

Economic Review  
September 9, 2025



Washington State  
Economic and Revenue Forecast Council

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WASHINGTON STATE  
**ECONOMIC AND REVENUE FORECAST COUNCIL**

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## AGENDA

### **ECONOMIC REVIEW**

September 9, 2025  
1:00 p.m.

- Call to order
- Approval of meeting minutes from June 24, 2025
  - *Motion expected*
- Economic Forecast
  - Presentation of economic outlook and revenue collection experience
  - *No motion required*
- Bylaws presentation
  - *No motion required*
- Adjournment

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

## **Meeting Minutes Revenue Review**

June 24, 2025

John A. Cherberg Bldg., Room A/B/C and Zoom

### **Economic and Revenue Forecast Council**

June Robinson, Senate, Chair  
April Berg, House of Representatives  
Travis Couture, House of Representatives  
Chris Gildon, Senate  
Timm Ormsby, House of Representatives  
Ed Orcutt, House of Representatives  
Nikki Torres, Senate  
Yasmin Trudeau, Senate  
Mike Pellicciotti, Treasurer  
Katherine Chapman-See, Office of Financial  
Management  
Drew Shirk, Department of Revenue

#### *Staff*

Dave Reich, Executive Director

### **Call to Order**

Senator Robinson called the meeting to order at 2:06 p.m.

### **Approval of the Minutes**

Representative Orcutt moved, seconded by Senator Robinson, to adopt the meeting minutes from June 10, 2025. Motion passed at 2:07 p.m.

### **Revenue Forecast Presentation**

Dr. Reich presented information on the economic and revenue forecast. Dr. Reich summarized the forecast changes.

### **Motion**

Representative Ormsby moved, seconded by Representative Orcutt, to adopt the forecast as presented. Motion passed at 2:28 p.m.

### **Bylaws presentation**

Dr. Reich, noting a motion passed during the November 20, 2025 meeting, presented several options for the council's consideration for the drafting of bylaws. Representative Orcutt commented that using the adopted TERFC bylaws could serve as a starting point for the new ERFC bylaws. Senator Robinson directed staff to send the TERFC bylaws to the council where they may review them and make edits for discussion at a later meeting.

### **Adjournment**

With no further business, the meeting adjourned at 3:00 p.m.

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



**Economic Review: September 9, 2025**

**Executive Summary**

**United States**

- This forecast is based on a modified version of S&P Global Market Intelligence's August 2025 control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to be consistent with the Blue Chip "Consensus" GDP forecast for 2025 and 2026. We expect real GDP to increase 1.6% in 2025 and 1.5% in 2026. The June forecast assumed 1.4% growth in 2025 and 2026. Our forecast for real GDP growth in 2027-29 is based on the most recent long-term forecast from Blue Chip which was released in March 2025. We expect growth rates of 2.0%, 2.0%, and 1.9% in 2027 through 2029, unchanged from the previous forecast.
- Our oil price forecast reflects the futures markets for the Brent (North Sea) oil price and West Texas Intermediate (WTI) benchmarks. This forecast was based on the Thursday, August 14, 2025 closing prices for Brent and WTI futures. Oil prices are slightly higher this year compared to the June forecast, but largely unchanged thereafter. The latest futures prices indicate that the refiner acquisition price of crude oil will average \$65 per barrel in the third quarter of 2025, up from \$63 per barrel in the previous forecast. Oil prices are expected to decline slightly throughout the forecast after reaching a trough of \$61 in the first quarter of 2027. By the fourth quarter of 2029 the refiner acquisition price of crude is expected to average \$62 per barrel, unchanged from the June forecast.
- National employment in August increased by 22,000 net jobs and employment levels for June and July were revised down due to additional data and updated seasonal factors by a combined 21,000 jobs. Sectors with the largest job gains in August included healthcare (+30,600), social assistance (+16,200), and leisure and hospitality (+28,000). Sectors with declining employment in August included federal employment (-15,000), administrative and support services (-13,700), professional and business services (-17,000) and manufacturing (-12,000).
- Two key measures of consumer confidence decreased in August. The University of Michigan (UM) consumer sentiment survey decreased by 3.5 points to 58.2 after increasing by 1.0 point in July. The Conference Board index of consumer confidence decreased by 1.3 points in August to 97.4. Survey results indicated less optimistic views of the current situation and increased pessimism about future employment prospects and income. This was partially offset by stronger expectations of future business conditions.
- Initial claims for unemployment insurance increased by 8,000 to 237,000 (SA) in the week ending August 30th. The four-week moving average of initial claims was 231,000, up 2,500 from the prior week.

- Consumer prices increased 0.2% (SA) in July following a 0.3% increase in June. Compared to July 2024, prices are up 2.7%. Core prices, which exclude food and energy, rose by 3.1% compared to July 2024.
- Industrial production decreased by 0.1% in July following a 0.4% increase in June. Industrial production was up 1.4% compared with its July 2024 level. New orders for core capital goods (i.e., durables excluding aircraft and military), which is a proxy for business investment, increased by 1.1% (SA) in July following a 0.6% decrease in June according to U.S. Census Bureau data. New orders for core capital goods were 2.3% above their July 2024 level.
- Residential construction activity was mixed in July compared with June, and new and existing home sales were also mixed. July housing starts increased by 5.2% (SA) compared to June and were 12.9% above their July 2024 level. Housing units authorized by building permits in July were 2.8% (SA) below their June level and 5.7% below their year-ago level. New home sales in July decreased by 0.6% (SA) compared to June and were 8.2% below their year-ago level. Existing home sales in July increased by 2.0% (SA) compared to June and increased 0.8% compared to July 2024. The seasonally adjusted Case-Shiller national home price index for June was 0.3% below its May level but remained 1.9% above its year-ago level.
- The major risks to the U.S. and Washington economies continue to be the impacts of trade policy and changes to federal government spending, employment and services, along with high interest rates and geopolitical conflict.

## Washington

- Washington job growth has been stronger than expected in the two months since the June forecast, although historical revisions have lowered the level of employment. Total seasonally adjusted nonfarm payroll employment increased 4,800 in June and July, which was 2,900 more than the increase of 1,900 expected in the forecast. The manufacturing sector added 1,600 jobs while construction employment declined by 800 jobs. Private services-providing sectors added 2,700 jobs over the two-month period. Employment in the transportation and warehousing sector led the increase in services, gaining 3,200 jobs. Administrative and support services had the largest decline with a loss of 2,200 jobs in June and July. Government employment increased by 1,400 jobs. Native American government employment declined 1,200 while federal, state, and other local government employment was positive. Large downward revisions to historical data, combined with stronger than expected job growth, have resulted in the level of employment being 7,300 (0.2%) lower than expected in the June forecast.
- Washington's aerospace employment increased 17,100 jobs since reaching a trough of 66,700 in August 2021, bringing the level to 83,900 in September 2024. Since reaching the peak, aerospace employment has declined as Boeing incorporated layoffs, reaching a trough of 78,800 in June 2025. The forecast calls for aerospace employment to increase through the forecast period and reach 85,700 jobs by the fourth quarter of 2029.



- We expect a 0.3% increase in Washington employment this year, down from 0.5% in the June forecast. We expect slow growth during the remainder of the forecast as the U.S economy slows. The forecast calls for Washington employment growth to average 0.7% per year in 2025 through 2029, unchanged from the previous forecast.
- Washington's unemployment rate has been slowly trending up since the beginning of the year. The unemployment rate remained at 4.5% in July from the month before and is up from a recent trough of 4.3% in January. July labor force participation was 62.2%, down slightly from 62.3% in June. Labor force participation is down from the recent peak of 64.2% in May 2023.
- The preliminary September forecast expects the Washington unemployment rate to increase from 4.5% this year to 4.9% in 2026 and 2027. The forecast then calls for the unemployment rate to trend down and reach 4.5% in 2029. The previous forecast assumed a rate of 4.5% this year, peaking at 4.9% in 2026 and 2027, before trending down to 4.4% in 2029.
- In June, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the first quarter of 2025. Washington personal income increased from \$681.7 billion (SAAR) in the fourth quarter of 2024 to \$687.2 (SAAR) billion in the first quarter of 2025. The 3.2% increase (SAAR) in Washington personal income was the lowest among the states and trailed the 6.7% (SAAR) rate of increase for the U.S. as a whole. Growth in Washington net earnings trailed the U.S. in the first quarter, with Washington net earnings increasing 0.1% (SAAR) compared to 5.0% (SAAR) for the nation. Growth in dividends, interest, and rent was the same in both Washington and the nation, increasing 5.6% (SAAR). Growth in transfer payments in Washington exceeded the U.S. Washington transfer payments grew 14.0% (SAAR) compared to 13.6% (SAAR) for the U.S. The increase in transfer receipts in the first quarter of 2025 reflected a 2.5% cost-of-living adjustment for social security recipients along with an increase in Affordable Care Act premium tax credits.
- Our forecast for nominal personal income growth this year is 5.2%, unchanged from the June forecast. The forecast for nominal personal income growth in 2025 through 2029 averages 5.3% per year, also unchanged from the previous forecast.
- Seattle-area home prices declined for the fifth consecutive month in June. Home prices fell 0.2% in June after a 0.8% decline the month before. In comparison, the composite-20 index fell 0.2% in June after a 0.3% decline in May. Seattle home prices in June remain up 0.9% over the year, while composite-20 index was up 2.1%.
- Seattle-area consumer price inflation picked up in June. From June 2024 to June 2025, the Seattle CPI rose 2.7% after increasing 1.7% in April. The U.S. city average year over year increase in the CPI was also 2.7% in June. Seattle inflation has come down substantially since reaching a peak of 10.1% in June 2022 and reached lowest level since 2021 in April. Shelter costs in both Washington and the U.S. continue to outpace topline inflation, increasing 3.1% and 3.7% respectively in June. Core inflation (excluding food and

energy), has also increased in recent months. Seattle core CPI rose 2.4% in June compared to 3.1% for the U.S. City average.

- Washington exports increased 5.1% from the second quarter of 2024 to the second quarter of 2025. The increase was due to a 25.5% increase in transportation equipment exports. Excluding transportation equipment, Washington exports declined 6.9% year over year in the second quarter of 2025. Exports to the rest of North America were down 12.7% year over year, while exports to the rest of the world were up 10.1%.
- Washington car and truck sales increased in July. The seasonally adjusted number of new vehicle registrations was 276,400 (SAAR), up 2.7% from the previous month. Passenger car registrations increased 0.1% while light truck registrations increased 21.8%. The number of total registrations were up 6.6% over the year in July.
- Washington housing construction picked up in the second quarter of 2025. The number of housing units authorized by building permits increased to 35,200 (SAAR) in the second quarter from 32,500 in the first quarter. Single family permits in the second quarter declined slightly to 17,900 (SAAR) from 18,000 (SAAR) in the first quarter. Multi-family permits increased to 17,300 (SAAR) in the second quarter from 14,500 (SAAR) the prior quarter. The June forecast expected 34,700 units (SAAR) in the second quarter, consisting of 19,000 single-family units and 15,700 multi-family units.
- The preliminary September forecast calls for housing permits to decrease to 35,500 units this year from 37,800 units in 2024. We expect housing permits to grow through 2029 reaching 41,500 units. The previous forecast called for total housing permits of 34,800 units this year, reaching 40,900 units in 2029.

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# Washington State Economic Outlook & Revenue Collection Experience

Presented to the  
Washington State Economic and Revenue  
Forecast Council

Dave Reich  
Executive Director

September 9, 2025



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ECONOMIC AND REVENUE FORECAST COUNCIL**



## Overview

- The preliminary U.S. economic forecast for September is very similar to June's forecast with slightly higher GDP and inflation
- Generally, the U.S. and Washington economies have been transitioning to slower growth (GDP, employment) with recent policy uncertainty compounding that trend
- There is a significant amount of uncertainty in the forecast due to trade and federal/fiscal policy
- GF-S revenue collections since the June forecast are \$128.3 million (2.7%) above expectations

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## Economic forecast risks

### Upside

- Tariffs are avoided or lower or just more certain
- Stronger consumer spending and employment markets, or faster interest rate cuts
- Quicker resolution of Russia – Ukraine, Middle East conflicts leads to more certainty

### Downside

- Trade policy (higher U.S. tariffs and retaliation)
- Larger federal employment/spending reductions
- Higher than expected inflation due to tariffs and/or Federal Reserve pressure
- Russia – Ukraine, Middle East conflicts intensify, leading to higher prices for energy

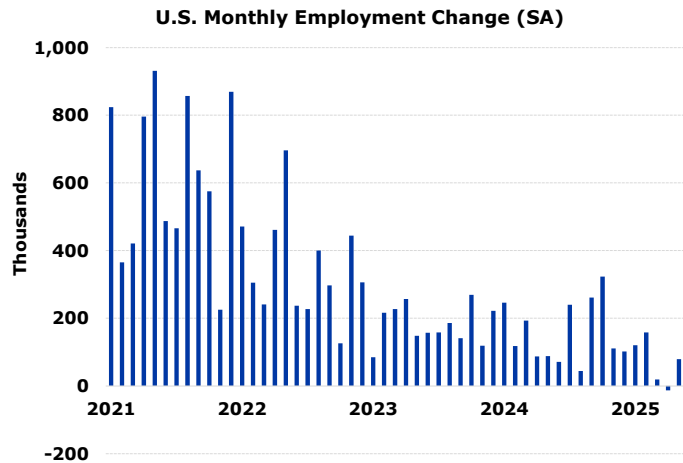
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## U.S. employment growth has slowed significantly in the last few months



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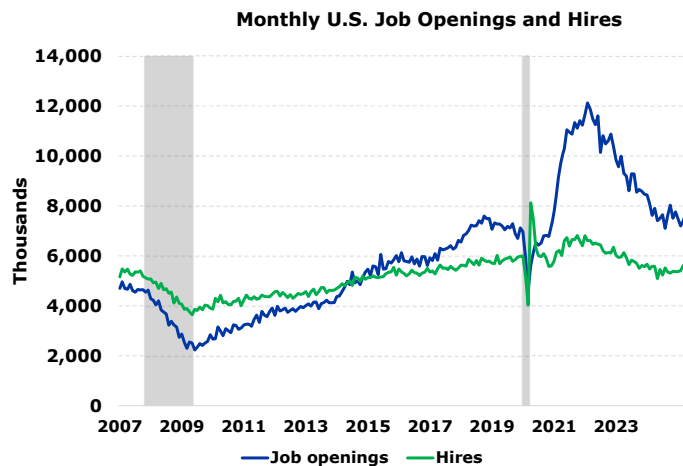
Source: U.S. Bureau of Labor Statistics; data through August 2025

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## Job openings and hiring have reached pre-pandemic levels



Monthly hires in 2025 are similar to levels last seen in 2016-2017

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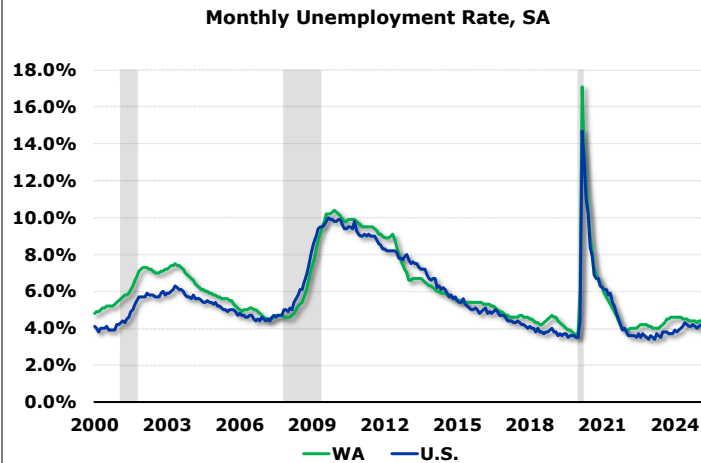
Source: U.S. Bureau of Labor Statistics, data through July 2025

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## Unemployment rates have been increasing but remain near historically low levels



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Source: U.S. Bureau of Labor Statistics, data through August 2025 (U.S.), July 2025 (WA)

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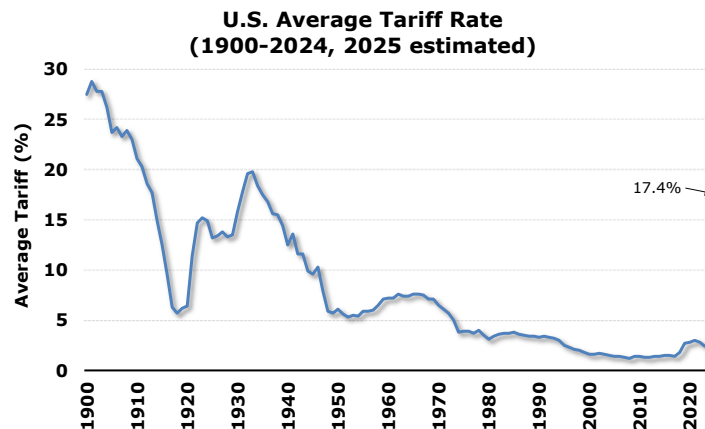
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## Tariffs are top of mind, and the uncertainty is making it more difficult

Includes 10% tariffs on most countries, 35%/30% tariffs on Canada and Mexico, 50% steel and aluminum tariffs and a 30% tariff on Chinese goods and others:

~17.4%  
(Yale budget lab, 9/4/25)



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Source: Yale budget lab

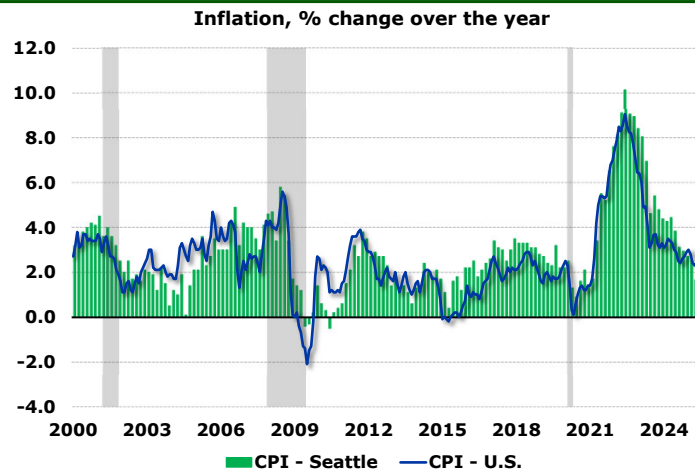
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## The inflationary impacts of tariffs have been muted so far, but they will increase prices in coming months



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Source: U.S. Bureau of Labor Statistics, data through July 2025 (U.S.) and June 2025 (WA)

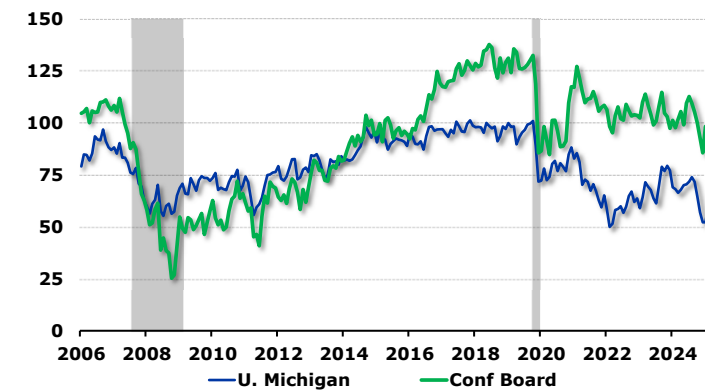
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## Consumer sentiment improved near the end of 2024, but is down significantly in 2025

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



The August U of M index is 58.2, down 3.5 points from July

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Sources: Data through August 2025 (CB), August 2025 (UM)

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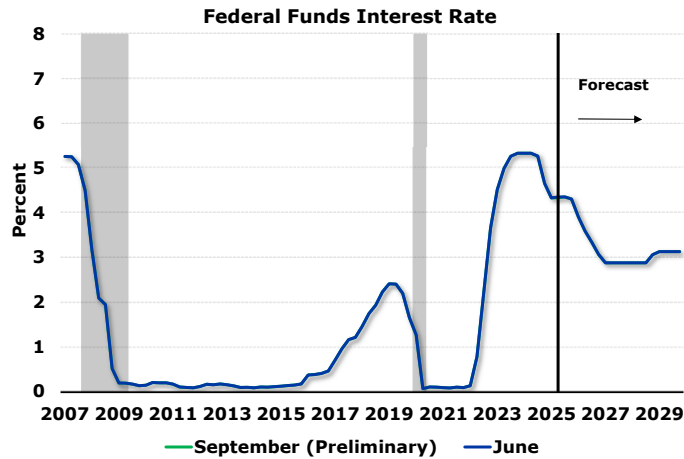
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## The Federal Reserve has been on hold but is likely to reduce rates soon

The Federal Reserve reduced interest rates by one percentage point in 2024 and the current rate range is 4.25%-4.5%.



Source: ERFRC preliminary September 2025 forecast; historical data through 2025 Q2

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## Recession views

### August 2025 Blue Chip Survey

Probability of U.S. recession over next 12 months:

- 40%

### Q2 2025 (July) WSJ Forecasting Survey

Probability of U.S. recession in next 12 months:

- 33%

### June 2025 Natl. Assoc. Bus. Econ.

Probability of U.S. recession in next twelve months:

- 56% of respondents say between 25% and 40%

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## Most Washington economic indicators growing slowly after normalizing post-pandemic

2025

WA employment is up 0.4% (YTD) through July

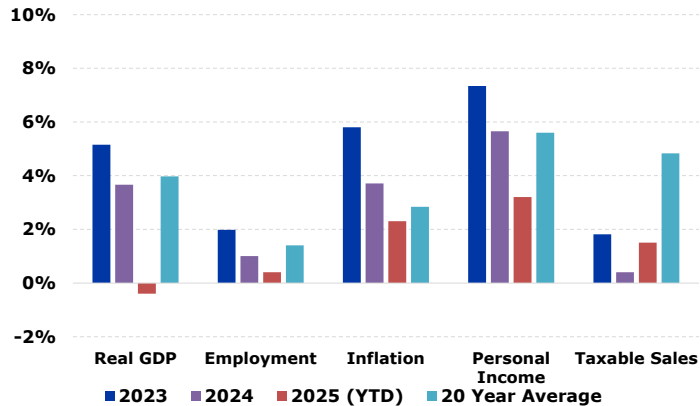
Seattle CPI up 2.7% (yoy) in June

WA taxable sales growth has picked up likely tied to tariff policy

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**Washington State Economic Indicators  
2023-2025 (YTD) Actual Growth, & 20 Year Average**



Source: BEA, ERFC, U.S. Bureau of Labor Statistics, WA Employment Security, WA DOR. 2025 GDP, PI and taxable sales through 1Q, Employment through July, inflation through June

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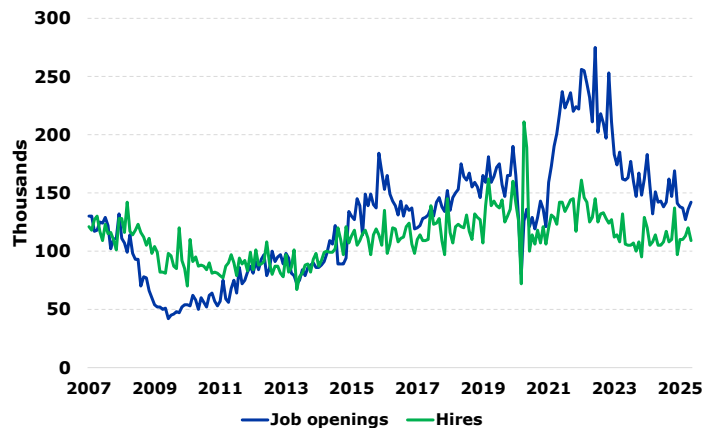
## Washington job openings down from 2022 peak, consistent with national picture

Monthly job openings and hires in 2025 are similar to levels last seen in 2015-2017

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**WA Job Openings and Hires, SA**



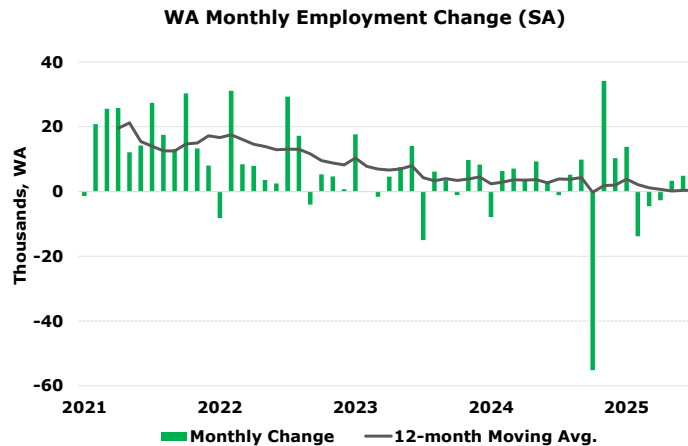
Source: U.S. Bureau of Labor Statistics, data through June 2025

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## WA employment growth has slowed in 2024-2025

The 12-month average monthly employment change was 400 jobs in July 2025.



Source: U.S. Bureau of Labor Statistics, WA Employment Security Dept., ERFC; data through July 2025

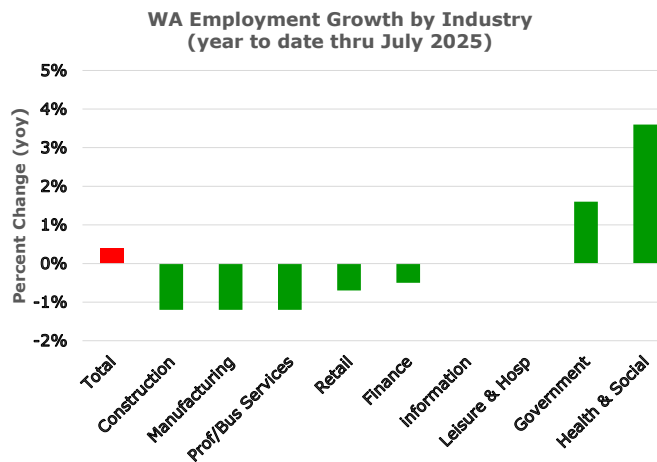
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## Most Washington employment sectors have been flat or contracting in 2025

Employment growth has been slowing and has been driven by a few industries



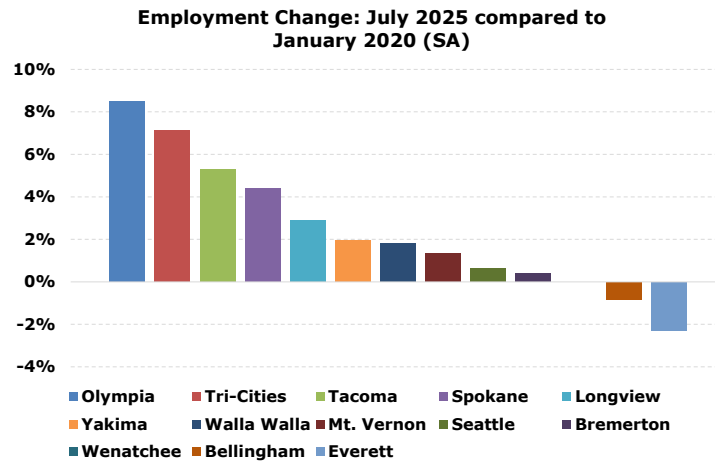
Source: WA ESD through July 2025

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## Post-pandemic employment changes vary widely but have grown most outside Seattle



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Source: WA Employment Security Dept., MSA measures except Tacoma, Everett and Seattle which are metro divisions

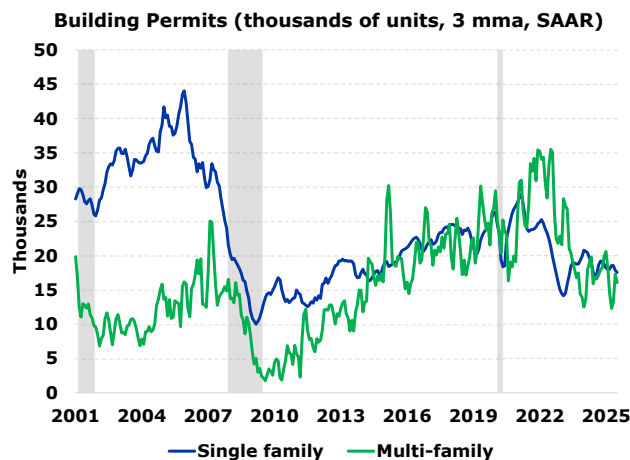
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## WA residential building activity is down from post-pandemic surge and down in 2025

Construction employment is down significantly from its peak in 2022.

Construction taxable sales growth was negative in 2025:1Q



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Source: ERFC, U.S. Census Bureau; monthly, data through July 2025

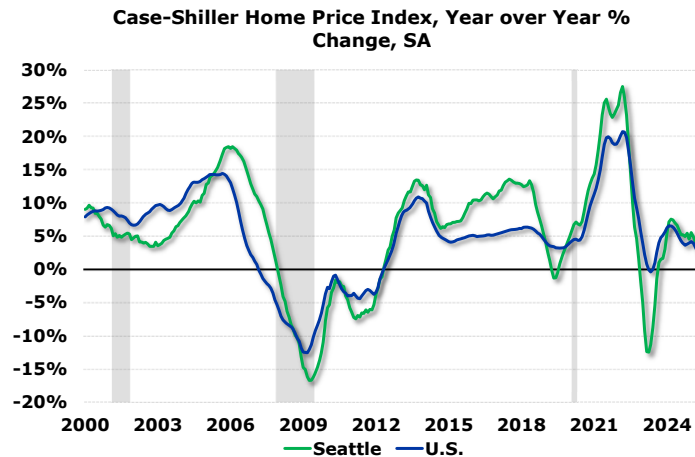
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## Home prices have fallen for five months although they are still up compared with a year ago

Seattle home prices peaked in January 2025

Seattle prices were up 0.85% in June 2025 compared with a year prior



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Source: Case-Shiller, data through June 2025

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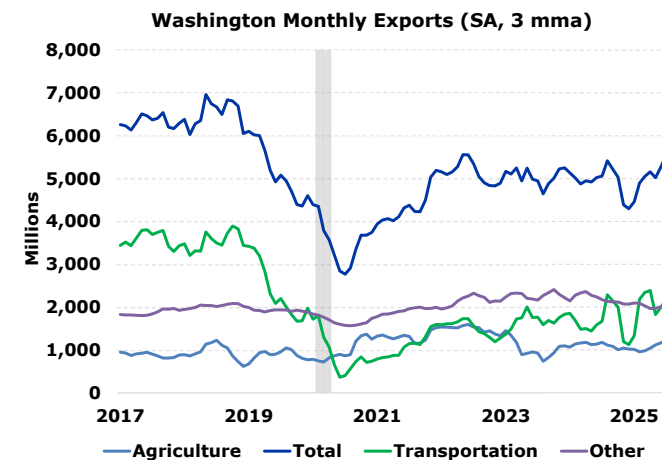


## Washington goods exports have been up so far in 2025 driven by increases in transportation exports

2025:2Q export growth was 5.1% (NSA, yoy)

Trans: +25.5%  
Ag: +1.4%  
Other: -10.2%

July goods exports from Washington were up 52.8%.



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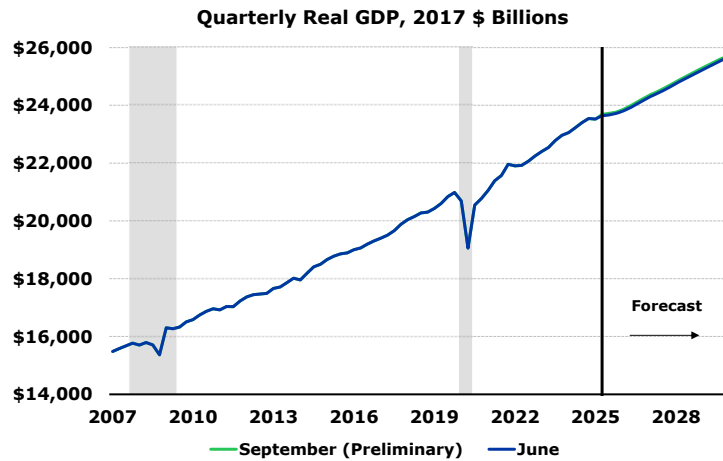
Source: EORC, U.S. Census Bureau; monthly, data through July 2025

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## U.S. GDP forecast is slightly higher than in June



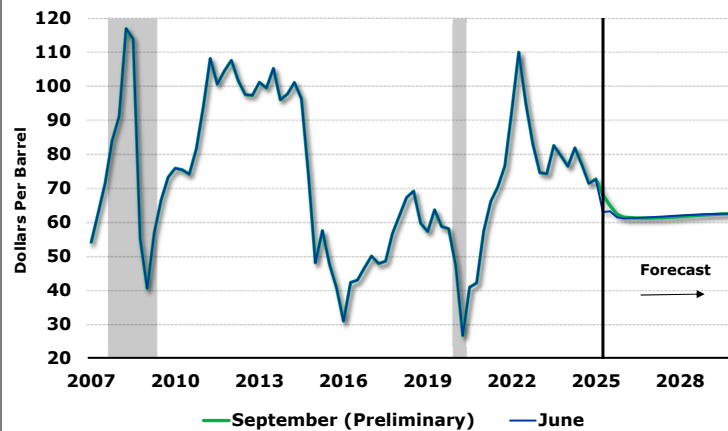
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## Oil prices are a little higher in the near term than in the June forecast

Oil prices in the second quarter of 2025 were higher than expected in the June forecast

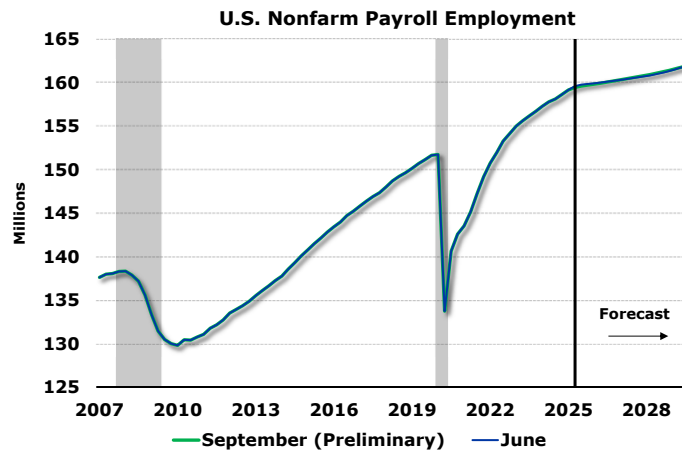


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## U.S. nonfarm employment grows slowly over the next few years



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Source: IHS Markit, ERFC preliminary September 2025 forecast; data through 2025 Q2

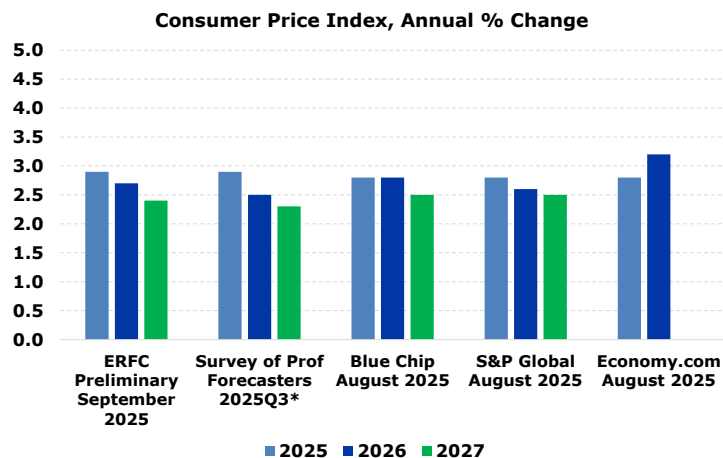
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## Inflation is likely to remain elevated over the next few years as tariffs lead to price increases

The Consumer Price Index increased by 3.0% in 2024



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

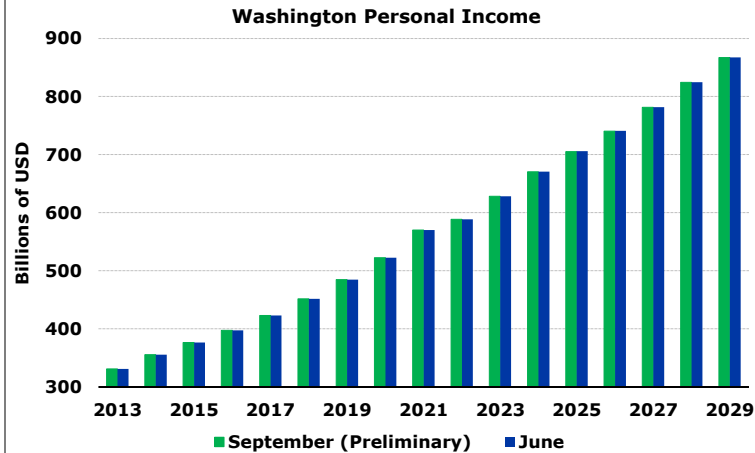
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## WA personal income levels nearly unchanged from June

In June, BEA released 2025:1Q personal income and WA was up 3.2% (SAAR)



Source: ERFC preliminary September 2025 forecast; historical data through 2025 1Q

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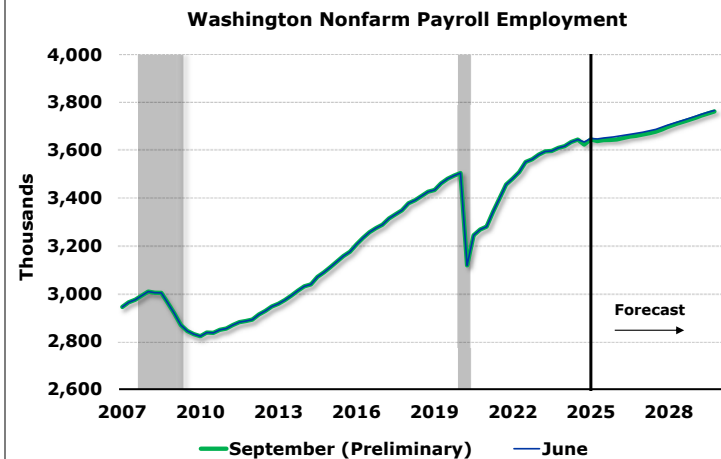


## WA employment forecast is lower over the forecast period

Average annual employment growth, 2025 to 2029:

U.S. = 0.4%

WA = 0.7%



Source: ERFC preliminary September 2025 forecast; historical data through 2025 Q2

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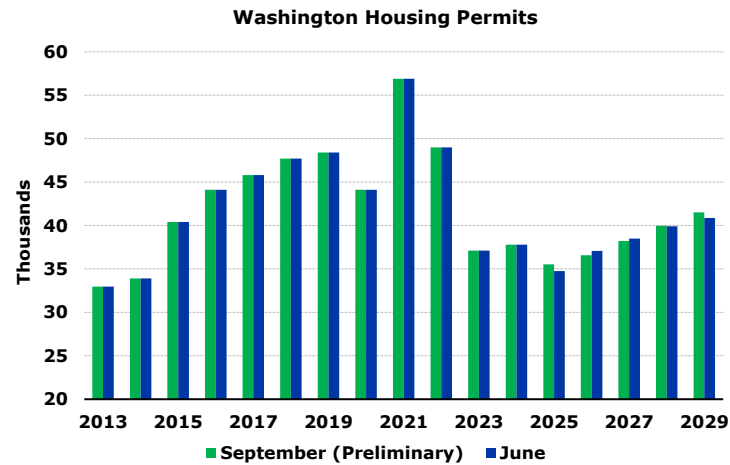
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## WA housing permit forecast revised up in 2025, small changes for other years



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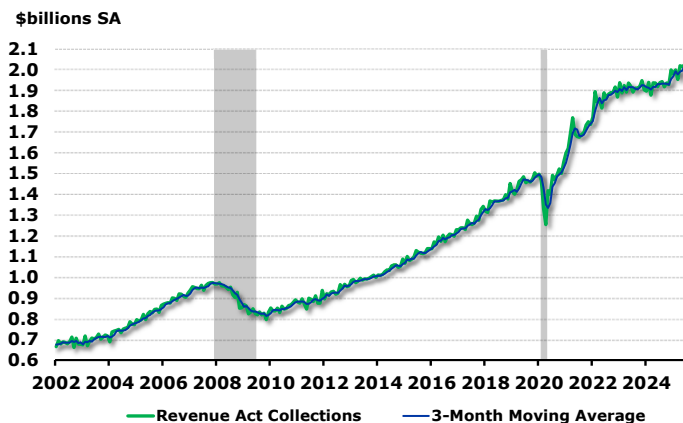
Source: ERFC preliminary September 2025 forecast; historical data through 2025:2Q

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## Revenue Act collections growth; June activity was up 5.5% (SA) compared with June 2024

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



\* Adjusted for large one-time transactions, amnesty payments, reporting frequency change and deferred 2020 payments, current definition of Revenue Act

Source: DOR and ERFC; monthly data through June 2025 activity

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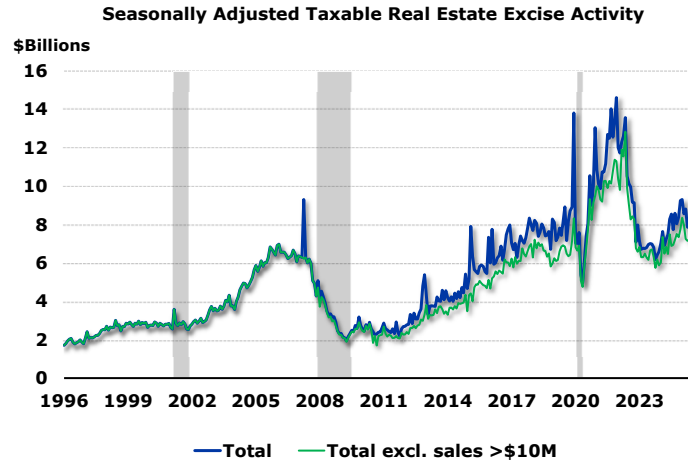
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## Taxable real estate activity increased in 2024 and early 2025 but has decreased recently

Transactions of \$10 million or more were about \$940M in July 2025



Source: ERFC; Monthly data through July 2025 estimate

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



## Revenue collections since the June forecast

### Collections Variance Since June Forecast (June 11, 2025 – August 10, 2025) dollars in thousands

	<u>Estimate</u>	<u>Actual</u>	<u>Difference</u>	<u>Pct.</u>
Dept. of Revenue	\$4,775,032	\$4,903,541	\$128,509	+2.7%
Other revenue	9,832	9,605	(227)	-2.3%
Total GF-S	<b>\$4,784,864</b>	<b>\$4,913,145</b>	<b>\$128,282</b>	<b>+2.7%</b>

WA EORC  
September 9, 2025

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



## Summary

- Overall, the changes to the economic forecast are very small
- The U.S. economic forecast calls for slightly higher GDP growth, higher inflation and interest rates
- The WA forecast has lower employment levels but slightly faster employment growth, and slightly faster personal income growth
- Forecast risks are elevated due primarily to uncertainty, trade policy and federal spending/employment
- The next monthly revenue collection report will be available on September 15<sup>th</sup> and the revenue forecast will be presented on September 23<sup>rd</sup>

WA EORC  
September 9, 2025

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



## Questions?



Economic & Revenue Forecast Council  
PO BOX 40912  
Olympia WA 98504-0912  
[www.erfc.wa.gov](http://www.erfc.wa.gov)  
360-534-1560

WA EORC  
September 9, 2025

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

# ERFC Bylaws

Presentation to the  
Economic and Revenue Forecast Council

Dave Reich

9/9/25

## Proposed ERFC Bylaws

- ▶ The core work (state economic and revenue forecasts) is listed in RCW
- ▶ Bylaws are to specify process related items
- ▶ ERFC staff have completed a draft set of bylaws that were circulated recently-subsequent slides are based on those
- ▶ Draft plan
  - ▶ Initial guidance (6-24-25)
  - ▶ Draft bylaws provided for feedback (today)
  - ▶ Draft bylaws will be revised based on any feedback and AAG will review, and they will be brought back in November for motion or more changes
  - ▶ Draft bylaws revised and resubmitted for motion if needed in January 2026

## Draft ERFC Bylaws

- ▶ Article I-Purpose
- ▶ Article II-Officers and Duties
  - ▶ Who's on the ERFC (in RCW), vacancies filled as individuals step into the roles
  - ▶ Chair and vice-chair selected from the eight caucus appointees
    - ▶ Two-year term
    - ▶ ERFC can create other officers
  - ▶ How should the chair/vice-chair rotate?
    - ▶ The chair and vice-chair will alternate between the House and Senate and the two largest caucuses as follows:
      - ▶ -Senate, caucus one
      - ▶ -Senate, caucus two
      - ▶ -House of Representatives, caucus one
      - ▶ -House of Representatives, caucus two
  - ▶ The vice-chair becomes the chair at the end of the current chair's appointment
  - ▶ If chair or vice-chair vacate the position, the successor from the House or Senate fills their vacancy

## Draft ERFC Bylaws (Cont.)

- ▶ Article III-Meetings
  - ▶ Held quarterly plus budget outlook meetings, agenda published by ERFC
  - ▶ What if the Chair is absent?
    - ▶ Vice-chair steps in
    - ▶ If both the chair and vice-chair are absent, an acting chair is designated
- ▶ Article IV-Quorum
  - ▶ Must have quorum to vote
  - ▶ Seven votes (ERFC) to adopt forecast
  - ▶ Remote attendance is ok
- ▶ Article V-Voting procedures
  - ▶ Votes are recorded
  - ▶ Chair/vice-chair have same voting rights
  - ▶ Must adopt motion/resolution
  - ▶ Only duly appointed members of ERFC may vote (no designees)
    - ▶ RCW allows an exception for the Treasurer (43.08.120)

## Draft ERFC Bylaws (Cont.)

- ▶ Article VI-Minutes
  - ▶ All meetings will have written record
- ▶ Article VII-Change in Bylaws
  - ▶ Any ERFC Member may ask for a review
- ▶ Comments, changes, additions/deletions?



STATE OF WASHINGTON

## ECONOMIC AND REVENUE FORECAST COUNCIL

*PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560*

### **Economic and Revenue Forecast Council Bylaws**

#### **Article I – Purpose**

The Economic and Revenue Forecast Council (ERFC) will carry out the provisions of RCW 82.33 (ERFC enabling legislation) and Chapter 42.30 RCW (Open Public Meetings Act) as they currently exist or hereafter amended and will perform the duties and functions as therein prescribed.

#### **Article II – Officers and Duties**

- A. Members of the council are appointed in accordance with RCW 82.33. The ERFC consists of two individuals appointed by the governor, the state treasurer, and eight legislators, two of whom shall be appointed by the chairperson of each of the two largest political caucuses in the senate and house of representatives. RCW 82.33.010(1a).
- B. Vacancies on the ERFC are filled as individuals step into any of the elected or appointed roles that make up the ERFC.
- C. The chair and vice-chair for the council will be selected from the eight caucus appointees. The council may select such other officers from the other caucus appointees as the members deem necessary.
  - a. The chair and vice-chair shall serve for a period not to exceed two years.
  - b. The chair and vice-chair will alternate between the House and Senate and the two largest caucuses as follows:
    - Senate, caucus one
    - Senate, caucus two
    - House of Representatives, caucus one
    - House of Representatives, caucus two
  - c. The vice-chair shall become the chair at the end of the current chair's appointment.
  - d. The chair and vice-chair shall do all such things as are appropriate for or delegated to such officer by the ERFC.
  - e. Should the current chair or vice-chair vacate the position and their position on the ERFC during the two-year term, the successor from the House or Senate shall fill the vacancy until the end of term.

#### **Article III – Meetings**

- A. A minimum of one council meeting is held per quarter.

- B. Revenue Review meetings will be scheduled and held in accordance with RCW 82.33.020(1) on or before November 20th, February 20th in the even-numbered years, March 20th in the odd-numbered years, June 27th, and September 27th.
- C. If the chair is absent from the meeting, the vice-chair will facilitate the public meeting. If both the chair and vice-chair are absent, an acting chair will be designated among the attending council members for the purposes of facilitating the public meeting.
- D. An agenda for each meeting will be published on the ERFC website no later than twenty-four hours before the meeting.

#### **Article IV – Quorum**

- A. Seven Council members make a quorum.
- B. Any member in continuous communication by telephone, video-conferencing, or similar technology with a council meeting shall be considered to be present and shall be counted towards the quorum requirement and be eligible to vote.
- C. No votes will be taken on ERFC business unless a quorum is present. The quorum refers to the number of members present, not to the number actually voting on a particular question. Should a member choose to recuse him or herself from voting, the quorum is not affected.
- D. An affirmative vote of seven or more is required for adopting the forecast.

#### **Article V – Voting procedures**

- A. Voting during the meetings will be recorded in the minutes.
- B. The chair and vice-chair shall have the same voting rights as any other member of the ERFC.
- C. Only duly appointed members of the ERFC (not designees) will be permitted to vote on any issue before the ERFC; no proxies will be permitted to vote except for the treasurer per RCW 43.08.120.
- D. The ERFC shall act by the adoption of a motion or resolution.

#### **Article VI – Minutes**

All meetings of the ERFC and subcommittees will have a written record concerning the actions of the council.

#### **Article VII – Change in Bylaws**

The bylaws may be reviewed for changes at the request of any member of the Economic and Revenue Forecast Council. Seven or more members must vote to approve any changes to the Bylaws for those changes to be effective.



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Table 1  
**U.S. Economic Forecast Comparison**  
August 2025

	2025Q3	2025Q4	2026Q1	2026Q2	2025	2026	2027	2028	2029
<b>Real GDP, Percent Change, Annual Rate</b>									
ERFC	0.6	0.7	1.4	1.9	1.6	1.5	2.0	2.0	1.9
S&P Global	1.1	1.9	2.9	3.0	1.7	2.4	1.7	1.6	1.7
Economy.com	1.1	1.0	1.3	1.5	1.6	1.4			
Blue Chip Average*	0.9	0.8	1.4	1.8	1.6	1.5	2.0	2.0	1.9
Blue Chip Top 10*	1.8	1.8	2.3	2.6	1.8	2.1	2.4	2.3	2.1
Blue Chip Bottom 10*	-0.2	-0.8	0.2	0.8	1.2	0.7	1.7	1.8	1.8
<b>Real Consumption, Percent Change, Annual Rate</b>									
ERFC	0.9	0.8	1.2	1.7	1.9	1.4	2.1	2.1	2.0
S&P Global	1.0	0.8	2.4	2.1	1.9	1.7	2.1	2.4	2.4
Economy.com	0.3	0.6	1.2	1.2	1.8	1.0			
Blue Chip Average*	0.8	0.8	1.3	1.7	1.9	1.4	2.1	2.1	2.0
Blue Chip Top 10*	1.4	1.6	2.1	2.5	2.1	1.8	2.4	2.3	2.2
Blue Chip Bottom 10*	0.2	-0.4	0.0	0.7	1.8	0.6	1.8	1.8	1.9
<b>Federal Funds Rate</b>									
ERFC	4.4	4.3	3.9	3.6	4.3	3.5	2.9	2.9	3.1
S&P Global	4.4	4.3	3.9	3.6	4.3	3.5	2.9	2.9	3.1
Economy.com	4.3	4.0	3.8	3.5	4.2	3.4			
<b>Three Month T-Bill Rate</b>									
ERFC	4.3	4.2	3.8	3.4	4.2	3.3	2.7	2.7	2.8
S&P Global	4.3	4.2	3.8	3.4	4.2	3.3	2.7	2.7	2.8
Blue Chip Average*	4.2	4.0	3.8	3.6	4.2	3.5	3.3	3.1	3.1
Blue Chip Top 10*	4.4	4.3	4.1	4.0	4.3	3.9	3.8	3.5	3.4
Blue Chip Bottom 10*	4.0	3.7	3.4	3.2	4.1	3.1	2.8	2.8	2.7
<b>10-Yr. T-Note Yield</b>									
ERFC	4.4	4.3	4.2	4.1	4.4	4.1	4.0	4.0	4.1
S&P Global	4.4	4.3	4.1	4.0	4.4	4.0	3.9	3.9	4.0
Economy.com	4.3	4.2	4.2	4.2	4.3	4.2			
Blue Chip Average*	4.3	4.3	4.2	4.2	4.3	4.1	4.0	3.9	3.8
Blue Chip Top 10*	4.5	4.5	4.5	4.5	4.4	4.5	4.5	4.4	4.2
Blue Chip Bottom 10*	4.2	4.0	3.9	3.8	4.2	3.8	3.5	3.5	3.5
<b>Consumer Price Index, Percent Change, Year-over-Year</b>									
ERFC	3.2	3.2	3.0	3.0	2.9	2.7	2.4	2.3	2.2
S&P Global	3.0	2.9	2.7	2.9	2.8	2.6	2.5	2.3	2.2
Economy.com	3.0	3.1	3.0	3.4	2.8	3.2			
Blue Chip Average*	3.0	3.0	2.8	3.1	2.8	2.8	2.5	2.3	2.2
Blue Chip Top 10*	3.1	3.6	3.6	4.0	3.1	3.5	2.9	2.4	2.4
Blue Chip Bottom 10*	2.8	2.6	2.2	2.3	2.7	2.4	2.1	2.1	2.0
<b>Payroll Employment, Millions</b>									
ERFC	159.6	159.7	159.8	160.0	159.5	160.0	160.5	161.1	161.8
Percent Change, Annual Rate	0.4	0.3	0.3	0.3	1.0	0.3	0.3	0.3	0.4
S&P Global	159.6	159.7	160.0	160.2	159.5	160.3	161.0	161.3	161.9
Percent Change, Annual Rate	0.4	0.3	0.7	0.6	1.0	0.5	0.4	0.2	0.3
Economy.com	159.7	159.8	159.9	159.9	159.5	160.0			
Percent Change, Annual Rate	0.5	0.3	0.2	0.2	1.0	0.3			
<b>Unemployment Rate, Percent</b>									
ERFC	4.3	4.4	4.5	4.6	4.2	4.6	4.7	4.6	4.4
S&P Global	4.3	4.4	4.4	4.5	4.2	4.5	4.5	4.5	4.4
Economy.com	4.3	4.4	4.5	4.6	4.2	4.6			
Blue Chip Average*	4.3	4.5	4.6	4.6	4.3	4.6	4.2	4.1	4.0
Blue Chip Top 10*	4.4	4.7	4.9	5.0	4.4	5.0	4.4	4.2	4.2
Blue Chip Bottom 10*	4.2	4.3	4.4	4.3	4.2	4.2	3.9	3.9	3.9
<b>Real Disposable Personal Income, Percent Change, Annual Rate</b>									
ERFC	-1.9	-0.1	7.9	3.0	1.5	3.0	3.1	2.8	2.4
S&P Global	-1.3	0.4	8.4	3.4	1.6	3.3	2.9	2.6	2.4
Blue Chip Average*	0.0	0.6	2.5	2.0	1.7	1.7	2.2	2.1	2.1
Blue Chip Top 10*	1.6	1.7	5.9	3.5	2.1	2.8	2.7	2.4	2.3
Blue Chip Bottom 10*	-1.4	-0.9	0.5	0.7	1.3	0.8	1.7	1.9	1.9
<b>West Texas Intermediate</b>									
ERFC	65.7	62.5	61.7	61.6	66.1	61.6	61.5	61.9	62.2
S&P Global	64.2	55.4	51.6	53.2	64.0	52.2	64.1	68.8	72.1
Economy.com	63.3	64.2	63.5	63.1	66.0	63.0			

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

Table 2

**U.S. Forecast Comparison**

	2025Q3	2025Q4	2026Q1	2026Q2
<b>Real GDP (Billions of 2017 Dollars)</b>				
September Forecast, Preliminary	23,720	23,760	23,845	23,959
Percent Change	0.6%	0.7%	1.4%	1.9%
June Forecast	23,667	23,712	23,790	23,894
Percent Change	0.5%	0.8%	1.3%	1.8%
<b>Real Consumption (Billions of 2017 Dollars)</b>				
September Forecast, Preliminary	16,389	16,423	16,473	16,543
Percent Change	0.9%	0.8%	1.2%	1.7%
June Forecast	16,410	16,442	16,502	16,572
Percent Change	0.5%	0.8%	1.5%	1.7%
<b>PCE Price Index (2017=100)</b>				
September Forecast, Preliminary	127.8	129.2	130.1	130.8
Percent Change	5.1%	4.2%	3.0%	2.3%
June Forecast	128.0	128.9	129.7	130.4
Percent Change	4.9%	2.7%	2.5%	2.2%
<b>Real Personal Income (Billions of 2017 Dollars)</b>				
September Forecast, Preliminary	20,340	20,324	20,528	20,663
Percent Change	-1.6%	-0.3%	4.1%	2.6%
June Forecast	20,396	20,437	20,585	20,720
Percent Change	-1.2%	0.8%	2.9%	2.7%
<b>Nonfarm Payroll Employment (Millions)</b>				
September Forecast, Preliminary	159.6	159.7	159.8	160.0
Percent Change	0.4%	0.3%	0.3%	0.3%
June Forecast	159.8	159.9	159.9	160.0
Percent Change	0.4%	0.2%	0.2%	0.2%
<b>Unemployment Rate (Percent of Labor Force)</b>				
September Forecast, Preliminary	4.3	4.4	4.5	4.6
June Forecast	4.3	4.4	4.6	4.7
<b>Oil Price, Refiner's Acquisition</b>				
September Forecast, Preliminary	64.8	62.3	61.4	61.3
June Forecast	63.1	61.4	61.0	61.1
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>				
September Forecast, Preliminary	6.7	6.6	6.5	6.3
June Forecast	6.7	6.5	6.4	6.3
<b>3 Month T-Bill Rate (Percent, average)</b>				
September Forecast, Preliminary	4.3	4.2	3.8	3.4
June Forecast	4.2	4.1	3.7	3.4

2024	2025	2026	2027	2028	2029
23,305	23,669	24,027	24,507	24,997	25,472
2.8%	1.6%	1.5%	2.0%	2.0%	1.9%
23,305	23,637	23,964	24,443	24,932	25,406
2.8%	1.4%	1.4%	2.0%	2.0%	1.9%
16,053	16,363	16,585	16,933	17,289	17,634
2.8%	1.9%	1.4%	2.1%	2.1%	2.0%
16,053	16,391	16,613	16,962	17,318	17,665
2.8%	2.1%	1.4%	2.1%	2.1%	2.0%
123.5	127.2	131.2	133.8	136.4	139.0
2.5%	3.0%	3.1%	2.0%	1.9%	1.9%
123.5	127.2	130.6	133.0	135.3	137.7
2.5%	3.0%	2.7%	1.8%	1.7%	1.8%
19,974	20,337	20,725	21,362	21,993	22,591
2.8%	1.8%	1.9%	3.1%	3.0%	2.7%
19,974	20,392	20,788	21,457	22,131	22,775
2.8%	2.1%	1.9%	3.2%	3.1%	2.9%
158.0	159.5	160.0	160.5	161.1	161.8
1.3%	1.0%	0.3%	0.3%	0.3%	0.4%
158.0	159.6	160.1	160.5	161.0	161.8
1.3%	1.0%	0.3%	0.3%	0.3%	0.5%
4.0	4.2	4.6	4.7	4.6	4.4
4.0	4.3	4.7	4.7	4.6	4.3
76.6	66.9	61.3	61.3	61.8	62.3
76.6	65.0	61.2	61.6	62.1	62.4
6.7	6.7	6.3	6.0	5.9	5.8
6.7	6.7	6.2	5.9	5.8	5.7
5.0	4.2	3.3	2.7	2.7	2.8
5.0	4.2	3.3	2.6	2.7	2.8

Table 3

**Washington Forecast Comparison**

	2025Q3	2025Q4	2026Q1	2026Q2
<b>Real Personal Income (Billions of 2017 Dollars)</b>				
September Forecast, Preliminary	554.7	554.1	558.1	562.4
Percent Change	-1.6%	-0.4%	2.9%	3.1%
June Forecast	554.6	556.1	560.6	565.1
Percent Change	-0.9%	1.1%	3.3%	3.2%
<b>Personal Income (Billions of Dollars)</b>				
September Forecast, Preliminary	709.0	715.7	726.2	735.9
Percent Change	3.5%	3.8%	6.0%	5.5%
June Forecast	710.1	716.7	726.9	736.6
Percent Change	3.9%	3.8%	5.8%	5.5%
<b>Disposable Personal Income (Billions of Dollars)</b>				
September Forecast, Preliminary	620.5	626.7	643.1	652.3
Percent Change	2.9%	4.1%	10.9%	5.8%
June Forecast	622.3	628.2	646.4	655.5
Percent Change	3.7%	3.8%	12.1%	5.7%
<b>Nonfarm Payroll Employment (Thousands)</b>				
September Forecast, Preliminary	3642.1	3642.9	3644.8	3651.2
Percent Change	0.4%	0.1%	0.2%	0.7%
June Forecast	3651.1	3653.3	3656.8	3662.0
Percent Change	0.4%	0.2%	0.4%	0.6%
<b>Unemployment Rate (Percent of Labor Force)</b>				
September Forecast, Preliminary	4.5	4.6	4.8	4.8
June Forecast	4.6	4.7	4.8	4.9
<b>Manufacturing Employment (Thousands)</b>				
September Forecast, Preliminary	273.7	274.3	274.8	275.0
Percent Change	2.4%	0.8%	0.7%	0.3%
June Forecast	273.7	274.3	274.7	275.0
Percent Change	1.9%	1.0%	0.5%	0.5%
<b>Construction Employment (Thousands)</b>				
September Forecast, Preliminary	221.3	223.2	224.5	226.1
Percent Change	-1.1%	3.5%	2.3%	2.8%
June Forecast	222.5	223.8	224.8	225.9
Percent Change	0.9%	2.2%	1.8%	2.0%
<b>Housing Permits (Thousands)</b>				
September Forecast, Preliminary	37.6	36.7	36.2	36.2
Percent Change	31.1%	-9.2%	-5.3%	0.0%
June Forecast	35.7	36.1	36.5	36.8
Percent Change	11.4%	4.4%	4.5%	4.2%

2024	2025	2026	2027	2028	2029
542.8	554.2	564.4	584.0	604.5	623.8
3.4%	2.1%	1.8%	3.5%	3.5%	3.2%
543.1	554.7	567.2	587.6	609.3	629.7
3.5%	2.1%	2.2%	3.6%	3.7%	3.3%
670.3	705.0	740.4	781.5	824.4	867.1
6.0%	5.2%	5.0%	5.5%	5.5%	5.2%
670.7	705.8	741.0	781.6	824.5	867.3
6.1%	5.2%	5.0%	5.5%	5.5%	5.2%
589.6	617.6	656.6	691.8	727.7	762.7
6.0%	4.8%	6.3%	5.4%	5.2%	4.8%
589.9	618.8	659.5	696.1	732.2	768.1
6.0%	4.9%	6.6%	5.5%	5.2%	4.9%
3630	3642	3653	3676	3713	3749
1.0%	0.3%	0.3%	0.6%	1.0%	1.0%
3632	3650	3664	3685	3719	3754
1.0%	0.5%	0.4%	0.6%	0.9%	0.9%
4.5	4.5	4.9	4.9	4.7	4.5
4.5	4.5	4.9	4.9	4.7	4.4
273.9	273.8	275.0	276.0	278.0	279.4
-0.1%	0.0%	0.4%	0.4%	0.7%	0.5%
274.0	273.3	274.9	275.2	276.7	277.5
0.0%	-0.2%	0.6%	0.1%	0.5%	0.3%
223.7	222.3	226.6	231.2	235.7	239.9
-2.8%	-0.6%	1.9%	2.0%	2.0%	1.8%
224.1	222.6	226.5	230.9	235.2	239.6
-2.7%	-0.7%	1.8%	1.9%	1.9%	1.8%
37.8	35.5	36.6	38.2	40.0	41.5
1.8%	-6.0%	3.0%	4.5%	4.6%	3.9%
37.8	34.8	37.1	38.5	39.9	40.9
1.8%	-8.0%	6.7%	3.8%	3.7%	2.4%

U.S. Forecast Comparison					Fiscal Years	
	2024	2025	2026	2027	2028	2029
<b>Real GDP</b>						
Billions of 2017 dollars						
September Preliminary Forecast	23,005	23,535	23,821	24,272	24,747	25,239
<i>Growth</i>	3.1%	2.3%	1.2%	1.9%	2.0%	2.0%
June Forecast	23,005	23,527	23,766	24,207	24,684	25,172
<i>Growth</i>	3.1%	2.3%	1.0%	1.9%	2.0%	2.0%
Difference in level	0	8	55	65	63	67
<i>Difference in growth forecast</i>	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
<b>Real Consumption</b>						
Billions of 2017 dollars						
September Preliminary Forecast	15,813	16,257	16,457	16,751	17,113	17,461
<i>Growth</i>	2.6%	2.8%	1.2%	1.8%	2.2%	2.0%
June Forecast	15,813	16,274	16,481	16,780	17,144	17,488
<i>Growth</i>	2.6%	2.9%	1.3%	1.8%	2.2%	2.0%
Difference in level	0	-17	-24	-28	-30	-27
<i>Difference in growth forecast</i>	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%
<b>PCE Price Index</b>						
2017 = 100						
September Preliminary Forecast	122.1	125.0	129.5	132.5	135.1	137.7
<i>Growth</i>	2.9%	2.4%	3.6%	2.4%	1.9%	1.9%
June Forecast	122.1	125.1	129.2	131.9	134.1	136.5
<i>Growth</i>	2.9%	2.5%	3.3%	2.0%	1.7%	1.8%
Difference in level	0.0	-0.1	0.3	0.7	0.9	1.2
<i>Difference in growth forecast</i>	0.0%	0.0%	0.3%	0.3%	0.2%	0.2%
<b>Unemployment Rate</b>						
Percent of Labor Force						
September Preliminary Forecast	3.8%	4.2%	4.5%	4.7%	4.7%	4.5%
June Forecast	3.8%	4.2%	4.5%	4.7%	4.7%	4.5%
<i>Difference in forecast</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>30 Year Fixed Mortgage Rate</b>						
Annual Average						
September Preliminary Forecast	7.0%	6.7%	6.5%	6.1%	5.9%	5.9%
June Forecast	7.0%	6.7%	6.5%	6.1%	5.8%	5.8%
<i>Difference in forecast</i>	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%
<b>3 Month T-Bill Rate</b>						
Annual Average						
September Preliminary Forecast	5.3%	4.5%	3.9%	2.8%	2.6%	2.8%
June Forecast	5.3%	4.5%	3.8%	2.8%	2.6%	2.8%
<i>Difference in forecast</i>	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%

Washington Forecast Comparison					Fiscal Years	
	2024	2025	2026	2027	2028	2029
<b>Real Personal Income</b>						
Billions of 2017 dollars						
September Preliminary Forecast	534.1	550.0	557.3	573.8	594.3	614.3
Growth	3.7%	3.0%	1.3%	3.0%	3.6%	3.4%
June Forecast	534.2	550.3	559.1	577.0	598.4	619.7
Growth	3.7%	3.0%	1.6%	3.2%	3.7%	3.6%
Difference in level	-0.1	-0.3	-1.8	-3.2	-4.1	-5.4
<i>Difference in growth forecast</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-0.3%</i>	<i>-0.2%</i>	<i>-0.1%</i>	<i>-0.2%</i>
<b>Nominal Personal Income</b>						
Billions of dollars						
September Preliminary Forecast	651.9	687.7	721.7	760.6	802.8	845.6
Growth	6.7%	5.5%	4.9%	5.4%	5.6%	5.3%
June Forecast	652.0	688.3	722.6	760.9	802.7	845.9
Growth	6.7%	5.6%	5.0%	5.3%	5.5%	5.4%
Difference in level	-0.1	-0.7	-0.9	-0.3	0.1	-0.3
<i>Difference in growth forecast</i>	<i>0.0%</i>	<i>-0.1%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.0%</i>
<b>Nonfarm Payroll Employment</b>						
Thousands						
September Preliminary Forecast	3,614.2	3,637.9	3,645.3	3,663.6	3,693.3	3,730.5
Growth	1.2%	0.7%	0.2%	0.5%	0.8%	1.0%
June Forecast	3,614.2	3,643.7	3,655.8	3,673.0	3,701.3	3,736.6
Growth	1.2%	0.8%	0.3%	0.5%	0.8%	1.0%
Difference in level	0.0	-5.8	-10.6	-9.4	-7.9	-6.2
<i>Difference in growth forecast</i>	<i>0.0%</i>	<i>-0.2%</i>	<i>-0.1%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Housing Permits</b>						
Units Authorized, Thousands						
September Preliminary Forecast	35.8	36.2	36.7	37.3	39.1	40.8
Growth	-11.5%	1.1%	1.5%	1.8%	4.6%	4.5%
June Forecast	35.8	36.0	36.3	37.8	39.2	40.5
Growth	-11.5%	0.8%	0.6%	4.3%	3.6%	3.4%
Difference in level	0.0	0.1	0.4	-0.5	-0.1	0.3
<i>Difference in growth forecast</i>	<i>0.0%</i>	<i>0.3%</i>	<i>0.9%</i>	<i>-2.5%</i>	<i>1.0%</i>	<i>1.1%</i>

## Year-Over-Year Employment Growth by Industry (July 2024 to July 2025) Washington vs. U.S.

	Washington		U.S.
	(000)	% Chg.	% Chg.
<b>Total</b>	<b>5.1</b>	<b>0.1%</b>	<b>1.0%</b>
Transportation, Warehousing and Utilities	7.2	4.7%	0.0%
Education and Health Services	16.4	3.0%	3.3%
Information Excluding Software	1.7	2.1%	-0.9%
State and Local Gov Non-Education	5.5	2.0%	1.5%
State and Local Gov Education	1.6	0.6%	1.0%
Manufacturing Excluding Aerospace	0.6	0.3%	-0.8%
Leisure and Hospitality	0.0	0.0%	1.4%
Other Services	-0.5	-0.4%	1.1%
Financial Activities	-1.8	-1.1%	1.0%
Construction	-2.5	-1.1%	1.1%
Wholesale Trade	-2.1	-1.5%	0.3%
Software Publishers	-1.8	-2.2%	2.5%
Management of Companies and Enterprises	-3.3	-3.2%	0.4%
Mining and Logging	-0.2	-4.7%	-1.3%
Aerospace Product and Parts Manufacturing	-4.7	-5.6%	-1.6%
Information	-0.1	-0.1%	-0.2%
Manufacturing	-4.1	-1.5%	-0.8%
Professional and Business Services	-10.7	-2.0%	-0.3%

Source: WA State ERFC Kalman filtered data, U.S. Bureau of Labor Statistics