Washington Economic Outlook

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Bend, OR
WA nonfarm employment has grown strongly

Source: WA Employment Security Dept., ERFC; data through April 2017
WA retail trade employment growth has been much stronger thanks to electronic shopping.
Over 54% of 2016 statewide employment growth was in the Seattle metro area.
Seattle share of nonfarm employment growth by industry, 2016

Washington employment will grow faster than the U.S. over the next few years.

Average total nonfarm growth, 2017-19:
- U.S. = 1.2%
- WA = 1.9%

Source: ERFC Mar. 2017 forecast
WA exports have declined for two consecutive years

Source: WISERTrade; data through December 2016
U.S., WA housing permits trending up; WA back to pre-housing boom levels

Source: U.S. Census Bureau, data through March 2017
Seattle home prices have been rising much faster than prices nationally.

Source: S&P/Case-Shiller; data through Feb. 2017
Rev Act growth relative to income above average for last 9 quarters

Adjusted Rev Act growth YOY:
16Q2: 7.6%
16Q3: 7.2%
16Q4: 6.4%
17Q1: 6.3%

March personal income YOY growth estimate:
16Q2: 4.1%
16Q3: 4.5%
16Q4: 5.4%
17Q1: 5.4%

Year-Over-Year Rev Act* Growth Less State Personal Income Growth

*Adjusted for large one-time payments and refunds and payments under the amnesty program
Source: ERFC; Quarterly revenue data through Q1 2017, March 2017 income estimates
Large commercial property sales have slowed as other activity grows.

Large commercial sales (>$10 million) totaled $3.1 billion in the 3rd quarter of 2016, $5.2 billion in the 4th quarter and $1.8 billion in the 1st quarter of 2017.

Large commercial sales totaled $239 million in April, the lowest since February 2014.

Source: ERFC; Monthly data through April 2017 preliminary
Both the number of real estate transactions and the average value per transaction are trending up.

Source: ERFC, data through 2017 Q1
The price of cannabis has continued to fall

Price of Recreational Cannabis Sold at Retail Stores

Source: LCB, ERFC; data through April 2017

Does not include 37% excise tax
The composition of cannabis sales is changing

MEFI is the abbreviation for the end product 'marijuana extract for inhalation'

% of usable

% of MEFI

Source: LCB, ERFC; data through April 2017
Questions