



## February 2016 Preliminary Economic Forecast

---

CONTACT: Bret Bertolin, Senior Economist  
PHONE: 360.534.1566

This forecast was based on a modified version of Global Insight's January 2016 Control forecast for the U.S. economy. The forecast was produced prior to today's GDP release in which real GDP is estimated to have grown at a 0.7% rate (SAAR) in the fourth quarter of 2015. The forecast assumed a 1.2% rate. The final February forecast will incorporate the new data. As usual, we have adjusted real gross domestic product (GDP) to match the Blue Chip "Consensus" GDP forecast. In the January Blue Chip release, the average forecast for real GDP growth in 2016 is 2.5%, down slightly from 2.6% in November. The Blue Chip forecasts for 2017 through 2019 were unchanged at 2.5%, 2.4%, and 2.2%. The current forecast is the first to extend through 2021. The Blue Chip average forecast for growth in 2020 and 2021 is 2.2% in each year.

Our oil price forecast continues to rely on the futures markets, primarily the Brent (North Sea) oil price but also the West Texas Intermediate (WTI) benchmark. This forecast was based on the Wednesday, January 27, 2016 closing prices for Brent and WTI futures. The latest futures prices are much lower than the prices used in the November forecast. The refiner acquisition price of crude oil in the first quarter of 2016 is now expected to average \$31 per barrel compared to \$49 in the November forecast. As in November, oil prices are expected to rise during the remainder of the forecast. By the end of 2021, the refiner acquisition price is expected to increase to \$49 per barrel.

A comparison of the preliminary February U.S. forecast with the November U.S. forecast is shown in Table 2.

We have two months of new Washington employment data since the November forecast was released. Total nonfarm payroll employment rose 13,600 (seasonally adjusted) in November and December, 4,900 more than the 8,700 expected in the November forecast. Private, service-providing sectors added 8,300 jobs in the last two months. The construction sector added 2,300 jobs in the last two months and the manufacturing sector added 700 jobs thanks to an

Washington State Economic and Revenue Forecast Council ♦ 360-534-1560 ♦ [www.erfc.wa.gov](http://www.erfc.wa.gov)

increase of 500 in aerospace. Government payrolls expanded by 2,200 jobs in November and December.

We have also incorporated another quarter of benchmark employment data from the Quarterly Census of Employment and Wages (QCEW). The new QCEW data and other revisions lowered the estimated level of total employment in October 2015 by 2,700 jobs. As a result of the downward revision to history but stronger-than-expected growth, the total effect is 2,100 (0.1%) more jobs in December 2015 than expected in the November forecast.

In December, the Bureau of Economic Analysis released estimates for state personal income through the third quarter of 2015. We have incorporated the new BEA estimates as well as additional Washington Quarterly Census of Employment and Wages (QCEW) and other wage data also through the third quarter. Our current estimate of Washington personal income in the third quarter of 2015 is \$372.5 billion which is \$1.5 billion (0.4%) higher than assumed in the November forecast.

Washington housing permits improved to 36,600 units (SAAR) in the fourth quarter of 2015 from 36,200 units in the third quarter. The November forecast projected 36,400 units in the fourth quarter. Single-family permits totaled 21,500 units in the fourth quarter compared to the forecast of 19,600 units but 15,200 multi-family units were permitted compared to the forecast of 16,800 units. The estimates for all four quarters of 2015 have been adjusted to reflect the preliminary annual estimate from the Census Bureau.

As in November, we assume a gradual decline in aerospace employment through 2019. We project no change in aerospace employment in the final two years of the forecast. We continue to believe that this downturn will be relatively mild due to the large and increasing backlog of orders. The current reductions are due to improvements in productivity rather than reductions in production.

Overall, our preliminary February forecast for Washington State is lower than the November forecast. The changes are mostly due to lower inflation, a result of much lower oil prices, and weaker Washington nonresidential construction employment. Washington employment is expected to grow 1.8% this year, the same rate as in the November forecast. The preliminary February forecast for average annual employment growth from 2017 through 2019 is 1.2% per year, down from 1.4% in the November forecast. We expect employment to grow at an average rate of 1.1% per year in 2020 and 2021. Our preliminary February forecast for nominal personal income growth this year is 4.4%, down from 4.8% in the November forecast. Our new forecast for nominal personal income

growth from 2017 through 2019 averages 4.9% per year, also down from 5.3% in the November forecast.

A comparison of the preliminary February Washington forecast with the November Washington forecast is shown in Table 3.

Table 1

**U.S. Economic Forecast Comparison**

January 2016

|   | 2015Q4 | 2016Q1 | 2016Q2 | 2016Q3 | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  |
|---|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|
| <b>Real GDP, Percent Change, Annual Rate</b>                        |        |        |        |        |       |       |       |       |       |       |
| ERFC (Preliminary February)   | 1.2    | 2.8    | 2.8    | 2.7    | 2.5   | 2.5   | 2.4   | 2.2   | 2.2   | 2.2   |
| Global Insight  | 1.2    | 3.0    | 3.0    | 3.3    | 2.7   | 2.9   | 2.6   | 2.4   | 2.4   | 2.2   |
| Economy.com   | 1.5    | 3.4    | 3.2    | 3.2    | 2.8   | 2.9   |       |       |       |       |
| Blue Chip Average*  | 1.9    | 2.5    | 2.6    | 2.6    | 2.5   | 2.5   | 2.4   | 2.2   | 2.2   | 2.2   |
| Blue Chip Top 10*   | 2.8    | 3.1    | 3.2    | 3.2    | 2.8   | 2.8   | 2.8   | 2.7   | 2.6   | 2.6   |
| Blue Chip Bottom 10*  | 1.1    | 2.0    | 2.2    | 2.1    | 2.1   | 2.1   | 1.7   | 1.6   | 1.8   | 1.7   |
| <b>Real Consumption, Percent Change, Annual Rate</b>                |        |        |        |        |       |       |       |       |       |       |
| ERFC (Preliminary February)   | 2.4    | 2.8    | 2.8    | 2.8    | 2.8   | 2.5   | 2.4   | 2.3   | 2.3   | 2.2   |
| Global Insight  | 2.4    | 3.0    | 3.2    | 3.4    | 3.0   | 3.2   | 2.8   | 2.6   | 2.3   | 2.2   |
| Economy.com   | 2.2    | 3.6    | 3.7    | 3.9    | 3.3   | 3.4   |       |       |       |       |
| Blue Chip Average*  | 2.5    | 2.8    | 2.8    | 2.8    | 2.8   | 2.5   | 2.4   | 2.3   | 2.3   | 2.2   |
| Blue Chip Top 10*   | 3.2    | 3.3    | 3.4    | 3.5    | 3.2   | 3.1   | 2.8   | 2.6   | 2.6   | 2.7   |
| Blue Chip Bottom 10*  | 2.0    | 2.3    | 2.3    | 2.3    | 2.5   | 2.1   | 2.0   | 2.0   | 2.0   | 1.8   |
| <b>Federal Funds Rate</b>   |        |        |        |        |       |       |       |       |       |       |
| ERFC (Preliminary February)   | 0.2    | 0.5    | 0.8    | 1.0    | 0.9   | 1.9   | 2.9   | 3.3   | 3.3   | 3.3   |
| Global Insight  | 0.2    | 0.5    | 0.8    | 1.0    | 0.9   | 1.9   | 2.9   | 3.3   | 3.3   | 3.3   |
| Economy.com   | 0.2    | 0.3    | 0.7    | 0.8    | 0.7   | 2.1   |       |       |       |       |
| <b>Three Month T-Bill Rate</b>                                      |        |        |        |        |       |       |       |       |       |       |
| ERFC (Preliminary February)   | 0.1    | 0.5    | 0.7    | 1.0    | 0.8   | 1.8   | 2.8   | 3.0   | 3.0   | 3.0   |
| Global Insight  | 0.1    | 0.4    | 0.7    | 1.0    | 0.8   | 1.8   | 2.8   | 3.0   | 3.0   | 3.0   |
| Blue Chip Average*  | 0.1    | 0.4    | 0.6    | 0.9    | 0.7   | 1.7   | 2.8   | 3.1   | 3.1   | 3.1   |
| Blue Chip Top 10*   |        | 0.5    | 0.8    | 1.4    | 0.9   | 2.4   | 3.7   | 4.0   | 3.8   | 3.7   |
| Blue Chip Bottom 10*  |        | 0.2    | 0.4    | 0.6    | 0.5   | 1.2   | 1.8   | 2.3   | 2.5   | 2.5   |
| <b>10-Yr. T-Note Yield</b>  |        |        |        |        |       |       |       |       |       |       |
| ERFC (Preliminary February)   | 2.2    | 2.5    | 2.6    | 2.7    | 2.6   | 2.8   | 3.3   | 3.7   | 3.7   | 3.7   |
| Global Insight  | 2.2    | 2.5    | 2.6    | 2.7    | 2.6   | 2.9   | 3.4   | 3.8   | 3.8   | 3.8   |
| Economy.com   | 2.2    | 2.4    | 2.7    | 3.0    | 2.8   | 3.9   |       |       |       |       |
| Blue Chip Average*  | 2.2    | 2.4    | 2.6    | 2.7    | 2.6   | 3.2   | 3.8   | 4.0   | 4.0   | 4.0   |
| Blue Chip Top 10*   |        | 2.6    | 2.8    | 3.1    | 2.9   | 3.8   | 4.4   | 4.7   | 4.7   | 4.6   |
| Blue Chip Bottom 10*  |        | 2.3    | 2.4    | 2.3    | 2.4   | 2.7   | 3.0   | 3.3   | 3.4   | 3.3   |
| <b>Consumer Price Index, Percent Change, Annual Rate</b>            |        |        |        |        |       |       |       |       |       |       |
| ERFC (Preliminary February)   | 1.1    | -1.8   | 1.3    | 2.6    | 0.9   | 2.2   | 2.2   | 2.1   | 2.1   | 2.1   |
| Global Insight  | 0.3    | -1.1   | 1.9    | 4.0    | 1.2   | 2.6   | 2.7   | 2.5   | 2.5   | 2.6   |
| Economy.com   | 0.5    | 1.4    | 2.2    | 2.6    | 1.7   | 2.9   |       |       |       |       |
| Blue Chip Average*  | 0.4    | 1.2    | 2.2    | 2.3    | 1.6   | 2.3   | 2.4   | 2.4   | 2.3   | 2.3   |
| Blue Chip Top 10*   | 1.2    | 2.1    | 3.0    | 3.1    | 2.0   | 2.8   | 2.9   | 2.7   | 2.6   | 2.7   |
| Blue Chip Bottom 10*  | -0.3   | 0.0    | 1.5    | 1.8    | 1.2   | 1.9   | 2.0   | 2.0   | 2.0   | 1.9   |
| <b>Payroll Employment, Millions</b>                                 |        |        |        |        |       |       |       |       |       |       |
| ERFC (Preliminary February)   | 143.0  | 143.7  | 144.2  | 144.6  | 144.4 | 146.0 | 147.4 | 148.6 | 149.6 | 150.5 |
| Percent Change, Annual Rate   | 2.0    | 1.9    | 1.5    | 1.2    | 1.7   | 1.1   | 1.0   | 0.8   | 0.7   | 0.6   |
| Global Insight  | 142.9  | 143.6  | 144.1  | 144.6  | 144.3 | 146.2 | 147.9 | 149.4 | 151.0 | 152.2 |
| Percent Change, Annual Rate   | 1.9    | 1.9    | 1.4    | 1.4    | 1.7   | 1.3   | 1.2   | 1.0   | 1.1   | 0.8   |
| Economy.com   | 143.0  | 143.6  | 144.3  | 145.0  | 144.6 | 147.3 |       |       |       |       |
| Percent Change, Annual Rate   | 2.0    | 1.7    | 1.9    | 2.0    | 1.9   | 1.8   |       |       |       |       |
| <b>Unemployment Rate, Percent</b>                                   |        |        |        |        |       |       |       |       |       |       |
| ERFC (Preliminary February)   | 5.0    | 4.9    | 4.8    | 4.8    | 4.8   | 4.8   | 4.8   | 4.8   | 4.9   | 4.9   |
| Global Insight  | 5.0    | 5.0    | 4.9    | 4.9    | 4.9   | 4.9   | 4.9   | 5.0   | 5.0   | 5.0   |
| Economy.com   | 5.0    | 4.9    | 4.9    | 4.9    | 4.9   | 4.8   |       |       |       |       |
| Blue Chip Average*  | 5.0    | 4.9    | 4.8    | 4.7    | 4.8   | 4.6   | 4.7   | 4.7   | 4.8   | 4.9   |
| Blue Chip Top 10*   |        | 5.0    | 5.0    | 5.0    | 5.0   | 4.9   | 5.1   | 5.1   | 5.2   | 5.3   |
| Blue Chip Bottom 10*  |        | 4.8    | 4.6    | 4.3    | 4.5   | 4.1   | 4.1   | 4.2   | 4.4   | 4.4   |
| <b>Real Disposable Personal Income, Percent Change, Annual Rate</b> |        |        |        |        |       |       |       |       |       |       |
| ERFC (Preliminary February)   | 2.9    | 4.4    | 2.3    | 2.7    | 3.2   | 3.0   | 3.2   | 2.7   | 2.3   | 2.3   |
| Global Insight  | 3.6    | 4.0    | 2.1    | 2.1    | 3.1   | 3.3   | 3.3   | 2.9   | 2.5   | 2.4   |
| Blue Chip Average*  | 3.5    | 2.8    | 2.5    | 2.6    | 2.9   | 2.6   | 2.7   | 2.5   | 2.4   | 2.4   |
| Blue Chip Top 10*   | 4.6    | 3.7    | 3.2    | 3.3    | 3.4   | 3.2   | 3.4   | 3.2   | 3.1   | 3.0   |
| Blue Chip Bottom 10*  | 2.2    | 2.0    | 2.0    | 2.0    | 2.5   | 2.1   | 2.1   | 2.0   | 2.0   | 1.9   |
| <b>West Texas Intermediate</b>                                      |        |        |        |        |       |       |       |       |       |       |
| ERFC (Preliminary February)   | 42.0   | 32.1   | 35.0   | 37.6   | 36.0  | 41.6  | 44.3  | 46.3  | 47.8  | 48.8  |
| Global Insight  | 42.3   | 36.8   | 41.1   | 50.5   | 45.1  | 54.7  | 65.7  | 73.7  | 80.5  | 88.2  |
| Economy.com   | 41.8   | 43.7   | 46.2   | 49.8   | 48.2  | 60.5  |       |       |       |       |

\* Forecasts beyond 2016 are from the October 2015 Blue Chip Economic Indicators

**Table 2**

**U.S. Forecast Comparison**

|  | 2015Q4 | 2016Q1 | 2016Q2 | 2016Q3 | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Real GDP (Billions of 2009 Dollars)</b>             |        |        |        |        |        |        |        |        |        |        |        |
| February Forecast, Preliminary                         | 16,462 | 16,577 | 16,693 | 16,806 | 16,347 | 16,747 | 17,158 | 17,570 | 17,957 | 18,352 | 18,755 |
| Percent Change   | 1.2%   | 2.8%   | 2.8%   | 2.7%   | 2.4%   | 2.5%   | 2.5%   | 2.4%   | 2.2%   | 2.2%   | 2.2%   |
| November Forecast                                      | 16,503 | 16,612 | 16,722 | 16,826 | 16,352 | 16,772 | 17,191 | 17,604 | 17,991 | -      | -      |
| Percent Change   | 2.7%   | 2.7%   | 2.7%   | 2.5%   | 2.4%   | 2.6%   | 2.5%   | 2.4%   | 2.2%   | -      | -      |
| <b>Real Consumption (Billions of 2009 Dollars)</b>     |        |        |        |        |        |        |        |        |        |        |        |
| February Forecast, Preliminary                         | 11,329 | 11,409 | 11,489 | 11,570 | 11,213 | 11,529 | 11,823 | 12,106 | 12,385 | 12,670 | 12,949 |
| Percent Change   | 2.4%   | 2.8%   | 2.8%   | 2.8%   | 3.1%   | 2.8%   | 2.5%   | 2.4%   | 2.3%   | 2.3%   | 2.2%   |
| November Forecast                                      | 11,355 | 11,436 | 11,515 | 11,587 | 11,221 | 11,548 | 11,837 | 12,121 | 12,400 | -      | -      |
| Percent Change   | 3.1%   | 2.9%   | 2.8%   | 2.5%   | 3.2%   | 2.9%   | 2.5%   | 2.4%   | 2.3%   | -      | -      |
| <b>Implicit Price Deflator, PCE (2009=1.00)</b>        |        |        |        |        |        |        |        |        |        |        |        |
| February Forecast, Preliminary                         | 1.099  | 1.097  | 1.100  | 1.105  | 1.095  | 1.103  | 1.122  | 1.141  | 1.161  | 1.181  | 1.202  |
| Percent Change   | 0.6%   | -0.8%  | 1.2%   | 1.8%   | 0.3%   | 0.8%   | 1.7%   | 1.8%   | 1.7%   | 1.7%   | 1.7%   |
| November Forecast                                      | 1.100  | 1.102  | 1.107  | 1.112  | 1.095  | 1.110  | 1.131  | 1.152  | 1.171  | -      | -      |
| Percent Change   | 0.9%   | 0.8%   | 1.7%   | 1.9%   | 0.3%   | 1.4%   | 1.9%   | 1.8%   | 1.7%   | -      | -      |
| <b>Real Personal Income (Billions of 2009 Dollars)</b> |        |        |        |        |        |        |        |        |        |        |        |
| February Forecast, Preliminary                         | 14,200 | 14,349 | 14,431 | 14,513 | 14,030 | 14,473 | 14,882 | 15,314 | 15,725 | 16,121 | 16,518 |
| Percent Change   | 3.0%   | 4.3%   | 2.3%   | 2.3%   | 4.2%   | 3.2%   | 2.8%   | 2.9%   | 2.7%   | 2.5%   | 2.5%   |
| November Forecast                                      | 14,137 | 14,264 | 14,348 | 14,441 | 13,984 | 14,394 | 14,813 | 15,266 | 15,700 | -      | -      |
| Percent Change   | 3.2%   | 3.6%   | 2.4%   | 2.6%   | 3.8%   | 2.9%   | 2.9%   | 3.1%   | 2.8%   | -      | -      |
| <b>Nonfarm Payroll Employment (Millions)</b>           |        |        |        |        |        |        |        |        |        |        |        |
| February Forecast, Preliminary                         | 143.0  | 143.7  | 144.2  | 144.6  | 142.0  | 144.4  | 146.0  | 147.4  | 148.6  | 149.6  | 150.5  |
| Percent Change   | 2.0%   | 1.9%   | 1.5%   | 1.2%   | 2.1%   | 1.7%   | 1.1%   | 1.0%   | 0.8%   | 0.7%   | 0.6%   |
| November Forecast                                      | 142.8  | 143.5  | 144.0  | 144.4  | 141.9  | 144.2  | 145.9  | 147.4  | 148.5  | -      | -      |
| Percent Change   | 1.6%   | 1.8%   | 1.5%   | 1.1%   | 2.1%   | 1.6%   | 1.2%   | 1.1%   | 0.8%   | -      | -      |
| <b>Unemployment Rate (Percent of Labor Force)</b>      |        |        |        |        |        |        |        |        |        |        |        |
| February Forecast, Preliminary                         | 5.0    | 4.9    | 4.8    | 4.8    | 5.3    | 4.8    | 4.8    | 4.8    | 4.8    | 4.9    | 4.9    |
| November Forecast                                      | 5.0    | 5.0    | 4.9    | 4.9    | 5.3    | 4.9    | 4.9    | 4.9    | 5.0    | -      | -      |
| <b>30 Year Fixed Mortgage Rate (Percent, average)</b>  |        |        |        |        |        |        |        |        |        |        |        |
| February Forecast, Preliminary                         | 3.9    | 4.2    | 4.4    | 4.4    | 3.9    | 4.4    | 4.7    | 5.3    | 5.7    | 5.7    | 5.7    |
| November Forecast                                      | 3.9    | 4.2    | 4.4    | 4.5    | 3.9    | 4.4    | 4.7    | 5.2    | 5.7    | -      | -      |
| <b>3 Month T-Bill Rate (Percent, average)</b>          |        |        |        |        |        |        |        |        |        |        |        |
| February Forecast, Preliminary                         | 0.1    | 0.5    | 0.7    | 1.0    | 0.1    | 0.8    | 1.8    | 2.8    | 3.0    | 3.0    | 3.0    |
| November Forecast                                      | 0.1    | 0.5    | 0.7    | 0.9    | 0.1    | 0.8    | 1.8    | 2.8    | 3.0    | -      | -      |

**Table 3**

**Washington Forecast Comparison**

|  | 2015Q4 | 2016Q1 | 2016Q2 | 2016Q3 | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  |
|--|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
| <b>Real Personal Income (Billions of 2009 Dollars)</b> |        |        |        |        |       |       |       |       |       |       |       |
| February Forecast, Preliminary                         | 341.7  | 347.4  | 349.1  | 350.8  | 337.8 | 349.8 | 360.5 | 372.3 | 383.8 | 395.2 | 407.1 |
| Percent Change   | 2.6%   | 6.9%   | 1.9%   | 2.0%   | 5.2%  | 3.6%  | 3.1%  | 3.3%  | 3.1%  | 3.0%  | 3.0%  |
| November Forecast                                      | 340.8  | 346.0  | 347.7  | 349.7  | 337.2 | 348.6 | 360.2 | 373.0 | 385.5 | -     | -     |
| Percent Change   | 3.2%   | 6.2%   | 2.0%   | 2.4%   | 5.0%  | 3.4%  | 3.3%  | 3.6%  | 3.3%  | -     | -     |
| <b>Personal Income (Billions of Dollars)</b>           |        |        |        |        |       |       |       |       |       |       |       |
| February Forecast, Preliminary                         | 375.5  | 381.1  | 384.0  | 387.7  | 369.7 | 385.9 | 404.4 | 425.0 | 445.7 | 466.9 | 489.2 |
| Percent Change   | 3.2%   | 6.1%   | 3.1%   | 3.9%   | 5.5%  | 4.4%  | 4.8%  | 5.1%  | 4.9%  | 4.8%  | 4.8%  |
| November Forecast                                      | 374.7  | 381.2  | 384.7  | 388.8  | 369.1 | 386.8 | 407.4 | 429.6 | 451.6 | -     | -     |
| Percent Change   | 4.1%   | 7.1%   | 3.7%   | 4.3%   | 5.4%  | 4.8%  | 5.3%  | 5.5%  | 5.1%  | -     | -     |
| <b>Nonfarm Payroll Employment (Thousands)</b>          |        |        |        |        |       |       |       |       |       |       |       |
| February Forecast, Preliminary                         | 3183   | 3199   | 3211   | 3220   | 3158  | 3215  | 3256  | 3297  | 3336  | 3376  | 3413  |
| Percent Change   | 2.0%   | 2.0%   | 1.4%   | 1.2%   | 2.8%  | 1.8%  | 1.3%  | 1.3%  | 1.2%  | 1.2%  | 1.1%  |
| November Forecast                                      | 3183   | 3197   | 3209   | 3219   | 3159  | 3214  | 3263  | 3312  | 3353  | -     | -     |
| Percent Change   | 1.7%   | 1.7%   | 1.6%   | 1.3%   | 2.8%  | 1.8%  | 1.5%  | 1.5%  | 1.3%  | -     | -     |
| <b>Unemployment Rate (Percent of Labor Force)</b>      |        |        |        |        |       |       |       |       |       |       |       |
| February Forecast, Preliminary                         | 5.3    | 5.4    | 5.4    | 5.3    | 5.5   | 5.3   | 5.2   | 5.2   | 5.2   | 5.2   | 5.2   |
| November Forecast                                      | 5.2    | 5.2    | 5.2    | 5.2    | 5.5   | 5.2   | 5.2   | 5.2   | 5.3   | -     | -     |
| <b>Manufacturing Employment (Thousands)</b>            |        |        |        |        |       |       |       |       |       |       |       |
| February Forecast, Preliminary                         | 287.5  | 287.2  | 286.3  | 285.1  | 289.1 | 286.1 | 286.0 | 286.9 | 288.5 | 290.3 | 293.2 |
| Percent Change   | -3.1%  | -0.4%  | -1.2%  | -1.7%  | 0.3%  | -1.0% | 0.0%  | 0.3%  | 0.6%  | 0.6%  | 1.0%  |
| November Forecast                                      | 287.9  | 286.9  | 286.6  | 286.5  | 289.2 | 287.0 | 288.5 | 289.8 | 291.2 | -     | -     |
| Percent Change   | -2.6%  | -1.3%  | -0.5%  | 0.0%   | 0.4%  | -0.8% | 0.5%  | 0.5%  | 0.5%  | -     | -     |
| <b>Construction Employment (Thousands)</b>             |        |        |        |        |       |       |       |       |       |       |       |
| February Forecast, Preliminary                         | 173.2  | 173.3  | 173.0  | 173.7  | 172.4 | 173.7 | 178.8 | 185.7 | 191.3 | 196.5 | 200.2 |
| Percent Change   | 3.6%   | 0.3%   | -0.6%  | 1.6%   | 8.2%  | 0.8%  | 2.9%  | 3.8%  | 3.0%  | 2.7%  | 1.9%  |
| November Forecast                                      | 173.5  | 173.5  | 173.3  | 174.3  | 172.8 | 174.2 | 181.5 | 190.1 | 195.5 | -     | -     |
| Percent Change   | 1.4%   | 0.0%   | -0.4%  | 2.4%   | 8.5%  | 0.8%  | 4.2%  | 4.8%  | 2.9%  | -     | -     |
| <b>Housing Permits (Thousands)</b>                     |        |        |        |        |       |       |       |       |       |       |       |
| February Forecast, Preliminary                         | 36.6   | 37.4   | 38.4   | 38.5   | 40.0  | 38.5  | 41.8  | 43.4  | 43.7  | 43.9  | 44.1  |
| Percent Change   | 4.4%   | 8.7%   | 11.7%  | 0.9%   | 17.9% | -3.7% | 8.6%  | 3.7%  | 0.7%  | 0.5%  | 0.5%  |
| November Forecast                                      | 36.4   | 37.4   | 38.5   | 39.4   | 41.0  | 38.9  | 42.6  | 44.1  | 44.6  | -     | -     |
| Percent Change   | -10.2% | 11.6%  | 12.1%  | 10.3%  | 21.1% | -5.2% | 9.4%  | 3.7%  | 1.1%  | -     | -     |