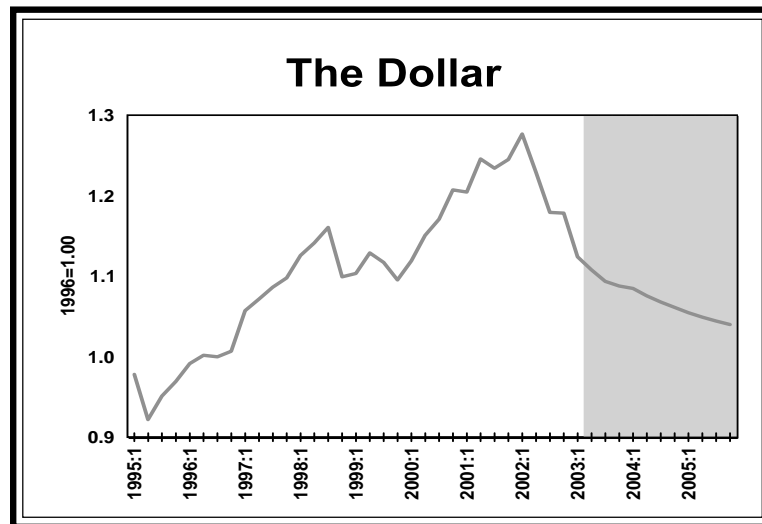


Washington Economic and Revenue Forecast



June 2003
Volume XXVI, No. 2

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Explanation of the Cover Graph

The cover chart shows an index of the exchange rate with the other industrial countries. One of the few positive economic developments in recent months has been the falling dollar. An orderly decline should provide a much-needed boost to the economy by making U.S. goods and services more competitive both at home and abroad. The dollar has already declined 12 percent since its peak a year ago. The forecast assumes the declining trend will continue. By the end of 2005 the dollar will have fallen 24 percent since its recent peak.

This publication is available on the Internet at <http://www.wa.gov/ofc/>

Washington Economic and Revenue Forecast

Prepared by the
Office of the Forecast Council

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Preface

The Office of the 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.

Copies on Compact Disc are available to Washington State businesses and residents for \$2.50 per copy, and to those out-of-state for \$5.00 per copy. You may contact our office for more subscription information at (360) 570-6100 or by writing the Office of the Forecast Council, Post Office Box 40912, Olympia, WA 98504-0912.

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Executive Summary

U.S. Economic Forecast

The June 2003 economic and revenue forecast incorporated the advance GDP estimate for the first quarter of 2003. According to the advance estimate, real GDP grew at a weak 1.6 percent rate in the first quarter of 2003 following an even weaker 1.4 percent rate in the fourth quarter of 2002. A slowdown in inventory investment was partly responsible for the lackluster growth but final sales were up only 2.1 percent following a 1.1 percent increase in the fourth quarter. Consumer spending remained tepid in the first quarter, rising only 1.4 percent following a 1.7 percent increase in the fourth quarter. Fixed investment growth slowed from 4.4 percent in the fourth quarter to just 0.5 percent in the first quarter in spite of a 12.0 surge in residential investment. Government spending also slowed in the fourth quarter to 0.9 percent from 4.6 percent in the first quarter. Only the foreign sector showed a significant improvement in the first quarter as a 3.2 percent decline in exports was eclipsed by a 7.9 percent plunge in imports.

U.S. Employment continued to decline in the first quarter of 2003, falling at a 0.6 percent rate after a 0.1 percent decline in the fourth quarter of 2002. Paradoxically, the unemployment rate fell slightly from 5.90 percent in the fourth quarter to 5.77 percent in the first quarter. Inflation, as measured by the Consumer Price Index, rose to 3.9 percent in the first quarter from 2.0 percent in the fourth quarter due a 42.9 percent jump in energy costs. Core inflation (excluding food and energy) actually declined from 1.8 percent to 1.3 percent. Homebuilding and refinancing activity continued to support the fragile recovery in the first quarter. Housing starts edged up 1.0 percent in the first quarter to a sixteen-year high 1.753 million units while the mortgage rate dropped to 5.83 percent from 6.08 percent. As expected, the Federal Open Market Committee left its target interest rate unchanged at 1.25 percent at its March 18th and May 6th meetings.

The baseline forecast is heavy with fiscal stimulus. Ongoing spending to deal with the problems of postwar Iraq and continue the fight against terrorism will be supplemented this summer with tax cuts worth an estimated \$50 billion this year and \$350 billion over ten years. The stimulus is well-timed; economic activity in the first half of 2003 is being hampered by consumer concerns over jobs and incomes, plus business reluctance to commit to any non-essential spending. State and local government cutbacks only aggravate the private-sector concerns. Activity in the second half of 2003 is expected to improve, though, as tax cuts kick in, energy prices retreat, and the lower dollar brings in some additional foreign demand. The recovery is modest by historical standards, however, because of the absence of the traditional sources of pent-up demand: cars and houses. Even with stronger growth in the second half of this year, calendar year GDP growth is expected to slow from 2.4 percent in 2002 to 2.3 percent in 2003 before rebounding

to 4.2 percent and 3.3 percent in 2004 and 2005. Though the economy is growing again, it is not creating enough jobs to keep up with labor force growth. The unemployment rate, which has already increased from 4.00 percent in 2000 to 5.78 percent in 2002, is expected to reach 6.05 percent this year before edging down to 5.88 percent and 5.73 percent during the next two years. Inflation, as measured by the implicit price deflator for personal consumption expenditures, decelerated to 1.4 percent in 2002 from 2.0 percent in 2001. The improvement in 2002 was mainly the result of lower energy costs, but the slumping economy should keep inflation moderate for the next few years. The forecast expects inflation rates of 1.9 percent in 2003, 1.6 percent in 2004, and 1.8 percent in 2005. The forecast assumes that there will be no further cuts in the federal funds rate during this cycle. However, the Fed will not begin tightening until December.

Washington State Economic Forecast

Washington's payroll employment is sinking again after posting small gains in the spring and summer of 2002. Employment declined at a 1.2 percent rate in the fourth quarter of 2002 and another 0.5 percent rate in the first quarter of 2003. Washington's employment is now virtually identical to the cyclical low reached a year ago. Only twice in the last forty years has Washington seen a more precipitous decline: during the recessions of 1969-71 and 1981-82. Manufacturing employment fell at a 3.7 percent annual rate in the first quarter, the nineteenth consecutive decline in overall manufacturing employment excluding the impact of the February 2000 aerospace labor dispute. Aerospace employment fell at a 7.1 percent annual rate in the first quarter. The cumulative decline since September 11 now stands at 21.0 percent and 39.3 percent measured from the 1998 peak. The declines in manufacturing outside of aerospace are also continuing in 2003. The pace of non-aerospace manufacturing employment reductions improved in the first quarter to 2.7 percent from 6.6 percent in the fourth quarter, though. Nonmanufacturing employment growth fell at a 0.1 percent rate in the first quarter following an equivalent reduction in the fourth quarter. However, the fourth quarter growth rate was artificially depressed by a seasonal anomaly in local government. Excluding this anomaly, nonmanufacturing employment would have risen at a 0.4 percent rate in the fourth quarter. Nonmanufacturing employment growth was a mixed bag in the first quarter. Some major sectors showed significant increases: services up 1.6 percent and construction up 0.7 percent. More than offsetting these were declines of 3.6 percent in transportation communications, and utilities employment, 1.0 percent in government employment, and 0.9 percent in trade employment, though.

Washington's personal income in the fourth quarter of 2002 was \$0.543 billion (0.3 percent) lower than assumed in the March forecast. Fourth quarter wages were \$0.458 billion (0.4 percent) lower than expected, accounting for most of the revision. The software wage estimate was very close but non-software wages were \$0.482 billion lower than expected. Nonwage personal income was \$0.085 billion (0.1 percent) lower than expected in the previous forecast.

Housing has been a rare source of strength in Washington as well as nationally. The number of housing units authorized by building permit in Washington declined 1,900 from 45,500 in the fourth quarter of 2002 to a still strong 43,600 in the first quarter of 2003. Single family permits rose 1,600, however, to 35,200, which was the highest pace of single family activity since the late 1970s, but the number of housing units authorized by multi-family permit declined 3,500 to an annual rate of 8,400 units.

The aerospace forecast for Washington reflects the fact that recent declines have been more severe than expected in February as well as recently issued layoff notices resulting in a reduction of 3,600 by the fourth quarter of 2003 compared to the previous forecast. As in February, the forecast expects an additional 2,600 decline during 2004. The software wage assumption is slightly higher than in the previous forecast due to an improvement in the outlook for Microsoft stock option income. The forecast still assumes there

will be no major fluctuations in Microsoft stock option activity in the future. In 2002 we saw the first ever year-over-year decline in software employment. The forecast assumes a resumption of positive growth of about 350 per quarter, accelerating to 650 per quarter by the end of the year.

Washington wage and salary employment fell 1.5 percent in 2002 following a 0.6 percent decline in 2001 and the forecast expects a further 0.3 percent reduction in 2003. When it comes, the recovery in Washington is expected to be unusually slow. The forecast expects only a weak national recovery and no Boeing upturn until 2005. Population growth has slowed to a crawl and both wage growth and price growth have been dampened by the prolonged contraction. The forecast calls for employment growth rates of just 1.4 percent and 2.0 percent in 2004 and 2005. Washington personal income growth improved to 3.4 percent in 2002 from 2.6 percent in 2001. Declining software wages remain a drag on income growth in Washington. Excluding this volatile sector, income growth was 3.3 percent in 2001 and 4.0 percent in 2002. Personal income growth is expected to remain slow at 3.2 percent in 2003 due to the weak national economy and continued Boeing layoffs but should improve in the next two years to 4.1 percent and 4.6 percent as the U.S. recovery gains momentum and the aerospace cutbacks subside. On the downside, the housing frenzy is expected to subside. The current pace of housing activity is unsustainable, given the weak population growth, and mortgage interest rates will eventually rise. Based on activity in early 2003, the forecast expects housing permits to increase slightly this year to 41,200 from 40,200 in 2002 but housing will decline during the next two years. Higher population growth is expected to boost multi-family activity but higher mortgage rates will dampen the single-family market. The forecast expects housing permits to total 39,500 in 2004 and 38,700 in 2005.

Washington State Revenue Forecast

Newly available employment and wage data indicate that the state's economy is weaker than assumed in March and the latest national forecast suggests that the recovery from the recession will be even slower than previously assumed. This year's aerospace job cuts have been more severe than assumed in March and revenue collections have shown virtually no improvement over the already depressed year-ago level. As a result, the June revenue forecast is \$157.4 million lower, before legislation, than projected in March. The June 2003 General Fund-State revenue forecast for the 2001-03 biennium is \$21,162.0 million, which is just \$1.0 million less than expected in March. The forecast for the 2003-05 biennium of \$22,741.0 million is \$289.5 million (1.3 percent) higher than in March but this includes \$445.9 million in recently enacted legislation. Without the legislated revenue enhancements the forecast for 2003-05 would have been \$156.4 million (0.7 percent) lower than expected in March. The net change for the two biennia combined is a \$288.5 million increase including the \$445.9 million in new legislation and a \$157.4 million reduction excluding the new legislation.

As required by law, optimistic and pessimistic alternative forecasts were developed for the 2001-03 and 2003-05 biennia. The forecast based on more optimistic economic assumptions netted \$53 million (0.3 percent) more revenue than did the baseline forecast in the current biennium while the pessimistic scenario was \$57 million (0.3 percent) lower. The optimistic forecast for the upcoming biennium was \$863 million (3.8 percent) higher than the baseline forecast while the pessimistic alternative was \$1,100 million (4.8 percent) lower. An alternative forecast based on the average view of the Governor's Council of Economic Advisors yielded \$4 million (0.0 percent) more revenue than did the baseline forecast in the 2001-03 biennium and \$77 million (0.3 percent) more in the 2003-05 biennium.

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Washington State and U.S. Economic Forecasts

Recent U.S. Economic Activity

The June 2003 economic and revenue forecast incorporated the advance GDP estimate for the first quarter of 2003. According to the advance estimate, real GDP grew at a weak 1.6 percent rate in the first quarter of 2003 following an even weaker 1.4 percent rate in the fourth quarter of 2002. A slowdown in inventory investment was partly responsible for the lackluster growth but final sales were up only 2.1 percent following a 1.1 percent increase in the fourth quarter. Consumer spending remained tepid in the first quarter, rising only 1.4 percent following a 1.7 percent increase in the fourth quarter. Consumer purchases of nondurable goods rose 4.2 percent but durables fell 1.1 percent and services inched up only 0.5 percent. Fixed investment growth slowed from 4.4 percent in the fourth quarter to just 0.5 percent in the first quarter in spite of a 12.0 surge in residential investment. Business spending on equipment and software fell 4.4 percent after several positive quarters and investment in structures fell 3.4 percent. Government spending also slowed in the fourth quarter to 0.9 percent from 4.6 percent in the first quarter. Federal civilian spending jumped 10.5 percent but defense spending declined 1.5 percent and state and local government purchases slipped 0.1 percent. Only the foreign sector showed a significant improvement in the first quarter as a 3.2 percent decline in exports was eclipsed by a 7.9 percent plunge in imports.

U.S. Employment continued to decline in the first quarter of 2003, falling at a 0.6 percent rate after a 0.1 percent decline in the fourth quarter of 2002. Paradoxically, the unemployment rate fell slightly from 5.90 percent in the fourth quarter to 5.77 percent in the first quarter. Inflation, as measured by the Consumer Price Index, rose to 3.9 percent in the first quarter from 2.0 percent in the fourth quarter due a 42.9 percent jump in energy costs. Core inflation (excluding food and energy) actually declined from 1.8 percent to 1.3 percent. Homebuilding and refinancing activity continued to support the fragile recovery in the first quarter. Housing starts edged up 1.0 percent in the first quarter to a sixteen-year high 1.753 million units while the mortgage rate dropped to 5.83 percent from 6.08 percent. As expected, the Federal Open Market Committee left its target interest rate unchanged at 1.25 percent at its March 18th and May 6th meetings.

U.S. Forecast Highlights

The baseline forecast is heavy with fiscal stimulus. Ongoing spending to deal with the problems of postwar Iraq and continue the fight against terrorism will be supplemented this summer

with tax cuts worth an estimated \$50 billion this year and \$350 billion over ten years. The stimulus is well-timed; economic activity in the first half of 2003 is being hampered by consumer concerns over jobs and incomes, plus business reluctance to commit to any non-essential spending. State and local government cutbacks only aggravate the private-sector concerns. Activity in the second half of 2003 is expected to improve, though, as tax cuts kick in, energy prices retreat, and the lower dollar brings in some additional foreign demand. The recovery is modest by historical standards, however, because of the absence of the traditional sources of pent-up demand: cars and houses. Even with stronger growth in the second half of this year, calendar year GDP growth is expected to slow from 2.4 percent in 2002 to 2.3 percent in 2003 before rebounding to 4.2 percent and 3.3 percent in 2004 and 2005. Though the economy is growing again, it is not creating enough jobs to keep up with labor force growth. The unemployment rate, which has already increased from 4.00 percent in 2000 to 5.78 percent in 2002, is expected to reach 6.05 percent this year before edging down to 5.88 percent and 5.73 percent during the next two years. Inflation, as measured by the implicit price deflator for personal consumption expenditures, decelerated to 1.4 percent in 2002 from 2.0 percent in 2001. The improvement in 2002 was mainly the result of lower energy costs, but the slumping economy should keep inflation moderate for the next few years. The forecast expects inflation rates of 1.9 percent in 2003, 1.6 percent in 2004, and 1.8 percent in 2005. The forecast assumes that there will be no further cuts in the federal funds rate during this cycle. However, the Fed will not begin tightening until December.

1. With the successful conclusion of the war in Iraq, oil prices have fallen, while consumer sentiment and the stock market have rebounded and both fiscal and monetary policies are very stimulative. Still, the recovery is expected to be weaker than most. Consumer spending and housing activity remained strong throughout the recession so not much of a rebound is expected from the household sector. Business investment continues to suffer from excess capacity, the trade imbalance continues to grow, and state and local governments are already suffering from large operating deficits. The only source of unusual strength in the immediate future is federal defense spending. Real GDP grew only 0.8 percent in fiscal 2002, down from 1.8 percent in 2001 and more than 4 percent in each of the previous four years. Real GDP growth is expected to improve to 2.6 percent in 2003, 3.3 percent in 2004, and 3.9 percent in 2005.
2. Inflation, as measured by the implicit price deflator for personal consumption expenditures, fell to 1.3 percent in fiscal 2002 from 2.5 percent in 2001. Most of the improvement was from a transitory reduction in energy costs. Also, benefits costs have begun to accelerate again, putting upward pressure on prices. Still, the slack created by the recession and weak recovery should help keep inflation in check during the next three years. The forecast assumes that inflation will increase moderately to 1.9 percent in 2003, 1.5 percent in 2004, and 1.8 percent in 2005.
3. The Federal Reserve has left its target interest rate unchanged since last November's 50 basis-point reduction to 1.25 percent. The forecast assumes that the Fed is through easing unless the removal of war-related uncertainties fails to get the economy moving. The Fed is expected to begin raising interest rates again at the December meeting of the FOMC. As a result of the aggressive Fed easing, the three-month Treasury bill rate fell to 2.15 percent in fiscal 2002 from 5.14 percent in 2001. The T-bill rate is expected to decline even further to 1.33 percent in fiscal 2003 and 1.31 percent in 2004. The forecast expects an increase in the

T-bill rate to 1.82 percent in 2005 as the Fed begins tightening again. Mortgage rates also continued to decline in fiscal 2002 to 6.88 percent from 7.45 percent in 2001 as a result of the easier monetary policy as well as the slumping economy. The forecast expects the mortgage rate to decline further to 6.00 percent this year, rising to 6.14 percent and 6.77 percent in 2004 and 2005.

4. Propelled by record-low mortgage interest rates, housing activity has remained very strong in spite of the recession. Housing starts increased 4.5 percent in fiscal 2002 to 1.642 million units and are expected to rise another 4.6 percent this year to a sixteen-year-high 1.717 million units. The resilient housing market has helped stabilize the economy during the recession. Since there was no housing slump during the recession, however, there is little pent-up demand and therefore no reason to expect the usual rebound during the recovery. The forecast expects a 7.4 percent decline to 1.589 million units in fiscal 2004 followed by a 2.0 percent reduction to 1.558 million units in 2005.
5. Though the recession was relatively mild in terms of the decline in GDP, the rise in unemployment has been much more typical. On a quarterly basis the unemployment rate has already risen from 3.93 percent in the fourth quarter of 2000 to 5.77 percent in the first quarter of 2003. Though the forecast assumes the recession is over, the unemployment rate is expected to continue to rise as labor force growth continues to exceed job growth. By the third quarter of this year it is expected to reach a peak of 6.18 percent. Because the starting rate was so low, this peak is among the lowest in postwar history. On a fiscal year basis, the forecast expects the unemployment rate to climb from 5.47 percent in 2002 to 5.89 percent in 2003 and 6.05 percent in 2004 before declining to 5.79 percent in 2005.
6. From fiscal 2001 to fiscal 2002 the federal budget went from a record \$181.3 billion surplus (national income and product accounts basis) to a \$93.0 billion deficit. Tax cuts and the recession are cutting sharply into revenue while the war with Iraq and its aftermath as well as other military and homeland security spending are boosting spending. While fiscal policy is providing a much needed boost to the economy in the near term, the result is a ballooning deficit. The deficit is expected to swell to \$253.8 billion in 2003 and \$378.5 billion in 2004 before an expanding economy trims the deficit slightly to \$361.4 billion in 2005.
7. The trade deficit has been a huge drag on GDP growth though nominal net exports (national income and product accounts basis) temporarily improved in fiscal 2002 to \$360.7 billion from \$379.1 billion in 2001. Weak growth abroad and the strong dollar caused exports to decline in 2002 but the U.S. recession resulted in an even larger drop in imports. The trade deficit is expected to balloon to a record \$468.7 billion this year. The declining dollar should help restrain imports and boost exports but offsetting this is shaky rest-of-the-world growth. The forecast expects a very slight improvement in the deficit in the final two years of the forecast to \$457.4 billion in 2004 and \$463.4 billion in 2005.

Table 1.1 provides a fiscal year summary of the U.S. economic indicators.

Recent Economic Activity in Washington

The Employment Security Department has released preliminary employment estimates through April 2003. This forecast is based on adjusted employment estimates as described in Adjustments to Economic Data. Washington's payroll employment is sinking again after posting small gains in

the spring and summer of 2002. Employment declined at a 1.2 percent rate in the fourth quarter of 2002 and another 0.5 percent rate in the first quarter of 2003. Washington's employment is now virtually identical to the cyclical low reached a year ago. Only twice in the last forty years has Washington seen a more precipitous decline: during the recessions of 1969-71 and 1981-82. Manufacturing employment fell at a 3.7 percent annual rate in the first quarter, the nineteenth consecutive decline in overall manufacturing employment excluding the impact of the February 2000 aerospace labor dispute. Aerospace employment fell at a 7.1 percent annual rate in the first quarter. The cumulative decline since September 11 now stands at 21.0 percent and 39.3 percent measured from the 1998 peak. The declines in manufacturing outside of aerospace are also continuing in 2003. The pace of non-aerospace manufacturing employment reductions improved in the first quarter to 2.7 percent from 6.6 percent in the fourth quarter, though. Nonmanufacturing employment growth fell at a 0.1 percent rate in the first quarter following an equivalent reduction in the fourth quarter. However, the fourth quarter growth rate was artificially depressed by a seasonal anomaly in local government. Excluding this anomaly, nonmanufacturing employment would have risen at a 0.4 percent rate in the fourth quarter. Nonmanufacturing employment growth was a mixed bag in the first quarter. Some major sectors showed significant increases: services up 1.6 percent and construction up 0.7 percent. More than offsetting these were declines of 3.6 percent in transportation communications, and utilities employment, 1.0 percent in government employment, and 0.9 percent in trade employment, though.

In April 2003 the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) revised its quarterly state personal income estimates through the third quarter of 2002 and released preliminary estimates for the fourth quarter. In addition, the wage estimates for the fourth quarter of 2002 have been adjusted to reflect the Covered Employment and Payrolls data produced by the Department of Employment Security (see Adjustments to Economic Data). According to the adjusted estimates, Washington's personal income in the fourth quarter of 2002 was \$0.543 billion (0.3 percent) lower than assumed in the March forecast. Fourth quarter wages were \$0.458 billion (0.4 percent) lower than expected, accounting for most of the revision. The software wage estimate was very close but non-software wages were \$0.482 billion lower than expected. Nonwage personal income was \$0.085 billion (0.1 percent) lower than expected in the previous forecast.

Housing has been a rare source of strength in Washington as well as nationally. The number of housing units authorized by building permit in Washington declined 1,900 from 45,500 in the fourth quarter of 2002 to a still strong 43,600 in the first quarter of 2003. Single family permits rose 1,600, however, to 35,200, which was the highest pace of single family activity since the late 1970s, but the number of housing units authorized by multi-family permit declined 3,500 to an annual rate of 8,400 units.

Adjustments to Economic Data

This forecast utilized an alternative employment estimate developed by the Department of Employment Security and the Office of the Forecast Council. The alternative employment estimate incorporated the covered employment and payrolls data through the fourth quarter of 2002 which subtracted 7,500 (0.3 percent) from the Current Employment Statistics (CES) estimate for December 2002. In addition, the growth pattern from December 2002 through April 2003 was adjusted to reflect the average historical revision between the preliminary (sample based) estimates and the final (covered employment and payrolls based) estimates, subtracting another 7,200 (0.3 percent).

The total effect of these adjustments was to reduce the April 2003 employment estimate by 14,700 (0.6 percent).

The BEA benchmarks its estimates for wage and salary disbursements to the covered employment and payrolls (ES202) data for all sectors except agriculture and federal government. Since we have one more quarter of ES202 data than was available to the BEA at the time of its most recent release, we derived wage estimates for these sectors for the fourth quarter of 2002 based on the ES202 data. Unadjusted BEA estimates were used for farm, federal civilian, and military wages as well as for all nonwage components of personal income. Our adjustments reduced the fourth quarter wage estimate by \$1.673 billion (1.5 percent) subtracting 0.8 percent from total personal income in that quarter.

Washington State Forecast Highlights

The aerospace forecast for Washington reflects the fact that recent declines have been more severe than expected in February as well as recently issued layoff notices resulting in a reduction of 3,600 by the fourth quarter of 2003 compared to the previous forecast. As in February, the forecast expects an additional 2,600 decline during 2004. The software wage assumption is slightly higher than in the previous forecast due to an improvement in the outlook for Microsoft stock option income. The forecast still assumes there will be no major fluctuations in Microsoft stock option activity in the future. In 2002 we saw the first ever year-over-year decline in software employment. The forecast assumes a resumption of positive growth of about 350 per quarter, accelerating to 650 per quarter by the end of the year.

Washington wage and salary employment fell 1.5 percent in 2002 following a 0.6 percent decline in 2001 and the forecast expects a further 0.3 percent reduction in 2003. When it comes, the recovery in Washington is expected to be unusually slow. The forecast expects only a weak national recovery and no Boeing upturn until 2005. Population growth has slowed to a crawl and both wage growth and price growth have been dampened by the prolonged contraction. The forecast calls for employment growth rates of just 1.4 percent and 2.0 percent in 2004 and 2005. Washington personal income growth improved to 3.4 percent in 2002 from 2.6 percent in 2001. Declining software wages remain a drag on income growth in Washington. Excluding this volatile sector, income growth was 3.3 percent in 2001 and 4.0 percent in 2002. Personal income growth is expected to remain slow at 3.2 percent in 2003 due to the weak national economy and continued Boeing layoffs but should improve in the next two years to 4.1 percent and 4.6 percent as the U.S. recovery gains momentum and the aerospace cutbacks subside. On the downside, the housing frenzy is expected to subside. The current pace of housing activity is unsustainable, given the weak population growth, and mortgage interest rates will eventually rise. Based on activity in early 2003, the forecast expects housing permits to increase slightly this year to 41,200 from 40,200 in 2002 but housing will decline during the next two years. Higher population growth is expected to boost multi-family activity but higher mortgage rates will dampen the single-family market. The forecast expects housing permits to total 39,500 in 2004 and 38,700 in 2005.

1. Nominal personal income growth continued to slow in fiscal 2002 to 2.4 percent from 4.1 percent in 2001 and 8.2 percent in 2000. Declining employment in fiscal 2002 was largely responsible for the slowdown. Average wage growth actually improved to 2.0 percent in 2002 from a 0.2 percent decline in 2001 though the improvement was entirely due to the software sector. Outside the software sector, average wage growth slowed to 2.6 percent in

2002 from 4.6 percent in 2001. Nonwage income growth also slowed from 8.4 percent to 5.2 percent due to the impact of lower interest rates. The forecast assumes that changes in software stock option income will not be a major factor in personal income growth during the remainder of the forecast. Income growth should improve during the next three years due to an eventual resumption of positive employment growth but wage growth will remain weak due to a slack labor market and weak inflation. Washington personal income growth is expected to improve to 3.6 percent in 2003 and 2004 and 4.4 percent in 2005.

2. Washington real personal income growth fell to just 1.0 percent in fiscal 2002 from 1.6 percent in 2001 and 5.8 percent in 2000. The decline in growth in 2002 came in spite of a dip in inflation, which usually translates into higher real income growth. In addition to the obvious impact of the recession on employment, the poor performance of real income growth in recent years is probably due to the collapse of option and bonus income, which had ballooned in the late 1990s, rather than reflecting the trend of ordinary wages. Real income growth is expected to improve to 1.7 percent in 2003, 2.1 percent in 2004, and 2.5 percent in 2005.
3. The recession has had a disproportionate impact on Washington employment growth. Total payroll employment in Washington fell 1.9 percent in fiscal 2002 compared to just 0.8 percent for the nation as a whole. The events of September 11 have been particularly hard on Washington employment growth due to the devastating impact on air transportation. The IT collapse and correction in the construction sector were also exceptionally severe in Washington. While we believe the construction and IT related corrections are largely complete, the continuing drag from aerospace sector means that the recovery in Washington employment will be slow. The forecast expects an employment decline of 0.5 percent in fiscal 2003 followed by positive employment growth rates of 0.3 percent in fiscal 2004 and 1.9 percent in 2005.
 - ◆ Lumber and wood products employment fell 400 in the first quarter of 2003 to 29,700. The weak first quarter was mainly due to the closure of two Weyerhaeuser sawmills. A total of 4,300 jobs have been lost in this sector since the beginning of 2000. The forecast incorporates Weyerhaeuser's announcement that it will eliminate 750 jobs at its company headquarters by the end of 2004 as well as a weak national outlook for the industry. By the end of 2004 another 1,200 jobs will be eliminated bringing the total to 5,500 during the current downturn. A very modest recovery is expected in the final year of the forecast adding back a total of 300 jobs.
 - ◆ Soon after the September 11 attacks, Boeing announced that it intended to cut 20,000 to 30,000 jobs company-wide and subsequently added 5,000 to the predicted cut by the end of 2003. As of May 2003, the cumulative reduction stands at 36,800, already exceeding the high end of the range. Of these, 22,600 have been in Washington State, the home of the commercial airplane unit. The forecast assumes a loss of 11,400 Washington aerospace jobs during 2003 and 2004, bringing the total reduction since September 11 to 28,500 not counting contract employees. Thousands more contract positions have also been eliminated since September 11. Measured from the second quarter of 1998 peak, the overall decline will reach 53,300. A gradual upturn in the final year of the forecast is expected to add 1,400 aerospace employees in Washington by the end of 2005.

- ◆ Washington's construction industry has staged a bit of a comeback during the last five quarters, growing at an average rate of 1.4 percent after a precipitous 5.8 percent decline during 2001. Housing held up pretty well during the recession but the nonresidential building in the Puget Sound area fell sharply. We believe the commercial side has now stabilized but the housing market will be constrained by rising interest rates and slow population growth. As a result, we expect to see virtually no change in the level of construction employment from the first quarter of 2003 through the second quarter of 2004. Construction employment will finally begin to grow in the second half of 2004 as nonresidential construction finally stages a recovery. The forecast expects an average growth rate of 2.2 percent per year during the last six quarters of the forecast.
- ◆ Until recently, the finance, insurance, and real estate sector has been a rare bright spot in Washington's economy. Employment in this sector rose 3.5 percent during 2001 while total payroll employment declined 2.2 percent. Employment has continued to edge up since the end of 2001 at an average annual rate of 1.0 percent. The growth was mostly in finance, which has clearly benefited by a refinancing boom brought on by low mortgage interest rates. This source of stimulus has probably pretty much played itself out but the recent housing boom will boost employment in this sector in the near term and later on the general economic recovery will take hold. Employment growth is expected to pick up to an average annual rate of 2.5 percent per year through the end of 2005.
- ◆ Washington retail trade employment has been flat over the last year after a 2.6 percent decline in the previous year. The decline in consumer confidence, slow population growth, and weak economy have been particularly hard on retail trade employment. In addition, many struggling e-tailing firms are classified as retailers. The monthly data through April indicate that the second quarter will be down 2.1 percent. After that, the sector rebounds a little with an average growth rate of 0.8 percent through the end of 2004 but then declines 0.1 percent during 2005.
- ◆ The broad services sector is the only major industry in Washington to have begun a meaningful employment recovery. Employment in services has grown at an annual average rate of 1.9 percent since its trough in the first quarter of 2002. The 14,900 jobs added during this period nearly offset the 17,300 (after adjusting for a reclassification of tribal employees) lost during the recession. The overall decline in services employment was more than accounted for by business services where employment fell 14.0 percent. Prepackaged software actually grew 3.0 percent during the services recession but other computer and data processing services, the home of many information technology companies, plunged 29.4 percent. The rest of business services fell 13.6 percent mainly as a result of a 27.3 percent drop in personnel supply services. These areas of weakness appear to be bottoming out. Computer services other than software have continued to decline but at a much more moderate rate and personnel supply services employment growth is weak but positive. Overall business services employment is the same now as at the beginning of 2002. The forecast assumes that the shakeout in business services is nearly complete and that software employment growth will pick up. Without these negative cyclical factors, services employment is expected to resume its above average trend growth rate. Growth is expected to average 3.2 percent per year from the first quarter of 2003 through the end of 2005.

- ◆ State and local government employment fell at a 0.8 percent annual rate in the first quarter following a 0.3 percent decline in the fourth quarter of last year. State and local government employment grew throughout the recession but the protracted slowdown in the state's economy is putting pressure on state and local governments' budgets and is expected to affect employment in this sector with a lag. The forecast assumes that state and local government employment will decline at an average rate of 1.2 percent through the rest of this year and rise only 0.1 percent during 2004. Only during 2005 will there be a significant upturn in employment growth. Even then, the weak nature of the recovery coupled with essentially no growth in the school age population is expected to restrain state and local government year-end to year-end employment growth to just 1.7 percent.
4. Declining mortgage rates were unable to overcome the depressing impact of lower consumer confidence, rising unemployment, weak income growth, and slow population growth on housing activity in fiscal 2002. The number of housing units authorized by building permit fell 7.6 percent to 37,300 from 40,400 in 2001. Housing activity has been very strong so far in fiscal 2003, though, especially in the single family market. Fiscal 2003 is shaping up as a very strong year with a 14.6 percent increase to 42,800 units. Housing activity should be subdued in the next biennium. The beneficial impacts of an improving economy and higher population growth will be offset by rising mortgage rates. The recent strength also means there is little pent-up demand to be satisfied. The forecast expects a 7.8 percent reduction in fiscal 2004 to 39,400 followed by a 1.9 percent reduction to 38,700 in 2005.
 5. Inflation in the Seattle metropolitan area, as measured by the consumer price index for all urban consumers, slowed in fiscal 2002 to 2.7 percent from 4.0 percent in 2001. The comparable U.S. inflation rate declined from 3.4 percent to 1.8 percent during the same period. Both the U.S. and Seattle indices benefited from declining energy costs in 2002. Excluding food and energy, the decline in Seattle's CPI inflation would have been much smaller, from 3.0 percent to 2.8 percent while the national index would have held steady at 2.6 percent. Seattle inflation is expected to drop below U.S. inflation in during the remainder of the forecast due to the much weaker local economy. The forecast expects inflation rates of 1.9 percent, 1.2 percent, and 1.4 percent in Seattle compared to 2.3 percent, 1.7 percent, and 1.8 percent for the U.S. city average.

Table 1.2 provides a fiscal year summary of the state economic indicators.

Alternative Forecasts

As required by statute, the Forecast Council has also adopted two alternatives to the baseline forecast. One of these was based on more optimistic economic assumptions than the baseline and one was based on more pessimistic assumptions. These alternatives are summarized in Table 1.3.

Pessimistic Forecast: The more likely alternative is that the postwar bounce in confidence will not be accompanied by a bounce in spending by either consumers or businesses. Structural problems are resolved only slowly. Layoffs continue through the summer as states tighten their belts further and more jobs disappear abroad. Although Congress does enact the tax cuts, consumers are too pessimistic to spend the additional income. Businesses freeze spending on equipment and software, causing more reductions in manufacturing hours and employment. At the state level, aero-

space production and employment cuts are even more severe and protracted than assumed in the baseline forecast. Data revisions show that the initial level of Washington personal income is lower than was assumed in the baseline. Population growth is also slower in this scenario and construction employment begins to drop sharply again towards the end of the year. Because of the weak economy, both Seattle inflation and Washington wage growth are substantially less than in the baseline. By the end of the 2003-05 biennium, Washington nonagricultural employment is lower by 75,300 jobs than the baseline forecast and Washington personal income is \$10.3 billion lower. The pessimistic scenario produced \$57 million (0.3 percent) less General Fund-State revenue in the 2001-03 biennium than did the baseline forecast and \$1,100 million (4.8 percent) less revenue in the 2003-05 biennium.

Optimistic Forecast: A better outcome is possible. Consumer spending might pick up earlier and stronger than in the baseline. A few good profits numbers from key companies could improve investor sentiment and persuade businesses to accelerate investment, particularly in productivity-improving equipment and software. More important, businesses would begin to hire, boosting income, consumer sentiment, and spending. The result, which the optimistic scenario depicts, would be a more typical recovery, with growth in the 4-5% range. Locally, Washington aerospace employment bottoms out in the first quarter of 2004 and a vigorous expansion is under way by the end of the year. Washington's wages grow faster than in the baseline and so does the Seattle CPI. The initial level of Washington personal income is also higher in the optimistic scenario and population growth is stronger. This scenario also assumes that construction employment will rise throughout this year rather than "bounce along the bottom" as in the baseline forecast, and will also be much stronger in 2004 and 2005. By the end of the 2003-05 biennium, Washington nonagricultural employment is higher by 55,800 jobs than in the baseline forecast and Washington personal income is \$8.2 billion higher. The optimistic scenario generated \$53 million (0.3 percent) more revenue in the 2001-03 biennium than did the baseline forecast and \$863 million (3.8 percent) more in the 2003-05 biennium.

Governor's Council of Economic Advisors Scenario

In addition to the optimistic and pessimistic forecasts, the staff has prepared a forecast based on the opinions of the Governor's Council of Economic Advisors (GCEA) as summarized in Table 1.3. In the GCEA scenario, the U.S. and state forecasts were adjusted to match the average view of the Council members. With the fiscal year nearly complete, it is not surprising that there was virtually no difference between the GCEA forecast and baseline forecast for 2003. Nationally, the Governor's Council members expected higher GDP growth but lower inflation in 2004 and lower GDP growth and higher inflation in 2005. On balance, over the course of the biennium, both were very close to the baseline. The GCEA interest rate forecasts were significantly lower in both years particularly at the short end. The GCEA forecast for Washington State showed stronger employment and personal income growth in fiscal 2004 than did the baseline forecast but weaker growth in 2005. The Governor's Council members also expected slightly stronger housing activity in both years. At the end of the 2003-05 biennium, Washington nonagricultural employment was 1,600 higher in the GCEA forecast than in the baseline forecast and their Washington personal income forecast was \$0.7 billion higher. The Governor's Council scenario generated \$4 million (0.0 percent) more revenue than did the baseline forecast in the 2001-03 biennium and \$77 million (0.3 percent) more in the 2003-05 biennium.

Table 1.1
U.S. Economic Forecast Summary
 Forecast 2003 to 2005

Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	8,332.2	8,676.3	9,057.5	9,221.4	9,297.7	9,538.6	9,851.8	10,234.5
% Ch	4.4	4.1	4.4	1.8	0.8	2.6	3.3	3.9
Real Consumption	5,551.4	5,820.7	6,105.9	6,304.9	6,472.8	6,648.6	6,846.5	7,091.0
% Ch	4.4	4.9	4.9	3.3	2.7	2.7	3.0	3.6
Real Nonresidential Fixed Investment	1,078.9	1,182.5	1,280.5	1,310.8	1,204.4	1,180.0	1,235.8	1,367.9
% Ch	13.5	9.6	8.3	2.4	-8.1	-2.0	4.7	10.7
Real Residential Fixed Investment	329.7	359.9	374.0	370.7	378.8	398.5	393.3	386.6
% Ch	4.3	9.2	3.9	-0.9	2.2	5.2	-1.3	-1.7
Real Personal Income	7,004.8	7,336.2	7,619.9	7,912.9	7,973.8	8,092.8	8,301.6	8,569.0
% Ch	5.1	4.7	3.9	3.8	0.8	1.5	2.6	3.2
Real Per Capita Income (\$/Person)	25,473	26,376	27,085	27,821	27,735	27,868	28,335	28,998
% Ch	3.9	3.5	2.7	2.7	-0.3	0.5	1.7	2.3
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.025	1.037	1.061	1.087	1.101	1.122	1.139	1.160
% Ch	1.4	1.2	2.2	2.5	1.3	1.9	1.5	1.8
U.S. Consumer Price Index (1982-84=1.0)	1.618	1.645	1.693	1.751	1.782	1.822	1.854	1.887
% Ch	1.8	1.7	2.9	3.4	1.8	2.3	1.7	1.8
Employment Cost Index (June 1989=1.0)	1.330	1.380	1.432	1.487	1.541	1.586	1.628	1.668
% Ch	3.9	3.8	3.8	3.9	3.6	2.9	2.7	2.5
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	8,548.6	9,016.4	9,575.8	9,976.6	10,235.2	10,644.7	11,184.9	11,843.8
% Ch	6.0	5.5	6.2	4.2	2.6	4.0	5.1	5.9
Personal Income	7,178.5	7,611.1	8,082.4	8,599.7	8,781.1	9,082.6	9,456.4	9,939.0
% Ch	6.6	6.0	6.2	6.4	2.1	3.4	4.1	5.1
Employment (Millions)								
U.S. Civilian Labor Force	138.4	140.2	142.0	142.8	144.1	145.7	147.1	148.8
Total U.S. Employment	131.9	134.0	136.2	136.8	136.2	137.1	138.2	140.2
Unemployment Rate (%)	4.64	4.38	4.08	4.16	5.47	5.89	6.05	5.79
Wage and Salary Employment	124.31	127.36	130.54	132.17	131.13	130.66	131.56	134.26
% Ch	2.7	2.5	2.5	1.3	-0.8	-0.4	0.7	2.0
Manufacturing	18.81	18.67	18.51	18.24	17.09	16.46	15.95	16.04
% Ch	1.4	-0.8	-0.8	-1.5	-6.3	-3.7	-3.1	0.6
Durable Manufacturing	11.16	11.15	11.12	11.02	10.19	9.69	9.34	9.43
% Ch	2.7	-0.2	-0.3	-0.9	-7.5	-4.9	-3.7	1.0
Nondurable Manufacturing	7.64	7.52	7.39	7.22	6.90	6.77	6.61	6.61
% Ch	-0.5	-1.6	-1.7	-2.3	-4.4	-2.0	-2.3	0.0
Nonmanufacturing	105.50	108.69	112.03	113.93	114.04	114.20	115.62	118.22
% Ch	2.9	3.0	3.1	1.7	0.1	0.1	1.2	2.2
Services	36.81	38.27	39.82	40.86	40.98	41.40	42.35	43.94
% Ch	4.5	4.0	4.0	2.6	0.3	1.0	2.3	3.8
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.3	20.5	20.9	21.6	22.1	21.8	21.6	21.4
Auto Sales (Millions)	8.2	8.3	9.0	8.5	8.2	7.9	7.8	7.8
% Ch	-2.1	2.0	8.0	-5.0	-4.4	-3.5	-0.9	-0.8
Housing Starts (Millions)	1,530	1,659	1,638	1,571	1,642	1,717	1,589	1,558
% Ch	5.0	8.4	-1.3	-4.1	4.5	4.6	-7.4	-2.0
Federal Budget Surplus (Billions)	-1.5	81.1	166.6	181.3	-93.0	-253.8	-378.5	-361.4
Net Exports (Billions)	-117.7	-191.9	-311.3	-379.1	-360.7	-468.7	-457.4	-463.4
3-Month Treasury Bill Rate (%)	5.04	4.49	5.23	5.14	2.15	1.33	1.31	1.82
30-Year U.S. Govt. Bond Rate (%)	6.10	5.44	6.14	5.66	5.55	5.07	5.41	6.13
Bond Index of 20 G.O. Munis. (%)	5.24	5.08	5.82	5.35	5.14	4.84	4.97	5.18
Mortgage Rate (%)	7.20	6.93	8.05	7.45	6.88	6.00	6.14	6.77

Table 1.2
Washington Economic Forecast Summary
 Forecast 2003 to 2005

Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	152.625	162.218	171.650	174.399	176.207	179.214	182.951	187.549
% Ch	6.4	6.3	5.8	1.6	1.0	1.7	2.1	2.5
Real Wage and Salary Disb.	87.471	95.148	102.673	101.403	100.428	100.567	102.814	105.460
% Ch	8.5	8.8	7.9	-1.2	-1.0	0.1	2.2	2.6
Real Nonwage Income	65.154	67.070	68.977	72.997	75.780	78.647	80.137	82.089
% Ch	3.6	2.9	2.8	5.8	3.8	3.8	1.9	2.4
Real Per Capita Income (\$/Person)	26,593	27,874	29,155	29,242	29,208	29,421	29,745	30,164
% Ch	4.8	4.8	4.6	0.3	-0.1	0.7	1.1	1.4
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.025	1.037	1.061	1.087	1.101	1.122	1.139	1.160
% Ch	1.4	1.2	2.2	2.5	1.3	1.9	1.5	1.8
Seattle Cons. Price Index (1982-84=1.0)	1.654	1.702	1.757	1.828	1.876	1.911	1.935	1.963
% Ch	2.9	2.9	3.2	4.0	2.7	1.9	1.2	1.4
Avg. Hourly Earnings-Mfg. (\$/Hour)	15.43	15.97	16.42	17.32	18.35	17.87	18.02	18.19
% Ch	3.1	3.5	2.8	5.5	5.9	-2.6	0.9	0.9
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	155.940	167.990	181.894	189.392	193.946	200.860	207.918	216.889
% Ch	8.0	7.7	8.3	4.1	2.4	3.6	3.5	4.3
Personal Income	156.415	168.300	182.065	189.538	194.047	201.127	208.390	217.524
% Ch	7.9	7.6	8.2	4.1	2.4	3.6	3.6	4.4
Disposable Personal Income	134.218	143.646	154.480	160.373	167.812	176.608	184.939	192.895
% Ch	7.1	7.0	7.5	3.8	4.6	5.2	4.7	4.3
Per Capita Income (\$/Person)	27,253	28,918	30,923	31,779	32,165	33,018	33,880	34,984
% Ch	6.2	6.1	6.9	2.8	1.2	2.7	2.6	3.3
Employment (Thousands)								
Washington Civilian Labor Force	3,016.4	3,063.2	3,069.0	3,025.9	3,046.1	3,118.1	3,136.2	3,181.9
Total Washington Employment	2,877.5	2,916.4	2,919.9	2,853.4	2,828.8	2,895.2	2,903.7	2,956.8
Unemployment Rate (%)	4.60	4.79	4.86	5.70	7.13	7.15	7.41	7.07
Wage and Salary Employment	2,558.2	2,621.3	2,684.4	2,716.9	2,664.7	2,652.5	2,659.6	2,709.5
% Ch	3.8	2.5	2.4	1.2	-1.9	-0.5	0.3	1.9
Manufacturing	378.5	373.0	356.7	349.0	323.2	300.5	287.8	289.0
% Ch	5.9	-1.5	-4.4	-2.2	-7.4	-7.1	-4.2	0.4
Durable Manufacturing	270.0	264.7	247.9	242.2	222.4	201.5	191.4	192.5
% Ch	8.7	-2.0	-6.4	-2.3	-8.2	-9.4	-5.0	0.6
Aerospace	111.2	107.7	90.0	86.7	82.7	70.0	61.4	59.2
% Ch	16.1	-3.1	-16.4	-3.7	-4.7	-15.4	-12.2	-3.6
Nondurable Manufacturing	108.5	108.3	108.9	106.8	100.8	98.9	96.4	96.5
% Ch	-0.7	-0.2	0.5	-1.9	-5.6	-1.9	-2.6	0.1
Nonmanufacturing	2,179.7	2,248.4	2,327.6	2,368.0	2,341.4	2,352.1	2,371.9	2,420.6
% Ch	3.4	3.2	3.5	1.7	-1.1	0.5	0.8	2.1
Construction	139.2	148.8	158.4	158.9	152.2	153.6	154.1	156.2
% Ch	4.9	6.9	6.4	0.3	-4.2	0.9	0.3	1.4
Services	695.0	723.1	761.4	784.8	767.1	776.6	796.1	826.5
% Ch	4.9	4.0	5.3	3.1	-2.3	1.2	2.5	3.8
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	45.127	44.954	39.065	40.384	37.329	42.765	39.432	38.687
% Ch	18.6	-0.4	-13.1	3.4	-7.6	14.6	-7.8	-1.9
Single-Family	29.346	28.252	26.372	26.761	26.978	33.515	28.642	26.591
% Ch	12.8	-3.7	-6.7	1.5	0.8	24.2	-14.5	-7.2
Multi-Family	15.780	16.702	12.693	13.623	10.351	9.250	10.790	12.097
% Ch	31.1	5.8	-24.0	7.3	-24.0	-10.6	16.6	12.1
Mortgage Rate (%)	7.20	6.93	8.05	7.45	6.88	6.00	6.14	6.77

Table 1.3
Comparison of Alternative Forecasts

	Fiscal Year 2003				Fiscal Year 2004				Fiscal Year 2005			
	O	B	P	G	O	B	P	G	O	B	P	G
U.S.												
Real GDP	9548.6	9538.6	9532.8	9539.8	9933.0	9851.8	9730.4	9866.7	10344.1	10234.5	10026.5	10225.5
%Ch	2.7	2.6	2.5	2.6	4.0	3.3	2.1	3.4	4.1	3.9	3.0	3.6
Implicit Price Deflator	1.122	1.122	1.122	1.122	1.140	1.139	1.138	1.135	1.163	1.160	1.156	1.160
%Ch	1.9	1.9	1.9	1.9	1.6	1.5	1.4	1.2	2.1	1.8	1.6	2.1
Mortgage Rate	6.00	6.00	5.99	5.93	6.22	6.14	5.87	5.83	6.98	6.77	6.46	6.56
3 Month T-Bill Rate	1.33	1.33	1.29	1.17	1.50	1.31	0.72	0.96	2.23	1.82	1.05	1.34
Washington												
Real Personal Income	179.800	179.214	178.646	179.152	186.914	182.951	178.743	184.413	193.184	187.549	180.363	188.145
%Ch	2.0	1.7	1.4	1.7	4.0	2.1	0.1	2.9	3.4	2.5	0.9	2.0
Personal Income	201.793	201.127	200.483	201.063	213.035	208.390	203.451	209.399	224.724	217.524	208.586	218.184
%Ch	4.0	3.6	3.3	3.6	5.6	3.6	1.5	4.1	5.5	4.4	2.5	4.2
Employment	2654.6	2652.5	2650.8	2653.7	2685.5	2659.6	2633.7	2671.5	2758.4	2709.5	2647.3	2713.0
%Ch	-0.4	-0.5	-0.5	-0.4	1.2	0.3	-0.6	0.7	2.7	1.9	0.5	1.6
Housing Permits	43.377	42.765	42.220	42.775	44.548	39.432	33.232	40.644	43.854	38.687	32.693	39.509
%Ch	16.2	14.6	13.1	14.6	2.7	-7.8	-21.3	-5.0	-1.6	-1.9	-1.6	-2.8

(O) Optimistic; (B) Baseline; (P) Pessimistic; (G) Governor's Council of Economic Advisors

Table 1.4

Forecast Analysis

Comparison of Forecasts for 2001-03

Forecast Date	2000				2001				2002				2003	
	Feb.	June	Sept.	Nov.	Mar.	June	Sept.	Nov.	Feb.	June	Sept.	Nov.	Mar.	June
U.S.														
Percent Growth, 2001:2-2003:2														
Real GDP	5.9	6.7	6.8	7.0	7.4	7.0	5.9	4.2	4.3	5.7	5.7	5.0	5.0	4.4
Implicit Price Deflator	4.3	4.9	4.8	4.8	4.6	4.6	4.4	3.5	2.8	3.2	3.8	3.8	3.3	3.1
Average Rate, 2001:3 to 2003:2														
3 Month T-Bill Rate	5.43	5.87	5.62	5.46	4.67	3.75	3.68	2.75	2.42	2.30	1.91	1.87	1.75	1.74
Mortgage Rate	7.61	7.89	7.90	7.42	7.23	7.22	7.12	6.81	7.08	7.12	6.63	6.52	6.48	6.44
Washington														
Percent Growth, 2001:2-2003:2														
Employment	3.3	4.0	3.7	3.7	3.4	3.3	2.8	0.0	-0.6	-1.2	-1.8	-2.0	-1.7	-2.5
Personal Income	10.1	11.4	11.3	11.8	11.6	11.3	9.7	5.5	4.2	4.1	4.6	5.2	5.7	4.9
Real Personal Income	5.6	6.3	6.1	6.7	6.7	6.4	5.1	1.9	1.4	0.9	0.8	1.3	2.3	1.8
Total (Thousands of units), 2001:3 to 2003:2														
Housing Units Authorized	82.1	84.3	82.7	84.8	84.3	78.8	83.2	72.9	74.5	73.6	76.6	77.1	80.5	80.1

Table 1.5
Forecast Comparison
Forecast 2003 to 2005

Fiscal Years

	2001	2002	2003	2004	2005
U.S.					
Real GDP					
June Baseline	9221.4	9297.7	9538.6	9851.8	10234.5
% Ch	1.8	0.8	2.6	3.3	3.9
March Baseline	9221.4	9297.7	9553.6	9948.2	10364.4
% Ch	1.8	0.8	2.8	4.1	4.2
Implicit Price Deflator					
June Baseline	1.087	1.101	1.122	1.139	1.160
% Ch	2.5	1.3	1.9	1.5	1.8
March Baseline	1.087	1.101	1.123	1.142	1.164
% Ch	2.5	1.3	1.9	1.7	1.9
U.S. Unemployment Rate					
June Baseline	4.16	5.47	5.89	6.05	5.79
March Baseline	4.19	5.48	6.01	5.69	5.06
Mortgage Rate					
June Baseline	7.45	6.88	6.00	6.14	6.77
March Baseline	7.45	6.88	6.09	6.77	7.66
3 Month T-Bill Rate					
June Baseline	5.14	2.15	1.33	1.31	1.82
March Baseline	5.14	2.15	1.35	2.31	3.54
Washington					
Real Personal Income					
June Baseline	174.399	176.207	179.214	182.951	187.549
% Ch	1.6	1.0	1.7	2.1	2.5
March Baseline	174.479	176.242	180.200	185.551	191.408
% Ch	1.6	1.0	2.2	3.0	3.2
Personal Income					
June Baseline	189.538	194.047	201.127	208.390	217.524
% Ch	4.1	2.4	3.6	3.6	4.4
March Baseline	189.626	194.086	202.303	211.885	222.812
% Ch	4.1	2.4	4.2	4.7	5.2
Employment					
June Baseline	2716.9	2664.7	2652.5	2659.6	2709.5
% Ch	1.2	-1.9	-0.5	0.3	1.9
March Baseline	2717.1	2664.1	2660.6	2695.2	2763.5
% Ch	1.2	-1.9	-0.1	1.3	2.5
Housing Permits					
June Baseline	40.384	37.329	42.765	39.432	38.687
% Ch	3.4	-7.6	14.6	-7.8	-1.9
March Baseline	40.384	38.433	42.099	39.741	40.054
% Ch	3.4	-4.8	9.5	-5.6	0.8

Table 1.6

Calendar Years

Long Range Economic Outlook

Forecast 2002 to 2011

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
U.S.*											
Real GDP, %Ch	2.3	4.2	3.3	3.2	3.1	3.2	3.1	3.2	3.0	3.2	3.4
Implicit Price Deflator, %Ch	1.9	1.6	1.8	1.9	2.1	2.4	2.5	2.6	2.8	2.8	3.0
3 Month T-Bill Rate	1.17	1.60	1.88	2.05	2.74	2.99	3.51	3.76	3.99	4.47	4.73
Mortgage Rate	5.92	6.47	6.86	6.89	7.10	6.94	7.14	7.20	7.32	7.59	7.73
State**											
Real Personal Income, %Ch	1.3	2.5	2.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Personal Income, %Ch	3.2	4.1	4.6	4.4	4.7	4.9	5.1	5.2	5.3	5.4	5.6
Employment, %Ch	-0.3	1.4	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

* March 2003 Baseline (2003-2005) extended with the DRI February 2003 Trendlong Forecast.

** March 2003 Baseline (2003-2005) judgmentally extended through 2013.

Comparison of Washington and U.S. Economic Forecasts

Chart 1.1
Total Nonagricultural Employment

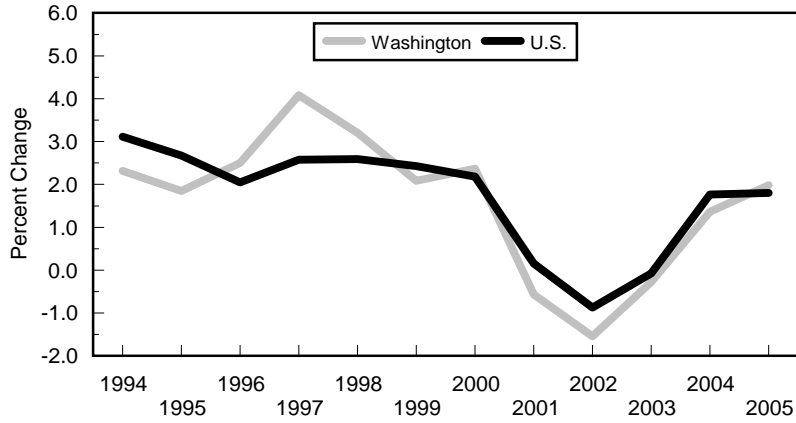


Chart 1.2
Manufacturing Employment

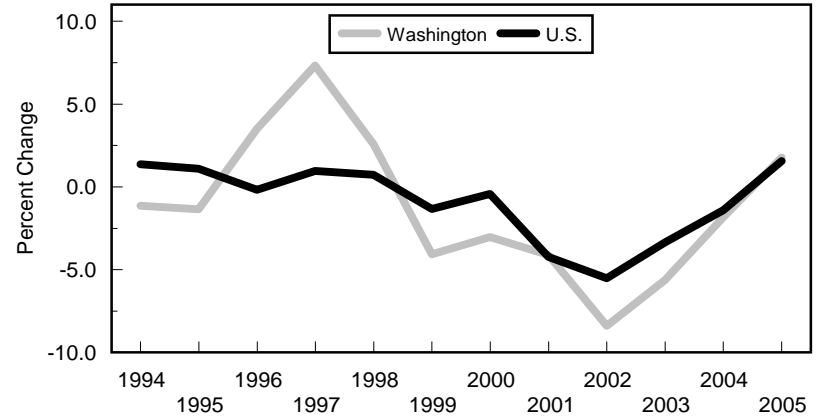


Chart 1.3
Aerospace Employment

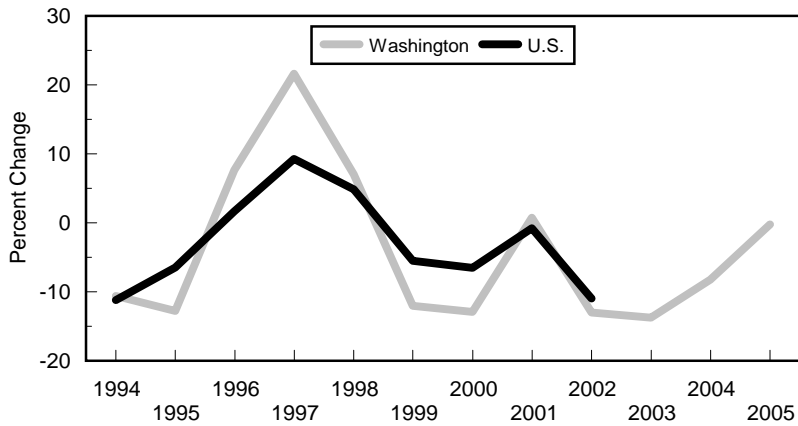
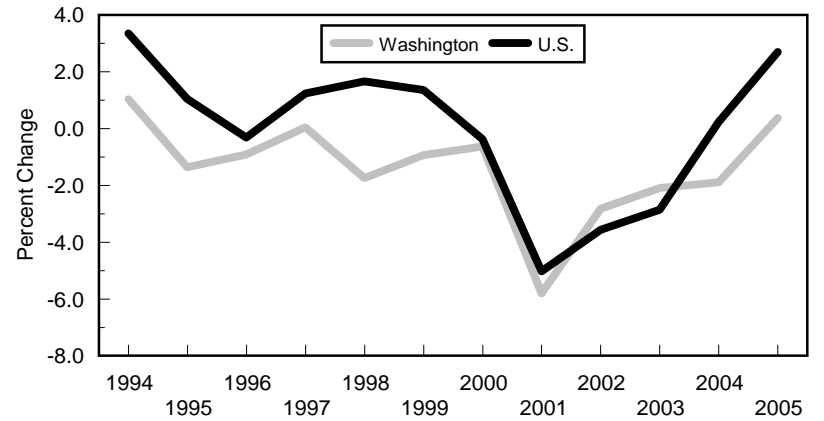


Chart 1.4
Forest Products Employment



Comparison of Washington and U.S. Economic Forecasts

Chart 1.5
Construction Employment

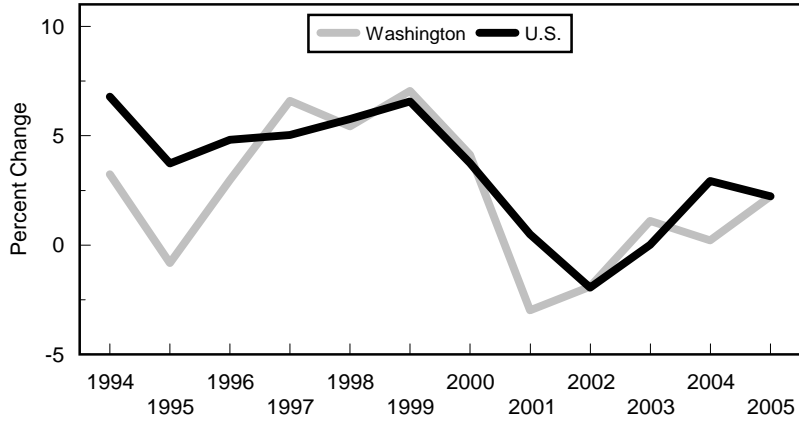


Chart 1.6
Trade Employment

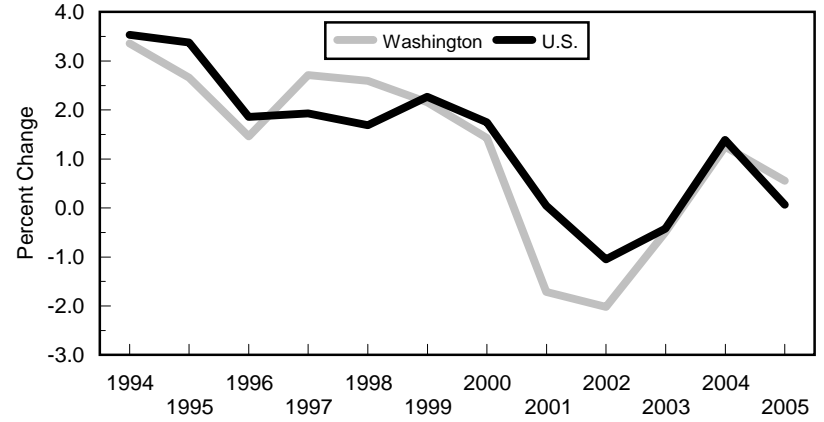


Chart 1.7
Services Employment

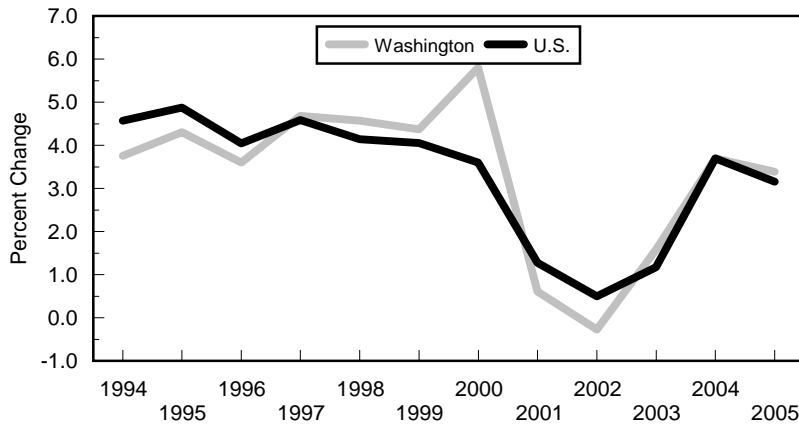
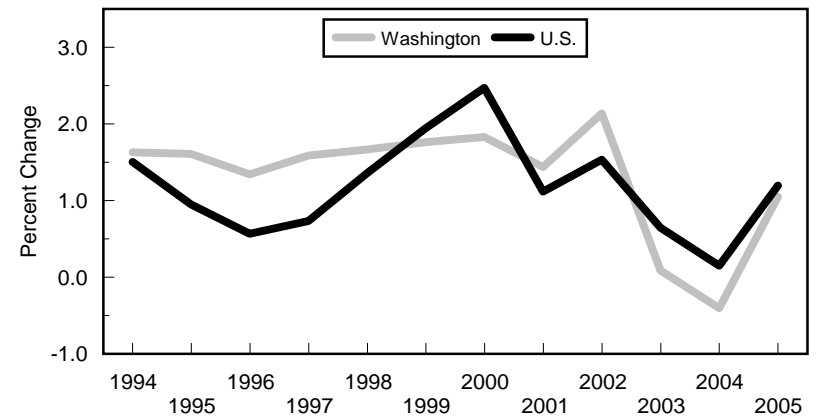


Chart 1.8
Government Employment



Comparison of Washington and U.S. Economic Forecasts

Chart 1.9
Real Personal Income

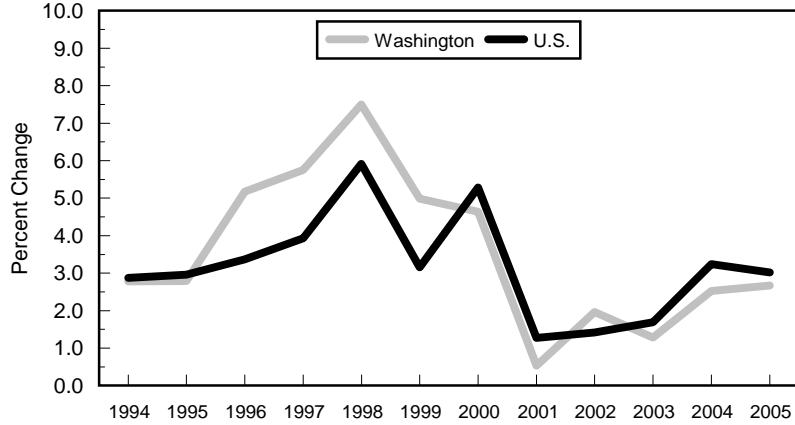


Chart 1.10
Consumer Price Indices

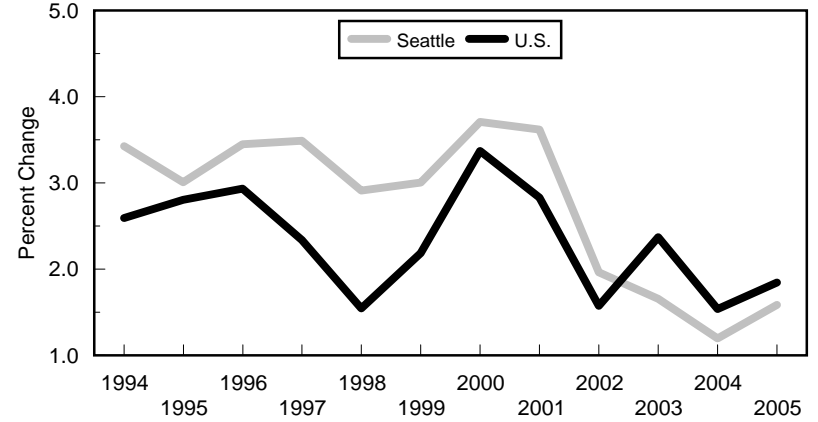


Chart 1.11
Population

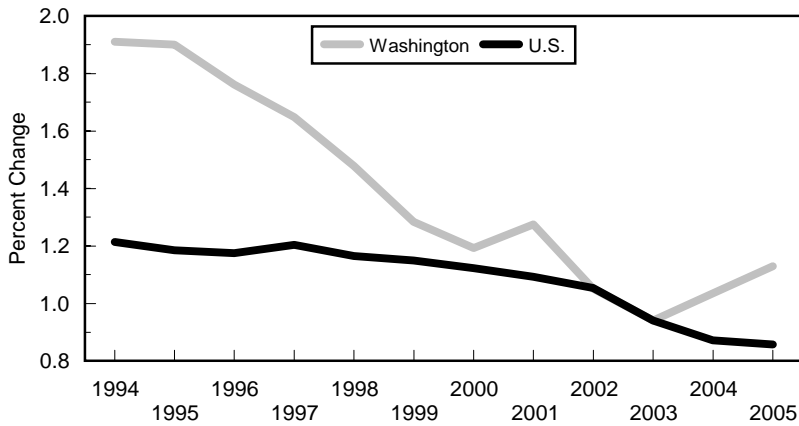
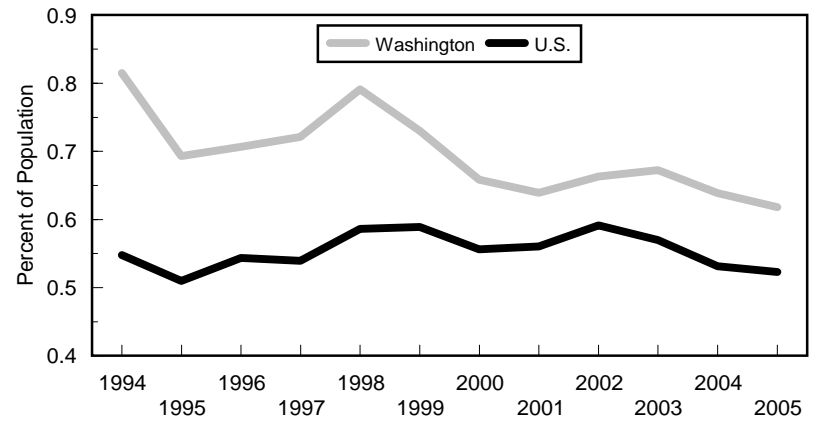


Chart 1.12
Per Capita Housing Units



Comparison of Alternative U.S. Forecasts

Chart 1.13
Real GDP

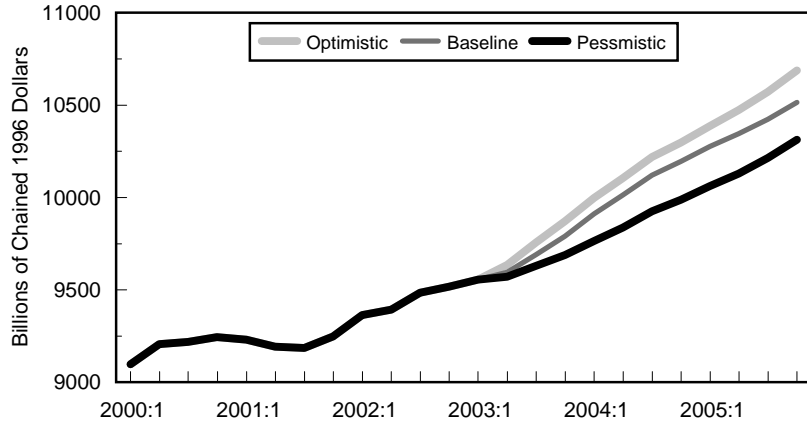


Chart 1.14
Implicit Price Deflator

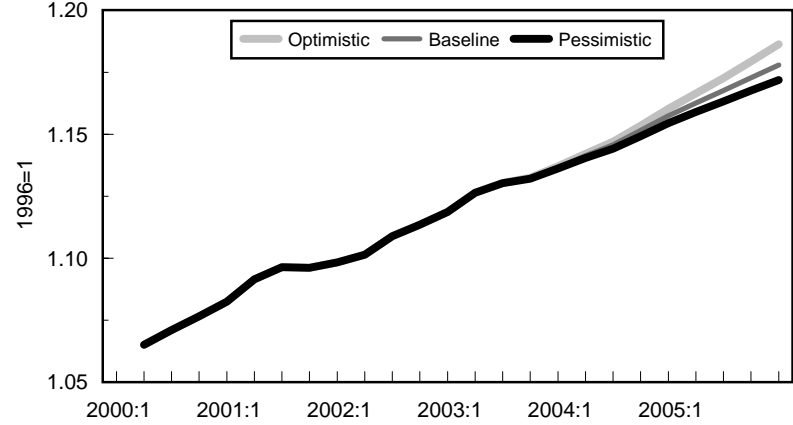


Chart 1.15
Mortgage Rate

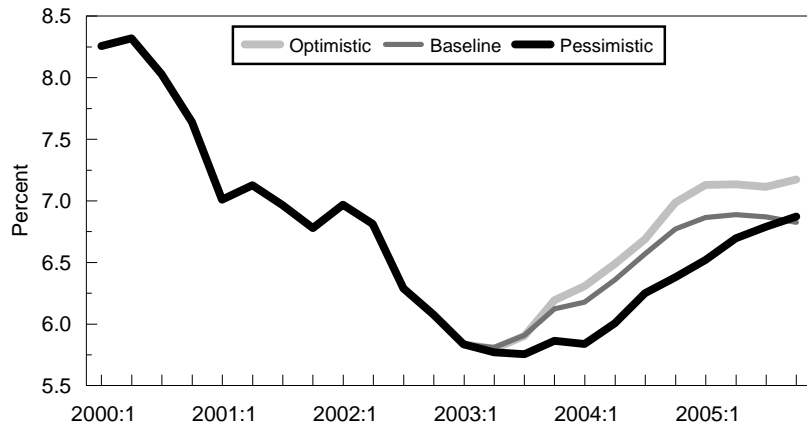
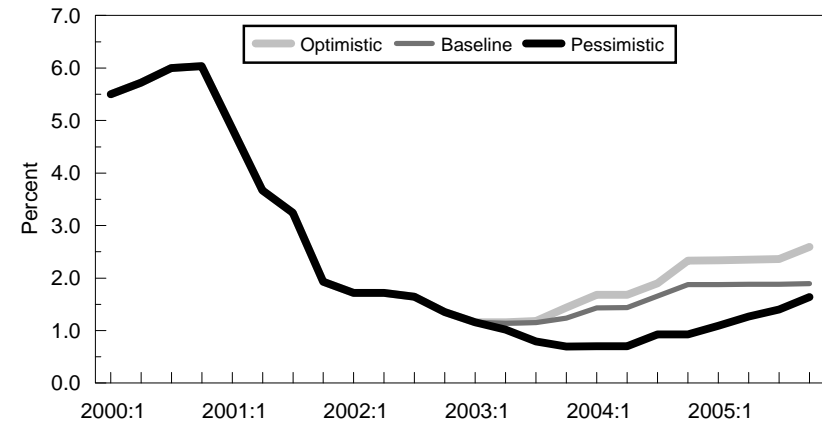


Chart 1.16
Three Month T-Bill Rate



Comparison of Alternative Washington Forecasts

Chart 1.17
Personal Income

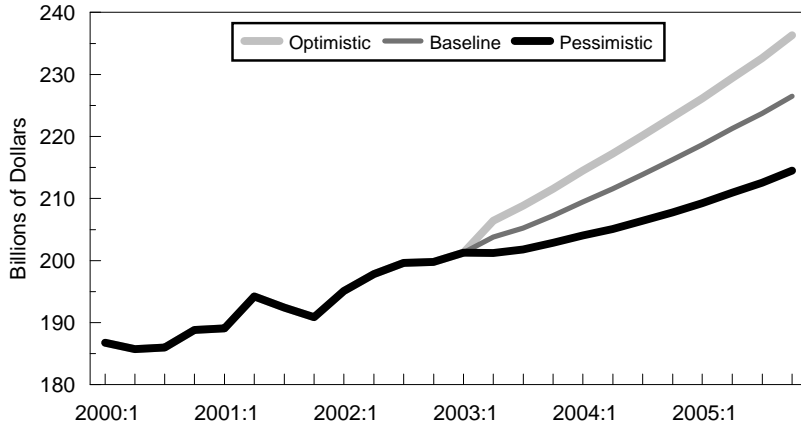


Chart 1.18
Real Personal Income

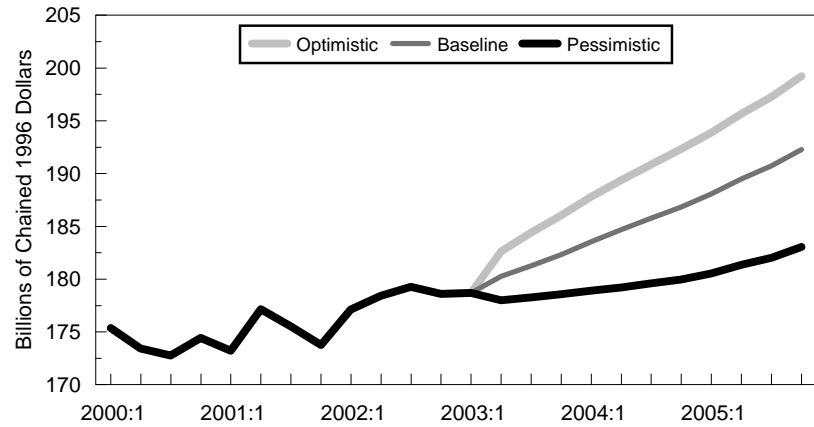


Chart 1.19
Nonagricultural Employment

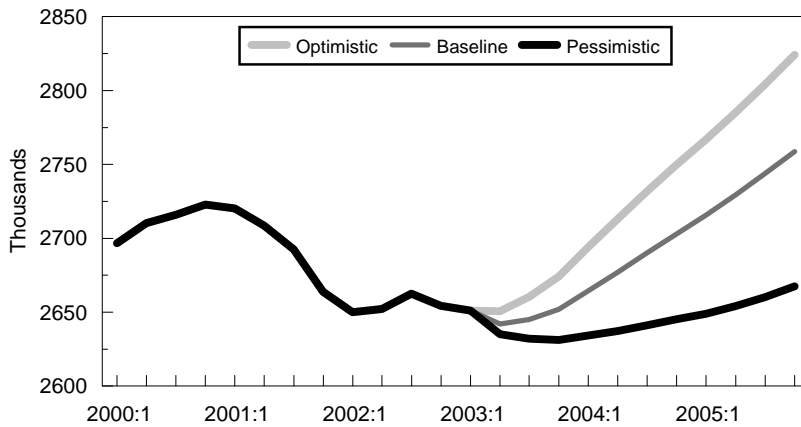
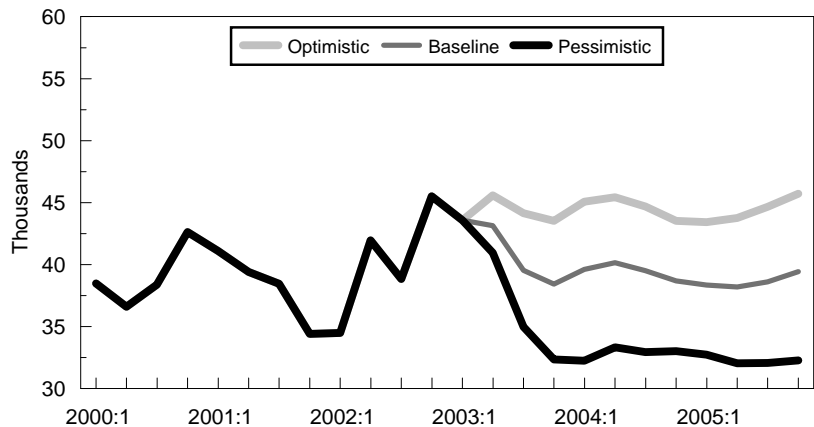


Chart 1.20
Housing Permits



Washington Business Indicators

The National Economy

Real Gross Domestic Production (GDP), the broadest measure of economic activity, increased at a 1.4* percent annual rate in the first quarter of 2003, the same as last quarter, and only slightly less than the 1.6 percent increase assumed in the June 2003 forecast. Consumer spending and residential fixed investment grew a little faster than last quarter but non-residential investment fell 4.4 percent after having increased 2.3 percent last quarter. Consumer spending increased at a 2.0 percent annual rate in the first quarter. Although this was above last quarter's 1.7 percent increase, it remains below trend and reflects the weakness in the current economic recovery. Spending on durable goods fell at a 2.0 percent annual rate, while non-durable consumption grew at a 6.1 percent rate in the first quarter. Consumption of services increased at a rate of only 0.9 percent in the first quarter, the weakest increase since the third quarter of 2001.

The Institute for Supply Management (ISM) reported that its index of manufacturing activity rose 4.0 percent in May 2003, after having decline for four consecutive months. Still, the index remains below 50, at 49.4. An index above 50 indicates than manufacturing sector is expanding; below 50 indicates it is contracting. The index had been indicating an expansion of the manufacturing sector (above 50) in twelve of the thirteen months prior to March 2003.

Employment fell at a 0.6 percent annual rate in the first quarter of 2003. It declined at a 0.1 percent annual rate last quarter. The term "jobless recovery" fits the current cycle well: wage and salary employment has declined seven of the last eight quarters, despite a rise in GDP six of the last eight quarters. The job picture has not improved in the first two months of the second quarter. The Bureau of Labor Statistics reported that the U.S. economy lost another 17,000 jobs in May 2003. In April 2003, there was no change in jobs. The May 2003 U.S. unemployment rate is 6.1 percent, up from 6.0 percent in April and from 5.8 percent a year-ago. The May rate is the highest since April 1994.

Productivity increased at a 1.9 percent annual rate in the first quarter of 2003 following a 0.7 percent gain in the fourth quarter of 2002. Prices remain relatively stable with the Consumer Price Index (CPI) unchanged in May after falling 0.3 percent in April. The May 2003 all items index is 2.1 percent above the year-ago level. The core CPI (all items except food and energy) rose 0.3 percent in May 2003 after being unchanged in both March and April. The May 2003 core CPI is 1.6 percent above the year-ago level.

The Conference Board reported that the U.S. Index of Leading Indicators rose 1.0 percent in May 2003, it's biggest increase since December 2001. The index has increased the last two months and now stands at 111.6 (1996=100). However, the index has been up and down for the past year

and the May 2003 level is pretty much the same level as a year-ago (111.4). In May 2003 eight of the ten indicators that make up the leading index increased, one fell and one was unchanged.

The Conference Board also reported that its Index of Consumer Confidence fell slightly in June 2003 after posting a big gain in April and a modest rise in May. The June index level is 83.5, slightly down from the May 2003 83.6 level. While the index is now well above its cyclical low of 61.3 (March 2003) it is still well below the year-ago level of 106.3. A rise of confidence from the March low has been expected given the relatively short and successful war in Iraq. However, rising consumer confidence does not guarantee that consumers will follow through with increased spending.

The Federal Open Market Committee (FOMC) voted to lower its target rate for federal funds to 1.0 percent at its June 25th meeting. The cut, the first since November 2002 provides on-going support for the economy. The FOMC reported that while recent evidence points to some improvement in economic and financial conditions, the economy has yet to exhibit sustained growth. The FOMC assessment is that “the upside and downside risks to the attainment of sustainable growth for the next few quarters are roughly equal...but that the probability of an unwelcome substantial fall in inflation exceeds that of a pickup in inflation.”

The State Economy and Indicators

The Washington economy continues to lose jobs. Wage and salary employment declined at a 0.5 percent annual rate in the first quarter of 2003. It fell 1.2 percent in the fourth quarter of 2002 and has declined seven of the last nine quarters. Continued weakness in manufacturing led the decline in the first quarter. Manufacturing employment fell at a 3.7 percent annual rate in the first quarter following declines of 9.4 and 4.3 percent in the fourth and third quarters of 2002. Washington manufacturing employment has been falling since the third quarter of 1998 (nineteen consecutive quarters after adjusting for the impact of the Boeing strike in the first quarter of 2000). Aerospace employment declined at a 7.1 percent annual rate in the first quarter of 2003. Aerospace employment has now declined for six consecutive quarters and it is expected to decline further. Air travel is still down and is not expected to show much improvement in the near term. This has put most airlines in financial straits and has reduced or eliminated the need to purchase more aircraft.

Washington's seasonally adjusted unemployment rate is 7.3 percent in May 2003, unchanged from April 2003. The state's May 2003 unemployment rate is more than a percent above the U.S. May 2003 unemployment rate, but it is below its cycle's high (so far) of 7.7 percent reached in April 2002.

Other state economic indicators are mixed. The Seattle Times Index of Help-Wanted Advertising fell in May 2003 after increasing in April. It has fallen five of the past six months. The May 2003 index is 56.9 (1987=100). This is 10.9 percent below the year-ago level. Washington average weekly hours in manufacturing (seasonally adjusted) rose to 39.1 in May 2003. However, average weekly hours have increased only two of the last six months and despite May's increase are 2.0 percent below the year-ago level. The Washington Purchasing Management Index declined in May and has declined eight of the last twelve months. It, however, remains above 50, at 54.7. (A reading above 50 indicates expansion, below 50 indicates contraction).

The Washington Index of Leading Indicators rose in May to 95.2 from 94.8 in April (1996=100). The index fell the prior three months and has declined six of the last twelve. The May increase is a welcome sign and provides hope that the economy may start to improve. Four of the seven compo-

nents of the index pushed the index up in May. These were a lower exchange rate, an increase in average weekly hours in manufacturing, a higher U.S. leading index, and lower initial claims for unemployment insurance. Three of the components were down: the Seattle Times' Help-Wanted index, housing units authorized and aerospace employment.

**This is based on the most recent data from the Bureau of Economic Analysis (the final GDP estimates for the first quarter of 2003 released June 26, 2003.) The June 2003 economic forecast was completed prior to the final GDP release, and shows a 1.6 percent increase in real GDP for the first quarter of 2003.*

Washington State Economic Indicators

Chart 2.1
Year-over-Year Employment Growth
 January 1980 to May 2003

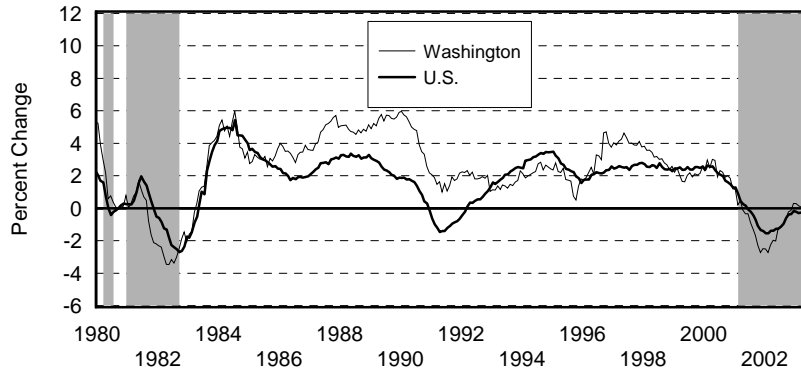


Chart 2.2
Washington Aircraft and Parts Employment
 January 1958 to May 2003

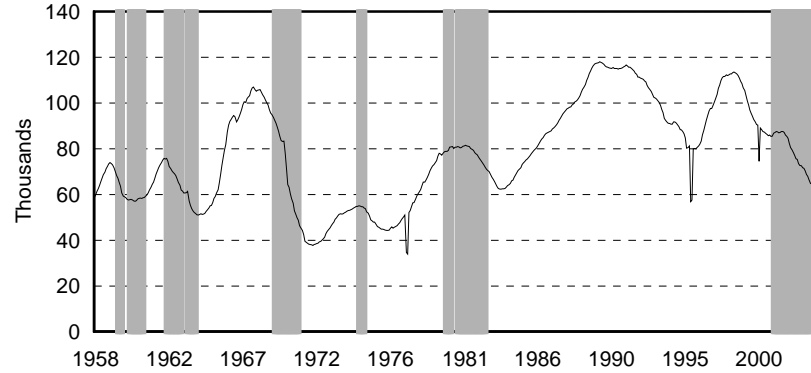


Chart 2.3
Unemployment Rate, S.A.
 January 1980 to May 2003

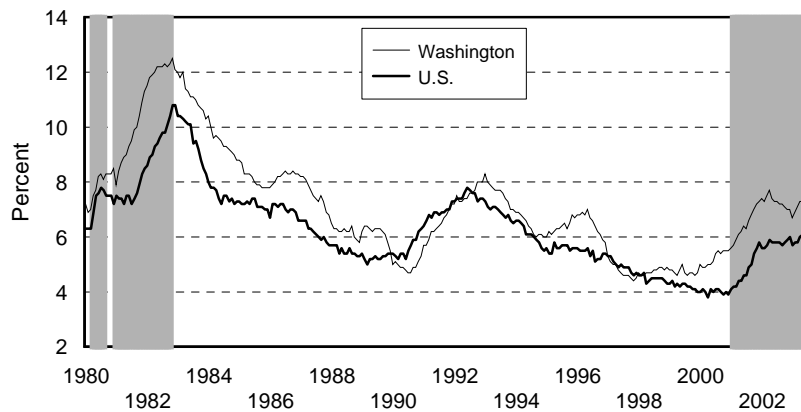
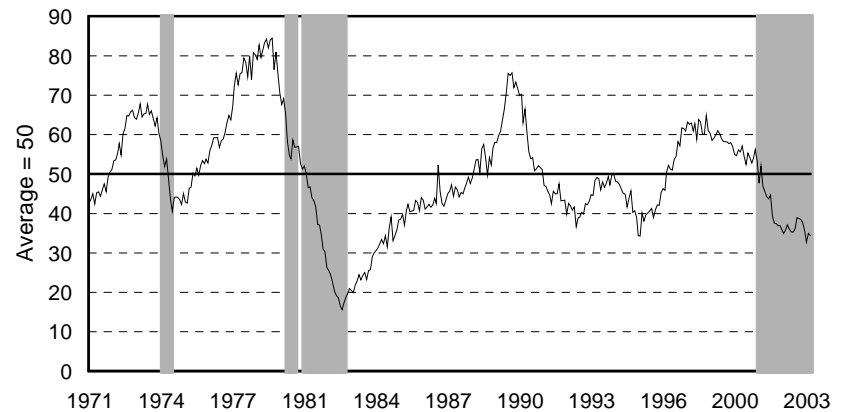


Chart 2.4
Washington Boom Monitor Composite Index
 July 1971 to May 2003



* Shaded areas correspond with Washington employment downturns.

Washington State Leading Indicators

Chart 2.5
The Washington and U.S. Indexes of Leading Indicators
 January 1970 to May 2003

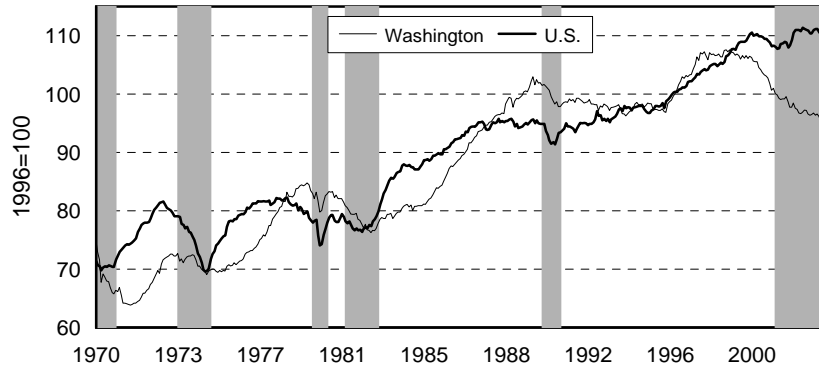


Chart 2.6
Washington Initial Claims for Unemployment Insurance
 January 1970 to May 2003

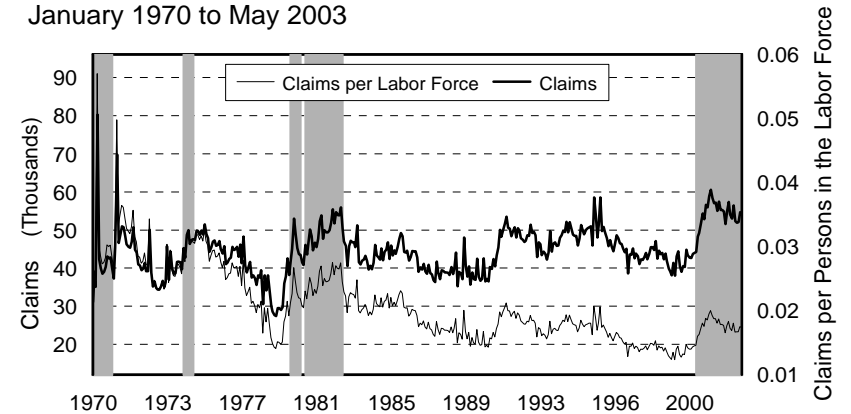


Chart 2.7
Seattle Times and U.S. Help-Wanted Advertising Indexes
 January 1970 to May 2003

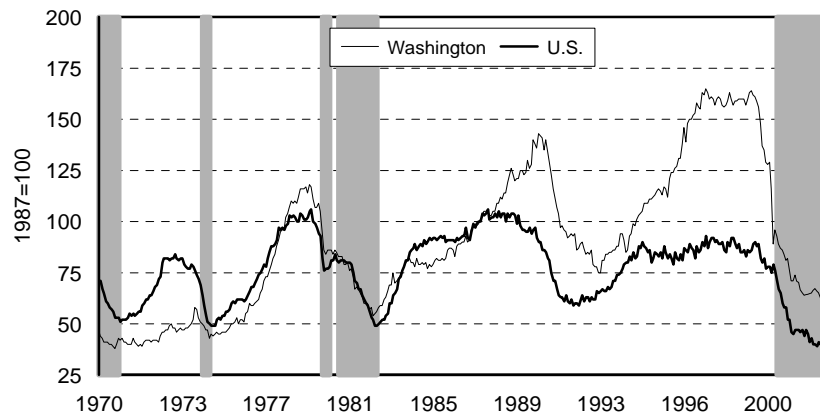
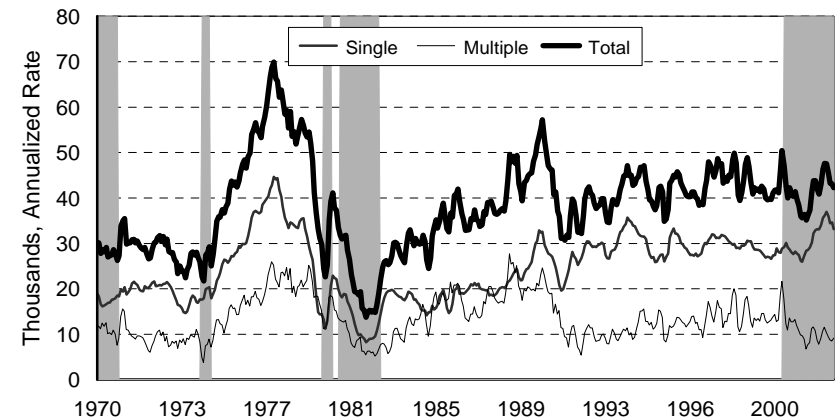


Chart 2.8
Housing Units Authorized in Washington State
 January 1970 to May 2003, 3-Month Moving Average



Shaded areas in all charts correspond with Washington employment downturns.

Other State Economic Indicators

Chart 2.9
Average Weekly Hours in Manufacturing
 Jan. 1970 to May 2003, 3-Month Moving Average, SA

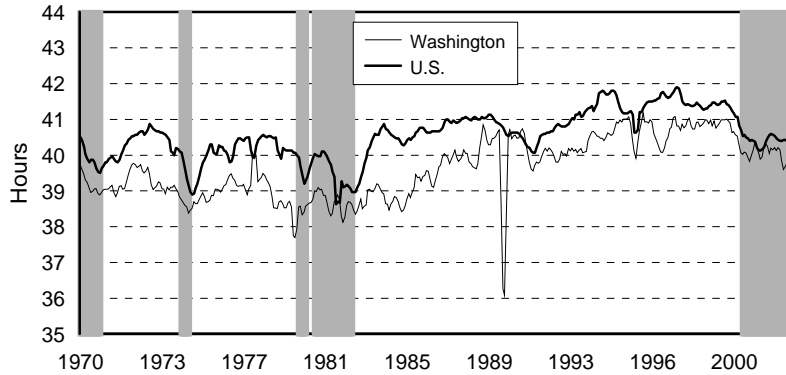


Chart 2.10
Washington Driver's License Migration
 September 1983 to May 2003, 12-Month Moving Average

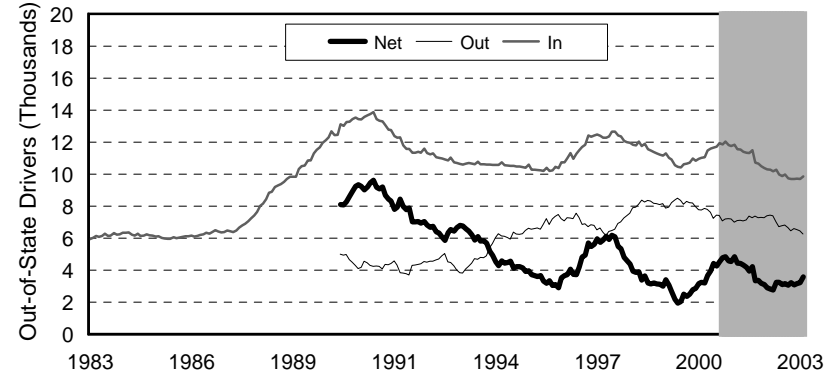


Chart 2.11
New Car and Truck Registrations in Washington
 January 1977 to May 2003, 6-Month Moving Average

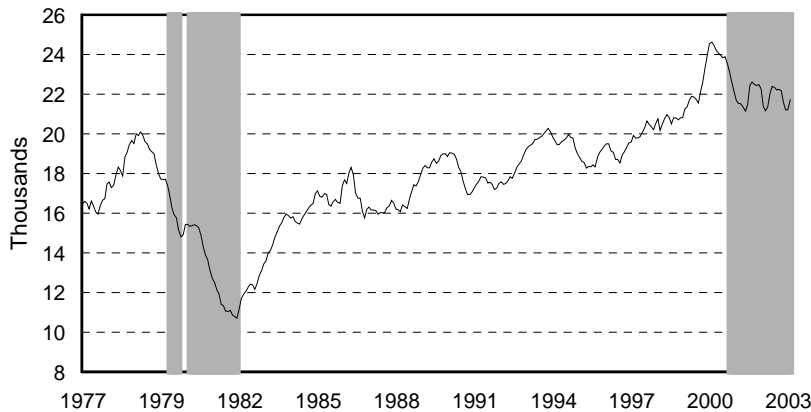
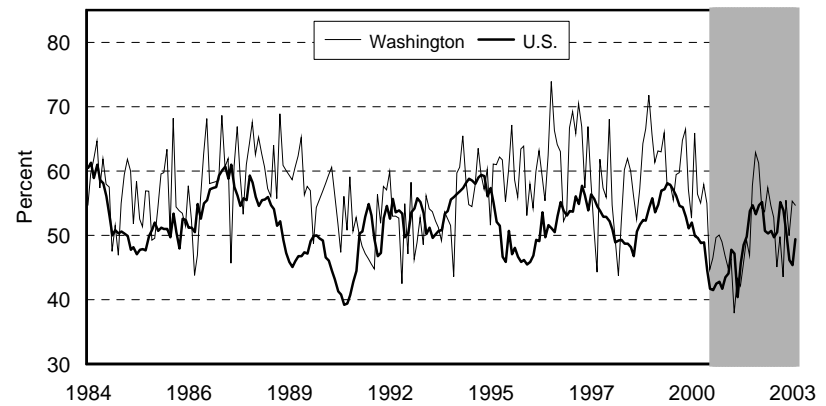


Chart 2.12
Institute for Supply Management Index
 January 1984 to May 2003



* Shaded areas correspond with Washington employment downturns.

Other Economic Indicators

Chart 2.13
Quarterly U.S. Real GDP Growth
 1970 Q1 to 2003 Q1

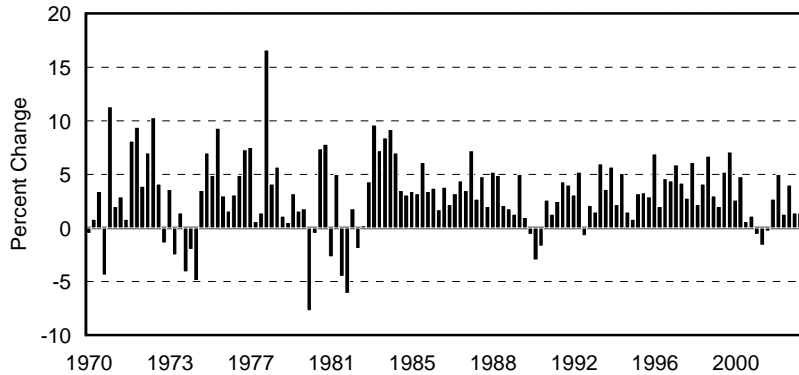


Chart 2.14
Washington State Export Composition
 Change from Same Quarter Year Ago, 1998Q1 to 2003Q1

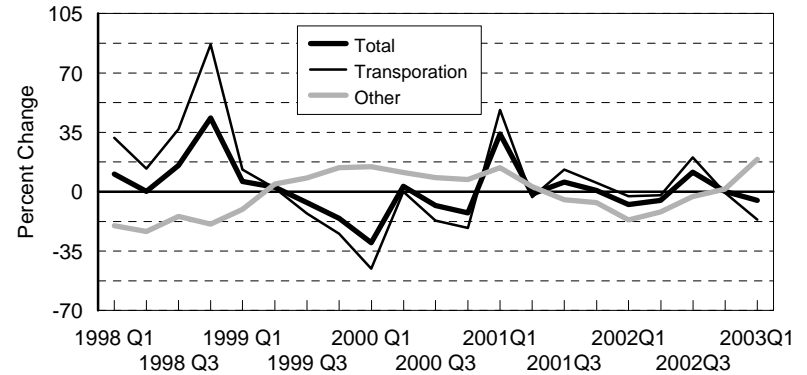


Chart 2.15
U.S. Economic Indicators*
 January 1970 to May 2003

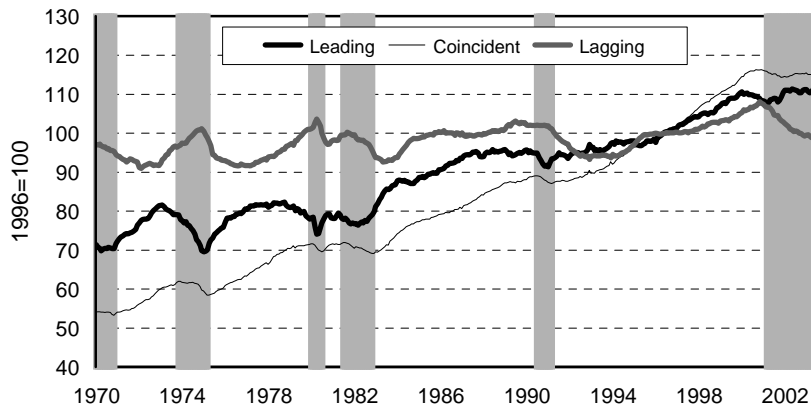
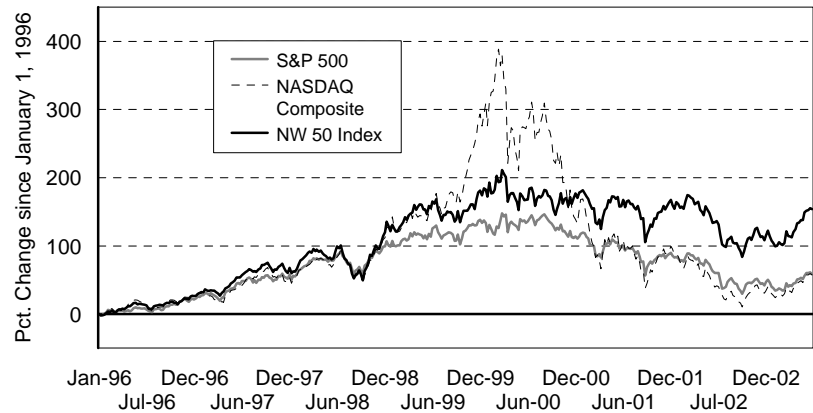


Chart 2.16
Northwest 50 Regional Stock Index vs. National Indices
 January 1, 1996 to June 27, 2003



* Shaded areas correspond with U.S. business cycle contractions as defined by the National Bureau of Economic Analysis.

Other Economic Indicators

Chart 2.17
Federal Funds Target Rate
 October 1, 1990 to June 30, 2003

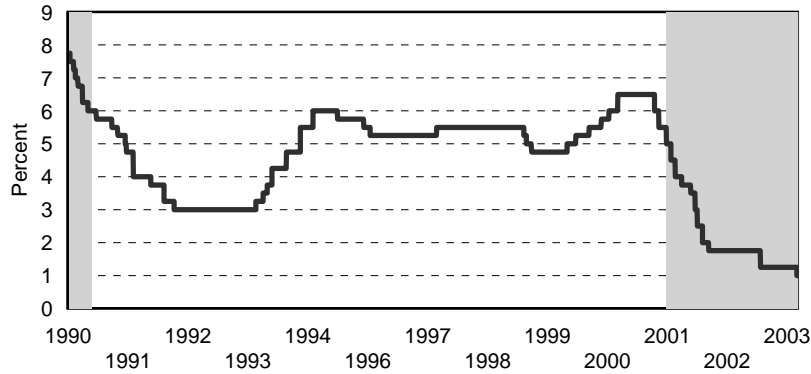


Chart 2.18
Consumer Confidence
 January 1978 to June 2003

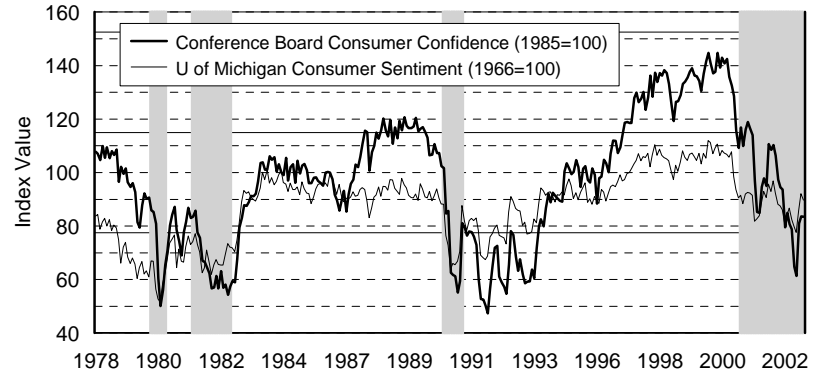
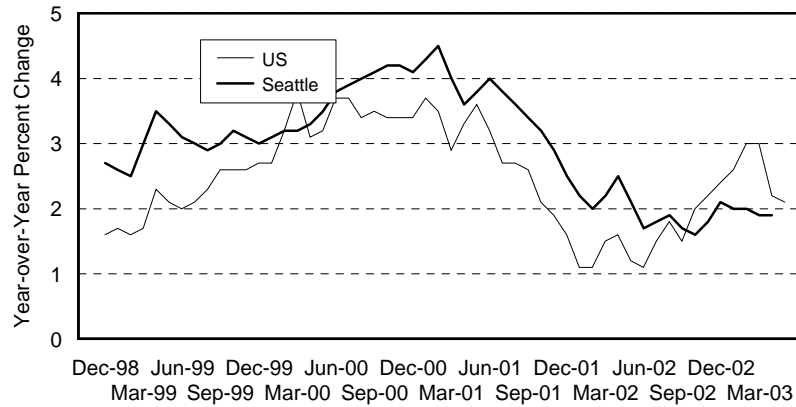


Chart 2.19
Seattle vs U.S. CPI (All Urban Consumers)
 December 1998 to May 2003 (WA to April)



* Shaded areas correspond with U.S. business cycle contractions as defined by the National Bureau of Economic Analysis.

Table 2.1
Washington Business Indicators
 Historical Data

	Washington Index of Leading Indicators	U.S. Index of Leading Indicators	Seattle Index of Help-Wanted Advertising	U.S. Index of Help-Wanted Advertising	Washington Purchasing Management Index	U.S. Purchasing Management Index
2001:5	99.0	108.6	86	60	49.0	41.7
2001:6	99.1	108.7	84	58	46.8	43.5
2001:7	99.1	109.0	81	58	44.9	44.1
2001:8	99.5	108.9	82	52	46.4	47.8
2001:9	98.6	108.0	76	52	37.9	47.1
2001:10	97.6	108.4	71	46	43.3	40.4
2001:11	97.7	109.3	71	45	42.1	45.7
2001:12	98.2	110.5	74	47	45.5	48.5
2002:1	97.6	111.0	71	47	49.4	49.8
2002:2	97.4	111.0	70	47	46.9	53.8
2002:3	96.8	111.0	67	46	57.7	54.7
2002:4	96.7	110.8	65	47	62.9	53.3
2002:5	96.9	111.4	64	44	61.3	54.7
2002:6	97.3	111.2	64	47	54.2	55.1
2002:7	97.2	111.0	64	45	53.7	50.7
2002:8	96.6	110.9	65	41	57.4	50.3
2002:9	96.4	110.4	65	43	54.6	50.7
2002:10	96.5	110.4	66	40	52.8	49.7
2002:11	96.8	111.0	67	40	45.1	50.5
2002:12	96.4	111.2	66	39	49.8	55.2
2003:1	96.6	111.2	65	41	43.5	53.9
2003:2	96.2	110.6	63	40	55.5	50.5
2003:3	95.3	110.4	57	39	50.0	46.2
2003:4	94.8	110.5	58	36	55.3	45.4
2003:5	95.2	111.6	57	36	54.7	49.4

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Washington State Revenue Forecast Summary

Introduction

The Economic and Revenue Forecast Council approved a \$157.4 million reduction to Washington’s General Fund-State (GFS) revenue forecast, excluding legislation, at its June 19, 2003 meeting. The national economic outlook has deteriorated since the March forecast and revised employment data indicates that the Washington economy is weaker than previously thought. In addition, job cuts in the state’s aerospace industry have been more severe than expected while revenue collections have shown virtually no improvement over an already depressed year-ago level. The June forecast change was comprised of a \$1.0 million reduction for the 2001-03 biennium and a \$156.4 million reduction for the 2003-05 biennium, excluding legislation. The reduction to the 2003-05 biennium as a result of the weaker economic outlook was more than offset by a \$445.9 million increase as a result of the 2003 legislative session. Including legislation, the June 2003 GFS forecast for the 2003-05 biennium is \$289.5 million higher than expected in March and GFS revenue for both the 2001-03 and 2003-05 biennia is \$288.5 million higher.

With just one more month to go, the June 2003 General Fund-State revenue forecast expects \$21,162.0 million in the 2001-03 biennium. This is \$100.1 million, 0.5 percent, less than what was collected the 1999-01 biennium. While this decline reflects tax law changes (e.g. Initiatives 728, 747 and 773, and legislative changes) as well as a weaker economy, revenue growth, excluding law changes, will be the weakest since the recession-plagued 1981-83 biennium.

Table 3.1		Cash Basis		
Revision to the General Fund-State Forecast				
June 2003				
(Millions of dollars)				
	<u>2001-03</u>	<u>2003-05</u>	<u>Both</u>	
	<u>Biennium</u>	<u>Biennium</u>	<u>Biennia</u>	
Non Economic Changes*	\$0.0	\$445.9	\$445.9	
Forecast Change	<u>(1.0)</u>	<u>(156.4)</u>	<u>(157.4)</u>	
Total Change**	(\$1.0)	\$289.5	\$288.5	

**Detail may not add to totals due to rounding

The June 2003 GFS revenue forecast now expects \$22,741.0 million in the 2003-05 biennium, which spans the period July 2003 through June 2005. Although the June 2003 outlook for the 2003-05 budget period is lower than in March, the forecast still expects significantly more (\$1.6 billion, 7.5 percent) GFS revenue in the 2003-05 biennium than in the 2001-03 budget period. Much of the increase, however, is due to tax law changes and not a robust economy.

The reduction to the forecast of GFS revenue for the current budget period, along with a changes in transfers, adjustment to reserves, and adoption of the 2001-03 supplemental budget results in a projected unrestricted ending balance for the General Fund of \$298.3 million for the 2001-03 biennium. In addition, the Emergency Reserve Fund is expected to have a \$57.6 million balance on June 30, 2003.

The GFS unrestricted ending balance for the 2003-05 biennium is projected to be \$118.2 million. This is based on an assumed beginning balance of \$298.3 million, the June 2003 GFS revenue forecast of \$22,741 million, \$140.6 million of transfers into the General Fund (including a \$59.4 million transfer from the Emergency Reserve Fund) and a biennial spending level of \$23,061.7 million.

Background and Assumptions

The Washington State GFS revenue forecast is prepared quarterly in conjunction with the state economic forecast for the Economic and Revenue Forecast Council. The Economic and Revenue Forecast Council was created by Chapter 138, Laws of 1984, to provide an objective revenue forecast for both executive and legislative branches of state government. The Council consists of six members, two appointed by the Governor and two appointed by the Legislature from each caucus of the Senate and House of Representatives. Current members of the Economic and Revenue Forecast Council are listed inside the front cover of this publication. The GFS revenue forecast is updated four times per year: March (February in even-numbered years), June, September, and November. Each state agency engaged in revenue collection is responsible for forecasting the revenue it collects or administers. The staff of the Economic and Revenue Forecast Council is responsible for the preparation of the state economic forecast and the revenue forecast of the Department of Revenue's GFS sources. The staff is also responsible for review and coordination of the revenue forecasts of agencies that collect relatively large amounts of GFS revenue. These are the Department of Licensing, the Office of the Insurance Commissioner, the Lottery Commission, the State Treasurer, the Liquor Control 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 GFS revenue.

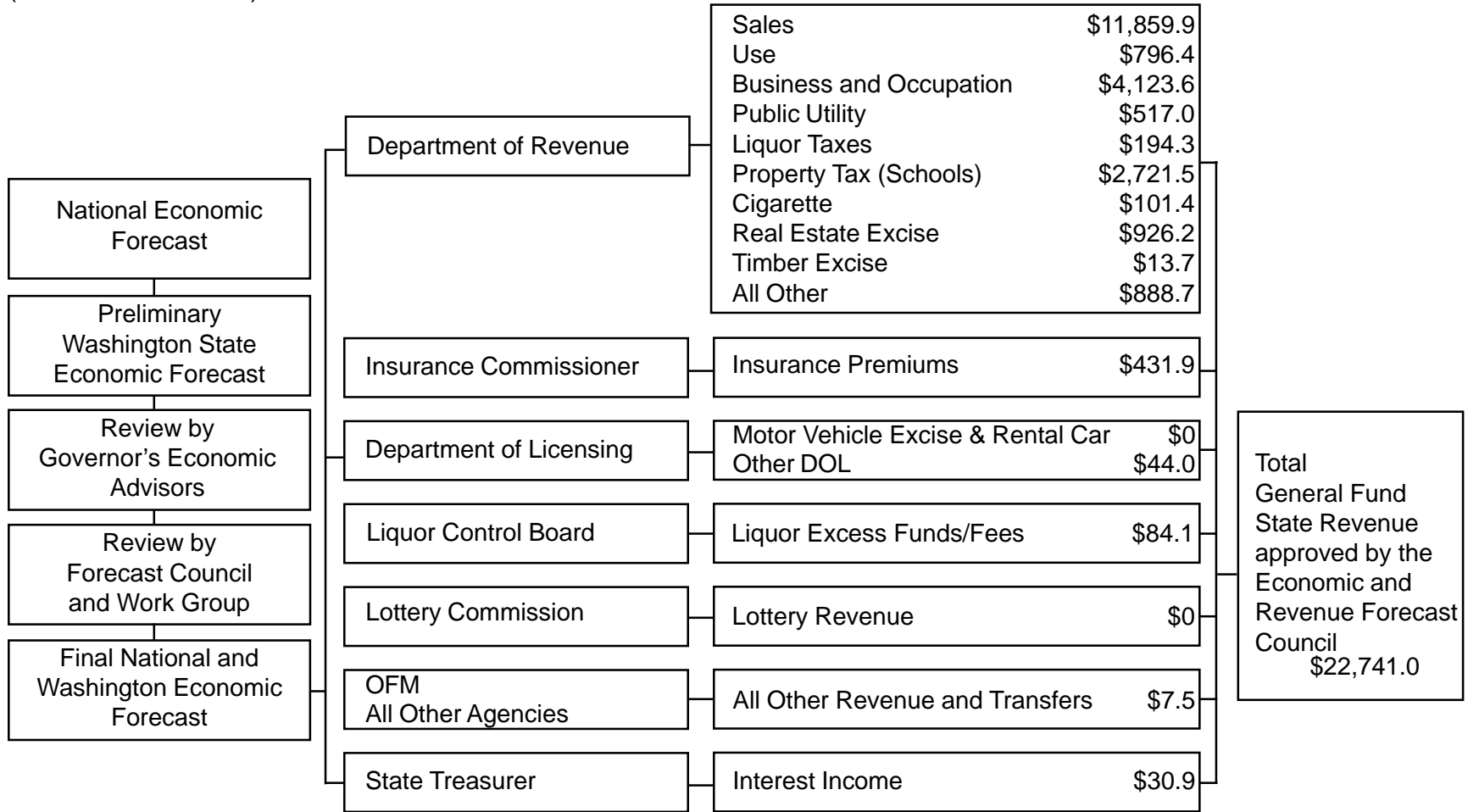
For each quarterly update, the staff of the Economic and Revenue Forecast Council, under the direction of the Executive Director, reviews (and if warranted, modifies) a national economic forecast prepared by Global Insight Inc. A state economic forecast is then prepared using an econometric model that links Washington's economy to the national economy. The Global Insight national forecast is the primary driver for the state economic forecast. After review by the Governor's Council of Economic Advisors, the economic forecast is used to prepare a baseline forecast of GFS revenue. Agencies and the staff of the Forecast Council use the economic forecast, in conjunction with revenue models, to prepare a GFS revenue forecast. The revenue forecasts for most major General Fund sources are prepared using econometric models which link the tax base of major General Fund taxes to the national and state economic forecast. A baseline revenue forecast, along with at least two alternative forecasts, is prepared for all GFS sources and presented to the Forecast

Council for approval. Once the Council approves the forecast, it becomes the official forecast of GFS revenue. An outline of the forecast process, including a summary of the June 2003 baseline forecast for the 2003-05 biennium is shown in Table 3.2.

June 2003 Forecast Assumptions

1. The June 2003 GFS revenue forecast is based in part on the economic forecast for the U.S. and the Washington State economies presented in Chapter 1 of this publication. The economic outlook for the state is in part based on the Global Insight Inc. May 2003 baseline forecast for the U.S. economy.
2. The GFS revenue forecast is based on current law and administrative practices. The June 2003 forecast incorporates the impact of 2003 legislation on General Fund-State revenue. Tax law changes in the 2003 legislative session added \$445.9 million to the 2003-05 revenue. This excludes the impact of EHB 1977 that was enacted into law early in the session and was included in the March 2003 revenue forecast. The \$445.9 impact of legislation includes legislation passed by the legislature in the 2003 regular and two special sessions. It includes some legislation that has not yet been acted upon by the Governor. Table 3.13 summarized the non-economic changes included in the June 2003 forecast.
3. Under provisions of Initiative 728, passed by the voters in November 2000, lottery revenue was dedicated to a newly created Student Achievement Account and to the School Construction Account. Prior to Initiative 728, lottery revenue went into the General Fund. Under provisions of E2SSB 6560, enacted during the 2002 legislative session, the state is participating in a multi-state lottery game. Proceeds from this new game go the General Fund, after the first \$102 million per year of uncommitted lottery earnings are transferred to the Student Achievement Account and the School Construction Account. Part II of Table 3.20 summarize lottery distributions by fund.
4. There are several legal challenges to various aspects of the state's tax laws or administration. Most of these challenges are in litigation and either have not yet been ruled on by the courts or are on appeal. Any impact on GFS receipts will not be incorporated into the forecast until the issue has been completely resolved.
5. There have been several legislative and other non-economic changes affecting actual GFS receipts for the last few biennia as well as the forecast for the 2001-03 and the 2003-05 biennia. Receipts for the 1997-99 biennium were reduced by \$549 million as a result of legislation enacted during the 1996, 1997 and 1998 legislative sessions. New legislation and other non-economic changes (e.g. referendum 49) reduced GFS revenue for the 1999-01 biennium by \$568 million. As of June 2003, new legislation and other non-economic changes have reduced the forecast of GFS revenue for the 2001-03 biennium by \$399 million. New tax law changes have increased GFS revenue for the 2003-05 biennium by \$758 million. In addition, the effect of Initiative 728, which transfers a portion of revenue from the General Fund to the Student Achievement account, accelerates in the 2003-05 biennium, although due to legislation enacted during the 2003 session, the acceleration is much less than it was before. Still the I-728 transfers from the General Fund to the Student Achievement Account have a disproportional effect on GFS revenue for the 2003-05 biennium relative to the 2001-03 biennium. I-728 property tax transfers grow from \$267.0 million in the 2001-03 biennium to \$329.4 million in the 2003-05 biennium (See part I of Table 3.20.)

Table 3.2
Economic and Revenue Forecast Flow Chart*
 General Fund-State
 2003-05 Biennium
 (Amounts in millions)



* Cash Basis

Recent Collection Experience

Revenue collections in the three months since the March forecast were just \$7.5 million, 0.3 percent, above the forecast. Last month there were a few unusually large refunds issued which reduced total collections. Excluding these refunds, collections were \$18.9 million (0.7 percent) above the forecast in the last three months. Higher than expected real estate excise tax payments (\$12.3 million) and property tax receipts (\$6.9 million) more than offset weaker than expected Revenue Act taxes (Washington's major excise taxes: sales, use, business and occupation and public utility taxes) which were \$5.2 million less than expected in the last three months. Other GFS revenue were \$6.5 million less than expected since the March forecast. Although total revenue was higher than expected the last three months, with the exception of the real estate excise tax, revenues sources that are most closely tied to the economy (Revenue Act taxes: retail sales, use, business and occupation and public utility taxes) were a little less than expected. Moreover, the growth of revenue act tax receipts remains very weak. During the last three months Revenue Act tax payments declined 0.1 percent from a very weak year-ago level and are only 0.9 percent above the year ago level for the fiscal year-to-date, adjusting for special factors and new legislation. Revenue likely would have declined even more without the continuation of a very strong real estate market which has contributed to retail sales growth in housing related consumer goods. In addition the record low interest rates which have fueled the real estate market have contributed to overall spending by generating a surge in refinancing activity which has put extra cash in the hands of consumers. Lack of employment growth continues to be the single most important factor that is restraining revenue growth.

Preliminary data on taxes paid during the most recent collection period (May 11 – June 10, 2003) indicate modest gains in the retail trade and food service sectors but overall weakness outside of the retailing sector. Within retailing, the sectors reporting the largest increases in year-over-year tax payments at the three-digit NAICS level were gas stations and convenience store retailers (+14.7 percent), food and beverage store retailers (+12.5 percent) and electronics and appliance retailers (+11.1 percent). Taxes paid by furniture and home finishing stores (+8.0 percent) and apparel and accessory retailers (+8.2 percent) also reported solid increases in tax payments. Only one retail trade sector reported a year-over year decline. This was the miscellaneous retailing category (-10.9 percent). Tax payments by businesses outside of the retail trade sector were once again significantly weaker than retailing, but not as bad as recent months. Year-over-year declines in tax payments were reported by utilities (-8.2 percent), manufacturing (-3.3 percent), information (-5.2 percent) and the construction (-1.8 percent) sectors.

Low mortgage rates continue to fuel the residential housing market, contributing to strong growth in real estate activity and higher than expected real estate excise tax revenue. Statewide, real estate activity based on real estate closings subject to the state real estate excise tax was 19.1 percent above the year-ago level in the three months since the March forecast and was 20.4 percent above the year-ago level for the first four months of calendar 2003. The number of real estate transactions and the average price per transaction have both increased 9.1 percent the last three months and 9.7 percent for the calendar year-to-date.

General Fund-State taxes collected by the Department of Licensing (primarily revenue from licenses and fees) were \$380,000 (4.7 percent) above the estimate in the three months since the March forecast. During this period, Department of Licensing General Fund collections were 5.4 percent above the year-ago level.

The General Fund-State Forecast for the 2001-03 and the 2003-05 Biennia

Washington is experiencing its first major downturn since the early 1980's. The recession this cycle has not been as deep or as long as the back-to-back recessions of the early 1980's but nevertheless it has significantly reduced GFS revenue in the 2001-03 budget period. It could have been worse. With only one month to go it looks like fiscal 2003, the second year of the biennium, will show positive growth (2.5 percent) after a terrible fiscal 2002, which saw GFS revenue decline 3.5 percent. Both economic and revenue growth in the 2001-03 biennium are the weakest since the 1981-83 biennium. Wage and salary employment, which increased 4.3 percent in the 1999-01 biennium, is expected to decline 1.6 percent in the 2001-03 budget period. Wage and salary employment fell 2.1 percent in the 1981-83 biennium. Similarly, real personal income is expected to grow only 2.7 percent in the 2001-03 biennium after having increased 9.9 percent in the 1999-01 period. Real income growth is now expected to be only slightly better than the 2.4 percent increase in the 1981-83 biennium. The weak economy translates directly into less General Fund-State revenue. The forecast of GFS revenue for the 2001-03 biennium is expected to total \$21,162 million. This is \$100.1 million, 0.5 percent, less than what was collected in the 1999-01 biennium. Although GFS revenue in the current biennium

has been significantly reduced by various tax law changes, including the passage of Initiative 728, as well as initiatives 747 and 773, much of the weakness in GFS revenue growth is due to the weak economy. GFS revenue in the 2001-03 biennium after adjusting for the impact of major tax law changes is expected to be only 2.0 percent above the 1999-01 biennium. Inflation adjusted growth of the retail sales adjusted tax base is projected to decline 1.5 percent for the biennium. This is the first decline since it fell 9.1 percent in the 1981-83 biennium. It grew 8.7 percent in the 1999-01 biennium. Inflation adjusted growth of the business and occupation adjusted tax base is projected to decline even more, 4.6 percent in the 2001-03 biennium. This is also the worst showing since the 1981-83 biennium.

The June 2003 forecast for the 2003-05 biennium (July 1,

Table 3.3

Collection Variance of Major General Fund-State Taxes by Agency

March 11 - June 10, 2003

Based on the March 2003 Forecast (Millions of Dollars)

<u>Agency/Source</u>	<u>Collection Variance*</u>	<u>Percent of Estimate</u>	<u>Adjusted Variance**</u>	<u>Percent of Estimate</u>
Department of Revenue				
Revenue Act ¹	(\$5.2)	0.3%	\$6.6	0.3%
Non Revenue Act ²	\$12.3	1.8%	12.3	1.8%
Subtotal	<u>\$7.1</u>	<u>0.3%</u>	<u>18.9</u>	<u>0.7%</u>
Department of Licensing ²	\$0.4	5.4%	0.0	5.4%
Other ³	na	na	na	na
Total*	\$7.5	0.3%	\$18.9	0.7%

¹ Revenue Act taxes consists of retail sales, business and occupation, use, public utility and tobacco products taxes as well as penalty and interest receipts. The variance is based on collections March 11, 2002 through June 10, 2003.

² Variance based on March 2003 through May 2003 collections. Major Non Revenue Act sources include: state property tax levy, real estate excise tax and estate tax.

* Collection variance: actual tax payments compared to monthly estimates based on the March 2003 forecast.

** Variance adjusted for several large, non-recurring refunds.

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

2003 to June 30, 2005) continues to assume a moderate recovery for both the U.S. and the Washington economies. The current forecast once again assumes that the recovery will be a little weaker than prior forecasts and it will again be pushed out a little further into the biennium. While personal income and employment growth are expected to be well above the depressed levels expected in the 2001-03 biennium, growth is forecast to be weaker than past recovery periods. Weak business investment and slow employment growth along with a sluggish global economy will slow the U.S. recovery. Air travel is way down and it is not expected to return to pre September 11th levels until 2004 at the earliest. This has affected airline profitability and their ability to purchase aircraft. Consequently, aircraft manufacturing, the state's largest manufacturing sector, is not expected to recover until 2005. Even then, its recovery will be very weak. Many of the aerospace jobs lost during this downturn will not return in the 2003-05 biennium. The combination of a weak U.S. recovery and a depressed aerospace sector will contribute to less than average employment and income growth for the state in the 2003-05 biennium. State nominal personal income is expected to increase only 7.8 percent in the 2003-05 biennium, up from the 6.3 percent increase projected for the 2001-03 biennium but less than half its long run average. Similarly wage and salary employment growth is expected to increase only 1.0 percent in the 2003-05 biennium, well below its long run average. While the forecast assumes GFS revenue will improve in the 2003-05 biennium, revenue growth, like the economy, is expected to be relatively weak. GFS revenue in the 2003-05 biennium is expected to total \$22,741.0 million. This is \$1.6 billion (7.5 percent) more than in the 2001-03 biennium. Adjusting for major legislative changes, GFS revenue is expected to grow only 5.6 percent.

Washington has no personal or corporate income tax. Three taxes: sales and use, business and occupation and the property tax (state school levy) comprise the majority of Washington's GFS revenue. These three taxes accounted for 85.2 percent of the \$21.3 billion total GFS cash receipts in the 1999-01 biennium. This percentage is expected to rise to 85.8 percent of total GFS revenue in the 2001-03 and the 2003-05 biennia. The jump in the 2001-03 biennium is primarily due to a change in the disposition of lottery proceeds. Prior to the 2001-03 biennium, the majority of Lottery proceeds were deposited into the General Fund. Due to Initiative 728, beginning in fiscal 2002, most lottery proceeds will be deposited in the Student Achievement Account and the School Construction Account instead of the General Fund. The state's reliance on sales, business and occupation, and property taxes has increased over time, rising from 80 percent in the 1991-93 biennium and from 75 percent twenty years ago. The retail sales and use tax, the state's largest revenue source generated \$11.7 billion, 55.0 percent of total GFS revenue in the 1999-01 biennium. Sales and use taxes are expected to produce \$11.8 billion, 55.6 percent of total GFS revenue in the 2001-03 biennium. Sales and use tax is expected to total \$12.7 billion and account for 55.7 percent of GFS revenue in the 2003-05 biennium. The business and occupation tax totaled \$3.8 billion in the 1999-01 biennium, 17.7 percent of total GFS revenue. This tax is expected to produce \$3.8 billion, 17.9 percent of the total in the 2001-03 biennium and \$4.1 billion, 18.1 percent of GFS revenue in the 2003-05 biennium. The state share of the property tax totaled \$2.7 billion, 12.5 percent of total GFS revenue in the 1999-01 biennium. It is forecast to produce \$2.6 billion in the 2001-03 biennium, 12.4 percent of total GFS revenue and \$2.7 billion, 12.0 percent of total GFS revenue in the 2003-05 biennium. The reduction in the property tax share of total GFS receipts reflects the impact of I-728, which transfers a portion of the state property tax levy from the General Fund to the Student Achievement Account beginning in the 2001-03 biennium. (See Part 1, Table 3.20.)

Taxable sales (sales subject to the 6.5 percent state retail sales tax) totaled \$22.8 billion in the fourth quarter of 2002, the most recent quarter available. This was 1.4 percent higher than a year-

ago. Taxable sales were 2.9 percent higher than the year-ago level in the third quarter of 2002. Taxable sales have now increased on a year-over-year basis for two consecutive quarters after having fallen or remained unchanged for five straight quarters. The increase in the fourth quarter of 2002 results in a 0.5 increase in taxable sales for all of calendar 2002. This follows the first ever taxable sales decline (-0.5 percent) on a calendar year basis in 2001. Even with the improvement the last couple of quarters, Washington taxable retail sales remain quite weak. Taxable sales are growing well below the rate of state personal income and retail sales nationally. U.S. retail and food service sales increased 1.9 percent in the fourth quarter of 2002 following a strong 5.6 percent increase in the third quarter. Preliminary data indicate U.S. retail and food service sales increased 4.3 percent in the first quarter of 2003. The June 2003 forecast assumes that taxable sales in Washington increased 1.1 percent in the first quarter of 2003.

Analysis of the growth of taxable sales in the fourth quarter of 2002 shows the retail trade sector, which accounts for about half of all taxable sales, was only 0.9 percent above the year-ago level. This was the weakest year-over-year increase since the 1.0 percent decline in the third quarter of 2001. It follows a 6.0 percent increase in the third quarter of 2002. Within retailing, for the fourth consecutive quarter building materials/hardware stores reported the biggest gain, 19.8 percent. However, other major categories reported modest to weak growth or no growth at all. Taxable sales reported by eating and drinking places were 5.4 percent higher than a year-ago, but general merchandise stores reported only a 1.2 percent increase in sales and food stores reported an increase of only 0.4 percent. Two retail trade sectors reported lower taxable sales than a year-ago: auto dealers and gasoline stations (-7.7 percent) and furniture and household equipment retailers (-1.3 percent).

After declining for six consecutive quarters, taxable sales reported by non-retailing sectors increased 2.0 percent in the fourth quarter of 2002. The year-over-year change varied widely among sectors. Taxable sales reported by the contract construction sector, which accounted for about 15 percent of all taxable sales in the fourth quarter of 2002, increased 4.6 percent. This follows a 0.7 percent decline last quarter and a 1.5 percent decline in the second quarter of 2002. Taxable sales reported by

Table 3.4
General Fund-State Collections*
(Millions of Dollars)

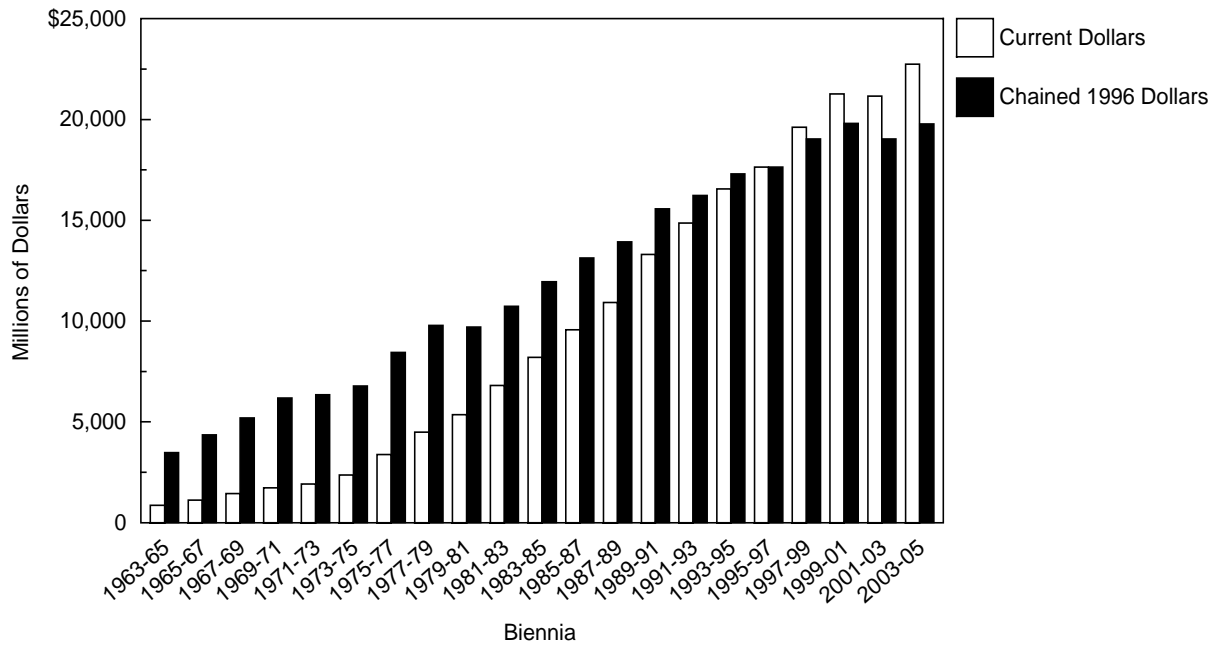
<u>Biennium</u>			Cash Basis	
	<u>Current Dollars</u>	<u>Percent Change</u>	<u>1996 Chained Dollars</u>	<u>Percent Change</u>
1961-63	\$817.1		\$3,362.6	
1963-65	866.2	6.0%	3,478.7	3.5%
1965-67	1,128.6	30.3%	4,357.5	25.3%
1967-69	1,440.5	27.6%	5,200.4	19.3%
1969-71	1,732.7	20.3%	6,188.5	19.0%
1971-73	1,922.1	10.9%	6,345.8	2.5%
1973-75	2,372.4	23.4%	6,772.5	6.7%
1975-77	3,395.0	43.1%	8,445.1	24.7%
1977-79	4,490.0	32.3%	9,785.8	15.9%
1979-81	5,356.4	19.3%	9,716.5	-0.7%
1981-83	6,801.4	27.0%	10,729.6	10.4%
1983-85	8,202.4	20.6%	11,952.7	11.4%
1985-87	9,574.6	16.7%	13,127.7	9.8%
1987-89	10,934.1	14.2%	13,919.4	6.0%
1989-91	13,309.0	21.7%	15,561.1	11.8%
1991-93	14,862.2	11.7%	16,237.3	4.3%
1993-95	16,564.6	11.5%	17,296.7	6.5%
1995-97	17,637.7	6.5%	17,638.8	2.0%
1997-99	19,620.1	11.2%	19,028.0	7.9%
1999-01	21,262.1	8.4%	19,803.6	4.1%
2001-03 ^F	21,162.0	-0.5%	19,035.1	-3.9%
2003-05 ^F	22,741.0	7.5%	19,785.1	3.9%

^F: June 2003 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 Office of the Forecast Council 's June 2003 forecast.

**Chart 3.1
General Fund-State Revenue**



**Chart 3.2
General Fund-State Revenue - Percent Change**

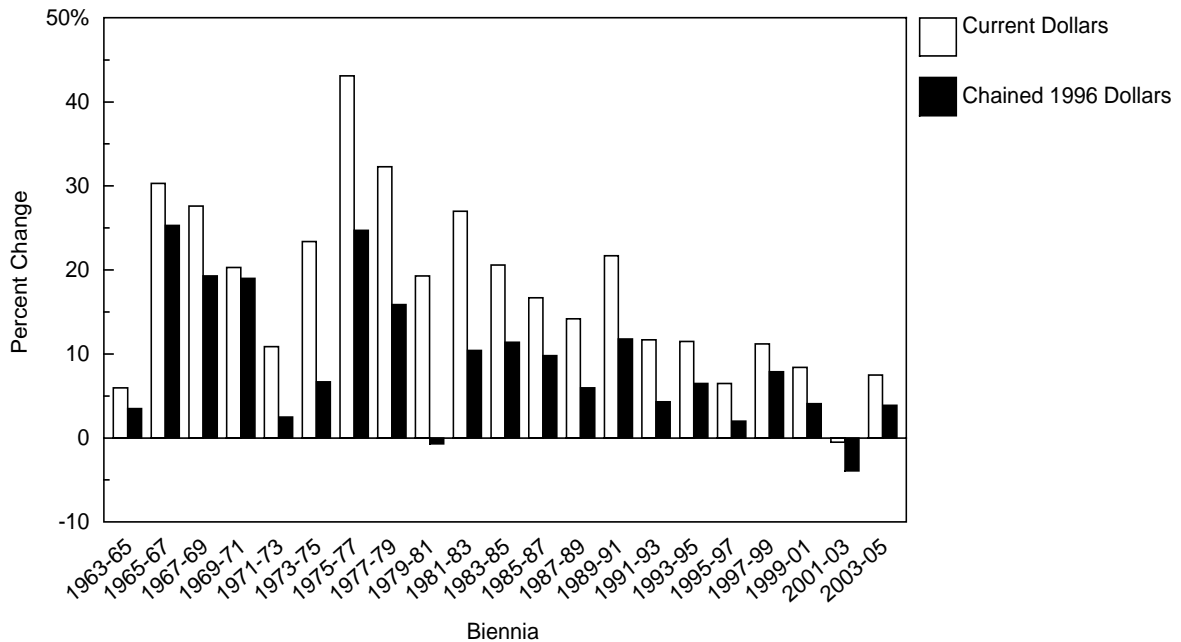


Chart 3.3
Composition of General Fund-State Revenue

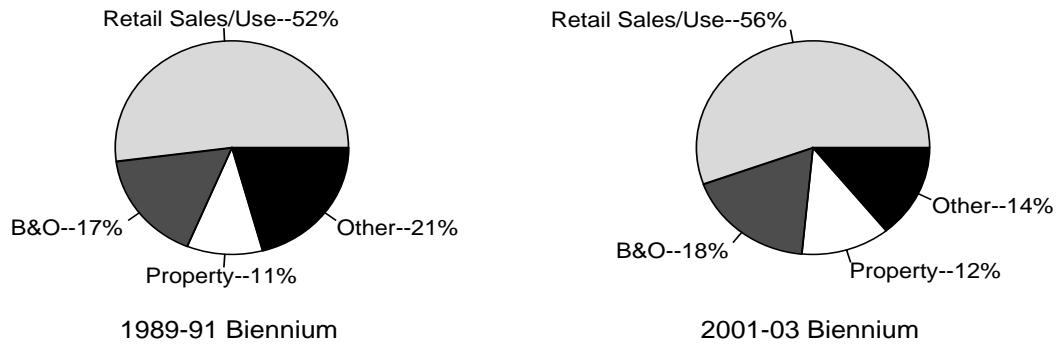
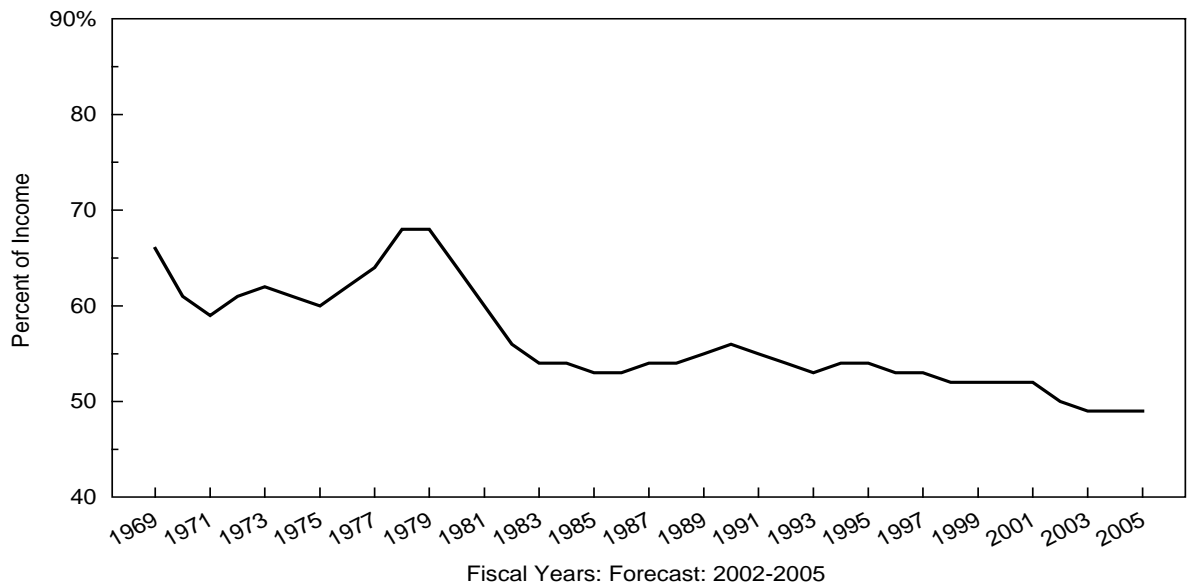


Chart 3.4
Taxable Sales* as a Percent of Personal Income



* Adjusted Base

the service sector were 1.2 percent above the year-ago level in the fourth quarter of 2002. This follows a 3.0 percent increase last quarter. Within services, hotel/motel establishments reported a 7.5 percent increase in taxable sales in the fourth quarter; this is the first increase since the second quarter of 2001. Taxable sales reported by the manufacturing sector were down 0.6 percent in the fourth quarter and the wholesale trade sector reported a 3.1 percent drop. This is the ninth consecutive quarterly decline in this relative large sector which accounts for about 9.0 percent of all taxable sales. Taxable sales reported by the transportation, communications and utility sector declined 1.9 percent and the finance, insurance and real estate sector reported a 7.0 percent increase in taxable sales in the fourth quarter. Analysis of taxable sales by sector continues to be on a Standard Industrial Classification (SIC) basis since there is no historical NAICS data available. The Department of Revenue is developing historical taxable sales data on a NAICS basis that should be available by the end of 2003.

Taxable sales in the state's three largest counties (King, Snohomish and Pierce) were 0.4 percent higher than a year ago in the fourth quarter of 2002. Taxable sales increased 2.9 percent in the rest of the state. Taxable sales in King County declined 0.1 percent in the fourth quarter of 2002. Taxable sales in King County have now declined in six of the last seven quarters. Taxable sales in Snohomish County increased 0.6 percent in the fourth quarter of 2002. Pierce County reported a 2.3 percent increase. Taxable sales in Spokane County were 1.1 percent below the year-ago level. Eastern Washington counties as a whole reported a 0.2 percent increase in taxable sales in the fourth quarter while west of the Cascades taxable sales were up 1.6 percent. Taxable sales were up 1.3 percent in metropolitan counties in the fourth quarter and increased 2.4 percent in non-metropolitan counties.

Statewide taxable sales are expected to increase 2.2 percent in fiscal 2003 after declining 1.4 percent in fiscal 2002. The drop in fiscal 2002 was the first fiscal year decline since fiscal 1984 when food

Table 3.5
Taxable Retail Sales*
 June 2003 Forecast
 (Millions of Dollars)

<u>Fiscal Year</u>	<u>Amount</u>	<u>Percent Change</u>
1974	11,877	
1975	13,380	12.7%
1976	15,493	15.8%
1977	17,626	13.8%
1978	21,121	19.8%
1979	22,309	5.6%
1980	24,057	7.8%
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	61,929	4.9%
1996	62,817	1.4%
1997	66,748	6.3%
1998	72,059	8.0%
1999	77,197	7.1%
2000	83,385	8.0%
2001	85,633	2.7%
2002	84,418	-1.4%
2003 ^F	86,266	2.2%
2004 ^F	89,512	3.8%
2005 ^F	94,374	5.4%

^F Forecast.

* 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. 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). Base extended to some personal services effective July 1994. Exemption of manufacturing equipment effective fiscal 1996. Additional sales tax exemptions (including an exemption for R&D equipment) effective fiscal 1997. Changes in reporting, effective 1997. Additional exemptions effective fiscal 1999, 2000, 2001 and 2002. Additions to the tax base due to increased compliance efforts effective fy 2003. Fiscal 2005 affected by the expiration of the sales tax deferral/exemption program.

was removed from the sales tax base. The decline in fiscal 2002 was due to several factors. Weak income growth, employment reductions, and the bursting of the asset bubble, as well as increased anxiety due to the 9/11 terrorist attacks, significantly reduced consumer and business spending in fiscal 2002. While the U.S. economy continues to slowly expand, weak job growth and lack of investment spending is expected to restrain the growth of taxable sales. The 2.2 percent increase in taxable sales expected in fiscal 2003 is a little less than assumed in the March forecast and is the weakest growth, aside from fiscal 2002, since 1996. While the June forecast assumes that the economic recovery will be a little slower getting started than previously expected, the forecast still expects modest improvement in taxable sales growth next biennium. Taxable sales are expected to increase 3.8 percent in fiscal 2004 and 5.4 percent in fiscal 2005. Part of the improvement in fiscal 2005 is a result of the expiration of the sales tax deferral/exemption program. This adds about a percent to taxable sales growth in fiscal 2005.

Forecast Change for the 2001-03 and the 2003-05 Biennia

Revised employment data indicates that the state's economy is weaker than assumed in March and the latest U.S. forecast has a slower recovery than previously assumed. As a result the June 2003 GFS revenue forecast is \$157.4 million less than assumed in March, excluding tax law changes. The revision to the revenue forecast in June 2003 consists of a \$1.0 million reduction to GFS revenue for the 2001-03 budget period and a \$156.4 million reduction to the forecast for the 2003-05 biennium. This reduction, however, was more than offset by the impact of 2003 legislation which added \$445.9 million to the GFS forecast for the 2003-05 biennium. Including the impact of tax law changes, the June 2003 forecast is \$288.5 million higher than the March 2003 forecast.

Table 3.6 summarizes the changes to the June 2003 cash forecast for the 2001-03 and 2003-05 biennia by type of change. Tables 3.7 and 3.8 summarize revisions to the GFS revenue forecast for the 2001-03 biennium by agency and source of revenue. Table 3.7 is on a cash basis and Table 3.8 is on a GAAP basis. Table 3.9 and 3.10 summarize the change to the GFS revenue forecast for the 2003-05 biennium by agency and source. Table 3.9 is on a cash basis and Table 3.10 is on a GAAP basis. Table 3.11 provides the fiscal year forecast by major revenue source (cash basis). Table 3.12 a fiscal year summary of GFS cash receipts. Table 3.13 summarizes the non-economic changes to the forecast in June. Below is a brief summary of the non-economic changes to the forecast as well as a summary of the changes to the forecast by agency.

Non-economic Changes

The June 2003 forecast incorporates the impact of tax law changes enacted during the 2003 regular and special legislative sessions. While there was no general tax increase enacted during the 2003 legislative sessions, action by the legislature in the 2003 regular and two special sessions generated \$445.9 million of new revenue for the 2003-05 biennium. This excludes the impact of EHB 1977 (use tax correction/ out of state repair services) which was enacted and signed into law early enough in the 2003 legislative session that its impact was included in the March 2003 forecast. Note the impact is based on legislation as passed by the legislature. Some of this legislation has yet to be acted on by the Governor. The revenue impact of 2003 legislation has three components: revenue legislation, budget driven revenue and changes to Initiative 728.

Revenue legislation increased GFS revenue in the 2003-05 biennium by \$157.0 million. There were numerous bills with GFS impact. Most but not all increased GFS revenue. Revenue legislation with the greatest GFS impact was EHB 2269. This bill contains five separate elements that

Table 3.6

Summary of Changes to the General Fund-State Forecast

June 2003 Cash Forecast

(Millions of Dollars)

		June 2003 Change
<u>I. 2001-03 Biennium</u>		
<i>Collection Experience</i>		\$7.5
Department of Revenue		
Major Excise ¹	(5.2)*	
Other ²	12.3	
Department of Licensing ²	0.4	
Other GFS ³	na	
<i>Forecast Change for the remainder of the 2001-03 Biennium</i>		(\$8.5)
Department of Revenue	(14.7)	
Other agencies	6.2	
Total Change for 2001-03 Biennium:**		(\$1.0)
<u>II. 2003-05 Biennium</u>		
<i>Non Economic Change for the 2003-05 Biennium</i>		\$445.9
2003 revenue legislation	157.0	
2003 Budget driven Revenue	51.9	
Change to I-728 property tax transfers to schools	237.0	
<i>Forecast Change for the 2003-05 Biennium</i>		(\$156.4)
Department of Revenue	(147.6)	
Other agencies	(8.8)	
Total Change: 2003-05 Biennium		\$289.5
<u>Total Change: Both Biennia:**</u>		\$288.5

¹ Variance based on collections March 11 - June 10, 2003; retail sales, b&O, use & public utility taxes.

² Variance based on collections in March through May 2003.

* Retail Sales, business and occupation, use, public utility and tobacco product taxes.

** Detail may not add due to rounding.

increase GFS revenue. These are: reducing the abandonment period for intangible property due a Washington resident from five years to three years, changing the date payment of excise taxes are due, changing the definition of “successor” to include intangible assets, increasing penalties for late payment of excise taxes and establishing a program for ensuring all special event vendors and promoters are registered and pay taxes. This law is estimated to generate \$100.6 million in the 2003-05 biennium. HB 2146 also is expected to produce a substantial amount of revenue. This bill creates a new fee to be paid by nursing homes. The fee is set at \$6.50 per day per non-Medicare patient. This is expected to generate \$78.2 million in the 2003-05 biennium. HB 2294 is expected to reduce GFS revenue in the 2003-05 biennium by \$25.3 million. This bill is the aerospace incentives bill and is effective only if a “super-efficient” airplane is developed and produced in Washington. This is expected to reduce GFS revenue in the 2003-05 biennium by \$25.3 million. The revenue loss increases in future biennia.

There were two budget driven revenue items that together are expected to generate \$51.9 million new GFS revenue in the 2003-05 biennium. The budget provides for the Department of Revenue to hire additional auditors and compliance staff to increase their enforcement effort. The additional staff is expected to bring in an additional \$32.0 million in the 2003-05 biennium. The other budget driven revenue item is a provision in the budget bill that allows the Liquor Control Board to relocate stores and increase liquor prices. This is expected to generate additional liquor sales and is expected to produce additional excess fees (\$16.2 million) and liquor tax revenue (\$13.8 million).

The largest 2003 legislative change for the 2003-05 biennium is the change to Initiative 728. This initiative provides for the transfer of a portion of the state property tax levy from the General Fund to the Student Achievement Account. In the 2003 legislative session, the legislature reduced the amount of property tax revenue transferred in fiscal 2005. This change increases GFS revenue by \$237.0 and reduces revenue going to the Student Achievement Account by the same amount.

Department of Revenue

The Department of Revenue collects and administers the majority of Washington’s GFS revenue, accounting for more than 97 percent of total GFS revenue for the 2001-03 and 2005-05 biennia. The June forecast of GFS revenue sources administered and collected by the Department of Revenue is \$263.5 million higher than in March. This change is comprised of a \$7.6 million reduction for the 2001-03 biennium and a \$271.1 million increase in the 2003-05 biennium. The higher forecast for the 2003-05 biennium is entirely due to tax law changes. The impact of 2003 legislation increased the GFS forecast for Department of Revenue sources by \$418.7 million in the 2003-05 biennium. This increase is partially offset by a \$147.2 million reduction to revenue in the 2003-05 biennium as a result of the weaker economic outlook. While the real estate market remains very strong, the rest of the economy has yet to fully rebound from the recession. Although personal income is growing modestly, revenue growth remains stagnant due to a lack of job growth and business confidence. The lower June forecast reflects a sharply lower national and state income forecast, although revenue was reduced disproportionately less than the reduction in income. Revenue collections have done a little better than assumed over the last three months although there has been no growth. Major excise tax payments in the three months since the March 2003 forecast are 0.1 percent below a very weak year-ago period. The forecast expects revenue growth to improve in the coming months.

The largest change to Department of Revenue GFS sources in June is a \$100.6 million reduction to the retail sales tax forecast. The forecast for 2001-03 biennium is \$15.8 million lower than

in March and the forecast for the 2003-05 biennium is \$84.8 million less. The change to 2003-05 is comprised of a \$23.6 million increase due to tax law changes and a \$108.3 million reduction due to the weaker economic outlook. The business and occupation tax forecast is \$45.2 million less than in March 2003. It is \$2.1 million higher in the 2001-03 biennium and \$47.3 million less in the 2003-05 biennium. The change in the 2003-05 biennium is comprised of a \$17.5 million reduction due to tax law changes and a \$29.8 million reduction to the weaker economic outlook. The use tax forecast is \$30.9 million less than in March. The use tax forecast for the 2003-03 biennium is \$7.5 million lower while the outlook for the 2003-05 biennium is \$23.4 million lower. The reduction in 2003-05 is comprised of a \$3.3 million increase due to tax law changes and a \$26.6 million reduction due to the weaker economic outlook. The real estate excise tax forecast is \$50.6 million higher in June. This change is comprised of a \$16.9 million increase in the 2001-03 biennium and a \$32.4 million increase in the 2003-05 biennium. The main source of the revision was the underestimation of the strength of the real estate market. Although interest rates have been very low, the March forecast assumed weak job growth would moderate the growth of real estate activity. This has yet to happen. While the June forecast still expects the real estate market to cool, it assumes that growth will be stronger and continue a little longer than previously expected. The largest change to Department of Revenue sources was a \$249.2 million increase to the state property tax (state levy) forecast. Most of the increase reflects the change to Initiative 728. This Initiative transfers a portion of the state levy to the Student Achievement Account. June 2003 legislation reduced the amount of the state levy transferred in fiscal 2005 by \$237.0 million (which increases the GFS portion of the property tax by the same amount). The remainder of the change to the property tax forecast includes \$5.9 million increase in the 2001-03 biennium and a \$6.3 million increase in the 2003-05 biennium primarily due to stronger collection experience to-date.

Other major changes in the June forecast include a \$36.0 million increase to the forecast of the GFS portion of unclaimed property. This is primarily the result of a 2003 tax law change that shortened the holding period of some classes of unclaimed property resulting in a one-time revenue gain. The forecast of penalty and interest revenue is \$50.7 million higher than in March. Most of this is a result of 2003 legislation which increases penalties on late payment of taxes. 2003 legislation also created a new revenue source, a tax on nursing home residents. This adds \$78.2 million to the Department of Revenue's June 2003 forecast for the 2003-05 biennium.

Department of Licensing

The majority of General Fund-State revenue collected by the Department of Licensing is from professional licenses, boat excise tax, and boat registration. The Department's General Fund-State forecast for the 2001-03 biennium has been increased \$0.1 million to \$42.5 million and its forecast for the 2003-05 biennium has been increased \$0.9 million to \$44.0 million.

The Office of Financial Management (Other Agencies)

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 Department of Licensing, the Liquor Control Board, the Insurance Commissioner, and the State Treasurer. The office's forecast for the 2001-03 biennium has been decreased \$2.4 million and now stands at negative \$1.3 million. The negative forecast indicates that General Fund revenue and transfers from the General Fund to the agencies overseen by the OFM are expected to exceed the revenue and transfers to the General Fund by those agencies. The OFM's forecast for the 2003-05 biennium

Table 3.7
Comparison of the General Fund-State Forecast by Agency
2001-03 Biennium; Cash Basis
(Millions of dollars)

Forecast by Agency	March 2003 Forecast¹	Non-Economic Changes	Forecast Revision	June 2003 Forecast	Total Change
Department of Revenue					
Retail Sales	\$11,014.1		(\$15.8)	\$10,998.2	(\$15.8)
Business & Occupation Use	3,789.3		2.1	3,791.4	2.1
Public Utility	765.0		(7.5)	757.5	(7.5)
Liquor Sales/Liter	526.0		(5.5)	520.5	(5.5)
Cigarette	183.3		0.0	183.3	0.0
Property (State Levy)	116.1		(0.1)	116.0	(0.1)
Real Estate Excise	2,607.0		5.9	2,612.9	5.9
Timber Excise	852.5		16.9	869.3	16.9
Other	17.5		0.8	18.4	0.8
Subtotal	749.4		(4.3)	745.1	(4.3)
	20,620.2		(7.6)	20,612.6	(7.6)
Department of Licensing					
Boat excise, licenses, fees & other	42.4		0.1	42.5	0.1
Insurance Commissioner					
Insurance Premiums	382.9		6.3	389.2	6.3
Liquor Control Board					
Liquor Profits and Fees	59.7		0.0	59.7	0.0
Beer & Wine Surtax	3.4		0.0	3.4	0.0
Lottery Commission					
Lottery Revenue	0.0		0.0	0.0	0.0
State Treasurer					
Interest Earnings	55.6		2.6	58.3	2.6
Office of Financial Management					
Other	(1.3)		(2.4)	(3.7)	(2.4)
Total General Fund-State *	\$21,163.0	\$0.0	(\$1.0)	\$21,162.0	(\$1.0)

¹ Forecast for the 2001-03 biennium adopted in March 2003.

*Detail may not add to totals because of rounding.

Table 3.8

**Comparison of the General Fund-State Forecast by Agency
2001-03 Biennium; GAAP Basis**
(Millions of Dollars)

<u>Forecast by Agency</u>	<u>March 2003 Forecast¹</u>	<u>Non- Economic Changes</u>	<u>Forecast Revision</u>	<u>June 2003 Forecast</u>	<u>Total Change</u>
<i>Department of Revenue</i>					
Retail Sales	\$11,071.6		(\$16.0)	\$11,055.5	(\$16.0)
Business & Occupation Use	3,773.3		1.4	3,774.7	1.4
Public Utility	765.9		(7.3)	758.6	(7.3)
Liquor Sales/Liter	527.3		(5.4)	521.9	(5.4)
Cigarette	184.6		0.1	184.7	0.1
Property (State Levy)	115.8		(0.1)	115.7	(0.1)
Real Estate Excise	2,602.3		6.0	2,608.3	6.0
Timber Excise	855.3		16.9	872.2	16.9
Other	17.5		0.8	18.4	0.8
Subtotal	742.6		(4.2)	738.4	(4.2)
	20,656.2		(7.9)	20,648.3	(7.9)
<i>Department of Licensing</i>					
Boat excise, licenses, fees & other	43.9		0.1	44.0	0.1
<i>Insurance Commissioner</i>					
Insurance Premiums	383.0		6.3	389.2	6.3
<i>Liquor Control Board</i>					
Liquor Profits and Fees	59.7		0.0	59.7	0.0
Beer & Wine Surtax	3.4		0.0	3.4	0.0
<i>Lottery Commission</i>					
Lottery Revenue	0.0		0.0	0.0	0.0
<i>State Treasurer</i>					
Interest Earnings	51.5		2.8	54.3	2.8
<i>Office of Financial Management</i>					
Other	(2.4)		(2.8)	(5.2)	(2.8)
<u>Total General Fund-State *</u>	\$21,195.2	\$0.0	(\$1.5)	\$21,193.7	(\$1.5)

¹ General Fund-State forecast for the 2001-03 biennium adopted March 2003.

*Detail may not add to totals because of rounding.

Table 3.9
Comparison of the General Fund-State Forecast by Agency
2003-05 Biennium; Cash Basis
(Millions of Dollars)

Forecast by Agency	March 2003 Forecast¹	Non- Economic Changes²	Forecast Revision	June 2003 Forecast	Total Change
Department of Revenue					
Retail Sales	\$11,944.7	\$23.6	(\$108.3)	\$11,859.9	(\$84.8)
Business & Occupation Use	4,170.8	(17.5)	(29.8)	4,123.6	(47.3)
Public Utility	819.8	3.3	(26.6)	796.4	(23.4)
Liquor Sales/Liter	529.9	(0.6)	(12.2)	517.0	(12.9)
Cigarette	190.5	3.8	(0.0)	194.3	3.8
Property (State Levy)	101.8	0.0	(0.4)	101.4	(0.4)
Real Estate Excise	2,478.2	237.0	6.3	2,721.5	243.3
Timber Excise	892.0		34.2	926.2	34.2
Other	11.6		2.1	13.7	2.1
Subtotal	732.3	169.1	(12.7)	888.7	156.4
	21,871.5	418.7	(147.6)	22,142.6	271.1
Department of Licensing					
Boat excise, licenses, fees & other	43.1		0.9	44.0	0.9
Insurance Commissioner					
Insurance Premiums	413.7	0.0	18.1	431.9	18.1
Liquor Control Board					
Liquor Profits and Fees	64.4	16.2	(0.0)	80.6	16.2
Beer & Wine Surtax	3.5		0.0	3.5	0.0
Lottery Commission					
Lottery Revenue	0.0		0.0	0.0	0.0
State Treasurer					
Interest Earnings	43.7	6.5	(19.4)	30.9	(12.8)
Office of Financial Management					
Other	11.5	4.5	(8.5)	7.5	(4.0)
Total General Fund-State *	\$22,451.5	\$445.9	(\$156.4)	\$22,741.0	\$289.5

1 General Fund-State forecast for the 2003-05 biennium, adopted March 2003.

2 Impact of 2003 legislation (as enacted by the legislature) on GFS revenue.

*Detail may not add to totals because of rounding.

Table 3.10

**Comparison of the General Fund-State Forecast by Agency
2003-05 Biennium; GAAP Basis**
(Millions of Dollars)

Forecast by Agency	March 2003 Forecast¹	Non - Economic Changes²	Forecast Revision	June 2003 Forecast	Total Change
Department of Revenue					
Retail Sales	\$11,991.7	\$23.6	(\$108.9)	\$11,906.4	(\$85.3)
Business & Occupation Use	4,188.0	(17.5)	(34.1)	4,136.4	(51.6)
Public Utility	820.3	3.3	(26.5)	797.1	(23.3)
Liquor Sales/Liter	533.0	(0.6)	(13.0)	519.4	(13.6)
Cigarette	191.4	3.8	0.3	195.4	4.1
Property (State Levy)	101.5	0.0	(0.4)	101.2	(0.4)
Real Estate Excise	2,478.2	237.0	6.3	2,721.5	243.3
Timber Excise	895.2		34.1	929.3	34.1
Other	11.6		2.1	13.7	2.1
Subtotal	733.6	169.1	(12.9)	889.8	156.2
	21,944.6	418.7	(153.0)	22,210.3	265.7
Department of Licensing					
Boat excise, licenses, fees & other	44.5		1.0	45.5	1.0
Insurance Commissioner					
Insurance Premiums	413.7	0.0	18.1	431.9	18.1
Liquor Control Board					
Liquor Profits and Fees	64.4	16.2	(0.0)	80.6	16.2
Beer & Wine Surtax	3.5		0.0	3.5	0.0
Lottery Commission					
Lottery Revenue	0.0		0.0	0.0	0.0
State Treasurer					
Interest Earnings	44.9	6.5	(20.4)	31.0	(13.8)
Office of Financial Management					
Other	11.6	4.5	(8.5)	7.6	(4.0)
Total General Fund-State *	\$22,527.2	\$445.9	(\$162.8)	\$22,810.3	\$283.1

1 General Fund-State Forecast for the 2003-05 biennium adopted March 2003

2 The impact of 2003 legislation (as enacted by the legislature) on GFS Revenue.

*Detail may not add to totals because of rounding.

Table 3.11
June 2003 General Fund-State Forecast
2001-03 & 2003-05 Biennia; Cash Basis
(Millions of Dollars)

Forecast by Source	Fiscal 2001^a	Fiscal 2002^a	Fiscal 2003	2001-03 Biennium	Fiscal 2004	Fiscal 2005	2003-05 Biennium
State Taxes							
Retail sales	\$5,503.1	\$5,435.1	\$5,563.1	\$10,998.2	\$5,769.2	\$6,090.7	\$11,859.9
Business & occupation	1,961.6	1,913.8	1,877.6	3,791.4	1,991.2	2,132.4	4,123.6
Use	399.8	376.5	381.0	757.5	385.1	411.3	796.4
Public Utility	259.1	264.8	255.7	520.5	258.5	258.6	517.0
Liquor sales/liter	87.2	90.4	92.9	183.3	95.6	98.7	194.3
Beer & wine surtax	1.6	1.7	1.7	3.4	1.7	1.8	3.5
Cigarette	68.2	62.6	53.4	116.0	51.6	49.8	101.4
Tobacco products	16.7	16.1	9.2	25.3	10.6	10.8	21.5
Property (state school levy)**	1,349.9	1,281.8	1,331.1	2,612.9	1,369.8	1,351.7	2,721.5
Public utility district	29.9	31.5	37.0	68.5	35.1	36.4	71.5
Real estate excise	400.4	399.1	470.2	869.3	453.1	473.0	926.2
Timber excise	15.2	10.0	8.3	18.4	6.7	7.0	13.7
Estate/inheritance	107.1	114.5	122.2	236.7	113.0	112.8	225.8
Motor vehicle excise & Rental	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Boat excise	11.4	11.4	12.0	23.4	12.3	12.9	25.2
Insurance premiums	179.5	184.3	204.9	389.2	210.3	221.6	431.9
Other	136.5	131.0	152.5	283.5	197.6	208.9	406.5
Total Taxes	10,527.3	10,324.5	10,573.0	20,897.5	10,961.5	11,478.3	22,439.8
State Non-Tax Sources							
Licenses, permits, fees	75.5	75.3	79.8	155.2	78.1	80.3	158.4
Liquor profits & fees	29.1	29.0	30.6	59.7	38.1	42.5	80.6
Earnings on investments	77.1	32.7	25.6	58.3	13.1	17.8	30.9
Lottery transfers	110.0	0.0	0.0	0.0	0.0	0.0	0.0
Other revenue & transfers	9.9	(10.9)	2.2	(8.7)	(2.4)	33.7	31.3
Total Non-Tax	301.6	126.2	138.3	264.5	126.8	174.3	301.2
Total General Fund-State *	\$10,828.9	\$10,450.7	\$10,711.3	\$21,162.0	\$11,088.4	\$11,652.6	\$22,741.0

a - Actual;

* Detail may not add to totals due to rounding.

**General Fund-State portion of the state levy AFTER transfers to the Student Achievement Account.

has been decreased \$4.0 million to \$7.5 million. This decrease was a combination of an \$8.5 million forecast decrease due mainly to a forecast of decreased fines and fees related to financial activities by the Department of Financial Institutions and a \$4.5 million increase due to legislative changes.

State Treasurer

The forecast and actual experience of the Office of the State Treasurer is based primarily on rate conditions and average daily balances for the funds within the Treasurer's control. The office's General Fund-State forecast for the 2001-03 biennium was increased \$2.6 million to \$58.3 million. The office's forecast for the 2003-05 biennium has been decreased \$12.8 million to \$30.9 million. This decrease was the result of a \$19.4 million forecast reduction due to a reduction in forecasted interest rates and a \$6.6 million dollar increase due to EHB2269's alteration of the due date for monthly filers of state excise tax returns.

Insurance Commissioner

The forecast for the Office of the Insurance Commissioner is based on projections for premium volume of insurance companies in the State of Washington. The office's General Fund-State forecast for the 2001-03 biennium was increased \$6.3 million to \$389.2 million and its forecast for the 2003-05 biennia was increased \$18.1 million to \$431.9 million due to projected and actual increases in premium volume.

Liquor Control Board

The Liquor Control Board forecasts revenue from both profits and fees from state-run liquor stores and funds from surtaxes on beer and wine. The agency's forecast for the 2001-03 biennium was unchanged at \$59.7 million from excess funds and fees and \$3.4 million from beer and wine surtaxes. The agency's forecast of excess funds and fees for the 2003-05 biennium was increased \$16.2 million to \$80.6 million due to legislative changes allowing the opening of several new stores, relocation of some existing stores, and an increase in the price of spirits sold in state-run liquor stores. The agency's forecast of revenue from beer and wine surtaxes for the 2003-05 biennium was unchanged at \$3.5 million.

Lottery Commission

Under Engrossed Second Substitute Senate Bill 6560, starting in fiscal 2003 the Lottery Commission transfers the unallocated portion of collections from sales of Lottery products to the General Fund. Under the bill, funds are not transferred unless there is lottery revenue remaining after the School Construction, Student Achievement, and stadium/exhibition center accounts receive their allotments. As in the March forecast, the Commission's current forecast does not predict having any post-allotment revenue to transfer to the General Fund for either the current or the next biennium. The Commission's forecast of revenues to be transferred to the School Construction and Student Achievement Funds was also unchanged at \$163.8 million for the current biennium and \$188.9 million for the 2003-05 biennium.

Track Record for the 2001-03 Biennium

The June 2003 GFS cash receipts forecast for the 2001-03 biennium is \$21,162.0 million. This is \$1.0 million less than the March 2003 forecast. The June 2003 forecast is \$1.4 billion below the

February 2000 forecast, which was the initial forecast for the biennium. However, some of this reduction reflects non-economic changes. Excluding the impact of non-economic factors, primarily the impact of Initiative 728 and legislative changes, the June 2003 forecast is \$973 million (4.3 percent) lower than the February 2000 forecast. There have been thirteen revisions to the forecast for the 2001-03 biennium since February 2000. Excluding non-economic changes, there have been six increases to the forecast and seven reductions, including the June 2003 revision. Table 3.14 summarizes the changes to the GFS forecast for the 2001-03 biennium since February 2000.

Track Record for the 2003-05 Biennium

The June 2003 GFS cash receipts forecast for the 2003-05 biennium totals \$22,741.0 million. This is \$289.5 million more than the March 2003 forecast, however, the higher revenue is entirely due to 2003 legislation. Excluding tax law changes, the June 2003 forecast is \$156.4 million less than the March forecast. The June 2003 forecast is only \$ 49 million below the February 2002 forecast, which was the initial forecast for the biennium. Again, legislative changes understate this change. Excluding the impact of non-economic factors, primarily the impact of 2002 and 2003 legislative changes, the June 2003 forecast is \$807 million (3.5 percent) lower than the February 2002 forecast. There have been five revisions to the forecast for the 2003-05 biennium since February 2002; all five, have lowered expected revenue (excluding tax law changes). Table 3.15 summarizes the changes to the GFS forecast for the 2003-05 biennium since February 2002.

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

Legislation enacted in 1987 requires that the state's biennial budget be in conformance with Generally Accepted Accounting Principles (GAAP). It also requires a GFS revenue forecast on both a cash and GAAP basis. Thus, there are two related but distinct GFS forecasts summarized in this chapter: a cash receipts forecast and a GAAP revenue forecast. The primary difference between the cash and GAAP forecasts is timing of the receipt of revenue. On a GAAP basis, revenues are credited to the biennium in which they are earned even though they 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, revenue tracking and is 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 GFS forecast in the text of this chapter refer to the cash forecast unless otherwise noted. Likewise, the revenue tables other than Tables 3.8 and 3.10 are on a cash basis.

Table 3.16 compares the cash receipts forecast and the GAAP revenue forecast by agency. GFS revenue for the 1999-01 biennium totaled \$21,287.8 million on a GAAP basis, \$25.8 million higher than the \$21,262.1 million cash receipts total. The GAAP forecast for the 2001-03 biennium is \$21,193.7 million, \$31.7 million more than the \$21,162.0 million cash forecast. The GFS forecast for the 2003-05 biennium is \$22,810.3 million on a GAAP basis, \$69.3 million more than the \$22,741.0 million cash forecast.

Table 3.17 presents the budgetary balance sheet for the 2001-03 and 2003-05 biennia. Total unrestricted GFS reserves on June 30, 2003, the end of the current budget period, are now projected to be \$298.3 million. This is down from \$406.3 million expected in March and reflects changes in expenditures due to the adoption of the 2003 supplemental budget for 2001-03 as well as small

Table 3.12

General Fund - State Cash Receipts

June 2003 Forecast by Fiscal Year

(Millions of Dollars)

	<u>General Fund - State</u>	<u>Percent Change</u>
Fiscal Years		
1986	4,566.2	
1987	5,008.4	9.7%
1988	5,248.1	4.8%
1989	5,686.0	8.3%
1990	6,505.4	14.4%
1991	6,801.9	4.6%
1992	7,297.6	7.3%
1993	7,564.6	3.7%
1994	8,013.4	5.9%
1995	8,551.3	6.7%
1996	8,581.2	0.3%
1997	9,056.6	5.5%
1998	9,640.9	6.5%
1999	9,979.2	3.5%
2000	10,433.2	4.5%
2001	10,828.9	3.8%
2002	10,450.7	-3.5%
Forecast		
2003	10,711.3	2.5%
2004	11,088.4	3.5%
2005	11,652.6	5.1%

Table 3.13

Non Economic Changes Affecting General Fund-State Revenues

2003 Legislative Session*-2003-05 Biennium

Thousands of dollars

	<u>Fiscal 2004</u>	<u>Fiscal 2005</u>	<u>2003-05 Biennium</u>
I. Revenue Legislation			
Department of Revenue			
SB 5725	Semiconductor cluster	0	0
SB 5783	Sales and use tax agreement	1,604	2,614
HB 1591	Excise tax interest	203	411
SHB 2027	Cigarettes	46	52
HB 1858	Chemical dependency services	(31)	(34)
2SHB 1241	Biodiesel & alcohol fuel	(20)	(30)
ESHB 2228	B&O and PUT credits for CTR**	(2,250)	(2,250)
ESSB 5247	Local option fuel tax	0	0
2SHB 1240	Biodiesel & alcohol fuel	0	0
EHB 2269	Unclaimed property and P & I	28,970	65,035
EHB 2146	Wood biomass fuel	0	0
E2SSB 5341	Nursing Home fees	37,397	40,797
ESSB 5071	aviation b&o rate reduction	(570)	(700)
HB 2294	aeropace industry incentives	(12,944)	(12,358)
SHB 1722	Internet transaction taxes	(10)	(10)
	Subtotal: Department of Revenue	52,396	93,527
	145,923		
State Treasurer			
SB 5363	Economic revitalization brd	0	0
EHB 2269	change in excise tax due date***	2,358	4,190
			6,548
Liquor Control Board			
SHB1943	Counterfeit cigarettes	8	0
			8
Insurance Commissioner			
SHB 2040	Delinquent insurer/taxpayer	20	20
			40
OFM- Other Agencies			
SHB 1219	Securities violations	(22)	(22)
ESHB 2228	B&O & PUT credits for CTR**1	2,250	2,250
			4,500
	Total 2003 Legislation*	57,010	99,965
			156,975
II. Budget Driven Revenue			
Department of Revenue			
	Rev enhancements additional audit/compliance	14,000	18,000
	Increase liquor sales/taxes	1,121	2,640
			3,761
Liquor Control Board			
	store relocations/price increase	6,922	9,248
	Subtotal: Budget Driven Revenue	22,043	29,888
			51,931
III. Other			
	I-728 Property Tax Diversion	0	236,981
			236,981
	Total non economic change GFS	\$79,053	\$366,834
			\$445,887

*Excludes EHB 1977. The impact of this bill was included in the March 2003 forecast.

**Commuter Trip Reduction.

1 Transfer to General Fund-State.

***Increased interest earnings.

changes to the GFS revenue forecast and fund transfer assumptions. In addition, the Emergency Reserve Fund (which requires a two-thirds vote of the legislature for appropriation) is projected to have a balance of \$57.6 million at the end of the current budget period.

The June 2003 projected GFS unrestricted ending balance for the 2003-05 biennium is \$118.2 million. This assumes a \$298.3 million beginning balance, GFS revenue of \$22,741.0 million, \$146.6 million of additional transfers into the General fund and a spending level of \$23,673.1 million. The Emergency Reserve Balance is zero at the end of the 2003-05 biennium as the entire Emergency Reserve Balance is transferred to the General Fund in the 2003-05 biennium.

Alternative Forecast for the 2001-03 Biennium

The June 2003 baseline forecast assumes the recovery will continue but it will be slow by historical standards as well as slower than assumed last quarter. Federal tax cuts will provide additional stimulus to the U.S. economy this year, which with continued help from the Fed, should keep the economy growing. There is always the chance that growth will turn out to be better than assumed in the baseline outlook. A less rosy scenario is also possible. The June 2003 alternative forecasts for the 2001-03 and the 2003-05 biennia address these possibilities.

In the optimistic scenario the post war bounce in consumer confidence translates into additional consumer spending and eventually into additional business investment. This produces a more bullish recovery than assumed in the baseline. Washington's economy benefits from stronger growth nationally. In the optimistic scenario state personal income is 1.3 percent higher than the baseline by the end of fiscal 2003 and is 3.7 percent higher by the end of the 2003-05 biennium. State wage and salary employment is 8,600 greater than the baseline by the second quarter of 2003 and is 55,800 higher by the last quarter of the 2003-05 biennium.

The pessimistic scenario assumes that a significant post war bounce never really materializes. Spending remains sluggish despite the Federal tax cut. In this scenario, Washington State is hit disproportionately harder. Airlines remain in poor financial health, limiting their ability to purchase new planes. This keeps the state's aerospace sector weak and produces far fewer jobs than assumed in the baseline forecast. In the pessimistic scenario, state personal income is 1.3 percent below the baseline estimate at the end of fiscal year 2003 and 4.7 percent less than the baseline by the end of the 2003-05 biennium. Wage and salary employment is 7,000 lower than the baseline by the second quarter of 2003 and is 75,300 less by the last quarter of the 2003-2005 biennium

Table 3.18 shows the revenue implications of these alternative scenarios for the 2001-03 biennium and Table 3.19 summarizes the impacts for the 2003-05 biennium. The optimistic scenario generates \$21,215.4 million GFS revenue in the 2001-03 biennium. This is \$53.4 million more than the baseline forecast. For the 2003-05 biennium, the optimistic forecast totals \$23,604.3 million, \$863.3 million more than the baseline. The pessimistic alternative produces only \$21,104.5 million GFS revenue in the 2001-03 biennium, \$57.4 million less than the baseline forecast. For the 2003-05 biennium, the pessimistic alternative produces \$21,641.0 million, \$1.1 billion less than the baseline.

In addition to the official optimistic and pessimistic alternatives, we routinely prepare a third alternative forecast. This is developed by averaging the forecasts for several key economic variables made by members of the Governor's Council of Economic Advisors (GCEA). The June 2003 GCEA scenario was based on the forecasts of eight members of the Governor's Council of Economic Advisors. The GCEA alternative was close to the June 2003 baseline forecast. It produced \$4 million more GFS revenue than the baseline forecast for the 2001-03 biennium and \$77 million more than the baseline in the 2003-05 biennium.

Table 3.14
Track Record for the 2001-03 General Fund-State Cash Forecast
 February 2000 through June 2003
 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>
February 2000****	\$21,728	\$805				\$22,534
Changes to Forecast						
June 2000	99	(25)	74	(3) #1	71	22,604
September 2000	158	(1)	157	5 #2	162	22,766
November 2000	32	12	43	(482) #3	(439)	22,327
March 2001	(126)	2	(124)	12 #4	(112)	22,216
June 2001	(61)	(29)	(89)	(27) #5	(116)	22,099
September 2001	(101)	6	(96)	18 #6	(77)	22,022
November 2001	(698)	(81)	(779)	(34) #7	(813)	21,209
February 2002	(269)	3	(266)	19 #8	(247)	20,962
June 2002	54	31	85	93 #9	178	21,140
September 2002	(30)	(4)	(34)		(34)	21,106
November 2002	21	(1)	20		20	21,126
March 2003	27	9	36		36	21,163
June 2003	(\$8)	\$7	(\$1)		(\$1)	21,162
Total change***						
From February 2000	(\$902)	(\$72)	(\$973)	(\$399)	(\$1,372)	
Percent change	-4.1%	-8.9%	-4.3%	-1.8%	-6.1%	

* 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.

**** First official forecast for the 2001-03 biennium.

#1 Change to the forecast due to 2000 legislation. (This Excludes the impact of the telepage court case (extending the sales tax to paging services). This impact is included as a Department of Revenue forecast change.

#2 Revised impact of the salmon recovery timber tax credit.

#3 Estimated impact of I-722 and I-728. Estimate based on OFM analysis of I-728, subject to continuing review.

#4 Adjustments to impact of I-722 and I-728. Court decision nullifying I-722. Revised estimate to portion of I-728 that transfers some property tax revenue to the Student Achievement Account; Changes the accounting of this transfers.

#5 Impact of 2001 legislation (Regular Session) and impact of the phase-out of the Federal estate tax.

#6 Impact of 2001 legislation (Special Session). Major item was an increase of \$27.8 million due to additional audit recovery (Dept. of Revenue).

#7 Impact of I-747 and I-773 on GFS revenue.

#8 Revision to estate tax based on new legal interpretation of the effect of the phase-out of the Federal estate tax. on Washington's estate tax revenue.

#9 General Fund-State impact of 2002 legislation.

Table 3.15
Track Record for the 2003-05 General Fund-State Cash Forecast
 February 2002 through June 2003
 Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>Department of Revenue*</u>	<u>Other Agencies</u>	<u>Non Economic Subtotal*</u>	<u>Changes**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
February 2002****	\$22,225	\$565				\$22,790
Changes to Forecast						
June 2002	(53)	23	(30)	205 #1	175	22,965
September 2002	(317)	(29)	(346)	80 #2	(265)	22,700
November 2002	(31)	21	(10)		(10)	22,690
March 2003	(216)	(49)	(265)	27 #3	(238)	22,452
June 2003	(148)	(9)	(156)	446 #4	290	22,741
September 2003						
November 2003						
February 2004						
June 2004						
Total change***:						
From February 2002	(763)	(43)	(807)	758	(49)	
Percent change	-3.4%	-7.6%	-3.5%	3.3%	-0.2%	

* 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.

**** First official forecast for the 2003-05 biennium.

#1 Change to the forecast due to 2002 legislation.

#2 Adjustment to the forecast to account for the expiration of two tax incentives and for 2002 legislation (SHB 2512) not previously included in the GFS forecast.

#3 Includes an \$86.6 million adjustment to the November forecast for SSB 6835 and a Dec. 2002 court case. Also the impact of 2003 legislation (hb 1977) enacted prior to the March 2003 forecast (-\$60.0 million).

#4 Impact of 2003 legislation (as passed the legislature) on GFS revenue.

Table 3.16

2001-03 and 2003-05 Biennial Balance Sheet
General Fund-State and Emergency Reserve Fund
Dollars in Millions

	2001-03	As Passed the Legislature* 2003-05
RESOURCES		
Beginning Fund Balance	599.1	298.3
March 2003 Revenue Forecast	21,163.0	22,451.5
June 2003 Forecast Update	(1.0)	(156.4)
Revenue Changes		
Budget Driven Revenue		51.9
Nursing Home Quality Fee		78.2
I-728 Property Tax Diversion		237.0
Aerospace Industry		(25.3)
Other Revenue Legislation		104.1
Current Revenue Totals	21,162.0	22,741.0
Fund Transfers to General Fund	289.0	81.2
Tobacco Securitization	450.0	
Transfer from Emergency Reserve Fund	325.0	59.4
Changes in Reserves and Other Adjustments	55.7	
Total Resources (Revenue/Fund Balance)	22,880.8	23,179.9
APPROPRIATIONS, SPENDING ESTIMATES AND SPENDING LIMIT		
Biennial Appropriation *	22,451.5	23,061.7
2003 Supplemental and Adjustments to FY 2003 in 2003-05 Budget	130.9	
Spending Level	22,582.4	23,061.7
Adjusted I-601 Expenditure Limit	23,228.6	23,673.1
Difference Between I-601 Limit and Expenditures	646.2	611.4
UNRESTRICTED GENERAL FUND BALANCE		
Projected Ending Fund Balance	298.3	118.2
EMERGENCY RESERVE FUND		
Beginning Fund Balance	462.1	57.6
Actual/Estimated Interest Earnings	15.5	1.7
Transfers and Appropriations	(420.0)	(59.4)
Projected Ending Fund Balance	57.6	0.0
TOTAL RESERVES		
Combined General Fund and Emergency Reserve Fund Ending Balances	356.0	118.2

* Includes legislation that has not yet been acted upon by the Governor.

Table 3.17
June 2003 Baseline Forecast by Agency
Comparison of Cash and GAAP Basis
(Millions of dollars)

Agency	1999-01 Biennium			2001-03 Biennium			2003-05 Biennium		
	Cash Basis ¹	GAAP Basis ²	Diff.	Cash Basis ¹	GAAP Basis ²	Diff.	Cash Basis ¹	GAAP Basis ²	Diff.
General Fund - State Cash/Revenue Sources									
Department of Revenue ³	\$20,342.3	\$20,355.3	\$12.9	\$20,538.1	\$20,580.2	\$42.1	\$22,038.5	\$22,106.2	\$67.7
Department of Licensing	42.6	42.4	(0.2)	42.5	44.0	1.5	44.0	45.5	1.5
Insurance Commissioner ⁴	360.4	360.5	0.1	396.9	397.0	0.0	440.4	440.4	0.0
State Treasurer	148.3	148.1	(0.2)	58.3	54.3	(4.0)	30.9	31.0	0.1
Office of Financial Management									
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Agencies	175.0	175.1	0.0	164.0	164.2	0.2	154.7	154.8	0.1
Subtotal: General Fund-State Cash/Revenue*	21,068.6	21,081.4	12.8	21,199.8	21,239.7	39.9	22,708.6	22,777.9	69.3
General Fund State - Other Financing Sources⁵									
Department of Revenue ⁶	81.6	84.2	2.6	74.5	68.1	(6.4)	104.1	104.1	0.0
Lottery Commission	203.3	212.6	9.3	0.0	0.0	0.0	0.0	0.0	0.0
Insurance Commissioner ⁷	(6.2)	(6.2)	0.0	(7.7)	(7.7)	0.0	(8.6)	(8.6)	0.0
Liquor Control Board	57.9	57.9	0.0	63.1	63.1	0.0	84.1	84.1	0.0
Office of Financial Management									
Other Agencies ⁸	(143.1)	(142.0)	1.1	(167.7)	(169.5)	(1.8)	(147.2)	(147.3)	(0.0)
Subtotal: GFS Other Financing Sources	193.5	206.5	13.0	(37.8)	(46.0)	(8.2)	32.4	32.4	(0.0)
Total Available Receipts/Resources									
General Fund-State *	\$21,262.1	\$21,287.8	\$25.8	\$21,162.0	\$21,193.7	\$31.7	\$22,741.0	\$22,810.3	\$69.3

* Detail may not add due to rounding.

1 General Fund-State cash receipts forecast.

2 General Fund-State Revenue Forecast on a GAAP (Generally accepted accounting principles) basis, used to show the state revenue position for financial reporting purposes.

3 Excludes the state share of the timber tax and unclaimed property transfers.

4 Total insurance premiums tax.

5 Other financing sources represent transfers to/from other funds from/to the General Fund.

6 Includes the state share of the timber excise tax and unclaimed property transfers.

7 Forty percent of fire insurance premiums.

8 Agency 701 and accounting sources: 480 and 481 for all other agencies.

Table 3.18
June 2003 Alternative Forecasts Compared to the Baseline Forecast
2001-03 Biennium
(Millions of dollars)

<u>Forecast by Source</u>	<u>Optimistic Forecast</u>	<u>Baseline Forecast</u>	<u>Pessimistic Forecast</u>
<i>Department of Revenue</i>			
Retail Sales	\$11,010.7	\$10,998.2	\$10,980.0
Business & Occupation Use	3,796.7	3,791.4	3,786.3
Public Utility	759.0	757.5	756.2
Property (school levy)	520.7	520.5	520.3
Real Estate Excise	2,626.2	2,612.9	2,599.6
Other	872.2	869.3	866.5
Subtotal	1,067.7	1,062.8	1,057.9
	20,653.2	20,612.6	20,566.8
<i>Department of Licensing</i>	43.2	42.5	41.8
<i>Insurance Commissioner¹</i>	394.5	389.2	384.0
<i>Lottery Commission</i>	0.0	0.0	0.0
<i>State Treasurer - Interest earnings</i>	58.3	58.3	58.3
<i>Liquor Profits & Fees²</i>	63.7	63.1	62.4
<i>Office of Financial Management</i>			
Other agencies	2.6	(3.7)	(8.7)
Total General Fund - State*	\$21,215.4	\$21,162.0	\$21,104.5
Difference from June 2003 Baseline	\$53.4		(\$57.4)

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax.

* Detail may not add to total due to rounding.

Table 3.19
June 2003 Alternative Forecasts Compared to the Baseline Forecast
2003-05 Biennium
(Millions of dollars)

<u>Forecast by Source</u>	<u>Optimistic Forecast</u>	<u>Baseline Forecast</u>	<u>Pessimistic Forecast</u>
<i>Department of Revenue</i>			
Retail Sales	\$12,248.5	\$11,859.9	\$11,309.7
Business & Occupation Use	4,251.7	4,123.6	3,938.1
Public Utility	820.0	796.4	760.0
Property (school levy)	523.2	517.0	510.0
Real Estate Excise	2,857.5	2,721.5	2,585.4
Other	997.4	926.2	839.8
Subtotal	1,256.6	1,198.1	1,138.2
	22,955.0	22,142.6	21,081.2
<i>Department of Licensing</i>			
	45.3	44.0	42.7
<i>Insurance Commissioner¹</i>			
	442.7	431.9	421.1
<i>Lottery Commission</i>			
	5.0	0.0	0.0
<i>State Treasurer - Interest earnings</i>			
	60.8	30.9	7.6
<i>Liquor Profits & Fees²</i>			
	85.8	84.1	82.4
<i>Office of Financial Management</i>			
Other agencies	9.8	7.5	6.0
Total General Fund - State*	\$23,604.3	\$22,741.0	\$21,641.0
Difference from June 2003 Baseline	\$863.3		(\$1,100.0)

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax.

* Detail may not add to total due to rounding.

Table 3.20
**Impact of Initiative 728 on the State Property Tax and Lottery Revenue
 June 2003 Forecast; Millions of Dollars**

I. Disposition of the State portion of the Property Tax

	State Levy: <u>Total Receipts</u>	To the <u>General Fund</u>	To the <u>Student Achievement Account¹</u>
2000	\$1,302.0	1,302.0	
2001	\$1,349.9	1,349.9	
1999-01 Biennium	2,652.0	2,652.0	
2002	1,415.0	1,281.8	133.1
2003	1,465.0	1,331.1	133.9
2001-03 Biennium	2,879.9	2,612.9	267.0
2004	1,504.2	1,369.8	134.3
2005	1,546.7	1,351.7	195.0
2003-05 Biennium	3,050.9	2,721.5	329.4

II. Lottery Transfers by Fund*

	Lottery: <u>Total Transfers:**</u>	<u>General Fund</u>	<u>Mariners Stadium</u>	<u>Exhibition Center & Stadium</u>	<u>Student Achievement Account¹</u>	<u>School Construction Account¹</u>	<u>Transfer to VERDE²</u>
1998	117.8	114.6	3.2				
1999	118.6	107.5	3.3	7.8			
1999-01 Biennium	236.3	222.0	6.5	7.8			
2000	101.1	93.3	3.4	4.4			
2001	120.1	110.0	3.6	6.5			
1999-01 Biennium	221.3	203.3	7.0	10.9			
2002	90.2	0.0	3.7	6.7	39.9	39.9	0.0
2003	95.4	0.0	3.9	7.0	63.0	21.0	0.5
2001-03 Biennium	185.6	0.0	7.6	13.8	102.9	60.9	0.5
2004	103.0	0.0	4.0	7.3	68.8	22.9	0.0
2005	109.0	0.0	4.2	7.6	0.0	97.2	0.0
2003-05 Biennium	212.0	0.0	8.2	14.9	68.8	120.2	0.0

* Cash Basis

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

¹ Initiative 728 directs a portion of the state levy to the Student Achievement Account and lottery revenue to the Student Achievement Account and the School Construction Fund. Prior to Initiative 728 this revenue went into the General Fund.

² Transfer to the Violence Reduction and Drug Education Account required by 2002 legislation (SSB 6560).

County Personal Income and Employment, 1997 to 2001

“Personal Income” is a measure of the total income received by individuals. It includes not only income earned from working, but also income derived from dividends, rent, interest, and transfer payments (such as Social Security). Personal contributions to social insurance programs such as Social Security, however, are not included in personal income because to do so would count this income twice, as these contributions end up as transfer payments for someone else. When the total personal income of a region is divided by the population of that region, the result is the “per capita personal income” of that region.

The US Department of Commerce, Bureau of Economic Analysis (BEA) publishes annual estimates of personal income on a county-by-county basis. The estimates are broken down by source and by industry. In May of this year, the bureau released new estimates for 2001 personal income and revised estimates from 1999 to 2000. This report presents details of the income data from 1997 to 2001. Data prior to 1997 are available through the BEA or the Washington State Office of the Forecast Council.

2001 per capita personal income in Washington’s counties ranged from \$45,965 in King County to \$17,437 in Ferry County. **Chart 4.1** illustrates both the level of per capita personal income in each county and its sources. The chart orders the counties according to population density, with the most densely populated counties presented first. The counties are also classified as rural or urban as per state law, which defines urban counties as those with a population density greater than one hundred people per square mile. The length of the black bar in the chart indicates the total amount of per capita earnings generated from work within a particular county. Where the bar extends below zero, it indicates that non-residents working in that county removed more earnings from the county than county residents working elsewhere brought into the county. This is indicated by a negative “residence adjustment” in the personal income tables. In counties where residents working outside the county brought in more earnings than non-residents took out, these earnings are indicated by a white bar, which indicates a positive residence adjustment. The total amount of per capita income that was derived from earnings by county residents is thus indicated by the top of the black bar, and the proportion of that income that was earned within the county is indicated by the relative lengths of the white and black bars.

From the chart, one can see that in general, the most densely populated counties tend to have the highest per capita personal income. This translates to a difference in per capita personal income

between urban and rural counties of \$11,394 in 2001. The chart also indicates a large variation in income derivation between counties. One example of this variation is the difference between King and San Juan counties, which were the two counties with the highest per capita personal income in the state. King County's above average per capita personal income stemmed from a high level of per capita earnings. San Juan County's high per capita personal income, however, was the result of high levels of income from dividends, interest, and rent.

Commuting, as reflected by "residence adjustments" in Chart 4.1, also has a large effect on county earnings. For example, approximately four times as many people commute from other counties to work in King County than the reverse¹. In 2001, this resulted in a net earnings outflow from King County into other areas of some 7.4 billion dollars. This outflow resulted in a positive residence adjustment for many of the surrounding counties. Counties in southwest Washington that border on the Portland metropolitan area such as Clark and Skamania experienced similar large earnings inflows. Skamania County, in fact, had a higher level of per capita earnings from outside of the county (\$8,252) than within (\$6,108).

The amount of income that county residents can earn within their own county is a function of job availability, labor force participation, and average wage per job. The job availability within counties can be compared by using a "job ratio," which is calculated by dividing the number of jobs in a county by the county's population. **Table 4.1** lists 2001 county job ratios, reported as the number of jobs per 100 residents.

The BEA does not publish county data on labor force participation, nor can it be determined by total employment, since there is no way of counting how many workers have more than one job. As a substitute, unemployment rates and per capita residence adjustments are also included in Table 4.1. While these figures do not indicate what portion of the population participates in the labor force, they can provide an indication of overall labor market behavior. For example, Asotin County had a job ratio of 38.6, well below the state average of 59.3. It also, however, had a large positive per capita residence adjustment of \$5,850, indicating that a large amount of the labor force worked in other counties or states (In this case, Lewiston, Idaho). The unemployment rate of 4.7%, well below the state average of 6.4%, further indicates that county residents as a whole could find work more easily than the job ratio would seem to indicate. Pend Orielle County, on the other hand, had a low (34.0) job ratio but also had a low (\$867) per capita residence adjustment. Coupled with the county's 2001 unemployment rate of 10.0%, this indicates that jobs for residents of the county were relatively hard to find².

Chart 4.2 indicates 2001 county average earnings per job. The chart orders the counties according to population density, with the most densely populated counties presented first. From the chart, one can see that the difference in average earnings per job between urban and rural counties was even more pronounced than the difference in per capita personal income, reaching a level of close to fifteen thousand dollars.

The components of county earnings are detailed in tables 4.2 and 4.3. **Table 4.2** indicates the number of people in each county employed in either full-time or part-time jobs per major industry classification and the average earnings per job. **Table 4.3** lists the sources of 2001 income for each county, population and per capita personal income, and earnings broken down by major industry. These tables provide an indication of how much of the difference in per capita earnings between counties is the result of differences in industry mix. For example, according to Table 4.2, farm employment and farm proprietors employment were the lowest paying industries in Washington. Total farm employment represented 22% of jobs³ in Lincoln County, which ranks second to last in county earnings per job. In Snohomish County, however, manufacturing, which was on average the

fifth-highest paying industry in the state, represented 18% of jobs. This helped the county to rank third in wages per job.

Table 4.4 lists the per capita personal income of Washington's counties and metropolitan areas from 1997 to 2001 and the amount of growth during that period. From 1997 to 2001, the state's urban counties experienced a total increase in per capita personal income of 22.1 percent, while that of rural counties grew 15.2 percent. The increase in Washington per capita personal income in the same period was 20.8 percent, while that of the US was 19.7 percent.

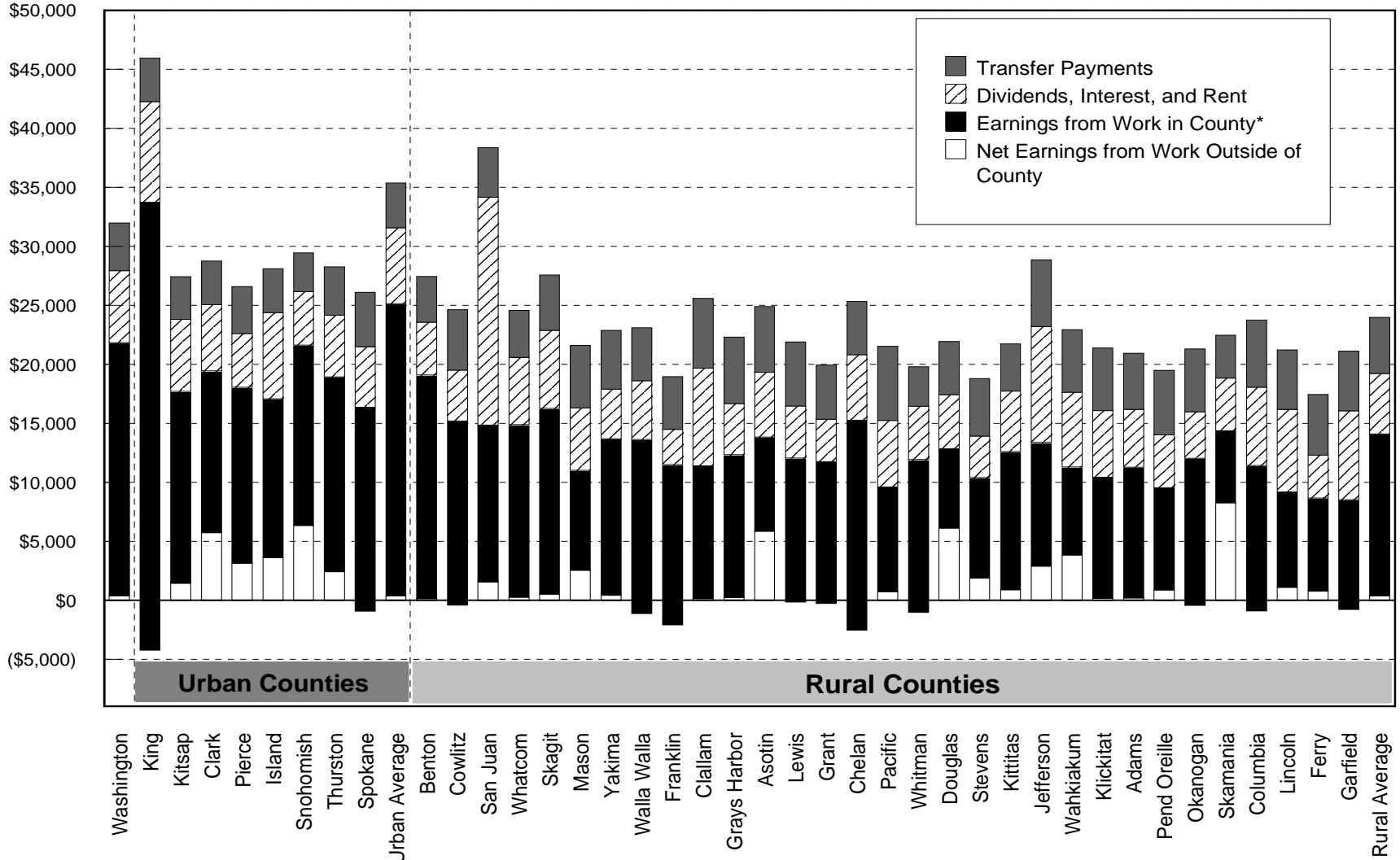
While there is a wide variation in per capita personal income between rural and urban counties, there is also variation in the counties' cost of living. While neither the federal nor the state government provides a measure of the relative cost of living between counties, the median home price can provide a good indication. **Table 4.5** shows the relationship of 2001 median home prices to per capita personal income. For example, King County had the highest per capita personal income level, which was 44 percent higher than the state average, and the highest median home price, which was 48 percent higher than the state average. Alternatively, Ferry County had the lowest per capita personal income, which was 46 percent lower than the state average, and was tied for the lowest median home price, which was 52 percent lower than the state average. This relationship suggests that the difference in per capita personal income between urban and rural communities may be offset somewhat by their differences in cost of living.

1 2000 Journey To Work Statistics, US Census Bureau

2 Care, however, must be taken when comparing unemployment rates between Washington counties. This is because the yearly average unemployment rate of counties with high levels of farm employment is inflated by high off-season unemployment. These counties' rates will therefore be higher on the average than non-farm counties even though their residents may experience similar degrees of employment.

3 Recall, however, that "jobs" includes both full-time and part-time positions and represents the number of jobs rather than the amount of time spent in employment.

Chart 4.1
2001 County Per Capita Personal Income by Source
 (Counties Ordered by Population Density)



*Sections of in-county earnings that extend below zero indicate per capita in-county earnings of out-of-county residents

Chart 4.2
2001 Earnings per Job
 (Counties Ordered by Population Density)

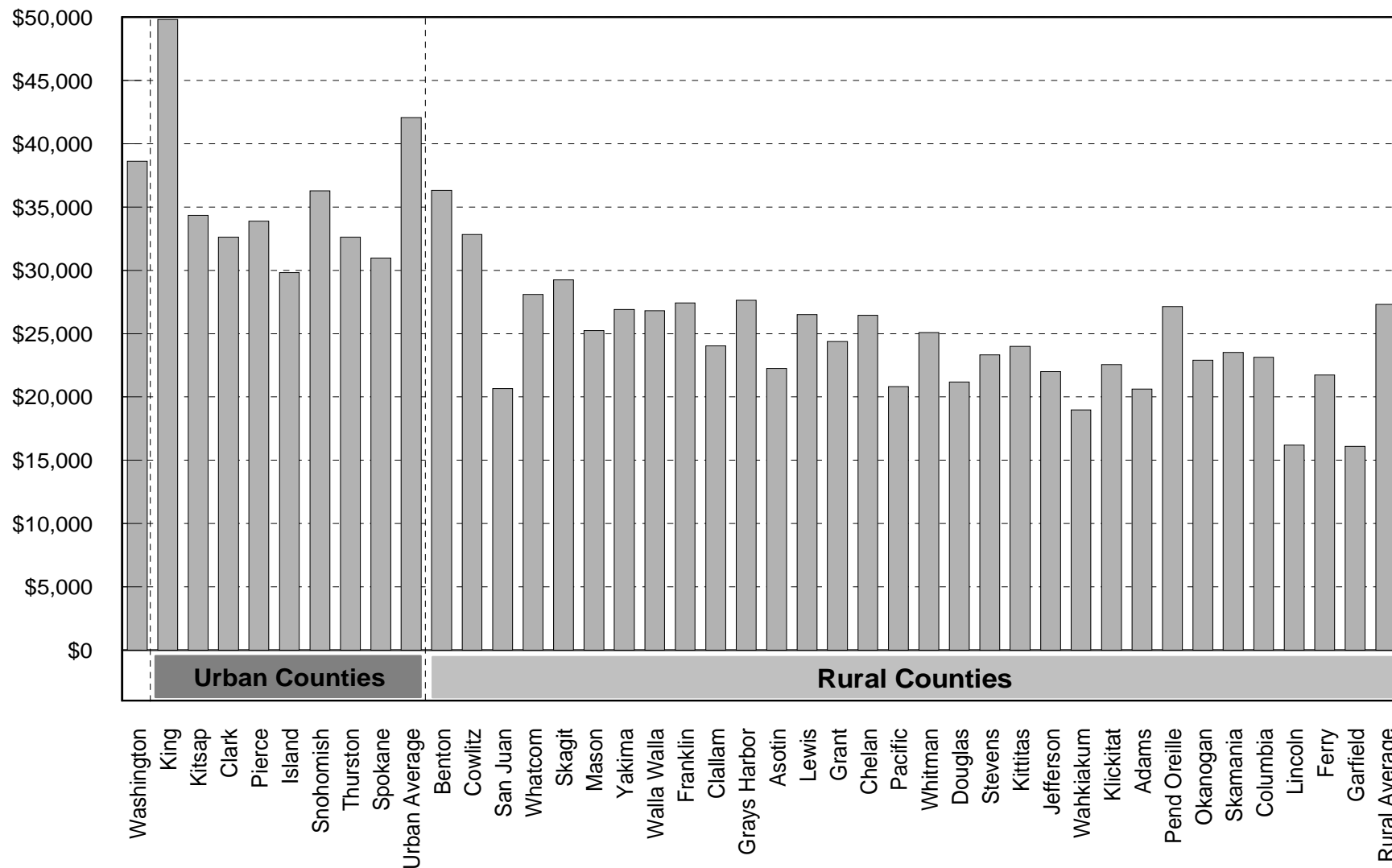


Table 4.1
2001 Job Ratio, Unemployment, and Per Capita Residence Adjustment

	Total Full and Part-Time Employment	Population	Job Ratio	Per Capita Residence Adjustment	Unemployment Rate
Washington	3,552,667	5,993,390	59.3	\$358	6.4%
King*	1,429,299	1,753,901	81.5	-\$4,227	5.1%
Chelan	47,604	66,832	71.2	-\$2,544	9.4%
San Juan	9,909	14,333	69.1	\$1,542	4.0%
Garfield	1,428	2,350	60.8	-\$774	3.7%
Spokane*	252,062	423,037	59.6	-\$921	6.5%
Walla Walla	32,325	55,357	58.4	-\$1,121	6.5%
Skagit	60,342	105,236	57.3	\$507	7.4%
Adams	9,283	16,318	56.9	\$194	10.8%
Okanogan	22,279	39,303	56.7	-\$430	11.6%
Columbia	2,286	4,068	56.2	-\$898	11.2%
Benton#	81,098	145,857	55.6	\$143	6.6%
Whatcom#	94,808	170,673	55.5	\$251	6.8%
Whitman	21,668	40,375	53.7	-\$1,037	2.5%
Thurston*	112,929	212,831	53.1	\$2,416	5.7%
Lincoln	5,371	10,141	53.0	\$1,097	5.3%
Franklin#	26,580	50,802	52.3	-\$2,095	9.2%
Yakima#	116,448	223,366	52.1	\$430	11.4%
Grant	39,648	76,512	51.8	-\$265	10.1%
Kittitas	17,420	33,801	51.5	\$884	6.6%
Jefferson	13,495	26,467	51.0	\$2,898	5.8%
Cowlitz	47,712	93,752	50.9	-\$416	11.0%
Clallam	32,572	65,304	49.9	\$126	7.7%
Kitsap*	115,242	232,898	49.5	\$1,434	6.0%
Lewis	34,033	69,061	49.3	-\$149	9.4%
Klickitat	9,358	19,301	48.5	\$163	15.6%
Island*	34,769	73,348	47.4	\$3,616	4.8%
Pierce*	335,842	718,918	46.7	\$3,136	6.4%
Grays Harbor	31,835	68,233	46.7	\$235	10.7%
Pacific	9,486	20,766	45.7	\$708	8.9%
Snohomish*	280,474	623,890	45.0	\$6,345	5.4%
Clark*	161,147	359,337	44.8	\$5,734	7.1%
Wahkiakum	1,596	3,769	42.3	\$3,831	7.2%
Stevens	15,763	40,477	38.9	\$1,881	10.7%
Asotin	7,895	20,446	38.6	\$5,850	4.7%
Ferry	2,774	7,290	38.1	\$765	14.4%
Mason	17,919	50,225	35.7	\$2,545	7.9%
Pend Oreille	4,036	11,861	34.0	\$867	10.0%
Douglas	11,200	32,963	34.0	\$6,119	8.4%
Skamania	2,732	9,991	27.3	\$8,252	11.2%

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Bureau of Labor Statistics

Table 4.2

2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Washington		Adams		Asotin	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	3,552,667	\$38,619	9,283	\$20,629	7,895	\$22,245
Wage and salary employment	2,926,370	\$37,849	6,899	\$24,523	5,625	\$23,794
Proprietors employment	626,297	\$22,789	2,384	\$2,141	2,270	\$11,986
Farm proprietors employment	37,854	\$317	777	-\$33,041	216	-\$32,065
Nonfarm proprietors employment ³	588,443	\$24,235	1,607	\$19,152	2,054	\$16,618
Farm employment	82,392	\$13,463	1,860	\$2,838	272	-\$20,930
Nonfarm employment	3,470,275	\$39,216	7,423	\$25,087	7,623	\$23,785
Private employment	2,900,442	\$38,315	5,936	\$23,659	6,467	\$22,326
Forestry, fishing, related, & other ⁴	41,794	\$29,445	(D)	(D)	(D)	(D)
Mining	5,532	\$42,245	10	\$971,800	(D)	(D)
Utilities	5,389	\$94,207	(D)	(D)	(D)	(D)
Construction	216,969	\$43,702	257	\$21,739	720	\$35,468
Manufacturing	332,624	\$52,481	909	\$30,839	465	\$29,424
Wholesale trade	135,693	\$50,894	647	\$37,629	144	\$28,826
Retail Trade	399,546	\$23,798	887	\$15,729	1,044	\$19,053
Transportation and warehousing	104,216	\$40,646	(D)	(D)	(D)	(D)
Information	109,313	\$121,506	43	\$19,326	50	\$42,420
Finance and insurance	147,246	\$43,884	212	\$17,189	290	\$20,069
Real estate and rental and leasing	133,291	\$18,147	206	\$5,675	304	\$12,546
Professional and technical services	227,773	\$48,623	168	\$17,012	349	\$20,473
Mgt of companies and enterprises	30,857	\$71,576	18	\$18	(D)	(D)
Administrative and waste services	163,740	\$27,869	107	\$12,093	(D)	(D)
Educational services	48,291	\$21,044	(D)	(D)	38	\$13,026
Health care and social assistance	317,925	\$35,529	(D)	(D)	1,090	\$26,849
Arts, entertainment, and recreation	76,931	\$17,680	(D)	(D)	256	\$13,352
Accommodation and food services	225,757	\$18,561	(D)	(D)	636	\$14,288
Other services, except public admin	177,555	\$20,834	406	\$15,768	632	\$14,934
Government and government enterprise	569,833	\$43,800	1,487	\$30,788	1,156	\$31,946
Federal, civilian	66,059	\$68,698	54	\$52,074	68	\$55,412
Military	74,233	\$42,491	59	\$14,610	74	\$14,716
State and local	429,541	\$40,197	1,374	\$30,646	1,014	\$31,630
State government	135,900	\$41,055	72	\$34,625	150	\$31,867
Local government	293,641	\$39,800	1,302	\$30,426	864	\$31,589

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Benton		Chelan		Clallam	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	81,098	\$36,323	47,604	\$26,458	32,572	\$24,037
Wage and salary employment	68,274	\$37,059	36,781	\$26,888	22,655	\$25,496
Proprietors employment	12,824	\$13,003	10,823	\$15,513	9,917	\$13,415
Farm proprietors employment	1,410	-\$3,753	1,479	\$4,606	366	\$265
Nonfarm proprietors employment ³	11,414	\$15,073	9,344	\$17,240	9,551	\$13,918
Farm employment	4,510	\$17,276	4,667	\$15,890	449	\$4,171
Nonfarm employment	76,588	\$37,445	42,937	\$27,606	32,123	\$24,314
Private employment	65,691	\$35,991	36,387	\$25,181	25,215	\$20,551
Forestry, fishing, related, & other ⁴	(D)	(D)	(D)	(D)	1,048	\$35,576
Mining	43	\$43	(D)	(D)	74	\$11,662
Utilities	146	\$60,685	41	\$34,122	24	\$21,375
Construction	4,457	\$38,678	2,795	\$36,817	2,293	\$31,409
Manufacturing	4,280	\$48,434	2,820	\$35,543	1,729	\$26,354
Wholesale trade	1,253	\$34,223	1,749	\$33,350	451	\$31,421
Retail Trade	10,618	\$18,451	6,156	\$19,758	4,666	\$18,504
Transportation and warehousing	858	\$27,083	1,031	\$28,228	777	\$26,570
Information	1,485	\$43,145	607	\$32,138	491	\$25,745
Finance and insurance	2,052	\$27,885	1,301	\$24,839	1,128	\$19,320
Real estate and rental and leasing	2,371	\$11,041	1,679	\$10,170	1,547	\$6,228
Professional and technical services	(D)	(D)	1,591	\$27,365	1,552	\$20,386
Mgt of companies and enterprises	(D)	(D)	50	\$34,800	177	\$53,938
Administrative and waste services	9,797	\$58,997	1,082	\$20,367	882	\$10,113
Educational services	647	\$19,781	307	\$13,668	255	\$11,761
Health care and social assistance	6,365	\$30,968	5,237	\$35,850	2,885	\$25,353
Arts, entertainment, and recreation	1,681	\$14,128	790	\$9,332	609	\$6,811
Accommodation and food services	4,841	\$14,932	3,670	\$16,462	2,531	\$13,449
Other services, except public admin	3,639	\$17,365	2,184	\$16,678	2,096	\$15,409
Government and government enterprise	10,897	\$46,208	6,550	\$41,077	6,908	\$38,049
Federal, civilian	811	\$92,319	746	\$60,712	481	\$57,218
Military	542	\$15,317	244	\$14,770	506	\$32,243
State and local	9,544	\$44,044	5,560	\$39,597	5,921	\$36,988
State government	1,049	\$38,136	1,218	\$40,622	1,345	\$39,038
Local government	8,495	\$44,774	4,342	\$39,310	4,576	\$36,386

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2
2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Clark		Columbia		Cowlitz	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	161,147	\$32,631	2,286	\$23,142	47,712	\$32,834
Wage and salary employment	124,370	\$33,475	1,668	\$25,168	40,655	\$31,476
Proprietors employment	36,777	\$17,665	618	\$8,837	7,057	\$22,646
Farm proprietors employment	1,463	\$2,643	311	\$8,505	426	\$1,324
Nonfarm proprietors employment ³	35,314	\$18,288	307	\$9,173	6,631	\$24,016
Farm employment	1,788	\$6,152	396	\$13,076	729	\$9,045
Nonfarm employment	159,359	\$32,928	1,890	\$25,251	46,983	\$33,203
Private employment	138,133	\$31,448	1,392	\$21,978	41,129	\$32,643
Forestry, fishing, related, & other ⁴	613	\$21,274	(D)	(D)	1,355	\$37,419
Mining	404	\$87,030	(D)	(D)	151	\$43,285
Utilities	102	\$43,843	(D)	(D)	(D)	(D)
Construction	13,870	\$42,441	88	\$48,307	3,791	\$53,534
Manufacturing	17,713	\$52,104	455	\$24,934	8,427	\$49,328
Wholesale trade	5,058	\$48,673	65	\$29,338	(D)	(D)
Retail Trade	19,047	\$20,779	187	\$18,209	5,872	\$19,832
Transportation and warehousing	5,293	\$38,965	(D)	(D)	(D)	(D)
Information	3,774	\$53,862	23	\$12,478	507	\$29,349
Finance and insurance	5,797	\$26,742	42	\$18,476	1,495	\$32,054
Real estate and rental and leasing	8,123	\$11,202	31	\$7,290	1,232	\$8,233
Professional and technical services	8,820	\$33,325	59	\$12,695	1,497	\$27,055
Mgt of companies and enterprises	762	\$49,924	(D)	(D)	49	\$51,469
Administrative and waste services	8,134	\$18,687	(D)	(D)	1,510	\$17,091
Educational services	1,466	\$15,861	(D)	(D)	353	\$16,779
Health care and social assistance	15,813	\$35,061	(D)	(D)	5,297	\$33,223
Arts, entertainment, and recreation	4,074	\$12,096	(D)	(D)	728	\$12,269
Accommodation and food services	10,651	\$19,318	(D)	(D)	3,239	\$14,038
Other services, except public admin	8,619	\$19,208	107	\$13,065	2,720	\$16,710
Government and government enterprise	21,226	\$42,561	498	\$34,400	5,854	\$37,133
Federal, civilian	2,662	\$80,116	63	\$62,444	253	\$62,735
Military	1,322	\$15,299	15	\$14,533	339	\$14,631
State and local	17,242	\$38,853	420	\$30,902	5,262	\$37,352
State government	3,203	\$36,977	41	\$37,317	1,123	\$35,372
Local government	14,039	\$39,281	379	\$30,208	4,139	\$37,889

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2
2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Douglas		Ferry		Franklin	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	11,200	\$21,187	2,774	\$21,741	26,580	\$27,433
Wage and salary employment	8,922	\$24,039	1,783	\$23,966	22,408	\$26,967
Proprietors employment	2,278	-\$457	991	\$9,787	4,172	\$14,727
Farm proprietors employment	1,108	-\$19,316	211	\$8,720	1,171	\$8,181
Nonfarm proprietors employment ³	1,170	\$17,402	780	\$10,076	3,001	\$17,282
Farm employment	2,652	\$3,215	213	\$8,756	4,761	\$19,248
Nonfarm employment	8,548	\$26,763	2,561	\$22,821	21,819	\$29,218
Private employment	6,511	\$22,841	1,611	\$17,968	17,389	\$27,102
Forestry, fishing, related, & other ⁴	569	\$18,376	(D)	(D)	1,026	\$19,024
Mining	10	\$5,300	(D)	(D)	46	\$29,978
Utilities	(L)	(L)	0	\$0	13	\$30,769
Construction	595	\$31,297	133	\$20,917	1,454	\$38,431
Manufacturing	201	\$30,224	147	\$26,714	1,835	\$33,227
Wholesale trade	343	\$36,181	(D)	(D)	1,118	\$38,962
Retail Trade	1,351	\$20,888	291	\$12,072	2,578	\$22,178
Transportation and warehousing	374	\$32,741	(D)	(D)	1,218	\$42,008
Information	(D)	(D)	16	\$12,188	210	\$26,076
Finance and insurance	212	\$20,792	35	\$9,171	387	\$21,388
Real estate and rental and leasing	(D)	(D)	99	\$5,929	723	\$16,158
Professional and technical services	264	\$23,992	72	\$9,417	(D)	(D)
Mgt of companies and enterprises	19	\$19	(D)	(D)	(D)	(D)
Administrative and waste services	215	\$14,088	(D)	(D)	(D)	(D)
Educational services	103	\$13,097	(L)	(L)	227	\$18,366
Health care and social assistance	537	\$31,153	51	\$11,118	2,258	\$30,919
Arts, entertainment, and recreation	272	\$25,136	(D)	(D)	218	\$9,716
Accommodation and food services	701	\$13,178	(D)	(D)	1,450	\$13,322
Other services, except public admin	519	\$16,141	163	\$13,699	1,218	\$22,186
Government and government enterprise	2,037	\$39,298	950	\$31,051	4,430	\$37,525
Federal, civilian	168	\$70,893	135	\$56,519	480	\$70,375
Military	127	\$16,803	26	\$14,846	184	\$14,679
State and local	1,742	\$37,891	789	\$27,227	3,766	\$34,454
State government	78	\$41,628	30	\$34,733	1,019	\$34,903
Local government	1,664	\$37,716	759	\$26,930	2,747	\$34,288

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Garfield		Grant		Grays Harbor	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	1,428	\$16,107	39,648	\$24,389	31,835	\$27,632
Wage and salary employment	940	\$24,979	31,959	\$24,611	25,101	\$27,908
Proprietors employment	488	-\$10,691	7,689	\$12,785	6,734	\$15,178
Farm proprietors employment	269	-\$27,428	2,313	\$8,169	488	\$11,295
Nonfarm proprietors employment ³	219	\$9,868	5,376	\$14,771	6,246	\$15,481
Farm employment	340	-\$17,553	6,966	\$18,922	587	\$13,501
Nonfarm employment	1,088	\$26,626	32,682	\$25,554	31,248	\$27,898
Private employment	593	\$18,587	25,887	\$22,688	24,774	\$25,872
Forestry, fishing, related, & other ⁴	(D)	(D)	(D)	(D)	(D)	(D)
Mining	0	\$0	(D)	(D)	(D)	(D)
Utilities	(D)	(D)	25	\$14,760	(D)	(D)
Construction	(D)	(D)	1,437	\$29,374	1,680	\$32,282
Manufacturing	(D)	(D)	4,948	\$30,948	3,470	\$42,530
Wholesale trade	146	\$29,692	1,312	\$34,342	(D)	(D)
Retail Trade	109	\$17,661	4,070	\$19,227	4,261	\$19,199
Transportation and warehousing	(D)	(D)	1,028	\$30,804	853	\$30,442
Information	(D)	(D)	286	\$22,458	270	\$24,052
Finance and insurance	39	\$19,641	754	\$23,733	989	\$25,070
Real estate and rental and leasing	19	\$2,684	897	\$6,071	1,103	\$8,087
Professional and technical services	(D)	(D)	(D)	(D)	1,106	\$31,825
Mgt of companies and enterprises	0	\$0	(D)	(D)	36	\$63,861
Administrative and waste services	10	\$7,200	1,005	\$12,252	635	\$12,532
Educational services	0	\$0	222	\$19,243	91	\$9,286
Health care and social assistance	(D)	(D)	2,707	\$24,197	2,468	\$30,071
Arts, entertainment, and recreation	(L)	(L)	456	\$12,325	512	\$9,285
Accommodation and food services	24	\$12,083	1,902	\$15,259	2,524	\$16,956
Other services, except public admin	74	\$14,216	1,722	\$15,476	2,188	\$14,789
Government and government enterprise	495	\$36,257	6,795	\$36,471	6,474	\$35,650
Federal, civilian	126	\$56,222	273	\$52,656	211	\$57,687
Military	(L)	(L)	276	\$14,728	290	\$18,190
State and local	361	\$29,748	6,246	\$36,724	5,973	\$35,720
State government	21	\$37,857	757	\$36,054	1,220	\$39,078
Local government	340	\$29,247	5,489	\$36,817	4,753	\$34,858

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Island		Jefferson		King	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	34,769	\$29,826	13,495	\$21,994	1,429,299	\$49,811
Wage and salary employment	23,810	\$29,131	9,134	\$23,909	1,224,623	\$47,336
Proprietors employment	10,959	\$13,102	4,361	\$12,296	204,676	\$37,386
Farm proprietors employment	329	\$2,289	164	\$7,299	1,338	\$212
Nonfarm proprietors employment ³	10,630	\$13,437	4,197	\$12,492	203,338	\$37,631
Farm employment	422	\$7,763	183	\$9,967	2,236	\$15,375
Nonfarm employment	34,347	\$30,097	13,312	\$22,160	1,427,063	\$49,865
Private employment	21,685	\$19,002	11,221	\$19,512	1,263,273	\$50,285
Forestry, fishing, related, & other ⁴	(D)	(D)	373	\$14,871	4,369	\$78,455
Mining	(D)	(D)	77	\$17,117	1,402	\$27,588
Utilities	93	\$32,935	87	\$55,931	1,472	\$190,529
Construction	2,409	\$29,956	1,119	\$28,033	79,128	\$53,862
Manufacturing	644	\$37,534	932	\$38,371	143,102	\$59,467
Wholesale trade	373	\$28,161	218	\$38,436	72,886	\$59,475
Retail Trade	3,830	\$17,458	1,564	\$15,682	143,381	\$28,786
Transportation and warehousing	281	\$20,840	174	\$24,983	55,864	\$46,654
Information	412	\$29,061	198	\$23,874	77,891	\$154,570
Finance and insurance	1,027	\$22,085	367	\$22,166	73,742	\$53,659
Real estate and rental and leasing	1,999	\$6,700	820	\$9,001	54,609	\$28,306
Professional and technical services	1,617	\$18,769	840	\$17,726	129,063	\$59,539
Mgt of companies and enterprises	392	\$44,837	0	\$0	21,363	\$81,836
Administrative and waste services	1,254	\$16,569	691	\$16,362	79,683	\$31,569
Educational services	410	\$14,283	213	\$11,667	23,808	\$21,861
Health care and social assistance	2,031	\$19,942	1,039	\$20,244	112,445	\$39,867
Arts, entertainment, and recreation	846	\$9,697	406	\$7,975	36,259	\$24,557
Accommodation and food services	1,856	\$13,891	1,288	\$12,784	90,112	\$22,608
Other services, except public admin	1,800	\$15,073	815	\$16,162	62,694	\$25,532
Government and government enterprise	12,662	\$49,100	2,091	\$36,365	163,790	\$46,624
Federal, civilian	1,427	\$45,388	157	\$65,675	20,821	\$76,399
Military	8,199	\$54,414	107	\$18,280	7,625	\$23,191
State and local	3,036	\$36,495	1,827	\$34,905	135,344	\$43,364
State government	376	\$34,128	322	\$42,550	50,224	\$41,347
Local government	2,660	\$36,830	1,505	\$33,270	85,120	\$44,554

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Kitsap		Kittitas		Klickitat	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	115,242	\$34,344	17,420	\$23,993	9,358	\$22,559
Wage and salary employment	91,466	\$32,002	13,102	\$23,977	6,360	\$26,655
Proprietors employment	23,776	\$14,536	4,318	\$15,042	2,998	\$7,375
Farm proprietors employment	422	\$2,566	980	-\$2,098	673	-\$3,015
Nonfarm proprietors employment ³	23,354	\$14,752	3,338	\$20,074	2,325	\$10,382
Farm employment	475	\$5,187	1,439	\$6,656	1,093	\$6,685
Nonfarm employment	114,767	\$34,464	15,981	\$25,554	8,265	\$24,659
Private employment	75,364	\$24,061	11,778	\$21,978	6,546	\$21,945
Forestry, fishing, related, & other ⁴	647	\$38,175	(D)	(D)	630	\$26,789
Mining	108	\$23,259	(D)	(D)	28	\$18,464
Utilities	217	\$51,009	33	\$49,727	18	\$35,333
Construction	6,848	\$34,154	918	\$29,524	570	\$21,709
Manufacturing	1,827	\$32,749	619	\$34,275	1,095	\$31,911
Wholesale trade	1,547	\$39,195	567	\$42,228	138	\$26,362
Retail Trade	14,221	\$19,121	2,257	\$18,527	707	\$12,700
Transportation and warehousing	1,248	\$31,499	451	\$31,483	279	\$42,964
Information	2,097	\$33,580	245	\$60,224	73	\$24,014
Finance and insurance	3,349	\$27,416	348	\$20,279	220	\$18,695
Real estate and rental and leasing	4,475	\$9,934	544	\$11,686	406	\$4,857
Professional and technical services	6,739	\$30,441	(D)	(D)	(D)	(D)
Mgt of companies and enterprises	214	\$48,883	(D)	(D)	(D)	(D)
Administrative and waste services	4,389	\$22,238	(D)	(D)	430	\$33,993
Educational services	1,172	\$14,478	187	\$10,930	(D)	(D)
Health care and social assistance	11,209	\$30,748	1,281	\$22,847	(D)	(D)
Arts, entertainment, and recreation	2,532	\$12,142	371	\$9,235	142	\$8,965
Accommodation and food services	6,593	\$14,457	1,801	\$13,620	463	\$12,171
Other services, except public admin	5,932	\$17,177	919	\$17,200	568	\$15,526
Government and government enterprise	39,403	\$54,362	4,203	\$35,576	1,719	\$34,994
Federal, civilian	13,886	\$73,644	170	\$58,018	111	\$54,721
Military	13,328	\$49,784	133	\$21,188	70	\$14,629
State and local	12,189	\$37,403	3,900	\$35,089	1,538	\$34,497
State government	2,149	\$38,175	(D)	(D)	202	\$37,559
Local government	10,040	\$37,237	(D)	(D)	1,336	\$34,034

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Lewis		Lincoln		Mason	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	34,033	\$26,507	5,371	\$16,193	17,919	\$25,241
Wage and salary employment	26,358	\$27,867	3,328	\$23,388	13,016	\$26,585
Proprietors employment	7,675	\$11,742	2,043	-\$808	4,903	\$13,249
Farm proprietors employment	1,428	\$5,578	841	-\$18,306	267	-\$12,165
Nonfarm proprietors employment ³	6,247	\$13,151	1,202	\$11,435	4,636	\$14,712
Farm employment	1,722	\$9,229	1,155	-\$6,723	317	-\$5,502
Nonfarm employment	32,311	\$27,428	4,216	\$22,471	17,602	\$25,794
Private employment	27,118	\$26,007	2,764	\$18,776	13,022	\$22,423
Forestry, fishing, related, & other ⁴	1,614	\$30,913	161	\$22,553	(D)	(D)
Mining	676	\$66,259	10	\$5,300	(D)	(D)
Utilities	264	\$77,064	(D)	(D)	29	\$17,931
Construction	1,731	\$30,286	199	\$22,432	1,240	\$30,550
Manufacturing	3,093	\$36,744	(D)	(D)	1,917	\$33,581
Wholesale trade	803	\$34,768	234	\$36,308	444	\$29,182
Retail Trade	4,765	\$19,007	486	\$15,029	2,039	\$17,692
Transportation and warehousing	1,999	\$31,260	(D)	(D)	334	\$29,557
Information	360	\$31,536	30	\$13,233	158	\$24,538
Finance and insurance	770	\$24,762	237	\$21,228	596	\$19,750
Real estate and rental and leasing	835	\$7,416	130	\$3,077	828	\$5,343
Professional and technical services	834	\$24,577	184	\$27,505	587	\$18,734
Mgt of companies and enterprises	159	\$34,170	0	\$0	(D)	(D)
Administrative and waste services	1,100	\$15,483	86	\$5,395	(D)	(D)
Educational services	189	\$13,455	(D)	(D)	158	\$16,886
Health care and social assistance	3,342	\$28,894	(D)	(D)	1,170	\$25,468
Arts, entertainment, and recreation	454	\$8,289	82	\$7,841	311	\$10,556
Accommodation and food services	2,304	\$13,382	189	\$12,032	949	\$14,882
Other services, except public admin	1,826	\$16,382	255	\$11,855	1,078	\$17,195
Government and government enterprise	5,193	\$34,848	1,452	\$29,503	4,580	\$35,381
Federal, civilian	289	\$53,872	80	\$47,300	103	\$52,728
Military	250	\$14,664	37	\$14,649	182	\$14,659
State and local	4,654	\$34,751	1,335	\$28,849	4,295	\$35,843
State government	1,221	\$37,210	80	\$40,975	1,030	\$42,054
Local government	3,433	\$33,876	1,255	\$28,076	3,265	\$33,883

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Okanogan		Pacific		Pend Oreille	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	22,279	\$22,902	9,486	\$20,808	4,036	\$27,140
Wage and salary employment	16,441	\$22,494	6,691	\$22,252	2,914	\$27,992
Proprietors employment	5,838	\$14,365	2,795	\$10,891	1,122	\$14,740
Farm proprietors employment	1,656	-\$3,199	310	\$30,355	294	\$473
Nonfarm proprietors employment ³	4,182	\$21,320	2,485	\$8,462	828	\$19,806
Farm employment	4,363	\$10,587	360	\$29,483	301	\$967
Nonfarm employment	17,916	\$25,901	9,126	\$20,466	3,735	\$29,249
Private employment	12,076	\$20,716	7,177	\$16,411	2,544	\$26,539
Forestry, fishing, related, & other ⁴	1,357	\$19,679	912	\$18,706	(D)	(D)
Mining	69	\$35,000	51	\$25,216	(D)	(D)
Utilities	43	\$47,814	(D)	(D)	(L)	(L)
Construction	982	\$24,201	397	\$18,652	192	\$17,214
Manufacturing	219	\$20,009	874	\$24,308	539	\$66,143
Wholesale trade	413	\$73,620	60	\$15,500	11	\$22,636
Retail Trade	2,261	\$17,173	1,021	\$15,780	360	\$13,997
Transportation and warehousing	315	\$27,965	(D)	(D)	145	\$18,890
Information	182	\$29,819	62	\$19,177	51	\$20,765
Finance and insurance	445	\$22,798	295	\$20,285	95	\$23,547
Real estate and rental and leasing	711	\$5,276	357	\$3,776	73	\$4,233
Professional and technical services	591	\$21,582	260	\$17,481	98	\$21,541
Mgt of companies and enterprises	(D)	(D)	35	\$21,886	0	\$0
Administrative and waste services	(D)	(D)	205	\$15,663	58	\$8,638
Educational services	107	\$14,252	20	\$20	(D)	(D)
Health care and social assistance	1,376	\$23,967	656	\$17,285	(D)	(D)
Arts, entertainment, and recreation	336	\$7,366	193	\$11,332	55	\$8,455
Accommodation and food services	1,345	\$16,481	1,085	\$11,722	265	\$11,796
Other services, except public admin	906	\$16,767	598	\$14,139	218	\$13,266
Government and government enterprise	5,840	\$36,622	1,949	\$35,398	1,191	\$35,039
Federal, civilian	818	\$70,350	62	\$49,984	116	\$53,207
Military	143	\$14,636	163	\$31,043	43	\$14,721
State and local	4,879	\$31,611	1,724	\$35,285	1,032	\$33,844
State government	364	\$35,036	327	\$37,122	28	\$45,321
Local government	4,515	\$31,335	1,397	\$34,855	1,004	\$33,524

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2
2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Pierce		San Juan		Skagit	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	335,842	\$33,895	9,909	\$20,659	60,342	\$29,240
Wage and salary employment	278,938	\$32,213	5,700	\$23,868	46,755	\$28,751
Proprietors employment	56,904	\$19,543	4,209	\$13,034	13,587	\$20,641
Farm proprietors employment	1,234	\$591	210	-\$5,467	939	\$12,981
Nonfarm proprietors employment ³	55,670	\$19,963	3,999	\$14,006	12,648	\$21,210
Farm employment	2,083	\$11,329	240	-\$992	3,142	\$26,747
Nonfarm employment	333,759	\$34,036	9,669	\$21,197	57,200	\$29,377
Private employment	257,953	\$30,730	8,656	\$19,590	47,304	\$28,103
Forestry, fishing, related, & other ⁴	1,581	\$26,417	(D)	(D)	1,611	\$30,313
Mining	368	\$41,046	(D)	(D)	(D)	(D)
Utilities	711	\$51,560	69	\$54,000	173	\$60,451
Construction	22,217	\$39,961	1,331	\$32,144	4,569	\$41,037
Manufacturing	21,504	\$47,031	435	\$15,248	6,253	\$38,803
Wholesale trade	10,941	\$44,735	105	\$27,429	1,238	\$36,722
Retail Trade	39,224	\$22,695	1,026	\$19,725	8,111	\$22,354
Transportation and warehousing	9,535	\$39,316	161	\$14,764	1,334	\$32,750
Information	4,359	\$36,883	129	\$19,698	648	\$31,505
Finance and insurance	14,167	\$42,524	259	\$21,062	1,668	\$35,421
Real estate and rental and leasing	13,421	\$13,708	846	\$10,194	2,363	\$11,471
Professional and technical services	13,595	\$33,551	689	\$21,547	2,578	\$35,902
Mgt of companies and enterprises	1,379	\$52,564	31	\$26,968	(D)	(D)
Administrative and waste services	13,933	\$26,254	434	\$11,636	1,789	\$17,953
Educational services	5,344	\$23,295	100	\$11,580	477	\$14,195
Health care and social assistance	36,938	\$38,075	404	\$19,255	5,148	\$30,009
Arts, entertainment, and recreation	7,061	\$12,977	525	\$9,682	1,284	\$15,283
Accommodation and food services	21,837	\$15,071	1,335	\$20,141	4,609	\$17,686
Other services, except public admin	19,838	\$19,486	524	\$14,143	3,194	\$20,774
Government and government enterprise	75,806	\$45,283	1,013	\$34,925	9,896	\$35,468
Federal, civilian	9,401	\$53,061	66	\$52,803	409	\$56,956
Military	24,050	\$49,916	52	\$14,769	380	\$14,661
State and local	42,355	\$40,926	895	\$34,778	9,107	\$35,371
State government	11,327	\$38,759	114	\$26,851	1,408	\$39,043
Local government	31,028	\$41,717	781	\$35,935	7,699	\$34,700

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Skamania		Snohomish		Spokane	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	2,732	\$23,523	280,474	\$36,293	252,062	\$30,981
Wage and salary employment	2,036	\$24,914	232,347	\$36,473	208,799	\$30,431
Proprietors employment	696	\$7,246	48,127	\$15,723	43,263	\$16,982
Farm proprietors employment	83	-\$11,422	1,392	-\$2,569	2,076	-\$3,652
Nonfarm proprietors employment ³	613	\$9,773	46,735	\$16,268	41,187	\$18,022
Farm employment	95	-\$8,747	2,153	\$9,290	2,405	\$362
Nonfarm employment	2,637	\$24,686	278,321	\$36,502	249,657	\$31,276
Private employment	1,798	\$19,097	236,434	\$35,413	212,365	\$29,411
Forestry, fishing, related, & other ⁴	(D)	(D)	1,658	\$28,002	579	\$14,940
Mining	(D)	(D)	614	\$49,972	314	\$41,404
Utilities	(L)	(L)	131	\$45,519	587	\$66,842
Construction	(D)	(D)	22,340	\$40,932	15,232	\$35,788
Manufacturing	217	\$34,696	51,099	\$61,785	20,160	\$41,780
Wholesale trade	32	\$47,938	8,064	\$46,452	11,436	\$38,125
Retail Trade	217	\$11,249	35,678	\$22,601	32,729	\$22,474
Transportation and warehousing	70	\$33,643	3,774	\$31,185	6,116	\$35,204
Information	19	\$15,947	4,878	\$41,680	3,981	\$42,994
Finance and insurance	(D)	(D)	10,845	\$39,840	13,256	\$37,469
Real estate and rental and leasing	(D)	(D)	10,594	\$12,195	8,938	\$11,667
Professional and technical services	93	\$26,677	12,993	\$35,634	13,221	\$35,006
Mgt of companies and enterprises	(D)	(D)	622	\$53,894	3,143	\$48,707
Administrative and waste services	(D)	(D)	11,506	\$19,265	10,550	\$19,729
Educational services	(L)	(L)	2,366	\$20,883	4,443	\$22,558
Health care and social assistance	85	\$9,529	22,658	\$33,670	32,134	\$34,940
Arts, entertainment, and recreation	47	\$6,255	4,850	\$12,999	4,736	\$10,086
Accommodation and food services	444	\$17,273	16,728	\$15,690	16,765	\$17,923
Other services, except public admin	165	\$12,624	15,036	\$19,883	14,045	\$17,318
Government and government enterprise	839	\$36,664	41,887	\$42,649	37,292	\$41,901
Federal, civilian	187	\$54,620	2,233	\$59,640	4,380	\$65,105
Military	36	\$14,722	7,694	\$40,863	4,865	\$41,999
State and local	616	\$32,495	31,960	\$41,892	28,047	\$38,260
State government	47	\$38,617	5,310	\$40,156	9,408	\$38,815
Local government	569	\$31,989	26,650	\$42,238	18,639	\$37,980

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2
2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Stevens		Thurston		Wahkiakum	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	15,763	\$23,333	112,929	\$32,616	1,596	\$18,977
Wage and salary employment	10,676	\$26,303	91,221	\$32,860	903	\$25,184
Proprietors employment	5,087	\$9,789	21,708	\$16,706	693	\$6,996
Farm proprietors employment	1,290	\$750	984	-\$1,316	166	-\$1,560
Nonfarm proprietors employment ³	3,797	\$12,860	20,724	\$17,562	527	\$9,691
Farm employment	1,344	\$1,626	1,759	\$14,192	173	-\$671
Nonfarm employment	14,419	\$25,356	111,170	\$32,908	1,423	\$21,365
Private employment	11,324	\$23,000	75,405	\$27,612	1,158	\$18,991
Forestry, fishing, related, & other ⁴	708	\$26,919	1,111	\$28,377	356	\$29,612
Mining	97	\$33,784	109	\$25,046	10	\$5,300
Utilities	(D)	(D)	181	\$70,691	0	\$0
Construction	889	\$24,916	6,222	\$36,459	89	\$20,640
Manufacturing	2,070	\$36,285	3,429	\$37,945	62	\$21,548
Wholesale trade	(D)	(D)	1,995	\$41,623	(L)	(L)
Retail Trade	1,759	\$14,279	13,475	\$24,874	112	\$10,643
Transportation and warehousing	393	\$31,445	1,629	\$26,025	26	\$13,192
Information	94	\$18,553	1,630	\$50,710	(D)	(D)
Finance and insurance	334	\$22,054	3,284	\$38,513	(D)	(D)
Real estate and rental and leasing	507	\$4,763	4,412	\$11,930	(D)	(D)
Professional and technical services	440	\$18,586	5,476	\$31,268	51	\$12,333
Mgt of companies and enterprises	(D)	(D)	400	\$46,640	0	\$0
Administrative and waste services	(D)	(D)	3,897	\$18,029	(D)	(D)
Educational services	93	\$8,677	1,791	\$23,327	(L)	(L)
Health care and social assistance	1,534	\$26,096	11,748	\$33,612	105	\$16,638
Arts, entertainment, and recreation	224	\$16,281	1,898	\$9,300	(D)	(D)
Accommodation and food services	711	\$14,000	6,344	\$17,329	(D)	(D)
Other services, except public admin	869	\$15,596	6,374	\$20,603	82	\$11,683
Government and government enterprise	3,095	\$33,976	35,765	\$44,072	265	\$31,740
Federal, civilian	391	\$56,959	1,026	\$67,301	16	\$49,250
Military	147	\$14,626	815	\$19,023	14	\$14,286
State and local	2,557	\$31,574	33,924	\$43,971	235	\$31,587
State government	348	\$42,397	23,228	\$47,890	13	\$38,308
Local government	2,209	\$29,869	10,696	\$35,461	222	\$31,194

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Walla Walla		Whatcom		Whitman	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	32,325	\$26,813	94,808	\$28,107	21,668	\$25,084
Wage and salary employment	26,285	\$27,185	74,361	\$28,436	17,109	\$26,723
Proprietors employment	6,040	\$11,637	20,447	\$15,843	4,559	\$4,074
Farm proprietors employment	1,162	-\$5,451	1,639	\$15,144	1,416	-\$14,672
Nonfarm proprietors employment ³	4,878	\$15,708	18,808	\$15,903	3,143	\$12,520
Farm employment	3,158	\$13,987	3,484	\$20,763	1,789	-\$6,117
Nonfarm employment	29,167	\$28,202	91,324	\$28,387	19,879	\$27,892
Private employment	24,105	\$25,565	77,819	\$27,057	11,037	\$21,439
Forestry, fishing, related, & other ⁴	(D)	(D)	1,788	\$18,627	(D)	(D)
Mining	(D)	(D)	184	\$26,114	(D)	(D)
Utilities	82	\$69,085	231	\$61,385	(D)	(D)
Construction	1,405	\$29,312	7,996	\$39,840	604	\$34,041
Manufacturing	4,112	\$36,106	8,641	\$44,374	671	\$48,146
Wholesale trade	1,006	\$30,780	3,000	\$41,235	873	\$36,278
Retail Trade	3,270	\$18,402	11,913	\$19,402	1,725	\$15,119
Transportation and warehousing	450	\$33,258	2,202	\$30,413	(D)	(D)
Information	480	\$38,690	1,996	\$33,030	266	\$16,481
Finance and insurance	1,010	\$28,196	2,763	\$29,033	537	\$24,851
Real estate and rental and leasing	828	\$11,370	3,735	\$11,538	554	\$8,430
Professional and technical services	(D)	(D)	4,970	\$31,417	876	\$17,226
Mgt of companies and enterprises	(D)	(D)	593	\$43,708	14	\$32,714
Administrative and waste services	647	\$17,436	3,929	\$16,774	258	\$10,508
Educational services	(D)	(D)	844	\$12,845	151	\$7,556
Health care and social assistance	(D)	(D)	8,691	\$30,289	1,388	\$24,467
Arts, entertainment, and recreation	414	\$11,171	2,404	\$9,009	199	\$5,357
Accommodation and food services	1,715	\$14,092	6,803	\$14,618	1,433	\$11,725
Other services, except public admin	1,638	\$15,888	5,136	\$18,891	877	\$15,103
Government and government enterprise	5,062	\$40,756	13,505	\$36,052	8,842	\$35,946
Federal, civilian	879	\$66,856	845	\$72,705	279	\$59,839
Military	204	\$16,025	653	\$16,338	158	\$22,316
State and local	3,979	\$36,258	12,007	\$34,545	8,405	\$35,409
State government	1,663	\$40,032	3,977	\$34,653	(D)	(D)
Local government	2,316	\$33,548	8,030	\$34,491	(D)	(D)

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2001 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Yakima	
	Employment	Earnings/Job
Total full-time and part-time employment	116,448	\$26,912
Wage and salary employment	95,957	\$26,290
Proprietors employment	20,491	\$17,196
Farm proprietors employment	4,553	\$8,623
Nonfarm proprietors employment ³	15,938	\$19,645
Farm employment	16,311	\$19,301
Nonfarm employment	100,137	\$28,152
Private employment	83,401	\$26,200
Forestry, fishing, related, & other ⁴	5,816	\$20,803
Mining	37	\$9,568
Utilities	227	\$57,930
Construction	4,608	\$33,371
Manufacturing	11,571	\$32,420
Wholesale trade	4,782	\$36,364
Retail Trade	12,278	\$20,670
Transportation and warehousing	3,161	\$26,531
Information	1,216	\$35,894
Finance and insurance	2,818	\$29,493
Real estate and rental and leasing	2,695	\$11,206
Professional and technical services	3,379	\$29,956
Mgt of companies and enterprises	585	\$51,315
Administrative and waste services	3,004	\$15,658
Educational services	1,232	\$20,439
Health care and social assistance	12,790	\$33,734
Arts, entertainment, and recreation	1,529	\$10,544
Accommodation and food services	5,792	\$16,079
Other services, except public admin	5,881	\$18,539
Government and government enterprise	16,736	\$37,880
Federal, civilian	1,376	\$61,559
Military	873	\$17,958
State and local	14,487	\$36,831
State government	2,899	\$40,382
Local government	11,588	\$35,943

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

Income by Place of Residence	Washington	Adams	Asotin	Benton	Chelan
Personal income (thousands of dollars)	191,644,569	341,852	508,993	4,004,349	1,693,003
Nonfarm personal income	190,535,303	336,574	514,686	3,926,434	1,618,845
Farm income ⁵	1,109,266	5,278	-5,693	77,915	74,158
Population (persons) ⁶	5,993,390	16,318	20,446	145,857	66,832
Per capita personal income (dollars)	31,976	20,949	24,895	27,454	25,332
Derivation of Total Personal Income					
Earnings by place of work	137,199,518	191,501	175,621	2,945,727	1,259,487
less: Personal contributions for social insurance ⁷	8,446,082	10,398	12,561	180,126	69,993
plus: Adjustment for residence ⁸	2,147,633	3,163	119,607	20,905	-169,990
equals: Net earnings by place of residence	130,901,069	184,266	282,667	2,786,506	1,019,504
plus: Dividends, interest, and rent ⁹	36,503,215	79,825	112,570	651,926	371,532
plus: Transfer payments	24,240,285	77,761	113,756	565,917	301,967
Earnings by Place of Work					
Wage and salary disbursements	110,761,380	169,187	133,839	2,530,178	988,971
Other labor income	12,165,332	17,209	14,574	248,801	102,617
Proprietors' income ¹⁰	14,272,806	5,105	27,208	166,748	167,899
Farm proprietors' income	11,999	-25,673	-6,926	-5,292	6,812
Nonfarm proprietors' income	14,260,807	30,778	34,134	172,040	161,087
Earnings by Industry					
Farm earnings	1,109,266	5,278	-5,693	77,915	74,158
Nonfarm earnings	136,090,252	186,223	181,314	2,867,812	1,185,329
Private earnings	111,131,679	140,441	144,384	2,364,282	916,275
Forestry, fishing, related activities, and other ⁴	1,230,608	(D)	(D)	(D)	(D)
Forestry and logging	477,751	1,272	963	452	3,564
Fishing, hunting, and trapping	337,140	0	276	277	824
Agriculture and forestry support activities	415,717	(D)	(D)	(D)	(D)
Other ⁴	0	0	0	0	0
Mining	233,697	9,718	(D)	(L)	(D)
Oil and gas extraction	(D)	9,718	0	0	0
Mining (except oil and gas)	207,216	0	(D)	(L)	(D)
Support activities for mining	(D)	0	(L)	0	0
Utilities	507,684	(D)	(D)	8,860	1,399
Construction	9,481,921	5,587	25,537	172,389	102,903
Construction of buildings	3,261,964	(D)	6,354	43,499	43,379
Heavy and civil engineering construction	1,300,716	(D)	11,934	20,300	20,349
Specialty trade contractors	4,919,241	2,573	7,249	108,590	39,175
Manufacturing	17,456,387	28,033	13,682	207,299	100,230
Durable goods manufacturing	13,323,464	422	13,152	46,152	74,908
Wood product manufacturing	795,655	0	7,786	(L)	6,346
Nonmetallic mineral product manufacturing	367,309	(D)	(D)	687	2,787
Primary metal manufacturing	478,784	0	0	16,035	43,962
Fabricated metal product manufacturing	732,127	(D)	(D)	4,445	1,862
Machinery manufacturing	678,302	(D)	1,071	2,934	2,668
Computer and electronic product manufacturing	2,107,025	0	(D)	13,563	(D)
Electrical equipment and appliance manufacturing	219,569	0	0	(D)	51

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Motor vehicle manufacturing	(D)	(D)	198	(D)	(D)
Transportation equipment mfg. excl. motor vehicles	(D)	0	2,722	(D)	(D)
Furniture and related product manufacturing	287,481	0	643	894	855
Miscellaneous manufacturing	515,295	(L)	(D)	2,992	1,435
Nondurable goods manufacturing	4,132,923	27,611	530	161,147	25,322
Food manufacturing	1,373,333	27,483	(D)	72,189	12,880
Beverage and tobacco product manufacturing	158,413	0	0	12,773	(D)
Textile mills	28,948	0	0	(D)	0
Textile product mills	97,148	0	(D)	(D)	(D)
Apparel manufacturing	81,245	0	0	(D)	(L)
Leather and allied product manufacturing	14,693	0	0	0	(L)
Paper manufacturing	792,736	0	0	0	(D)
Printing and related support activities	456,150	0	67	1,946	1,692
Petroleum and coal products manufacturing	221,073	0	0	0	389
Chemical manufacturing	540,289	(D)	0	(D)	(D)
Plastics and rubber products manufacturing	368,895	(D)	(D)	491	(D)
Wholesale trade	6,905,959	24,346	4,151	42,881	58,330
Retail Trade	9,508,494	13,952	19,891	195,918	121,628
Motor vehicle and parts dealers	1,813,018	2,396	2,489	31,409	24,561
Furniture and home furnishings stores	378,257	(D)	(D)	4,335	3,445
Electronics and appliance stores	575,518	(D)	(D)	14,386	2,155
Building material and garden supply stores	828,618	663	2,330	17,451	12,546
Food and beverage stores	1,796,150	3,157	4,652	27,889	25,012
Health and personal care stores	489,445	(D)	2,360	8,519	3,508
Gasoline stations	379,303	1,511	1,007	13,944	7,836
Clothing and clothing accessories stores	579,331	(D)	(D)	10,833	2,448
Sporting goods, hobby, book and music stores	373,619	173	293	10,879	4,506
General merchandise stores	1,097,061	(D)	(D)	40,867	12,500
Miscellaneous store retailers	570,446	274	1,003	11,333	19,853
Nonstore retailers	627,728	(D)	219	4,073	3,258
Transportation and warehousing	4,235,935	(D)	(D)	23,237	29,103
Air transportation	836,323	0	(D)	(D)	(D)
Rail transportation	272,102	420	0	2,805	4,045
Water transportation	208,633	0	0	1,526	(D)
Truck transportation	1,023,336	6,421	1,400	5,554	7,301
Transit and ground passenger transportation	239,827	0	285	2,029	1,794
Pipeline transportation	26,959	0	0	0	0
Scenic and sightseeing transportation	22,722	0	183	(D)	(D)
Support activities for transportation	883,014	(D)	(D)	874	1,942
Couriers and messengers	444,283	(D)	(D)	(D)	3,310
Warehousing and storage	278,736	(D)	0	8,301	6,073
Information	13,282,131	831	2,121	64,070	19,508
Publishing industries, except Internet	8,930,988	(D)	(D)	9,032	7,690
Motion picture and sound recording industries	125,081	(D)	(L)	(D)	(D)
Broadcasting, except Internet	413,743	0	(D)	3,201	2,587

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Internet publishing and broadcasts	157,115	0	(L)	(D)	(L)
Telecommunications	2,904,385	(D)	(D)	15,467	7,379
ISPs, search portals, and data processing	695,074	(D)	(D)	(D)	(D)
Other information services	55,745	(L)	(L)	(L)	(L)
Finance and insurance	6,461,800	3,644	5,820	57,219	32,316
Monetary authorities - central bank	(D)	0	0	0	0
Credit intermediation and related activities	2,308,330	1,669	3,186	27,939	16,985
Securities, commodity contracts, investments	1,617,217	(D)	439	10,110	6,293
Insurance carriers and related activities	2,443,896	(D)	2,195	19,170	9,038
Funds, trusts, and other financial vehicles	(D)	0	0	0	0
Real estate and rental and leasing	2,418,896	1,169	3,814	26,179	17,076
Real estate	1,824,208	318	857	21,437	13,219
Rental and leasing services	574,334	851	2,957	4,432	3,857
Lessors of nonfinancial intangible assets	20,354	0	0	310	0
Professional and technical services	11,074,898	2,858	7,145	(D)	43,537
Management of companies and enterprises	2,208,624	(L)	(D)	(D)	1,740
Administrative and waste services	4,563,320	1,294	(D)	577,993	22,037
Administrative and support services	3,714,477	730	1,820	65,464	(D)
Waste management and remediation services	848,843	564	(D)	512,529	(D)
Educational services	1,016,216	(D)	495	12,798	4,196
Health care and social assistance	11,295,447	(D)	29,265	197,111	187,747
Amulatory health care services	5,897,519	8,164	11,108	122,662	95,761
Hospitals	2,972,491	0	(D)	(D)	(D)
Nursing and residential care facilities	1,411,781	(D)	6,174	(D)	21,982
Social assistance	1,013,656	1,414	(D)	24,624	(D)
Arts, entertainment, and recreation	1,360,157	(D)	3,418	23,750	7,372
Performing arts and spectator sports	593,934	(D)	(D)	4,849	2,309
Museums, historical sites, zoos, and parks	63,382	0	(D)	316	167
Amusement, gambling, and recreation	702,841	(D)	2,858	18,585	4,896
Accommodation and food services	4,190,383	(D)	9,087	72,284	60,414
Accommodation	832,163	(D)	2,636	13,639	23,589
Food services and drinking places	3,358,220	5,209	6,451	58,645	36,825
Other services, except public administration	3,699,122	6,402	9,438	63,190	36,424
Repair and maintenance	1,331,259	2,681	1,930	19,673	12,762
Personal and laundry services	724,740	(D)	(D)	12,602	3,747
Membership associations and organizations	1,366,674	2,606	4,140	(D)	14,663
Private households	276,449	(D)	(D)	(D)	5,252
Government and government enterprises	24,958,573	45,782	36,930	503,530	269,054
Federal, civilian	4,538,095	2,812	3,768	74,871	45,291
Military	3,154,269	862	1,089	8,302	3,604
State and local	17,266,209	42,108	32,073	420,357	220,159
State government	5,579,328	2,493	4,780	40,005	49,477
Local government	11,686,881	39,615	27,293	380,352	170,682

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

Income by Place of Residence	Clallam	Clark	Columbia	Cowlitz	Douglas
Personal income (thousands of dollars)	1,671,533	10,335,767	96,611	2,309,418	723,473
Nonfarm personal income	1,669,660	10,324,767	91,433	2,302,824	714,947
Farm income ⁵	1,873	11,000	5,178	6,594	8,526
Population (persons) ⁶	65,304	359,337	4,068	93,752	32,963
Per capita personal income (dollars)	25,596	28,763	23,749	24,633	21,948
Derivation of Total Personal Income					
Earnings by place of work	782,923	5,258,375	52,902	1,566,561	237,293
less: Personal contributions for social insurance ⁷	46,535	332,575	2,803	102,456	14,970
plus: Adjustment for residence ⁸	8,204	2,060,315	-3,654	-39,028	201,685
equals: Net earnings by place of residence	744,592	6,986,115	46,445	1,425,077	424,008
plus: Dividends, interest, and rent ⁹	540,259	2,021,252	27,052	404,617	150,512
plus: Transfer payments	386,682	1,328,400	23,114	479,724	148,953
Earnings by Place of Work					
Wage and salary disbursements	577,617	4,163,231	41,981	1,279,646	214,476
Other labor income	72,274	445,469	5,460	127,099	23,859
Proprietors' income ¹⁰	133,032	649,675	5,461	159,816	-1,042
Farm proprietors' income	97	3,867	2,645	564	-21,402
Nonfarm proprietors' income	132,935	645,808	2,816	159,252	20,360
Earnings by Industry					
Farm earnings	1,873	11,000	5,178	6,594	8,526
Nonfarm earnings	781,050	5,247,375	47,724	1,559,967	228,767
Private earnings	518,206	4,343,972	30,593	1,342,590	148,717
Forestry, fishing, related activities, and other ⁴	37,284	13,041	(D)	50,703	10,456
Forestry and logging	34,881	8,837	389	43,558	(D)
Fishing, hunting, and trapping	1,463	1,478	(D)	424	(D)
Agriculture and forestry support activities	940	2,726	(D)	6,721	9,432
Other ⁴	0	0	0	0	0
Mining	863	35,160	(D)	6,536	53
Oil and gas extraction	0	0	0	0	0
Mining (except oil and gas)	863	33,863	(D)	(D)	50
Support activities for mining	0	1,297	(L)	(D)	(L)
Utilities	513	4,472	(D)	(D)	288
Construction	72,021	588,659	4,251	202,948	18,622
Construction of buildings	31,754	191,977	(D)	67,090	7,622
Heavy and civil engineering construction	11,417	85,875	(D)	21,657	4,888
Specialty trade contractors	28,850	310,807	1,492	114,201	6,112
Manufacturing	45,566	922,926	11,345	415,686	6,075
Durable goods manufacturing	25,528	635,081	(D)	159,849	(D)
Wood product manufacturing	18,479	22,564	(D)	67,255	(L)
Nonmetallic mineral product manufacturing	1,880	15,886	(D)	3,175	(D)
Primary metal manufacturing	(L)	10,544	0	46,297	(D)
Fabricated metal product manufacturing	1,071	44,130	(D)	9,438	(D)
Machinery manufacturing	(D)	62,116	0	17,907	(D)
Computer and electronic product manufacturing	(D)	423,757	0	(D)	0
Electrical equipment and appliance manufacturing	74	2,995	0	0	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Motor vehicle manufacturing	(L)	(D)	0	(D)	0
Transportation equipment mfg. excl. motor vehicles	(D)	(D)	(D)	(D)	(D)
Furniture and related product manufacturing	946	12,154	(L)	2,299	(L)
Miscellaneous manufacturing	649	14,521	(D)	7,927	(D)
Nondurable goods manufacturing	20,038	287,845	(D)	255,837	(D)
Food manufacturing	1,648	51,907	(D)	26,815	(D)
Beverage and tobacco product manufacturing	(D)	2,863	(D)	(D)	(D)
Textile mills	0	(D)	0	0	0
Textile product mills	(D)	1,324	0	(D)	0
Apparel manufacturing	(L)	1,966	0	(D)	0
Leather and allied product manufacturing	(L)	(D)	0	0	0
Paper manufacturing	(D)	155,953	0	206,001	0
Printing and related support activities	1,061	4,198	0	2,767	(D)
Petroleum and coal products manufacturing	412	(L)	0	1,185	0
Chemical manufacturing	(D)	16,060	0	16,147	0
Plastics and rubber products manufacturing	(D)	35,617	0	(D)	0
Wholesale trade	14,171	246,188	1,907	(D)	12,410
Retail Trade	86,341	395,772	3,405	116,452	28,220
Motor vehicle and parts dealers	14,255	76,045	(D)	30,266	(D)
Furniture and home furnishings stores	3,039	12,168	(D)	2,008	(D)
Electronics and appliance stores	2,890	12,983	0	2,148	1,942
Building material and garden supply stores	8,313	31,212	(D)	4,824	(D)
Food and beverage stores	19,511	78,894	1,278	25,116	5,952
Health and personal care stores	7,136	28,703	(D)	4,125	712
Gasoline stations	3,425	16,723	545	9,408	1,647
Clothing and clothing accessories stores	2,129	14,478	(D)	2,204	1,652
Sporting goods, hobby, book and music stores	1,551	13,292	(L)	3,466	368
General merchandise stores	17,595	58,193	(D)	19,510	10,902
Miscellaneous store retailers	4,116	17,581	138	7,631	775
Nonstore retailers	2,381	35,500	(D)	5,746	(D)
Transportation and warehousing	20,645	206,244	(D)	(D)	12,245
Air transportation	(D)	(D)	0	(L)	(D)
Rail transportation	0	34,422	156	6,168	383
Water transportation	2,167	(D)	0	(D)	0
Truck transportation	10,832	107,973	(D)	18,897	7,220
Transit and ground passenger transportation	1,766	7,231	0	512	72
Pipeline transportation	0	0	0	(D)	0
Scenic and sightseeing transportation	(D)	(D)	0	(D)	0
Support activities for transportation	1,277	26,381	0	25,408	(D)
Couriers and messengers	(D)	(D)	0	3,026	(D)
Warehousing and storage	0	8,045	(L)	5,480	(D)
Information	12,641	203,274	287	14,880	(D)
Publishing industries, except Internet	5,983	31,792	(D)	5,516	(D)
Motion picture and sound recording industries	(D)	6,277	(D)	(D)	(D)
Broadcasting, except Internet	(D)	(D)	0	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Internet publishing and broadcasts	(D)	(D)	(L)	(D)	0
Telecommunications	4,558	158,373	(D)	6,693	(D)
ISPs, search portals, and data processing	(D)	5,687	0	(D)	(L)
Other information services	59	145	0	(L)	(L)
Finance and insurance	21,793	155,023	776	47,920	4,408
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	9,158	76,453	(D)	35,675	2,951
Securities, commodity contracts, investments	6,127	(D)	138	3,688	(D)
Insurance carriers and related activities	6,508	50,837	(D)	8,557	(D)
Funds, trusts, and other financial vehicles	0	(D)	0	0	0
Real estate and rental and leasing	9,634	90,992	226	10,143	(D)
Real estate	6,875	70,854	(D)	7,874	709
Rental and leasing services	2,759	19,205	(D)	2,269	(D)
Lessors of nonfinancial intangible assets	0	933	0	0	0
Professional and technical services	31,639	293,925	749	40,501	6,334
Management of companies and enterprises	9,547	38,042	(D)	2,522	(L)
Administrative and waste services	8,920	152,000	(D)	25,808	3,029
Administrative and support services	4,777	138,337	(D)	19,607	(D)
Waste management and remediation services	4,143	13,663	(D)	6,201	(D)
Educational services	2,999	23,252	(D)	5,923	1,349
Health care and social assistance	73,143	554,415	(D)	175,981	16,729
Amulatory health care services	(D)	302,882	584	79,665	7,481
Hospitals	(D)	(D)	0	(D)	0
Nursing and residential care facilities	14,932	77,189	95	21,651	8,701
Social assistance	6,981	(D)	(D)	(D)	547
Arts, entertainment, and recreation	4,148	49,280	(D)	8,932	6,837
Performing arts and spectator sports	(D)	(D)	(L)	(D)	617
Museums, historical sites, zoos, and parks	(D)	(D)	(D)	(D)	0
Amusement, gambling, and recreation	3,530	44,141	(D)	7,480	6,220
Accommodation and food services	34,040	205,754	(D)	45,469	9,238
Accommodation	11,720	25,130	(D)	7,633	(D)
Food services and drinking places	22,320	180,624	513	37,836	(D)
Other services, except public administration	32,298	165,553	1,398	45,452	8,377
Repair and maintenance	13,000	72,072	531	16,648	1,873
Personal and laundry services	4,679	22,257	(D)	(D)	1,221
Membership associations and organizations	12,268	63,185	(D)	19,095	(D)
Private households	2,351	8,039	(D)	(D)	(D)
Government and government enterprises	262,844	903,403	17,131	217,377	80,050
Federal, civilian	27,522	213,270	3,934	15,872	11,910
Military	16,315	20,225	218	4,960	2,134
State and local	219,007	669,908	12,979	196,545	66,006
State government	52,506	118,436	1,530	39,723	3,247
Local government	166,501	551,472	11,449	156,822	62,759

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

Income by Place of Residence	Ferry	Franklin	Garfield	Grant	Grays Harbor
Personal income (thousands of dollars)	127,117	963,008	49,653	1,525,290	1,521,515
Nonfarm personal income	125,252	871,367	55,621	1,393,478	1,513,590
Farm income ⁵	1,865	91,641	-5,968	131,812	7,925
Population (persons) ⁶	7,290	50,802	2,350	76,512	68,233
Per capita personal income (dollars)	17,437	18,956	21,129	19,935	22,299
Derivation of Total Personal Income					
Earnings by place of work	60,309	729,159	23,001	966,959	879,668
less: Personal contributions for social insurance ⁷	2,645	37,924	1,133	48,232	53,828
plus: Adjustment for residence ⁸	5,576	-106,417	-1,818	-20,309	16,004
equals: Net earnings by place of residence	63,240	584,818	20,050	898,418	841,844
plus: Dividends, interest, and rent ⁹	26,461	150,895	17,669	275,063	296,361
plus: Transfer payments	37,416	227,295	11,934	351,809	383,310
Earnings by Place of Work					
Wage and salary disbursements	42,731	604,280	23,480	786,553	700,511
Other labor income	7,879	63,436	4,738	82,100	76,948
Proprietors' income ¹⁰	9,699	61,443	-5,217	98,306	102,209
Farm proprietors' income	1,840	9,580	-7,378	18,896	5,512
Nonfarm proprietors' income	7,859	51,863	2,161	79,410	96,697
Earnings by Industry					
Farm earnings	1,865	91,641	-5,968	131,812	7,925
Nonfarm earnings	58,444	637,518	28,969	835,147	871,743
Private earnings	28,946	471,283	11,022	587,326	640,942
Forestry, fishing, related activities, and other ⁴	(D)	19,519	(D)	(D)	(D)
Forestry and logging	3,479	713	0	489	(D)
Fishing, hunting, and trapping	130	438	(L)	(D)	5,988
Agriculture and forestry support activities	(D)	18,368	(D)	29,200	6,151
Other ⁴	0	0	0	0	0
Mining	(D)	1,379	0	(D)	(D)
Oil and gas extraction	0	0	0	0	0
Mining (except oil and gas)	(D)	1,378	0	(D)	(D)
Support activities for mining	(L)	(L)	0	0	0
Utilities	(L)	400	(D)	369	(D)
Construction	2,782	55,878	(D)	42,210	54,234
Construction of buildings	(D)	5,917	238	12,352	18,308
Heavy and civil engineering construction	(D)	9,292	0	10,475	14,484
Specialty trade contractors	1,310	40,669	(D)	19,383	21,442
Manufacturing	3,927	60,971	(D)	153,129	147,578
Durable goods manufacturing	(D)	11,402	(L)	53,427	89,256
Wood product manufacturing	(D)	2,745	0	(D)	57,525
Nonmetallic mineral product manufacturing	(D)	(D)	0	(D)	(D)
Primary metal manufacturing	0	(D)	0	28,310	(D)
Fabricated metal product manufacturing	(D)	2,240	(L)	855	2,978
Machinery manufacturing	0	(D)	0	(D)	12,257
Computer and electronic product manufacturing	0	(D)	0	(D)	0
Electrical equipment and appliance manufacturing	0	(D)	0	(D)	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Motor vehicle manufacturing	0	(D)	0	(D)	(D)
Transportation equipment mfg. excl. motor vehicles	0	786	0	(D)	(D)
Furniture and related product manufacturing	89	(D)	0	(D)	612
Miscellaneous manufacturing	(L)	278	0	(D)	486
Nondurable goods manufacturing	(D)	49,569	(D)	99,702	58,322
Food manufacturing	0	46,845	(D)	84,837	9,187
Beverage and tobacco product manufacturing	0	847	(L)	(D)	(D)
Textile mills	0	0	0	0	0
Textile product mills	0	(D)	0	(D)	0
Apparel manufacturing	0	0	0	(D)	0
Leather and allied product manufacturing	(L)	0	0	(L)	0
Paper manufacturing	0	0	0	(D)	(D)
Printing and related support activities	(D)	(D)	(L)	302	664
Petroleum and coal products manufacturing	0	0	0	0	0
Chemical manufacturing	0	(D)	0	9,467	(D)
Plastics and rubber products manufacturing	0	1,242	0	0	(D)
Wholesale trade	(D)	43,560	4,335	45,057	(D)
Retail Trade	3,513	57,174	1,925	78,252	81,806
Motor vehicle and parts dealers	(D)	26,437	(D)	12,035	16,961
Furniture and home furnishings stores	(D)	1,117	(D)	1,940	2,341
Electronics and appliance stores	(L)	1,583	0	2,002	(D)
Building material and garden supply stores	345	6,657	757	10,611	5,438
Food and beverage stores	1,172	7,859	(D)	17,411	20,670
Health and personal care stores	(D)	2,724	(D)	7,897	4,156
Gasoline stations	428	3,287	(D)	10,199	6,500
Clothing and clothing accessories stores	(D)	(D)	0	1,638	5,317
Sporting goods, hobby, book and music stores	(D)	1,012	(D)	1,245	1,399
General merchandise stores	(D)	2,482	(D)	(D)	11,925
Miscellaneous store retailers	110	3,052	(D)	2,452	3,121
Nonstore retailers	(D)	(D)	94	(D)	(D)
Transportation and warehousing	(D)	51,166	(D)	31,667	25,967
Air transportation	352	(D)	0	(D)	(D)
Rail transportation	0	21,016	0	2,096	893
Water transportation	(D)	0	0	768	(D)
Truck transportation	433	11,055	(D)	10,579	15,051
Transit and ground passenger transportation	0	(D)	0	(D)	(D)
Pipeline transportation	0	(D)	0	(D)	0
Scenic and sightseeing transportation	0	0	0	0	(D)
Support activities for transportation	94	849	(D)	983	4,210
Couriers and messengers	(D)	6,305	0	2,738	(D)
Warehousing and storage	0	2,656	(D)	11,639	(D)
Information	195	5,476	(D)	6,423	6,494
Publishing industries, except Internet	(D)	(D)	(D)	3,484	(D)
Motion picture and sound recording industries	0	(D)	0	(D)	(D)
Broadcasting, except Internet	(L)	724	0	804	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Internet publishing and broadcasts	0	(L)	0	(L)	(D)
Telecommunications	(D)	(D)	0	(D)	3,257
ISPs, search portals, and data processing	(D)	(D)	70	(D)	(D)
Other information services	(L)	(L)	(L)	(L)	(L)
Finance and insurance	321	8,277	766	17,895	24,794
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	(D)	5,743	(D)	8,990	14,811
Securities, commodity contracts, investments	(L)	(D)	50	(D)	(D)
Insurance carriers and related activities	(D)	(D)	(D)	(D)	(D)
Funds, trusts, and other financial vehicles	0	0	0	0	0
Real estate and rental and leasing	587	11,682	51	5,446	8,920
Real estate	(D)	2,499	(L)	4,193	7,515
Rental and leasing services	(D)	9,183	(L)	1,253	1,405
Lessors of nonfinancial intangible assets	0	0	0	0	0
Professional and technical services	678	(D)	(D)	(D)	35,199
Management of companies and enterprises	(D)	(D)	0	(D)	2,299
Administrative and waste services	(D)	(D)	72	12,313	7,958
Administrative and support services	168	14,008	72	(D)	4,149
Waste management and remediation services	(D)	(D)	0	(D)	3,809
Educational services	59	4,169	0	4,272	845
Health care and social assistance	567	69,816	(D)	65,501	74,215
Amulatory health care services	(D)	29,364	(D)	43,316	35,861
Hospitals	0	(D)	0	0	(D)
Nursing and residential care facilities	(D)	(D)	0	9,943	10,210
Social assistance	119	4,934	(D)	12,242	(D)
Arts, entertainment, and recreation	(D)	2,118	148	5,620	4,754
Performing arts and spectator sports	(L)	(D)	57	(D)	(D)
Museums, historical sites, zoos, and parks	(D)	(D)	0	(D)	(D)
Amusement, gambling, and recreation	70	1,512	91	5,259	3,590
Accommodation and food services	(D)	19,317	290	29,022	42,797
Accommodation	(D)	5,300	(D)	5,854	16,522
Food services and drinking places	1,268	14,017	(D)	23,168	26,275
Other services, except public administration	2,233	27,023	1,052	26,650	32,358
Repair and maintenance	706	14,465	552	8,535	9,829
Personal and laundry services	(L)	(D)	(D)	(D)	4,383
Membership associations and organizations	(D)	9,683	(D)	13,501	14,871
Private households	(D)	(D)	(D)	(D)	3,275
Government and government enterprises	29,498	166,235	17,947	247,821	230,801
Federal, civilian	7,630	33,780	7,084	14,375	12,172
Military	386	2,701	124	4,065	5,275
State and local	21,482	129,754	10,739	229,381	213,354
State government	1,042	35,566	795	27,293	47,675
Local government	20,440	94,188	9,944	202,088	165,679

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

Income by Place of Residence	Island	Jefferson	King	Kitsap	Kittitas
Personal income (thousands of dollars)	2,061,941	763,572	80,617,305	6,387,755	734,423
Nonfarm personal income	2,058,665	761,748	80,582,927	6,385,291	724,845
Farm income ⁵	3,276	1,824	34,378	2,464	9,578
Population (persons) ⁶	73,348	26,467	1,753,901	232,898	33,801
Per capita personal income (dollars)	28,112	28,850	45,965	27,427	21,728
Derivation of Total Personal Income					
Earnings by place of work	1,037,032	296,812	71,195,271	3,957,828	417,957
less: Personal contributions for social insurance ⁷	49,355	19,273	4,607,424	168,323	21,359
plus: Adjustment for residence ⁸	265,244	76,700	-7,413,977	333,990	29,896
equals: Net earnings by place of residence	1,252,921	354,239	59,173,870	4,123,495	426,494
plus: Dividends, interest, and rent ⁹	535,849	260,172	14,961,952	1,424,334	172,680
plus: Transfer payments	273,171	149,161	6,481,483	839,926	135,249
Earnings by Place of Work					
Wage and salary disbursements	693,621	218,382	57,968,327	2,927,088	314,152
Other labor income	199,822	24,805	5,574,912	685,133	38,853
Proprietors' income ¹⁰	143,589	53,625	7,652,032	345,607	64,952
Farm proprietors' income	753	1,197	283	1,083	-2,056
Nonfarm proprietors' income	142,836	52,428	7,651,749	344,524	67,008
Earnings by Industry					
Farm earnings	3,276	1,824	34,378	2,464	9,578
Nonfarm earnings	1,033,756	294,988	71,160,893	3,955,364	408,379
Private earnings	412,048	218,949	63,524,293	1,813,324	258,852
Forestry, fishing, related activities, and other ⁴	(D)	5,547	342,770	24,699	(D)
Forestry and logging	(D)	(D)	72,580	7,316	3,753
Fishing, hunting, and trapping	2,962	2,595	240,097	11,101	401
Agriculture and forestry support activities	285	(D)	30,093	6,282	(D)
Other ⁴	0	0	0	0	0
Mining	(D)	1,318	38,678	2,512	(D)
Oil and gas extraction	0	0	(D)	0	0
Mining (except oil and gas)	(D)	1,316	36,837	(D)	(D)
Support activities for mining	(L)	(L)	(D)	(D)	(L)
Utilities	3,063	4,866	280,458	11,069	1,641
Construction	72,165	31,369	4,261,957	233,884	27,103
Construction of buildings	42,114	20,918	1,523,971	90,491	6,925
Heavy and civil engineering construction	6,002	4,261	487,147	31,258	4,986
Specialty trade contractors	24,049	6,190	2,250,839	112,135	15,192
Manufacturing	24,172	35,762	8,509,837	59,833	21,216
Durable goods manufacturing	23,557	(D)	6,818,949	46,442	13,157
Wood product manufacturing	(D)	1,159	109,278	1,192	431
Nonmetallic mineral product manufacturing	672	(D)	139,063	6,295	(D)
Primary metal manufacturing	0	(D)	58,157	0	(L)
Fabricated metal product manufacturing	251	1,537	299,349	3,511	9,389
Machinery manufacturing	1,927	(D)	321,068	683	(L)
Computer and electronic product manufacturing	(D)	(D)	800,466	1,987	0
Electrical equipment and appliance manufacturing	(L)	0	134,499	(D)	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Motor vehicle manufacturing	0	0	(D)	(D)	0
Transportation equipment mfg. excl. motor vehicles	(D)	3,124	(D)	(D)	(D)
Furniture and related product manufacturing	1,529	345	119,488	10,546	718
Miscellaneous manufacturing	(D)	384	357,312	16,411	(L)
Nondurable goods manufacturing	615	(D)	1,690,888	13,391	8,059
Food manufacturing	230	518	605,553	1,495	7,824
Beverage and tobacco product manufacturing	0	(D)	84,900	(D)	(D)
Textile mills	0	0	5,319	0	0
Textile product mills	(D)	279	60,107	6,693	(D)
Apparel manufacturing	0	(D)	41,886	412	0
Leather and allied product manufacturing	0	0	8,846	0	0
Paper manufacturing	0	(D)	113,090	(D)	0
Printing and related support activities	213	901	311,985	1,718	(D)
Petroleum and coal products manufacturing	0	(D)	37,417	0	(D)
Chemical manufacturing	(D)	(L)	307,728	(D)	(D)
Plastics and rubber products manufacturing	(D)	0	114,057	(D)	0
Wholesale trade	10,504	8,379	4,334,863	60,635	23,943
Retail Trade	66,866	24,527	4,127,434	271,914	41,815
Motor vehicle and parts dealers	11,357	3,212	646,423	58,555	7,725
Furniture and home furnishings stores	3,685	957	201,292	9,176	1,806
Electronics and appliance stores	3,053	(D)	305,486	9,072	2,424
Building material and garden supply stores	8,589	3,653	329,840	26,879	2,685
Food and beverage stores	15,931	8,160	708,399	59,169	11,995
Health and personal care stores	3,209	(D)	200,319	12,257	2,463
Gasoline stations	1,850	2,820	104,091	10,791	4,020
Clothing and clothing accessories stores	2,640	667	356,717	9,722	1,290
Sporting goods, hobby, book and music stores	1,513	836	180,914	9,948	(D)
General merchandise stores	6,759	(D)	382,822	47,198	3,396
Miscellaneous store retailers	5,109	1,136	264,687	14,539	2,252
Nonstore retailers	3,171	1,356	446,444	4,608	(D)
Transportation and warehousing	5,856	4,347	2,606,263	39,311	14,199
Air transportation	252	125	788,108	(D)	671
Rail transportation	1,511	267	89,708	0	218
Water transportation	413	(D)	169,645	(D)	0
Truck transportation	1,921	518	359,096	12,819	10,934
Transit and ground passenger transportation	(D)	(D)	150,096	11,342	606
Pipeline transportation	0	0	(D)	0	0
Scenic and sightseeing transportation	148	(D)	15,653	402	0
Support activities for transportation	722	212	593,128	5,070	(D)
Couriers and messengers	(D)	(D)	(D)	(D)	(D)
Warehousing and storage	0	(D)	133,760	1,795	0
Information	11,973	4,727	12,039,601	70,417	14,755
Publishing industries, except Internet	3,058	1,990	8,585,491	24,352	3,254
Motion picture and sound recording industries	347	435	91,593	2,339	279
Broadcasting, except Internet	(D)	0	335,140	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Internet publishing and broadcasts	(D)	(D)	(D)	(D)	(L)
Telecommunications	7,831	(D)	2,216,594	38,171	(D)
ISPs, search portals, and data processing	362	(D)	610,329	3,786	(D)
Other information services	(L)	99	(D)	(D)	(D)
Finance and insurance	22,681	8,135	3,956,953	91,817	7,057
Monetary authorities - central bank	0	0	(D)	0	0
Credit intermediation and related activities	9,323	3,159	1,335,483	44,492	3,465
Securities, commodity contracts, investments	5,901	2,347	1,010,341	21,893	(D)
Insurance carriers and related activities	7,457	2,629	1,534,505	25,432	(D)
Funds, trusts, and other financial vehicles	0	0	(D)	0	0
Real estate and rental and leasing	13,393	7,381	1,545,773	44,454	6,357
Real estate	11,378	6,430	1,173,475	34,550	5,466
Rental and leasing services	2,015	951	358,211	(D)	891
Lessors of nonfinancial intangible assets	0	0	14,087	(D)	0
Professional and technical services	30,350	14,890	7,684,261	205,142	(D)
Management of companies and enterprises	17,576	0	1,748,266	10,461	(D)
Administrative and waste services	20,778	11,306	2,515,511	97,603	(D)
Administrative and support services	19,250	8,998	2,379,901	89,064	(D)
Waste management and remediation services	1,528	2,308	135,610	8,539	828
Educational services	5,856	2,485	520,478	16,968	2,044
Health care and social assistance	40,503	21,034	4,482,795	344,649	29,267
Amulatory health care services	25,970	12,156	2,235,641	186,743	10,194
Hospitals	0	0	1,329,237	(D)	(D)
Nursing and residential care facilities	7,032	3,347	498,726	61,733	15,020
Social assistance	7,501	5,531	419,191	(D)	(D)
Arts, entertainment, and recreation	8,204	3,238	890,422	30,744	3,426
Performing arts and spectator sports	(D)	(D)	496,002	7,970	922
Museums, historical sites, zoos, and parks	(D)	(D)	52,499	921	194
Amusement, gambling, and recreation	5,299	1,705	341,921	21,853	2,310
Accommodation and food services	25,781	16,466	2,037,289	95,317	24,529
Accommodation	6,670	5,281	414,879	13,672	4,712
Food services and drinking places	19,111	11,185	1,622,410	81,645	19,817
Other services, except public administration	27,132	13,172	1,600,684	101,895	15,807
Repair and maintenance	(D)	5,372	542,252	39,360	5,915
Personal and laundry services	(D)	880	378,348	15,846	2,236
Membership associations and organizations	(D)	6,212	549,579	36,136	6,102
Private households	3,195	708	130,505	10,553	1,554
Government and government enterprises	621,708	76,039	7,636,600	2,142,040	149,527
Federal, civilian	64,769	10,311	1,590,704	1,022,614	9,863
Military	446,140	1,956	176,828	663,524	2,818
State and local	110,799	63,772	5,869,068	455,902	136,846
State government	12,832	13,701	2,076,604	82,038	(D)
Local government	97,967	50,071	3,792,464	373,864	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

Income by Place of Residence	Klickitat	Lewis	Lincoln	Mason	Okanogan
Personal income (thousands of dollars)	412,819	1,512,443	215,326	1,085,361	837,431
Nonfarm personal income	405,512	1,496,551	223,091	1,087,105	791,240
Farm income ⁵	7,307	15,892	-7,765	-1,744	46,191
Population (persons) ⁶	19,301	69,061	10,141	50,225	39,303
Per capita personal income (dollars)	21,388	21,900	21,233	21,610	21,307
Derivation of Total Personal Income					
Earnings by place of work	211,111	902,128	86,971	452,288	510,230
less: Personal contributions for social insurance ⁷	12,887	58,910	5,006	26,693	20,543
plus: Adjustment for residence ⁸	3,147	-10,314	11,122	127,839	-16,890
equals: Net earnings by place of residence	201,371	832,904	93,087	553,434	472,797
plus: Dividends, interest, and rent ⁹	108,962	304,771	71,055	264,979	155,232
plus: Transfer payments	102,486	374,768	51,184	266,948	209,402
Earnings by Place of Work					
Wage and salary disbursements	169,524	734,520	77,834	346,031	369,823
Other labor income	19,477	77,486	10,787	41,299	56,544
Proprietors' income ¹⁰	22,110	90,122	-1,650	64,958	83,863
Farm proprietors' income	-2,029	7,966	-15,395	-3,248	-5,298
Nonfarm proprietors' income	24,139	82,156	13,745	68,206	89,161
Earnings by Industry					
Farm earnings	7,307	15,892	-7,765	-1,744	46,191
Nonfarm earnings	203,804	886,236	94,736	454,032	464,039
Private earnings	143,650	705,271	51,897	291,989	250,168
Forestry, fishing, related activities, and other ⁴	16,877	49,894	3,631	(D)	26,704
Forestry and logging	8,529	39,495	(D)	15,424	5,100
Fishing, hunting, and trapping	(D)	(D)	81	1,653	646
Agriculture and forestry support activities	(D)	(D)	(D)	(D)	20,958
Other ⁴	0	0	0	0	0
Mining	517	44,791	53	(D)	2,415
Oil and gas extraction	0	0	0	0	0
Mining (except oil and gas)	517	(D)	53	(D)	(D)
Support activities for mining	0	(D)	0	(L)	(D)
Utilities	636	20,345	(D)	520	2,056
Construction	12,374	52,425	4,464	37,882	23,765
Construction of buildings	3,559	17,467	(D)	20,384	10,376
Heavy and civil engineering construction	4,654	17,800	(D)	4,618	4,978
Specialty trade contractors	4,161	17,158	(D)	12,880	8,411
Manufacturing	34,943	113,650	(D)	64,374	4,382
Durable goods manufacturing	33,503	91,217	(D)	54,275	3,677
Wood product manufacturing	(D)	62,887	(D)	38,453	2,045
Nonmetallic mineral product manufacturing	(D)	1,382	0	871	938
Primary metal manufacturing	(D)	(D)	0	(D)	(L)
Fabricated metal product manufacturing	(L)	8,918	(D)	213	210
Machinery manufacturing	(D)	808	(L)	(L)	(D)
Computer and electronic product manufacturing	(D)	(D)	0	(D)	(L)
Electrical equipment and appliance manufacturing	0	(D)	0	0	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Motor vehicle manufacturing	0	(D)	0	(D)	0
Transportation equipment mfg. excl. motor vehicles	0	(D)	0	(D)	(D)
Furniture and related product manufacturing	135	2,024	(L)	333	(D)
Miscellaneous manufacturing	(D)	2,065	(L)	(D)	(D)
Nondurable goods manufacturing	1,440	22,433	(D)	10,099	705
Food manufacturing	742	15,878	(D)	7,943	273
Beverage and tobacco product manufacturing	182	(D)	0	(D)	323
Textile mills	0	(D)	0	0	0
Textile product mills	0	(D)	(D)	(D)	(D)
Apparel manufacturing	(L)	1,553	0	(D)	(D)
Leather and allied product manufacturing	0	(D)	0	0	0
Paper manufacturing	0	0	0	(D)	(L)
Printing and related support activities	(L)	1,659	(D)	113	(D)
Petroleum and coal products manufacturing	0	(L)	0	0	0
Chemical manufacturing	(D)	(D)	0	539	(D)
Plastics and rubber products manufacturing	(D)	(D)	0	233	0
Wholesale trade	3,638	27,919	8,496	12,957	30,405
Retail Trade	8,979	90,570	7,304	36,075	38,829
Motor vehicle and parts dealers	1,583	19,162	652	5,854	4,715
Furniture and home furnishings stores	(D)	1,904	(D)	836	(D)
Electronics and appliance stores	(D)	2,683	(D)	(D)	853
Building material and garden supply stores	1,046	6,649	1,161	5,603	4,459
Food and beverage stores	3,353	18,346	1,849	7,388	10,614
Health and personal care stores	991	5,297	588	1,193	2,226
Gasoline stations	551	9,570	1,773	4,499	6,434
Clothing and clothing accessories stores	(D)	3,223	(D)	318	804
Sporting goods, hobby, book and music stores	(D)	1,486	(D)	460	828
General merchandise stores	(D)	11,328	0	(D)	(D)
Miscellaneous store retailers	294	8,635	331	1,247	1,488
Nonstore retailers	356	2,287	(D)	(D)	1,506
Transportation and warehousing	11,987	62,488	(D)	9,872	8,809
Air transportation	0	(D)	0	(D)	370
Rail transportation	8,697	3,993	1,337	444	653
Water transportation	661	0	0	(D)	0
Truck transportation	1,822	23,944	(D)	3,399	2,659
Transit and ground passenger transportation	365	(D)	285	(D)	(D)
Pipeline transportation	0	0	0	0	0
Scenic and sightseeing transportation	0	(D)	0	0	(D)
Support activities for transportation	228	3,133	(D)	211	1,181
Couriers and messengers	(D)	(D)	(L)	(L)	2,877
Warehousing and storage	(D)	(D)	0	(D)	432
Information	1,753	11,353	397	3,877	5,427
Publishing industries, except Internet	(D)	4,002	(D)	(D)	1,290
Motion picture and sound recording industries	(D)	168	0	(D)	(D)
Broadcasting, except Internet	(D)	(D)	0	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Internet publishing and broadcasts	(L)	(D)	(L)	(L)	(D)
Telecommunications	(D)	5,389	(D)	(D)	2,778
ISPs, search portals, and data processing	(L)	659	(L)	57	(D)
Other information services	(L)	(L)	(L)	(L)	(L)
Finance and insurance	4,113	19,067	5,031	11,771	10,145
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	2,019	8,340	3,496	7,361	4,328
Securities, commodity contracts, investments	(D)	(D)	408	(D)	(D)
Insurance carriers and related activities	(D)	9,109	1,127	(D)	(D)
Funds, trusts, and other financial vehicles	0	(D)	0	0	0
Real estate and rental and leasing	1,972	6,192	400	4,424	3,751
Real estate	1,011	4,507	(D)	1,870	2,534
Rental and leasing services	961	1,685	(D)	2,554	1,011
Lessors of nonfinancial intangible assets	0	0	0	0	206
Professional and technical services	(D)	20,497	5,061	10,997	12,755
Management of companies and enterprises	(D)	5,433	0	(D)	(D)
Administrative and waste services	14,617	17,031	464	(D)	(D)
Administrative and support services	(D)	11,932	(D)	2,138	2,454
Waste management and remediation services	(D)	5,099	(D)	(D)	(D)
Educational services	(D)	2,543	(D)	2,668	1,525
Health care and social assistance	(D)	96,565	(D)	29,797	32,979
Amulatory health care services	5,352	46,030	2,624	18,592	24,391
Hospitals	0	(D)	0	0	0
Nursing and residential care facilities	(D)	17,401	(D)	9,483	5,123
Social assistance	1,035	(D)	540	1,722	3,465
Arts, entertainment, and recreation	1,273	3,763	643	3,283	2,475
Performing arts and spectator sports	(D)	(D)	(D)	354	456
Museums, historical sites, zoos, and parks	(D)	(D)	(D)	(D)	0
Amusement, gambling, and recreation	580	3,134	(D)	(D)	2,019
Accommodation and food services	5,635	30,831	2,274	14,123	22,167
Accommodation	1,308	4,649	543	2,320	11,377
Food services and drinking places	4,327	26,182	1,731	11,803	10,790
Other services, except public administration	8,819	29,914	3,023	18,536	15,191
Repair and maintenance	4,166	12,377	532	6,479	6,745
Personal and laundry services	220	(D)	(D)	(D)	(D)
Membership associations and organizations	3,310	10,664	1,474	7,951	5,806
Private households	1,123	(D)	(D)	(D)	(D)
Government and government enterprises	60,154	180,965	42,839	162,043	213,871
Federal, civilian	6,074	15,569	3,784	5,431	57,546
Military	1,024	3,666	542	2,668	2,093
State and local	53,056	161,730	38,513	153,944	154,232
State government	7,587	45,433	3,278	43,316	12,753
Local government	45,469	116,297	35,235	110,628	141,479

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

Income by Place of Residence	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Personal income (thousands of dollars)	447,144	231,257	19,123,592	549,956	2,901,787
Nonfarm personal income	436,530	230,966	19,099,994	550,194	2,817,748
Farm income ⁵	10,614	291	23,598	-238	84,039
Population (persons) ⁶	20,766	11,861	718,918	14,333	105,236
Per capita personal income (dollars)	21,533	19,497	26,601	38,370	27,574
Derivation of Total Personal Income					
Earnings by place of work	197,386	109,537	11,383,340	204,714	1,764,423
less: Personal contributions for social insurance ⁷	12,360	6,539	660,363	13,834	105,374
plus: Adjustment for residence ⁸	14,706	10,282	2,254,601	22,104	53,395
equals: Net earnings by place of residence	199,732	113,280	12,977,578	212,984	1,712,444
plus: Dividends, interest, and rent ⁹	116,668	52,948	3,285,154	276,875	695,957
plus: Transfer payments	130,744	65,029	2,860,860	60,097	493,386
Earnings by Place of Work					
Wage and salary disbursements	148,885	81,568	8,985,363	136,048	1,344,262
Other labor income	18,062	11,431	1,285,918	13,806	139,711
Proprietors' income ¹⁰	30,439	16,538	1,112,059	54,860	280,450
Farm proprietors' income	9,410	139	729	-1,148	12,189
Nonfarm proprietors' income	21,029	16,399	1,111,330	56,008	268,261
Earnings by Industry					
Farm earnings	10,614	291	23,598	-238	84,039
Nonfarm earnings	186,772	109,246	11,359,742	204,952	1,680,384
Private earnings	117,781	67,514	7,927,011	169,573	1,329,393
Forestry, fishing, related activities, and other ⁴	17,060	(D)	41,766	(D)	48,834
Forestry and logging	8,770	3,518	18,492	1,589	34,011
Fishing, hunting, and trapping	7,781	108	10,114	3,158	6,492
Agriculture and forestry support activities	509	(D)	13,160	(D)	8,331
Other ⁴	0	0	0	0	0
Mining	1,286	(D)	15,105	(D)	(D)
Oil and gas extraction	0	0	0	0	0
Mining (except oil and gas)	1,285	(D)	15,105	(D)	(D)
Support activities for mining	(L)	(L)	0	0	(L)
Utilities	(D)	288	36,659	3,726	10,458
Construction	7,405	3,305	887,811	42,783	187,496
Construction of buildings	2,085	673	273,293	16,529	57,351
Heavy and civil engineering construction	1,463	936	169,822	4,317	34,572
Specialty trade contractors	3,857	1,696	444,696	21,937	95,573
Manufacturing	21,245	35,651	1,011,359	6,633	242,637
Durable goods manufacturing	12,511	(D)	685,343	5,876	118,736
Wood product manufacturing	11,936	(D)	108,461	(D)	20,998
Nonmetallic mineral product manufacturing	(D)	(D)	75,730	(D)	7,480
Primary metal manufacturing	(L)	0	20,528	0	(D)
Fabricated metal product manufacturing	(D)	(D)	84,857	381	9,543
Machinery manufacturing	78	493	34,546	(D)	18,433
Computer and electronic product manufacturing	109	0	163,036	(D)	12,801
Electrical equipment and appliance manufacturing	0	3,382	850	0	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Motor vehicle manufacturing	0	0	5,401	(L)	(D)
Transportation equipment mfg. excl. motor vehicles	(D)	0	126,519	378	(D)
Furniture and related product manufacturing	(L)	203	44,399	227	3,591
Miscellaneous manufacturing	(L)	72	21,016	826	5,239
Nondurable goods manufacturing	8,734	(D)	326,016	757	123,901
Food manufacturing	8,561	(D)	51,797	379	30,522
Beverage and tobacco product manufacturing	0	0	(D)	(D)	(D)
Textile mills	0	0	(D)	(L)	(D)
Textile product mills	0	0	3,044	(D)	2,340
Apparel manufacturing	(L)	0	23,723	(L)	(D)
Leather and allied product manufacturing	0	(L)	194	(L)	(L)
Paper manufacturing	0	(D)	71,986	0	948
Printing and related support activities	(D)	(D)	48,834	(D)	908
Petroleum and coal products manufacturing	0	0	25,902	120	(D)
Chemical manufacturing	0	0	35,857	(D)	6,599
Plastics and rubber products manufacturing	(D)	368	61,801	(L)	1,844
Wholesale trade	930	249	489,447	2,880	45,462
Retail Trade	16,111	5,039	890,204	20,238	181,310
Motor vehicle and parts dealers	859	516	218,302	888	53,032
Furniture and home furnishings stores	(D)	(D)	34,509	(D)	5,682
Electronics and appliance stores	(D)	(D)	28,778	286	6,631
Building material and garden supply stores	1,006	(D)	77,607	4,046	17,262
Food and beverage stores	4,269	2,386	180,641	7,731	30,875
Health and personal care stores	1,177	(D)	44,827	(D)	6,541
Gasoline stations	2,187	1,067	30,472	2,203	13,578
Clothing and clothing accessories stores	162	(D)	45,591	384	7,885
Sporting goods, hobby, book and music stores	196	(L)	41,928	1,013	4,755
General merchandise stores	(D)	(D)	111,791	142	21,159
Miscellaneous store retailers	1,402	158	45,101	1,734	9,193
Nonstore retailers	(D)	(D)	30,657	(D)	4,717
Transportation and warehousing	(D)	2,739	374,880	2,377	43,689
Air transportation	0	(D)	4,424	(D)	(D)
Rail transportation	98	659	18,167	0	2,592
Water transportation	222	0	6,893	109	(D)
Truck transportation	678	385	153,718	453	20,660
Transit and ground passenger transportation	0	(D)	15,984	(D)	(D)
Pipeline transportation	0	0	0	0	(D)
Scenic and sightseeing transportation	103	61	507	244	(D)
Support activities for transportation	(D)	(D)	123,522	199	8,518
Couriers and messengers	(L)	0	27,389	(D)	5,526
Warehousing and storage	(D)	(L)	24,276	(L)	2,039
Information	1,189	1,059	160,772	2,541	20,415
Publishing industries, except Internet	672	(D)	54,885	(D)	7,991
Motion picture and sound recording industries	(D)	(D)	3,771	(D)	(D)
Broadcasting, except Internet	(D)	(L)	2,458	(D)	577

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Internet publishing and broadcasts	0	0	(D)	(D)	(D)
Telecommunications	(D)	(D)	88,846	(D)	9,375
ISPs, search portals, and data processing	(D)	(D)	7,470	(D)	1,686
Other information services	(L)	(L)	(D)	(L)	59
Finance and insurance	5,984	2,237	602,435	5,455	59,083
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	3,703	1,264	150,791	3,689	19,782
Securities, commodity contracts, investments	368	(L)	247,711	(D)	(D)
Insurance carriers and related activities	1,913	928	202,386	(D)	21,189
Funds, trusts, and other financial vehicles	0	0	1,547	0	(D)
Real estate and rental and leasing	1,348	309	183,970	8,624	27,106
Real estate	(D)	(D)	131,265	6,844	17,988
Rental and leasing services	(D)	(D)	(D)	(D)	(D)
Lessors of nonfinancial intangible assets	0	0	(D)	(D)	(D)
Professional and technical services	4,545	2,111	456,131	14,846	92,555
Management of companies and enterprises	766	0	72,486	836	(D)
Administrative and waste services	3,211	501	365,791	5,050	32,118
Administrative and support services	2,318	(D)	333,928	3,072	19,207
Waste management and remediation services	893	(D)	31,863	1,978	12,911
Educational services	(L)	(D)	124,486	1,158	6,771
Health care and social assistance	11,339	(D)	1,406,419	7,779	154,488
Amulatory health care services	3,946	2,171	776,635	4,176	107,088
Hospitals	0	0	353,948	0	0
Nursing and residential care facilities	5,691	(D)	148,277	2,533	31,328
Social assistance	1,702	904	127,559	1,070	16,072
Arts, entertainment, and recreation	2,187	465	91,628	5,083	19,623
Performing arts and spectator sports	249	(D)	18,223	(D)	2,634
Museums, historical sites, zoos, and parks	78	(D)	2,879	(D)	478
Amusement, gambling, and recreation	1,860	(D)	70,526	2,792	16,511
Accommodation and food services	12,718	3,126	329,108	26,888	81,516
Accommodation	5,536	1,045	34,362	17,374	20,052
Food services and drinking places	7,182	2,081	294,746	9,514	61,464
Other services, except public administration	8,455	2,892	386,554	7,411	66,353
Repair and maintenance	2,503	(D)	151,019	2,784	34,613
Personal and laundry services	(D)	622	72,436	926	7,287
Membership associations and organizations	4,408	1,737	136,195	2,722	19,428
Private households	(D)	(D)	26,904	979	5,025
Government and government enterprises	68,991	41,732	3,432,731	35,379	350,991
Federal, civilian	3,099	6,172	498,824	3,485	23,295
Military	5,060	633	1,200,473	768	5,571
State and local	60,832	34,927	1,733,434	31,126	322,125
State government	12,139	1,269	439,025	3,061	54,972
Local government	48,693	33,658	1,294,409	28,065	267,153

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

Income by Place of Residence	Skamania	Snohomish	Spokane	Stevens	Thurston
Personal income (thousands of dollars)	224,570	18,379,862	11,044,375	760,873	6,015,831
Nonfarm personal income	225,401	18,359,860	11,043,505	758,687	5,990,868
Farm income ⁵	-831	20,002	870	2,186	24,963
Population (persons) ⁶	9,991	623,890	423,037	40,477	212,831
Per capita personal income (dollars)	22,477	29,460	26,107	18,798	28,266
Derivation of Total Personal Income					
Earnings by place of work	64,266	10,179,283	7,809,215	367,793	3,683,294
less: Personal contributions for social insurance ⁷	3,241	646,442	494,537	22,636	164,986
plus: Adjustment for residence ⁸	82,443	3,958,718	-389,476	76,156	514,280
equals: Net earnings by place of residence	143,468	13,491,559	6,925,202	421,313	4,032,588
plus: Dividends, interest, and rent ⁹	44,631	2,829,326	2,168,603	141,602	1,110,777
plus: Transfer payments	36,471	2,058,977	1,950,570	197,958	872,466
Earnings by Place of Work					
Wage and salary disbursements	50,724	8,474,469	6,354,016	280,811	2,997,554
Other labor income	8,499	948,095	720,497	37,186	323,090
Proprietors' income ¹⁰	5,043	756,719	734,702	49,796	362,650
Farm proprietors' income	-948	-3,576	-7,581	968	-1,295
Nonfarm proprietors' income	5,991	760,295	742,283	48,828	363,945
Earnings by Industry					
Farm earnings	-831	20,002	870	2,186	24,963
Nonfarm earnings	65,097	10,159,281	7,808,345	365,607	3,658,331
Private earnings	34,336	8,372,831	6,245,781	260,452	2,082,100
Forestry, fishing, related activities, and other ⁴	(D)	46,428	8,650	19,059	31,527
Forestry and logging	1,196	16,963	6,054	16,984	21,706
Fishing, hunting, and trapping	70	23,817	143	289	4,191
Agriculture and forestry support activities	(D)	5,648	2,453	1,786	5,630
Other ⁴	0	0	0	0	0
Mining	(D)	30,683	13,001	3,277	2,730
Oil and gas extraction	0	0	0	0	0
Mining (except oil and gas)	(D)	(D)	1,713	3,271	(D)
Support activities for mining	(L)	(D)	11,288	(L)	(D)
Utilities	288	5,963	39,236	(D)	12,795
Construction	(D)	914,417	545,118	22,150	226,851
Construction of buildings	(D)	270,320	181,081	9,455	90,885
Heavy and civil engineering construction	(D)	126,572	61,842	4,998	28,536
Specialty trade contractors	1,105	517,525	302,195	7,697	107,430
Manufacturing	7,529	3,157,156	842,290	75,110	130,113
Durable goods manufacturing	(D)	3,008,394	(D)	73,801	53,670
Wood product manufacturing	(D)	84,233	14,545	34,526	8,351
Nonmetallic mineral product manufacturing	(D)	19,883	45,322	(D)	8,727
Primary metal manufacturing	0	6,365	132,684	(D)	0
Fabricated metal product manufacturing	(D)	115,969	68,274	464	13,596
Machinery manufacturing	(D)	31,902	73,726	14,097	3,695
Computer and electronic product manufacturing	(D)	428,571	231,509	(D)	(D)
Electrical equipment and appliance manufacturing	(D)	15,264	(D)	0	911

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Motor vehicle manufacturing	0	3,680	26,968	(D)	(D)
Transportation equipment mfg. excl. motor vehicles	0	2,226,746	45,483	(D)	(D)
Furniture and related product manufacturing	0	51,351	19,499	641	5,904
Miscellaneous manufacturing	(D)	24,430	18,671	(D)	8,364
Nondurable goods manufacturing	(D)	148,762	(D)	1,309	76,443
Food manufacturing	(L)	47,495	42,445	188	4,265
Beverage and tobacco product manufacturing	(L)	1,058	7,419	(D)	22,325
Textile mills	0	(D)	(D)	0	(D)
Textile product mills	0	4,485	3,263	0	200
Apparel manufacturing	0	3,570	4,529	(D)	(L)
Leather and allied product manufacturing	0	(D)	4,171	(L)	(D)
Paper manufacturing	0	(D)	17,666	0	(D)
Printing and related support activities	0	30,658	21,031	243	5,394
Petroleum and coal products manufacturing	0	0	(D)	0	0
Chemical manufacturing	(D)	27,370	19,736	171	2,839
Plastics and rubber products manufacturing	(D)	30,806	23,036	(D)	22,535
Wholesale trade	1,534	374,592	435,995	(D)	83,038
Retail Trade	2,441	806,369	735,549	25,116	335,180
Motor vehicle and parts dealers	(D)	202,227	169,612	3,729	56,071
Furniture and home furnishings stores	0	28,049	29,159	(D)	8,655
Electronics and appliance stores	0	37,348	34,940	848	77,534
Building material and garden supply stores	190	87,229	54,454	1,526	28,240
Food and beverage stores	1,334	157,858	134,340	6,640	56,829
Health and personal care stores	(D)	53,533	44,580	1,912	10,067
Gasoline stations	332	27,640	29,241	2,731	11,830
Clothing and clothing accessories stores	0	38,049	35,187	352	10,039
Sporting goods, hobby, book and music stores	(L)	28,605	30,067	997	12,338
General merchandise stores	(D)	100,701	86,629	(D)	36,030
Miscellaneous store retailers	(D)	33,907	50,395	789	21,276
Nonstore retailers	(D)	11,223	36,945	1,455	6,271
Transportation and warehousing	2,355	117,694	215,309	12,358	42,394
Air transportation	0	2,882	13,635	754	(D)
Rail transportation	(D)	11,962	45,586	3,109	1,276
Water transportation	0	(D)	552	0	741
Truck transportation	(D)	40,815	88,438	4,659	18,604
Transit and ground passenger transportation	0	15,856	8,549	681	3,485
Pipeline transportation	0	0	(D)	0	0
Scenic and sightseeing transportation	0	(D)	197	0	(D)
Support activities for transportation	292	25,927	21,988	(D)	4,235
Couriers and messengers	(L)	(D)	(D)	(D)	(D)
Warehousing and storage	0	3,838	3,676	(D)	4,277
Information	303	203,315	171,161	1,744	82,657
Publishing industries, except Internet	(D)	61,459	49,481	(D)	10,790
Motion picture and sound recording industries	(L)	6,592	4,062	(D)	1,552
Broadcasting, except Internet	0	(D)	33,527	(D)	2,589

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Internet publishing and broadcasts	(L)	(D)	(D)	0	(D)
Telecommunications	(D)	125,124	78,355	(D)	63,037
ISPs, search portals, and data processing	(D)	6,720	4,782	169	4,455
Other information services	(L)	204	(D)	(L)	(D)
Finance and insurance	(D)	432,063	496,686	7,366	126,477
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	(D)	138,330	200,435	4,641	51,374
Securities, commodity contracts, investments	(L)	(D)	125,061	(D)	32,929
Insurance carriers and related activities	(D)	239,724	168,412	(D)	40,336
Funds, trusts, and other financial vehicles	0	(D)	2,778	0	1,838
Real estate and rental and leasing	(D)	129,194	104,283	2,415	52,633
Real estate	(D)	101,559	77,417	901	44,917
Rental and leasing services	56	26,872	24,563	1,514	7,464
Lessors of nonfinancial intangible assets	0	763	2,303	0	252
Professional and technical services	2,481	462,990	462,819	8,178	171,226
Management of companies and enterprises	(D)	33,522	153,085	(D)	18,656
Administrative and waste services	(D)	221,667	208,144	(D)	70,260
Administrative and support services	(D)	207,718	186,523	1,305	64,360
Waste management and remediation services	(D)	13,949	21,621	(D)	5,900
Educational services	59	49,409	100,227	807	41,779
Health care and social assistance	810	762,891	1,122,750	40,031	394,875
Amulatory health care services	(D)	451,312	559,681	19,392	212,315
Hospitals	0	(D)	356,662	(D)	(D)
Nursing and residential care facilities	(D)	114,856	131,154	(D)	(D)
Social assistance	444	(D)	75,253	4,436	32,490
Arts, entertainment, and recreation	294	63,045	47,767	3,647	17,652
Performing arts and spectator sports	(L)	12,940	(D)	(D)	4,208
Museums, historical sites, zoos, and parks	(D)	315	(D)	(D)	845
Amusement, gambling, and recreation	(D)	49,790	32,009	3,233	12,599
Accommodation and food services	7,669	262,470	300,473	9,954	109,935
Accommodation	(D)	22,750	76,923	2,610	14,934
Food services and drinking places	(D)	239,720	223,550	7,344	95,001
Other services, except public administration	2,083	298,963	243,238	13,553	131,322
Repair and maintenance	(D)	108,424	90,007	5,211	43,771
Personal and laundry services	143	66,097	51,343	1,609	15,158
Membership associations and organizations	1,535	110,622	86,396	(D)	64,451
Private households	(D)	13,820	15,492	(D)	7,942
Government and government enterprises	30,761	1,786,450	1,562,564	105,155	1,576,231
Federal, civilian	10,214	133,177	285,161	22,271	69,051
Military	530	314,397	204,323	2,150	15,504
State and local	20,017	1,338,876	1,073,080	80,734	1,491,676
State government	1,815	213,227	365,171	14,754	1,112,383
Local government	18,202	1,125,649	707,909	65,980	379,293

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

Income by Place of Residence	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Personal income (thousands of dollars)	86,440	1,278,527	4,192,379	799,138	5,108,880
Nonfarm personal income	86,556	1,234,356	4,120,039	810,082	4,794,064
Farm income ⁵	-116	44,171	72,340	-10,944	314,816
Population (persons) ⁶	3,769	55,357	170,673	40,375	223,366
Per capita personal income (dollars)	22,934	23,096	24,564	19,793	22,872
Derivation of Total Personal Income					
Earnings by place of work	30,287	866,734	2,664,740	543,516	3,133,876
less: Personal contributions for social insurance ⁷	2,102	50,103	164,466	19,648	173,499
plus: Adjustment for residence ⁸	14,438	-62,045	42,842	-41,854	96,043
equals: Net earnings by place of residence	42,623	754,586	2,543,116	482,014	3,056,420
plus: Dividends, interest, and rent ⁹	23,808	275,608	970,114	181,704	943,460
plus: Transfer payments	20,009	248,333	679,149	135,420	1,109,000
Earnings by Place of Work					
Wage and salary disbursements	22,741	714,555	2,114,526	457,196	2,522,679
Other labor income	2,698	81,889	226,282	67,747	258,840
Proprietors' income ¹⁰	4,848	70,290	323,932	18,573	352,357
Farm proprietors' income	-259	-6,334	24,821	-20,776	39,262
Nonfarm proprietors' income	5,107	76,624	299,111	39,349	313,095
Earnings by Industry					
Farm earnings	-116	44,171	72,340	-10,944	314,816
Nonfarm earnings	30,403	822,563	2,592,400	554,460	2,819,060
Private earnings	21,992	616,256	2,105,513	236,625	2,185,101
Forestry, fishing, related activities, and other ⁴	10,542	(D)	33,305	(D)	120,993
Forestry and logging	8,831	(D)	24,914	1,043	(D)
Fishing, hunting, and trapping	(D)	341	3,313	641	3,683
Agriculture and forestry support activities	(D)	15,168	5,078	(D)	(D)
Other ⁴	0	0	0	0	0
Mining	53	(D)	4,805	(D)	354
Oil and gas extraction	0	0	0	0	0
Mining (except oil and gas)	53	(D)	(D)	(D)	354
Support activities for mining	0	0	(D)	0	0
Utilities	0	5,665	14,180	(D)	13,150
Construction	1,837	41,183	318,564	20,561	153,774
Construction of buildings	398	16,361	127,487	7,506	39,902
Heavy and civil engineering construction	(D)	6,810	59,405	2,853	13,584
Specialty trade contractors	(D)	18,012	131,672	10,202	100,288
Manufacturing	1,336	148,466	383,438	32,306	375,129
Durable goods manufacturing	(D)	(D)	192,173	30,154	(D)
Wood product manufacturing	351	840	37,435	(L)	50,586
Nonmetallic mineral product manufacturing	(D)	(D)	7,439	(D)	6,899
Primary metal manufacturing	0	(D)	(D)	0	(D)
Fabricated metal product manufacturing	(L)	1,699	10,463	(D)	34,102
Machinery manufacturing	(D)	(D)	14,342	371	24,237
Computer and electronic product manufacturing	0	(D)	7,233	(D)	(D)
Electrical equipment and appliance manufacturing	0	1,092	7,908	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Motor vehicle manufacturing	0	(D)	(D)	0	(D)
Transportation equipment mfg. excl. motor vehicles	0	0	(D)	0	(D)
Furniture and related product manufacturing	0	(D)	3,854	(D)	3,589
Miscellaneous manufacturing	(L)	2,334	8,927	(D)	12,465
Nondurable goods manufacturing	(D)	(D)	191,265	2,152	(D)
Food manufacturing	(L)	(D)	41,632	(D)	101,876
Beverage and tobacco product manufacturing	0	4,453	(D)	0	11,638
Textile mills	0	(D)	(D)	0	0
Textile product mills	0	(D)	11,961	0	862
Apparel manufacturing	0	(D)	2,201	0	(L)
Leather and allied product manufacturing	0	(L)	0	0	0
Paper manufacturing	0	(D)	(D)	(L)	15,382
Printing and related support activities	0	3,462	7,087	240	7,406
Petroleum and coal products manufacturing	0	0	71,138	(D)	(D)
Chemical manufacturing	0	(D)	(D)	(D)	6,867
Plastics and rubber products manufacturing	(D)	1,107	8,094	0	55,090
Wholesale trade	(L)	30,965	123,704	31,671	173,894
Retail Trade	1,192	60,176	231,134	26,081	253,792
Motor vehicle and parts dealers	(D)	11,611	37,784	5,686	52,541
Furniture and home furnishings stores	58	1,792	8,251	330	7,885
Electronics and appliance stores	0	(D)	10,882	427	7,834
Building material and garden supply stores	(D)	4,955	26,430	4,335	28,729
Food and beverage stores	(D)	14,903	48,301	5,128	60,630
Health and personal care stores	(D)	2,698	12,539	1,771	7,999
Gasoline stations	(D)	1,484	14,085	2,636	16,800
Clothing and clothing accessories stores	(L)	4,433	10,976	84	8,314
Sporting goods, hobby, book and music stores	(L)	1,309	8,293	2,572	5,878
General merchandise stores	0	10,405	29,256	(D)	36,340
Miscellaneous store retailers	131	2,206	17,187	1,008	14,644
Nonstore retailers	(L)	(D)	7,150	(D)	6,198
Transportation and warehousing	343	14,966	66,969	(D)	83,864
Air transportation	0	699	(D)	(D)	(D)
Rail transportation	0	2,021	3,724	56	(D)
Water transportation	0	611	1,000	574	1,104
Truck transportation	276	5,378	20,427	2,029	45,244
Transit and ground passenger transportation	0	337	4,960	(D)	3,506
Pipeline transportation	0	(D)	(D)	(D)	0
Scenic and sightseeing transportation	0	218	(D)	0	0
Support activities for transportation	(L)	2,496	17,085	757	7,341
Couriers and messengers	(L)	(D)	5,720	(D)	5,290
Warehousing and storage	0	(D)	8,746	(D)	17,741
Information	(D)	18,571	65,928	4,384	43,647
Publishing industries, except Internet	(D)	9,189	26,381	1,063	14,128
Motion picture and sound recording industries	0	52	(D)	(D)	(D)
Broadcasting, except Internet	(L)	(D)	7,377	721	12,798

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2001

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Internet publishing and broadcasts	0	(D)	(D)	(L)	(D)
Telecommunications	(D)	5,554	29,391	1,852	13,868
ISPs, search portals, and data processing	0	1,906	1,971	(D)	(D)
Other information services	0	(D)	80	(L)	(L)
Finance and insurance	(D)	28,478	80,218	13,345	83,112
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	(D)	20,167	38,398	9,993	38,813
Securities, commodity contracts, investments	(L)	(D)	(D)	726	17,442
Insurance carriers and related activities	(D)	(D)	22,777	2,626	26,857
Funds, trusts, and other financial vehicles	0	0	(D)	0	0
Real estate and rental and leasing	(D)	9,414	43,093	4,670	30,201
Real estate	(D)	4,694	36,194	3,496	19,828
Rental and leasing services	(D)	4,720	6,499	1,174	10,373
Lessors of nonfinancial intangible assets	0	0	400	0	0
Professional and technical services	629	(D)	156,141	15,090	101,223
Management of companies and enterprises	0	(D)	25,919	458	30,019
Administrative and waste services	(D)	11,281	65,905	2,711	47,036
Administrative and support services	(D)	(D)	49,957	(D)	36,130
Waste management and remediation services	(D)	(D)	15,948	(D)	10,906
Educational services	59	(D)	10,841	1,141	25,181
Health care and social assistance	1,747	(D)	263,245	33,960	431,456
Amubulatory health care services	(D)	44,473	130,766	18,362	210,610
Hospitals	0	(D)	(D)	(D)	123,848
Nursing and residential care facilities	(D)	22,657	35,697	5,733	54,703
Social assistance	(D)	5,437	(D)	(D)	42,295
Arts, entertainment, and recreation	(D)	4,625	21,658	1,066	16,122
Performing arts and spectator sports	(L)	(D)	4,772	(D)	4,419
Museums, historical sites, zoos, and parks	(D)	(D)	668	0	743
Amusement, gambling, and recreation	(D)	3,294	16,218	(D)	10,960
Accommodation and food services	(D)	24,167	99,444	16,802	93,127
Accommodation	175	5,024	21,363	4,673	17,216
Food services and drinking places	(D)	19,143	78,081	12,129	75,911
Other services, except public administration	958	26,025	97,022	13,245	109,027
Repair and maintenance	(D)	9,996	36,560	4,432	32,724
Personal and laundry services	(L)	2,951	(D)	1,547	(D)
Membership associations and organizations	(D)	11,267	42,276	6,015	48,948
Private households	(D)	1,811	(D)	1,251	(D)
Government and government enterprises	8,411	206,307	486,887	317,835	633,959
Federal, civilian	788	58,766	61,436	16,695	84,705
Military	200	3,269	10,669	3,526	15,677
State and local	7,423	144,272	414,782	297,614	533,577
State government	498	66,574	137,816	(D)	117,067
Local government	6,925	77,698	276,966	(D)	416,510

Table 4.4

Per Capita Personal Income

	1997	1998	1999	2000	2001	Change 1996-2001
U.S.	25,412	26,893	27,880	29,760	30,413	19.7%
Washington	26,469	28,285	29,807	31,605	31,976	20.8%
Bellingham, WA (MSA)	21,095	22,048	22,474	23,567	24,564	16.4%
Bremerton, WA (PMSA)	22,778	23,777	24,844	26,497	27,427	20.4%
Olympia, WA (PMSA)	23,803	25,018	25,790	27,426	28,266	18.7%
Portland-Vancouver, OR-WA (PMSA)	27,555	28,700	29,594	31,801	31,971	16.0%
Richland-Kennewick-Pasco, WA (MSA)	21,626	22,279	22,685	24,074	25,259	16.8%
Seattle-Bellevue-Everett, WA (PMSA)	32,766	35,880	38,811	41,025	41,229	25.8%
Seattle-Tacoma-Bremerton, WA (CMSA)	29,751	32,207	34,428	36,386	36,669	23.3%
Spokane, WA (MSA)	22,311	23,336	24,100	25,977	26,107	17.0%
Tacoma, WA (PMSA)	23,413	24,371	24,985	26,354	26,601	13.6%
Yakima, WA (MSA)	19,953	20,709	20,786	22,145	22,872	14.6%
Washington (Urban Counties)*	28,667	30,848	32,818	34,784	35,007	22.1%
Washington (Rural Counties)	20,502	21,285	21,564	22,893	23,619	15.2%
Adams	19,012	19,986	19,359	20,424	20,949	10.2%
Asotin	20,822	21,500	22,606	24,026	24,895	19.6%
Benton#	22,920	23,766	24,408	25,931	27,454	19.8%
Chelan	22,564	23,325	23,053	24,447	25,332	12.3%
Clallam	22,211	22,883	23,252	24,553	25,596	15.2%
Clark*	25,253	25,954	26,773	28,961	28,763	13.9%
Columbia	19,428	20,964	20,798	24,052	23,749	22.2%
Cowlitz	20,715	21,427	22,286	23,530	24,633	18.9%
Douglas	19,190	19,571	19,904	21,624	21,948	14.4%
Ferry	15,570	15,823	16,192	16,662	17,437	12.0%
Franklin#	17,803	17,953	17,678	18,715	18,956	6.5%
Garfield	19,125	20,483	18,213	21,944	21,129	10.5%
Grant	18,990	19,531	18,455	19,698	19,935	5.0%
Grays Harbor	19,354	20,250	20,585	21,959	22,299	15.2%
Island*	23,807	25,190	26,026	27,199	28,112	18.1%
Jefferson	23,622	25,300	26,235	27,677	28,850	22.1%
King*	35,382	39,335	43,100	45,682	45,965	29.9%
Kitsap*	22,778	23,777	24,844	26,497	27,427	20.4%
Kittitas	18,781	19,738	20,019	21,360	21,728	15.7%
Klickitat	19,859	20,281	20,113	21,433	21,388	7.7%
Lewis	19,653	19,933	20,455	21,261	21,900	11.4%
Lincoln	21,165	20,622	19,723	21,614	21,233	0.3%
Mason	19,000	20,062	20,302	21,130	21,610	13.7%
Okanogan	18,758	19,382	19,198	20,146	21,307	13.6%
Pacific	19,002	19,669	19,743	20,951	21,533	13.3%
Pend Oreille	17,473	17,667	18,095	19,109	19,497	11.6%
Pierce*	23,413	24,371	24,985	26,354	26,601	13.6%
San Juan	32,817	35,110	35,885	37,390	38,370	16.9%
Skagit	23,160	24,403	25,428	26,974	27,574	19.1%
Skamania	20,159	20,735	21,557	22,454	22,477	11.5%
Snohomish*	26,098	27,066	27,914	29,362	29,460	12.9%
Spokane*	22,311	23,336	24,100	25,977	26,107	17.0%
Stevens	16,407	17,231	17,543	18,444	18,798	14.6%
Thurston*	23,803	25,018	25,790	27,426	28,266	18.7%
Wahkiakum	19,289	20,325	21,051	22,120	22,934	18.9%
Walla Walla	19,837	20,776	20,928	22,599	23,096	16.4%
Whatcom#	21,095	22,048	22,474	23,567	24,564	16.4%
Whitman	17,561	17,819	17,734	20,325	19,793	12.7%
Yakima#	19,953	20,709	20,786	22,145	22,872	14.6%

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.5
2001 Per Capita Personal Income and Median Home Prices
 Ordered by 2001 Per Capita Personal Income Rank

	Per Capita Personal Income	Rank	Median Home Price	Rank
King*	\$45,965	1	\$278,500	1
San Juan	\$38,370	2	\$272,200	2
Snohomish*	\$29,460	3	\$220,000	3
Jefferson	\$28,850	4	\$184,900	4
Clark*	\$28,763	5	\$156,500	10
Thurston*	\$28,266	6	\$154,900	11
Island*	\$28,112	7	\$177,000	5
Skagit	\$27,574	8	\$165,500	8
Benton#	\$27,454	9	\$140,300	13
Kitsap*	\$27,427	10	\$165,900	7
Pierce*	\$26,601	11	\$170,000	6
Spokane*	\$26,107	12	\$109,700	24
Clallam	\$25,596	13	\$131,400	15
Chelan	\$25,332	14	\$131,400	15
Asotin	\$24,895	15	\$95,300	26
Cowlitz	\$24,633	16	\$110,700	22
Whatcom#	\$24,564	17	\$159,100	9
Columbia	\$23,749	18	N/A	N/A
Walla Walla	\$23,096	19	\$119,900	20
Wahkiakum	\$22,934	20	\$128,000	19
Yakima#	\$22,872	21	\$110,700	22
Skamania	\$22,477	22	N/A	N/A
Grays Harbor	\$22,299	23	\$87,000	33
Douglas	\$21,948	24	\$131,400	15
Lewis	\$21,900	25	\$106,000	25
Kittitas	\$21,728	26	\$150,300	12
Mason	\$21,610	27	\$115,000	21
Pacific	\$21,533	28	\$78,200	34
Klickitat	\$21,388	29	N/A	N/A
Okanogan	\$21,307	30	N/A	N/A
Lincoln	\$21,233	31	N/A	N/A
Garfield	\$21,129	32	\$95,300	26
Adams	\$20,949	33	\$92,800	28
Grant	\$19,935	34	\$92,800	28
Whitman	\$19,793	35	\$128,100	18
Pend Oreille	\$19,497	36	\$90,900	30
Franklin#	\$18,956	37	\$140,300	13
Stevens	\$18,798	38	\$90,900	30
Ferry	\$17,437	39	\$90,900	30
Washington	\$31,976		\$188,500	

Source: U.S. Department of Commerce, Bureau of Economic Analysis; Washington Center for Real Estate Research.

Footnotes for Tables 4.1, 4.4 and 4.5

Metropolitan area (Defined by the US Office of Management and Budget: The general concept of a metropolitan area is that of a large population nucleus, together with adjacent communities having a high degree of social and economic integration with that core. Metropolitan areas comprise one or more entire counties, except in New England, where cities and towns are the basic geographic units.).

* Urban area (Per RCW 43.160.020 and RCW43.168.020, counties with greater than 100 persons per square mile. All urban areas are also metropolitan areas.).

N/A Data not available for this year.

Footnotes for Tables 4.2 and 4.3

1. The employment estimates used to compute the average wage are a job, not person, count. People holding more than one job are counted in the employment estimates for each job they hold.
 2. 2001 estimates of employment and earnings by industry are based on the 2002 North American Industry Classification System (NAICS). Estimates for prior years are based on the 1987 Standard Industrial Classification (SIC).
 3. Excludes limited partners.
 4. "Other" consists of wage and salary disbursements to U.S. residents employed by international organizations and foreign embassies and consulates in the United States.
 5. Farm income consists of proprietors' income; the cash wages, pay-in-kind, and other labor income of hired farm workers; and the salaries of officers of corporate farms.
 6. Census Bureau midyear population estimates as of April 2003.
 7. Personal contributions for social insurance are included in earnings by type and industry but they are excluded from personal income.
 8. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: Wage and salary disbursements to U.S. residents commuting to Canada less wage and salary disbursements to Canadian and Mexican residents commuting into the United States.
 9. Rental income of persons includes the capital consumption adjustment.
 10. Proprietors income includes the inventory valuation adjustment and capital consumption adjustment.
- E The estimate shown here constitutes the major portion of the true estimate.
(D) Not shown to avoid disclosure of confidential information, but estimates for this item are included in the totals.
(L) Less than \$50,000, but the estimates for this item are included in the totals.
(N) Data not available for this year.

All state and local area dollar estimates are in current dollars (not adjusted for inflation).

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Detail Components of the Washington Economic Forecast

Calendar Years

Table A1.1
U.S. Economic Forecast Summary
 Forecast 2003 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	8,508.9	8,858.9	9,191.4	9,214.5	9,439.9	9,657.8	10,060.7	10,390.0
% Ch	4.3	4.1	3.8	0.3	2.4	2.3	4.2	3.3
Real Consumption	5683.7	5964.5	6223.9	6377.2	6576.0	6724.1	6978.8	7196.4
% Ch	4.8	4.9	4.3	2.5	3.1	2.3	3.8	3.1
Real Nonresidential Fixed Investment	1,135.9	1,228.4	1,324.2	1,255.1	1,183.4	1,193.3	1,300.4	1,419.8
% Ch	12.5	8.1	7.8	-5.2	-5.7	0.8	9.0	9.2
Real Residential Fixed Investment	345.1	368.3	372.4	373.5	388.2	401.0	388.7	386.5
% Ch	8.0	6.7	1.1	0.3	3.9	3.3	-3.1	-0.6
Real Personal Income	7,207.7	7,435.2	7,827.9	7,927.3	8,039.5	8,175.4	8,440.4	8,695.4
% Ch	5.9	3.2	5.3	1.3	1.4	1.7	3.2	3.0
Real Per Capita Income (\$/Person)	26,062	26,579	27,672	27,722	27,820	28,027	28,685	29,301
% Ch	4.7	2.0	4.1	0.2	0.4	0.7	2.3	2.1
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.030	1.047	1.074	1.096	1.111	1.131	1.149	1.170
% Ch	1.1	1.6	2.5	2.0	1.4	1.9	1.6	1.8
U.S. Consumer Price Index (1982-84=1.0)	1.630	1.666	1.722	1.771	1.799	1.841	1.870	1.904
% Ch	1.5	2.2	3.4	2.8	1.6	2.4	1.5	1.8
Employment Cost Index (June 1989=1.0)	1.357	1.403	1.460	1.514	1.564	1.608	1.647	1.689
% Ch	4.0	3.4	4.1	3.7	3.3	2.8	2.4	2.5
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	8,781.5	9,274.3	9,824.6	10,082.2	10,446.3	10,873.7	11,530.3	12,136.0
% Ch	5.6	5.6	5.9	2.6	3.6	4.1	6.0	5.3
Personal Income	7,426.0	7,786.5	8,406.6	8,685.3	8,929.1	9,250.6	9,698.8	10,176.5
% Ch	7.0	4.9	8.0	3.3	2.8	3.6	4.8	4.9
Employment (Millions)								
U.S. Civilian Labor Force	139.2	141.1	142.6	143.2	144.9	146.4	148.0	149.8
Total U.S. Employment	132.9	135.2	136.9	136.4	136.6	137.5	139.3	141.2
Unemployment Rate (%)	4.50	4.22	4.00	4.77	5.78	6.05	5.88	5.73
Wage and Salary Employment	125.85	128.90	131.72	131.93	130.78	130.68	132.99	135.38
% Ch	2.6	2.4	2.2	0.2	-0.9	-0.1	1.8	1.8
Manufacturing	18.81	18.55	18.48	17.69	16.72	16.16	15.93	16.18
% Ch	0.7	-1.3	-0.4	-4.2	-5.5	-3.3	-1.4	1.6
Durable Manufacturing	11.21	11.11	11.14	10.64	9.90	9.47	9.34	9.53
% Ch	1.8	-0.8	0.3	-4.6	-6.9	-4.4	-1.3	2.0
Nondurable Manufacturing	7.60	7.44	7.33	7.06	6.82	6.69	6.59	6.65
% Ch	-0.8	-2.1	-1.5	-3.7	-3.5	-1.8	-1.5	1.0
Nonmanufacturing	107.05	110.35	113.24	114.23	114.06	114.52	117.05	119.20
% Ch	2.9	3.1	2.6	0.9	-0.2	0.4	2.2	1.8
Services	37.53	39.05	40.46	40.98	41.18	41.67	43.21	44.58
% Ch	4.1	4.1	3.6	1.3	0.5	1.2	3.7	3.2
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.3	20.8	21.1	22.0	21.9	21.7	21.5	21.4
Auto Sales (Millions)	8.1	8.7	8.9	8.4	8.1	7.7	7.8	7.7
% Ch	-1.6	6.8	1.8	-4.9	-4.0	-4.8	1.5	-1.4
Housing Starts (Millions)	1.621	1.647	1.573	1.603	1.709	1.663	1.564	1.553
% Ch	9.9	1.6	-4.5	1.9	6.7	-2.7	-5.9	-0.7
Federal Budget Surplus (Billions)	43.8	112.0	206.8	72.0	-199.9	-314.3	-386.5	-348.9
Net Exports (Billions)	-151.7	-249.9	-365.5	-348.9	-423.6	-470.3	-463.3	-451.1
3-Month Treasury Bill Rate (%)	4.79	4.63	5.81	3.43	1.61	1.17	1.60	1.88
30-Year U.S. Govt. Bond Rate (%)	5.58	5.87	5.94	5.49	5.42	5.08	5.86	6.17
Bond Index of 20 G.O. Munis. (%)	5.09	5.43	5.70	5.15	5.03	4.82	5.14	5.21
Mortgage Rate (%)	6.94	7.43	8.06	6.97	6.54	5.92	6.47	6.86

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2003 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	9,097.4	9,205.7	9,218.7	9,243.8	9,229.9	9,193.1	9,186.4	9,248.8
% Ch	2.6	4.8	0.6	1.1	-0.6	-1.6	-0.3	2.7
Real Consumption	6,151.9	6,198.2	6,256.8	6,288.8	6,326.0	6,348.0	6,370.9	6,464.0
% Ch	5.3	3.0	3.8	2.1	2.4	1.4	1.5	6.0
Real Nonresidential Fixed Investment	1,297.1	1,329.1	1,340.7	1,329.9	1,311.4	1,261.0	1,241.7	1,206.4
% Ch	15.0	10.2	3.5	-3.2	-5.4	-14.5	-6.0	-10.9
Real Residential Fixed Investment	379.1	376.2	367.2	367.2	374.5	374.0	374.3	371.0
% Ch	8.3	-3.0	-9.3	0.0	8.2	-0.5	0.4	-3.5
Real Personal Income	7,709.7	7,795.9	7,883.9	7,922.2	7,932.3	7,913.3	7,942.1	7,921.4
% Ch	9.5	4.6	4.6	2.0	0.5	-1.0	1.5	-1.0
Real Per Capita Income (\$/Person)	27,371	27,603	27,828	27,888	27,856	27,713	27,731	27,586
% Ch	8.4	3.4	3.3	0.9	-0.5	-2.0	0.3	-2.1
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.065	1.071	1.077	1.083	1.091	1.096	1.096	1.098
% Ch	3.4	2.3	2.1	2.2	3.3	1.8	-0.1	0.8
U.S. Consumer Price Index (1982-84=1.0)	1.701	1.715	1.730	1.742	1.759	1.773	1.777	1.774
% Ch	3.9	3.3	3.6	2.9	3.8	3.2	1.0	-0.6
Employment Cost Index (June 1989=1.0)	1.439	1.454	1.467	1.479	1.494	1.508	1.520	1.534
% Ch	4.3	4.2	3.6	3.3	4.1	3.8	3.2	3.7
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	9,649.5	9,820.7	9,874.8	9,953.6	10,028.1	10,049.9	10,097.7	10,152.9
% Ch	5.7	7.3	2.2	3.2	3.0	0.9	1.9	2.2
Personal Income	8,211.6	8,350.2	8,487.8	8,576.6	8,658.1	8,676.2	8,706.2	8,700.9
% Ch	13.2	6.9	6.8	4.2	3.9	0.8	1.4	-0.2
Employment (Millions)								
U.S. Civilian Labor Force	142.4	142.6	142.4	142.9	142.7	143.0	143.4	143.9
Total U.S. Employment	136.6	136.9	136.6	137.3	136.7	136.6	136.5	135.8
Unemployment Rate (%)	4.03	3.97	4.07	3.93	4.17	4.47	4.83	5.60
Wage and Salary Employment	130.99	131.82	131.88	132.18	132.43	132.19	131.94	131.13
% Ch	2.7	2.5	0.2	0.9	0.8	-0.7	-0.8	-2.4
Manufacturing	18.50	18.51	18.49	18.40	18.20	17.87	17.54	17.17
% Ch	0.0	0.2	-0.3	-2.0	-4.4	-6.9	-7.3	-8.0
Durable Manufacturing	11.12	11.15	11.17	11.13	11.00	10.77	10.52	10.25
% Ch	0.8	0.9	1.0	-1.5	-4.7	-7.9	-9.0	-10.0
Nondurable Manufacturing	7.38	7.36	7.32	7.27	7.20	7.10	7.02	6.93
% Ch	-1.2	-0.9	-2.3	-2.8	-3.8	-5.4	-4.6	-5.0
Nonmanufacturing	112.49	113.31	113.38	113.79	114.24	114.32	114.41	113.96
% Ch	3.2	2.9	0.3	1.4	1.6	0.3	0.3	-1.6
Services	40.03	40.34	40.62	40.84	41.00	40.99	41.04	40.88
% Ch	3.7	3.1	2.8	2.2	1.5	-0.0	0.4	-1.5
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.8	21.0	21.2	21.5	21.8	22.0	21.7	22.6
Auto Sales (Millions)	9.4	8.8	8.9	8.4	8.7	8.3	8.0	8.7
% Ch	21.1	-20.9	1.5	-21.2	15.6	-14.6	-16.1	45.0
Housing Starts (Millions)	1.659	1.587	1.504	1.544	1.611	1.624	1.603	1.573
% Ch	1.1	-16.3	-19.3	11.2	18.6	3.3	-5.2	-7.3
Federal Budget Surplus (Billions)	223.2	197.2	213.2	193.8	173.8	144.4	-51.7	21.3
Net Exports (Billions)	-330.6	-353.2	-384.9	-393.2	-372.7	-365.7	-312.6	-344.5
3-Month Treasury Bill Rate (%)	5.50	5.72	6.00	6.03	4.85	3.67	3.24	1.93
30-Year U.S. Govt. Bond Rate (%)	6.30	5.98	5.80	5.69	5.44	5.70	5.52	5.30
Bond Index of 20 G.O. Munis. (%)	5.96	5.85	5.56	5.45	5.14	5.26	5.10	5.11
Mortgage Rate (%)	8.26	8.32	8.03	7.64	7.01	7.13	6.96	6.78

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2003 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	9,363.2	9,392.4	9,485.6	9,518.2	9,556.0	9,594.8	9,690.3	9,790.3
% Ch	5.0	1.3	4.0	1.4	1.6	1.6	4.0	4.2
Real Consumption	6,513.8	6,542.4	6,609.9	6,637.9	6,660.5	6,686.1	6,746.2	6,803.7
% Ch	3.1	1.8	4.2	1.7	1.4	1.5	3.6	3.5
Real Nonresidential Fixed Investment	1,188.4	1,181.1	1,178.7	1,185.3	1,172.7	1,183.5	1,198.4	1,218.7
% Ch	-5.8	-2.4	-0.8	2.3	-4.2	3.8	5.1	6.9
Real Residential Fixed Investment	383.6	386.1	387.1	395.9	407.3	403.6	399.1	394.2
% Ch	14.2	2.7	1.1	9.4	12.0	-3.6	-4.4	-4.8
Real Personal Income	7,993.0	8,038.6	8,045.0	8,081.4	8,102.8	8,142.0	8,195.4	8,261.3
% Ch	3.7	2.3	0.3	1.8	1.1	1.9	2.6	3.3
Real Per Capita Income (\$/Person)	27,770	27,854	27,795	27,863	27,871	27,943	28,065	28,229
% Ch	2.7	1.2	-0.8	1.0	0.1	1.0	1.8	2.4
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.101	1.109	1.114	1.119	1.126	1.130	1.132	1.137
% Ch	1.1	2.7	1.7	1.8	2.8	1.4	0.7	1.6
U.S. Consumer Price Index (1982-84=1.0)	1.780	1.795	1.805	1.814	1.831	1.839	1.843	1.851
% Ch	1.3	3.5	2.2	2.0	3.9	1.8	0.9	1.6
Employment Cost Index (June 1989=1.0)	1.548	1.562	1.569	1.577	1.593	1.604	1.613	1.622
% Ch	3.7	3.7	1.8	2.1	4.1	2.7	2.4	2.3
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	10,313.1	10,376.9	10,506.2	10,588.8	10,697.7	10,786.0	10,927.1	11,084.1
% Ch	6.5	2.5	5.1	3.2	4.2	3.3	5.3	5.9
Personal Income	8,803.4	8,914.0	8,958.9	9,039.9	9,127.8	9,203.9	9,279.9	9,390.8
% Ch	4.8	5.1	2.0	3.7	3.9	3.4	3.3	4.9
Employment (Millions)								
U.S. Civilian Labor Force	144.3	144.8	145.2	145.5	145.8	146.2	146.5	146.9
Total U.S. Employment	136.2	136.3	136.8	136.9	137.4	137.2	137.5	137.9
Unemployment Rate (%)	5.63	5.83	5.77	5.90	5.77	6.11	6.18	6.13
Wage and Salary Employment								
Wage and Salary Employment	130.76	130.71	130.84	130.79	130.60	130.41	130.62	131.11
% Ch	-1.1	-0.2	0.4	-0.1	-0.6	-0.6	0.6	1.5
Manufacturing	16.88	16.78	16.69	16.53	16.39	16.23	16.05	15.97
% Ch	-6.6	-2.5	-2.0	-3.8	-3.2	-4.0	-4.3	-2.1
Durable Manufacturing	10.02	9.96	9.88	9.75	9.65	9.50	9.39	9.35
% Ch	-8.5	-2.5	-3.2	-5.1	-4.3	-6.1	-4.5	-1.7
Nondurable Manufacturing	6.86	6.82	6.81	6.78	6.75	6.73	6.66	6.62
% Ch	-3.7	-2.6	-0.3	-2.0	-1.6	-1.1	-3.9	-2.6
Nonmanufacturing	113.88	113.93	114.15	114.27	114.20	114.19	114.57	115.14
% Ch	-0.3	0.2	0.8	0.4	-0.2	-0.1	1.3	2.0
Services	40.92	41.09	41.30	41.42	41.43	41.46	41.70	42.08
% Ch	0.4	1.6	2.1	1.2	0.1	0.2	2.4	3.7
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	22.0	21.9	22.0	21.7	21.8	21.7	21.7	21.7
Auto Sales (Millions)	7.9	8.1	8.5	7.9	7.7	7.5	7.7	7.9
% Ch	-33.0	8.7	21.7	-25.8	-6.5	-13.9	15.4	7.5
Housing Starts (Millions)	1.725	1.667	1.697	1.748	1.753	1.669	1.644	1.585
% Ch	44.9	-12.9	7.5	12.7	1.0	-17.7	-6.0	-13.5
Federal Budget Surplus (Billions)	-145.8	-195.6	-210.5	-247.7	-256.0	-301.2	-338.4	-361.7
Net Exports (Billions)	-360.1	-425.6	-432.9	-476.0	-485.7	-480.1	-462.7	-452.9
Interest Rates								
3-Month Treasury Bill Rate (%)	1.72	1.72	1.65	1.35	1.16	1.14	1.15	1.24
30-Year U.S. Govt. Bond Rate (%)	5.60	5.76	5.23	5.07	4.97	5.00	5.06	5.28
Bond Index of 20 G.O. Munis. (%)	5.18	5.16	4.89	4.90	4.83	4.75	4.76	4.94
Mortgage Rate (%)	6.97	6.81	6.29	6.08	5.83	5.81	5.91	6.12

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2003 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	9,912.2	10,014.4	10,121.4	10,194.9	10,275.8	10,345.8	10,423.7	10,514.8
% Ch	5.1	4.2	4.3	2.9	3.2	2.8	3.0	3.5
Real Consumption	6,883.8	6,952.1	7,018.0	7,061.1	7,116.7	7,168.1	7,219.8	7,280.8
% Ch	4.8	4.0	3.8	2.5	3.2	2.9	2.9	3.4
Real Nonresidential Fixed Investment	1,247.3	1,278.9	1,319.4	1,355.9	1,386.1	1,410.3	1,430.9	1,451.9
% Ch	9.7	10.6	13.3	11.6	9.2	7.1	6.0	6.0
Real Residential Fixed Investment	391.1	388.9	388.1	386.7	385.7	385.8	386.1	388.4
% Ch	-3.2	-2.2	-0.8	-1.4	-1.0	0.1	0.4	2.4
Real Personal Income	8,338.5	8,411.2	8,476.9	8,535.0	8,598.5	8,665.7	8,723.6	8,794.0
% Ch	3.8	3.5	3.2	2.8	3.0	3.2	2.7	3.3
Real Per Capita Income (\$/Person)	28,431	28,617	28,779	28,914	29,067	29,232	29,365	29,540
% Ch	2.9	2.6	2.3	1.9	2.1	2.3	1.8	2.4
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.141	1.146	1.151	1.157	1.163	1.168	1.173	1.178
% Ch	1.7	1.5	2.0	2.1	1.8	1.7	1.8	1.7
U.S. Consumer Price Index (1982-84=1.0)	1.858	1.864	1.873	1.883	1.891	1.899	1.908	1.917
% Ch	1.5	1.3	2.0	2.1	1.7	1.8	1.9	1.8
Employment Cost Index (June 1989=1.0)	1.633	1.643	1.652	1.662	1.674	1.684	1.694	1.705
% Ch	2.5	2.5	2.4	2.3	3.0	2.4	2.4	2.6
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	11,280.2	11,448.2	11,626.9	11,766.1	11,923.7	12,058.5	12,202.2	12,359.6
% Ch	7.3	6.1	6.4	4.9	5.5	4.6	4.9	5.3
Personal Income	9,517.8	9,637.1	9,761.2	9,879.0	9,997.1	10,118.8	10,231.6	10,358.7
% Ch	5.5	5.1	5.3	4.9	4.9	5.0	4.5	5.1
Employment (Millions)								
U.S. Civilian Labor Force	147.3	147.7	148.2	148.6	149.1	149.5	150.0	150.5
Total U.S. Employment	138.5	139.0	139.5	140.0	140.4	140.9	141.4	142.0
Unemployment Rate (%)	6.00	5.91	5.83	5.80	5.78	5.75	5.71	5.66
Wage and Salary Employment	131.87	132.67	133.40	134.01	134.55	135.08	135.65	136.25
% Ch	2.3	2.4	2.2	1.9	1.6	1.6	1.7	1.8
Manufacturing	15.87	15.90	15.95	16.01	16.07	16.15	16.22	16.29
% Ch	-2.3	0.5	1.4	1.4	1.5	2.0	1.8	1.7
Durable Manufacturing	9.29	9.32	9.36	9.40	9.45	9.51	9.56	9.59
% Ch	-2.3	1.1	1.8	1.7	2.4	2.4	1.9	1.6
Nondurable Manufacturing	6.58	6.58	6.59	6.61	6.61	6.64	6.67	6.69
% Ch	-2.3	-0.3	0.9	1.0	0.3	1.5	1.7	1.7
Nonmanufacturing	115.99	116.77	117.44	118.00	118.49	118.93	119.43	119.96
% Ch	3.0	2.7	2.3	1.9	1.7	1.5	1.7	1.8
Services	42.58	43.02	43.45	43.79	44.13	44.41	44.73	45.04
% Ch	4.8	4.2	4.0	3.2	3.1	2.6	3.0	2.8
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	21.6	21.6	21.5	21.5	21.4	21.4	21.3	21.3
Auto Sales (Millions)	7.8	7.8	7.8	7.8	7.7	7.7	7.6	7.7
% Ch	-0.8	-1.7	0.8	-3.9	-1.8	-0.9	-3.0	5.6
Housing Starts (Millions)	1.556	1.571	1.567	1.561	1.553	1.549	1.547	1.561
% Ch	-7.1	3.7	-0.9	-1.6	-1.9	-1.3	-0.3	3.7
Federal Budget Surplus (Billions)	-420.5	-393.3	-377.5	-354.6	-361.0	-352.5	-344.3	-338.0
Net Exports (Billions)	-451.5	-462.5	-471.4	-467.7	-459.0	-455.4	-446.9	-442.9
3-Month Treasury Bill Rate (%)	1.43	1.44	1.66	1.87	1.87	1.88	1.88	1.89
30-Year U.S. Govt. Bond Rate (%)	5.57	5.72	5.97	6.16	6.19	6.18	6.16	6.14
Bond Index of 20 G.O. Munis. (%)	5.10	5.09	5.16	5.22	5.16	5.19	5.24	5.23
Mortgage Rate (%)	6.18	6.36	6.57	6.77	6.86	6.89	6.87	6.83

Table A1.3
Washington Economic Forecast Summary
 Forecast 2003 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	158.389	166.283	174.000	174.919	178.354	180.641	185.207	190.151
% Ch	7.5	5.0	4.6	0.5	2.0	1.3	2.5	2.7
Real Wage and Salary Disb.	91.544	99.113	102.496	101.096	100.570	101.367	104.086	107.043
% Ch	9.3	8.3	3.4	-1.4	-0.5	0.8	2.7	2.8
Real Nonwage Income	66.844	67.170	71.504	73.824	77.784	79.274	81.121	83.108
% Ch	5.1	0.5	6.5	3.2	5.4	1.9	2.3	2.5
Real Per Capita Income (\$/Person)	27,400	28,401	29,371	29,154	29,417	29,516	29,952	30,408
% Ch	5.9	3.7	3.4	-0.7	0.9	0.3	1.5	1.5
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.030	1.047	1.074	1.096	1.111	1.131	1.149	1.170
% Ch	1.1	1.6	2.5	2.0	1.4	1.9	1.6	1.8
Seattle Cons. Price Index (1982-84=1.0)	1.678	1.728	1.792	1.857	1.893	1.925	1.948	1.979
% Ch	2.9	3.0	3.7	3.6	2.0	1.7	1.2	1.6
Avg. Hourly Earnings-Mfg. (\$/Hour)	15.75	16.14	16.75	17.97	18.15	17.94	18.10	18.29
% Ch	4.0	2.5	3.7	7.3	1.0	-1.2	0.9	1.0
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	162.673	174.064	186.582	191.633	197.891	204.006	212.243	221.872
% Ch	8.6	7.0	7.2	2.7	3.3	3.1	4.0	4.5
Personal Income	163.192	174.148	186.843	191.644	198.087	204.391	212.809	222.530
% Ch	8.6	6.7	7.3	2.6	3.4	3.2	4.1	4.6
Disposable Personal Income	139.668	148.221	158.252	163.135	173.383	180.019	189.309	196.912
% Ch	8.1	6.1	6.8	3.1	6.3	3.8	5.2	4.0
Per Capita Income (\$/Person)	28,231	29,744	31,538	31,941	32,671	33,396	34,415	35,585
% Ch	7.1	5.4	6.0	1.3	2.3	2.2	3.1	3.4
Employment (Thousands)								
Washington Civilian Labor Force	3,037.9	3,074.7	3,050.7	3,015.2	3,096.9	3,121.3	3,158.5	3,206.4
Total Washington Employment	2,893.3	2,929.3	2,891.5	2,822.3	2,871.1	2,893.2	2,929.3	2,985.8
Unemployment Rate (%)	4.76	4.73	5.22	6.40	7.30	7.31	7.26	6.88
Wage and Salary Employment	2,594.7	2,648.7	2,711.5	2,696.3	2,654.8	2,647.6	2,683.7	2,736.8
% Ch	3.2	2.1	2.4	-0.6	-1.5	-0.3	1.4	2.0
Manufacturing	379.6	364.1	353.1	338.3	309.9	292.5	287.2	292.3
% Ch	2.6	-4.1	-3.0	-4.2	-8.4	-5.6	-1.8	1.8
Durable Manufacturing	271.0	255.8	244.5	234.6	210.5	194.8	191.1	194.6
% Ch	3.7	-5.6	-4.4	-4.0	-10.3	-7.5	-1.9	1.8
Aerospace	112.4	98.9	86.1	86.8	75.5	65.1	59.8	59.7
% Ch	7.1	-12.0	-12.9	0.8	-13.0	-13.7	-8.2	-0.2
Nondurable Manufacturing	108.6	108.3	108.7	103.7	99.4	97.7	96.0	97.7
% Ch	-0.2	-0.2	0.3	-4.6	-4.1	-1.7	-1.7	1.7
Nonmanufacturing	2,215.1	2,284.6	2,358.3	2,358.0	2,344.8	2,355.1	2,396.5	2,444.6
% Ch	3.3	3.1	3.2	-0.0	-0.6	0.4	1.8	2.0
Construction	143.7	153.8	160.2	155.4	152.5	154.1	154.5	157.9
% Ch	5.4	7.1	4.1	-3.0	-1.9	1.1	0.2	2.2
Services	709.3	739.7	781.9	773.1	771.0	783.2	812.2	839.7
% Ch	4.5	4.3	5.7	-1.1	-0.3	1.6	3.7	3.4
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	45.727	42.752	39.021	38.345	40.200	41.171	39.487	38.653
% Ch	11.3	-6.5	-8.7	-1.7	4.8	2.4	-4.1	-2.1
Single-Family	28.644	28.111	25.471	26.736	30.239	32.123	27.349	26.404
% Ch	3.1	-1.9	-9.4	5.0	13.1	6.2	-14.9	-3.5
Multi-Family	17.083	14.641	13.550	11.609	9.961	9.048	12.137	12.249
% Ch	28.3	-14.3	-7.5	-14.3	-14.2	-9.2	34.1	0.9
Mortgage Rate (%)	6.94	7.43	8.06	6.97	6.54	5.92	6.47	6.86

Table A1.4
Washington Economic Forecast Summary
 Forecast 2003 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	175.358	173.427	172.783	174.432	173.225	177.157	175.524	173.771
% Ch	10.2	-4.3	-1.5	3.9	-2.7	9.4	-3.6	-3.9
Real Wage and Salary Disb.	106.055	102.179	100.455	101.296	100.087	103.773	101.263	99.259
% Ch	12.6	-13.8	-6.6	3.4	-4.7	15.6	-9.3	-7.7
Real Nonwage Income	69.303	71.248	72.327	73.137	73.138	73.385	74.261	74.511
% Ch	6.7	11.7	6.2	4.6	0.0	1.4	4.9	1.4
Real Per Capita Income (\$/Person)	29,751	29,323	29,115	29,293	28,992	29,568	29,214	28,842
% Ch	9.1	-5.6	-2.8	2.5	-4.0	8.2	-4.7	-5.0
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.065	1.071	1.077	1.083	1.091	1.096	1.096	1.098
% Ch	3.4	2.3	2.1	2.2	3.3	1.8	-0.1	0.8
Seattle Cons. Price Index (1982-84=1.0)	1.764	1.783	1.801	1.820	1.839	1.850	1.866	1.872
% Ch	3.7	4.4	4.1	4.3	4.2	2.5	3.4	1.4
Avg. Hourly Earnings-Mfg. (\$/Hour)	16.54	16.61	16.77	17.07	17.60	17.82	18.07	18.38
% Ch	6.2	1.8	3.8	7.5	13.0	5.0	5.7	7.1
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	186.525	185.504	185.717	188.584	189.041	194.227	192.397	190.865
% Ch	13.8	-2.2	0.5	6.3	1.0	11.4	-3.7	-3.1
Personal Income	186.768	185.753	186.018	188.832	189.070	194.232	192.407	190.868
% Ch	14.0	-2.2	0.6	6.2	0.5	11.4	-3.7	-3.2
Disposable Personal Income	158.195	157.435	157.535	159.841	159.796	164.320	166.286	162.137
% Ch	12.9	-1.9	0.3	6.0	-0.1	11.8	4.9	-9.6
Per Capita Income (\$/Person)	31,687	31,407	31,345	31,711	31,644	32,417	32,024	31,679
% Ch	12.8	-3.5	-0.8	4.8	-0.8	10.1	-4.8	-4.2
Employment (Thousands)								
Washington Civilian Labor Force	3,071.2	3,053.8	3,041.7	3,036.0	3,016.2	3,009.6	3,008.1	3,026.9
Total Washington Employment	2,919.5	2,899.4	2,878.2	2,869.0	2,843.3	2,823.0	2,812.0	2,810.8
Unemployment Rate (%)	4.94	5.06	5.38	5.50	5.73	6.20	6.52	7.14
Wage and Salary Employment	2,696.8	2,710.2	2,715.9	2,722.9	2,720.3	2,708.7	2,692.6	2,663.8
% Ch	3.7	2.0	0.8	1.0	-0.4	-1.7	-2.3	-4.2
Manufacturing	351.9	355.2	353.6	351.8	348.3	342.2	336.5	326.2
% Ch	-7.2	3.8	-1.7	-2.1	-3.9	-6.9	-6.5	-11.7
Durable Manufacturing	242.9	246.1	244.6	244.2	242.4	237.4	233.0	225.6
% Ch	-10.3	5.4	-2.3	-0.6	-2.9	-8.1	-7.1	-12.2
Aerospace	84.4	87.6	86.6	86.0	87.2	87.2	87.4	85.4
% Ch	-29.6	16.0	-4.4	-2.8	5.8	-0.1	1.1	-9.0
Nondurable Manufacturing	109.0	109.1	109.0	107.5	105.9	104.8	103.5	100.6
% Ch	0.3	0.4	-0.4	-5.2	-6.0	-4.1	-5.0	-10.7
Nonmanufacturing	2,344.9	2,355.0	2,362.3	2,371.1	2,371.9	2,366.5	2,356.1	2,337.6
% Ch	5.5	1.7	1.2	1.5	0.1	-0.9	-1.7	-3.1
Construction	160.7	160.4	159.0	160.5	159.5	156.4	154.5	151.2
% Ch	8.9	-0.7	-3.4	3.6	-2.2	-7.8	-4.8	-8.2
Services	771.5	775.3	786.2	794.5	779.9	778.6	769.5	764.2
% Ch	9.9	2.0	5.7	4.3	-7.1	-0.7	-4.6	-2.7
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	38.475	36.594	38.387	42.627	41.104	39.417	38.453	34.406
% Ch	-22.0	-18.2	21.1	52.1	-13.5	-15.4	-9.4	-35.9
Single-Family	25.380	25.049	25.493	25.962	28.794	26.795	26.561	24.794
% Ch	-24.0	-5.1	7.3	7.6	51.3	-25.0	-3.5	-24.1
Multi-Family	13.095	11.545	12.894	16.666	12.310	12.622	11.892	9.611
% Ch	-18.0	-39.6	55.6	179.1	-70.2	10.5	-21.2	-57.3
Mortgage Rate (%)	8.26	8.32	8.03	7.64	7.01	7.13	6.96	6.78

Table A1.4
Washington Economic Forecast Summary
 Forecast 2003 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	177.124	178.410	179.271	178.610	178.696	180.278	181.269	182.319
% Ch	7.9	2.9	1.9	-1.5	0.2	3.6	2.2	2.3
Real Wage and Salary Disb.	100.551	100.637	101.017	100.075	100.032	101.144	101.876	102.414
% Ch	5.3	0.3	1.5	-3.7	-0.2	4.5	2.9	2.1
Real Nonwage Income	76.573	77.773	78.254	78.535	78.665	79.134	79.393	79.905
% Ch	11.5	6.4	2.5	1.4	0.7	2.4	1.3	2.6
Real Per Capita Income (\$/Person)	29,317	29,460	29,533	29,356	29,301	29,493	29,586	29,683
% Ch	6.8	2.0	1.0	-2.4	-0.7	2.6	1.3	1.3
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.101	1.109	1.114	1.119	1.126	1.130	1.132	1.137
% Ch	1.1	2.7	1.7	1.8	2.8	1.4	0.7	1.6
Seattle Cons. Price Index (1982-84=1.0)	1.878	1.889	1.899	1.907	1.916	1.924	1.927	1.933
% Ch	1.3	2.3	2.2	1.6	1.8	1.8	0.6	1.3
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.47	18.47	18.12	17.55	17.87	17.92	17.97	18.00
% Ch	2.0	0.0	-7.3	-11.9	7.3	1.3	0.9	0.8
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	194.881	197.638	199.445	199.600	200.994	203.403	204.821	206.804
% Ch	8.7	5.8	3.7	0.3	2.8	4.9	2.8	3.9
Personal Income	195.082	197.833	199.636	199.799	201.293	203.782	205.250	207.239
% Ch	9.1	5.8	3.7	0.3	3.0	5.0	2.9	3.9
Disposable Personal Income	169.891	172.935	175.146	175.559	176.854	178.875	181.006	183.340
% Ch	20.5	7.4	5.2	0.9	3.0	4.7	4.8	5.3
Per Capita Income (\$/Person)	32,289	32,668	32,888	32,838	33,006	33,339	33,500	33,740
% Ch	7.9	4.8	2.7	-0.6	2.1	4.1	1.9	2.9
Employment (Thousands)								
Washington Civilian Labor Force	3,057.9	3,091.7	3,112.1	3,126.1	3,118.6	3,115.5	3,121.4	3,129.6
Total Washington Employment	2,831.7	2,860.8	2,885.9	2,905.8	2,904.1	2,885.0	2,888.3	2,895.5
Unemployment Rate (%)	7.40	7.47	7.27	7.05	6.88	7.40	7.47	7.48
Wage and Salary Employment	2,650.1	2,652.3	2,662.5	2,654.3	2,651.2	2,642.0	2,645.1	2,651.9
% Ch	-2.0	0.3	1.5	-1.2	-0.5	-1.4	0.5	1.0
Manufacturing	318.4	311.9	308.5	301.0	298.1	294.2	290.0	287.7
% Ch	-9.3	-7.8	-4.3	-9.4	-3.7	-5.2	-5.6	-3.1
Durable Manufacturing	217.8	213.1	208.8	202.3	198.7	196.3	192.9	191.2
% Ch	-13.0	-8.3	-8.0	-11.8	-6.9	-4.8	-6.8	-3.5
Aerospace	80.8	77.0	73.9	70.3	69.0	66.5	63.5	61.5
% Ch	-19.8	-17.3	-15.2	-18.0	-7.1	-13.8	-17.2	-11.8
Nondurable Manufacturing	100.5	98.8	99.7	98.6	99.4	97.9	97.1	96.5
% Ch	-0.3	-6.7	3.9	-4.4	3.1	-5.9	-3.2	-2.3
Nonmanufacturing	2,331.7	2,340.3	2,354.0	2,353.4	2,353.0	2,347.8	2,355.1	2,364.2
% Ch	-1.0	1.5	2.3	-0.1	-0.1	-0.9	1.3	1.6
Construction	151.5	151.7	153.1	153.6	153.8	153.8	154.7	154.2
% Ch	0.7	0.7	3.5	1.4	0.7	0.0	2.3	-1.4
Services	763.7	771.1	773.8	775.4	778.6	778.6	784.0	791.6
% Ch	-0.3	3.9	1.4	0.9	1.6	0.0	2.8	3.9
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	34.493	41.965	38.838	45.504	43.573	43.145	39.530	38.437
% Ch	1.0	119.1	-26.6	88.4	-15.9	-3.9	-29.5	-10.6
Single-Family	26.558	29.999	30.801	33.599	35.169	34.491	30.450	28.382
% Ch	31.6	62.8	11.1	41.6	20.1	-7.5	-39.2	-24.5
Multi-Family	7.935	11.966	8.038	11.905	8.403	8.654	9.080	10.054
% Ch	-53.5	417.0	-79.6	381.4	-75.2	12.5	21.2	50.4
Mortgage Rate (%)	6.97	6.81	6.29	6.08	5.83	5.81	5.91	6.12

Table A1.4
Washington Economic Forecast Summary
 Forecast 2003 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	183.531	184.684	185.766	186.848	188.076	189.505	190.744	192.278
% Ch	2.7	2.5	2.4	2.4	2.7	3.1	2.6	3.3
Real Wage and Salary Disb.	103.149	103.817	104.404	104.976	105.810	106.650	107.429	108.281
% Ch	2.9	2.6	2.3	2.2	3.2	3.2	3.0	3.2
Real Nonwage Income	80.382	80.867	81.361	81.872	82.266	82.855	83.315	83.997
% Ch	2.4	2.4	2.5	2.5	1.9	2.9	2.2	3.3
Real Per Capita Income (\$/Person)	29,802	29,909	30,002	30,094	30,208	30,351	30,461	30,612
% Ch	1.6	1.4	1.3	1.2	1.5	1.9	1.4	2.0
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.141	1.146	1.151	1.157	1.163	1.168	1.173	1.178
% Ch	1.7	1.5	2.0	2.1	1.8	1.7	1.8	1.7
Seattle Cons. Price Index (1982-84=1.0)	1.938	1.943	1.951	1.959	1.966	1.974	1.983	1.991
% Ch	1.1	0.9	1.7	1.8	1.5	1.6	1.8	1.7
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.04	18.08	18.12	18.16	18.22	18.26	18.31	18.37
% Ch	0.9	0.9	0.8	0.9	1.2	1.0	1.1	1.2
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	209.004	211.042	213.278	215.647	218.026	220.605	223.027	225.831
% Ch	4.3	4.0	4.3	4.5	4.5	4.8	4.5	5.1
Personal Income	209.480	211.591	213.903	216.261	218.658	221.274	223.709	226.479
% Ch	4.4	4.1	4.4	4.5	4.5	4.9	4.5	5.0
Disposable Personal Income	187.013	188.395	190.175	191.653	193.891	195.860	197.853	200.044
% Ch	8.3	3.0	3.8	3.1	4.8	4.1	4.1	4.5
Per Capita Income (\$/Person)	34,016	34,266	34,547	34,832	35,120	35,439	35,725	36,057
% Ch	3.3	3.0	3.3	3.3	3.4	3.7	3.3	3.8
Employment (Thousands)								
Washington Civilian Labor Force	3,141.3	3,152.6	3,164.3	3,175.9	3,187.5	3,199.7	3,212.6	3,225.9
Total Washington Employment	2,908.9	2,922.2	2,936.2	2,949.9	2,963.3	2,977.9	2,993.2	3,009.0
Unemployment Rate (%)	7.40	7.31	7.21	7.12	7.03	6.93	6.83	6.72
Wage and Salary Employment	2,664.5	2,677.0	2,690.2	2,703.1	2,715.6	2,729.3	2,743.7	2,758.6
% Ch	1.9	1.9	2.0	1.9	1.9	2.0	2.1	2.2
Manufacturing	286.7	286.7	287.3	288.0	289.4	291.3	293.2	295.1
% Ch	-1.4	-0.1	0.8	1.0	1.9	2.7	2.6	2.7
Durable Manufacturing	190.7	190.8	191.2	191.7	192.8	194.1	195.2	196.3
% Ch	-1.0	0.2	1.0	1.0	2.3	2.7	2.3	2.3
Aerospace	60.7	60.1	59.5	58.9	59.0	59.4	59.9	60.3
% Ch	-5.1	-3.9	-3.9	-4.0	0.6	3.0	3.0	3.0
Nondurable Manufacturing	96.0	95.9	96.0	96.2	96.6	97.2	98.0	98.8
% Ch	-2.1	-0.5	0.6	0.9	1.3	2.9	3.2	3.4
Nonmanufacturing	2,377.8	2,390.3	2,402.9	2,415.1	2,426.2	2,438.0	2,450.5	2,463.5
% Ch	2.3	2.1	2.1	2.0	1.9	2.0	2.1	2.1
Construction	153.8	153.7	154.6	155.8	156.9	157.7	158.2	158.8
% Ch	-0.9	-0.3	2.3	3.2	2.9	2.0	1.4	1.4
Services	800.4	808.5	816.4	823.3	830.1	836.2	843.0	849.6
% Ch	4.6	4.1	4.0	3.4	3.3	3.0	3.3	3.2
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	39.613	40.148	39.505	38.681	38.364	38.200	38.612	39.436
% Ch	12.8	5.5	-6.3	-8.1	-3.2	-1.7	4.4	8.8
Single-Family	28.043	27.691	27.095	26.568	26.449	26.251	26.327	26.587
% Ch	-4.7	-4.9	-8.3	-7.6	-1.8	-3.0	1.2	4.0
Multi-Family	11.569	12.457	12.410	12.113	11.915	11.949	12.284	12.849
% Ch	75.3	34.4	-1.5	-9.2	-6.4	1.2	11.7	19.7
Mortgage Rate (%)	6.18	6.36	6.57	6.77	6.86	6.89	6.87	6.83

Table A2.1

U.S. Nonagricultural Employment by Industry

Forecast 2003 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Wage and Salary Employment	125.85	128.90	131.72	131.93	130.78	130.68	132.99	135.38
% Ch	2.6	2.4	2.2	0.2	-0.9	-0.1	1.8	1.8
Manufacturing	18.81	18.55	18.48	17.69	16.72	16.16	15.93	16.18
% Ch	0.7	-1.3	-0.4	-4.2	-5.5	-3.3	-1.4	1.6
Nondurable Manufacturing	7.60	7.44	7.33	7.06	6.82	6.69	6.59	6.65
% Ch	-0.8	-2.1	-1.5	-3.7	-3.5	-1.8	-1.5	1.0
Food and Kindred Products	1.68	1.68	1.69	1.69	1.69	1.69	1.67	1.69
% Ch	-0.0	-0.1	0.3	0.2	-0.2	-0.0	-1.1	1.4
Pulp and Paper	0.68	0.67	0.66	0.63	0.61	0.60	0.60	0.62
% Ch	-0.8	-1.4	-1.7	-3.3	-3.2	-3.1	0.5	3.3
Apparel	0.77	0.69	0.63	0.57	0.52	0.50	0.49	0.49
% Ch	-7.1	-9.9	-8.1	-10.6	-8.0	-4.8	-1.2	-0.2
Printing	1.56	1.55	1.55	1.49	1.41	1.39	1.39	1.44
% Ch	0.8	-0.8	-0.3	-3.7	-5.5	-1.3	0.1	3.3
Chemicals	1.04	1.04	1.03	1.02	1.01	0.99	0.94	0.93
% Ch	0.7	-0.7	-0.1	-1.2	-1.4	-1.7	-4.7	-1.4
Other Nondurables	1.87	1.81	1.77	1.66	1.57	1.53	1.50	1.48
% Ch	-1.0	-2.8	-2.2	-6.7	-4.9	-2.8	-2.2	-0.9
Durable Manufacturing	11.21	11.11	11.14	10.64	9.90	9.47	9.34	9.53
% Ch	1.8	-0.8	0.3	-4.6	-6.9	-4.4	-1.3	2.0
Lumber and Wood	0.81	0.83	0.83	0.79	0.77	0.75	0.73	0.74
% Ch	2.2	2.6	-0.5	-5.3	-2.5	-2.4	-1.8	1.4
Furniture	0.53	0.55	0.56	0.52	0.49	0.48	0.49	0.51
% Ch	4.1	2.9	1.5	-6.6	-5.6	-3.2	3.1	3.9
Stone-Clay-Glass	0.56	0.57	0.58	0.57	0.55	0.54	0.54	0.56
% Ch	1.7	0.9	2.3	-1.5	-3.0	-1.8	-1.2	4.1
Primary Metals	0.71	0.70	0.70	0.66	0.59	0.57	0.58	0.60
% Ch	0.6	-2.1	0.0	-6.2	-9.8	-3.6	1.0	3.4
Fabricated Metals	1.51	1.52	1.54	1.48	1.42	1.36	1.36	1.40
% Ch	2.1	0.8	1.2	-3.7	-4.4	-4.2	0.5	2.5
Nonelectrical Machinery	2.21	2.14	2.12	2.01	1.82	1.74	1.69	1.69
% Ch	1.8	-3.2	-0.7	-5.2	-9.3	-4.5	-2.8	0.1
Electrical Machinery	1.71	1.67	1.73	1.63	1.42	1.30	1.25	1.29
% Ch	1.1	-2.1	3.3	-5.6	-13.0	-8.1	-4.3	3.1
Transportation Equipment	1.89	1.89	1.85	1.76	1.67	1.58	1.53	1.54
% Ch	2.6	-0.3	-1.9	-5.0	-5.3	-5.3	-2.9	0.5
Instruments	0.87	0.86	0.85	0.84	0.80	0.79	0.81	0.83
% Ch	0.8	-2.0	-1.1	-0.7	-4.2	-1.8	2.8	1.7
Other Durables	0.39	0.39	0.39	0.38	0.37	0.36	0.36	0.38
% Ch	0.8	-0.8	0.3	-3.3	-2.1	-2.6	-1.5	5.7
Nonmanufacturing	107.05	110.35	113.24	114.23	114.06	114.52	117.05	119.20
% Ch	2.9	3.1	2.6	0.9	-0.2	0.4	2.2	1.8
Mining	0.59	0.54	0.54	0.56	0.56	0.57	0.57	0.53
% Ch	-1.1	-8.7	0.7	4.0	-1.3	2.8	-0.7	-6.9
Construction	6.02	6.41	6.66	6.69	6.56	6.56	6.75	6.90
% Ch	5.8	6.6	3.7	0.5	-1.9	0.0	2.9	2.2
Trans., Comm. and Utilities	6.61	6.83	7.03	7.07	6.77	6.61	6.73	6.91
% Ch	3.2	3.4	2.9	0.5	-4.1	-2.4	1.7	2.7
Wholesale Trade	6.80	6.91	6.95	6.78	6.67	6.66	6.86	6.95
% Ch	2.3	1.6	0.5	-2.5	-1.5	-0.2	3.0	1.4
Retail Trade	22.30	22.85	23.33	23.52	23.30	23.19	23.40	23.33
% Ch	1.5	2.5	2.1	0.8	-0.9	-0.5	0.9	-0.3
Finance-Insurance-Real Estate	7.39	7.56	7.58	7.71	7.76	7.87	8.11	8.32
% Ch	3.9	2.3	0.3	1.8	0.6	1.5	3.0	2.6
Services	37.53	39.05	40.46	40.98	41.18	41.67	43.21	44.58
% Ch	4.1	4.1	3.6	1.3	0.5	1.2	3.7	3.2
State and Local Government	17.13	17.53	17.92	18.31	18.63	18.71	18.72	18.98
% Ch	1.7	2.4	2.2	2.2	1.7	0.4	0.1	1.3
Federal Government	2.69	2.67	2.78	2.62	2.62	2.68	2.70	2.70
% Ch	-0.5	-0.7	4.2	-5.8	0.1	2.2	0.6	0.2

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2003 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Wage and Salary Employment	130.99	131.82	131.88	132.18	132.43	132.19	131.94	131.13
% Ch	2.7	2.5	0.2	0.9	0.8	-0.7	-0.8	-2.4
Manufacturing	18.50	18.51	18.49	18.40	18.20	17.87	17.54	17.17
% Ch	0.0	0.2	-0.3	-2.0	-4.4	-6.9	-7.3	-8.0
Nondurable Manufacturing	7.38	7.36	7.32	7.27	7.20	7.10	7.02	6.93
% Ch	-1.2	-0.9	-2.3	-2.8	-3.8	-5.4	-4.6	-5.0
Food and Kindred Products	1.69	1.69	1.68	1.69	1.69	1.69	1.69	1.69
% Ch	-0.3	0.0	-1.3	0.2	2.0	-0.6	-0.8	0.1
Pulp and Paper	0.66	0.66	0.66	0.65	0.65	0.64	0.63	0.63
% Ch	-1.2	-1.8	-1.0	-2.2	-4.2	-4.5	-4.7	-2.7
Apparel	0.65	0.64	0.63	0.61	0.59	0.57	0.56	0.54
% Ch	-7.4	-5.4	-8.4	-9.8	-11.2	-13.4	-10.9	-11.9
Printing	1.55	1.55	1.55	1.54	1.53	1.50	1.48	1.45
% Ch	-0.6	0.8	-0.1	-2.0	-3.6	-6.5	-6.1	-6.8
Chemicals	1.04	1.04	1.03	1.03	1.03	1.02	1.02	1.01
% Ch	1.0	-0.6	-2.2	-0.1	-1.0	-1.9	-0.4	-2.6
Other Nondurables	1.79	1.79	1.77	1.75	1.71	1.67	1.64	1.60
% Ch	-1.3	-1.4	-3.5	-5.5	-8.3	-8.6	-7.4	-8.5
Durable Manufacturing	11.12	11.15	11.17	11.13	11.00	10.77	10.52	10.25
% Ch	0.8	0.9	1.0	-1.5	-4.7	-7.9	-9.0	-10.0
Lumber and Wood	0.84	0.84	0.83	0.81	0.80	0.79	0.78	0.77
% Ch	0.6	-2.4	-3.9	-6.9	-7.9	-4.0	-2.5	-5.7
Furniture	0.56	0.56	0.56	0.56	0.54	0.53	0.51	0.50
% Ch	1.0	1.4	1.4	-2.1	-9.3	-9.7	-11.6	-12.4
Stone-Clay-Glass	0.58	0.58	0.58	0.58	0.58	0.57	0.57	0.56
% Ch	4.5	0.0	0.5	-1.4	1.4	-4.1	-4.6	-4.6
Primary Metals	0.70	0.70	0.70	0.69	0.68	0.67	0.65	0.63
% Ch	2.1	0.0	-0.6	-3.0	-7.1	-9.1	-10.0	-13.3
Fabricated Metals	1.53	1.54	1.54	1.54	1.52	1.49	1.47	1.44
% Ch	1.3	3.0	1.0	-0.9	-5.1	-7.2	-5.8	-7.4
Nonelectrical Machinery	2.11	2.11	2.13	2.12	2.10	2.05	1.98	1.91
% Ch	-0.7	-0.3	3.8	-1.5	-3.7	-10.3	-12.8	-13.1
Electrical Machinery	1.69	1.71	1.75	1.76	1.74	1.67	1.59	1.52
% Ch	2.6	5.6	9.8	1.1	-2.8	-15.5	-18.8	-15.8
Transportation Equipment	1.87	1.87	1.84	1.83	1.79	1.77	1.76	1.72
% Ch	0.1	-0.6	-7.3	-2.4	-7.5	-3.7	-3.3	-8.4
Instruments	0.84	0.84	0.85	0.85	0.85	0.85	0.84	0.83
% Ch	-1.7	-0.3	1.9	1.3	0.3	-2.2	-3.9	-5.5
Other Durables	0.39	0.39	0.39	0.39	0.39	0.38	0.38	0.37
% Ch	0.7	-2.0	1.7	-2.0	-5.3	-3.1	-6.8	-3.2
Nonmanufacturing	112.49	113.31	113.38	113.79	114.24	114.32	114.41	113.96
% Ch	3.2	2.9	0.3	1.4	1.6	0.3	0.3	-1.6
Mining	0.53	0.54	0.55	0.55	0.56	0.57	0.57	0.57
% Ch	0.8	5.9	2.5	4.7	3.7	6.6	3.8	-3.5
Construction	6.67	6.64	6.64	6.67	6.74	6.70	6.68	6.64
% Ch	7.7	-1.6	0.2	2.0	4.0	-2.4	-1.3	-2.5
Trans., Comm. and Utilities	6.97	7.01	7.04	7.11	7.14	7.13	7.08	6.91
% Ch	2.9	2.5	1.9	4.2	1.8	-0.9	-2.7	-9.2
Wholesale Trade	6.98	6.97	6.93	6.91	6.84	6.79	6.76	6.71
% Ch	1.4	-0.8	-1.8	-1.7	-3.7	-2.7	-1.9	-3.1
Retail Trade	23.21	23.30	23.37	23.44	23.55	23.57	23.55	23.41
% Ch	2.6	1.6	1.2	1.2	1.8	0.4	-0.4	-2.3
Finance-Insurance-Real Estate	7.57	7.55	7.57	7.62	7.66	7.71	7.73	7.75
% Ch	-0.2	-0.9	0.8	2.8	2.3	2.5	0.9	1.0
Services	40.03	40.34	40.62	40.84	41.00	40.99	41.04	40.88
% Ch	3.7	3.1	2.8	2.2	1.5	-0.0	0.4	-1.5
State and Local Government	17.81	17.88	17.96	18.02	18.13	18.25	18.38	18.48
% Ch	2.1	1.7	1.7	1.2	2.6	2.6	3.0	2.1
Federal Government	2.73	3.08	2.70	2.62	2.62	2.62	2.62	2.62
% Ch	13.0	61.7	-40.9	-11.0	-0.3	-0.3	1.1	-0.8

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2003 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Wage and Salary Employment	130.76	130.71	130.84	130.79	130.60	130.41	130.62	131.11
% Ch	-1.1	-0.2	0.4	-0.1	-0.6	-0.6	0.6	1.5
Manufacturing	16.88	16.78	16.69	16.53	16.39	16.23	16.05	15.97
% Ch	-6.6	-2.5	-2.0	-3.8	-3.2	-4.0	-4.3	-2.1
Nondurable Manufacturing	6.86	6.82	6.81	6.78	6.75	6.73	6.66	6.62
% Ch	-3.7	-2.6	-0.3	-2.0	-1.6	-1.1	-3.9	-2.6
Food and Kindred Products	1.69	1.69	1.69	1.69	1.69	1.70	1.68	1.67
% Ch	-0.6	0.8	-0.2	0.2	1.2	1.5	-3.9	-2.5
Pulp and Paper	0.62	0.61	0.61	0.61	0.60	0.60	0.59	0.59
% Ch	-3.0	-5.1	-0.4	-0.7	-4.7	-5.4	-3.3	-0.2
Apparel	0.53	0.52	0.52	0.51	0.50	0.50	0.49	0.49
% Ch	-6.3	-7.1	-0.0	-9.6	-4.1	-5.4	-2.8	-1.9
Printing	1.43	1.41	1.40	1.40	1.40	1.40	1.39	1.38
% Ch	-6.8	-5.4	-1.4	-1.5	-0.2	-0.2	-2.8	-1.3
Chemicals	1.01	1.01	1.01	1.01	1.00	1.00	0.98	0.97
% Ch	-2.1	-0.9	0.3	-0.5	-1.2	-0.5	-7.1	-5.1
Other Nondurables	1.58	1.58	1.58	1.56	1.55	1.54	1.53	1.51
% Ch	-4.6	-2.2	0.2	-3.5	-4.0	-2.0	-3.4	-3.3
Durable Manufacturing	10.02	9.96	9.88	9.75	9.65	9.50	9.39	9.35
% Ch	-8.5	-2.5	-3.2	-5.1	-4.3	-6.1	-4.5	-1.7
Lumber and Wood	0.77	0.77	0.77	0.76	0.76	0.75	0.74	0.74
% Ch	-1.4	-1.2	-1.0	-2.6	-1.4	-3.4	-4.3	-2.5
Furniture	0.49	0.50	0.49	0.48	0.48	0.47	0.47	0.48
% Ch	-4.0	3.3	-2.1	-6.3	-7.0	-3.2	0.7	5.4
Stone-Clay-Glass	0.55	0.55	0.56	0.56	0.55	0.55	0.54	0.53
% Ch	-6.3	-1.0	4.2	-0.7	-1.9	-2.6	-7.6	-2.9
Primary Metals	0.60	0.60	0.59	0.58	0.58	0.57	0.57	0.57
% Ch	-15.0	-3.5	-5.3	-4.7	-2.3	-4.0	-4.0	-0.1
Fabricated Metals	1.42	1.43	1.42	1.40	1.38	1.36	1.35	1.35
% Ch	-5.1	0.4	-1.9	-5.3	-5.9	-6.0	-3.2	0.3
Nonelectrical Machinery	1.86	1.84	1.81	1.79	1.76	1.75	1.74	1.72
% Ch	-10.8	-4.5	-4.9	-5.0	-6.5	-2.0	-3.0	-4.3
Electrical Machinery	1.46	1.44	1.41	1.37	1.35	1.32	1.28	1.27
% Ch	-14.8	-6.6	-7.4	-10.6	-6.7	-7.9	-10.4	-5.2
Transportation Equipment	1.68	1.68	1.67	1.65	1.64	1.58	1.55	1.54
% Ch	-9.1	-0.9	-2.2	-4.1	-2.0	-13.6	-6.8	-4.3
Instruments	0.82	0.81	0.80	0.79	0.79	0.78	0.79	0.80
% Ch	-4.6	-3.9	-3.7	-4.1	-1.5	-4.5	5.1	5.1
Other Durables	0.37	0.37	0.37	0.37	0.37	0.36	0.36	0.36
% Ch	-1.4	-0.7	0.7	-1.1	-3.5	-4.3	-7.8	4.8
Nonmanufacturing	113.88	113.93	114.15	114.27	114.20	114.19	114.57	115.14
% Ch	-0.3	0.2	0.8	0.4	-0.2	-0.1	1.3	2.0
Mining	0.56	0.56	0.55	0.55	0.55	0.57	0.58	0.59
% Ch	-1.2	-3.5	-4.5	-0.5	1.5	8.9	10.4	6.7
Construction	6.60	6.54	6.54	6.54	6.54	6.55	6.57	6.58
% Ch	-2.0	-3.5	0.0	0.0	-0.2	0.3	1.5	0.8
Trans., Comm. and Utilities	6.83	6.79	6.76	6.71	6.67	6.60	6.58	6.62
% Ch	-4.5	-2.3	-2.2	-2.7	-2.7	-3.9	-1.3	2.4
Wholesale Trade	6.69	6.68	6.67	6.65	6.64	6.63	6.66	6.71
% Ch	-1.0	-0.6	-0.5	-1.5	-0.5	-0.2	1.5	3.4
Retail Trade	23.35	23.33	23.31	23.23	23.18	23.15	23.19	23.23
% Ch	-1.0	-0.5	-0.3	-1.3	-0.9	-0.5	0.7	0.8
Finance-Insurance-Real Estate	7.74	7.74	7.75	7.81	7.83	7.85	7.89	7.93
% Ch	-0.2	-0.4	0.8	3.0	1.0	1.1	2.2	2.0
Services	40.92	41.09	41.30	41.42	41.43	41.46	41.70	42.08
% Ch	0.4	1.6	2.1	1.2	0.1	0.2	2.4	3.7
State and Local Government	18.56	18.60	18.66	18.70	18.71	18.72	18.71	18.70
% Ch	1.7	0.9	1.3	0.9	0.1	0.3	-0.3	-0.1
Federal Government	2.61	2.60	2.61	2.66	2.66	2.67	2.69	2.69
% Ch	-1.3	-0.9	1.4	7.1	0.3	1.1	3.8	0.2

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2003 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Wage and Salary Employment	131.87	132.67	133.40	134.01	134.55	135.08	135.65	136.25
% Ch	2.3	2.4	2.2	1.9	1.6	1.6	1.7	1.8
Manufacturing	15.87	15.90	15.95	16.01	16.07	16.15	16.22	16.29
% Ch	-2.3	0.5	1.4	1.4	1.5	2.0	1.8	1.7
Nondurable Manufacturing	6.58	6.58	6.59	6.61	6.61	6.64	6.67	6.69
% Ch	-2.3	-0.3	0.9	1.0	0.3	1.5	1.7	1.7
Food and Kindred Products	1.66	1.66	1.67	1.68	1.68	1.69	1.70	1.70
% Ch	-2.2	0.5	1.1	1.7	1.0	2.2	1.9	1.0
Pulp and Paper	0.59	0.60	0.60	0.61	0.61	0.62	0.62	0.62
% Ch	0.3	3.0	3.4	4.2	3.1	3.5	2.8	2.3
Apparel	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49
% Ch	-0.2	-0.4	0.5	-1.6	0.4	0.1	0.0	-0.3
Printing	1.38	1.39	1.40	1.41	1.42	1.43	1.45	1.47
% Ch	-1.2	2.1	4.0	2.8	1.9	4.0	4.5	5.8
Chemicals	0.96	0.94	0.94	0.93	0.93	0.93	0.93	0.93
% Ch	-5.9	-5.3	-2.3	-1.4	-2.3	-0.4	0.7	1.1
Other Nondurables	1.50	1.50	1.50	1.49	1.49	1.49	1.48	1.48
% Ch	-2.4	-1.2	-1.1	-0.5	-1.4	-0.7	-0.7	-0.4
Durable Manufacturing	9.29	9.32	9.36	9.40	9.45	9.51	9.56	9.59
% Ch	-2.3	1.1	1.8	1.7	2.4	2.4	1.9	1.6
Lumber and Wood	0.73	0.73	0.73	0.74	0.74	0.74	0.75	0.75
% Ch	-3.0	-0.1	1.0	1.6	1.5	1.7	1.4	1.9
Furniture	0.48	0.49	0.49	0.50	0.50	0.51	0.51	0.52
% Ch	3.4	3.1	4.0	4.6	2.2	4.4	5.0	5.4
Stone-Clay-Glass	0.53	0.53	0.54	0.54	0.55	0.56	0.56	0.56
% Ch	-2.1	1.8	3.3	4.8	4.9	5.1	3.1	1.8
Primary Metals	0.57	0.57	0.58	0.59	0.59	0.60	0.60	0.59
% Ch	0.3	3.9	4.9	5.9	4.6	1.9	0.4	-1.6
Fabricated Metals	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.41
% Ch	0.9	2.9	2.4	3.0	1.9	3.5	2.3	1.4
Nonelectrical Machinery	1.70	1.69	1.69	1.70	1.69	1.69	1.69	1.70
% Ch	-4.7	-2.4	0.9	1.2	-1.2	-0.0	0.7	1.5
Electrical Machinery	1.25	1.25	1.25	1.24	1.26	1.28	1.29	1.31
% Ch	-4.2	-1.9	1.3	-3.8	7.1	6.0	4.9	5.0
Transportation Equipment	1.53	1.54	1.53	1.54	1.54	1.54	1.54	1.54
% Ch	-2.9	2.8	-0.4	0.2	0.6	0.9	0.1	-0.1
Instruments	0.80	0.81	0.82	0.82	0.83	0.83	0.82	0.82
% Ch	-0.0	4.6	4.0	2.9	2.6	-0.6	-0.7	-1.1
Other Durables	0.35	0.35	0.36	0.36	0.37	0.37	0.38	0.38
% Ch	-8.6	2.0	3.4	6.3	7.0	6.5	5.9	3.4
Nonmanufacturing	115.99	116.77	117.44	118.00	118.49	118.93	119.43	119.96
% Ch	3.0	2.7	2.3	1.9	1.7	1.5	1.7	1.8
Mining	0.58	0.57	0.56	0.55	0.54	0.53	0.52	0.52
% Ch	-4.3	-6.1	-7.9	-5.8	-7.1	-7.6	-6.3	-7.0
Construction	6.65	6.72	6.80	6.83	6.87	6.88	6.91	6.95
% Ch	4.5	4.2	4.5	2.1	2.1	0.9	1.5	2.5
Trans., Comm. and Utilities	6.66	6.71	6.74	6.80	6.85	6.89	6.92	6.96
% Ch	2.5	3.0	2.3	3.6	2.8	2.3	2.0	2.3
Wholesale Trade	6.79	6.85	6.89	6.91	6.93	6.94	6.96	6.98
% Ch	4.3	3.8	2.5	1.2	1.1	0.7	0.8	1.4
Retail Trade	23.34	23.41	23.43	23.44	23.32	23.33	23.32	23.36
% Ch	1.8	1.2	0.4	0.2	-2.1	0.1	-0.1	0.6
Finance-Insurance-Real Estate	7.99	8.07	8.15	8.23	8.29	8.32	8.34	8.35
% Ch	3.0	4.1	4.1	3.7	3.0	1.4	0.9	0.9
Services	42.58	43.02	43.45	43.79	44.13	44.41	44.73	45.04
% Ch	4.8	4.2	4.0	3.2	3.1	2.6	3.0	2.8
State and Local Government	18.71	18.72	18.72	18.74	18.86	18.93	19.02	19.10
% Ch	0.2	0.2	-0.1	0.5	2.5	1.5	1.9	1.6
Federal Government	2.69	2.69	2.70	2.70	2.70	2.70	2.70	2.70
% Ch	0.2	-0.1	0.3	0.3	0.2	0.1	0.2	0.2

Table A2.3
Washington Nonagricultural Employment by Industry
 Forecast 2003 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Wage and Salary Employment	2,594.7	2,648.7	2,711.5	2,696.3	2,654.8	2,647.6	2,683.7	2,736.8
% Ch	3.2	2.1	2.4	-0.6	-1.5	-0.3	1.4	2.0
Manufacturing	379.6	364.1	353.1	338.3	309.9	292.5	287.2	292.3
% Ch	2.6	-4.1	-3.0	-4.2	-8.4	-5.6	-1.8	1.8
Nondurable Manufacturing	108.6	108.3	108.7	103.7	99.4	97.7	96.0	97.7
% Ch	-0.2	-0.2	0.3	-4.6	-4.1	-1.7	-1.7	1.7
Food and Kindred Products	40.7	41.1	41.5	39.8	38.1	37.8	37.0	37.6
% Ch	-1.4	0.9	0.9	-4.0	-4.3	-0.7	-2.3	1.6
Pulp and Paper	16.2	15.9	15.9	14.9	15.2	14.8	14.6	14.6
% Ch	-0.7	-2.0	0.2	-6.1	1.7	-2.7	-1.0	-0.1
Apparel	9.6	8.7	8.3	7.6	6.6	6.6	6.5	6.6
% Ch	-5.5	-8.9	-4.7	-8.7	-13.2	0.1	-1.7	1.0
Printing	24.4	24.2	24.5	23.4	21.8	20.9	20.4	21.1
% Ch	0.9	-0.9	1.2	-4.4	-6.8	-4.2	-2.2	3.3
Chemicals	6.0	6.2	6.1	6.0	5.7	5.7	5.6	5.8
% Ch	6.1	3.0	-0.8	-2.3	-5.4	0.2	-0.9	3.1
Other Nondurables	11.7	12.3	12.4	12.0	12.1	11.9	11.9	12.0
% Ch	4.5	4.8	1.0	-3.1	0.6	-1.2	-0.2	1.0
Durable Manufacturing	271.0	255.8	244.5	234.6	210.5	194.8	191.1	194.6
% Ch	3.7	-5.6	-4.4	-4.0	-10.3	-7.5	-1.9	1.8
Lumber and Wood	34.2	33.9	33.3	31.1	30.0	29.3	28.5	28.6
% Ch	-4.1	-0.7	-1.8	-6.6	-3.6	-2.4	-2.7	0.5
Furniture	4.7	4.7	5.0	4.7	4.2	4.2	4.3	4.3
% Ch	14.5	1.4	4.9	-5.4	-11.7	2.0	0.6	0.9
Stone-Clay-Glass	9.1	8.9	9.2	8.8	8.6	8.2	8.0	8.1
% Ch	-4.0	-2.7	3.3	-4.4	-2.5	-3.8	-2.5	0.5
Primary Metals	12.0	11.7	11.1	9.1	6.8	5.9	6.2	6.4
% Ch	3.0	-2.4	-5.0	-18.1	-25.8	-12.9	5.4	2.5
Fabricated Metals	14.8	14.6	14.9	14.3	13.3	12.8	12.7	13.0
% Ch	3.7	-1.2	2.1	-4.3	-6.9	-3.8	-1.1	2.5
Nonelectrical Machinery	26.1	25.1	25.6	24.3	21.8	20.5	19.7	19.7
% Ch	-1.8	-3.8	1.9	-5.1	-10.4	-5.9	-4.1	0.1
Electrical Machinery	18.5	18.5	20.3	19.2	15.3	14.4	17.1	19.2
% Ch	8.8	-0.3	10.0	-5.4	-20.7	-5.5	18.9	12.3
Aerospace	112.4	98.9	86.1	86.8	75.5	65.1	59.8	59.7
% Ch	7.1	-12.0	-12.9	0.8	-13.0	-13.7	-8.2	-0.2
Other Trans. Equip.	15.6	15.9	15.3	13.3	13.1	12.5	12.5	12.6
% Ch	7.6	1.7	-4.0	-12.9	-1.6	-4.3	0.3	0.8
Instruments	14.9	14.8	14.6	14.5	14.2	13.9	14.1	14.5
% Ch	2.7	-0.7	-1.0	-0.9	-1.9	-2.2	1.6	2.9
Other Durables	8.7	8.8	9.0	8.5	7.9	7.9	8.2	8.5
% Ch	1.6	1.2	2.7	-5.8	-6.9	-0.6	4.1	3.7
Nonmanufacturing	2,215.1	2,284.6	2,358.3	2,358.0	2,344.8	2,355.1	2,396.5	2,444.6
% Ch	3.3	3.1	3.2	-0.0	-0.6	0.4	1.8	2.0
Mining	3.3	3.1	3.6	3.4	3.1	3.2	3.2	3.3
% Ch	-6.1	-4.2	13.7	-4.0	-10.3	2.7	1.7	1.7
Construction	143.7	153.8	160.2	155.4	152.5	154.1	154.5	157.9
% Ch	5.4	7.1	4.1	-3.0	-1.9	1.1	0.2	2.2
Trans., Comm. and Utilities	135.6	139.7	146.6	146.4	139.0	135.1	137.8	141.8
% Ch	2.1	3.0	4.9	-0.1	-5.1	-2.8	2.0	2.9
Wholesale Trade	153.1	154.1	151.3	144.1	137.8	137.7	142.0	146.3
% Ch	2.3	0.7	-1.8	-4.8	-4.4	-0.1	3.1	3.1
Retail Trade	469.6	482.0	493.9	489.6	483.1	480.2	483.6	482.7
% Ch	2.7	2.6	2.5	-0.9	-1.3	-0.6	0.7	-0.2
Finance-Insurance-Real Estate	134.6	137.6	137.5	140.7	142.3	145.0	148.8	152.9
% Ch	5.4	2.2	-0.1	2.4	1.1	1.9	2.6	2.7
Services	709.3	739.7	781.9	773.1	771.0	783.2	812.2	839.7
% Ch	4.5	4.3	5.7	-1.1	-0.3	1.6	3.7	3.4
State and Local Government	398.8	406.9	413.6	437.4	446.9	446.5	444.5	449.7
% Ch	2.2	2.0	1.6	5.8	2.2	-0.1	-0.5	1.2
Federal Government	67.2	67.6	69.9	67.9	69.2	70.1	70.1	70.3
% Ch	-0.9	0.5	3.4	-2.8	2.0	1.2	-0.0	0.3

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2003 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Wage and Salary Employment	2,696.8	2,710.2	2,715.9	2,722.9	2,720.3	2,708.7	2,692.6	2,663.8
% Ch	3.7	2.0	0.8	1.0	-0.4	-1.7	-2.3	-4.2
Manufacturing	351.9	355.2	353.6	351.8	348.3	342.2	336.5	326.2
% Ch	-7.2	3.8	-1.7	-2.1	-3.9	-6.9	-6.5	-11.7
Nondurable Manufacturing	109.0	109.1	109.0	107.5	105.9	104.8	103.5	100.6
% Ch	0.3	0.4	-0.4	-5.2	-6.0	-4.1	-5.0	-10.7
Food and Kindred Products	41.2	41.9	42.0	40.8	40.3	40.2	40.0	38.6
% Ch	-1.8	7.1	1.3	-10.8	-4.9	-0.9	-2.2	-13.0
Pulp and Paper	15.9	16.0	15.9	15.9	15.3	15.0	14.8	14.6
% Ch	3.2	-0.4	1.5	-4.3	-2.7	-5.5	-10.3	-12.1
Apparel	8.5	8.4	8.3	8.2	8.0	7.8	7.5	7.1
% Ch	-13.9	-2.3	-6.5	-3.5	-8.4	-11.4	-13.1	-18.5
Printing	24.5	24.5	24.6	24.3	24.1	23.8	23.2	22.4
% Ch	3.2	-0.4	1.5	-4.3	-2.7	-5.5	-10.3	-12.1
Chemicals	6.3	6.0	6.1	6.1	6.1	6.0	6.0	5.9
% Ch	-0.6	-15.5	1.9	6.0	-4.2	-4.7	-2.4	-5.0
Other Nondurables	12.7	12.4	12.2	12.2	12.0	12.0	12.0	11.9
% Ch	13.0	-9.7	-4.2	-0.2	-6.1	-2.6	2.7	-3.2
Durable Manufacturing	242.9	246.1	244.6	244.2	242.4	237.4	233.0	225.6
% Ch	-10.3	5.4	-2.3	-0.6	-2.9	-8.1	-7.1	-12.2
Lumber and Wood	34.0	33.8	33.0	32.4	32.0	31.1	31.0	30.3
% Ch	2.3	-2.0	-9.4	-6.3	-5.0	-11.0	-1.1	-9.2
Furniture	4.8	5.0	5.0	5.0	4.9	4.8	4.7	4.5
% Ch	8.2	13.4	1.5	2.3	-9.4	-10.9	-8.8	-16.9
Stone-Clay-Glass	9.2	9.2	9.1	9.2	9.2	9.0	8.6	8.5
% Ch	8.4	-0.6	-3.9	1.8	1.2	-10.4	-16.5	-5.3
Primary Metals	11.3	11.1	10.8	11.2	10.1	9.6	8.6	8.1
% Ch	-9.7	-8.7	-10.2	17.2	-34.9	-16.1	-36.6	-22.9
Fabricated Metals	14.9	15.0	15.0	14.9	14.9	14.4	14.1	13.8
% Ch	0.1	2.9	0.4	-1.2	-2.0	-11.1	-10.0	-5.7
Nonelectrical Machinery	25.3	25.6	25.7	25.7	25.4	24.7	24.1	23.0
% Ch	0.9	4.1	1.5	0.9	-5.2	-10.0	-10.6	-16.9
Electrical Machinery	19.4	19.9	20.7	21.3	21.2	19.8	18.6	17.3
% Ch	20.2	12.6	16.8	10.7	-1.5	-23.1	-22.3	-26.3
Aerospace	84.4	87.6	86.6	86.0	87.2	87.2	87.4	85.4
% Ch	-29.6	16.0	-4.4	-2.8	5.8	-0.1	1.1	-9.0
Other Trans. Equip.	16.0	15.5	15.0	14.6	14.1	13.4	13.1	12.6
% Ch	4.5	-11.7	-12.4	-9.9	-12.8	-19.7	-7.9	-14.0
Instruments	14.5	14.6	14.7	14.7	14.6	14.7	14.6	14.2
% Ch	-6.2	2.5	2.4	-0.4	-2.8	2.4	-3.1	-9.6
Other Durables	9.0	8.8	9.1	9.2	8.9	8.7	8.4	8.1
% Ch	0.2	-10.0	11.7	4.5	-11.9	-9.3	-12.6	-12.7
Nonmanufacturing	2,344.9	2,355.0	2,362.3	2,371.1	2,371.9	2,366.5	2,356.1	2,337.6
% Ch	5.5	1.7	1.2	1.5	0.1	-0.9	-1.7	-3.1
Mining	3.5	3.6	3.6	3.5	3.4	3.5	3.5	3.4
% Ch	39.3	7.4	1.5	-9.4	-9.9	3.1	-0.5	-10.8
Construction	160.7	160.4	159.0	160.5	159.5	156.4	154.5	151.2
% Ch	8.9	-0.7	-3.4	3.6	-2.2	-7.8	-4.8	-8.2
Trans., Comm. and Utilities	144.0	145.7	147.3	149.4	149.3	148.3	145.6	142.4
% Ch	4.0	4.9	4.5	5.8	-0.2	-2.6	-7.1	-8.7
Wholesale Trade	154.3	152.5	150.1	148.3	146.5	144.9	143.6	141.2
% Ch	-0.8	-4.6	-6.2	-4.6	-4.7	-4.4	-3.4	-6.7
Retail Trade	493.6	495.5	493.5	493.0	494.3	491.9	489.7	482.6
% Ch	4.8	1.5	-1.5	-0.5	1.1	-1.9	-1.8	-5.7
Finance-Insurance-Real Estate	137.8	137.2	137.1	137.7	139.0	139.6	141.9	142.5
% Ch	-0.5	-1.8	-0.4	1.7	3.9	1.8	6.7	1.6
Services	771.5	775.3	786.2	794.5	779.9	778.6	769.5	764.2
% Ch	9.9	2.0	5.7	4.3	-7.1	-0.7	-4.6	-2.7
State and Local Government	411.6	410.9	416.0	415.9	432.1	436.4	439.7	441.5
% Ch	2.8	-0.7	5.1	-0.1	16.6	4.0	3.1	1.6
Federal Government	67.9	73.9	69.4	68.4	67.8	67.0	68.2	68.7
% Ch	1.2	40.4	-22.4	-5.7	-3.5	-4.6	7.3	3.3

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2003 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Wage and Salary Employment	2,650.1	2,652.3	2,662.5	2,654.3	2,651.2	2,642.0	2,645.1	2,651.9
% Ch	-2.0	0.3	1.5	-1.2	-0.5	-1.4	0.5	1.0
Manufacturing	318.4	311.9	308.5	301.0	298.1	294.2	290.0	287.7
% Ch	-9.3	-7.8	-4.3	-9.4	-3.7	-5.2	-5.6	-3.1
Nondurable Manufacturing	100.5	98.8	99.7	98.6	99.4	97.9	97.1	96.5
% Ch	-0.3	-6.7	3.9	-4.4	3.1	-5.9	-3.2	-2.3
Food and Kindred Products	38.5	37.4	38.6	37.9	38.9	37.8	37.5	37.2
% Ch	-1.5	-11.0	13.6	-7.1	11.5	-11.5	-3.2	-2.5
Pulp and Paper	15.3	15.2	15.0	15.2	14.9	14.8	14.7	14.7
% Ch	21.6	-2.4	-4.1	3.9	-7.9	-2.5	-1.2	-0.8
Apparel	6.9	6.6	6.5	6.5	6.7	6.6	6.6	6.5
% Ch	-13.8	-17.2	-2.3	-2.5	15.3	-4.0	-3.9	-3.1
Printing	22.1	21.8	21.7	21.6	21.2	21.1	20.8	20.5
% Ch	-5.8	-5.2	-1.7	-2.0	-7.6	-2.3	-5.5	-4.0
Chemicals	5.9	5.8	5.6	5.4	5.7	5.7	5.7	5.6
% Ch	1.2	-10.6	-11.5	-10.1	22.4	-1.1	-2.3	-1.1
Other Nondurables	11.9	12.1	12.3	12.0	12.0	11.9	11.9	11.9
% Ch	-3.0	8.2	7.0	-8.1	-2.2	-1.0	-1.2	-0.6
Durable Manufacturing	217.8	213.1	208.8	202.3	198.7	196.3	192.9	191.2
% Ch	-13.0	-8.3	-8.0	-11.8	-6.9	-4.8	-6.8	-3.5
Lumber and Wood	29.9	30.0	30.0	30.1	29.7	29.5	29.1	28.8
% Ch	-4.4	0.2	0.1	1.3	-5.2	-2.3	-5.1	-3.8
Furniture	4.4	4.1	4.1	4.0	4.0	4.3	4.3	4.3
% Ch	-7.6	-19.0	-5.9	-6.3	-0.3	36.2	-2.1	-3.1
Stone-Clay-Glass	8.5	8.5	8.6	8.7	8.4	8.2	8.2	8.2
% Ch	3.3	0.6	2.1	4.1	-12.3	-6.9	-1.5	-2.0
Primary Metals	7.6	6.7	6.4	6.3	6.0	5.8	5.8	5.9
% Ch	-21.2	-40.5	-14.0	-5.6	-20.7	-10.0	-0.4	7.3
Fabricated Metals	13.4	13.4	13.4	13.1	13.0	12.8	12.7	12.7
% Ch	-11.2	-2.5	0.8	-8.7	-3.4	-4.6	-2.0	-1.1
Nonelectrical Machinery	22.1	22.0	21.7	21.2	20.8	20.6	20.4	20.1
% Ch	-13.4	-2.3	-6.2	-7.9	-8.3	-2.8	-4.2	-5.7
Electrical Machinery	16.0	15.6	15.1	14.2	14.0	14.0	14.4	15.1
% Ch	-25.7	-9.2	-12.5	-21.9	-5.0	0.2	11.2	21.5
Aerospace	80.8	77.0	73.9	70.3	69.0	66.5	63.5	61.5
% Ch	-19.8	-17.3	-15.2	-18.0	-7.1	-13.8	-17.2	-11.8
Other Trans. Equip.	12.5	13.4	13.5	13.0	12.6	12.5	12.5	12.5
% Ch	-3.6	32.2	2.0	-13.8	-10.5	-3.0	-1.4	0.3
Instruments	14.5	14.2	14.3	14.0	13.9	13.9	13.9	13.9
% Ch	8.0	-7.9	2.6	-8.1	-2.3	0.3	0.1	1.3
Other Durables	8.1	8.2	7.9	7.5	7.4	8.0	8.0	8.1
% Ch	-1.6	8.4	-14.7	-20.1	-4.5	37.3	1.5	2.0
Nonmanufacturing	2,331.7	2,340.3	2,354.0	2,353.4	2,353.0	2,347.8	2,355.1	2,364.2
% Ch	-1.0	1.5	2.3	-0.1	-0.1	-0.9	1.3	1.6
Mining	3.1	3.1	3.2	3.0	3.1	3.2	3.2	3.2
% Ch	-26.5	-7.6	14.5	-19.9	17.2	8.2	0.8	1.8
Construction	151.5	151.7	153.1	153.6	153.8	153.8	154.7	154.2
% Ch	0.7	0.7	3.5	1.4	0.7	0.0	2.3	-1.4
Trans., Comm. and Utilities	140.6	139.5	139.1	136.7	135.4	134.9	134.7	135.4
% Ch	-4.8	-3.2	-1.2	-6.7	-3.6	-1.6	-0.6	2.0
Wholesale Trade	139.0	137.0	137.7	137.4	137.3	137.1	137.6	138.7
% Ch	-6.1	-5.5	2.1	-0.9	-0.3	-0.7	1.6	3.2
Retail Trade	481.3	482.7	485.9	482.6	481.2	478.7	479.8	480.9
% Ch	-1.1	1.2	2.7	-2.7	-1.1	-2.1	1.0	0.9
Finance-Insurance-Real Estate	140.8	141.9	142.3	144.1	144.2	144.5	145.4	146.0
% Ch	-4.5	3.0	1.3	5.1	0.2	1.0	2.4	1.7
Services	763.7	771.1	773.8	775.4	778.6	778.6	784.0	791.6
% Ch	-0.3	3.9	1.4	0.9	1.6	0.0	2.8	3.9
State and Local Government	443.2	445.5	449.7	449.4	448.5	447.6	445.8	444.3
% Ch	1.5	2.1	3.8	-0.3	-0.8	-0.8	-1.6	-1.3
Federal Government	68.6	67.9	69.3	71.2	70.8	69.5	69.9	70.0
% Ch	-0.7	-4.2	8.5	11.7	-2.1	-7.4	2.6	0.2

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2003 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Wage and Salary Employment	2,664.5	2,677.0	2,690.2	2,703.1	2,715.6	2,729.3	2,743.7	2,758.6
% Ch	1.9	1.9	2.0	1.9	1.9	2.0	2.1	2.2
Manufacturing	286.7	286.7	287.3	288.0	289.4	291.3	293.2	295.1
% Ch	-1.4	-0.1	0.8	1.0	1.9	2.7	2.6	2.7
Nondurable Manufacturing	96.0	95.9	96.0	96.2	96.6	97.2	98.0	98.8
% Ch	-2.1	-0.5	0.6	0.9	1.3	2.9	3.2	3.4
Food and Kindred Products	37.0	36.9	36.9	37.0	37.1	37.4	37.7	38.0
% Ch	-2.3	-0.7	-0.0	1.0	1.4	3.1	3.0	2.8
Pulp and Paper	14.7	14.6	14.6	14.6	14.6	14.6	14.6	14.6
% Ch	-1.0	-0.8	-0.9	-0.4	0.1	0.4	0.5	0.2
Apparel	6.5	6.5	6.5	6.5	6.5	6.5	6.6	6.6
% Ch	-0.9	-0.7	0.5	-0.7	1.4	1.9	2.3	2.1
Printing	20.3	20.3	20.5	20.6	20.7	20.9	21.2	21.6
% Ch	-4.1	-0.2	2.7	2.1	1.7	5.0	6.1	7.6
Chemicals	5.6	5.6	5.6	5.7	5.7	5.8	5.8	5.9
% Ch	-1.8	-1.2	1.3	2.5	2.6	4.5	5.7	5.9
Other Nondurables	11.9	11.9	11.9	11.9	12.0	12.0	12.0	12.1
% Ch	-0.2	0.2	0.4	0.6	1.1	1.5	1.7	1.7
Durable Manufacturing	190.7	190.8	191.2	191.7	192.8	194.1	195.2	196.3
% Ch	-1.0	0.2	1.0	1.0	2.3	2.7	2.3	2.3
Lumber and Wood	28.6	28.5	28.5	28.5	28.5	28.6	28.7	28.8
% Ch	-3.6	-1.3	-0.4	0.1	0.9	1.1	1.0	1.4
Furniture	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
% Ch	-1.4	-0.8	0.2	0.7	0.8	1.2	1.8	2.2
Stone-Clay-Glass	8.1	8.0	8.0	8.0	8.0	8.1	8.1	8.1
% Ch	-3.3	-2.8	-1.4	0.4	1.2	1.3	1.2	0.9
Primary Metals	6.0	6.1	6.3	6.3	6.4	6.4	6.4	6.3
% Ch	8.6	7.5	7.2	6.0	1.5	-0.2	-1.2	-2.1
Fabricated Metals	12.7	12.6	12.7	12.7	12.8	12.9	13.1	13.1
% Ch	-2.0	-0.4	0.5	2.6	2.5	4.1	3.3	2.3
Nonelectrical Machinery	19.8	19.6	19.6	19.6	19.6	19.6	19.7	19.8
% Ch	-6.3	-3.8	-0.2	0.7	-1.2	0.7	1.8	2.6
Electrical Machinery	16.0	16.8	17.6	18.2	18.8	19.2	19.4	19.5
% Ch	24.0	21.2	20.6	15.4	14.7	7.9	3.6	2.7
Aerospace	60.7	60.1	59.5	58.9	59.0	59.4	59.9	60.3
% Ch	-5.1	-3.9	-3.9	-4.0	0.6	3.0	3.0	3.0
Other Trans. Equip.	12.5	12.5	12.6	12.6	12.6	12.6	12.6	12.7
% Ch	0.7	1.0	1.1	1.2	0.6	0.5	0.4	0.4
Instruments	14.0	14.1	14.2	14.3	14.4	14.5	14.6	14.7
% Ch	1.4	2.2	2.9	2.9	3.2	2.7	2.9	2.7
Other Durables	8.1	8.2	8.2	8.3	8.4	8.4	8.5	8.6
% Ch	2.1	2.5	2.8	3.3	3.8	4.3	4.5	4.4
Nonmanufacturing	2,377.8	2,390.3	2,402.9	2,415.1	2,426.2	2,438.0	2,450.5	2,463.5
% Ch	2.3	2.1	2.1	2.0	1.9	2.0	2.1	2.1
Mining	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3
% Ch	1.4	0.9	1.2	1.9	2.1	1.8	1.7	1.7
Construction	153.8	153.7	154.6	155.8	156.9	157.7	158.2	158.8
% Ch	-0.9	-0.3	2.3	3.2	2.9	2.0	1.4	1.4
Trans., Comm. and Utilities	136.3	137.3	138.3	139.3	140.2	141.2	142.3	143.4
% Ch	2.9	2.8	2.9	2.9	2.8	3.0	3.0	3.1
Wholesale Trade	139.9	141.3	142.8	144.0	145.0	145.9	146.8	147.7
% Ch	3.4	4.1	4.2	3.4	2.8	2.6	2.4	2.5
Retail Trade	482.5	483.6	484.0	484.3	482.1	482.4	482.7	483.8
% Ch	1.4	0.9	0.3	0.2	-1.8	0.3	0.2	0.9
Finance-Insurance-Real Estate	147.3	148.2	149.3	150.5	151.4	152.4	153.3	154.2
% Ch	3.4	2.5	3.0	3.2	2.7	2.6	2.4	2.4
Services	800.4	808.5	816.4	823.3	830.1	836.2	843.0	849.6
% Ch	4.6	4.1	4.0	3.4	3.3	3.0	3.3	3.2
State and Local Government	444.4	444.5	444.3	444.7	447.1	448.7	450.6	452.3
% Ch	0.0	0.1	-0.2	0.3	2.2	1.4	1.8	1.5
Federal Government	70.0	70.0	70.1	70.1	70.2	70.2	70.3	70.3
% Ch	0.2	0.0	0.3	0.3	0.3	0.3	0.3	0.3

Table A3.1
U.S. Personal Income by Component
 Forecast 2003 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Personal Income	7,426.0	7,786.5	8,406.6	8,685.3	8,929.1	9,250.6	9,698.8	10,176.5
% Ch	7.0	4.9	8.0	3.3	2.8	3.6	4.8	4.9
Total Wage and Salary Disbursements	4,192.8	4,470.4	4,836.3	4,950.6	5,003.7	5,176.1	5,430.5	5,688.9
% Ch	7.8	6.6	8.2	2.4	1.1	3.4	4.9	4.8
Nonwage Personal Income	3,233.2	3,316.1	3,570.2	3,734.7	3,925.3	4,074.5	4,268.3	4,487.6
% Ch	6.1	2.6	7.7	4.6	5.1	3.8	4.8	5.1
Other Labor Income	490.6	510.2	544.2	570.4	610.6	654.3	706.9	757.0
% Ch	3.2	4.0	6.7	4.8	7.1	7.2	8.0	7.1
Proprietor's Income	623.8	678.4	714.8	727.9	756.5	805.4	875.8	933.1
% Ch	7.3	8.8	5.4	1.8	3.9	6.5	8.7	6.5
Farm	25.6	27.7	22.6	19.0	12.9	15.8	23.5	30.3
% Ch	-13.9	8.3	-18.5	-15.6	-32.3	22.9	48.4	28.6
Nonfarm	598.2	650.7	692.2	708.8	743.7	789.5	852.3	902.9
% Ch	8.5	8.8	6.4	2.4	4.9	6.2	8.0	5.9
Less: Pers Cont. For Social Ins.	316.3	337.4	358.4	372.3	384.5	399.4	417.2	435.9
% Ch	6.2	6.7	6.2	3.9	3.3	3.9	4.5	4.5
Dividends/Int./Rent	1,451.4	1,446.4	1,599.3	1,638.3	1,654.6	1,652.9	1,686.3	1,765.1
% Ch	9.4	-0.3	10.6	2.4	1.0	-0.1	2.0	4.7
Transfer Payments	983.7	1,018.5	1,070.3	1,170.4	1,288.0	1,361.2	1,416.5	1,468.3
% Ch	2.2	3.5	5.1	9.4	10.0	5.7	4.1	3.7

Table A3.2
U.S. Personal Income by Component
 Forecast 2003 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Personal Income	8,211.6	8,350.2	8,487.8	8,576.6	8,658.1	8,676.2	8,706.2	8,700.9
% Ch	13.2	6.9	6.8	4.2	3.9	0.8	1.4	-0.2
Total Wage and Salary Disbursements	4,757.4	4,790.8	4,879.3	4,917.8	4,960.4	4,956.9	4,953.7	4,931.4
% Ch	16.7	2.8	7.6	3.2	3.5	-0.3	-0.3	-1.8
Nonwage Personal Income	3,454.2	3,559.4	3,608.5	3,658.8	3,697.7	3,719.3	3,752.4	3,769.5
% Ch	8.7	12.8	5.6	5.7	4.3	2.4	3.6	1.8
Other Labor Income	530.5	540.0	548.7	557.4	564.7	568.2	572.4	576.3
% Ch	9.8	7.4	6.6	6.4	5.4	2.5	3.0	2.8
Proprietor's Income	702.5	718.8	718.6	719.3	721.2	726.6	732.4	731.3
% Ch	3.0	9.6	-0.1	0.4	1.0	3.0	3.3	-0.6
Farm	22.3	25.0	21.7	21.2	19.3	18.4	19.3	19.2
% Ch	-39.8	57.6	-43.6	-8.2	-32.4	-16.8	21.0	-0.8
Nonfarm	680.2	693.8	696.9	698.1	701.9	708.2	713.1	712.1
% Ch	4.9	8.3	1.8	0.7	2.2	3.6	2.8	-0.6
Less: Pers Cont. For Social Ins.	354.5	355.3	360.6	363.1	371.1	372.2	373.1	372.7
% Ch	13.4	0.9	6.1	2.8	9.2	1.1	1.0	-0.4
Dividends/Int./Rent	1,530.9	1,590.3	1,625.1	1,651.0	1,648.0	1,637.6	1,638.2	1,629.5
% Ch	14.2	16.5	9.0	6.5	-0.7	-2.5	0.2	-2.1
Transfer Payments	1,044.8	1,065.5	1,076.6	1,094.2	1,135.0	1,159.1	1,182.5	1,205.0
% Ch	6.0	8.2	4.2	6.7	15.8	8.8	8.3	7.8

Table A3.2
U.S. Personal Income by Component
 Forecast 2003 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Personal Income	8,803.4	8,914.0	8,958.9	9,039.9	9,127.8	9,203.9	9,279.9	9,390.8
% Ch	4.8	5.1	2.0	3.7	3.9	3.4	3.3	4.9
Total Wage and Salary Disbursements	4,957.8	4,997.3	5,007.4	5,052.4	5,104.9	5,142.4	5,198.3	5,258.9
% Ch	2.2	3.2	0.8	3.6	4.2	3.0	4.4	4.7
Nonwage Personal Income	3,845.7	3,916.7	3,951.5	3,987.5	4,022.9	4,061.5	4,081.6	4,131.9
% Ch	8.3	7.6	3.6	3.7	3.6	3.9	2.0	5.0
Other Labor Income	590.7	604.1	617.5	630.2	639.1	648.6	657.5	672.1
% Ch	10.4	9.3	9.2	8.4	5.8	6.0	5.6	9.2
Proprietor's Income	748.4	747.5	758.7	771.6	785.8	799.4	811.5	824.7
% Ch	9.7	-0.5	6.2	6.9	7.6	7.1	6.2	6.7
Farm	21.7	7.5	10.7	11.7	14.4	17.0	16.6	15.4
% Ch	62.2	-98.6	322.3	39.7	133.1	92.6	-7.6	-27.0
Nonfarm	726.7	740.0	748.0	759.9	771.4	782.4	794.9	809.3
% Ch	8.4	7.6	4.4	6.5	6.2	5.8	6.5	7.5
Less: Pers Cont. For Social Ins.	380.5	383.6	385.3	388.7	395.2	396.9	400.7	404.8
% Ch	8.6	3.3	1.8	3.6	6.9	1.6	3.9	4.2
Dividends/Int./Rent	1,635.0	1,666.1	1,662.1	1,655.3	1,651.7	1,653.6	1,645.6	1,660.8
% Ch	1.3	7.8	-1.0	-1.6	-0.9	0.4	-1.9	3.7
Transfer Payments	1,252.0	1,282.6	1,298.4	1,319.1	1,341.4	1,356.9	1,367.6	1,379.0
% Ch	16.5	10.1	5.0	6.5	6.9	4.7	3.2	3.4

Table A3.2
U.S. Personal Income by Component
 Forecast 2003 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Personal Income	9,517.8	9,637.1	9,761.2	9,879.0	9,997.1	10,118.8	10,231.6	10,358.7
% Ch	5.5	5.1	5.3	4.9	4.9	5.0	4.5	5.1
Total Wage and Salary Disbursements	5,333.1	5,399.8	5,464.5	5,524.5	5,593.7	5,657.3	5,719.2	5,785.5
% Ch	5.8	5.1	4.9	4.5	5.1	4.6	4.5	4.7
Nonwage Personal Income	4,184.6	4,237.3	4,296.7	4,354.5	4,403.4	4,461.5	4,512.4	4,573.2
% Ch	5.2	5.1	5.7	5.5	4.6	5.4	4.6	5.5
Other Labor Income	685.3	698.0	714.1	730.2	741.6	751.8	762.8	771.9
% Ch	8.1	7.6	9.5	9.3	6.4	5.6	6.0	4.9
Proprietor's Income	847.7	868.1	889.1	898.4	912.5	927.4	940.7	951.9
% Ch	11.7	9.9	10.1	4.2	6.5	6.7	5.8	4.9
Farm	17.4	22.4	27.7	26.6	28.0	30.9	31.9	30.1
% Ch	64.9	171.8	133.7	-14.3	23.1	47.9	13.7	-20.9
Nonfarm	830.3	845.7	861.4	871.7	884.5	896.5	908.7	921.8
% Ch	10.8	7.6	7.7	4.9	6.0	5.6	5.6	5.9
Less: Pers Cont. for Social Ins.	410.2	415.0	419.7	424.0	429.0	433.6	438.1	442.9
% Ch	5.5	4.8	4.6	4.2	4.8	4.3	4.2	4.4
Dividends/Int./Rent	1,663.7	1,677.1	1,689.9	1,714.6	1,728.9	1,756.1	1,773.3	1,802.0
% Ch	0.7	3.3	3.1	6.0	3.4	6.4	4.0	6.7
Transfer Payments	1,398.1	1,409.2	1,423.4	1,435.4	1,449.3	1,459.8	1,473.8	1,490.1
% Ch	5.6	3.2	4.1	3.4	3.9	2.9	3.9	4.5

Table A3.3
Washington Personal Income by Component
 Forecast 2003 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Personal Income	163.192	174.148	186.843	191.644	198.087	204.391	212.809	222.530
% Ch	8.6	6.7	7.3	2.6	3.4	3.2	4.1	4.6
Total Wage and Salary Disbursements	94.322	103.805	110.051	110.761	111.694	114.694	119.598	125.271
% Ch	10.5	10.1	6.0	0.6	0.8	2.7	4.3	4.7
Manufacturing	16.218	16.421	16.762	16.340	16.092	15.769	15.923	16.643
% Ch	5.9	1.3	2.1	-2.5	-1.5	-2.0	1.0	4.5
Nondurable Manufacturing	3.800	4.069	4.448	4.090	4.413	4.534	4.582	4.783
% Ch	1.8	7.1	9.3	-8.1	7.9	2.7	1.1	4.4
Durable Manufacturing	12.418	12.352	12.314	12.251	11.679	11.236	11.341	11.861
% Ch	7.2	-0.5	-0.3	-0.5	-4.7	-3.8	0.9	4.6
Nonmanufacturing	74.587	83.596	89.370	90.226	90.958	93.787	98.292	102.992
% Ch	12.1	12.1	6.9	1.0	0.8	3.1	4.8	4.8
Other Private Wages	0.775	0.893	0.953	1.005	1.048	1.132	1.185	1.246
% Ch	4.6	15.2	6.7	5.5	4.3	8.0	4.7	5.2
Farm Wages	0.876	0.988	0.967	1.047	1.175	1.274	1.313	1.355
% Ch	3.2	12.7	-2.2	8.3	12.2	8.5	3.0	3.2
Military Wages	1.865	1.906	2.000	2.143	2.422	2.732	2.886	3.034
% Ch	-3.8	2.2	4.9	7.2	13.0	12.8	5.6	5.2
Nonwage Personal Income	68.870	70.344	76.791	80.883	86.393	89.696	93.210	97.260
% Ch	6.3	2.1	9.2	5.3	6.8	3.8	3.9	4.3
Other Labor Income	10.549	11.057	11.643	12.165	13.147	14.106	15.010	15.977
% Ch	3.5	4.8	5.3	4.5	8.1	7.3	6.4	6.4
Proprietor's Income	12.505	13.274	14.208	14.273	15.168	16.326	17.672	18.726
% Ch	7.0	6.2	7.0	0.5	6.3	7.6	8.2	6.0
Farm	0.519	0.084	0.260	0.012	0.196	0.385	0.566	0.658
% Ch	11.0	-83.8	209.8	-95.5	1,568.1	96.5	46.9	16.3
Nonfarm	11.985	13.190	13.947	14.261	14.971	15.941	17.106	18.068
% Ch	6.8	10.1	5.7	2.3	5.0	6.5	7.3	5.6
Less: Pers. Cont. for Social Ins.	7.214	7.896	8.244	8.446	8.726	9.088	9.426	9.859
% Ch	8.7	9.5	4.4	2.4	3.3	4.1	3.7	4.6
Plus: Residence Adjustment	1.723	1.980	2.237	2.148	2.177	2.270	2.363	2.465
% Ch	4.8	14.9	13.0	-4.0	1.4	4.3	4.1	4.3
Dividends/Int./Rent	31.714	31.372	35.299	36.503	36.921	36.856	37.622	39.400
% Ch	9.8	-1.1	12.5	3.4	1.1	-0.2	2.1	4.7
Transfer Payments	19.596	20.557	21.650	24.241	27.706	29.227	29.969	30.551
% Ch	2.9	4.9	5.3	12.0	14.3	5.5	2.5	1.9
State U.I. Benefits	0.816	0.945	0.936	1.381	2.825	2.822	2.098	1.318
% Ch	12.9	15.9	-1.0	47.5	104.6	-0.1	-25.7	-37.2
Other Transfers	18.780	19.611	20.714	22.860	24.882	26.405	27.871	29.232
% Ch	2.5	4.4	5.6	10.4	8.8	6.1	5.6	4.9

Table A3.4
Washington Personal Income by Component
 Forecast 2003 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Personal Income	186.768	185.753	186.018	188.832	189.070	194.232	192.407	190.868
% Ch	14.0	-2.2	0.6	6.2	0.5	11.4	-3.7	-3.2
Total Wage and Salary Disbursements	112.956	109.441	108.150	109.658	109.242	113.775	111.003	109.025
% Ch	16.5	-11.9	-4.6	5.7	-1.5	17.7	-9.4	-6.9
Manufacturing	16.947	16.535	16.756	16.810	16.722	16.421	16.378	15.840
% Ch	14.2	-9.4	5.5	1.3	-2.1	-7.0	-1.0	-12.5
Nondurable Manufacturing	4.963	4.207	4.391	4.230	4.054	4.191	4.074	4.039
% Ch	92.4	-48.4	18.7	-13.9	-15.6	14.2	-10.7	-3.4
Durable Manufacturing	11.984	12.328	12.365	12.580	12.668	12.230	12.304	11.801
% Ch	-6.3	12.0	1.2	7.1	2.8	-13.1	2.4	-15.4
Nonmanufacturing	92.186	88.984	87.437	88.873	88.393	93.197	90.384	88.930
% Ch	17.5	-13.2	-6.8	6.7	-2.1	23.6	-11.5	-6.3
Other Private Wages	0.904	0.987	0.955	0.965	0.987	0.979	1.036	1.018
% Ch	-5.6	42.1	-12.4	4.3	9.4	-3.2	25.4	-6.8
Farm Wages	0.958	0.970	0.971	0.967	1.003	1.038	1.064	1.082
% Ch	-4.1	5.1	0.4	-1.6	15.7	14.7	10.4	6.9
Military Wages	1.961	1.965	2.031	2.043	2.137	2.140	2.141	2.155
% Ch	11.3	0.8	14.1	2.4	19.7	0.6	0.2	2.6
Nonwage Personal Income	73.812	76.312	77.867	79.175	79.828	80.458	81.404	81.842
% Ch	10.3	14.3	8.4	6.9	3.3	3.2	4.8	2.2
Other Labor Income	11.627	11.576	11.557	11.811	11.887	12.320	12.232	12.222
% Ch	8.8	-1.7	-0.7	9.1	2.6	15.4	-2.8	-0.3
Proprietor's Income	13.965	14.198	14.306	14.361	14.173	14.274	14.376	14.269
% Ch	5.1	6.8	3.1	1.5	-5.1	2.9	2.9	-2.9
Farm	0.243	0.249	0.301	0.248	0.029	0.005	0.010	0.003
% Ch	919.2	10.2	113.5	-53.9	-100.0	-99.9	1,500.0	-99.2
Nonfarm	13.721	13.949	14.005	14.113	14.144	14.269	14.365	14.266
% Ch	1.9	6.8	1.6	3.1	0.9	3.6	2.7	-2.7
Less: Pers. Cont. for Social Ins.	8.497	8.200	8.084	8.197	8.283	8.662	8.480	8.360
% Ch	13.6	-13.3	-5.5	5.7	4.3	19.6	-8.1	-5.5
Plus: Residence Adjustment	2.132	2.224	2.308	2.283	2.197	2.112	2.137	2.144
% Ch	26.3	18.4	16.0	-4.3	-14.2	-14.6	4.8	1.3
Dividends/Int./Rent	33.508	35.013	36.008	36.667	36.670	36.489	36.527	36.327
% Ch	16.3	19.2	11.9	7.5	0.0	-2.0	0.4	-2.2
Transfer Payments	21.078	21.501	21.772	22.250	23.184	23.925	24.613	25.240
% Ch	5.6	8.3	5.1	9.1	17.9	13.4	12.0	10.6
State U.I. Benefits	0.918	0.894	0.922	1.011	1.022	1.278	1.478	1.745
% Ch	-8.7	-10.1	13.1	44.6	4.4	144.5	78.9	94.3
Other Transfers	20.160	20.607	20.850	21.239	22.162	22.647	23.135	23.495
% Ch	6.3	9.2	4.8	7.7	18.5	9.0	8.9	6.4

Table A3.4
Washington Personal Income by Component
 Forecast 2003 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Personal Income	195.082	197.833	199.636	199.799	201.293	203.782	205.250	207.239
% Ch	9.1	5.8	3.7	0.3	3.0	5.0	2.9	3.9
Total Wage and Salary Disbursements	110.746	111.593	112.493	111.947	112.681	114.331	115.353	116.413
% Ch	6.5	3.1	3.3	-1.9	2.6	6.0	3.6	3.7
Manufacturing	16.630	15.842	16.057	15.840	15.866	15.798	15.710	15.703
% Ch	21.5	-17.6	5.5	-5.3	0.7	-1.7	-2.2	-0.2
Nondurable Manufacturing	4.387	4.179	4.629	4.458	4.551	4.522	4.527	4.535
% Ch	39.2	-17.6	50.5	-14.0	8.6	-2.5	0.4	0.7
Durable Manufacturing	12.243	11.663	11.428	11.383	11.315	11.276	11.184	11.169
% Ch	15.8	-17.6	-7.8	-1.6	-2.3	-1.4	-3.2	-0.5
Nonmanufacturing	89.626	91.168	91.711	91.325	91.782	93.404	94.468	95.492
% Ch	3.2	7.1	2.4	-1.7	2.0	7.3	4.6	4.4
Other Private Wages	1.020	1.003	1.075	1.096	1.112	1.128	1.138	1.150
% Ch	0.9	-6.6	31.9	8.0	6.0	6.0	3.4	4.5
Farm Wages	1.112	1.154	1.195	1.237	1.255	1.274	1.280	1.288
% Ch	11.6	16.0	15.0	14.8	6.0	6.0	1.9	2.7
Military Wages	2.358	2.425	2.454	2.449	2.666	2.727	2.757	2.779
% Ch	43.3	11.9	4.9	-0.8	40.4	9.5	4.5	3.1
Nonwage Personal Income	84.336	86.240	87.143	87.852	88.612	89.451	89.896	90.826
% Ch	12.8	9.3	4.3	3.3	3.5	3.8	2.0	4.2
Other Labor Income	12.685	12.953	13.310	13.641	13.840	14.016	14.161	14.407
% Ch	16.0	8.7	11.5	10.3	6.0	5.2	4.2	7.1
Proprietor's Income	14.791	15.078	15.262	15.539	15.871	16.173	16.496	16.765
% Ch	15.5	8.0	5.0	7.5	8.8	7.8	8.2	6.7
Farm	0.200	0.194	0.191	0.199	0.298	0.379	0.428	0.435
% Ch	#####	-11.5	-6.0	17.8	404.9	161.1	62.8	6.2
Nonfarm	14.591	14.884	15.071	15.340	15.573	15.794	16.068	16.330
% Ch	9.4	8.3	5.1	7.3	6.2	5.8	7.1	6.7
Less: Pers. Cont. for Social Ins.	8.620	8.667	8.750	8.867	9.020	9.038	9.110	9.184
% Ch	13.0	2.2	3.9	5.5	7.1	0.8	3.2	3.3
Plus: Residence Adjustment	2.144	2.175	2.178	2.209	2.238	2.260	2.279	2.302
% Ch	0.0	5.9	0.6	5.8	5.4	4.0	3.3	4.1
Dividends/Int./Rent	36.451	37.231	37.103	36.900	36.823	36.863	36.701	37.035
% Ch	1.4	8.8	-1.4	-2.2	-0.8	0.4	-1.7	3.7
Transfer Payments	26.885	27.470	28.040	28.430	28.860	29.178	29.370	29.501
% Ch	28.7	9.0	8.6	5.7	6.2	4.5	2.7	1.8
State U.I. Benefits	2.580	2.813	3.031	2.875	2.920	2.936	2.817	2.614
% Ch	377.9	41.3	34.8	-19.1	6.4	2.3	-15.3	-25.9
Other Transfers	24.305	24.657	25.009	25.555	25.940	26.241	26.553	26.887
% Ch	14.5	5.9	5.8	9.0	6.2	4.7	4.8	5.1

Table A3.4
Washington Personal Income by Component
 Forecast 2003 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Personal Income	209.480	211.591	213.903	216.261	218.658	221.274	223.709	226.479
% Ch	4.4	4.1	4.4	4.5	4.5	4.9	4.5	5.0
Total Wage and Salary Disbursements	117.733	118.942	120.218	121.501	123.016	124.529	125.996	127.541
% Ch	4.6	4.2	4.4	4.3	5.1	5.0	4.8	5.0
Manufacturing	15.757	15.850	15.976	16.109	16.305	16.536	16.752	16.980
% Ch	1.4	2.4	3.2	3.4	5.0	5.8	5.3	5.6
Nondurable Manufacturing	4.541	4.561	4.594	4.631	4.679	4.746	4.815	4.890
% Ch	0.5	1.8	2.9	3.3	4.2	5.9	5.9	6.3
Durable Manufacturing	11.217	11.288	11.382	11.477	11.626	11.790	11.937	12.090
% Ch	1.7	2.6	3.3	3.4	5.3	5.8	5.1	5.2
Nonmanufacturing	96.662	97.737	98.836	99.935	101.154	102.384	103.583	104.846
% Ch	5.0	4.5	4.6	4.5	5.0	5.0	4.8	5.0
Other Private Wages	1.164	1.178	1.192	1.207	1.222	1.238	1.253	1.271
% Ch	5.0	4.7	5.0	5.0	5.1	5.5	5.0	5.7
Farm Wages	1.298	1.307	1.317	1.328	1.338	1.349	1.360	1.372
% Ch	3.0	2.8	3.1	3.2	3.2	3.4	3.2	3.5
Military Wages	2.851	2.871	2.897	2.923	2.997	3.022	3.047	3.072
% Ch	10.9	2.7	3.8	3.6	10.5	3.4	3.3	3.3
Nonwage Personal Income	91.747	92.649	93.685	94.760	95.643	96.745	97.714	98.938
% Ch	4.1	4.0	4.5	4.7	3.8	4.7	4.1	5.1
Other Labor Income	14.629	14.843	15.132	15.435	15.656	15.869	16.096	16.287
% Ch	6.3	6.0	8.0	8.3	5.8	5.6	5.8	4.8
Proprietor's Income	17.197	17.536	17.891	18.064	18.328	18.604	18.867	19.106
% Ch	10.7	8.1	8.3	3.9	6.0	6.2	5.8	5.2
Farm	0.476	0.549	0.624	0.614	0.633	0.670	0.682	0.648
% Ch	43.7	77.1	67.1	-6.4	12.6	25.4	7.7	-18.4
Nonfarm	16.721	16.987	17.266	17.450	17.696	17.935	18.185	18.458
% Ch	9.9	6.5	6.7	4.3	5.8	5.5	5.7	6.1
Less: Pers. Cont. for Social Ins.	9.284	9.376	9.473	9.570	9.687	9.803	9.915	10.033
% Ch	4.5	4.0	4.2	4.2	5.0	4.9	4.7	4.9
Plus: Residence Adjustment	2.326	2.349	2.375	2.402	2.427	2.452	2.478	2.503
% Ch	4.2	4.1	4.5	4.6	4.3	4.2	4.2	4.2
Dividends/Int./Rent	37.112	37.415	37.707	38.255	38.586	39.191	39.587	40.237
% Ch	0.8	3.3	3.2	5.9	3.5	6.4	4.1	6.7
Transfer Payments	29.767	29.882	30.053	30.175	30.332	30.431	30.601	30.838
% Ch	3.7	1.5	2.3	1.6	2.1	1.3	2.3	3.1
State U.I. Benefits	2.380	2.202	2.009	1.801	1.593	1.393	1.195	1.093
% Ch	-31.3	-26.7	-30.7	-35.5	-38.7	-41.6	-45.9	-29.8
Other Transfers	27.388	27.680	28.043	28.374	28.739	29.038	29.407	29.745
% Ch	7.7	4.3	5.4	4.8	5.2	4.2	5.2	4.7

Table A4.1
Selected Inflation Indicators
 (Deflator 1996=1.0; CPI 1982-84=1.0)

	Price Deflator*		U.S. CPI#		Seattle CPI+	
	Index	Percent Change	Index	Percent Change	Index	Percent Change
1965	0.234	1.5	0.315	1.6	0.310	1.1
1966	0.240	2.6	0.325	3.0	0.319	3.0
1967	0.246	2.5	0.334	2.8	0.328	2.9
1968	0.256	3.9	0.348	4.2	0.342	4.1
1969	0.267	4.5	0.367	5.4	0.358	4.8
1970	0.280	4.7	0.388	5.9	0.374	4.5
1971	0.292	4.3	0.405	4.2	0.382	2.1
1972	0.302	3.5	0.418	3.3	0.393	2.9
1973	0.319	5.4	0.444	6.3	0.418	6.4
1974	0.351	10.3	0.493	11.0	0.464	11.0
1975	0.380	8.1	0.538	9.1	0.511	10.2
1976	0.401	5.5	0.569	5.8	0.539	5.5
1977	0.427	6.6	0.606	6.5	0.583	8.0
1978	0.458	7.1	0.652	7.6	0.640	9.9
1979	0.498	8.9	0.726	11.3	0.709	10.8
1980	0.552	10.8	0.824	13.5	0.827	16.7
1981	0.601	8.8	0.909	10.4	0.916	10.8
1982	0.635	5.6	0.965	6.2	0.978	6.7
1983	0.662	4.3	0.996	3.2	0.993	1.5
1984	0.686	3.7	1.039	4.4	1.030	3.8
1985	0.710	3.4	1.076	3.5	1.056	2.5
1986	0.727	2.4	1.097	1.9	1.066	1.0
1987	0.755	3.8	1.136	3.6	1.092	2.4
1988	0.784	3.9	1.183	4.1	1.128	3.3
1989	0.819	4.4	1.239	4.8	1.181	4.7
1990	0.856	4.6	1.307	5.4	1.268	7.3
1991	0.889	3.8	1.362	4.2	1.341	5.8
1992	0.916	3.0	1.403	3.0	1.390	3.7
1993	0.938	2.4	1.445	3.0	1.429	2.8
1994	0.957	2.0	1.482	2.6	1.478	3.4
1995	0.979	2.3	1.524	2.8	1.522	3.0
1996	1.000	2.1	1.569	2.9	1.575	3.4
1997	1.019	1.9	1.605	2.3	1.630	3.5
1998	1.030	1.1	1.630	1.5	1.678	2.9
1999	1.047	1.6	1.666	2.2	1.728	3.0
2000	1.074	2.5	1.722	3.4	1.792	3.7
2001	1.096	2.0	1.771	2.8	1.857	3.6
2002	1.111	1.4	1.799	1.6	1.893	2.0
Forecast						
2003	1.131	1.9	1.841	2.4	1.925	1.7
2004	1.149	1.6	1.870	1.5	1.948	1.2
2005	1.170	1.8	1.904	1.8	1.979	1.6

* Chain-Weight Implicit Price Deflator for Personal Consumption Expenditures

Consumer Price Index for all Urban Consumers

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

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

Table A4.2
Chain-Weighted Price Indices
 (1996=1.0)

	Services		Food		Fuels		Gasoline	
	Index	Percent Change	Index	Percent Change	Index	Percent Change	Index	Percent Change
1965	0.188	2.0	0.236	2.0	0.149	2.3	0.237	3.8
1966	0.193	2.9	0.246	4.2	0.153	2.5	0.243	2.3
1967	0.199	3.0	0.250	1.6	0.158	3.2	0.251	3.3
1968	0.207	4.2	0.259	3.7	0.162	3.0	0.254	1.5
1969	0.217	5.0	0.272	4.9	0.166	2.3	0.263	3.3
1970	0.229	5.3	0.288	6.1	0.173	4.2	0.265	0.9
1971	0.242	5.6	0.297	3.1	0.185	6.7	0.267	0.7
1972	0.252	4.3	0.311	4.5	0.186	0.8	0.270	1.3
1973	0.264	4.6	0.345	10.9	0.213	14.4	0.296	9.6
1974	0.285	7.9	0.393	14.2	0.338	58.3	0.400	35.1
1975	0.308	8.2	0.425	7.9	0.370	9.6	0.427	6.7
1976	0.329	6.8	0.439	3.3	0.395	6.8	0.445	4.2
1977	0.355	7.9	0.466	6.3	0.446	12.8	0.471	5.8
1978	0.383	7.9	0.509	9.1	0.469	5.1	0.491	4.3
1979	0.414	8.2	0.559	10.0	0.628	34.0	0.659	34.0
1980	0.459	10.7	0.608	8.7	0.874	39.2	0.914	38.8
1981	0.506	10.2	0.654	7.6	1.064	21.7	1.017	11.3
1982	0.548	8.4	0.677	3.5	1.052	-1.2	0.966	-5.1
1983	0.583	6.4	0.692	2.1	0.989	-6.0	0.934	-3.3
1984	0.614	5.2	0.715	3.3	1.011	2.3	0.920	-1.5
1985	0.644	4.9	0.729	2.0	0.976	-3.4	0.928	0.8
1986	0.673	4.6	0.750	2.9	0.787	-19.3	0.729	-21.5
1987	0.702	4.3	0.775	3.3	0.788	0.1	0.756	3.8
1988	0.736	4.9	0.801	3.4	0.790	0.3	0.763	0.8
1989	0.771	4.8	0.841	5.0	0.826	4.5	0.833	9.2
1990	0.809	5.0	0.882	4.8	0.986	19.4	0.948	13.8
1991	0.848	4.8	0.912	3.4	0.955	-3.2	0.936	-1.3
1992	0.885	4.3	0.922	1.2	0.921	-3.6	0.933	-0.4
1993	0.916	3.5	0.937	1.5	0.918	-0.3	0.923	-1.0
1994	0.942	2.8	0.952	1.6	0.903	-1.6	0.928	0.5
1995	0.973	3.3	0.973	2.2	0.896	-0.8	0.942	1.6
1996	1.000	2.8	1.000	2.8	1.000	11.6	1.000	6.1
1997	1.031	3.1	1.022	2.2	1.008	0.8	1.000	0.0
1998	1.055	2.3	1.040	1.8	0.915	-9.2	0.871	-12.9
1999	1.078	2.2	1.061	2.0	0.927	1.2	0.948	8.8
2000	1.108	2.8	1.087	2.4	1.291	39.3	1.211	27.8
2001	1.143	3.1	1.119	3.0	1.307	1.3	1.168	-3.6
2002	1.174	2.7	1.141	2.0	1.177	-10.0	1.091	-6.6
Forecast								
2003	1.209	2.9	1.157	1.4	1.421	20.7	1.243	13.9
2004	1.240	2.6	1.173	1.4	1.341	-5.6	1.107	-11.0
2005	1.271	2.5	1.191	1.6	1.360	1.4	1.097	-0.9

Table A5.1
Total 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	5021.3	154.6	3.2	79.1	36.6	112.1
1992	5141.2	119.8	2.4	80.2	37.2	76.8
1993	5265.7	124.5	2.4	79.1	39.4	84.8
1994	5364.3	98.6	1.9	78.2	39.5	60.0
1995	5470.1	105.8	2.0	77.5	40.0	68.3
1996	5567.8	97.7	1.8	77.0	41.2	61.8
1997	5663.8	96.0	1.7	78.0	42.6	60.6
1998	5750.0	86.3	1.5	78.8	41.6	49.0
1999	5830.8	80.8	1.4	79.8	43.1	44.2
2000	5894.1	63.3	1.1	79.9	43.7	27.2
2001	5974.9	80.8	1.4	80.7	43.9	44.0
2002	6041.7	66.8	1.1	79.2	44.8	32.4
Forecast						
2003	6098.6	56.9	0.9	82.0	46.2	21.1
2004	6157.9	59.3	1.0	82.6	46.9	23.6
2005	6230.0	72.1	1.2	83.4	47.6	36.3

* As of April 1 of Each Year

Source: Office of Financial Management

Table A5.2
Washington Population*
 (Thousands)

	Actual			Forecast		
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Total Population	5894.1	5974.9	6041.7	6098.6	6157.9	6230.0
Percent Change	1.1	1.4	1.1	0.9	1.0	1.2
Age 17 and Under	1513.8	1520.9	1522.6	1522.5	1522.6	1528.9
Percent of Total	25.7	25.5	25.2	25.0	24.7	24.5
Age 6-18	1123.3	1129.4	1130.0	1127.8	1125.7	1125.8
Percent of Total	19.1	18.9	18.7	18.5	18.3	18.1
Age 18 and Over	4380.3	4454.0	4519.1	4576.1	4635.3	4701.1
Percent of Total	74.3	74.5	74.8	75.0	75.3	75.5
Age 21 and Over	4128.0	4195.5	4257.3	4312.1	4369.6	4433.9
Percent of Total	70.0	70.2	70.5	70.7	71.0	71.2
Age 20-34	1231.3	1243.4	1255.0	1262.9	1268.8	1273.2
Percent of Total	20.9	20.8	20.8	20.7	20.6	20.4
Age 18-64	3718.1	3784.3	3841.7	3890.2	3940.5	3994.9
Percent of Total	63.1	63.3	63.6	63.8	64.0	64.1
Age 65 and Over	662.1	669.7	677.3	685.8	694.8	706.2
Percent of Total	11.2	11.2	11.2	11.2	11.3	11.3

* As of April 1 of Each Year

Source: Office of Financial Management

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Glossary

Biennium: The state's two years budget cycle. The 1997-1999 biennium started on July 1, 1997 and ends June 30, 1999. The current 1999-2001 biennium started July 1, 1999 and ends June 30, 2001.

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. The BLS also produces a bi-monthly Seattle-Tacoma-Bremerton CPI.

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 1999, for example, ran from July 1, 1998 through June 30, 1999.

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 Revenue: Resources from state sources only, excludes federal monies.

Implicit Price Deflator for Personal Consumption Expenditures (IPD): The IPD 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 25 year conventional loan (as reported by the Federal Home Loan Bank Board).

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.

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.

Wage and Salary Employment: Civilian nonfarm payroll employees. The self-employed, farm workers, members of the armed forces, private household employees, and workers on strike are excluded.