.3	-6.0	-0.2	53.1	30.4	-28.7
1973	3444.3	14.0	0.4	47.7	30.4	-3.3
1974	3508.7	64.4	1.9	48.2	29.9	46.2
1975	3567.9	59.2	1.7	50.1	30.3	39.4
1976	3634.9	67.0	1.9	51.4	30.2	45.8
1977	3715.4	80.5	2.2	54.2	29.1	55.4
1978	3836.2	120.8	3.3	57.3	30.4	94.0
1979	3979.2	143.0	3.7	60.2	30.2	113.0
1980	4132.2	153.0	3.8	65.4	31.3	118.9
1981	4229.3	97.1	2.4	68.2	31.8	60.8
1982	4276.5	47.3	1.1	70.3	31.7	8.7
1983	4307.2	30.7	0.7	69.6	32.6	-6.3
1984	4354.1	46.8	1.1	68.6	33.3	11.5
1985	4415.8	61.7	1.4	69.2	34.0	26.5
1986	4462.2	46.4	1.1	70.3	34.0	10.1
1987	4527.1	64.9	1.5	69.4	34.4	29.8
1988	4616.9	89.8	2.0	71.1	36.0	54.7
1989	4728.1	111.2	2.4	73.2	36.1	74.0
1990	4866.7	138.6	2.9	76.7	36.3	98.3
1991	5000.4	133.7	2.7	79.3	36.7	91.1
1992	5091.1	90.8	1.8	80.6	37.2	47.5
1993	5188.0	96.9	1.9	79.5	39.4	56.7
1994	5291.6	103.6	2.0	78.3	39.6	64.9
1995	5396.6	105.0	2.0	77.5	40.0	67.5
1996	5483.1	86.5	1.6	77.0	41.2	50.7
1997	5579.1	96.0	1.8	78.0	42.6	60.6
1998	5685.5	106.3	1.9	78.8	41.6	69.1
1999	5792.2	106.8	1.9	79.8	43.1	70.1
2000	5894.1	101.9	1.8	79.9	43.7	65.8
2001	5970.5	76.3	1.3	80.7	43.9	39.5
2002	6059.7	89.2	1.5	79.3	44.9	54.9
2003	6126.9	67.2	1.1	79.1	44.7	32.9
2004	6208.5	81.6	1.3	81.0	46.0	46.7
2005	6298.8	90.3	1.5	81.8	45.6	54.0
2006	6420.2	121.4	1.9	83.2	45.3	83.5
2007	6525.1	104.9	1.6	87.8	46.2	63.3
2008	6608.2	83.1	1.3	89.6	47.9	41.5
2009	6672.3	64.0	1.0	89.8	48.1	22.3
2010	6724.5	52.3	0.8	88.4	47.7	11.5
2011	6781.5	56.9	0.8	86.4	48.8	19.3
2012	6835.2	53.8	0.8	87.1	49.2	15.9
2013	6909.4	74.2	1.1	87.3	51.1	38.1
2014	7005.2	95.8	1.4	87.0	50.7	59.4
2015	7106.6	101.4	1.4	88.5	52.8	65.8
2016	7237.2	130.6	1.8	89.8	54.7	95.4
2017	7344.1	106.9	1.5	89.7	56.1	73.3
2018	7463.5	119.4	1.6	87.3	56.4	88.4
2019	7581.8	118.3	1.6	85.7	57.2	89.8
2020	7706.3	124.5	1.6	84.8	58.5	98.2
2021	7767.0	60.7	0.8	82.1	64.0	42.5
2022	7864.4	97.4	1.3	84.5	70.7	83.7
2023	7951.2	86.8	1.1	83.2	68.8	72.4
<b>Forecast</b>						
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

\* As of April 1 of Each Year

Source: Office of Financial Management, November 2023 Forecast

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

	<b>Actual</b>						<b>Forecast</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Total Population	7463.5	7581.8	7706.3	7767.0	7864.4	7951.2	8031.7	8100.0	8171.1	8247.5
Percent Change	1.6	1.6	1.6	0.8	1.3	1.1	1.0	0.9	0.9	0.9
Age 17 and Under	1672.7	1688.3	1680.2	1680.0	1691.0	1695.4	1696.3	1692.8	1689.5	1687.3
Percent of Total	22.4	22.3	21.8	21.6	21.5	21.3	21.1	20.9	20.7	20.5
Age 6-18	1219.8	1236.3	1246.2	1250.7	1263.2	1271.3	1275.3	1275.3	1274.7	1269.3
Percent of Total	16.3	16.3	16.2	16.1	16.1	16.0	15.9	15.7	15.6	15.4
Age 18 and Over	5790.7	5893.5	6026.1	6087.0	6173.4	6255.7	6335.5	6407.2	6481.7	6560.3
Percent of Total	77.6	77.7	78.2	78.4	78.5	78.7	78.9	79.1	79.3	79.5
Age 21 and Over	5507.5	5606.8	5733.3	5798.2	5885.3	5964.2	6038.0	6104.6	6174.3	6248.8
Percent of Total	73.8	74.0	74.4	74.7	74.8	75.0	75.2	75.4	75.6	75.8
Age 20-34	1542.6	1567.1	1629.0	1627.4	1637.8	1641.5	1641.0	1636.2	1633.7	1635.3
Percent of Total	20.7	20.7	21.1	21.0	20.8	20.6	20.4	20.2	20.0	19.8
Age 18-64	4613.8	4663.4	4773.8	4787.9	4829.0	4864.4	4895.0	4919.6	4948.5	4982.9
Percent of Total	61.8	61.5	61.9	61.6	61.4	61.2	60.9	60.7	60.6	60.4
Age 65 and Over	1176.9	1230.1	1252.3	1299.1	1344.5	1391.3	1440.5	1487.6	1533.2	1577.4
Percent of Total	15.8	16.2	16.2	16.7	17.1	17.5	17.9	18.4	18.8	19.1

\* As of April 1 of Each Year  
 Source: Office of Financial Management, November 2022 Forecast

Table A6.1

**Summary of National and State Indicators**

<b>Indicator</b>	<b>Latest Data</b>	<b>Indication*</b>
U.S. Leading Index	September 2023	-
U.S. Real GDP Growth	3rd quarter 2023	+
U.S. ISM Index	October 2023	+
U.S. Employment YOY%Δ	October 2023	+
U.S. Unemployment Rate	October 2023	+
U.S. Consumer Confidence	November 2023	+
U.S. Consumer Sentiment	November 2023	-
U.S. CPI YOY%Δ	October 2023	-
U.S. Home Prices YOY%Δ	August 2023	+
S&P 500 Index	November 2023	+
WA Leading Index	September 2023	+
WA Employment YOY%Δ	October 2023	+
WA Aerospace Empl. YOY%Δ	October 2023	-
WA Unemployment Rate	October 2023	+
WA Help Wanted Index	October 2023	+
WA Business Cycle Indicator	September 2023	-
WA Initial Unemploy. Claims	October 2023	+
WA Housing Permits	September 2023	-
WA Weekly Hours in Mfg.	October 2023	-
WA New Vehicle Registration	October 2023	-
WA In-Migration	October 2023	-
WA Exports-Total YOY%Δ	3rd quarter 2023	-
WA Exports- w/o Trans. Equip. YOY%Δ	3rd quarter 2023	-
Seattle CPI YOY%Δ	October 2023	-
Seattle Home Prices YOY%Δ	August 2023	-
WA Construction Activity Index	October 2023	-

\*Change from the previous reading

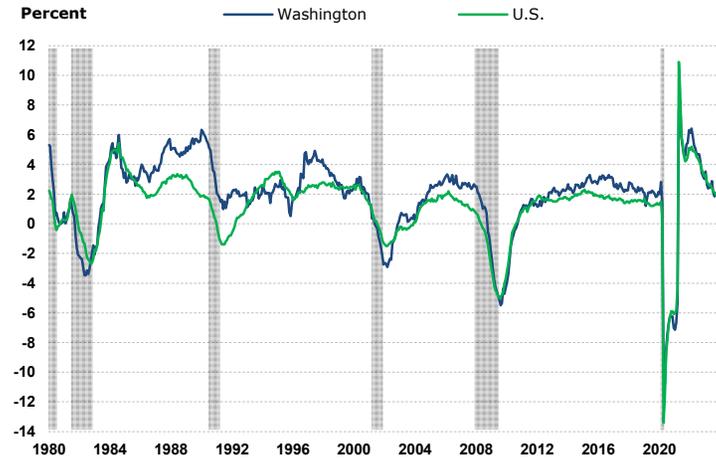
Table A6.2  
**Washington Business Indicators**  
 Historical Data

	WA Index of Leading Indicators	U.S. Index of Leading Indicators	WA State Business Cycle Indicator	WA State Construction Index	WA State Help Wanted Index	U.S. Purchasing Management Index
2016:01	118.6	99.3	63.5	105.7	128.7	48.3
2016:02	118.8	99.2	65.5	105.5	124.9	48.6
2016:03	119.4	99.2	62.8	105.7	128.9	49.9
2016:04	120.6	99.7	63.3	106.1	130.9	50.7
2016:05	121.4	99.5	65.5	106.6	148.2	51.1
2016:06	121.5	99.8	66.7	107.0	151.3	51.5
2016:07	122.2	100.2	67.7	107.5	156.3	52.0
2016:08	121.5	100.2	66.9	107.5	153.1	51.5
2016:09	121.9	100.4	67.4	108.2	143.4	51.1
2016:10	122.2	100.5	68.3	108.9	152.3	51.0
2016:11	121.6	100.7	69.3	109.6	148.8	52.4
2016:12	121.6	101.2	70.7	110.2	149.2	53.3
2017:01	122.0	101.8	69.1	110.6	152.5	54.7
2017:02	121.9	102.1	68.6	110.9	140.1	56.1
2017:03	122.7	102.6	70.4	111.2	143.4	57.0
2017:04	123.4	102.8	69.3	111.6	143.3	56.6
2017:05	124.1	103.2	70.9	111.9	149.2	55.6
2017:06	124.5	103.8	70.9	112.3	145.4	55.8
2017:07	124.9	104.1	71.0	112.9	139.5	56.3
2017:08	125.0	104.5	72.1	113.6	135.1	57.6
2017:09	125.2	104.5	73.3	113.8	140.4	58.6
2017:10	125.6	105.9	73.1	114.4	132.7	59.4
2017:11	125.5	106.3	75.2	114.9	134.7	59.2
2017:12	126.4	107.1	74.9	115.2	138.6	58.9
2018:01	126.6	107.8	74.3	115.7	136.8	59.0
2018:02	127.9	108.5	76.1	116.3	133.3	59.9
2018:03	128.6	108.8	77.2	117.0	137.4	59.7
2018:04	128.8	109.3	76.6	117.5	133.7	59.1
2018:05	128.1	109.4	77.6	117.8	128.2	58.4
2018:06	127.8	110.0	78.5	118.2	128.0	58.7
2018:07	127.5	110.4	77.8	118.3	129.3	59.0
2018:08	127.7	110.9	76.4	118.6	129.2	59.9
2018:09	128.0	111.5	76.9	118.9	132.4	59.7
2018:10	127.7	111.4	77.1	118.9	133.0	59.6
2018:11	127.7	111.5	77.0	119.1	133.3	58.9
2018:12	128.7	111.3	78.0	119.4	140.1	57.0
2019:01	129.9	111.3	78.5	119.8	154.6	56.7
2019:02	127.6	111.5	74.8	119.2	156.5	55.0
2019:03	130.9	111.7	77.5	119.3	150.1	55.4
2019:04	131.4	111.8	79.7	119.6	154.0	54.1
2019:05	131.6	111.8	79.5	120.1	150.2	53.4
2019:06	131.2	111.6	80.8	120.3	149.9	52.2
2019:07	131.6	112.0	80.7	120.8	152.0	51.7
2019:08	131.0	111.8	79.2	121.0	153.3	50.7
2019:09	130.7	111.6	80.4	121.4	154.8	49.4
2019:10	130.0	111.4	79.9	121.7	147.2	48.4
2019:11	130.5	111.6	79.8	122.1	146.6	48.1
2019:12	130.9	111.4	84.2	122.5	147.9	47.9
2020:01	130.4	112.0	80.6	122.3	149.1	48.7
2020:02	131.6	111.8	81.3	123.1	149.4	49.4
2020:03	121.2	103.5	74.3	123.1	127.9	50.0
2020:04	112.9	96.9	41.6	121.5	97.5	46.9
2020:05	119.5	99.8	46.5	120.9	119.8	44.6
2020:06	122.4	102.8	58.1	120.4	136.5	45.7
2020:07	124.7	104.9	65.0	120.0	139.8	50.0
2020:08	126.1	106.5	66.6	119.8	134.3	54.3
2020:09	125.5	107.5	71.6	119.7	133.8	55.2
2020:10	126.8	108.2	72.6	119.5	137.7	56.9
2020:11	127.7	109.2	74.1	119.2	135.6	57.4
2020:12	129.8	109.6	77.2	119.3	136.0	59.2
2021:01	130.6	110.1	77.2	119.8	141.6	59.0
2021:02	131.5	110.1	79.6	120.1	150.6	60.1
2021:03	132.9	111.5	82.5	120.5	160.4	61.4
2021:04	134.4	113.1	88.1	122.4	175.3	62.1
2021:05	135.4	114.6	88.7	123.3	176.0	62.2
2021:06	137.2	116.2	89.1	124.1	189.5	60.8
2021:07	139.4	116.6	92.5	124.8	206.7	60.4
2021:08	138.8	117.4	90.4	125.7	187.9	60.0
2021:09	138.0	117.6	91.8	126.0	193.3	60.2
2021:10	138.7	118.1	91.7	126.6	193.3	60.6
2021:11	139.6	118.8	93.9	127.3	198.7	61.0
2021:12	139.3	119.3	95.7	127.5	198.7	60.2
2022:01	140.0	118.5	95.6	127.8	198.4	59.1
2022:02	142.4	119.4	102.0	128.4	204.5	58.3
2022:03	143.1	119.3	104.2	128.9	215.1	57.8
2022:04	142.7	118.7	104.9	129.2	206.9	57.0
2022:05	142.6	117.9	104.7	129.6	204.3	56.2
2022:06	139.5	115.3	101.7	130.2	194.1	54.8
2022:07	138.7	114.4	100.7	130.3	203.9	54.0
2022:08	137.3	114.1	96.0	130.0	182.4	52.9
2022:09	137.0	113.5	93.8	130.2	194.5	52.2
2022:10	135.6	112.5	92.8	129.9	187.6	51.3
2022:11	135.1	111.5	90.3	129.3	189.8	50.0
2022:12	136.0	110.7	91.0	128.9	199.9	49.1
2023:01	137.6	110.2	88.8	128.3	197.4	48.3
2023:02	138.4	109.7	90.5	128.0	200.7	47.8
2023:03	137.6	108.4	91.6	127.4	201.9	47.1
2023:04	138.2	107.5	93.0	126.9	203.3	47.0
2023:05	138.7	106.8	94.4	126.3	206.9	46.8
2023:06	137.3	106.1	96.1	125.7	208.2	46.7
2023:07	137.2	105.8	96.3	125.3	208.2	46.4
2023:08	136.8	105.4	96.1	124.9	211.0	46.7
2023:09	136.0	106.6	94.4	124.7	212.8	47.7
2023:10				123.9	214.5	47.8

# Figure A7.1: Washington State Economic Indicators

## Year-over-Year Employment Growth

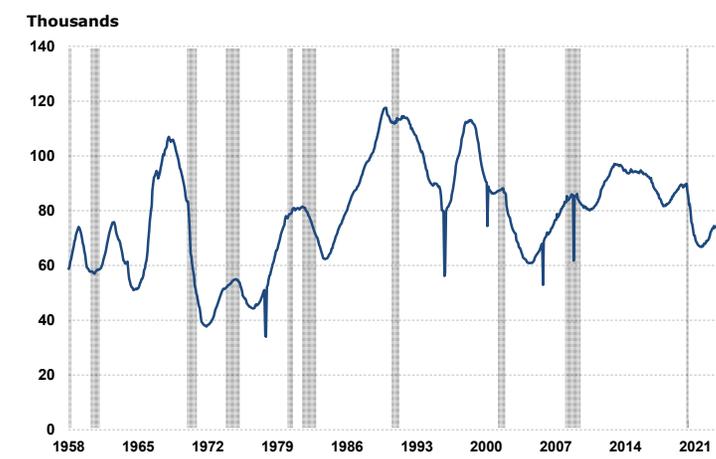
January 1980 to October 2023



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

## Washington Aircraft and Parts Employment

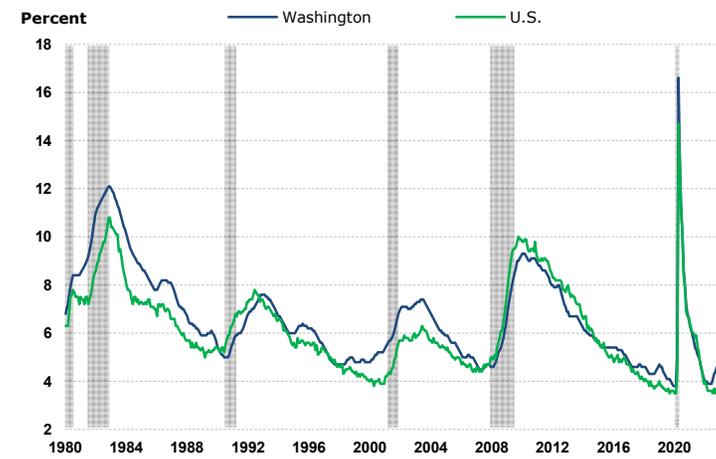
January 1958 to October 2023



\* Source: Bureau of Labor Statistics, ERFC

## Unemployment Rate, S.A.

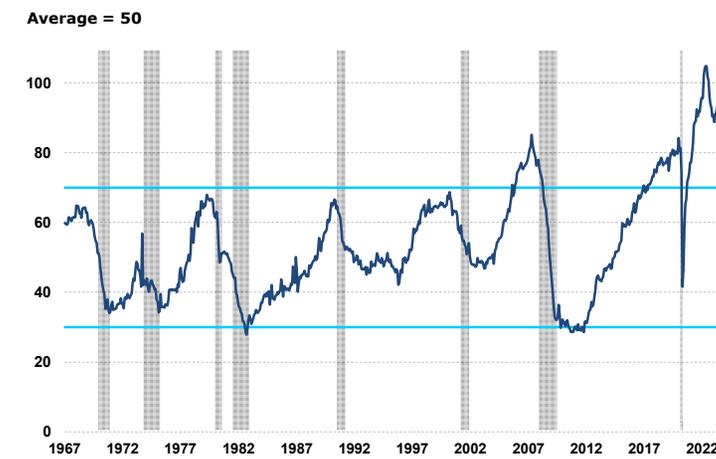
January 1980 to October 2023



\* Source: Bureau of Labor Statistics

## Washington Business Cycle Indicator

January 1968 to September 2023



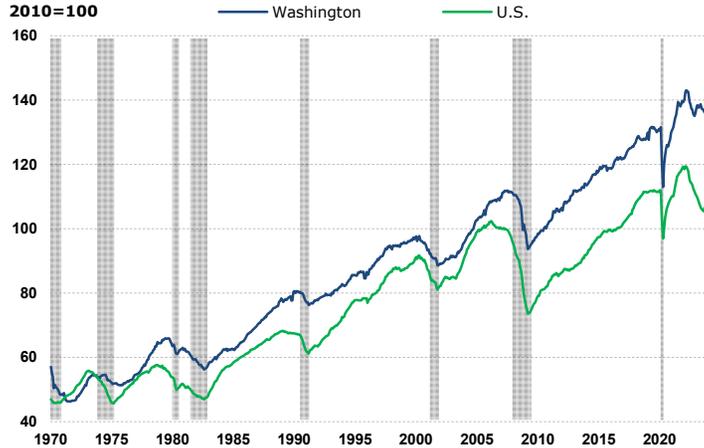
\* Source: ERFC

\* Shaded areas correspond with national recessions.

# Figure A7.2: Washington State Leading Indicators

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

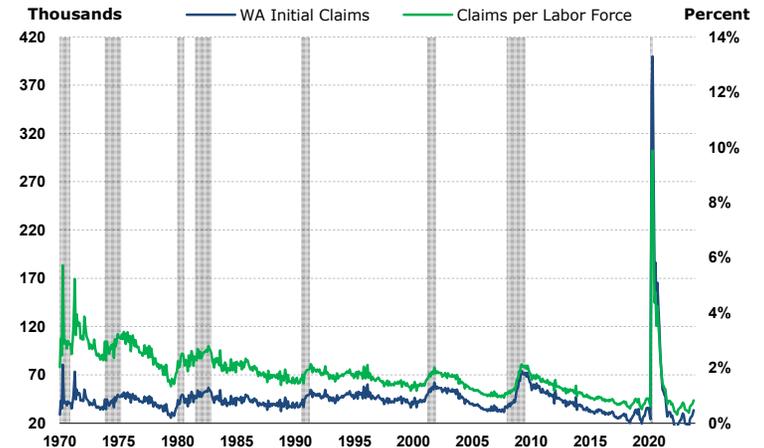
January 1970 to September 2023



\* The Conference Board, ERFC

## Washington Initial Claims for Unemployment Insurance

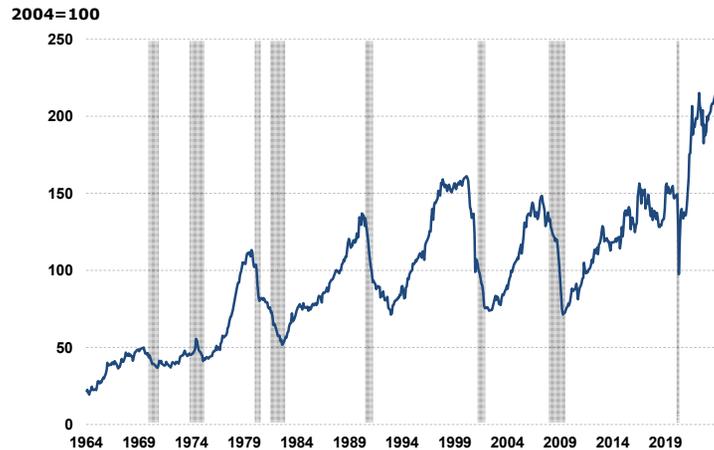
January 1970 to October 2023, S.A.



\* Source: WA State Employment Security, ERFC

## Washington State Help Wanted Index

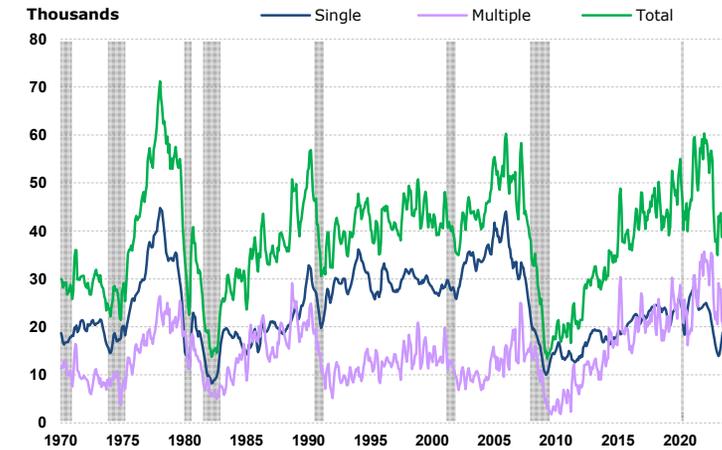
January 1964 to October 2023



\* Source: The Conference Board, ERFC

## Housing Units Authorized in Washington State

January 1970 to September 2023, 3mma, SAAR



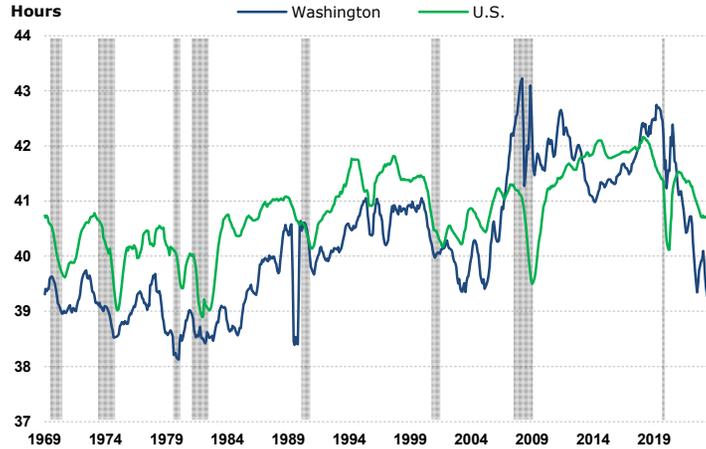
\* Source: Census Bureau, ERFC

\* Shaded areas correspond with national recessions.

# Figure A7.3: Other State Economic Indicators

## Average Weekly Hours in Manufacturing

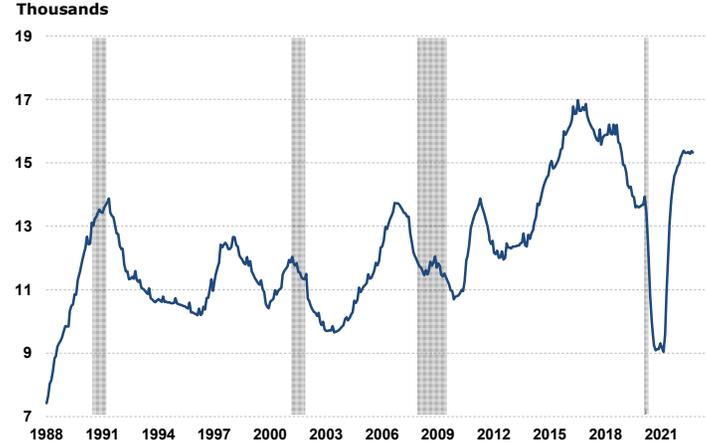
June 1969 to October 2023, 6-Mo. Moving Average, S.A.



\* Bureau of Labor Statistics, ERFC

## Washington Driver's License In-Migration

January 1988 to October 2023, 12-Month Moving Average



\* Source: WA State Department of Licensing, ERFC

## New Car and Truck Registrations in Washington

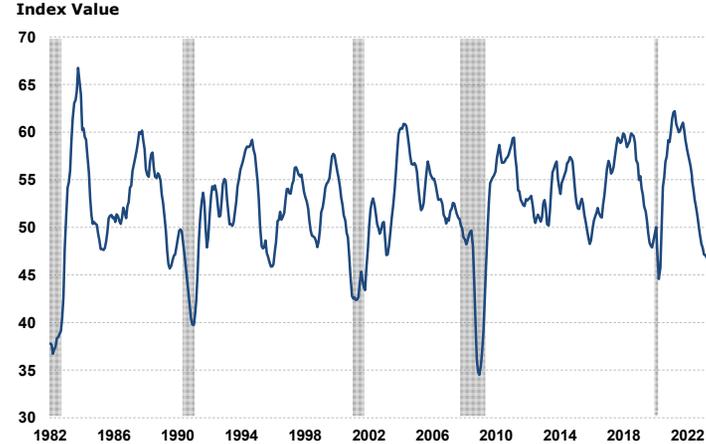
September 1970 to October 2023, 3-Month Moving Average, S.A.



\* Source: WA State Department of Licensing, ERFC

## U.S. Institute for Supply Management Index

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



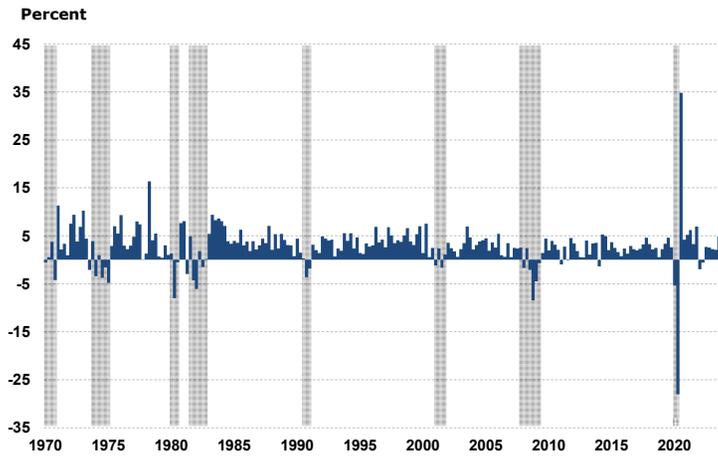
\* Source: Institute for Supply Management, ISM-WW, ERFC

\* Shaded areas correspond with national recessions.

# Figure A7.4: Other Economic Indicators

## Quarterly U.S. Real GDP Growth

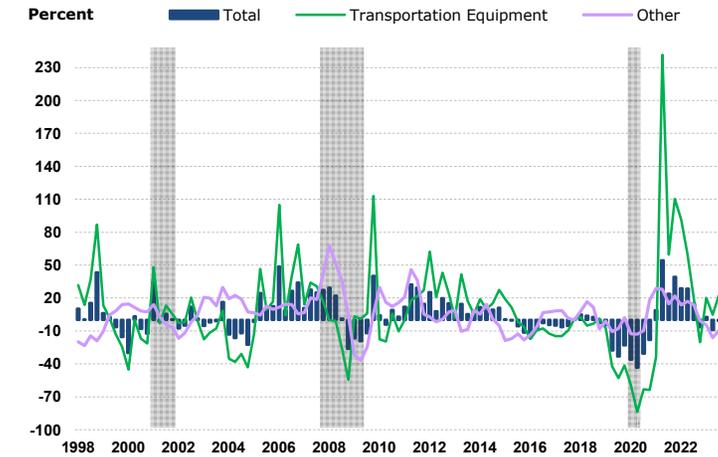
1970Q1 to 2023Q3, SAAR



\* Source: Bureau of Economic Analysis

## Washington State Export Composition

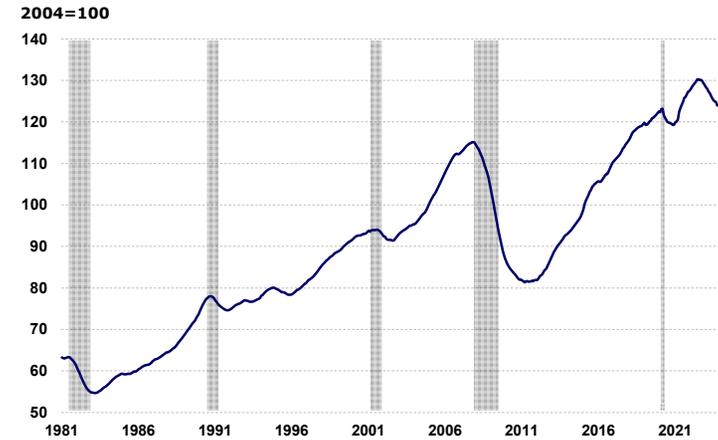
1998Q1 to 2023Q3, Year-over-year percent change



\* Source: WISER

## Washington State Construction Index

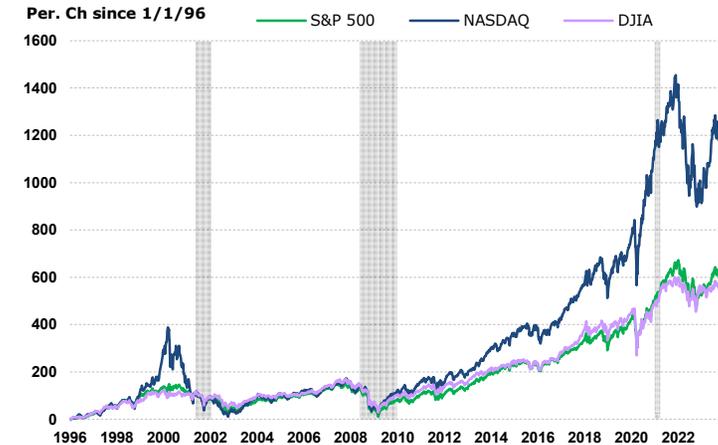
January 1981 to October 2023, 12mma



\* Source: ERFC

## National Stock Indexes

January 1, 1996 to November 27, 2023



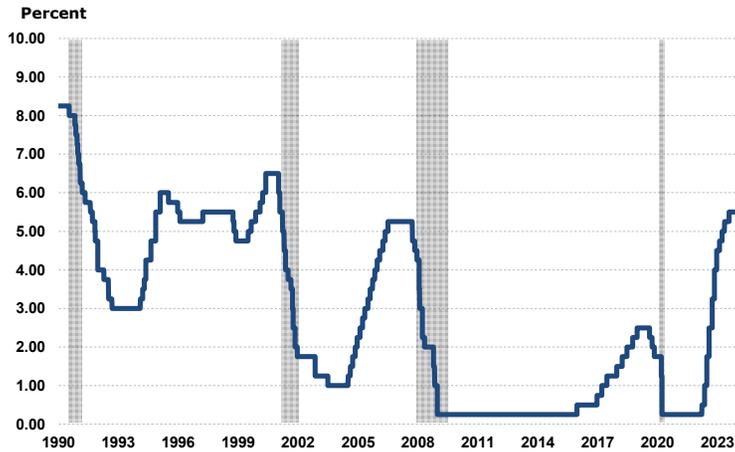
\* Source: ERFC

\* Shaded areas correspond with national recessions.

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

## Federal Funds Target Rate

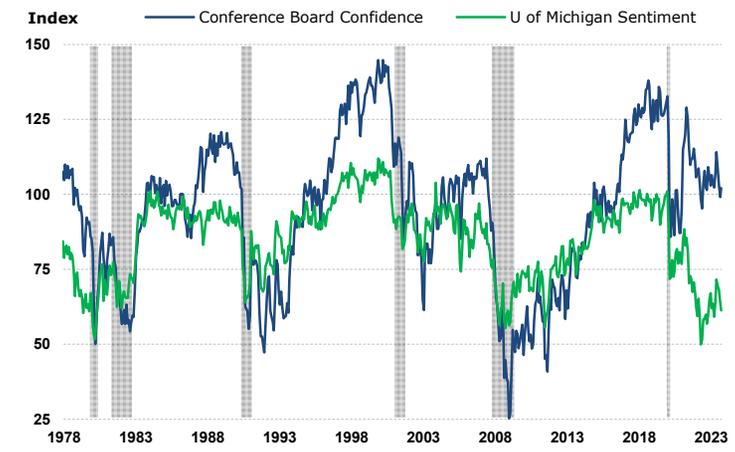
January 1, 1990 to December 1, 2023



\* Federal Reserve

## Consumer Confidence

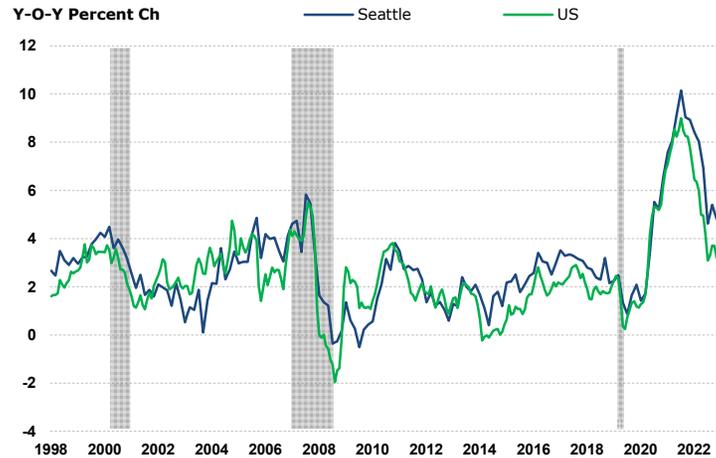
March 1978 to November 2023



\* Source: The Conference Board, University of Michigan

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

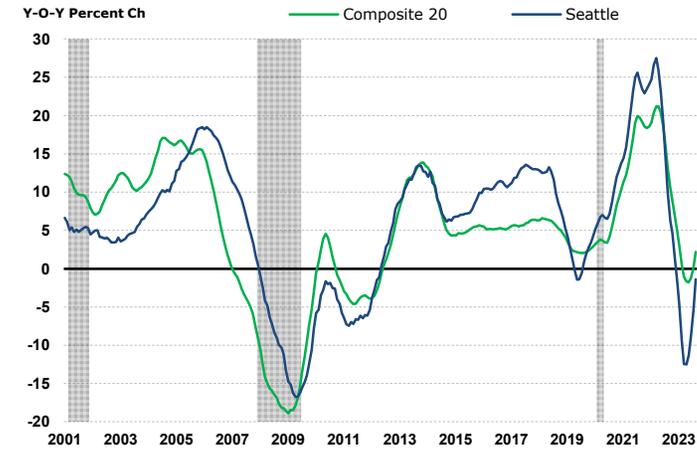
December 1998 to October 2023



\* Source: Bureau of Labor Statistics

## Case Shiller Home Price Index

January 2001 to August 2023, SA



\* Source: Case Shiller, ERFC

\* Shaded areas correspond with national recessions.

*This page left intentionally blank.*



## Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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