

Washington State Economic and Revenue Forecast

June 2021 Volume
XLVI, No. 2



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Washington State Economic and Revenue Forecast

Prepared by the
Economic and Revenue Forecast Council

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Preface

ERFC forecasting structure and schedule

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

Forecast Procedure

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

Data in this publication are accurate through July 2, 2021.

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Executive Summary

- **The COVID-19 pandemic has severely weakened the economy. The decline of COVID-19 cases and increase in vaccinations have allowed the economy to reopen.**
- **Policymakers have approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic.**
- **The forecast for GDP growth in 2021 is now 6.7%, up from 5.7% in the previous forecast. For 2022, real GDP growth is 4.4%, up from 4.1% in the previous forecast. Our forecast for GDP growth in 2023 to 2025 is down from the March forecast.**
- **The Washington economy continues to recover from the recession.**
- **Washington personal income rose 49.0% (SAAR) in the first quarter mostly because of another round of direct payments to individuals.**
- **Washington real GDP was 1.7% above its pre-recession peak in the first quarter of 2021.**
- **The Washington forecast features higher personal income, employment, housing construction, and inflation than did the forecast adopted in March.**
- **General Fund-State (GF-S) revenue collections since the March forecast have come in \$644 million (9.6%) above the forecasted amount.**
- **The GF-S forecast was increased by \$808 million in the 2019-21 biennium, \$1.24 billion in the 2021-23 biennium and \$1.20 billion in the 2023-25 biennium.**
- **Legislative changes, most notably a tax on certain capital gains, have increased the forecast of revenue for funds subject to the budget outlook process by \$399 million in the 2021-23 biennium and \$810 million in the 2023-25 biennium.**
- **The forecast of total revenue for funds subject to the budget outlook process was increased by \$825 million in the 2019-21 biennium, \$1.76 billion in the 2021-23 biennium and \$2.24 billion in the 2023-25 biennium.**

U.S. Economic Forecast

The economy has improved since the onset of the pandemic

The COVID-19 pandemic and resulting social distancing and business shutdowns severely weakened the economy. COVID-19 cases have declined since the beginning of the year (see figure 1.1), and vaccinations have increased. The economy has largely reopened, and with the help of recent stimulus, economic growth has resumed. Even with the rapid improvement, however, economic activity remains below the pre-pandemic peak.

Policymakers have approved trillions of dollars in stimulus

Policymakers have approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic. Stimulus related to the pandemic has been over \$500 billion in five major categories. Loan and grant programs (\$1.03 trillion), income support (\$882 billion), state and local government funding (\$873 billion), direct payments (\$870 billion), and health spending (\$677 billion). The remainder of the spending is comprised of tax policy and other spending such as disaster support, higher education, and housing. The Federal Reserve has engaged in asset purchases, liquidity measures, and loan programs to assist the economy.

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

This forecast is based on a modified version of IHS Markit's June 2021 Control forecast for the U.S. economy. As usual, we have adjusted real gross domestic product (GDP) to match the Blue Chip "Consensus" GDP forecast. The forecast for GDP growth in 2021 is now 6.7%, up from 5.7% in the March forecast. For 2022, real GDP growth is 4.4%, up from 4.1% in the previous forecast. We do not have a new long term forecast from Blue Chip since the March forecast. For 2023-25, we assume that some of the higher near term growth is offset by weaker long term growth. We expect growth rates of 2.2%, 2.0%, and 1.9% in 2023 through 2025 compared to the previous forecast of 2.4%, 2.2%, and 2.1%.

Washington Economic Forecast

The Washington economy continues to recover from the recession

The Washington economy continues to recover from the recession. Employment growth during the last three months was slightly less than expected in the March forecast. Washington's unemployment rate improved to 5.3% in May, down significantly from the 16.3% rate reached in April 2020. Washington housing construction moderated in April and May after reaching its highest level in nearly 43 years. Seattle-area home price growth was the highest ever in April. Washington personal income rose 49.0% (SAAR) in the first quarter mostly because of another round of direct payments to individuals. Washington real GDP was 1.7% above its pre-recession peak in the second quarter of 2021. Seattle-area consumer price inflation trailed the national average in the year ending in April 2021.

The Washington forecast features higher personal income, employment, housing construction, and inflation than did the forecast adopted in March. We expect a 2.0% increase in Washington employment this year which is up from the 1.7% increase the March forecast. We expect employment growth to average 2.3% per year in 2022 through 2025 which is slightly higher than the 2.2% rate expected in the March forecast. Our forecast for nominal personal income growth this year is 6.0%, up from 4.8% in the March forecast. Personal income growth will slow next year as the extraordinary stimulus of the last two years is withdrawn. We expect personal income growth of only 1.5% in 2022 compared to 1.1% in the March forecast. Our new forecast for nominal personal income growth in 2023 through 2025 averages 4.8% per year compared to the 5.1% rate in the March forecast. We expect 54,200 housing units authorized by building permits this year, up from 52,200 in the March forecast. We expect permits to average 45,300 units in 2022 through 2025, also up from 44,000 units in the March forecast. We expect the Seattle CPI to rise 3.0% this year, up from 2.2% in the March forecast. We expect Seattle inflation to average 2.0% per year in 2022 through 2025 compared to 1.8% per year in the March forecast.

Revenue Forecast

Taxable activity has boomed in the first half of 2021 but growth is expected to slow by the end of the year

Since the March forecast, there has been a boom in retail sales and other taxable activity, both in Washington and the U.S. The boom greatly exceeded expectations. As a result, revenue collections since March have come in almost ten percent higher than forecasted. The high growth rates of the last few months are not expected to continue, and some sectors, such as vehicle sales, are expected to decline from their recent peaks before growing again. Nevertheless, the forecast of slower growth from a higher starting point has resulted in increased revenue through the end of the forecast period. In addition, new legislation from the 2021 session, most noticeably a tax on certain taxable gains, has increased forecasted total revenue starting in FY 2023.

GF-S forecast change by biennium (billions):

*19-21: \$0.81
21-23: \$1.24
23-25: \$1.20*

In the current biennium, revenue collections that are tracked monthly came in \$644 million higher than forecasted. The forecasted increase in economic activity for the rest of the biennium added \$166 million and legislative changes from the 2021 session subtracted \$2 million, resulting in a total forecast increase of \$808 million. Legislative changes subtracted \$101 million from forecasted 2021-23 revenue and \$218 million from 2023-25 revenue. The total forecast for the 2021-23 biennium was increased by \$1.239 billion and the forecast for the 2023-25 biennium was increased by \$1.201 billion. The June 2021 forecast for GF-S revenue totals \$50.848 billion in the 2019-21 biennium, \$55.611 billion in the 2021-23 biennium and \$58.979 billion in the 2023-25 biennium.

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

*19-21: \$0.838
21-23: \$1.798
23-25: \$2.246*

The forecast of total revenue for funds subject to the budget outlook for the 2019-21 biennium is \$53,171.9 million, \$837.7 million more than the March forecast. The forecast of total revenue for the 2021-23 biennium is \$58,413.1 million, \$1,798.2 million more than the March forecast. The forecast for the 2023-25 biennium is \$62,151.2 million, \$2,245.6 million more than the March forecast.



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

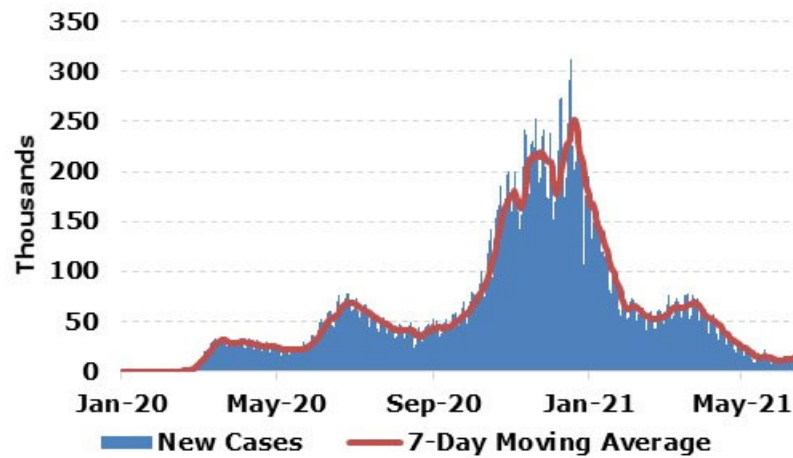
- **The COVID-19 pandemic severely weakened the economy. The decline of COVID-19 cases and increase in vaccinations allowed the economy to largely reopen.**
- **Policymakers have approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic.**
- **U.S. real GDP increased 6.3% (SAAR) in the first quarter after a 4.3% increase in the fourth quarter. Despite the growth, economic activity remains below the pre-pandemic peak.**
- **Employment has increased and unemployment has trended down but neither are at pre-pandemic levels.**
- **Headline inflation has risen rapidly but the increase is likely to be temporary.**
- **The housing market has recovered; manufacturing has been strong.**
- **Oil prices are increasing after an unprecedented drop due to the pandemic. U.S. production has fallen.**
- **The forecast for GDP growth in 2021 is now 6.7%, up from 5.7% in the previous forecast. For 2022, real GDP growth is 4.4%, up from 4.1% in the previous forecast. Our forecast for GDP growth in 2023 to 2025 is down from the March forecast.**
- **Due to the high degree of uncertainty regarding the extent to which the COVID-19 pandemic will continue, the uncertainty in the baseline forecast is elevated.**

Current Conditions

The economy has improved since the onset of the pandemic

The COVID-19 pandemic and resulting social distancing and business shutdowns severely weakened the economy. COVID-19 cases have declined since the beginning of the year (see figure 1.1), and vaccinations have increased. The economy has largely reopened, and with the help of recent stimulus, economic growth has resumed. Even with the rapid improvement, however, economic activity remains below the pre-pandemic peak.

Figure 1.1: New COVID-19 Cases



Source: Source: U.S. Centers for Disease Control; data through July 2, 2021

Policymakers have approved trillions of dollars in stimulus

Policymakers have approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic. Stimulus related to the pandemic has been over \$500 billion in five major categories. Loan and grant programs (\$1.03 trillion), income support (\$882 billion), state and local government funding (\$873 billion), direct payments (\$870 billion), and health spending (\$677 billion). The remainder of the spending is comprised of tax policy and other spending such as disaster support, higher education, and housing. The Federal Reserve has engaged in asset purchases, liquidity measures, and loan programs to assist the economy.

U.S. real GDP has yet to return to pre-pandemic levels

The COVID-19 crisis, efforts taken to contain it, and the subsequent stimulus programs and other responses have created unprecedented volatility in economic growth. U.S. real GDP plummeted a record 31.4% (SAAR) in the second quarter of 2020 followed by a record 33.4% (SAAR) gain in the third quarter of 2020. GDP growth has since continued to recover on a more sustainable path. Real GDP increased 4.3% (SAAR) in the fourth quarter of 2020 and increased another 6.3% (SAAR) in the first quarter of 2021. The growth in the past three quarters still has not made up all of the decline from the fourth quarter 2019 peak. Consumer spending increased a strong 11.4% (SAAR) in the first quarter helped by stimulus payments to individuals and added 7.4 points to topline GDP. Consumer spending on goods surged 26.6% (SAAR) while spending on services increased 4.2% (SAAR) as many service industries were still impacted by social distancing and other requirements. Fixed investment increased 12.1% (SAAR) in the first quarter contributing 2.1 points to GDP. Residential construction increased 13.1% (SAAR) while nonresidential construction declined 2.0% (SAAR). Business investment in equipment and intellectual property increased 15% (SAAR) and 15.3% (SAAR) respectively. The change in inventories reduced overall GDP by 2.7 percentage points in the first quarter. Government spending

increased 5.7% (SAAR) due primarily to a 45.0% (SAAR) increase in federal nondefense spending related to stimulus measures. Exports declined 2.1% (SAAR) while imports increased 9.5% (SAAR) as trade is still recovering from shutdowns. Net exports resulted in a net negative to GDP growth of 1.5 points.

Employment remains 6.8 million lower than the pre-pandemic level

Nonfarm payroll employment has continued to grow at a strong pace after the unprecedented 20.7 million job decline in April of last year due to the pandemic. Employment increased 850,000 jobs in June as states continued to eliminate pandemic related restrictions. Most of the job gains were once again in leisure and hospitality (+343,000) as the businesses most impacted by the pandemic have been able to reopen. Retail trade employment increased by 67,100 jobs. The construction sector lost 7,000 jobs despite the strong housing market. The manufacturing sector added 15,000 jobs. Job gains in temporary help services were strong with 33,000 net new jobs. Government payrolls added 288,000 jobs, but most of this was due to public schools cutting fewer jobs to end the year causing the seasonally adjusted number to increase. Even with the recent job gains, total nonfarm employment remains 6.8 million lower than the pre-pandemic February 2020 level.

The unemployment rate has trended down after spiking in April 2020

The unemployment rate has continued to trend downward as shutdowns have been lifted and the economy has recovered. After spiking in April 2020 at 14.8%, the unemployment rate fell to 5.8% in May 2021. In June, the unemployment rate increased slightly to 5.9% as more workers entered the labor force. Prior to the pandemic, the unemployment rate was at a historic low of 3.5% in February 2020. The labor force participation rate was at 61.6% in June, down from a pre-pandemic high of 63.4% in January 2020. Average hourly earnings rose 10 cents to \$30.40 while the average workweek fell 0.1 hours to 34.7 in June.

Consumer attitudes are improving

Consumer confidence is improving as the country reopens from the pandemic. The Conference Board's Consumer Confidence Index increased 7.3 points to 127.3 in June and is just shy of the 132.6 pre-pandemic reading in February 2020. The present conditions component rose 9.0 points due to improvement in the job market, progress in the nation's vaccination campaign, and Federal stimulus measures. Future expectations increased 6.1 points. The University of Michigan Consumer Sentiment index increased in June by 2.6 points to 85.5. Unlike the Conference Board measure, present conditions fell 0.8 points due to higher gas prices, rising inflation, and lack of stock market gains. The expectations component increased 4.7 points. The University of Michigan sentiment index remains well below the 101.0 point pre-pandemic reading.

Oil prices have increased

Oil prices have increased sharply since reaching a trough at the onset of the pandemic. Brent spot crude prices are now at \$75 per barrel at the end of June after a trough of \$14 in April of last year. West Texas Intermediate (WTI) prices were hit harder as

oil markets fully took account of the pandemic. WTI prices reached a weekly low of \$3 per barrel in April 2020 and even posted a single day price of an unheard of -\$40 per barrel. WTI prices have since increased to \$73 per barrel at the end of June. Demand has increased as more workers have returned to the office and travel has resumed. OPEC+ continues to try manipulate prices with supply changes. The organization removed nearly 10 million barrels per day of production in April 2020 in an effort to support prices as demand plummeted. Since then, the group has been slowly returning barrels to the market. Prior to the pandemic, U.S. production was at an all-time high at 12.866 million barrels per day (bpd) in November 2019. Production then hit a trough of 10.019 bpd as the pandemic caused demand to plummet. The latest data from April show an increase to 11.169 million bpd. The Baker Hughes rig count has been increasing as prices have risen. As of July 2nd, the rig count was 475, up 212 since last year.

Inflation has risen rapidly but the increase is likely temporary

Headline inflation has risen rapidly but the increase is likely to be temporary. With the economy reopening, supply has not been able to meet the surge in demand. Shortages of commodities have also temporarily pushed prices higher. Year-over-year, the Consumer Price Index (CPI) was up 4.9% in May, the highest level of inflation since 2008 (see figure 1.2). A year ago, headline inflation was 0.3% as the economy was under shutdown orders due to the pandemic. Lean inventories for cars, combined with increased demand helped by recent stimulus, have pushed prices in the auto sector up significantly. Other sectors affected by stay-at-home orders have seen some of the largest impacts. Energy prices, particularly gasoline (+56.2%), have surged as workers have returned to the office and began commuting again. Transportation services are up 11.2% year-over-year with airline fares up 24.1%. Shelter cost inflation has remained steady and is now 2.2% over the year. Core consumer prices, which exclude food and energy, were up 6.5% over the year.

Figure 1.2: Consumer Price Index (CPI) Year-Over-Year Percent Change

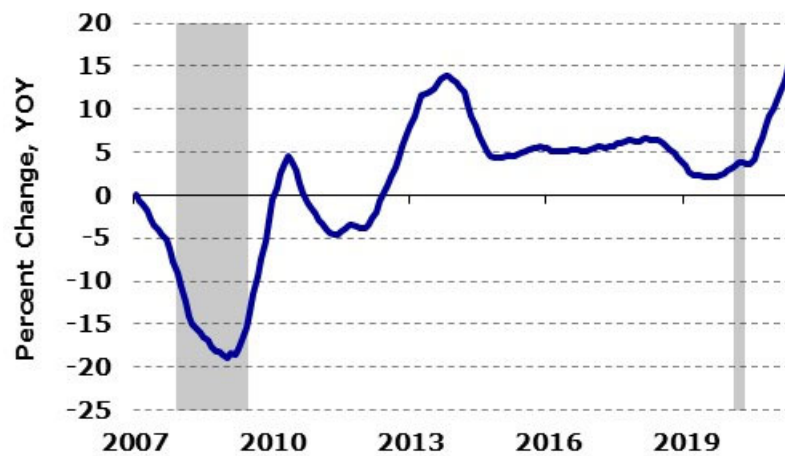


Source: U.S. Bureau of Labor Statistics; data through May 2021

Home prices are rising rapidly

Home prices are surging due to rising material cost and low supply, and strong demand for housing. The seasonally adjusted S&P CoreLogic Case-Shiller 20-city Home Price Index increased 1.6% in April following another 1.6% gain the month before. Home prices are now 14.9% higher than a year ago (see figure 1.2). Lumber prices skyrocketed over the past year, adding to the cost of new homes and causing projects to be delayed. The random length lumber price reached \$1,671 per 100,000 board feet in May, over four times the price of \$336 from May 2020. Prices have since come down to \$783 at the end of June. Homebuilder confidence remains high and well above pre-pandemic levels, but has been cooling the past several months. In June, confidence dipped two points to 81. In June 2020, confidence was at 58 as the worst of the pandemic was ending. Expansionary monetary policy is supporting home prices by keeping interest rates low which allows buyers to purchase more expensive homes. The rate on a 30-year mortgage has remained low after reaching a historic low of 2.65% in January. The rate on a 30-year mortgage is now at 3.02%, down from 3.13% a year ago.

Figure 1.3: S&P CoreLogic Case-Shiller 20-city Home Price Index



Source: S&P CoreLogic Case-Shiller; data through April 2021

The housing market has recovered

The housing market has recovered to pre-pandemic levels, and has been strong since reaching a peak early in the year. Housing starts increased 3.6% in May and are 5.0% above a year ago. Single-family starts in February increased 4.2% while volatile multi-family starts declined 1.8%. Low inventory should help keep new construction strong despite high material costs. Housing permits declined 2.9% in May. Single-family permits declined 1.2% and multi-family permits declined 6.2%. Total permits remain up 35.1% from a year ago. New home sales declined 5.9% in May to 769,000 (SAAR), but remain up 9.2% since last year.

The manufacturing sector has been strong

The manufacturing sector has been strong after contracting sharply in April and May of last year. The Institute for Supply Management (ISM) Report on Business index slipped to 60.6 (index values below 50 indicate contraction) in June from 61.2 in May. Supply chain disruptions due to the closure of nonessential businesses appear to be resolving. The new orders and production components both remained over 60 as demand remains strong. Despite strong fundamentals, the employment component declined to contractionary territory after expanding for six straight months. According to the survey, an overwhelming majority of the companies are attempting to hire, but are having trouble filling positions. The latest G-17 report from the Federal Reserve indicates manufacturing output advanced 0.9% in May but remains 0.4% down from a year ago. The largest increase was in motor vehicles although there remains a global shortage of semiconductors limiting production. New orders for core capital goods (nondefense capital goods excluding aircraft) slipped 0.1% in May but remain up 16.3% from a year ago.

U.S. exports have returned to growth

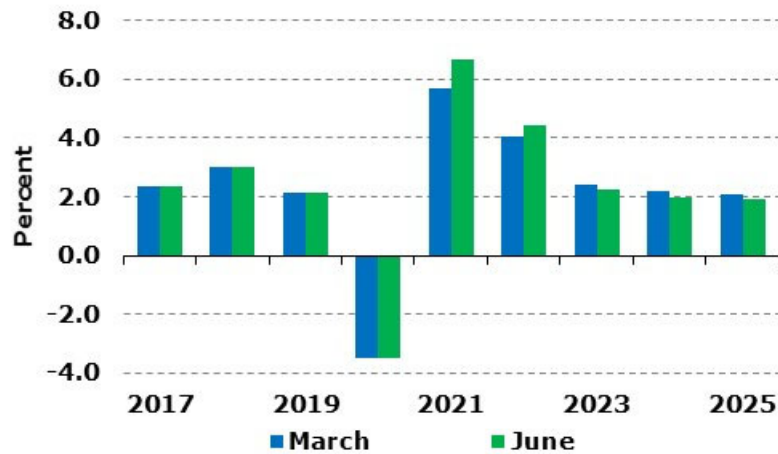
U.S. exports are growing again as the global economy begins to emerge from pandemic related restrictions. Total exports in the first quarter increased 2.8% year over year after seven consecutive quarters of decline. Transportation equipment exports declined 19.9% year over year due partially to the grounding of the Boeing 737 Max. Boeing has now resumed deliveries of the 737 Max which should help turn transportation equipment exports positive going forward. Oil and gas exports, rebounded 13.7% year over year as demand picked up due to more commuting and travel. Exports to China have surged, growing over 50% year over year in each of the past two quarters despite the ongoing trade war. Exports to Canada and Mexico have also returned to growth, growing 2.8% and 7.4% year over year respectively in the first quarter.

Forecast

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

This forecast is based on a modified version of IHS Markit's June 2021 Control forecast for the U.S. economy. As usual, we have adjusted real gross domestic product (GDP) to match the Blue Chip "Consensus" GDP forecast. The forecast for GDP growth in 2021 is now 6.7%, up from 5.7% in the March forecast. For 2022, real GDP growth is 4.4%, up from 4.1% in the previous forecast. We do not have a new long term forecast from Blue Chip since the March forecast. For 2023-25, we assume that some of the higher near term growth is offset by weaker long term growth. We expect growth rates of 2.2%, 2.0%, and 1.9% in 2023 through 2025 compared to the previous forecast of 2.4%, 2.2%, and 2.1%.

Figure 1.4: U.S. Real GDP Growth



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

The forecast includes key assumptions related to the economic recovery and the pandemic. The forecast assumes vaccinations outpace the spread of new strains of the COVID-19 virus. The forecast also assumes sufficient inoculation of the population is achieved this summer to allow consumption to begin approaching a more historical relationship with income and wealth.

The forecast includes the stimulus and tariffs

The June forecast includes all pandemic relief measures enacted in 2020 and the \$1.9 trillion American Rescue Plan enacted in March. The forecast does not include any of the approximately \$4 trillion in spending and taxes in President Biden’s proposed American Jobs Plan and the American Families Plan. The forecast includes tariffs enacted by the U.S. and China since 2017 that are still in effect.

The U.S. just ended the longest recovery on record

The U.S. economy entered recession in February 2020. This marked the end of the longest economic recovery on record. The recovery lasted 128 months from the 2007-09 recession through February, surpassing the 120 months from the 1990 recession. GDP growth turned positive in the third quarter of 2020. Depending on official dates of the business cycle, this recession is likely to be one of the shortest recorded.

Oil prices are higher than in March

Oil prices have increased due to strong demand and continued production restraint by OPEC. Oil prices had been under severe downward pressure since COVID-19 started influencing trading early last year. Social distancing and stay-at-home orders caused demand for gasoline to plummet. As those restrictions have eased, demand has strengthened. The refiner acquisition price of crude oil in 2021 is expected to average \$65 per barrel in 2021, up from \$62 in the March forecast (see Figure 1.5). We expect \$65 to be the peak in oil prices. The firming of prices will result in increased U.S. production, keeping prices in check even as demand continues to grow.

Figure 1.5: Average Price of Crude Oil



Source: EIA, June 2021 ERFC forecast; historical data through 2021 Q1

Inflation is expected to moderate

Inflation (as measured by the price index for personal consumption expenditures) is expected to be higher this year than in the March forecast. We expect inflation to be 2.9% this year, up from 2.4% in the previous forecast. The increase in inflation this year is expected to be temporary. Much of the recent increase in prices is due to the recovery of prices of services driven down during the pandemic. Constraints on supply chains have also impacted prices. Inflation is expected to decline to 2.2% in 2022. Inflation is expected to decline to 1.9% in 2023 and remain there through 2025. Core inflation (minus food and energy) is expected to be 2.6% this year and then trend down to 2.0% in 2024 and 2025.

Consumer spending growth is expected to accelerate

Consumer spending is expected to accelerate this year due to the rapidly declining number of COVID-19 cases, success with vaccines, and easing containment measures. Fiscal stimulus measures have also given a boost to consumers. Consumer service industries, hit hardest by the pandemic and subsequent social distancing measures, have rebounded sharply. Real consumer spending is expected to grow 7.8% this year, up from a 3.9% decline in 2020. The March forecast expected growth of 6.3% this year. The forecast calls for growth of 4.3% in 2022 trending downward as the recovery continues, reaching 2.1% in 2025.

Employment will take time to recover

Employment took a major hit from the COVID-19 pandemic but is now in the process of recovering. In 2020, there was a 5.7% reduction in employment. Almost all of the reduction was due to the unprecedented 20.7 million job loss in the month of April. The employment forecast calls for growth of 2.7% this year, faster than the 2.4% growth assumed in the March forecast. We expect average annual employment of 146.2 million jobs in 2021; less than the pre-pandemic annual average of 150.9 million jobs in 2019. We don't expect to reach the pre-pandemic peak of 151.9 million jobs until the fourth quarter of 2022. Job

growth is expected to continue as the recovery continues but to trend downward throughout the forecast, reaching 0.6% in 2025. We expect the unemployment rate to average 5.4% this year, down from 5.5% forecasted in March. Going forward, the forecast calls for the unemployment rate to reach a trough of 3.5% in 2024.

Business investment is expected to rebound this year

Real nonresidential fixed investment is expected to increase 7.6% this year after declining 4.0% in 2020. The increase in oil prices has led to rising drilling activity. Supply chain bottlenecks have led to order backlogs, which in turn, have caused inventories to hit an all-time low. The capital-intensive manufacturing sector is expanding to meet demand. After an extended grounding, Boeing resumed delivery of the 737 MAX in December, although China still has a ban on the plane. Office vacancy rates continue to rise however as Americans still work from home even after social distancing requirements have eased. We expect real nonresidential construction to decline 7.2% this year after declining 11.0% in 2020. The forecast calls for growth to resume in 2022 at 0.5% then to average 4.8% in 2023 through 2025. Real nonresidential construction will not have fully recovered to its levels before the pandemic by the end of 2025. Real equipment investment is expected to rebound this year, growing 13.3% after declining 5.0% in 2020. We expect growth in real equipment investment to average 4.4% from 2022 to 2025. We expect real nonresidential fixed investment growth to average 4.4% from 2022 through 2025.

The housing market has been surging

The housing market has been surging. Record low interest rates and inventories have helped the market. There has also been an increase in demand from people working remotely and wanting to relocate. The outlook for housing is slightly higher compared to March. The June forecast calls for housing starts to increase 12.8% this year. The March forecast expected an increase of 11.4%. We expect single-family housing starts to increase 13.6% and the multi-family segment to increase 10.8% this year. We expect 2021 to be the peak in housing starts at 1.58 million units. We expect a slow decline through the remainder of the forecast, with housing starts reaching 1.32 million in 2025.

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

The COVID-19 pandemic has affected economies throughout the world. Since peaking in January, new COVID-19 infections peaked again in April, but are now declining. Even with the unanticipated second peak in infections, economic growth of U.S. major trading partners is expected to be stronger than in March (see figure 1.6). Economic growth of major U.S. trading partners is expected to rebound to 5.6% this year after a 4.6% decline in 2020. The March forecast called for growth of 4.6% in 2021. We expect U.S. major trading partner growth of 4.0% next year and then average growth of 2.7% from 2023 through 2025. Real U.S. exports are forecasted to increase 5.8% this year after declining 12.9% in 2020. Exports are receiving a boost from resumed deliveries of the Boeing 737 MAX. We expect real export growth of 8.1% in 2022 as the global

economy recovers. Real export growth is then expected to trend downward and reach 4.4% in 2025.

Figure 1.6: GDP Growth of Major U.S. Trading Partners



Source: ERFC June 2021 forecast; historical data through 2021Q1

The six COVID-19 relief measures have been far more substantial than the fiscal response to the Great Recession. Both episodes had their highest one year cost, or peak cost, in the third year after the initial stimulus. The American Recovery and Reinvestment Act of 2009 had a peak cost to the federal government of \$1.0 trillion and ended up costing \$787 billion over ten years. The combination of COVID-19 stimulus to date is expected to peak at \$5.4 trillion and total \$5.3 trillion over ten years.

The Fed funds rate remains near zero

The Federal Reserve lowered the federal funds rate to near zero in response to the pandemic. The Federal Reserve has also brought back several credit facilities from the previous recession and created new ones to support the economy and ensure normal functioning of credit markets. Since the March forecast, inflation has risen sharply as the economy reopened while the vaccination rate increased and infections fell. The recent rise in inflation is expected to be transitory as much of the increase is related to the initial impact of the pandemic the previous year. We still expect the Federal Reserve to maintain extraordinary policy support through credit programs, liquidity support, and near zero interest rates until the economy is well into its recovery. The Federal Open Market Committee (FOMC) has established three preconditions to increase the federal funds rate. First, labor markets must achieve maximum employment. Second, inflation must rise to 2% on a sustained basis. Third, inflation must be on track to rise moderately above 2% for some time. We expect these conditions be satisfied in 2024 and expect the first rate hike to be in June of that year.

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

Risks to the Forecast

The level of uncertainty in the baseline forecast remains elevated, downside risks and upside risks are balanced.

Downside Risks

- New variants of COVID-19 causes another wave of cases
- Renewed social distancing measures cause widespread business failures
- The increase in inflation is not temporary
- Weak demand causes businesses to slow re-hiring of laid-off workers
- Increasing geopolitical tensions negatively affect consumer confidence
- Monetary policy is ineffective
- Deficit fears limit fiscal policy
- A breakdown in trade relations
- Global growth weakens, pulling exports down

Upside Risks

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

Table 1.1
U.S. Economic Forecast Summary
Forecast 2021 to 2025

Fiscal Years

	2018	2019	2020	2021	2022	2023	2024	2025
Real National Income Accounts (Billions of Chained 2012 Dollars)								
Real Gross Domestic Product	18,432.5	18,884.3	18,677.3	19,002.7	20,197.3	20,765.8	21,192.7	21,601.7
% Ch	2.9	2.5	-1.1	1.7	6.3	2.8	2.1	1.9
Real Consumption	12,758.6	13,080.6	12,908.4	13,233.5	14,076.6	14,488.9	14,790.4	15,090.7
% Ch	2.7	2.5	-1.3	2.5	6.4	2.9	2.1	2.0
Real Nonresidential Fixed Investment	2,610.0	2,748.5	2,706.2	2,773.7	2,927.8	3,106.7	3,269.0	3,422.8
% Ch	5.4	5.3	-1.5	2.5	5.6	6.1	5.2	4.7
Real Residential Fixed Investment	618.4	600.9	605.3	696.1	696.8	665.9	662.9	670.3
% Ch	2.5	-2.8	0.7	15.0	0.1	-4.4	-0.5	1.1
Real Personal Income	16,251.8	16,726.6	17,369.8	18,301.4	17,860.4	18,238.8	18,670.4	19,144.9
% Ch	3.4	2.9	3.8	5.4	-2.4	2.1	2.4	2.5
Real Per Capita Income (\$/Person)	49,557	50,740	52,457	55,166	53,718	54,624	55,649	56,769
% Ch	2.7	2.4	3.4	5.2	-2.6	1.7	1.9	2.0
Price and Wage Indexes								
PCE Price Index (2012=100)	107.1	109.0	110.5	112.6	115.8	118.0	120.3	122.5
% Ch	1.9	1.8	1.3	1.9	2.8	1.9	1.9	1.9
U.S. Consumer Price Index (1982-84=1.0)	2.481	2.533	2.573	2.629	2.709	2.759	2.813	2.868
% Ch	2.2	2.1	1.6	2.2	3.0	1.8	2.0	2.0
Employment Cost Index (Dec. 2005=1.0)	1.314	1.354	1.395	1.437	1.499	1.556	1.607	1.656
% Ch	2.8	3.1	3.0	3.1	4.3	3.7	3.3	3.0
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	20,087.5	21,024.4	21,092.2	21,896.6	23,969.5	25,147.9	26,227.3	27,332.9
% Ch	5.1	4.7	0.3	3.8	9.5	4.9	4.3	4.2
Personal Income	17,407.8	18,239.0	19,191.7	20,614.0	20,680.8	21,523.5	22,457.2	23,461.5
% Ch	5.4	4.8	5.2	7.4	0.3	4.1	4.3	4.5
Employment (Millions)								
U.S. Civilian Labor Force	161.2	162.7	162.6	160.6	163.8	165.7	167.3	168.8
Total U.S. Employment	154.5	156.5	152.9	149.6	156.3	159.6	161.4	162.7
Unemployment Rate (%)	4.11	3.77	6.00	6.87	4.61	3.72	3.51	3.61
Nonfarm Payroll Employment	147.73	149.92	147.10	142.97	149.09	152.27	154.12	155.37
% Ch	1.5	1.5	-1.9	-2.8	4.3	2.1	1.2	0.8
Manufacturing	12.55	12.79	12.52	12.22	12.40	12.38	12.41	12.33
% Ch	1.4	1.9	-2.1	-2.4	1.5	-0.1	0.2	-0.7
Durable Manufacturing	7.83	8.03	7.82	7.59	7.71	7.74	7.80	7.74
% Ch	1.7	2.5	-2.6	-2.9	1.5	0.4	0.7	-0.7
Nondurable Manufacturing	4.72	4.76	4.70	4.63	4.69	4.64	4.62	4.59
% Ch	1.1	0.9	-1.3	-1.5	1.4	-1.0	-0.6	-0.6
Construction	7.12	7.41	7.39	7.36	7.44	7.46	7.48	7.55
% Ch	4.0	4.1	-0.2	-0.4	1.0	0.3	0.3	0.9
Service-Providing	127.36	128.98	126.50	122.78	128.59	131.76	133.54	134.82
% Ch	1.4	1.3	-1.9	-2.9	4.7	2.5	1.4	1.0
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	58.6	60.8	46.7	51.8	68.8	62.9	59.0	56.6
Personal Saving/Disposable Income (%)	7.5	7.9	12.5	15.9	8.1	7.6	7.5	7.8
Auto Sales (Millions)	5.7	5.1	3.9	3.7	3.6	3.6	3.6	3.5
% Ch	-11.6	-11.1	-24.2	-3.9	-3.6	0.9	-0.9	-1.9
Housing Starts (Millions)	1.251	1.218	1.317	1.556	1.481	1.345	1.343	1.334
% Ch	4.2	-2.6	8.1	18.1	-4.8	-9.2	-0.2	-0.7
Federal Budget Surplus (Billions)	-844.9	-979.1	-2,232.0	-3,464.8	-1,675.5	-1,360.3	-1,243.5	-1,232.5
Net Exports (Billions)	-564.3	-640.0	-555.3	-811.9	-901.4	-771.2	-689.7	-670.3
3-Month Treasury Bill Rate (%)	1.41	2.26	1.20	0.07	0.00	0.07	0.12	0.33
10-Year Treasury Note Yield (%)	2.57	2.74	1.41	1.11	1.73	1.99	2.10	2.32
Bond Index of 20 G.O. Munis. (%)	3.67	4.01	3.20	2.24	2.59	2.90	3.02	3.15
30-Year Fixed Mortgage Rate (%)	4.16	4.43	3.53	2.89	3.30	3.62	3.75	3.98

Table 1.2

Forecast Analysis

Comparison of Forecasts for 2019-21

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

Table 1.3

Forecast Analysis

Comparison of Forecasts for 2021-23

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

Table 1.4

Fiscal Years

Forecast Comparison

Forecast 2021 to 2025

	2019	2020	2021	2022	2023	2024	2025
U.S.							
Real GDP							
June	18,884.3	18,677.3	19,002.7	20,197.3	20,765.8	21,192.7	21,601.7
% Ch	2.5	-1.1	1.7	6.3	2.8	2.1	1.9
March	18,884.3	18,677.3	18,932.0	19,959.0	20,519.6	20,988.9	21,435.7
% Ch	2.5	-1.1	1.4	5.4	2.8	2.3	2.1
PCE Price Index							
June	109.0	110.5	112.6	115.8	118.0	120.3	122.5
% Ch	1.8	1.3	1.9	2.8	1.9	1.9	1.9
March	109.0	110.5	112.5	114.7	116.5	118.5	120.7
% Ch	1.8	1.3	1.8	2.0	1.6	1.7	1.9
Unemployment Rate							
June	3.77	6.00	6.87	4.61	3.72	3.51	3.61
March	3.77	6.00	6.85	4.68	3.70	3.48	3.46
Mortgage Rate							
June	4.43	3.53	2.89	3.30	3.62	3.75	3.98
March	4.43	3.53	2.87	3.41	3.72	3.81	4.02
3 Month T-Bill Rate							
June	2.26	1.20	0.07	0.00	0.07	0.12	0.33
March	2.26	1.20	0.07	0.05	0.09	0.12	0.34



Chapter 2: Washington Economy – Current Conditions and Forecast

- **The Washington economy continues to recover from the recession.**
- **Employment growth during the last three months was slightly less than expected in the March forecast.**
- **Washington’s unemployment rate improved to 5.3% in May, down significantly from the 16.3% rate reached in April 2020.**
- **Washington housing construction moderated in April and May after reaching its highest level in nearly 43 years.**
- **Seattle-area home price growth was the highest ever in April.**
- **Washington personal income rose 49.0% (SAAR) in the first quarter mostly because of another round of direct payments to individuals.**
- **Washington real GDP was 1.7% above its pre-recession peak in the first quarter of 2021.**
- **Seattle-area consumer price inflation trailed the national average in the year ending in April 2021.**
- **The Washington forecast features higher personal income, employment, housing construction, and inflation than did the forecast adopted in March.**

Current Conditions

The Washington economy continues to recover from the recession

The Washington economy continues to recover from the recession. Employment growth during the last three months was slightly less than expected in the March forecast. Washington’s unemployment rate improved to 5.3% in May, down significantly from the 16.3% rate reached in April 2020. Washington housing construction moderated in April and May after reaching its highest level in nearly 43 years. Seattle-area home price growth was the highest ever in April. Washington personal income rose 49.0% (SAAR) in the first quarter mostly because of another round of direct payments to individuals. Washington real GDP was 1.7% above its pre-recession peak in the second quarter of 2021. Seattle-area consumer price inflation trailed the national average in the year ending in April 2021.

Washington employment grew less than expected

We have three months of new Washington employment data since the March forecast was released. Total nonfarm payroll employment increased 37,300 in March, April, and May which was 5,300 less than the increase of 42,600 expected in the forecast. Washington employment is now 200,000 (5.7%) lower than at its February 2020 peak. Private services-providing sectors added 27,700 jobs in the three-month period. The manufacturing sector lost 3,400 jobs of which 1,300 were in aerospace manufacturing. Construction employment increased by 400 jobs in March, April, and May. State and local government employment increased by 13,400 jobs but federal government employment declined by 900 jobs.

New QCEW data lowered employment

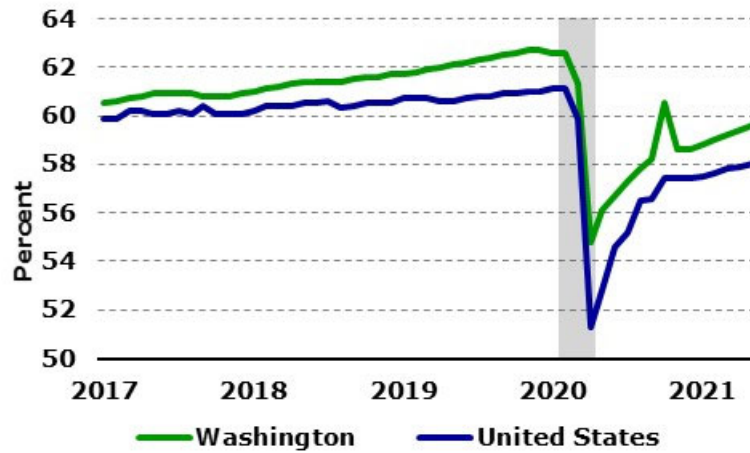
We have also incorporated another quarter of benchmark employment data from the Quarterly Census of Employment and Wages (QCEW). The new QCEW data and other revisions subtracted 2,500 (0.1%) from the estimated level of total employment in February 2021. Because employment growth in March, April, and May was also slightly less than expected, employment is 7,800 (0.2%) lower in May than expected in the March forecast.

Unemployment is down significantly

Washington's unemployment rate improved to 5.3% in May from a revised 5.4% in April. The unemployment rate is down significantly from the 16.3% rate reached in April 2020, which was an all-time high in the series that dates back to 1976. The unemployment rate paints an incomplete picture of the labor market recovery, however. The Washington labor force has declined by 86,400 since the recession began. Those who have left the labor force are not counted as unemployed. A better measure is the employment-population ratio, which is the percentage of the 16 and older population that is currently working. This ratio fell from 62.6% at the outset of the recession in February 2020 to a low of 54.8 in April 2020. While the ratio has recovered to 59.6 as of May 2021, it remains a full three points below its level at the start of the recession (see Figure 2.1).

Figure 2.1: Employment-Population Ratio

The Washington employment-population ratio has not fully recovered



Source: Bureau of Labor Statistics; data through May 2021

UI claims have declined 95% from the peak

Initial claims for unemployment insurance continue to improve since rising to unprecedented levels in the spring of 2020 however levels remain somewhat elevated. The seasonally adjusted number of claims in Washington declined to 7,100 in the week ending June 26, 2020 from 7,400 in the previous week. The four-week moving average declined to 7,615 from 8,400. While the moving average is down 95% since the peak in early April 2020, it is still 23% higher than in the same week in 2019.

Washington housing construction moderated in April and May

Washington housing construction moderated in April and May after reaching its highest level in nearly 43 years. In the first quarter, 63,700 units (SAAR) were permitted, the highest level since second quarter of 1978. In April and May, the number of units authorized averaged 49,600 (SAAR) consisting of 24,900 single-family units and 24,700 multi-family units. The March forecast expected 54,500 units (SAAR) in the second quarter as a whole, consisting of 33,400 single-family units and 21,200 multi-family units.

Seattle-area home price growth was the highest ever in April

Seattle-area home prices continue to rise rapidly. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle home prices increased 1.5% in April compared to a 1.6% increase in the composite-20 index. April Seattle home prices were up 20.2% over the year. This was the highest year-over-year growth in the series with data back to 1990-91 growth (see Figure 2.2). In comparison, the composite-20 index was up 14.9% over the year. April Seattle home prices were up 142% since the December 2011 trough and exceeded the May 2007 peak by 68%.

Figure 2.2: S&P/Case-Shiller Home Price Indices

Seattle-area home price growth was the highest ever in April



Source: S&P/Case-Shiller Home Price Indices; data through April 2021

Washington exports increased over the year

According to the World Institute for Strategic Economic Research (WISER), Washington exports increased over the year for the first time in two and a half years but this is misleading as it was due to soaring soybean and corn exports which receive only minimal processing in Washington. According to WISER, first quarter exports of agricultural products increased 79.4% but excluding likely transshipments of soybeans and corn, agricultural exports and total exports probably declined over the year. Transportation equipment exports (mostly Boeing planes) continue to decline, falling 33.6% since the first quarter of 2020. Year-over-year exports from all other sectors (mostly manufacturing) increased 3.8% over the year.

Washington car and truck sales declined in May

Washington car and truck sales declined in May after surging in April to their highest level in more than five years. The seasonally adjusted number of new vehicle registrations declined 5.8% in May to 305.8 thousand (SAAR). May sales were up 161.0% over the year. May 2020 sales were severely depressed by Covid-19 restrictions.

Washington personal income rose 49.0% (SAAR) in the first quarter mostly because of another round of direct payments to individuals

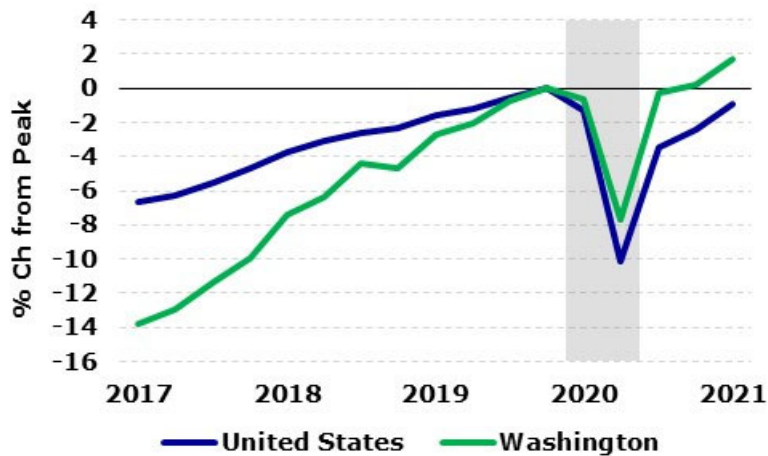
In June, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the first quarter of 2021. According to these estimates, Washington personal income rose from \$524.7 billion (SAAR) in the fourth quarter of 2020 to \$579.7 billion in the first quarter of 2021. The 49.0% increase (SAAR) in Washington personal income was the 46th best among the states and District of Columbia and was significantly lower than the 59.7% growth rate for the U.S. as a whole. Once again, changes to personal income from Covid-19 relief programs dominated overall personal income growth, accounting for 90% of Washington personal income growth in the first quarter. Most of this was in the form of another round of direct payments to individuals. Washington's below average personal income growth was almost entirely due to a below average contribution of

transfer receipts which added 55.3 percentage points to U.S. personal income growth but only 44.9 percentage points to Washington personal income growth.

Information and electronic shopping boosted the Washington economy in recent quarters

Despite the severe recession and incomplete recovery, Washington real GDP was 1.7% above its pre-recession peak in the first quarter of 2021 compared to a 0.9% shortfall in U.S. real GDP (see Figure 2.3). Only three states performed better than Washington did over this period. The Washington economy outperformed the U.S. in retail trade (which includes electronic shopping) and information (which includes software publishing and other IT services such as internet publishing and web search portals). On the other hand, durable manufacturing (which includes aerospace) was a significant drag on Washington GDP growth relative to the nation.

Figure 2.3: Real GDP Compared to the Peak



Washington real GDP was 1.7% above its pre-recession peak in the first quarter of 2021

Source: BEA, ERFC Calculations; data through first quarter 2021

Seattle consumer price inflation trailed the national average

Seattle-area consumer price inflation trailed the national average in the year ending in April 2021. From April 2020 to April 2021, the Seattle CPI rose 3.4% compared to the 4.2% increase in the U.S. City Average index. These relatively high rates were partially due to much higher energy prices this year compared to last year however the increase in the energy component of the Seattle CPI was less than the increase in the national energy component. Core prices, which exclude food and energy, increased 2.7% in Seattle compared to 3.0% for the U.S. City Average index. Seattle shelter cost inflation trailed the national average at 1.6% compared to 2.1%. Seattle inflation excluding shelter also trailed the national average at 4.5% compared to 5.2%.

Washington State Forecast

The Washington forecast features higher personal income, employment, housing construction, and inflation

The Washington forecast features higher personal income, employment, housing construction, and inflation than did the forecast adopted in March. We expect a 2.0% increase in Washington employment this year which is up from the 1.7% increase the March forecast. We expect employment growth to average 2.3% per year in 2022 through 2025 which is slightly higher than the 2.2% rate expected in the March forecast. Our forecast for nominal personal income growth this year is 6.0%, up from 4.8% in the March forecast. Personal income growth will slow next year as the extraordinary stimulus of the last two years is withdrawn. We expect personal income growth of only 1.5% in 2022 compared to 1.1% in the March forecast. Our new forecast for nominal personal income growth in 2023 through 2025 averages 4.8% per year compared to the 5.1% rate in the March forecast. We expect 54,200 housing units authorized by building permits this year, up from 52,200 in the March forecast. We expect permits to average 45,300 units in 2022 through 2025, also up from 44,000 units in the March forecast. We expect the Seattle CPI to rise 3.0% this year, up from 2.2% in the March forecast. We expect Seattle inflation to average 2.0% per year in 2022 through 2025 compared to 1.8% per year in the March forecast.

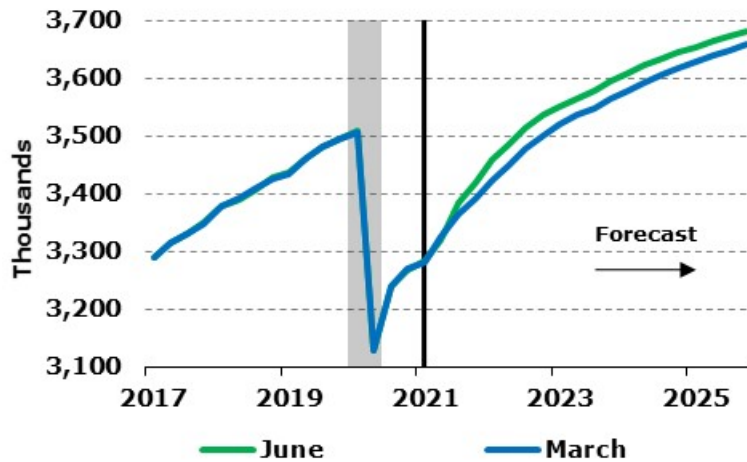
Washington Payroll Employment

After a lull in late 2020 and early 2021, employment growth has picked up

The Washington employment forecast is higher than expected in the March forecast (see Figure 2.4). After a lull in late 2020 and early 2021, employment growth has picked up. The stronger national forecast is expected to boost Washington employment growth. We expect a 2.0% increase in Washington employment this year which is up from the 1.7% increase the March forecast. We expect above-average growth through the remainder of the forecast as the economy continues to recover from the recession. We expect employment growth to average 2.3% per year in 2022 through 2025 which is slightly higher than the 2.2% rate expected in the March forecast. On an annual basis, we expect 4.4% employment growth in 2022, 2.1% in 2023, 1.6% in 2024, and 1.1% in 2025.

Figure 2.4: Washington Nonfarm Payroll Employment

The Washington employment forecast is higher than expected in the March forecast



Source: Employment Security Department, ERFC; historical data through 2021 Q1

This forecast incorporates Boeing’s announcement of deep cuts to company-wide employment in 2021 as well as the consolidation of 787 production in South Carolina

As in March, this forecast incorporates Boeing’s announcement of deep cuts to company-wide employment continuing in 2021 as well as the consolidation of 787 production in South Carolina. Boeing indicated they plan to reduce employment from 161,000 at the beginning of 2020 to about 130,000 by the end of 2021, a reduction of 31,000 jobs. We assume that Boeing is currently about two-thirds of the way through this process. We also assume that the vast majority of cuts will continue to be made in Washington State and that non-Boeing aerospace employment will also decline as a result of lower production rates. Specifically, the forecast assumes that Washington aerospace employment will be 29,200 lower in December 2021 than in January 2020. We have already lost about 19,800 aerospace jobs as of May 2021 and expect a further decline of 9,300 by December 2021. On an annual average basis, we expect aerospace employment to decline 16.8% this year and 5.0% in 2022. We expect aerospace employment to grow 3.9% in 2023, 3.7% in 2024, and 2.6% in 2025.

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

The software sector in Washington did not experience a significant decline during the recession as most software jobs are amenable to remote work. After a large increase in the second quarter of 2020, Washington software employment declined slightly in the third quarter of 2020 but growth resumed in the fourth quarter. We expect growth to continue in 2021 and then to accelerate in 2022. On an annual average basis, we expect growth rates of 2.5% in 2021, 2.8% in 2022, 1.6% in 2023, 1.6% in 2024, and 1.5% in 2025.

Electronic shopping employment has benefitted from social distancing

Washington’s electronic shopping and mail order sector has benefited from the social distancing caused by the pandemic as customers substituted online for in-person shopping. In Washington, this sector consists almost entirely of electronic shopping employment. We have increased our forecast for

employment growth in 2021 and 2022 from 15.5% to 22.3% in 2021 and from 3.0% to 4.2% in 2022 based on very strong monthly growth through May 2021. The forecast for growth during the remainder of the forecast is similar to the March forecast. On an annual basis, electronic shopping and mail order employment will grow 2.5% in 2023, 2.3% in 2024, and 2.2% in 2025.

Construction has recovered nearly all the jobs lost in the recession

Construction employment growth has also continued to exceed expectations. After an initial drop in employment in March and April of 2020, construction employment came roaring back. As of March 2021, construction had recovered nearly all the jobs lost in the recession though employment declined slightly in April and May. We have revised our forecast for growth this year up from 2.4% to 3.4%. We still expect declining employment over the next couple of years. On a calendar year basis, we expect construction employment to decline 3.4% in 2022 and 2.0% in 2023. We expect 0.6% growth in 2024 and 0.7% growth in 2025.

Washington Personal Income

Personal income was slightly higher than previously thought

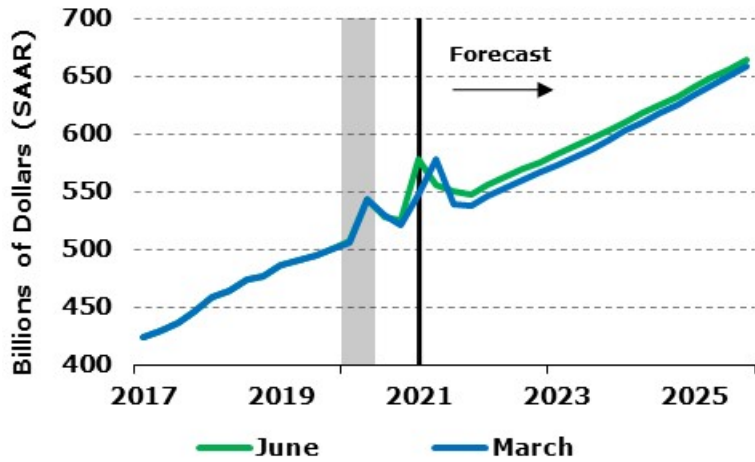
In March, after the forecast was complete, the Bureau of Economic Analysis released estimates for state personal income through the fourth quarter of 2020. We have incorporated the new BEA estimates as well as additional Washington Quarterly Census of Employment and Wages (QCEW) data. Our current estimate of Washington personal income in the fourth quarter of 2020 is \$4.1 billion (0.8%) higher than in the March forecast. Wages and salaries are \$3.5 billion (1.3%) higher than expected and nonwage income is \$0.6 billion (0.2%) higher than expected.

Personal income growth will slow next year

Our forecast for nominal personal income growth this year is 6.0%, up from 4.8% in the March forecast. Personal income growth will slow next year as the extraordinary stimulus of the last two years is withdrawn. We expect personal income growth of only 1.5% in 2022 compared to 1.1% in the March forecast. Our new forecast for nominal personal income growth in 2023 through 2025 averages 4.8% per year compared to the 5.1% rate in the March forecast. The 2021 peak in personal income is now in the first quarter rather than the second quarter mainly because the direct payments to individuals called for in the American Rescue Plan reached most households earlier than previously assumed (see Figure 2.5). On an annual basis, we expect personal income to grow 4.6% in 2023, 4.9% in 2024, and 4.9% in 2025.

Figure 2.5: Washington Personal Income

Fiscal support boosts personal income in 2020 and 2021



Source: Bureau of Economic Analysis, ERFC; historical data through 2020 Q4

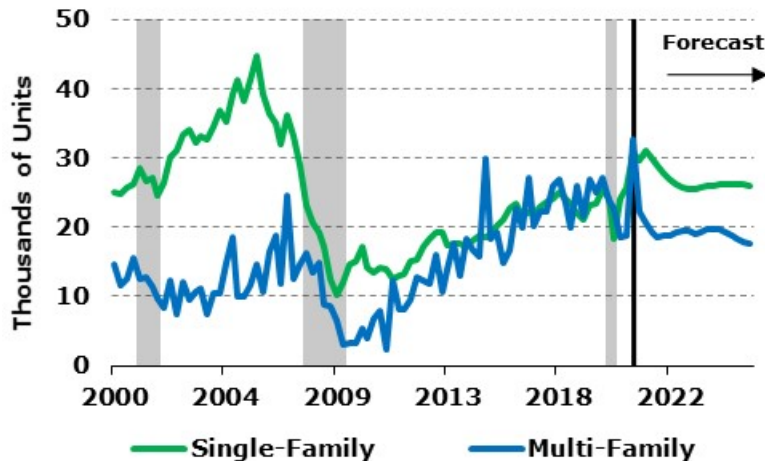
Washington Building Permits

The outlook for Washington housing construction has improved

The outlook for Washington housing construction as measured by units authorized by building permits has improved since the March forecast. Single-family construction has risen to levels that exceed pre-recession levels. Multi-family construction has generally remained weaker than before with the exception of a spike in the first quarter of 2021. We expect strong housing construction through the remainder of this year. While we expect construction activity to decline after this year, the levels will remain higher than expected in the March forecast. Unlike the last several years in which housing has been pretty evenly split between single-family and multi-family, we expect most housing units will be single-family in the forecast (see Figure 2.6).

Figure 2.6: Washington Housing Permits

Most housing units will be single-family



Source: Census Bureau, ERFC; historical data through 2021 Q1

We expect 54,200 housing units this year

We expect 54,200 housing units authorized by building permits this year, up from 52,200 in the March forecast. If so, this will be the highest annual total since 1978. We expect permits to average 45,300 units in 2022 through 2025, also up from 44,000 units in the March forecast. On a calendar year basis, we expect 46,300 units in 2022, 44,900 units in 2023, 45,600 in 2024, and 44,400 in 2025.

Consumer Price Index

The near-term inflation outlook has increased since the March forecast

The near-term inflation outlook has increased since the March forecast due to stronger than expected actual inflation through April 2021. We expect near-term price pressures to persist for several more months before diminishing by year-end. With actual data through April, we expect the Seattle core index to rise 2.6% this year compared to 1.6% in the March forecast. We now expect Seattle core inflation to average 2.4% per year in 2022 through 2025, up from 2.1% per year in the March forecast. Our forecast calls for annual Seattle core inflation rates of 2.6% in 2022, 2.3% in 2023, 2.3% in 2024, and 2.2% in 2025.

Energy costs have rebounded

Energy costs have rebounded since the large decline last year. This will add to headline inflation this year. We expect the Seattle CPI to rise 3.0% this year, up from 2.2% in the March forecast and higher than the 2.6% core inflation rate. Energy costs are expected to fall during the remainder of the forecast, holding headline inflation below core inflation through 2025. We expect Seattle inflation to average 2.0% per year in 2022 through 2025 compared to 1.8% per year in the March forecast. On a calendar year basis, we expect inflation rates of 2.1% in 2022, 1.9% in 2023, 2.0% in 2024, and 2.0% in 2025.

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

Alternative Scenarios

Alternative forecasts are required by law

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

Optimistic

Easing containment measures, accelerating vaccinations, and still more stimulus drive a faster recovery

The optimistic scenario assumes a quicker recovery than in the baseline. The consumer response to recent \$1.9 trillion fiscal stimulus package is more robust than in the baseline. New COVID-19 cases and deaths dwindle quickly in this scenario as a result of a much faster pace of vaccinations and greater adherence to guidelines for social distancing and masks. That accelerates the relaxation of containment measures. As a result,

consumers approach pre-pandemic spending patterns more quickly than in the baseline. As a result of the relaxation of containment measures and faster growth of GDP, the unemployment rate quickly falls to below 4.0% by early 2022.

The optimistic scenario also assumes a stronger Washington economy

In addition to reflecting the impact of the stronger U.S. forecast on the state economy, the optimistic Washington forecast assumes that aerospace employment bottoms out in the fourth quarter of 2021 as in the baseline, but recovers much faster than assumed in the baseline. Software employment also grows more rapidly than in the baseline forecast. In the optimistic scenario, the stronger regional economy drives Seattle consumer price inflation above the baseline. Washington average wage growth is also higher in the optimistic scenario than in the baseline. Construction employment declines less through late 2023 than in the baseline and then begins to rise more rapidly than in the baseline. By the end of 2025, Washington nonfarm payroll employment is higher by 89,500 jobs (2.4%) than in the baseline forecast and Washington personal income is \$54.5 billion (8.2%) higher.

Pessimistic

The recovery stumbles as consumers slow spending

The pessimistic scenario assumes a weaker recovery in consumer spending than in the baseline forecast. A slowing in the pace of COVID-19 vaccinations delays the approach to herd immunity and the appearance of new, more contagious strains of the disease stalls the relaxation of containment measures. These factors contribute to more caution on the part of consumers. An upturn in new cases and a stall in the relaxation of containment measures delays the reopening of schools and daycares. That, in turn, keeps many workers on the sidelines. The unemployment rate peaked at 13.0% in the second quarter of 2020 and declined to 6.2% in the first quarter of 2021. It is expected to continue to decline, but at a slower pace than in the baseline, reaching 4.0% by early 2023, before gradually moving higher through the end of the forecast horizon.

In addition to reflecting the impact of the weaker U.S. forecast on the state economy, aerospace employment flattens after the steep declines of 2020 and 2021 rather than recovering as in the baseline. Software employment declines rather than continuing to grow as in the baseline forecast. After an initial rebound due to a partial lifting of restrictions, construction employment declines faster than in the baseline and the decline continues throughout the forecast. The relatively weak local economy also puts downward pressure on Washington wages and the Seattle CPI. By the end of 2025, Washington nonfarm payroll employment is 82,800 (2.2%) lower than in the baseline forecast and Washington personal income is \$48.2 billion (7.3%) lower.

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

Governor’s Council of Economic Advisors (GCEA)

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

The GCEA members expect a stronger recovery and higher inflation than assumed in the baseline forecast

The members of the Governor’s Council of Economic Advisors (GCEA) expect a stronger recovery and higher inflation than assumed in the baseline forecast. The GCEA real GDP growth forecast averages 3.6% per year in 2021 through 2025 compared to 3.4% in the baseline forecast. Their forecast of 3.8% average real consumer spending growth is also higher than the baseline forecast of 3.7%. The GCEA members’ personal consumption expenditures (PCE) inflation forecast averages 2.4% per year compared to 2.2% per year in the baseline forecast. The Council members’ mortgage rate forecast averages 3.8% over the five-year forecast horizon, which is higher than the 3.6% average mortgage rate in the baseline forecast and their oil price forecast averages \$67 per barrel compared to \$65 in the baseline forecast.

The Governor’s Council of Economic Advisors’ Washington forecast is also higher than the baseline forecast

The Governor’s Council of Economic Advisors’ Washington forecast is also higher than the baseline forecast. The GCEA scenario for Washington real personal income growth averages 2.5% per year in 2021 through 2025, compared to the 2.2% average rate in the baseline forecast. Because their inflation forecast is also higher than ours is, however, their implied average nominal income growth is 4.9% compared to our 4.4%. The Council members’ forecast for total employment growth over the five-year period averages 2.4% per year, which is stronger than the 2.2% rate in the baseline forecast. The GCEA forecast for average manufacturing employment growth is lower than in the baseline forecast but their forecast of construction employment growth is higher. The GCEA housing permit forecast is also slightly higher, averaging 48,100 units per year compared to 47,100 in the baseline forecast. At the end of 2025, the GCEA forecast for Washington nonfarm payroll employment is 33,800 (0.9%) higher than in the baseline forecast and Washington personal income is \$15.4 billion (2.3%) higher.

Table 2.1
Washington Economic Forecast Summary
 Forecast 2021 to 2025

Fiscal Years

	2018	2019	2020	2021	2022	2023	2024	2025
Real Income (Billions of Chained 2012 Dollars)								
Real Personal Income	421.242	441.810	462.876	485.251	478.439	490.709	504.486	519.577
% Ch	5.5	4.9	4.8	4.8	-1.4	2.6	2.8	3.0
Real Wage and Salary Disb.	213.059	225.733	232.529	242.689	254.539	262.826	271.041	279.482
% Ch	6.6	5.9	3.0	4.4	4.9	3.3	3.1	3.1
Real Nonwage Income	208.183	216.077	230.347	242.562	223.900	227.883	233.445	240.095
% Ch	4.5	3.8	6.6	5.3	-7.7	1.8	2.4	2.8
Real Per Capita Income (\$/Person)	56,327	58,352	60,444	62,817	61,519	62,504	63,570	64,743
% Ch	3.9	3.6	3.6	3.9	-2.1	1.6	1.7	1.8
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.071	1.090	1.105	1.126	1.158	1.180	1.203	1.225
% Ch	1.9	1.8	1.3	1.9	2.8	1.9	1.9	1.9
Seattle Cons. Price Index (1982-84=1.0)	2.671	2.745	2.803	2.866	2.944	2.998	3.057	3.118
% Ch	3.1	2.8	2.1	2.3	2.7	1.8	2.0	2.0
Average Nonfarm Annual Wage	65,778	69,623	73,431	81,033	83,343	85,130	88,025	91,281
% Ch	6.3	5.8	5.5	10.4	2.9	2.1	3.4	3.7
Avg. Hourly Earnings-Mfg. (\$/Hour)	27.93	28.91	28.93	27.78	27.92	28.93	29.84	30.68
% Ch	4.2	3.5	0.0	-4.0	0.5	3.6	3.2	2.8
Current Dollar Income (Billions of Dollars)								
Personal Income	451.213	481.750	511.408	546.546	553.995	579.086	606.812	636.733
% Ch	7.6	6.8	6.2	6.9	1.4	4.5	4.8	4.9
Disposable Personal Income	397.240	425.062	452.996	485.977	489.621	512.787	535.704	560.798
% Ch	7.7	7.0	6.6	7.3	0.7	4.7	4.5	4.7
Per Capita Income (\$/Person)	60,333	63,626	66,781	70,751	71,233	73,760	76,463	79,340
% Ch	5.9	5.5	5.0	5.9	0.7	3.5	3.7	3.8
Employment (Thousands)								
Washington Civilian Labor Force	3,767.0	3,860.6	3,935.8	3,872.8	3,945.2	4,014.7	4,072.5	4,129.5
Total Washington Employment	3,597.5	3,692.0	3,683.7	3,611.8	3,760.9	3,849.2	3,907.0	3,955.7
Unemployment Rate (%)	4.50	4.37	6.41	6.73	4.67	4.12	4.06	4.21
Nonfarm Payroll Employment	3,362.6	3,433.0	3,403.3	3,277.0	3,437.7	3,542.3	3,601.7	3,649.8
% Ch	2.4	2.1	-0.9	-3.7	4.9	3.0	1.7	1.3
Manufacturing	284.1	291.9	287.4	261.1	257.8	261.3	265.5	268.0
% Ch	-1.1	2.7	-1.5	-9.2	-1.3	1.4	1.6	1.0
Durable Manufacturing	199.4	205.5	202.4	179.4	173.3	176.2	180.4	183.1
% Ch	-2.1	3.1	-1.5	-11.4	-3.4	1.6	2.4	1.5
Aerospace	82.5	86.6	87.6	71.9	63.0	64.4	67.0	69.1
% Ch	-5.9	4.9	1.2	-17.9	-12.4	2.2	4.0	3.2
Nondurable Manufacturing	84.6	86.3	85.0	81.7	84.4	85.2	85.1	85.0
% Ch	1.5	2.0	-1.6	-3.9	3.4	0.8	0.0	-0.2
Construction	206.5	216.8	216.3	219.0	217.0	210.5	209.5	211.1
% Ch	6.7	5.0	-0.2	1.2	-0.9	-3.0	-0.5	0.8
Service-Providing	2,865.8	2,918.1	2,893.9	2,791.3	2,956.6	3,064.1	3,120.5	3,164.2
% Ch	2.5	1.8	-0.8	-3.5	5.9	3.6	1.8	1.4
Software Publishers	63.1	67.7	73.6	76.4	78.7	80.3	81.5	82.9
% Ch	4.7	7.4	8.6	3.8	3.0	2.1	1.5	1.7
Electronic Shopping and Mail-Order	53.5	58.1	69.3	85.1	95.3	97.9	100.3	102.5
% Ch	21.7	8.7	19.1	22.9	12.0	2.7	2.4	2.2
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	48.873	46.042	47.547	50.735	48.814	45.228	45.246	45.173
% Ch	9.8	-5.8	3.3	6.7	-3.8	-7.3	0.0	-0.2
Single-Family	24.216	22.439	22.863	27.606	29.458	25.991	25.812	26.179
% Ch	9.5	-7.3	1.9	20.7	6.7	-11.8	-0.7	1.4
Multi-Family	24.657	23.603	24.684	23.129	19.356	19.237	19.434	18.994
% Ch	10.1	-4.3	4.6	-6.3	-16.3	-0.6	1.0	-2.3
30-Year Fixed Mortgage Rate (%)	4.16	4.43	3.53	2.89	3.30	3.62	3.75	3.98

Table 2.2
Comparison of Alternative Forecasts

Fiscal Years

	2020	2021	2022	2023	2024	2025
U.S.						
Real GDP, Percent Change						
Optimistic	-1.1	1.9	9.0	2.8	1.8	1.8
Baseline	-1.1	1.7	6.3	2.8	2.1	1.9
Pessimistic	-1.1	1.8	6.2	2.9	2.2	2.1
PCE Price Index, Percent Change						
Optimistic	1.3	1.9	3.0	2.2	2.1	2.2
Baseline	1.3	1.9	2.8	1.9	1.9	1.9
Pessimistic	1.3	1.9	2.2	0.8	1.0	1.3
Mortgage Rate, Percent						
Optimistic	3.53	2.89	3.45	3.94	4.21	4.42
Baseline	3.53	2.89	3.30	3.62	3.75	3.98
Pessimistic	3.53	2.88	3.19	3.24	3.25	3.46
3 Month T-Bill Rate, Percent						
Optimistic	1.20	0.07	0.07	0.31	0.57	0.93
Baseline	1.20	0.07	0.00	0.07	0.12	0.33
Pessimistic	1.20	0.07	0.04	0.07	0.09	0.09
Washington						
Real Personal Income, Percent Change						
Optimistic	4.8	5.3	1.7	4.0	3.3	3.6
Baseline	4.8	4.8	-1.4	2.6	2.8	3.0
Pessimistic	4.8	4.6	-2.7	2.3	2.0	2.2
Personal Income, Percent Change						
Optimistic	6.2	7.3	4.7	6.3	5.5	5.9
Baseline	6.2	6.9	1.4	4.5	4.8	4.9
Pessimistic	6.2	6.5	-0.5	3.1	3.0	3.5
Employment, Percent Change						
Optimistic	-0.9	-3.7	6.1	3.2	1.8	1.7
Baseline	-0.9	-3.7	4.9	3.0	1.7	1.3
Pessimistic	-0.9	-3.8	4.8	2.6	1.0	0.7
Housing Permits, Thousands of Authorized Units						
Optimistic	47.5	50.8	50.3	47.3	47.5	48.2
Baseline	47.5	50.7	48.8	45.2	45.2	45.2
Pessimistic	47.5	50.7	48.1	44.0	42.4	41.3

Table 2.3

Calendar Years

Governor's Council of Economic Advisor's Forecast

	2021	2022	2023	2024	2025
U.S.					
Real GDP					
<i>Growth</i>					
ERFC	6.7	4.4	2.2	2.0	1.9
GCEA Average	6.8	4.1	2.2	2.4	2.4
Real Consumption					
<i>Growth</i>					
ERFC	7.8	4.3	2.3	2.0	2.1
GCEA Average	7.8	4.5	2.4	2.2	2.4
PCE Price Index					
<i>Growth</i>					
ERFC	2.9	2.2	1.9	1.9	1.9
GCEA Average	3.0	2.5	2.2	2.1	2.0
Mortgage Rate					
<i>Percent</i>					
ERFC	3.0	3.5	3.7	3.9	4.1
GCEA Average	3.3	3.6	3.6	4.1	4.3
Oil Price (Brent)					
<i>Dollars per barrel</i>					
ERFC	69.0	68.7	64.7	62.2	60.6
GCEA Average	68.5	69.3	67.4	66.1	65.2
Washington State					
Real Personal Income					
<i>Growth</i>					
ERFC	3.0	-0.6	2.6	3.0	3.0
GCEA Average	4.7	-0.2	1.9	2.9	2.9
Wage and Salary Employment					
<i>Growth</i>					
ERFC	2.0	4.4	2.1	1.6	1.1
GCEA Average	3.3	3.5	2.2	1.7	1.3
Manufacturing Employment					
<i>Growth</i>					
ERFC	-4.9	0.4	1.5	1.5	0.5
GCEA Average	-4.8	-1.8	0.9	0.8	0.3
Construction Employment					
<i>Growth</i>					
ERFC	3.4	-3.4	-2.0	0.6	0.7
GCEA Average	4.2	-0.4	-0.4	0.7	0.8
Housing Permits					
<i>Thousands of authorized units</i>					
ERFC	54.2	46.3	44.9	45.6	44.4
GCEA Average	54.9	48.6	45.8	45.9	45.0
Washington Average Annual Wage					
<i>Growth</i>					
ERFC	6.1	1.9	3.0	3.5	3.9
GCEA Average	5.0	2.3	3.0	3.4	3.6

Table 2.4
Forecast Analysis
 Comparison of Forecasts for 2019-21

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

Table 2.5
Forecast Analysis
 Comparison of Forecasts for 2021-23

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

Table 2.6
Forecast Comparison
 Forecast 2021 to 2025

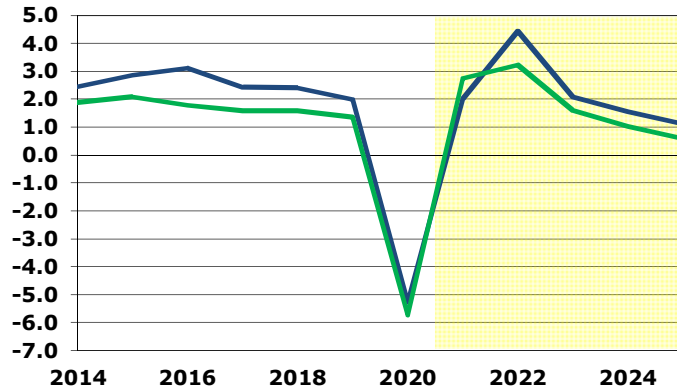
Fiscal Years

	2019	2020	2021	2022	2023	2024	2025
Washington							
Real Personal Income							
June	441.810	462.876	485.251	478.439	490.709	504.486	519.577
% Ch	4.9	4.8	4.8	-1.4	2.6	2.8	3.0
March	441.810	462.857	483.436	474.050	488.877	505.110	521.823
% Ch	4.9	4.8	4.4	-1.9	3.1	3.3	3.3
Personal Income							
June	481.750	511.408	546.546	553.995	579.086	606.812	636.733
% Ch	6.8	6.2	6.9	1.4	4.5	4.8	4.9
March	481.750	511.387	543.760	543.944	569.679	598.528	629.928
% Ch	6.8	6.2	6.3	0.0	4.7	5.1	5.2
Employment							
June	3433.0	3403.3	3277.0	3437.7	3542.3	3601.7	3649.8
% Ch	2.1	-0.9	-3.7	4.9	3.0	1.7	1.3
March	3433.0	3403.5	3279.3	3407.5	3509.1	3571.3	3622.2
% Ch	2.1	-0.9	-3.6	3.9	3.0	1.8	1.4
Housing Permits							
June	46.042	47.547	50.735	48.814	45.228	45.246	45.173
% Ch	-5.8	3.3	6.7	-3.8	-7.3	0.0	-0.2
March	46.042	47.547	48.693	48.740	43.832	43.313	43.693
% Ch	-5.8	3.3	2.4	0.1	-10.1	-1.2	0.9

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

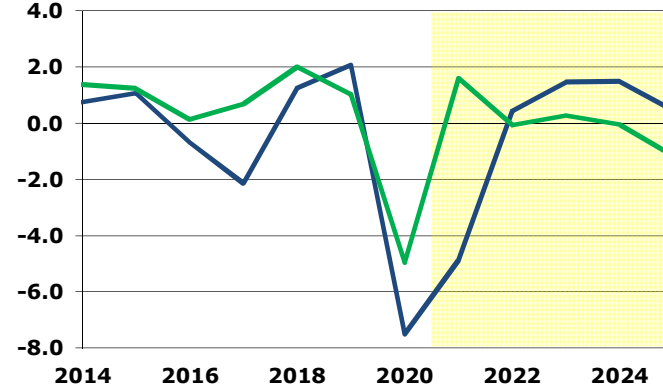
Forecast

Total Nonfarm Payroll Employment



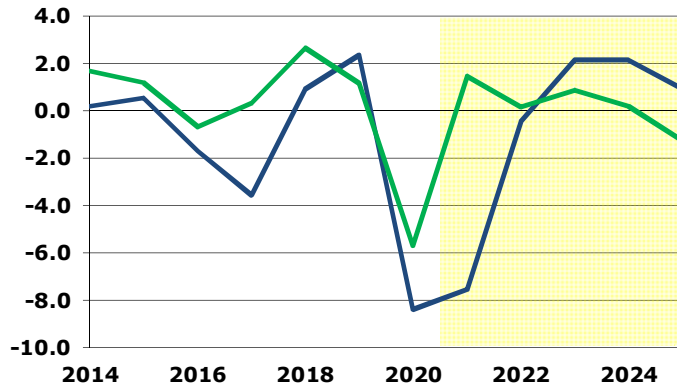
Source: WA State Employment Security Dept. 2020, ERFC 2025

Manufacturing Employment



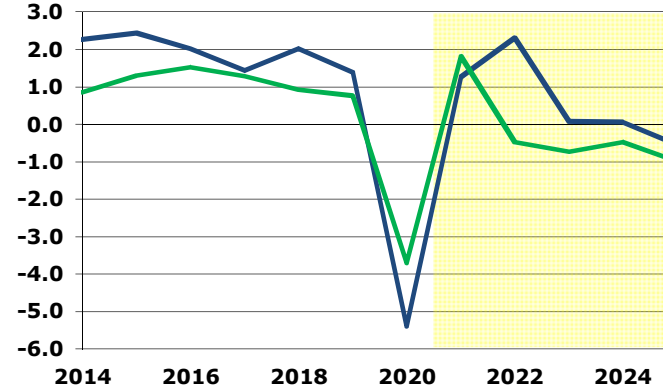
Source: WA State Employment Security Dept. 2020, ERFC 2025

Durable Manufacturing Employment



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

Nondurable Manufacturing Employment



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

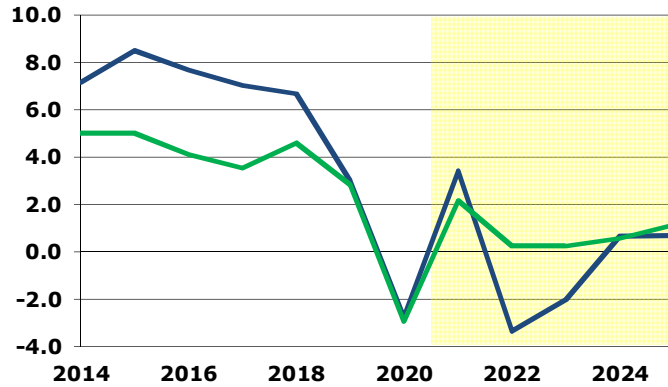
Washington

U.S.

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

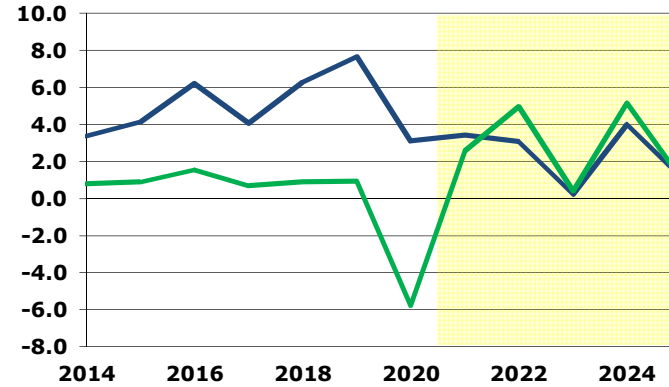
Forecast

Construction Employment



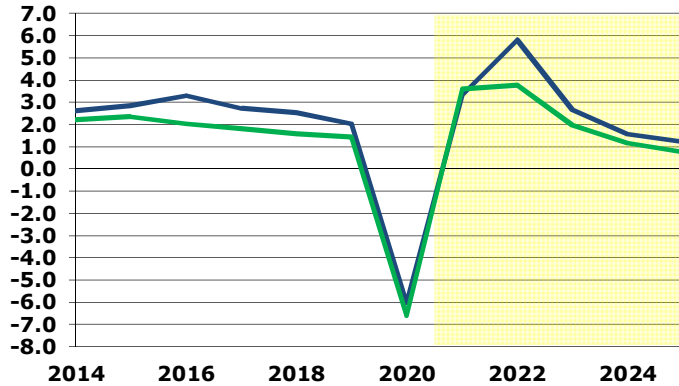
Source: WA State Employment Security Dept. 2020, ERFC 2025

Information Employment



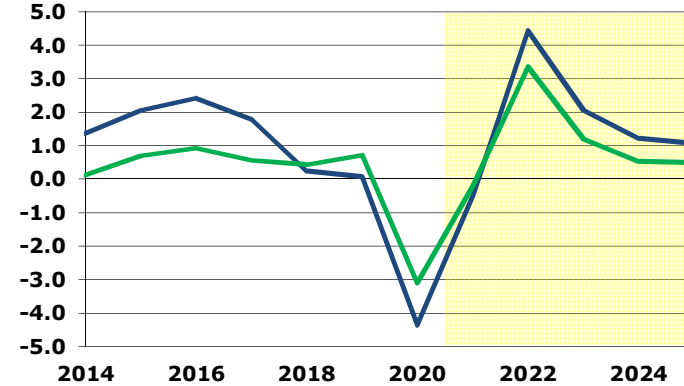
Source: WA State Employment Security Dept. 2020, ERFC 2025

Other Private Employment



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

Government Employment



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

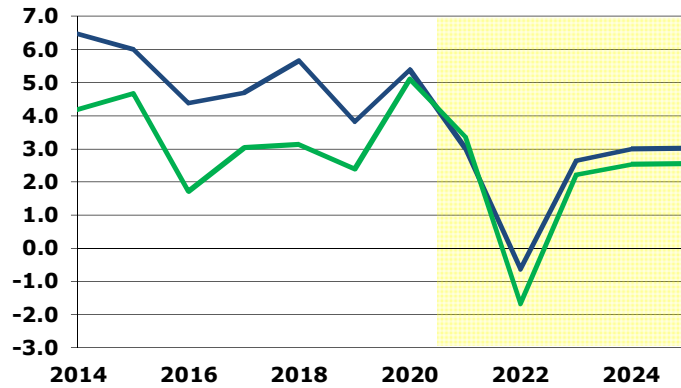
Washington

U.S.

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

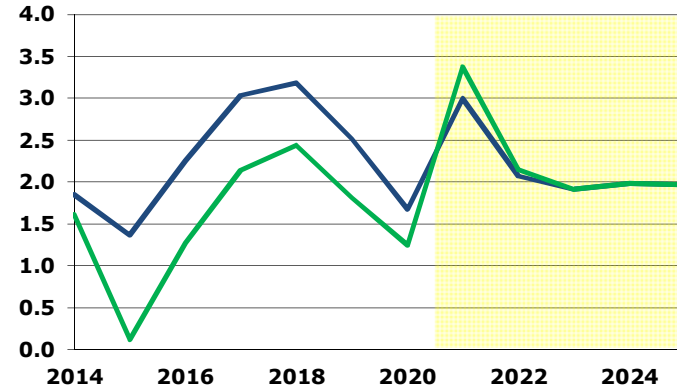
Forecast

Real Personal Income



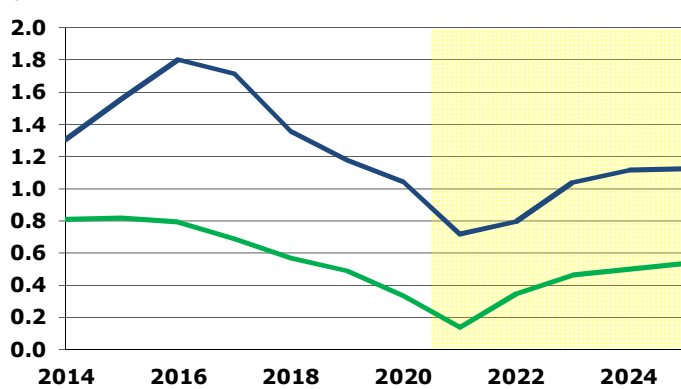
Source: Bureau of Economic Analysis 2019, ERFC 2025

Consumer Price Indices



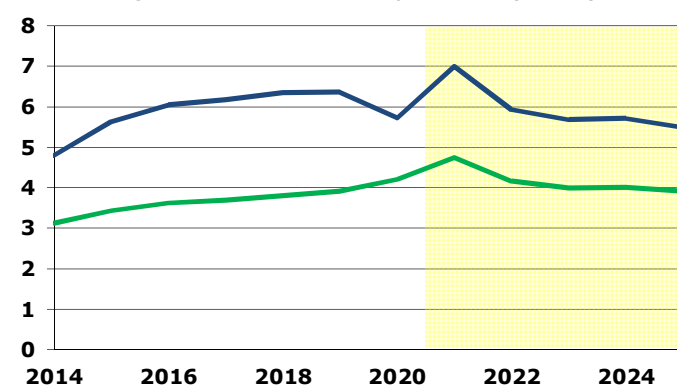
Source: Bureau of Labor Statistics 2020, ERFC 2025

Population



Source: Census Bureau 2019, ERFC 2025

New Housing Units Per 1,000 Population (Level)



Source: Census Bureau 2020, ERFC 2025

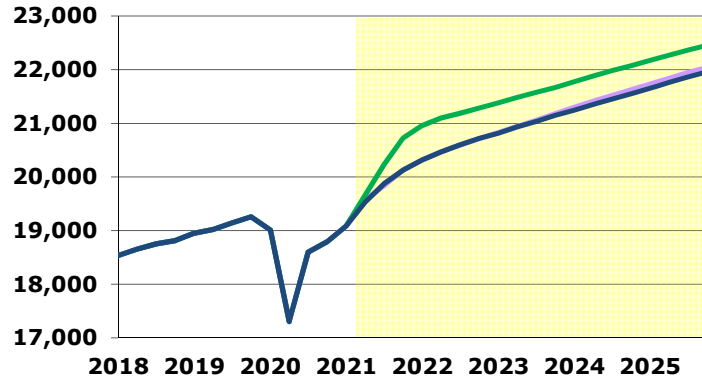
Washington

U.S.

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

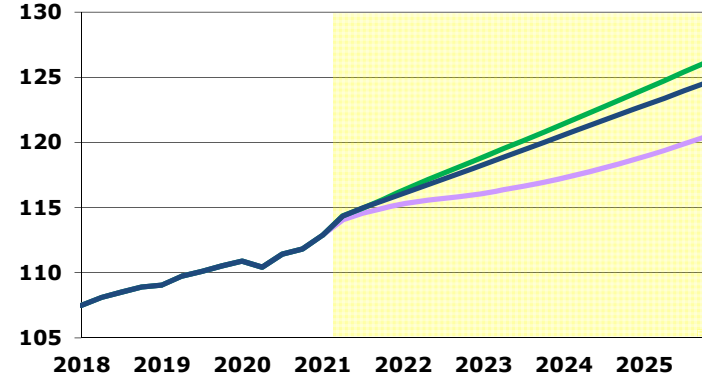
Forecast

Real GDP, Billions of 2012 Dollars



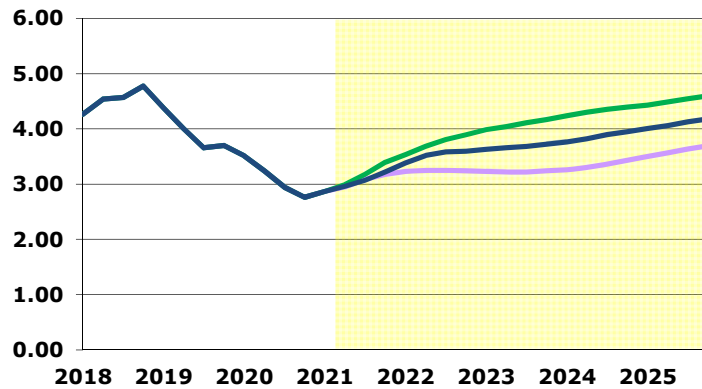
Source: Bureau of Economic Analysis 2020 Q4, ERFC 2025

PCE Price Index, 2012 = 100



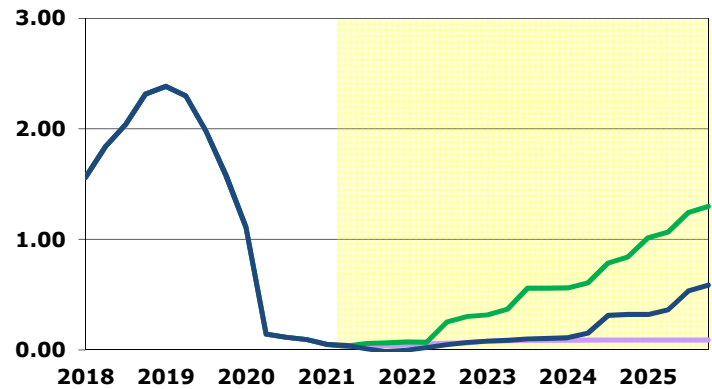
Source: Bureau of Economic Analysis 2020 Q4, ERFC 2025

Mortgage Rate, Percent



Source: Freddie Mac 2020 Q4, ERFC 2025

Three Month T-Bill Rate, Percent



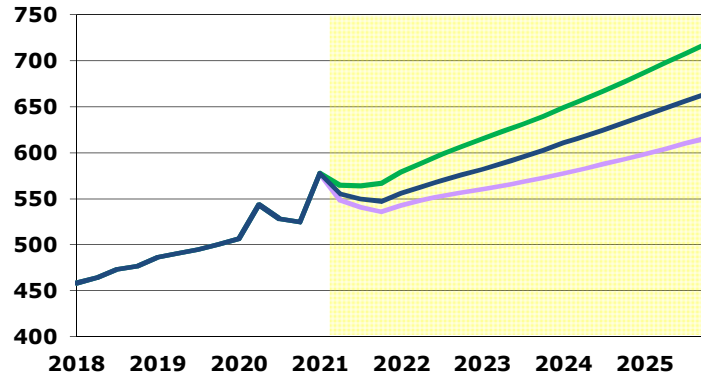
Source: Federal Reserve Board 2020 Q4, ERFC 2025

■ Baseline ■ Optimistic ■ Pessimistic

Figure 2.9: Comparison of Alternative Washington Economic Forecasts

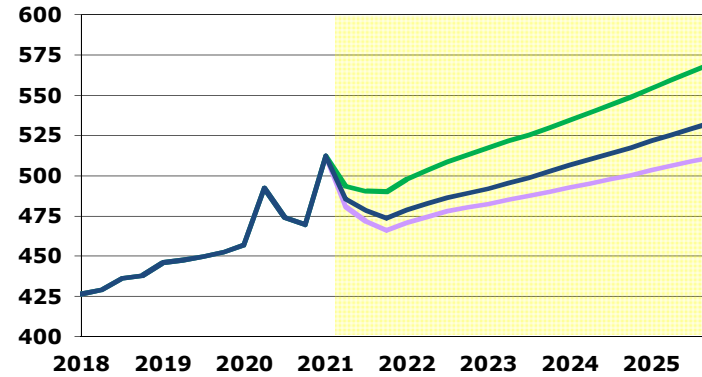
Forecast

Personal Income, Billions of Dollars



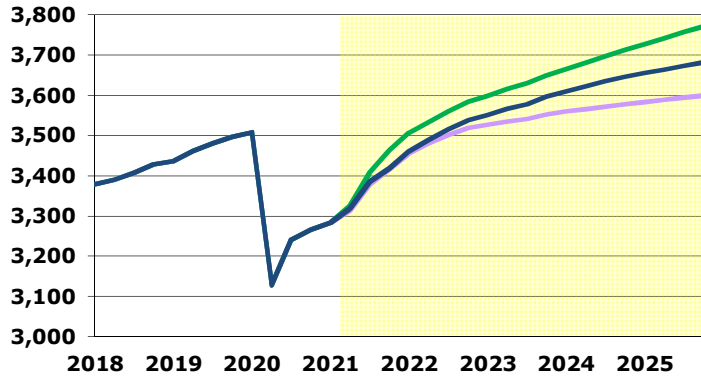
Source: Bureau of Economic Analysis 2019 Q4, ERFC 2025

Real Personal Income, Billions of 2012 Dollars



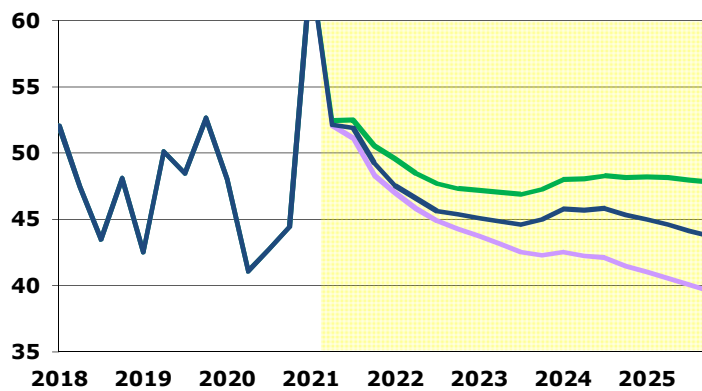
Source: Bureau of Economic Analysis 2019 Q4, ERFC 2025

Total Nonfarm Payroll Employment, Thousands



Source: WA State Employment Security 2020 Q4, ERFC 2025

Housing Permits, Thousands



Source: Census Bureau 2020 Q4, ERFC 2025

■ Baseline ■ Optimistic ■ Pessimistic



Chapter 3: Washington State Revenue Forecast Summary

- **General Fund-State (GF-S) revenue collections since the March forecast have come in \$644 million (9.6%) above the forecasted amount.**
- **The GF-S forecast was increased by \$808 million in the 2019-21 biennium, \$1.24 billion in the 2021-23 biennium and \$1.20 billion in the 2023-25 biennium.**
- **Legislative changes, most notably a tax on certain capital gains, have increased the forecast of revenue for funds subject to the budget outlook process by \$399 million in the 2021-23 biennium and \$810 million in the 2023-25 biennium.**
- **The forecast of total revenue for funds subject to the budget outlook process was increased by \$838 million in the 2019-21 biennium, \$1.80 billion in the 2021-23 biennium and \$2.24 billion in the 2023-25 biennium.**

Overview

Taxable activity has boomed in the first half of 2021 but growth is expected to slow by the end of the year

Since the March forecast, there has been a boom in retail sales and other taxable activity, in both Washington and the U.S. The boom greatly exceeded expectations. As a result, collections since March have come in \$644 million (9.6%) higher than forecasted. The high growth rates of the last few months are not expected to continue, and some sectors, such as vehicle sales, are expected to decline from their recent peaks before growing again. Nevertheless, the forecast of slower growth from a higher starting point has resulted in increased revenue through the end of the forecast period. In addition, new legislation from the 2021 session, most noticeably a tax on certain capital gains, has increased forecasted total revenue starting in FY 2023.

GF-S forecast change by biennium (billions):

*19-21: \$0.81
21-23: \$1.24
23-25: \$1.20*

Table 3.1 summarizes the changes to the forecasts of General Fund-State (GF-S) revenue for the 2019-21 through the 2023-25 biennia. For the current biennium, revenue collections that are tracked monthly came in \$644 million higher than forecasted. The forecasted increase in economic activity for the rest of the biennium added \$166 million and legislative changes from the 2021 session subtracted \$2 million, resulting in a total forecast increase of \$808 million. Legislative changes subtracted \$101 million from forecasted 2021-23 revenue and \$218 million from 2023-25 revenue. The total forecast for the 2021-23 biennium

was increased by \$1.239 billion and the forecast for the 2023-25 biennium was increased by \$1.201 billion. The June 2021 forecast for GF-S revenue totals \$50.848 billion in the 2019-21 biennium, \$55.611 billion in the 2021-23 biennium and \$58.979 billion in the 2023-25 biennium.

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

GF-S forecast (\$billions):

2019-21:
\$50.848

2021-23:
\$55.611

2023-25:
\$58.979

	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium
Collection Experience	\$644.4	NA	NA
Non-Economic Change	(\$2.3)	(\$101.1)	(\$218.3)
Forecast Change	\$165.5	\$1,340.3	\$1,418.7
Total Change	\$807.6	\$1,239.2	\$1,200.5

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

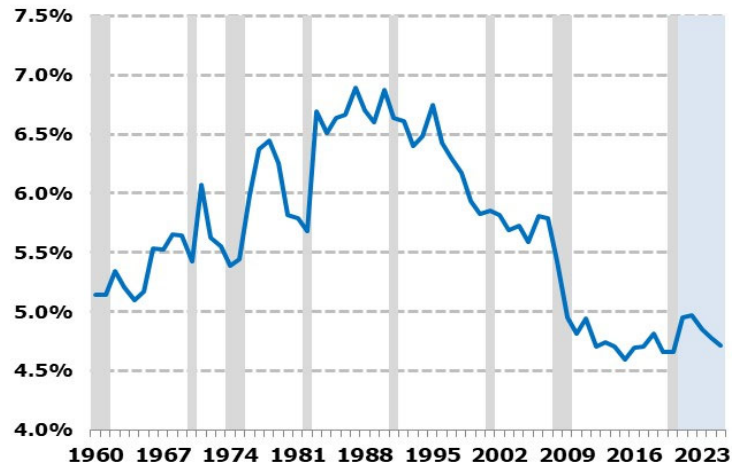
As can be seen in Figure 3.1, the ratio of GF-S revenue collected relative to state personal income had been on an increasing trend after reaching a trough in FY 2015. The ratio of revenue to income had been on a downward trend since 1995, broken only by the housing boom that raised the ratio from 2005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

Forecast details are at the end of the chapter

The history of nominal and real GF-S revenue by biennium can be found in Table 3.3. GF-S forecast changes by agency and major revenue classification for the 2019-21 biennium can be found in Table 3.5 (cash) and Table 3.6 (GAAP). Forecast changes for the 2021-23 biennium can be found in Table 3.7 (cash) and Table 3.8 (GAAP). The GF-S forecast by fiscal year and major source category through FY 2025 can be found in Table 3.9.

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

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



Source: ERFC, data through fiscal year 2020. Gray shaded area indicates recession; blue shaded area indicates forecast.

Recent Collection Experience

Collections were \$644 million (9.6%) more than forecasted in March

Revenue collections from the Department of Revenue (DOR) and the Washington court system are tracked monthly. In the period since the March forecast, total revenue from the above sources came in \$644.4 million (9.6%) higher than expected (see Table 3.2). Revenue Act collections reported by the DOR were \$480.8 million (11.2%) higher than forecasted. Revenue from other DOR tax sources was \$160.3 million (6.6%) above the forecast.

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

<u>Agency/Source</u>	<u>Collection Variance</u>	<u>Percent of Estimate</u>
Department of Revenue		
Revenue Act	\$480.8	11.2%
Non-Revenue Act	\$160.3	6.6%
Subtotal	\$641.1	9.5%
Washington court system	\$3.3	28.3%
Total*	\$644.4	9.6%

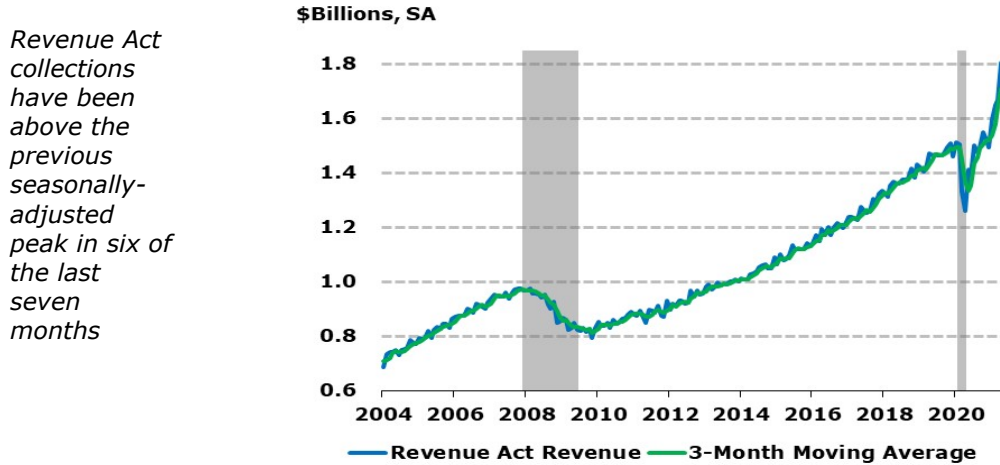
* Detail may not add to total due to rounding.
Source: ERFC; Period: March 11 - June 10, 2021

Property tax collections were much higher than forecasted

The largest contributor to the surplus in non-Revenue Act collections was property tax, which came in \$79.5 million (4.1%) higher than forecasted. Real estate excise tax (REET) collections came in \$51.2 million (16.0%) higher than forecasted. Liquor sales and liter tax receipts came in \$9.2 million (12.9%) higher

than forecasted. Cigarette tax collections came in \$7.6 million (10.0%) lower than forecasted. Net deposits of unclaimed property into the GF-S were \$10.0 million higher than forecasted. Revenue from all other DOR revenue sources came in \$18.0 million (63.8%) higher than forecasted. Revenue from the Washington court system was \$3.3 million (28.3%) higher than forecasted.

Figure 3.2: Revenue Act Collections*



Source: ERFC; Data through June 10, 2021

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

Adjusted Revenue Act collections were up 14.6% year over year for first quarter 2021 activity after 2.9% growth in the fourth quarter of 2020

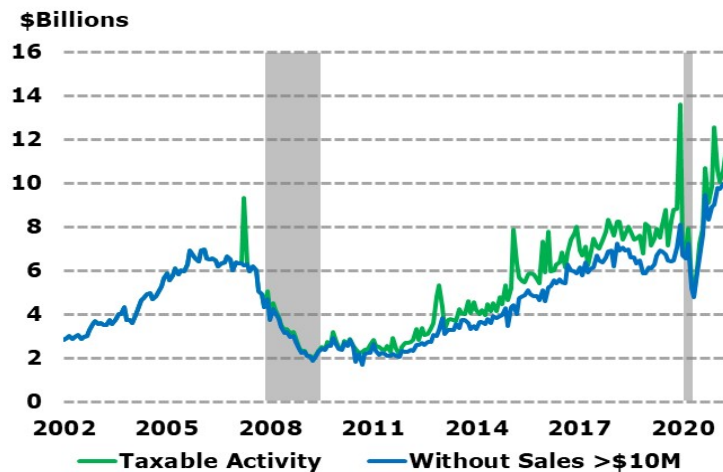
Figure 3.2 shows seasonally adjusted Revenue Act receipts excluding payments received under the tax amnesty program in early 2011 and other large payments. It is also adjusted for past changes in payment patterns and deferred payments in the first half of 2020. As shown in the figure, collections dropped precipitously during the early months of the pandemic, with a peak decline of 14.8% year over year in the May 11-June 10 collection period (April activity). Collections have since strengthened, with exceptional growth in the last two collection periods. Adjusted collections for April activity (May 11 – June 10 collections) were up 43.0% year over year and collections for March activity were up 28.5% year over year. With the exception of one month, seasonally adjusted collections have been higher than the previous seasonally adjusted peak in collections (representing January 2020 activity) since collections representing October 2020 activity. Adjusted collections representing first quarter 2021 activity (February 11 – May 10, 2021 collections) were up 14.6% year over year, while collections representing fourth quarter 2020 activity (November 11, 2020 – February 10, 2021 collections) were up 2.9%. Adjusted year-over-year collections representing third quarter activity grew 1.8% year over year while collections representing second quarter 2020 activity were down 8.1% year over year.

Real estate activity was higher than expected in March

Taxable real estate activity was once again higher than previously forecasted. The residential market has been especially strong due to both low mortgage rates and people re-assessing their living situations in light of their newfound ability to work from home. While there have been spikes in total activity due to large commercial sales, residential activity has held steady at record-high levels for the last five months (see Figure 3.3). Most of the increase in activity was due to higher prices rather than an increase in the number of transactions.

Figure 3.3: Taxable Real Estate Excise Activity, SA

Residential activity has held relatively steady at record-high levels for the last five months



Source: ERFC; data through May 2021

Legislative Changes to the Forecast

The largest legislative forecast change is a new tax on transactions that result in large capital gains

The 2021 legislative session produced a number of bills that affected state revenues. The most consequential of these was ESSB 5096, which established a tax on certain transactions that produced capital gains of over \$250,000. The tax takes effect in calendar year 2022, with payments for annual transactions due on the due date for Federal taxes in the following calendar year. The first \$500 million collected from the tax in FY 2023 is dedicated to the Education Legacy Trust Account, with the transfers increasing annually with inflation thereafter. Any funds over the annual threshold are deposited into the Common School Construction Account. While the bill increases revenues for these accounts, it also contains a tax credit that reduces GF-S business and occupation taxes by \$85 million in FY 2023 and increasing amounts thereafter.

Legislative changes by FY are in Table 3.20

The list of bills with impacts on state revenue that were signed by the Governor and their effects by fiscal year can be found in Table 3.20. Legislative changes are also discussed in the sections on revenue changes by source.

Revenue Forecasts by Source

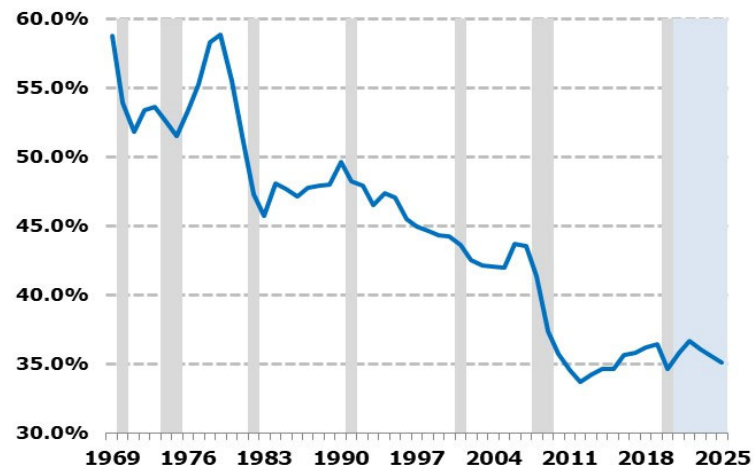
Department of Revenue

Taxes collected by DOR are most of GF-S taxes

The Department of Revenue (DOR) collects and administers the majority of Washington’s GF-S revenue, accounting for 95.0% of total GF-S revenue in FY 2019. The largest tax sources administered by the DOR are the retail sales tax, business and occupation tax, property tax, use tax, cigarette tax and real estate excise tax. The revenue forecasts discussed below can be found in Tables 3.5-3.8.

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

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



*Past tax base adjusted to represent current base. Gray shaded area indicates recession, blue shaded area indicates forecast.
Source: ERFC; Data through FY 2020, forecast through FY 2025

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

The retail sales tax is the largest source of GF-S revenue, accounting for 47.4% of GF-S revenue in FY 2020. The state’s share of the tax is 6.5% of the sales price. While construction labor, repair services, and some other services are taxed, the tax does not apply to most services. Taxable sales as a share of personal income have been declining. Their share fell sharply during the recession and continued to fall through FY 2012. In that year, 33.7% of personal income was spent on taxable items and services, the lowest percentage on record. Increased spending on construction and autos, along with legislative changes to services and companies deemed taxable, caused the share to grow through FY 2017, reaching 36.1% of personal income. Legislation passed in 2017, 2018 and March 2019 that extends the tax to bottled water and online sales caused a continued increase in the ratio. The COVID-19-related collapse in late FY 2020, however, coupled with federal emergency income support, caused the ratio of sales to income to decline in FY 2020. The ratio is forecasted to increase in FY 2021 and FY 2022, peaking at 36.0% before continuing its historical

downward trend through FY 2025. The historical and forecasted relationship between taxable sales and income is illustrated in Figure 3.4. Taxable retail sales by fiscal year can be found in Table 3.4.

Retail sales tax receipt growth forecast:

*FY21: 10.5%
FY22: 5.2%
FY23: 2.5%
FY24: 3.3%
FY25: 3.7%*

Strong growth in construction and auto sales brought taxable retail sales growth of 8.1% in FY 2015. Legislative changes coupled with continued growth in construction and auto sales boosted growth in FY 2016 taxable activity to 8.4%. Slowing construction growth and flat auto sales lowered growth in FY 2017 activity to 6.3%. Growth increased to 8.6% in FY 2018, due largely to increased taxation of online sales. Growth in FY 2019 taxable activity stayed relatively strong at 7.6% despite slowing auto sales and construction because of continuing increases in the volume of taxable online sales. Taxable activity growth slowed to 1.0% in FY 2020 due to pandemic-related shutdowns in the latter part of the year. Taxable sales are now forecasted to grow by 10.4% in FY 2021. Sale are forecasted to grow an additional 4.0% above FY 2021's high level in FY 2022. Growth then eases to 2.5% in FY 2023, 3.5% in FY 2024 and 3.6% in 2025 (see Table 3.4). Due to the lag between taxable activity and collections and the presence of tax deferrals, credits, refunds, and payments of past due taxes, the growth in actual collections differs from the growth in taxable activity. Growth in collections for FY 2019 was 8.6% and growth in FY 2020 was 1.7%. Collections are now forecasted to grow 10.5% in FY 2021. Collections are forecasted to increase by 5.2% in FY 2022, 2.5% FY 2023, 3.3% in FY 2024 and 3.7% in FY 2025.

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

The business and occupation (B&O) tax is the second largest source of GF-S revenue, accounting for 19.3% of GF-S revenue in FY 2020. It is a tax on the gross receipts of all businesses operating in Washington. The state portion of the tax applies ten different rates according to various classifications of business activities. In FY 2019, the largest contributor to total state B&O tax was the services sector, which had a gross tax rate of 1.5% and represented an estimated 43% of B&O taxes due. The next largest sector was retailing, which is taxed at 0.471% and represented an estimated 24% of taxes due, followed by the wholesaling sector, which is taxed at 0.484% and represented an estimated 19% of taxes due.

Legislative changes including a deduction from ESSB 5096 will reduce B&O collections in the future

ESSB 5096, which established a tax on certain transactions that generate \$250,000 or more in taxable gains, also included a tax deduction for businesses to prevent them from owing both capital gains and B&O taxes on the same transaction. This deduction is expected to reduce B&O tax collections by \$85 million in FY 2023, \$91 million in FY 2024 and \$97 million in FY 2025 (see Table 3.20). Several other bills from the 2021 session also reduced B&O revenue by much smaller amounts; they resulted in additional reductions of \$2.8 million in the 2021-23 biennium and \$5.0 million in the 2023-25 biennium.

*B&O tax
growth
forecast:*

*FY21: 7.9%
FY22: 1.7%
FY23: 3.7%
FY24: 4.5%
FY25: 4.8%*

In FY 2018, B&O tax receipts grew by 8.6% due to several large one-time payments of past due taxes and legislative expansion of the tax base. Growth slowed to a still-strong 6.9% in FY 2019. Despite a second quarter collapse in activity, FY 2020 growth remained positive at 3.6%. Collections are forecasted to increase by 7.9% in FY 2021, 1.7% in FY 2022, 3.7% in FY 2023, 4.5% in FY 2024 and 4.8% in FY 2025.

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

The state property tax levy is the third largest source of GF-S revenue, accounting for 14.5% of total revenue in FY 2020. Although the tax goes into the GF-S, it is dedicated to the funding of basic education. As discussed in the [September 2017](#) forecast publication, the total amount of the state levy was increased by new legislation in June 2017, with the increases beginning in FY 2018.

*Property tax
growth
forecast:*

*FY21: 27.2%
FY22: 0.5%
FY23: 1.9%
FY24: 2.7%
FY25: 2.7%*

Constrained by prior law to a levy growth rate of one percent on existing property (or the rate of inflation if less than one percent), property tax collections grew by 1.9% in FY 2017. The first payments of the additional state levy began to arrive in the latter half of FY 2018, bringing total GF-S property tax growth of 31.4% for the fiscal year. Collections fell by 12.4% in FY 2019 due to a temporary reduction in the levy rate for calendar year 2019 and a \$936 million transfer of collections from the levy to the Education Legacy Trust Account (ELTA). Collections rebounded by 44.2% in FY 2020 due to a smaller \$83.8 million transfer to ELTA and the end of the temporary levy reduction in the second half of the year. FY 2021 growth is forecasted at 27.2% due to a full year of collections at the unreduced levy rate along with the collection of some taxes which would have been collected in FY 2020 but were instead deferred due to the pandemic. The absence of the extra payments from deferrals brings 0.5% growth in FY 2022 before growth increases to 1.9% in FY 2023. Growth is forecasted at 2.7% for FY 2024 and FY 2025.

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

The real estate excise tax (REET) was the fourth largest source of GF-S revenue in FY 2020, accounting for 4.6% of total revenue. The tax is applied to both residential and commercial real estate, including purchases of vacant land. Prior to January 1, 2020, the state portion of REET was 1.28% of the sales price and was divided between the GF-S (92.3%), a fund for local public works (2.0%), a fund for assistance of cities and counties (1.6%) and ELTA (4.1%). As of January 1, 2020 rates are 1.1% for the portion of the selling price less than or equal to \$500 thousand, 1.28% for the portion greater than \$500 thousand and less than or equal to \$1.5 million, 2.75% for the portion greater than \$1.5 million and less than or equal to \$3.0 million and 3.0% for the portion greater than \$3.0 million. The distributions of the tax are also changed: 79.4% is deposited in the GF-S, 1.7% in the public works assistance account, 1.4% in the city-county assistance account and the remainder (17.5%) in ELTA.

Beginning July 1, 2023, distributions to the city-county assistance account increase to 5.2% and distributions to the Education Legacy Trust Account decrease to 14%. The new rates and distributions were designed to result in increased collections for both the GF-S and ELTA.

*GF-S REET
growth
forecast:*

*FY21: 32.8%
FY22: -14.5%
FY23: -9.0%
FY24: -1.0%
FY25: 3.5%*

From FY 2013 through 2019, the recovery in the residential real estate market after the Great Recession has been accompanied by a boom in commercial real estate. Sales of large commercial properties began to weaken in FY 2019 while residential sales increased, resulting in a 0.5% increase in collections in FY 2019. In the first half of FY2020, residential sales remained strong, and commercial sales surged in December 2019 ahead of the January 1, 2020 change in tax rates. The real estate market downturn that began with April 2020 collections, however, brought a total decline of 0.7% in FY 2020. The sales boom that began in July 2020 has continued unabated, with record high prices for residential property. The boom is forecasted to bring collections growth of 32.8% in FY 2021. In the aftermath of the huge growth in sales and prices in FY 2021, receipts are forecasted to decline by 14.5% in FY2022, 9.0% in FY 2023 and 1.0% in FY 2024. Growth then resumes at 3.5% in FY 2025.

*Use tax was
the fifth
largest GF-S
source in FY
2019*

The state use tax was the fifth largest GF-S revenue source in FY 2020 at 3.0% of total receipts. The state portion of the tax is 6.5% of the purchase price for items used in the state that were not subject to the state retail sales tax. Examples of items subject to the state use tax are goods purchased out-of-state; online and mail-order purchases, where sales tax was not collected; or purchases of used vehicles from private individuals.

*Use tax growth
forecast:*

*FY21: 18.9%
FY22: -9.1%
FY23: 2.5%
FY24: 2.7%
FY25: 3.6%*

Use tax collections grew 9.0% in FY 2019, boosted by several large one-time purchases. Despite strong collections in the first half of the fiscal year, FY 2020 collections declined by 4.9%. Collections are forecasted to increase by 18.9% in FY 2021 due to record high used car sales before decreasing by 9.1% in FY 2022 in the absence of those sales. Growth then resumes at 2.5% in FY 2023, 2.7% in FY 2024 and 3.6% in FY 2025.

*Public utility
taxes were
the sixth
largest GF-S
source in FY
2019*

Public utility taxes were the sixth largest DOR source of GF-S revenue in FY 2020, bringing in 1.7% of total receipts. The tax applies to the gross income of sales to consumers by public and privately owned utilities and is in lieu of the B&O tax. The largest source of public utility taxes is the 3.873% tax on the distribution and generation of electrical power, followed by the 3.852% tax on the distribution of natural gas.

*Growth
forecast:*

*FY21: 7.0%
FY22: 6.0%
FY23: 5.8%
FY24: 3.6%
FY25: 3.8%*

Public utility tax receipts shrank by 1.1% in FY 2018 after 1.4% growth in FY 2017. Growth shrank by a further 0.3% in FY 2019, but collections grew by 0.3% in FY 2020. The expiration of a large tax credit plus increased natural gas and electricity use due to people working from home boosted forecasted collections

growth to 7.0% in FY 2021. The resumption of business activities plus increased utility prices keeps growth strong at 6.0% in FY 2022 and 5.8% in FY 2023. Growth is then forecasted to slow to 3.6% in FY 2024 and 3.8% in FY 2025.

The cigarette tax was the seventh largest GF-S source in FY 2019

The state tax on cigarettes was the seventh largest DOR GF-S revenue source in FY 2020 at 1.4% of total receipts. Prior to FY 2010, the tax made up a much smaller portion of GF-S revenue because much of the tax was dedicated to non-GF-S accounts. In FY 2010, all of the tax except the portion dedicated to the Education Legacy Trust account was redirected to the GF-S, and in FY 2011 all of the cigarette tax was redirected to the GF-S. The current tax rate, which took effect May 1, 2010, is \$3.025 per pack of 20 cigarettes.

Cigarette tax growth forecast:

*FY21: -1.3%
FY22: -4.7%
FY23: -3.2%
FY24: -3.2%
FY25: -3.5%*

The total number of taxed cigarettes has been on a downward trend due to a continuing decline in the number of smokers. Recently, the rate of decline has been increasing further. Collections decreased by 3.3% in FY 2019 after decreasing by 5.4% in FY 2018. The decrease in collections accelerated to 6.0% in FY 2020, partially due to a state increase in the legal age to purchase cigarettes from 18 to 21 that took effect on January 1, 2020. Declining collections are forecasted to continue at a rate of 1.3% in FY 2021, 4.7% in FY 2022, 3.2% in FY 2023 and FY 2024 and 3.5% in FY 2025.

Forecasted Revenue from Cannabis-Related Sales

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

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

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

19-21: \$5.3
21-23: \$24.7
23-25: \$13.1

Distributions of cannabis excise taxes to the GF-S totaled \$15.3 million in the 2013-15 biennium and \$147.6 million in the 2015-17 biennium. GF-S distributions were \$248.9 million in the 2017-19 biennium. Distributions are forecasted at \$361.0 million in the 2019-21 biennium, an increase of \$5.3 million from the previous forecast, and \$400.4 million in the 2021-23 biennium, an increase of \$24.7 million. The forecast of GF-S distributions for the 2023-25 biennium is \$420.4 million, an increase of \$13.1 million. Details of the forecasted distributions from the account can be found in Table 3.18.

The Office of Financial Management (Other Agencies)

Forecast change by biennium (millions):

19-21: \$33.2
21-23: -\$22.7
23-25: -\$7.5

The Office of Financial Management (OFM) is responsible for preparing General Fund-State revenue and transfer forecasts for all agencies excluding the Department of Revenue, the Liquor and Cannabis Board, the Insurance Commissioner, the Washington State Lottery, and the State Treasurer. The office's forecast for the 2019-21 biennium was increased \$33.2 million to \$264.6 million. The forecast for the 2021-23 biennium was decreased \$22.7 million to \$210.3 million and the forecast of revenue for the 2023-25 biennium was decreased \$7.5 million to \$272.8 million. The forecast decreases in the 2021-23 and 2023-25 biennia were mainly due to legislative changes from HB 1521 and SB 5159 and budget driven revenue changes to cannabis tax revenue distributions (see Table 3.20).

State Treasurer

Forecast change by biennium (millions):

19-21: \$2.0
21-23: \$6.3
23-25: \$3.5

The Office of the State Treasurer generates GF-S revenue by investing state short-term cash reserves. The office's forecast for the 2019-21 biennium has been increased \$2.0 million to \$21.5 million and the forecast for the 2021-23 biennium has been increased \$6.3 million to \$21.0 million. The forecast of revenue for the 2023-25 biennium has been increased \$3.5 million to \$9.1 million.

Insurance Commissioner

Forecast change by biennium (millions):

19-21: -\$7.6
21-23: \$49.1
23-25: \$22.7

The Office of the Insurance Commissioner collects premium taxes on most classes of insurance sold in Washington State. These taxes are distributed to the GF-S and various accounts in support of fire services. The forecast of GF-S revenue for the 2019-21 biennium has been decreased \$7.6 million to \$1,298.6 million. The forecast of GF-S revenue for the 2021-23 biennium has been increased \$49.1 million to \$1,470.0 million and the forecast for the 2023-25 biennium has been increased \$22.7 million to \$1,547.9 million. The forecast increases for the 2021-23 and 2023-25 biennia included increases stemming from 2SSB 5315 (see Table 3.20), which extended the premium tax to certain

captive insurers. The bill is expected to generate \$29.5 million in retroactive tax payments in FY 2022 combined with an annual increase in collections of \$2.3 million in that year and thereafter.

Liquor and Cannabis Board

*Forecast
change by
biennium
(millions):*

19-21: \$7.3
21-23: \$30.0
23-25: \$18.9

The Liquor and Cannabis Board (LCB) collects fees from distributors and retailers on sales of spirits and surtaxes on sales of beer and wine (sales and liter taxes on sprits are collected by the DOR). The LCB is also responsible for the collection of excise taxes and fees associated with the legalized sale and use of recreational and medicinal cannabis discussed previously. The forecast of GF-S distributions for the 2019-21 biennium has been increased \$7.3 million to \$649.9 million and the forecast of revenue for the 2021-23 biennium has been increased \$30.0 million to \$712.9 million. The forecast of GF-S distributions for the 2023-25 biennium has been increased \$18.9 million to \$747.1 million. The forecast changes were a combination of increases in expected fees and taxes associated with beer, wine, and liquor distribution and the increases in expected distributions of cannabis excise taxes to the GF-S discussed above. They also included several legislative and budget-driven revenue changes listed in Table 3.20.

Lottery Commission

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

19-21: -\$0.3
21-23: -\$0.7
23-25: -\$0.7

While most of the proceeds from sales of lottery games go to the Washington Opportunity Pathways Account (OPA), distributions are also made to the Problem Gambling and Economic Development accounts. Details of the forecast of the distribution of Lottery earnings can be found in Table 3.15 on a cash basis and Table 3.16 on a GAAP basis. When total profits from all Washington-only games plus the Powerball game exceed \$102 million per year, the amount above \$102 million is transferred to the GF-S. Forecasted GF-S transfers for the 2019-21 biennium have been decreased \$0.3 million to \$41.9 million and transfers for the 2021-23 biennium have been decreased \$0.7 million to \$52.8 million. The forecast for the 2023-25 biennium has also been decreased \$0.8 million to \$52.8 million. The forecast decreases are net of the small budget-driven revenue increases listed in Table 3.20.

*OPA forecast
change by
biennium
(millions):*

19-21: \$15.6
21-23: \$17.9
23-25: \$15.8

The OPA receives all profits (excluding statutory transfers) from Washington-only lottery games plus all profits from the Mega Millions game. The forecast of OPA revenue for the 2019-21 biennium has been increased \$15.6 million to \$335.8 million and the forecast for the 2021-23 biennium has been increased \$17.9 million to \$348.7 million. The forecast for the 2023-25 biennium has been increased \$15.8 million to \$350.5 million.

Washington Court System

Forecast change by biennium (millions):

19-21: \$1.2
21-23: \$1.9
23-25: -\$2.3

The GF-S receives surcharges on certain filing fees, fines, and infraction penalties collected by the Washington court system. This revenue is transferred to the GF-S on a monthly basis. The forecast of GF-S transfers for the 2019-21 biennium has been increased \$1.2 million to \$115.1 million and the forecast of revenue for the 2021-23 biennium has been increased \$1.9 million to \$94.2 million. The forecast of transfers for the 2023-25 biennium has been decreased \$2.3 million to \$87.2 million.

Track Record for the 2019-21 Biennium

The current forecast is \$1.13 billion (2.3%) higher than the forecasted revenue at the time of the initial 2019-21 budget

Table 3.10 summarizes the historical changes to the GF-S revenue forecast for the 2019-21 biennium. The February 2016 forecast was the initial forecast for the biennium. The June 2021 forecast is \$7.41 billion (17.1%) higher than the initial forecast. Non-economic changes have increased the forecast by \$3.4 billion (7.8%). Excluding non-economic changes, the current forecast is \$4.02 billion (9.2%) higher than the initial forecast. The March 2019 forecast, coupled with \$109 million in legislative and budget-driven revenue changes passed in the 2019 legislative session subsequent to the March forecast, was the basis for the initial budget for the 2019-21 biennium. The June forecast of biennial revenue is \$1.13 billion (2.3%) higher than that sum.

Track Record for the 2021-23 Biennium

The current forecast is \$3.68 billion higher than the initial forecast in February 2018

Table 3.11 summarizes the historical changes to the GF-S revenue forecast for the 2021-23 biennium. The February 2018 forecast was the initial forecast for the biennium. The June 2021 forecast is \$3.68 billion (7.1%) higher than the initial forecast. Non-economic changes have increased the forecast by \$0.66 billion (1.3%). Excluding non-economic changes, the current forecast is \$3.02 billion (5.8%) higher than the initial forecast.

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

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

Legislation enacted in 1987 requires that the state's biennial budget be in conformance with Generally Accepted Accounting Principles (GAAP). It also requires a GF-S revenue forecast on both a cash and GAAP basis. The GAAP forecasts of GF-S revenue for the 2017-19 and 2019-21 biennia are presented in Tables 3.6 and 3.8 and the GAAP forecast of Lottery revenue transfers for those biennia is in Table 3.15. The primary difference between the cash and GAAP forecasts is the timing of

the receipt of revenue. On a GAAP basis, revenue is credited to the biennium in which it is earned even though it may not have been received. The cash forecast, on the other hand, reflects expected cash receipts during a fiscal period. The forecast on a GAAP, or accrual, basis is primarily used for financial reporting. The cash forecast is used for cash flow management and revenue tracking. The cash forecast is also the forecast used in the state's budgetary balance sheet, which is the principal tool for assessing the General Fund's current surplus or deficit position. References to the GF-S forecast in the text of this chapter refer to the cash forecast unless otherwise noted. Likewise, figures from revenue tables other than Tables 3.6, 3.8 and 3.16 are projected on a cash basis.

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

The forecast implies total reserves of \$3.835 billion at the end of the 2019-21 biennium for GF-S, ELTA, OPA and WEIA

Table 3.12 shows the budgetary balance sheets for the 2019-21 and 2021-23 biennia as prepared by the Office of Financial Management and the House and Senate fiscal committees. The balance sheet shows not only projected GF-S spending and resources but also total projected spending and resources for the GF-S plus the other main non-transportation state-funded accounts: the Education Legacy Trust Account (ELTA), the Washington Opportunity Pathways Account (OPA) and the Workforce Education Investment Account (WEIA). As shown in the table, the GF-S beginning fund balance for the 2019-21 biennium was \$999.3 million and the total beginning balance for GF-S, ELTA, OPA and WEIA was \$1,981.2 million. Based on the June 2021 revenue forecast and currently enacted budgets, the projected ending fund GF-S balance at the end of the 2019-21 biennium is \$3,365.9 million and the projected ending balance in the sum of GF-S, ELTA, OPA and WEIA accounts is \$3,835.2 million. While the balance sheet currently shows a negative \$1.3 million ending balance for the Budget Stabilization Account (BSA), a negative balance will not occur. This is because the amount of the FY 2021 transfer of 1% of general state revenues to the BSA is stated at \$498.2 million, but this value is based on the March forecast. When updated by the current forecast, the transfer will be larger and the ending balance will be positive. Based on the newly enacted budget for the 2021-23 biennium, the balance sheet projects total reserves of \$3,569.5 million at the end of that period.

Alternative Forecasts for the 2019-21 and 2021-23 Biennia

*Optimistic scenario (billions):
19-21: +\$0.10
21-23: +\$3.44*

*Pessimistic scenario:
19-21: -\$0.08
21-23: -\$3.39*

Chapter 2 outlines optimistic and pessimistic economic scenarios relative to the baseline economic forecast. The forecast assigns a probability of 50% to the baseline forecast, 25% to the optimistic scenario and 25% to the pessimistic scenario. The revenue implications of these alternative scenarios for the 2019-21 biennium are shown in Table 3.13 and those of the 2021-23

biennium are shown in Table 3.14. For the 2019-21 biennium, the optimistic forecast generates \$50.952 billion in GF-S revenue, \$104 million (0.2%) more than the baseline scenario, while the pessimistic forecast produces \$50.767 billion in revenue, \$81 million (0.2%) less than the baseline. For the 2021-23 biennium, the optimistic forecast generates \$59.055 billion in GF-S revenue, \$3.444 billion (6.2%) more than the baseline scenario, while the pessimistic forecast produces \$52.220 billion in revenue, \$3.391 billion (6.1%) less than the baseline.

Education Legacy Trust Account

A tax on capital gains established by ESSB 5096 has increased forecasted ELTA revenue by \$0.5 billion in the 2021-23 biennium and \$1.03 billion in the 2023-25 biennium

The Education Legacy Trust Account (ELTA) was created in the 2005 legislative session, with revenue collection beginning in FY 2006. Funds from the account may only be used for support of the common schools, expanding access to higher education through funding for new enrollments and financial aid, and other educational improvement efforts. The ELTA is primarily funded by a tax on estates of over \$2 million. Legislation from the 2013 special session, however, added revenue from public utility and real estate excise taxes (REET), which had previously gone into non-GF-S accounts. Subsequent legislation also added revenue from solid waste taxes from FY 2016 – FY 2023 and a transfer of \$935 million from the additional property tax levy to the account in FY 2019. Forecasted revenue was further increased in the 2021 legislative session by ESSB 5096, which establishes a tax on certain transactions that produce capital gains above \$250,000. In FY 2023, the first \$500 million generated by the tax is transferred to the ELTA, with the transfer increased by the rate of inflation in subsequent years. The bill has increased forecasted revenue by \$500 million in the 2021-23 biennium and \$1,028 million in the 2023-25 biennium. Including the changes to the underlying forecast, expected ELTA revenue has been increased by \$2.0 million for the current biennium, \$506.4 million for the 2021-23 biennium and \$1,022.4 million for the 2023-25 biennium. Forecasted ELTA receipts are now \$1,630.1 million for the current biennium, \$1,792.6 million for the 2021-23 biennium and \$2,094.0 million for the 2023-25 biennium.

Workforce Education Investment Account

The Workforce Education Investment Account (WEIA) was created in the 2019 legislative session. The account, the purpose of which is to help fund the state's higher education system and student loans, was originally funded by a surcharge on specific industries that benefitted from an educated workforce. This tax was scheduled to take effect on January 1, 2020, and the Economic and Revenue Forecast Council was later tasked with forecasting revenue generated for the account. ESSB 6492, passed in early February of the 2020 legislative

*WEIA
forecast
change by
biennium
(millions):*

*19-21: \$12.4
21-23: \$34.6
23-25: \$6.9*

session, retroactively eliminated the existing surcharge and replaced it with a simplified version that is effective April 1, 2020. The simplified surcharge applies to businesses with gross taxable activity under the "services and other activities" category of \$1 million or more (with some nonprofit and other businesses exempt). In addition to this surcharge, which equals 0.25% of gross taxable income, another surcharge is applied to a group of "select advanced computing businesses," and is paid quarterly. The forecast of WEIA revenue has been increased by \$12.4 million in the current biennium and \$34.6 million in the 2021-23 biennium and \$6.9 million in the 2023-25 biennium. As noted in Table 3.20, a new B&O tax deduction established by HB1296 is expected to subtract \$0.1 million per year from collections from FY23 onward. WEIA revenue is now forecasted at \$357.7 million in the 2019-21 biennium, \$660.6 million in the 2021-23 biennium and \$727.6 million in the 2023-25 biennium. The WEIA forecast by fiscal year is presented in Table 3.19.

Funds Subject to the Budget Outlook

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

*2019-21:
\$0.838*

*2021-23:
\$1.798*

*2023-25:
\$2.246*

By law, enacted biennial budgets must balance not only in the initial biennium of the budget but in the subsequent biennium as well, given assumptions of growth in spending from one biennium to the next and the current revenue forecast. The budget outlook that determines this balance looks at not only GF-S revenue and spending but also that of the ELTA, OPA and the WEIA. The forecast of total revenue for funds subject to the budget outlook for the 2019-21 biennium is \$53,171.9 million, \$837.7 million more than the March forecast. The forecast of total revenue for the 2021-23 biennium is \$58,413.1 million, \$1,798.2 million more than the March forecast. The forecast for the 2023-25 biennium is \$62,151.2 million, \$2,245.6 million more than the March forecast. The forecast of total GF-S, ELTA, OPA and WEIA revenue and recent history by fiscal year is presented in Table 3.17.

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

Biennium	Current Dollars	Percent Change	2012	
			Chained Dollars	Percent Change
1961-63	\$817.1		\$4,300.0	
1963-65	866.2	6.0%	4,439.3	3.2%
1965-67	1,128.6	30.3%	5,565.5	25.4%
1967-69	1,440.5	27.6%	6,658.6	19.6%
1969-71	1,732.7	20.3%	8,271.5	24.2%
1971-73	1,922.1	10.9%	8,490.3	2.6%
1973-75	2,372.4	23.4%	9,054.3	6.6%
1975-77	3,395.0	43.1%	11,271.8	24.5%
1977-79	4,490.0	32.3%	13,091.7	16.1%
1979-81	5,356.4	19.3%	12,990.7	-0.8%
1981-83	6,801.4	27.0%	14,354.4	10.5%
1983-85	8,202.4	20.6%	15,975.3	11.3%
1985-87	9,574.6	16.7%	17,604.4	10.2%
1987-89	10,934.1	14.2%	18,775.3	6.7%
1989-91	13,309.0	21.7%	21,047.1	12.1%
1991-93	14,862.2	11.7%	22,112.5	5.1%
1993-95	16,564.6	11.5%	23,547.7	6.5%
1995-97	17,637.7	6.5%	24,059.4	2.2%
1997-99	19,620.1	11.2%	26,059.1	8.3%
1999-01	21,262.1	8.4%	27,187.8	4.3%
2001-03	21,140.7	-0.6%	26,144.9	-3.8%
2003-05	23,388.5	10.6%	27,714.8	6.0%
2005-07	27,772.0	18.7%	31,145.3	12.4%
2007-09	27,703.0	-0.2%	29,633.3	-4.9%
2009-11	28,218.1	1.9%	29,418.7	-0.7%
2011-13	30,657.0	8.6%	30,679.6	4.3%
2013-15	33,666.0	9.8%	32,834.8	7.0%
2015-17	38,317.4	13.8%	36,751.1	11.9%
2017-19	44,142.6	15.2%	40,846.5	11.1%
2019-21 ^F	50,848.3	15.2%	45,583.6	11.6%
2021-23 ^F	55,611.3	9.4%	47,572.7	4.4%
2023-25 ^F	58,979.0	6.1%	48,578.2	2.1%

^F June 2021 forecast

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

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

Table 3.4
Taxable retail sales*
(millions of dollars)

Fiscal Year	Amount	Percent Change
1981	25,197	4.7%
1982	26,097	3.6%
1983	29,368	12.5%
1984	29,156	-0.7%
1985	30,687	5.3%
1986	32,158	4.8%
1987	34,647	7.7%
1988	37,452	8.1%
1989	41,429	10.6%
1990	47,183	13.9%
1991	49,812	5.6%
1992	53,189	6.8%
1993	55,319	4.0%
1994	59,009	6.7%
1995	61,927	4.9%
1996	62,817	1.4%
1997	66,748	6.3%
1998	72,059	8.0%
1999	77,197	7.1%
2000	83,335	8.0%
2001	85,633	2.8%
2002	84,418	-1.4%
2003	86,165	2.1%
2004	90,139	4.6%
2005	97,253	7.9%
2006	107,071	10.1%
2007	115,527	7.9%
2008	118,676	2.7%
2009	106,379	-10.4%
2010	99,983	-6.0%
2011	101,825	1.8%
2012	106,036	4.1%
2013	113,173	6.7%
2014	120,453	6.4%
2015	130,168	8.1%
2016	141,103	8.4%
2017	149,992	6.3%
2018	162,958	8.6%
2019	175,266	7.6%
2020	176,961	1.0%
2021 ^F	195,421	10.4%
2022 ^F	203,256	4.0%
2023 ^F	208,402	2.5%
2024 ^F	215,633	3.5%
2025 ^F	223,444	3.6%

^F June 2021 forecast

Source: ERFIC

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

Table 3.5

Comparison of the General Fund-State forecast by agency

2019-21 biennium; cash basis

(millions of dollars)

Forecast by Agency	Mar 2021 Forecast¹	Legislative Changes	Forecast Revision	June 2021 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$23,358.7	\$0.0	\$424.5	\$23,783.2	\$424.5
Business & Occupation	9,420.6	0.0	136.9	9,557.5	136.9
Use	1,524.1	0.0	50.2	1,574.3	50.2
Public Utility	833.3	0.0	(1.7)	831.5	(1.7)
Liquor Sales/Liter	644.9	0.0	9.2	654.0	9.2
Cigarette	649.2	0.0	(3.7)	645.5	(3.7)
Property (State Levy)	7,787.4	0.0	86.3	7,873.6	86.3
Real Estate Excise	2,463.6	0.0	64.7	2,528.3	64.7
Timber Excise	0.9	0.0	(0.9)	(0.0)	(0.9)
Other	1,002.3	0.0	6.4	1,008.7	6.4
Subtotal	47,684.9	0.0	771.7	48,456.7	771.7
Insurance Commissioner					
Insurance Premiums	1,306.1	0.0	(7.6)	1,298.6	(7.6)
Liquor Control Board					
Fees, Cannabis Excise Tax	585.5	(2.6)	9.8	592.7	7.2
Beer & Wine Surtax	57.1	0.0	0.1	57.2	0.1
Lottery Commission					
Lottery Revenue	42.2	0.0	(0.3)	41.9	(0.3)
State Treasurer					
Interest Earnings	19.5	0.0	2.0	21.5	2.0
Office of Financial Management					
Other Agencies	231.4	0.0	33.2	264.6	33.2
Washington Court System					
Court Fees, Fines & Forfeitures	113.9	0.0	1.2	115.1	1.2
Total General Fund-State *	\$50,040.7	(\$2.6)	\$810.2	\$50,848.3	\$807.6

¹ Forecast for the 2019-21 biennium adopted by the Economic and Revenue Forecast Council March 17, 2021² Forecast for the 2019-21 biennium, adopted June 23, 2021

*Detail may not add to totals because of rounding.

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

Table 3.6

Comparison of the General Fund-State forecast by agency

2019-21 biennium; GAAP basis

(millions of dollars)

Forecast by Agency	Mar 2021 Forecast¹	Legislative Changes	Forecast Revision	June 2021 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$23,330.1	\$0.0	\$424.5	\$23,754.6	\$424.5
Business & Occupation	9,420.3	0.0	136.9	9,557.2	136.9
Use	1,519.7	0.0	50.2	1,569.9	50.2
Public Utility	832.8	0.0	(1.7)	831.0	(1.7)
Liquor Sales/Liter	653.6	0.0	11.7	665.3	11.7
Cigarette	652.2	0.0	(3.7)	648.5	(3.7)
Property (State Levy)	8,041.1	0.0	86.3	8,127.3	86.3
Real Estate Excise	2,465.7	0.0	64.7	2,530.3	64.7
Timber Excise	0.6	0.0	(0.9)	(0.4)	(0.9)
Other	1,049.3	0.0	(0.3)	1,048.9	(0.3)
Subtotal	47,965.3	0.0	767.5	48,732.8	767.5
Insurance Commissioner					
Insurance Premiums	1,306.1	0.0	(7.6)	1,298.6	(7.6)
Liquor Control Board					
Fees, Cannabis Excise Tax	585.5	(2.6)	9.8	592.7	7.2
Beer & Wine Surtax	57.1	0.0	0.1	57.2	0.1
Lottery Commission					
Lottery Revenue	43.1	0.0	(0.4)	42.7	(0.4)
State Treasurer					
Interest Earnings	17.5	0.0	3.8	21.2	3.8
Office of Financial Management					
Other Agencies	231.4	0.0	33.2	264.6	33.2
Washington Court System					
Court Fees, Fines & Forfeitures	113.9	0.0	1.2	115.1	1.2
Total General Fund-State *	\$50,319.9	(\$2.6)	\$807.6	\$51,124.9	\$805.1

¹ Forecast for the 2019-21 biennium adopted by the Economic and Revenue Forecast Council March 17, 2021² Forecast for the 2019-21 biennium, adopted June 23, 2021

*Detail may not add to totals because of rounding.

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

Table 3.7

Comparison of the General Fund-State forecast by agency

2021-23 biennium; cash basis

(millions of dollars)

Forecast by Agency	Mar 2021 Forecast¹	Legislative Changes	Forecast Revision	June 2021 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$25,608.7	(\$4.7)	\$994.4	\$26,598.3	\$989.7
Business & Occupation	10,278.6	(87.8)	86.5	10,277.3	(1.3)
Use	1,516.8	(0.1)	57.7	1,574.5	57.6
Public Utility	965.5	(0.2)	(27.3)	938.0	(27.6)
Liquor Sales/Liter	640.5	0.0	10.3	650.7	10.3
Cigarette	602.9	0.0	(1.3)	601.6	(1.3)
Property (State Levy)	8,895.4	0.0	55.1	8,950.4	55.1
Real Estate Excise	2,265.8	0.0	88.9	2,354.7	88.9
Timber Excise	2.1	0.0	(0.4)	1.7	(0.4)
Other	1,098.5	(3.4)	7.8	1,103.0	4.4
Subtotal	51,874.9	(96.2)	1,271.5	53,050.2	1,175.3
Insurance Commissioner					
Insurance Premiums	1,420.9	33.9	15.1	1,470.0	49.1
Liquor Control Board					
Fees, Cannabis Excise Tax	624.5	(13.2)	43.1	654.5	30.0
Beer & Wine Surtax	58.4	0.0	0.0	58.4	0.0
Lottery Commission					
Lottery Revenue	53.5	0.3	(0.9)	52.8	(0.7)
State Treasurer					
Interest Earnings	14.6	0.0	6.3	21.0	6.3
Office of Financial Management					
Other Agencies	233.0	(25.9)	3.2	210.3	(22.7)
Washington Court System					
Court Fees, Fines & Forfeitures	92.3	0.0	1.9	94.2	1.9
Total General Fund-State *	\$54,372.1	(\$101.1)	\$1,340.3	\$55,611.3	\$1,239.2

¹ Forecast for the 2021-23 biennium adopted by the Economic and Revenue Forecast Council March 17, 2021² Forecast for the 2021-23 biennium, adopted June 23, 2021

*Detail may not add to totals because of rounding.

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

Table 3.8

Comparison of the General Fund-State forecast by agency

2021-23 biennium; GAAP basis

(millions of dollars)

Forecast by Agency	Mar 2021 Forecast¹	Legislative Changes	Forecast Revision	June 2021 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$25,608.7	(\$4.7)	\$994.4	\$26,598.3	\$989.7
Business & Occupation	10,278.6	(87.8)	86.5	10,277.3	(1.3)
Use	1,516.8	(0.1)	57.7	1,574.5	57.6
Public Utility	965.5	(0.2)	(27.3)	938.0	(27.6)
Liquor Sales/Liter	640.5	0.0	10.3	650.7	10.3
Cigarette	602.9	0.0	(1.3)	601.6	(1.3)
Property (State Levy)	8,895.4	0.0	55.1	8,950.4	55.1
Real Estate Excise	2,265.8	0.0	88.9	2,354.7	88.9
Timber Excise	2.2	0.0	(0.5)	1.8	(0.5)
Other	1,098.5	(3.4)	7.8	1,103.0	4.4
Subtotal	51,875.0	(96.2)	1,271.5	53,050.3	1,175.3
Insurance Commissioner					
Insurance Premiums	1,420.9	33.9	15.1	1,470.0	49.1
Liquor Control Board					
Fees, Cannabis Excise Tax	624.5	(13.2)	43.1	654.5	30.0
Beer & Wine Surtax	58.4	0.0	0.0	58.4	0.0
Lottery Commission					
Lottery Revenue	53.2	0.3	(0.8)	52.6	(0.6)
State Treasurer					
Interest Earnings	14.1	0.0	6.1	20.2	6.1
Office of Financial Management					
Other Agencies	233.0	(25.9)	3.2	210.3	(22.7)
Washington Court System					
Court Fees, Fines & Forfeitures	92.3	0.0	1.9	94.2	1.9
Total General Fund-State *	\$54,371.4	(\$101.1)	\$1,340.2	\$55,610.5	\$1,239.1

¹ Forecast for the 2021-23 biennium adopted by the Economic and Revenue Forecast Council March 17, 2021² Forecast for the 2021-23 biennium, adopted June 23, 2021

*Detail may not add to totals because of rounding.

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

Table 3.9

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

(Millions of Dollars)

Forecast by Source	Fiscal 2020	Fiscal 2021	2019-21 Biennium	Fiscal 2022	Fiscal 2023	2021-23 Biennium	Fiscal 2024	Fiscal 2025	2023-25 Biennium
State Taxes									
Retail sales**	\$11,296.2	\$12,487.0	\$23,783.2	\$13,134.9	\$13,463.5	\$26,598.3	\$13,908.3	\$14,419.4	\$28,327.7
Business & occupation Use**	4,596.8	4,960.7	9,557.5	5,046.0	5,231.3	10,277.3	5,464.7	5,728.8	11,193.5
Public Utility	719.2	855.1	1,574.3	777.5	797.0	1,574.5	818.7	847.9	1,666.6
Liquor sales/liter	401.7	429.9	831.5	455.7	482.2	938.0	499.4	518.3	1,017.7
Beer & wine surtax	311.6	342.5	654.0	325.5	325.2	650.7	329.9	335.3	665.3
Cigarette	28.2	29.0	57.2	29.1	29.3	58.4	29.4	29.6	59.1
Tobacco products	331.3	331.7	663.0	314.1	304.3	618.4	294.9	284.8	579.7
Cannabis Excise Taxes	53.1	53.7	106.8	56.8	57.4	114.2	57.9	58.5	116.3
Property (state school levy)	149.9	202.0	352.0	198.3	192.6	390.9	201.0	210.0	410.9
Leasehold Excise Tax	3,464.9	4,408.8	7,873.6	4,432.8	4,517.6	8,950.4	4,641.2	4,766.0	9,407.2
Public utility district	36.3	37.1	73.4	37.9	38.6	76.5	39.2	39.9	79.1
Brokered Natural Gas	58.4	58.6	116.9	60.3	62.0	122.3	63.8	65.2	129.0
Real estate excise***	23.1	22.9	46.0	23.4	23.9	47.3	24.3	24.7	49.0
Timber excise	1,086.2	1,442.1	2,528.3	1,232.7	1,122.0	2,354.7	1,110.4	1,148.9	2,259.3
Estate/inheritance	0.2	(0.3)	(0.0)	0.7	1.0	1.7	1.2	1.4	2.6
Boat excise	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Insurance premiums	17.9	17.3	35.2	17.5	17.9	35.4	17.1	17.5	34.5
Penalties and interest on past due taxes	652.3	646.3	1,298.6	735.4	734.5	1,470.0	761.1	786.8	1,547.9
Other	140.7	108.4	249.1	143.3	159.7	303.0	165.0	170.7	335.7
Total Taxes	23,392.2	26,498.2	49,890.5	27,083.6	27,621.3	54,704.9	28,489.6	29,516.7	58,006.3
State Non-Tax Sources									
Licenses, permits, fees	152.6	169.4	322.0	163.2	165.7	329.0	169.7	160.1	329.8
Liquor & Cannabis fees	104.7	136.1	240.8	127.7	135.9	263.5	137.0	140.1	277.1
Earnings on investments	4.2	17.2	21.5	13.3	7.7	21.0	4.4	4.6	9.1
Washington Court System	62.5	52.6	115.1	48.1	46.1	94.2	44.4	42.8	87.2
Transfers of unclaimed property	110.4	142.8	253.2	118.2	119.2	237.5	120.3	121.4	241.7
Other revenue & transfers	(9.3)	14.6	5.3	(19.1)	(19.7)	(38.8)	14.1	13.7	27.9
Total Non-Tax	425.1	532.7	957.8	451.4	455.0	906.4	490.0	482.7	972.7
Total General Fund-State *	\$23,817.3	\$27,030.9	\$50,848.3	\$27,535.0	\$28,076.3	\$55,611.3	\$28,979.6	\$29,999.4	\$58,979.0

* Detail may not add to totals due to rounding

**GFS portion after Initiative 900 transfer

***Includes penalties and interest

Table 3.10
Track Record for the 2019-21 General Fund-State Cash Forecast
February 2016 through June 2021
Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>Department of Revenue*</u>	<u>Other Agencies</u>	<u>Subtotal*</u>	<u>Non-Economic Changes**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
February 2016 #	\$36,887	\$1,823				\$43,441
Changes to Forecast						
June 2016	172	(31)	141	(7) #1	134	43,575
September 2016	86	(31)	55	0	55	43,630
November 2016	21	4	26	0	26	43,656
March 2017	241	(55)	186	0	186	43,842
June 2017	47	(13)	34	(1) #2	34	43,875
September 2017	245	(3)	243	3,278 #3	3,521	47,396
November 2017	188	(2)	186	0	186	47,582
February 2018	655	16	671	0	671	48,253
June 2018	426	22	448	(181) #4	267	48,520
September 2018	295	22	317	38 #5	355	48,875
November 2018	186	3	189	0	189	49,064
March 2019	465	(35)	430	115 #6	545	49,609
June 2019	57	29	86	109 #7	195	49,804
September 2019	307	3	310	(84) #8	226	50,030
November 2019	283	(8)	274	0	274	50,304
February 2020	309	(2)	307	0	307	50,611
June 2020	(4,422)	(185)	(4,607)	125 #9	(4,482)	46,129
September 2020	1,990	69	2,060	0	2,060	48,189
November 2020	577	31	607	0	607	48,796
March 2021	1086	158	1,244	0	1,244	50,041
June 2021	772	38	810	(2) #10	808	50,848
Total change***:						
From February 2016	3,987	29	4,017	3,391	7,407	
Percent change	10.8	1.6	9.2	7.8	17.1	

* 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 2019-21 biennium.

#1 Legislative revenue changes from the 2016 regular and first special legislative sessions

#2 Sum of legislative revenue changes from 2017 legislative sessions through June 20, 2017

#3 Sum of legislative and budget driven revenue changes from 2017 special legislative sessions since the June 2017 forecast

#4 Sum of legislative and budget driven revenue changes from the 2018 legislative session

#5 Estimated increase in sales tax collections due US Supreme Court ruling of June 21, 2018.

#6 Effects of SSB 5581, passed in March of 2019 legislative session

#7 Sum of legislative and budget driven revenue changes from the 2018 legislative session subsequent to the March 2019 forecast

#8 Later-than-forecasted cash transfer of Property Tax out of GF-S into ELTA

#9 Legislative and budget-driven revenue changes from the 2020 legislative session

#10 Legislative and budget-driven revenue changes from the 2021 legislative session

Table 3.11
Track Record for the 2021-23 General Fund-State Cash Forecast
 February 2018 through June 2021
 Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>Department of Revenue*</u>	<u>Other Agencies</u>	<u>Subtotal*</u>	<u>Non-Economic Changes**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
February 2018 #	\$49,551	\$2,381				\$51,932
Changes to Forecast						
June 2018	324	33	357	(7) #1	350	52,282
September 2018	248	1	249	46 #2	295	52,577
November 2018	228	(27)	201	0	201	52,778
March 2019	402	(33)	369	190 #3	559	53,337
June 2019	17	8	24	322 #4	347	53,683
September 2019	(89)	10	(79)	0	(79)	53,604
November 2019	169	6	175	0	175	53,779
February 2020	501	12	512	0	512	54,291
June 2020	(4,431)	(139)	(4,570)	213 #5	(4,357)	49,935
September 2020	2187	59	2,246	0	2,246	52,181
November 2020	265	32	297	0	297	52,478
March 2021	1,807	88	1,894	0	1,894	54,372
June 2021	1,275	65	1,340	(101) #6	1,239	55,611
Total change***:						
From February 2018	2,902	114	3,016	664	3,679	
Percent change	5.9	4.8	5.8	1.3	7.1	

* 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 2021-23 biennium.

#1 Sum of legislative and budget driven revenue changes from the 2018 legislative session

#2 Estimated increase in sales tax collections due US Supreme Court ruling of June 21, 2018.

#3 Effects of SSB 5581, passed in March of 2019 legislative session

#4 Sum of legislative and budget driven revenue changes from the 2018 legislative session subsequent to the March 2019 forecast

#5 Legislative and budget-driven revenue changes from the 2020 legislative session

#6 Legislative and budget-driven revenue changes from the 2021 legislative session

Table 3.12

2019-21 and 2021-23 Enacted Budget Balance Sheet
General Fund-State (GFS), Education Legacy Trust Account (ELTA),
Washington Opportunity Pathways Account (OPA),
Workforce Education Investment Account (WEIA) and Budget Stabilization Account (BSA)
Dollars in Millions

	2019-21			2021-23		
	GFS	ELTA, OPA and WEIA	TOTAL	GFS	ELTA, OPA and WEIA	TOTAL
RESOURCES						
Beginning Fund Balance	999.3	981.9	1,981.2	3,365.9	470.5	3,836.5
March 2021 Revenue Forecast	50,040.7	2,293.5	52,334.2	54,372.1	2,242.8	56,614.9
June 2021 Revenue Forecast change	809.9	30.1	840.0	1,340.3	59.0	1,399.3
Current Revenue Totals	50,850.6	2,323.6	53,174.2	55,712.4	2,301.9	58,014.3
Transfer to Budget Stabilization Account (1% of GSR)	(498.2)		(498.2)	(541.6)		(541.6)
Transfer to Budget Stabilization Account (EGSR)	-		-	-		-
Enacted Fund Transfers	35.2	160.0	195.2	-	-	-
ACFR Adjustments Actual- FY 20	(3.9)	28.2	24.2	-	-	-
Actual/Assumed Prior Period Adjustments	59.7		59.7	40.8		40.8
2021 Legislative Session-Enacted Budgets			-			-
Capital Gains Tax (SB 5096)			-	(85.0)	500.0	415.0
Revenue Legislation	(2.6)	-	(2.6)	(1.6)	(0.2)	(1.8)
Budget Driven Revenue	0.2	-	0.2	(15.2)	-	(15.2)
Fund Transfers	(1,100.2)	45.0	(1,055.2)	50.2	-	50.2
Fund Transfer- ESSB 5092 Section 1802- From BSA	1,820.4		1,820.4			-
Governor's Vetoes	-	-	-	0.7	0.1	0.8
Total Resources (including beginning fund balance)	52,160.6	3,538.7	55,699.2	58,526.6	3,272.3	61,799.0
EXPENDITURES						
Enacted Budgets						
2019-21 Biennium	50,602.8	3,096.9	53,699.7	-	-	-
2021 Supplemental	(1,108.6)	(28.7)	(1,137.4)	-	-	-
2021-23 Biennium			-	56,334.4	2,878.8	59,213.2
Governor's Vetoes and Lapses			-	(146.6)	-	(146.6)
Actual/Assumed Reversions	(699.6)	-	(699.6)	(295.7)	-	(295.7)
Total Expenditures	48,794.6	3,068.1	51,862.8	55,892.0	2,878.8	58,770.9
RESERVES						
Projected Ending Balance	3,365.9	470.5	3,836.5	2,634.6	393.5	3,028.1
Budget Stabilization Account						
Budget Stabilization Account Beginning Balance	1,618.4		1,618.4	(1.3)		(1.3)
Transfers from General Fund (1% of GSR)	498.2		498.2	541.6		541.6
Transfers from GFS (EGSR)	-		-	-		-
Prior Period Adjustment-FY 20	0.9		0.9	-		-
Actual/Assumed Interest Earnings	40.7		40.7	1.1		1.1
Fund Transfer- EHB 2965- ESD transfer back to BSA	25.0		25.0	-		-
Fund Transfer- ESSB 5092 Section 1802- To GFS	(1,820.4)		(1,820.4)			
Less 2020 Supplemental Approp from BSA-Coronavirus	(200.0)		(200.0)	-		-
Less Approp from BSA-Covid-19- HB 1367	(164.3)		(164.3)	-		-
Projected Budget Stabilization Account Ending Balance	(1.3)		(1.3)	541.4		541.4
Total Reserves (Near General Fund plus Budget Stabilization)	3,364.6	470.5	3,835.2	3,176.0	393.5	3,569.5

Acronyms

GSR- General State Revenues
EGSR- Extraordinary General State Revenues
ACFR- Annual Comprehensive Financial Report

Table 3.13
Alternative forecasts compared to the baseline forecast
2019-21 biennium
(cash basis, millions of dollars)

Forecast by Source	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast
Department of Revenue			
Retail Sales	\$23,830.1	\$23,783.2	\$23,756.0
Business & Occupation Use	9,576.6	9,557.5	9,527.2
Public Utility Property (school levy)	1,578.3	1,574.3	1,571.1
Real Estate Excise	833.4	831.5	829.7
Other	7,880.1	7,873.6	7,867.1
Subtotal	2,541.5	2,528.3	2,527.6
	2,313.0	2,308.1	2,304.3
	48,552.9	48,456.7	48,382.9
Insurance Commissioner¹	1,298.6	1,298.6	1,298.6
Lottery Commission	43.4	41.9	40.5
State Treasurer - Interest earnings	21.5	21.5	21.5
Liquor and Cannabis Surtaxes & Fees²	653.9	649.9	646.1
Office of Financial Management			
Other agencies	266.1	264.6	263.1
Washington Court System			
Court Fees, Fines & Forfeitures	115.6	115.1	114.7
Total General Fund - State*	\$50,952.0	\$50,848.3	\$50,767.3
Difference from June 2021 Baseline	\$103.7		(\$81.0)

1 Insurance premiums, General Fund-State portion.

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

* Detail may not add to total due to rounding.

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

Table 3.14

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

(cash basis, millions of dollars)

Forecast by Source	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast
Department of Revenue			
Retail Sales	\$28,514.0	\$26,598.3	\$24,584.6
Business & Occupation Use	11,030.9	10,277.3	9,421.7
Public Utility	1,723.2	1,574.5	1,425.7
Property (school levy)	991.8	938.0	852.5
Real Estate Excise	8,985.1	8,950.4	8,915.9
Other	2,630.8	2,354.7	2,297.4
Subtotal	2,465.4	2,357.0	2,289.5
	56,341.3	53,050.2	49,787.3
Insurance Commissioner¹	1,543.5	1,470.0	1,396.5
Lottery Commission	55.5	52.8	50.2
State Treasurer - Interest earnings	53.7	21.0	6.3
Liquor and Cannabis Surtaxes & Fees²	746.8	712.9	685.8
Office of Financial Management			
Other agencies	216.6	210.3	203.9
Washington Court System			
Court Fees, Fines & Forfeitures	98.0	94.2	90.4
Total General Fund - State*	\$59,055.3	\$55,611.3	\$52,220.4
Difference from June 2021 Baseline	\$3,443.9		(\$3,391.0)

1 Insurance premiums, General Fund-State portion.

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

* Detail may not add to total due to rounding.

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

Table 3.15

Lottery transfers by fund

June 2021 Forecast
(cash basis, millions of dollars)

	Lottery: Total Transfers:*	General Fund	Mariners Stadium	Exhibition Center & Stadium	Student Achievement Account	School Construction Account	Problem Gambling Account	Economic Development Account	Opportunity Pathways Account	Veteran's VIP Account	Education Legacy Trust Account
2014	147.9	9.3	0.0	10.8	0.0	0.0	0.3	3.7	113.7	0.0	10.1
2015	143.1	0.6	0.0	11.2	0.0	0.0	0.3	4.7	120.2	0.0	6.1
2013-15 Biennium	291.0	9.9	0.0	22.0	0.0	0.0	0.6	8.4	233.9	0.0	16.1
2016	171.6	17.1	0.0	11.7	0.0	0.0	0.3	3.3	139.1	0.0	0.0
2017	159.7	14.8	0.0	12.2	0.0	0.0	0.3	4.8	126.6	0.0	0.0
2015-17 Biennium	331.2	31.9	0.0	23.8	0.0	0.0	0.7	8.0	265.7	0.0	0.0
2018	183.6	38.5	0.0	12.6	0.0	0.0	0.3	3.5	128.5	0.0	0.0
2019	213.8	38.7	0.0	13.1	0.0	0.0	0.4	5.8	155.7	0.0	0.0
2017-19 Biennium	397.3	77.3	0.0	25.8	0.0	0.0	0.8	9.3	284.2	0.0	0.0
2020	186.4	16.7	0.0	13.7	0.0	0.0	0.4	3.1	152.5	0.0	0.0
2021	227.1	25.2	0.0	14.2	0.0	0.0	0.5	3.9	183.3	0.0	0.0
2019-21 Biennium	413.5	41.9	0.0	27.9	0.0	0.0	0.8	7.0	335.8	0.0	0.0
2022	205.2	26.5	0.0	0.0	0.0	0.0	0.4	4.3	174.1	0.0	0.0
2023	205.4	26.3	0.0	0.0	0.0	0.0	0.4	4.1	174.6	0.0	0.0
2021-23 Biennium	410.6	52.8	0.0	0.0	0.0	0.0	0.8	8.3	348.7	0.0	0.0
2024	206.0	26.4	0.0	0.0	0.0	0.0	0.4	4.1	175.1	0.0	0.0
2025	206.3	26.5	0.0	0.0	0.0	0.0	0.4	4.1	175.4	0.0	0.0
2023-25 Biennium	412.4	52.8	0.0	0.0	0.0	0.0	0.8	8.1	350.5	0.0	0.0

Table 3.16

Lottery transfers by fund

June 2021 Forecast
(GAAP basis, millions of dollars)

	Lottery: Total Transfers:*	General Fund	Mariners Stadium	Exhibition Center & Stadium	Student Achievement Account	School Construction Account	Problem Gambling Account	Economic Development Account	Opportunity Pathways Account	Veteran's VIP Account	Education Legacy Trust Account
2014	147.7	0.6	0.0	10.8	0.0	0.0	0.3	4.0	121.9	0.0	10.1
2015	141.3	0.0	0.0	11.2	0.0	0.0	0.3	4.7	119.0	0.0	6.1
2013-15 Biennium	288.9	0.6	0.0	22.0	0.0	0.0	0.6	8.7	240.9	0.0	16.1
2016	175.5	31.9	0.0	11.7	0.0	0.0	0.3	2.8	128.7	0.0	0.0
2017	161.9	16.8	0.0	12.2	0.0	0.0	0.3	4.9	126.8	0.0	0.0
2015-17 Biennium	337.4	48.7	0.0	23.8	0.0	0.0	0.7	7.7	255.5	0.0	0.0
2018	183.0	31.2	0.0	12.6	0.0	0.0	0.4	4.6	134.2	0.0	0.0
2019	215.8	30.9	0.0	13.1	0.0	0.0	0.4	4.6	166.7	0.0	0.0
2017-19 Biennium	398.8	62.1	0.0	25.8	0.0	0.0	0.8	9.2	300.9	0.0	0.0
2020	180.9	16.2	0.0	13.7	0.0	0.0	0.4	3.4	147.3	0.0	0.0
2021	228.1	26.5	0.0	14.2	0.0	0.0	0.5	4.1	182.8	0.0	0.0
2019-21 Biennium	409.0	42.7	0.0	27.9	0.0	0.0	0.8	7.4	330.1	0.0	0.0
2022	204.7	26.3	0.0	0.0	0.0	0.0	0.4	4.1	173.9	0.0	0.0
2023	205.5	26.4	0.0	0.0	0.0	0.0	0.4	4.1	174.7	0.0	0.0
2021-23 Biennium	410.2	52.6	0.0	0.0	0.0	0.0	0.8	8.1	348.6	0.0	0.0
2024	206.1	26.4	0.0	0.0	0.0	0.0	0.4	4.1	175.2	0.0	0.0
2025	206.4	26.4	0.0	0.0	0.0	0.0	0.4	4.1	175.5	0.0	0.0
2023-25 Biennium	412.4	52.8	0.0	0.0	0.0	0.0	0.8	8.1	350.6	0.0	0.0

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

Source: Lottery Commission, ERFC

Table 3.17

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

History and Forecast by Fiscal Year (Cash basis)

June 2021 - Millions of Dollars

	General Fund-State (GF-S) (current definition)		Education Legacy Trust Account* (ELTA)		WA Opportunity Pathways Account (OPA)		Workforce Ed. Investment Acct. (WEIA)		Total GF-S, ELTA, OPA and WEIA	
	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.
History:										
FY 2001	\$11,560	4.4%							\$11,560	4.4%
FY 2002	\$11,632	0.6%							\$11,632	0.6%
FY 2003	\$11,721	0.8%							\$11,721	0.8%
FY 2004	\$12,358	5.4%							\$12,358	5.4%
FY 2005	\$13,036	5.5%							\$13,036	5.5%
FY 2006	\$14,318	9.8%	\$115						\$14,432	10.7%
FY 2007	\$15,467	8.0%	\$266	132.2%					\$15,734	9.0%
FY 2008	\$15,659	1.2%	\$213	-20.1%					\$15,872	0.9%
FY 2009	\$14,158	-9.6%	\$224	5.4%					\$14,382	-9.4%
FY 2010	\$13,571	-4.1%	\$157	-29.9%					\$13,728	-4.6%
FY 2011	\$14,648	7.9%	\$112	-29.0%	\$99				\$14,859	8.2%
FY 2012	\$14,874	1.5%	\$114	2.3%	\$118	19.1%			\$15,107	1.7%
FY 2013	\$15,783	6.1%	\$101	-11.5%	\$126	5.9%			\$16,009	6.0%
FY 2014	\$16,383	3.8%	\$197	95.3%	\$114	-9.4%			\$16,694	4.3%
FY 2015	\$17,283	5.5%	\$207	5.0%	\$120	5.7%			\$17,611	5.5%
FY 2016	\$18,579	7.5%	\$215	3.6%	\$139	15.7%			\$18,933	7.5%
FY 2017	\$19,739	6.2%	\$252	17.5%	\$127	-9.0%			\$20,118	6.3%
FY 2018	\$21,712	10.0%	\$302	19.6%	\$129	1.5%			\$22,143	10.1%
FY 2019	\$22,430	3.3%	\$1,352	348.1%	\$156	21.1%			\$23,938	8.1%
FY 2020	\$23,817	6.2%	\$913	-32.5%	\$153	-2.0%	\$32		\$24,915	4.1%
Forecast:										
FY 2021	\$27,031	13.5%	\$717	-21.5%	\$183	20.2%	\$326	922.6%	\$28,257	13.4%
FY 2022	\$27,535	1.9%	\$650	-9.4%	\$174	-5.0%	\$325	-0.4%	\$28,683	1.5%
FY 2023	\$28,076	2.0%	\$1,143	76.0%	\$175	0.3%	\$336	3.5%	\$29,730	3.6%
FY 2024	\$28,980	3.2%	\$1,029	-10.0%	\$175	0.3%	\$354	5.4%	\$30,538	2.7%
FY 2025	\$29,999	3.5%	\$1,065	3.4%	\$175	0.1%	\$373	5.4%	\$31,613	3.5%
Biennial Totals										
07-09 Biennium	\$29,817	0.1%	\$437	14.8%	\$0	NA	\$0	NA	\$30,254	0.3%
09-11 Biennium	\$28,218	-5.4%	\$269	-38.5%	\$99	NA	\$0	NA	\$28,586	-5.5%
11-13 Biennium	\$30,657	8.6%	\$215	-19.9%	\$244	145.2%	\$0	NA	\$31,116	8.8%
13-15 Biennium	\$33,666	9.8%	\$405	88.0%	\$234	-4.1%	\$0	NA	\$34,305	10.2%
15-17 Biennium	\$38,317	13.8%	\$467	15.4%	\$266	13.6%	\$0	NA	\$39,050	13.8%
17-19 Biennium	\$44,143	15.2%	\$1,654	254.1%	\$284	6.9%	\$0	NA	\$46,081	18.0%
19-21 Biennium	\$50,848	15.2%	\$1,630	-1.5%	\$336	18.2%	\$358	NA	\$53,172	15.4%
21-23 Biennium	\$55,611	9.4%	\$1,793	10.0%	\$349	3.8%	\$661	84.7%	\$58,413	9.9%
23-25 Biennium	\$58,979	6.1%	\$2,094	16.8%	\$351	0.5%	\$728	10.2%	\$62,151	6.4%

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

Table 3.18

Forecasted distribution of excise tax and license fees from cannabis sales

June 2021

Thousands of dollars

Fiscal year	Total of cannabis excise taxes plus license fees	LCB administration and pre-distribution allotments	Total to distribute	Distribution of remaining funds						
				DSHS substance abuse program	Dept. of Health cannabis education program	UW/WSU research	Basic Health Plan Trust Account	Health Care Authority community health centers	OSPI dropout prevention	General Fund-State*
2015	\$67,486	\$22,074	\$45,412	\$5,166	\$0	\$0	\$22,706	\$2,271	\$0	\$15,269
2016	\$168,051	\$8,551	\$159,500	\$12,814	\$7,500	\$345	\$79,750	\$7,791	\$251	\$51,049
2017	\$300,635	\$9,201	\$291,434	\$27,786	\$7,500	\$345	\$145,717	\$12,979	\$511	\$96,596
2018	\$360,608	\$13,772	\$346,836	\$27,786	\$9,761	\$365	\$173,418	\$17,616	\$513	\$117,377
2019	\$391,191	\$14,558	\$376,633	\$0	\$9,764	\$365	\$188,317	\$46,191	\$515	\$131,482
2020	\$448,427	\$18,234	\$430,193	\$0	\$10,786	\$374	\$215,096	\$48,660	\$522	\$154,754
2021	\$560,929	\$15,888	\$545,041	\$0	\$10,615	\$384	\$272,521	\$54,696	\$530	\$206,296
2022	\$551,145	\$17,422	\$533,723	\$0	\$10,538	\$381	\$266,861	\$52,304	\$520	\$203,118
2023	\$540,975	\$17,463	\$523,512	\$0	\$10,562	\$381	\$261,756	\$52,975	\$533	\$197,305
2024	\$557,603	\$17,463	\$540,140	\$0	\$10,562	\$381	\$270,070	\$52,975	\$533	\$205,619
2025	\$575,840	\$17,463	\$558,377	\$0	\$10,562	\$381	\$279,189	\$52,975	\$533	\$214,738
Biennial totals										
2013-15	\$67,486	\$22,074	\$45,412	\$5,166	\$0	\$0	\$22,706	\$2,271	\$0	\$15,269
2015-17	\$468,686	\$17,752	\$450,934	\$40,600	\$15,000	\$690	\$225,467	\$20,770	\$762	\$147,645
2017-19	\$751,799	\$28,330	\$723,469	\$27,786	\$19,525	\$730	\$361,735	\$63,807	\$1,028	\$248,859
2019-21	\$1,009,356	\$34,122	\$975,234	\$0	\$21,401	\$758	\$487,617	\$103,356	\$1,052	\$361,050
2021-23	\$1,092,119	\$34,885	\$1,057,234	\$0	\$21,100	\$762	\$528,617	\$105,279	\$1,053	\$400,423
2023-25	\$1,133,443	\$34,926	\$1,098,517	\$0	\$21,124	\$762	\$549,258	\$105,950	\$1,066	\$420,356

*Before distributions to local governments

Table 3.19

Workforce Education Investment Account

March 2021

Thousands of dollars

	FY20	FY21	2019-21 Biennium	FY22	FY23	2021-23 Biennium	FY24	FY25	2023-25 Biennium
March 2021 forecast	31,863	313,389	345,252	303,192	322,774	625,966	352,872	367,864	720,736
Forecast change	-	12,432	12,432	21,385	13,212	34,597	1,409	5,481	6,890
June 2021 forecast	31,863	325,820	357,684	324,577	335,986	660,563	354,281	373,345	727,626

Table 3.20

Revenue legislation and budget driven revenue changes

Passed in the 2021 Legislative Session

(Millions of dollars, excludes Governor vetoes)

Bill title (Number)	Fund	FY20	FY21	FY22	FY23	FY24	FY25
2021 Revenue legislation - General Fund-State							
Employment training program (1033)	GFS	0.000	0.000	-0.065	-0.065	-0.065	-0.065
Non-resident vessel permits (1107)	GFS	0.000	0.000	-0.023	-0.027	-0.027	-0.027
Main street program (1279)	GFS	0.000	0.000	-0.250	-0.750	-1.250	-1.750
Behavioral health admin orgs (1296)	GFS	0.000	0.000	-0.040	-0.570	-0.600	-0.630
Lodging related assessments (1512)	GFS	0.000	0.000	-0.545	-0.568	-0.593	-0.605
SST mitigation payments (1521)	GFS	0.000	0.000	-6.750	-5.400	-4.320	-3.460
Hydrogen/electric vehicles (5000)	GFS	0.000	0.000	0.000	0.000	0.000	0.000
BPA power contracts tax deduction (5008)	GFS	0.000	0.000	-0.590	-0.640	-0.640	-0.640
Capital Gains Tax (5096)	GFS	0.000	0.000	0.000	-85.000	-91.000	-97.000
Foster care and child care licensing (5151)	GFS	0.000	0.000	-1.680	-1.680	0.000	0.000
WDFW payments/property tax (5159)	GFS	0.000	0.000	-2.020	-2.020	-2.020	-2.020
Liquor & cannabis board fees (5272)	GFS	0.000	-2.563	-7.689	0.000	0.000	0.000
Captive insurance (5315)	GFS	0.000	0.000	31.868	2.328	2.328	2.328
Farmworker housing/tax (5396)	GFS	0.000	0.000	-1.200	-2.500	-2.500	-2.500
Total Revenue legislation-fiscal year-GFS		0.000	-2.563	11.016	-96.892	-100.687	-106.369
Biennium totals			-2.563		-85.876		-207.056
2021 Budget Driven Revenue							
Liquor and Cannabis Board (Liquor)	GFS	0.000	2.983	-1.076	0.942	2.727	3.893
Liquor and Cannabis Board (Marijuana)	GFS	0.000	-2.761	-2.302	-3.033	-3.569	-4.463
Lottery	GFS	0.000	0.000	0.210	0.059	0.103	0.113
Cannabis Distribution Changes	GFS	0.000	0.000	-5.000	-5.000	-5.000	-5.000
Total budget driven revenue-fiscal year-GFS		0.000	0.222	-8.168	-7.032	-5.739	-5.457
Biennium totals			0.222		-15.200		-11.196
Total GF-S Revenue legislation and Budget Driven Revenue		0.000	-2.341	2.848	-103.924	-106.426	-111.826
Biennium totals			-2.341		-101.076		-218.252
2021 Revenue legislation - Education Legacy Trust Account							
Capital Gains Tax (5096)	ELTA	0.000	0.000	0.000	500.000	509.000	519.000
Biennium Totals			0.000		500.000		1,028.000
2021 Revenue legislation - Workforce Education Investment Account							
Behavioral health admin orgs (1296)	WEIA	0.000	0.000	-0.010	-0.090	-0.100	-0.100
Biennium totals			0.000		-0.100		-0.200
Total Legislative Change GF-S, ELTA and WEIA		0.000	-2.341	2.838	395.986	402.474	407.074
Biennium totals			-2.341		398.824		809.548

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Detail Components of the Washington State Economic and Revenue Forecast

Calendar Years

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

Table A1.1

U.S. Economic Forecast Summary
 Forecast 2021 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Real National Income Accounts (Billions of Chained 2012 Dollars)								
Real Gross Domestic Product	18,687.8	19,091.7	18,426.1	19,656.5	20,524.2	20,982.1	21,396.8	21,808.2
% Ch	3.0	2.2	-3.5	6.7	4.4	2.2	2.0	1.9
Real Consumption	12,928.1	13,240.2	12,725.6	13,722.7	14,311.6	14,642.7	14,937.4	15,246.6
% Ch	2.7	2.4	-3.9	7.8	4.3	2.3	2.0	2.1
Real Nonresidential Fixed Investment	2,698.9	2,776.8	2,665.1	2,867.2	3,017.4	3,187.4	3,348.0	3,495.9
% Ch	6.9	2.9	-4.0	7.6	5.2	5.6	5.0	4.4
Real Residential Fixed Investment	612.0	601.5	638.1	715.0	677.5	660.4	667.3	671.3
% Ch	-0.6	-1.7	6.1	12.1	-5.2	-2.5	1.0	0.6
Real Personal Income	16,492.4	16,887.6	17,750.7	18,347.5	18,040.7	18,439.5	18,906.1	19,387.1
% Ch	3.1	2.4	5.1	3.4	-1.7	2.2	2.5	2.5
Real Per Capita Income (\$/Person)	50,155	51,107	53,539	55,264	54,151	55,095	56,209	57,333
% Ch	2.6	1.9	4.8	3.2	-2.0	1.7	2.0	2.0
Price and Wage Indexes								
PCE Price Index (2012=100)	108.2	109.9	111.1	114.4	116.9	119.1	121.4	123.7
% Ch	2.1	1.5	1.2	2.9	2.2	1.9	1.9	1.9
U.S. Consumer Price Index (1982-84=1.0)	2.511	2.557	2.588	2.676	2.733	2.785	2.840	2.896
% Ch	2.4	1.8	1.2	3.4	2.1	1.9	2.0	2.0
Employment Cost Index (Dec. 2005=1.0)	1.334	1.374	1.414	1.469	1.528	1.582	1.632	1.679
% Ch	3.0	3.0	2.9	3.9	4.0	3.6	3.1	2.9
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	20,611.9	21,433.2	20,936.6	23,038.8	24,605.3	25,677.9	26,780.4	27,888.7
% Ch	5.5	4.0	-2.3	10.0	6.8	4.4	4.3	4.1
Personal Income	17,851.8	18,551.5	19,727.9	20,986.8	21,087.7	21,969.7	22,955.2	23,978.2
% Ch	5.3	3.9	6.3	6.4	0.5	4.2	4.5	4.5
Employment (Millions)								
U.S. Civilian Labor Force	162.1	163.5	160.7	162.0	164.9	166.5	168.1	169.4
Total U.S. Employment	155.8	157.5	147.8	153.2	158.2	160.6	162.1	163.1
Unemployment Rate (%)	3.90	3.67	8.10	5.44	4.06	3.56	3.53	3.73
Nonfarm Payroll Employment	148.89	150.90	142.25	146.16	150.87	153.28	154.84	155.75
% Ch	1.6	1.3	-5.7	2.7	3.2	1.6	1.0	0.6
Manufacturing	12.69	12.82	12.18	12.38	12.37	12.40	12.39	12.25
% Ch	2.0	1.0	-4.9	1.6	-0.1	0.3	-0.1	-1.2
Durable Manufacturing	7.95	8.04	7.58	7.69	7.71	7.77	7.79	7.69
% Ch	2.7	1.2	-5.7	1.5	0.2	0.9	0.2	-1.3
Nondurable Manufacturing	4.74	4.78	4.60	4.68	4.66	4.63	4.61	4.56
% Ch	0.9	0.8	-3.7	1.8	-0.5	-0.7	-0.5	-1.0
Construction	7.29	7.49	7.27	7.43	7.45	7.47	7.51	7.60
% Ch	4.6	2.8	-2.9	2.2	0.2	0.3	0.6	1.1
Service-Providing	128.19	129.86	122.18	125.72	130.39	132.74	134.26	135.23
% Ch	1.3	1.3	-5.9	2.9	3.7	1.8	1.1	0.7
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	64.9	57.0	39.2	66.3	65.5	60.7	57.6	55.8
Personal Saving/Disposable Income (%)	7.9	7.6	16.2	12.9	7.6	7.5	7.6	8.0
Auto Sales (Millions)	5.3	4.7	3.4	3.6	3.6	3.6	3.5	3.5
% Ch	-12.8	-11.1	-27.5	6.6	-1.3	-0.2	-1.6	-1.3
Housing Starts (Millions)	1.247	1.292	1.397	1.575	1.388	1.333	1.344	1.321
% Ch	3.5	3.6	8.1	12.8	-11.9	-3.9	0.8	-1.7
Federal Budget Surplus (Billions)	-931.7	-1,047.0	-3,134.7	-2,847.4	-1,562.4	-1,282.4	-1,224.9	-1,256.6
Net Exports (Billions)	-609.5	-610.5	-644.8	-882.9	-847.5	-719.0	-675.8	-666.7
3-Month Treasury Bill Rate (%)	1.94	2.06	0.37	0.02	0.03	0.09	0.22	0.45
10-Year Treasury Note Yield (%)	2.91	2.14	0.89	1.57	1.88	2.05	2.20	2.43
Bond Index of 20 G.O. Munis. (%)	3.96	3.60	2.65	2.40	2.76	2.99	3.07	3.24
30-Year Fixed Mortgage Rate (%)	4.54	3.94	3.12	3.03	3.52	3.67	3.86	4.09

Table A1.2

U.S. Economic Forecast Summary
 Forecast 2021 to 2025

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
Real National Income Accounts (Billions of Chained 2012 Dollars)								
Real Gross Domestic Product	19,010.8	17,302.5	18,596.5	18,794.4	19,088.1	19,531.9	19,877.9	20,128.1
% Ch , Annual Rate	-5.0	-31.4	33.4	4.3	6.4	9.6	7.3	5.1
Real Consumption	13,118.4	11,860.3	12,924.7	12,999.1	13,352.2	13,657.9	13,861.9	14,019.0
% Ch , Annual Rate	-6.9	-33.2	41.0	2.3	11.3	9.5	6.1	4.6
Real Nonresidential Fixed Investment	2,733.8	2,525.5	2,659.0	2,742.0	2,812.9	2,880.8	2,885.9	2,889.2
% Ch , Annual Rate	-6.7	-27.2	22.9	13.1	10.8	10.0	0.7	0.5
Real Residential Fixed Investment	637.6	571.3	645.5	697.9	719.1	722.0	720.2	698.7
% Ch , Annual Rate	19.0	-35.6	63.0	36.6	12.7	1.6	-1.0	-11.4
Real Personal Income	17,091.1	18,524.3	17,816.9	17,570.4	19,572.3	18,246.1	17,861.3	17,710.2
% Ch , Annual Rate	2.8	38.0	-14.4	-5.4	54.0	-24.5	-8.2	-3.3
Real Per Capita Income (\$/Person)	51,588	55,877	53,722	52,969	58,993	54,979	53,790	53,295
% Ch , Annual Rate	2.4	37.6	-14.6	-5.5	53.9	-24.6	-8.4	-3.6
Price and Wage Indexes								
PCE Price Index (2012=100)	110.9	110.4	111.4	111.8	112.9	114.3	115.0	115.5
% Ch , Annual Rate	1.3	-1.6	3.7	1.5	3.7	5.3	2.3	1.9
U.S. Consumer Price Index (1982-84=1.0)	2.585	2.565	2.594	2.610	2.634	2.676	2.691	2.702
% Ch , Annual Rate	1.0	-3.1	4.7	2.4	3.7	6.6	2.2	1.7
Employment Cost Index (Dec. 2005=1.0)	1.402	1.408	1.416	1.428	1.444	1.462	1.478	1.493
% Ch , Annual Rate	3.8	1.7	2.3	3.4	4.6	5.0	4.5	4.1
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	21,561.1	19,520.1	21,170.3	21,494.7	22,061.0	22,860.4	23,406.4	23,827.3
% Ch , Annual Rate	-3.4	-32.8	38.3	6.3	11.0	15.3	9.9	7.4
Personal Income	18,951.0	20,457.3	19,853.5	19,649.9	22,090.0	20,862.8	20,536.8	20,457.8
% Ch , Annual Rate	4.1	35.8	-11.3	-4.0	59.7	-20.4	-6.1	-1.5
Employment (Millions)								
U.S. Civilian Labor Force	163.9	158.2	160.3	160.6	160.3	161.1	162.9	163.6
Total U.S. Employment	157.6	137.6	146.2	149.8	150.4	151.9	154.6	155.8
Unemployment Rate (%)	3.80	13.02	8.81	6.75	6.20	5.72	5.09	4.76
Nonfarm Payroll Employment	151.87	133.67	140.86	142.62	143.36	145.03	147.62	148.63
% Ch , Annual Rate	0.3	-40.0	23.3	5.1	2.1	4.8	7.3	2.8
Manufacturing	12.77	11.69	12.08	12.19	12.25	12.36	12.46	12.44
% Ch , Annual Rate	-0.9	-29.8	13.9	4.0	2.0	3.6	3.1	-0.7
Durable Manufacturing	7.99	7.25	7.51	7.58	7.61	7.68	7.74	7.74
% Ch , Annual Rate	-0.9	-32.4	15.7	3.4	1.7	3.9	3.0	0.2
Nondurable Manufacturing	4.78	4.45	4.56	4.62	4.65	4.68	4.72	4.69
% Ch , Annual Rate	-1.0	-25.2	11.0	4.9	2.4	3.1	3.3	-2.0
Construction	7.61	6.90	7.23	7.36	7.41	7.45	7.44	7.43
% Ch , Annual Rate	3.1	-32.2	20.0	7.7	2.4	2.5	-0.4	-1.0
Service-Providing	130.81	114.47	120.97	122.47	123.09	124.60	127.08	128.12
% Ch , Annual Rate	0.4	-41.4	24.7	5.1	2.1	5.0	8.2	3.3
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	45.8	27.8	40.9	42.5	57.8	66.0	71.8	69.7
Personal Saving/Disposable Income (%)	9.6	26.0	15.7	13.6	21.4	13.1	9.6	7.5
Auto Sales (Millions)	3.8	2.5	3.6	3.8	3.7	3.8	3.6	3.5
% Ch , Annual Rate	-43.6	-81.7	304.0	23.5	-3.4	4.5	-20.4	-2.1
Housing Starts (Millions)	1.485	1.086	1.440	1.575	1.602	1.606	1.594	1.499
% Ch , Annual Rate	24.8	-71.4	209.8	43.1	6.9	1.1	-2.9	-21.9
Federal Budget Surplus (Billions)	-1,150.8	-5,638.3	-3,528.6	-2,221.2	-4,305.4	-3,804.0	-1,832.4	-1,447.5
Net Exports (Billions)	-494.3	-545.2	-736.1	-803.7	-861.5	-846.0	-896.6	-927.6
3-Month Treasury Bill Rate (%)	1.11	0.14	0.11	0.09	0.05	0.04	0.01	-0.02
10-Year Treasury Note Yield (%)	1.38	0.69	0.65	0.86	1.32	1.62	1.66	1.66
Bond Index of 20 G.O. Munis. (%)	3.45	2.79	2.15	2.22	2.26	2.31	2.47	2.56
30-Year Fixed Mortgage Rate (%)	3.51	3.24	2.95	2.76	2.87	2.96	3.07	3.22

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

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Real National Income Accounts (Billions of Chained 2012 Dollars)								
Real Gross Domestic Product	20,315.8	20,467.3	20,596.2	20,717.4	20,815.3	20,934.3	21,034.6	21,144.1
% Ch , Annual Rate	3.8	3.0	2.5	2.4	1.9	2.3	1.9	2.1
Real Consumption	14,157.3	14,268.3	14,365.5	14,455.4	14,528.9	14,605.9	14,680.7	14,755.4
% Ch , Annual Rate	4.0	3.2	2.8	2.5	2.1	2.1	2.1	2.0
Real Nonresidential Fixed Investment	2,943.7	2,992.5	3,043.6	3,089.7	3,125.2	3,168.2	3,206.6	3,249.5
% Ch , Annual Rate	7.8	6.8	7.0	6.2	4.7	5.6	4.9	5.5
Real Residential Fixed Investment	689.2	679.1	674.0	667.8	662.0	659.9	658.7	661.2
% Ch , Annual Rate	-5.3	-5.7	-3.0	-3.6	-3.5	-1.2	-0.7	1.5
Real Personal Income	17,873.5	17,996.4	18,107.8	18,184.9	18,276.6	18,385.8	18,492.9	18,602.8
% Ch , Annual Rate	3.7	2.8	2.5	1.7	2.0	2.4	2.4	2.4
Real Per Capita Income (\$/Person)	53,736	54,050	54,325	54,495	54,707	54,968	55,223	55,483
% Ch , Annual Rate	3.4	2.4	2.1	1.3	1.6	1.9	1.9	1.9
Price and Wage Indexes								
PCE Price Index (2012=100)	116.1	116.6	117.2	117.7	118.3	118.9	119.4	120.0
% Ch , Annual Rate	1.9	1.9	1.9	1.9	1.9	2.0	1.9	1.9
U.S. Consumer Price Index (1982-84=1.0)	2.714	2.727	2.739	2.751	2.765	2.779	2.792	2.806
% Ch , Annual Rate	1.8	1.9	1.8	1.8	2.0	2.0	1.9	2.0
Employment Cost Index (Dec. 2005=1.0)	1.507	1.520	1.535	1.549	1.563	1.576	1.589	1.601
% Ch , Annual Rate	3.8	3.7	3.8	3.9	3.6	3.4	3.3	3.2
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	24,171.3	24,472.9	24,753.5	25,023.5	25,268.4	25,546.0	25,808.3	26,088.9
% Ch , Annual Rate	5.9	5.1	4.7	4.4	4.0	4.5	4.2	4.4
Personal Income	20,742.8	20,986.0	21,215.8	21,406.2	21,618.2	21,853.8	22,085.0	22,321.9
% Ch , Annual Rate	5.7	4.8	4.5	3.6	4.0	4.4	4.3	4.4
Employment (Millions)								
U.S. Civilian Labor Force	164.2	164.6	165.1	165.6	165.9	166.3	166.7	167.1
Total U.S. Employment	156.8	157.9	158.7	159.4	159.9	160.4	160.8	161.2
Unemployment Rate (%)	4.47	4.12	3.92	3.75	3.64	3.56	3.53	3.51
Nonfarm Payroll Employment	149.62	150.48	151.35	152.05	152.59	153.10	153.49	153.92
% Ch , Annual Rate	2.7	2.3	2.3	1.9	1.4	1.3	1.0	1.1
Manufacturing	12.38	12.33	12.37	12.39	12.39	12.39	12.41	12.41
% Ch , Annual Rate	-1.8	-1.5	1.1	0.7	-0.1	0.2	0.5	0.2
Durable Manufacturing	7.70	7.67	7.71	7.74	7.75	7.76	7.78	7.80
% Ch , Annual Rate	-2.2	-1.3	1.8	1.8	0.2	0.7	1.0	1.0
Nondurable Manufacturing	4.68	4.66	4.66	4.65	4.64	4.63	4.63	4.61
% Ch , Annual Rate	-1.0	-1.9	-0.2	-1.1	-0.6	-0.7	-0.4	-1.2
Construction	7.44	7.44	7.46	7.46	7.46	7.46	7.47	7.48
% Ch , Annual Rate	0.8	0.1	0.8	0.2	0.0	0.2	0.3	0.8
Service-Providing	129.14	130.04	130.86	131.54	132.08	132.58	132.94	133.35
% Ch , Annual Rate	3.2	2.8	2.6	2.1	1.7	1.5	1.1	1.2
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	67.8	66.1	64.7	63.4	62.2	61.1	60.2	59.3
Personal Saving/Disposable Income (%)	7.6	7.7	7.7	7.5	7.5	7.5	7.5	7.5
Auto Sales (Millions)	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
% Ch , Annual Rate	4.7	3.1	0.0	-0.4	-0.5	0.6	-1.4	-1.5
Housing Starts (Millions)	1.428	1.404	1.367	1.352	1.335	1.327	1.330	1.341
% Ch , Annual Rate	-17.5	-6.6	-10.3	-4.2	-5.0	-2.2	0.7	3.5
Federal Budget Surplus (Billions)	-1,482.2	-1,939.8	-1,484.2	-1,343.2	-1,313.6	-1,300.3	-1,285.0	-1,230.9
Net Exports (Billions)	-906.5	-875.1	-827.1	-781.3	-750.3	-726.0	-706.9	-692.6
3-Month Treasury Bill Rate (%)	0.00	0.02	0.05	0.07	0.08	0.09	0.10	0.10
10-Year Treasury Note Yield (%)	1.75	1.85	1.92	1.98	2.02	2.05	2.05	2.08
Bond Index of 20 G.O. Munis. (%)	2.63	2.71	2.80	2.88	2.95	2.99	3.00	3.01
30-Year Fixed Mortgage Rate (%)	3.39	3.52	3.58	3.60	3.63	3.66	3.68	3.72

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

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Real National Income Accounts (Billions of Chained 2012 Dollars)								
Real Gross Domestic Product	21,243.8	21,348.3	21,448.2	21,547.0	21,653.0	21,758.5	21,863.2	21,957.9
% Ch , Annual Rate	1.9	2.0	1.9	1.9	2.0	2.0	1.9	1.7
Real Consumption	14,826.1	14,899.5	14,974.0	15,049.9	15,129.9	15,208.9	15,286.3	15,361.3
% Ch , Annual Rate	1.9	2.0	2.0	2.0	2.1	2.1	2.1	2.0
Real Nonresidential Fixed Investment	3,289.9	3,330.3	3,367.5	3,404.6	3,441.6	3,477.7	3,514.3	3,549.8
% Ch , Annual Rate	5.1	5.0	4.5	4.5	4.4	4.3	4.3	4.1
Real Residential Fixed Investment	664.5	667.1	668.0	669.6	670.9	672.4	672.8	668.9
% Ch , Annual Rate	2.0	1.6	0.6	1.0	0.8	0.9	0.2	-2.3
Real Personal Income	18,735.4	18,850.5	18,962.7	19,076.1	19,210.6	19,330.2	19,448.4	19,559.4
% Ch , Annual Rate	2.9	2.5	2.4	2.4	2.9	2.5	2.5	2.3
Real Per Capita Income (\$/Person)	55,809	56,081	56,341	56,603	56,926	57,204	57,477	57,727
% Ch , Annual Rate	2.4	2.0	1.9	1.9	2.3	2.0	1.9	1.8
Price and Wage Indexes								
PCE Price Index (2012=100)	120.6	121.1	121.7	122.3	122.8	123.4	124.0	124.5
% Ch , Annual Rate	1.9	1.9	1.9	1.9	1.9	1.8	1.9	1.8
U.S. Consumer Price Index (1982-84=1.0)	2.820	2.833	2.847	2.861	2.875	2.889	2.903	2.917
% Ch , Annual Rate	2.0	2.0	2.0	2.0	2.0	1.9	2.0	2.0
Employment Cost Index (Dec. 2005=1.0)	1.614	1.626	1.638	1.650	1.662	1.673	1.684	1.696
% Ch , Annual Rate	3.1	3.1	3.0	3.0	2.8	2.8	2.7	2.7
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	26,365.9	26,646.2	26,918.7	27,190.8	27,471.6	27,750.3	28,031.9	28,301.2
% Ch , Annual Rate	4.3	4.3	4.2	4.1	4.2	4.1	4.1	3.9
Personal Income	22,588.1	22,833.9	23,076.6	23,322.4	23,596.5	23,850.7	24,108.3	24,357.2
% Ch , Annual Rate	4.9	4.4	4.3	4.3	4.8	4.4	4.4	4.2
Employment (Millions)								
U.S. Civilian Labor Force	167.5	167.9	168.3	168.6	169.0	169.3	169.6	169.9
Total U.S. Employment	161.6	162.0	162.3	162.6	162.8	163.0	163.2	163.4
Unemployment Rate (%)	3.50	3.50	3.53	3.58	3.64	3.70	3.76	3.83
Nonfarm Payroll Employment	154.33	154.72	155.03	155.28	155.49	155.68	155.85	155.98
% Ch, Annual Rate	1.1	1.0	0.8	0.7	0.5	0.5	0.4	0.4
Manufacturing	12.43	12.41	12.39	12.35	12.31	12.27	12.23	12.19
% Ch, Annual Rate	0.4	-0.5	-0.6	-1.1	-1.3	-1.4	-1.3	-1.1
Durable Manufacturing	7.81	7.80	7.78	7.76	7.73	7.70	7.67	7.65
% Ch, Annual Rate	0.5	-0.7	-0.7	-1.2	-1.4	-1.6	-1.4	-1.2
Nondurable Manufacturing	4.61	4.61	4.61	4.59	4.58	4.57	4.55	4.54
% Ch, Annual Rate	0.1	-0.3	-0.5	-0.9	-1.2	-1.1	-1.2	-1.0
Construction	7.49	7.50	7.52	7.54	7.56	7.59	7.61	7.63
% Ch, Annual Rate	0.5	0.5	0.8	1.2	1.2	1.3	1.3	1.0
Service-Providing	133.74	134.14	134.45	134.72	134.94	135.15	135.33	135.49
% Ch, Annual Rate	1.2	1.2	0.9	0.8	0.7	0.6	0.5	0.5
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	58.6	57.9	57.3	56.8	56.4	55.9	55.6	55.4
Personal Saving/Disposable Income (%)	7.6	7.6	7.7	7.7	7.8	7.9	8.0	8.1
Auto Sales (Millions)	3.6	3.5	3.5	3.5	3.5	3.5	3.5	3.5
% Ch, Annual Rate	-1.3	-2.5	-1.9	-2.7	-1.2	-0.4	0.4	-0.8
Housing Starts (Millions)	1.355	1.346	1.346	1.330	1.330	1.330	1.318	1.306
% Ch, Annual Rate	4.3	-2.6	0.0	-4.7	-0.1	0.2	-3.7	-3.7
Federal Budget Surplus (Billions)	-1,232.3	-1,225.9	-1,226.5	-1,215.1	-1,236.8	-1,251.5	-1,267.4	-1,270.6
Net Exports (Billions)	-682.6	-676.5	-673.7	-670.4	-669.1	-668.0	-666.1	-663.5
3-Month Treasury Bill Rate (%)	0.11	0.15	0.31	0.32	0.32	0.36	0.53	0.59
10-Year Treasury Note Yield (%)	2.12	2.17	2.23	2.29	2.35	2.41	2.46	2.51
Bond Index of 20 G.O. Munis. (%)	3.02	3.06	3.08	3.13	3.17	3.21	3.27	3.32
30-Year Fixed Mortgage Rate (%)	3.76	3.82	3.90	3.95	4.00	4.06	4.13	4.18

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

	2018	2019	2020	2021	2022	2023	2024	2025
Real Income (Billions of Chained 2012 Dollars)								
Real Personal Income	432.420	448.909	473.127	487.393	484.353	497.136	511.958	527.404
% Ch	5.7	3.8	5.4	3.0	-0.6	2.6	3.0	3.0
Real Wage and Salary Disb.	219.336	231.316	236.372	248.584	258.777	266.853	275.239	283.764
% Ch	6.5	5.5	2.2	5.2	4.1	3.1	3.1	3.1
Real Nonwage Income	213.084	217.593	236.756	238.810	225.575	230.283	236.719	243.640
% Ch	4.8	2.1	8.8	0.9	-5.5	2.1	2.8	2.9
Real Per Capita Income (\$/Person)	57,454	58,951	61,490	62,895	62,005	62,988	64,151	65,355
% Ch	4.2	2.6	4.3	2.3	-1.4	1.6	1.8	1.9
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.082	1.098	1.111	1.144	1.169	1.191	1.214	1.237
% Ch	2.1	1.5	1.2	3.0	2.2	1.9	1.9	1.9
Seattle Cons. Price Index (1982-84=1.0)	2.711	2.779	2.826	2.910	2.971	3.027	3.087	3.148
% Ch	3.2	2.5	1.7	3.0	2.1	1.9	2.0	2.0
Average Nonfarm Annual Wage	67,735	71,161	77,763	82,484	84,017	86,534	89,587	93,071
% Ch	6.5	5.1	9.3	6.1	1.9	3.0	3.5	3.9
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.42	29.16	28.32	27.64	28.43	29.40	30.27	31.07
% Ch	3.8	2.6	-2.9	-2.4	2.8	3.4	2.9	2.7
Current Dollar Income (Billions of Dollars)								
Personal Income	468.055	493.128	525.812	557.547	566.163	592.314	621.607	652.302
% Ch	7.9	5.4	6.6	6.0	1.5	4.6	4.9	4.9
Disposable Personal Income	413.382	434.572	467.096	494.655	501.101	523.894	547.930	574.289
% Ch	8.4	5.1	7.5	5.9	1.3	4.5	4.6	4.8
Per Capita Income (\$/Person)	62,188	64,757	68,336	71,947	72,477	75,046	77,890	80,831
% Ch	6.5	4.1	5.5	5.3	0.7	3.5	3.8	3.8
Employment (Thousands)								
Washington Civilian Labor Force	3,811.7	3,910.1	3,912.8	3,890.6	3,983.7	4,042.9	4,101.7	4,156.2
Total Washington Employment	3,644.5	3,747.7	3,584.0	3,688.8	3,811.7	3,878.6	3,933.0	3,976.4
Unemployment Rate (%)	4.39	4.15	8.41	5.19	4.32	4.07	4.11	4.33
Nonfarm Payroll Employment	3,401.1	3,468.5	3,285.6	3,351.4	3,500.0	3,572.6	3,628.1	3,668.5
% Ch	2.4	2.0	-5.3	2.0	4.4	2.1	1.6	1.1
Manufacturing	287.7	293.7	271.7	258.4	259.5	263.3	267.2	268.4
% Ch	1.2	2.1	-7.5	-4.9	0.4	1.5	1.5	0.5
Durable Manufacturing	202.2	206.9	189.6	175.3	174.5	178.2	182.0	183.7
% Ch	0.9	2.4	-8.4	-7.5	-0.5	2.1	2.2	0.9
Aerospace	83.9	88.5	80.0	66.6	63.2	65.7	68.1	69.9
% Ch	-0.3	5.5	-9.6	-16.8	-5.0	3.9	3.7	2.6
Nondurable Manufacturing	85.6	86.8	82.1	83.1	85.0	85.1	85.1	84.7
% Ch	2.0	1.4	-5.4	1.3	2.3	0.1	0.1	-0.5
Construction	213.1	219.5	213.5	220.8	213.4	209.1	210.4	211.8
% Ch	6.7	3.0	-2.7	3.4	-3.4	-2.0	0.6	0.7
Service-Providing	2,894.0	2,949.4	2,794.9	2,866.3	3,020.7	3,094.0	3,144.2	3,181.8
% Ch	2.2	1.9	-5.2	2.6	5.4	2.4	1.6	1.2
Software Publishers	65.3	70.4	75.6	77.5	79.7	80.9	82.2	83.5
% Ch	6.4	7.7	7.4	2.5	2.8	1.6	1.6	1.5
Electronic Shopping and Mail-Order	54.8	63.5	75.9	92.7	96.7	99.1	101.4	103.6
% Ch	10.1	15.9	19.5	22.3	4.2	2.5	2.3	2.2
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	47.746	48.424	44.062	54.237	46.276	44.874	45.630	44.351
% Ch	4.3	1.4	-9.0	23.1	-14.7	-3.0	1.7	-2.8
Single-Family	23.676	23.300	23.044	30.454	27.392	25.589	26.060	26.153
% Ch	2.4	-1.6	-1.1	32.2	-10.1	-6.6	1.8	0.4
Multi-Family	24.070	25.124	21.018	23.783	18.884	19.285	19.570	18.198
% Ch	6.1	4.4	-16.3	13.2	-20.6	2.1	1.5	-7.0
30-Year Fixed Mortgage Rate (%)	4.54	3.94	3.12	3.03	3.52	3.67	3.86	4.09

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

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
Real Income (Billions of Chained 2012 Dollars)								
Real Personal Income	456.846	492.299	473.882	469.482	512.017	485.624	478.246	473.687
% Ch, Annual Rate	3.7	34.8	-14.1	-3.7	41.5	-19.1	-5.9	-3.8
Real Wage and Salary Disb.	237.040	227.206	237.236	244.004	241.848	247.669	251.455	253.363
% Ch, Annual Rate	4.9	-15.6	18.9	11.9	-3.5	10.0	6.3	3.1
Real Nonwage Income	219.806	265.093	236.646	225.479	270.169	237.955	226.791	220.324
% Ch, Annual Rate	2.4	111.6	-36.5	-17.6	106.1	-39.8	-17.5	-10.9
Real Per Capita Income (\$/Person)	59,573	64,053	61,521	60,812	66,224	62,712	61,669	60,977
% Ch, Annual Rate	2.6	33.7	-14.9	-4.5	40.6	-19.6	-6.5	-4.4
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.109	1.104	1.114	1.118	1.129	1.143	1.150	1.155
% Ch, Annual Rate	1.3	-1.6	3.7	1.5	3.7	5.4	2.3	1.9
Seattle Cons. Price Index (1982-84=1.0)	2.817	2.804	2.836	2.847	2.871	2.909	2.925	2.937
% Ch, Annual Rate	2.7	-1.8	4.6	1.5	3.5	5.4	2.2	1.7
Average Nonfarm Annual Wage	72,805	77,810	79,246	81,189	80,771	82,925	83,031	83,209
% Ch, Annual Rate	4.9	30.5	7.6	10.2	-2.0	11.1	0.5	0.9
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.79	28.58	28.27	27.64	27.98	27.24	27.54	27.81
% Ch, Annual Rate	-4.3	-3.0	-4.2	-8.7	5.0	-10.1	4.4	3.9
Current Dollar Income (Billions of Dollars)								
Personal Income	506.543	543.649	528.029	525.026	577.863	555.267	549.884	547.174
% Ch, Annual Rate	5.0	32.7	-11.0	-2.3	46.7	-14.7	-3.8	-2.0
Disposable Personal Income	446.339	487.934	469.741	464.370	517.363	492.434	485.871	482.951
% Ch, Annual Rate	4.8	42.8	-14.1	-4.5	54.1	-17.9	-5.2	-2.4
Per Capita Income (\$/Person)	66,054	70,735	68,551	68,006	74,740	71,705	70,906	70,436
% Ch, Annual Rate	3.9	31.5	-11.8	-3.1	45.9	-15.3	-4.4	-2.6
Employment (Thousands)								
Washington Civilian Labor Force	3,950.3	3,923.6	3,892.2	3,885.1	3,841.0	3,873.1	3,913.5	3,934.6
Total Washington Employment	3,774.7	3,403.7	3,530.3	3,627.2	3,622.7	3,667.2	3,719.4	3,745.8
Unemployment Rate (%)	4.45	13.25	9.30	6.64	5.68	5.32	4.96	4.80
Nonfarm Payroll Employment	3,507.7	3,128.5	3,240.2	3,265.9	3,282.9	3,319.0	3,384.7	3,419.2
% Ch, Annual Rate	1.4	-36.7	15.1	3.2	2.1	4.5	8.2	4.1
Manufacturing	292.4	269.7	264.4	260.2	261.1	258.6	258.5	255.4
% Ch, Annual Rate	-1.2	-27.7	-7.6	-6.2	1.4	-3.9	-0.1	-4.6
Durable Manufacturing	205.2	190.7	183.8	178.6	178.7	176.4	174.6	171.4
% Ch, Annual Rate	-2.2	-25.3	-13.7	-10.9	0.3	-5.2	-3.9	-7.2
Aerospace	88.9	83.1	76.6	71.4	70.7	69.0	65.3	61.3
% Ch, Annual Rate	-0.6	-23.3	-28.0	-24.3	-4.2	-8.9	-20.1	-22.4
Nondurable Manufacturing	87.3	79.0	80.6	81.6	82.4	82.2	83.9	84.1
% Ch, Annual Rate	1.2	-32.9	8.3	5.2	4.0	-1.0	8.4	1.0
Construction	224.1	198.9	212.4	218.5	222.5	222.5	220.3	217.7
% Ch, Annual Rate	3.9	-38.0	30.1	12.1	7.5	0.0	-3.8	-4.7
Service-Providing	2,985.5	2,654.5	2,758.0	2,781.6	2,793.7	2,832.2	2,899.9	2,939.5
% Ch, Annual Rate	1.4	-37.5	16.5	3.5	1.8	5.6	9.9	5.6
Software Publishers	74.6	76.0	75.6	76.1	76.6	77.1	77.8	78.4
% Ch, Annual Rate	11.1	7.8	-1.8	2.3	2.9	2.8	3.4	3.0
Electronic Shopping and Mail-Order	71.2	73.5	77.2	81.4	88.2	93.5	94.3	95.0
% Ch, Annual Rate	22.5	13.6	21.6	23.6	37.8	26.2	3.3	3.1
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	48.031	41.079	42.691	44.447	63.679	52.123	51.901	49.243
% Ch, Annual Rate	-30.5	-46.5	16.6	17.5	321.3	-55.1	-1.7	-19.0
Single-Family	24.091	18.309	24.056	25.720	30.874	29.773	31.177	29.990
% Ch, Annual Rate	-21.1	-66.6	198.0	30.7	107.6	-13.5	20.2	-14.4
Multi-Family	23.940	22.770	18.636	18.726	32.804	22.350	20.724	19.253
% Ch, Annual Rate	-38.5	-18.2	-55.1	2.0	841.7	-78.5	-26.1	-25.5
30-Year Fixed Mortgage Rate (%)	3.51	3.24	2.95	2.76	2.87	2.96	3.07	3.22

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

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Real Income (Billions of Chained 2012 Dollars)								
Real Personal Income	478.981	482.842	486.365	489.222	491.879	495.370	498.775	502.520
% Ch, Annual Rate	4.5	3.3	3.0	2.4	2.2	2.9	2.8	3.0
Real Wage and Salary Disb.	255.646	257.692	259.758	262.014	263.718	265.814	267.801	270.079
% Ch, Annual Rate	3.7	3.2	3.2	3.5	2.6	3.2	3.0	3.4
Real Nonwage Income	223.335	225.150	226.608	227.208	228.161	229.555	230.974	232.440
% Ch, Annual Rate	5.6	3.3	2.6	1.1	1.7	2.5	2.5	2.6
Real Per Capita Income (\$/Person)	61,536	61,893	62,193	62,399	62,574	62,851	63,114	63,413
% Ch, Annual Rate	3.7	2.3	2.0	1.3	1.1	1.8	1.7	1.9
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.161	1.166	1.172	1.177	1.183	1.189	1.194	1.200
% Ch, Annual Rate	1.9	1.9	1.9	1.9	1.9	2.0	1.9	1.9
Seattle Cons. Price Index (1982-84=1.0)	2.950	2.964	2.978	2.991	3.005	3.020	3.035	3.049
% Ch, Annual Rate	1.8	1.9	1.8	1.8	2.0	2.0	1.9	2.0
Average Nonfarm Annual Wage	83,372	83,759	84,177	84,761	85,425	86,156	86,909	87,646
% Ch, Annual Rate	0.8	1.9	2.0	2.8	3.2	3.5	3.5	3.4
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.05	28.30	28.55	28.81	29.06	29.29	29.52	29.74
% Ch, Annual Rate	3.6	3.5	3.6	3.7	3.4	3.3	3.1	3.0
Current Dollar Income (Billions of Dollars)								
Personal Income	555.871	563.051	569.847	575.882	581.809	588.807	595.657	602.984
% Ch, Annual Rate	6.5	5.3	4.9	4.3	4.2	4.9	4.7	5.0
Disposable Personal Income	491.394	498.266	504.637	510.108	515.261	521.143	526.674	532.500
% Ch, Annual Rate	7.2	5.7	5.2	4.4	4.1	4.6	4.3	4.5
Per Capita Income (\$/Person)	71,415	72,175	72,868	73,452	74,014	74,706	75,373	76,090
% Ch, Annual Rate	5.7	4.3	3.9	3.2	3.1	3.8	3.6	3.9
Employment (Thousands)								
Washington Civilian Labor Force	3,957.8	3,974.8	3,992.8	4,009.2	4,021.3	4,035.5	4,049.5	4,065.5
Total Washington Employment	3,776.2	3,802.2	3,824.2	3,844.3	3,856.7	3,871.7	3,885.0	3,900.9
Unemployment Rate (%)	4.59	4.34	4.22	4.11	4.09	4.06	4.06	4.05
Nonfarm Payroll Employment	3,459.3	3,487.8	3,515.0	3,538.0	3,550.3	3,565.8	3,578.4	3,595.9
% Ch, Annual Rate	4.8	3.3	3.2	2.6	1.4	1.8	1.4	2.0
Manufacturing	257.8	259.4	260.2	260.7	261.6	262.8	263.9	265.0
% Ch, Annual Rate	3.7	2.6	1.1	0.9	1.4	1.7	1.7	1.6
Durable Manufacturing	173.1	174.3	174.9	175.6	176.5	177.6	178.7	180.0
% Ch, Annual Rate	4.1	2.8	1.5	1.5	2.1	2.6	2.5	2.8
Aerospace	62.4	63.1	63.6	63.9	64.7	65.4	66.1	66.7
% Ch, Annual Rate	7.6	4.2	3.4	2.3	4.8	4.4	4.1	3.9
Nondurable Manufacturing	84.7	85.1	85.2	85.1	85.1	85.1	85.2	85.0
% Ch, Annual Rate	3.0	2.2	0.4	-0.5	0.0	0.0	0.2	-0.7
Construction	215.8	214.0	212.4	211.2	209.7	208.8	207.9	209.9
% Ch, Annual Rate	-3.5	-3.2	-3.1	-2.2	-2.9	-1.7	-1.7	3.9
Service-Providing	2,979.1	3,007.8	3,036.1	3,059.7	3,072.7	3,088.1	3,100.4	3,114.8
% Ch, Annual Rate	5.5	3.9	3.8	3.2	1.7	2.0	1.6	1.9
Software Publishers	79.1	79.4	79.9	80.2	80.5	80.7	81.0	81.3
% Ch, Annual Rate	3.6	1.9	2.5	1.3	1.8	0.9	1.6	1.4
Electronic Shopping and Mail-Order	95.7	96.3	97.0	97.6	98.2	98.8	99.4	100.0
% Ch, Annual Rate	2.9	2.8	2.7	2.6	2.5	2.4	2.4	2.3
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	47.551	46.559	45.627	45.367	45.100	44.818	44.589	44.986
% Ch, Annual Rate	-13.1	-8.1	-7.8	-2.3	-2.3	-2.5	-2.0	3.6
Single-Family	28.890	27.773	26.791	26.114	25.645	25.414	25.472	25.825
% Ch, Annual Rate	-13.9	-14.6	-13.4	-9.7	-7.0	-3.5	0.9	5.7
Multi-Family	18.661	18.786	18.836	19.253	19.456	19.404	19.116	19.161
% Ch, Annual Rate	-11.7	2.7	1.1	9.2	4.3	-1.1	-5.8	0.9
30-Year Fixed Mortgage Rate (%)	3.39	3.52	3.58	3.60	3.63	3.66	3.68	3.72

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

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Real Income (Billions of Chained 2012 Dollars)								
Real Personal Income	506.557	510.092	513.744	517.439	521.628	525.499	529.374	533.115
% Ch, Annual Rate	3.3	2.8	2.9	2.9	3.3	3.0	3.0	2.9
Real Wage and Salary Disb.	272.153	274.130	276.271	278.401	280.554	282.703	284.838	286.960
% Ch, Annual Rate	3.1	2.9	3.2	3.1	3.1	3.1	3.1	3.0
Real Nonwage Income	234.404	235.961	237.473	239.038	241.074	242.796	244.536	246.155
% Ch, Annual Rate	3.4	2.7	2.6	2.7	3.5	2.9	2.9	2.7
Real Per Capita Income (\$/Person)	63,744	64,009	64,285	64,566	64,908	65,210	65,510	65,791
% Ch, Annual Rate	2.1	1.7	1.7	1.8	2.1	1.9	1.9	1.7
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.206	1.211	1.217	1.223	1.228	1.234	1.240	1.245
% Ch, Annual Rate	1.9	1.9	1.9	1.9	1.9	1.8	1.9	1.8
Seattle Cons. Price Index (1982-84=1.0)	3.065	3.080	3.095	3.110	3.125	3.140	3.156	3.171
% Ch, Annual Rate	2.0	2.0	2.0	2.0	2.0	1.9	2.0	2.0
Average Nonfarm Annual Wage	88,390	89,154	89,973	90,829	91,713	92,609	93,520	94,440
% Ch, Annual Rate	3.4	3.5	3.7	3.9	4.0	4.0	4.0	4.0
Avg. Hourly Earnings-Mfg. (\$/Hour)	29.95	30.16	30.37	30.58	30.78	30.98	31.17	31.36
% Ch, Annual Rate	2.9	2.9	2.8	2.8	2.6	2.6	2.5	2.5
Current Dollar Income (Billions of Dollars)								
Personal Income	610.724	617.882	625.199	632.621	640.719	648.392	656.214	663.885
% Ch, Annual Rate	5.2	4.8	4.8	4.8	5.2	4.9	4.9	4.8
Disposable Personal Income	538.882	544.759	550.889	557.191	564.226	570.885	577.700	584.343
% Ch, Annual Rate	4.9	4.4	4.6	4.7	5.1	4.8	4.9	4.7
Per Capita Income (\$/Person)	76,853	77,535	78,232	78,939	79,727	80,460	81,206	81,929
% Ch, Annual Rate	4.1	3.6	3.6	3.7	4.1	3.7	3.8	3.6
Employment (Thousands)								
Washington Civilian Labor Force	4,080.4	4,094.5	4,108.9	4,122.9	4,136.5	4,149.7	4,162.8	4,175.7
Total Washington Employment	3,914.8	3,927.2	3,939.4	3,950.8	3,961.3	3,971.4	3,981.5	3,991.2
Unemployment Rate (%)	4.06	4.09	4.12	4.18	4.24	4.30	4.36	4.42
Nonfarm Payroll Employment	3,610.2	3,622.4	3,634.5	3,645.3	3,655.1	3,664.2	3,673.2	3,681.7
% Ch, Annual Rate	1.6	1.4	1.3	1.2	1.1	1.0	1.0	0.9
Manufacturing	266.2	267.0	267.6	268.0	268.2	268.3	268.5	268.6
% Ch, Annual Rate	1.8	1.2	1.0	0.6	0.3	0.2	0.2	0.2
Durable Manufacturing	181.0	181.8	182.4	182.9	183.3	183.6	183.9	184.2
% Ch, Annual Rate	2.4	1.6	1.4	1.1	0.8	0.6	0.6	0.6
Aerospace	67.3	67.9	68.4	68.9	69.4	69.8	70.1	70.5
% Ch, Annual Rate	3.7	3.5	3.2	2.9	2.6	2.3	2.1	2.0
Nondurable Manufacturing	85.1	85.2	85.2	85.1	84.9	84.8	84.6	84.5
% Ch, Annual Rate	0.7	0.2	0.0	-0.5	-0.8	-0.7	-0.8	-0.6
Construction	210.2	209.9	210.5	210.9	211.3	211.6	212.1	212.5
% Ch, Annual Rate	0.7	-0.6	1.1	0.8	0.6	0.6	1.0	0.8
Service-Providing	3,127.4	3,139.2	3,150.1	3,159.9	3,169.1	3,177.8	3,186.1	3,194.1
% Ch, Annual Rate	1.6	1.5	1.4	1.3	1.2	1.1	1.1	1.0
Software Publishers	81.7	82.1	82.4	82.7	83.1	83.4	83.6	83.8
% Ch, Annual Rate	1.8	1.9	1.7	1.6	1.6	1.4	1.1	1.1
Electronic Shopping and Mail-Order	100.5	101.1	101.7	102.2	102.7	103.3	103.8	104.4
% Ch, Annual Rate	2.3	2.2	2.2	2.2	2.2	2.1	2.1	2.1
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	45.749	45.659	45.798	45.312	44.969	44.611	44.109	43.714
% Ch, Annual Rate	7.0	-0.8	1.2	-4.2	-3.0	-3.2	-4.4	-3.5
Single-Family	25.974	25.977	26.140	26.148	26.193	26.233	26.133	26.052
% Ch, Annual Rate	2.3	0.1	2.5	0.1	0.7	0.6	-1.5	-1.2
Multi-Family	19.776	19.682	19.658	19.164	18.777	18.377	17.976	17.661
% Ch, Annual Rate	13.4	-1.9	-0.5	-9.7	-7.8	-8.2	-8.5	-6.8
30-Year Fixed Mortgage Rate (%)	3.76	3.82	3.90	3.95	4.00	4.06	4.13	4.18

Table A2.1

U.S. Nonagricultural Employment by Industry (Millions)

Forecast 2021 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Nonfarm Payroll Employment	148.89	150.90	142.25	146.16	150.87	153.28	154.84	155.75
% Ch	1.6	1.3	-5.7	2.7	3.2	1.6	1.0	0.6
Manufacturing	12.69	12.82	12.18	12.38	12.37	12.40	12.39	12.25
% Ch	2.0	1.0	-4.9	1.6	-0.1	0.3	-0.1	-1.2
Durable Manufacturing	7.95	8.04	7.58	7.69	7.71	7.77	7.79	7.69
% Ch	2.7	1.2	-5.7	1.5	0.2	0.9	0.2	-1.3
Wood Products	0.41	0.41	0.40	0.41	0.39	0.38	0.39	0.39
% Ch	2.3	0.7	-3.3	4.1	-5.6	-2.1	2.4	0.0
Primary and Fabricated Metals	1.85	1.87	1.75	1.76	1.73	1.79	1.82	1.80
% Ch	3.0	1.2	-6.5	0.4	-1.3	3.3	1.8	-1.1
Computer and Electronic Products	1.05	1.08	1.07	1.09	1.10	1.11	1.11	1.12
% Ch	1.5	2.0	-0.3	1.7	0.9	0.8	0.5	0.1
Machinery and Electrical Equipment	1.52	1.53	1.44	1.44	1.47	1.46	1.46	1.44
% Ch	3.5	0.9	-5.8	0.1	1.6	-0.3	-0.3	-1.1
Transportation Equipment	1.70	1.73	1.58	1.62	1.67	1.68	1.67	1.63
% Ch	3.6	1.6	-8.6	2.4	2.9	1.1	-1.1	-2.2
Other Durables	1.42	1.42	1.34	1.37	1.35	1.35	1.34	1.31
% Ch	1.3	0.4	-5.7	2.3	-1.6	-0.4	-0.6	-2.1
Nondurable Manufacturing	4.74	4.78	4.60	4.68	4.66	4.63	4.61	4.56
% Ch	0.9	0.8	-3.7	1.8	-0.5	-0.7	-0.5	-1.0
Food Manufacturing	1.62	1.64	1.62	1.65	1.63	1.63	1.65	1.66
% Ch	1.4	1.5	-1.6	1.8	-1.3	0.4	1.1	0.7
Paper and Paper Products	0.37	0.37	0.36	0.36	0.36	0.36	0.36	0.36
% Ch	-0.1	-0.1	-2.4	-0.2	-0.2	0.4	1.0	-0.6
Other Nondurables	2.76	2.77	2.63	2.68	2.68	2.64	2.60	2.54
% Ch	0.8	0.4	-5.1	2.1	0.0	-1.6	-1.6	-2.1
Natural Resources and Mining	0.73	0.73	0.62	0.63	0.66	0.67	0.68	0.68
% Ch	7.6	0.0	-14.7	1.2	5.9	1.1	0.6	0.1
Construction	7.29	7.49	7.27	7.43	7.45	7.47	7.51	7.60
% Ch	4.6	2.8	-2.9	2.2	0.2	0.3	0.6	1.1
Trade, Transportation, and Utilities	27.60	27.72	26.59	27.44	27.13	26.68	26.22	26.09
% Ch	0.8	0.4	-4.1	3.2	-1.2	-1.7	-1.7	-0.5
Wholesale Trade	5.84	5.89	5.64	5.71	6.01	6.21	6.31	6.44
% Ch	0.5	0.8	-4.2	1.3	5.2	3.3	1.7	2.0
Retail Trade	15.78	15.62	14.86	15.41	14.52	13.79	13.19	12.81
% Ch	-0.4	-1.0	-4.9	3.8	-5.8	-5.0	-4.4	-2.9
Trans., Warehousing, and Utilities	5.98	6.21	6.09	6.32	6.60	6.68	6.71	6.83
% Ch	4.3	3.9	-2.0	3.7	4.4	1.3	0.5	1.8
Information	2.84	2.86	2.70	2.77	2.90	2.92	3.07	3.10
% Ch	0.9	0.9	-5.8	2.6	5.0	0.4	5.2	1.1
Publishing Industries	0.74	0.76	0.76	0.78	0.81	0.80	0.80	0.79
% Ch	1.3	3.5	-0.4	2.4	3.8	-1.0	-0.7	-1.1
Other Information	2.10	2.10	1.94	1.99	2.10	2.11	2.27	2.31
% Ch	0.7	0.0	-7.8	2.7	5.4	0.9	7.4	1.9
Financial Activities	8.59	8.75	8.73	8.87	9.29	9.29	9.28	9.32
% Ch	1.7	1.9	-0.3	1.6	4.8	0.0	-0.1	0.4
Professional and Business Services	20.95	21.28	20.25	20.92	22.26	23.30	24.00	24.48
% Ch	2.2	1.6	-4.8	3.3	6.4	4.7	3.0	2.0
Education and Health Services	23.64	24.16	23.23	23.59	24.12	24.05	24.26	24.39
% Ch	1.9	2.2	-3.8	1.5	2.3	-0.3	0.9	0.5
Leisure and Hospitality	16.30	16.59	13.37	14.62	15.88	17.34	18.14	18.35
% Ch	1.5	1.8	-19.4	9.4	8.6	9.2	4.6	1.2
Other Services	5.83	5.89	5.40	5.64	6.20	6.30	6.32	6.41
% Ch	1.1	1.0	-8.4	4.6	9.9	1.6	0.4	1.4
Federal Government	2.80	2.83	2.93	2.89	2.89	2.89	2.89	2.89
% Ch	-0.2	1.1	3.5	-1.5	0.0	0.0	0.0	0.0
State and Local Government	19.65	19.78	18.98	18.98	19.71	19.98	20.10	20.21
% Ch	0.5	0.7	-4.0	0.0	3.9	1.4	0.6	0.6

Table A2.2

U.S. Nonagricultural Employment by Industry (Millions)

Forecast 2021 to 2025

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
Nonfarm Payroll Employment	151.87	133.67	140.86	142.62	143.36	145.03	147.62	148.63
% Ch, Annual Rate	0.3	-40.0	23.3	5.1	2.1	4.8	7.3	2.8
Manufacturing	12.77	11.69	12.08	12.19	12.25	12.36	12.46	12.44
% Ch, Annual Rate	-0.9	-29.8	13.9	4.0	2.0	3.6	3.1	-0.7
Durable Manufacturing	7.99	7.25	7.51	7.58	7.61	7.68	7.74	7.74
% Ch, Annual Rate	-0.9	-32.4	15.7	3.4	1.7	3.9	3.0	0.2
Wood Products	0.41	0.38	0.39	0.40	0.40	0.41	0.42	0.42
% Ch, Annual Rate	-0.2	-24.8	8.0	10.5	4.1	2.7	14.6	-4.2
Primary and Fabricated Metals	1.84	1.71	1.71	1.73	1.74	1.76	1.78	1.76
% Ch, Annual Rate	-3.3	-25.9	1.3	4.1	0.9	4.8	4.7	-4.0
Computer and Electronic Products	1.08	1.07	1.07	1.07	1.08	1.09	1.10	1.10
% Ch, Annual Rate	0.2	-5.0	0.4	1.1	2.1	3.0	5.3	-0.1
Machinery and Electrical Equipment	1.51	1.41	1.42	1.43	1.43	1.46	1.44	1.44
% Ch, Annual Rate	-3.2	-23.8	2.3	3.2	-0.2	8.8	-4.9	0.7
Transportation Equipment	1.73	1.42	1.59	1.59	1.60	1.60	1.62	1.65
% Ch, Annual Rate	2.3	-54.4	57.8	0.4	3.6	-1.4	4.8	8.7
Other Durables	1.42	1.26	1.33	1.35	1.36	1.38	1.38	1.37
% Ch, Annual Rate	0.2	-38.6	26.1	6.0	1.6	5.1	2.2	-2.9
Nondurable Manufacturing	4.78	4.45	4.56	4.62	4.65	4.68	4.72	4.69
% Ch, Annual Rate	-1.0	-25.2	11.0	4.9	2.4	3.1	3.3	-2.0
Food Manufacturing	1.66	1.57	1.61	1.63	1.64	1.64	1.66	1.64
% Ch, Annual Rate	-1.0	-18.5	9.4	4.6	2.0	1.3	5.6	-5.0
Paper and Paper Products	0.36	0.35	0.35	0.36	0.36	0.35	0.36	0.35
% Ch, Annual Rate	-1.5	-10.9	1.3	1.3	0.9	-1.6	4.0	-4.2
Other Nondurables	2.76	2.52	2.60	2.63	2.65	2.68	2.70	2.70
% Ch, Annual Rate	-0.9	-30.8	13.5	5.6	2.8	4.9	1.8	0.2
Natural Resources and Mining	0.68	0.61	0.59	0.60	0.60	0.62	0.64	0.65
% Ch, Annual Rate	-12.1	-38.2	-9.7	3.2	4.3	11.2	12.4	9.3
Construction	7.61	6.90	7.23	7.36	7.41	7.45	7.44	7.43
% Ch, Annual Rate	3.1	-32.2	20.0	7.7	2.4	2.5	-0.4	-1.0
Trade, Transportation, and Utilities	27.82	25.13	26.47	26.94	27.10	27.24	27.78	27.65
% Ch, Annual Rate	0.4	-33.4	23.2	7.2	2.4	2.2	8.2	-1.9
Wholesale Trade	5.89	5.52	5.55	5.60	5.64	5.68	5.75	5.78
% Ch, Annual Rate	-0.3	-23.1	2.7	3.6	2.9	2.5	5.3	2.0
Retail Trade	15.57	13.79	14.92	15.14	15.20	15.30	15.69	15.47
% Ch, Annual Rate	-0.9	-38.3	36.9	6.0	1.6	2.5	10.6	-5.5
Trans., Warehousing, and Utilities	6.36	5.82	6.00	6.20	6.25	6.27	6.34	6.40
% Ch, Annual Rate	4.5	-30.2	13.2	13.8	3.7	1.0	5.0	3.8
Information	2.91	2.61	2.62	2.65	2.68	2.76	2.80	2.83
% Ch, Annual Rate	2.9	-35.1	2.0	4.7	3.8	13.6	4.7	5.1
Publishing Industries	0.79	0.76	0.75	0.76	0.77	0.77	0.79	0.79
% Ch, Annual Rate	4.9	-13.7	-4.1	4.5	4.6	4.6	5.9	4.6
Other Information	2.12	1.85	1.87	1.90	1.91	1.99	2.01	2.04
% Ch, Annual Rate	2.2	-41.9	4.6	4.8	3.4	17.4	4.3	5.3
Financial Activities	8.86	8.61	8.68	8.76	8.78	8.77	8.93	8.99
% Ch, Annual Rate	1.7	-10.6	3.0	3.8	1.0	-0.5	7.7	2.5
Professional and Business Services	21.41	19.30	19.90	20.41	20.73	20.78	21.02	21.17
% Ch, Annual Rate	0.2	-34.0	12.9	10.8	6.3	1.1	4.6	2.8
Education and Health Services	24.48	22.17	23.04	23.25	23.31	23.40	23.78	23.88
% Ch, Annual Rate	1.4	-32.7	16.7	3.8	0.9	1.6	6.6	1.7
Leisure and Hospitality	16.64	10.33	13.05	13.46	13.47	14.40	15.17	15.45
% Ch, Annual Rate	-3.2	-85.1	154.4	13.3	0.2	30.6	23.2	7.7
Other Services	5.90	4.82	5.38	5.48	5.51	5.57	5.65	5.85
% Ch, Annual Rate	-0.7	-55.6	55.6	7.5	1.9	4.5	5.9	15.2
Federal Government	2.86	2.88	3.06	2.92	2.88	2.89	2.89	2.89
% Ch, Annual Rate	3.3	2.0	27.0	-16.8	-4.9	1.3	-0.6	0.0
State and Local Government	19.93	18.62	18.77	18.59	18.65	18.79	19.06	19.42
% Ch, Annual Rate	1.3	-23.9	3.3	-3.8	1.2	3.0	6.1	7.6

Table A2.2 (continued)

U.S. Nonagricultural Employment by Industry (Millions)

Forecast 2021 to 2025

	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4
Nonfarm Payroll Employment	149.62	150.48	151.35	152.05	152.59	153.10	153.49	153.92
% Ch, Annual Rate	2.7	2.3	2.3	1.9	1.4	1.3	1.0	1.1
Manufacturing	12.38	12.33	12.37	12.39	12.39	12.39	12.41	12.41
% Ch, Annual Rate	-1.8	-1.5	1.1	0.7	-0.1	0.2	0.5	0.2
Durable Manufacturing	7.70	7.67	7.71	7.74	7.75	7.76	7.78	7.80
% Ch, Annual Rate	-2.2	-1.3	1.8	1.8	0.2	0.7	1.0	1.0
Wood Products	0.40	0.39	0.38	0.38	0.38	0.38	0.38	0.38
% Ch, Annual Rate	-13.9	-11.6	-4.7	-2.5	-1.6	-1.0	1.1	3.4
Primary and Fabricated Metals	1.74	1.73	1.73	1.74	1.76	1.78	1.80	1.82
% Ch, Annual Rate	-5.0	-2.3	0.6	3.8	4.1	5.1	4.0	3.0
Computer and Electronic Products	1.10	1.10	1.10	1.10	1.11	1.11	1.11	1.11
% Ch, Annual Rate	0.9	-1.3	0.0	1.6	1.3	0.9	0.6	0.4
Machinery and Electrical Equipment	1.45	1.46	1.47	1.47	1.46	1.46	1.46	1.46
% Ch, Annual Rate	3.5	1.7	3.6	-0.1	-3.0	-0.8	-0.2	1.0
Transportation Equipment	1.65	1.65	1.67	1.69	1.69	1.69	1.68	1.68
% Ch, Annual Rate	0.0	-0.8	6.1	3.8	0.2	-0.8	-0.8	-0.8
Other Durables	1.35	1.35	1.35	1.35	1.35	1.34	1.35	1.35
% Ch, Annual Rate	-5.9	-0.5	-0.1	0.3	-1.6	-0.8	0.7	0.6
Nondurable Manufacturing	4.68	4.66	4.66	4.65	4.64	4.63	4.63	4.61
% Ch, Annual Rate	-1.0	-1.9	-0.2	-1.1	-0.6	-0.7	-0.4	-1.2
Food Manufacturing	1.63	1.62	1.62	1.63	1.63	1.63	1.64	1.63
% Ch, Annual Rate	-2.7	-4.1	2.4	0.6	0.6	0.4	0.9	-0.6
Paper and Paper Products	0.35	0.36	0.36	0.36	0.36	0.36	0.36	0.36
% Ch, Annual Rate	-0.8	1.5	1.7	-0.6	0.6	-0.1	0.4	0.7
Other Nondurables	2.70	2.69	2.68	2.66	2.65	2.64	2.64	2.62
% Ch, Annual Rate	0.0	-1.0	-1.9	-2.1	-1.5	-1.4	-1.3	-1.8
Natural Resources and Mining	0.66	0.67	0.67	0.66	0.67	0.67	0.67	0.68
% Ch, Annual Rate	6.6	2.4	0.4	-1.6	2.6	1.2	1.4	1.8
Construction	7.44	7.44	7.46	7.46	7.46	7.46	7.47	7.48
% Ch, Annual Rate	0.8	0.1	0.8	0.2	0.0	0.2	0.3	0.8
Trade, Transportation, and Utilities	27.42	27.13	27.15	26.80	26.65	26.82	26.64	26.60
% Ch, Annual Rate	-3.3	-4.1	0.2	-5.0	-2.3	2.6	-2.7	-0.5
Wholesale Trade	5.85	5.91	6.12	6.16	6.22	6.21	6.19	6.20
% Ch, Annual Rate	4.6	4.5	14.7	3.1	3.8	-0.9	-0.8	0.6
Retail Trade	15.10	14.70	14.35	13.94	13.69	13.93	13.79	13.76
% Ch, Annual Rate	-9.2	-10.2	-9.1	-10.9	-7.0	7.0	-4.0	-0.9
Trans., Warehousing, and Utilities	6.48	6.53	6.68	6.70	6.73	6.69	6.66	6.64
% Ch, Annual Rate	4.7	3.1	9.9	0.7	2.2	-2.7	-1.8	-0.7
Information	2.89	2.91	2.94	2.88	2.86	2.88	2.94	2.99
% Ch, Annual Rate	8.8	2.1	4.6	-7.7	-2.7	2.6	8.1	7.2
Publishing Industries	0.81	0.81	0.81	0.81	0.81	0.80	0.80	0.80
% Ch, Annual Rate	7.0	0.3	2.7	-2.2	-0.2	-3.5	-0.9	-1.6
Other Information	2.08	2.10	2.13	2.07	2.05	2.08	2.14	2.19
% Ch, Annual Rate	9.5	2.9	5.3	-9.8	-3.7	5.1	11.7	10.7
Financial Activities	9.13	9.27	9.39	9.37	9.38	9.29	9.25	9.23
% Ch, Annual Rate	6.6	5.9	5.5	-0.8	0.6	-3.9	-2.0	-0.8
Professional and Business Services	21.84	22.16	22.35	22.70	23.06	23.20	23.41	23.55
% Ch, Annual Rate	13.3	6.1	3.4	6.5	6.5	2.5	3.6	2.5
Education and Health Services	23.80	24.29	24.31	24.09	24.12	24.03	24.01	24.04
% Ch, Annual Rate	-1.3	8.6	0.3	-3.6	0.4	-1.4	-0.5	0.6
Leisure and Hospitality	15.60	15.55	15.76	16.62	16.86	17.20	17.55	17.76
% Ch, Annual Rate	3.9	-1.1	5.5	23.6	5.8	8.3	8.4	4.9
Other Services	6.02	6.16	6.30	6.32	6.35	6.30	6.28	6.26
% Ch, Annual Rate	12.1	9.8	9.2	1.5	1.7	-3.1	-1.7	-0.7
Federal Government	2.89	2.89	2.89	2.89	2.89	2.89	2.89	2.89
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	19.55	19.67	19.77	19.85	19.92	19.97	20.00	20.03
% Ch, Annual Rate	2.8	2.5	2.0	1.8	1.2	1.0	0.7	0.5

Table A2.2 (continued)

U.S. Nonagricultural Employment by Industry (Millions)

Forecast 2021 to 2025

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Nonfarm Payroll Employment	154.33	154.72	155.03	155.28	155.49	155.68	155.85	155.98
% Ch, Annual Rate	1.1	1.0	0.8	0.7	0.5	0.5	0.4	0.4
Manufacturing	12.43	12.41	12.39	12.35	12.31	12.27	12.23	12.19
% Ch, Annual Rate	0.4	-0.5	-0.6	-1.1	-1.3	-1.4	-1.3	-1.1
Durable Manufacturing	7.81	7.80	7.78	7.76	7.73	7.70	7.67	7.65
% Ch, Annual Rate	0.5	-0.7	-0.7	-1.2	-1.4	-1.6	-1.4	-1.2
Wood Products	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39
% Ch, Annual Rate	4.2	2.6	1.3	0.1	-0.3	-0.1	-0.5	-2.8
Primary and Fabricated Metals	1.82	1.82	1.82	1.82	1.81	1.81	1.80	1.80
% Ch, Annual Rate	1.9	0.2	-0.1	-1.0	-1.5	-1.6	-1.2	-1.0
Computer and Electronic Products	1.11	1.11	1.11	1.12	1.12	1.12	1.12	1.11
% Ch, Annual Rate	0.4	0.4	0.5	0.5	0.2	-0.1	-0.4	-0.6
Machinery and Electrical Equipment	1.46	1.46	1.45	1.45	1.45	1.44	1.44	1.44
% Ch, Annual Rate	0.1	-1.0	-1.1	-1.4	-1.2	-1.2	-0.6	0.1
Transportation Equipment	1.68	1.67	1.66	1.65	1.65	1.63	1.62	1.61
% Ch, Annual Rate	-0.8	-1.9	-1.3	-2.0	-2.0	-2.7	-2.8	-3.2
Other Durables	1.35	1.34	1.33	1.33	1.32	1.31	1.31	1.30
% Ch, Annual Rate	0.0	-2.0	-2.0	-2.3	-2.3	-2.3	-2.0	-0.3
Nondurable Manufacturing	4.61	4.61	4.61	4.59	4.58	4.57	4.55	4.54
% Ch, Annual Rate	0.1	-0.3	-0.5	-0.9	-1.2	-1.1	-1.2	-1.0
Food Manufacturing	1.64	1.65	1.65	1.66	1.66	1.66	1.66	1.66
% Ch, Annual Rate	2.0	1.5	1.5	1.0	0.3	0.4	0.4	0.7
Paper and Paper Products	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
% Ch, Annual Rate	1.9	1.5	0.7	-0.4	-1.1	-1.2	-1.2	-1.1
Other Nondurables	2.61	2.60	2.59	2.58	2.56	2.55	2.53	2.52
% Ch, Annual Rate	-1.4	-1.6	-1.9	-2.2	-2.2	-2.1	-2.2	-2.1
Natural Resources and Mining	0.67	0.68	0.68	0.68	0.68	0.68	0.68	0.68
% Ch, Annual Rate	-0.8	0.8	0.3	0.2	0.0	-0.4	0.2	-0.2
Construction	7.49	7.50	7.52	7.54	7.56	7.59	7.61	7.63
% Ch, Annual Rate	0.5	0.5	0.8	1.2	1.2	1.3	1.3	1.0
Trade, Transportation, and Utilities	26.43	26.18	26.14	26.11	26.10	26.08	26.09	26.08
% Ch, Annual Rate	-2.6	-3.7	-0.6	-0.4	-0.3	-0.3	0.2	-0.1
Wholesale Trade	6.24	6.30	6.34	6.37	6.41	6.43	6.45	6.47
% Ch, Annual Rate	2.7	3.6	2.4	2.2	2.3	1.6	1.3	1.0
Retail Trade	13.52	13.18	13.08	12.99	12.90	12.82	12.79	12.74
% Ch, Annual Rate	-6.8	-9.7	-3.0	-2.5	-2.9	-2.3	-1.1	-1.4
Trans., Warehousing, and Utilities	6.67	6.71	6.73	6.75	6.79	6.82	6.85	6.87
% Ch, Annual Rate	1.5	2.3	1.3	1.2	2.5	1.8	1.5	1.3
Information	3.03	3.07	3.08	3.09	3.10	3.10	3.10	3.10
% Ch, Annual Rate	6.1	4.9	1.5	0.6	1.4	1.0	-0.2	-0.2
Publishing Industries	0.80	0.80	0.80	0.80	0.79	0.79	0.79	0.78
% Ch, Annual Rate	-0.1	0.5	-0.4	-0.7	-0.6	-1.4	-2.7	-2.8
Other Information	2.24	2.27	2.28	2.29	2.30	2.31	2.32	2.32
% Ch, Annual Rate	8.4	6.6	2.2	1.0	2.1	1.8	0.7	0.7
Financial Activities	9.25	9.28	9.29	9.31	9.32	9.32	9.32	9.31
% Ch, Annual Rate	0.9	1.5	0.5	0.5	0.5	0.3	-0.2	-0.5
Professional and Business Services	23.75	23.96	24.08	24.20	24.34	24.44	24.53	24.60
% Ch, Annual Rate	3.3	3.6	2.0	2.0	2.4	1.6	1.5	1.1
Education and Health Services	24.13	24.24	24.31	24.35	24.38	24.39	24.38	24.40
% Ch, Annual Rate	1.4	2.0	1.0	0.6	0.5	0.1	0.0	0.3
Leisure and Hospitality	17.93	18.11	18.21	18.29	18.28	18.34	18.38	18.42
% Ch, Annual Rate	4.0	4.1	2.2	1.6	-0.1	1.2	0.9	0.8
Other Services	6.28	6.32	6.34	6.35	6.38	6.40	6.42	6.44
% Ch, Annual Rate	1.2	2.2	1.3	1.0	1.6	1.3	1.3	1.3
Federal Government	2.89	2.89	2.89	2.89	2.89	2.89	2.89	2.89
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.06	20.08	20.11	20.14	20.17	20.20	20.22	20.25
% Ch, Annual Rate	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6

Table A2.3

Washington Nonagricultural Employment by Industry (Thousands)

Forecast 2021 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Nonfarm Payroll Employment	3,401.1	3,468.5	3,285.6	3,351.4	3,500.0	3,572.6	3,628.1	3,668.5
% Ch	2.4	2.0	-5.3	2.0	4.4	2.1	1.6	1.1
Manufacturing	287.7	293.7	271.7	258.4	259.5	263.3	267.2	268.4
% Ch	1.2	2.1	-7.5	-4.9	0.4	1.5	1.5	0.5
Durable Manufacturing	202.2	206.9	189.6	175.3	174.5	178.2	182.0	183.7
% Ch	0.9	2.4	-8.4	-7.5	-0.5	2.1	2.2	0.9
Wood Products	13.0	12.9	12.5	13.1	12.5	12.0	12.0	11.7
% Ch	0.9	-0.5	-3.4	4.6	-4.0	-3.8	-0.3	-2.4
Primary and Fabricated Metals	26.1	26.9	24.3	22.8	22.9	23.8	24.2	24.0
% Ch	4.3	2.9	-9.6	-6.1	0.4	3.7	2.1	-1.1
Computer and Electronic Products	19.8	19.9	18.9	18.8	19.8	20.3	20.8	21.0
% Ch	0.9	0.2	-4.8	-0.7	5.4	2.8	2.0	1.4
Machinery and Electrical Equipment	21.3	21.2	19.2	18.5	19.8	20.3	20.8	21.1
% Ch	3.0	-0.8	-9.2	-4.1	7.1	2.6	2.6	1.5
Aerospace	83.9	88.5	80.0	66.6	63.2	65.7	68.1	69.9
% Ch	-0.3	5.5	-9.6	-16.8	-5.0	3.9	3.7	2.6
Other Transportation Equip.	9.9	9.7	9.0	9.3	9.5	9.3	9.1	8.9
% Ch	-3.0	-1.8	-6.8	2.7	2.3	-2.5	-1.9	-2.1
Other Durables	28.1	27.8	25.6	26.3	26.8	26.8	27.0	27.0
% Ch	1.5	-0.8	-8.0	2.8	1.6	0.3	0.8	0.0
Nondurable Manufacturing	85.6	86.8	82.1	83.1	85.0	85.1	85.1	84.7
% Ch	2.0	1.4	-5.4	1.3	2.3	0.1	0.1	-0.5
Food Manufacturing	39.1	39.4	37.8	39.2	39.4	39.3	39.3	39.2
% Ch	2.8	0.8	-4.1	3.8	0.6	-0.3	0.0	-0.3
Paper and Paper Products	7.7	7.8	7.5	7.6	7.8	7.8	7.8	7.6
% Ch	-1.2	1.5	-3.1	1.4	1.9	-0.3	0.1	-1.6
Other Nondurables	38.9	39.6	36.8	36.3	37.8	38.0	38.0	37.8
% Ch	1.9	2.0	-7.1	-1.4	4.2	0.5	0.1	-0.6
Natural Resources and Mining	6.3	5.9	5.5	6.0	6.4	6.2	6.4	6.5
% Ch	1.1	-6.3	-5.7	7.3	8.3	-3.1	1.6	1.8
Construction	213.1	219.5	213.5	220.8	213.4	209.1	210.4	211.8
% Ch	6.7	3.0	-2.7	3.4	-3.4	-2.0	0.6	0.7
Trade, Transportation, and Utilities	636.0	643.2	629.7	659.2	661.1	657.9	653.6	655.1
% Ch	1.8	1.1	-2.1	4.7	0.3	-0.5	-0.7	0.2
Wholesale Trade	135.7	136.3	131.0	134.3	141.1	146.1	149.9	153.7
% Ch	1.8	0.5	-3.9	2.6	5.0	3.5	2.6	2.6
Retail Trade	385.8	390.5	386.6	414.5	400.0	388.6	379.6	375.2
% Ch	1.9	1.2	-1.0	7.2	-3.5	-2.9	-2.3	-1.2
Electronic Shopping and Mail-Order	54.8	63.5	75.9	92.7	96.7	99.1	101.4	103.6
% Ch	10.1	15.9	19.5	22.3	4.2	2.5	2.3	2.2
Other Retail Trade	331.0	327.0	310.8	321.7	303.3	289.5	278.3	271.6
% Ch	0.6	-1.2	-5.0	3.5	-5.7	-4.6	-3.9	-2.4
Trans., Warehousing, and Utilities	114.5	116.4	112.1	110.4	120.0	123.2	124.0	126.2
% Ch	1.8	1.6	-3.7	-1.5	8.7	2.7	0.7	1.7
Information	134.2	144.5	149.0	154.1	158.8	159.2	165.5	167.5
% Ch	6.3	7.7	3.1	3.4	3.1	0.2	4.0	1.2
Software Publishers	65.3	70.4	75.6	77.5	79.7	80.9	82.2	83.5
% Ch	6.4	7.7	7.4	2.5	2.8	1.6	1.6	1.5
Other Publishing Industries	5.1	4.8	4.1	3.9	4.1	3.7	3.4	3.1
% Ch	-6.8	-6.2	-14.6	-4.3	3.6	-8.2	-8.0	-9.9
Other Information	63.7	69.3	69.3	72.6	75.1	74.5	79.9	80.9
% Ch	7.4	8.7	0.0	4.8	3.3	-0.7	7.2	1.3
Financial Activities	157.7	160.4	157.5	157.4	168.7	169.2	168.9	169.3
% Ch	2.4	1.7	-1.8	-0.1	7.2	0.3	-0.2	0.2
Professional and Business Services	424.3	434.7	425.1	442.5	475.7	498.1	514.3	527.1
% Ch	2.6	2.4	-2.2	4.1	7.5	4.7	3.2	2.5
Education and Health Services	490.2	502.4	488.5	505.3	513.9	512.5	520.7	527.4
% Ch	3.1	2.5	-2.8	3.4	1.7	-0.3	1.6	1.3
Leisure and Hospitality	341.9	347.4	264.4	267.3	322.8	359.8	374.6	380.2
% Ch	3.1	1.6	-23.9	1.1	20.8	11.5	4.1	1.5
Other Services	122.4	129.3	118.7	121.3	135.6	141.2	143.3	145.7
% Ch	2.2	5.7	-8.2	2.2	11.8	4.1	1.5	1.6
Federal Government	74.8	75.8	78.5	76.9	77.0	77.3	77.7	78.0
% Ch	0.0	1.3	3.6	-2.0	0.1	0.4	0.5	0.4
State and Local Government	512.5	511.8	483.5	482.4	507.1	518.7	525.5	531.5
% Ch	0.3	-0.1	-5.5	-0.2	5.1	2.3	1.3	1.1

Table A2.4

Washington Nonagricultural Employment by Industry (Thousands)

Forecast 2021 to 2025

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
Nonfarm Payroll Employment	3,507.7	3,128.5	3,240.2	3,265.9	3,282.9	3,319.0	3,384.7	3,419.2
% Ch, Annual Rate	1.4	-36.7	15.1	3.2	2.1	4.5	8.2	4.1
Manufacturing	292.4	269.7	264.4	260.2	261.1	258.6	258.5	255.4
% Ch, Annual Rate	-1.2	-27.7	-7.6	-6.2	1.4	-3.9	-0.1	-4.6
Durable Manufacturing	205.2	190.7	183.8	178.6	178.7	176.4	174.6	171.4
% Ch, Annual Rate	-2.2	-25.3	-13.7	-10.9	0.3	-5.2	-3.9	-7.2
Wood Products	12.9	12.0	12.3	12.7	12.8	12.9	13.3	13.2
% Ch, Annual Rate	-1.6	-24.4	12.2	13.4	1.8	2.9	14.3	-2.1
Primary and Fabricated Metals	26.7	24.5	23.4	22.6	22.9	22.5	23.0	22.9
% Ch, Annual Rate	-4.5	-29.1	-17.1	-12.0	4.3	-6.8	9.0	-0.9
Computer and Electronic Products	19.4	19.0	18.7	18.5	18.3	18.4	19.1	19.3
% Ch, Annual Rate	-3.6	-9.1	-5.4	-4.7	-3.2	1.2	15.3	4.9
Machinery and Electrical Equipment	20.2	19.2	18.8	18.8	18.7	18.3	18.2	18.6
% Ch, Annual Rate	-12.2	-18.2	-8.0	1.1	-1.7	-9.6	-1.6	8.2
Aerospace	88.9	83.1	76.6	71.4	70.7	69.0	65.3	61.3
% Ch, Annual Rate	-0.6	-23.3	-28.0	-24.3	-4.2	-8.9	-20.1	-22.4
Other Transportation Equip.	9.7	8.8	8.8	8.9	9.1	9.2	9.4	9.4
% Ch, Annual Rate	8.0	-34.5	0.2	5.4	8.2	8.1	6.8	2.5
Other Durables	27.4	24.2	25.3	25.6	26.2	26.1	26.4	26.6
% Ch, Annual Rate	-0.1	-39.7	19.3	5.6	10.4	-2.6	5.2	3.6
Nondurable Manufacturing	87.3	79.0	80.6	81.6	82.4	82.2	83.9	84.1
% Ch, Annual Rate	1.2	-32.9	8.3	5.2	4.0	-1.0	8.4	1.0
Food Manufacturing	39.5	36.7	37.0	37.8	38.9	38.8	39.6	39.4
% Ch, Annual Rate	1.4	-25.7	3.3	8.7	12.4	-0.9	8.6	-2.0
Paper and Paper Products	7.8	7.5	7.2	7.5	7.6	7.6	7.7	7.7
% Ch, Annual Rate	2.4	-15.2	-13.8	14.4	4.8	-1.1	7.6	-1.8
Other Nondurables	39.9	34.7	36.3	36.3	35.9	35.8	36.5	37.0
% Ch, Annual Rate	0.8	-42.5	19.4	0.0	-4.3	-1.1	8.2	4.9
Natural Resources and Mining	5.7	5.4	5.5	5.6	5.7	5.7	5.9	6.5
% Ch, Annual Rate	-1.1	-15.9	2.3	10.1	4.7	3.4	15.3	45.5
Construction	224.1	198.9	212.4	218.5	222.5	222.5	220.3	217.7
% Ch, Annual Rate	3.9	-38.0	30.1	12.1	7.5	0.0	-3.8	-4.7
Trade, Transportation, and Utilities	651.3	596.3	627.3	643.9	651.8	652.8	666.2	666.1
% Ch, Annual Rate	2.1	-29.7	22.5	11.0	5.0	0.6	8.5	-0.1
Wholesale Trade	136.8	127.9	127.6	131.6	132.4	134.0	135.2	135.9
% Ch, Annual Rate	0.3	-23.5	-1.1	13.2	2.5	4.7	3.6	2.1
Retail Trade	396.8	359.5	389.8	400.4	407.6	412.0	421.1	417.4
% Ch, Annual Rate	3.3	-32.6	38.2	11.3	7.4	4.4	9.1	-3.5
Electronic Shopping and Mail-Order	71.2	73.5	77.2	81.4	88.2	93.5	94.3	95.0
% Ch	22.5	13.6	21.6	23.6	37.8	26.2	3.3	3.1
Other Retail Trade	325.5	286.0	312.6	318.9	319.3	318.5	326.8	322.4
% Ch	-0.4	-40.4	42.7	8.4	0.5	-1.1	10.9	-5.3
Trans., Warehousing, and Utilities	117.7	108.8	109.9	111.9	111.8	106.9	110.0	112.9
% Ch, Annual Rate	0.4	-27.1	4.0	7.5	-0.3	-16.4	12.2	10.9
Information	149.8	147.8	147.3	151.0	152.3	153.4	154.6	155.9
% Ch, Annual Rate	6.1	-5.2	-1.5	10.6	3.5	2.8	3.1	3.5
Software Publishers	74.6	76.0	75.6	76.1	76.6	77.1	77.8	78.4
% Ch, Annual Rate	11.1	7.8	-1.8	2.3	2.9	2.8	3.4	3.0
Other Publishing Industries	4.6	4.1	3.9	3.9	3.9	3.9	4.0	4.0
% Ch, Annual Rate	-6.5	-38.4	-13.0	-9.0	2.0	2.3	9.0	5.6
Other Information	70.6	67.8	67.7	71.1	71.9	72.4	72.8	73.5
% Ch, Annual Rate	2.1	-15.3	-0.5	21.9	4.2	2.9	2.6	3.9
Financial Activities	162.6	155.7	156.5	155.3	154.2	155.3	159.2	160.9
% Ch, Annual Rate	1.8	-15.9	2.0	-3.2	-2.7	2.8	10.5	4.5
Professional and Business Services	442.7	410.8	415.4	431.3	437.3	436.7	444.8	451.1
% Ch, Annual Rate	2.2	-25.8	4.5	16.2	5.7	-0.5	7.6	5.7
Education and Health Services	508.1	467.8	486.4	491.9	497.4	502.3	509.7	511.9
% Ch, Annual Rate	0.6	-28.1	16.9	4.6	4.6	4.0	6.0	1.8
Leisure and Hospitality	347.5	216.5	246.4	247.2	239.5	256.8	279.3	293.4
% Ch, Annual Rate	-2.8	-84.9	67.6	1.3	-11.9	32.3	39.8	21.8
Other Services	132.6	109.3	115.1	117.8	117.0	118.9	122.5	126.8
% Ch, Annual Rate	2.6	-53.7	22.9	9.5	-2.7	6.8	12.7	14.5
Federal Government	77.4	77.4	81.0	78.1	77.3	76.8	76.8	76.8
% Ch, Annual Rate	7.0	0.4	19.9	-13.8	-4.2	-2.4	-0.2	0.3
State and Local Government	513.5	472.7	482.6	465.3	467.0	479.1	486.9	496.6
% Ch, Annual Rate	1.1	-28.2	8.6	-13.6	1.5	10.8	6.7	8.2

Table A2.4 (continued)

Washington Nonagricultural Employment by Industry (Thousands)

Forecast 2021 to 2025

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Nonfarm Payroll Employment	3,459.3	3,487.8	3,515.0	3,538.0	3,550.3	3,565.8	3,578.4	3,595.9
% Ch, Annual Rate	4.8	3.3	3.2	2.6	1.4	1.8	1.4	2.0
Manufacturing	257.8	259.4	260.2	260.7	261.6	262.8	263.9	265.0
% Ch, Annual Rate	3.7	2.6	1.1	0.9	1.4	1.7	1.7	1.6
Durable Manufacturing	173.1	174.3	174.9	175.6	176.5	177.6	178.7	180.0
% Ch, Annual Rate	4.1	2.8	1.5	1.5	2.1	2.6	2.5	2.8
Wood Products	12.9	12.6	12.4	12.3	12.1	12.0	12.0	12.0
% Ch, Annual Rate	-10.6	-8.5	-6.3	-4.4	-3.7	-3.2	-1.4	0.5
Primary and Fabricated Metals	22.8	22.9	22.9	23.1	23.3	23.7	23.9	24.1
% Ch, Annual Rate	-2.0	1.1	0.3	3.9	4.2	5.4	4.2	3.6
Computer and Electronic Products	19.6	19.7	19.8	20.0	20.2	20.3	20.4	20.5
% Ch, Annual Rate	6.8	2.7	1.2	3.9	3.5	2.7	2.3	1.8
Machinery and Electrical Equipment	19.2	19.6	20.1	20.2	20.1	20.2	20.3	20.5
% Ch, Annual Rate	13.5	10.0	8.9	2.7	-1.8	1.7	2.6	4.6
Aerospace	62.4	63.1	63.6	63.9	64.7	65.4	66.1	66.7
% Ch, Annual Rate	7.6	4.2	3.4	2.3	4.8	4.4	4.1	3.9
Other Transportation Equip.	9.5	9.6	9.5	9.4	9.3	9.3	9.2	9.2
% Ch, Annual Rate	2.3	3.0	-3.0	-3.0	-3.0	-2.7	-3.2	-1.8
Other Durables	26.7	26.8	26.7	26.7	26.7	26.8	26.8	26.9
% Ch, Annual Rate	1.4	1.8	-1.6	-0.5	0.4	0.7	1.0	1.3
Nondurable Manufacturing	84.7	85.1	85.2	85.1	85.1	85.1	85.2	85.0
% Ch, Annual Rate	3.0	2.2	0.4	-0.5	0.0	0.0	0.2	-0.7
Food Manufacturing	39.5	39.4	39.5	39.4	39.4	39.3	39.3	39.2
% Ch, Annual Rate	0.3	-1.0	1.2	-0.4	-0.4	-0.6	-0.1	-1.5
Paper and Paper Products	7.7	7.8	7.8	7.8	7.8	7.8	7.7	7.7
% Ch, Annual Rate	2.0	4.7	0.9	-1.6	-0.4	-1.0	-0.5	-0.2
Other Nondurables	37.5	38.0	37.9	37.9	37.9	38.0	38.1	38.1
% Ch, Annual Rate	6.0	5.1	-0.5	-0.4	0.5	0.8	0.6	0.0
Natural Resources and Mining	6.6	6.5	6.4	6.4	6.3	6.2	6.2	6.2
% Ch, Annual Rate	3.6	-6.4	-2.4	-4.1	-2.1	-5.5	-0.8	1.3
Construction	215.8	214.0	212.4	211.2	209.7	208.8	207.9	209.9
% Ch, Annual Rate	-3.5	-3.2	-3.1	-2.2	-2.9	-1.7	-1.7	3.9
Trade, Transportation, and Utilities	664.1	660.4	662.2	657.5	655.2	660.1	657.7	658.6
% Ch, Annual Rate	-1.2	-2.2	1.1	-2.8	-1.4	3.0	-1.5	0.6
Wholesale Trade	137.4	139.0	143.4	144.8	146.2	145.9	145.9	146.5
% Ch, Annual Rate	4.6	4.8	13.2	3.9	4.1	-0.9	0.1	1.8
Retail Trade	410.6	403.2	396.9	389.3	385.0	391.0	389.0	389.3
% Ch, Annual Rate	-6.4	-7.0	-6.1	-7.4	-4.3	6.3	-2.0	0.3
Electronic Shopping and Mail-Order	95.7	96.3	97.0	97.6	98.2	98.8	99.4	100.0
% Ch	2.9	2.8	2.7	2.6	2.5	2.4	2.4	2.3
Other Retail Trade	314.9	306.8	299.9	291.7	286.8	292.1	289.6	289.3
% Ch	-9.0	-9.9	-8.7	-10.5	-6.5	7.6	-3.5	-0.3
Trans., Warehousing, and Utilities	116.2	118.3	122.0	123.4	123.9	123.3	122.8	122.8
% Ch, Annual Rate	12.3	7.4	13.0	4.9	1.5	-2.1	-1.4	0.0
Information	158.3	158.9	160.2	157.8	156.9	157.7	160.0	162.1
% Ch, Annual Rate	6.3	1.5	3.3	-5.9	-2.2	1.9	6.0	5.5
Software Publishers	79.1	79.4	79.9	80.2	80.5	80.7	81.0	81.3
% Ch, Annual Rate	3.6	1.9	2.5	1.3	1.8	0.9	1.6	1.4
Other Publishing Industries	4.1	4.1	4.1	4.0	3.9	3.8	3.7	3.6
% Ch, Annual Rate	11.9	-4.9	1.0	-10.8	-6.2	-14.4	-8.4	-10.4
Other Information	75.1	75.4	76.2	73.6	72.5	73.2	75.2	77.2
% Ch, Annual Rate	8.8	1.4	4.3	-12.8	-6.1	3.9	11.8	10.8
Financial Activities	164.5	167.9	171.1	171.5	171.5	169.4	168.2	168.0
% Ch, Annual Rate	9.1	8.5	7.9	0.9	0.0	-4.8	-2.7	-0.6
Professional and Business Services	466.3	473.2	477.8	485.4	492.4	495.8	500.4	504.0
% Ch, Annual Rate	14.2	6.0	4.0	6.5	5.9	2.8	3.7	2.9
Education and Health Services	511.5	517.6	516.0	510.5	512.0	511.7	512.3	514.1
% Ch, Annual Rate	-0.4	4.9	-1.2	-4.2	1.2	-0.2	0.5	1.4
Leisure and Hospitality	305.6	313.3	325.1	347.2	351.4	357.3	363.3	367.2
% Ch, Annual Rate	17.7	10.4	15.9	30.1	4.9	6.9	6.9	4.4
Other Services	130.8	134.1	137.4	140.2	140.8	141.0	141.4	141.8
% Ch, Annual Rate	13.5	10.4	10.2	8.3	1.7	0.7	1.0	1.3
Federal Government	76.9	76.9	77.0	77.1	77.2	77.3	77.4	77.5
% Ch, Annual Rate	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.5
State and Local Government	501.1	505.4	509.1	512.6	515.5	517.9	519.8	521.5
% Ch, Annual Rate	3.7	3.5	3.0	2.7	2.3	1.9	1.5	1.3

Table A2.4 (continued)

Washington Nonagricultural Employment by Industry (Thousands)

Forecast 2021 to 2025

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Nonfarm Payroll Employment	3,610.2	3,622.4	3,634.5	3,645.3	3,655.1	3,664.2	3,673.2	3,681.7
% Ch, Annual Rate	1.6	1.4	1.3	1.2	1.1	1.0	1.0	0.9
Manufacturing	266.2	267.0	267.6	268.0	268.2	268.3	268.5	268.6
% Ch, Annual Rate	1.8	1.2	1.0	0.6	0.3	0.2	0.2	0.2
Durable Manufacturing	181.0	181.8	182.4	182.9	183.3	183.6	183.9	184.2
% Ch, Annual Rate	2.4	1.6	1.4	1.1	0.8	0.6	0.6	0.6
Wood Products	12.1	12.0	12.0	11.9	11.9	11.8	11.7	11.6
% Ch, Annual Rate	1.2	-0.2	-1.2	-2.3	-2.6	-2.5	-2.8	-4.7
Primary and Fabricated Metals	24.2	24.3	24.3	24.2	24.1	24.0	23.9	23.9
% Ch, Annual Rate	2.2	0.2	0.0	-1.0	-1.6	-1.7	-1.3	-1.0
Computer and Electronic Products	20.6	20.7	20.8	20.9	21.0	21.0	21.1	21.1
% Ch, Annual Rate	1.9	1.9	2.1	2.1	1.6	1.0	0.6	0.2
Machinery and Electrical Equipment	20.7	20.8	20.9	20.9	21.0	21.0	21.2	21.3
% Ch, Annual Rate	3.1	1.6	1.4	1.0	1.3	1.4	2.4	3.3
Aerospace	67.3	67.9	68.4	68.9	69.4	69.8	70.1	70.5
% Ch, Annual Rate	3.7	3.5	3.2	2.9	2.6	2.3	2.1	2.0
Other Transportation Equip.	9.1	9.1	9.1	9.0	9.0	8.9	8.9	8.8
% Ch, Annual Rate	-1.7	-1.6	-1.7	-1.7	-1.9	-2.5	-2.9	-3.2
Other Durables	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.1
% Ch, Annual Rate	1.2	0.2	0.1	0.0	0.0	-0.1	0.1	0.3
Nondurable Manufacturing	85.1	85.2	85.2	85.1	84.9	84.8	84.6	84.5
% Ch, Annual Rate	0.7	0.2	0.0	-0.5	-0.8	-0.7	-0.8	-0.6
Food Manufacturing	39.3	39.3	39.4	39.4	39.3	39.3	39.2	39.2
% Ch, Annual Rate	1.0	0.5	0.5	0.0	-0.6	-0.6	-0.6	-0.3
Paper and Paper Products	7.8	7.8	7.8	7.7	7.7	7.7	7.6	7.6
% Ch, Annual Rate	1.1	0.7	-0.3	-1.4	-2.2	-2.2	-2.3	-2.2
Other Nondurables	38.1	38.1	38.0	38.0	37.9	37.9	37.8	37.7
% Ch, Annual Rate	0.3	-0.1	-0.5	-0.9	-0.6	-0.5	-0.7	-0.5
Natural Resources and Mining	6.3	6.3	6.4	6.4	6.5	6.5	6.5	6.4
% Ch, Annual Rate	3.2	3.0	2.3	3.2	2.5	1.6	0.0	-2.0
Construction	210.2	209.9	210.5	210.9	211.3	211.6	212.1	212.5
% Ch, Annual Rate	0.7	-0.6	1.1	0.8	0.6	0.6	1.0	0.8
Trade, Transportation, and Utilities	656.3	652.2	652.6	653.1	653.8	654.4	655.7	656.7
% Ch, Annual Rate	-1.4	-2.4	0.2	0.3	0.4	0.4	0.8	0.6
Wholesale Trade	147.8	149.5	150.6	151.6	152.6	153.4	154.1	154.7
% Ch, Annual Rate	3.6	4.5	3.0	2.7	2.8	2.1	1.8	1.6
Retail Trade	385.2	378.9	377.7	376.8	375.7	375.0	375.1	375.0
% Ch, Annual Rate	-4.2	-6.4	-1.3	-0.9	-1.2	-0.8	0.1	-0.1
Electronic Shopping and Mail-Order	100.5	101.1	101.7	102.2	102.7	103.3	103.8	104.4
% Ch	2.3	2.2	2.2	2.2	2.2	2.1	2.1	2.1
Other Retail Trade	284.6	277.8	276.0	274.6	272.9	271.7	271.3	270.7
% Ch	-6.3	-9.3	-2.5	-2.0	-2.4	-1.8	-0.6	-0.9
Trans., Warehousing, and Utilities	123.3	123.9	124.3	124.7	125.4	126.0	126.5	126.9
% Ch, Annual Rate	1.5	2.1	1.4	1.2	2.4	1.8	1.5	1.4
Information	164.0	165.6	166.1	166.5	167.0	167.5	167.6	167.8
% Ch, Annual Rate	4.7	3.9	1.4	0.8	1.4	1.1	0.3	0.3
Software Publishers	81.7	82.1	82.4	82.7	83.1	83.4	83.6	83.8
% Ch, Annual Rate	1.8	1.9	1.7	1.6	1.6	1.4	1.1	1.1
Other Publishing Industries	3.5	3.5	3.4	3.3	3.3	3.2	3.1	2.9
% Ch, Annual Rate	-6.6	-5.1	-7.7	-8.4	-8.6	-10.9	-14.9	-15.7
Other Information	78.8	80.0	80.3	80.4	80.7	81.0	81.0	81.0
% Ch, Annual Rate	8.4	6.5	1.5	0.3	1.5	1.4	0.1	0.1
Financial Activities	168.4	168.9	169.1	169.3	169.4	169.4	169.2	168.9
% Ch, Annual Rate	0.9	1.4	0.4	0.4	0.4	0.0	-0.5	-0.8
Professional and Business Services	508.4	513.1	516.3	519.5	523.0	525.8	528.5	530.9
% Ch, Annual Rate	3.5	3.8	2.5	2.5	2.7	2.1	2.1	1.8
Education and Health Services	516.7	519.9	522.1	523.9	525.6	526.9	527.9	529.4
% Ch, Annual Rate	2.1	2.5	1.7	1.4	1.3	0.9	0.8	1.1
Leisure and Hospitality	370.5	373.9	376.1	377.8	378.3	379.7	380.9	382.0
% Ch, Annual Rate	3.7	3.7	2.3	1.8	0.5	1.5	1.3	1.2
Other Services	142.4	143.1	143.7	144.2	144.8	145.4	146.0	146.5
% Ch, Annual Rate	1.7	1.9	1.7	1.6	1.7	1.6	1.6	1.6
Federal Government	77.6	77.7	77.7	77.8	77.9	78.0	78.1	78.2
% Ch, Annual Rate	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4
State and Local Government	523.2	524.8	526.3	527.7	529.3	530.7	532.2	533.9
% Ch, Annual Rate	1.3	1.2	1.1	1.1	1.2	1.1	1.1	1.2

Table A3.1

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

Forecast 2021 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Personal Income	17,851.8	18,551.5	19,727.9	20,986.8	21,087.7	21,969.7	22,955.2	23,978.2
% Ch	5.3	3.9	6.3	6.4	0.5	4.2	4.5	4.5
Total Wage and Salary Disbursements	8,894.2	9,309.3	9,370.5	10,223.2	10,781.3	11,302.6	11,831.0	12,358.5
% Ch	5.0	4.7	0.7	9.1	5.5	4.8	4.7	4.5
Nonwage Personal Income	8,957.6	9,242.2	10,357.4	10,763.6	10,306.4	10,667.0	11,124.2	11,619.6
% Ch	5.7	3.2	12.1	3.9	-4.2	3.5	4.3	4.5
Supplements to Wages and Salaries	2,055.9	2,123.1	2,120.2	2,257.8	2,387.8	2,508.9	2,607.9	2,715.5
% Ch	5.4	3.3	-0.1	6.5	5.8	5.1	3.9	4.1
Proprietor's Income	1,585.9	1,657.7	1,695.1	1,809.3	1,824.8	1,890.7	2,000.4	2,105.1
% Ch	5.1	4.5	2.3	6.7	0.9	3.6	5.8	5.2
Farm	43.0	49.7	64.7	68.7	60.0	60.2	63.4	65.2
% Ch	...	...	...	...	...	...	...	...
Nonfarm	1,542.9	1,608.0	1,630.5	1,740.6	1,764.9	1,830.5	1,936.9	2,040.0
% Ch	5.1	4.2	1.4	6.8	1.4	3.7	5.8	5.3
Less: Contribution For Govt. Soc. Ins.	1,360.4	1,418.8	1,441.2	1,560.7	1,630.9	1,704.8	1,782.0	1,859.6
% Ch	4.8	4.3	1.6	8.3	4.5	4.5	4.5	4.4
Dividends/Int./Rent	3,705.9	3,755.0	3,714.6	3,771.4	3,951.7	4,087.5	4,229.0	4,368.3
% Ch	7.1	1.3	-1.1	1.5	4.8	3.4	3.5	3.3
Transfer Payments	2,970.3	3,125.2	4,268.7	4,485.9	3,773.0	3,884.7	4,068.9	4,290.4
% Ch	4.0	5.2	36.6	5.1	-15.9	3.0	4.7	5.4

Table A3.2

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

Forecast 2021 to 2025

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
Personal Income	18,951.0	20,457.3	19,853.5	19,649.9	22,090.0	20,862.8	20,536.8	20,457.8
% Ch, Annual Rate	4.1	35.8	-11.3	-4.0	59.7	-20.4	-6.1	-1.5
Total Wage and Salary Disbursements	9,526.1	8,908.8	9,343.3	9,703.8	9,908.2	10,142.7	10,363.5	10,478.5
% Ch, Annual Rate	4.5	-23.5	21.0	16.4	8.7	9.8	9.0	4.5
Nonwage Personal Income	9,424.9	11,548.5	10,510.2	9,946.1	12,181.8	10,720.0	10,173.3	9,979.2
% Ch, Annual Rate	3.8	125.4	-31.4	-19.8	125.0	-40.0	-18.9	-7.4
Supplements to Wages and Salaries	2,148.3	2,040.7	2,122.9	2,168.8	2,209.6	2,244.5	2,272.0	2,304.9
% Ch, Annual Rate	1.1	-18.6	17.1	9.0	7.7	6.5	5.0	5.9
Proprietor's Income	1,706.0	1,511.9	1,803.0	1,759.7	1,737.1	1,926.2	1,813.8	1,759.9
% Ch, Annual Rate	2.0	-38.3	102.2	-9.3	-5.0	51.2	-21.4	-11.4
Farm	56.4	38.9	62.8	100.5	64.1	78.1	68.1	64.5
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	1,649.6	1,473.0	1,740.2	1,659.1	1,673.1	1,848.1	1,745.8	1,695.5
% Ch, Annual Rate	2.6	-36.4	94.8	-17.4	3.4	48.9	-20.4	-11.0
Less: Contribution For Govt. Soc. Ins.	1,451.5	1,388.4	1,441.6	1,483.1	1,522.6	1,560.0	1,573.9	1,586.4
% Ch, Annual Rate	5.3	-16.3	16.3	12.0	11.1	10.2	3.6	3.2
Dividends/Int./Rent	3,786.6	3,706.3	3,656.7	3,708.6	3,707.3	3,743.0	3,781.7	3,853.5
% Ch, Annual Rate	1.1	-8.2	-5.2	5.8	-0.1	3.9	4.2	7.8
Transfer Payments	3,235.5	5,678.0	4,369.3	3,792.1	6,050.4	4,366.3	3,879.6	3,647.2
% Ch, Annual Rate	10.6	848.5	-64.9	-43.3	548.1	-72.9	-37.7	-21.9

Table A3.2 (continued)

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

Forecast 2021 to 2025

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Personal Income	20,742.8	20,986.0	21,215.8	21,406.2	21,618.2	21,853.8	22,085.0	22,321.9
% Ch, Annual Rate	5.7	4.8	4.5	3.6	4.0	4.4	4.3	4.4
Total Wage and Salary Disbursements	10,589.5	10,715.5	10,844.8	10,975.2	11,104.5	11,238.1	11,368.0	11,500.0
% Ch, Annual Rate	4.3	4.8	4.9	4.9	4.8	4.9	4.7	4.7
Nonwage Personal Income	10,153.2	10,270.5	10,371.0	10,430.9	10,513.7	10,615.6	10,717.0	10,821.9
% Ch, Annual Rate	7.2	4.7	4.0	2.3	3.2	3.9	3.9	4.0
Supplements to Wages and Salaries	2,338.8	2,372.5	2,404.8	2,435.1	2,468.3	2,496.9	2,523.3	2,547.3
% Ch, Annual Rate	6.0	5.9	5.6	5.1	5.6	4.7	4.3	3.9
Proprietor's Income	1,802.0	1,824.4	1,835.1	1,837.8	1,856.2	1,879.6	1,901.8	1,925.1
% Ch, Annual Rate	9.9	5.1	2.4	0.6	4.1	5.1	4.8	5.0
Farm	62.0	60.3	59.0	58.5	59.2	59.7	60.5	61.4
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	1,740.0	1,764.1	1,776.1	1,779.2	1,797.0	1,819.9	1,841.3	1,863.7
% Ch, Annual Rate	10.9	5.6	2.8	0.7	4.0	5.2	4.8	5.0
Less: Contribution For Govt. Soc. Ins.	1,607.1	1,622.6	1,638.8	1,655.1	1,679.3	1,696.5	1,713.2	1,730.3
% Ch, Annual Rate	5.3	3.9	4.0	4.1	6.0	4.2	4.0	4.1
Dividends/Int./Rent	3,895.6	3,936.3	3,970.6	4,004.3	4,034.6	4,068.0	4,104.4	4,143.2
% Ch, Annual Rate	4.4	4.2	3.5	3.4	3.1	3.4	3.6	3.8
Transfer Payments	3,724.0	3,759.9	3,799.2	3,808.9	3,833.9	3,867.6	3,900.8	3,936.6
% Ch, Annual Rate	8.7	3.9	4.2	1.0	2.7	3.6	3.5	3.7

Table A3.2 (continued)

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

Forecast 2021 to 2025

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	22,588.1	22,833.9	23,076.6	23,322.4	23,596.5	23,850.7	24,108.3	24,357.2
% Ch, Annual Rate	4.9	4.4	4.3	4.3	4.8	4.4	4.4	4.2
Total Wage and Salary Disbursements	11,632.5	11,765.1	11,897.4	12,028.9	12,162.0	12,293.1	12,424.7	12,554.4
% Ch, Annual Rate	4.7	4.6	4.6	4.5	4.5	4.4	4.4	4.2
Nonwage Personal Income	10,955.5	11,068.7	11,179.2	11,293.6	11,434.5	11,557.6	11,683.6	11,802.8
% Ch, Annual Rate	5.0	4.2	4.1	4.2	5.1	4.4	4.4	4.1
Supplements to Wages and Salaries	2,573.9	2,596.1	2,618.7	2,643.1	2,673.1	2,700.6	2,729.4	2,758.7
% Ch, Annual Rate	4.2	3.5	3.5	3.8	4.6	4.2	4.3	4.4
Proprietor's Income	1,956.1	1,988.6	2,016.7	2,040.0	2,065.6	2,093.0	2,120.6	2,141.3
% Ch, Annual Rate	6.6	6.8	5.8	4.7	5.1	5.4	5.4	4.0
Farm	62.4	63.2	63.8	64.3	64.7	65.0	65.3	65.6
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	1,893.7	1,925.4	1,952.9	1,975.7	2,000.9	2,028.0	2,055.3	2,075.7
% Ch, Annual Rate	6.6	6.9	5.8	4.7	5.2	5.5	5.5	4.0
Less: Contribution For Govt. Soc. Ins.	1,755.8	1,773.3	1,790.7	1,807.9	1,833.8	1,851.1	1,868.4	1,885.3
% Ch, Annual Rate	6.0	4.0	4.0	3.9	5.9	3.8	3.8	3.7
Dividends/Int./Rent	4,178.0	4,211.8	4,245.7	4,280.5	4,314.5	4,349.5	4,386.1	4,423.0
% Ch, Annual Rate	3.4	3.3	3.2	3.3	3.2	3.3	3.4	3.4
Transfer Payments	4,003.4	4,045.5	4,088.8	4,137.9	4,215.1	4,265.6	4,315.8	4,365.1
% Ch, Annual Rate	7.0	4.3	4.3	4.9	7.7	4.9	4.8	4.6

Table A3.3

Washington Personal Income by Component (Billions of Dollars)

Forecast 2021 to 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Personal Income	468.055	493.128	525.812	557.547	566.163	592.314	621.607	652.302
% Ch	7.9	5.4	6.6	6.0	1.5	4.6	4.9	4.9
Total Wage and Salary Disbursements	237.411	254.104	262.737	284.482	302.489	317.945	334.189	350.964
% Ch	8.8	7.0	3.4	8.3	6.3	5.1	5.1	5.0
Manufacturing	22.822	23.869	22.105	21.683	22.389	23.586	24.794	25.923
% Ch	5.3	4.6	-7.4	-1.9	3.3	5.3	5.1	4.6
Durable Manufacturing	17.971	18.794	17.082	16.215	16.669	17.667	18.680	19.617
% Ch	5.2	4.6	-9.1	-5.1	2.8	6.0	5.7	5.0
Nondurable Manufacturing	4.851	5.074	5.022	5.468	5.720	5.920	6.114	6.306
% Ch	5.4	4.6	-1.0	8.9	4.6	3.5	3.3	3.2
Nonmanufacturing	207.564	222.965	233.081	254.800	271.688	285.581	300.247	315.519
% Ch	9.5	7.4	4.5	9.3	6.6	5.1	5.1	5.1
Other Private Wages	1.311	1.343	1.402	1.537	1.635	1.712	1.788	1.865
% Ch	5.7	2.5	4.4	9.6	6.4	4.7	4.5	4.3
Farm Wages	1.455	1.548	1.642	1.759	1.923	2.059	2.197	2.337
% Ch	-3.5	6.4	6.1	7.1	9.4	7.1	6.7	6.4
Military Wages	4.259	4.379	4.507	4.703	4.854	5.006	5.162	5.320
% Ch	1.8	2.8	2.9	4.3	3.2	3.1	3.1	3.1
Nonwage Personal Income	230.644	239.024	263.075	273.065	263.674	274.370	287.418	301.338
% Ch	7.0	3.6	10.1	3.8	-3.4	4.1	4.8	4.8
Supplements to Wages and Salaries	53.261	56.367	57.262	60.652	64.320	67.702	70.664	73.909
% Ch	8.5	5.8	1.6	5.9	6.0	5.3	4.4	4.6
Proprietor's Income	36.464	38.357	39.176	41.794	41.866	43.253	45.672	48.011
% Ch	5.0	5.2	2.1	6.7	0.2	3.3	5.6	5.1
Farm	1.591	1.798	2.431	2.094	1.510	1.485	1.538	1.568
% Ch	...	...	...	...	...	...	...	...
Nonfarm	34.873	36.558	36.745	39.700	40.356	41.767	44.134	46.443
% Ch	6.5	4.8	0.5	8.0	1.7	3.5	5.7	5.2
Less: Contribution For Govt. Soc. Ins.	38.315	40.387	41.856	44.932	47.092	49.240	51.546	53.925
% Ch	6.2	5.4	3.6	7.3	4.8	4.6	4.7	4.6
Plus: Residence Adjustment	4.579	4.668	4.592	4.923	5.249	5.554	5.863	6.171
% Ch	6.8	1.9	-1.6	7.2	6.6	5.8	5.6	5.3
Dividends/Int./Rent	109.949	111.772	110.690	112.779	118.702	123.489	128.545	133.558
% Ch	7.9	1.7	-1.0	1.9	5.3	4.0	4.1	3.9
Transfer Payments	64.707	68.247	93.211	97.849	80.631	83.612	88.220	93.614
% Ch	4.9	5.5	36.6	5.0	-17.6	3.7	5.5	6.1
State U.I. Benefits	1.005	1.059	14.030	7.974	1.082	1.123	1.203	1.277
% Ch	-1.2	5.3	1,225.0	-43.2	-86.4	3.8	7.1	6.1
Other Transfers	63.701	67.189	79.181	89.875	79.549	82.489	87.017	92.337
% Ch	5.0	5.5	17.8	13.5	-11.5	3.7	5.5	6.1

Table A3.4

Washington Personal Income by Component (Billions of Dollars)

Forecast 2021 to 2025

	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
Personal Income	506.543	543.649	528.029	525.026	577.863	555.267	549.884	547.174
% Ch, Annual Rate	5.0	32.7	-11.0	-2.3	46.7	-14.7	-3.8	-2.0
Total Wage and Salary Disbursements	262.826	250.905	264.344	272.872	272.950	283.187	289.121	292.669
% Ch, Annual Rate	6.2	-16.9	23.2	13.5	0.1	15.9	8.6	5.0
Manufacturing	22.094	22.514	21.734	22.076	20.822	22.085	22.069	21.758
% Ch, Annual Rate	-20.1	7.8	-13.2	6.5	-20.9	26.6	-0.3	-5.5
Durable Manufacturing	16.989	17.681	16.777	16.881	15.494	16.689	16.516	16.162
% Ch, Annual Rate	-25.0	17.3	-18.9	2.5	-29.0	34.6	-4.1	-8.3
Nondurable Manufacturing	5.105	4.833	4.957	5.195	5.329	5.396	5.552	5.596
% Ch, Annual Rate	-0.6	-19.7	10.7	20.7	10.7	5.2	12.1	3.1
Nonmanufacturing	233.287	220.918	235.039	243.078	244.346	253.139	258.966	262.749
% Ch, Annual Rate	9.4	-19.6	28.1	14.4	2.1	15.2	9.5	6.0
Other Private Wages	1.393	1.354	1.381	1.481	1.472	1.530	1.563	1.582
% Ch, Annual Rate	-5.2	-10.6	8.3	32.1	-2.4	16.8	8.9	4.9
Farm Wages	1.626	1.637	1.640	1.664	1.656	1.746	1.800	1.833
% Ch, Annual Rate	10.6	2.8	0.8	5.9	-2.1	23.8	12.8	7.5
Military Wages	4.426	4.481	4.549	4.572	4.654	4.687	4.724	4.747
% Ch, Annual Rate	1.8	5.1	6.2	2.0	7.4	2.9	3.1	2.0
Nonwage Personal Income	243.717	292.744	263.686	252.155	304.913	272.080	260.762	254.505
% Ch, Annual Rate	3.8	108.2	-34.2	-16.4	113.8	-36.6	-15.6	-9.3
Supplements to Wages and Salaries	57.469	55.377	57.932	58.269	59.367	60.302	61.021	61.919
% Ch, Annual Rate	2.2	-13.8	19.8	2.3	7.8	6.4	4.8	6.0
Proprietor's Income	39.591	34.904	41.421	40.788	40.420	44.595	41.746	40.414
% Ch, Annual Rate	3.8	-39.6	98.3	-6.0	-3.6	48.2	-23.2	-12.2
Farm	1.893	2.213	2.575	3.043	2.309	2.444	1.923	1.699
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	37.698	32.691	38.846	37.745	38.111	42.151	39.823	38.715
% Ch, Annual Rate	3.6	-43.5	99.4	-10.9	3.9	49.6	-20.3	-10.7
Less: Contribution For Govt. Soc. Ins.	41.618	40.499	42.554	42.751	43.866	44.912	45.284	45.667
% Ch, Annual Rate	6.3	-10.3	21.9	1.9	10.8	9.9	3.4	3.4
Plus: Residence Adjustment	4.795	4.454	4.502	4.618	4.739	4.875	5.005	5.072
% Ch, Annual Rate	2.5	-25.5	4.4	10.6	10.9	12.0	11.0	5.5
Dividends/Int./Rent	113.084	110.350	108.752	110.576	110.679	111.887	113.146	115.405
% Ch, Annual Rate	2.0	-9.3	-5.7	6.9	0.4	4.4	4.6	8.2
Transfer Payments	70.396	128.158	93.633	80.656	133.573	95.332	85.129	77.362
% Ch, Annual Rate	9.7	998.5	-71.5	-44.9	652.2	-74.1	-36.4	-31.8
State U.I. Benefits	1.612	28.804	18.052	7.651	11.990	11.358	7.313	1.236
% Ch, Annual Rate	502.2	#####	-84.6	-96.8	503.2	-19.5	-82.8	-99.9
Other Transfers	68.784	99.354	75.581	73.005	121.583	83.973	77.816	76.126
% Ch, Annual Rate	6.2	335.3	-66.5	-13.0	669.3	-77.2	-26.3	-8.4

Table A3.4 (continued)

Washington Personal Income by Component (Billions of Dollars)

Forecast 2021 to 2025

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Personal Income	555.871	563.051	569.847	575.882	581.809	588.807	595.657	602.984
% Ch, Annual Rate	6.5	5.3	4.9	4.3	4.2	4.9	4.7	5.0
Total Wage and Salary Disbursements	296.684	300.500	304.344	308.427	311.934	315.952	319.818	324.074
% Ch, Annual Rate	5.6	5.2	5.2	5.5	4.6	5.3	5.0	5.4
Manufacturing	22.012	22.281	22.478	22.786	23.083	23.441	23.757	24.065
% Ch, Annual Rate	4.8	5.0	3.6	5.6	5.3	6.3	5.5	5.3
Durable Manufacturing	16.369	16.578	16.739	16.992	17.241	17.541	17.806	18.079
% Ch, Annual Rate	5.2	5.2	3.9	6.2	6.0	7.1	6.2	6.3
Nondurable Manufacturing	5.643	5.703	5.739	5.794	5.841	5.900	5.951	5.986
% Ch, Annual Rate	3.4	4.3	2.5	3.9	3.3	4.1	3.5	2.4
Nonmanufacturing	266.395	269.851	273.406	277.099	280.206	283.777	287.238	291.104
% Ch, Annual Rate	5.7	5.3	5.4	5.5	4.6	5.2	5.0	5.5
Other Private Wages	1.604	1.625	1.645	1.666	1.682	1.702	1.721	1.741
% Ch, Annual Rate	5.7	5.2	5.0	5.2	4.1	4.7	4.4	4.9
Farm Wages	1.870	1.905	1.940	1.977	2.007	2.042	2.075	2.112
% Ch, Annual Rate	8.4	7.8	7.6	7.7	6.3	7.1	6.6	7.2
Military Wages	4.804	4.837	4.874	4.899	4.955	4.990	5.028	5.052
% Ch, Annual Rate	4.8	2.8	3.1	2.0	4.7	2.8	3.1	2.0
Nonwage Personal Income	259.187	262.552	265.504	267.455	269.876	272.854	275.838	278.910
% Ch, Annual Rate	7.6	5.3	4.6	3.0	3.7	4.5	4.4	4.5
Supplements to Wages and Salaries	62.963	63.890	64.777	65.650	66.534	67.344	68.092	68.839
% Ch, Annual Rate	6.9	6.0	5.7	5.5	5.5	5.0	4.5	4.5
Proprietor's Income	41.370	41.857	42.091	42.145	42.504	43.008	43.484	44.015
% Ch, Annual Rate	9.8	4.8	2.3	0.5	3.4	4.8	4.5	5.0
Farm	1.581	1.517	1.478	1.462	1.471	1.477	1.490	1.505
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	39.789	40.340	40.612	40.683	41.033	41.531	41.994	42.511
% Ch, Annual Rate	11.6	5.7	2.7	0.7	3.5	4.9	4.5	5.0
Less: Contribution For Govt. Soc. Ins.	46.379	46.844	47.318	47.828	48.481	48.989	49.473	50.017
% Ch, Annual Rate	6.4	4.1	4.1	4.4	5.6	4.3	4.0	4.5
Plus: Residence Adjustment	5.137	5.210	5.286	5.362	5.438	5.516	5.592	5.669
% Ch, Annual Rate	5.2	5.9	5.9	5.9	5.8	5.9	5.6	5.6
Dividends/Int./Rent	116.787	118.151	119.342	120.526	121.615	122.803	124.086	125.453
% Ch, Annual Rate	4.9	4.8	4.1	4.0	3.7	4.0	4.2	4.5
Transfer Payments	79.309	80.288	81.326	81.600	82.267	83.172	84.058	84.950
% Ch, Annual Rate	10.5	5.0	5.3	1.4	3.3	4.5	4.3	4.3
State U.I. Benefits	1.131	1.070	1.068	1.060	1.089	1.113	1.142	1.149
% Ch, Annual Rate	-30.0	-19.9	-0.7	-2.7	11.2	9.0	10.9	2.6
Other Transfers	78.179	79.219	80.258	80.540	81.178	82.060	82.916	83.801
% Ch, Annual Rate	11.2	5.4	5.4	1.4	3.2	4.4	4.2	4.3

Table A3.4 (continued)

Washington Personal Income by Component (Billions of Dollars)

Forecast 2021 to 2025

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	610.724	617.882	625.199	632.621	640.719	648.392	656.214	663.885
% Ch, Annual Rate	5.2	4.8	4.8	4.8	5.2	4.9	4.9	4.8
Total Wage and Salary Disbursements	328.118	332.058	336.206	340.373	344.606	348.816	353.087	357.350
% Ch, Annual Rate	5.1	4.9	5.1	5.1	5.1	5.0	5.0	4.9
Manufacturing	24.369	24.637	24.940	25.230	25.505	25.778	26.061	26.349
% Ch, Annual Rate	5.1	4.5	5.0	4.7	4.4	4.4	4.5	4.5
Durable Manufacturing	18.329	18.551	18.800	19.042	19.271	19.497	19.732	19.968
% Ch, Annual Rate	5.7	4.9	5.5	5.2	4.9	4.8	4.9	4.9
Nondurable Manufacturing	6.040	6.086	6.140	6.189	6.234	6.281	6.330	6.381
% Ch, Annual Rate	3.6	3.1	3.6	3.2	2.9	3.1	3.1	3.3
Nonmanufacturing	294.733	298.318	302.071	305.868	309.713	313.561	317.454	321.349
% Ch, Annual Rate	5.1	5.0	5.1	5.1	5.1	5.1	5.1	5.0
Other Private Wages	1.760	1.779	1.798	1.817	1.836	1.855	1.875	1.894
% Ch, Annual Rate	4.5	4.2	4.4	4.3	4.3	4.2	4.2	4.1
Farm Wages	2.146	2.179	2.214	2.249	2.284	2.319	2.355	2.390
% Ch, Annual Rate	6.7	6.4	6.6	6.4	6.4	6.3	6.2	6.1
Military Wages	5.110	5.145	5.183	5.209	5.267	5.303	5.342	5.368
% Ch, Annual Rate	4.6	2.8	3.0	2.0	4.5	2.8	3.0	2.0
Nonwage Personal Income	282.607	285.824	288.992	292.248	296.113	299.576	303.128	306.535
% Ch, Annual Rate	5.4	4.6	4.5	4.6	5.4	4.8	4.8	4.6
Supplements to Wages and Salaries	69.642	70.295	70.988	71.729	72.642	73.464	74.325	75.204
% Ch, Annual Rate	4.7	3.8	4.0	4.2	5.2	4.6	4.8	4.8
Proprietor's Income	44.699	45.407	46.033	46.550	47.123	47.738	48.359	48.827
% Ch, Annual Rate	6.4	6.5	5.6	4.6	5.0	5.3	5.3	3.9
Farm	1.521	1.534	1.545	1.554	1.560	1.566	1.571	1.575
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	43.179	43.873	44.487	44.996	45.563	46.172	46.788	47.251
% Ch, Annual Rate	6.4	6.6	5.7	4.7	5.1	5.5	5.4	4.0
Less: Contribution For Govt. Soc. Ins.	50.773	51.275	51.805	52.333	53.120	53.654	54.196	54.732
% Ch, Annual Rate	6.2	4.0	4.2	4.1	6.2	4.1	4.1	4.0
Plus: Residence Adjustment	5.747	5.824	5.902	5.979	6.056	6.133	6.210	6.286
% Ch, Annual Rate	5.6	5.5	5.4	5.3	5.3	5.2	5.1	5.0
Dividends/Int./Rent	126.702	127.926	129.150	130.402	131.629	132.887	134.197	135.519
% Ch, Annual Rate	4.0	3.9	3.9	3.9	3.8	3.9	4.0	4.0
Transfer Payments	86.589	87.647	88.725	89.921	91.783	93.009	94.232	95.431
% Ch, Annual Rate	7.9	5.0	5.0	5.5	8.5	5.5	5.4	5.2
State U.I. Benefits	1.170	1.197	1.214	1.233	1.252	1.270	1.286	1.298
% Ch, Annual Rate	7.3	9.5	5.9	6.3	6.4	5.9	5.0	4.0
Other Transfers	85.419	86.450	87.511	88.688	90.531	91.739	92.946	94.132
% Ch, Annual Rate	8.0	4.9	5.0	5.5	8.6	5.4	5.4	5.2

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

	PCE Price Index*		U.S. CPI#		Seattle CPI+	
	Index	Percent Change	Index	Percent Change	Index	Percent Change
1971	21.8	4.2	0.405	4.2	0.382	2.1
1972	22.6	3.4	0.418	3.3	0.393	2.9
1973	23.8	5.4	0.444	6.3	0.418	6.4
1974	26.3	10.4	0.493	11.0	0.464	11.0
1975	28.5	8.3	0.538	9.1	0.511	10.2
1976	30.0	5.5	0.569	5.8	0.540	5.5
1977	32.0	6.5	0.606	6.5	0.583	8.0
1978	34.2	7.0	0.652	7.6	0.640	9.9
1979	37.3	8.9	0.726	11.3	0.709	10.8
1980	41.3	10.8	0.824	13.5	0.827	16.7
1981	45.0	9.0	0.909	10.4	0.916	10.8
1982	47.5	5.6	0.965	6.2	0.978	6.7
1983	49.5	4.3	0.996	3.2	0.993	1.5
1984	51.3	3.8	1.039	4.4	1.030	3.8
1985	53.1	3.5	1.076	3.5	1.056	2.5
1986	54.3	2.2	1.097	1.9	1.066	1.0
1987	56.0	3.1	1.136	3.6	1.092	2.4
1988	58.2	3.9	1.183	4.1	1.128	3.3
1989	60.7	4.4	1.239	4.8	1.181	4.7
1990	63.4	4.4	1.307	5.4	1.268	7.3
1991	65.5	3.3	1.362	4.2	1.341	5.8
1992	67.2	2.7	1.403	3.0	1.390	3.7
1993	68.9	2.5	1.445	3.0	1.429	2.8
1994	70.3	2.1	1.482	2.6	1.478	3.4
1995	71.8	2.1	1.524	2.8	1.522	3.0
1996	73.3	2.1	1.569	2.9	1.575	3.4
1997	74.6	1.7	1.605	2.3	1.630	3.5
1998	75.2	0.8	1.630	1.5	1.677	2.9
1999	76.3	1.5	1.666	2.2	1.728	3.0
2000	78.2	2.5	1.722	3.4	1.792	3.7
2001	79.7	1.9	1.770	2.8	1.857	3.6
2002	80.8	1.3	1.799	1.6	1.893	2.0
2003	82.4	1.9	1.840	2.3	1.924	1.6
2004	84.4	2.5	1.889	2.7	1.947	1.2
2005	86.8	2.8	1.953	3.4	2.002	2.8
2006	89.2	2.7	2.016	3.2	2.076	3.7
2007	91.4	2.5	2.073	2.9	2.157	3.9
2008	94.2	3.0	2.153	3.8	2.247	4.2
2009	94.1	-0.1	2.146	-0.3	2.260	0.6
2010	95.7	1.7	2.181	1.6	2.267	0.3
2011	98.1	2.5	2.249	3.1	2.328	2.7
2012	100.0	1.9	2.296	2.1	2.387	2.5
2013	101.3	1.3	2.330	1.5	2.416	1.2
2014	102.8	1.5	2.367	1.6	2.460	1.8
2015	103.0	0.2	2.370	0.1	2.494	1.4
2016	104.1	1.0	2.400	1.3	2.550	2.3
2017	106.0	1.8	2.451	2.1	2.627	3.0
2018	108.2	2.1	2.511	2.4	2.711	3.2
2019	109.9	1.5	2.557	1.8	2.779	2.5
2020	111.1	1.2	2.588	1.2	2.826	1.7
Forecast						
2021	114.4	2.9	2.676	3.4	2.910	3.0
2022	116.9	2.2	2.733	2.1	2.971	2.1
2023	119.1	1.9	2.785	1.9	3.027	1.9
2024	121.4	1.9	2.840	2.0	3.087	2.0
2025	123.7	1.9	2.896	2.0	3.148	2.0

* GDP Price Index for Personal Consumption Expenditures

Consumer Price Index for all Urban Consumers

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

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

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

	Services		Food		Fuels		Gasoline	
	Index	Percent Change	Index	Percent Change	Index	Percent Change	Index	Percent Change
1971	16.8	5.5	21.4	2.3	4.9	6.4	9.1	0.7
1972	17.5	4.2	22.4	4.8	5.0	0.6	9.2	1.3
1973	18.3	4.8	25.2	12.7	5.7	14.6	10.1	9.6
1974	19.9	8.5	29.0	15.2	9.0	58.9	13.6	35.1
1975	21.6	8.6	31.2	7.5	9.8	8.5	14.6	6.7
1976	23.1	6.9	31.8	1.9	10.5	7.3	15.2	4.2
1977	24.8	7.6	33.7	5.9	11.9	13.2	16.1	5.8
1978	26.8	7.7	36.9	9.6	12.6	5.7	16.8	4.3
1979	29.0	8.4	40.5	9.8	17.3	37.9	22.5	34.0
1980	32.0	10.4	43.9	8.4	24.3	40.4	31.2	38.8
1981	35.3	10.2	47.1	7.1	29.8	22.3	34.7	11.3
1982	38.1	7.8	48.3	2.6	29.2	-1.9	32.9	-5.1
1983	40.4	6.1	48.8	1.1	26.9	-7.8	31.9	-3.3
1984	42.5	5.2	50.3	3.0	27.5	2.2	31.4	-1.5
1985	44.6	4.9	50.9	1.1	26.4	-3.9	31.6	0.8
1986	46.4	4.1	52.1	2.4	20.7	-21.7	24.8	-21.5
1987	47.8	3.0	53.7	3.2	21.2	2.6	25.8	3.8
1988	50.1	4.8	55.3	3.0	21.2	0.0	26.0	0.8
1989	52.4	4.7	58.2	5.3	22.5	5.9	28.4	9.2
1990	54.8	4.6	61.1	4.9	27.1	20.4	32.3	13.8
1991	57.0	3.9	63.0	3.1	25.8	-4.8	31.9	-1.3
1992	59.0	3.6	63.5	0.8	24.7	-4.1	31.8	-0.4
1993	61.1	3.5	64.3	1.4	24.6	-0.7	31.5	-1.0
1994	62.7	2.7	65.4	1.7	24.1	-1.8	31.6	0.5
1995	64.5	2.8	66.8	2.2	23.9	-0.9	32.1	1.6
1996	66.2	2.7	68.9	3.1	27.1	13.3	34.1	6.1
1997	68.1	2.8	70.2	1.9	27.1	0.2	34.1	0.0
1998	69.5	2.1	71.1	1.3	24.0	-11.4	29.7	-12.9
1999	71.0	2.0	72.2	1.6	24.4	1.7	32.3	8.9
2000	72.9	2.8	73.9	2.3	35.8	46.6	41.3	27.8
2001	75.2	3.1	76.1	2.9	35.1	-2.0	39.8	-3.6
2002	77.1	2.6	77.2	1.5	31.3	-10.8	37.4	-6.0
2003	79.5	3.1	78.7	1.9	37.9	20.9	43.6	16.5
2004	82.0	3.1	81.2	3.1	44.1	16.4	51.3	17.6
2005	84.7	3.3	82.6	1.7	58.7	33.0	62.3	21.6
2006	87.6	3.5	84.0	1.7	66.7	13.7	70.3	12.9
2007	90.5	3.3	87.2	3.9	71.3	6.9	76.3	8.4
2008	93.2	3.0	92.6	6.1	96.8	35.7	88.8	16.5
2009	94.2	1.1	93.7	1.2	66.2	-31.6	65.2	-26.6
2010	96.0	1.8	93.9	0.3	77.5	16.9	76.9	18.0
2011	97.8	1.9	97.7	4.0	98.6	27.3	96.6	25.7
2012	100.0	2.2	100.0	2.4	100.0	1.4	100.0	3.5
2013	102.3	2.3	101.0	1.0	98.8	-1.2	97.2	-2.8
2014	104.8	2.4	102.9	1.9	98.3	-0.5	93.5	-3.8
2015	106.7	1.8	104.1	1.1	69.9	-28.8	68.7	-26.5
2016	109.2	2.3	103.0	-1.0	58.0	-17.1	61.0	-11.2
2017	111.9	2.5	102.9	-0.1	66.8	15.3	68.9	12.8
2018	115.0	2.8	103.4	0.5	80.8	20.9	78.0	13.2
2019	117.7	2.4	104.4	1.0	77.2	-4.5	75.3	-3.4
2020	120.1	2.0	108.0	3.4	60.6	-21.4	63.9	-15.2
Forecast								
2021	123.5	2.8	109.6	1.5	71.8	18.3	80.4	25.9
2022	127.2	3.0	111.2	1.4	65.9	-8.2	77.9	-3.1
2023	130.9	3.0	112.7	1.4	64.2	-2.6	75.0	-3.7
2024	134.6	2.8	114.3	1.4	63.3	-1.4	73.3	-2.4
2025	138.3	2.7	115.8	1.3	62.9	-0.6	72.2	-1.4

Table A5.1

Washington Resident Population and Components of Change*

(Thousands)

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

* As of April 1 of Each Year

Source: Office of Financial Management

Table A5.2
Washington Population*
 (Thousands)

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

* As of April 1 of Each Year

Source: Office of Financial Management

Table A6.1

Summary of National and State Indicators

Indicator	Latest Data	Indication*
U.S. Leading Index	May 2021	+
U.S. Real GDP Growth	1st quarter 2021	+
U.S. ISM Index	June 2021	-
U.S. Employment YOY%Δ	June 2021	-
U.S. Unemployment Rate	June 2021	-
U.S. Consumer Confidence	June 2021	+
U.S. Consumer Sentiment	June 2021	+
U.S. CPI YOY%Δ	May 2021	-
U.S. Home Prices YOY%Δ	April 2021	+
S&P 500 Index	July 2021	+
WA Leading Index	May 2021	+
WA Employment YOY%Δ	May 2021	+
WA Aerospace Empl. YOY%Δ	May 2021	+
WA Unemployment Rate	May 2021	+
WA Help Wanted Index	May 2021	+
WA Business Cycle Indicator	May 2021	-
WA Initial Unemploy. Claims	May 2021	-
WA Housing Permits	May 2021	+
WA Weekly Hours in Mfg.	May 2021	-
WA New Vehicle Registration	May 2021	-
WA In-Migration	May 2021	-
WA Exports-Total YOY%Δ	1st quarter 2021	+
WA Exports- w/o Trans. Equip. YOY%Δ	1st quarter 2021	+
Seattle CPI YOY%Δ	April 2021	-
Seattle Home Prices YOY%Δ	April 2021	+
WA Construction Activity Index	May 2021	-

*Change from the previous reading

Table A6.2

Washington Business Indicators

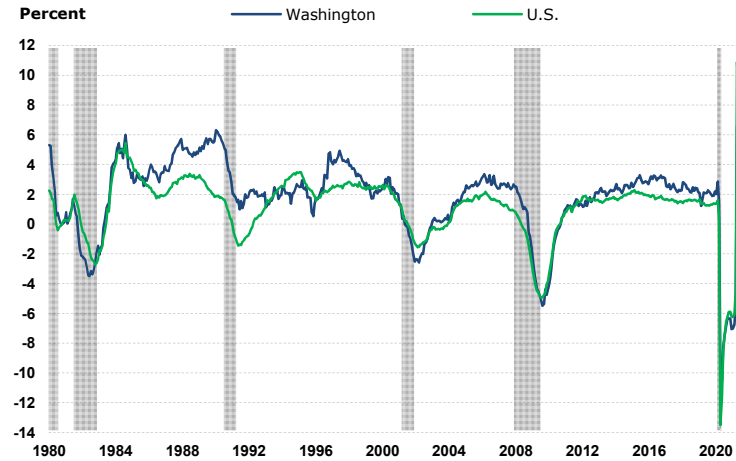
Historical Data

	WA Index of Leading Indicators	U.S. Index of Leading Indicators	WA State Business Cycle Indicator	WA State Construction Index	WA State Help Wanted Index	U.S. Purchasing Management Index
2015:01	118.0	97.4	55.0	103.8	127.6	53.5
2015:02	118.9	97.4	59.9	107.6	137.2	52.9
2015:03	118.3	97.9	59.0	103.9	138.8	51.5
2015:04	118.4	98.4	59.4	102.5	135.7	51.5
2015:05	119.1	98.8	58.7	102.8	139.0	52.8
2015:06	119.1	99.3	59.4	103.2	136.0	53.5
2015:07	119.0	99.1	61.1	103.3	141.0	52.7
2015:08	119.0	99.1	60.0	104.8	139.1	51.1
2015:09	117.9	99.0	59.2	104.5	126.6	50.2
2015:10	118.5	99.4	60.4	103.3	132.4	50.1
2015:11	118.5	99.8	60.2	103.5	134.3	48.6
2015:12	118.7	99.6	63.0	105.9	130.7	48.0
2016:01	118.5	99.3	63.4	105.9	128.7	48.2
2016:02	118.7	99.2	65.7	107.2	124.9	49.7
2016:03	119.2	99.2	62.8	106.8	128.9	51.7
2016:04	120.4	99.7	63.4	107.9	130.9	50.7
2016:05	121.1	99.5	65.5	108.2	148.2	51.0
2016:06	121.3	99.8	66.7	109.3	151.3	52.8
2016:07	121.9	100.2	67.7	108.7	156.3	52.3
2016:08	121.1	100.2	66.9	106.5	153.1	49.4
2016:09	121.8	100.4	67.5	111.1	143.4	51.7
2016:10	122.0	100.5	68.2	111.7	152.3	52.0
2016:11	121.4	100.7	69.2	111.6	148.8	53.5
2016:12	121.6	101.2	70.7	113.0	149.2	54.5
2017:01	122.1	101.8	69.0	111.0	152.5	56.0
2017:02	122.1	102.1	68.8	112.0	140.1	57.7
2017:03	122.7	102.6	70.5	111.5	143.4	57.2
2017:04	123.3	102.8	69.5	111.9	143.3	54.8
2017:05	123.8	103.2	71.2	112.8	149.2	54.9
2017:06	124.3	103.8	70.9	113.5	145.4	57.8
2017:07	124.6	104.1	71.0	113.8	139.5	56.3
2017:08	124.7	104.5	72.1	114.4	135.1	58.8
2017:09	125.0	104.5	73.3	113.7	140.4	60.8
2017:10	125.3	105.9	73.1	117.2	132.7	58.7
2017:11	125.4	106.3	75.0	116.8	134.7	58.2
2017:12	126.3	107.1	74.8	116.2	138.6	59.7
2018:01	126.7	107.8	74.4	115.8	136.8	59.1
2018:02	128.2	108.5	76.8	117.9	133.3	60.8
2018:03	128.7	108.8	77.7	119.8	137.4	59.3
2018:04	128.6	109.3	77.2	117.0	133.7	57.3
2018:05	127.6	109.4	77.8	115.6	128.0	58.7
2018:06	127.3	110.0	78.0	117.4	123.1	60.2
2018:07	127.1	110.4	77.5	115.9	124.8	58.1
2018:08	127.1	110.9	75.8	117.5	123.4	61.3
2018:09	127.7	111.5	76.4	116.5	131.5	59.8
2018:10	127.2	111.4	76.6	118.1	129.3	57.7
2018:11	126.6	111.5	75.6	118.4	117.4	59.3
2018:12	127.1	111.3	76.3	119.4	118.8	54.1
2019:01	128.1	111.3	75.9	119.0	120.5	56.6
2019:02	126.4	111.5	72.6	114.5	119.5	54.2
2019:03	129.5	111.7	76.4	119.8	125.6	55.3
2019:04	129.7	111.8	78.4	121.3	125.5	52.8
2019:05	129.4	111.8	78.0	120.2	124.0	52.1
2019:06	129.3	111.6	78.6	119.5	122.8	51.7
2019:07	130.0	112.0	78.4	121.8	123.8	51.2
2019:08	129.2	111.8	76.8	119.4	125.0	49.1
2019:09	128.4	111.6	77.3	120.6	118.9	47.8
2019:10	128.0	111.4	77.7	120.7	118.4	48.3
2019:11	128.7	111.6	77.4	123.2	119.5	48.1
2019:12	129.5	111.4	81.8	125.0	124.8	47.2
2020:01	129.6	112.0	77.8	119.7	125.3	50.9
2020:02	129.5	111.8	78.2	120.0	110.1	50.1
2020:03	118.7	103.5	71.7	120.9	88.3	49.1
2020:04	113.0	96.9	42.4	104.9	99.9	41.5
2020:05	118.3	99.8	46.6	113.9	112.7	43.1
2020:06	121.1	102.8	56.7	114.5	115.9	52.6
2020:07	123.1	104.9	62.0	117.0	109.6	54.2
2020:08	124.4	106.5	63.7	117.3	108.5	56.0
2020:09	124.2	107.5	68.6	121.0	108.7	55.4
2020:10	125.1	108.2	70.3	119.7	111.0	59.3
2020:11	126.3	109.2	71.7	120.3	111.6	57.5
2020:12	127.8	109.6	74.0	124.8	107.9	60.7
2021:01	129.3	110.1	73.7	123.9	111.0	58.7
2021:02	130.6	110.1	76.5	125.2	115.2	60.8
2021:03	130.9	111.6	76.8	125.5	116.7	64.7
2021:04	131.3	113.0	79.9	124.0	115.4	60.7
2021:05	132.0	114.5	78.4	123.3	123.9	61.2
2021:06						60.6

Figure A7.1: Washington State Economic Indicators

Year-over-Year Employment Growth

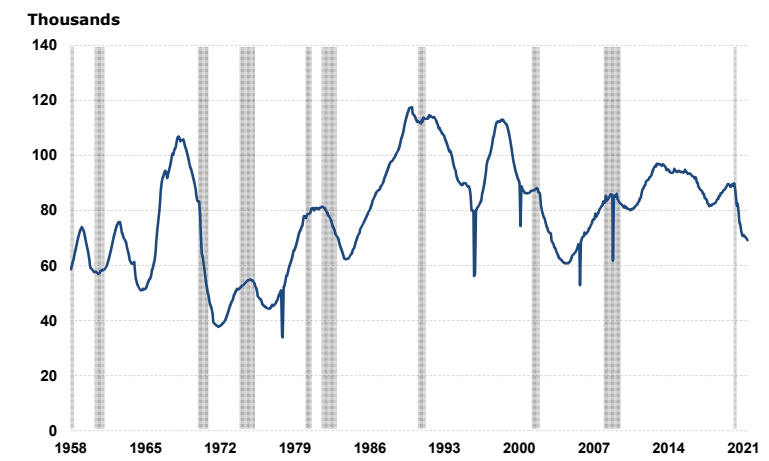
January 1980 to June 2021



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

Washington Aircraft and Parts Employment

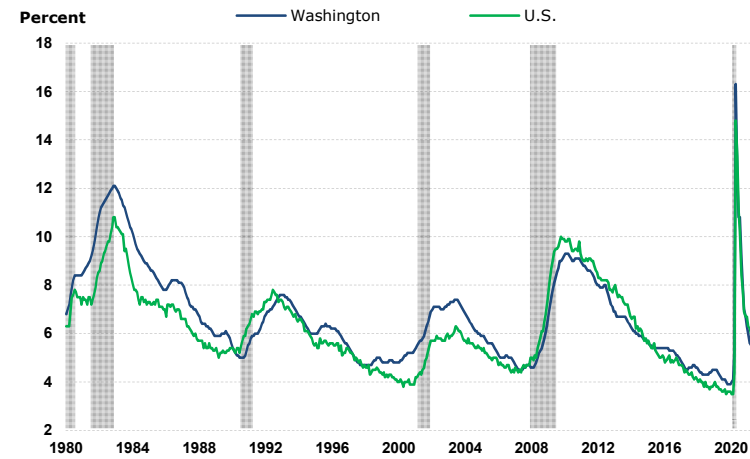
January 1958 to May 2021



* Source: Bureau of Labor Statistics, ERFC

Unemployment Rate, S.A.

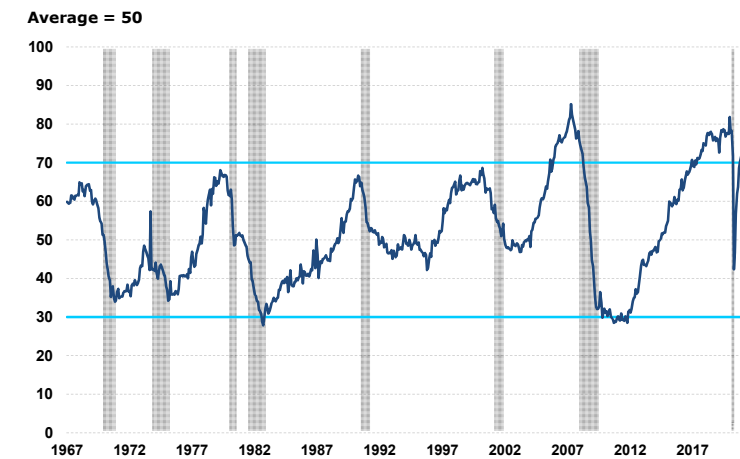
January 1980 to June 2021



* Source: Bureau of Labor Statistics

Washington Business Cycle Indicator

January 1968 to May 2021



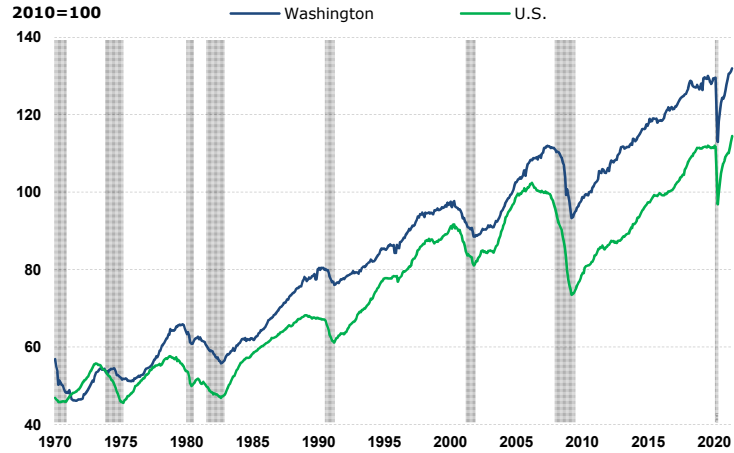
* Source: ERFC

* Shaded areas correspond with national recessions.
Appendix

Figure A7.2: Washington State Leading Indicators

The Washington and U.S. Indexes of Leading Indicators

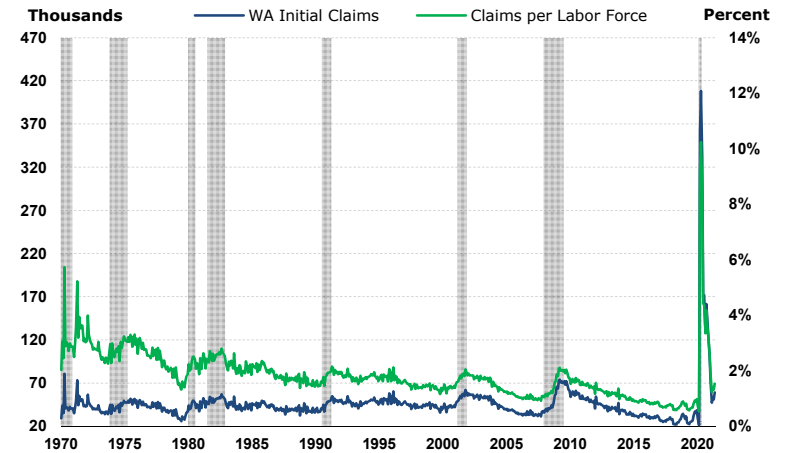
January 1970 to May 2021



* The Conference Board, ERFC

Washington Initial Claims for Unemployment Insurance

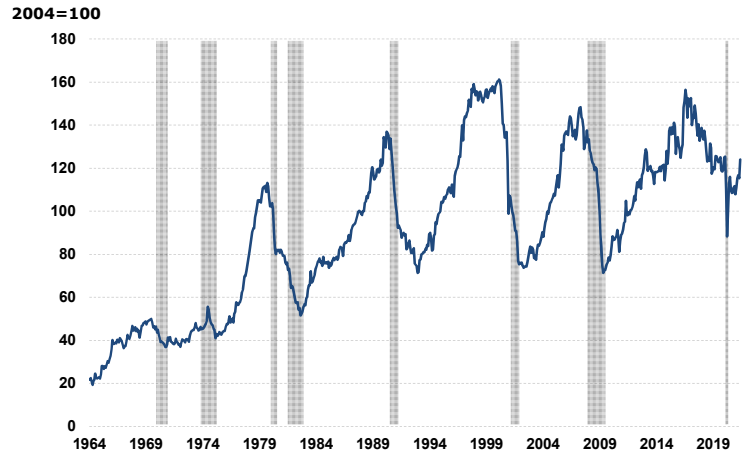
January 1970 to May 2021, S.A.



* Source: WA State Employment Security, ERFC

Washington State Help Wanted Index

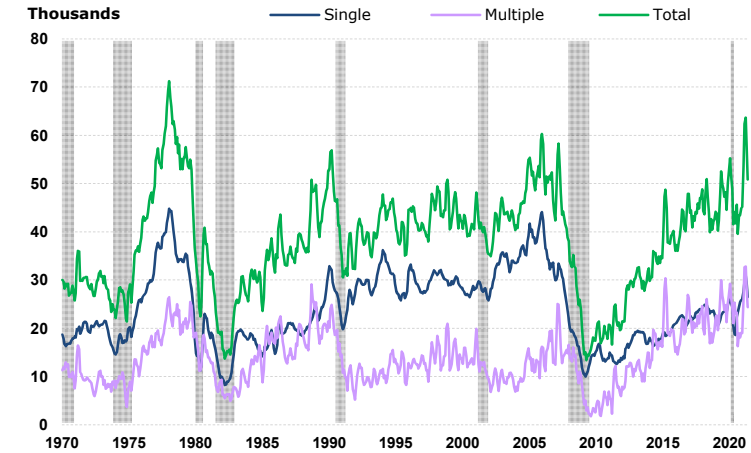
January 1964 to May 2021



* Source: The Conference Board, ERFC

Housing Units Authorized in Washington State

January 1970 to May 2021, 3mma, SAAR



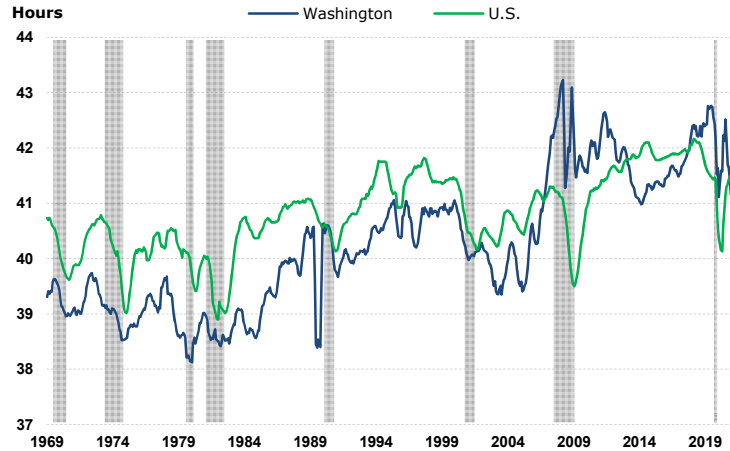
* Source: Census Bureau, ERFC

* Shaded areas correspond with national recessions.
Appendix

Figure A7.3: Other State Economic Indicators

Average Weekly Hours in Manufacturing

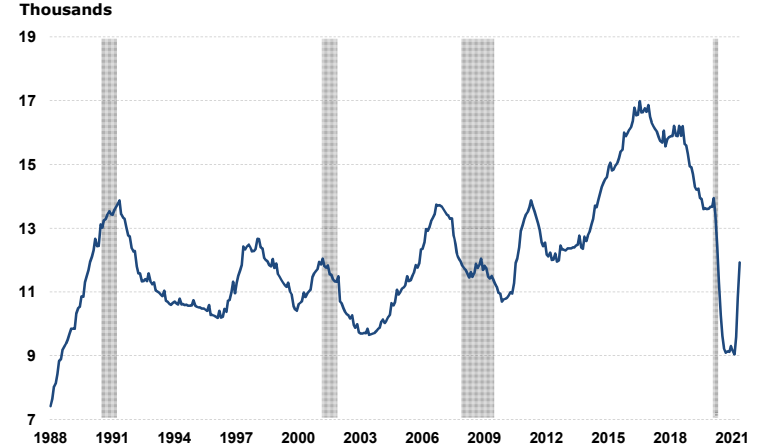
June 1969 to June 2021, 6-Mo. Moving Average, S.A.



* Bureau of Labor Statistics, ERFC

Washington Driver's License In-Migration

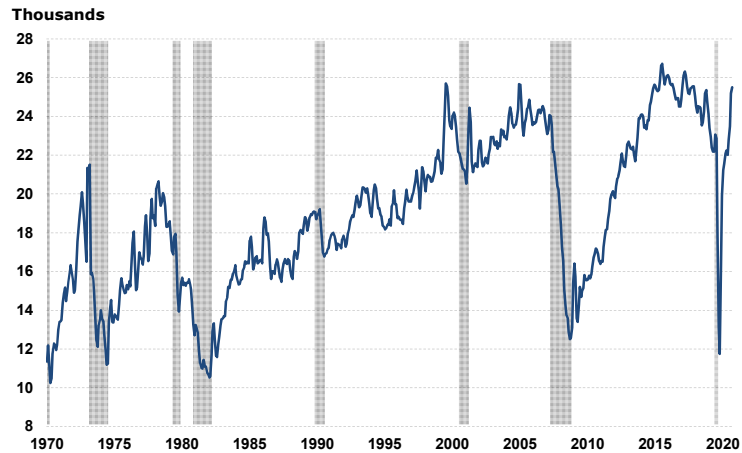
January 1988 to May 2021, 12-Month Moving Average



* Source: WA State Department of Licensing, ERFC

New Car and Truck Registrations in Washington

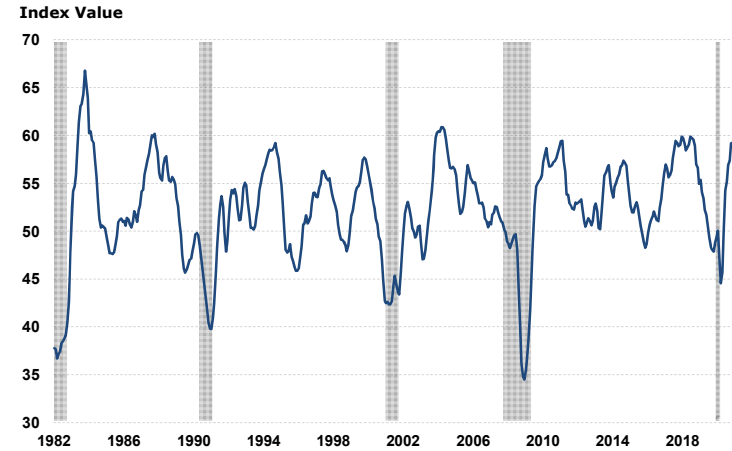
September 1970 to May 2021, 3-Month Moving Average, S.A.



* Source: WA State Department of Licensing, ERFC

U.S. Institute for Supply Management Index

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



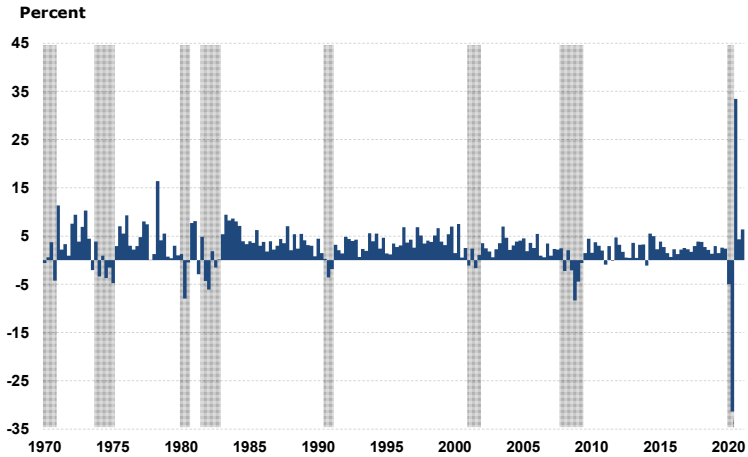
* Source: Institute for Supply Management, ISM-WW, ERFC

* Shaded areas correspond with national recessions.
Appendix

Figure A7.4: Other Economic Indicators

Quarterly U.S. Real GDP Growth

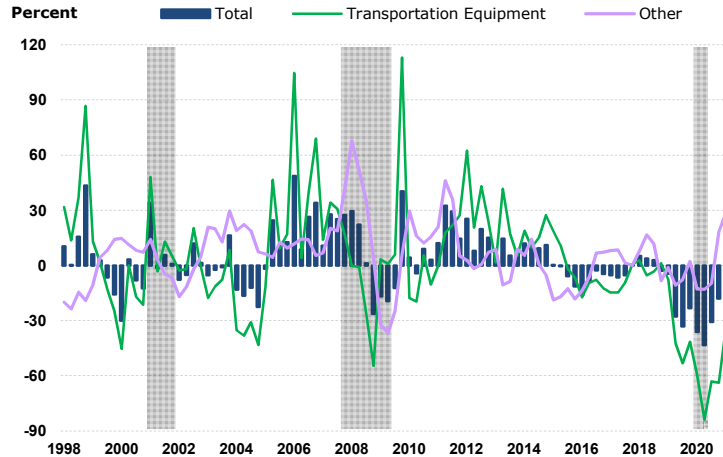
1970Q1 to 2021Q1, SAAR



* Source: Bureau of Economic Analysis

Washington State Export Composition

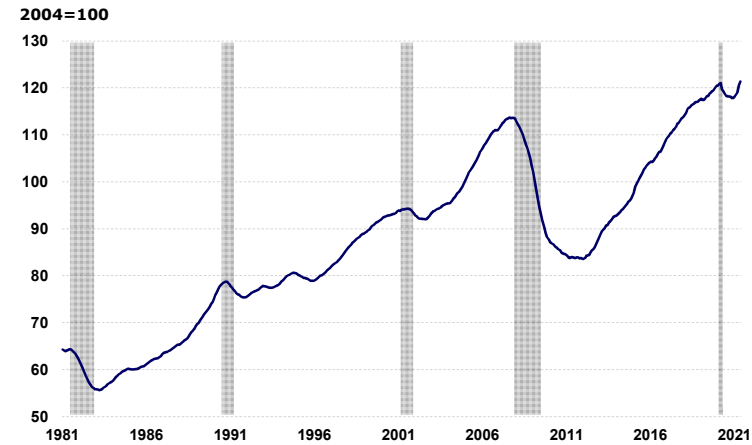
1998Q1 to 2021Q1, Year-over-year percent change



* Source: WISER

Washington State Construction Index

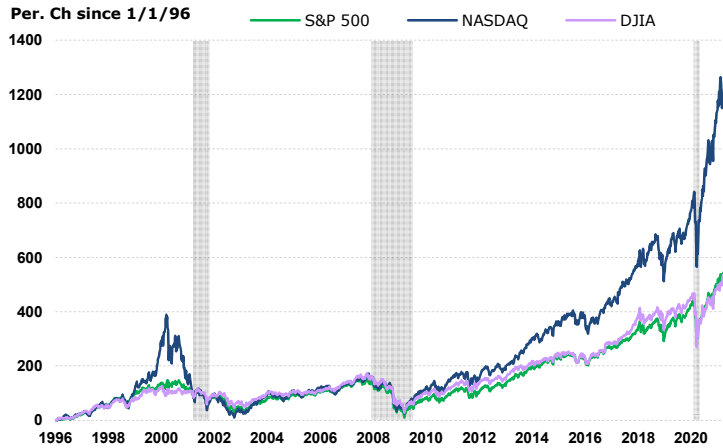
January 1981 to May 2021, 12mma



* Source: ERFC

National Stock Indexes

January 1, 1996 to July 2, 2021



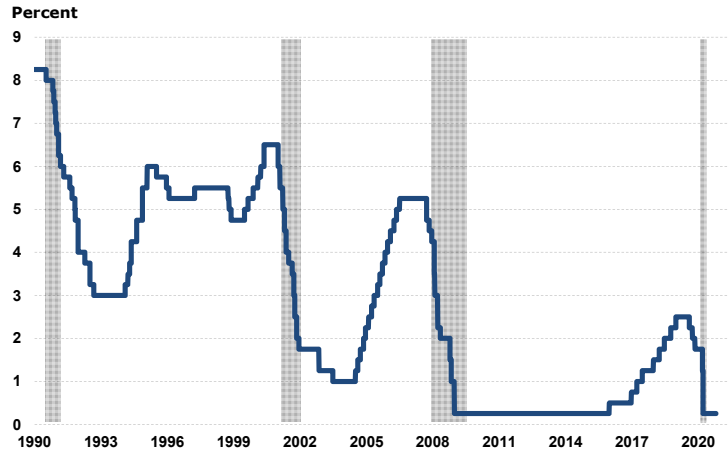
* Source: ERFC

* Shaded areas correspond with national recessions.
Appendix

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

Federal Funds Target Rate

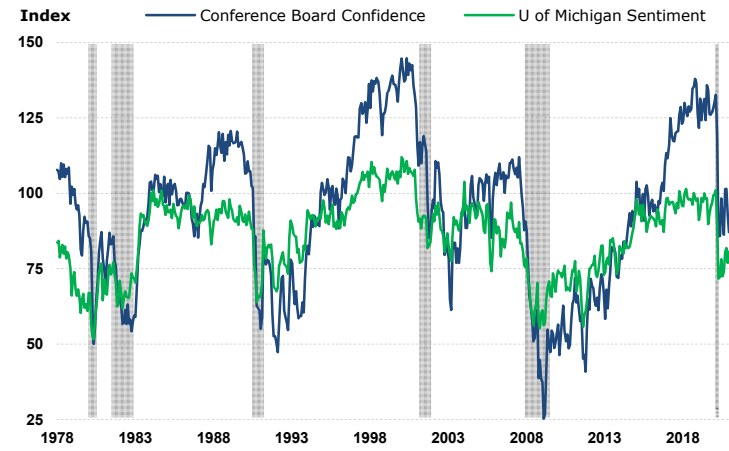
January 1, 1990 to July 2, 2021



* Federal Reserve

Consumer Confidence

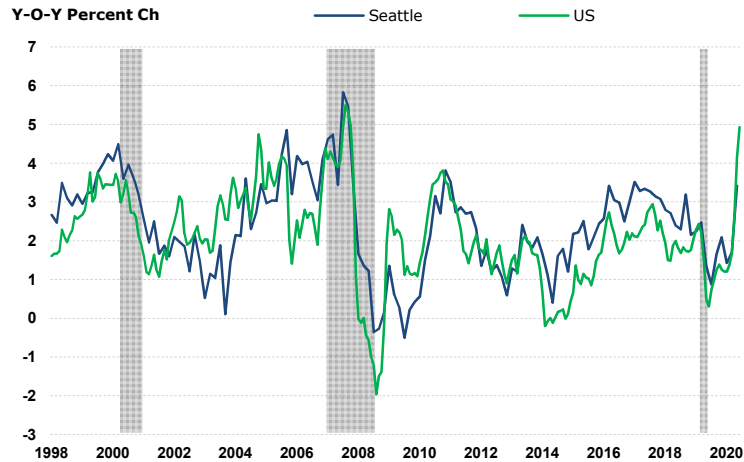
March 1978 to June 2021



* Source: The Conference Board, University of Michigan

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

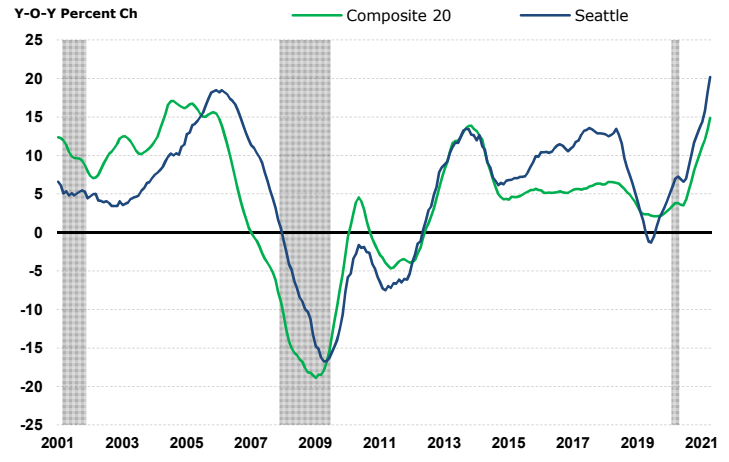
December 1998 to May 2021



* Source: Bureau of Labor Statistics

Case Shiller Home Price Index

January 2001 to April 2021, SA



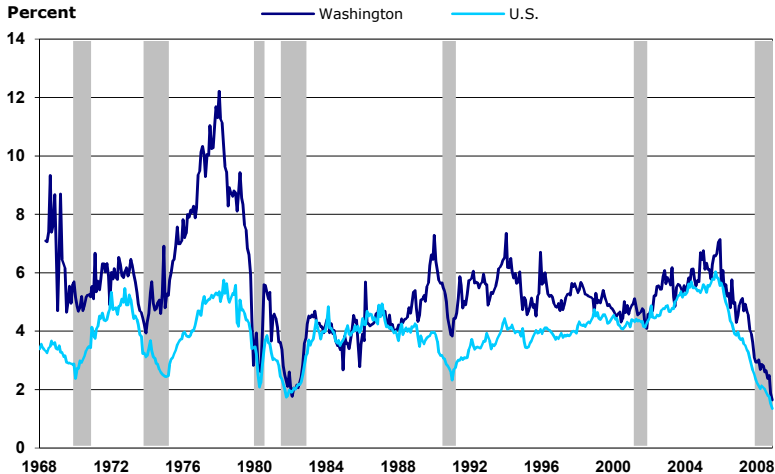
* Source: Case Shiller, ERFC

* Shaded areas correspond with national recessions.
Appendix

Other Economic Indicators

Single Family Housing Units Auth. by Building Permits

January 1968 to November 2008



* Source: Census Bureau, ERFC

* Source: Bureau of Labor Statistics

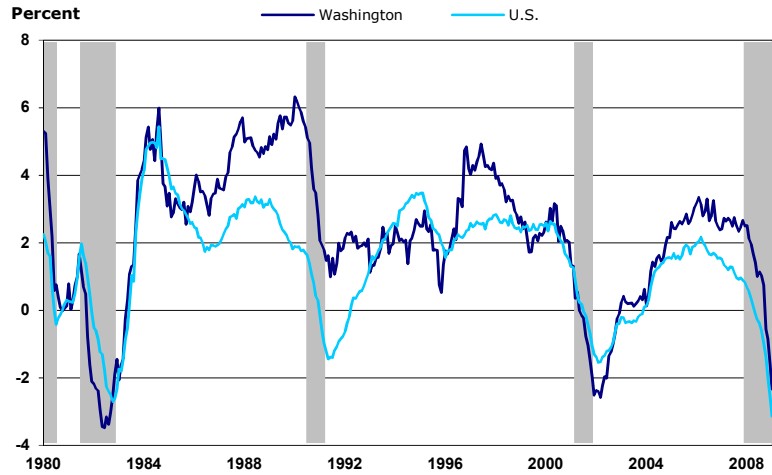
* Shaded areas correspond with national recessions.

* Source: Monster Worldwide, ERFC

Other Economic Indicators

Year-over-Year Employment Growth

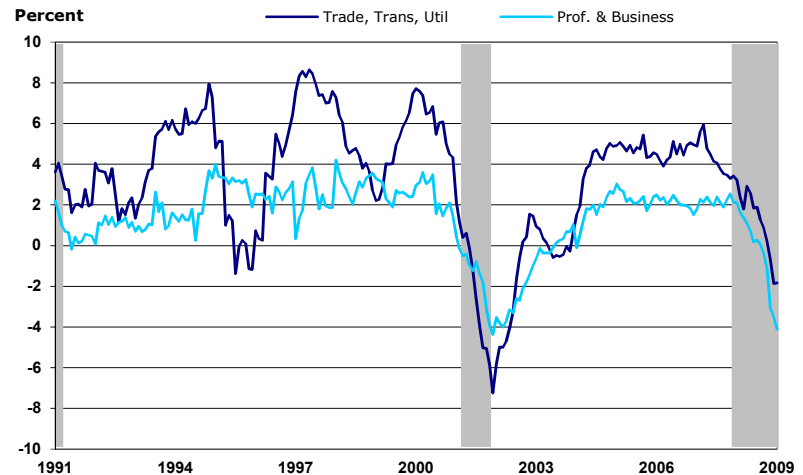
January 1980 to January 2009



Bureau of Labor Statistics, ERFC

WA Employment - Trade, Trans, Util. & Prof and Business

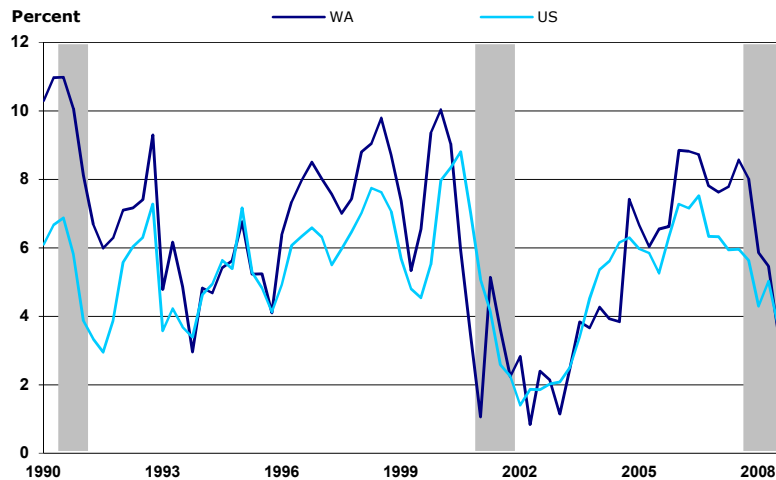
January 2001 to January 2009, YoY % Change



Source: WA State Employment Security

Year-over-Year Personal Income Growth

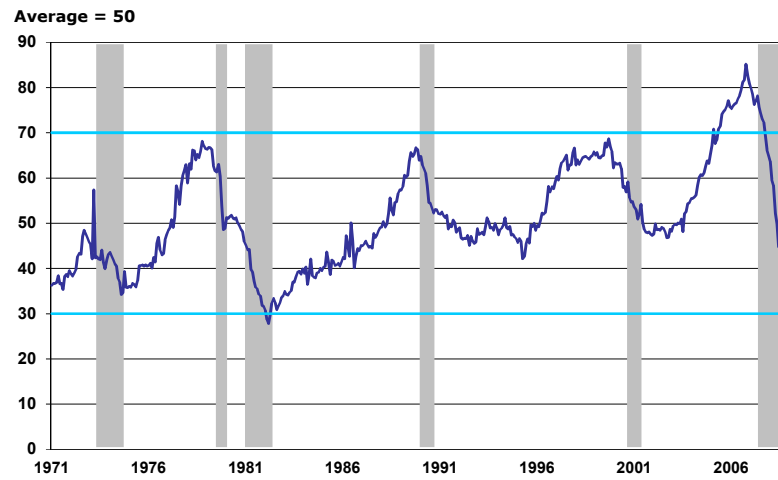
1990Q1 to 2008Q3, Change from Same Quarter Year Ago



Source: Bureau of Economic Analysis *4Q 2004 Microsoft Dividend Removed

Washington Business Cycle Indicator

July 1971 to December 2008



Source: ERFC

* Shaded areas correspond with national recessions.

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Glossary

Biennium: The state's two years budget cycle.

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

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

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

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

GAAP Basis: Generally Accepted Accounting Principles measure revenue in the period during which they accrue rather than the period in which they are received.
General Fund: Accounts for all financial resources and transactions not accounted for in another fund.

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

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

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

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

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

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

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

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

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

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

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