

The background of the cover is a photograph of the Washington State Capitol building. The building is a large, classical-style structure with a prominent central dome and a portico supported by tall columns. The image is overlaid with a semi-transparent layer of white cherry blossom branches and flowers, which are in full bloom. The sky is a clear, light blue. The overall aesthetic is clean and professional, with a focus on the state's architecture and natural beauty.

# **Washington State Economic and Revenue Forecast**

November 2021  
Volume XLVIII, No. 4



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# **Washington State Economic and Revenue Forecast**

Prepared by the  
Economic and Revenue Forecast Council

November 2021  
Volume XLVIII, No. 4

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# Preface

## **ERFC forecasting structure and schedule**

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

## **Forecast Procedure**

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

Data in this publication are accurate through December 3, 2021.

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# Table of Contents

<b>Preface</b> .....	<b>iii</b>
<b>List of Tables</b> .....	<b>vi</b>
<b>List of Figures</b> .....	<b>vii</b>
<b>Executive Summary</b> .....	<b>1</b>
U.S. Economic Forecast .....	2
Washington Economic Forecast .....	2
Revenue Forecast .....	3
<b>Chapter 1: U.S. Economy – Current Conditions and Forecast</b> .....	<b>5</b>
Current Conditions .....	5
Forecast .....	10
Risks to the Forecast .....	15
<b>Chapter 2: Washington Economy – Current Conditions and Forecast</b> .....	<b>20</b>
Current Conditions .....	20
Washington State Forecast.....	25
Washington Payroll Employment .....	25
Washington Personal Income.....	27
Washington Building Permits .....	28
Consumer Price Index.....	28
Alternative Scenarios.....	29
<b>Chapter 3: Washington State Revenue Forecast Summary</b> .....	<b>43</b>
Overview .....	43
Recent Collection Experience .....	45
Non-Economic Changes to the Forecast.....	47
Revenue Forecasts by Source .....	48
Department of Revenue .....	48
Forecasted Revenue from Cannabis-Related Sales .....	53
The Office of Financial Management (Other Agencies) .....	53
State Treasurer .....	54
Insurance Commissioner.....	54
Liquor and Cannabis Board.....	54
Lottery Commission .....	54
Washington Court System .....	55
Track Record for the 2021-23 Biennium .....	55
Track Record for the 2023-25 Biennium .....	55
The Relationship between the Cash and GAAP GF-S Revenue Forecasts .....	56
Budgetary Balance Sheet for the 2019-21 and 2021-23 Biennia.....	56
Alternative Forecasts for the 2021-23 and 2023-25 Biennia .....	57
Education Legacy Trust Account .....	57
Workforce Education Investment Account .....	58
Funds Subject to the Budget Outlook .....	58
<b>Appendix</b> .....	<b>75</b>
<b>Glossary</b> .....	<b>111</b>

## List of Tables

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

Table 1.1	U.S. Economic Forecast Summary .....	16
Table 1.2	Forecast Analysis, Comparison of Forecasts for 2019-21 .....	17
Table 1.3	Forecast Analysis, Comparison of Forecasts for 2021-23 .....	18
Table 1.4	Forecast Comparison, 2021 to 2025.....	19

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

Table 2.1	Washington Economic Forecast Summary .....	32
Table 2.2	Comparison of Alternative Forecasts .....	33
Table 2.3	Governor’s Council of Economic Advisor’s Forecast .....	34
Table 2.4	Forecast Analysis, Comparison of Forecasts for 2019-21 .....	35
Table 2.5	Forecast Analysis, Comparison of Forecasts for 2021-23 .....	36
Table 2.6	Forecast Comparison, Forecast 2021 to 2025 .....	37
Table 2.7	Comparison of Washington and U.S. Economic Forecasts .....	38
Table 2.8	Comparison of Alternative U.S. Economic Forecasts.....	41
Table 2.9	Comparison of Alternative Washington Economic Forecasts .....	42

### Chapter 3: Washington State Revenue Forecast Summary

Table 3.1	Revisions to the General Fund-State Forecast.....	44
Table 3.2	Pre-Forecast Collection Variance of Major General Fund-State Taxes.....	45
Table 3.3	General Fund-State collections .....	59
Table 3.4	Taxable retail sales.....	60
Table 3.5	General Fund-State forecast by agency, 2021-23 biennium, Cash .....	61
Table 3.6	General Fund-State forecast by agency, 2021-23 biennium, GAAP.....	62
Table 3.7	General Fund-State forecast by agency, 2023-25 biennium, Cash .....	63
Table 3.8	General Fund-State forecast by agency, 2023-25 biennium, GAAP.....	64
Table 3.9	November 2021 General Fund-State Forecast Detail.....	65
Table 3.10	Track Record for the 2021-23 General Fund-State Cash Forecast .....	66
Table 3.11	Track Record for the 2023-25 General Fund-State Cash Forecast .....	66
Table 3.12	2019-21 and 2021-23 Enacted Budget Balance Sheet.....	67
Table 3.13	Alternative Forecasts Compared to the Baseline Forecast, 2021-23.....	68
Table 3.14	Alternative Forecasts Compared to the Baseline Forecast, 2023-25.....	69
Table 3.15	Lottery Transfers by Fund, Cash .....	70
Table 3.16	Lottery Transfers by Fund, GAAP .....	70
Table 3.17	GF-S, ELTA and OPA (Near General Fund-State) .....	71
Table 3.18	Forecasted Distribution of Excise Tax & License Fees from Cannabis Sales .	72
Table 3.19	Workforce Education Investment Account .....	72

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

Table A1.1	U.S. Economic Forecast Summary, Annual .....	75
Table A1.2	U.S. Economic Forecast Summary, Quarterly.....	76
Table A1.3	Washington Economic Forecast Summary, Annual.....	79
Table A1.4	Washington Economic Forecast Summary, Quarterly .....	80
Table A2.1	U.S. Nonagricultural Employment by Industry, Annual .....	83
Table A2.2	U.S. Nonagricultural Employment by Industry, Quarterly .....	84
Table A2.3	Washington Nonagricultural Employment by Industry, Annual.....	87
Table A2.4	Washington Nonagricultural Employment by Industry, Quarterly .....	88
Table A3.1	U.S. Personal Income by Component, Annual .....	91
Table A3.2	U.S. Personal Income by Component, Quarterly.....	92
Table A3.3	Washington Personal Income by Component, Annual.....	95
Table A3.4	Washington Personal Income by Component, Quarterly .....	96
Table A4.1	Selected Inflation Indicators .....	99
Table A4.2	Price Indexes for Gross Domestic Product .....	100
Table A5.1	Washington Resident Population and Components of Change .....	101



Table A5.2	Washington Population.....	102
Table A6.1	Summary of National and State Indicators .....	103
Table A6.2	Washington Business Indicators .....	104

## List of Figures

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

Figure 1.1	New COVID-19 Cases .....	6
Figure 1.2	Consumer Confidence and Sentiment .....	8
Figure 1.3	Consumer Price Index.....	9
Figure 1.4	U.S. Real GDP Growth.....	11
Figure 1.5	Personal Consumption Expenditure (PCE) Price Index, YOY % Change .....	12
Figure 1.6	Comparison of Great Recession and COVID-19 Stimulus Measures .....	14

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

Figure 2.1	Washington Transportation Equipment Exports .....	23
Figure 2.2	WA Initial New Vehicle Registrations .....	23
Figure 2.3	Real GDP Compared to the Peak.....	24
Figure 2.4	Washington Aerospace Employment.....	26
Figure 2.5	Washington Personal Income .....	27
Figure 2.6	Washington Housing Permits.....	28
Figure 2.7	Comparison of Washington and U.S. Economic Forecasts .....	38
Figure 2.8	Comparison of Alternative U.S. Economic Forecasts.....	41
Figure 2.9	Comparison of Alternative Washington Economic Forecasts .....	42

### Chapter 3: Washington State Revenue Forecast Summary

Figure 3.1	GF-S Revenue as Percentage of State Personal Income.....	45
Figure 3.2	Revenue Act Collections .....	46
Figure 3.3	Taxable Real Estate Excise Activity, SA.....	47
Figure 3.4	Taxable Sales as a Percentage of State Personal Income.....	49

### Appendix:

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

Figure A7.1	Washington State Economic Indicators .....	105
Figure A7.2	Washington State Leading Indicators .....	106
Figure A7.3	Other State Economic Indicators .....	107
Figure A7.4	Other Economic Indicators.....	108

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## Executive Summary

- **The COVID-19 pandemic and resulting social distancing and business shutdowns severely weakened the economy. The emergence of the Omicron variant has renewed fears of another increase in infections.**
- **Policymakers have approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic.**
- **GDP growth in 2021 is now 5.5%, down from 5.9% in the September forecast. For 2022, real GDP growth is 4.0%, down from 4.3% in the previous forecast. We expect growth rates of 2.5%, 2.1%, and 2.0% in 2023 through 2025 compared to the September forecast of 2.4%, 2.2%, and 2.1%.**
- **The Washington economy continues to recover but growth has been hampered by the Delta variant and vaccine hesitancy.**
- **Washington employment is now 101,500 (2.9%) lower than in February 2020.**
- **Washington personal income declined 16.5% (SAAR) in the second quarter because of a reduction in direct payments to individuals.**
- **The Washington forecast features higher personal income growth and higher inflation than in September but employment growth and housing construction are similar.**
- **General Fund-State (GF-S) revenue collections since the September forecast have come in \$292 million (7.3%) above the forecasted amount.**
- **Non-economic changes resulting from a court case and a rule change that is expected to increase refunds have increased the GF-S forecast by a net \$69 million in the 2021-23 biennium and \$165 million in the 2023-25 biennium.**
- **The final tally of GF-S revenue for the 2019-21 biennium was unchanged from September's number. The GF-S forecast was increased by \$1.06 billion in the 2021-23 biennium and \$994 million in the 2023-25 biennium.**
- **The final tally of total revenue for funds subject to the budget outlook process in the 2019-21 biennium was unchanged from the previous estimate. The total forecast for these funds was increased by \$898 million in the 2021-23 biennium and \$965 million in the 2023-25 biennium.**

## U.S. Economic Forecast

*The economy has improved since the onset of the pandemic*

The COVID-19 pandemic and resulting social distancing and business shutdowns severely weakened the economy. The rapid spread of the Delta variant created more concern just as new cases were reaching the lowest point since the pandemic started. The emergence of the omicron variant has renewed fears of another increase in infections. Despite the pandemic continuing, the economy has largely reopened, and with the help of recent stimulus, economic growth has resumed. Even with the rapid improvement, however, economic activity remains below the pre-pandemic peak.

*Policymakers have approved trillions of dollars in stimulus*

Policymakers have approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic. Stimulus related to the pandemic has been over \$5.9 trillion in five major categories. Loan and grant programs (\$1.56 trillion), income support (\$906 billion), state and local government funding (\$884 billion), direct payments (\$869 billion), and health spending (\$662 billion). The remainder of the spending is comprised of tax policy and other spending such as disaster support, higher education, and housing. The Federal Reserve has engaged in asset purchases, liquidity measures, and loan programs to assist the economy.

*Our forecast was based on a modified version of the November IHS Markit forecast*

This forecast is based on a modified version of IHS Markit's November 2021 Control forecast for the U.S. economy. As usual, we have adjusted real gross domestic product (GDP) to match the Blue Chip "Consensus" GDP forecast. The forecast for GDP growth in 2021 is now 5.5%, down from 5.9% in the September forecast (see Figure 1.4). For 2022, real GDP growth is 4.0%, down from 4.3% in the previous forecast. For 2023-25, we assume the same growth rates as in the October Blue-Chip long-term forecast. We expect growth rates of 2.5%, 2.1%, and 2.0% in 2023 through 2025 compared to the September forecast of 2.4%, 2.2%, and 2.1%.

## Washington Economic Forecast

*The Washington economy continues to recover but growth has been hampered by the Delta variant and vaccine hesitancy*

The Washington economy continues to recover but growth has been hampered by the Delta variant and vaccine hesitancy. Washington employment growth during the last two months was slightly less than expected in the September forecast. Washington employment is now 101,500 (2.9%) lower than at its February 2020 peak. Washington's unemployment rate declined to 5.0% in October from a revised 5.1% in September. Washington housing construction rebounded in the third quarter of 2021 on a surge in multi-family activity. Seattle-area home prices continue to rise rapidly but appreciation may be slowing. Washington exports of transportation equipment increased over the year for a second consecutive quarter. Washington personal income declined 16.5% (SAAR) in the second quarter because of

a reduction in direct payments to individuals. Washington real GDP growth since the business cycle peak exceeded the U.S. average by a large margin. Seattle consumer price inflation outpaced the national average in the year ending in October 2021.

*The Washington forecast features higher personal income growth and higher inflation than in September, but employment growth and housing construction are similar*

The Washington forecast features higher personal income growth and higher inflation than in September, but employment growth and housing construction are similar. We expect a 2.4% increase in Washington employment this year which is the same growth rate expected in the September forecast. We expect above-average growth through the remainder of the forecast as the economy continues to recover from the recession. We expect employment growth to average 2.2% per year in 2022 through 2025 which is also the same growth rate expected in the September forecast. Our forecast for nominal personal income growth this year is 7.5%, up from 6.5% in the September forecast. Personal income growth will slow next year as the extraordinary stimulus of the last two years is withdrawn. We expect personal income growth of only 1.9% in 2022 compared to 1.7% in the September forecast. Our new forecast for nominal personal income growth in 2023 through 2025 averages 5.2% per year compared to 5.3% in the September forecast. We expect 54,500 housing units authorized by building permits this year, up from 53,500 in the September forecast. We expect permits to average 44,400 units in 2022 through 2025, down slightly from 44,600 units in the September forecast. We expect the all items Seattle CPI to rise 4.7% this year, up from 4.2% in the September forecast. We expect Seattle inflation to average 2.6% per year in 2022 through 2025 compared to 2.1% per year in the September forecast.

## Revenue Forecast

*The revenue forecast has been increased due to stronger-than-expected taxable activity and re-estimation of the forecast model*

Since the September forecast, taxable activity has been much stronger than expected, with tracked collections coming in well above the September forecast. While much of the surplus in collections stemmed from real estate excise taxes, most of it reflected unexpected strength in the general economy. After the September forecast, the federal government released revised estimates of the history of Washington personal income back to 1998. Due to the revisions, some parts of the revenue forecasting model were re-estimated regarding the relationship between income and taxable activity. Because the revised state income history was lower than the previous estimates in the most recent years, the re-estimated model slightly increased the amount of revenue expected per dollar of personal income. In addition, forecasted construction employment and housing permits have been increased through 2022. Combining those factors with the recent strength in collections, forecasted Revenue Act receipts have been increased in the 2021-23 and 2023-25 biennia.

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

19-21: \$0  
21-23: \$1,062  
23-25: \$994

There were no changes to the September preliminary total for the 2019-21 biennium, which concluded on June 30, 2021. Tracked revenue collections through November 10 for the current 2021-23 biennium came in \$292.2 million higher than forecasted. Non-economic changes outlined elsewhere in this publication added \$68.6 million to the forecast. The forecasted increase in taxable activity adds \$701.3 million to expected revenue for the remainder of the biennium, resulting in a total forecast increase of \$1,062.2 million. The forecast for the 2023-25 biennium was increased by \$993.6 million, with \$165.1 million of the increase coming from non-economic changes. The November 2021 forecast for GF-S revenue totals \$50.803 billion in the 2019-21 biennium, \$57.519 billion in the 2021-23 biennium and \$60.864 billion in the 2023-25 biennium.

*Change in  
forecast of funds  
subject to the  
budget outlook  
(millions):*

2019-21:  
\$0.0

2021-23:  
\$897.6

2023-25:  
\$965.4

By law, enacted biennial budgets must balance not only in the initial biennium of the budget but in the subsequent biennium as well, given assumptions of growth in spending from one biennium to the next and the current revenue forecast. The budget outlook that determines this balance looks at not only GF-S revenue and spending but also that of the ELTA, OPA and the WEIA. The final tally of total revenue for funds subject to the budget outlook for the 2019-21 biennium is \$53,131.7 million, unchanged from the September forecast. The forecast of total revenue for the 2021-23 biennium is \$60,238.1 million, \$897.6 million more than the September forecast. The forecast for the 2023-25 biennium is \$64,047.4 million, \$965.4 million more than the September forecast.



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

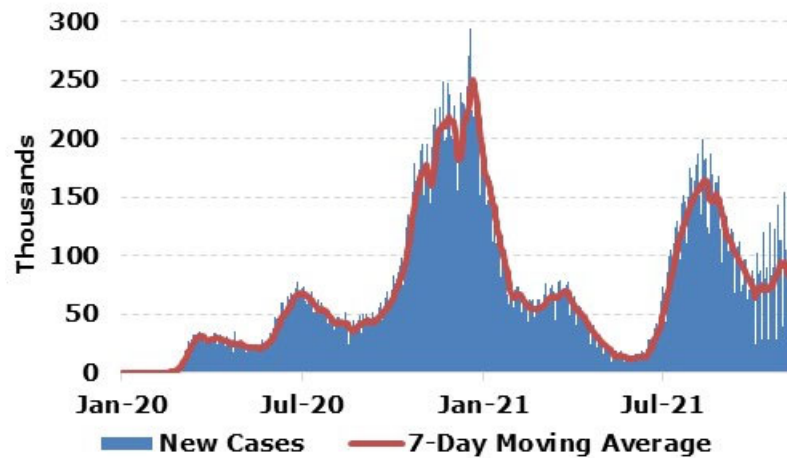
- **The COVID-19 pandemic and resulting social distancing and business shutdowns severely weakened the economy. The emergence of the Omicron variant has renewed fears of another increase in infections.**
- **Policymakers have approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic.**
- **Real GDP growth slowed to 2.1% (SAAR) in the third quarter of 2021 from 6.7% (SAAR) in the second quarter.**
- **Employment has increased and unemployment has trended downward but neither are at pre-pandemic levels.**
- **Headline inflation has risen rapidly.**
- **The housing market has recovered as home prices surge; manufacturing has been strong.**
- **Oil prices declined through November.**
- **GDP growth in 2021 is now 5.5%, down from 5.9% in the September forecast. For 2022, real GDP growth is 4.0%, down from 4.3% in the previous forecast. We expect growth rates of 2.5%, 2.1%, and 2.0% in 2023 through 2025 compared to the September forecast of 2.4%, 2.2%, and 2.1%.**
- **Due to the high degree of uncertainty regarding the extent to which the COVID-19 pandemic will continue, the uncertainty in the baseline forecast is elevated.**

### Current Conditions

*The economy has improved since the onset of the pandemic*

The COVID-19 pandemic and resulting social distancing and business shutdowns severely weakened the economy. The rapid spread of the Delta variant created more concern just as new cases were reaching the lowest point since the pandemic started (see figure 1.1). The emergence of the omicron variant has renewed fears of another increase in infections. Despite the pandemic continuing, the economy has largely reopened, and with the help of recent stimulus, economic growth has resumed. Even with the rapid improvement, however, economic activity remains below the pre-pandemic peak.

**Figure 1.1: New COVID-19 Cases**



Source: Source: U.S. Centers for Disease Control; data through December 3, 2021

*Policymakers have approved trillions of dollars in stimulus*

Policymakers have approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic. Stimulus related to the pandemic has been over \$5.9 trillion in five major categories. Loan and grant programs (\$1.56 trillion), income support (\$906 billion), state and local government funding (\$884 billion), direct payments (\$869 billion), and health spending (\$662 billion). The remainder of the spending is comprised of tax policy and other spending such as disaster support, higher education, and housing. The Federal Reserve has engaged in asset purchases, liquidity measures, and loan programs to assist the economy.

*U.S. real GDP has returned to pre-pandemic levels*

The COVID-19 crisis, efforts taken to contain it, and the subsequent stimulus programs and other responses have created unprecedented volatility in economic growth. U.S. real GDP plummeted a record 31.4% (SAAR) in the second quarter of 2020 followed by a record 33.4% (SAAR) gain in the third quarter of 2020. GDP has since continued to recover and reached the pre-pandemic peak in the second quarter of 2021. Real GDP growth slowed to 2.1% (SAAR) in the third quarter of 2021 from 6.7% (SAAR) in the second quarter. Consumer spending growth slowed to 1.7% (SAAR) after increased a strong 12.0% (SAAR) in the second quarter helped by stimulus payments to individuals. Consumption added 1.2 points to topline GDP growth in the third quarter. Fixed investment declined 1.1% (SAAR) in the third quarter led by a 5.0% (SAAR) decline residential construction and a 2.4% (SAAR) decline in intellectual property. Government spending increased 0.9% (SAAR) in the third quarter. Federal government spending declined 4.9% (SAAR) offset by a 4.7% (SAAR) increase in spending by state and local government. Exports declined 3.0% (SAAR) while imports increased 5.8% (SAAR) as trade is still recovering from shutdowns. Net exports subtracted 1.2 percentage points from GDP growth.



*Employment remains 3.9 million lower than the pre-pandemic level*

Nonfarm payroll employment has continued to grow after the unprecedented 20.7 million job decline in April of last year due to the pandemic. Job growth slowed to 210,000 in November after increasing 546,000 in October. Retail trade employment declined by 20,400 jobs, with large declines in general merchandise stores (-20,400) and clothing stores (-17,700). The leisure and hospitality sector continued to recover from the deep declines related to shutdowns, gaining 23,000 jobs. The construction sector gained 31,000 jobs due to the strong housing market. Government payrolls declined by 25,000. The manufacturing sector added 31,000 jobs with gains in durable goods (+15,000) and nondurable goods (+16,000). Even with the recent job gains, total nonfarm employment remains 3.9 million lower than the pre-pandemic February 2020 level.

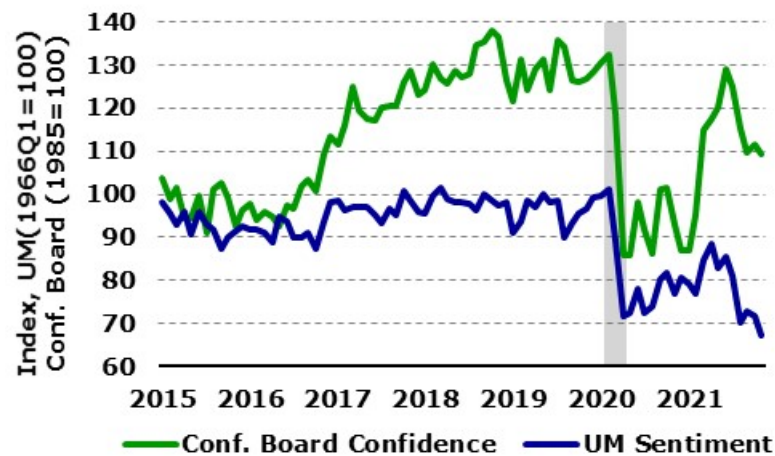
*The unemployment rate continues to trend downward*

The unemployment rate has continued to trend downward as shutdowns have been lifted and the economy has recovered. After spiking in April 2020 at 14.8%, the unemployment rate has steadily declined to 4.2% in November 2021. Prior to the pandemic, the unemployment rate was at a historic low of 3.5% in February 2020. The labor force participation rate increased to 61.8% in November, up from 61.5% a year ago but down from a pre-pandemic high of 63.4% in January 2020. Average hourly earnings rose 8 cents to \$31.03 while the average workweek increased 0.1 hours to 34.8 hours in November.

*Consumer confidence is declining*

Consumer confidence has declined recently, although the severity of the decline is unclear due to the divergence in the Conference Board and University of Michigan measures (see figure 1.2). Consumer confidence as measured by the Conference Board declined 2.1 points in November to a 9-month low. Both the current conditions and expectations components fell modestly. The University of Michigan Consumer Sentiment index fell another 4.3 points in November to a new pandemic low of 67.4 points. Consumer confidence has been weighed down by the acceleration in inflation, increased COVID-19 infections, and political brinkmanship. Present conditions in the University of Michigan index decreased 4.1 points and expectations decreased 4.1 points. The impact of the Omicron variant on confidence will be largely reflected in December as news of the new variant broke mostly after the survey period.

**Figure 1.2: Consumer Confidence and Sentiment**



Source: Conference Board, University of Michigan; data through November 2021

*Oil prices have declined*

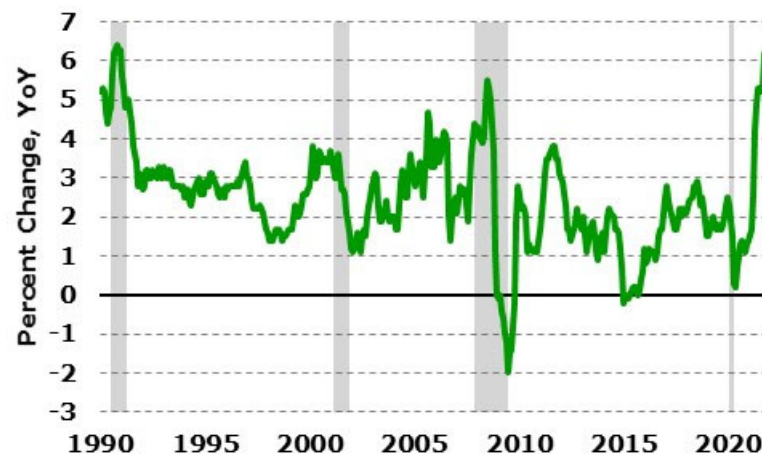
Oil prices have declined through November since reaching a post-pandemic peak at the end of October. Brent spot crude prices are now at \$80 per barrel at the end of November, down from a pandemic high of \$85 at the end of October. WTI prices have fallen to \$78 per barrel from \$83 per barrel over the same time period. The planned government crude oil release from the U.S. and allies has contributed to lower prices. The emergence of the Omicron variant has created another round of uncertainty regarding oil demand. Travel restrictions have once again been implemented across the globe to try and combat the spread of the new variant. OPEC+ continues to try to manipulate prices with supply changes. The organization recently agreed to stick to monthly output increases of 400,000 barrels per day (bpd). U.S. oil production declined to 10.809 million bpd in September from 11.189 in August. Prior to the pandemic, U.S. production was at an all-time high at 12.866 million bpd in November 2019. Production then hit a trough of 10.019 bpd as the pandemic caused demand to plummet. The Baker Hughes rig count has been slowly increasing since reaching a trough in August 2020. As of October 3<sup>rd</sup> the rig count was 569, up 246 since last year.

*Inflation has risen rapidly*

Headline inflation has risen rapidly. With the economy reopening, supply has not been able to meet the surge in demand. Supply chain issues have not resolved from the onset of the pandemic. Shortages of commodities have also pushed prices higher. Year-over-year, the Consumer Price Index (CPI) was up 6.2% in October, up from 5.4% the month before and the highest level of inflation in 30 years (see figure 1.2). A year ago, headline inflation was 1.2% as the economy was under shutdown orders due to the pandemic. Lean inventories for cars, combined with increased demand helped by recent stimulus, have pushed prices in the auto sector up significantly. New car prices are up 9.8% and used car prices are up 26.4% over the year. Other sectors affected by earlier stay-at-home orders have

seen some of the largest impacts. Energy prices, particularly gasoline (+49.6%), have surged as workers have returned to the office and began commuting again. Shelter cost inflation has remained relatively in check and is now 3.5% over the year. Core consumer prices, which exclude food and energy, were up 4.6% over the year.

**Figure 1.3: Consumer Price Index**



Source: Bureau of Labor Statistics; data through October 2021

*Home price growth is strong*

Home price appreciation has slowed slightly but still remains very strong. Tight supply and strong demand for housing has led to the ongoing strength. The seasonally adjusted S&P CoreLogic Case-Shiller 20-city Home Price Index increased 1.0% in September following a 1.2% gain the month before. Home prices are now 19.1% higher than a year ago. Lumber prices are once again increasing, adding to the cost of new homes. The random length lumber price reached an all-time high \$1,671 per 100,000 board feet in May 2021. Prices came down to \$454 in August but have since climbed to \$907 as of December 3<sup>rd</sup>. Homebuilder confidence remains high and well above pre-pandemic levels. In November, confidence increased three points to 83, but remains 7 points lower than a year ago. Expansionary monetary policy is supporting home prices by keeping interest rates low which allows buyers to purchase more expensive homes. The rate on a 30-year mortgage has remained low after reaching a historic low of 2.65% in January. The rate on a 30-year mortgage is now at 3.11%, up from 2.71% a year ago.

*The housing market has recovered*

The housing market has recovered to pre-pandemic levels. Housing starts fell 0.7% in October but remain 0.4% above a year ago. Single-family starts in October declined 3.9% while volatile multi-family starts increased 7.1%. Low inventory should help keep new construction strong despite high material costs. Housing permits increased 4.2% in October. Single-family permits increased 3.2% and multi-family permits

increased 6.2%. Total permits are up 3.6% from a year ago. New home sales increased 0.4% in October to a six-month high of 745,000 (SAAR) but are down 23.1% since last year.

*The manufacturing sector has been strong*

The manufacturing sector remains strong. The Institute for Supply Management (ISM) Report on Business index increased to 61.1 (index values below 50 indicate contraction) in November from 60.8 in October. The new orders component improved to 61.5 as demand remains strong. Production increased to 61.5 from 59.3 the month before. The employment component remained positive, increasing 1.3 points to 53.3. Manufacturing continues to be impacted by record long raw material and supplier delivery lead times. Also, the sector faces shortages of low tier materials, high commodity prices, and difficulties in transporting product. The latest G-17 report from the Federal Reserve indicates manufacturing output advanced 1.2% in October and is now up 4.5% from a year ago. Manufacturing output is now at the highest level since March 2019. New orders for core capital goods (nondefense capital goods excluding aircraft) increased 0.7% in October and are up 15.6% from a year ago.

*U.S. exports have returned to growth*

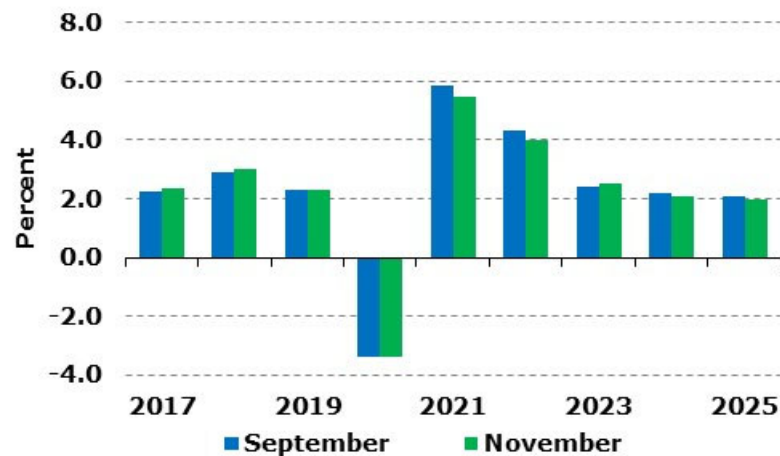
U.S. exports are growing again as the global economy begins to emerge from pandemic related restrictions. Global containment measures to combat virus outbreaks have eased. Total exports in the third quarter surged 23.4% year over year. Oil and gas exports continue to surge as demand picked up due to more commuting and travel, increasing 76.9% from a year ago. Transportation equipment exports grew 4.4% in the third quarter after growing 80.3% in the second quarter. Exports to the rest of North America have remained strong. Year-over-year growth in exports to Canada was up 12.8% while exports to Mexico are up 30.3%. Export growth to China remains strong, up 7.4% from a year ago despite the ongoing trade war. With China approving the Boeing 737 Max to resume flights in the country, exports should be helped going forward.

## Forecast

*Our forecast was based on a modified version of the November IHS Markit forecast*

This forecast is based on a modified version of IHS Markit's November 2021 Control forecast for the U.S. economy. As usual, we have adjusted real gross domestic product (GDP) to match the Blue Chip "Consensus" GDP forecast. The forecast for GDP growth in 2021 is now 5.5%, down from 5.9% in the September forecast (see Figure 1.4). For 2022, real GDP growth is 4.0%, down from 4.3% in the previous forecast. . For 2023-25, we assume the same growth rates as in the October Blue Chip long term forecast. We expect growth rates of 2.5%, 2.1%, and 2.0% in 2023 through 2025 compared to the September forecast of 2.4%, 2.2%, and 2.1%.

**Figure 1.4: U.S. Real GDP Growth**



Source: U.S. Bureau of Economic Analysis, November 2021 ERFC forecast; historical data through 2020

*Key assumptions regarding the pandemic are included in the forecast*

The forecast includes key assumptions related to the economic recovery and the pandemic. We do not expect a recurrence of the national lockdown that precipitated the 2020 recession, nor a complete vanquishing of COVID. Rather, US society moves towards managing the risks of living alongside the virus for an extended period.

*The forecast includes the stimulus and tariffs*

The November forecast includes all pandemic relief measures enacted in 2020 and the \$1.9 trillion American Rescue Plan enacted in March. This forecast includes the Infrastructure Investment and Jobs Act signed by the President on November 15<sup>th</sup>. The forecast does not include the "Build Back Better" reconciliation bill on social infrastructure. The forecast includes tariffs enacted by the U.S. and China since 2017 that are still in effect.

*The previous expansion was the longest on record*

The U.S. economy entered recession in February 2020. This marked the end of the longest economic recovery on record. The recovery lasted 128 months from the 2007-09 recession through February, surpassing the 120 months from the 1990 recession. The recession proved to be the shortest recorded. According to the National Bureau of Economic Research, the recession ended in April 2020, just two months after the peak in February 2020.

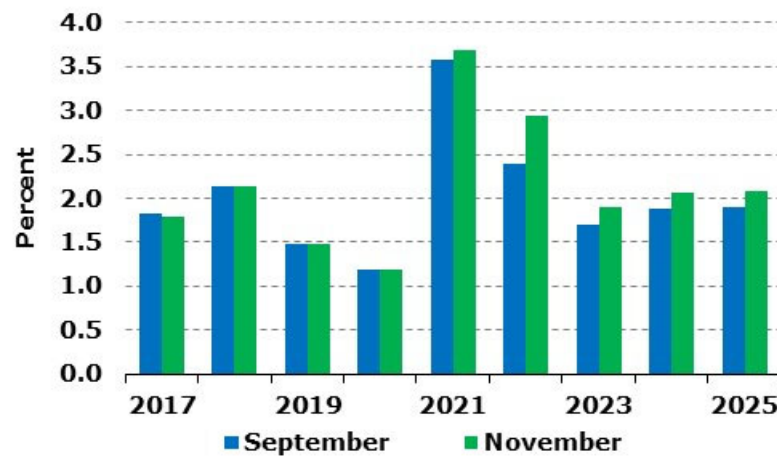
*Oil prices are higher than in September*

Oil prices have increased due to strong demand and continued production restraint by OPEC. Countries around the world have reopened their economies as the spike in infections from the COVID-19 Delta variant has waned, further increasing demand. The refiner acquisition price of crude oil in 2021 is expected to average \$68 per barrel in 2021, up from \$66 in the September forecast. We expect oil prices to peak at \$74 in 2022. The firming of prices will result in increased U.S. production, keeping prices in check even as demand continues to grow.

*Inflation is expected to be higher than in the previous forecast*

Inflation (as measured by the price index for personal consumption expenditures) is expected to be higher this year than in the September forecast (see Figure 1.5). We expect inflation to be 3.7% this year, up from 3.6% in the previous forecast. The increase in inflation this year is expected to be the peak with inflation moderating throughout the forecast. Much of the recent increase in prices is due to the recovery of prices of goods and services driven down during the pandemic. Constraints on supply chains have also impacted prices. Inflation is expected to decline to 2.9% in 2022. Inflation is expected to reach a trough of 1.9% in 2023 and then increase to 2.1% in 2024 and 2025. Core inflation (excluding food and energy) is expected to be 3.1% this year and then trend down to 2.2% in 2023 through 2025.

**Figure 1.5: Personal Consumption Expenditure (PCE) Inflation**



Source: U.S. Bureau of Economic Analysis, November 2021 ERFC forecast; historical data through 2020

*Consumer spending growth is expected to accelerate*

Consumer spending growth is expected to accelerate this year due to the reopening of the economy after various measures taken in 2020 to combat the spread of COVID-19. Fiscal stimulus measures have also given a boost to consumers. Consumer service industries, hit hardest by the pandemic and subsequent social distancing measures, have rebounded sharply. Real consumer spending is expected to grow 7.9% this year, up from a 3.8% decline in 2020. The forecast calls for growth of 3.6% in 2022 trending downward as the recovery continues, reaching 2.2% in 2025.

*Employment will take time to recover*

Employment took a major hit from the COVID-19 pandemic but is now in the process of recovering. In 2020, there was a 5.7% reduction in employment. Almost all of the reduction was due to the unprecedented 20.7 million job loss in the month of April. The employment forecast calls for growth of 2.7% this year, unchanged from the September forecast. We expect average annual employment of 146.2 million jobs in 2021, less than the

pre-pandemic annual average of 150.9 million jobs in 2019. We don't expect to reach the pre-pandemic peak of 151.9 million jobs until the third quarter of 2022. Job growth is expected to continue as the recovery continues but to trend downward throughout the forecast, reaching 0.4% in 2025. We expect the unemployment rate to average 5.4% this year, down from 5.6% forecasted in September. Going forward, the forecast calls for the unemployment rate to decline to 3.7% in 2023 and then to increase to 4.0% in 2025.

*Business investment is expected to rebound this year*

Real nonresidential fixed investment is expected to increase 7.9% this year after declining 5.3% in 2020. The continuing recovery is motivating businesses to expand capacity to keep pace with recovering sales. The increase in oil prices has led to rising drilling activity. Supply chain bottlenecks have led to order backlogs, which in turn, have caused inventories to hit an all-time low. The capital-intensive manufacturing sector is expanding to meet demand. After an extended grounding, Boeing resumed delivery of the 737 MAX in December. Office vacancy rates remain high however as Americans still work from home even after social distancing requirements have eased. We expect real nonresidential construction to decline 7.9% this year after declining 12.5% in 2020. The forecast calls for another 2.6% decline in 2022 and a 0.3% decline in 2023. We expect growth to turn positive in 2024 at 2.5%, increasing to 3.7% in 2025. Real nonresidential construction will not have fully recovered to its level before the pandemic by the end of 2025. Real equipment investment is expected to rebound this year, growing 13.4% after declining 8.3% in 2020. We expect growth in real equipment investment to average 5.4% from 2022 to 2025. We expect real nonresidential fixed investment growth to average 4.2% from 2022 through 2025.

*The housing market has been surging*

The housing market has been surging. Record low interest rates and inventories have helped the market. There has also been an increase in demand from people working remotely and wanting to relocate. The outlook for housing is slightly higher compared to September. The November forecast calls for housing starts to increase 12.5% this year. The September forecast expected an increase of 10.6%. We expect single-family housing starts to increase 9.8% and the multi-family segment to increase 19.5% this year. We expect 2021 to be the peak in housing starts at 1.57 million units. The forecast assumes a decline through 2024 with housing starts reaching 1.28 million, then increasing slightly to 1.29 million in 2025.

*Growth in major U.S. trading partners has been revised up*

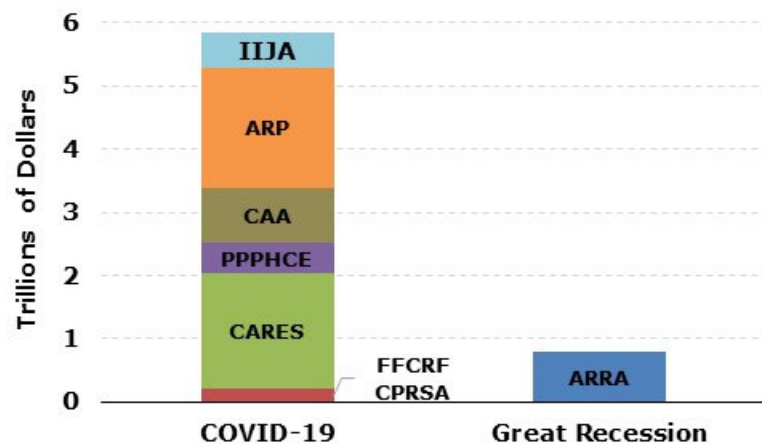
The COVID-19 pandemic has affected economies throughout the world. The Delta variant led to new containment measures, particularly in places where vaccination rates are lagging. Economic growth of U.S. major trading partners is expected to be slightly weaker than in the September forecast. Economic growth of major U.S. trading partners is expected to rebound to 5.8% this year after a 4.6% decline in 2020. The September forecast called for growth of 6.0% in 2021. We expect U.S.

major trading partner growth of 3.7% next year and then average growth of 2.7% from 2023 through 2025. Real U.S. exports are forecasted to increase 3.8% this year after declining 13.6% in 2020. We expect real export growth to reach 7.7% in 2023 as global trade bottlenecks ease. Real export growth is then expected to trend downward and reach 4.9% in 2025.

*The fiscal response to COVID has been massive*

The Infrastructure Investment and Jobs Act (IIJA) was signed into law, marking the seventh stimulus measure related to the pandemic. The COVID-19 relief measures have been far more substantial than the fiscal response to the 2007-09 Great Recession. The American Recovery and Reinvestment Act (ARRA) of 2009 had its highest one-year cost, or peak cost, in the third year after the initial stimulus to the federal government of \$1.0 trillion. ARRA ended up costing \$787 billion over ten years. The combination of COVID-19 stimulus to date, with the inclusion of IIJA, is expected to have a total cost of \$5.8 trillion over ten years (see figure 1.6). The cost of the COVID-19 fiscal measures continues to rise through at least 2030.

**Figure 1.6: Comparison of Great Recession and COVID-19 Stimulus Measures**



Source: IHS Markit

*We expect the first Federal Reserve rate hike in March of 2023*

The Federal Reserve lowered the federal funds rate to near zero in response to the pandemic. The Federal Reserve has also brought back several credit facilities from the previous recession and created new ones to support the economy and ensure normal functioning of credit markets. The November forecast assumes the Federal Reserve tapers its purchases of Treasury and mortgage-backed securities to zero by mid-2022. The forecast assumes the Federal Reserve tolerates inflation modestly above 2% after 2023 to affirm its long-run 2% objective is an average and not a ceiling. We expect the first hike in the target for the federal funds rate to occur in March of 2023. The September forecast assumed the first rate hike would occur in June of 2023.



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

## **Risks to the Forecast**

The level of uncertainty in the baseline forecast remains elevated, with downside risks outweighing upside risks.

### **Downside Risks**

- The COVID-19 Omicron variant is vaccine resistant
- Rising COVID-19 virus infections among the unvaccinated
- The re-imposition of some social restrictions
- New travel restrictions
- The increase in inflation is not temporary
- Weak demand causes businesses to slow re-hiring of laid-off workers
- Increasing geopolitical tensions negatively affect consumer confidence
- Monetary policy is ineffective
- Deficit fears limit fiscal policy
- A breakdown in trade relations
- Global growth weakens, pulling exports down

### **Upside Risks**

- COVID-19 infections/deaths decline faster than anticipated
- COVID-19 vaccines are distributed more quickly than expected
- Increased business confidence leads to more hiring
- Increased consumer confidence gives a boost to consumer spending
- The housing sector improves faster than anticipated
- China successfully transitions to a more consumption-based economy
- European and emerging market economies grow faster than expected
- Wage growth picks up faster than expected

Table 1.1

Fiscal Years

**U.S. Economic Forecast Summary**  
 Forecast 2022 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	18,362.3	18,804.2	18,631.3	18,938.1	19,789.1	20,444.9	20,888.8	21,312.6
% Ch	2.8	2.4	-0.9	1.6	4.5	3.3	2.2	2.0
Real Consumption	12,664.1	12,980.0	12,803.0	13,174.2	13,890.3	14,302.8	14,636.0	14,963.4
% Ch	2.7	2.5	-1.4	2.9	5.4	3.0	2.3	2.2
Real Nonresidential Fixed Investment	2,620.3	2,768.1	2,748.1	2,764.1	2,963.4	3,081.9	3,195.7	3,326.3
% Ch	5.2	5.6	-0.7	0.6	7.2	4.0	3.7	4.1
Real Residential Fixed Investment	618.5	603.9	612.2	701.2	676.9	641.0	629.2	631.2
% Ch	2.5	-2.4	1.4	14.5	-3.5	-5.3	-1.8	0.3
Real Personal Income	16,119.2	16,588.2	17,254.9	18,119.1	17,623.0	18,003.0	18,482.5	18,975.2
% Ch	3.1	2.9	4.0	5.0	-2.7	2.2	2.7	2.7
Real Per Capita Income (\$/Person)	49,153	50,320	52,110	54,616	53,004	53,918	55,089	56,265
% Ch	2.4	2.4	3.6	4.8	-3.0	1.7	2.2	2.1
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	107.2	109.1	110.6	112.8	117.5	119.8	122.2	124.8
% Ch	2.0	1.8	1.3	2.0	4.1	2.0	2.0	2.1
U.S. Consumer Price Index (1982-84=1.0)	2.481	2.533	2.573	2.631	2.764	2.822	2.883	2.944
% Ch	2.2	2.1	1.6	2.3	5.0	2.1	2.1	2.1
Employment Cost Index (Dec. 2005=1.0)	1.314	1.354	1.395	1.437	1.514	1.594	1.660	1.723
% Ch	2.8	3.1	3.0	3.0	5.4	5.3	4.1	3.8
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	20,019.5	20,940.8	21,039.6	21,848.8	23,861.4	25,237.3	26,376.6	27,573.2
% Ch	5.1	4.6	0.5	3.8	9.2	5.8	4.5	4.5
Personal Income	17,278.4	18,100.9	19,076.0	20,440.5	20,700.5	21,571.5	22,581.4	23,673.7
% Ch	5.1	4.8	5.4	7.2	1.3	4.2	4.7	4.8
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	161.2	162.7	162.6	160.6	162.4	165.6	167.8	169.5
Total U.S. Employment	154.5	156.5	152.9	149.5	155.2	159.4	161.3	162.7
Unemployment Rate (%)	4.11	3.77	6.00	6.92	4.44	3.72	3.84	3.98
Nonfarm Payroll Employment	147.73	149.92	147.10	142.97	149.38	153.20	154.65	155.45
% Ch	1.5	1.5	-1.9	-2.8	4.5	2.6	0.9	0.5
Manufacturing	12.55	12.79	12.52	12.21	12.53	12.45	12.41	12.29
% Ch	1.4	1.9	-2.1	-2.5	2.7	-0.7	-0.3	-0.9
Durable Manufacturing	7.83	8.03	7.82	7.58	7.80	7.72	7.73	7.66
% Ch	1.7	2.5	-2.6	-3.0	2.8	-0.9	0.1	-0.9
Nondurable Manufacturing	4.72	4.76	4.70	4.62	4.74	4.72	4.68	4.63
% Ch	1.1	0.9	-1.3	-1.6	2.5	-0.3	-1.0	-1.0
Construction	7.12	7.41	7.39	7.35	7.47	7.49	7.46	7.44
% Ch	4.0	4.1	-0.2	-0.5	1.7	0.2	-0.4	-0.2
Service-Providing	127.36	128.98	126.50	122.81	128.71	132.58	134.08	135.02
% Ch	1.4	1.3	-1.9	-2.9	4.8	3.0	1.1	0.7
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	58.6	60.8	46.7	51.8	76.3	70.8	66.4	63.4
Personal Saving/Disposable Income (%)	7.4	7.9	12.6	15.2	6.8	5.8	6.4	7.1
Auto Sales (Millions)	5.7	5.1	3.8	3.7	3.0	3.5	3.7	3.7
% Ch	-11.6	-11.1	-24.3	-3.2	-19.4	17.4	4.2	1.4
Housing Starts (Millions)	1.251	1.218	1.317	1.551	1.511	1.343	1.290	1.285
% Ch	4.2	-2.6	8.1	17.7	-2.6	-11.1	-4.0	-0.4
Federal Budget Surplus (Billions)	-832.4	-980.6	-2,231.2	-3,272.3	-1,672.2	-1,021.7	-997.8	-1,082.0
Net Exports (Billions)	-547.3	-625.9	-556.7	-819.6	-920.4	-958.6	-919.5	-900.3
3-Month Treasury Bill Rate (%)	1.41	2.26	1.20	0.07	0.05	0.12	0.56	1.20
10-Year Treasury Note Yield (%)	2.57	2.74	1.41	1.11	1.60	2.07	2.42	2.75
Bond Index of 20 G.O. Munis. (%)	3.67	4.01	3.20	2.21	2.36	2.78	3.12	3.44
30-Year Fixed Mortgage Rate (%)	4.16	4.43	3.53	2.89	3.14	3.71	4.09	4.42

Table 1.2

**Forecast Analysis**

Comparison of Forecasts for 2019-21

<b>U.S.</b>	Average Annual Rate of Growth (Percent)		Average Rate (Percent)	
	2019:2-2021:2		2019:3 to 2021:2	
	<b>Real GDP</b>	<b>PCE Price Index</b>	<b>3 Month T-Bill Rate</b>	<b>Mortgage Rate</b>
<b>2016</b>				
February	2.2	1.7	2.79	5.60
June	2.2	1.9	2.81	5.67
September	2.2	1.9	2.79	5.77
November	2.1	2.0	2.55	5.57
<b>2017</b>				
March	2.0	1.9	2.80	5.96
June	2.0	2.0	2.81	5.97
September	2.0	1.9	2.83	6.00
November	2.1	2.0	2.56	5.08
<b>2018</b>				
February	2.0	2.0	3.00	5.26
June	1.9	2.1	3.09	5.28
September	1.9	2.0	3.09	5.11
November	1.8	2.0	3.10	5.17
<b>2019</b>				
March	1.8	2.1	2.66	4.77
June	1.8	1.8	2.23	4.26
September	1.7	2.1	1.70	3.86
November	1.8	1.9	1.64	3.97
<b>2020</b>				
February	1.9	1.6	1.59	3.84
June	-1.2	1.0	0.69	3.41
September	-0.5	1.4	0.65	3.29
November	0.1	1.5	0.65	3.24
<b>2021</b>				
March	0.8	1.7	0.64	3.20
June	1.3	2.1	0.64	3.21
September	1.0	2.2	0.64	3.21
November	1.0	2.2	0.64	3.21

Table 1.3

**Forecast Analysis**

Comparison of Forecasts for 2021-23

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

Table 1.4

Fiscal Years

**Forecast Comparison**

Forecast 2021 to 2025

	2019	2020	2021	2022	2023	2024	2025
<b>U.S.</b>							
<b>Real GDP</b>							
November	18,804.2	18,631.3	18,938.1	19,789.1	20,444.9	20,888.8	21,312.6
% Ch	2.4	-0.9	1.6	4.5	3.3	2.2	2.0
September	18,804.2	18,631.3	18,936.2	19,938.7	20,563.1	21,021.5	21,471.9
% Ch	2.4	-0.9	1.6	5.3	3.1	2.2	2.1
<b>PCE Price Index</b>							
November	109.1	110.6	112.8	117.5	119.8	122.2	124.8
% Ch	1.8	1.3	2.0	4.1	2.0	2.0	2.1
September	109.1	110.6	112.8	117.0	118.9	121.1	123.4
% Ch	1.8	1.3	2.0	3.7	1.6	1.8	1.9
<b>Unemployment Rate</b>							
November	3.77	6.00	6.92	4.44	3.72	3.84	3.98
September	3.77	6.00	6.92	4.73	3.80	3.69	3.72
<b>Mortgage Rate</b>							
November	4.43	3.53	2.89	3.14	3.71	4.09	4.42
September	4.43	3.53	2.89	3.13	3.64	3.87	4.16
<b>3 Month T-Bill Rate</b>							
November	2.26	1.20	0.07	0.05	0.12	0.56	1.20
September	2.26	1.20	0.07	0.08	0.08	0.27	0.68



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

- **The Washington economy continues to recover but growth has been hampered by the Delta variant and vaccine hesitancy.**
- **Washington employment growth during the last two months was slightly less than expected in the September forecast.**
- **Washington employment is now 101,500 (2.9%) lower than in February 2020.**
- **Washington's unemployment rate declined to 5.0% in October from a revised 5.1% in September.**
- **Washington housing construction rebounded in the third quarter of 2021 on a surge in multi-family activity.**
- **Seattle-area home prices continue to rise rapidly but appreciation may be slowing.**
- **Washington exports of transportation equipment increased over the year for a second consecutive quarter.**
- **Washington personal income declined 16.5% (SAAR) in the second quarter because of a reduction in direct payments to individuals.**
- **Washington real GDP growth since the business cycle peak exceeded the U.S. average by a large margin.**
- **Seattle consumer price inflation outpaced the national average.**
- **The Washington forecast features higher personal income growth and higher inflation than in September but employment growth and housing construction are similar.**

### Current Conditions

*The Washington economy continues to recover but growth has been hampered by the Delta variant and vaccine hesitancy*

The Washington economy continues to recover but growth has been hampered by the Delta variant and vaccine hesitancy. Washington employment growth during the last two months was slightly less than expected in the September forecast. Washington employment is now 101,500 (2.9%) lower than at its February 2020 peak. Washington's unemployment rate declined to 5.0% in October from a revised 5.1% in September. Washington housing construction rebounded in the third quarter of 2021 on a surge in multi-family activity. Seattle-area home

prices continue to rise rapidly but appreciation may be slowing. Washington exports of transportation equipment increased over the year for a second consecutive quarter. Washington personal income declined 16.5% (SAAR) in the second quarter because of a reduction in direct payments to individuals. Washington real GDP growth since the business cycle peak exceeded the U.S. average by a large margin. Seattle consumer price inflation outpaced the national average in the year ending in October 2021.

*Washington employment grew slightly less than expected*

We have two months of new Washington employment data since the September forecast was released. Total seasonally adjusted nonfarm payroll employment increased 23,100 in September and October which was 2,300 less than the increase of 25,400 expected in the forecast. Washington employment is now 101,500 (2.9%) lower than at its February 2020 peak. Private services-providing sectors added 25,300 jobs in September and October. The manufacturing sector added 2,300 jobs including 700 jobs in aerospace manufacturing. Construction employment increased by 2,600 jobs in the two-month period. State and local government employment decreased by 7,700 jobs in September and October but the federal government added 600 jobs.

*New QCEW data raised employment slightly*

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 added just 800 (0.0%) to the estimated level of total employment in August 2021. Because employment growth in September and October was slightly less than expected, employment is 1,500 (0.0%) lower in October than expected in the September forecast.

*Unemployment is down significantly*

Washington's unemployment rate declined to 5.0% in October from a revised 5.1% in September. The unemployment rate is down significantly from the 16.3% rate reached in April 2020 which was an all-time high in the series that dates back to 1976. At the business cycle peak in February 2020 the Washington unemployment rate was 4.1%.

*Washington initial claims are at their lowest level in the history of the series*

Washington initial claims for unemployment insurance have fully recovered after rising to unprecedented levels in the spring of 2020. The four-week moving average of the seasonally adjusted number of claims in Washington decreased slightly to 4,800 in the week ending November 27, 2021 from 4,900 in the previous week. Washington initial claims have declined 97% from the April 2020 peak and are now at their lowest level in the history of the series that dates back to 1987.

*Washington housing construction rebounded in the third quarter of 2021 on a surge in multi-family activity*

Washington housing construction rebounded in the third quarter of 2021 on a surge in multi-family activity. The number of housing units authorized by building permits rose to 56,100 (SAAR) in the third quarter from 47,600 in the second quarter. Third quarter permits consisted of 23,200 single-family units, down from 24,300 in the second quarter, and 32,900 multi-family units, up from 23,300. The September forecast expected 53,400 units (SAAR) in the third quarter, consisting of 24,700 single-family units and 28,700 multi-family units. The fourth quarter got off to a very strong start thanks to multi-family activity. A total of 64,000 (SAAR) housing units were permitted in October consisting of 23,000 single-family units and 41,000 multi-family units. The September forecast expected 49,200 (SAAR) units in the fourth quarter as a whole consisting of 28,700 single-family units and 20,500 multi-family units.

*Seattle-area home prices continue to rise rapidly but appreciation may be slowing*

Seattle-area home prices continue to rise rapidly but appreciation may be slowing. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle home prices increased 1.2% in September compared to a 1.0% increase in the composite-20 index. While still quite high, the rate of appreciation in the Seattle market has declined in five of the last six months. September Seattle home prices were up 23.3% over the year, down slightly from a record 25.5% over-the-year increase in July. In comparison, the composite-20 index was up 19.1% over the year in September. September Seattle home prices were up 161% since the December 2011 trough and exceeded the May 2007 peak by 81%.

*Washington exports increased 23% from the third quarter of 2020 to the third quarter of 2021*

According to the World Institute for Strategic Economic Research (WISER), Washington exports increased 23% from the third quarter of 2020 to the third quarter of 2021. After more than two years of year-over-year declines, Washington exports of transportation equipment (mostly Boeing planes) increased over the year for a second consecutive quarter, rising 60% (see Figure 2.1). Agricultural exports decreased 10% over the year but this could be misleading as the data include soybean and corn exports which receive only minimal processing in Washington. Exports from all other sectors (mostly manufacturing) increased 26% over the year.



**Figure 2.1: Washington Transportation Equipment Exports**

*Washington exports of transportation equipment increased over the year for a second consecutive quarter*



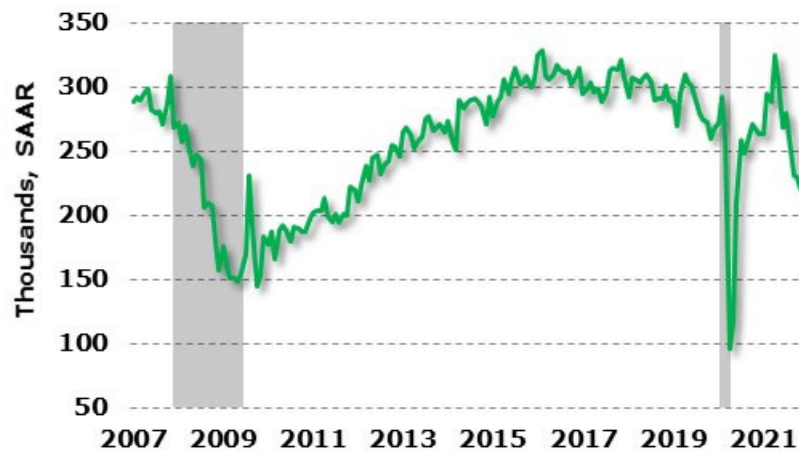
Source: Wiser Trade; data through 2021 Q3

*Washington car and truck sales declined in November*

Washington car and truck sales declined for a fourth consecutive month in November. The seasonally adjusted number of new vehicle registrations fell 3.7% in November following declines of 7.1%, 11.3%, and 0.7% in August, September, and October. The number of registrations is down 17.3% over the year and is now at its lowest level since June 2020 (see Figure 2.2).

**Figure 2.2: Washington New Vehicle Registrations**

*The number of registrations is now at its lowest level since June 2020*



Source: WA State Department of Licensing, ERFC; data through November 2021

*Washington personal income declined 16.5% (SAAR) in the second quarter because of a reduction in direct payments to individuals*

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 2021. According to these estimates, Washington personal income declined from \$571.5 billion (SAAR) in the first quarter of 2021 to \$546.3 billion in the second quarter. The 16.5% decline (SAAR) in Washington personal income was the 6th best performance among the states and District of Columbia and was

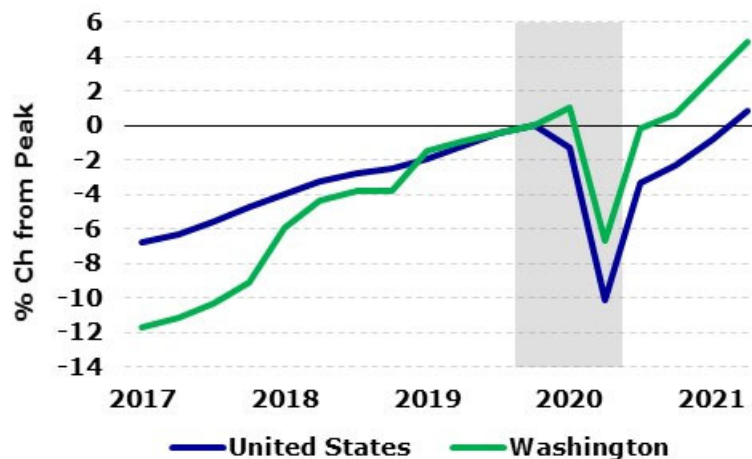
significantly better than the 21.8% rate of the decline for the U.S. as a whole. Once again, changes to personal income from Covid-19 relief programs dominated overall personal income growth, more than accounting for the declines in Washington and national personal income growth rates in the second quarter. Most of this was because of a reduction in direct payments to individuals. Washington's above below average decline in personal income growth was due to transfer receipts which subtracted 27.7 percentage points from U.S. personal income growth but only 22.2 percentage points from Washington personal income growth.

*Washington real GDP is 4.9% higher than at the business cycle peak in the fourth quarter of 2019*

The BEA released estimates of real GDP for the 50 states and District of Columbia in October 2021. As of the second quarter of 2021, Washington real GDP was 4.9% higher than at the business cycle peak in the fourth quarter of 2019. This was the best performance among the 50 states plus District of Columbia and exceeded the U.S. average of 0.9% for the U.S. by a large margin (see Figure 2.3).

**Figure 2.3: Real GDP Compared to the Peak**

*Washington real GDP growth since the business cycle peak exceeded the U.S. average by a large margin*



Source: BEA, ERFC Calculations; data through 2021 Q2

*Seattle consumer price inflation outpaced the national average in the year ending in October 2021*

Seattle-area consumer price inflation outpaced the national average in the year ending in October 2021. From October 2020 to October 2021, the seasonally adjusted Seattle CPI rose 6.5% compared to the 6.2% increase in the U.S. City Average index. These relatively high rates were partially due to much higher food and energy prices this year compared to last year. However, core prices, which exclude food and energy, still increased 5.2% in Seattle and 4.6% in the national index. Seattle shelter cost inflation trailed the national average at 2.6% compared to 3.5%. Seattle inflation excluding shelter exceeded the national average at 8.7% compared to 7.6%.

## Washington State Forecast

*The Washington forecast features higher personal income growth and higher inflation than in September but employment growth and housing construction are similar*

The Washington forecast features higher personal income growth and higher inflation than in September but employment growth and housing construction are similar. We expect a 2.4% increase in Washington employment this year which is the same growth rate expected in the September forecast. We expect above-average growth through the remainder of the forecast as the economy continues to recover from the recession. We expect employment growth to average 2.2% per year in 2022 through 2025 which is also the same growth rate expected in the September forecast. Our forecast for nominal personal income growth this year is 7.5%, up from 6.5% in the September forecast. Personal income growth will slow next year as the extraordinary stimulus of the last two years is withdrawn. We expect personal income growth of only 1.9% in 2022 compared to 1.7% in the September forecast. Our new forecast for nominal personal income growth in 2023 through 2025 averages 5.2% per year compared to 5.3% in the September forecast. We expect 54,500 housing units authorized by building permits this year, up from 53,500 in the September forecast. We expect permits to average 44,400 units in 2022 through 2025, down slightly from 44,600 units in the September forecast. We expect the all items Seattle CPI to rise 4.7% this year, up from 4.2% in the September forecast. We expect Seattle inflation to average 2.6% per year in 2022 through 2025 compared to 2.1% per year in the September forecast.

## Washington Payroll Employment

*The November Washington employment forecast is close to the September forecast*

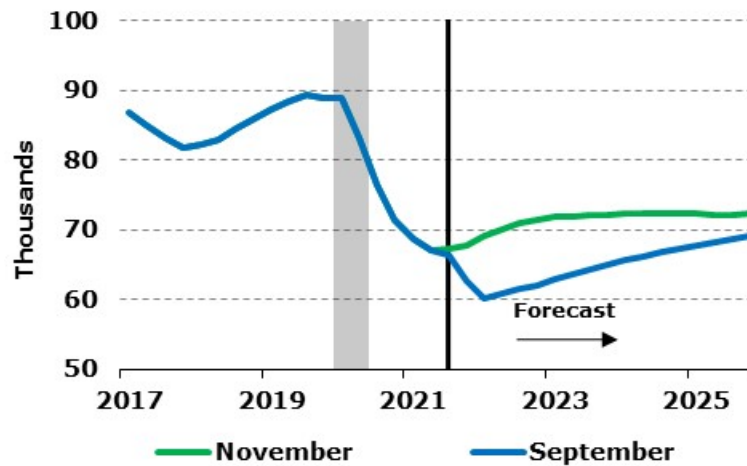
The November Washington employment forecast is close to the September forecast with slightly higher growth in 2021 and 2022 offset by slightly slower growth in 2023 through 2025. We expect a 2.4% increase in Washington employment this year which is the same growth rate expected in the September forecast. We expect above-average growth through the remainder of the forecast as the economy continues to recover from the recession. We expect employment growth to average 2.2% per year in 2022 through 2025 which is also the same growth rate expected in the September forecast. On an annual basis, we expect 4.4% employment growth in 2022, 2.4% in 2023, 1.1% in 2024, and 0.9% in 2025.

*Boeing expects to keep employment at about the current level*

This forecast incorporates Boeing's announcement that they expect to keep employment at about the current level rather than continue to reduce employment through the remainder of the year. This change adds about 6,300 jobs to the level of December 2021 Washington aerospace employment compared to the September forecast assumption (see Figure 2.4). On an annual average basis, we expect aerospace employment to decline 15.4% this year. We expect aerospace employment to grow 4.0% in 2022, 2.3% in 2023, and 0.4% in 2024 before declining 0.1% in 2025.

**Figure 2.4: Washington Aerospace Employment**

*The aerospace employment forecast is higher than expected in the September forecast*



Source: Employment Security Department, ERFC; historical data through 2021 Q3

*The software sector did not experience a significant decline during the recession*

The software sector in Washington did not experience a significant decline during the recession as most software jobs are amenable to remote work. Employment growth since the recession has been erratic but positive on average. We believe the erratic quarterly pattern may be due to abnormal seasonality caused by the pandemic. As of October 2021, Washington software employment was 7.9% higher than at the business cycle peak of February 2020. Based on actual growth through October we are increasing our near-term forecast to 4.6% and 4.2% in calendar years 2021 and 2022 from 3.0% and 2.0% in September. The remainder of the forecast is similar to the September expectation. We expect growth rates of 1.7% in 2023, 1.7% in 2024, and 1.5% in 2025.

*Construction has recovered nearly all the jobs lost in the recession*

Construction has recovered nearly all the jobs lost in the recession. After an initial drop in employment in March and April of 2020, construction employment came roaring back. As of October 2021, construction employment was only 0.6% lower than at its peak in February 2020. Our forecast for construction employment growth this year is unchanged at 4.4%. As in September, we expect declining employment over the next couple of years followed by modest growth in 2024 and 2025. On a calendar year basis, we expect a 1.2% decline in construction employment in 2022 and a 0.4% decline in 2023. We expect 0.6% growth in 2024 and 1.0% growth in 2025.

## Washington Personal Income

*Personal income was slightly lower than previously thought*

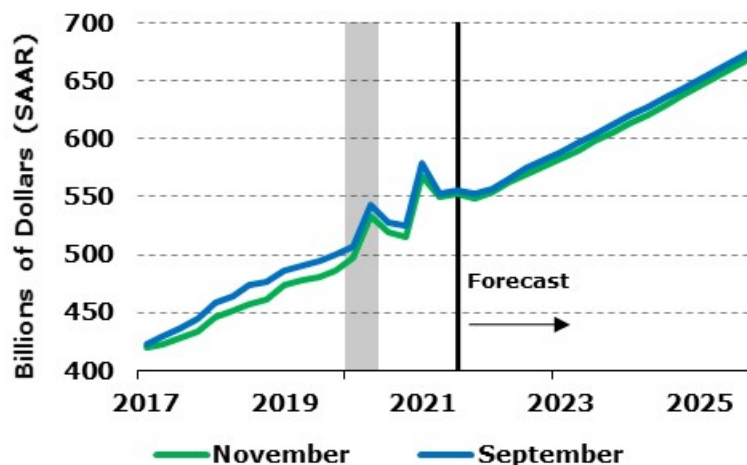
In September, after the forecast was complete, the Bureau of Economic Analysis released estimates for state personal income through the second quarter of 2021. The September release also incorporated the results of the BEA's annual update of state personal income which revised personal income estimates from 1998 through 2020. We have incorporated the new BEA estimates as well as additional Washington Quarterly Census of Employment and Wages (QCEW) data. Our current estimate of Washington personal income in the second quarter of 2021 is \$2.7 billion (0.5%) lower than in the September forecast. Wages and salaries are \$7.5 billion (2.7%) higher than expected but nonwage income is \$10.2 billion (3.8%) lower than expected.

*Personal income growth will slow next year*

Our forecast for nominal personal income growth this year is 7.5%, up from 6.5% in the September forecast. Personal income growth will slow next year as the extraordinary stimulus of the last two years is withdrawn. We expect personal income growth of only 1.9% in 2022 compared to 1.7% in the September forecast. Our new forecast for nominal personal income growth in 2023 through 2025 averages 5.2% per year compared to 5.3% in the September forecast. On an annual basis, we expect personal income to grow 5.1% in 2023, 5.2% in 2024, and 5.2% in 2025. Over the five years of our forecast, personal income growth is slightly higher than in the September forecast but the level is lower throughout because the annual revision of state personal income lowered historical estimates of Washington personal income in every year from 1998 to 2020 (see Figure 2.5).

**Figure 2.5: Washington Personal Income**

*Personal income growth is higher than in the September forecast but the level is lower*



Source: Bureau of Economic Analysis, ERFC; historical data through 2021 Q2

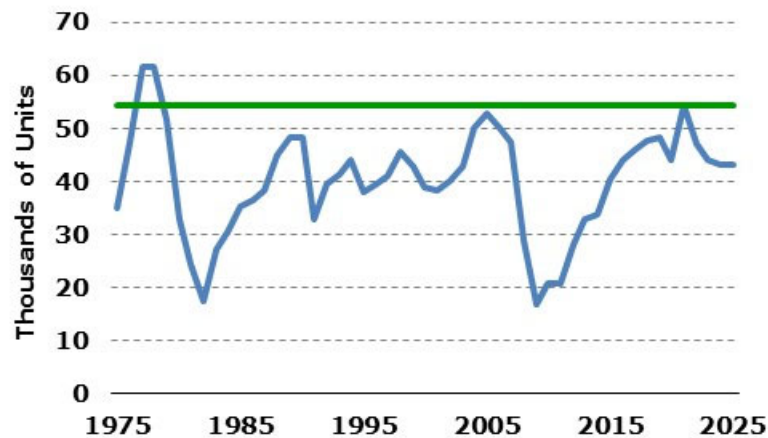
## Washington Building Permits

*Washington housing construction is little changed since the September forecast*

The outlook for Washington housing construction as measured by units authorized by building permits is little changed since the September forecast. Unlike the last several years in which housing has been pretty evenly split between single-family and multi-family, we expect most housing units will be single-family in the forecast. We expect 54,500 housing units authorized by building permits this year, up from 53,500 in the September forecast. If so, this will still be the highest annual total since 1978 (see Figure 2.6). We expect permits to average 44,400 units in 2022 through 2025, down slightly from 44,600 units in the September forecast. On a calendar year basis, we expect 47,100 units in 2022, 44,000 units in 2023, 43,300 in 2024, and 43,300 in 2025.

**Figure 2.6: Washington Housing Permits**

*Our forecast for the number of units permitted in 2021 would be the highest since 1978*



Source: Census Bureau, ERFC; historical data through 2020

## Consumer Price Index

*We expect price pressures to diminish next year*

The near-term inflation outlook has increased since the September forecast but we expect price pressures to diminish next year. With actual data through October, we expect the Seattle core index to rise 3.8% this year compared to 3.4% in the September forecast. We now expect Seattle core inflation to average 2.9% per year in 2022 through 2025, up from 2.5% per year in the September forecast. Our forecast calls for annual Seattle core inflation rates of 4.2% in 2022 and 2.4% per year in 2023, 2024, and 2025.

*Energy costs have rebounded*

Energy costs have rebounded since the large decline last year. This will add to headline inflation this year. We expect the all items Seattle CPI to rise 4.7% this year, up from 4.2% in the September forecast and higher than the 3.8% core inflation rate. Energy costs are expected to fall during the remainder of the forecast, holding headline inflation below core inflation through 2025. We expect Seattle inflation to average 2.6% per year in 2022 through 2025 compared to 2.1% per year in the September

forecast. On a calendar year basis, we expect inflation rates of 4.0% in 2022 and 2.1% per year in 2023, 2024, and 2025.

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

## Alternative Scenarios

*Alternative forecasts are required by law*

In accordance with state law, the Washington State Economic and Revenue Forecast Council adopted a forecast based on optimistic assumptions and a forecast based on pessimistic assumptions in addition to the baseline forecast.

### Optimistic

*Return to "normal", still more stimulus, and improving supply issues drive faster growth*

The optimistic scenario assumes a quicker recovery of consumer spending and stronger productivity relative to the baseline. The strength of this scenario early on is partly due to more front-loaded spending by households, as consumers spend down some of the excess savings that accumulated over 2020, and a less threatening COVID environment. In this scenario, the consumer and business response to the upcoming Infrastructure Investment and Jobs act is more robust than in the baseline, while an effective response to the delta variant allows for continued strong growth in consumer spending. In addition, firms continue to capitalize on the productivity gains that they achieved during the pandemic, which improves corporate profitability. GDP rises at an 8.2% annual rate in the fourth quarter of 2021 and at a 5.1% average pace over the four quarters of 2022, compared to 4.6% and 3.6% rates of increase in the baseline. Because of the faster growth of GDP, the unemployment rate quickly falls below 4.0% by early 2022.

*The optimistic scenario also assumes a stronger Washington economy*

In addition to reflecting the impact of the stronger U.S. forecast on the state economy, the optimistic Washington forecast assumes that aerospace employment recovers much faster than assumed in the baseline. Software employment also grows more rapidly than in the baseline forecast. In the optimistic scenario, the stronger regional economy drives Seattle consumer price inflation above the baseline. Washington average wage growth is also higher in the optimistic scenario than in the baseline. Construction employment continues to grow throughout the forecast rather than declining slightly through mid 2023 as in the baseline forecast. By the end of 2025, Washington nonfarm payroll employment is higher by 110,200 jobs (3.0%) than in the baseline forecast and Washington personal income is \$63.8 billion (9.5%) higher.

## Pessimistic

*Pessimistic Scenario: Recovery stumbles as supply issues persist and consumers slow spending*

The pessimistic scenario assumes a weaker recovery in consumer spending than in the baseline forecast. A resurgent virus this fall and winter, with an alarming rise in cases and hospitalizations leads to more caution on the part of consumers, as they increasingly refrain from socially dense consumer activities. In addition, worsening of ongoing supply-chain issues leads to a prolonged delay in the production and shipment of consumer durable goods. GDP increases at a 1.3% annualized rate in the fourth quarter and 3.2% in the first quarter of 2022, compared to 4.6% and 4.5% rates of increase in the baseline. The unemployment rate peaked at 13.0% in the second quarter of 2020 and declined to 5.1% in the third quarter of 2021. It is expected to continue to decline, but at a slower pace than in the baseline, reaching 4.1% by the end of 2022.

*The pessimistic scenario also assumes a weaker local economy*

In addition to reflecting the impact of the weaker U.S. forecast on the state economy, after a slight rebound in 2022, aerospace employment begins to decline again in 2023-25 rather than levelling off as in the baseline. Software employment declines rather than continuing to grow as in the baseline forecast. Construction employment declines faster than in the baseline and the decline continues through 2025. The relatively weak local economy also puts downward pressure on Washington wages and the Seattle CPI. By the end of 2025, Washington nonfarm payroll employment is 48,000 (1.3%) lower than in the baseline forecast and Washington personal income is \$39.4 billion (5.9%) lower.

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

## Governor's Council of Economic Advisors (GCEA)

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

*The GCEA members expect more inflation than assumed in the baseline forecast*

The Governor's Council of Economic Advisors' (GCEA) forecast for real growth is similar to the baseline forecast but their inflation forecast is higher. The GCEA real GDP growth forecast averages 3.3% per year in 2021 through 2025 compared to 3.2% in the baseline forecast. Their forecast of 3.7% average real consumer spending growth is the same as the baseline assumption. The GCEA members' personal consumption expenditures (PCE) inflation forecast averages 2.8% per year compared to 2.5% per year in the baseline forecast. The Council members' mortgage rate forecast averages 4.0% over the five-year forecast horizon, which is slightly higher than the 3.8% average mortgage rate in the baseline forecast and their oil price forecast averages \$72 per barrel which is the same as in the baseline forecast.



*The Governor's Council of Economic Advisors' Washington forecast is higher than the baseline forecast*

The Governor's Council of Economic Advisors' Washington forecast is higher than the baseline forecast. The GCEA scenario for Washington real personal income growth averages 2.6% per year in 2021 through 2025, compared to the 2.4% average rate in the baseline forecast. Because their inflation forecast is also higher than ours, however, their implied average nominal income growth is 5.4% compared to our 5.0%. The Council members' forecast for total employment growth over the five-year period averages 2.4% per year, which is stronger than the 2.2% rate in the baseline forecast. The GCEA forecasts for average manufacturing employment growth and average construction employment growth are both higher than their counterparts in the baseline forecast. The GCEA housing permit forecast is also slightly higher, averaging 48,000 units per year compared to 46,400 in the baseline forecast. At the end of 2025, the GCEA forecast for Washington nonfarm payroll employment is 24,900 (0.7%) higher than in the baseline forecast and Washington personal income is \$14.5 billion (2.2%) higher.

Table 2.1

Fiscal Years

**Washington Economic Forecast Summary**  
 Forecast 2022 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	410.554	428.786	451.785	476.806	472.029	484.039	498.738	513.784
% Ch	4.3	4.4	5.4	5.5	-1.0	2.5	3.0	3.0
Real Wage and Salary Disb.	212.587	225.352	232.592	244.860	259.079	271.255	280.188	288.120
% Ch	6.1	6.0	3.2	5.3	5.8	4.7	3.3	2.8
Real Nonwage Income	197.967	203.433	219.193	231.946	212.950	212.785	218.550	225.664
% Ch	2.4	2.8	7.7	5.8	-8.2	-0.1	2.7	3.3
Real Per Capita Income (\$/Person)	54,898	56,631	58,994	61,691	60,537	61,478	62,697	63,907
% Ch	2.7	3.2	4.2	4.6	-1.9	1.6	2.0	1.9
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.072	1.091	1.105	1.128	1.175	1.198	1.222	1.248
% Ch	2.0	1.8	1.3	2.0	4.1	2.0	2.0	2.1
Seattle Cons. Price Index (1982-84=1.0)	2.671	2.745	2.803	2.871	3.039	3.107	3.174	3.242
% Ch	3.1	2.8	2.1	2.4	5.8	2.3	2.1	2.1
Average Nonfarm Annual Wage	65,727	69,679	73,612	81,803	86,029	88,912	92,294	95,974
% Ch	6.1	6.0	5.6	11.1	5.2	3.4	3.8	4.0
Avg. Hourly Earnings-Mfg. (\$/Hour)	27.93	28.91	28.93	27.87	28.65	30.22	31.43	32.58
% Ch	4.2	3.5	0.0	-3.6	2.8	5.5	4.0	3.6
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	440.082	467.888	499.429	537.841	554.437	579.988	609.347	641.009
% Ch	6.3	6.3	6.7	7.7	3.1	4.6	5.1	5.2
Disposable Personal Income	387.177	412.494	442.038	476.188	483.171	504.697	531.558	560.605
% Ch	6.5	6.5	7.2	7.7	1.5	4.5	5.3	5.5
Per Capita Income (\$/Person)	58,845	61,795	65,216	69,586	71,105	73,664	76,601	79,730
% Ch	4.7	5.0	5.5	6.7	2.2	3.6	4.0	4.1
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,767.0	3,860.6	3,935.8	3,873.0	3,954.3	4,048.1	4,114.9	4,172.1
Total Washington Employment	3,597.5	3,692.0	3,683.7	3,612.3	3,763.9	3,874.0	3,932.6	3,981.1
Unemployment Rate (%)	4.50	4.37	6.41	6.73	4.82	4.30	4.43	4.58
Nonfarm Payroll Employment	3,362.6	3,433.0	3,403.3	3,285.9	3,447.9	3,563.8	3,616.5	3,652.4
% Ch	2.4	2.1	-0.9	-3.4	4.9	3.4	1.5	1.0
Manufacturing	284.1	291.9	287.4	260.0	263.1	267.2	268.4	268.7
% Ch	-1.1	2.7	-1.5	-9.5	1.2	1.5	0.5	0.1
Durable Manufacturing	199.4	205.5	202.4	178.2	177.6	180.1	181.5	182.3
% Ch	-2.1	3.1	-1.5	-12.0	-0.3	1.4	0.8	0.4
Aerospace	82.5	86.6	87.6	70.9	68.6	71.5	72.3	72.3
% Ch	-5.9	4.9	1.2	-19.0	-3.3	4.3	1.0	0.0
Nondurable Manufacturing	84.6	86.3	85.0	81.8	85.5	87.1	86.9	86.4
% Ch	1.5	2.0	-1.6	-3.7	4.5	1.9	-0.2	-0.6
Construction	206.5	216.8	216.3	219.0	222.3	219.6	220.1	221.7
% Ch	6.7	5.0	-0.2	1.3	1.5	-1.2	0.2	0.7
Service-Providing	2,865.8	2,918.1	2,893.9	2,801.2	2,956.7	3,071.5	3,122.6	3,156.4
% Ch	2.5	1.8	-0.8	-3.2	5.5	3.9	1.7	1.1
Software Publishers	63.1	67.7	73.6	77.1	80.7	83.2	84.5	85.9
% Ch	4.7	7.4	8.6	4.9	4.6	3.1	1.6	1.7
Electronic Shopping and Mail-Order	53.5	58.1	69.3	77.1	78.5	81.4	83.3	85.2
% Ch	21.7	8.7	19.1	11.3	1.8	3.7	2.4	2.2
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	48.873	46.042	47.547	49.603	50.829	45.136	43.370	43.333
% Ch	9.8	-5.8	3.3	4.3	2.5	-11.2	-3.9	-0.1
Single-Family	24.216	22.439	22.863	26.227	25.384	25.515	25.112	25.490
% Ch	9.5	-7.3	1.9	14.7	-3.2	0.5	-1.6	1.5
Multi-Family	24.657	23.603	24.684	23.376	25.445	19.620	18.257	17.843
% Ch	10.1	-4.3	4.6	-5.3	8.8	-22.9	-6.9	-2.3
30-Year Fixed Mortgage Rate (%)	4.16	4.43	3.53	2.89	3.14	3.71	4.09	4.42

Table 2.2  
**Comparison of Alternative Forecasts**

Fiscal Years

	2020	2021	2022	2023	2024	2025
<b>U.S.</b>						
<b>Real GDP, Percent Change</b>						
Optimistic	-0.9	1.6	5.5	4.8	2.9	2.5
Baseline	-0.9	1.6	4.5	3.3	2.2	2.0
Pessimistic	-0.9	1.6	3.7	3.2	2.9	2.9
<b>PCE Price Index, Percent Change</b>						
Optimistic	1.3	2.0	4.2	2.4	2.1	2.3
Baseline	1.3	2.0	4.1	2.0	2.0	2.1
Pessimistic	1.3	2.0	3.9	1.2	0.8	1.3
<b>Mortgage Rate, Percent</b>						
Optimistic	3.53	2.89	3.19	3.78	4.15	4.42
Baseline	3.53	2.89	3.14	3.71	4.09	4.42
Pessimistic	3.53	2.89	3.11	3.48	3.74	4.00
<b>3 Month T-Bill Rate, Percent</b>						
Optimistic	1.20	0.07	0.12	0.38	0.78	1.42
Baseline	1.20	0.07	0.05	0.12	0.56	1.20
Pessimistic	1.20	0.07	0.06	0.08	0.09	0.09
<b>Washington</b>						
<b>Real Personal Income, Percent Change</b>						
Optimistic	5.4	5.5	0.7	4.9	4.8	4.4
Baseline	5.4	5.5	-1.0	2.5	3.0	3.0
Pessimistic	5.4	5.5	-2.5	1.4	3.3	2.8
<b>Personal Income, Percent Change</b>						
Optimistic	6.7	7.7	5.0	7.5	7.0	6.8
Baseline	6.7	7.7	3.1	4.6	5.1	5.2
Pessimistic	6.7	7.7	1.3	2.6	4.1	4.1
<b>Employment, Percent Change</b>						
Optimistic	-0.9	-3.4	5.4	4.1	2.0	1.7
Baseline	-0.9	-3.4	4.9	3.4	1.5	1.0
Pessimistic	-0.9	-3.4	4.7	3.1	1.2	0.6
<b>Housing Permits, Thousands of Authorized Units</b>						
Optimistic	47.5	49.6	51.4	47.2	46.9	47.9
Baseline	47.5	49.6	50.8	45.1	43.4	43.3
Pessimistic	47.5	49.6	49.4	42.8	41.3	40.5

Table 2.3

Calendar Years

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

	2021	2022	2023	2024	2025
<b><u>U.S.</u></b>					
<b>Real GDP</b>					
<i>Growth</i>					
ERFC	5.5	4.0	2.5	2.1	2.0
GCEA Average	5.8	3.9	2.4	2.1	2.3
<b>Real Consumption</b>					
<i>Growth</i>					
ERFC	7.9	3.6	2.5	2.3	2.2
GCEA Average	7.8	3.9	2.6	2.2	2.3
<b>PCE Price Index</b>					
<i>Growth</i>					
ERFC	3.7	2.9	1.9	2.1	2.1
GCEA Average	4.5	2.9	2.2	2.2	2.1
<b>Mortgage Rate</b>					
<i>Percent</i>					
ERFC	3.0	3.4	3.9	4.3	4.6
GCEA Average	3.1	3.5	4.0	4.8	4.6
<b>Oil Price (Brent)</b>					
<i>Dollars per barrel</i>					
ERFC	71.5	77.9	72.5	69.4	67.2
GCEA Average	73.1	79.4	72.8	69.7	67.5
 <b><u>Washington State</u></b>					
<b>Real Personal Income</b>					
<i>Growth</i>					
ERFC	3.7	-1.0	3.1	3.0	3.1
GCEA Average	3.6	-0.1	3.0	3.2	3.1
<b>Wage and Salary Employment</b>					
<i>Growth</i>					
ERFC	2.4	4.4	2.4	1.1	0.9
GCEA Average	2.9	3.9	2.3	1.5	1.2
<b>Manufacturing Employment</b>					
<i>Growth</i>					
ERFC	-4.7	2.7	0.9	0.1	0.0
GCEA Average	-4.7	3.3	1.1	0.3	0.3
<b>Construction Employment</b>					
<i>Growth</i>					
ERFC	4.4	-1.2	-0.4	0.6	1.0
GCEA Average	4.3	0.5	0.2	1.3	1.9
<b>Housing Permits</b>					
<i>Thousands of authorized units</i>					
ERFC	54.5	47.1	44.0	43.3	43.3
GCEA Average	54.6	48.8	45.9	45.8	45.0
<b>Washington Average Annual Wage</b>					
<i>Growth</i>					
ERFC	7.7	3.9	3.5	3.9	4.1
GCEA Average	7.2	3.7	3.6	4.0	4.2

Table 2.4  
**Forecast Analysis**  
 Comparison of Forecasts for 2019-21

<b>Washington</b>	Average Annual Rate of Growth (Percent) 2019:2-2021:2			Average Annual Rate (Thousands) 2019:3 to 2021:2
	<b>Employment</b>	<b>Personal Income</b>	<b>Real Personal Income</b>	<b>Housing Units Authorized</b>
<b>2016</b>				
February	1.1	4.7	3.0	44.3
June	1.1	5.0	3.1	44.3
September	1.1	5.1	3.0	44.3
November	1.2	5.0	3.0	41.5
<b>2017</b>				
March	1.1	4.9	2.9	40.7
June	1.2	5.1	3.0	42.0
September	1.2	5.3	3.3	42.0
November	1.2	5.3	3.2	42.6
<b>2018</b>				
February	1.4	5.2	3.1	42.8
June	1.2	5.0	2.9	43.2
September	1.2	5.0	2.9	44.0
November	1.3	4.9	2.8	43.5
<b>2019</b>				
March	1.3	4.8	2.7	42.1
June	1.4	4.9	3.0	41.8
September	1.5	4.7	2.6	43.3
November	1.3	4.0	2.1	43.8
<b>2020</b>				
February	1.5	4.3	2.7	46.8
June	-0.4	3.0	1.9	40.9
September	-0.4	2.8	1.3	46.0
November	-0.8	3.1	1.5	46.7
<b>2021</b>				
March	-2.0	8.5	6.7	48.1
June	-2.1	6.4	4.2	49.1
September	-1.8	6.1	3.8	48.6
November	-1.7	7.2	4.9	48.6

Table 2.5  
**Forecast Analysis**  
 Comparison of Forecasts for 2021-23

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

Table 2.6

Fiscal Years

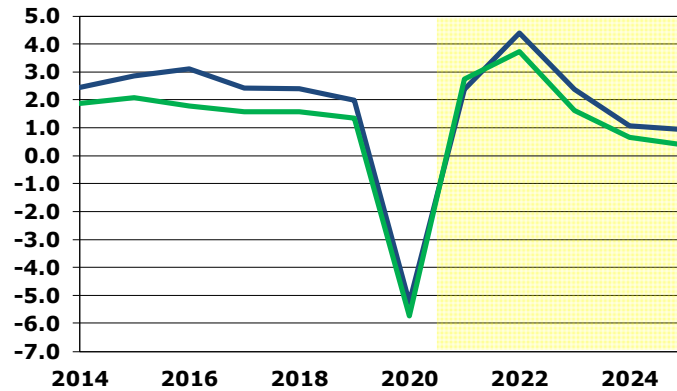
**Forecast Comparison**

Forecast 2021 to 2025

	2019	2020	2021	2022	2023	2024	2025
<b>Washington</b>							
<b>Real Personal Income</b>							
November	428.786	451.785	476.806	472.029	484.039	498.738	513.784
% Ch	4.4	5.4	5.5	-1.0	2.5	3.0	3.0
September	441.494	462.680	484.339	476.568	492.108	508.689	524.678
% Ch	4.9	4.8	4.7	-1.6	3.3	3.4	3.1
<b>Personal Income</b>							
November	467.888	499.429	537.841	554.437	579.988	609.347	641.009
% Ch	6.3	6.7	7.7	3.1	4.6	5.1	5.2
September	481.750	511.470	546.310	557.685	585.197	615.900	647.397
% Ch	6.8	6.2	6.8	2.1	4.9	5.2	5.1
<b>Employment</b>							
November	3433.0	3403.3	3285.9	3447.9	3563.8	3616.5	3652.4
% Ch	2.1	-0.9	-3.4	4.9	3.4	1.5	1.0
September	3433.0	3403.3	3284.9	3440.3	3544.0	3602.3	3647.2
% Ch	2.1	-0.9	-3.5	4.7	3.0	1.6	1.2
<b>Housing Permits</b>							
November	46.042	47.547	49.603	50.829	45.136	43.370	43.333
% Ch	-5.8	3.3	4.3	2.5	-11.2	-3.9	-0.1
September	46.042	47.547	49.603	49.215	44.994	44.109	43.994
% Ch	-5.8	3.3	4.3	-0.8	-8.6	-2.0	-0.3

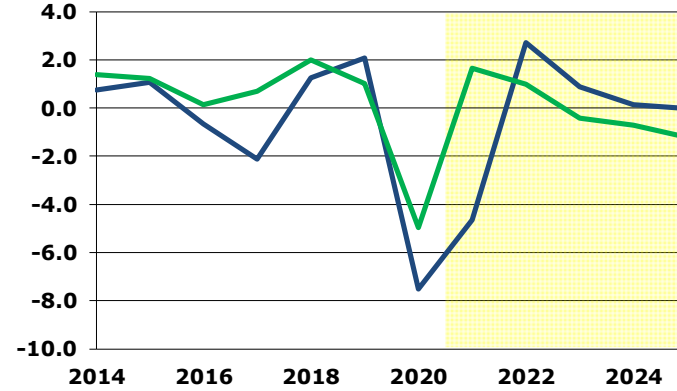
Figure 2.7: Comparison of Washington and U.S. Economic Forecasts  
(Percent change)

Total Nonfarm Payroll Employment



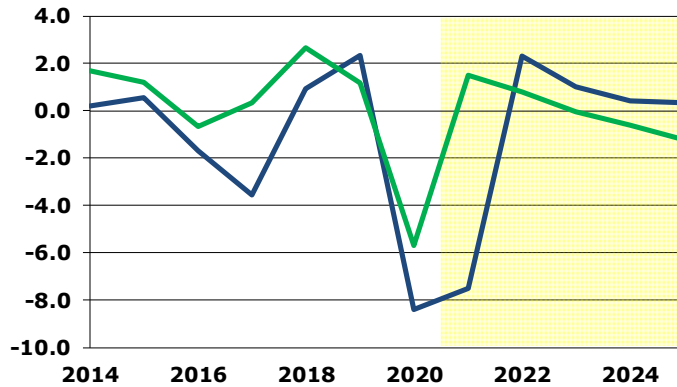
Source: WA State Employment Security Dept. 2020, ERFC 2025

Manufacturing Employment



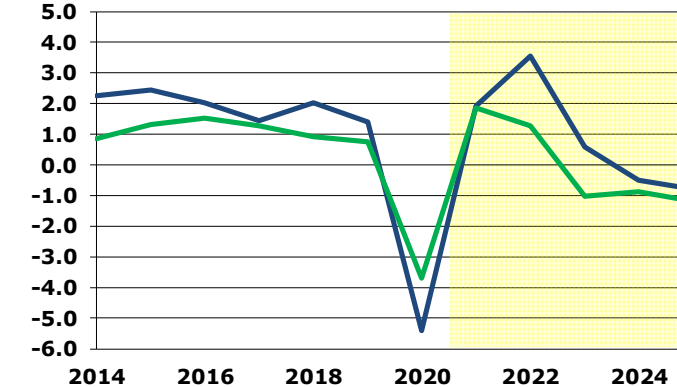
Source: WA State Employment Security Dept. 2020, ERFC 2025

Durable Manufacturing Employment



Source: WA State Employment Security Dept. 2020, ERFC 2025

Nondurable Manufacturing Employment



Source: WA State Employment Security Dept. 2020, ERFC 2025

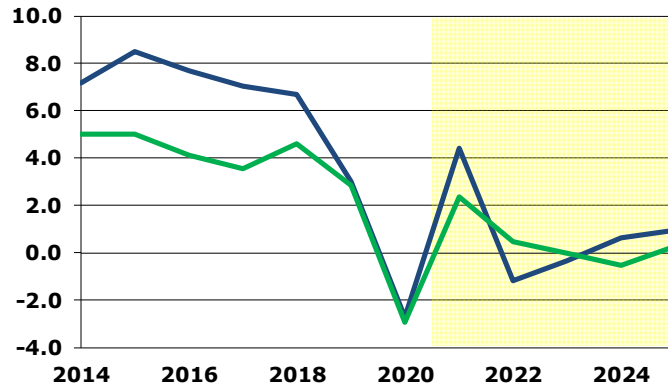
■ Washington

■ U.S.



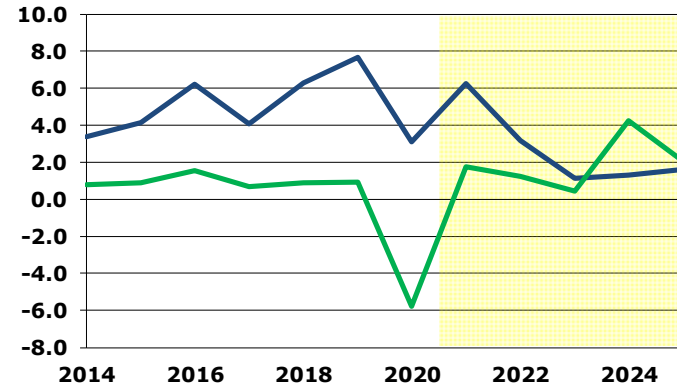
Figure 2.7: Comparison of Washington and U.S. Economic Forecasts (continued)  
(Percent change)

Construction Employment



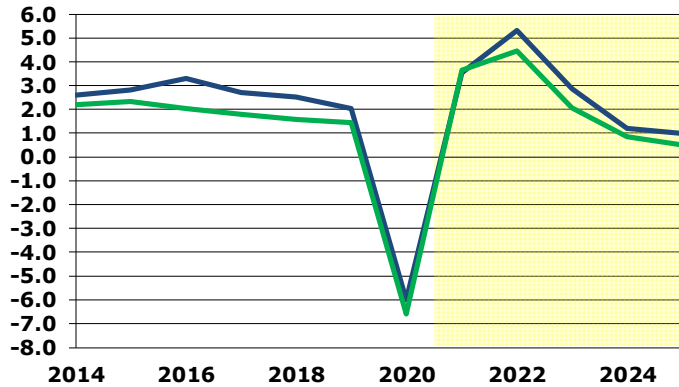
Source: WA State Employment Security Dept. 2020, ERFC 2025

Information Employment



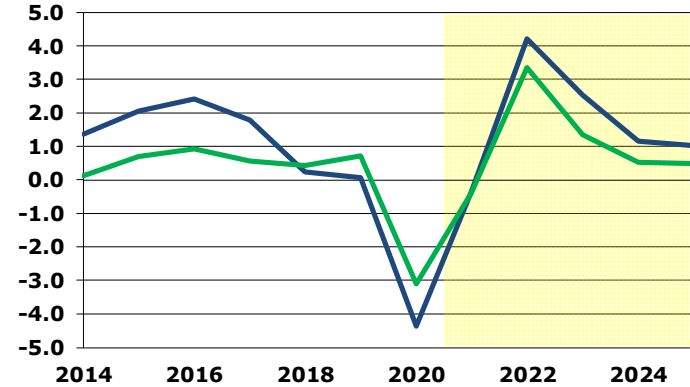
Source: WA State Employment Security Dept. 2020, ERFC 2025

Other Private Employment



Source: WA State Employment Security Dept. 2020, ERFC 2025

Government Employment



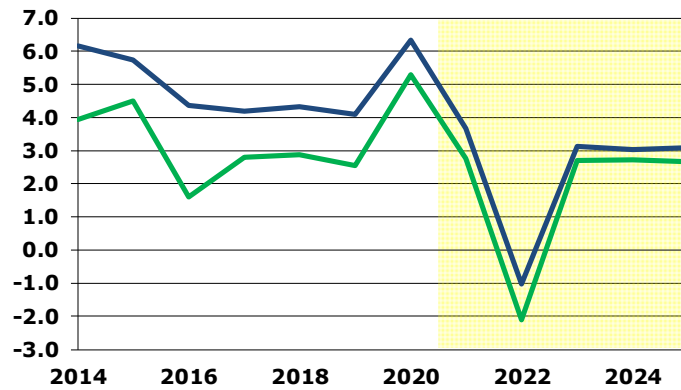
Source: WA State Employment Security Dept. 2020, ERFC 2025

■ Washington

■ U.S.

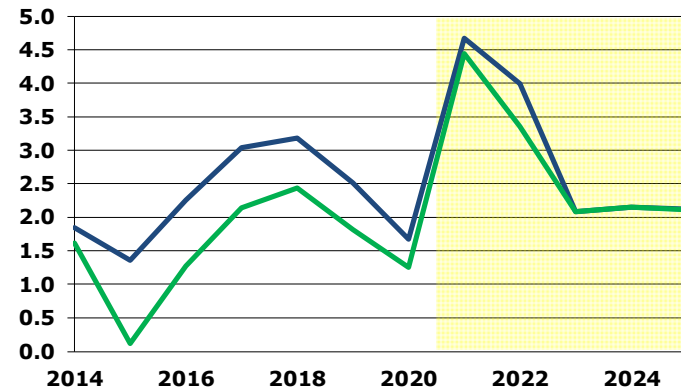
Figure 2.7: Comparison of Washington and U.S. Economic Forecasts (continued)  
(Percent change)

Real Personal Income



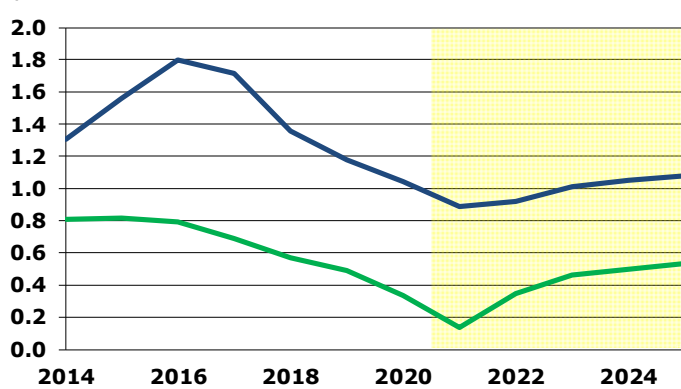
Source: Bureau of Economic Analysis 2019, ERFC 2025

Consumer Price Indices



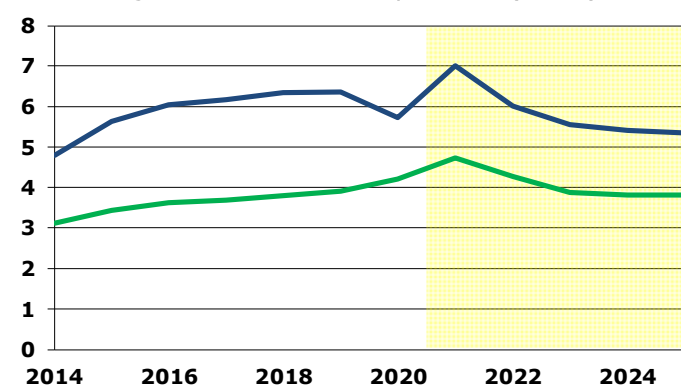
Source: Bureau of Labor Statistics 2020, ERFC 2025

Population



Source: Census Bureau 2019, ERFC 2025

New Housing Units Per 1,000 Population (Level)

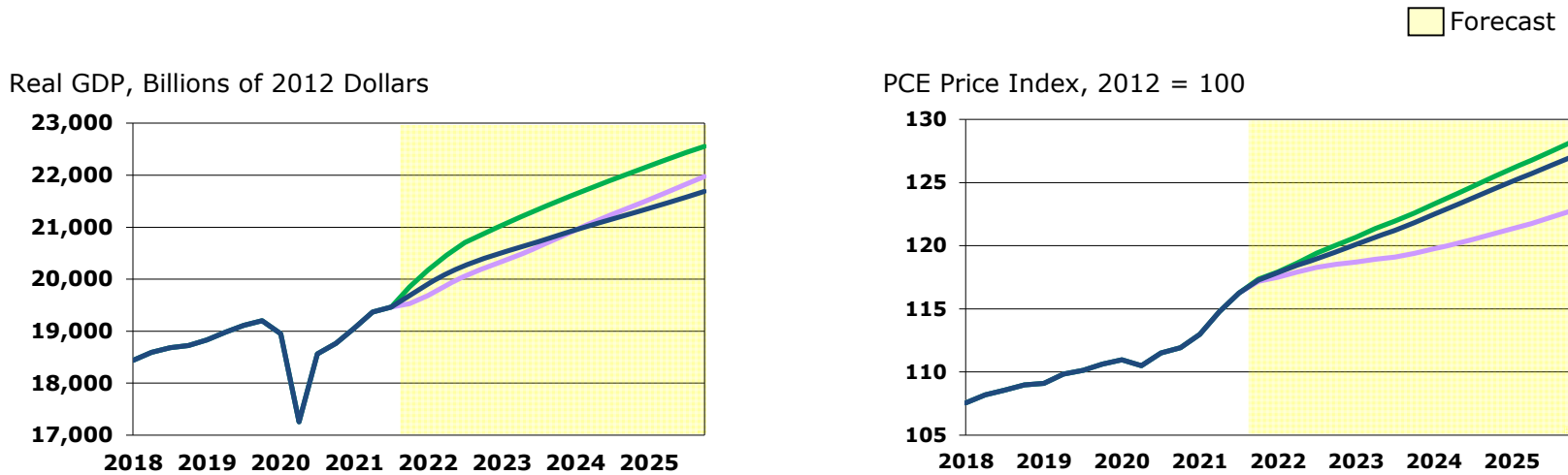


Source: Census Bureau 2020, ERFC 2025

■ Washington

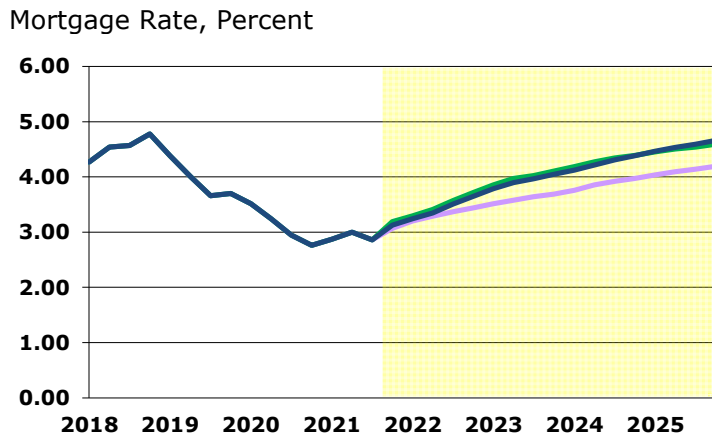
■ U.S.

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

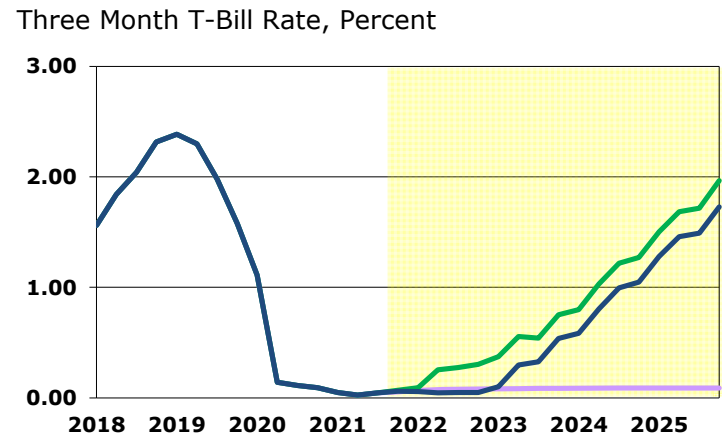


Source: Bureau of Economic Analysis 2020 Q4, ERFC 2025

Source: Bureau of Economic Analysis 2020 Q4, ERFC 2025



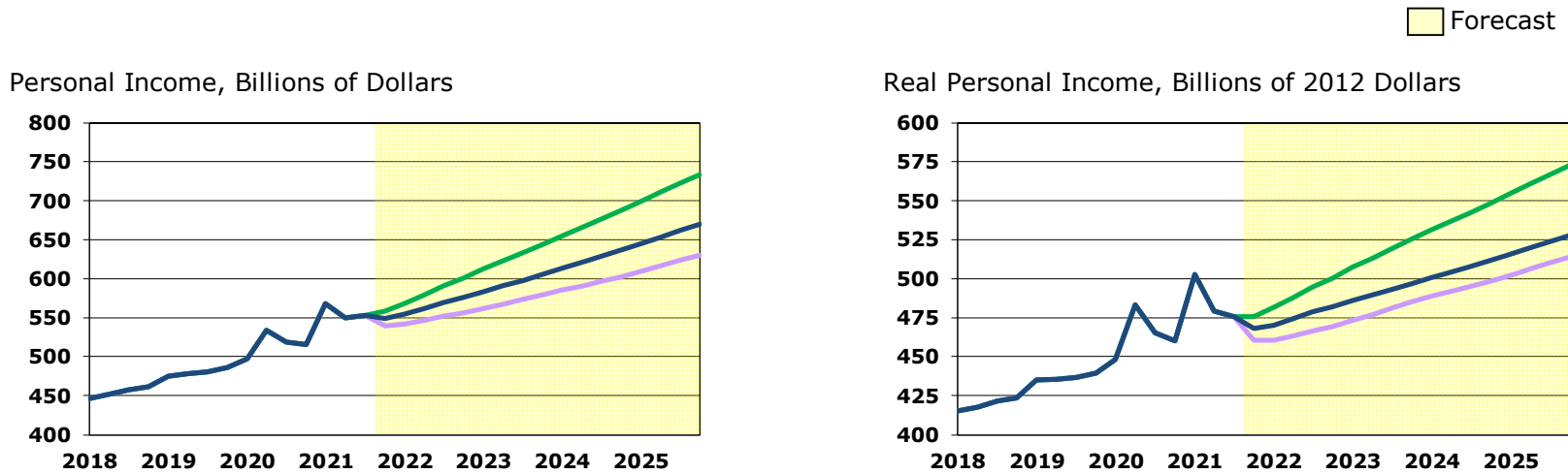
Source: Freddie Mac 2020 Q4, ERFC 2025



Source: Federal Reserve Board 2020 Q4, ERFC 2025

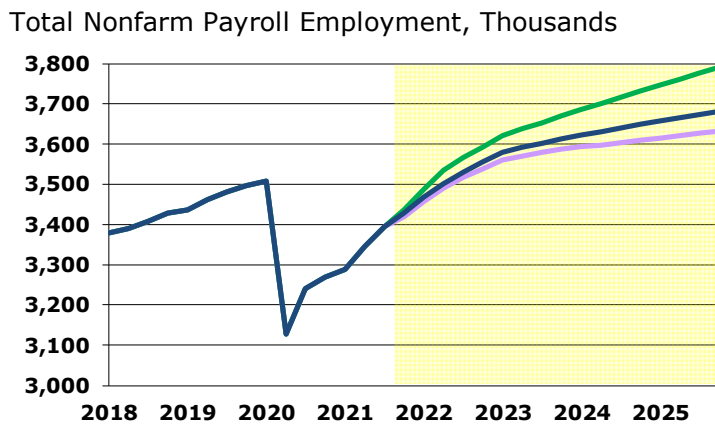
■ Baseline    ■ Optimistic    ■ Pessimistic

Figure 2.9: Comparison of Alternative Washington Economic Forecasts

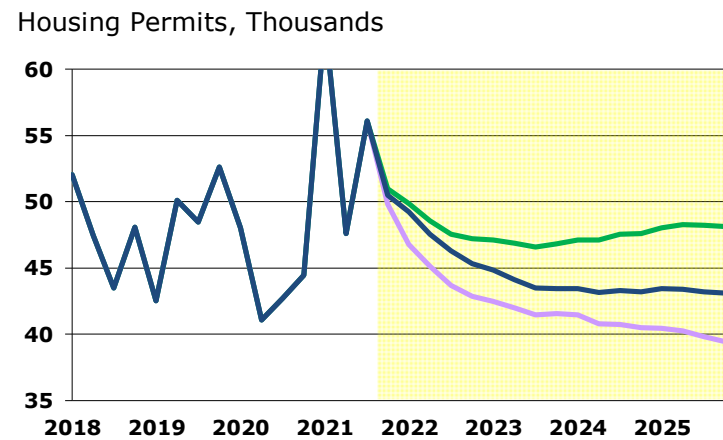


Source: Bureau of Economic Analysis 2019 Q4, ERFC 2025

Source: Bureau of Economic Analysis 2019 Q4, ERFC 2025



Source: WA State Employment Security 2020 Q4, ERFC 2025



Source: Census Bureau 2020 Q4, ERFC 2025

■ Baseline    ■ Optimistic    ■ Pessimistic



## Chapter 3: Washington State Revenue Forecast Summary

- **General Fund-State (GF-S) revenue collections since the September forecast have come in \$292 million (7.3%) above the forecasted amount.**
- **Non-economic changes resulting from a court case and a rule change that is expected to increase refunds have increased the GF-S forecast by a net \$69 million in the 2021-23 biennium and \$165 million in the 2023-25 biennium.**
- **The final tally of GF-S revenue for the 2019-21 biennium was unchanged from September's number. The GF-S forecast was increased by \$1.06 billion in the 2021-23 biennium and \$994 million in the 2023-25 biennium.**
- **The final tally of total revenue for funds subject to the budget outlook process in the 2019-21 biennium was unchanged from the previous estimate. The total forecast for these funds was increased by \$898 million in the 2021-23 biennium and \$965 million in the 2023-25 biennium.**

### Overview

*The revenue forecast has been increased due to stronger-than-expected taxable activity and re-estimation of the forecast model*

Since the September forecast, taxable activity has been much stronger than expected, with tracked collections coming in well above the September forecast. While much of the surplus in collections stemmed from real estate excise taxes, most of it reflected unexpected strength in the general economy. After the September forecast, the federal government released revised estimates of the history of Washington personal income back to 1998. Due to the revisions, some parts of the revenue forecasting model were re-estimated regarding the relationship between income and taxable activity. Because the revised state income history was lower than the previous estimates in the most recent years, the re-estimated model slightly increased the amount of revenue expected per dollar of personal income. In addition, forecasted construction employment and housing permits have been increased through 2022. Combining those factors with the recent strength in collections, forecasted Revenue Act receipts have been increased in the 2021-23 and 2023-25 biennia.

GF-S forecast  
change by  
biennium  
(millions):

19-21: \$0  
21-23: \$1,062  
23-25: \$994

Table 3.1 summarizes the changes to the forecasts of General Fund-State (GF-S) revenue for the 2019-21 through the 2023-25 biennia. There were no changes to the September preliminary total for the 2019-21 biennium, which concluded on June 30, 2021. Tracked revenue collections through November 10 for the current 2021-23 biennium came in \$292.2 million higher than forecasted. Non-economic changes outlined elsewhere in this publication added \$68.6 million to the forecast. The forecasted increase in taxable activity adds \$701.3 million to expected revenue for the remainder of the biennium, resulting in a total forecast increase of \$1,062.2 million. The forecast for the 2023-25 biennium was increased by \$993.6 million, with \$165.1 million of the increase coming from non-economic changes. The November 2021 forecast for GF-S revenue totals \$50.803 billion in the 2019-21 biennium, \$57.519 billion in the 2021-23 biennium and \$60.864 billion in the 2023-25 biennium.

GF-S forecast  
(\$billions):

2019-21:  
\$50.803

2021-23:  
\$57.519

2023-25:  
\$60.864

**Table 3.1: Revisions to the General Fund-State Forecast  
(cash basis, millions of dollars)**

	<b>2019-21 Biennium</b>	<b>2021-23 Biennium</b>	<b>2023-25 Biennium</b>
Collection Experience	\$0.0	\$292.2	NA
Non-Economic Change	\$0.0	\$68.6	\$165.1
Forecast Change	\$0.0	\$701.3	\$828.5
<b>Total Change</b>	<b>\$0.0</b>	<b>\$1,062.2</b>	<b>\$993.6</b>

Though the  
ratio of  
collections to  
income has  
increased from  
the FY 2015  
trough, it is still  
near historical  
lows

As can be seen in Figure 3.1, the ratio of GF-S revenue collected relative to state personal income had been on an increasing trend after reaching a trough in FY 2015. The ratio of revenue to income had been on a downward trend since 1995, broken only by the housing boom that raised the ratio from 2005 to mid-2008, and by temporary taxes and transfers of funds from non-GF-S sources into the GF-S that again boosted the ratio in fiscal years 2011 and 2013. The ratio increased slightly in FY 2014 due to low personal income growth and then decreased slightly in FY 2015. The ratio then increased in FY 2016 and 2017, largely due to revenue increases stemming from legislative changes. Additional legislative changes enacted in June of 2017 boosted the FY 2018 ratio, but legislative changes from the 2018 session reduced the ratio in FY 2019. While revenue increased in FY 2020, income increased at the same rate due to federal pandemic relief payments, keeping the ratio of revenue to income roughly constant. While pandemic relief payments boosted income in FY 2021, GF-S revenue grew faster, causing the ratio of revenue to income to increase. Slower growth in income relative to revenue increases the ratio further in FY 2022 but the ratio then continues its downward trend through FY 2025.

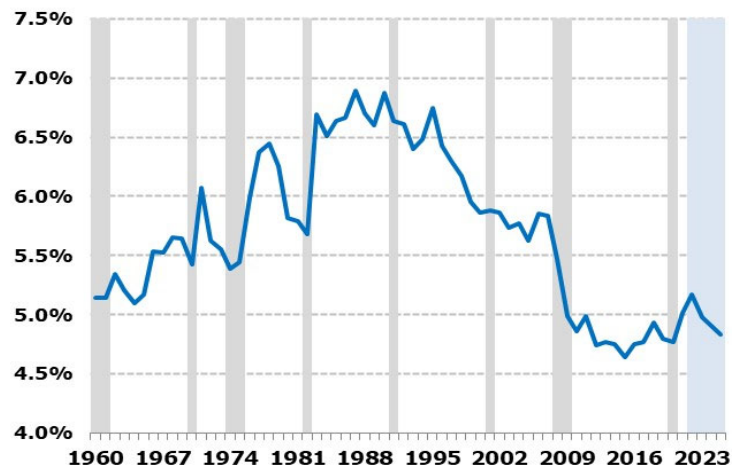
Forecast details  
are at the end of  
the chapter

The history of nominal and real GF-S revenue by biennium can be found in Table 3.3. GF-S forecast changes by agency and

major revenue classification for the 2021-23 biennium can be found in Table 3.5 (cash) and Table 3.6 (GAAP). Forecast changes for the 2023-25 biennium can be found in Table 3.7 (cash) and Table 3.8 (GAAP). The GF-S forecast by fiscal year and major source category through FY 2025 can be found in Table 3.9.

**Figure 3.1: GF-S Revenue as a Percentage of State Personal Income (Fiscal Years)**

*GF-S revenue relative to state personal income has been on a declining trend since 1995*



Source: ERFC, data through fiscal year 2021. Gray shaded area indicates recession; blue shaded area indicates forecast.

## Recent Collection Experience

*Collections were \$292 million (7.3%) more than forecasted in September*

Revenue collections from the Department of Revenue (DOR) and the Washington court system are tracked monthly. In the period since the September forecast, total revenue from the above sources came in \$292.2 million (7.3%) higher than expected (see Table 3.2). Revenue Act collections reported by the DOR were \$166.6 million (4.9%) higher than forecasted. Revenue from other DOR tax sources was \$126.7 million (19.9%) above the forecast.

**Table 3.2: Pre-Forecast Collection Variance of Major General Fund-State Taxes by Agency (relative to the September 2021 forecast, cash basis, millions of dollars)**

<u>Agency/Source</u>	<u>Collection Variance</u>	<u>Percent of Estimate</u>
Department of Revenue		
Revenue Act	\$166.6	4.9%
Non-Revenue Act	\$126.7	19.9%
Subtotal	\$293.3	7.3%
Washington court system	(\$1.1)	-13.6%
<b>Total*</b>	<b>\$292.2</b>	<b>7.3%</b>

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

Source: ERFC; Period: September 11 - November 10, 2021

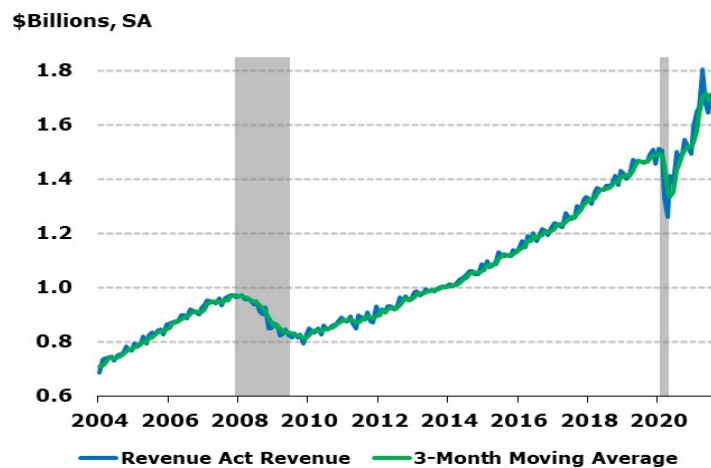


*Real estate excise tax collections were much higher than forecasted*

The largest contributor to the surplus in non-Revenue Act collections was real estate excise tax (REET), which came in \$112.5 million (42.9%) higher than forecasted. Liquor sales and liter tax receipts came in \$4.8 million (9.2%) higher than forecasted. Cigarette tax collections came in \$5.6 million (9.5%) lower than forecasted. Property tax collections came in \$3.3 million (2.8%) lower than forecasted. Net deposits of unclaimed property into the GF-S were \$16.9 million (14.4%) higher than forecasted. Revenue from all other DOR revenue sources came in \$1.5 million (5.2%) higher than forecasted. Revenue from the Washington court system was \$1.1 million (13.6%) lower than forecasted.

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

*Revenue Act collections have been on an upward trend since the trough in collections that represented April 2020 activity*



Source: ERFC; Data through November 10, 2021

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

*Adjusted Revenue Act collections were up 13.9% year over year for third quarter 2021 activity after 26.0% growth in the second quarter*

Figure 3.2 shows seasonally adjusted Revenue Act receipts excluding payments received under the tax amnesty program in early 2011 and other large payments. It is also adjusted for past changes in payment patterns and deferred payments in the first half of 2020. As shown in the figure, collections dropped precipitously during the early months of the pandemic, with a peak decline of 14.8% year over year in the May 11-June 10 collection period (April activity). Collections have since strengthened, with exceptional growth in the early spring. Adjusted collections for September activity (October 11 – November 10 collections) were up 13.4% year over year and collections for August activity were up 15.8% year over year. Adjusted collections representing third quarter 2021 activity (August 11 – November 10, 2021 collections) were up 13.9% year over year, while collections representing second quarter 2021 activity (May 11 – August 10, 2021 collections) were up 26.0%. Adjusted year-over-year collections representing first quarter 2021 activity grew 14.6% year over year and collections



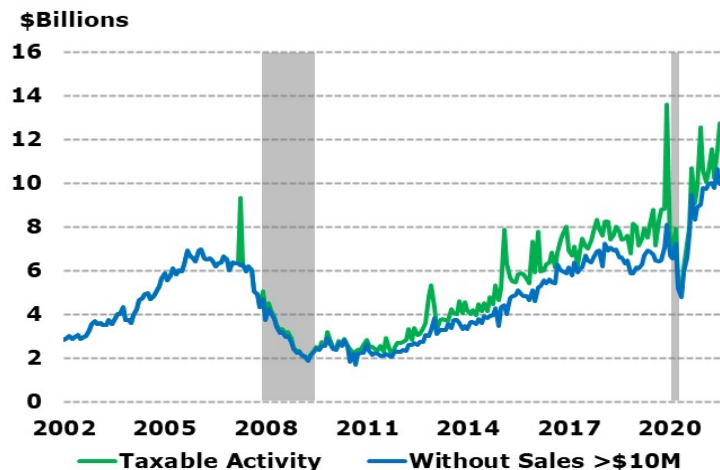
representing fourth quarter 2020 activity were up 2.9% year over year.

*Real estate activity was much higher than expected in September*

Taxable real estate activity was much higher than previously forecasted. The residential market has been especially strong due to both low mortgage rates and people re-assessing their living situations in light of their newfound ability to work from home. After remaining at a relatively high level since January 2021, residential activity grew strongly after the September forecast, reaching a record-high level in October (see Figure 3.3). Most of the recent increase in activity has been due to higher prices rather than increases in the number of transactions. On top of the burst in residential activity, large commercial sales (sales greater than \$10 million) spiked to \$3.3 billion in September before decreasing to a still high \$1.3 billion in October.

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

*On top of unexpected growth in residential activity, large commercial sales jumped in September*



Source: ERFC; data through October 2021

## Non-Economic Changes to the Forecast

*A state Supreme Court case and DOR rule change have increased net forecasted B&O tax revenue*

On September 30, 2021, the Washington State Supreme Court upheld the constitutionality of an additional 1.2 percent business and occupation (B&O) tax imposed by the 2019 Substitute House Bill 2167 on financial institutions with annual net income of more than \$1 billion. Shortly after the tax was imposed, a lower court ruled the tax unconstitutional, and the state Department of Revenue (DOR) paused enforcement of the tax (despite the pause, many institutions continued to pay the tax). Due to the ruling, the Economic and Revenue Forecast Council decided to not include revenue from the tax in its forecasts. With the constitutionality of the tax now upheld, the tax has been included in the forecast. The tax added \$164 million to expected collections for the current biennium and \$219 million for the next biennium. These increases, however, were partially offset by a

DOR rule change on how interstate companies attribute taxable income to Washington vs. the rest of the U.S. The change, which was precipitated by a court case in the spring, is expected to generate refund requests from businesses whose past taxes exceeded what they would have paid under the new rule. Refunds are expected to total \$95 million in the current biennium and \$54 million in the next biennium. The net increase in B&O taxes from the combination of these two factors is \$69 million in the current biennium and \$165 million in the next biennium.

## Revenue Forecasts by Source

### Department of Revenue

*Taxes collected by DOR are most of GF-S taxes*

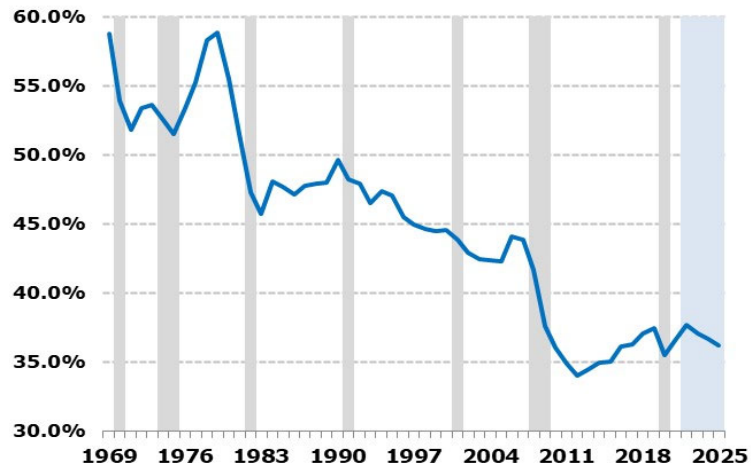
The Department of Revenue (DOR) collects and administers most of Washington's GF-S revenue, accounting for 95.3% of total GF-S revenue in FY 2021. The largest tax sources administered by the DOR are the retail sales tax, business and occupation tax, property tax, use tax, cigarette tax and real estate excise tax. The revenue forecasts discussed below can be found in Tables 3.5-3.8.

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

The retail sales tax is the largest source of GF-S revenue, accounting for 46.2% of GF-S revenue in FY 2021. The state's share of the tax is 6.5% of the sales price. While construction labor, repair services, and some other services are taxed, the tax does not apply to most services. Taxable sales as a share of personal income have been declining. Their share fell sharply during the recession and continued to fall through FY 2012. In that year, 33.7% of personal income was spent on taxable items and services, the lowest percentage on record. Increased spending on construction and autos, along with legislative changes to services and companies deemed taxable, caused the share to grow through FY 2017, reaching 36.1% of personal income. Legislation passed in 2017, 2018 and March 2019 that extends the tax to bottled water and online sales caused a continued increase in the ratio. The COVID-19-related collapse in late FY 2020, however, coupled with federal emergency income support, caused the ratio of sales to income to decline in FY 2020. In the last months of FY 2020 and continuing into FY 2021, however, the trend of increasing purchases of nontaxable services reversed due to pandemic-related shutdowns of services and stimulus payments to households. With the limited availability of services, consumers opted to buy goods. Car sales also increased due to decreases in mass transit availability and increased reluctance to use it. While gradually diminishing, these trends are expected to continue into FY 2022, bringing the ratio to a peak of 37.7%. The ratio is then forecasted to continue its historical downward trend through FY 2025. The historical and forecasted relationship between taxable sales and income is illustrated in Figure 3.4. Taxable retail sales by fiscal year can be found in Table 3.4.

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

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



\*Past tax base adjusted to represent current base. Gray shaded area indicates recession, blue shaded area indicates forecast.  
Source: ERFC; Data through FY 2021, forecast through FY 2025

*Retail sales tax receipt growth forecast:*

FY22: 8.5%  
FY23: 2.5%  
FY24: 3.7%  
FY25: 3.9%

Strong growth in construction and auto sales brought taxable retail sales growth of 8.1% in FY 2015. Legislative changes coupled with continued growth in construction and auto sales boosted growth in FY 2016 taxable activity to 8.4%. Slowing construction growth and flat auto sales lowered growth in FY 2017 activity to 6.3%. Growth increased to 8.6% in FY 2018, due largely to increased taxation of online sales. Growth in FY 2019 taxable activity stayed relatively strong at 7.6% despite slowing auto sales and construction because of continuing increases in the volume of taxable online sales. Taxable activity growth slowed to 1.0% in FY 2020 due to pandemic-related shutdowns in the latter part of the year, but then rebounded by 11.1% in FY 2021. Sales are forecasted to grow an additional 6.2% above FY 2021's high level in FY 2022. Growth then eases to 3.0% in FY 2023 before increasing to 3.7% in FY 2024 and 3.8% in FY 2025 (see Table 3.4). Due to the lag between taxable activity and collections and the presence of tax deferrals, credits, refunds, and payments of past due taxes, the growth in actual collections differs from the growth in taxable activity. Growth in collections for FY 2020 was 1.7% and growth in FY 2021 was 10.3%. Collections are forecasted to increase by 8.5% in FY 2022, 2.5% in FY 2023, 3.7% in FY 2024 and 3.9% in FY 2025.

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

The business and occupation (B&O) tax is the second largest source of GF-S revenue, accounting for 18.4% of GF-S revenue in FY 2021. It is a tax on the gross receipts of all businesses operating in Washington. The state portion of the tax applies ten different rates according to various classifications of business activities. In FY 2021, the largest contributor to total state B&O tax was the services sector, which had a gross tax rate of 1.5% and represented an estimated 45% of B&O taxes due. The next largest sector was retailing, which is taxed at 0.471% and

represented an estimated 24% of taxes due, followed by the wholesaling sector, which is taxed at 0.484% and represented an estimated 19% of taxes due.

*B&O tax  
growth  
forecast:*

*FY22: 7.1%  
FY23: 3.5%  
FY24: 5.3%  
FY25: 5.3%*

In FY 2018, B&O tax receipts grew by 8.6% due to several large one-time payments of past due taxes and legislative expansion of the tax base. Growth slowed to a still-strong 6.9% in FY 2019. Despite a second quarter collapse in activity, FY 2020 growth remained positive at 3.6%. Collections increased by 7.9% in FY 2021. Collections are now forecasted to grow by 7.1% in FY 2022, with some of the forecast increase due to the non-economic changes described above. Growth is forecasted at 3.5% in FY 2023 and 5.3% in FY 2024 and FY 2025.

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

The state property tax levy is the third largest source of GF-S revenue, accounting for 16.3% of total revenue in FY 2021. Although the tax goes into the GF-S, it is dedicated to the funding of basic education. As discussed in the [September 2017](#) forecast publication, the total amount of the state levy was increased by new legislation in June 2017, with the increases beginning in FY 2018.

*Property tax  
growth  
forecast:*

*FY22: -1.1%  
FY23: 3.7%  
FY24: 2.7%  
FY25: 2.7%*

Constrained by prior law to a levy growth rate of one percent on existing property (or the rate of inflation if less than one percent), property tax collections grew by 1.9% in FY 2017. The first payments of the additional state levy began to arrive in the latter half of FY 2018, bringing total GF-S property tax growth of 31.4% for the fiscal year. Collections fell by 12.4% in FY 2019 due to a temporary reduction in the levy rate for calendar year 2019 and a \$936 million transfer of collections from the levy to the Education Legacy Trust Account (ELTA). Collections rebounded by 44.2% in FY 2020 due to a smaller \$83.8 million transfer to ELTA and the end of the temporary levy reduction in the second half of the year. FY 2021 collections grew by 27.3% due to a full year of collections at the unreduced levy rate along with the collection of some taxes that would have been collected in FY 2020 but were instead deferred due to the pandemic. The absence of the extra payments from deferrals is expected to cause collections to decline by 1.1% in FY 2022 before growth resumes at 3.7% in FY 2023 and 2.7% in FY 2024 and FY 2025.

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

The real estate excise tax (REET) was the fourth largest DOR source of GF-S revenue in FY 2021, accounting for 5.4% of total revenue. The tax is applied to both residential and commercial real estate, including purchases of vacant land. Prior to January 1, 2020, the state portion of REET was 1.28% of the sales price and was divided between the GF-S (92.3%), a fund for local public works (2.0%), a fund for assistance of cities and counties (1.6%) and ELTA (4.1%). As of January 1, 2020 rates are 1.1% for the portion of the selling price less than or equal to \$500 thousand, 1.28% for the portion greater than \$500 thousand and less than or equal to \$1.5 million, 2.75% for the portion greater than \$1.5 million and less than or equal to \$3.0 million and 3.0%

for the portion greater than \$3.0 million. The distributions of the tax are also changed: 79.4% is deposited in the GF-S, 1.7% in the public works assistance account, 1.4% in the city-county assistance account and the remainder (17.5%) in ELTA. Beginning July 1, 2023, distributions to the city-county assistance account increase to 5.2% and distributions to the Education Legacy Trust Account decrease to 14%. The new rates and distributions were designed to result in increased collections for both the GF-S and ELTA.

*GF-S REET  
growth  
forecast:*

*FY22: 13.5%  
FY23: -25.1%  
FY24: -2.4%  
FY25: 2.9%*

From FY 2013 through 2019, the recovery in the residential real estate market after the Great Recession has been accompanied by a boom in commercial real estate. Sales of large commercial properties began to weaken in FY 2019 while residential sales increased, resulting in a 0.5% increase in collections in FY 2019. In the first half of FY 2020, residential sales remained strong, and commercial sales surged in December 2019 ahead of the January 1, 2020 change in tax rates. The COVID-induced real estate market downturn that began with April 2020 collections, however, brought a total decline of 0.7% in FY 2020. The sales boom that began in July 2020 has continued, with record high prices for residential property, bringing collections growth of 34.4% in FY 2021. Continued strength in the residential market, coupled with a resurgence in large commercial sales that began in July 2021, is now expected to bring further growth of 13.5% in FY 2022. After the boom years of FY 2021 and FY 2022, the number of transactions is expected to fall and price increases are expected to moderate, bringing a decline in REET receipts of 25.1% in FY 2023 and 2.4% in FY 2024. Growth is then expected to resume at 2.9% in FY 2025.

*Use tax was  
the fifth  
largest DOR  
GF-S source  
in FY 2021*

The state use tax was the fifth largest DOR GF-S revenue source in FY 2021 at 3.1% of total receipts. The state portion of the tax is 6.5% of the purchase price for items used in the state that were not subject to the state retail sales tax. Examples of items subject to the state use tax are goods purchased out-of-state; online and mail-order purchases, where sales tax was not collected; or purchases of used vehicles from private individuals.

*Use tax growth  
forecast:*

*FY22: 1.4%  
FY23: -2.1%  
FY24: 2.8%  
FY25: 3.6%*

Use tax collections grew 9.0% in FY 2019, boosted by several large one-time purchases. Despite strong collections in the first half of the fiscal year, FY 2020 collections declined by 4.9%. Collections increased by 16.1% in FY 2021 due to record high used car sales. Continued strength in used car sales is expected to increase FY 2022 collections by 1.4% over FY 2021's strong level. Lower used car sales bring a forecasted decline of 2.1% in FY 2023 before growth continues at 2.8% in FY 2024 and 3.6% in FY 2025.

*Public utility  
taxes were the  
sixth largest DOR  
GF-S source in  
FY 2021*

Public utility taxes were the sixth largest DOR source of GF-S revenue in FY 2021, bringing in 1.6% of total receipts. The tax applies to the gross income of sales to consumers by public and privately owned utilities and is in lieu of the B&O tax. The

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

*Growth  
forecast:*

*FY22: 15.6%  
FY23: 3.8%  
FY24: 3.1%  
FY25: 3.4%*

Public utility tax receipts grew by 0.3% in FY 2020. The expiration of a large tax credit plus increased natural gas and electricity use due to people working from home increased collections by 4.2% in FY 2021. The resumption of business activities plus increases in utility prices is forecasted to boost growth to 15.6% in FY 2022. Growth is then forecasted to slow to 3.8% in FY 2023, 3.1% in FY 2024 and 3.4% in FY 2025.

*Taxes on  
sales of  
spirits were  
the seventh  
largest DOR  
GF-S source  
in FY 2021*

State taxes on sales of spirits were the seventh largest DOR GF-S revenue source in FY 2021 at 1.3% of total receipts. Spirits sales are taxed by both volume and price. The total tax rate by volume is \$3.7708 per liter. Liter tax receipts are deposited wholly into the GF-S. The price-based spirits tax is split between the GF-S (65% of receipts) and the Liquor Excise Tax fund (35% of receipts). The overall tax rate on sales to consumers is 20.5% of the sales price and the overall rate on sales to restaurant licensees is 13.7%.

*Spirits tax  
growth  
forecast:*

*FY22: 2.6%  
FY23: -3.3%  
FY24: 0.1%  
FY25: 0.9%*

Total tax collections on spirits sales grew 4.4% in FY 2018 and 5.2% in FY 2019. During the pandemic, spirit sales increased, with total tax collections growing by 8.2% FY 2020 and 9.9% in FY 2021. Collections are forecasted to increase by a further 2.6% in FY 2022 but then decrease by 3.3% in FY 2023 as the pandemic fades. Collections are then forecasted to increase by only 0.1% in FY 2024 and 0.9% in FY 2025.

*The cigarette  
tax was the  
eighth largest  
DOR GF-S  
source in FY  
2021*

The state tax on cigarettes was the eighth largest DOR GF-S revenue source in FY 2021 at 1.2% of total receipts. Prior to FY 2010, the tax made up a much smaller portion of GF-S revenue because much of the tax was dedicated to non-GF-S accounts. In FY 2010, all of the tax except the portion dedicated to the Education Legacy Trust account was redirected to the GF-S, and in FY 2011 all of the cigarette tax was redirected to the GF-S. The current tax rate, which took effect May 1, 2010, is \$3.025 per pack of 20 cigarettes.

*Cigarette tax  
growth  
forecast:*

*FY22: -1.2%  
FY23: -4.6%  
FY24: -3.3%  
FY25: -3.5%*

The total number of taxed cigarettes has been on a downward trend due to a continuing decline in the number of smokers. Recently, the rate of decline has increased. Collections decreased by 3.3% in FY 2019 after decreasing by 5.4% in FY 2018. The decrease in collections accelerated to 6.0% in FY 2020, partially due to a state increase in the legal age to purchase cigarettes from 18 to 21 that took effect on January 1, 2020. Collections declined 2.4% in FY 2021 and are expected to decline by 1.2% in FY 2022, 4.6% in FY 2023, 3.3% in FY 2024 and 3.5% in FY 2025.

## Forecasted Revenue from Cannabis-Related Sales

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

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

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

19-21: \$0.0  
21-23: -\$1.4  
23-25: -\$1.3

Distributions of cannabis excise taxes to the GF-S totaled \$15.3 million in the 2013-15 biennium and \$147.6 million in the 2015-17 biennium. GF-S distributions were \$248.9 million in the 2017-19 biennium. The final tally of GF-S distributions in the 2019-21 biennium was \$361.0 million, unchanged from the September preliminary tally. The forecast of GF-S distributions for the 2021-23 biennium has been decreased \$1.4 million to \$392.3 million and the forecast for the 2023-25 biennium has been decreased \$1.3 million to \$415.5 million. Details of the forecasted distributions from the account can be found in Table 3.18.

## The Office of Financial Management (Other Agencies)

*Forecast change by biennium (millions):*

19-21: \$0.0  
21-23: -\$8.9  
23-25: -\$30.4

The Office of Financial Management (OFM) is responsible for preparing General Fund-State revenue and transfer forecasts for all agencies excluding the Department of Revenue, the Liquor and Cannabis Board, the Insurance Commissioner, the Washington State Lottery, and the State Treasurer. The office's final revenue tally for the 2019-21 biennium is \$252.8 million, unchanged from the September preliminary tally. The forecast for the 2021-23 biennium was decreased \$8.9 million to \$133.7 million and the forecast of revenue for the 2023-25 biennium was decreased \$30.4 million to \$166.8 million. The forecast decreases were mainly due to the cessation of transfers of certain public facilities district revenue into the GF-S.

## State Treasurer

*Forecast  
change by  
biennium  
(millions):*

19-21: \$0.0  
21-23: \$11.0  
23-25: \$13.4

The Office of the State Treasurer generates GF-S revenue by investing state short-term cash reserves. The final tally of GF-S revenue for the 2019-21 biennium is \$21.3 million, unchanged from the September preliminary tally. The forecast for the 2021-23 biennium has been increased \$11.0 million to \$65.1 million and the forecast of revenue for the 2023-25 biennium has been increased \$12.9 million to \$35.4 million. The increases were mainly due to increases in the forecasted daily balances in interest-earning accounts but also due to higher expected interest rates in FY 2024 and FY 2025.

## Insurance Commissioner

*Forecast  
change by  
biennium  
(millions):*

19-21: \$0.0  
21-23: \$2.8  
23-25: \$5.6

The Office of the Insurance Commissioner collects premium taxes on most classes of insurance sold in Washington State. These taxes are distributed to the GF-S and various accounts in support of fire services. The final tally of GF-S revenue for the 2019-21 biennium is \$1,299.4 million, unchanged from the September preliminary tally. The forecast of GF-S revenue for the 2021-23 biennium has been increased \$2.8 million to \$1,467.2 million and the forecast for the 2023-25 biennium has been increased \$5.6 million to \$1,549.3 million.

## Liquor and Cannabis Board

*Forecast  
change by  
biennium  
(millions):*

19-21: \$0.0  
21-23: \$9.7  
23-25: \$8.5

The Liquor and Cannabis Board (LCB) collects fees from distributors and retailers on sales of spirits and surtaxes on sales of beer and wine (sales and liter taxes on sprits are collected by the DOR). The LCB is also responsible for the collection of excise taxes and fees associated with the legalized sale and use of recreational and medicinal cannabis discussed previously. The final tally of GF-S distributions for the 2019-21 biennium is \$656.3 million, unchanged from the September preliminary tally. The forecast of GF-S distributions for the 2021-23 biennium has been increased \$9.7 million to \$723.3 million and the forecast of for the 2023-25 biennium has been increased \$8.5 million to \$760.5 million. The forecast changes were a combination of increases in expected fees and taxes associated with beer, wine, and liquor distribution and the decreases in expected distributions of cannabis excise taxes to the GF-S discussed above.

## Lottery Commission

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

19-21: \$0.0  
21-23: \$2.3  
23-25: \$2.8

While most of the proceeds from sales of lottery games go to the Washington Opportunity Pathways Account (OPA), distributions are also made to the Problem Gambling and Economic Development accounts. Details of the forecast of the distribution of Lottery earnings can be found in Table 3.15 on a cash basis and Table 3.16 on a GAAP basis. When total profits from all



Washington-only games plus the Powerball game exceed \$102 million per year, the amount above \$102 million is transferred to the GF-S. The final tally of GF-S transfers for the 2019-21 biennium is \$44.4 million, unchanged from the September preliminary tally. The forecast of transfers for the 2021-23 biennium has been increased \$2.3 million to \$48.8 million and the forecast for the 2023-25 biennium has been increased \$2.8 million to \$54.3 million.

*OPA forecast change by biennium (millions):*

19-21: \$0.0  
21-23: \$4.9  
23-25: \$4.7

The OPA receives all profits (excluding statutory transfers) from Washington-only lottery games plus all profits from the Mega Millions game. The final tally of OPA revenue for the 2019-21 biennium is \$336.9 million, unchanged from the September preliminary tally. The forecast for the 2021-23 biennium has been increased \$4.9 million to \$354.4 million and the forecast for the 2023-25 biennium has been increased \$4.7 million to \$354.5 million.

## Washington Court System

*Forecast change by biennium (millions):*

19-21: \$0.0  
21-23: -\$4.4  
23-25: -\$3.3

The GF-S receives surcharges on certain filing fees, fines, and infraction penalties collected by the Washington court system. This revenue is transferred to the GF-S on a monthly basis. The final tally of GF-S transfers for the 2019-21 biennium is \$118.0 million, unchanged from the September preliminary tally. The forecast of transfers for the 2021-23 biennium has been decreased \$4.4 million to \$91.9 million and the forecast for the 2023-25 biennium has been decreased \$3.3 million to \$85.0 million.

## Track Record for the 2021-23 Biennium

*The current forecast is \$3.25 billion higher than the forecasted revenue at the time of the initial 2021-23 budget*

Table 3.10 summarizes the historical changes to the GF-S revenue forecast for the 2021-23 biennium. The February 2018 forecast was the initial forecast for the biennium. The November 2021 forecast is \$5.59 billion (10.8%) higher than the initial forecast. Non-economic changes have increased the forecast by \$0.73 billion (1.4%). Excluding non-economic changes, the current forecast is \$4.85 billion (9.3%) higher than the initial forecast. The March 2021 forecast, coupled with a \$101 million revenue reduction from legislative and budget-driven revenue changes passed in the 2021 legislative session after the March forecast, was the basis for the initial budget for the 2021-23 biennium. The November forecast of biennial revenue is \$3.25 billion (6.0%) higher than that sum.

## Track Record for the 2023-25 Biennium

*The current forecast is \$2.93 billion higher than the initial forecast in February 2020*

Table 3.11 summarizes the historical changes to the GF-S revenue forecast for the 2023-25 biennium. The February 2020 forecast was the initial forecast for the biennium. The November forecast of GF-S revenue is \$2.93 billion (5.1%) higher than the

initial forecast. Non-economic changes have increased the forecast by \$0.16 billion (0.3%). Excluding non-economic changes, the current forecast is \$2.78 billion (4.8%) higher than the initial forecast.

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

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

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

## **Budgetary Balance Sheet for the 2019-21 and 2021-23 Biennia**

*The forecast implies total reserves of \$6.006 billion at the end of the 2021-23 biennium for GF-S, ELTA, OPA and WEIA*

Table 3.12 shows the budgetary balance sheets for the 2019-21 and 2021-23 biennia as prepared by the Office of Financial Management and the House and Senate fiscal committees. The balance sheet shows not only projected GF-S spending and resources but also total projected spending and resources for the GF-S plus the other main non-transportation state-funded accounts: the Education Legacy Trust Account (ELTA), the Washington Opportunity Pathways Account (OPA) and the Workforce Education Investment Account (WEIA). As shown in the table, the GF-S beginning fund balance for the 2019-21 biennium was \$999.3 million and the total beginning balance for GF-S, ELTA, OPA and WEIA combined was \$1,981.2 million. The final summation of total GF-S reserves at the end of the 2019-21 biennium was \$3,692.9 million and total reserves for GF-S, ELTA, OPA and WEIA accounts was \$4,179.9 million. Based on the current enacted budget, the balance sheet projects total GF-S reserves of \$5,678.2 million at the end for the 2021-23 biennium and total reserves for the GF-S, ELTA, OPA and WEIA accounts of \$6,005.6 million.

## Alternative Forecasts for the 2021-23 and 2023-25 Biennia

### *Optimistic scenario (billions):*

21-23: +\$2.80

23-25: +\$5.75

### *Pessimistic scenario:*

21-23: -\$2.51

23-25: -\$5.29

Chapter 2 outlines optimistic and pessimistic economic scenarios relative to the baseline economic forecast. The forecast assigns a probability of 50% to the baseline forecast, 20% to the optimistic scenario and 30% to the pessimistic scenario. The revenue implications of these alternative scenarios for the 2021-23 biennium are shown in Table 3.13 and those of the 2023-25 biennium are shown in Table 3.14. For the 2021-23 biennium, the optimistic forecast generates \$60.323 billion in GF-S revenue, \$2.804 billion (4.9%) more than the baseline scenario, while the pessimistic forecast produces \$55.008 billion in revenue, \$2.511 billion (4.4%) less than the baseline. For the 2021-23 biennium, the optimistic forecast generates \$66.612 billion in GF-S revenue, \$5.749 billion (9.4%) more than the baseline scenario, while the pessimistic forecast produces \$55.570 billion in revenue, \$5.294 billion (8.7%) less than the baseline.

## Education Legacy Trust Account

### *ELTA forecast change by biennium (millions):*

19-21: \$0.0

21-23: -\$179.2

23-25: -\$43.8

The Education Legacy Trust Account (ELTA) was created in the 2005 legislative session, with revenue collection beginning in FY 2006. Funds from the account may only be used for support of the common schools, expanding access to higher education through funding for new enrollments and financial aid, and other educational improvement efforts. The ELTA is primarily funded by a tax on estates of over \$2 million. Legislation from the 2013 special session, however, added revenue from public utility and real estate excise taxes (REET), which had previously gone into non-GF-S accounts. Subsequent legislation also added revenue from solid waste taxes from FY 2016 – FY 2023 and a transfer of \$935 million from the additional property tax levy to the account in FY 2019. Forecasted revenue was further increased in the 2021 legislative session by ESSB 5096, which establishes a tax on certain transactions that produce capital gains above \$250,000. The final tally of ELTA revenue for the 2019-21 biennium is \$1,639.1 million, unchanged from the September forecast. The forecast has been decreased by \$179.2 million for the 2021-23 biennium and \$43.8 million for the 2023-25 biennium. The decreases were due to revisions to the forecast of capital gains tax receipts based on more complete taxpayer information and revised estimates of potential avoidance or postponement of taxable gains. Increases in expected REET and estate tax receipts offset some of the decreases in the capital gains tax forecast. Forecasted ELTA receipts are now \$1,686.8 million for the 2021-23 biennium and \$2,081.6 million for the 2023-25 biennium.

## Workforce Education Investment Account

*WEIA  
forecast  
change by  
biennium  
(millions):*

*19-21: \$0.0  
21-23: \$9.7  
23-25: \$10.9*

The Workforce Education Investment Account (WEIA) was created in the 2019 legislative session. The account, the purpose of which is to help fund the state's higher education system and student loans, was originally funded by a surcharge on specific industries that benefitted from an educated workforce. This tax was scheduled to take effect on January 1, 2020, and the Economic and Revenue Forecast Council was later tasked with forecasting revenue generated for the account. ESSB 6492, passed in early February of the 2020 legislative session, retroactively eliminated the existing surcharge and replaced it with a simplified version that is effective April 1, 2020. The simplified surcharge applies to businesses with gross taxable activity under the "services and other activities" category of \$1 million or more (with some nonprofit and other businesses exempt). In addition to this surcharge, which equals 0.25% of gross taxable income, another surcharge is applied to a group of "select advanced computing businesses," and is paid quarterly. The final tally of WEIA revenue for the 2019-21 biennium is \$352.2 million, unchanged from the September estimate. The forecast of WEIA revenue has been increased by \$9.7 million in the 2021-23 biennium and \$10.9 million in the 2023-25 biennium. WEIA revenue is now forecasted at \$678.0 million in the 2021-23 biennium and \$747.8 million in the 2023-25 biennium. The WEIA forecast by fiscal year is presented in Table 3.19.

## Funds Subject to the Budget Outlook

*Change in  
forecast of  
funds  
subject to  
the budget  
outlook  
(millions):*

*2019-21:  
\$0.0*

*2021-23:  
\$897.6*

*2023-25:  
\$965.4*

By law, enacted biennial budgets must balance not only in the initial biennium of the budget but in the subsequent biennium as well, given assumptions of growth in spending from one biennium to the next and the current revenue forecast. The budget outlook that determines this balance looks at not only GF-S revenue and spending but also that of the ELTA, OPA and the WEIA. The final tally of total revenue for funds subject to the budget outlook for the 2019-21 biennium is \$53,131.7 million, unchanged from the September forecast. The forecast of total revenue for the 2021-23 biennium is \$60,238.1 million, \$897.6 million more than the September forecast. The forecast for the 2023-25 biennium is \$64,047.4 million, \$965.4 million more than the September forecast. The forecast of total GF-S, ELTA, OPA and WEIA revenue and recent history by fiscal year is presented in Table 3.17.

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

<b>Biennium</b>	<b>Current Dollars</b>	<b>Percent Change</b>	<b>2012 Chained Dollars</b>	<b>Percent Change</b>
1961-63	\$817.1		\$4,300.0	
1963-65	866.2	6.0%	4,439.3	3.2%
1965-67	1,128.6	30.3%	5,565.5	25.4%
1967-69	1,440.5	27.6%	6,658.6	19.6%
1969-71	1,732.7	20.3%	8,287.6	24.5%
1971-73	1,922.1	10.9%	8,506.9	2.6%
1973-75	2,372.4	23.4%	9,071.9	6.6%
1975-77	3,395.0	43.1%	11,293.8	24.5%
1977-79	4,490.0	32.3%	13,117.2	16.1%
1979-81	5,356.4	19.3%	13,016.1	-0.8%
1981-83	6,801.4	27.0%	14,382.4	10.5%
1983-85	8,202.4	20.6%	16,006.5	11.3%
1985-87	9,574.6	16.7%	17,638.7	10.2%
1987-89	10,934.1	14.2%	18,811.9	6.7%
1989-91	13,309.0	21.7%	21,088.0	12.1%
1991-93	14,862.2	11.7%	22,155.5	5.1%
1993-95	16,564.6	11.5%	23,593.5	6.5%
1995-97	17,637.7	6.5%	24,106.2	2.2%
1997-99	19,620.1	11.2%	26,113.3	8.3%
1999-01	21,262.1	8.4%	27,233.5	4.3%
2001-03	21,140.7	-0.6%	26,166.2	-3.9%
2003-05	23,388.5	10.6%	27,699.2	5.9%
2005-07	27,772.0	18.7%	31,098.9	12.3%
2007-09	27,703.0	-0.2%	29,596.4	-4.8%
2009-11	28,218.1	1.9%	29,411.6	-0.6%
2011-13	30,657.0	8.6%	30,677.3	4.3%
2013-15	33,666.0	9.8%	32,817.7	7.0%
2015-17	38,317.4	13.8%	36,735.5	11.9%
2017-19	44,142.6	15.2%	40,816.9	11.1%
2019-21	50,803.4	15.1%	45,497.3	11.5%
2021-23 <sup>F</sup>	57,518.9	13.2%	48,482.6	6.6%
2023-25 <sup>F</sup>	60,863.6	5.8%	49,296.7	1.7%

<sup>F</sup> November 2021 forecast

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

Source: Department of Revenue, the Office of Financial Management and the Economic and Revenue Forecast Council 's November 2021 forecast.

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

<b>Fiscal Year</b>	<b>Amount</b>	<b>Percent Change</b>
1981	25,197	4.7%
1982	26,097	3.6%
1983	29,368	12.5%
1984	29,156	-0.7%
1985	30,687	5.3%
1986	32,158	4.8%
1987	34,647	7.7%
1988	37,452	8.1%
1989	41,429	10.6%
1990	47,183	13.9%
1991	49,812	5.6%
1992	53,189	6.8%
1993	55,319	4.0%
1994	59,009	6.7%
1995	61,927	4.9%
1996	62,817	1.4%
1997	66,748	6.3%
1998	72,059	8.0%
1999	77,197	7.1%
2000	83,335	8.0%
2001	85,633	2.8%
2002	84,418	-1.4%
2003	86,165	2.1%
2004	90,139	4.6%
2005	97,253	7.9%
2006	107,071	10.1%
2007	115,527	7.9%
2008	118,676	2.7%
2009	106,379	-10.4%
2010	99,983	-6.0%
2011	101,825	1.8%
2012	106,036	4.1%
2013	113,173	6.7%
2014	120,453	6.4%
2015	130,168	8.1%
2016	141,103	8.4%
2017	149,992	6.3%
2018	162,958	8.6%
2019	175,266	7.6%
2020	176,961	1.0%
2021	196,651	11.1%
2022 <sup>F</sup>	208,792	6.2%
2023 <sup>F</sup>	215,037	3.0%
2024 <sup>F</sup>	223,095	3.7%
2025 <sup>F</sup>	231,666	3.8%

<sup>F</sup> November 2021 forecast

Source: ERFC

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

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

<b>Forecast by Agency</b>	<b>Sept 2021 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Nov 2021 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$26,997.6	\$0.0	\$355.1	\$27,352.7	\$355.1
Business & Occupation	10,404.9	89.6	309.8	10,804.4	399.5
Use	1,643.0	0.0	32.6	1,675.7	32.6
Public Utility	952.9	0.0	33.0	985.9	33.0
Liquor Sales/Liter	674.4	0.0	17.0	691.4	17.0
Cigarette	618.1	0.0	(6.3)	611.9	(6.3)
Property (State Levy)	8,898.2	0.0	(17.9)	8,880.3	(17.9)
Real Estate Excise	2,648.4	0.0	249.0	2,897.4	249.0
Timber Excise	1.6	0.0	(0.0)	1.6	(0.0)
Other	1,100.1	(21.0)	8.7	1,087.8	(12.3)
Subtotal	53,939.2	68.6	981.1	54,988.9	1,049.7
<b>Insurance Commissioner</b>					
Insurance Premiums	1,464.4	0.0	2.8	1,467.2	2.8
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	654.6	0.0	9.1	663.7	9.1
Beer & Wine Surtax	59.1	0.0	0.5	59.6	0.5
<b>Lottery Commission</b>					
Lottery Revenue	46.5	0.0	2.3	48.8	2.3
<b>State Treasurer</b>					
Interest Earnings	54.0	0.0	11.0	65.1	11.0
<b>Office of Financial Management</b>					
Other Agencies	142.6	0.0	(8.9)	133.7	(8.9)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	96.3	0.0	(4.4)	91.9	(4.4)
<b>Total General Fund-State *</b>	<b>\$56,456.8</b>	<b>\$68.6</b>	<b>\$993.5</b>	<b>\$57,518.9</b>	<b>\$1,062.2</b>

<sup>1</sup> Forecast for the 2021-23 biennium adopted by the Economic and Revenue Forecast Council September 24, 2021

<sup>2</sup> Forecast for the 2021-23 biennium, adopted November 19, 2021

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

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

Table 3.6

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

2021-23 biennium; GAAP basis

(millions of dollars)

<b>Forecast by Agency</b>	<b>Sept 2021 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Nov 2021 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$26,997.6	\$0.0	\$355.1	\$27,352.7	\$355.1
Business & Occupation	10,404.9	89.6	309.8	10,804.4	399.5
Use	1,643.0	0.0	32.6	1,675.7	32.6
Public Utility	952.9	0.0	33.0	985.9	33.0
Liquor Sales/Liter	681.3	0.0	24.0	705.3	24.0
Cigarette	618.1	0.0	(6.3)	611.9	(6.3)
Property (State Levy)	8,898.2	0.0	(17.9)	8,880.3	(17.9)
Real Estate Excise	2,648.4	0.0	249.0	2,897.4	249.0
Timber Excise	1.7	0.0	(0.0)	1.6	(0.0)
Other	1,100.1	(21.0)	8.7	1,087.9	(12.3)
Subtotal	53,946.2	68.6	988.1	55,002.9	1,056.7
<b>Insurance Commissioner</b>					
Insurance Premiums	1,464.4	0.0	2.8	1,467.2	2.8
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	654.6	0.0	9.1	663.7	9.1
Beer & Wine Surtax	59.1	0.0	0.5	59.6	0.5
<b>Lottery Commission</b>					
Lottery Revenue	51.4	0.0	2.4	53.8	2.4
<b>State Treasurer</b>					
Interest Earnings	38.4	0.0	11.6	50.0	11.6
<b>Office of Financial Management</b>					
Other Agencies	142.6	0.0	(8.9)	133.7	(8.9)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	96.3	0.0	(4.4)	91.9	(4.4)
<b>Total General Fund-State *</b>	<b>\$56,453.0</b>	<b>\$68.6</b>	<b>\$1,001.2</b>	<b>\$57,522.9</b>	<b>\$1,069.9</b>

<sup>1</sup> Forecast for the 2021-23 biennium adopted by the Economic and Revenue Forecast Council September 24, 2021<sup>2</sup> Forecast for the 2021-23 biennium, adopted November 19, 2021

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

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



Table 3.7

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

2023-25 biennium; cash basis

(millions of dollars)

<b>Forecast by Agency</b>	<b>Sept 2021 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Nov 2021 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$28,910.9	\$0.0	\$361.6	\$29,272.6	\$361.6
Business & Occupation	11,336.9	181.1	362.2	11,880.2	543.3
Use	1,697.2	0.0	37.7	1,734.9	37.7
Public Utility	1,012.8	0.0	40.7	1,053.5	40.7
Liquor Sales/Liter	676.4	0.0	7.6	684.0	7.6
Cigarette	568.5	0.0	(0.7)	567.7	(0.7)
Property (State Levy)	9,421.1	0.0	(9.4)	9,411.7	(9.4)
Real Estate Excise	2,433.7	0.0	23.1	2,456.8	23.1
Timber Excise	2.4	0.0	(0.1)	2.3	(0.1)
Other	1,154.8	(16.0)	9.8	1,148.6	(6.2)
Subtotal	57,214.7	165.1	832.5	58,212.3	997.6
<b>Insurance Commissioner</b>					
Insurance Premiums	1,543.7	0.0	5.6	1,549.3	5.6
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	692.3	0.0	7.9	700.2	7.9
Beer & Wine Surtax	59.8	0.0	0.6	60.3	0.6
<b>Lottery Commission</b>					
Lottery Revenue	51.5	0.0	2.8	54.3	2.8
<b>State Treasurer</b>					
Interest Earnings	22.4	0.0	12.9	35.4	12.9
<b>Office of Financial Management</b>					
Other Agencies	197.3	0.0	(30.4)	166.8	(30.4)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	88.3	0.0	(3.3)	85.0	(3.3)
<b>Total General Fund-State *</b>	<b>\$59,870.0</b>	<b>\$165.1</b>	<b>\$828.5</b>	<b>\$60,863.6</b>	<b>\$993.6</b>

<sup>1</sup> Forecast for the 2023-25 biennium adopted by the Economic and Revenue Forecast Council September 24, 2021<sup>2</sup> Forecast for the 2023-25 biennium, adopted November 19, 2021

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

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

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

<b>Forecast by Agency</b>	<b>Sept 2021 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>Nov 2021 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$28,910.9	\$0.0	\$361.6	\$29,272.6	\$361.6
Business & Occupation	11,336.9	181.1	362.2	11,880.2	543.3
Use	1,697.2	0.0	37.7	1,734.9	37.7
Public Utility	1,012.8	0.0	40.7	1,053.5	40.7
Liquor Sales/Liter	676.4	0.0	7.6	684.0	7.6
Cigarette	568.5	0.0	(0.7)	567.7	(0.7)
Property (State Levy)	9,421.1	0.0	(9.4)	9,411.7	(9.4)
Real Estate Excise	2,433.7	0.0	23.1	2,456.8	23.1
Timber Excise	2.8	0.0	(0.0)	2.7	(0.0)
Other	1,154.8	(16.0)	9.8	1,148.6	(6.2)
Subtotal	57,215.1	165.1	832.5	58,212.7	997.6
<b>Insurance Commissioner</b>					
Insurance Premiums	1,543.7	0.0	5.6	1,549.3	5.6
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	692.3	0.0	7.9	700.2	7.9
Beer & Wine Surtax	59.8	0.0	0.6	60.3	0.6
<b>Lottery Commission</b>					
Lottery Revenue	51.7	0.0	2.5	54.1	2.5
<b>State Treasurer</b>					
Interest Earnings	22.0	0.0	13.0	35.0	13.0
<b>Office of Financial Management</b>					
Other Agencies	197.3	0.0	(30.4)	166.8	(30.4)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	88.3	0.0	(3.3)	85.0	(3.3)
<b>Total General Fund-State *</b>	<b>\$59,870.1</b>	<b>\$165.1</b>	<b>\$828.2</b>	<b>\$60,863.4</b>	<b>\$993.3</b>

<sup>1</sup> Forecast for the 2023-25 biennium adopted by the Economic and Revenue Forecast Council September 24, 2021

<sup>2</sup> Forecast for the 2023-25 biennium, adopted November 19, 2021

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

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

Table 3.9

**November 2021 General Fund-State forecast detail****2019-21 to 2023-25 biennia; cash basis**

(Millions of Dollars)

<b>Forecast by Source</b>	<b>Fiscal 2020</b>	<b>Fiscal 2021</b>	<b>2019-21 Biennium</b>	<b>Fiscal 2022</b>	<b>Fiscal 2023</b>	<b>2021-23 Biennium</b>	<b>Fiscal 2024</b>	<b>Fiscal 2025</b>	<b>2023-25 Biennium</b>
<b>State Taxes</b>									
Retail sales**	\$11,296.2	\$12,454.9	\$23,751.1	\$13,508.5	\$13,844.2	\$27,352.7	\$14,358.7	\$14,913.9	\$29,272.6
Business & occupation	4,596.8	4,958.5	9,555.2	5,310.0	5,494.4	10,804.4	5,786.9	6,093.3	11,880.2
Use**	719.2	835.3	1,554.6	846.8	828.9	1,675.7	852.1	882.8	1,734.9
Public Utility	401.7	418.4	820.1	483.8	502.2	985.9	517.9	535.6	1,053.5
Liquor sales/liter	311.6	342.4	653.9	351.4	340.0	691.4	340.4	343.5	684.0
Beer & wine surtax	28.2	29.3	57.5	29.7	29.9	59.6	30.1	30.3	60.3
Cigarette	331.3	328.1	659.4	322.0	307.5	629.4	297.8	287.7	585.5
Tobacco products	53.1	51.7	104.7	55.5	55.3	110.8	55.7	56.3	112.0
Cannabis Excise Taxes	149.9	202.0	352.0	193.1	190.2	383.4	198.8	207.8	406.5
Property (state school levy)	3,464.9	4,410.3	7,875.2	4,359.8	4,520.4	8,880.3	4,643.4	4,768.2	9,411.7
Leasehold Excise Tax	36.3	37.2	73.5	35.1	37.1	72.2	38.1	38.8	76.9
Public utility district	58.4	58.6	116.9	60.9	62.7	123.6	64.4	66.0	130.4
Brokered Natural Gas	23.1	23.1	46.2	28.7	28.0	56.7	28.5	28.9	57.4
Real estate excise***	1,086.2	1,459.6	2,545.8	1,656.2	1,241.1	2,897.4	1,211.0	1,245.8	2,456.8
Timber excise	0.2	(0.3)	(0.0)	0.7	0.9	1.6	1.1	1.3	2.3
Estate/inheritance	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0
Boat excise	18.1	17.1	35.2	17.4	17.7	35.0	17.1	20.4	37.5
Insurance premiums	652.3	647.1	1,299.4	733.6	733.7	1,467.2	761.4	787.8	1,549.3
Penalties and interest on past due taxes	140.7	100.4	241.0	111.6	130.7	242.3	139.1	145.5	284.7
Other	24.3	78.6	102.9	64.2	63.1	127.3	63.9	64.9	128.7
<b>Total Taxes</b>	<b>23,392.4</b>	<b>26,452.4</b>	<b>49,844.8</b>	<b>28,169.0</b>	<b>28,427.9</b>	<b>56,596.9</b>	<b>29,406.5</b>	<b>30,518.8</b>	<b>59,925.3</b>
<b>State Non-Tax Sources</b>									
Licenses, permits, fees	152.4	166.0	318.5	164.1	165.3	329.4	169.0	160.5	329.5
Liquor & Cannabis fees	104.7	142.2	246.9	134.8	145.6	280.3	145.9	147.8	293.7
Earnings on investments	4.2	17.1	21.3	43.5	21.5	65.1	19.3	16.0	35.4
Washington Court System	62.5	55.6	118.0	47.1	44.8	91.9	43.1	41.9	85.0
Transfers of unclaimed property	110.4	143.7	254.1	137.1	131.6	268.6	132.9	134.2	267.1
Other revenue & transfers	(9.3)	9.1	(0.2)	(48.0)	(65.3)	(113.3)	(32.4)	(39.8)	(72.3)
<b>Total Non-Tax</b>	<b>424.9</b>	<b>533.7</b>	<b>958.6</b>	<b>478.6</b>	<b>443.4</b>	<b>922.0</b>	<b>477.8</b>	<b>460.6</b>	<b>938.4</b>
<b>Total General Fund-State *</b>	<b>\$23,817.3</b>	<b>\$26,986.1</b>	<b>\$50,803.4</b>	<b>\$28,647.6</b>	<b>\$28,871.4</b>	<b>\$57,518.9</b>	<b>\$29,884.2</b>	<b>\$30,979.4</b>	<b>\$60,863.6</b>

\* Detail may not add to totals due to rounding

\*\*GFS portion after Initiative 900 transfer

\*\*\*Includes penalties and interest

Table 3.10

**Track Record for the 2021-23 General Fund-State Cash Forecast**

February 2018 through November 2021

Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>Department of Revenue*</u>	<u>Other Agencies</u>	<u>Subtotal*</u>	<u>Non-Economic Changes**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
<b>February 2018<sup>#</sup></b>	\$49,551	\$2,381				\$51,932
<b>Changes to Forecast</b>						
June 2018	324	33	357	(7) <sup>#1</sup>	350	52,282
September 2018	248	1	249	46 <sup>#2</sup>	295	52,577
November 2018	228	(27)	201	0	201	52,778
March 2019	402	(33)	369	190 <sup>#3</sup>	559	53,337
June 2019	17	8	24	322 <sup>#4</sup>	347	53,683
September 2019	(89)	10	(79)	0	(79)	53,604
November 2019	169	6	175	0	175	53,779
February 2020	501	12	512	0	512	54,291
June 2020	(4,431)	(139)	(4,570)	213 <sup>#5</sup>	(4,357)	49,935
September 2020	2187	59	2,246	0	2,246	52,181
November 2020	265	32	297	0	297	52,478
March 2021	1,807	88	1,894	0	1,894	54,372
June 2021	1,275	65	1,340	(101) <sup>#6</sup>	1,239	55,611
September 2021	889	(44)	845	0	845	56,457
November 2021	981	12	994	69 <sup>#7</sup>	1,062	57,519
<b>Total change***:</b>						
From February 2018	4,772	83	4,855	732	5,587	
Percent change	9.6	3.5	9.3	1.4	10.8	

Table 3.11

**Track Record for the 2023-25 General Fund-State Cash Forecast**

February 2020 through November 2021

Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>Department of Revenue*</u>	<u>Other Agencies</u>	<u>Subtotal*</u>	<u>Non-Economic Changes**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
<b>February 2020<sup>#</sup></b>	\$49,551	\$2,381				\$57,930
<b>Changes to Forecast</b>						
June 2020	(4,557)	(125)	(4,682)	209 <sup>#5</sup>	(4,473)	53,457
September 2020	2,337	122	2,460	0	2,460	55,917
November 2020	(16)	32	16	0	16	55,933
March 2021	1,783	62	1,846	0	1,846	57,778
June 2021	1,384	35	1,419	(218) <sup>#6</sup>	1,200	58,979
September 2021	953	(61)	891	0	891	59,870
November 2021	833	(4)	828	165 <sup>#7</sup>	994	60,864
<b>Total change***:</b>						
From February 2020	2,716	61	2,778	156	2,934	
Percent change	5.5	2.6	4.8	0.3	5.1	

\* Excludes legislative, judicial, statutorily required or other major non-economic changes.

\*\* Includes legislative, judicial, statutorily required or other major non-economic changes.

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

<sup>#</sup> First official forecast for the biennium.<sup>#1</sup> Sum of legislative and budget driven revenue changes from the 2018 legislative session<sup>#2</sup> Estimated increase in sales tax collections due US Supreme Court ruling of June 21, 2018.<sup>#3</sup> Effects of SSB 5581, passed in March of 2019 legislative session<sup>#4</sup> Sum of legislative and budget driven revenue changes from the 2018 legislative session subsequent to the March 2019 forecast<sup>#5</sup> Legislative and budget-driven revenue changes from the 2020 legislative session<sup>#6</sup> Legislative and budget-driven revenue changes from the 2021 legislative session<sup>#7</sup> Addition of financial services tax to forecast after court approval and expected refunds from DOR rule change on apportionment

# 2019-21 and 2021-23 Enacted Budget Balance Sheet

General Fund-State (GFS), Education Legacy Trust Account (ELTA),  
Washington Opportunity Pathways Account (OPA),  
Workforce Education Investment Account (WEIA) and Budget Stabilization Account (BSA)  
Dollars in Millions

	2019-21			2021-23		
	GFS	ELTA , OPA and WEIA	TOTAL	GFS	ELTA , OPA and WEIA*	TOTAL
<b>RESOURCES</b>						
<b>Beginning Fund Balance</b>	<b>999.3</b>	<b>981.9</b>	<b>1,981.2</b>	<b>3,673.7</b>	<b>487.0</b>	<b>4,160.7</b>
September 2021 Revenue Forecast	50,803.4	2,328.3	53,131.7	56,456.8	2,883.8	59,340.5
November 2021 Revenue Forecast change	-	-	-	1,062.2	(164.6)	897.6
<b>Current Revenue Totals</b>	<b>50,803.4</b>	<b>2,328.3</b>	<b>53,131.7</b>	<b>57,518.9</b>	<b>2,719.2</b>	<b>60,238.1</b>
Transfer to Budget Stabilization Account (1% of GSR)	(506.3)		(506.3)	(563.6)		(563.6)
Transfer to Budget Stabilization Account (EGSR)	-		-	-		-
Enacted Fund Transfers	35.2	160.0	195.2	50.2	-	50.2
ACFR Adjustments Actual- 19-21 Biennium	(115.3)	17.2	(98.0)	-	-	-
Actual 19-21 Biennium/Assumed 21-23 Biennium Prior Period Adjustments	288.2		288.2	40.8		40.8
Fund Transfers	(1,100.2)	45.0	(1,055.2)			-
Fund Transfer- ESSB 5092 Section 1802- From BSA	1,820.4		1,820.4			-
<b>Total Resources (including beginning fund balance)</b>	<b>52,224.8</b>	<b>3,532.4</b>	<b>55,757.1</b>	<b>60,720.1</b>	<b>3,206.1</b>	<b>63,926.2</b>
<b>EXPENDITURES</b>						
<b>Enacted Budgets</b>						
2019-21 Biennium	49,494.2	3,068.1	52,562.3	-	-	-
2021-23 Biennium			-	56,187.8	2,878.8	59,066.6
Actual 19-21 Biennium/ 21-23 biennium Assumed Reversions**	(943.2)	(22.7)	(965.9)	(561.9)	-	(561.9)
<b>Total Expenditures</b>	<b>48,551.0</b>	<b>3,045.4</b>	<b>51,596.4</b>	<b>55,625.9</b>	<b>2,878.8</b>	<b>58,504.7</b>
<b>RESERVES</b>						
<b>Projected Ending Balance</b>	<b>3,673.7</b>	<b>487.0</b>	<b>4,160.7</b>	<b>5,094.2</b>	<b>327.3</b>	<b>5,421.5</b>
<b>Budget Stabilization Account</b>						
Budget Stabilization Account Beginning Balance	1,618.4		1,618.4	19.2		19.2
Transfers from General Fund (1% of GSR)	506.3		506.3	563.6		563.6
Transfers from GFS (EGSR)	-		-	-		-
Prior Period Adjustment-19-21 Biennium	0.9		0.9	-		-
Actual 19-21 Biennium/Assumed 21-23 biennium-Interest Earnings	40.7		40.7	1.3		1.3
Actual Reversions 19-21 Biennium	12.5		12.5			-
Fund Transfer- EHB 2965- ESD transfer back to BSA	25.0		25.0	-		-
Fund Transfer- ESSB 5092 Section 1802- To GFS	(1,820.4)		(1,820.4)			-
Less 2020 Supplemental Approp from BSA-Coronavirus	(200.0)		(200.0)	-		-
Less Approp from BSA-Covid-19- HB 1367	(164.3)		(164.3)	-		-
<b>Projected Budget Stabilization Account Ending Balance</b>	<b>19.2</b>		<b>19.2</b>	<b>584.0</b>		<b>584.0</b>
<b>Total Reserves (Near General Fund plus Budget Stabilization)</b>	<b>3,692.9</b>	<b>487.0</b>	<b>4,179.9</b>	<b>5,678.2</b>	<b>327.3</b>	<b>6,005.6</b>

\* Account 25H-Fair Start for Kids Account will be added when revenue and expenditures are enacted.

\*\* Pursuant to Sec 753 of ESSB 5092 (Chapter 334, Laws of 2021), FY 22 reversions include \$266.161M GFS that has been placed in unallotted reserve status.

## Acronyms

GSR- General State Revenues

EGSR- Extraordinary General State Revenues

ACFR- Annual Comprehensive Financial Report

Table 3.13

**Alternative forecasts compared to the baseline forecast  
2021-23 biennium**

(cash basis, millions of dollars)

<b><u>Forecast by Source</u></b>	<b><u>Optimistic Forecast</u></b>	<b><u>Baseline Forecast</u></b>	<b><u>Pessimistic Forecast</u></b>
<b><i>Department of Revenue</i></b>			
Retail Sales	\$28,965.9	\$27,352.7	\$25,906.1
Business & Occupation	11,422.5	10,804.4	10,257.6
Use	1,796.6	1,675.7	1,578.0
Public Utility	1,037.2	985.9	936.2
Property (school levy)	8,950.1	8,880.3	8,828.1
Real Estate Excise	2,986.5	2,897.4	2,779.3
Other	2,469.1	2,392.7	2,329.4
Subtotal	57,628.0	54,988.9	52,614.6
<b><i>Insurance Commissioner<sup>1</sup></i></b>	1,540.6	1,467.2	1,393.9
<b><i>Lottery Commission</i></b>	51.2	48.8	46.4
<b><i>State Treasurer - Interest earnings</i></b>	117.8	65.1	38.5
<b><i>Liquor and Cannabis Surtaxes &amp; Fees<sup>2</sup></i></b>	752.4	723.3	696.4
<b><i>Office of Financial Management</i></b>			
Other agencies	137.7	133.7	129.7
<b><i>Washington Court System</i></b>			
Court Fees, Fines & Forfeitures	94.9	91.9	88.8
<b>Total General Fund - State*</b>	<b>\$60,322.7</b>	<b>\$57,518.9</b>	<b>\$55,008.2</b>
<b>Difference from November 2021 Baseline</b>	<b>\$2,803.8</b>		<b>(\$2,510.7)</b>

1 Insurance premiums, General Fund-State portion.

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

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

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

Table 3.14

**Alternative forecasts compared to the baseline forecast  
2023-25 biennium**

(cash basis, millions of dollars)

<b><u>Forecast by Source</u></b>	<b><u>Optimistic Forecast</u></b>	<b><u>Baseline Forecast</u></b>	<b><u>Pessimistic Forecast</u></b>
<b><i>Department of Revenue</i></b>			
Retail Sales	\$32,720.2	\$29,272.6	\$26,069.8
Business & Occupation Use	13,139.7	11,880.2	10,700.4
Public Utility	1,976.6	1,734.9	1,524.9
Property (school levy)	1,142.0	1,053.5	935.1
Real Estate Excise	9,499.4	9,411.7	9,314.4
Other	2,720.2	2,456.8	2,245.4
Subtotal	2,580.0	2,402.7	2,283.8
	63,778.2	58,212.3	53,073.8
<b><i>Insurance Commissioner</i><sup>1</sup></b>	1,626.7	1,549.3	1,471.8
<b><i>Lottery Commission</i></b>	57.0	54.3	51.6
<b><i>State Treasurer - Interest earnings</i></b>	77.8	35.4	9.3
<b><i>Liquor and Cannabis Surtaxes &amp; Fees</i><sup>2</sup></b>	808.5	760.5	722.7
<b><i>Office of Financial Management</i></b>			
Other agencies	173.5	166.8	160.2
<b><i>Washington Court System</i></b>			
Court Fees, Fines & Forfeitures	90.6	85.0	80.4
<b>Total General Fund - State*</b>	<b>\$66,612.5</b>	<b>\$60,863.6</b>	<b>\$55,569.8</b>
<b>Difference from November 2021 Baseline</b>	<b>\$5,748.9</b>		<b>(\$5,293.8)</b>

1 Insurance premiums, General Fund-State portion.

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

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

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

Table 3.15

**Lottery transfers by fund**

November 2021 Forecast

(cash basis, millions of dollars)

	<b>Lottery: Total Transfers:*</b>	<b>General Fund</b>	<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student Achievement Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Development Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>
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	0.0
2015-17 Biennium	331.2	31.9	0.0	23.8	0.0	0.0	0.7	8.0	265.7	0.0	0.0
2018	183.6	38.5	0.0	12.6	0.0	0.0	0.3	3.5	128.5	0.0	0.0
2019	213.8	38.7	0.0	13.1	0.0	0.0	0.4	5.8	155.7	0.0	0.0
2017-19 Biennium	397.3	77.3	0.0	25.8	0.0	0.0	0.8	9.3	284.2	0.0	0.0
2020	186.4	16.7	0.0	13.7	0.0	0.0	0.4	3.1	152.5	0.0	0.0
2021	231.6	27.7	0.0	14.2	0.0	0.0	0.5	4.8	184.4	0.0	0.0
2019-21 Biennium	418.0	44.4	0.0	27.9	0.0	0.0	0.8	8.0	336.9	0.0	0.0
2022	204.4	21.9	0.0	0.0	0.0	0.0	0.4	4.3	177.8	0.0	0.0
2023	208.4	26.9	0.0	0.0	0.0	0.0	0.4	4.4	176.6	0.0	0.0
2021-23 Biennium	412.8	48.8	0.0	0.0	0.0	0.0	0.9	8.8	354.4	0.0	0.0
2024	209.1	27.0	0.0	0.0	0.0	0.0	0.4	4.4	177.2	0.0	0.0
2025	209.4	27.3	0.0	0.0	0.0	0.0	0.4	4.4	177.3	0.0	0.0
2023-25 Biennium	418.5	54.3	0.0	0.0	0.0	0.0	0.9	8.9	354.5	0.0	0.0

Table 3.16

**Lottery transfers by fund**

November 2021 Forecast

(GAAP basis, millions of dollars)

	<b>Lottery: Total Transfers:*</b>	<b>General Fund</b>	<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student Achievement Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Development Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>
2014	147.7	0.6	0.0	10.8	0.0	0.0	0.3	4.0	121.9	0.0	10.1
2015	141.3	0.0	0.0	11.2	0.0	0.0	0.3	4.7	119.0	0.0	6.1
2013-15 Biennium	288.9	0.6	0.0	22.0	0.0	0.0	0.6	8.7	240.9	0.0	16.1
2016	175.5	31.9	0.0	11.7	0.0	0.0	0.3	2.8	128.7	0.0	0.0
2017	161.9	16.8	0.0	12.2	0.0	0.0	0.3	4.9	126.8	0.0	0.0
2015-17 Biennium	337.4	48.7	0.0	23.8	0.0	0.0	0.7	7.7	255.5	0.0	0.0
2018	183.0	31.2	0.0	12.6	0.0	0.0	0.4	4.6	134.2	0.0	0.0
2019	215.8	30.9	0.0	13.1	0.0	0.0	0.4	4.6	166.7	0.0	0.0
2017-19 Biennium	398.8	62.1	0.0	25.8	0.0	0.0	0.8	9.2	300.9	0.0	0.0
2020	180.9	16.2	0.0	13.7	0.0	0.0	0.4	3.4	147.3	0.0	0.0
2021	229.0	23.9	0.0	14.2	0.0	0.0	0.5	4.7	185.7	0.0	0.0
2019-21 Biennium	410.0	40.1	0.0	27.9	0.0	0.0	0.8	8.1	333.1	0.0	0.0
2022	207.6	26.9	0.0	0.0	0.0	0.0	0.4	4.4	175.9	0.0	0.0
2023	208.4	26.9	0.0	0.0	0.0	0.0	0.4	4.4	176.6	0.0	0.0
2021-23 Biennium	416.1	53.8	0.0	0.0	0.0	0.0	0.9	8.9	352.5	0.0	0.0
2024	209.2	27.1	0.0	0.0	0.0	0.0	0.4	4.4	177.3	0.0	0.0
2025	209.4	27.1	0.0	0.0	0.0	0.0	0.4	4.4	177.4	0.0	0.0
2023-25 Biennium	418.6	54.1	0.0	0.0	0.0	0.0	0.9	8.9	354.7	0.0	0.0

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

Source: Lottery Commission, ERFC



Table 3.17

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

History and Forecast by Fiscal Year (Cash basis)

November 2021 - Millions of Dollars

	General Fund-State (GF-S) (current definition)		Education Legacy Trust Account* (ELTA)		WA Opportunity Pathways Account (OPA)		Workforce Ed. Investment Acct. (WEIA)		Total GF-S, ELTA, OPA and WEIA	
	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.
History:										
FY 2001	\$11,560	4.4%							\$11,560	4.4%
FY 2002	\$11,632	0.6%							\$11,632	0.6%
FY 2003	\$11,721	0.8%							\$11,721	0.8%
FY 2004	\$12,358	5.4%							\$12,358	5.4%
FY 2005	\$13,036	5.5%							\$13,036	5.5%
FY 2006	\$14,318	9.8%	\$115						\$14,432	10.7%
FY 2007	\$15,467	8.0%	\$266	132.2%					\$15,734	9.0%
FY 2008	\$15,659	1.2%	\$213	-20.1%					\$15,872	0.9%
FY 2009	\$14,158	-9.6%	\$224	5.4%					\$14,382	-9.4%
FY 2010	\$13,571	-4.1%	\$157	-29.9%					\$13,728	-4.6%
FY 2011	\$14,648	7.9%	\$112	-29.0%	\$99				\$14,859	8.2%
FY 2012	\$14,874	1.5%	\$114	2.3%	\$118	19.1%			\$15,107	1.7%
FY 2013	\$15,783	6.1%	\$101	-11.5%	\$126	5.9%			\$16,009	6.0%
FY 2014	\$16,383	3.8%	\$197	95.3%	\$114	-9.4%			\$16,694	4.3%
FY 2015	\$17,283	5.5%	\$207	5.0%	\$120	5.7%			\$17,611	5.5%
FY 2016	\$18,579	7.5%	\$215	3.6%	\$139	15.7%			\$18,933	7.5%
FY 2017	\$19,739	6.2%	\$252	17.5%	\$127	-9.0%			\$20,118	6.3%
FY 2018	\$21,712	10.0%	\$302	19.6%	\$129	1.5%			\$22,143	10.1%
FY 2019	\$22,430	3.3%	\$1,352	348.1%	\$156	21.1%			\$23,938	8.1%
FY 2020	\$23,817	6.2%	\$913	-32.5%	\$153	-2.0%	\$32		\$24,915	4.1%
FY 2021	\$26,986	13.3%	\$726	-20.5%	\$184	20.9%	\$320	905.5%	\$28,217	13.3%
Forecast:										
FY 2022	\$28,648	6.2%	\$766	5.5%	\$178	-3.6%	\$332	3.6%	\$29,923	6.0%
FY 2023	\$28,871	0.8%	\$921	20.3%	\$177	-0.7%	\$346	4.3%	\$30,315	1.3%
FY 2024	\$29,884	3.5%	\$979	6.3%	\$177	0.4%	\$365	5.3%	\$31,405	3.6%
FY 2025	\$30,979	3.7%	\$1,102	12.6%	\$177	0.0%	\$383	5.1%	\$32,642	3.9%
<b>Biennial Totals</b>										
<b>07-09 Biennium</b>	<b>\$29,817</b>	<b>0.1%</b>	<b>\$437</b>	<b>14.8%</b>	<b>\$0</b>	<b>NA</b>	<b>\$0</b>	<b>NA</b>	<b>\$30,254</b>	<b>0.3%</b>
<b>09-11 Biennium</b>	<b>\$28,218</b>	<b>-5.4%</b>	<b>\$269</b>	<b>-38.5%</b>	<b>\$99</b>	<b>NA</b>	<b>\$0</b>	<b>NA</b>	<b>\$28,586</b>	<b>-5.5%</b>
<b>11-13 Biennium</b>	<b>\$30,657</b>	<b>8.6%</b>	<b>\$215</b>	<b>-19.9%</b>	<b>\$244</b>	<b>145.2%</b>	<b>\$0</b>	<b>NA</b>	<b>\$31,116</b>	<b>8.8%</b>
<b>13-15 Biennium</b>	<b>\$33,666</b>	<b>9.8%</b>	<b>\$405</b>	<b>88.0%</b>	<b>\$234</b>	<b>-4.1%</b>	<b>\$0</b>	<b>NA</b>	<b>\$34,305</b>	<b>10.2%</b>
<b>15-17 Biennium</b>	<b>\$38,317</b>	<b>13.8%</b>	<b>\$467</b>	<b>15.4%</b>	<b>\$266</b>	<b>13.6%</b>	<b>\$0</b>	<b>NA</b>	<b>\$39,050</b>	<b>13.8%</b>
<b>17-19 Biennium</b>	<b>\$44,143</b>	<b>15.2%</b>	<b>\$1,654</b>	<b>254.1%</b>	<b>\$284</b>	<b>6.9%</b>	<b>\$0</b>	<b>NA</b>	<b>\$46,081</b>	<b>18.0%</b>
<b>19-21 Biennium</b>	<b>\$50,803</b>	<b>15.1%</b>	<b>\$1,639</b>	<b>-0.9%</b>	<b>\$337</b>	<b>18.5%</b>	<b>\$352</b>	<b>NA</b>	<b>\$53,132</b>	<b>15.3%</b>
<b>21-23 Biennium</b>	<b>\$57,519</b>	<b>13.2%</b>	<b>\$1,687</b>	<b>2.9%</b>	<b>\$354</b>	<b>5.2%</b>	<b>\$678</b>	<b>92.5%</b>	<b>\$60,238</b>	<b>13.4%</b>
<b>23-25 Biennium</b>	<b>\$60,864</b>	<b>5.8%</b>	<b>\$2,082</b>	<b>23.4%</b>	<b>\$354</b>	<b>0.0%</b>	<b>\$748</b>	<b>10.3%</b>	<b>\$64,047</b>	<b>6.3%</b>

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

Table 3.18

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

November 2021

Thousands of dollars

Fiscal year	Total of cannabis excise taxes plus license fees	LCB administration and pre- distribution allotments	Total to distribute	Distribution of remaining funds						
				DSHS substance abuse program	Dept. of Health cannabis education program	UW/WSU research	Basic Health Plan Trust Account	Health Care Authority community health centers	OSPI dropout prevention	General Fund-State*
2015	<b>\$67,486</b>	\$22,074	<b>\$45,412</b>	\$5,166	\$0	\$0	\$22,706	\$2,271	\$0	<b>\$15,269</b>
2016	<b>\$168,051</b>	\$8,551	<b>\$159,500</b>	\$12,814	\$7,500	\$345	\$79,750	\$7,791	\$251	<b>\$51,049</b>
2017	<b>\$300,635</b>	\$9,201	<b>\$291,434</b>	\$27,786	\$7,500	\$345	\$145,717	\$12,979	\$511	<b>\$96,596</b>
2018	<b>\$360,608</b>	\$13,772	<b>\$346,836</b>	\$27,786	\$9,761	\$365	\$173,418	\$17,616	\$513	<b>\$117,377</b>
2019	<b>\$391,191</b>	\$14,558	<b>\$376,633</b>	\$0	\$9,764	\$365	\$188,317	\$46,191	\$515	<b>\$131,482</b>
2020	<b>\$448,427</b>	\$18,234	<b>\$430,193</b>	\$0	\$10,786	\$374	\$215,096	\$48,660	\$522	<b>\$154,754</b>
2021	<b>\$560,929</b>	\$15,888	<b>\$545,041</b>	\$0	\$10,615	\$384	\$272,521	\$54,696	\$530	<b>\$206,296</b>
2022	<b>\$539,914</b>	\$17,422	<b>\$522,492</b>	\$0	\$10,538	\$381	\$261,246	\$52,304	\$520	<b>\$197,503</b>
2023	<b>\$535,966</b>	\$17,463	<b>\$518,503</b>	\$0	\$10,562	\$381	\$259,252	\$52,975	\$533	<b>\$194,801</b>
2024	<b>\$552,782</b>	\$17,463	<b>\$535,319</b>	\$0	\$10,562	\$381	\$267,660	\$52,975	\$533	<b>\$203,209</b>
2025	<b>\$570,985</b>	\$17,463	<b>\$553,522</b>	\$0	\$10,562	\$381	\$276,761	\$52,975	\$533	<b>\$212,310</b>
<b>Biennial totals</b>										
2013-15	<b>\$67,486</b>	\$22,074	<b>\$45,412</b>	\$5,166	\$0	\$0	\$22,706	\$2,271	\$0	<b>\$15,269</b>
2015-17	<b>\$468,686</b>	\$17,752	<b>\$450,934</b>	\$40,600	\$15,000	\$690	\$225,467	\$20,770	\$762	<b>\$147,645</b>
2017-19	<b>\$751,799</b>	\$28,330	<b>\$723,469</b>	\$27,786	\$19,525	\$730	\$361,735	\$63,807	\$1,028	<b>\$248,859</b>
2019-21	<b>\$1,009,356</b>	\$34,122	<b>\$975,234</b>	\$0	\$21,401	\$758	\$487,617	\$103,356	\$1,052	<b>\$361,050</b>
2021-23	<b>\$1,075,880</b>	\$34,885	<b>\$1,040,995</b>	\$0	\$21,100	\$762	\$520,497	\$105,279	\$1,053	<b>\$392,303</b>
2023-25	<b>\$1,123,767</b>	\$34,926	<b>\$1,088,841</b>	\$0	\$21,124	\$762	\$544,421	\$105,950	\$1,066	<b>\$415,519</b>

\*Before distributions to local governments

Table 3.19

**Workforce Education Investment Account**

November 2021

Thousands of dollars

	<b>FY20</b>	<b>FY21</b>	<b>2019-21 Biennium</b>	<b>FY22</b>	<b>FY23</b>	<b>2021-23 Biennium</b>	<b>FY24</b>	<b>FY25</b>	<b>2023-25 Biennium</b>
<b>September 2021 forecast</b>	\$31,863	\$320,376	<b>\$352,239</b>	\$328,228	\$340,053	<b>\$668,281</b>	\$358,759	\$378,145	<b>\$736,904</b>
Forecast change	\$0	\$0	<b>\$0</b>	\$3,598	\$6,097	<b>\$9,695</b>	\$5,902	\$4,975	<b>\$10,876</b>
<b>November 2021 forecast</b>	\$31,863	\$320,376	<b>\$352,239</b>	\$331,827	\$346,150	<b>\$677,977</b>	\$364,661	\$383,120	<b>\$747,780</b>

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

### Calendar Years

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

Table A1.1

**U.S. Economic Forecast Summary**

Forecast 2021 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	18,606.8	19,032.7	18,384.7	19,393.9	20,165.5	20,669.7	21,103.7	21,525.8
% Ch	2.9	2.3	-3.4	5.5	4.0	2.5	2.1	2.0
Real Consumption	12,845.0	13,126.3	12,629.9	13,621.6	14,115.8	14,468.7	14,801.5	15,127.2
% Ch	2.9	2.2	-3.8	7.9	3.6	2.5	2.3	2.2
Real Nonresidential Fixed Investment	2,704.4	2,822.0	2,671.1	2,881.7	3,028.7	3,138.5	3,258.7	3,395.7
% Ch	6.4	4.3	-5.3	7.9	5.1	3.6	3.8	4.2
Real Residential Fixed Investment	612.3	606.7	648.0	705.0	655.1	631.9	630.1	632.0
% Ch	-0.6	-0.9	6.8	8.8	-7.1	-3.5	-0.3	0.3
Real Personal Income	16,345.7	16,761.1	17,647.9	18,136.4	17,754.0	18,232.6	18,728.8	19,227.7
% Ch	2.9	2.5	5.3	2.8	-2.1	2.7	2.7	2.7
Real Per Capita Income (\$/Person)	49,709	50,724	53,229	54,628	53,291	54,477	55,682	56,862
% Ch	2.3	2.0	4.9	2.6	-2.4	2.2	2.2	2.1
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	108.3	109.9	111.2	115.3	118.7	121.0	123.5	126.0
% Ch	2.1	1.5	1.2	3.7	2.9	1.9	2.1	2.1
U.S. Consumer Price Index (1982-84=1.0)	2.511	2.557	2.588	2.704	2.794	2.852	2.914	2.975
% Ch	2.4	1.8	1.2	4.4	3.4	2.1	2.1	2.1
Employment Cost Index (Dec. 2005=1.0)	1.334	1.374	1.414	1.472	1.556	1.628	1.692	1.755
% Ch	3.0	3.0	2.9	4.1	5.8	4.6	3.9	3.8
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	20,527.2	21,372.6	20,893.7	22,905.3	24,627.2	25,799.5	26,974.8	28,175.5
% Ch	5.4	4.1	-2.2	9.6	7.5	4.8	4.6	4.5
Personal Income	17,706.0	18,424.4	19,627.6	20,904.6	21,076.1	22,054.7	23,124.1	24,233.2
% Ch	5.1	4.1	6.5	6.5	0.8	4.6	4.8	4.8
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	162.1	163.5	160.7	161.1	164.0	166.8	168.7	170.1
Total U.S. Employment	155.8	157.5	147.8	152.4	157.6	160.5	162.1	163.3
Unemployment Rate (%)	3.90	3.67	8.10	5.43	3.91	3.75	3.92	4.02
Nonfarm Payroll Employment	148.89	150.90	142.25	146.16	151.63	154.09	155.11	155.69
% Ch	1.6	1.3	-5.7	2.7	3.7	1.6	0.7	0.4
Manufacturing	12.69	12.82	12.18	12.38	12.50	12.45	12.36	12.21
% Ch	2.0	1.0	-4.9	1.6	1.0	-0.4	-0.7	-1.2
Durable Manufacturing	7.95	8.04	7.58	7.69	7.76	7.75	7.70	7.61
% Ch	2.7	1.2	-5.7	1.5	0.8	-0.1	-0.6	-1.2
Nondurable Manufacturing	4.74	4.78	4.60	4.69	4.75	4.70	4.66	4.60
% Ch	0.9	0.8	-3.7	1.9	1.3	-1.0	-0.9	-1.2
Construction	7.29	7.49	7.27	7.44	7.48	7.48	7.44	7.46
% Ch	4.6	2.8	-2.9	2.3	0.5	0.0	-0.5	0.3
Service-Providing	128.19	129.86	122.18	125.70	130.97	133.47	134.60	135.32
% Ch	1.3	1.3	-5.9	2.9	4.2	1.9	0.9	0.5
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	64.9	57.0	39.2	68.9	74.5	68.3	64.8	62.2
Personal Saving/Disposable Income (%)	7.6	7.7	16.4	11.7	5.7	6.1	6.7	7.4
Auto Sales (Millions)	5.3	4.7	3.4	3.3	3.3	3.6	3.7	3.7
% Ch	-12.8	-11.1	-27.9	-2.3	-0.4	8.9	3.2	-1.7
Housing Starts (Millions)	1.247	1.292	1.397	1.571	1.425	1.299	1.285	1.289
% Ch	3.5	3.6	8.1	12.5	-9.3	-8.8	-1.1	0.3
Federal Budget Surplus (Billions)	-928.1	-1,047.5	-3,110.0	-2,794.0	-1,266.7	-983.4	-1,030.3	-1,145.0
Net Exports (Billions)	-596.2	-596.3	-651.2	-897.6	-945.5	-936.7	-910.5	-891.7
3-Month Treasury Bill Rate (%)	1.94	2.06	0.37	0.05	0.05	0.31	0.86	1.49
10-Year Treasury Note Yield (%)	2.91	2.14	0.89	1.47	1.84	2.26	2.59	2.89
Bond Index of 20 G.O. Munis. (%)	3.96	3.60	2.65	2.23	2.60	2.95	3.28	3.58
30-Year Fixed Mortgage Rate (%)	4.54	3.94	3.12	2.96	3.44	3.92	4.26	4.56

Table A1.2

**U.S. Economic Forecast Summary**

Forecast 2021 to 2025

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	18,952.0	17,258.2	18,560.8	18,767.8	19,055.7	19,368.3	19,465.2	19,686.4
% Ch , Annual Rate	-5.1	-31.2	33.8	4.5	6.3	6.7	2.0	4.6
Real Consumption	13,014.5	11,756.4	12,820.8	12,927.9	13,282.7	13,665.6	13,719.3	13,818.9
% Ch , Annual Rate	-6.9	-33.4	41.4	3.4	11.4	12.0	1.6	2.9
Real Nonresidential Fixed Investment	2,775.5	2,535.7	2,646.9	2,726.2	2,810.4	2,873.1	2,885.8	2,957.6
% Ch , Annual Rate	-8.1	-30.3	18.7	12.5	12.9	9.2	1.8	10.3
Real Residential Fixed Investment	641.2	584.9	657.8	708.2	730.6	708.2	694.2	686.7
% Ch , Annual Rate	20.4	-30.7	59.9	34.4	13.3	-11.7	-7.7	-4.3
Real Personal Income	16,981.4	18,414.3	17,736.5	17,459.4	19,353.5	17,926.9	17,739.9	17,525.3
% Ch , Annual Rate	2.9	38.3	-13.9	-6.1	51.0	-26.4	-4.1	-4.7
Real Per Capita Income (\$/Person)	51,257	55,545	53,480	52,634	58,334	54,017	53,425	52,738
% Ch , Annual Rate	2.5	37.9	-14.1	-6.2	50.9	-26.5	-4.3	-5.0
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	111.0	110.5	111.5	111.9	113.0	114.8	116.3	117.3
% Ch , Annual Rate	1.3	-1.6	3.7	1.5	3.8	6.5	5.3	3.6
U.S. Consumer Price Index (1982-84=1.0)	2.585	2.565	2.594	2.610	2.634	2.688	2.731	2.761
% Ch , Annual Rate	1.0	-3.1	4.7	2.4	3.7	8.4	6.6	4.4
Employment Cost Index (Dec. 2005=1.0)	1.402	1.408	1.416	1.428	1.444	1.458	1.481	1.503
% Ch , Annual Rate	3.8	1.7	2.3	3.4	4.6	3.9	6.5	6.2
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	21,481.4	19,477.4	21,138.6	21,477.6	22,038.2	22,741.0	23,173.5	23,668.5
% Ch , Annual Rate	-3.9	-32.4	38.7	6.6	10.9	13.4	7.8	8.8
Personal Income	18,842.2	20,348.7	19,777.4	19,542.0	21,867.3	20,575.1	20,622.9	20,553.0
% Ch , Annual Rate	4.2	36.0	-10.8	-4.7	56.8	-21.6	0.9	-1.3
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	163.9	158.2	160.3	160.6	160.3	161.0	161.4	161.7
Total U.S. Employment	157.6	137.6	146.2	149.8	150.4	151.5	153.2	154.5
Unemployment Rate (%)	3.80	13.02	8.81	6.75	6.20	5.92	5.11	4.50
Nonfarm Payroll Employment	151.87	133.67	140.86	142.62	143.36	145.06	147.42	148.81
% Ch , Annual Rate	0.3	-40.0	23.3	5.1	2.1	4.8	6.7	3.8
Manufacturing	12.77	11.69	12.08	12.19	12.25	12.30	12.43	12.54
% Ch , Annual Rate	-0.9	-29.8	13.9	4.0	2.0	1.5	4.4	3.6
Durable Manufacturing	7.99	7.25	7.51	7.58	7.61	7.63	7.73	7.80
% Ch , Annual Rate	-0.9	-32.4	15.7	3.4	1.7	1.3	5.3	3.7
Nondurable Manufacturing	4.78	4.45	4.56	4.62	4.65	4.67	4.70	4.74
% Ch , Annual Rate	-1.0	-25.2	11.0	4.9	2.4	1.8	2.9	3.5
Construction	7.61	6.90	7.23	7.36	7.41	7.42	7.43	7.52
% Ch , Annual Rate	3.1	-32.2	20.0	7.7	2.4	0.9	0.6	4.5
Service-Providing	130.81	114.47	120.97	122.47	123.09	124.71	126.91	128.09
% Ch , Annual Rate	0.4	-41.4	24.7	5.1	2.1	5.4	7.2	3.8
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	45.8	27.8	40.9	42.5	57.8	66.1	70.6	81.1
Personal Saving/Disposable Income (%)	9.7	26.1	16.0	13.6	20.5	10.5	8.9	6.8
Auto Sales (Millions)	3.8	2.5	3.6	3.7	3.7	3.9	3.1	2.6
% Ch , Annual Rate	-44.8	-81.8	316.0	20.2	-3.6	23.5	-60.7	-47.9
Housing Starts (Millions)	1.485	1.086	1.440	1.575	1.599	1.588	1.566	1.533
% Ch , Annual Rate	24.8	-71.4	209.8	43.1	6.1	-2.6	-5.6	-8.1
Federal Budget Surplus (Billions)	-1,158.0	-5,625.6	-3,516.3	-2,140.1	-4,088.9	-3,343.9	-2,315.5	-1,427.7
Net Exports (Billions)	-541.7	-538.9	-725.7	-798.4	-872.5	-881.7	-939.5	-896.7
3-Month Treasury Bill Rate (%)	1.11	0.14	0.11	0.09	0.05	0.03	0.05	0.06
10-Year Treasury Note Yield (%)	1.38	0.69	0.65	0.86	1.32	1.59	1.32	1.63
Bond Index of 20 G.O. Munis. (%)	3.45	2.79	2.15	2.22	2.26	2.22	2.11	2.32
30-Year Fixed Mortgage Rate (%)	3.51	3.24	2.95	2.76	2.87	3.00	2.86	3.13

Table A1.2 (continued)  
**U.S. Economic Forecast Summary**  
Forecast 2021 to 2025

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	19,905.5	20,099.5	20,262.7	20,394.4	20,509.4	20,613.1	20,721.3	20,834.8
% Ch , Annual Rate	4.5	4.0	3.3	2.6	2.3	2.0	2.1	2.2
Real Consumption	13,951.3	14,071.9	14,173.7	14,266.6	14,345.0	14,426.1	14,509.2	14,594.6
% Ch , Annual Rate	3.9	3.5	2.9	2.6	2.2	2.3	2.3	2.4
Real Nonresidential Fixed Investment	2,994.8	3,015.3	3,039.5	3,065.2	3,097.8	3,125.1	3,151.1	3,180.2
% Ch , Annual Rate	5.1	2.8	3.3	3.4	4.3	3.6	3.4	3.7
Real Residential Fixed Investment	668.1	658.6	650.8	642.9	637.8	632.6	628.6	628.5
% Ch , Annual Rate	-10.4	-5.6	-4.7	-4.7	-3.1	-3.2	-2.5	-0.1
Real Personal Income	17,536.3	17,690.4	17,851.3	17,937.9	18,049.6	18,173.4	18,296.1	18,411.4
% Ch , Annual Rate	0.3	3.6	3.7	2.0	2.5	2.8	2.7	2.5
Real Per Capita Income (\$/Person)	52,722	53,131	53,556	53,755	54,027	54,333	54,635	54,912
% Ch , Annual Rate	-0.1	3.1	3.2	1.5	2.0	2.3	2.2	2.0
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	117.9	118.5	119.0	119.5	120.1	120.7	121.2	121.8
% Ch , Annual Rate	2.1	2.0	1.8	1.8	2.0	1.9	1.9	2.0
U.S. Consumer Price Index (1982-84=1.0)	2.774	2.789	2.800	2.814	2.831	2.844	2.860	2.875
% Ch , Annual Rate	1.9	2.1	1.6	2.0	2.4	1.9	2.2	2.2
Employment Cost Index (Dec. 2005=1.0)	1.526	1.546	1.567	1.586	1.604	1.620	1.636	1.653
% Ch , Annual Rate	6.1	5.6	5.5	5.0	4.4	4.3	4.0	4.0
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	24,114.7	24,488.8	24,807.7	25,097.8	25,390.1	25,653.6	25,929.7	26,224.6
% Ch , Annual Rate	7.8	6.4	5.3	4.8	4.7	4.2	4.4	4.6
Personal Income	20,671.5	20,954.4	21,239.2	21,439.5	21,679.1	21,928.4	22,179.3	22,432.1
% Ch , Annual Rate	2.3	5.6	5.5	3.8	4.5	4.7	4.7	4.6
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	162.6	163.6	164.5	165.3	166.0	166.6	167.1	167.5
Total U.S. Employment	155.8	157.2	158.3	159.2	159.9	160.3	160.8	161.1
Unemployment Rate (%)	4.19	3.95	3.78	3.70	3.69	3.73	3.76	3.80
Nonfarm Payroll Employment	150.05	151.23	152.23	153.01	153.58	153.97	154.28	154.52
% Ch , Annual Rate	3.4	3.2	2.7	2.1	1.5	1.0	0.8	0.6
Manufacturing	12.63	12.53	12.39	12.46	12.46	12.47	12.45	12.42
% Ch , Annual Rate	2.9	-3.2	-4.4	2.2	0.1	0.2	-0.8	-0.7
Durable Manufacturing	7.87	7.78	7.65	7.73	7.75	7.77	7.75	7.74
% Ch , Annual Rate	3.2	-4.2	-6.5	4.0	1.0	1.2	-0.7	-0.6
Nondurable Manufacturing	4.77	4.75	4.74	4.73	4.72	4.70	4.69	4.68
% Ch , Annual Rate	2.3	-1.5	-0.7	-0.5	-1.3	-1.3	-0.9	-0.9
Construction	7.47	7.47	7.48	7.49	7.49	7.49	7.47	7.46
% Ch , Annual Rate	-2.3	0.0	0.5	0.2	0.4	-0.4	-0.8	-0.6
Service-Providing	129.28	130.55	131.67	132.39	132.94	133.32	133.66	133.94
% Ch , Annual Rate	3.7	4.0	3.5	2.2	1.7	1.1	1.0	0.8
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	78.4	75.1	72.9	71.4	70.0	68.8	67.7	66.8
Personal Saving/Disposable Income (%)	5.7	5.7	5.9	5.7	5.8	6.0	6.2	6.3
Auto Sales (Millions)	3.0	3.3	3.5	3.5	3.5	3.6	3.6	3.7
% Ch , Annual Rate	69.7	47.9	20.5	4.8	5.5	4.9	4.5	3.6
Housing Starts (Millions)	1.500	1.446	1.400	1.355	1.319	1.298	1.286	1.294
% Ch , Annual Rate	-8.4	-13.5	-12.3	-12.2	-10.1	-6.5	-3.4	2.3
Federal Budget Surplus (Billions)	-1,191.8	-1,753.6	-1,128.9	-992.4	-977.8	-987.5	-994.8	-973.6
Net Exports (Billions)	-910.1	-935.5	-964.9	-971.5	-954.1	-944.0	-928.1	-920.4
3-Month Treasury Bill Rate (%)	0.06	0.05	0.05	0.05	0.10	0.30	0.32	0.54
10-Year Treasury Note Yield (%)	1.70	1.75	1.89	2.01	2.15	2.22	2.30	2.37
Bond Index of 20 G.O. Munis. (%)	2.46	2.54	2.65	2.74	2.83	2.90	2.99	3.07
30-Year Fixed Mortgage Rate (%)	3.24	3.35	3.51	3.65	3.78	3.90	3.97	4.05

Table A1.2 (continued)  
**U.S. Economic Forecast Summary**  
Forecast 2021 to 2025

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	20,945.1	21,054.1	21,156.9	21,258.8	21,364.1	21,470.4	21,578.8	21,689.9
% Ch , Annual Rate	2.1	2.1	2.0	1.9	2.0	2.0	2.0	2.1
Real Consumption	14,678.8	14,761.5	14,843.1	14,922.7	15,002.9	15,085.0	15,168.4	15,252.4
% Ch , Annual Rate	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.2
Real Nonresidential Fixed Investment	3,209.4	3,242.2	3,274.7	3,308.4	3,344.0	3,378.2	3,412.9	3,447.9
% Ch , Annual Rate	3.7	4.2	4.1	4.2	4.4	4.2	4.2	4.2
Real Residential Fixed Investment	629.4	630.3	629.4	631.1	632.0	632.1	631.1	632.8
% Ch , Annual Rate	0.6	0.5	-0.5	1.1	0.5	0.1	-0.6	1.1
Real Personal Income	18,551.2	18,671.1	18,788.6	18,904.3	19,042.7	19,165.0	19,289.5	19,413.4
% Ch , Annual Rate	3.1	2.6	2.5	2.5	3.0	2.6	2.6	2.6
Real Per Capita Income (\$/Person)	55,261	55,547	55,824	56,094	56,429	56,715	57,007	57,296
% Ch , Annual Rate	2.6	2.1	2.0	1.9	2.4	2.0	2.1	2.0
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	122.5	123.1	123.8	124.4	125.1	125.7	126.3	127.0
% Ch , Annual Rate	2.2	2.1	2.1	2.1	2.1	2.0	2.0	2.0
U.S. Consumer Price Index (1982-84=1.0)	2.890	2.906	2.921	2.937	2.952	2.967	2.983	2.999
% Ch , Annual Rate	2.2	2.2	2.1	2.2	2.1	2.1	2.1	2.2
Employment Cost Index (Dec. 2005=1.0)	1.668	1.684	1.699	1.715	1.731	1.747	1.763	1.780
% Ch , Annual Rate	3.9	3.7	3.8	3.7	3.8	3.8	3.8	3.8
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	26,524.6	26,827.7	27,123.9	27,422.9	27,723.5	28,022.7	28,324.8	28,630.9
% Ch , Annual Rate	4.7	4.6	4.5	4.5	4.5	4.4	4.4	4.4
Personal Income	22,723.1	22,991.0	23,257.3	23,525.1	23,819.6	24,092.8	24,370.3	24,650.0
% Ch , Annual Rate	5.3	4.8	4.7	4.7	5.1	4.7	4.7	4.7
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	168.0	168.5	168.9	169.3	169.6	170.0	170.3	170.6
Total U.S. Employment	161.5	161.9	162.3	162.6	162.9	163.1	163.4	163.7
Unemployment Rate (%)	3.87	3.91	3.93	3.96	3.99	4.02	4.04	4.03
Nonfarm Payroll Employment	154.78	155.01	155.23	155.41	155.53	155.64	155.74	155.86
% Ch , Annual Rate	0.7	0.6	0.6	0.5	0.3	0.3	0.3	0.3
Manufacturing	12.40	12.38	12.35	12.32	12.28	12.23	12.19	12.15
% Ch , Annual Rate	-0.7	-0.8	-0.9	-0.9	-1.5	-1.5	-1.4	-1.1
Durable Manufacturing	7.73	7.71	7.70	7.68	7.65	7.62	7.59	7.57
% Ch , Annual Rate	-0.8	-0.7	-0.9	-0.7	-1.6	-1.6	-1.5	-1.0
Nondurable Manufacturing	4.67	4.66	4.65	4.64	4.62	4.61	4.59	4.58
% Ch , Annual Rate	-0.7	-0.8	-0.8	-1.2	-1.4	-1.3	-1.2	-1.3
Construction	7.45	7.44	7.43	7.44	7.44	7.45	7.46	7.48
% Ch , Annual Rate	-0.6	-0.5	-0.3	0.2	0.3	0.5	0.6	1.1
Service-Providing	134.23	134.50	134.74	134.95	135.11	135.26	135.40	135.53
% Ch , Annual Rate	0.9	0.8	0.7	0.6	0.5	0.4	0.4	0.4
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	65.9	65.1	64.4	63.7	63.1	62.5	61.9	61.4
Personal Saving/Disposable Income (%)	6.5	6.7	6.8	6.9	7.2	7.3	7.5	7.6
Auto Sales (Millions)	3.7	3.7	3.7	3.7	3.7	3.7	3.6	3.6
% Ch , Annual Rate	2.3	3.3	3.3	0.5	-2.3	-4.6	-3.7	-8.0
Housing Starts (Millions)	1.295	1.284	1.281	1.278	1.286	1.293	1.289	1.287
% Ch , Annual Rate	0.3	-3.4	-0.9	-0.8	2.5	2.1	-1.3	-0.6
Federal Budget Surplus (Billions)	-1,003.1	-1,019.6	-1,037.2	-1,061.1	-1,101.7	-1,128.1	-1,155.0	-1,195.2
Net Exports (Billions)	-916.8	-912.6	-909.3	-903.1	-896.8	-892.0	-889.0	-888.9
3-Month Treasury Bill Rate (%)	0.58	0.80	1.00	1.05	1.28	1.46	1.49	1.73
10-Year Treasury Note Yield (%)	2.45	2.55	2.64	2.71	2.79	2.86	2.92	2.98
Bond Index of 20 G.O. Munis. (%)	3.16	3.24	3.33	3.40	3.47	3.55	3.62	3.68
30-Year Fixed Mortgage Rate (%)	4.12	4.22	4.31	4.38	4.46	4.54	4.59	4.66



Table A1.3  
**Washington Economic Forecast Summary**  
Forecast 2021 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	419.372	436.538	464.246	481.270	476.370	491.290	506.140	521.808
% Ch	4.3	4.1	6.3	3.7	-1.0	3.1	3.0	3.1
Real Wage and Salary Disb.	219.007	230.938	237.327	252.116	265.476	276.102	284.065	292.394
% Ch	6.4	5.4	2.8	6.2	5.3	4.0	2.9	2.9
Real Nonwage Income	200.365	205.600	226.919	229.154	210.894	215.188	222.075	229.414
% Ch	2.2	2.6	10.4	1.0	-8.0	2.0	3.2	3.3
Real Per Capita Income (\$/Person)	55,721	57,327	60,336	62,002	60,806	62,082	63,293	64,557
% Ch	2.9	2.9	5.2	2.8	-1.9	2.1	2.0	2.0
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.083	1.099	1.112	1.153	1.187	1.210	1.235	1.260
% Ch	2.1	1.5	1.2	3.7	2.9	1.9	2.1	2.1
Seattle Cons. Price Index (1982-84=1.0)	2.711	2.779	2.826	2.958	3.076	3.140	3.208	3.276
% Ch	3.2	2.5	1.7	4.7	4.0	2.1	2.1	2.1
Average Nonfarm Annual Wage	67,789	71,234	78,189	84,183	87,451	90,546	94,088	97,952
% Ch	6.5	5.1	9.8	7.7	3.9	3.5	3.9	4.1
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.42	29.16	28.32	27.98	29.51	30.85	32.00	33.16
% Ch	3.8	2.6	-2.9	-1.2	5.5	4.5	3.7	3.6
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	454.257	479.841	516.254	554.743	565.512	594.281	624.926	657.655
% Ch	6.6	5.6	7.6	7.5	1.9	5.1	5.2	5.2
Disposable Personal Income	400.989	422.411	458.498	487.316	491.951	517.655	545.873	575.860
% Ch	7.1	5.3	8.5	6.3	1.0	5.2	5.5	5.5
Per Capita Income (\$/Person)	60,355	63,012	67,094	71,464	72,183	75,095	78,146	81,362
% Ch	5.1	4.4	6.5	6.5	1.0	4.0	4.1	4.1
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,811.7	3,910.1	3,912.8	3,893.6	4,003.2	4,084.2	4,144.5	4,198.5
Total Washington Employment	3,644.5	3,747.7	3,584.0	3,689.0	3,824.5	3,907.5	3,957.1	4,004.9
Unemployment Rate (%)	4.39	4.15	8.41	5.26	4.47	4.33	4.52	4.61
Nonfarm Payroll Employment	3,401.1	3,468.5	3,286.4	3,364.6	3,513.0	3,596.3	3,634.8	3,669.0
% Ch	2.4	2.0	-5.3	2.4	4.4	2.4	1.1	0.9
Manufacturing	287.7	293.7	271.7	259.0	266.0	268.3	268.7	268.6
% Ch	1.2	2.1	-7.5	-4.7	2.7	0.9	0.1	0.0
Durable Manufacturing	202.2	206.9	189.6	175.3	179.4	181.2	181.9	182.5
% Ch	0.9	2.4	-8.4	-7.5	2.3	1.0	0.4	0.3
Aerospace	83.9	88.5	80.0	67.7	70.4	72.0	72.3	72.2
% Ch	-0.3	5.5	-9.6	-15.4	4.0	2.3	0.4	-0.1
Nondurable Manufacturing	85.6	86.8	82.1	83.7	86.6	87.2	86.7	86.0
% Ch	2.0	1.4	-5.4	1.9	3.6	0.6	-0.5	-0.8
Construction	213.1	219.5	213.5	223.0	220.3	219.5	220.9	223.0
% Ch	6.7	3.0	-2.7	4.4	-1.2	-0.4	0.6	1.0
Service-Providing	2,894.0	2,949.4	2,795.7	2,876.9	3,020.8	3,103.0	3,139.9	3,171.9
% Ch	2.2	1.9	-5.2	2.9	5.0	2.7	1.2	1.0
Software Publishers	65.3	70.4	75.6	79.0	82.3	83.8	85.2	86.5
% Ch	6.4	7.7	7.4	4.6	4.2	1.7	1.7	1.5
Electronic Shopping and Mail-Order	54.8	63.5	75.9	76.0	80.3	82.4	84.2	86.1
% Ch	10.1	15.9	19.5	0.2	5.7	2.5	2.3	2.2
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	47.746	48.424	44.062	54.463	47.086	43.960	43.272	43.272
% Ch	4.3	1.4	-9.0	23.6	-13.5	-6.6	-1.6	0.0
Single-Family	23.676	23.300	23.044	25.839	26.266	25.081	25.292	25.668
% Ch	2.4	-1.6	-1.1	12.1	1.6	-4.5	0.8	1.5
Multi-Family	24.070	25.124	21.018	28.623	20.820	18.879	17.980	17.605
% Ch	6.1	4.4	-16.3	36.2	-27.3	-9.3	-4.8	-2.1
30-Year Fixed Mortgage Rate (%)	4.54	3.94	3.12	2.96	3.44	3.92	4.26	4.56

Table A1.4  
**Washington Economic Forecast Summary**  
Forecast 2021 to 2025

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	448.082	483.239	465.420	460.242	502.481	479.083	475.428	468.090
% Ch, Annual Rate	8.2	35.3	-14.0	-4.4	42.1	-17.4	-3.0	-6.0
Real Wage and Salary Disb.	238.970	227.837	238.000	244.499	244.019	252.921	254.564	256.962
% Ch, Annual Rate	10.5	-17.4	19.1	11.4	-0.8	15.4	2.6	3.8
Real Nonwage Income	209.112	255.402	227.420	215.742	258.461	226.162	220.864	211.129
% Ch, Annual Rate	5.7	122.5	-37.1	-19.0	106.0	-41.4	-9.0	-16.5
Real Per Capita Income (\$/Person)	58,430	62,875	60,423	59,615	64,947	61,779	61,183	60,097
% Ch, Annual Rate	7.1	34.1	-14.7	-5.2	40.9	-18.1	-3.8	-6.9
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.109	1.105	1.115	1.119	1.130	1.148	1.162	1.173
% Ch, Annual Rate	1.2	-1.6	3.7	1.5	3.8	6.5	5.3	3.6
Seattle Cons. Price Index (1982-84=1.0)	2.817	2.804	2.836	2.847	2.871	2.930	2.991	3.039
% Ch, Annual Rate	2.7	-1.8	4.6	1.5	3.5	8.5	8.5	6.7
Average Nonfarm Annual Wage	73,530	78,144	79,646	81,436	81,587	84,542	84,933	85,670
% Ch, Annual Rate	10.0	27.6	7.9	9.3	0.7	15.3	1.9	3.5
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.79	28.58	28.27	27.64	27.98	27.60	27.84	28.51
% Ch, Annual Rate	-4.3	-3.0	-4.2	-8.7	5.0	-5.3	3.6	10.0
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	497.131	533.934	518.894	515.056	567.652	549.762	552.602	548.957
% Ch, Annual Rate	9.6	33.1	-10.8	-2.9	47.5	-12.0	2.1	-2.6
Disposable Personal Income	437.988	478.857	461.652	455.496	505.037	482.568	483.146	478.514
% Ch, Annual Rate	9.7	42.9	-13.6	-5.2	51.1	-16.6	0.5	-3.8
Per Capita Income (\$/Person)	64,826	69,471	67,365	66,715	73,371	70,893	71,115	70,479
% Ch, Annual Rate	8.4	31.9	-11.6	-3.8	46.3	-12.8	1.3	-3.5
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,950.3	3,923.6	3,892.2	3,885.1	3,841.0	3,873.9	3,919.1	3,940.3
Total Washington Employment	3,774.7	3,403.7	3,530.3	3,627.2	3,622.7	3,669.2	3,720.2	3,743.9
Unemployment Rate (%)	4.45	13.25	9.30	6.64	5.68	5.29	5.08	4.98
Nonfarm Payroll Employment	3,507.7	3,128.5	3,240.2	3,269.2	3,288.7	3,345.7	3,395.3	3,428.7
% Ch, Annual Rate	1.4	-36.7	15.1	3.6	2.4	7.1	6.1	4.0
Manufacturing	292.4	269.7	264.4	260.2	258.6	257.1	258.6	261.8
% Ch, Annual Rate	-1.2	-27.7	-7.6	-6.2	-2.4	-2.3	2.5	4.9
Durable Manufacturing	205.2	190.7	183.8	178.6	176.3	174.1	174.5	176.5
% Ch, Annual Rate	-2.2	-25.3	-13.7	-10.8	-5.1	-5.0	1.1	4.6
Aerospace	88.9	83.1	76.6	71.4	68.6	67.1	67.3	67.7
% Ch, Annual Rate	-0.6	-23.3	-28.0	-24.3	-15.0	-8.2	1.1	2.3
Nondurable Manufacturing	87.3	79.0	80.6	81.5	82.3	83.0	84.1	85.3
% Ch, Annual Rate	1.2	-32.9	8.3	4.9	3.6	3.6	5.4	5.7
Construction	224.1	198.9	212.4	218.8	222.5	222.5	222.5	224.4
% Ch, Annual Rate	3.9	-38.0	30.1	12.6	7.1	-0.1	0.0	3.5
Service-Providing	2,985.5	2,654.5	2,758.0	2,784.6	2,801.9	2,860.4	2,908.5	2,936.8
% Ch, Annual Rate	1.4	-37.5	16.5	3.9	2.5	8.6	6.9	4.0
Software Publishers	74.6	76.0	75.6	76.1	78.3	78.6	78.3	80.8
% Ch, Annual Rate	11.1	7.8	-1.8	2.2	12.2	1.6	-1.4	13.5
Electronic Shopping and Mail-Order	71.2	73.5	77.2	81.5	76.1	73.6	75.4	78.9
% Ch, Annual Rate	22.5	13.6	21.6	23.8	-24.0	-12.2	10.3	19.8
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	48.031	41.079	42.691	44.447	63.679	47.597	56.079	50.496
% Ch, Annual Rate	-30.5	-46.5	16.6	17.5	321.3	-68.8	92.7	-34.3
Single-Family	24.091	18.309	24.056	25.720	30.874	24.259	23.153	25.072
% Ch, Annual Rate	-21.1	-66.6	198.0	30.7	107.6	-61.9	-17.0	37.5
Multi-Family	23.940	22.770	18.636	18.726	32.804	23.338	32.926	25.424
% Ch, Annual Rate	-38.5	-18.2	-55.1	2.0	841.7	-74.4	296.2	-64.5
30-Year Fixed Mortgage Rate (%)	3.51	3.24	2.95	2.76	2.87	3.00	2.86	3.13

Table A1.4 (continued)  
**Washington Economic Forecast Summary**  
Forecast 2021 to 2025

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	470.185	474.412	478.957	481.927	485.772	489.501	493.114	496.772
% Ch, Annual Rate	1.8	3.6	3.9	2.5	3.2	3.1	3.0	3.0
Real Wage and Salary Disb.	260.754	264.037	267.134	269.980	272.814	275.090	277.164	279.338
% Ch, Annual Rate	6.0	5.1	4.8	4.3	4.3	3.4	3.0	3.2
Real Nonwage Income	209.431	210.375	211.823	211.947	212.958	214.410	215.950	217.434
% Ch, Annual Rate	-3.2	1.8	2.8	0.2	1.9	2.8	2.9	2.8
Real Per Capita Income (\$/Person)	60,235	60,634	61,065	61,290	61,622	61,937	62,235	62,533
% Ch, Annual Rate	0.9	2.7	2.9	1.5	2.2	2.1	1.9	1.9
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.179	1.185	1.190	1.195	1.201	1.207	1.212	1.218
% Ch, Annual Rate	2.1	2.0	1.8	1.8	2.0	1.9	1.9	2.0
Seattle Cons. Price Index (1982-84=1.0)	3.054	3.070	3.082	3.098	3.117	3.131	3.148	3.165
% Ch, Annual Rate	1.9	2.1	1.6	2.0	2.4	1.9	2.2	2.2
Average Nonfarm Annual Wage	86,417	87,097	87,791	88,500	89,251	90,105	90,968	91,859
% Ch, Annual Rate	3.5	3.2	3.2	3.3	3.4	3.9	3.9	4.0
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.93	29.33	29.72	30.07	30.39	30.70	30.99	31.29
% Ch, Annual Rate	6.0	5.5	5.4	4.9	4.3	4.1	3.9	3.9
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	554.246	561.944	569.855	576.003	583.453	590.643	597.773	605.256
% Ch, Annual Rate	3.9	5.7	5.8	4.4	5.3	5.0	4.9	5.1
Disposable Personal Income	482.253	488.772	495.681	501.098	507.720	514.288	520.862	527.748
% Ch, Annual Rate	3.2	5.5	5.8	4.4	5.4	5.3	5.2	5.4
Per Capita Income (\$/Person)	71,004	71,822	72,653	73,254	74,013	74,735	75,444	76,189
% Ch, Annual Rate	3.0	4.7	4.7	3.3	4.2	4.0	3.9	4.0
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,965.6	3,992.2	4,016.1	4,038.6	4,060.6	4,077.0	4,091.8	4,107.2
Total Washington Employment	3,779.1	3,812.3	3,841.0	3,865.4	3,888.0	3,901.5	3,913.6	3,926.9
Unemployment Rate (%)	4.70	4.51	4.36	4.29	4.25	4.31	4.35	4.39
Nonfarm Payroll Employment	3,467.1	3,500.5	3,529.4	3,554.9	3,579.4	3,591.7	3,601.2	3,612.7
% Ch, Annual Rate	4.6	3.9	3.3	2.9	2.8	1.4	1.1	1.3
Manufacturing	265.9	266.2	265.2	266.9	268.2	268.4	268.3	268.3
% Ch, Annual Rate	6.4	0.5	-1.6	2.7	2.0	0.3	-0.2	0.0
Durable Manufacturing	179.6	179.8	178.4	179.8	180.8	181.2	181.3	181.4
% Ch, Annual Rate	7.1	0.4	-2.9	3.0	2.3	1.0	0.0	0.3
Aerospace	69.2	70.1	70.9	71.4	71.8	72.0	72.1	72.2
% Ch, Annual Rate	9.1	5.6	4.5	2.7	2.4	1.0	0.8	0.6
Nondurable Manufacturing	86.3	86.4	86.7	87.1	87.4	87.2	87.1	86.9
% Ch, Annual Rate	4.9	0.6	1.3	2.0	1.3	-1.0	-0.6	-0.6
Construction	221.6	220.6	219.7	219.4	219.7	219.5	218.6	220.4
% Ch, Annual Rate	-5.0	-1.8	-1.6	-0.5	0.5	-0.4	-1.5	3.2
Service-Providing	2,973.5	3,007.8	3,038.8	3,063.0	3,086.0	3,098.3	3,108.9	3,118.6
% Ch, Annual Rate	5.1	4.7	4.2	3.2	3.0	1.6	1.4	1.3
Software Publishers	81.5	82.1	82.7	83.0	83.4	83.6	83.9	84.3
% Ch, Annual Rate	3.6	2.8	3.2	1.2	1.8	1.1	1.6	1.6
Electronic Shopping and Mail-Order	79.5	80.1	80.6	81.1	81.6	82.1	82.6	83.1
% Ch, Annual Rate	2.9	2.8	2.7	2.6	2.5	2.4	2.4	2.3
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	49.212	47.528	46.262	45.340	44.812	44.128	43.460	43.439
% Ch, Annual Rate	-9.8	-13.0	-10.2	-7.7	-4.6	-6.0	-5.9	-0.2
Single-Family	26.850	26.462	26.090	25.661	25.350	24.960	24.871	25.143
% Ch, Annual Rate	31.5	-5.6	-5.5	-6.4	-4.8	-6.0	-1.4	4.4
Multi-Family	22.362	21.066	20.172	19.680	19.462	19.168	18.589	18.296
% Ch, Annual Rate	-40.1	-21.2	-15.9	-9.4	-4.4	-5.9	-11.6	-6.2
30-Year Fixed Mortgage Rate (%)	3.24	3.35	3.51	3.65	3.78	3.90	3.97	4.05

Table A1.4 (continued)  
**Washington Economic Forecast Summary**  
Forecast 2021 to 2025

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	500.806	504.262	507.901	511.592	515.858	519.786	523.788	527.800
% Ch, Annual Rate	3.3	2.8	2.9	2.9	3.4	3.1	3.1	3.1
Real Wage and Salary Disb.	281.250	283.001	284.980	287.030	289.168	291.303	293.462	295.645
% Ch, Annual Rate	2.8	2.5	2.8	2.9	3.0	3.0	3.0	3.0
Real Nonwage Income	219.555	221.261	222.922	224.563	226.690	228.483	230.327	232.155
% Ch, Annual Rate	4.0	3.1	3.0	3.0	3.8	3.2	3.3	3.2
Real Per Capita Income (\$/Person)	62,876	63,144	63,432	63,721	64,080	64,395	64,716	65,036
% Ch, Annual Rate	2.2	1.7	1.8	1.8	2.3	2.0	2.0	2.0
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.225	1.231	1.238	1.244	1.251	1.257	1.263	1.270
% Ch, Annual Rate	2.2	2.1	2.1	2.1	2.1	2.0	2.0	2.0
Seattle Cons. Price Index (1982-84=1.0)	3.182	3.199	3.216	3.233	3.250	3.267	3.284	3.302
% Ch, Annual Rate	2.2	2.2	2.1	2.2	2.1	2.1	2.1	2.2
Average Nonfarm Annual Wage	92,730	93,619	94,528	95,474	96,453	97,442	98,447	99,467
% Ch, Annual Rate	3.8	3.9	3.9	4.1	4.2	4.2	4.2	4.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	31.58	31.86	32.14	32.43	32.72	33.01	33.31	33.60
% Ch, Annual Rate	3.7	3.6	3.6	3.6	3.7	3.6	3.6	3.6
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	613.429	620.932	628.701	636.641	645.262	653.433	661.751	670.172
% Ch, Annual Rate	5.5	5.0	5.1	5.1	5.5	5.2	5.2	5.2
Disposable Personal Income	535.351	542.269	549.320	556.553	564.534	572.013	579.624	587.270
% Ch, Annual Rate	5.9	5.3	5.3	5.4	5.9	5.4	5.4	5.4
Per Capita Income (\$/Person)	77,016	77,753	78,518	79,297	80,155	80,952	81,762	82,579
% Ch, Annual Rate	4.4	3.9	4.0	4.0	4.4	4.0	4.1	4.1
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	4,123.2	4,137.4	4,151.6	4,165.6	4,179.1	4,192.1	4,205.0	4,217.9
Total Washington Employment	3,939.5	3,950.5	3,963.1	3,975.5	3,987.2	3,998.8	4,010.6	4,022.9
Unemployment Rate (%)	4.46	4.52	4.54	4.56	4.59	4.61	4.62	4.62
Nonfarm Payroll Employment	3,622.4	3,629.6	3,639.0	3,648.4	3,657.0	3,665.1	3,672.9	3,681.0
% Ch, Annual Rate	1.1	0.8	1.0	1.0	0.9	0.9	0.9	0.9
Manufacturing	268.5	268.6	268.7	268.8	268.7	268.6	268.5	268.4
% Ch, Annual Rate	0.2	0.2	0.2	0.1	-0.2	-0.1	-0.2	-0.2
Durable Manufacturing	181.6	181.8	182.0	182.3	182.4	182.5	182.6	182.6
% Ch, Annual Rate	0.4	0.5	0.4	0.6	0.3	0.3	0.1	0.1
Aerospace	72.3	72.4	72.4	72.3	72.2	72.2	72.2	72.3
% Ch, Annual Rate	0.5	0.3	0.0	-0.3	-0.3	-0.2	0.0	0.2
Nondurable Manufacturing	86.9	86.8	86.7	86.5	86.3	86.1	85.9	85.8
% Ch, Annual Rate	-0.3	-0.4	-0.3	-0.8	-1.0	-0.9	-0.8	-0.8
Construction	220.8	220.6	220.7	221.4	222.1	222.6	223.2	224.1
% Ch, Annual Rate	0.9	-0.5	0.3	1.3	1.2	0.9	1.1	1.6
Service-Providing	3,127.7	3,135.0	3,144.1	3,152.7	3,160.7	3,168.3	3,175.6	3,183.0
% Ch, Annual Rate	1.2	0.9	1.2	1.1	1.0	1.0	0.9	0.9
Software Publishers	84.6	85.1	85.4	85.7	86.1	86.4	86.6	86.8
% Ch, Annual Rate	1.9	1.9	1.6	1.6	1.6	1.4	1.1	1.0
Electronic Shopping and Mail-Order	83.6	84.0	84.5	84.9	85.4	85.8	86.3	86.7
% Ch, Annual Rate	2.3	2.2	2.2	2.2	2.2	2.1	2.1	2.1
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	43.423	43.157	43.314	43.195	43.439	43.383	43.175	43.091
% Ch, Annual Rate	-0.1	-2.4	1.5	-1.1	2.3	-0.5	-1.9	-0.8
Single-Family	25.238	25.199	25.337	25.395	25.543	25.684	25.696	25.748
% Ch, Annual Rate	1.5	-0.6	2.2	0.9	2.4	2.2	0.2	0.8
Multi-Family	18.186	17.958	17.977	17.800	17.896	17.699	17.479	17.343
% Ch, Annual Rate	-2.4	-4.9	0.4	-3.9	2.2	-4.3	-4.9	-3.1
30-Year Fixed Mortgage Rate (%)	4.12	4.22	4.31	4.38	4.46	4.54	4.59	4.66

Table A2.1

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

Forecast 2021 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Nonfarm Payroll Employment	148.89	150.90	142.25	146.16	151.63	154.09	155.11	155.69
% Ch	1.6	1.3	-5.7	2.7	3.7	1.6	0.7	0.4
Manufacturing	12.69	12.82	12.18	12.38	12.50	12.45	12.36	12.21
% Ch	2.0	1.0	-4.9	1.6	1.0	-0.4	-0.7	-1.2
Durable Manufacturing	7.95	8.04	7.58	7.69	7.76	7.75	7.70	7.61
% Ch	2.7	1.2	-5.7	1.5	0.8	-0.1	-0.6	-1.2
Wood Products	0.41	0.41	0.40	0.41	0.39	0.36	0.36	0.36
% Ch	2.3	0.7	-3.3	2.9	-3.3	-9.4	-0.1	1.5
Primary and Fabricated Metals	1.85	1.87	1.75	1.76	1.78	1.76	1.77	1.78
% Ch	3.0	1.2	-6.5	0.8	1.2	-1.4	0.8	0.5
Computer and Electronic Products	1.05	1.08	1.07	1.09	1.07	1.06	1.07	1.07
% Ch	1.5	2.0	-0.3	1.4	-1.3	-1.2	0.7	0.2
Machinery and Electrical Equipment	1.52	1.53	1.44	1.45	1.44	1.42	1.40	1.40
% Ch	3.5	0.9	-5.8	0.8	-1.0	-1.3	-1.2	0.0
Transportation Equipment	1.70	1.73	1.58	1.61	1.69	1.81	1.79	1.71
% Ch	3.6	1.6	-8.6	1.6	5.4	7.1	-1.3	-4.5
Other Durables	1.42	1.42	1.34	1.38	1.38	1.34	1.31	1.28
% Ch	1.3	0.4	-5.7	2.8	-0.3	-2.3	-2.2	-2.2
Nondurable Manufacturing	4.74	4.78	4.60	4.69	4.75	4.70	4.66	4.60
% Ch	0.9	0.8	-3.7	1.9	1.3	-1.0	-0.9	-1.2
Food Manufacturing	1.62	1.64	1.62	1.64	1.65	1.65	1.66	1.68
% Ch	1.4	1.5	-1.6	1.4	0.9	-0.2	0.8	0.7
Paper and Paper Products	0.37	0.37	0.36	0.36	0.36	0.35	0.35	0.35
% Ch	-0.1	-0.1	-2.4	-0.4	0.4	-0.5	-0.5	-1.3
Other Nondurables	2.76	2.77	2.63	2.69	2.74	2.69	2.64	2.58
% Ch	0.8	0.4	-5.1	2.4	1.6	-1.6	-1.9	-2.4
Natural Resources and Mining	0.73	0.73	0.62	0.63	0.67	0.69	0.70	0.69
% Ch	7.6	0.0	-14.7	1.9	6.7	2.9	1.0	-0.9
Construction	7.29	7.49	7.27	7.44	7.48	7.48	7.44	7.46
% Ch	4.6	2.8	-2.9	2.3	0.5	0.0	-0.5	0.3
Trade, Transportation, and Utilities	27.60	27.72	26.59	27.39	27.73	27.38	26.98	26.80
% Ch	0.8	0.4	-4.1	3.0	1.2	-1.3	-1.5	-0.7
Wholesale Trade	5.84	5.89	5.64	5.70	5.97	6.22	6.36	6.48
% Ch	0.5	0.8	-4.2	1.1	4.7	4.2	2.2	2.0
Retail Trade	15.78	15.62	14.86	15.33	15.05	14.30	13.69	13.27
% Ch	-0.4	-1.0	-4.9	3.2	-1.9	-5.0	-4.2	-3.1
Trans., Warehousing, and Utilities	5.98	6.21	6.09	6.36	6.71	6.86	6.93	7.05
% Ch	4.3	3.9	-2.0	4.4	5.6	2.2	1.0	1.7
Information	2.84	2.86	2.70	2.75	2.78	2.79	2.91	2.97
% Ch	0.9	0.9	-5.8	1.7	1.2	0.4	4.2	2.0
Publishing Industries	0.74	0.76	0.76	0.77	0.80	0.80	0.80	0.79
% Ch	1.3	3.5	-0.4	1.2	3.9	-0.1	-0.1	-1.0
Other Information	2.10	2.10	1.94	1.97	1.98	1.99	2.11	2.18
% Ch	0.7	0.0	-7.8	1.9	0.2	0.7	6.0	3.2
Financial Activities	8.59	8.75	8.73	8.83	9.20	9.27	9.29	9.34
% Ch	1.7	1.9	-0.3	1.2	4.2	0.7	0.3	0.5
Professional and Business Services	20.95	21.28	20.25	21.00	22.19	22.46	22.63	22.87
% Ch	2.2	1.6	-4.8	3.7	5.6	1.2	0.8	1.1
Education and Health Services	23.64	24.16	23.23	23.56	24.40	24.62	24.98	25.16
% Ch	1.9	2.2	-3.8	1.4	3.6	0.9	1.5	0.7
Leisure and Hospitality	16.30	16.59	13.37	14.69	16.16	17.97	18.62	18.77
% Ch	1.5	1.8	-19.4	9.9	10.0	11.2	3.6	0.8
Other Services	5.83	5.89	5.40	5.66	5.96	6.11	6.21	6.32
% Ch	1.1	1.0	-8.4	4.8	5.4	2.5	1.7	1.8
Federal Government	2.80	2.83	2.93	2.88	2.88	2.88	2.88	2.88
% Ch	-0.2	1.1	3.5	-1.6	0.0	0.0	0.0	0.0
State and Local Government	19.65	19.78	18.98	18.94	19.67	19.98	20.10	20.21
% Ch	0.5	0.7	-4.0	-0.2	3.9	1.5	0.6	0.6

Table A2.2

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

Forecast 2021 to 2025

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
Nonfarm Payroll Employment	151.87	133.67	140.86	142.62	143.36	145.06	147.42	148.81
% Ch, Annual Rate	0.3	-40.0	23.3	5.1	2.1	4.8	6.7	3.8
Manufacturing	12.77	11.69	12.08	12.19	12.25	12.30	12.43	12.54
% Ch, Annual Rate	-0.9	-29.8	13.9	4.0	2.0	1.5	4.4	3.6
Durable Manufacturing	7.99	7.25	7.51	7.58	7.61	7.63	7.73	7.80
% Ch, Annual Rate	-0.9	-32.4	15.7	3.4	1.7	1.3	5.3	3.7
Wood Products	0.41	0.38	0.39	0.40	0.40	0.40	0.41	0.41
% Ch, Annual Rate	-0.2	-24.8	8.0	10.5	4.1	-1.0	6.1	4.6
Primary and Fabricated Metals	1.84	1.71	1.71	1.73	1.74	1.75	1.77	1.79
% Ch, Annual Rate	-3.3	-25.9	1.3	4.1	0.9	3.5	5.3	4.0
Computer and Electronic Products	1.08	1.07	1.07	1.07	1.08	1.08	1.09	1.10
% Ch, Annual Rate	0.2	-5.0	0.4	1.1	2.1	2.8	1.5	3.4
Machinery and Electrical Equipment	1.51	1.41	1.42	1.43	1.43	1.44	1.46	1.48
% Ch, Annual Rate	-3.2	-23.8	2.3	3.2	-0.2	4.9	5.1	3.5
Transportation Equipment	1.73	1.42	1.59	1.59	1.60	1.58	1.61	1.63
% Ch, Annual Rate	2.3	-54.4	57.8	0.4	3.6	-6.7	9.3	3.2
Other Durables	1.42	1.26	1.33	1.35	1.36	1.37	1.39	1.40
% Ch, Annual Rate	0.2	-38.6	26.1	6.0	1.6	4.1	4.0	3.9
Nondurable Manufacturing	4.78	4.45	4.56	4.62	4.65	4.67	4.70	4.74
% Ch, Annual Rate	-1.0	-25.2	11.0	4.9	2.4	1.8	2.9	3.5
Food Manufacturing	1.66	1.57	1.61	1.63	1.64	1.63	1.64	1.65
% Ch, Annual Rate	-1.0	-18.5	9.4	4.6	2.0	-0.5	2.2	0.7
Paper and Paper Products	0.36	0.35	0.35	0.36	0.36	0.35	0.35	0.36
% Ch, Annual Rate	-1.5	-10.9	1.3	1.3	0.9	-4.5	0.7	7.1
Other Nondurables	2.76	2.52	2.60	2.63	2.65	2.68	2.70	2.73
% Ch, Annual Rate	-0.9	-30.8	13.5	5.6	2.8	4.1	3.6	4.7
Natural Resources and Mining	0.68	0.61	0.59	0.60	0.60	0.62	0.64	0.66
% Ch, Annual Rate	-12.1	-38.2	-9.7	3.2	4.3	14.2	13.2	9.5
Construction	7.61	6.90	7.23	7.36	7.41	7.42	7.43	7.52
% Ch, Annual Rate	3.1	-32.2	20.0	7.7	2.4	0.9	0.6	4.5
Trade, Transportation, and Utilities	27.82	25.13	26.47	26.94	27.10	27.22	27.50	27.75
% Ch, Annual Rate	0.4	-33.4	23.2	7.2	2.4	1.9	4.2	3.7
Wholesale Trade	5.89	5.52	5.55	5.60	5.64	5.68	5.72	5.76
% Ch, Annual Rate	-0.3	-23.1	2.7	3.6	2.9	2.9	2.6	2.8
Retail Trade	15.57	13.79	14.92	15.14	15.20	15.28	15.39	15.46
% Ch, Annual Rate	-0.9	-38.3	36.9	6.0	1.6	2.1	2.8	1.9
Trans., Warehousing, and Utilities	6.36	5.82	6.00	6.20	6.25	6.26	6.39	6.53
% Ch, Annual Rate	4.5	-30.2	13.2	13.8	3.7	0.2	9.2	8.7
Information	2.91	2.61	2.62	2.65	2.68	2.71	2.77	2.82
% Ch, Annual Rate	2.9	-35.1	2.0	4.7	3.8	5.1	8.7	8.2
Publishing Industries	0.79	0.76	0.75	0.76	0.77	0.77	0.77	0.78
% Ch, Annual Rate	4.9	-13.7	-4.1	4.5	4.6	2.8	0.5	2.6
Other Information	2.12	1.85	1.87	1.90	1.91	1.94	2.00	2.05
% Ch, Annual Rate	2.2	-41.9	4.6	4.8	3.4	6.1	12.1	10.5
Financial Activities	8.86	8.61	8.68	8.76	8.78	8.81	8.85	8.88
% Ch, Annual Rate	1.7	-10.6	3.0	3.8	1.0	1.1	2.1	1.1
Professional and Business Services	21.41	19.30	19.90	20.41	20.73	20.78	21.06	21.44
% Ch, Annual Rate	0.2	-34.0	12.9	10.8	6.3	1.1	5.3	7.5
Education and Health Services	24.48	22.17	23.04	23.25	23.31	23.47	23.67	23.79
% Ch, Annual Rate	1.4	-32.7	16.7	3.8	0.9	2.9	3.4	2.1
Leisure and Hospitality	16.64	10.33	13.05	13.46	13.47	14.43	15.29	15.58
% Ch, Annual Rate	-3.2	-85.1	154.4	13.3	0.2	31.8	25.9	8.0
Other Services	5.90	4.82	5.38	5.48	5.51	5.61	5.73	5.77
% Ch, Annual Rate	-0.7	-55.6	55.6	7.5	1.9	7.7	8.8	3.1
Federal Government	2.86	2.88	3.06	2.92	2.88	2.88	2.88	2.88
% Ch, Annual Rate	3.3	2.0	27.0	-16.8	-4.9	0.2	0.1	-0.3
State and Local Government	19.93	18.62	18.77	18.59	18.65	18.79	19.16	19.17
% Ch, Annual Rate	1.3	-23.9	3.3	-3.8	1.2	3.1	8.0	0.2

Table A2.2 (continued)

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

Forecast 2021 to 2025

	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4
Nonfarm Payroll Employment	150.05	151.23	152.23	153.01	153.58	153.97	154.28	154.52
% Ch, Annual Rate	3.4	3.2	2.7	2.1	1.5	1.0	0.8	0.6
Manufacturing	12.63	12.53	12.39	12.46	12.46	12.47	12.45	12.42
% Ch, Annual Rate	2.9	-3.2	-4.4	2.2	0.1	0.2	-0.8	-0.7
Durable Manufacturing	7.87	7.78	7.65	7.73	7.75	7.77	7.75	7.74
% Ch, Annual Rate	3.2	-4.2	-6.5	4.0	1.0	1.2	-0.7	-0.6
Wood Products	0.42	0.40	0.38	0.37	0.36	0.36	0.35	0.35
% Ch, Annual Rate	9.0	-16.6	-22.4	-8.4	-9.1	-4.6	-4.2	-0.6
Primary and Fabricated Metals	1.83	1.80	1.75	1.76	1.75	1.76	1.76	1.77
% Ch, Annual Rate	8.1	-5.0	-11.0	0.9	-0.5	1.4	0.4	1.1
Computer and Electronic Products	1.09	1.08	1.06	1.06	1.06	1.06	1.06	1.06
% Ch, Annual Rate	-2.0	-4.8	-6.3	-1.7	-0.4	0.9	1.0	0.8
Machinery and Electrical Equipment	1.47	1.45	1.41	1.42	1.42	1.43	1.42	1.41
% Ch, Annual Rate	-1.3	-4.8	-11.0	1.8	0.6	2.4	-2.3	-2.5
Transportation Equipment	1.64	1.65	1.70	1.77	1.80	1.82	1.82	1.81
% Ch, Annual Rate	4.4	2.6	11.4	18.7	7.0	2.5	0.5	-0.5
Other Durables	1.41	1.39	1.35	1.35	1.35	1.35	1.34	1.33
% Ch, Annual Rate	3.1	-5.8	-11.1	1.0	-0.6	-0.3	-2.6	-2.1
Nondurable Manufacturing	4.77	4.75	4.74	4.73	4.72	4.70	4.69	4.68
% Ch, Annual Rate	2.3	-1.5	-0.7	-0.5	-1.3	-1.3	-0.9	-0.9
Food Manufacturing	1.66	1.65	1.65	1.66	1.66	1.65	1.65	1.65
% Ch, Annual Rate	3.2	-3.4	1.8	1.7	-0.7	-1.4	-0.6	0.3
Paper and Paper Products	0.36	0.36	0.36	0.36	0.35	0.35	0.36	0.35
% Ch, Annual Rate	-1.6	-0.2	-1.1	-1.4	-0.4	0.2	0.4	-0.5
Other Nondurables	2.75	2.75	2.73	2.72	2.71	2.70	2.69	2.68
% Ch, Annual Rate	2.3	-0.5	-2.2	-1.8	-1.7	-1.4	-1.3	-1.8
Natural Resources and Mining	0.67	0.67	0.68	0.68	0.69	0.69	0.70	0.70
% Ch, Annual Rate	5.9	3.2	3.2	0.1	4.6	3.2	3.1	2.7
Construction	7.47	7.47	7.48	7.49	7.49	7.49	7.47	7.46
% Ch, Annual Rate	-2.3	0.0	0.5	0.2	0.4	-0.4	-0.8	-0.6
Trade, Transportation, and Utilities	27.97	27.75	27.79	27.40	27.26	27.46	27.39	27.41
% Ch, Annual Rate	3.1	-3.0	0.6	-5.5	-2.1	3.1	-1.1	0.4
Wholesale Trade	5.78	5.87	6.09	6.14	6.21	6.21	6.22	6.25
% Ch, Annual Rate	1.0	7.0	15.6	3.6	4.5	-0.3	0.9	1.5
Retail Trade	15.65	15.24	14.88	14.41	14.16	14.40	14.32	14.31
% Ch, Annual Rate	4.8	-10.0	-9.1	-12.0	-6.9	7.0	-2.4	0.0
Trans., Warehousing, and Utilities	6.54	6.64	6.82	6.84	6.89	6.85	6.85	6.85
% Ch, Annual Rate	0.9	5.9	11.6	1.2	2.5	-1.8	-0.3	0.3
Information	2.81	2.79	2.77	2.75	2.78	2.80	2.78	2.81
% Ch, Annual Rate	-2.2	-2.5	-3.3	-1.9	3.8	2.4	-2.0	4.1
Publishing Industries	0.79	0.80	0.81	0.81	0.81	0.80	0.80	0.80
% Ch, Annual Rate	7.4	4.1	5.8	-2.2	0.0	-2.8	-0.6	-0.5
Other Information	2.02	1.99	1.96	1.95	1.97	2.00	1.98	2.01
% Ch, Annual Rate	-5.7	-5.0	-6.7	-1.8	5.4	4.6	-2.5	6.0
Financial Activities	8.95	9.17	9.34	9.34	9.35	9.26	9.24	9.23
% Ch, Annual Rate	3.5	10.1	7.7	0.0	0.3	-3.7	-1.0	-0.2
Professional and Business Services	21.74	22.13	22.37	22.50	22.65	22.45	22.35	22.37
% Ch, Annual Rate	5.7	7.4	4.3	2.4	2.7	-3.4	-1.9	0.5
Education and Health Services	23.88	24.51	24.65	24.56	24.63	24.55	24.60	24.70
% Ch, Annual Rate	1.5	10.9	2.3	-1.5	1.2	-1.3	0.9	1.6
Leisure and Hospitality	15.85	15.75	16.04	17.01	17.35	17.85	18.32	18.38
% Ch, Annual Rate	7.0	-2.6	7.6	26.5	8.3	12.0	10.9	1.3
Other Services	5.77	5.92	6.07	6.09	6.13	6.10	6.11	6.12
% Ch, Annual Rate	-0.5	10.9	10.6	1.8	2.0	-1.8	0.5	1.0
Federal Government	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	19.43	19.65	19.77	19.85	19.92	19.97	20.00	20.03
% Ch, Annual Rate	5.6	4.6	2.4	1.6	1.4	1.0	0.7	0.5



Table A2.2 (continued)

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

Forecast 2021 to 2025

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Nonfarm Payroll Employment	154.78	155.01	155.23	155.41	155.53	155.64	155.74	155.86
% Ch, Annual Rate	0.7	0.6	0.6	0.5	0.3	0.3	0.3	0.3
Manufacturing	12.40	12.38	12.35	12.32	12.28	12.23	12.19	12.15
% Ch, Annual Rate	-0.7	-0.8	-0.9	-0.9	-1.5	-1.5	-1.4	-1.1
Durable Manufacturing	7.73	7.71	7.70	7.68	7.65	7.62	7.59	7.57
% Ch, Annual Rate	-0.8	-0.7	-0.9	-0.7	-1.6	-1.6	-1.5	-1.0
Wood Products	0.35	0.36	0.36	0.36	0.36	0.36	0.36	0.36
% Ch, Annual Rate	1.2	1.8	0.8	2.1	1.8	2.2	0.1	0.9
Primary and Fabricated Metals	1.77	1.77	1.78	1.78	1.78	1.78	1.78	1.78
% Ch, Annual Rate	0.9	0.7	0.7	1.3	0.3	0.4	-0.1	-0.3
Computer and Electronic Products	1.06	1.07	1.07	1.07	1.07	1.07	1.07	1.07
% Ch, Annual Rate	0.7	0.5	0.8	0.7	0.4	-0.1	-0.5	-0.8
Machinery and Electrical Equipment	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
% Ch, Annual Rate	-1.8	-0.7	-0.2	0.2	-0.1	0.1	0.1	-0.1
Transportation Equipment	1.81	1.80	1.78	1.77	1.74	1.71	1.70	1.68
% Ch, Annual Rate	-1.5	-2.1	-3.1	-4.0	-5.8	-5.9	-4.2	-2.6
Other Durables	1.33	1.32	1.31	1.30	1.30	1.29	1.28	1.27
% Ch, Annual Rate	-2.5	-2.4	-2.6	-1.7	-2.2	-2.4	-2.8	-1.4
Nondurable Manufacturing	4.67	4.66	4.65	4.64	4.62	4.61	4.59	4.58
% Ch, Annual Rate	-0.7	-0.8	-0.8	-1.2	-1.4	-1.3	-1.2	-1.3
Food Manufacturing	1.66	1.66	1.67	1.67	1.67	1.68	1.68	1.68
% Ch, Annual Rate	1.4	1.5	1.6	1.1	0.2	0.4	0.7	0.5
Paper and Paper Products	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
% Ch, Annual Rate	-0.6	-0.8	-0.7	-1.4	-1.7	-1.5	-1.2	-1.2
Other Nondurables	2.66	2.65	2.63	2.62	2.60	2.58	2.57	2.55
% Ch, Annual Rate	-2.0	-2.3	-2.3	-2.5	-2.4	-2.4	-2.4	-2.4
Natural Resources and Mining	0.70	0.70	0.70	0.70	0.70	0.69	0.69	0.69
% Ch, Annual Rate	-0.4	0.6	-0.1	-0.8	-1.1	-1.7	-1.1	-1.2
Construction	7.45	7.44	7.43	7.44	7.44	7.45	7.46	7.48
% Ch, Annual Rate	-0.6	-0.5	-0.3	0.2	0.3	0.5	0.6	1.1
Trade, Transportation, and Utilities	27.25	26.94	26.88	26.85	26.83	26.80	26.80	26.79
% Ch, Annual Rate	-2.4	-4.4	-0.9	-0.5	-0.3	-0.4	0.1	-0.2
Wholesale Trade	6.29	6.35	6.38	6.41	6.45	6.48	6.50	6.51
% Ch, Annual Rate	2.9	3.5	2.3	2.1	2.3	1.5	1.3	1.0
Retail Trade	14.07	13.67	13.55	13.47	13.36	13.28	13.24	13.19
% Ch, Annual Rate	-6.6	-11.0	-3.5	-2.5	-3.0	-2.4	-1.2	-1.4
Trans., Warehousing, and Utilities	6.88	6.93	6.95	6.97	7.01	7.04	7.06	7.08
% Ch, Annual Rate	1.8	2.5	1.3	1.1	2.5	1.7	1.4	1.1
Information	2.86	2.91	2.93	2.94	2.96	2.97	2.97	2.97
% Ch, Annual Rate	7.5	6.8	3.0	1.7	2.3	1.9	0.2	-0.5
Publishing Industries	0.80	0.80	0.80	0.80	0.80	0.80	0.79	0.78
% Ch, Annual Rate	0.6	0.8	-0.3	-0.6	-0.5	-1.3	-2.6	-2.9
Other Information	2.06	2.11	2.13	2.14	2.16	2.18	2.18	2.19
% Ch, Annual Rate	10.3	9.2	4.3	2.5	3.4	3.0	1.2	0.4
Financial Activities	9.26	9.29	9.30	9.32	9.33	9.34	9.34	9.34
% Ch, Annual Rate	1.1	1.5	0.5	0.6	0.5	0.4	0.1	-0.1
Professional and Business Services	22.50	22.62	22.67	22.72	22.80	22.84	22.89	22.93
% Ch, Annual Rate	2.2	2.2	0.9	0.9	1.4	0.8	0.7	0.9
Education and Health Services	24.83	24.96	25.05	25.09	25.13	25.15	25.16	25.19
% Ch, Annual Rate	2.2	2.1	1.3	0.8	0.6	0.2	0.2	0.5
Leisure and Hospitality	18.44	18.60	18.68	18.75	18.73	18.77	18.79	18.80
% Ch, Annual Rate	1.3	3.5	1.9	1.3	-0.4	0.9	0.5	0.3
Other Services	6.16	6.21	6.23	6.26	6.29	6.31	6.34	6.36
% Ch, Annual Rate	2.5	3.1	1.8	1.4	1.9	1.6	1.7	1.5
Federal Government	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.06	20.08	20.11	20.14	20.17	20.20	20.22	20.25
% Ch, Annual Rate	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6



Table A2.3

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

Forecast 2021 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Nonfarm Payroll Employment	3,401.1	3,468.5	3,286.4	3,364.6	3,513.0	3,596.3	3,634.8	3,669.0
% Ch	2.4	2.0	-5.3	2.4	4.4	2.4	1.1	0.9
Manufacturing	287.7	293.7	271.7	259.0	266.0	268.3	268.7	268.6
% Ch	1.2	2.1	-7.5	-4.7	2.7	0.9	0.1	0.0
Durable Manufacturing	202.2	206.9	189.6	175.3	179.4	181.2	181.9	182.5
% Ch	0.9	2.4	-8.4	-7.5	2.3	1.0	0.4	0.3
Wood Products	13.0	12.9	12.5	13.3	12.9	11.8	11.5	11.3
% Ch	0.9	-0.5	-3.4	6.2	-3.0	-8.5	-2.5	-1.2
Primary and Fabricated Metals	26.1	26.9	24.3	22.7	23.3	23.4	23.7	23.8
% Ch	4.3	2.9	-9.6	-6.6	2.6	0.4	1.2	0.7
Computer and Electronic Products	19.8	19.9	18.9	17.7	17.3	17.5	17.9	18.2
% Ch	0.9	0.2	-4.8	-6.4	-2.2	0.9	2.7	1.8
Machinery and Electrical Equipment	21.3	21.2	19.2	19.4	20.1	20.6	20.8	21.4
% Ch	3.0	-0.8	-9.1	1.0	3.2	2.8	1.0	2.9
Aerospace	83.9	88.5	80.0	67.7	70.4	72.0	72.3	72.2
% Ch	-0.3	5.5	-9.6	-15.4	4.0	2.3	0.4	-0.1
Other Transportation Equip.	9.9	9.7	9.0	9.0	9.2	9.2	9.0	8.8
% Ch	-3.0	-1.8	-6.8	-0.1	2.3	0.0	-2.1	-2.2
Other Durables	28.1	27.8	25.6	25.6	26.2	26.7	26.7	26.6
% Ch	1.5	-0.8	-8.0	-0.2	2.7	1.7	-0.1	-0.2
Nondurable Manufacturing	85.6	86.8	82.1	83.7	86.6	87.2	86.7	86.0
% Ch	2.0	1.4	-5.4	1.9	3.6	0.6	-0.5	-0.8
Food Manufacturing	39.1	39.4	37.8	38.9	40.0	40.0	39.9	39.8
% Ch	2.8	0.8	-4.1	2.9	3.0	0.1	-0.2	-0.3
Paper and Paper Products	7.7	7.8	7.5	7.4	7.5	7.5	7.4	7.2
% Ch	-1.2	1.5	-3.1	-1.5	1.6	-0.3	-1.6	-2.5
Other Nondurables	38.9	39.6	36.8	37.4	39.1	39.6	39.4	39.0
% Ch	1.9	2.0	-7.1	1.6	4.6	1.3	-0.6	-1.0
Natural Resources and Mining	6.3	5.9	5.6	5.7	5.8	5.4	5.4	5.5
% Ch	1.1	-6.3	-5.6	2.5	2.6	-6.8	0.1	1.6
Construction	213.1	219.5	213.5	223.0	220.3	219.5	220.9	223.0
% Ch	6.7	3.0	-2.7	4.4	-1.2	-0.4	0.6	1.0
Trade, Transportation, and Utilities	636.0	643.2	629.8	652.7	663.0	659.9	655.8	656.2
% Ch	1.8	1.1	-2.1	3.6	1.6	-0.5	-0.6	0.0
Wholesale Trade	135.7	136.3	131.0	134.4	140.5	146.8	151.1	155.1
% Ch	1.8	0.5	-3.9	2.6	4.6	4.5	3.0	2.6
Retail Trade	385.8	390.5	386.7	399.6	398.8	386.5	376.8	371.0
% Ch	1.9	1.2	-1.0	3.3	-0.2	-3.1	-2.5	-1.5
Electronic Shopping and Mail-Order	54.8	63.5	75.9	76.0	80.3	82.4	84.2	86.1
% Ch	10.1	15.9	19.5	0.2	5.7	2.5	2.3	2.2
Other Retail Trade	331.0	327.0	310.8	323.6	318.5	304.1	292.6	284.9
% Ch	0.6	-1.2	-4.9	4.1	-1.6	-4.5	-3.8	-2.6
Trans., Warehousing, and Utilities	114.5	116.4	112.1	118.7	123.7	126.6	127.9	130.1
% Ch	1.8	1.6	-3.7	5.9	4.2	2.3	1.0	1.7
Information	134.2	144.5	149.0	158.3	163.3	165.2	167.4	170.0
% Ch	6.3	7.7	3.1	6.2	3.2	1.1	1.3	1.6
Software Publishers	65.3	70.4	75.6	79.0	82.3	83.8	85.2	86.5
% Ch	6.4	7.7	7.4	4.6	4.2	1.7	1.7	1.5
Other Publishing Industries	5.1	4.8	4.1	4.0	4.2	4.0	3.7	3.4
% Ch	-6.8	-6.2	-14.6	-3.9	6.1	-5.7	-6.2	-8.9
Other Information	63.7	69.3	69.3	75.3	76.8	77.5	78.4	80.2
% Ch	7.4	8.7	0.0	8.7	1.9	0.9	1.2	2.2
Financial Activities	157.7	160.4	158.4	160.3	167.9	168.9	169.4	170.2
% Ch	2.4	1.7	-1.3	1.2	4.7	0.6	0.3	0.4
Professional and Business Services	424.3	434.7	425.0	445.7	468.2	474.6	481.5	489.7
% Ch	2.6	2.4	-2.2	4.9	5.1	1.4	1.5	1.7
Education and Health Services	490.2	502.4	488.5	500.0	516.8	525.7	536.1	543.3
% Ch	3.1	2.5	-2.8	2.4	3.4	1.7	2.0	1.4
Leisure and Hospitality	341.9	347.4	264.2	279.3	329.3	375.8	387.7	392.0
% Ch	3.1	1.6	-23.9	5.7	17.9	14.1	3.2	1.1
Other Services	122.4	129.3	118.7	120.6	128.6	134.4	136.7	139.0
% Ch	2.2	5.7	-8.2	1.6	6.7	4.5	1.7	1.7
Federal Government	74.8	75.8	78.5	76.7	76.5	76.8	77.1	77.5
% Ch	0.0	1.3	3.6	-2.2	-0.3	0.4	0.4	0.4
State and Local Government	512.5	511.8	483.5	483.3	507.1	521.5	528.1	533.9
% Ch	0.3	-0.1	-5.5	-0.1	4.9	2.8	1.3	1.1

Table A2.4

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

Forecast 2021 to 2025

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
Nonfarm Payroll Employment	3,507.7	3,128.5	3,240.2	3,269.2	3,288.7	3,345.7	3,395.3	3,428.7
% Ch, Annual Rate	1.4	-36.7	15.1	3.6	2.4	7.1	6.1	4.0
Manufacturing	292.4	269.7	264.4	260.2	258.6	257.1	258.6	261.8
% Ch, Annual Rate	-1.2	-27.7	-7.6	-6.2	-2.4	-2.3	2.5	4.9
Durable Manufacturing	205.2	190.7	183.8	178.6	176.3	174.1	174.5	176.5
% Ch, Annual Rate	-2.2	-25.3	-13.7	-10.8	-5.1	-5.0	1.1	4.6
Wood Products	12.9	12.0	12.3	12.7	13.3	13.2	13.2	13.4
% Ch, Annual Rate	-1.6	-24.4	12.2	13.3	18.7	-2.3	-1.0	5.5
Primary and Fabricated Metals	26.7	24.5	23.4	22.6	22.7	22.6	22.5	23.0
% Ch, Annual Rate	-4.5	-29.1	-17.1	-11.9	0.4	-1.8	-0.4	8.1
Computer and Electronic Products	19.4	19.0	18.7	18.5	18.0	17.6	17.6	17.6
% Ch, Annual Rate	-3.6	-9.1	-5.4	-4.3	-10.1	-8.9	-1.2	1.1
Machinery and Electrical Equipment	20.2	19.2	18.8	18.8	19.0	19.0	19.6	20.1
% Ch, Annual Rate	-12.2	-18.2	-8.0	1.6	3.5	-1.1	15.3	9.7
Aerospace	88.9	83.1	76.6	71.4	68.6	67.1	67.3	67.7
% Ch, Annual Rate	-0.6	-23.3	-28.0	-24.3	-15.0	-8.2	1.1	2.3
Other Transportation Equip.	9.7	8.8	8.8	8.9	9.0	9.0	9.0	9.0
% Ch, Annual Rate	8.0	-34.5	0.2	4.8	6.3	1.7	-0.4	-1.0
Other Durables	27.4	24.2	25.3	25.6	25.7	25.5	25.3	25.7
% Ch, Annual Rate	-0.1	-39.7	19.3	5.2	1.7	-2.7	-3.9	7.7
Nondurable Manufacturing	87.3	79.0	80.6	81.5	82.3	83.0	84.1	85.3
% Ch, Annual Rate	1.2	-32.9	8.3	4.9	3.6	3.6	5.4	5.7
Food Manufacturing	39.5	36.7	37.0	37.8	38.4	38.4	39.0	39.6
% Ch, Annual Rate	1.4	-25.7	3.3	8.5	6.3	0.9	6.4	5.6
Paper and Paper Products	7.8	7.5	7.2	7.5	7.4	7.4	7.3	7.5
% Ch, Annual Rate	2.4	-15.2	-13.8	14.4	-6.0	0.4	-2.1	10.9
Other Nondurables	39.9	34.7	36.3	36.3	36.5	37.2	37.7	38.2
% Ch, Annual Rate	0.8	-42.5	19.4	-0.5	3.0	7.3	5.9	4.7
Natural Resources and Mining	5.7	5.4	5.5	5.6	5.7	5.7	5.7	5.7
% Ch, Annual Rate	-1.1	-15.9	2.3	11.5	3.8	1.6	-2.2	4.2
Construction	224.1	198.9	212.4	218.8	222.5	222.5	222.5	224.4
% Ch, Annual Rate	3.9	-38.0	30.1	12.6	7.1	-0.1	0.0	3.5
Trade, Transportation, and Utilities	651.3	596.3	627.3	644.2	648.9	647.6	652.6	661.6
% Ch, Annual Rate	2.1	-29.7	22.5	11.2	3.0	-0.8	3.1	5.6
Wholesale Trade	136.8	127.9	127.6	131.6	133.5	133.4	134.8	135.8
% Ch, Annual Rate	0.3	-23.5	-1.1	13.2	5.8	-0.1	4.2	3.0
Retail Trade	396.8	359.5	389.8	400.6	397.9	396.3	398.9	405.3
% Ch, Annual Rate	3.3	-32.6	38.2	11.5	-2.7	-1.6	2.7	6.6
Electronic Shopping and Mail-Order	71.2	73.5	77.2	81.5	76.1	73.6	75.4	78.9
% Ch	22.5	13.6	21.6	23.8	-24.0	-12.2	10.3	19.8
Other Retail Trade	325.5	286.0	312.6	319.1	321.9	322.7	323.4	326.4
% Ch	-0.4	-40.4	42.7	8.7	3.4	1.0	1.0	3.7
Trans., Warehousing, and Utilities	117.7	108.8	109.9	112.0	117.6	117.9	118.9	120.4
% Ch, Annual Rate	0.4	-27.1	4.0	8.1	21.3	1.2	3.3	5.3
Information	149.8	147.8	147.3	151.1	154.7	156.7	158.8	163.0
% Ch, Annual Rate	6.1	-5.2	-1.5	10.8	9.7	5.4	5.4	11.1
Software Publishers	74.6	76.0	75.6	76.1	78.3	78.6	78.3	80.8
% Ch, Annual Rate	11.1	7.8	-1.8	2.2	12.2	1.6	-1.4	13.5
Other Publishing Industries	4.6	4.1	3.9	3.9	3.9	3.9	4.1	4.0
% Ch, Annual Rate	-6.5	-38.4	-13.0	-8.5	1.7	0.6	19.2	-1.8
Other Information	70.6	67.8	67.7	71.2	72.5	74.3	76.4	78.2
% Ch, Annual Rate	2.1	-15.3	-0.5	22.4	7.6	10.0	12.3	9.4
Financial Activities	162.6	155.7	156.5	158.8	159.0	160.0	160.6	161.8
% Ch, Annual Rate	1.8	-15.9	2.0	5.9	0.7	2.5	1.4	3.0
Professional and Business Services	442.7	410.8	415.4	431.2	437.2	442.5	447.5	455.6
% Ch, Annual Rate	2.2	-25.8	4.5	16.1	5.7	4.9	4.6	7.4
Education and Health Services	508.1	467.8	486.4	491.6	495.1	498.1	503.6	503.1
% Ch, Annual Rate	0.6	-28.1	16.9	4.4	2.9	2.4	4.5	-0.4
Leisure and Hospitality	347.5	216.5	246.4	246.5	244.0	276.0	294.5	302.8
% Ch, Annual Rate	-2.8	-84.9	67.6	0.3	-4.1	63.6	29.8	11.7
Other Services	132.6	109.3	115.1	117.8	117.7	119.5	121.8	123.3
% Ch, Annual Rate	2.6	-53.7	22.9	9.7	-0.4	6.0	8.2	4.9
Federal Government	77.4	77.4	81.0	78.1	77.4	77.0	76.3	76.3
% Ch, Annual Rate	7.0	0.4	19.9	-13.8	-3.6	-1.9	-3.7	0.1
State and Local Government	513.5	472.7	482.6	465.3	467.9	483.1	492.8	489.3
% Ch, Annual Rate	1.1	-28.2	8.6	-13.6	2.3	13.6	8.3	-2.8

Table A2.4 (continued)

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

Forecast 2021 to 2025

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Nonfarm Payroll Employment	3,467.1	3,500.5	3,529.4	3,554.9	3,579.4	3,591.7	3,601.2	3,612.7
% Ch, Annual Rate	4.6	3.9	3.3	2.9	2.8	1.4	1.1	1.3
Manufacturing	265.9	266.2	265.2	266.9	268.2	268.4	268.3	268.3
% Ch, Annual Rate	6.4	0.5	-1.6	2.7	2.0	0.3	-0.2	0.0
Durable Manufacturing	179.6	179.8	178.4	179.8	180.8	181.2	181.3	181.4
% Ch, Annual Rate	7.1	0.4	-2.9	3.0	2.3	1.0	0.0	0.3
Wood Products	13.6	13.1	12.5	12.2	12.0	11.8	11.6	11.6
% Ch, Annual Rate	8.5	-13.9	-19.0	-6.5	-7.1	-6.3	-6.0	-2.9
Primary and Fabricated Metals	23.6	23.5	22.9	23.1	23.3	23.4	23.4	23.5
% Ch, Annual Rate	12.0	-2.8	-9.5	4.0	2.6	1.7	0.5	1.7
Computer and Electronic Products	17.6	17.4	17.1	17.1	17.3	17.4	17.5	17.6
% Ch, Annual Rate	0.5	-4.9	-7.7	1.2	3.6	2.9	3.1	2.8
Machinery and Electrical Equipment	20.3	20.2	19.7	20.1	20.4	20.7	20.7	20.6
% Ch, Annual Rate	3.4	-1.3	-10.4	8.7	6.9	6.4	-0.7	-0.9
Aerospace	69.2	70.1	70.9	71.4	71.8	72.0	72.1	72.2
% Ch, Annual Rate	9.1	5.6	4.5	2.7	2.4	1.0	0.8	0.6
Other Transportation Equip.	9.1	9.2	9.3	9.3	9.3	9.2	9.2	9.1
% Ch, Annual Rate	4.3	4.2	3.1	2.9	0.4	-4.6	-1.6	-2.7
Other Durables	26.1	26.2	26.2	26.5	26.7	26.7	26.7	26.7
% Ch, Annual Rate	5.6	1.7	-0.4	4.6	3.1	0.4	-0.5	0.1
Nondurable Manufacturing	86.3	86.4	86.7	87.1	87.4	87.2	87.1	86.9
% Ch, Annual Rate	4.9	0.6	1.3	2.0	1.3	-1.0	-0.6	-0.6
Food Manufacturing	40.0	39.7	40.0	40.3	40.3	40.1	39.9	39.8
% Ch, Annual Rate	4.1	-2.3	2.8	2.6	0.3	-2.3	-1.6	-0.7
Paper and Paper Products	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
% Ch, Annual Rate	-0.8	0.8	-0.3	-0.5	0.5	-0.7	-0.6	-1.6
Other Nondurables	38.8	39.1	39.2	39.3	39.6	39.6	39.6	39.6
% Ch, Annual Rate	6.9	3.6	0.1	1.9	2.4	0.4	0.4	-0.4
Natural Resources and Mining	6.2	5.9	5.7	5.6	5.5	5.5	5.4	5.4
% Ch, Annual Rate	34.9	-17.1	-11.2	-9.3	-4.3	-4.4	-3.5	-1.5
Construction	221.6	220.6	219.7	219.4	219.7	219.5	218.6	220.4
% Ch, Annual Rate	-5.0	-1.8	-1.6	-0.5	0.5	-0.4	-1.5	3.2
Trade, Transportation, and Utilities	667.1	663.4	664.3	657.4	655.6	661.0	660.5	662.4
% Ch, Annual Rate	3.4	-2.2	0.6	-4.1	-1.1	3.4	-0.3	1.2
Wholesale Trade	136.1	138.4	143.0	144.6	146.3	146.3	146.8	147.7
% Ch, Annual Rate	0.7	6.9	14.1	4.5	4.9	-0.1	1.4	2.5
Retail Trade	410.1	402.5	395.8	386.8	382.3	388.3	387.3	388.1
% Ch, Annual Rate	4.8	-7.2	-6.5	-8.7	-4.6	6.4	-1.0	0.9
Electronic Shopping and Mail-Order	79.5	80.1	80.6	81.1	81.6	82.1	82.6	83.1
% Ch	2.9	2.8	2.7	2.6	2.5	2.4	2.4	2.3
Other Retail Trade	330.6	322.4	315.2	305.7	300.7	306.1	304.7	305.0
% Ch	5.2	-9.5	-8.7	-11.5	-6.4	7.5	-1.9	0.5
Trans., Warehousing, and Utilities	120.9	122.5	125.5	126.0	126.9	126.5	126.4	126.6
% Ch, Annual Rate	1.7	5.3	10.1	1.6	3.0	-1.5	-0.3	0.6
Information	163.2	163.3	163.2	163.6	164.8	165.1	165.6	165.4
% Ch, Annual Rate	0.4	0.3	-0.3	1.0	2.9	0.8	1.0	-0.4
Software Publishers	81.5	82.1	82.7	83.0	83.4	83.6	83.9	84.3
% Ch, Annual Rate	3.6	2.8	3.2	1.2	1.8	1.1	1.6	1.6
Other Publishing Industries	4.2	4.2	4.3	4.2	4.1	4.0	3.9	3.8
% Ch, Annual Rate	12.5	4.4	8.5	-10.3	-5.4	-12.0	-7.1	-7.1
Other Information	77.5	77.0	76.2	76.5	77.3	77.6	77.7	77.3
% Ch, Annual Rate	-3.3	-2.4	-4.4	1.5	4.6	1.2	0.8	-2.2
Financial Activities	163.1	167.3	170.7	170.5	170.6	168.7	168.1	168.2
% Ch, Annual Rate	3.3	10.9	8.2	-0.3	0.1	-4.3	-1.4	0.2
Professional and Business Services	460.7	467.3	471.3	473.6	476.3	474.0	473.2	474.7
% Ch, Annual Rate	4.6	5.8	3.5	2.0	2.3	-1.9	-0.7	1.3
Education and Health Services	506.1	517.9	521.6	521.6	524.3	524.0	525.9	528.6
% Ch, Annual Rate	2.4	9.7	2.9	0.0	2.1	-0.3	1.5	2.1
Leisure and Hospitality	314.1	319.2	330.7	353.1	365.4	373.7	381.4	382.9
% Ch, Annual Rate	15.7	6.7	15.2	29.8	14.8	9.3	8.5	1.5
Other Services	125.0	127.5	130.0	131.9	133.8	134.2	134.6	135.2
% Ch, Annual Rate	5.6	8.2	8.1	6.0	6.0	0.9	1.4	1.6
Federal Government	76.4	76.5	76.5	76.6	76.7	76.8	76.9	76.9
% Ch, Annual Rate	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
State and Local Government	497.9	505.4	510.5	514.6	518.4	520.8	522.7	524.3
% Ch, Annual Rate	7.2	6.2	4.1	3.3	3.0	1.8	1.5	1.3

Table A2.4 (continued)

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

Forecast 2021 to 2025

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Nonfarm Payroll Employment	3,622.4	3,629.6	3,639.0	3,648.4	3,657.0	3,665.1	3,672.9	3,681.0
% Ch, Annual Rate	1.1	0.8	1.0	1.0	0.9	0.9	0.9	0.9
Manufacturing	268.5	268.6	268.7	268.8	268.7	268.6	268.5	268.4
% Ch, Annual Rate	0.2	0.2	0.2	0.1	-0.2	-0.1	-0.2	-0.2
Durable Manufacturing	181.6	181.8	182.0	182.3	182.4	182.5	182.6	182.6
% Ch, Annual Rate	0.4	0.5	0.4	0.6	0.3	0.3	0.1	0.1
Wood Products	11.5	11.5	11.4	11.4	11.4	11.4	11.3	11.3
% Ch, Annual Rate	-1.4	-0.9	-1.8	-0.7	-1.0	-0.6	-2.4	-1.7
Primary and Fabricated Metals	23.6	23.6	23.7	23.8	23.8	23.9	23.9	23.8
% Ch, Annual Rate	1.3	0.9	1.0	1.7	0.5	0.6	0.0	-0.2
Computer and Electronic Products	17.8	17.9	18.0	18.1	18.2	18.2	18.3	18.3
% Ch, Annual Rate	2.6	2.3	2.8	2.7	2.0	1.2	0.5	-0.2
Machinery and Electrical Equipment	20.6	20.7	20.9	21.0	21.2	21.3	21.5	21.7
% Ch, Annual Rate	0.1	1.7	2.6	3.2	2.8	3.1	3.1	2.9
Aerospace	72.3	72.4	72.4	72.3	72.2	72.2	72.2	72.3
% Ch, Annual Rate	0.5	0.3	0.0	-0.3	-0.3	-0.2	0.0	0.2
Other Transportation Equip.	9.1	9.1	9.0	9.0	8.9	8.9	8.8	8.7
% Ch, Annual Rate	-2.0	-1.6	-1.8	-1.8	-2.2	-2.6	-2.7	-2.6
Other Durables	26.7	26.7	26.7	26.6	26.6	26.6	26.6	26.6
% Ch, Annual Rate	0.2	-0.2	-0.4	-0.1	-0.2	-0.2	-0.3	-0.3
Nondurable Manufacturing	86.9	86.8	86.7	86.5	86.3	86.1	85.9	85.8
% Ch, Annual Rate	-0.3	-0.4	-0.3	-0.8	-1.0	-0.9	-0.8	-0.8
Food Manufacturing	39.9	39.9	40.0	40.0	39.9	39.8	39.8	39.8
% Ch, Annual Rate	0.3	0.4	0.5	0.0	-0.8	-0.6	-0.4	-0.5
Paper and Paper Products	7.5	7.4	7.4	7.3	7.3	7.2	7.2	7.1
% Ch, Annual Rate	-1.6	-1.9	-1.8	-2.6	-2.9	-2.7	-2.4	-2.4
Other Nondurables	39.5	39.4	39.4	39.2	39.1	39.0	39.0	38.9
% Ch, Annual Rate	-0.7	-1.0	-1.0	-1.2	-0.9	-0.9	-1.0	-0.9
Natural Resources and Mining	5.4	5.4	5.5	5.5	5.5	5.5	5.5	5.5
% Ch, Annual Rate	1.0	2.7	2.1	2.4	2.1	1.2	-0.2	0.5
Construction	220.8	220.6	220.7	221.4	222.1	222.6	223.2	224.1
% Ch, Annual Rate	0.9	-0.5	0.3	1.3	1.2	0.9	1.1	1.6
Trade, Transportation, and Utilities	660.0	654.5	654.2	654.6	655.1	655.5	656.6	657.4
% Ch, Annual Rate	-1.4	-3.3	-0.2	0.3	0.3	0.2	0.7	0.5
Wholesale Trade	149.1	150.8	151.8	152.9	154.0	154.8	155.5	156.1
% Ch, Annual Rate	3.8	4.5	2.9	2.8	2.9	2.1	1.9	1.6
Retail Trade	383.8	376.0	374.3	373.3	371.8	370.9	370.8	370.5
% Ch, Annual Rate	-4.4	-7.8	-1.9	-1.1	-1.5	-1.0	-0.1	-0.2
Electronic Shopping and Mail-Order	83.6	84.0	84.5	84.9	85.4	85.8	86.3	86.7
% Ch	2.3	2.2	2.2	2.2	2.2	2.1	2.1	2.1
Other Retail Trade	300.3	292.0	289.8	288.3	286.5	285.0	284.5	283.8
% Ch	-6.1	-10.5	-3.0	-2.0	-2.6	-2.0	-0.8	-0.9
Trans., Warehousing, and Utilities	127.1	127.7	128.1	128.5	129.3	129.8	130.3	130.8
% Ch, Annual Rate	1.7	2.0	1.3	1.2	2.4	1.7	1.5	1.3
Information	166.2	166.8	167.9	168.5	169.4	170.1	170.3	170.4
% Ch, Annual Rate	2.0	1.6	2.5	1.5	2.0	1.8	0.6	0.1
Software Publishers	84.6	85.1	85.4	85.7	86.1	86.4	86.6	86.8
% Ch, Annual Rate	1.9	1.9	1.6	1.6	1.6	1.4	1.1	1.0
Other Publishing Industries	3.8	3.8	3.7	3.6	3.6	3.5	3.3	3.2
% Ch, Annual Rate	-4.4	-3.8	-6.9	-7.6	-7.5	-9.9	-13.6	-14.8
Other Information	77.8	78.0	78.8	79.1	79.7	80.3	80.4	80.4
% Ch, Annual Rate	2.5	1.4	3.9	1.9	3.0	2.7	0.7	-0.2
Financial Activities	168.8	169.4	169.6	169.9	170.1	170.2	170.2	170.1
% Ch, Annual Rate	1.3	1.5	0.4	0.7	0.5	0.3	0.0	-0.3
Professional and Business Services	477.8	480.9	482.8	484.6	487.0	488.8	490.5	492.4
% Ch, Annual Rate	2.6	2.6	1.6	1.6	2.0	1.5	1.4	1.6
Education and Health Services	532.0	535.2	537.6	539.5	541.3	542.6	543.9	545.5
% Ch, Annual Rate	2.5	2.4	1.8	1.4	1.3	1.0	1.0	1.2
Leisure and Hospitality	384.2	387.2	389.0	390.4	390.6	391.7	392.5	393.3
% Ch, Annual Rate	1.4	3.1	1.9	1.5	0.2	1.1	0.9	0.8
Other Services	135.8	136.5	137.0	137.6	138.2	138.8	139.3	139.9
% Ch, Annual Rate	1.9	2.0	1.7	1.6	1.7	1.7	1.7	1.7
Federal Government	77.0	77.1	77.2	77.3	77.4	77.4	77.5	77.6
% Ch, Annual Rate	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
State and Local Government	526.0	527.4	528.8	530.2	531.7	533.2	534.6	536.2
% Ch, Annual Rate	1.2	1.1	1.0	1.1	1.1	1.1	1.1	1.2

Table A3.1

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

Forecast 2021 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Personal Income	17,706.0	18,424.4	19,627.6	20,904.6	21,076.1	22,054.7	23,124.1	24,233.2
% Ch	5.1	4.1	6.5	6.5	0.8	4.6	4.8	4.8
Total Wage and Salary Disbursements	8,900.5	9,323.5	9,444.1	10,196.7	10,977.0	11,598.0	12,154.2	12,711.5
% Ch	5.0	4.8	1.3	8.0	7.7	5.7	4.8	4.6
Nonwage Personal Income	8,805.5	9,100.8	10,183.5	10,707.9	10,099.1	10,456.7	10,970.0	11,521.7
% Ch	5.1	3.4	11.9	5.1	-5.7	3.5	4.9	5.0
Supplements to Wages and Salaries	2,059.0	2,124.2	2,128.0	2,244.1	2,374.1	2,520.0	2,661.9	2,802.8
% Ch	5.5	3.2	0.2	5.5	5.8	6.1	5.6	5.3
Proprietor's Income	1,580.4	1,598.9	1,650.0	1,806.8	1,867.7	1,916.6	2,022.4	2,122.8
% Ch	5.0	1.2	3.2	9.5	3.4	2.6	5.5	5.0
Farm	38.9	38.4	70.2	98.1	72.8	68.4	67.1	66.4
% Ch	...	...	...	...	...	...	...	...
Nonfarm	1,541.5	1,560.5	1,579.9	1,708.7	1,794.9	1,848.2	1,955.4	2,056.4
% Ch	5.1	1.2	1.2	8.2	5.0	3.0	5.8	5.2
Less: Contribution For Govt. Soc. Ins.	1,360.5	1,421.4	1,459.5	1,573.0	1,678.7	1,759.6	1,835.8	1,914.4
% Ch	4.7	4.5	2.7	7.8	6.7	4.8	4.3	4.3
Dividends/Int./Rent	3,550.2	3,660.1	3,623.7	3,663.0	3,789.8	3,930.2	4,084.7	4,248.6
% Ch	5.6	3.1	-1.0	1.1	3.5	3.7	3.9	4.0
Transfer Payments	2,976.3	3,139.1	4,241.1	4,567.1	3,746.1	3,849.5	4,036.8	4,261.9
% Ch	4.2	5.5	35.1	7.7	-18.0	2.8	4.9	5.6

Table A3.2

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

Forecast 2021 to 2025

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
Personal Income	18,842.2	20,348.7	19,777.4	19,542.0	21,867.3	20,575.1	20,622.9	20,553.0
% Ch, Annual Rate	4.2	36.0	-10.8	-4.7	56.8	-21.6	0.9	-1.3
Total Wage and Salary Disbursements	9,604.1	8,979.0	9,410.3	9,783.0	9,879.2	10,079.1	10,319.0	10,509.4
% Ch, Annual Rate	6.0	-23.6	20.6	16.8	4.0	8.3	9.9	7.6
Nonwage Personal Income	9,238.1	11,369.7	10,367.1	9,759.0	11,988.1	10,496.0	10,303.9	10,043.6
% Ch, Annual Rate	2.4	129.4	-30.9	-21.5	127.7	-41.2	-7.1	-9.7
Supplements to Wages and Salaries	2,151.4	2,050.2	2,129.4	2,181.1	2,209.7	2,229.2	2,256.7	2,280.8
% Ch, Annual Rate	1.9	-17.5	16.4	10.1	5.3	3.6	5.0	4.3
Proprietor's Income	1,638.3	1,471.1	1,760.7	1,730.0	1,714.0	1,848.2	1,850.6	1,814.7
% Ch, Annual Rate	2.9	-35.0	105.2	-6.8	-3.7	35.2	0.5	-7.5
Farm	58.1	44.9	69.2	108.5	73.0	119.4	110.1	89.9
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	1,580.2	1,426.2	1,691.5	1,621.5	1,640.9	1,728.7	1,740.5	1,724.7
% Ch, Annual Rate	1.0	-33.6	97.9	-15.5	4.9	23.2	2.8	-3.6
Less: Contribution For Govt. Soc. Ins.	1,472.0	1,405.9	1,458.7	1,501.3	1,533.8	1,558.7	1,589.0	1,610.6
% Ch, Annual Rate	8.8	-16.8	15.9	12.2	9.0	6.6	8.0	5.5
Dividends/Int./Rent	3,688.6	3,620.4	3,566.3	3,619.6	3,615.8	3,648.4	3,678.9	3,708.7
% Ch, Annual Rate	0.8	-7.2	-5.8	6.1	-0.4	3.7	3.4	3.3
Transfer Payments	3,231.8	5,633.9	4,369.4	3,729.5	5,982.5	4,329.0	4,106.7	3,850.0
% Ch, Annual Rate	7.3	823.5	-63.8	-46.9	562.1	-72.6	-19.0	-22.8

Table A3.2 (continued)

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

Forecast 2021 to 2025

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Personal Income	20,671.5	20,954.4	21,239.2	21,439.5	21,679.1	21,928.4	22,179.3	22,432.1
% Ch, Annual Rate	2.3	5.6	5.5	3.8	4.5	4.7	4.7	4.6
Total Wage and Salary Disbursements	10,706.1	10,895.4	11,073.2	11,233.2	11,385.1	11,529.5	11,669.1	11,808.4
% Ch, Annual Rate	7.7	7.3	6.7	5.9	5.5	5.2	4.9	4.9
Nonwage Personal Income	9,965.5	10,059.0	10,165.9	10,206.3	10,293.9	10,399.0	10,510.2	10,623.6
% Ch, Annual Rate	-3.1	3.8	4.3	1.6	3.5	4.1	4.3	4.4
Supplements to Wages and Salaries	2,315.6	2,355.6	2,394.6	2,430.7	2,469.4	2,503.6	2,536.5	2,570.5
% Ch, Annual Rate	6.3	7.1	6.8	6.2	6.5	5.6	5.4	5.5
Proprietor's Income	1,824.4	1,866.1	1,894.0	1,886.3	1,892.1	1,903.8	1,923.6	1,946.8
% Ch, Annual Rate	2.1	9.5	6.1	-1.6	1.2	2.5	4.2	4.9
Farm	78.1	71.8	71.1	70.1	68.5	68.9	68.3	68.0
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	1,746.2	1,794.3	1,822.9	1,816.3	1,823.7	1,834.9	1,855.3	1,878.8
% Ch, Annual Rate	5.1	11.5	6.5	-1.5	1.6	2.5	4.5	5.2
Less: Contribution For Govt. Soc. Ins.	1,646.6	1,669.1	1,690.2	1,708.8	1,734.6	1,751.4	1,767.9	1,784.6
% Ch, Annual Rate	9.2	5.6	5.2	4.5	6.2	4.0	3.8	3.8
Dividends/Int./Rent	3,745.0	3,770.9	3,807.2	3,836.3	3,869.9	3,911.3	3,950.3	3,989.3
% Ch, Annual Rate	4.0	2.8	3.9	3.1	3.6	4.3	4.0	4.0
Transfer Payments	3,727.0	3,735.4	3,760.3	3,761.7	3,797.0	3,831.7	3,867.7	3,901.7
% Ch, Annual Rate	-12.2	0.9	2.7	0.1	3.8	3.7	3.8	3.6

Table A3.2 (continued)

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

Forecast 2021 to 2025

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	22,723.1	22,991.0	23,257.3	23,525.1	23,819.6	24,092.8	24,370.3	24,650.0
% Ch, Annual Rate	5.3	4.8	4.7	4.7	5.1	4.7	4.7	4.7
Total Wage and Salary Disbursements	11,947.5	12,084.7	12,222.7	12,361.8	12,502.1	12,640.6	12,780.5	12,922.7
% Ch, Annual Rate	4.8	4.7	4.6	4.6	4.6	4.5	4.5	4.5
Nonwage Personal Income	10,775.6	10,906.3	11,034.6	11,163.3	11,317.5	11,452.1	11,589.7	11,727.3
% Ch, Annual Rate	5.8	4.9	4.8	4.7	5.6	4.8	4.9	4.8
Supplements to Wages and Salaries	2,609.5	2,644.7	2,679.5	2,713.8	2,751.9	2,785.5	2,819.6	2,854.1
% Ch, Annual Rate	6.2	5.5	5.4	5.2	5.7	5.0	5.0	5.0
Proprietor's Income	1,979.4	2,011.3	2,037.8	2,061.1	2,084.4	2,109.8	2,135.9	2,161.0
% Ch, Annual Rate	6.9	6.6	5.4	4.7	4.6	5.0	5.0	4.8
Farm	67.7	67.3	66.8	66.5	66.1	66.1	66.4	66.9
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	1,911.7	1,944.1	1,971.0	1,994.7	2,018.3	2,043.7	2,069.5	2,094.1
% Ch, Annual Rate	7.2	6.9	5.7	4.9	4.8	5.1	5.2	4.8
Less: Contribution For Govt. Soc. Ins.	1,810.2	1,827.1	1,844.2	1,861.5	1,888.0	1,905.4	1,923.1	1,941.2
% Ch, Annual Rate	5.8	3.8	3.8	3.8	5.8	3.7	3.8	3.8
Dividends/Int./Rent	4,026.5	4,064.8	4,103.9	4,143.4	4,182.1	4,224.8	4,270.0	4,317.6
% Ch, Annual Rate	3.8	3.9	3.9	3.9	3.8	4.1	4.4	4.5
Transfer Payments	3,970.3	4,012.6	4,057.7	4,106.5	4,187.0	4,237.4	4,287.3	4,335.8
% Ch, Annual Rate	7.2	4.3	4.6	4.9	8.1	4.9	4.8	4.6



Table A3.3

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

Forecast 2021 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Personal Income	454.257	479.841	516.254	554.743	565.512	594.281	624.926	657.655
% Ch	6.6	5.6	7.6	7.5	1.9	5.1	5.2	5.2
Total Wage and Salary Disbursements	237.225	253.847	263.958	290.786	315.160	333.983	350.731	368.515
% Ch	8.6	7.0	4.0	10.2	8.4	6.0	5.0	5.1
Manufacturing	22.822	23.862	22.153	21.596	23.457	24.822	25.899	26.948
% Ch	5.3	4.6	-7.2	-2.5	8.6	5.8	4.3	4.1
Durable Manufacturing	17.971	18.780	17.103	16.252	17.592	18.646	19.500	20.341
% Ch	5.2	4.5	-8.9	-5.0	8.2	6.0	4.6	4.3
Nondurable Manufacturing	4.851	5.082	5.050	5.344	5.865	6.176	6.400	6.607
% Ch	5.4	4.8	-0.6	5.8	9.7	5.3	3.6	3.2
Nonmanufacturing	207.746	223.220	234.521	261.723	283.781	300.817	316.105	332.447
% Ch	9.5	7.4	5.1	11.6	8.4	6.0	5.1	5.2
Other Private Wages	1.311	1.328	1.401	1.410	1.533	1.632	1.713	1.795
% Ch	5.7	1.3	5.5	0.6	8.8	6.4	5.0	4.8
Farm Wages	1.455	1.565	1.826	1.943	2.140	2.309	2.454	2.605
% Ch	-3.5	7.5	16.7	6.4	10.1	7.9	6.3	6.1
Military Wages	3.890	3.873	4.057	4.114	4.249	4.403	4.560	4.719
% Ch	-8.5	-0.4	4.7	1.4	3.3	3.6	3.6	3.5
Nonwage Personal Income	217.032	225.994	252.296	263.957	250.352	260.298	274.194	289.139
% Ch	4.4	4.1	11.6	4.6	-5.2	4.0	5.3	5.5
Supplements to Wages and Salaries	53.218	55.615	56.559	60.374	64.084	68.118	71.987	75.996
% Ch	8.2	4.5	1.7	6.7	6.1	6.3	5.7	5.6
Proprietor's Income	35.950	36.566	39.554	41.724	41.627	42.529	44.863	47.136
% Ch	3.6	1.7	8.2	5.5	-0.2	2.2	5.5	5.1
Farm	1.077	1.664	3.644	4.024	2.479	2.146	2.102	2.089
% Ch	...	...	...	...	...	...	...	...
Nonfarm	34.873	34.902	35.910	37.700	39.147	40.383	42.761	45.047
% Ch	6.6	0.1	2.9	5.0	3.8	3.2	5.9	5.3
Less: Contribution For Govt. Soc. Ins.	38.229	39.814	41.445	45.215	48.355	50.758	52.936	55.307
% Ch	5.9	4.1	4.1	9.1	6.9	5.0	4.3	4.5
Plus: Residence Adjustment	4.615	4.708	4.927	5.227	5.674	6.037	6.362	6.688
% Ch	7.8	2.0	4.7	6.1	8.6	6.4	5.4	5.1
Dividends/Int./Rent	96.388	99.843	99.518	100.626	104.696	109.169	114.082	119.305
% Ch	2.5	3.6	-0.3	1.1	4.0	4.3	4.5	4.6
Transfer Payments	65.091	69.076	93.183	101.222	82.627	85.203	89.837	95.322
% Ch	5.3	6.1	34.9	8.6	-18.4	3.1	5.4	6.1
State U.I. Benefits	1.000	1.053	12.258	10.060	1.316	1.250	1.358	1.435
% Ch	-1.4	5.3	1,064.3	-17.9	-86.9	-5.0	8.6	5.7
Other Transfers	64.091	68.023	80.924	91.162	81.312	83.953	88.479	93.887
% Ch	5.4	6.1	19.0	12.7	-10.8	3.2	5.4	6.1

Table A3.4

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

Forecast 2021 to 2025

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
Personal Income	497.131	533.934	518.894	515.056	567.652	549.762	552.602	548.957
% Ch, Annual Rate	9.6	33.1	-10.8	-2.9	47.5	-12.0	2.1	-2.6
Total Wage and Salary Disbursements	265.129	251.739	265.346	273.619	275.669	290.234	295.886	301.354
% Ch, Annual Rate	11.9	-18.7	23.4	13.1	3.0	22.9	8.0	7.6
Manufacturing	22.824	22.002	21.777	22.008	20.960	21.181	21.900	22.342
% Ch, Annual Rate	-20.0	-13.6	-4.0	4.3	-17.7	4.3	14.3	8.3
Durable Manufacturing	17.708	17.128	16.799	16.776	16.022	15.828	16.421	16.737
% Ch, Annual Rate	-24.9	-12.5	-7.5	-0.5	-16.8	-4.8	15.9	7.9
Nondurable Manufacturing	5.116	4.874	4.978	5.232	4.938	5.354	5.479	5.605
% Ch, Annual Rate	0.5	-17.6	8.9	22.0	-20.6	38.1	9.7	9.5
Nonmanufacturing	235.100	222.474	236.292	244.219	247.353	261.668	266.474	271.397
% Ch, Annual Rate	15.3	-19.8	27.3	14.1	5.2	25.2	7.6	7.6
Other Private Wages	1.399	1.360	1.376	1.469	1.359	1.393	1.429	1.458
% Ch, Annual Rate	17.1	-10.8	4.6	30.1	-26.9	10.5	10.8	8.3
Farm Wages	1.832	1.814	1.817	1.842	1.882	1.909	1.967	2.015
% Ch, Annual Rate	95.4	-4.0	0.7	5.6	8.9	6.0	12.8	10.1
Military Wages	3.973	4.088	4.084	4.080	4.115	4.083	4.117	4.142
% Ch, Annual Rate	5.9	12.2	-0.4	-0.4	3.4	-3.0	3.3	2.5
Nonwage Personal Income	232.002	282.196	253.549	241.437	291.984	259.528	256.716	247.603
% Ch, Annual Rate	7.0	118.9	-34.8	-17.8	113.9	-37.6	-4.3	-13.5
Supplements to Wages and Salaries	56.978	54.528	56.679	58.052	59.178	60.082	60.775	61.459
% Ch, Annual Rate	6.9	-16.1	16.7	10.0	8.0	6.2	4.7	4.6
Proprietor's Income	38.980	35.608	42.165	41.462	41.741	42.092	41.964	41.098
% Ch, Annual Rate	23.8	-30.4	96.6	-6.5	2.7	3.4	-1.2	-8.0
Farm	3.026	3.289	3.860	4.400	3.800	4.586	4.147	3.563
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	35.954	32.319	38.305	37.062	37.942	37.506	37.818	37.535
% Ch, Annual Rate	9.1	-34.7	97.3	-12.4	9.8	-4.5	3.4	-3.0
Less: Contribution For Govt. Soc. Ins.	41.630	39.918	41.508	42.723	43.935	44.888	45.699	46.337
% Ch, Annual Rate	15.3	-15.5	16.9	12.2	11.8	9.0	7.4	5.7
Plus: Residence Adjustment	5.047	4.682	4.907	5.073	5.070	5.148	5.289	5.400
% Ch, Annual Rate	25.9	-25.9	20.7	14.2	-0.3	6.4	11.4	8.7
Dividends/Int./Rent	101.325	99.438	97.902	99.405	99.094	100.149	101.139	102.121
% Ch, Annual Rate	2.5	-7.2	-6.0	6.3	-1.2	4.3	4.0	3.9
Transfer Payments	71.302	127.858	93.403	80.167	130.835	96.944	93.248	83.862
% Ch, Annual Rate	8.7	934.0	-71.5	-45.7	609.4	-69.9	-14.4	-34.6
State U.I. Benefits	1.356	26.218	15.031	6.429	13.033	13.805	10.815	2.585
% Ch, Annual Rate	431.4	####	-89.2	-96.7	1,589.5	25.9	-62.3	-99.7
Other Transfers	69.947	101.641	78.372	73.738	117.802	83.138	82.432	81.277
% Ch, Annual Rate	6.0	345.9	-64.7	-21.6	551.4	-75.2	-3.4	-5.5

Table A3.4 (continued)

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

Forecast 2021 to 2025

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Personal Income	554.246	561.944	569.855	576.003	583.453	590.643	597.773	605.256
% Ch, Annual Rate	3.9	5.7	5.8	4.4	5.3	5.0	4.9	5.1
Total Wage and Salary Disbursements	307.373	312.753	317.832	322.682	327.672	331.930	335.989	340.340
% Ch, Annual Rate	8.2	7.2	6.7	6.2	6.3	5.3	5.0	5.3
Manufacturing	23.031	23.322	23.518	23.957	24.341	24.693	24.984	25.270
% Ch, Annual Rate	12.9	5.1	3.4	7.7	6.6	5.9	4.8	4.7
Durable Manufacturing	17.280	17.506	17.622	17.961	18.261	18.547	18.775	19.002
% Ch, Annual Rate	13.6	5.3	2.7	7.9	6.9	6.4	5.0	4.9
Nondurable Manufacturing	5.752	5.816	5.896	5.996	6.080	6.145	6.209	6.268
% Ch, Annual Rate	10.9	4.5	5.6	6.9	5.7	4.4	4.2	3.9
Nonmanufacturing	276.584	281.560	286.331	290.648	295.126	298.938	302.612	306.592
% Ch, Annual Rate	7.9	7.4	7.0	6.2	6.3	5.3	5.0	5.4
Other Private Wages	1.491	1.520	1.548	1.574	1.600	1.622	1.642	1.663
% Ch, Annual Rate	9.4	8.1	7.5	6.9	6.9	5.5	5.0	5.3
Farm Wages	2.069	2.118	2.164	2.208	2.253	2.291	2.327	2.365
% Ch, Annual Rate	11.2	9.8	9.1	8.4	8.4	6.9	6.4	6.7
Military Wages	4.198	4.233	4.270	4.295	4.352	4.387	4.425	4.450
% Ch, Annual Rate	5.6	3.3	3.6	2.3	5.4	3.2	3.5	2.3
Nonwage Personal Income	246.874	249.191	252.023	253.321	255.781	258.712	261.783	264.916
% Ch, Annual Rate	-1.2	3.8	4.6	2.1	3.9	4.7	4.8	4.9
Supplements to Wages and Salaries	62.518	63.582	64.618	65.617	66.754	67.672	68.550	69.496
% Ch, Annual Rate	7.1	7.0	6.7	6.3	7.1	5.6	5.3	5.6
Proprietor's Income	40.908	41.617	42.106	41.876	42.019	42.246	42.664	43.188
% Ch, Annual Rate	-1.8	7.1	4.8	-2.2	1.4	2.2	4.0	5.0
Farm	2.861	2.486	2.332	2.238	2.171	2.156	2.134	2.123
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	38.047	39.131	39.774	39.637	39.849	40.089	40.530	41.064
% Ch, Annual Rate	5.6	11.9	6.7	-1.4	2.2	2.4	4.5	5.4
Less: Contribution For Govt. Soc. Ins.	47.439	48.077	48.675	49.231	50.050	50.526	50.979	51.479
% Ch, Annual Rate	9.9	5.5	5.1	4.6	6.8	3.9	3.6	4.0
Plus: Residence Adjustment	5.515	5.626	5.730	5.824	5.912	5.997	6.079	6.160
% Ch, Annual Rate	8.8	8.3	7.6	6.7	6.2	5.8	5.6	5.5
Dividends/Int./Rent	103.247	104.098	105.244	106.194	107.273	108.569	109.798	111.038
% Ch, Annual Rate	4.5	3.3	4.5	3.7	4.1	4.9	4.6	4.6
Transfer Payments	82.123	82.345	82.999	83.041	83.871	84.756	85.672	86.514
% Ch, Annual Rate	-8.0	1.1	3.2	0.2	4.1	4.3	4.4	4.0
State U.I. Benefits	1.419	1.307	1.284	1.253	1.209	1.235	1.272	1.285
% Ch, Annual Rate	-90.9	-28.0	-6.6	-9.4	-13.4	8.9	12.4	4.2
Other Transfers	80.704	81.039	81.715	81.788	82.662	83.521	84.400	85.229
% Ch, Annual Rate	-2.8	1.7	3.4	0.4	4.3	4.2	4.3	4.0

Table A3.4 (continued)

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

Forecast 2021 to 2025

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	613.429	620.932	628.701	636.641	645.262	653.433	661.751	670.172
% Ch, Annual Rate	5.5	5.0	5.1	5.1	5.5	5.2	5.2	5.2
Total Wage and Salary Disbursements	344.499	348.478	352.760	357.188	361.706	366.203	370.758	375.394
% Ch, Annual Rate	5.0	4.7	5.0	5.1	5.2	5.1	5.1	5.1
Manufacturing	25.519	25.764	26.022	26.292	26.543	26.808	27.081	27.360
% Ch, Annual Rate	4.0	3.9	4.1	4.2	3.9	4.0	4.1	4.2
Durable Manufacturing	19.198	19.393	19.595	19.813	20.017	20.230	20.447	20.671
% Ch, Annual Rate	4.2	4.1	4.2	4.5	4.2	4.3	4.4	4.4
Nondurable Manufacturing	6.321	6.371	6.427	6.479	6.527	6.578	6.634	6.690
% Ch, Annual Rate	3.4	3.2	3.6	3.3	3.0	3.2	3.4	3.4
Nonmanufacturing	310.388	314.034	317.962	322.037	326.185	330.323	334.506	338.775
% Ch, Annual Rate	5.0	4.8	5.1	5.2	5.3	5.2	5.2	5.2
Other Private Wages	1.683	1.702	1.722	1.743	1.764	1.785	1.806	1.827
% Ch, Annual Rate	4.9	4.5	4.8	4.9	4.9	4.8	4.8	4.8
Farm Wages	2.401	2.435	2.472	2.509	2.548	2.585	2.624	2.663
% Ch, Annual Rate	6.2	5.8	6.1	6.2	6.2	6.1	6.1	6.1
Military Wages	4.507	4.543	4.582	4.607	4.666	4.702	4.741	4.768
% Ch, Annual Rate	5.3	3.2	3.4	2.3	5.2	3.1	3.4	2.3
Nonwage Personal Income	268.930	272.453	275.941	279.453	283.556	287.230	290.994	294.778
% Ch, Annual Rate	6.2	5.3	5.2	5.2	6.0	5.3	5.3	5.3
Supplements to Wages and Salaries	70.568	71.496	72.458	73.427	74.530	75.496	76.480	77.476
% Ch, Annual Rate	6.3	5.4	5.5	5.5	6.1	5.3	5.3	5.3
Proprietor's Income	43.912	44.607	45.201	45.731	46.265	46.843	47.434	48.001
% Ch, Annual Rate	6.9	6.5	5.4	4.8	4.7	5.1	5.1	4.9
Farm	2.115	2.105	2.097	2.090	2.085	2.084	2.088	2.097
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	41.796	42.501	43.103	43.641	44.180	44.759	45.346	45.904
% Ch, Annual Rate	7.3	6.9	5.8	5.1	5.0	5.3	5.3	5.0
Less: Contribution For Govt. Soc. Ins.	52.210	52.669	53.171	53.695	54.493	55.029	55.575	56.133
% Ch, Annual Rate	5.8	3.6	3.9	4.0	6.1	4.0	4.0	4.1
Plus: Residence Adjustment	6.241	6.322	6.402	6.484	6.566	6.647	6.729	6.812
% Ch, Annual Rate	5.4	5.2	5.2	5.2	5.2	5.0	5.0	5.0
Dividends/Int./Rent	112.227	113.450	114.694	115.956	117.196	118.552	119.984	121.489
% Ch, Annual Rate	4.4	4.4	4.5	4.5	4.3	4.7	4.9	5.1
Transfer Payments	88.192	89.248	90.357	91.549	93.492	94.721	95.942	97.132
% Ch, Annual Rate	8.0	4.9	5.1	5.4	8.8	5.4	5.3	5.1
State U.I. Benefits	1.314	1.351	1.373	1.392	1.410	1.427	1.444	1.458
% Ch, Annual Rate	9.5	11.7	6.7	5.6	5.2	5.0	4.8	3.8
Other Transfers	86.878	87.897	88.984	90.156	92.082	93.294	94.498	95.675
% Ch, Annual Rate	8.0	4.8	5.0	5.4	8.8	5.4	5.3	5.1

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

	PCE Price Index*		U.S. CPI#		Seattle CPI+	
	Index	Percent Change	Index	Percent Change	Index	Percent Change
1971	21.8	4.2	0.405	4.2	0.382	2.1
1972	22.5	3.4	0.418	3.3	0.393	2.9
1973	23.8	5.4	0.444	6.3	0.418	6.4
1974	26.2	10.4	0.493	11.0	0.464	11.0
1975	28.4	8.3	0.538	9.1	0.511	10.2
1976	30.0	5.5	0.569	5.8	0.540	5.5
1977	31.9	6.5	0.606	6.5	0.583	8.0
1978	34.1	7.0	0.652	7.6	0.640	9.9
1979	37.2	8.9	0.726	11.3	0.709	10.8
1980	41.2	10.8	0.824	13.5	0.827	16.7
1981	44.9	9.0	0.909	10.4	0.916	10.8
1982	47.4	5.6	0.965	6.2	0.978	6.7
1983	49.4	4.3	0.996	3.2	0.993	1.5
1984	51.2	3.8	1.039	4.4	1.030	3.8
1985	53.0	3.5	1.076	3.5	1.056	2.5
1986	54.2	2.2	1.097	1.9	1.066	1.0
1987	55.9	3.1	1.136	3.6	1.092	2.4
1988	58.0	3.9	1.183	4.1	1.128	3.3
1989	60.6	4.4	1.239	4.8	1.181	4.7
1990	63.2	4.4	1.307	5.4	1.268	7.3
1991	65.3	3.3	1.362	4.2	1.341	5.8
1992	67.1	2.7	1.403	3.0	1.390	3.7
1993	68.8	2.5	1.445	3.0	1.429	2.8
1994	70.2	2.1	1.482	2.6	1.478	3.4
1995	71.7	2.1	1.524	2.8	1.522	3.0
1996	73.2	2.1	1.569	2.9	1.575	3.4
1997	74.5	1.7	1.605	2.3	1.630	3.5
1998	75.1	0.8	1.630	1.5	1.677	2.9
1999	76.2	1.5	1.666	2.2	1.728	3.0
2000	78.1	2.5	1.722	3.4	1.792	3.7
2001	79.7	2.0	1.770	2.8	1.857	3.6
2002	80.7	1.3	1.799	1.6	1.893	2.0
2003	82.4	2.1	1.840	2.3	1.924	1.6
2004	84.4	2.5	1.889	2.7	1.947	1.2
2005	86.9	2.9	1.953	3.4	2.002	2.8
2006	89.3	2.8	2.016	3.2	2.076	3.7
2007	91.6	2.6	2.073	2.9	2.157	3.9
2008	94.3	3.0	2.153	3.8	2.247	4.2
2009	94.1	-0.3	2.146	-0.3	2.260	0.6
2010	95.7	1.8	2.181	1.6	2.267	0.3
2011	98.2	2.5	2.249	3.1	2.328	2.7
2012	100.0	1.9	2.296	2.1	2.387	2.5
2013	101.4	1.4	2.330	1.5	2.416	1.2
2014	102.9	1.5	2.367	1.6	2.460	1.8
2015	103.1	0.2	2.370	0.1	2.494	1.4
2016	104.1	1.0	2.400	1.3	2.550	2.3
2017	106.1	1.8	2.451	2.1	2.627	3.0
2018	108.3	2.1	2.511	2.4	2.711	3.2
2019	109.9	1.5	2.557	1.8	2.779	2.5
2020	111.2	1.2	2.588	1.2	2.826	1.7
Forecast						
2021	115.3	3.7	2.704	4.4	2.958	4.7
2022	118.7	2.9	2.794	3.4	3.076	4.0
2023	121.0	1.9	2.852	2.1	3.140	2.1
2024	123.5	2.1	2.914	2.1	3.208	2.1
2025	126.0	2.1	2.975	2.1	3.276	2.1

\* GDP Price Index for Personal Consumption Expenditures

# Consumer Price Index for all Urban Consumers

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

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

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

	Services		Food		Fuels		Gasoline	
	<u>Index</u>	<u>Percent Change</u>	<u>Index</u>	<u>Percent Change</u>	<u>Index</u>	<u>Percent Change</u>	<u>Index</u>	<u>Percent Change</u>
1971	16.7	5.5	21.4	2.3	4.9	6.4	9.1	0.7
1972	17.4	4.2	22.4	4.8	5.0	0.6	9.2	1.3
1973	18.3	4.8	25.2	12.7	5.7	14.6	10.1	9.6
1974	19.8	8.5	29.0	15.2	9.0	58.9	13.6	35.1
1975	21.5	8.6	31.2	7.5	9.8	8.5	14.6	6.7
1976	23.0	6.9	31.8	1.9	10.5	7.3	15.2	4.2
1977	24.8	7.6	33.7	5.9	11.9	13.2	16.1	5.8
1978	26.7	7.7	36.9	9.6	12.6	5.7	16.8	4.3
1979	28.9	8.4	40.5	9.8	17.3	37.9	22.5	34.0
1980	31.9	10.4	43.9	8.4	24.3	40.4	31.2	38.8
1981	35.2	10.2	47.1	7.1	29.8	22.3	34.7	11.3
1982	37.9	7.8	48.3	2.6	29.2	-1.9	32.9	-5.1
1983	40.3	6.1	48.8	1.1	26.9	-7.8	31.9	-3.3
1984	42.4	5.2	50.3	3.0	27.5	2.2	31.4	-1.5
1985	44.4	4.9	50.9	1.1	26.4	-3.9	31.6	0.8
1986	46.3	4.1	52.1	2.4	20.7	-21.7	24.8	-21.5
1987	47.7	3.0	53.7	3.2	21.2	2.6	25.8	3.8
1988	49.9	4.8	55.3	3.0	21.2	0.0	26.0	0.8
1989	52.3	4.7	58.2	5.3	22.5	5.9	28.4	9.2
1990	54.7	4.6	61.1	4.9	27.1	20.4	32.3	13.8
1991	56.8	3.9	63.0	3.1	25.8	-4.8	31.9	-1.3
1992	58.8	3.6	63.5	0.8	24.7	-4.1	31.8	-0.4
1993	60.9	3.5	64.3	1.4	24.6	-0.7	31.5	-1.0
1994	62.5	2.7	65.4	1.7	24.1	-1.8	31.6	0.5
1995	64.3	2.8	66.8	2.2	23.9	-0.9	32.1	1.6
1996	66.1	2.7	68.9	3.1	27.1	13.3	34.1	6.1
1997	67.9	2.8	70.2	1.9	27.1	0.2	34.1	0.0
1998	69.4	2.1	71.1	1.3	24.0	-11.4	29.7	-12.9
1999	70.7	2.0	72.2	1.6	24.4	1.7	32.3	8.9
2000	72.7	2.8	73.9	2.3	35.8	46.6	41.3	27.8
2001	75.1	3.2	76.1	2.9	35.1	-2.0	39.8	-3.6
2002	77.0	2.6	77.2	1.5	31.3	-10.8	37.4	-6.0
2003	79.6	3.3	78.7	1.9	37.9	20.9	43.6	16.5
2004	82.0	3.1	81.2	3.1	44.1	16.4	51.3	17.6
2005	84.8	3.4	82.6	1.7	58.7	33.0	62.3	21.6
2006	87.8	3.6	84.0	1.7	66.7	13.7	70.3	12.9
2007	90.8	3.3	87.2	3.9	71.3	6.9	76.3	8.4
2008	93.5	2.9	92.6	6.1	96.8	35.7	88.8	16.5
2009	94.2	0.8	93.7	1.2	66.2	-31.6	65.2	-26.6
2010	96.0	1.9	93.9	0.3	77.5	16.9	76.9	18.0
2011	97.9	1.9	97.7	4.0	98.6	27.3	96.6	25.7
2012	100.0	2.2	100.0	2.4	100.0	1.4	100.0	3.5
2013	102.3	2.3	101.0	1.0	98.8	-1.2	97.2	-2.8
2014	104.9	2.5	102.9	1.9	98.3	-0.5	93.5	-3.8
2015	106.8	1.8	104.1	1.1	69.9	-28.8	68.7	-26.5
2016	109.2	2.2	103.0	-1.0	58.1	-17.0	61.1	-11.1
2017	112.0	2.5	102.9	-0.1	66.8	15.1	68.9	12.8
2018	115.1	2.8	103.4	0.5	80.8	21.0	78.0	13.2
2019	117.8	2.4	104.4	1.0	77.1	-4.6	75.3	-3.4
2020	120.3	2.1	108.0	3.4	59.8	-22.4	64.2	-14.8

Forecast

2021	124.1	3.1	111.1	2.9	76.6	28.0	85.3	32.8
2022	128.1	3.3	114.5	3.1	77.0	0.5	85.3	0.1
2023	132.2	3.2	115.4	0.8	73.3	-4.9	80.0	-6.2
2024	136.3	3.1	117.9	2.1	71.2	-2.8	77.1	-3.7
2025	140.3	2.9	120.5	2.2	69.9	-1.8	75.0	-2.7

Table A5.1

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

	<u>Population</u>	<u>Change</u>	<u>Percent Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Net Migration</u>
1970	3413.2	16.2	0.5	59.9	30.0	-13.7
1971	3436.3	23.1	0.7	60.0	29.8	-7.1
1972	3430.3	-6.0	-0.2	53.1	30.4	-28.7
1973	3444.3	14.0	0.4	47.7	30.4	-3.3
1974	3508.7	64.4	1.9	48.2	29.9	46.1
1975	3567.9	59.2	1.7	50.1	30.3	39.4
1976	3634.9	67.0	1.9	51.4	30.2	45.8
1977	3715.4	80.5	2.2	54.2	29.1	55.4
1978	3836.2	120.8	3.3	57.3	30.4	93.9
1979	3979.2	143.0	3.7	60.2	30.2	113.0
1980	4132.2	153.0	3.8	65.4	31.3	118.9
1981	4229.3	97.1	2.4	68.2	31.8	60.8
1982	4276.5	47.3	1.1	70.1	31.7	8.9
1983	4307.2	30.7	0.7	69.5	32.5	-6.2
1984	4354.1	46.8	1.1	68.5	33.2	11.6
1985	4415.8	61.7	1.4	69.1	34.0	26.6
1986	4462.2	46.4	1.1	70.2	34.0	10.2
1987	4527.1	64.9	1.5	69.3	34.4	30.0
1988	4616.9	89.8	2.0	71.0	36.0	54.8
1989	4728.1	111.2	2.4	73.0	36.0	74.2
1990	4866.7	138.6	2.9	76.4	36.2	98.5
1991	5000.4	133.7	2.7	79.1	36.6	91.2
1992	5091.1	90.8	1.8	80.2	37.2	47.7
1993	5188.0	96.9	1.9	79.1	39.4	57.1
1994	5291.6	103.6	2.0	78.2	39.5	64.9
1995	5396.6	105.0	2.0	77.5	40.0	67.5
1996	5483.1	86.5	1.6	77.0	41.2	50.7
1997	5579.1	96.0	1.8	78.0	42.6	60.6
1998	5685.5	106.3	1.9	78.8	41.6	69.1
1999	5792.2	106.8	1.9	79.8	43.1	70.1
2000	5894.1	101.9	1.8	79.9	43.7	65.8
2001	5970.5	76.3	1.3	80.7	43.9	39.5
2002	6059.7	89.2	1.5	79.3	44.9	54.9
2003	6126.9	67.2	1.1	79.1	44.7	32.9
2004	6208.5	81.6	1.3	81.0	46.0	46.7
2005	6298.8	90.3	1.5	81.8	45.6	54.0
2006	6420.2	121.4	1.9	83.2	45.3	83.5
2007	6525.1	104.9	1.6	87.8	46.2	63.3
2008	6608.2	83.1	1.3	89.6	47.9	41.5
2009	6672.3	64.0	1.0	89.8	48.1	22.3
2010	6724.5	52.3	0.8	88.4	47.7	11.5
2011	6767.9	43.4	0.6	86.4	48.8	5.8
2012	6817.8	49.9	0.7	87.1	49.2	12.0
2013	6882.4	64.6	0.9	87.3	51.1	28.5
2014	6968.2	85.8	1.2	87.0	50.7	49.5
2015	7061.4	93.2	1.3	88.5	52.8	57.6
2016	7183.7	122.3	1.7	89.8	54.7	87.1
2017	7310.3	126.6	1.8	89.7	56.1	93.0
2018	7427.6	117.3	1.6	87.3	56.4	86.3
2019	7546.4	118.8	1.6	85.7	57.2	90.3
2020	7656.2	109.8	1.5	85.2	59.1	83.7
<b>Forecast</b>						
2021	7714.7	58.5	0.8	85.6	61.1	33.9
2022	7776.1	61.4	0.8	86.4	60.4	35.5
2023	7839.7	63.6	0.8	86.9	61.5	38.3
2024	7904.4	64.7	0.8	87.3	62.8	40.2
2025	7969.8	65.5	0.8	87.5	64.1	42.1

\* As of April 1 of Each Year

Source: Office of Financial Management, November 2020 Forecast

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

	<u>2016</u>	<u>2017</u>	<u>Actual</u> <u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Forecast</u> <u>2023</u>	<u>2024</u>	<u>2025</u>
Total Population	7183.7	7310.3	7427.6	7546.4	7656.2	7714.7	7776.1	7839.7	7904.4	7969.8
Percent Change	1.7	1.8	1.6	1.6	1.5	0.8	0.8	0.8	0.8	0.8
Age 17 and Under	1625.6	1648.7	1665.9	1682.1	1697.4	1698.8	1699.6	1700.2	1700.8	1698.3
Percent of Total	22.6	22.6	22.4	22.3	22.2	22.0	21.9	21.7	21.5	21.3
Age 6-18	1178.7	1195.4	1211.9	1228.8	1244.6	1254.5	1264.7	1272.4	1275.4	1275.1
Percent of Total	16.4	16.4	16.3	16.3	16.3	16.3	16.3	16.2	16.1	16.0
Age 18 and Over	5558.1	5661.6	5761.7	5864.3	5958.8	6015.9	6076.5	6139.4	6203.5	6271.6
Percent of Total	77.4	77.4	77.6	77.7	77.8	78.0	78.1	78.3	78.5	78.7
Age 21 and Over	5284.0	5383.5	5479.6	5578.9	5673.2	5733.7	5795.1	5854.5	5914.3	5975.8
Percent of Total	73.6	73.6	73.8	73.9	74.1	74.3	74.5	74.7	74.8	75.0
Age 20-34	1482.7	1507.6	1529.6	1554.8	1575.7	1576.7	1577.8	1578.7	1579.2	1577.7
Percent of Total	20.6	20.6	20.6	20.6	20.6	20.4	20.3	20.1	20.0	19.8
Age 18-64	4484.7	4540.3	4588.0	4637.5	4677.3	4684.8	4694.7	4706.6	4722.5	4740.5
Percent of Total	62.4	62.1	61.8	61.5	61.1	60.7	60.4	60.0	59.7	59.5
Age 65 and Over	1073.3	1121.3	1173.7	1226.8	1281.4	1331.1	1381.8	1432.8	1481.1	1531.1
Percent of Total	14.9	15.3	15.8	16.3	16.7	17.3	17.8	18.3	18.7	19.2

\* As of April 1 of Each Year

Source: Office of Financial Management, November 2020 Forecast



Table A6.1

**Summary of National and State Indicators**

<b>Indicator</b>	<b>Latest Data</b>	<b>Indication*</b>
U.S. Leading Index	October 2021	+
U.S. Real GDP Growth	3rd quarter 2021	-
U.S. ISM Index	November 2021	+
U.S. Employment YOY%Δ	November 2021	unchanged
U.S. Unemployment Rate	November 2021	+
U.S. Consumer Confidence	November 2021	-
U.S. Consumer Sentiment	November 2021	-
U.S. CPI YOY%Δ	October 2021	-
U.S. Home Prices YOY%Δ	September 2021	-
S&P 500 Index	November 2021	+
WA Leading Index	October 2021	+
WA Employment YOY%Δ	October 2021	unchanged
WA Aerospace Empl. YOY%Δ	October 2021	+
WA Unemployment Rate	October 2021	+
WA Help Wanted Index	October 2021	+
WA Business Cycle Indicator	October 2021	-
WA Initial Unemploy. Claims	October 2021	-
WA Housing Permits	October 2021	+
WA Weekly Hours in Mfg.	October 2021	unchanged
WA New Vehicle Registration	November 2021	-
WA In-Migration	October 2021	-
WA Exports-Total YOY%Δ	3rd quarter 2021	-
WA Exports- w/o Trans. Equip. YOY%Δ	3rd quarter 2021	-
Seattle CPI YOY%Δ	October 2021	-
Seattle Home Prices YOY%Δ	September 2021	-
WA Construction Activity Index	October 2021	+

\*Change from the previous reading

Table A6.2

**Washington Business Indicators**

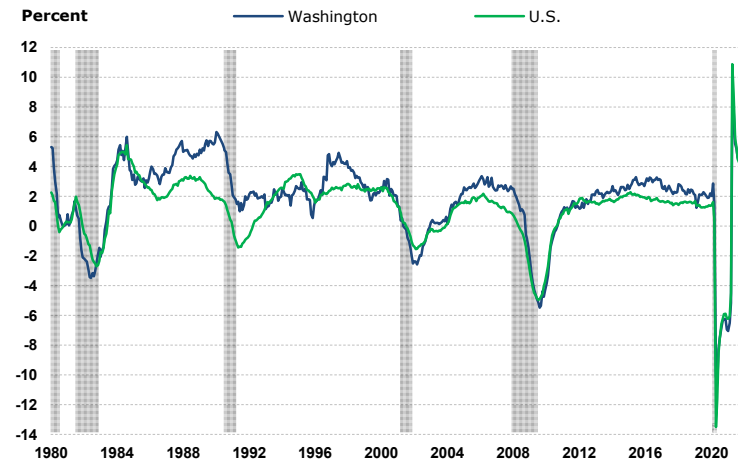
Historical Data

	<b>WA Index of Leading Indicators</b>	<b>U.S. Index of Leading Indicators</b>	<b>WA State Business Cycle Indicator</b>	<b>WA State Construction Index</b>	<b>WA State Help Wanted Index</b>	<b>U.S. Purchasing Management Index</b>
<b>2016:01</b>	118.5	99.3	63.4	105.9	128.7	48.2
<b>2016:02</b>	118.7	99.2	65.7	107.2	124.9	49.7
<b>2016:03</b>	119.2	99.2	62.8	106.8	128.9	51.7
<b>2016:04</b>	120.4	99.7	63.4	107.9	130.9	50.7
<b>2016:05</b>	121.1	99.5	65.5	108.2	148.2	51.0
<b>2016:06</b>	121.3	99.8	66.7	109.3	151.3	52.8
<b>2016:07</b>	121.9	100.2	67.7	108.7	156.3	52.3
<b>2016:08</b>	121.1	100.2	66.9	106.5	153.1	49.4
<b>2016:09</b>	121.8	100.4	67.5	111.2	143.4	51.7
<b>2016:10</b>	122.0	100.5	68.2	111.7	152.3	52.0
<b>2016:11</b>	121.4	100.7	69.2	111.6	148.8	53.5
<b>2016:12</b>	121.6	101.2	70.7	113.0	149.2	54.5
<b>2017:01</b>	122.1	101.8	69.0	111.0	152.5	56.0
<b>2017:02</b>	122.1	102.1	68.8	112.0	140.1	57.7
<b>2017:03</b>	122.7	102.6	70.5	111.5	143.4	57.2
<b>2017:04</b>	123.3	102.8	69.5	111.9	143.3	54.8
<b>2017:05</b>	123.8	103.2	71.2	112.8	149.2	54.9
<b>2017:06</b>	124.3	103.8	70.9	113.5	145.4	57.8
<b>2017:07</b>	124.6	104.1	71.1	113.8	139.5	56.3
<b>2017:08</b>	124.7	104.5	72.1	114.4	135.1	58.8
<b>2017:09</b>	125.0	104.5	73.3	113.7	140.4	60.8
<b>2017:10</b>	125.3	105.9	73.1	117.2	132.7	58.7
<b>2017:11</b>	125.4	106.3	75.0	116.8	134.7	58.2
<b>2017:12</b>	126.3	107.1	74.8	116.2	138.6	59.7
<b>2018:01</b>	126.7	107.8	74.4	115.8	136.8	59.1
<b>2018:02</b>	128.2	108.5	76.8	117.9	133.3	60.8
<b>2018:03</b>	128.7	108.8	77.6	119.8	137.4	59.3
<b>2018:04</b>	128.6	109.3	77.1	117.0	133.7	57.3
<b>2018:05</b>	127.6	109.4	77.9	115.6	128.2	58.7
<b>2018:06</b>	127.6	110.0	78.5	117.4	128.0	60.2
<b>2018:07</b>	127.4	110.4	77.9	115.9	129.3	58.1
<b>2018:08</b>	127.4	110.9	76.3	117.5	129.2	61.3
<b>2018:09</b>	127.7	111.5	76.4	116.5	132.4	59.8
<b>2018:10</b>	127.4	111.4	76.9	118.1	133.0	57.7
<b>2018:11</b>	127.5	111.5	76.9	118.4	133.3	59.3
<b>2018:12</b>	128.4	111.3	78.0	119.4	140.1	54.1
<b>2019:01</b>	130.0	111.3	78.7	119.0	154.6	56.6
<b>2019:02</b>	128.4	111.5	75.6	114.5	156.5	54.2
<b>2019:03</b>	130.9	111.7	78.3	119.8	150.1	55.3
<b>2019:04</b>	131.3	111.8	80.7	121.3	154.0	52.8
<b>2019:05</b>	130.9	111.8	80.2	120.2	150.2	52.1
<b>2019:06</b>	130.9	111.6	80.9	119.5	149.9	51.7
<b>2019:07</b>	131.6	112.0	80.8	121.8	152.0	51.2
<b>2019:08</b>	130.8	111.8	79.1	119.4	153.3	49.1
<b>2019:09</b>	130.5	111.6	80.2	120.6	154.8	47.8
<b>2019:10</b>	129.6	111.4	80.0	120.7	147.2	48.3
<b>2019:11</b>	130.3	111.6	79.6	123.2	146.6	48.1
<b>2019:12</b>	130.8	111.4	83.7	125.0	147.9	47.2
<b>2020:01</b>	130.9	112.0	79.8	119.8	149.1	50.9
<b>2020:02</b>	131.9	111.8	81.4	120.0	149.4	50.1
<b>2020:03</b>	121.3	103.5	74.8	120.9	127.9	49.1
<b>2020:04</b>	112.9	96.9	42.1	104.9	97.5	41.5
<b>2020:05</b>	118.8	99.8	47.2	113.9	119.8	43.1
<b>2020:06</b>	122.3	102.8	58.4	114.5	136.5	52.6
<b>2020:07</b>	124.9	104.9	64.6	117.0	139.8	54.2
<b>2020:08</b>	126.0	106.5	65.9	117.3	134.3	56.0
<b>2020:09</b>	125.7	107.5	70.7	121.0	133.8	55.4
<b>2020:10</b>	126.7	108.2	72.5	119.8	137.7	59.3
<b>2020:11</b>	127.8	109.2	74.0	120.3	135.6	57.5
<b>2020:12</b>	129.6	109.6	77.0	124.8	136.0	60.7
<b>2021:01</b>	130.7	110.1	77.4	123.9	141.6	58.7
<b>2021:02</b>	132.4	110.1	81.8	125.4	150.6	60.8
<b>2021:03</b>	133.0	111.5	84.1	125.4	160.4	64.7
<b>2021:04</b>	134.2	113.1	90.1	124.3	175.3	60.7
<b>2021:05</b>	134.4	114.6	89.1	123.4	176.0	61.2
<b>2021:06</b>	137.0	115.4	88.8	123.0	189.5	60.6
<b>2021:07</b>	139.9	116.4	92.7	125.5	206.7	59.5
<b>2021:08</b>	139.3	117.2	89.7	128.4	187.9	59.9
<b>2021:09</b>	138.8	117.3	89.8	124.0	193.3	61.1
<b>2021:10</b>	139.5	118.3	89.1	126.6	196.3	60.8
<b>2021:11</b>						61.1

## Figure A7.1: Washington State Economic Indicators

### Year-over-Year Employment Growth

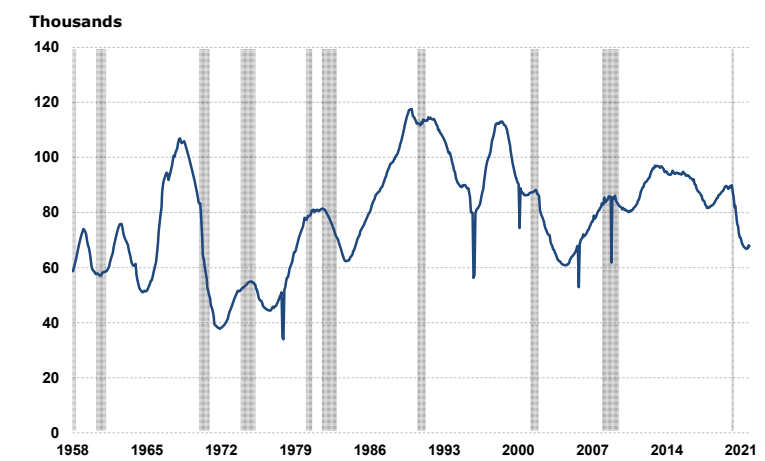
January 1980 to November 2021



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

### Washington Aircraft and Parts Employment

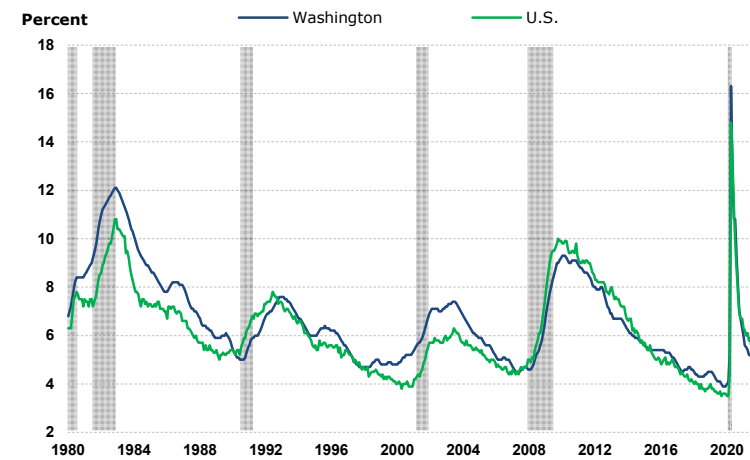
January 1958 to November 2021



\* Source: Bureau of Labor Statistics, ERFC

### Unemployment Rate, S.A.

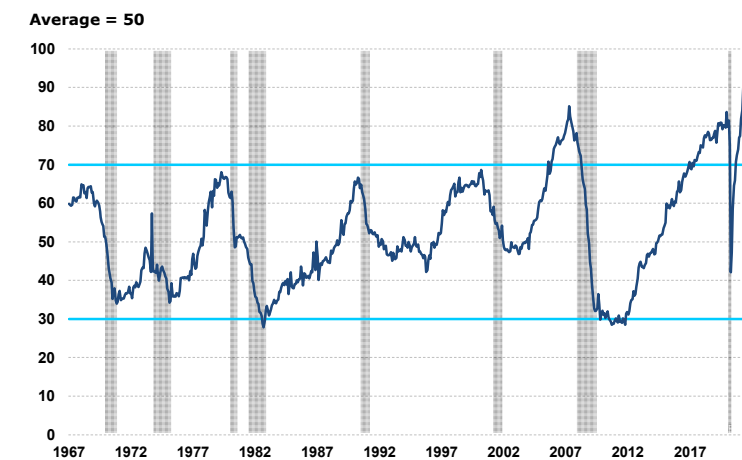
January 1980 to November 2021



\* Source: Bureau of Labor Statistics

### Washington Business Cycle Indicator

January 1968 to October 2021



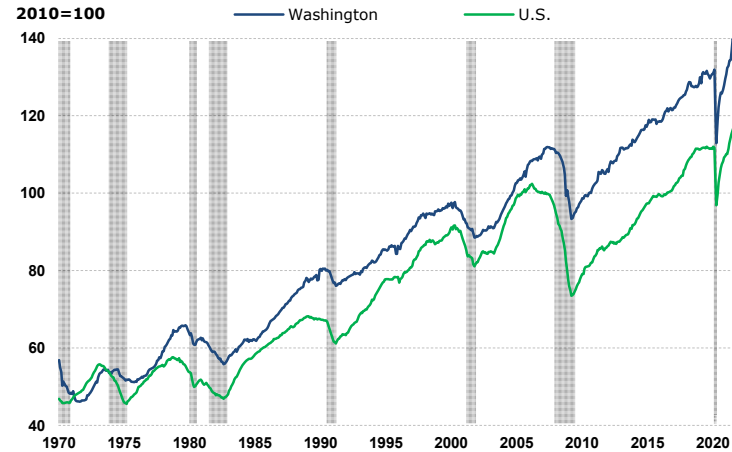
\* Source: ERFC

\* Shaded areas correspond with national recessions.

## Figure A7.2: Washington State Leading Indicators

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

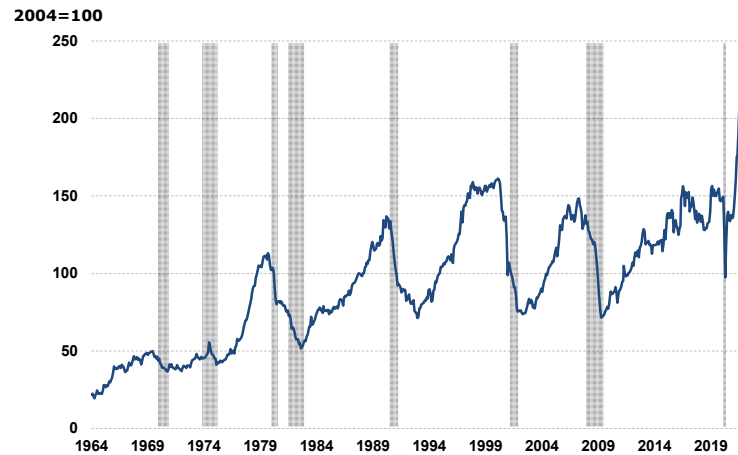
January 1970 to October 2021



\* The Conference Board, ERFC

### Washington State Help Wanted Index

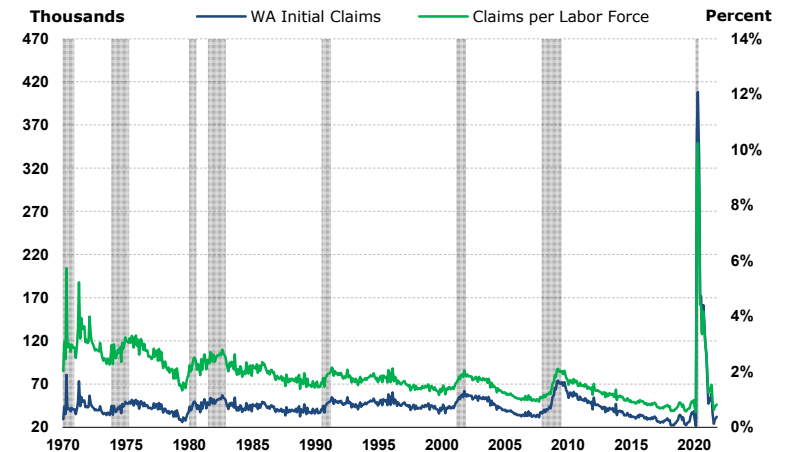
January 1964 to October 2021



\* Source: The Conference Board, ERFC

### Washington Initial Claims for Unemployment Insurance

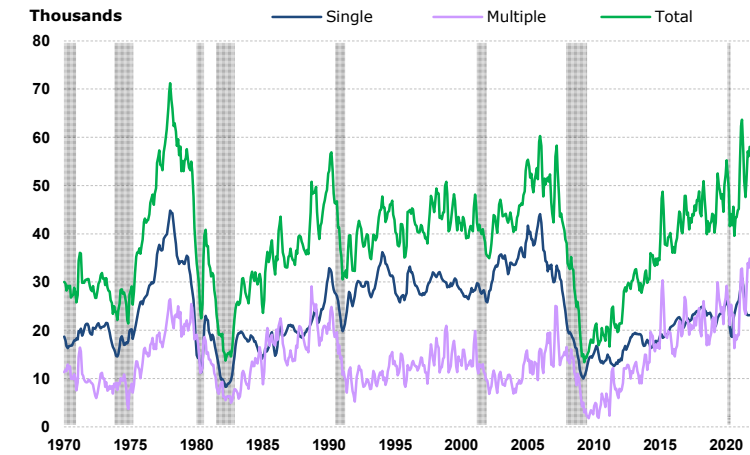
January 1970 to October 2021, S.A.



\* Source: WA State Employment Security, ERFC

### Housing Units Authorized in Washington State

January 1970 to October 2021, 3mma, SAAR



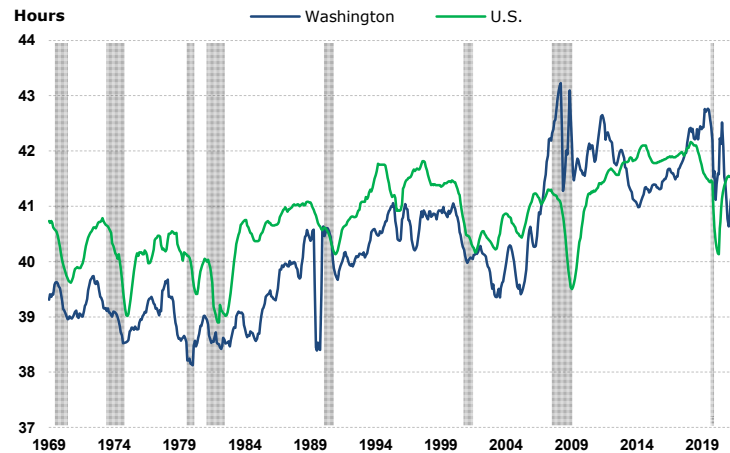
\* Source: Census Bureau, ERFC

\* Shaded areas correspond with national recessions.

## Figure A7.3: Other State Economic Indicators

### Average Weekly Hours in Manufacturing

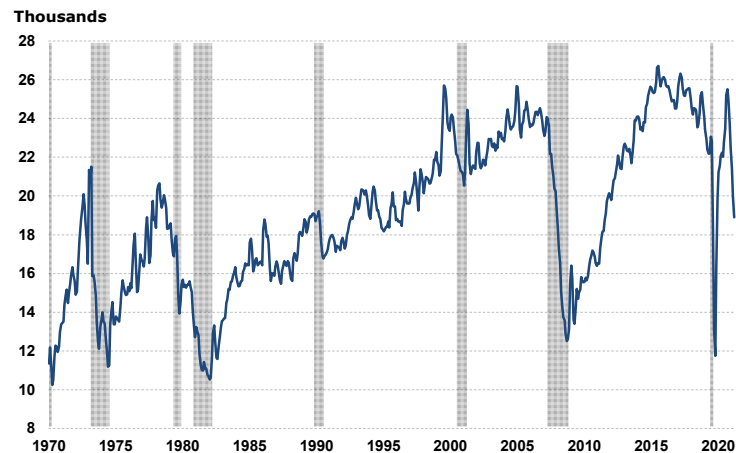
June 1969 to November 2021, 6-Mo. Moving Average, S.A.



\* Bureau of Labor Statistics, ERFC

### New Car and Truck Registrations in Washington

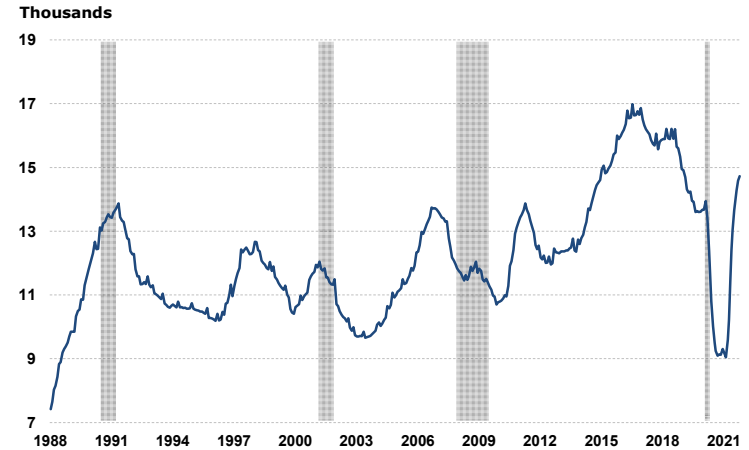
September 1970 to November 2021, 3-Month Moving Average, S.A.



\* Source: WA State Department of Licensing, ERFC

### Washington Driver's License In-Migration

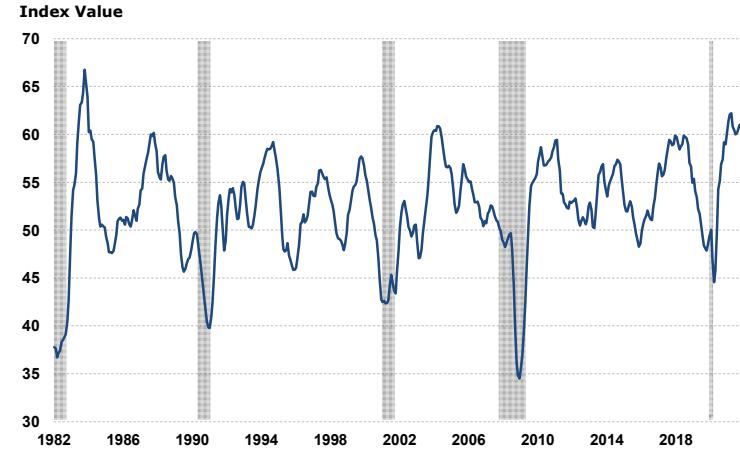
January 1988 to October 2021, 12-Month Moving Average



\* Source: WA State Department of Licensing, ERFC

### U.S. Institute for Supply Management Index

March 1982 to November 2021, 3-Month Moving Average, S.A.



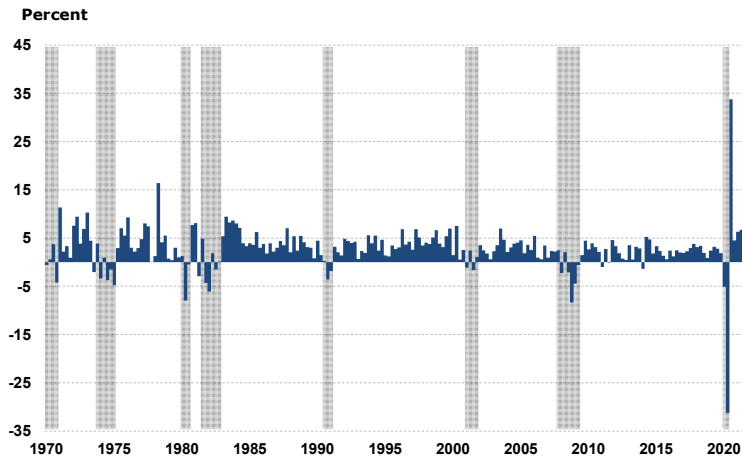
\* Source: Institute for Supply Management, ISM-WW, ERFC

\* Shaded areas correspond with national recessions.

# Figure A7.4: Other Economic Indicators

## Quarterly U.S. Real GDP Growth

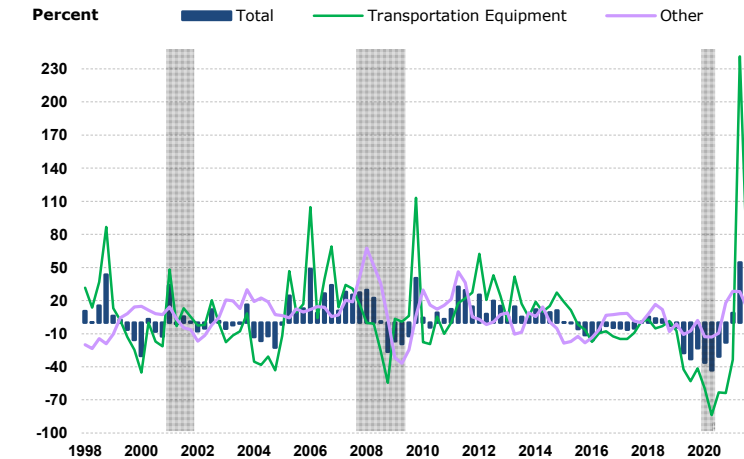
1970Q1 to 2021Q3, SAAR



\* Source: Bureau of Economic Analysis

## Washington State Export Composition

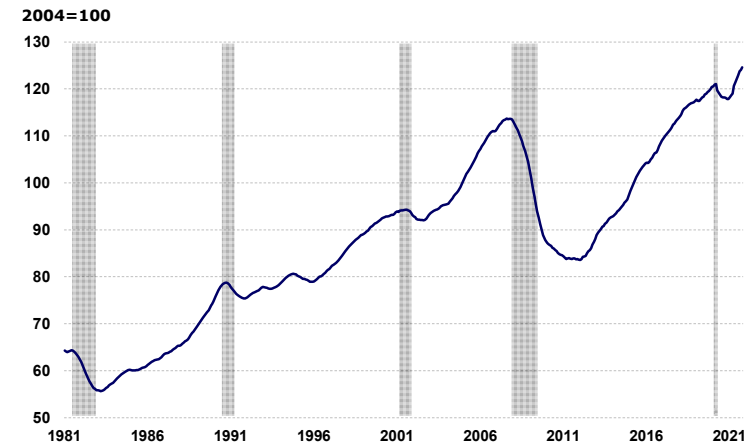
1998Q1 to 2021Q3, Year-over-year percent change



\* Source: WISER

## Washington State Construction Index

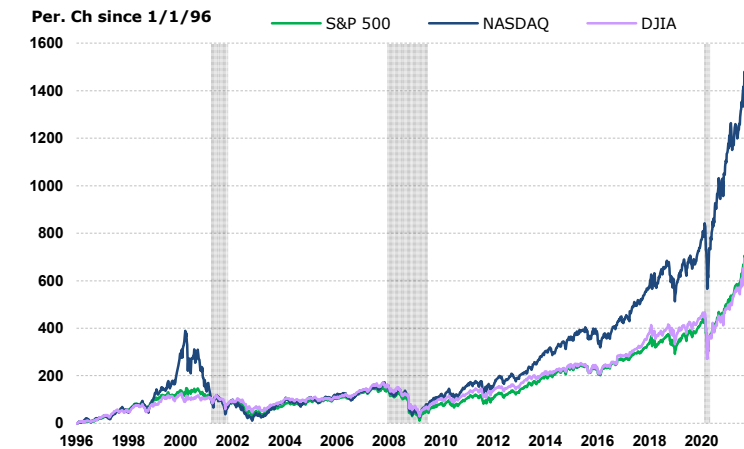
January 1981 to October 2021, 12mma



\* Source: ERFC

## National Stock Indexes

January 1, 1996 to December 3, 2021



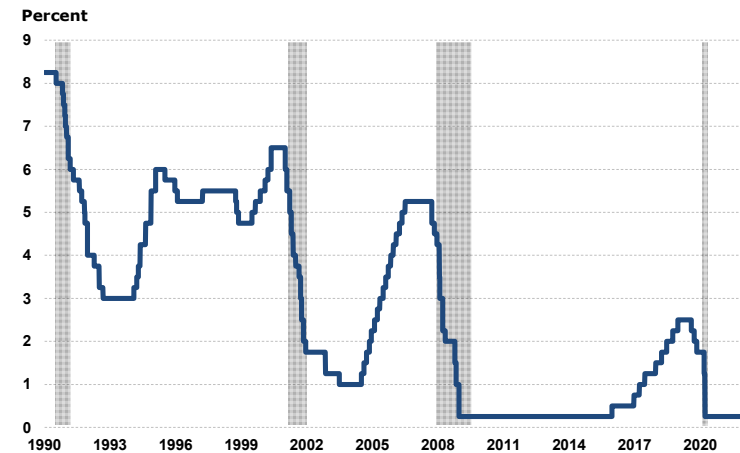
\* Source: ERFC

\* Shaded areas correspond with national recessions.

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

### Federal Funds Target Rate

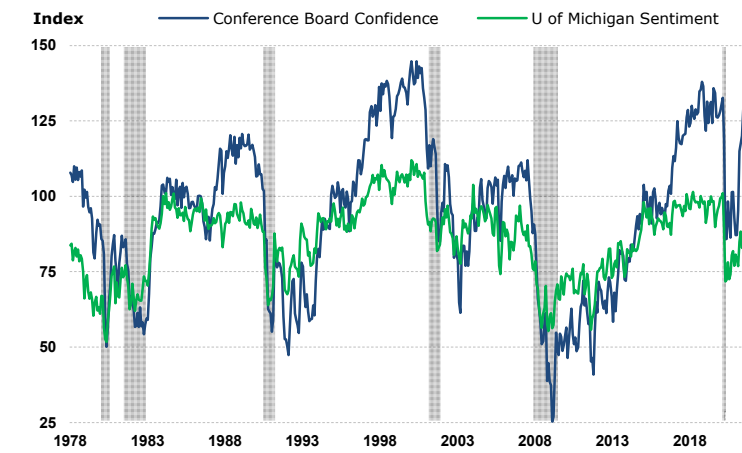
January 1, 1990 to December 3, 2021



\* Federal Reserve

### Consumer Confidence

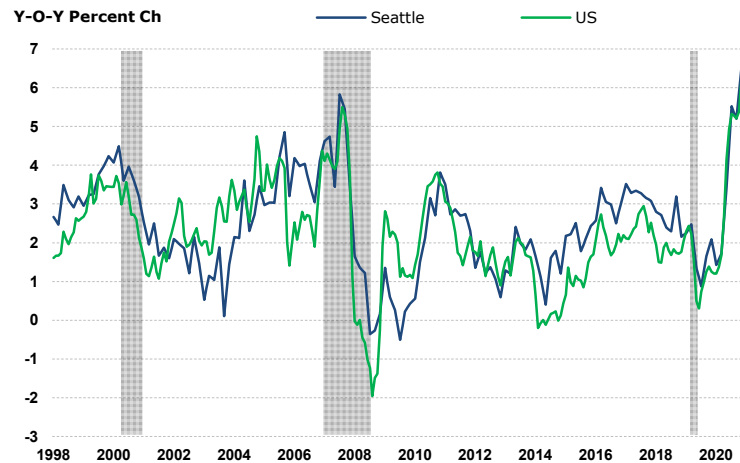
March 1978 to November 2021



\* Source: The Conference Board, University of Michigan

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

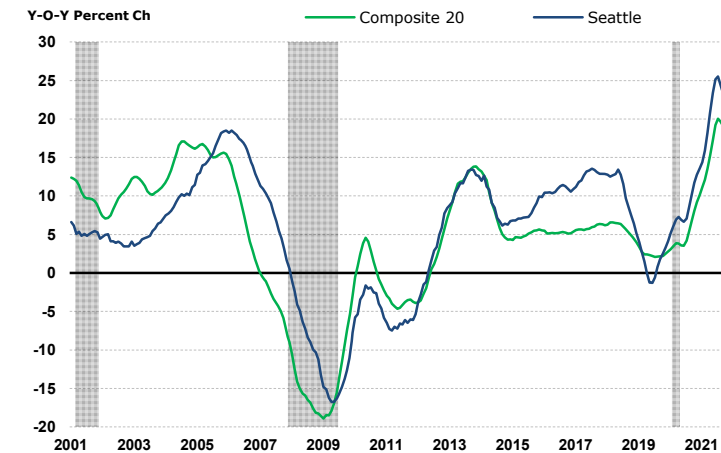
December 1998 to October 2021



\* Source: Bureau of Labor Statistics

### Case Shiller Home Price Index

January 2001 to September 2021, SA



\* Source: Case Shiller, ERFC

\* Shaded areas correspond with national recessions.

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## Glossary

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

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

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

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

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

**GAAP Basis:** Generally Accepted Accounting Principles measure revenue in the period during which they accrue rather than the period in which they are received.

**General Fund:** Accounts for all financial resources and transactions not accounted for in another fund.

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

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

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

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

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

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

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

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

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

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

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