

EMBARGOED

*until November 20, 2024, 2:00 pm PDT when it will be published at
www.erfc.wa.gov*

Revenue Review

November 20, 2024



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

This page left intentionally blank.



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

AGENDA

REVENUE REVIEW

November 20, 2024
2:00 p.m.

- Call to order
- Approval of meeting minutes from November 4, 2024
- Economic & Revenue Forecast
- Fiscal Growth Factor presentation
- Election of new council chair for 2025-2026
- Vice Chair
- Bylaws discussion
- Adjournment

This page left intentionally blank.



STATE OF WASHINGTON
ECONOMIC AND REVENUE FORECAST COUNCIL
PO Box 40912 • Olympia, Washington 98504-0912 • (360) 534-1560

Meeting Minutes
Economic Review
November 4, 2024
Conference Call

Economic and Revenue Forecast Council

Lynda Wilson, Senate, Chair
April Berg, House of Representatives
Chris Gildon, Senate
Timm Ormsby, House of Representatives
June Robinson, Senate
Ed Orcutt, House of Representatives
Mike Pellicciotti, Treasurer

Staff
Dave Reich, Executive Director

Call to Order

Senator Wilson called the meeting to order at 2:01 p.m.

Approval of the Minutes

Representative Orcutt moved, seconded by Representative Ormsby, to adopt the meeting minutes from September 27, 2024. Motion passed at 2:03 p.m.

Economic Forecast Presentation

Dr. Reich presented information on the preliminary economic forecast. Dr. Reich summarized the forecast changes and provided background information on both the U.S. and Washington economies.

Administrative

Representative Orcutt moved, seconded by Representative Ormsby, to extend the ERFC supervisor's contract by one year. The motion passed at 2:24 p.m.

Administrative

Senator Wilson asked the council to consider voting in a vice-chair. Senator Wilson also suggested the ERFC adopt bylaws to help direct the council. An email with additional information will be sent to the council for consideration and for further discussion and possible voting at the next meeting.

Adjournment

With no further business, the meeting adjourned at 2:31 p.m.

This page left intentionally blank.

**Economic & Revenue Forecast Council
State of Washington**



Revenue Review: November 20, 2024

Executive Summary

United States

- This forecast is based on a modified version of S&P Global Market Intelligence's November 2024 control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to be consistent with the Blue Chip "Consensus" GDP forecast for 2024 and 2025. We expect real GDP to increase 2.7% in 2024 and 2.0% in 2025, up from the 2.6% and 1.8% growth rates assumed in the September forecast. Our forecast for real GDP growth in 2026-29 is based on the most recent long-term forecast from Blue Chip which was released in October 2024. We expect growth rates of 2.1%, 2.0%, 2.0%, and 1.9% in 2026 through 2029 slightly higher than the September forecast.
- Our oil price forecast reflects the futures markets for the Brent (North Sea) oil price and West Texas Intermediate (WTI) benchmarks. This forecast was based on the Tuesday, November 5, 2024 closing prices for Brent and WTI futures. Oil prices are generally higher than in the September forecast. As in September, oil prices are expected to decline throughout the forecast. The latest futures prices indicate that the refiner acquisition price of crude oil will average \$71 per barrel in the fourth quarter of 2024, an increase of \$2 compared to the September forecast. By the fourth quarter of 2029 the refiner acquisition price of crude is expected to average \$64 per barrel, unchanged from the September forecast.
- National employment in October increased by 12,000 net jobs. Employment levels for August and September were revised down due to additional data and updated seasonal factors by a combined 112,000 jobs. It is likely that two major hurricanes and labor disputes impacted the October values. Job growth has slowed in the last few months with the 3-month moving average of monthly job adds now at 104,000. Sectors with the largest job gains in October included healthcare (+52,000), wholesale trade (+10,000) and government (+40,000). Sectors with declining employment in October included manufacturing (-46,000), employment services (-52,000) and arts and entertainment (-10,000).
- Two key measures of consumer confidence improved in October. The University of Michigan (UM) consumer sentiment survey increased by 0.4 points to 70.5 in October after increasing by 2.2 points in September. The Conference Board index of consumer confidence increased by 9.5 points in October to 108.7. Survey results indicated improved opinions about future business conditions, income and future job availability.
- Consumer prices increased 0.2% (SA) in October following a 0.2% increase in September. Compared to October 2023, prices are up 2.6%. Core prices, which exclude food and energy, rose by 3.3% compared to October 2023.

- Initial claims for unemployment insurance decreased by 4,000 to 217,000 (SA) in the week ending November 9th. The four-week moving average of initial claims decreased by 6,250 to 221,000.
- Industrial production decreased by 0.3% in September following a 0.3% increase in August. Industrial production was down 0.6% compared with its September 2023 level. New orders for core capital goods (i.e., durables excluding aircraft and military), which is a proxy for business investment, increased by 0.5% (SA) in September following a 0.3% increase in August according to U.S. Census Bureau data. New orders for core capital goods were 0.3% above their September 2023 level.
- Residential construction activity was down in September compared with August, and new home sales were up while existing home sales were down. September housing starts decreased by 0.5% (SA) compared to August and were 0.7% below their September 2023 level. Housing units authorized by building permits in September were 2.9% (SA) below their August level and 5.7% below their year-ago level. New home sales in September increased by 4.1% (SA) compared to August and were 6.3% above their year-ago level. Existing home sales in September decreased by 1.0% (SA) compared to August and were down 3.5% compared to September 2023. The seasonally adjusted Case-Shiller national home price index for August was 0.3% above its July level and 4.2% above its year-ago level.
- The major risks to the U.S. and Washington economies continue to be the impacts of elevated prices, high interest rates and geopolitical conflict.

Washington

- We have two months of Washington employment data since the September forecast was released. Total seasonally adjusted nonfarm payroll employment declined 200 in September and 34,200 in October. The recent Boeing strike lowered employment in October by approximately 33,000. The September forecast expected a gain of 2,700 in September and a 28,600 job loss in October. The construction sector increased by 1,500 jobs while manufacturing employment declined by 34,900 in the two-month period. Education services had the largest increase in the private sector with a gain of 3,600 jobs. The largest decline (excluding manufacturing) was in food services and drinking places with a loss of 3,200 jobs. Government employment increased by 3,700 due primarily to a 3,000 job gain in state government education.
- Revisions to employment data subtracted 7,300 (0.2%) to the estimated level of total employment in August 2024. The combined effect of the downward revision to historical data and the weaker growth in the past two months is that October employment is 15,800 (0.4%) lower than expected in the September forecast.
- Washington's unemployment rate appears to be trending down. The unemployment rate fell to 4.7% in October from 4.8% in September. This is the first time the jobless rate has fallen below 4.8% since March. The labor force participation rate fell from 63.3% to 63.2% in October and is down from 64.3% a year ago.

- The November forecast calls for a 1.0% increase in Washington employment this year, down from 1.3% in the September forecast. We expect slightly slower growth during the remainder of the forecast as the U.S. economy slows. The forecast has employment growth average 0.9% per year in 2025 through 2029, up from 0.8% in the previous forecast. We assume the 4.1% unemployment rate in 2023 was the trough. Going forward, we expect the unemployment rate to increase to 5.0% in 2026, then decline to 4.6% in 2029.
- The November forecast incorporates the recently ended strike by machinists at Boeing. We expect the impact to be transitory and not materially affect the forecast in the long term. The aerospace industry has added 17,100 jobs since reaching a trough in employment in August 2021, bringing the level to 83,900 in September 2024. We expect aerospace employment to decline in the near term reflecting the announced layoffs at Boeing. The forecast then calls for aerospace employment to resume growth in the second half of 2025 and then slow and level off in the latter years of the 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 2024. Washington personal income increased from \$657.3 billion (SAAR) in the first quarter to \$665.4 billion in the second quarter of 2024. The 5.1% increase (SAAR) in Washington personal income was the 28th among the states and District of Columbia and trailed the 5.3% (SAAR) rate of increase for the U.S. as a whole. Growth in Washington net earnings slightly trailed the U.S. in the second quarter, with Washington earnings increasing 6.2% (SAAR) compared to 6.3% (SAAR) for the nation. Dividends, interest, and rent grew 1.5% (SAAR) in both Washington and the nation. Transfer payments grew for both Washington and the nation, increasing 5.3% (SAAR) and 6.1% (SAAR) respectively.
- The September state personal income release also incorporated the results of the BEA's annual update of state personal income which revised personal income estimates from 2019 through 2023. Washington personal income rose to \$632.3 billion in 2023 from \$589.1 billion in 2022. The 7.3% growth rate in Washington personal income was the 3rd highest among the states and District of Columbia and exceeded the 5.9% growth rate for the nation. The annual revision added \$8.8 billion (1.4%) to the estimate for 2023 personal income.
- The forecast for nominal personal income growth this year is 6.5%, up from 5.2% in the September forecast. We expect nominal personal income growth to average 5.4% from 2025 to 2029, down from 5.6% in the September forecast. The combination of revisions to historical data, stronger growth this year and slightly weaker growth in 2025 through 2029, results in Washington nominal personal income being \$16.7 billion (2.0%) higher in 2029 than assumed in the previous forecast.

- Seattle-area home prices are increasing. Home prices increased 0.9% in August, the fifth straight increase. In comparison, the composite-20 index was up 0.4% in August and has increased for 19 consecutive months. Seattle home prices in August were up 5.2% over the year, equal to the 5.2% increase in the composite-20 index.
- Seattle-area consumer price inflation is declining, although it continues to outpace the national average. From October 2023 to October 2024, the Seattle CPI rose 3.0% compared to the 2.6% 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. Energy prices were down 8.6% in Seattle since October 2023. National energy prices were 4.9% lower than a year ago. Core prices, which exclude food and energy, increased 3.8% in Seattle and 3.3% in the U.S. City Average index. Seattle shelter cost inflation is now below the U.S. city average at 4.7% compared to 4.9%. Excluding shelter, inflation in Seattle rose 1.8% while the U.S. city average rose 1.3% over the year.
- Washington exports increased 6.9% from the third quarter of 2023 to the third quarter of 2024. The increase was fueled by strong gains in Washington's top two exports: transportation equipment (+24.6%) and agriculture (+29.9%). Excluding transportation equipment and agricultural products, Washington exports declined 9.6% year over year in the third quarter of 2024.
- Washington car and truck sales declined in October by 3.4% compared to September to 272,900 (SAAR). Passenger car registrations fell 6.4% while light truck registrations increased 17.8%. The number of total registrations remained up 3.1% over the year in October.
- Washington housing construction picked up in the third quarter of 2024. A total of 36,000 units (SAAR) were permitted in July, August, and September, up from 33,300 units (SAAR) in the second quarter. Third quarter permits consisted of 18,600 single-family units and 17,400 multi-family units. The September forecast expected 35,100 units (SAAR) for the third quarter as a whole consisting of 16,900 single-family units and 18,300 multi-family units.
- We expect 2024 to be the trough in housing permits with 36,000 units. The forecast calls for growth in housing permits through 2029, reaching 43,800 units. The previous forecast called for total housing permits to grow to 43,400 units in 2029 from a trough of 35,600 units in 2024.

Revenue

- Cumulative major General Fund-State revenue (GF-S) since the September forecast came in \$134.1 million (2.9%) higher than forecasted. Much of the surplus, however, came from an \$84 million transfer of unclaimed property into the GF-S, which we are assuming will be refunded before the end of the fiscal year. Collections of Revenue Act taxes (the main category of GF-S

- taxes including retail sales and use, business and occupation (B&O), public utility and non-cigarette tobacco products) came in \$29.0 million (0.7%) higher than forecasted. Excluding the \$84 million transfer of unclaimed property, all other DOR revenue sources were \$21.1 million (3.4%) higher than forecasted.
- The November state economic forecast projects lower housing permits and construction employment than expected in September. Forecasted state personal income is higher than in the previous forecast but the increase is due to revised historical levels. Going forward, the growth rate of state income is slightly lower than September's rate. These factors have resulted in decreases in forecasted Revenue Act taxes. Forecasted Revenue Act collections have been decreased \$114.8 million for the current biennium, \$136.3 million in the 2025-27 biennium and \$22.9 million in the 2027-29 biennium.
 - Some of the forecast decline from Revenue Act taxes has been offset by increases in other DOR revenue sources. Forecasted collections of real estate excise, property, and liquor taxes increased slightly, as did forecasted transfers of unclaimed property into the GF-S.
 - Forecasted GF-S revenue is now \$63.072 billion for the 2023-25 biennium, a decrease of \$93.2 million from the September forecast. Forecasted GF-S revenue is \$67.824 billion for the 2025-27 biennium, a decrease of \$106.5 million, and \$72.907 billion for the 2027-29 biennium, a decrease of \$12.1 million.
 - Forecasted Education Legacy Trust Account (ELTA) revenue has increased in the current biennium but decreased going forward. Forecasted capital gains taxes increased slightly in the current biennium but then decreased due to revisions to the forecasting model. Forecasted estate taxes increased in the current biennium due to actual receipts but decreased slightly going forward. Forecasted real estate excise taxes increased slightly throughout the forecast period. The ELTA forecast has been increased by \$48.5 million in the current biennium. The forecast has been decreased \$54.2 million in the 2025-27 biennium and \$99.1 million in the 2027-29 biennium. Forecasted ELTA revenue is now \$2.088 billion for the 2023-25 biennium, \$2.302 billion for the 2025-27 biennium and \$2.541 billion for the 2027-29 biennium.
 - The forecast of revenue dedicated to the Opportunity Pathways Account (OPA) was decreased by \$40.1 million in the current biennium and \$12.4 and \$9.9 million in the next two biennia respectively. Estimated OPA revenue is now \$348.6 million for the 2023-25 biennium, \$359.4 million for the 2025-27 biennium and \$378.3 million for the 2027-29 biennium.
 - The forecast of revenue dedicated to the Workforce Education Investment Account (WEIA) has been decreased slightly due to lower-than-expected receipts since September and lower growth of projected personal income. The decreases were \$4.0 million in the current biennium and \$7.6 and \$9.6 million in the next two biennia respectively. Estimated WEIA revenue is now \$881.8 million for the 2023-25 biennium, \$944.7 million for the 2025-27 biennium and \$1.019 billion for the 2027-29 biennium.

- Summing the changes to the GF-S, ELTA, OPA and WEIA forecasts, total state revenue subject to the budget outlook process is expected to decrease by \$88.8 million in the 2023-25, \$180.7 million in the 2025-27 biennium and \$130.7 million in the 2027-29 biennium.
- The forecasted total of GF-S, ELTA, OPA and WEIA revenue for the 2023-25 biennium is \$66.390 billion, an increase of 2.6% over 2021-23 biennial revenue. Forecasted total revenue for the 2025-27 biennium is \$71.431 billion, an increase of 7.6% over the prior biennium, and forecasted total revenue for the 2027-29 biennium is \$76.845 billion, an increase of 7.6% over the prior biennium.

This page left intentionally blank.

Revenue Review

Presented to the
Economic and Revenue Forecast Council

Dave Reich
Executive Director

November 20, 2024



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL



Overview

U.S. Economy

- U.S. GDP, inflation, and interest rates are higher than in our September forecast
- The Federal Reserve reduced interest rates in September and November and is expected to continue

Washington

- WA employment levels are lower, growth unchanged
- Personal income levels higher but slower growth, small changes for housing permits compared with September

Revenue

- The forecast of funds subject to the budget outlook is decreased by \$270 million (0.2%) for 2023-27 biennia

Revenue Review
November 20, 2024

Slide 1

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Since the September forecast...

The economic forecast incorporates September and October 2024 employment data for WA and the U.S.

Positives:

- U.S. employment has increased by 235,000 jobs
- Wage growth is slowing (less inflation pressure)
- Seattle CPI fell from 4.4% (Apr.) to 3.0% (Oct.)
- Boeing strike resolved

Negatives:

- Price level remains elevated
- WA employment declined in September and October
- WA revenue collections growth continues to be slow-FY24 sales tax revenues were down YoY (only 3rd time in last 15 years)

Revenue Review
November 20, 2024

Slide 2

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Forecast risks

Upside

- Stronger consumer spending, faster interest rate cuts
- Quicker resolution of Russia – Ukraine, Middle East conflicts leads to lower commodity prices

Downside

- Elevated interest rates push economy into recession
- Russia – Ukraine, Middle East conflicts intensify, leading to higher prices for energy/transportation
- Potential tariff impacts

Revenue Review
November 20, 2024

Slide 3

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Inflation has slowed significantly but remains above the target rate



Revenue Review
November 20, 2024

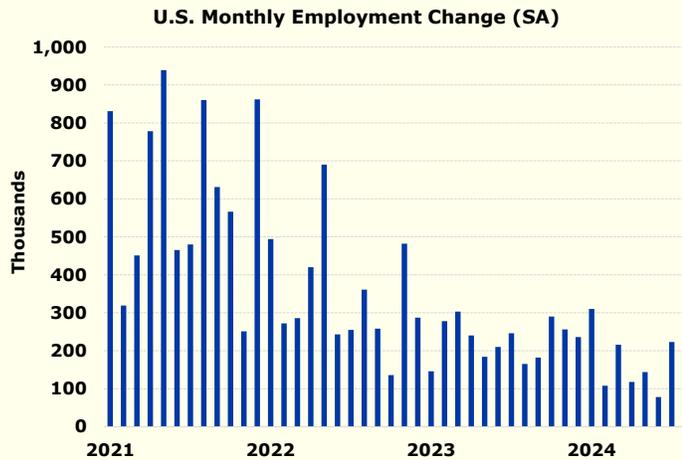
Slide 4

Source: U.S. Bureau of Labor Statistics, data through October 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



U.S. employment – trending down but stronger than expected in 2024



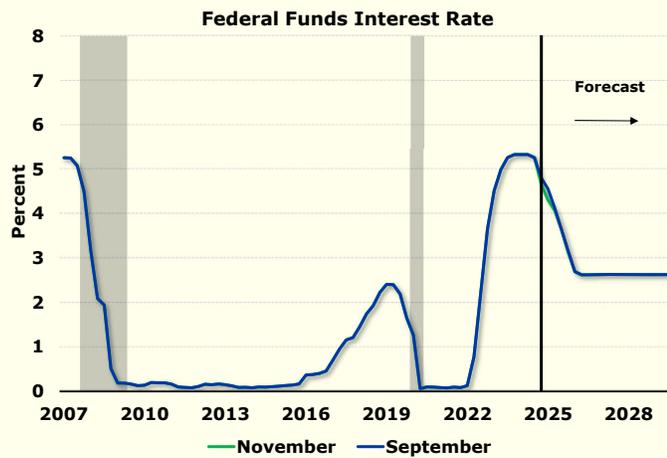
Revenue Review
November 20, 2024
Slide 5

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

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



The Federal Reserve began reducing interest rates in September



The Federal Reserve reduced interest rates 0.5% in September 2024 and 0.25% in November.

Revenue Review
November 20, 2024
Slide 6

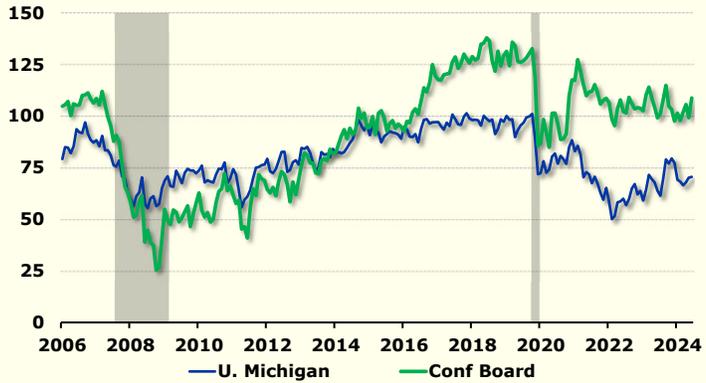
Source: ERFC November 2024 forecast; historical data through 2024 Q3

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Consumer sentiment has been moving sideways but both measures were up in October

Index
Mich: 1966Q1 = 100, SA
Conf Board: 1985 = 100, SA



Revenue Review
November 20, 2024

Sources: Data through October 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Slide 7



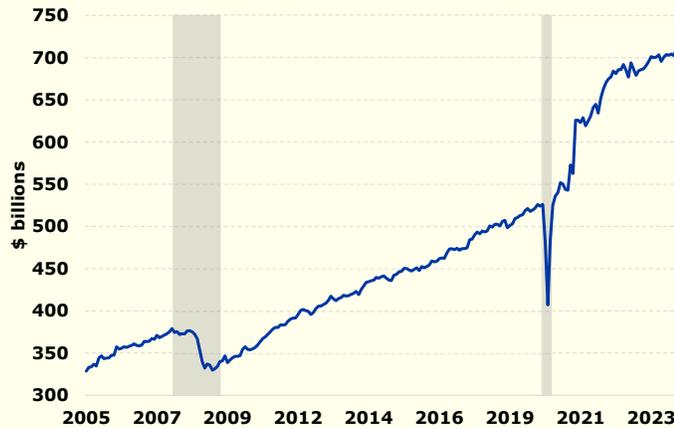
U.S. retail sales were up 2.8% in October compared with the same month in 2023

Sectors with large sales increases in October (yoy):

Nonstore retailers:
+7.0%

Food services & drinking places:
+4.3%

U.S. Retail Trade & Food Service Sales, SA



Revenue Review
November 20, 2024

Source: U.S. Census Bureau; data through October 2024

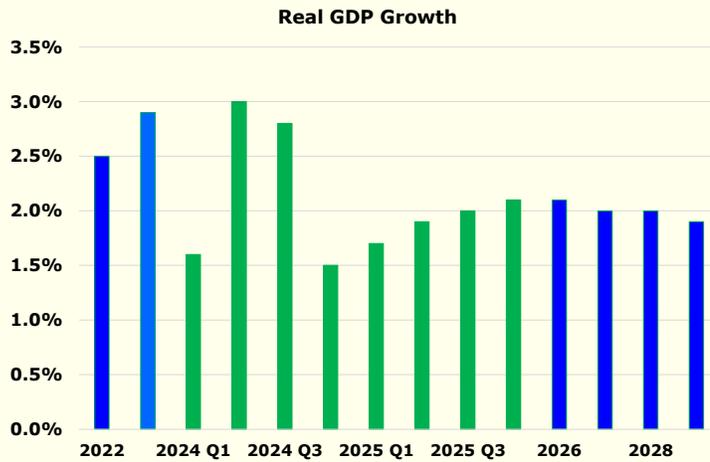
WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Slide 8



GDP forecast calls for positive quarterly growth in 2024 and beyond

Growth in the third quarter of 2024 was 2.8% SAAR (1st estimate)



Revenue Review
November 20, 2024

Source: IHS Markit, ERFC November 2024 forecast; historical data through 2024 Q3

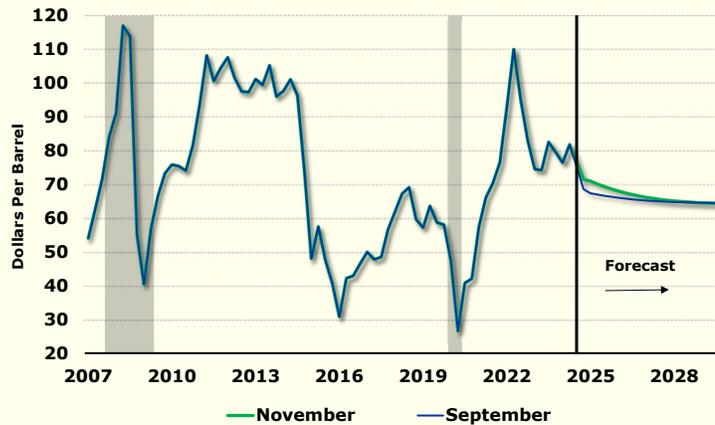
WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Slide 9



Oil prices are higher than in the September forecast

Oil prices in the third quarter of 2024 were slightly higher than expected in the September forecast



Revenue Review
November 20, 2024

Source: Energy Information Administration, IHS Markit, ERFC; data through 2024 Q3
Note: Vertical black line indicates last actual

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Slide 10



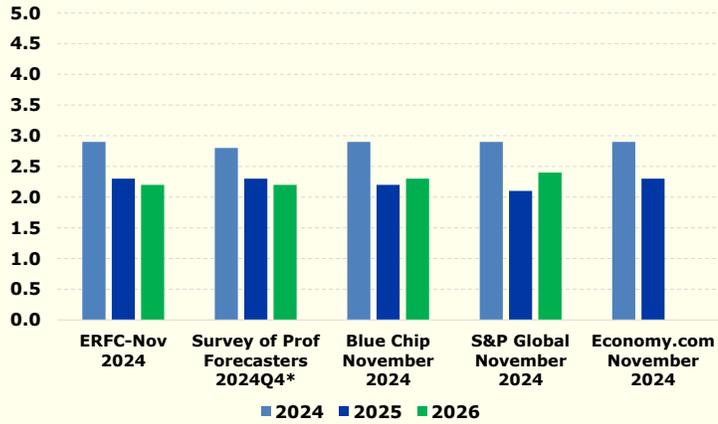
Inflation should continue to moderate

The Consumer Price Index increased by 4.1% in 2023

Revenue Review
November 20, 2024

Slide 11

Consumer Price Index, Annual % Change



Survey of Professional Forecasters reflects change in price level in 4th quarter compared to 4th quarter of prior year; all others reflect average change over the year compared to prior year.

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



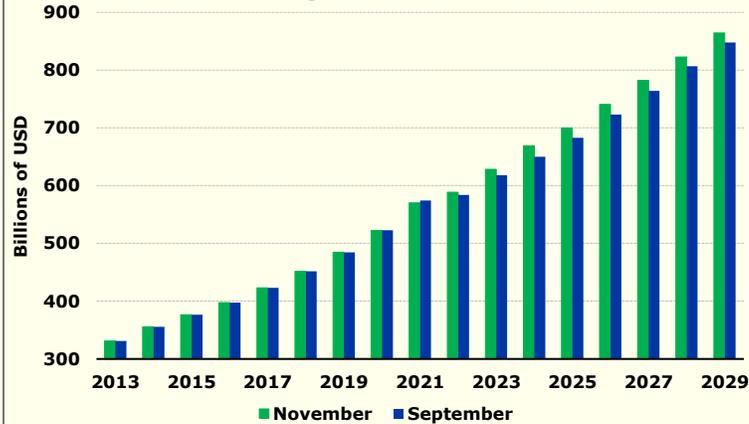
WA personal income forecast averages 5.3% annual growth from 2024-2029, down from 5.5% in Sept.

In September, BEA released 2024:2Q personal income and WA was up 5.1% (SAAR)

Revenue Review
November 20, 2024

Slide 12

Washington Personal Income



Source: ERFC November 2024 forecast; historical data through 2024 2Q

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



WA employment level revised down slightly but growth unchanged from September

Average annual employment growth, 2024 to 2029:

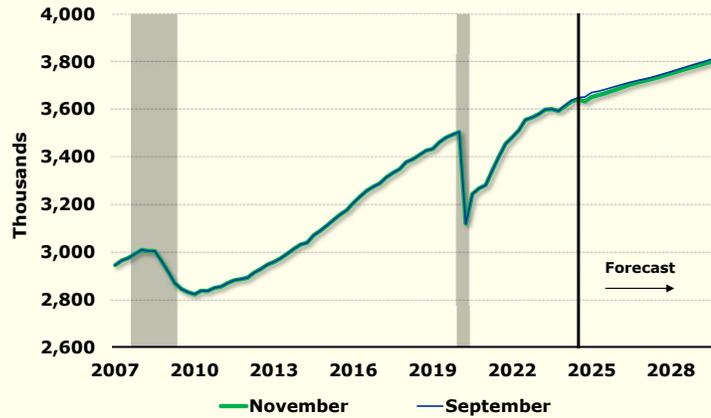
U.S. = 0.4%

WA = 0.9%

Revenue Review
November 20, 2024

Slide 13

Washington Nonfarm Payroll Employment



Source: ERFC November 2024 forecast; historical data through 2024 Q3

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

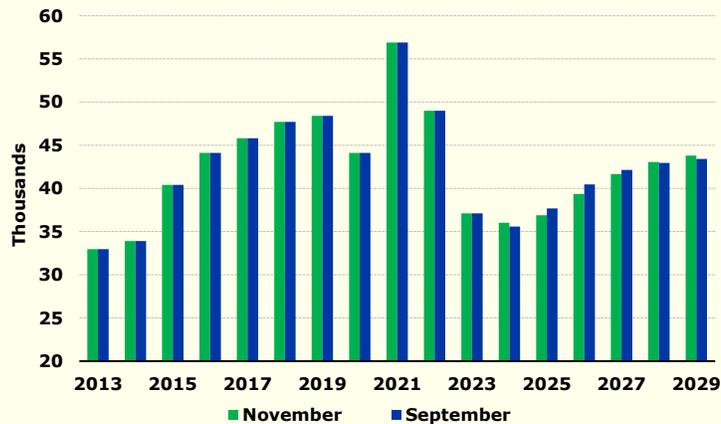


WA housing permit forecast; small changes over the 2024-2029 period

Revenue Review
November 20, 2024

Slide 14

Washington Housing Permits



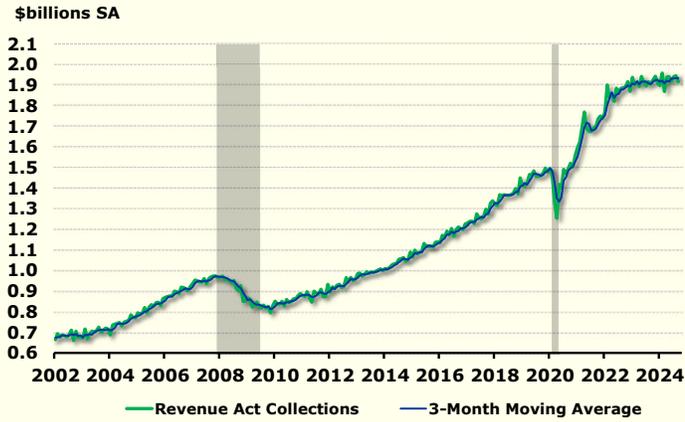
Source: ERFC November 2024 forecast; historical data through 2023

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Revenue Act collections growth has slowed; September activity was up 0.5% (SA) compared with September 2023

Revenue Act includes:
Sales tax
B&O tax
Use tax
Pub util tax
Penalties
Tobacco



Revenue Review
November 20, 2024

* Adjusted for large one-time transactions, amnesty payments, reporting frequency change and deferred 2020 payments, current definition of Revenue Act
Source: DOR and ERFC; monthly data through September 2024 activity

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Slide 15



Taxable real estate activity has increased in 2024

Transactions of \$10 million or more were about \$230M in October 2024



Revenue Review
November 20, 2024

Source: ERFC; Monthly data through October 2024 estimate

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Slide 16



Cannabis excise tax and license fee forecast

Total change since Sept. forecast:

- 2023-25
-\$3 M
- 2025-27
-\$3 M
- 2027-29
-\$3 M

\$Millions

Cannabis Forecast

	<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>
GF-S share of excise tax and license fees	\$264	\$293	\$317
Non-GF	\$679	\$687	\$741
Total	\$943	\$980	\$1,058

Revenue Review
November 20, 2024

Detail may not add to total due to rounding
Source: ERFC November 2024 forecast; historical data through October 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Slide 17



Forecast changes, all funds: 2023-25 biennium, cash basis

The forecast decrease represents 0.1% of biennial revenue

\$Millions	<u>Sep. 2024 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Nov. 2024 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$63,166	n/a	(\$93)	\$63,072	(\$93)
Education Legacy Trust Account	\$2,039	n/a	\$48	\$2,088	\$48
WA Opportunity Pathways Account	\$389	n/a	(\$40)	\$349	(\$40)
Workforce Education Investment Account	\$886	n/a	(\$4)	\$882	(\$4)
Total	\$66,479	n/a	(\$89)	\$66,390	(\$89)

Revenue Review
November 20, 2024

Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Slide 18



Forecast changes, all funds: 2025-27 biennium, cash basis

The forecast decrease represents 0.3% of biennial revenue

\$Millions	<u>Sep. 2024 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Nov. 2024 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$67,931	n/a	(\$107)	\$67,824	(\$107)
Education Legacy Trust Account	\$2,356	n/a	(\$54)	\$2,302	(\$54)
WA Opportunity Pathways Account	\$372	n/a	(\$12)	\$359	(\$12)
Workforce Education Investment Account	\$952	n/a	(\$8)	\$945	(\$8)
Total	\$71,611	n/a	(\$181)	\$71,431	(\$181)

Revenue Review
November 20, 2024
Slide 19

[#] Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



What are the major factors that drove the revenue forecast change?

- GF-S affected by lower forecasted sales and B&O taxes, partially offset by others
- ELTA increased on higher estate/capital gains in FY25, decreased on lower estate/cap gains in 2025 and beyond
- WOPA reduced on lower lottery forecast
- Forecast adjustments are modest: -0.1% for the 2023-25 biennium and -0.3% for the 2025-27 biennium

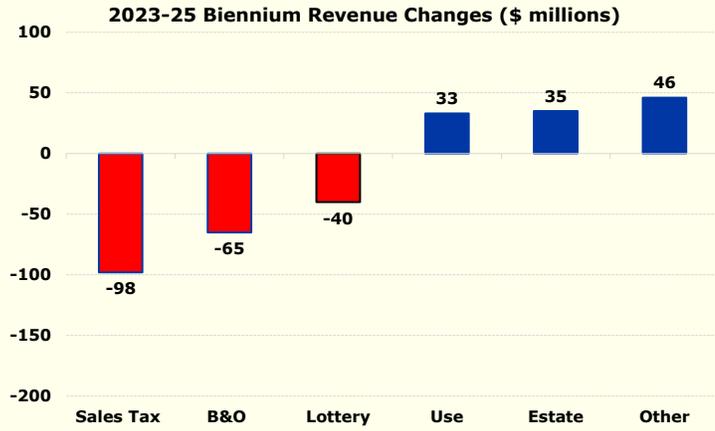
Revenue Review
November 20, 2024
Slide 20

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Majority of 2023-25 revenue change due to sales and B&O taxes

Sales taxes are impacted by lower construction and auto related activity



Revenue Review
November 20, 2024

Slide 21

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



2023-25 Biennium alternative forecasts for funds subject to the budget outlook

\$Millions (cash basis)	2023-25 Biennium	Difference From the baseline#
November 2024 Baseline (55%)	\$66,390	
<u>November 2024 Alternative Forecasts</u>		
Optimistic (20%)	\$67,825	\$1,434
Pessimistic (25%)	\$64,919	(\$1,472)
Probability Weighted Average	\$66,309	(\$81)
GCEA*	\$66,502	\$112

Revenue Review
November 20, 2024

Slide 22

*Based on the Governor's Council of Economic Advisors' economic assumptions
#May not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



2025-27 Biennium alternative forecasts for funds subject to the budget outlook

\$Millions (cash basis)	2025-27 Biennium	Difference From the baseline*
November 2024 Baseline (55%)	\$71,431	
November 2024 Alternative Forecasts		
Optimistic (20%)	\$76,462	\$5,032
Pessimistic (25%)	\$66,037	(\$5,394)
Probability Weighted Average	\$71,089	(\$342)
GCEA*	\$71,659	\$229

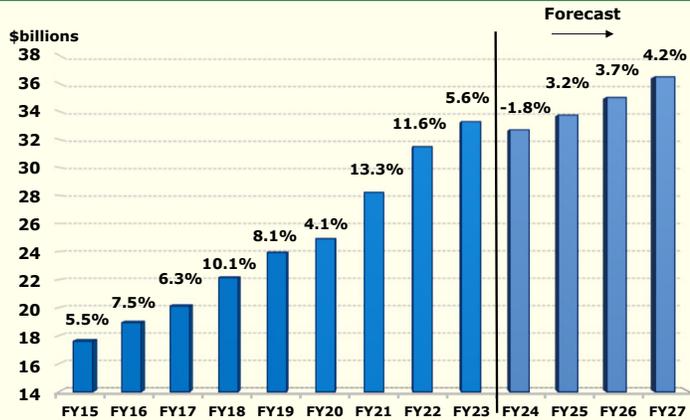
Revenue Review
November 20, 2024
Slide 23

*Based on the Governor's Council of Economic Advisors' economic assumptions
#May not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Forecast of funds subject to the budget outlook process* by fiscal year



Revenue Review
November 20, 2024
Slide 24

*Funds subject to the budget outlook process are General Fund-State plus Education Legacy Trust, Washington Opportunities Pathway and Workforce Education Investment Accounts
Source: ERFEC forecast, November 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Summary

- U.S. GDP, inflation and interest rate forecasts higher than September
- WA employment level lower but growth unchanged, small changes to personal income growth and residential construction permits compared with September
- Impacts of the conflicts in Russia-Ukraine and Middle East, lower spending and delayed rate cuts pose risks to the forecast
- Total state revenues are expected to grow 2.6% between the 2021-23 and 2023-25 biennia and 7.6% between the 2023-25 and 2025-27 biennia

Revenue Review
November 20, 2024

Slide 25

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Fiscal growth factor

- The fiscal growth factor equals the average growth in personal income for the prior ten fiscal years
- Responsibility for calculating the fiscal growth factor was moved to the ERFC in 2020 (SSB 6660)
- The fiscal growth factor is used for:
 - Determining amounts that specific fees may or must be raised
 - Determining increases to be made for specific transfers and local distributions

Revenue Review
November 20, 2024
Slide 26

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Fiscal growth factor

Fiscal Year	Fiscal Growth Factor	Status
FY 2024	6.22%	Adopted Nov. 2022
FY 2025	6.40%	Adopted Nov. 2023
FY 2026	6.41%	Proposed Nov. 2024
FY 2027	6.43%	Preliminary Nov. 2024
FY 2028	6.39%	Preliminary Nov. 2024

Revenue Review
November 20, 2024
Slide 27

Source: ERFC November 2024 forecast

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Questions

Revenue Review
November 20, 2024

Slide 28



Economic & Revenue Forecast Council
PO BOX 40912
Olympia WA 98504-0912

www.erfc.wa.gov
360-534-1560

This page left intentionally blank.

**Total Changes to General Fund-State, Education Legacy Trust Account,
Washington Opportunity Pathways Account and Workforce Education Investment Account Forecasts**

Comparison of the November 2024 to the September 2024 Forecast

2023-25 Biennium

Cash Forecast; Millions of Dollars

	<u>September 2024 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>November 2024 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$63,165.6	\$0.0	(\$93.2)	\$63,072.4	(\$93.2)
Education Legacy Trust Account	\$2,039.2	\$0.0	\$48.5	\$2,087.6	\$48.5
WA Opportunity Pathways Account	\$388.7	\$0.0	(\$40.1)	\$348.6	(\$40.1)
Workforce Education Investment Account	\$885.8	\$0.0	(\$4.0)	\$881.8	(\$4.0)
Total	\$66,479.2	\$0.0	(\$88.8)	\$66,390.4	(\$88.8)

*Details may not add due to rounding

**Total Changes to General Fund-State, Education Legacy Trust Account,
Washington Opportunity Pathways Account and Workforce Education Investment Account Forecasts**

Comparison of the November 2024 to the September 2024 Forecast

2025-27 Biennium

Cash Forecast; Millions of Dollars

	<u>September 2024 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>November 2024 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$67,930.8	\$0.0	(\$106.5)	\$67,824.3	(\$106.5)
Education Legacy Trust Account	\$2,356.3	\$0.0	(\$54.2)	\$2,302.1	(\$54.2)
WA Opportunity Pathways Account	\$371.9	\$0.0	(\$12.4)	\$359.4	(\$12.4)
Workforce Education Investment Account	\$952.3	\$0.0	(\$7.6)	\$944.7	(\$7.6)
Total	\$71,611.3	\$0.0	(\$180.7)	\$71,430.6	(\$180.7)

*Details may not add due to rounding

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

February 2020 through November 2024

Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>General Fund-State</u>	<u>Education Legacy Trust Acct.</u>	<u>Washington Opportunity Pathways Acct.</u>	<u>Workforce Education Investment Acct.</u>	<u>Subtotal</u>	<u>Non-Economic Changes</u>	<u>Total Change</u>	<u>Total of Funds</u>
February 2020*	\$57,930	\$925	\$321	\$667				\$59,843
Changes to Forecast								
June 2020	(4,682)	(9)	8	(3)	(4,685)	209 #1	(4,476)	55,367
September 2020	2,460	125	(7)	35	2,612	0	2,612	57,979
November 2020	16	14	2	(4)	28	0	28	58,007
March 2021	1,846	17	10	25	1,899	0	1,899	59,906
June 2021	1,419	(6)	16	7	1,436	810 #2	2,246	62,151
September 2021	891	31	(1)	9	931	0	931	63,082
November 2021	828	(44)	5	11	800	165 #3	965	64,047
February 2022	1,311	2	2	5	1,320	0	1,320	65,368
June 2022	1,036	21	(1)	55	1,112	(480) #4	632	65,999
September 2022	(332)	(18)	(8)	(21)	(378)	(117) #5	(495)	65,504
November 2022	684	(2)	(6)	6	681	0	681	66,185
March 2023	(407)	(77)	10	(9)	(483)	0	(483)	65,702
June 2023	140	115	7	25	287	39 #6	327	66,028
September 2023	616	12	7	28	663	0	663	66,692
November 2023	172	6	9	5	191	0	191	66,883
February 2024	53	31	24	13	122	0	122	67,005
June 2024	(252)	(188)	(27)	24	(443)	(34) #7	(477)	66,528
September 2024	(146)	54	21	6	(64)	15 #8	(49)	66,479
November 2024	(93)	48	(40)	(4)	(89)	0	(89)	66,390
Total change:								
From February 2020	5,560	135	31	214	5,940	607	6,547	
Percent change	9.6	14.6	9.6	32.1	9.9	1.0	10.9	
Change in forecast since initial 23-25 biennial budget**								
	490	80	1	98	668	-19	649	
Percent change	0.8	4.0	0.2	12.5	1.0	0.0	1.0	

* First official forecast for the 2023-25 biennium.

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

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

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

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

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

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

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

#7 Legislative and budget-driven revenue changes from the 2024 legislative session

#8 Payments from Washington State Convention Center Public Facilities District less transfer to the Clarke-McNary Account

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

February 2022 through November 2024

Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>General Fund-State</u>	<u>Education Legacy Trust Acct.</u>	<u>Washington Opportunity Pathways Acct.</u>	<u>Workforce Education Investment Acct.</u>	<u>Subtotal</u>	<u>Non-Economic Changes</u>	<u>Total Change</u>	<u>Total of Funds</u>
February 2022*	\$66,533	\$2,305	\$357	\$831				\$70,025
Changes to Forecast								
June 2022	759	19	0	17	795	(619) #1	176	70,202
September 2022	4	8	(7)	(18)	(13)	(53) #2	(66)	70,136
November 2022	687	55	(4)	10	747	0	747	70,883
March 2023	(442)	(97)	9	(11)	(540)	0	(540)	70,342
June 2023	38	18	6	11	72	75 #3	147	70,489
September 2023	400	7	(1)	31	437	0	437	70,927
November 2023	507	59	8	4	579	0	579	71,506
February 2024	169	6	10	31	215	0	215	71,721
June 2024	(37)	(119)	(31)	35	(152)	(37) #4	(189)	71,532
September 2024	(116)	97	27	9	16	63 #5	79	71,611
November 2024	(107)	(54)	(12)	(8)	(181)	0	(181)	71,431
Total change:								
From February 2022	1,862	-2	5	112	1,976	-571	1,405	
Percent change	2.8	-0.1	1.4	13.4	2.8	-0.8	2.3	

* First official forecast for the 2025-27 biennium.

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

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

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

#4 Legislative and budget-driven revenue changes from the 2024 legislative session

#5 Payments from Washington State Convention Center Public Facilities District less transfer to the Clarke-McNary Account

November 2024Alternative forecasts of funds subject to the budget outlook
Millions of Dollars

Cash Basis

2023-25 Biennium

	<u>2024-25 Biennium</u>	<u>Difference From the November 2024 Baseline</u>
November 2024 Baseline (55%)	\$66,390	
November 2024 Alternative Forecasts		
Optimistic (20%)	\$67,825	\$1,434
Pessimistic (25%)	\$64,919	(\$1,472)
Probability Weighted Average	\$66,309	(\$81)
GCEA*	\$66,502	\$112

2025-27 Biennium

	<u>2025-27 Biennium</u>	<u>Difference From the November 2024 Baseline</u>
November 2024 Baseline (55%)	\$71,431	
November 2024 Alternative Forecasts		
Optimistic (20%)	\$76,462	\$5,032
Pessimistic (25%)	\$66,037	(\$5,394)
Probability Weighted Average	\$71,089	(\$342)
GCEA*	\$71,659	\$229

* Based on the Governor's Council of Economic Advisors Assumptions.

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

History and Forecast by Fiscal Year (Cash basis)

November 2024 - Millions of Dollars

	General Fund-State (GF-S) (current definition)		Education Legacy Trust Fund* (ELTA)		WA Opportunity Pathways Account (OPA)		Workforce Ed. Investment Acct. (WEIA)		Total GF-S, ELTA, OPA and WEIA		
	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.	
History:											
FY 2005	\$13,036	5.5%								\$13,036	5.5%
FY 2006	\$14,318	9.8%	\$115							\$14,432	10.7%
FY 2007	\$15,467	8.0%	\$266	132.2%						\$15,734	9.0%
FY 2008	\$15,659	1.2%	\$213	-20.1%						\$15,872	0.9%
FY 2009	\$14,158	-9.6%	\$224	5.4%						\$14,382	-9.4%
FY 2010	\$13,571	-4.1%	\$157	-29.9%						\$13,728	-4.6%
FY 2011	\$14,648	7.9%	\$112	-29.0%	\$99					\$14,859	8.2%
FY 2012	\$14,874	1.5%	\$114	2.3%	\$118	19.1%				\$15,107	1.7%
FY 2013	\$15,783	6.1%	\$101	-11.5%	\$126	5.9%				\$16,009	6.0%
FY 2014	\$16,383	3.8%	\$197	95.3%	\$114	-9.4%				\$16,694	4.3%
FY 2015	\$17,283	5.5%	\$207	5.0%	\$120	5.7%				\$17,611	5.5%
FY 2016	\$18,579	7.5%	\$215	3.6%	\$139	15.7%				\$18,933	7.5%
FY 2017	\$19,739	6.2%	\$252	17.5%	\$127	-9.0%				\$20,118	6.3%
FY 2018	\$21,712	10.0%	\$302	19.6%	\$129	1.5%				\$22,143	10.1%
FY 2019	\$22,430	3.3%	\$1,352	348.1%	\$156	21.1%				\$23,938	8.1%
FY 2020	\$23,817	6.2%	\$913	-32.5%	\$153	-2.0%	\$32			\$24,915	4.1%
FY 2021	\$26,986	13.3%	\$726	-20.5%	\$184	20.9%	\$320	905.5%		\$28,217	13.3%
FY 2022	\$30,030	11.3%	\$890	22.6%	\$190	2.9%	\$369	15.1%		\$31,478	11.6%
FY 2023	\$30,972	3.1%	\$1,685	89.4%	\$188	-0.7%	\$410	11.3%		\$33,256	5.6%
FY 2024	\$31,094	0.4%	\$966	-42.7%	\$177	-6.2%	\$435	6.1%		\$32,672	-1.8%
Forecast:											
FY 2025	\$31,979	2.8%	\$1,121	16.1%	\$172	-2.7%	\$446	2.5%		\$33,719	3.2%
FY 2026	\$33,216	3.9%	\$1,128	0.6%	\$174	1.3%	\$463	3.7%		\$34,981	3.7%
FY 2027	\$34,608	4.2%	\$1,174	4.1%	\$185	6.5%	\$482	4.0%		\$36,450	4.2%
FY 2028	\$35,840	3.6%	\$1,237	5.3%	\$188	1.3%	\$500	3.8%		\$37,765	3.6%
FY 2029	\$37,067	3.4%	\$1,303	5.3%	\$190	1.3%	\$519	3.8%		\$39,080	3.5%
Biennial Totals											
07-09 Biennium	\$29,817	0.1%	\$437	14.8%	\$0	NA	\$0	NA		\$30,254	0.3%
09-11 Biennium	\$28,218	-5.4%	\$269	-38.5%	\$99	NA	\$0	NA		\$28,586	-5.5%
11-13 Biennium	\$30,657	8.6%	\$215	-19.9%	\$244	145.2%	\$0	NA		\$31,116	8.8%
13-15 Biennium	\$33,666	9.8%	\$405	88.0%	\$234	-4.1%	\$0	NA		\$34,305	10.2%
15-17 Biennium	\$38,317	13.8%	\$467	15.4%	\$266	13.6%	\$0	NA		\$39,050	13.8%
17-19 Biennium	\$44,143	15.2%	\$1,654	254.1%	\$284	6.9%	\$0	NA		\$46,081	18.0%
19-21 Biennium	\$50,803	15.1%	\$1,639	-0.9%	\$337	18.5%	\$352	NA		\$53,132	15.3%
21-23 Biennium	\$61,002	20.1%	\$2,575	57.1%	\$378	12.2%	\$779	121.2%		\$64,734	21.8%
23-25 Biennium	\$63,072	3.4%	\$2,088	-18.9%	\$349	-7.8%	\$882	13.2%		\$66,390	2.6%
25-27 Biennium	\$67,824	7.5%	\$2,302	10.3%	\$359	3.1%	\$945	7.1%		\$71,431	7.6%
27-29 Biennium	\$72,907	7.5%	\$2,541	10.4%	\$378	5.2%	\$1,019	7.9%		\$76,845	7.6%

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

Lottery transfers by fund

November 2024 forecast

(Cash basis, millions of dollars)

	Lottery: Total Transfers* General Fund	Mariners Stadium	Exhibition Center & Stadium	Student ACHV Account	School Construction Account	Problem Gambling Account	Economic Develop. Account	Opportunity Pathways Account	Veteran's VIP Account	Education Legacy Trust Account	Gambling Revolving Account
2006	125.1	1.9	4.4	7.9	0.0	107.8	0.2	3.0	0.0	0.0	0.0
2007	120.6	7.6	4.5	8.2	0.0	97.0	0.3	3.0	0.0	0.0	0.0
2005-07 Biennium	245.7	9.5	8.9	16.1	0.0	204.8	0.4	6.0	0.0	0.0	0.0
2008	124.1	0.0	4.7	8.5	0.0	106.9	0.3	3.7	0.0	0.0	0.0
2009	122.2	11.1	4.9	8.9	0.0	94.4	0.2	2.7	0.0	0.0	0.0
2007-09 Biennium	246.4	11.1	9.6	17.4	0.0	201.3	0.5	6.4	0.0	0.0	0.0
2010	126.4	12.9	5.1	9.2	0.0	95.6	0.3	3.3	0.0	0.0	0.0
2011	137.2	8.6	5.3	9.6	0.0	9.4	0.3	4.5	99.5	0.0	0.0
2009-11 Biennium	263.6	21.5	10.4	18.8	0.0	105.0	0.5	7.9	99.5	0.0	0.0
2012	135.1	0.0	2.7	10.0	0.0	0.0	0.3	3.3	118.5	0.2	0.0
2013	139.7	0.0	0.0	10.4	0.0	0.0	0.3	3.5	125.5	0.0	0.0
2011-13 Biennium	274.8	0.0	2.7	20.4	0.0	0.0	0.6	6.9	244.0	0.2	0.0
2014	147.9	9.3	0.0	10.8	0.0	0.0	0.3	3.7	113.7	0.0	10.1
2015	143.1	0.6	0.0	11.2	0.0	0.0	0.3	4.7	120.2	0.0	6.1
2013-15 Biennium	291.0	9.9	0.0	22.0	0.0	0.0	0.6	8.4	233.9	0.0	16.1
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	1.0
2015-17 Biennium	331.2	31.9	0.0	23.8	0.0	0.0	0.7	8.0	265.7	0.0	1.0
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	228.7	32.6	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	245.0	61.2	0.0	0.0	0.0	0.0	0.8	6.4	176.7	0.0	0.0
2025	214.6	36.0	0.0	0.0	0.0	0.0	0.9	5.8	171.9	0.0	0.0
2023-25 Biennium	459.6	97.2	0.0	0.0	0.0	0.0	1.7	12.2	348.6	0.0	0.0
2026	212.0	31.2	0.0	0.0	0.0	0.0	1.0	5.9	174.0	0.0	0.0
2027	225.5	33.2	0.0	0.0	0.0	0.0	1.0	5.9	185.4	0.0	0.0
2025-27 Biennium	437.5	64.4	0.0	0.0	0.0	0.0	1.9	11.8	359.4	0.0	0.0
2028	228.2	33.4	0.0	0.0	0.0	0.0	1.0	5.9	187.9	0.0	0.0
2029	230.6	33.3	0.0	0.0	0.0	0.0	1.0	5.9	190.4	0.0	0.0
2027-29 Biennium	458.7	66.7	0.0	0.0	0.0	0.0	2.0	11.8	378.3	0.0	0.0

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

Source: Lottery Commission, ERFC

General Fund-State Cash Estimates - Other Agencies

Comparison of the November 2024 and September 2024 forecasts
2023-25 Biennium
(Amounts in Millions)

Source/Agency	September 2024 Baseline	Non-Economic Changes	Economic Changes	November 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,734.7	\$0.0	\$0.0	\$1,734.7	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$567.4	\$0.0	(\$2.6)	\$564.9	(\$2.6)
Lottery Commission Lottery Revenue	\$95.1	\$0.0	\$2.1	\$97.2	\$2.1
State Treasurer Interest Earnings	\$588.5	\$0.0	(\$0.9)	\$587.5	(\$0.9)
Office of Financial Management Other Agencies	(\$6.3)	\$0.0	(\$7.9)	(\$14.2)	(\$7.9)
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$107.3	\$0.0	\$0.0	\$107.3	\$0.0
Total General Fund-State	\$3,086.7	\$0.0	(\$9.3)	\$3,077.5	(\$9.3)

General Fund-State GAAP Estimates - Other Agencies

Comparison of the November 2024 and September 2024 forecasts
2023-25 Biennium
(Amounts in Millions)

Source/Agency	September 2024 Baseline	Non-Economic Changes	Economic Changes	November 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,734.7	\$0.0	\$0.0	\$1,734.7	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$567.4	\$0.0	(\$2.6)	\$564.9	(\$2.6)
Lottery Commission Lottery Revenue	\$91.8	\$0.0	(\$2.5)	\$89.3	(\$2.5)
State Treasurer Interest Earnings	\$602.5	\$0.0	(\$0.9)	\$601.6	(\$0.9)
Office of Financial Management Other Agencies	(\$6.3)	\$0.0	(\$7.9)	(\$14.2)	(\$7.9)
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$107.3	\$0.0	\$0.0	\$107.3	\$0.0
Total General Fund-State	\$3,097.5	\$0.0	(\$13.9)	\$3,083.7	(\$13.9)

* Detail may not total due to rounding.

U.S. Forecast Comparison

2024Q3 2024Q4 2025Q1 2025Q2

Real GDP (Billions of 2017 Dollars)

November Forecast, Final	23,386	23,472	23,570	23,680
<i>Percent Change</i>	2.8%	1.5%	1.7%	1.9%
November Forecast, Preliminary	23,361	23,464	23,556	23,666
<i>Percent Change</i>	2.4%	1.8%	1.6%	1.9%

Real Consumption (Billions of 2017 Dollars)

November Forecast, Final	16,112	16,217	16,271	16,329
<i>Percent Change</i>	3.7%	2.6%	1.3%	1.4%
November Forecast, Preliminary	16,072	16,146	16,222	16,297
<i>Percent Change</i>	2.7%	1.8%	1.9%	1.8%

PCE Price Index (2017=100)

November Forecast, Final	123.7	124.3	124.9	125.7
<i>Percent Change</i>	1.5%	1.8%	2.1%	2.5%
November Forecast, Preliminary	123.6	124.1	124.8	125.4
<i>Percent Change</i>	1.2%	1.6%	2.1%	2.2%

Real Personal Income (Billions of 2017 Dollars)

November Forecast, Final	20,108	20,234	20,383	20,524
<i>Percent Change</i>	2.1%	2.5%	3.0%	2.8%
November Forecast, Preliminary	20,109	20,212	20,366	20,499
<i>Percent Change</i>	2.1%	2.1%	3.1%	2.6%

Nonfarm Payroll Employment (Millions)

November Forecast, Final	158.8	159.1	159.5	159.8
<i>Percent Change</i>	1.1%	0.8%	1.0%	0.8%
November Forecast, Preliminary	158.8	159.4	159.6	159.8
<i>Percent Change</i>	1.1%	1.3%	0.6%	0.4%

Unemployment Rate (Percent of Labor Force)

November Forecast, Final	4.2	4.2	4.4	4.4
November Forecast, Preliminary	4.2	4.2	4.3	4.3

Oil Price, Refiner's Acquisition

November Forecast, Final	76.8	71.4	70.9	70.1
November Forecast, Preliminary	75.6	70.3	69.2	68.6

30 Year Fixed Mortgage Rate (Percent, average)

November Forecast, Final	6.4	6.5	6.2	5.9
November Forecast, Preliminary	6.5	6.1	5.8	5.7

3 Month T-Bill Rate (Percent, average)

November Forecast, Final	5.0	4.6	4.2	3.9
November Forecast, Preliminary	5.0	4.5	4.1	3.8

2023 2024 2025 2026 2027 2028 2029

22,671	23,284	23,743	24,241	24,726	25,221	25,700
2.9%	2.7%	2.0%	2.1%	2.0%	2.0%	1.9%
22,671	23,275	23,734	24,232	24,717	25,211	25,691
2.9%	2.7%	2.0%	2.1%	2.0%	2.0%	1.9%

15,622	16,038	16,368	16,712	17,063	17,404	17,752
2.5%	2.7%	2.1%	2.1%	2.1%	2.0%	2.0%
15,622	16,011	16,340	16,683	17,033	17,374	17,721
2.5%	2.5%	2.1%	2.1%	2.1%	2.0%	2.0%

120.5	123.5	126.0	128.8	131.4	134.0	136.8
3.8%	2.5%	2.1%	2.2%	2.0%	1.9%	2.1%
120.5	123.4	125.8	128.8	131.2	134.0	136.7
3.8%	2.4%	2.0%	2.4%	1.9%	2.1%	2.1%

19,422	20,054	20,602	21,197	21,824	22,419	22,977
2.1%	3.3%	2.7%	2.9%	3.0%	2.7%	2.5%
19,422	20,049	20,564	21,178	21,824	22,427	22,998
2.1%	3.2%	2.6%	3.0%	3.0%	2.8%	2.5%

156.1	158.5	159.9	160.4	160.8	161.3	162.0
2.3%	1.6%	0.9%	0.3%	0.3%	0.3%	0.4%
156.1	158.6	159.8	160.3	160.7	161.2	161.9
2.3%	1.6%	0.8%	0.3%	0.3%	0.3%	0.4%

3.6	4.0	4.4	4.5	4.6	4.5	4.4
3.6	4.0	4.4	4.5	4.5	4.5	4.4

77.7	76.6	69.8	67.2	65.7	64.8	64.3
77.7	76.0	68.4	66.8	66.1	65.8	65.6

6.8	6.7	5.8	5.3	5.0	5.0	4.9
6.8	6.6	5.6	5.1	4.9	5.0	4.9

5.1	5.0	3.7	2.5	2.4	2.4	2.4
5.1	5.0	3.5	2.4	2.4	2.3	2.4

U.S. Forecast Comparison

	2024Q3	2024Q4	2025Q1	2025Q2
Real GDP (Billions of 2017 Dollars)				
November Forecast, Final	23,386	23,472	23,570	23,680
Percent Change	2.8%	1.5%	1.7%	1.9%
September Forecast	23,030	23,112	23,207	23,311
Percent Change	1.8%	1.4%	1.6%	1.8%
Real Consumption (Billions of 2017 Dollars)				
November Forecast, Final	16,112	16,217	16,271	16,329
Percent Change	3.7%	2.6%	1.3%	1.4%
September Forecast	15,847	15,910	15,974	16,046
Percent Change	2.4%	1.6%	1.6%	1.8%
PCE Price Index (2017=100)				
November Forecast, Final	123.7	124.3	124.9	125.7
Percent Change	1.5%	1.8%	2.1%	2.5%
September Forecast	123.5	124.1	124.7	125.4
Percent Change	1.3%	1.7%	2.0%	2.2%
Real Personal Income (Billions of 2017 Dollars)				
November Forecast, Final	20,108	20,234	20,383	20,524
Percent Change	2.1%	2.5%	3.0%	2.8%
September Forecast	19,531	19,647	19,821	19,927
Percent Change	2.9%	2.4%	3.6%	2.2%
Nonfarm Payroll Employment (Millions)				
November Forecast, Final	158.8	159.1	159.5	159.8
Percent Change	1.1%	0.8%	1.0%	0.8%
September Forecast	158.9	159.4	159.6	159.7
Percent Change	1.2%	1.3%	0.6%	0.3%
Unemployment Rate (Percent of Labor Force)				
November Forecast, Final	4.2	4.2	4.4	4.4
September Forecast	4.2	4.3	4.3	4.4
Oil Price, Refiner's Acquisition				
November Forecast, Final	76.8	71.4	70.9	70.1
September Forecast	75.4	68.6	67.4	67.0
30 Year Fixed Mortgage Rate (Percent, average)				
November Forecast, Final	6.4	6.5	6.2	5.9
September Forecast	6.5	6.1	5.8	5.6
3 Month T-Bill Rate (Percent, average)				
November Forecast, Final	5.0	4.6	4.2	3.9
September Forecast	5.1	4.7	4.3	3.9

	2023	2024	2025	2026	2027	2028	2029
22,671	23,284	23,743	24,241	24,726	25,221	25,700	
2.9%	2.7%	2.0%	2.1%	2.0%	2.0%	1.9%	
22,377	22,956	23,374	23,841	24,318	24,780	25,251	
2.5%	2.6%	1.8%	2.0%	2.0%	1.9%	1.9%	
15,622	16,038	16,368	16,712	17,063	17,404	17,752	
2.5%	2.7%	2.1%	2.1%	2.1%	2.0%	2.0%	
15,426	15,789	16,089	16,427	16,755	17,090	17,432	
2.2%	2.4%	1.9%	2.1%	2.0%	2.0%	2.0%	
120.5	123.5	126.0	128.8	131.4	134.0	136.8	
3.8%	2.5%	2.1%	2.2%	2.0%	1.9%	2.1%	
120.4	123.3	125.7	128.7	131.2	134.0	136.8	
3.7%	2.4%	2.0%	2.4%	2.0%	2.1%	2.1%	
19,422	20,054	20,602	21,197	21,824	22,419	22,977	
2.1%	3.3%	2.7%	2.9%	3.0%	2.7%	2.5%	
19,074	19,473	20,004	20,623	21,284	21,902	22,454	
1.3%	2.1%	2.7%	3.1%	3.2%	2.9%	2.5%	
156.1	158.5	159.9	160.4	160.8	161.3	162.0	
2.3%	1.6%	0.9%	0.3%	0.3%	0.3%	0.4%	
156.1	158.6	159.8	160.2	160.6	161.2	161.9	
2.3%	1.6%	0.7%	0.3%	0.3%	0.4%	0.4%	
3.6	4.0	4.4	4.5	4.6	4.5	4.4	
3.6	4.1	4.4	4.5	4.6	4.5	4.3	
77.7	76.6	69.8	67.2	65.7	64.8	64.3	
77.7	75.5	66.8	65.6	65.0	64.7	64.5	
6.8	6.7	5.8	5.3	5.0	5.0	4.9	
6.8	6.6	5.5	5.1	4.9	4.9	4.9	
5.1	5.0	3.7	2.5	2.4	2.4	2.4	
5.1	5.1	3.6	2.4	2.4	2.4	2.4	

Washington Forecast Comparison

	2024Q3	2024Q4	2025Q1	2025Q2
Real Personal Income (Billions of 2017 Dollars)				
November Forecast, Final	544.5	547.4	548.9	552.9
Percent Change	0.9%	2.1%	1.1%	2.9%
November Forecast, Preliminary	544.5	546.2	549.1	553.1
Percent Change	1.5%	1.3%	2.2%	2.9%
Personal Income (Billions of Dollars)				
November Forecast, Final	673.8	680.3	685.8	695.0
Percent Change	2.4%	3.9%	3.3%	5.4%
November Forecast, Preliminary	673.2	678.0	685.1	693.8
Percent Change	2.7%	2.9%	4.3%	5.2%
Disposable Personal Income (Billions of Dollars)				
November Forecast, Final	590.7	596.3	601.5	609.3
Percent Change	2.3%	3.8%	3.5%	5.3%
November Forecast, Preliminary	589.8	594.0	600.6	608.3
Percent Change	2.1%	2.9%	4.5%	5.2%
Nonfarm Payroll Employment (Thousands)				
November Forecast, Final	3641.1	3632.8	3651.9	3659.4
Percent Change	0.8%	-0.9%	2.1%	0.8%
November Forecast, Preliminary	3650.7	3647.9	3663.6	3669.1
Percent Change	1.4%	-0.3%	1.7%	0.6%
Unemployment Rate (Percent of Labor Force)				
November Forecast, Final	4.8	4.8	4.8	4.9
November Forecast, Preliminary	4.8	4.8	4.9	4.9
Manufacturing Employment (Thousands)				
November Forecast, Final	279.3	266.9	276.1	276.1
Percent Change	2.6%	-16.6%	14.4%	0.1%
November Forecast, Preliminary	279.1	267.9	274.3	272.5
Percent Change	3.0%	-15.1%	9.8%	-2.6%
Construction Employment (Thousands)				
November Forecast, Final	229.0	230.5	233.3	235.3
Percent Change	1.9%	2.7%	4.8%	3.6%
November Forecast, Preliminary	232.7	233.7	235.3	237.2
Percent Change	3.7%	1.8%	2.7%	3.3%
Housing Permits (Thousands)				
November Forecast, Final	36.0	36.9	36.5	36.6
Percent Change	36.8%	10.4%	-4.2%	1.5%
November Forecast, Preliminary	35.3	35.0	35.8	36.7
Percent Change	26.8%	-3.2%	9.3%	10.3%

	2023	2024	2025	2026	2027	2028	2029
Real Personal Income (Billions of 2017 Dollars)							
November Forecast, Final	521.4	541.8	555.4	574.9	595.0	614.1	631.9
Percent Change	2.9%	3.9%	2.5%	3.5%	3.5%	3.2%	2.9%
November Forecast, Preliminary	521.4	541.3	555.3	575.2	596.1	615.9	634.3
Percent Change	2.9%	3.8%	2.6%	3.6%	3.6%	3.3%	3.0%
Personal Income (Billions of Dollars)							
November Forecast, Final	628.3	668.8	699.7	740.6	782.1	822.8	864.4
Percent Change	6.7%	6.5%	4.6%	5.8%	5.6%	5.2%	5.0%
November Forecast, Preliminary	628.3	667.8	698.6	740.8	782.4	825.1	867.3
Percent Change	6.7%	6.3%	4.6%	6.0%	5.6%	5.5%	5.1%
Disposable Personal Income (Billions of Dollars)							
November Forecast, Final	552.4	586.8	613.3	648.1	683.9	718.7	754.6
Percent Change	9.5%	6.2%	4.5%	5.7%	5.5%	5.1%	5.0%
November Forecast, Preliminary	552.4	585.8	612.5	648.5	683.3	719.4	755.8
Percent Change	9.5%	6.0%	4.6%	5.9%	5.4%	5.3%	5.1%
Nonfarm Payroll Employment (Thousands)							
November Forecast, Final	3593	3630	3664	3700	3730	3763	3796
Percent Change	1.8%	1.0%	0.9%	1.0%	0.8%	0.9%	0.9%
November Forecast, Preliminary	3593	3638	3673	3707	3737	3769	3803
Percent Change	1.8%	1.3%	1.0%	0.9%	0.8%	0.9%	0.9%
Unemployment Rate (Percent of Labor Force)							
November Forecast, Final	4.1	4.8	4.9	5.0	4.9	4.8	4.6
November Forecast, Preliminary	4.1	4.8	4.9	5.0	4.9	4.8	4.7
Manufacturing Employment (Thousands)							
November Forecast, Final	273.7	275.1	276.7	278.7	280.7	280.1	279.7
Percent Change	1.8%	0.5%	0.6%	0.7%	0.7%	-0.2%	-0.1%
November Forecast, Preliminary	273.7	275.2	272.8	274.8	276.8	277.4	277.6
Percent Change	1.8%	0.5%	-0.9%	0.7%	0.7%	0.2%	0.1%
Construction Employment (Thousands)							
November Forecast, Final	232.0	228.8	236.0	242.9	250.1	257.5	263.6
Percent Change	-0.1%	-1.4%	3.1%	3.0%	3.0%	2.9%	2.4%
November Forecast, Preliminary	232.0	231.4	237.9	244.7	251.9	259.4	266.2
Percent Change	-0.1%	-0.3%	2.8%	2.9%	2.9%	3.0%	2.6%
Housing Permits (Thousands)							
November Forecast, Final	37.1	36.0	36.9	39.4	41.7	43.1	43.8
Percent Change	-24.3%	-2.9%	2.4%	6.7%	5.8%	3.4%	1.7%
November Forecast, Preliminary	37.1	35.4	37.0	39.8	41.7	42.6	43.2
Percent Change	-24.3%	-4.6%	4.6%	7.4%	4.8%	2.3%	1.3%

Washington Forecast Comparison

	2024Q3	2024Q4	2025Q1	2025Q2
Real Personal Income (Billions of 2017 Dollars)				
November Forecast, Final	544.5	547.4	548.9	552.9
Percent Change	0.9%	2.1%	1.1%	2.9%
September Forecast	528.6	532.8	538.4	540.2
Percent Change	2.5%	3.3%	4.2%	1.3%
Personal Income (Billions of Dollars)				
November Forecast, Final	673.8	680.3	685.8	695.0
Percent Change	2.4%	3.9%	3.3%	5.4%
September Forecast	652.9	661.0	671.3	677.3
Percent Change	3.8%	5.0%	6.4%	3.6%
Disposable Personal Income (Billions of Dollars)				
November Forecast, Final	590.7	596.3	601.5	609.3
Percent Change	2.3%	3.8%	3.5%	5.3%
September Forecast	569.7	576.4	585.1	590.5
Percent Change	3.4%	4.8%	6.2%	3.7%
Nonfarm Payroll Employment (Thousands)				
November Forecast, Final	3641.1	3632.8	3651.9	3659.4
Percent Change	0.8%	-0.9%	2.1%	0.8%
September Forecast	3649.7	3651.4	3670.7	3675.8
Percent Change	1.4%	0.2%	2.1%	0.6%
Unemployment Rate (Percent of Labor Force)				
November Forecast, Final	4.8	4.8	4.8	4.9
September Forecast	4.9	4.9	5.0	5.0
Manufacturing Employment (Thousands)				
November Forecast, Final	279.3	266.9	276.1	276.1
Percent Change	2.6%	-16.6%	14.4%	0.1%
September Forecast	278.9	268.0	277.2	276.3
Percent Change	2.7%	-14.7%	14.4%	-1.3%
Construction Employment (Thousands)				
November Forecast, Final	229.0	230.5	233.3	235.3
Percent Change	1.9%	2.7%	4.8%	3.6%
September Forecast	232.5	234.6	236.3	237.8
Percent Change	3.4%	3.7%	2.9%	2.6%
Housing Permits (Thousands)				
November Forecast, Final	36.0	36.9	36.5	36.6
Percent Change	36.8%	10.4%	-4.2%	1.5%
September Forecast	35.1	35.9	36.7	37.3
Percent Change	24.4%	9.7%	8.1%	6.9%

	2023	2024	2025	2026	2027	2028	2029
November Forecast, Final	521.4	541.8	555.4	574.9	595.0	614.1	631.9
Percent Change	2.9%	3.9%	2.5%	3.5%	3.5%	3.2%	2.9%
September Forecast	513.3	527.3	542.9	561.7	582.3	602.0	619.5
Percent Change	2.0%	2.7%	3.0%	3.5%	3.7%	3.4%	2.9%
November Forecast, Final	628.3	668.8	699.7	740.6	782.1	822.8	864.4
Percent Change	6.7%	6.5%	4.6%	5.8%	5.6%	5.2%	5.0%
September Forecast	617.9	650.0	682.7	722.9	764.1	806.6	847.7
Percent Change	5.8%	5.2%	5.0%	5.9%	5.7%	5.6%	5.1%
November Forecast, Final	552.4	586.8	613.3	648.1	683.9	718.7	754.6
Percent Change	9.5%	6.2%	4.5%	5.7%	5.5%	5.1%	5.0%
September Forecast	544.6	567.5	594.9	629.1	663.4	699.2	735.4
Percent Change	8.0%	4.2%	4.8%	5.7%	5.5%	5.4%	5.2%
November Forecast, Final	3593	3630	3664	3700	3730	3763	3796
Percent Change	1.8%	1.0%	0.9%	1.0%	0.8%	0.9%	0.9%
September Forecast	3593	3639	3680	3711	3738	3771	3805
Percent Change	1.8%	1.3%	1.1%	0.8%	0.7%	0.9%	0.9%
November Forecast, Final	4.1	4.8	4.9	5.0	4.9	4.8	4.6
September Forecast	4.1	4.8	5.0	5.0	5.0	4.8	4.6
November Forecast, Final	273.7	275.1	276.7	278.7	280.7	280.1	279.7
Percent Change	1.8%	0.5%	0.6%	0.7%	0.7%	-0.2%	-0.1%
September Forecast	273.7	275.2	276.3	277.5	278.4	278.8	278.8
Percent Change	1.8%	0.5%	0.4%	0.4%	0.3%	0.2%	0.0%
November Forecast, Final	232.0	228.8	236.0	242.9	250.1	257.5	263.6
Percent Change	-0.1%	-1.4%	3.1%	3.0%	3.0%	2.9%	2.4%
September Forecast	232.0	231.6	238.5	245.1	252.2	259.8	267.4
Percent Change	-0.1%	-0.2%	3.0%	2.8%	2.9%	3.0%	2.9%
November Forecast, Final	37.1	36.0	36.9	39.4	41.7	43.1	43.8
Percent Change	-24.3%	-2.9%	2.4%	6.7%	5.8%	3.4%	1.7%
September Forecast	37.1	35.6	37.7	40.5	42.1	43.0	43.4
Percent Change	-24.3%	-4.1%	5.9%	7.4%	4.2%	1.9%	1.1%

U.S. Forecast Comparison	Fiscal Years					
	2024	2025	2026	2027	2028	2029
Real GDP						
Billions of 2017 dollars						
November Forecast	23,005	23,527	23,989	24,484	24,972	25,465
<i>Growth</i>	3.1%	2.3%	2.0%	2.1%	2.0%	2.0%
September Forecast	22,713	23,165	23,609	24,076	24,551	25,015
<i>Growth</i>	3.0%	2.0%	1.9%	2.0%	2.0%	1.9%
Difference in level	291	362	380	408	421	450
<i>Difference in growth forecast</i>	0.1%	0.3%	0.0%	0.1%	0.0%	0.1%
Real Consumption						
Billions of 2017 dollars						
November Forecast	15,813	16,232	16,528	16,889	17,234	17,578
<i>Growth</i>	2.6%	2.7%	1.8%	2.2%	2.0%	2.0%
September Forecast	15,612	15,944	16,256	16,591	16,921	17,263
<i>Growth</i>	2.4%	2.1%	2.0%	2.1%	2.0%	2.0%
Difference in level	201	288	272	299	312	315
<i>Difference in growth forecast</i>	0.1%	0.5%	-0.1%	0.1%	0.0%	0.0%
PCE Price Index						
2017 = 100						
November Forecast	122.1	124.7	127.4	130.2	132.6	135.4
<i>Growth</i>	2.9%	2.1%	2.2%	2.2%	1.8%	2.1%
September Forecast	121.9	124.4	127.2	130.0	132.5	135.4
<i>Growth</i>	2.8%	2.0%	2.3%	2.2%	2.0%	2.2%
Difference in level	0.1	0.3	0.1	0.2	0.1	0.0
<i>Difference in growth forecast</i>	0.0%	0.1%	-0.1%	0.1%	-0.1%	-0.1%
Unemployment Rate						
Percent of Labor Force						
November Forecast	3.8%	4.3%	4.5%	4.6%	4.6%	4.4%
September Forecast	3.8%	4.3%	4.4%	4.5%	4.5%	4.4%
<i>Difference in forecast</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30 Year Fixed Mortgage Rate						
Annual Average						
November Forecast	7.0%	6.2%	5.5%	5.1%	5.0%	5.0%
September Forecast	7.0%	6.0%	5.2%	5.0%	4.9%	4.9%
<i>Difference in forecast</i>	0.0%	0.2%	0.3%	0.1%	0.0%	0.1%
3 Month T-Bill Rate						
Annual Average						
November Forecast	5.3%	4.4%	2.9%	2.5%	2.4%	2.4%
September Forecast	5.3%	4.5%	2.8%	2.4%	2.3%	2.4%
<i>Difference in forecast</i>	0.0%	-0.1%	0.1%	0.1%	0.0%	0.0%

Washington Forecast Comparison	Fiscal Years					
	2024	2025	2026	2027	2028	2029
Real Personal Income						
Billions of 2017 dollars						
November Forecast	530.7	548.4	565.1	584.6	604.9	623.1
<i>Growth</i>	3.4%	3.3%	3.0%	3.5%	3.5%	3.0%
September Forecast	519.2	535.0	551.9	571.9	592.5	610.9
<i>Growth</i>	2.4%	3.0%	3.2%	3.6%	3.6%	3.1%
Difference in level	NA	NA	NA	NA	NA	NA
<i>Difference in growth forecast</i>	0.9%	0.3%	-0.1%	-0.2%	-0.1%	-0.1%
Nominal Personal Income						
Billions of dollars						
November Forecast	647.8	683.7	719.9	761.3	802.3	843.6
<i>Growth</i>	6.3%	5.5%	5.3%	5.8%	5.4%	5.2%
September Forecast	633.0	665.6	702.2	743.4	785.3	827.3
<i>Growth</i>	5.3%	5.2%	5.5%	5.9%	5.9%	5.3%
Difference in level	14.8	18.1	17.7	17.9	17.0	16.3
<i>Difference in growth forecast</i>	1.0%	0.4%	-0.2%	-0.1%	-0.5%	-0.2%
Nonfarm Payroll Employment						
Thousands						
November Forecast	3,610.1	3,646.3	3,681.5	3,716.3	3,746.4	3,779.4
<i>Growth</i>	1.0%	1.0%	1.0%	0.9%	0.8%	0.9%
September Forecast	3,612.1	3,661.9	3,695.1	3,724.3	3,754.3	3,788.5
<i>Growth</i>	1.0%	1.4%	0.9%	0.8%	0.8%	0.9%
Difference in level	-2.0	-15.6	-13.6	-8.0	-7.9	-9.1
<i>Difference in growth forecast</i>	-0.1%	-0.4%	0.1%	0.2%	0.0%	0.0%
Housing Permits						
Units Authorized, Thousands						
November Forecast	35.2	36.5	37.9	40.7	42.4	43.6
<i>Growth</i>	-13.0%	3.5%	4.0%	7.2%	4.3%	2.7%
September Forecast	35.2	36.2	39.1	41.5	42.6	43.2
<i>Growth</i>	-13.0%	2.9%	8.0%	5.9%	2.8%	1.3%
Difference in level	0.0	0.2	-1.2	-0.8	-0.2	0.4
<i>Difference in growth forecast</i>	0.0%	0.7%	-4.0%	1.3%	1.5%	1.5%

Governor's Council of Economic Advisor's Forecast

Calendar Years

	2024	2025	2026	2027	2028	2029
U.S.						
Real GDP						
<i>Growth</i>						
ERFC	2.7	2.0	2.1	2.0	2.0	1.9
GCEA Average	2.7	2.1	1.8	2.0	2.0	2.1
Real Consumption						
<i>Growth</i>						
ERFC	2.5	2.1	2.1	2.1	2.0	2.0
GCEA Average	2.5	2.1	1.9	2.0	2.1	2.1
PCE Price Index						
<i>Growth</i>						
ERFC	2.4	2.0	2.4	1.9	2.1	2.1
GCEA Average	2.5	2.2	2.3	2.1	2.2	2.2
Mortgage Rate						
<i>Percent</i>						
ERFC	6.6	5.6	5.1	4.9	5.0	4.9
GCEA Average	6.8	6.4	5.7	5.7	5.6	5.5
Oil Price (Brent)						
<i>Dollars per barrel</i>						
ERFC	80.5	72.8	71.3	70.7	70.5	70.3
GCEA Average	80.3	77.4	76.4	77.3	75.1	75.3

Washington State

Real Personal Income

<i>Growth</i>						
ERFC	3.8	2.6	3.6	3.6	3.3	3.0
GCEA Average	3.6	2.9	3.4	3.4	3.3	3.0

Wage and Salary Employment

<i>Growth</i>						
ERFC	1.3	1.0	0.9	0.8	0.9	0.9
GCEA Average	1.3	1.1	1.0	0.9	0.9	0.9

Manufacturing Employment

<i>Growth</i>						
ERFC	0.5	-0.9	0.7	0.7	0.2	0.1
GCEA Average	0.6	-0.5	0.0	0.6	0.4	0.5

Construction Employment

<i>Growth</i>						
ERFC	-0.3	2.8	2.9	2.9	3.0	2.6
GCEA Average	-0.1	2.9	2.7	2.7	2.7	2.6

Housing Permits

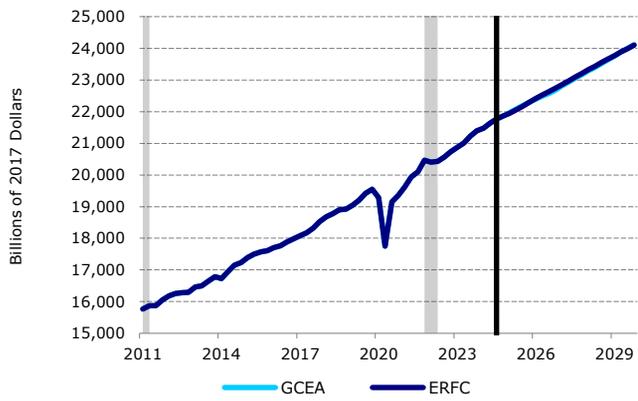
<i>Thousands of authorized units</i>						
ERFC	35.4	37.0	39.8	41.7	42.6	43.2
GCEA Average	35.9	38.0	40.2	41.3	42.4	43.0

Washington Average Annual Wage

<i>Growth</i>						
ERFC	6.2	3.0	4.9	4.8	4.9	4.4
GCEA Average	5.8	3.5	4.8	4.7	4.6	4.2

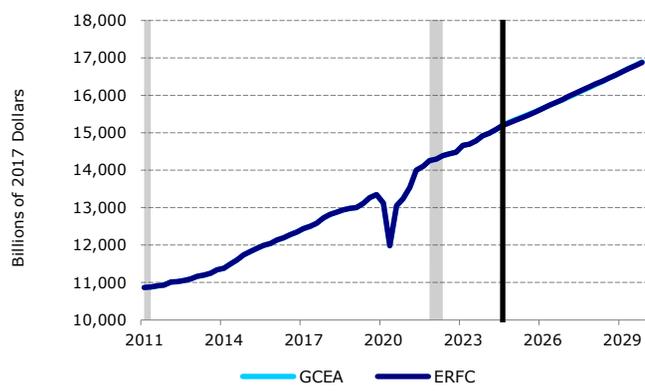
U.S. Forecast Comparison

Real GDP



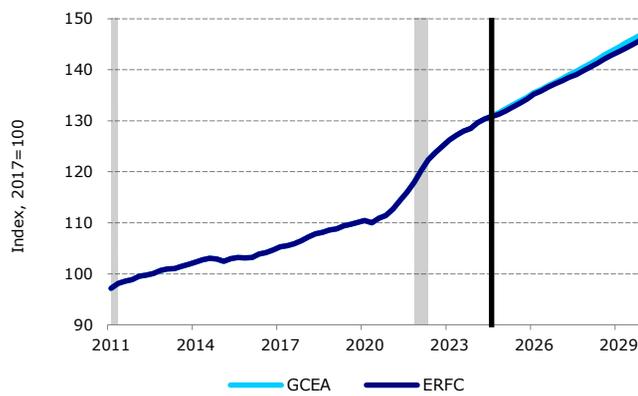
Source: BEA, ERFC, GCEA; data through 2024Q3

Real Consumption



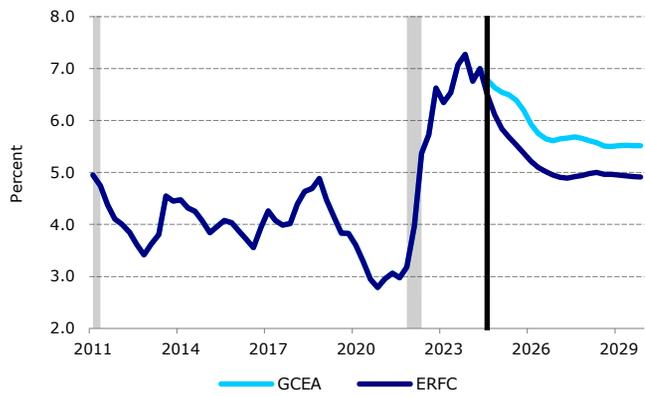
Source: BEA, ERFC, GCEA; data through 2024Q3

PCE Price Index



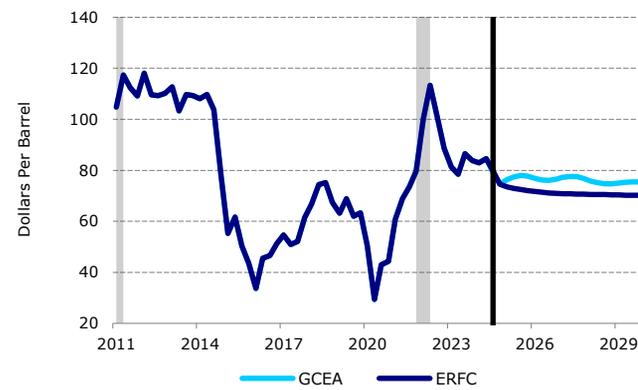
Source: BEA, ERFC, GCEA; data through 2024Q3

Mortgage Rate



Source: Freddie Mac, ERFC, GCEA; data through 2024Q3

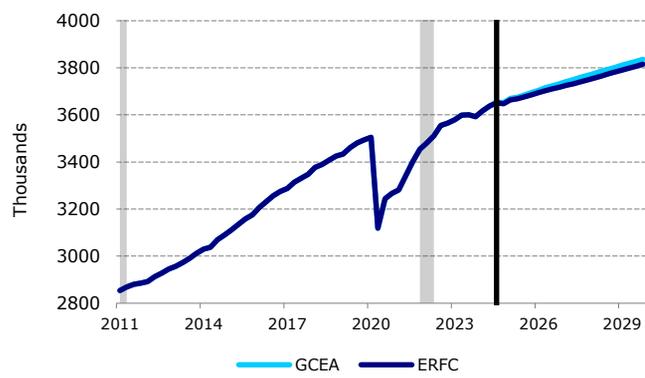
Brent Oil Price



Source: EIA, ERFC, GCEA; data through 2024Q3

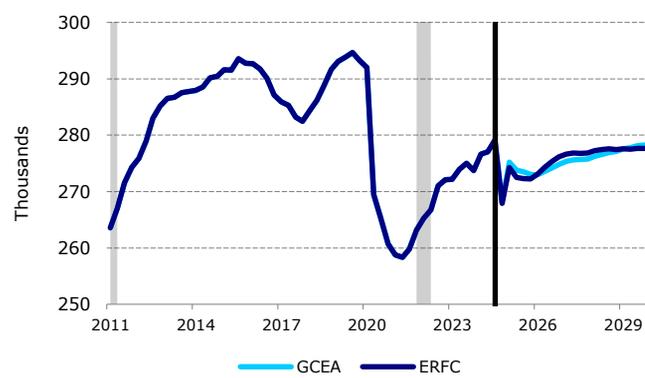
Washington Forecast Comparison

Nonfarm Payroll Employment



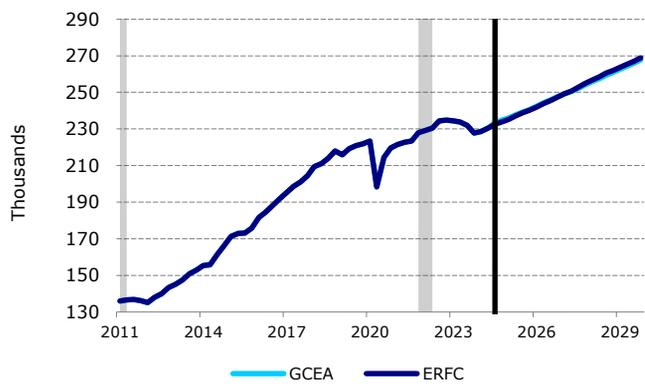
Source: ESD, ERFC, GCEA; data through 2024Q3

Manufacturing Employment



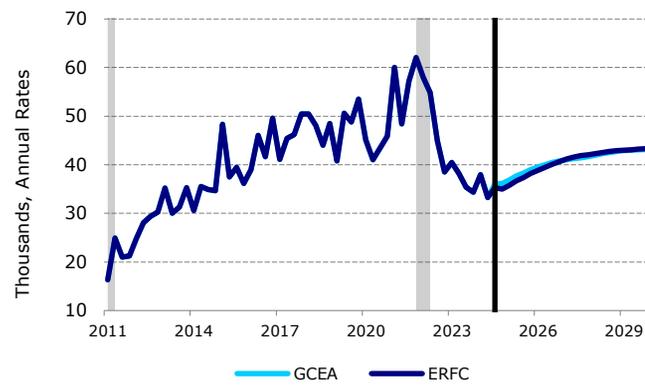
Source: ESD, ERFC, GCEA; data through 2024Q3

Construction Employment



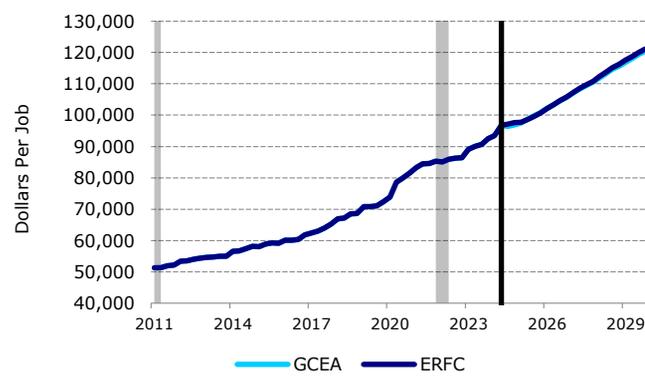
Source: ESD, ERFC, GCEA; data through 2024Q3

Housing Units Authorized



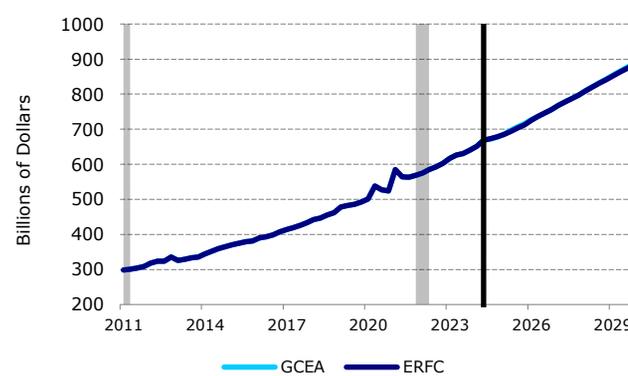
Source: Census, ERFC, GCEA; data through 2024Q3

Average Annual Wage



Source: BEA, ERFC, GCEA; data through 2024Q2

Personal Income



Source: BEA, ERFC, GCEA; data through 2024Q2

2023-25 Enacted Budget Balance Sheet

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

	2023-25		
	GFS	ELTA, OPA, WEIA, FSKA ⁽¹⁾	TOTAL
RESOURCES			
Beginning Fund Balance	4,184.7	1,102.4	5,287.0
September 2024 Revenue Forecast	63,165.6	3,313.6	66,479.2
November 2024 Revenue Forecast Change	(93.2)	4.3	(88.8)
Current Revenue Totals	63,072.4	3,317.9	66,390.4
Transfers to Budget Stabilization Account (1% of GSR)	(636.8)	-	(636.8)
Transfers to Budget Stabilization Account (EGSR)	-	-	-
Enacted Fund Transfers	2,092.7		2,092.7
Actual/Assumed Prior Period Adjustments	122.0	0.4	122.3
ACFR Adjustments	(3.4)	54.8	51.4
Prior Period Adjustment - Gain Share ⁽³⁾	71.5		71.5
Total Resources (Including Beginning Fund Balance)	68,902.9	4,475.5	73,378.4
EXPENDITURES			
Enacted Budgets			
2023-25 Biennium	66,255.5	3,548.9	69,804.4
2024 Supplemental Budget	1,793.2	347.6	2,140.8
Actual/Assumed Reversions ⁽²⁾	(600.7)	-	(600.7)
Total Expenditures	67,448.0	3,896.5	71,344.5
RESERVES			
Projected Ending Balance	1,455.0	579.0	2,033.9
Budget Stabilization Account			
Beginning Balance	652.4		652.4
Transfers from General Fund (1% of GSR)	636.8		636.8
Transfers from General Fund (EGSR)	-		-
Actual Prior Period Adjustments	0.1		0.1
Actual/Assumed Biennium - Interest Earnings	58.9		58.9
Appropriations	(21.1)		(21.1)
Actual Reversions	1.4		1.4
Projected BSA Ending Balance	1,328.5		1,328.5
Washington Rescue Plan Transition Account			
Beginning Balance	2,100.0		2,100.0
Transfer to General Fund	(2,100.0)		(2,100.0)
Projected WRPTA Ending Balance	-		-
Total Reserves Including BSA and WRPTA	2,783.4	579.0	3,362.4

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

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

(3) Gain Share amount reflects FY24 actuals.

Acronyms

BSA - Budget Stabilization Account

GSR - General State Revenues

EGSR - Extraordinary General State Revenues

WRPTA - Washington Rescue Plan Transition Account