November 2025 Preliminary Economic Forecast

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This forecast is based on a modified version of S&P Global Market Intelligence's October 2025 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 2025 and 2026. We expect real GDP to increase 1.9% in 2025 and 1.8% in 2026. The September forecast assumed 1.7% growth in 2025 and 1.5% growth in 2026. Our forecast for real GDP growth in 2027-29 is based on the most recent long-term forecast from Blue Chip which was released in October 2025. We expect growth rates of 2.0%, 2.0%, and 1.9% in 2027 through 2029, unchanged from the previous 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 Monday, October 13, 2025 closing prices for Brent and WTI futures. Oil prices are slightly lower compared to the September forecast. The latest futures prices indicate that the refiner acquisition price of crude oil will average $60 per barrel in the fourth quarter of 2025, down from $63 per barrel in the previous forecast. Oil prices are expected to decline throughout the forecast. By the fourth quarter of 2029 the refiner acquisition price of crude is expected to average $63 per barrel, down from $64 in the September forecast.

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

We have just one new month of Washington employment data since the September forecast was released. Total seasonally adjusted nonfarm payroll employment declined 9,100 in September. The forecast expected a loss of 1,000 jobs over the month. The construction sector declined by 1,200 jobs and manufacturing employment declined by 1,400 in September. The ambulatory health care services had the largest increase with a gain of 1,400 jobs. The largest decline in private sector services was in leisure and hospitality with a loss of 5,500 jobs. Government employment declined by 300 with a loss of 1,100 in State government partially offset by a 800 job gain in local government.

The federal government shutdown began on October 1, 2025 and most federal government data sources were suspended. Our Washington employment estimates are usually produced by a statistical process that combines a model-based estimate that utilizes national employment data with estimates from the Washington State Employment Security Department. Due to the ongoing federal government shutdown at the time of the publication, our estimates for September were unable to utilize the model-based estimate due to the unavailability of data from the Bureau of Labor Statistics.

Washington's unemployment rate has remained steady for the past four months. The unemployment rate remained at 4.5% in August although it is up from a recent trough of 4.3% in January. August labor force participation was 62.0%, down slightly from 62.1% in July. Labor force participation is down from the recent peak of 64.2% in May 2023. The preliminary November forecast expects the Washington unemployment rate to increase from 4.5% this year to 5.0% in 2027. The forecast then calls for the unemployment rate to trend down and reach 4.6% in 2029.

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 2025. Washington personal income increased from $704.0 billion (SAAR) in the first quarter to $711.9 billion in the second quarter of 2025. The 4.6% increase (SAAR) in Washington personal income was the 13th lowest among the states and District of Columbia and trailed the 5.5% (SAAR) rate of increase for the U.S. as a whole. Growth in Washington net earnings trailed the U.S. in the second quarter, with Washington earnings increasing 3.0% (SAAR) compared to 4.4% (SAAR) for the nation. Dividends, interest, and rent grew 1.0% (SAAR) in both Washington and the nation. Transfer payment growth was strong for both Washington and the nation, increasing 16.8% (SAAR) and 14.4% (SAAR) respectively. The increase in transfer receipts was due in part to retroactive payments to Social Security beneficiaries under the Social Security Fairness Act of 2024.

Washington housing construction declined the first two months of the third quarter. A total of 32,700 units were permitted in July and August (SAAR) consisting of 17,400 single-family units and 15,400 multi-family units. Total permits in the second quarter totaled 35,200 (SAAR). The September forecast expected 31,500 units (SAAR) in the third quarter, consisting of 18,300 single-family units and 13,200 multi-family units. The preliminary November forecast expects an average of 36,400 new housing units per year from 2025 through 2029, down from 37,300 units expected in the previous forecast.

We expect a 0.3% increase in Washington employment this year, unchanged from the previous forecast. The forecast calls for employment to remain flat and experience no growth next year due to expected layoffs at Amazon and weak construction employment. We expect growth to pick up but remain slow during the remainder of the forecast. The forecast calls for Washington employment growth to average 0.7% per year in 2026 through 2029, down from 0.9% growth expected in the previous forecast. Our forecast for nominal personal income growth this year is 4.8%, down from 5.2% growth in the September forecast. The forecast for nominal personal income growth from 2025 through 2029 averages 5.1% per year, down from 5.3% average growth in the previous forecast.

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

Table 1
U.S. Economic Forecast Comparison
October 2025

	2025Q3	2025Q4	2026Q1	2026Q2	2025	2026	2027	2028	2029
Real GDP, Percent Change, Annual Rate									
ERFC	2.2	0.9	1.4	1.9	1.9	1.8	2.0	2.0	1.9
S&P Global	2.8	1.3	2.0	2.4	2.0	2.2	1.8	1.6	1.8
Economy.com	2.8	1.1	0.9	2.0	1.9	1.7			
Blue Chip Average*	2.5	1.0	1.4	1.8	1.9	1.8	2.0	2.0	1.9
Blue Chip Top 10*	3.4	2.3	2.4	2.5	2.1	2.3	2.3	2.2	2.2
Blue Chip Bottom 10*	1.4	-0.5	0.3	0.9	1.6	1.1	1.6	1.7	1.7
Real Consumption, Percent Change, Annual Rate									
ERFC	2.3	0.9	1.4	1.7	2.4	1.7	1.9	2.1	2.0
S&P Global	3.1	1.1	2.2	2.0	2.5	2.0	1.7	2.1	2.5
Economy.com	3.2	0.5	1.1	1.0	2.5	1.3			
Blue Chip Average*	2.6	1.0	1.3	1.6	2.4	1.7	1.9	2.1	2.0
Blue Chip Top 10*	3.4	2.1	2.3	2.3	2.6	2.2	2.3	2.3	2.2
Blue Chip Bottom 10*	1.2	0.0	0.2	0.8	2.1	1.0	1.5	1.9	1.9
Federal Funds Rate									
ERFC	4.3	3.9	3.6	3.6	4.2	3.4	3.1	3.1	3.1
S&P Global	4.3	3.9	3.6	3.6	4.2	3.4	3.1	3.1	3.1
Economy.com	4.3	3.9	3.5	3.3	4.2	3.3			
Three Month T-Bill Rate									
ERFC	4.2	3.8	3.5	3.4	4.1	3.2	2.9	2.9	2.8
S&P Global	4.2	3.8	3.5	3.4	4.1	3.2	2.9	2.8	2.8
Blue Chip Average*	4.1	3.8	3.6	3.4	4.2	3.3	3.2	3.0	3.1
Blue Chip Top 10*	4.1	4.0	3.9	3.7	4.2	3.7	3.6	3.3	3.3
Blue Chip Bottom 10*	4.1	3.6	3.3	3.0	4.1	3.0	2.8	2.8	2.8
10-Yr. T-Note Yield									
ERFC	4.3	4.2	4.1	4.0	4.3	4.0	3.9	4.0	4.0
S&P Global	4.3	4.2	4.1	4.0	4.3	4.0	3.9	3.9	4.0
Economy.com	4.3	4.2	4.2	4.2	4.3	4.2			
Blue Chip Average*	4.3	4.1	4.1	4.1	4.3	4.1	4.1	4.1	4.0
Blue Chip Top 10*	4.3	4.3	4.3	4.4	4.3	4.4	4.4	4.3	4.3
Blue Chip Bottom 10*	4.3	3.9	3.9	3.7	4.2	3.8	3.9	3.8	3.8
Consumer Price Index, Percent Change, Year-over-Year									
ERFC	2.9	3.0	3.0	3.0	2.8	2.9	2.5	2.3	2.2
S&P Global	2.9	3.0	2.8	3.1	2.8	2.9	2.5	2.3	2.1
Economy.com	2.9	3.1	3.1	3.7	2.8	3.5			
Blue Chip Average*	2.9	3.0	2.9	3.1	2.8	2.9	2.5	2.2	2.2
Blue Chip Top 10*	3.0	3.3	3.4	3.9	2.9	3.4	2.9	2.4	2.4
Blue Chip Bottom 10*	2.8	2.8	2.4	2.4	2.7	2.5	2.1	2.1	2.0
Payroll Employment, Millions									
ERFC	159.5	159.6	159.7	159.8	159.4	159.8	160.4	161.1	161.8
Percent Change, Annual Rate	0.2	0.1	0.2	0.2	0.9	0.2	0.4	0.4	0.4
S&P Global	159.6	159.6	159.9	160.2	159.4	160.3	161.1	161.4	161.9
Percent Change, Annual Rate	0.3	0.1	0.7	0.8	0.9	0.6	0.5	0.2	0.3
Economy.com	159.6	159.7	159.8	159.9	159.5	160.0			
Percent Change, Annual Rate	0.5	0.2	0.3	0.2	1.0	0.3			
Unemployment Rate, Percent									
ERFC	4.3	4.5	4.6	4.7	4.3	4.7	4.7	4.6	4.4
S&P Global	4.3	4.4	4.5	4.5	4.2	4.5	4.5	4.5	4.4
Economy.com	4.3	4.3	4.4	4.6	4.2	4.6			
Blue Chip Average*	4.3	4.4	4.5	4.5	4.3	4.5	4.4	4.2	4.2
Blue Chip Top 10*	4.3	4.6	4.7	4.8	4.3	4.8	4.6	4.4	4.3
Blue Chip Bottom 10*	4.3	4.3	4.3	4.3	4.2	4.2	4.2	4.1	4.0
Real Disposable Personal Income, Percent Change, Annual Rate									
ERFC	0.2	0.1	6.2	2.9	1.9	2.9	3.2	2.7	2.4
S&P Global	0.3	0.3	6.9	3.2	1.9	3.1	3.0	2.6	2.5
Blue Chip Average*	0.5	0.6	2.5	1.9	1.9	1.7	2.2	2.1	2.1
Blue Chip Top 10*	1.8	1.7	5.8	3.4	2.1	2.9	2.6	2.4	2.3
Blue Chip Bottom 10*	-0.8	-0.3	0.3	0.7	1.5	0.8	1.8	1.9	1.9
West Texas Intermediate									
ERFC	65.7	59.5	58.9	59.0	65.4	59.1	60.0	61.2	62.2
S&P Global	65.6	60.1	53.9	53.5	65.5	54.3	60.0	61.0	64.3
Economy.com	66.6	64.5	63.3	62.8	66.9	62.6			

* Forecasts beyond 2026 are from the October 2025 Blue Chip Economic Indicators

Table 2

U.S. Forecast Comparison

	2025Q3	2025Q4	2026Q1	2026Q2	2024	2025	2026	2027	2028	2029
Real GDP (Billions of 2017 Dollars)										
November Forecast, Preliminary	23,901	23,953	24,037	24,150	23,358	23,793	24,216	24,700	25,194	25,673
Percent Change	*2.2%*	*0.9%*	*1.4%*	*1.9%*	*2.8%*	*1.9%*	*1.8%*	*2.0%*	*2.0%*	*1.9%*
September Forecast	23,769	23,808	23,885	23,993	23,305	23,698	24,060	24,541	25,032	25,507
Percent Change	*1.1%*	*0.7%*	*1.3%*	*1.8%*	*2.8%*	*1.7%*	*1.5%*	*2.0%*	*2.0%*	*1.9%*
Real Consumption (Billions of 2017 Dollars)										
November Forecast, Preliminary	16,538	16,575	16,633	16,704	16,088	16,476	16,748	17,066	17,425	17,773
Percent Change	*2.3%*	*0.9%*	*1.4%*	*1.7%*	*2.9%*	*2.4%*	*1.7%*	*1.9%*	*2.1%*	*2.0%*
September Forecast	16,401	16,432	16,480	16,548	16,053	16,370	16,593	16,942	17,298	17,644
Percent Change	*1.1%*	*0.8%*	*1.2%*	*1.7%*	*2.8%*	*2.0%*	*1.4%*	*2.1%*	*2.1%*	*2.0%*
PCE Price Index (2017=100)										
November Forecast, Preliminary	127.3	128.5	129.6	130.5	123.7	127.0	130.9	133.6	136.4	139.1
Percent Change	*2.8%*	*3.8%*	*3.7%*	*2.8%*	*2.6%*	*2.7%*	*3.0%*	*2.1%*	*2.1%*	*2.0%*
September Forecast	127.5	129.0	130.0	130.7	123.5	127.1	131.0	133.7	136.5	139.1
Percent Change	*4.0%*	*4.8%*	*3.0%*	*2.3%*	*2.5%*	*2.9%*	*3.1%*	*2.0%*	*2.1%*	*1.9%*
Real Personal Income (Billions of 2017 Dollars)										
November Forecast, Preliminary	20,640	20,638	20,779	20,924	20,139	20,587	20,993	21,678	22,294	22,885
Percent Change	*0.4%*	*0.0%*	*2.8%*	*2.8%*	*2.9%*	*2.2%*	*2.0%*	*3.3%*	*2.8%*	*2.7%*
September Forecast	20,380	20,351	20,548	20,679	19,974	20,354	20,741	21,381	21,974	22,578
Percent Change	*-0.8%*	*-0.6%*	*3.9%*	*2.6%*	*2.8%*	*1.9%*	*1.9%*	*3.1%*	*2.8%*	*2.8%*
Nonfarm Payroll Employment (Millions)										
November Forecast, Preliminary	159.5	159.6	159.7	159.8	158.0	159.4	159.8	160.4	161.1	161.8
Percent Change	*0.2%*	*0.1%*	*0.2%*	*0.2%*	*1.3%*	*0.9%*	*0.2%*	*0.4%*	*0.4%*	*0.4%*
September Forecast	159.5	159.6	159.6	159.7	158.0	159.4	159.8	160.4	161.1	161.8
Percent Change	*0.1%*	*0.2%*	*0.2%*	*0.3%*	*1.3%*	*0.9%*	*0.2%*	*0.4%*	*0.4%*	*0.4%*
Unemployment Rate (Percent of Labor Force)										
November Forecast, Preliminary	4.3	4.5	4.6	4.7	4.0	4.3	4.7	4.7	4.6	4.4
September Forecast	4.3	4.4	4.6	4.6	4.0	4.3	4.7	4.7	4.6	4.4
Oil Price, Refiner's Acquisition										
November Forecast, Preliminary	65.3	59.6	58.9	59.0	76.6	65.8	59.1	59.9	61.2	62.4
September Forecast	65.1	63.3	62.7	62.5	76.6	66.7	62.5	62.4	63.1	63.7
30 Year Fixed Mortgage Rate (Percent, average)										
November Forecast, Preliminary	6.6	6.4	6.3	6.2	6.7	6.6	6.2	5.9	5.8	5.8
September Forecast	6.6	6.5	6.4	6.2	6.7	6.7	6.2	6.0	5.9	5.8
3 Month T-Bill Rate (Percent, average)										
November Forecast, Preliminary	4.2	3.8	3.5	3.4	5.0	4.1	3.2	2.9	2.9	2.8
September Forecast	4.2	3.9	3.6	3.4	5.0	4.1	3.3	2.9	2.8	2.9

Table 3

Washington Forecast Comparison

	2025Q3	2025Q4	2026Q1	2026Q2	2024	2025	2026	2027	2028	2029
Real Personal Income (Billions of 2017 Dollars)										
November Forecast, Preliminary	561.0	559.9	562.2	565.4	548.8	559.9	567.6	586.7	604.6	623.0
Percent Change	*-0.6%*	*-0.8%*	*1.7%*	*2.3%*	*3.8%*	*2.0%*	*1.4%*	*3.4%*	*3.1%*	*3.0%*
September Forecast	555.9	555.1	558.7	563.0	542.8	554.8	564.9	584.2	603.7	622.7
Percent Change	*-0.7%*	*-0.6%*	*2.6%*	*3.1%*	*3.4%*	*2.2%*	*1.8%*	*3.4%*	*3.3%*	*3.2%*
Personal Income (Billions of Dollars)										
November Forecast, Preliminary	714.1	719.3	728.8	738.0	678.7	711.0	742.9	783.9	824.9	866.8
Percent Change	*2.2%*	*3.0%*	*5.4%*	*5.2%*	*6.5%*	*4.8%*	*4.5%*	*5.5%*	*5.2%*	*5.1%*
September Forecast	708.7	716.1	726.1	735.7	670.3	705.0	740.2	781.2	824.2	866.3
Percent Change	*3.4%*	*4.2%*	*5.7%*	*5.4%*	*6.0%*	*5.2%*	*5.0%*	*5.5%*	*5.5%*	*5.1%*
Disposable Personal Income (Billions of Dollars)										
November Forecast, Preliminary	624.4	629.1	645.0	654.1	606.5	623.4	658.6	693.6	728.5	763.6
Percent Change	*1.0%*	*3.0%*	*10.5%*	*5.8%*	*6.7%*	*2.8%*	*5.6%*	*5.3%*	*5.0%*	*4.8%*
September Forecast	620.3	627.0	643.0	652.0	589.6	617.6	656.2	691.6	727.5	762.0
Percent Change	*2.8%*	*4.4%*	*10.5%*	*5.7%*	*6.0%*	*4.7%*	*6.2%*	*5.4%*	*5.2%*	*4.7%*
Nonfarm Payroll Employment (Thousands)										
November Forecast, Preliminary	3641.6	3637.1	3636.9	3640.1	3630	3641	3641	3658	3687	3723
Percent Change	*0.4%*	*-0.5%*	*0.0%*	*0.4%*	*1.0%*	*0.3%*	*0.0%*	*0.5%*	*0.8%*	*1.0%*
September Forecast	3642.2	3643.1	3643.9	3647.3	3630	3642	3650	3673	3708	3745
Percent Change	*0.4%*	*0.1%*	*0.1%*	*0.4%*	*1.0%*	*0.3%*	*0.2%*	*0.6%*	*1.0%*	*1.0%*
Unemployment Rate (Percent of Labor Force)										
November Forecast, Preliminary	4.5	4.6	4.7	4.8	4.5	4.5	4.9	5.0	4.8	4.6
September Forecast	4.5	4.6	4.7	4.8	4.5	4.5	4.8	4.9	4.8	4.5
Manufacturing Employment (Thousands)										
November Forecast, Preliminary	273.7	272.6	273.3	273.8	273.9	273.3	273.8	275.3	277.0	278.4
Percent Change	*2.3%*	*-1.6%*	*1.1%*	*0.7%*	*-0.1%*	*-0.2%*	*0.2%*	*0.6%*	*0.6%*	*0.5%*
September Forecast	274.3	274.8	275.5	276.1	273.9	274.0	276.1	277.1	278.5	279.8
Percent Change	*3.2%*	*0.8%*	*1.0%*	*0.8%*	*-0.1%*	*0.1%*	*0.7%*	*0.4%*	*0.5%*	*0.5%*
Construction Employment (Thousands)										
November Forecast, Preliminary	220.4	219.5	219.4	219.4	223.7	221.2	219.6	221.5	225.1	229.3
Percent Change	*-2.6%*	*-1.6%*	*-0.2%*	*0.1%*	*-2.8%*	*-1.1%*	*-0.7%*	*0.9%*	*1.6%*	*1.9%*
September Forecast	220.8	222.1	223.2	224.3	223.7	221.9	224.8	228.9	233.0	236.7
Percent Change	*-1.9%*	*2.3%*	*2.0%*	*1.9%*	*-2.8%*	*-0.8%*	*1.3%*	*1.9%*	*1.8%*	*1.6%*
Housing Permits (Thousands)										
November Forecast, Preliminary	33.3	33.3	33.4	33.9	37.8	33.6	34.4	36.9	37.9	38.9
Percent Change	*-19.7%*	*0.6%*	*0.8%*	*5.7%*	*1.8%*	*-11.1%*	*2.6%*	*7.3%*	*2.5%*	*2.8%*
September Forecast	31.5	32.3	33.8	35.3	37.8	32.9	35.5	38.1	39.5	40.5
Percent Change	*-35.9%*	*11.2%*	*19.4%*	*19.1%*	*1.8%*	*-13.0%*	*8.0%*	*7.2%*	*3.7%*	*2.7%*