



# **ECONOMIC FORECAST**

## **Fiscal Year Summary Tables**

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Preliminary  
***October 28, 2016***

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Table 1.1

Fiscal Years

**U.S. Economic Forecast Summary**  
 Forecast 2017 to 2021

|                                                                         | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     |
|-------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Real National Income Accounts (Billions of Chained 2009 Dollars)</b> |          |          |          |          |          |          |          |          |
| Real Gross Domestic Product                                             | 15,770.8 | 16,231.1 | 16,513.4 | 16,831.7 | 17,199.2 | 17,552.5 | 17,927.7 | 18,292.8 |
| % Ch                                                                    | 2.1      | 2.9      | 1.7      | 1.9      | 2.2      | 2.1      | 2.1      | 2.0      |
| Real Consumption                                                        | 10,690.4 | 11,058.2 | 11,356.3 | 11,664.2 | 11,928.9 | 12,192.3 | 12,452.9 | 12,714.1 |
| % Ch                                                                    | 2.0      | 3.4      | 2.7      | 2.7      | 2.3      | 2.2      | 2.1      | 2.1      |
| Real Nonresidential Fixed Investment                                    | 2,090.3  | 2,188.0  | 2,195.3  | 2,254.2  | 2,335.4  | 2,425.2  | 2,536.1  | 2,633.4  |
| % Ch                                                                    | 4.9      | 4.7      | 0.3      | 2.7      | 3.6      | 3.8      | 4.6      | 3.8      |
| Real Residential Fixed Investment                                       | 495.1    | 531.0    | 588.2    | 588.3    | 604.9    | 626.1    | 649.0    | 669.6    |
| % Ch                                                                    | 6.3      | 7.2      | 10.8     | 0.0      | 2.8      | 3.5      | 3.7      | 3.2      |
| Real Personal Income                                                    | 13,282.5 | 13,862.8 | 14,285.3 | 14,570.4 | 14,931.0 | 15,345.3 | 15,772.9 | 16,175.5 |
| % Ch                                                                    | 1.2      | 4.4      | 3.0      | 2.0      | 2.5      | 2.8      | 2.8      | 2.6      |
| Real Per Capita Income (\$/Person)                                      | 41,728   | 43,226   | 44,193   | 44,717   | 45,457   | 46,347   | 47,264   | 48,094   |
| % Ch                                                                    | 0.4      | 3.6      | 2.2      | 1.2      | 1.7      | 2.0      | 2.0      | 1.8      |
| <b>Price and Wage Indexes</b>                                           |          |          |          |          |          |          |          |          |
| U.S. Implicit Price Deflator, PCE (2009=1.0)                            | 1.084    | 1.093    | 1.100    | 1.118    | 1.138    | 1.159    | 1.181    | 1.204    |
| % Ch                                                                    | 1.4      | 0.9      | 0.7      | 1.6      | 1.8      | 1.8      | 1.9      | 2.0      |
| U.S. Consumer Price Index (1982-84=1.0)                                 | 2.350    | 2.367    | 2.383    | 2.433    | 2.492    | 2.546    | 2.603    | 2.662    |
| % Ch                                                                    | 1.6      | 0.7      | 0.7      | 2.1      | 2.4      | 2.2      | 2.2      | 2.3      |
| Employment Cost Index (Dec. 2005=1.0)                                   | 1.193    | 1.221    | 1.248    | 1.281    | 1.320    | 1.362    | 1.408    | 1.457    |
| % Ch                                                                    | 1.9      | 2.3      | 2.2      | 2.6      | 3.0      | 3.2      | 3.4      | 3.4      |
| <b>Current Dollar National Income (Billions of Dollars)</b>             |          |          |          |          |          |          |          |          |
| Gross Domestic Product                                                  | 17,015.0 | 17,760.9 | 18,274.1 | 18,970.1 | 19,817.4 | 20,653.8 | 21,545.2 | 22,442.2 |
| % Ch                                                                    | 3.8      | 4.4      | 2.9      | 3.8      | 4.5      | 4.2      | 4.3      | 4.2      |
| Personal Income                                                         | 14,394.7 | 15,155.4 | 15,719.9 | 16,285.1 | 16,988.9 | 17,778.8 | 18,626.6 | 19,482.3 |
| % Ch                                                                    | 2.6      | 5.3      | 3.7      | 3.6      | 4.3      | 4.6      | 4.8      | 4.6      |
| <b>Employment (Millions)</b>                                            |          |          |          |          |          |          |          |          |
| U.S. Civilian Labor Force                                               | 155.5    | 156.6    | 158.0    | 160.2    | 162.2    | 163.9    | 165.5    | 166.8    |
| Total U.S. Employment                                                   | 145.0    | 147.7    | 150.1    | 152.4    | 154.5    | 156.2    | 157.7    | 158.8    |
| Unemployment Rate (%)                                                   | 6.77     | 5.70     | 4.99     | 4.80     | 4.66     | 4.62     | 4.66     | 4.74     |
| Nonfarm Payroll Employment                                              | 137.56   | 140.43   | 143.13   | 145.38   | 146.69   | 147.79   | 149.01   | 150.05   |
| % Ch                                                                    | 1.7      | 2.1      | 1.9      | 1.6      | 0.9      | 0.8      | 0.8      | 0.7      |
| Manufacturing                                                           | 12.09    | 12.28    | 12.31    | 12.31    | 12.37    | 12.51    | 12.68    | 12.81    |
| % Ch                                                                    | 0.9      | 1.6      | 0.3      | 0.0      | 0.5      | 1.1      | 1.4      | 1.0      |
| Durable Manufacturing                                                   | 7.60     | 7.74     | 7.73     | 7.70     | 7.77     | 7.88     | 8.03     | 8.17     |
| % Ch                                                                    | 1.1      | 1.9      | -0.2     | -0.3     | 0.9      | 1.4      | 1.9      | 1.7      |
| Nondurable Manufacturing                                                | 4.49     | 4.54     | 4.58     | 4.61     | 4.60     | 4.63     | 4.65     | 4.65     |
| % Ch                                                                    | 0.5      | 1.0      | 1.1      | 0.6      | -0.3     | 0.6      | 0.5      | -0.1     |
| Construction                                                            | 5.99     | 6.31     | 6.57     | 6.72     | 6.83     | 6.97     | 7.15     | 7.35     |
| % Ch                                                                    | 4.4      | 5.4      | 4.1      | 2.4      | 1.6      | 2.0      | 2.7      | 2.7      |
| Service-Providing                                                       | 118.61   | 120.97   | 123.51   | 125.66   | 126.76   | 127.57   | 128.43   | 129.13   |
| % Ch                                                                    | 1.7      | 2.0      | 2.1      | 1.7      | 0.9      | 0.6      | 0.7      | 0.5      |
| <b>Miscellaneous Indicators</b>                                         |          |          |          |          |          |          |          |          |
| Oil-WTI (\$ per barrel)                                                 | 101.3    | 69.3     | 41.7     | 49.1     | 53.3     | 54.8     | 55.7     | 56.5     |
| Personal Saving/Disposable Income (%)                                   | 5.3      | 5.6      | 5.9      | 5.4      | 5.3      | 5.7      | 6.1      | 6.2      |
| Auto Sales (Millions)                                                   | 7.6      | 7.7      | 7.2      | 7.0      | 7.0      | 7.1      | 7.2      | 7.2      |
| % Ch                                                                    | 2.1      | 1.0      | -5.8     | -3.7     | 0.4      | 1.4      | 2.4      | -0.1     |
| Housing Starts (Millions)                                               | 0.955    | 1.055    | 1.150    | 1.170    | 1.251    | 1.351    | 1.431    | 1.489    |
| % Ch                                                                    | 8.9      | 10.5     | 9.0      | 1.7      | 6.9      | 8.0      | 5.9      | 4.0      |
| Federal Budget Surplus (Billions)                                       | -612.0   | -592.4   | -624.6   | -670.4   | -678.5   | -741.2   | -729.7   | -721.4   |
| Net Exports (Billions)                                                  | -489.5   | -513.7   | -511.0   | -466.7   | -428.5   | -432.4   | -432.2   | -421.0   |
| 3-Month Treasury Bill Rate (%)                                          | 0.04     | 0.02     | 0.18     | 0.47     | 0.98     | 1.79     | 2.52     | 2.59     |
| 10-Year Treasury Note Yield (%)                                         | 2.71     | 2.23     | 2.02     | 1.83     | 2.38     | 2.95     | 3.46     | 3.49     |
| Bond Index of 20 G.O. Munis. (%)                                        | 4.55     | 3.83     | 3.51     | 3.13     | 3.91     | 4.62     | 5.02     | 5.04     |
| 30-Year Fixed Mortgage Rate (%)                                         | 4.33     | 3.92     | 3.80     | 3.65     | 4.29     | 4.96     | 5.53     | 5.56     |

Table 2.1

Fiscal Years

**Washington Economic Forecast Summary**  
 Forecast 2017 to 2021

|                                                       | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    |
|-------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Real Income (Billions of Chained 2009 Dollars)</b> |         |         |         |         |         |         |         |         |
| Real Personal Income                                  | 316.650 | 333.849 | 346.086 | 357.228 | 367.458 | 379.520 | 391.500 | 402.995 |
| % Ch                                                  | 2.3     | 5.4     | 3.7     | 3.2     | 2.9     | 3.3     | 3.2     | 2.9     |
| Real Wage and Salary Disb.                            | 162.191 | 170.803 | 180.780 | 188.617 | 193.739 | 198.983 | 203.992 | 209.200 |
| % Ch                                                  | 3.5     | 5.3     | 5.8     | 4.3     | 2.7     | 2.7     | 2.5     | 2.6     |
| Real Nonwage Income                                   | 154.459 | 163.046 | 165.305 | 168.611 | 173.719 | 180.537 | 187.508 | 193.795 |
| % Ch                                                  | 1.1     | 5.6     | 1.4     | 2.0     | 3.0     | 3.9     | 3.9     | 3.4     |
| Real Per Capita Income (\$/Person)                    | 45,110  | 46,901  | 47,900  | 48,752  | 49,468  | 50,413  | 51,339  | 52,203  |
| % Ch                                                  | 1.1     | 4.0     | 2.1     | 1.8     | 1.5     | 1.9     | 1.8     | 1.7     |
| <b>Price and Wage Indexes</b>                         |         |         |         |         |         |         |         |         |
| U.S. Implicit Price Deflator, PCE (2009=1.0)          | 1.084   | 1.093   | 1.100   | 1.118   | 1.138   | 1.159   | 1.181   | 1.204   |
| % Ch                                                  | 1.4     | 0.9     | 0.7     | 1.6     | 1.8     | 1.8     | 1.9     | 2.0     |
| Seattle Cons. Price Index (1982-84=1.0)               | 2.437   | 2.473   | 2.521   | 2.589   | 2.655   | 2.714   | 2.776   | 2.841   |
| % Ch                                                  | 1.4     | 1.5     | 1.9     | 2.7     | 2.5     | 2.2     | 2.3     | 2.3     |
| Average Nonfarm Annual Wage                           | 55,912  | 57,965  | 60,044  | 62,249  | 64,104  | 66,095  | 68,204  | 70,577  |
| % Ch                                                  | 2.9     | 3.7     | 3.6     | 3.7     | 3.0     | 3.1     | 3.2     | 3.5     |
| Avg. Hourly Earnings-Mfg. (\$/Hour)                   | 24.75   | 25.28   | 25.99   | 27.13   | 27.89   | 28.68   | 29.59   | 30.52   |
| % Ch                                                  | 2.3     | 2.1     | 2.8     | 4.4     | 2.8     | 2.9     | 3.2     | 3.1     |
| <b>Current Dollar Income (Billions of Dollars)</b>    |         |         |         |         |         |         |         |         |
| Personal Income                                       | 343.162 | 364.967 | 380.839 | 399.273 | 418.116 | 439.720 | 462.346 | 485.397 |
| % Ch                                                  | 3.8     | 6.4     | 4.3     | 4.8     | 4.7     | 5.2     | 5.1     | 5.0     |
| Disposable Personal Income                            | 302.084 | 319.888 | 333.684 | 350.045 | 365.365 | 383.551 | 402.025 | 420.899 |
| % Ch                                                  | 3.1     | 5.9     | 4.3     | 4.9     | 4.4     | 5.0     | 4.8     | 4.7     |
| Per Capita Income (\$/Person)                         | 48,886  | 51,272  | 52,710  | 54,489  | 56,287  | 58,409  | 60,628  | 62,876  |
| % Ch                                                  | 2.6     | 4.9     | 2.8     | 3.4     | 3.3     | 3.8     | 3.8     | 3.7     |
| <b>Employment (Thousands)</b>                         |         |         |         |         |         |         |         |         |
| Washington Civilian Labor Force                       | 3,468.1 | 3,517.0 | 3,584.2 | 3,673.7 | 3,746.9 | 3,812.9 | 3,873.3 | 3,926.4 |
| Total Washington Employment                           | 3,243.3 | 3,312.8 | 3,378.6 | 3,471.3 | 3,553.3 | 3,623.2 | 3,682.1 | 3,732.0 |
| Unemployment Rate (%)                                 | 6.48    | 5.81    | 5.74    | 5.51    | 5.17    | 4.98    | 4.93    | 4.95    |
| Nonfarm Payroll Employment                            | 3,021.2 | 3,102.9 | 3,193.3 | 3,268.0 | 3,319.8 | 3,368.6 | 3,412.1 | 3,450.1 |
| % Ch                                                  | 2.4     | 2.7     | 2.9     | 2.3     | 1.6     | 1.5     | 1.3     | 1.1     |
| Manufacturing                                         | 287.5   | 290.1   | 290.6   | 284.6   | 284.0   | 286.1   | 288.6   | 292.0   |
| % Ch                                                  | 0.9     | 0.9     | 0.2     | -2.1    | -0.2    | 0.7     | 0.9     | 1.2     |
| Durable Manufacturing                                 | 209.4   | 210.8   | 209.9   | 202.8   | 201.9   | 202.9   | 204.3   | 207.1   |
| % Ch                                                  | 0.4     | 0.6     | -0.4    | -3.4    | -0.4    | 0.5     | 0.7     | 1.4     |
| Aerospace                                             | 94.7    | 94.2    | 92.9    | 86.8    | 83.4    | 81.7    | 80.4    | 80.3    |
| % Ch                                                  | -1.7    | -0.5    | -1.4    | -6.5    | -4.0    | -2.0    | -1.6    | -0.1    |
| Nondurable Manufacturing                              | 78.1    | 79.3    | 80.7    | 81.9    | 82.1    | 83.2    | 84.3    | 84.9    |
| % Ch                                                  | 2.3     | 1.6     | 1.8     | 1.4     | 0.3     | 1.4     | 1.3     | 0.7     |
| Construction                                          | 153.7   | 168.0   | 178.1   | 184.7   | 189.9   | 196.1   | 199.7   | 202.5   |
| % Ch                                                  | 6.8     | 9.3     | 6.0     | 3.7     | 2.8     | 3.3     | 1.9     | 1.4     |
| Service-Providing                                     | 2,573.8 | 2,638.5 | 2,718.4 | 2,792.2 | 2,839.5 | 2,879.8 | 2,917.2 | 2,949.0 |
| % Ch                                                  | 2.3     | 2.5     | 3.0     | 2.7     | 1.7     | 1.4     | 1.3     | 1.1     |
| Software Publishers                                   | 55.0    | 55.5    | 57.5    | 60.1    | 60.6    | 61.2    | 61.7    | 62.3    |
| % Ch                                                  | 3.9     | 1.0     | 3.5     | 4.5     | 0.9     | 0.9     | 0.9     | 1.1     |
| Nonfarm Payroll Employment, EOP*                      | 3,041.4 | 3,136.4 | 3,235.2 | 3,287.0 | 3,338.7 | 3,385.6 | 3,431.9 | 3,463.4 |
| % Ch*                                                 | 2.2     | 3.1     | 3.2     | 1.6     | 1.6     | 1.4     | 1.4     | 0.9     |
| <b>Housing Indicators (Thousands)</b>                 |         |         |         |         |         |         |         |         |
| Housing Units Authorized by Bldg. Permit              | 33.305  | 38.642  | 39.799  | 38.996  | 40.208  | 41.240  | 41.740  | 41.911  |
| % Ch                                                  | 7.0     | 16.0    | 3.0     | -2.0    | 3.1     | 2.6     | 1.2     | 0.4     |
| Single-Family                                         | 17.408  | 18.691  | 21.539  | 21.500  | 23.575  | 25.157  | 26.065  | 26.522  |
| % Ch                                                  | -6.3    | 7.4     | 15.2    | -0.2    | 9.7     | 6.7     | 3.6     | 1.8     |
| Multi-Family                                          | 15.897  | 19.951  | 18.260  | 17.497  | 16.633  | 16.083  | 15.676  | 15.389  |
| % Ch                                                  | 26.7    | 25.5    | -8.5    | -4.2    | -4.9    | -3.3    | -2.5    | -1.8    |
| 30-Year Fixed Mortgage Rate (%)                       | 4.33    | 3.92    | 3.80    | 3.65    | 4.29    | 4.96    | 5.53    | 5.56    |

\*End of Period, for use in the Budget Stabilization Account calculation