

The background of the cover is a photograph of the Washington State Capitol building. The building is a large, classical-style structure with a prominent central dome and a portico supported by several columns. The scene is framed by the branches of cherry blossom trees in full bloom, with white flowers and green leaves visible in the foreground and around the building. The sky is a clear, light blue.

# **Washington State Economic and Revenue Forecast**

June 2022  
Volume XLV, No. 2



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

# 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 GF-S revenue from fines and forfeitures collected by the Administrative Office of the Courts with 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 1, 2022.

# Washington State Economic and Revenue Forecast

Prepared by the  
Economic and Revenue Forecast Council

June 2022  
Volume XLV, No. 2

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## Executive Summary

- **Despite the pandemic continuing, the economy has reopened, and with the help of recent stimulus, economic growth has resumed. However, with strong demand combined with ongoing supply issues, inflation has increased and remains high.**
- **The forecast for real GDP growth in 2022 is now 2.5%, down from 3.7% in the February forecast. For 2023 and 2024, real GDP growth is 1.9% and 2.1%, down from 2.7% and 2.2% in the previous forecast. 2025-27 GDP growth is unchanged from the previous forecast.**
- **Headline inflation remains high.**
- **The Washington economy continues to recover but inflation has spiked.**
- **Washington employment surpassed its pre-recession peak for the first time in May.**
- **Seattle consumer price inflation of 9.1% outpaced the national average of 8.2% in the year ending in May 2022.**
- **The Washington forecast features higher inflation and lower real growth than in the February forecast, but housing construction is higher.**
- **Boosted by inflation, taxable economic activity has been higher than expected in the February forecast. Tracked collections have come in well above their forecasted amounts.**
- **The total forecast for funds subject to the budget outlook process was increased by \$1.46 billion in the 2021-23 biennium, \$632 million in the 2023-25 biennium and \$176 million in the 2025-27 biennium.**
- **The forecasted revenue increases would have been higher, but they were reduced by legislative and budget-driven revenue changes from the 2022 legislative session. These changes reduced expected revenue by \$95 million in the 2021-23 biennium, \$480 million in the 2023-25 biennium and \$619 million in the 2025-27 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. The Omicron variant spread rapidly and continues to evolve. While the initial surge in cases from the Omicron variant has ended, cases remain elevated compared to the past two years. Despite the pandemic continuing, the economy has reopened, and with the help of recent stimulus, economic growth has resumed.

However, with strong demand combined with ongoing supply issues, inflation has increased and remains high.

*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 2022 Control forecast for the U.S. economy. The forecast for GDP growth in 2022 is now 2.5%, down from 3.7% in the February forecast. For 2023, real GDP growth is 1.9%, down from 2.7% in the February forecast. For 2024, real GDP growth is 2.1%, down from 2.2% in the February forecast. We do not have a new long term forecast from Blue Chip since the March 2022 forecast. For 2025-27, we assume the same growth rates as in the March Blue Chip long term forecast. We expect growth rates of 2.0%, 2.0%, and 1.9% in 2025 through 2027, unchanged from the February forecast.

*Inflation is expected to be higher than in the previous forecast*

Inflation (as measured by the price index for personal consumption expenditures) is expected to be higher this year than in the February forecast. We expect inflation to be 6.1% this year, up from 4.4% in the previous forecast. Inflation has surged as demand recovered faster than could be accommodated by supplies of commodities and labor disrupted by the pandemic. The increase in inflation this year is expected to be the peak with inflation moderating throughout the forecast. Inflation is expected to decline to 3.1% in 2023. Inflation is expected to average 1.8% from 2024 through 2027. Core inflation (excluding food and energy) is expected to be 4.7% this year and then trend down to 2.0% in 2026 and 2027.

## **Washington Economic Forecast**

*The Washington economy continues to recover but inflation has spiked*

The Washington economy continues to recover but inflation has spiked. Washington employment growth during the first five months of 2022 was slightly less than expected in the February forecast. Washington employment surpassed its pre-recession peak for the first time in May. Washington's unemployment rate declined to 3.9% in May from 4.1% in April, matching the record low in the series last achieved at the business cycle peak in February 2020. Washington housing construction remained very strong in the first quarter of 2022 due to booming multi-family activity. Seattle-area home prices continue to rise rapidly. Washington exports increased 29% from the first quarter of 2021 to the first quarter of 2022. Washington personal income grew only 1.9% (SAAR) in the first quarter of 2022 compared to 4.8% for the nation. Seattle consumer price inflation of 9.1% outpaced the national average of 8.2% in the year ending in May 2022.

The Washington forecast features higher inflation and lower real growth than in the February forecast, but housing construction is higher. We expect a 4.8% increase in Washington employment this year up from the 4.2% growth rate expected in the February forecast. The increase in growth this year is due to upward revisions to historical data. We expect slower growth during the remainder of 2022 through mid-2025 as the U.S economy slows, partially offset by higher growth in the last two years of the

*The Washington forecast features higher inflation and lower real growth than in the February forecast, but housing construction is higher*

forecast. We expect employment growth to average 0.9% per year in 2023 through 2027, down from 1.2% per year in the February forecast. Our forecast for nominal personal income growth this year is 3.0%, up from 2.9% in the February forecast. However, real personal income is expected to decline 3.0% this year which is a more severe decline than the 1.4% decline expected in February. Personal income growth this year will be undermined by the withdrawal of the extraordinary stimulus of the previous two years. Our new forecast for nominal personal income growth in 2023 through 2027 averages 5.3% per year which is the same rate expected in the February forecast. We expect permits to total 52,200 units this year, up from 48,900 units in the February forecast. We expect permits to average 47,800 units in 2023 through 2027, up from 43,500 units in the February forecast. We expect headline inflation to reach 7.8% this year, up from 5.0% in the February forecast. We expect Seattle headline inflation to average 2.2% per year in 2023 through 2027 which is the same average rate as in the February forecast.

## Revenue Forecast

*The revenue forecast has been increased due to stronger-than-expected inflation and stronger projected construction activity*

Since the February forecast, taxable activity has been stronger than expected, with tracked collections coming in well above the forecast. Much of the surplus in collections was due to the unexpected increase in inflation, which provided an extra boost to the level of taxable activity as people and businesses maintained their real spending while their nominal spending increased. There was also a sizeable surplus in real estate excise tax collections, which are expected to exceed the February forecast even as the market winds down. As a result of the recent strength in collections, combined with projected increases in state construction employment and housing permits in the updated economic forecast, forecasted revenue collections have been increased. The projected increases, however, will be partially offset by legislative changes from the 2022 session which include increases in tax credits and deductions coupled with increased net transfers of funds from the state general fund to other state accounts.

*Total forecast change by biennium (millions):*

21-23: \$1,457  
23-25: \$632  
25-27: \$176

In the 2021-23 biennium, the forecasted increase in taxable activity adds \$1,551.9 million to expected revenue for the remainder of the biennium while legislative and budget-driven revenue changes subtract \$95.2 million, resulting in a total forecast increase of \$1,456.7 million. Without legislative changes, the forecast for the 2023-25 biennium would have increased by \$1,111.6 million. Legislative changes reduced the forecast by \$480.1 million, resulting in a net forecast increase of \$631.5 million. Legislative changes reduced the forecast for the 2025-27 biennium by \$618.8 million, reducing a forecast increase of \$795.1 million to a net forecast increase of \$176.3 million. The June 2022 forecast for these funds total \$63,147.4 million in the 2021-23 biennium, \$65,999.2 million in the 2023-25 biennium and \$70,201.8 million in the 2025-27 biennium.



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

- **Despite the pandemic continuing, the economy has reopened, and with the help of recent stimulus, economic growth has resumed. However, with strong demand combined with ongoing supply issues, inflation has increased and remains high.**
- **Policymakers have approved trillions of dollars of fiscal and monetary support in response to the COVID-19 pandemic.**
- **Real GDP decreased by 1.6% (SAAR) in the first quarter of 2022 after increasing 6.9% (SAAR) in the fourth quarter of 2021.**
- **Employment has increased and unemployment has trended downward and are close to pre-pandemic levels.**
- **Headline inflation remains high.**
- **The housing market has recovered as home prices surge; manufacturing growth is slowing but remains positive.**
- **Oil prices are increasing.**
- **The forecast for real GDP growth in 2022 is now 2.5%, down from 3.7% in the February forecast. For 2023 and 2024, real GDP growth is 1.9% and 2.1%, down from 2.7% and 2.2% in the previous forecast. 2025-27 GDP growth is unchanged from the previous forecast.**
- **We expect the Federal Reserve to continue to increase the federal funds rate through March 2023 with rates reaching 3.25%.**
- **Due to the high degree of uncertainty regarding the extent to which the COVID-19 pandemic will continue, and the possibility of a recession, the uncertainty in the baseline forecast is elevated.**

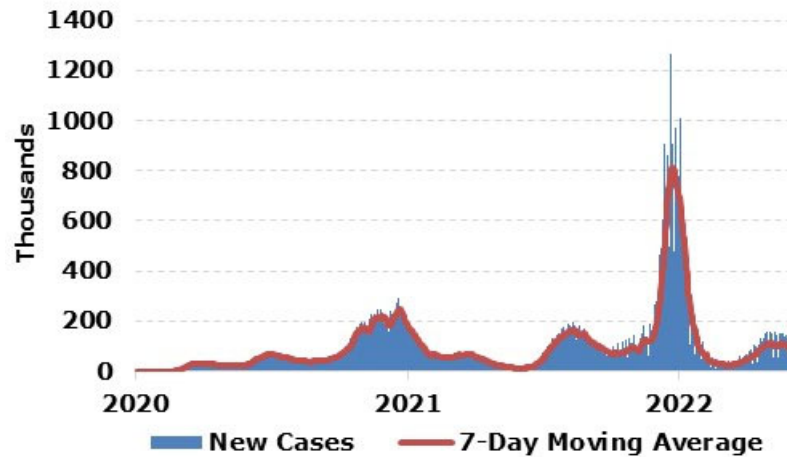
### Current Conditions

*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. The Omicron variant spread rapidly and continues to evolve. While the initial surge in cases from the Omicron variant has ended, cases remain elevated compared to the past two years (see Figure 1.1). Despite the pandemic continuing, the economy has reopened, and with the help of recent stimulus, economic growth

has resumed. However, with strong demand combined with ongoing supply issues, inflation has increased and remains high.

**Figure 1.1: New COVID-19 Cases**



Source: Source: U.S. Centers for Disease Control; data through June 28, 2022

*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 \$6.0 trillion in five major categories. Loan and grant programs (\$1.56 trillion), income support (\$908 billion), state and local government funding (\$904 billion), direct payments (\$869 billion), and health spending (\$742 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 returned 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 has since recovered and reached the pre-pandemic peak in the second quarter of 2021.

*GDP declined in the first quarter*

Real GDP decreased by 1.6% (SAAR) in the first quarter of 2022 after increasing 6.9% (SAAR) in the fourth quarter of 2021. The inventory cycle has had a large impact on overall GDP growth the past two quarters, adding 5.3 points to growth in the fourth quarter and subtracting 0.35 points from growth in the first quarter. Consumer spending growth fell to 1.8% (SAAR) in the first quarter after increasing 2.5% (SAAR) in the fourth quarter. Consumption added 1.2 points to topline GDP growth in the first quarter. Fixed investment was strong, increasing 7.4% (SAAR) in the first quarter and added 1.3 points to topline GDP growth. Investment in equipment led the way, increasing 14.1% (SAAR).

Government spending declined 2.9% (SAAR) in the first quarter with declines at the federal, state and local levels. Exports fell 4.8% (SAAR) while imports increased 18.9% (SAAR) leading to net exports subtracting 3.2 points from overall GDP growth.

*Employment remains 822,000 lower than the pre-pandemic level*

Nonfarm payroll employment has continued to grow after the unprecedented 20.7 million job decline in April 2020 due to the pandemic. Job growth remained strong in May with an increase of 390,000. It appears supply chain issues are resolving at least in terms of their impact on goods producing industries, with autos being an exception. The manufacturing sector gained 18,000 jobs in May while the construction sector added 36,000 jobs. Private services providing employment increased by 274,000. Employment increases in the service sector were led by an 84,000 job increase in leisure and hospitality as it continues to recovery from deep declines related to the shutdowns. Education and health services (+74,000) and professional business services (+75,000) both had strong employment gains in May. Retail trade employment declined by 61,000 jobs, with a large decline in general merchandise stores (-33,000). Government payrolls increased by 57,000 due to gains in state (+36,000) and local (+14,000) government education. Even with the recent job gains, total nonfarm employment remains 822,000 lower than the pre-pandemic February 2020 level.

*The unemployment rate continues to trend downward*

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 has steadily declined to 3.6% where it has remained the past three months. Prior to the pandemic, the unemployment rate was at a historic low of 3.5% in February 2020. The labor force participation rate increased to 62.3% in May, up from 61.6% a year ago but down from a pre-pandemic high of 63.4% in January 2020. Average hourly earnings are up \$1.59 from a year ago to \$31.95 while the average workweek increased 0.3 hours from last year to 34.6 hours in May.

*Consumer confidence is declining*

Consumer confidence is declining. Consumer confidence as measured by the Conference Board declined 4.5 points in June to 98.7, the lowest reading since February 2021. Consumers' assessment of present conditions fell slightly while expectations fell to their lowest level since March 2013. The University of Michigan Consumer Sentiment index shows a much worse picture of consumer attitudes. The index fell another 8.4 points in June, dropping below the prior record low set during the 1980 recession. Both present condition and expectations declined. Persistent, high inflation is weighing on consumer attitudes.

*Oil prices have risen*

Oil prices have risen sharply this year. Brent spot crude prices are now at \$120 per barrel in the fourth week of June, up from \$78 at the beginning of January. West Texas Intermediate (WTI) prices have increased to \$111 per barrel from \$76 per barrel over the same time period. OPEC+ continues to try to keep

prices elevated by keeping supplies tight. The invasion of Ukraine and subsequent sanctions against Russian oil have increased prices as well. U.S. oil production has slowly increased over the year. U.S. production increased to 11.655 million bpd in March up from 11.360 million bpd in February and 11.160 million bpd a year ago. Prior to the pandemic, U.S. production was at an all-time high at 12.866 million bpd in November 2019. The Baker Hughes rig count has been slowly increasing since reaching a trough in August 2020. As of June 24<sup>th</sup> the rig count was 753, up 283 since last year.

*Inflation remains high*

Headline inflation has remained high. With the economy reopening, supply has not been able to meet the surge in demand. Supply chain issues due to the pandemic contributed to the disconnect. Shortages of commodities have also pushed prices higher. Rents have now accelerated in lagged response to soaring home prices. Wage increases in response to higher consumer inflation has kept overall inflation more persistent. Year-over-year, the Consumer Price Index (CPI) was up 8.6% in May, the highest level of inflation in over 40 years (see Figure 1.2). Lean inventories for cars, combined with increased demand helped by recent stimulus, have pushed prices in the auto sector up significantly. New car prices are up 12.6% and used car prices are up 16.1% over the year. Other sectors affected by earlier stay-at-home orders have seen some of the largest impacts. Energy prices, particularly gasoline (+48.7%), have surged as workers have returned to the office and began commuting again. Food costs are up 10.1% over the year. Shelter cost inflation has been relatively in check, up 5.5% over the year despite the recent surge in home prices. Core consumer prices, which exclude food and energy, were up 6.0% over the year.

**Figure 1.2: Consumer Price Index**



Source: Bureau of Labor Statistics; data through May 2022

*Home price growth is strong*

Home price appreciation remains very strong. Tight supply and strong demand for housing has led to the ongoing strength. The seasonally adjusted S&P CoreLogic Case-Shiller 20-city Home Price Index increased 1.8% in April following a 2.4% gain in each of the prior two months. Home prices are now 21.2% higher than a year ago (see Figure 1.3). Lumber prices, which had been at historic highs, have come down. The random length lumber price reached an all-time high \$1,671 per 110,000 board feet in May 2021. Prices came down to \$528 in early June but have since climbed to \$637 to end the month. Homebuilder confidence has fallen in recent months. In June, confidence fell two points to 67 and is down 16 points since January. Even with the recent decline, confidence remains well above the historical average of 52. Monetary policy is now tightening which will limit how much buyers are able to afford. The rate on a 30-year mortgage increased to 5.70% as of June 30<sup>th</sup>, up from 2.98% 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 2022

*The housing market has recovered*

The housing market has recovered and is now above pre-pandemic levels. Record high home prices have incentivized the construction of new homes. However, rising interest rates, lower confidence, and declining affordability may be starting to impact new construction. Housing starts fell 14.4% in May and are down 3.5% since last year. Single-family starts in May declined 9.2% while multi-family starts fell 23.7%. The inventory of new homes has increased, up to 7.7 months' worth of supply in May compared to 5.4 a year ago. Housing permits declined 7.0% in May but remain up 0.2% since last year. Single-family permits fell 5.2% and multi-family permits declined 9.8%. New home sales increased 10.7% May to 696,000 (SAAR) but are down 6.0% since last year.

Growth in the manufacturing sector remains positive but is starting to slow. Supply chain constraints continue to impact



*The manufacturing sector remains positive*

supply while demand remains positive. The Institute for Supply Management (ISM) Report on Business index fell to 53.0 (index values below 50 indicate contraction) in June from 56.1 in May. The new orders component declined 5.9 points to 49.2 as new orders contracted after growing 24 consecutive months. Production increased to 54.9 from 54.2 the month before. The employment component fell further into negative territory, declining 2.3 points to 47.3. The latest G-17 report from the Federal Reserve indicates manufacturing output declined 0.1% in May but remains up 4.8% from a year ago. New orders for core capital goods (nondefense capital goods excluding aircraft) increased 0.5% in May and are up 10.2% from a year ago.

*U.S. exports have returned to growth*

U.S. exports are growing again as the global economy continues to recovery from pandemic related restrictions. Global containment measures to combat virus outbreaks have eased, with the exception of China. Total exports in the first quarter grew 18.1% year over year. Petroleum and coal exports have surged as demand picked up and prices rose, increasing 52.8% from a year ago. Agricultural exports were also very strong, increasing 76.3% over the year. Exports to the rest of North America have remained strong. Year-over-year growth in exports to Canada increased to 14.6% while exports to Mexico are up 18.0%. Export growth to China has slowed. First quarter exports grew 3.9% from a year ago, down from 5.4% the prior 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 2022 Control forecast for the U.S. economy. The forecast for GDP growth in 2022 is now 2.5%, down from 3.7% in the February forecast. For 2023, real GDP growth is 1.9%, down from 2.7% in the February forecast. For 2024, real GDP growth is 2.1%, down from 2.2% in the February forecast. We do not have a new long term forecast from Blue Chip since the March 2022 forecast. For 2025-27, we assume the same growth rates as in the March Blue Chip long term forecast. We expect growth rates of 2.0%, 2.0%, and 1.9% in 2025 through 2027, unchanged from the February forecast.

*Key assumptions regarding the pandemic are included in the forecast*

The forecast includes key assumptions related to the economic recovery and the pandemic. A transition from pandemic to endemic continues as infections, hospitalizations and deaths remain subdued, more people are vaccinated/boosted, therapeutics improve, the CDC relaxes guidelines for safe socializing, and behavior adjusts to risks of living with the virus present in the population.

*All stimulus measures enacted are in the forecast*

The June forecast includes all pandemic relief measures enacted to date. The forecast includes the Infrastructure Investment and Jobs Act (IIJA), the Consolidated Appropriations Act of 2022 funding federal government for this fiscal year and assumes

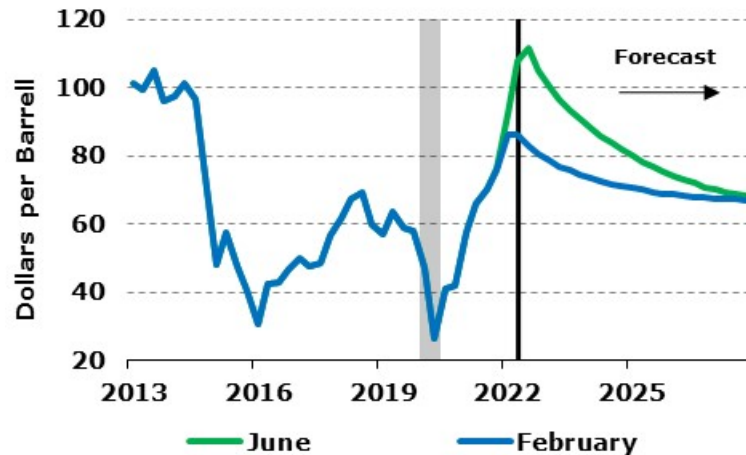
*The forecast includes the stimulus and tariffs*

*Oil prices are higher than in February*

current tax policy. The forecast includes tariffs enacted by the U.S. and China since 2017 that are still in effect.

Oil prices have increased due to production restraint by OPEC+ and continued strong demand. Sanctions following the Russian invasion of Ukraine have further limited supply. Saudi Arabia and the United Arab Emirates have been reluctant to pump more oil since they believe the market is balanced and there is no need for an increase in production. The refiner acquisition price of crude oil in 2022 is expected to average \$104 per barrel, up from \$84 in the February forecast (see Figure 1.4). The firming of prices should result in increased U.S. production, keeping prices somewhat in check even as demand continues to grow. Oil prices are expected to soften as U.S. supplies hit the market. We expect oil prices to decline to \$95 per barrel in 2023 and decline throughout the forecast reaching \$69 per barrel in 2027.

**Figure 1.4: Average Price of Crude Oil**

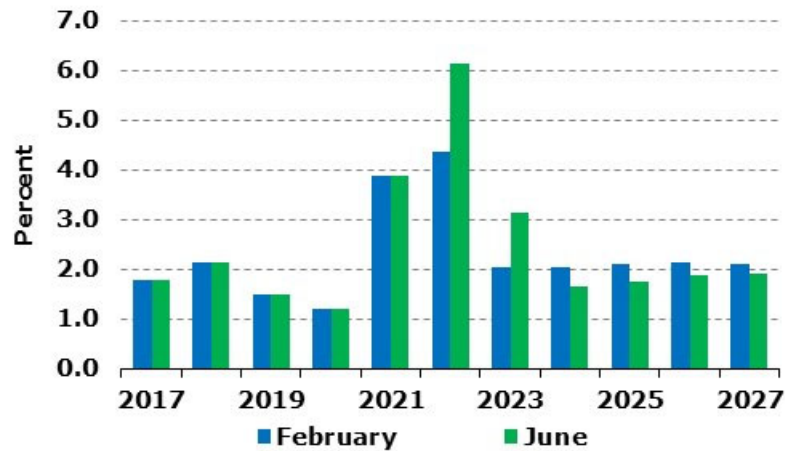


Source: EIA, June 2022 ERFC forecast; historical data through 2022 Q1

*Inflation is expected to be higher than in the previous forecast*

Inflation (as measured by the price index for personal consumption expenditures) is expected to be higher this year than in the February forecast (see Figure 1.5). We expect inflation to be 6.1% this year, up from 4.4% in the previous forecast. Inflation has surged as demand recovered faster than could be accommodated by supplies of commodities and labor disrupted by the pandemic. The increase in inflation this year is expected to be the peak with inflation moderating throughout the forecast. Inflation is expected to decline to 3.1% in 2023. Inflation is expected to average 1.8% from 2024 through 2027. Core inflation (excluding food and energy) is expected to be 4.7% this year and then trend down to 2.0% in 2026 and 2027.

**Figure 1.5: Personal Consumption Expenditure (PCE) Inflation**



Source: U.S. Bureau of Economic Analysis, June 2022 ERFC forecast; historical data through 2021

*Consumer spending growth is expected to slow*

Consumer spending growth is expected to slow this year after strong growth last year due to the reopening of the economy after various measures taken in 2020 to combat the spread of COVID-19. Fiscal stimulus measures are no longer giving a boost to consumers as they did last year. Consumers are seeing real wage declines due to high inflation this year. Going forward, continued wage growth and slowing inflation is expected to turn real income growth positive. Real consumer spending is expected to grow 3.2% this year, down from a 7.9% increase in 2021. The forecast calls for growth to average 2.1% in 2023 through 2027.

*Employment is expected to reach the pre-pandemic level this year*

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. Employment grew 2.8% in 2021 and is expected to accelerate to 4.0% growth this year. We expect average annual employment of 151.9 million jobs in 2022, surpassing the 2019 pre-pandemic annual average of 150.9 million jobs. We expect to reach the pre-pandemic quarterly peak of 151.9 million jobs in the third quarter of 2022. Job growth is expected to slow to 0.8% in 2023 and then to 0.1% in 2024 and 2025. We then expect job growth to pick up to 0.4% and 0.6% in 2026 and 2027. The forecast calls for the unemployment rate to average 3.6% this year, down from 5.4% in 2021. Going forward, the forecast calls for the unemployment rate to slowly increase to 4.6% in 2025 before slowing to 4.3% in 2027.

*Business investment is expected to be strong this year*

Real nonresidential fixed investment is expected to increase 5.8% this year after a 7.4% increase in 2021. Continued strong demand is motivating businesses to expand capacity to keep pace with recovering sales. The increase in oil prices has led to

rising drilling activity. The capital-intensive manufacturing sector is expanding to meet demand. On the downside, borrowing costs have moved up sharply, reflecting expectations of more aggressive monetary policy by the Federal Reserve. Office vacancy rates remain high however as Americans still work from home even after social distancing requirements have eased. We expect real nonresidential construction to decline 3.2% this year after declining 8.0% in 2021. The forecast calls for growth in nonresidential structures to turn positive in 2023 and average 1.6% from 2023 to 2027. Real nonresidential construction will not have fully recovered to its level before the pandemic by the end of 2027. Real equipment investment is expected to increase 5.9% this year after growing 13.1% in 2021. We expect growth in real equipment investment to average 1.7% from 2023 through 2027. We expect real nonresidential fixed investment growth to average 1.5% from 2023 through 2027.

*The housing market has been surging*

The housing market has been surging although headwinds are building. Rising mortgage rates are cooling housing demand. Labor and material shortages remain, causing delays in finished construction. Material costs have come down but remain high. Updated estimates of housing depreciation reflect a higher depreciation rate since the previous forecast, indicating that the existing housing stock needs to be replaced sooner than previously anticipated. The June forecast calls for housing starts to increase 1.3% this year after strong growth of 15.1% in 2021. We expect single-family housing starts to decline 1.3% and the multi-family segment to increase 7.6% this year. We expect 2021 to be the peak in housing starts at 1.63 million units. The forecast assumes a general decline through 2027 with housing starts reaching 1.47 million. The February forecast assumed a decline to 1.22 million units in 2027.

*Growth in major U.S. trading partners is expected to be weaker than in the previous forecast*

The COVID-19 pandemic has affected economies throughout the world. The Omicron variant, while less severe than the Delta variant, has led to new highs in infection rates. Economic growth of U.S. major trading partners is expected to be weaker this year compared to the February forecast. Economic growth of major U.S. trading partners is expected to be 2.8% this year after growth of 5.8% in 2021. The February forecast called for growth of 3.5% in 2022. We expect U.S. major trading partner growth to trend down and reach 2.4% in 2027. Real U.S. exports are forecasted to increase 6.3% this year, down from 9.4% growth in the previous forecast. The forecast calls for real exports to reach their pre-pandemic peak in the fourth quarter of next year, a year later than previously anticipated. We expect real export growth to trend downward and reach 3.7% in 2027.

*The fiscal response to COVID has been massive*

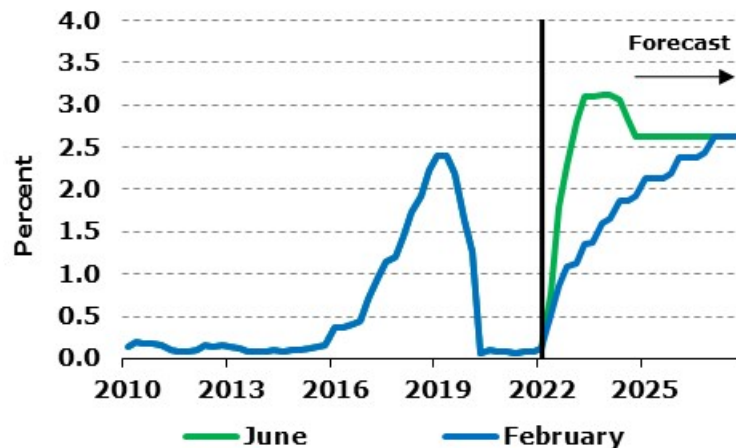
The COVID-19 relief measures have been far more substantial than the fiscal response to the 2007-09 Great Recession. The American Recovery and Reinvestment Act (ARRA) of 2009 had its highest one-year cost, or peak cost, in the third year after the initial stimulus to the federal government of \$1.0 trillion. ARRA ended up costing \$787 billion over ten years. The combination

of COVID-19 stimulus to date, with the inclusion of IIJA, is expected to have a total cost of \$5.8 trillion over ten years. The cost of the COVID-19 fiscal measures continues to rise through at least 2030.

*The Federal Reserve is raising rates*

The Federal Reserve is expected to raise the target for the federal funds another 50 basis points in July after a 75 basis point increase in June. The February forecast assumed a slower path to rate hikes (see Figure 1.6). Inflation that has remained higher for longer than policymakers had anticipated has made it likely that rate increases will occur sooner than previously assumed. We expect the Federal Reserve to continue to increase the federal funds rate through March 2023 with rates reaching 3.25%. We then expect the Federal Reserve to lower the rate slightly in 2024 and then hold steady through 2027. The forecast also calls for the Federal Reserve to begin removing stimulus tied to its balance sheet in June. We expect an eventual reduction of about \$2.5 to \$3.0 trillion over approximately three years.

**Figure 1.6: Effective Rate on Federal Funds**



Source: Board of Governors of the Federal Reserve, June 2022 ERFC forecast; historical data through 2022 Q1

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, with downside risks outweighing upside risks.

### Downside Risks

- New variants to COVID-19 emerge
- Rising COVID-19 virus infections
- The re-imposition of some social restrictions

- New travel restrictions
- The war in Ukraine escalates
- Inflation continues to increase
- Weak demand causes businesses to slow re-hiring of laid-off workers
- Increasing geopolitical tensions negatively affect consumer confidence
- The Federal Reserve rate increases lead to a recession
- Deficit fears limit fiscal policy
- A breakdown in trade relations
- Global growth weakens, pulling exports down

### **Upside Risks**

- The Federal Reserve increases rates to slow inflation without causing a recession
- COVID-19 infections/deaths decline faster than anticipated
- The war in Ukraine ends
- The impact of the Infrastructure Investment and Jobs Act is more robust than expected
- 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

Fiscal Years

**U.S. Economic Forecast Summary**  
 Forecast 2022 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	18,631.3	18,938.1	19,721.7	20,105.1	20,487.7	20,921.9	21,331.3	21,750.4
% Ch	-0.9	1.6	4.1	1.9	1.9	2.1	2.0	2.0
Real Consumption	12,803.0	13,174.2	13,877.6	14,198.0	14,482.8	14,826.1	15,133.8	15,456.3
% Ch	-1.4	2.9	5.3	2.3	2.0	2.4	2.1	2.1
Real Nonresidential Fixed Investment	2,748.1	2,764.1	2,943.2	3,089.5	3,132.5	3,152.1	3,175.5	3,228.8
% Ch	-0.7	0.6	6.5	5.0	1.4	0.6	0.7	1.7
Real Residential Fixed Investment	612.2	701.2	693.3	670.0	678.3	690.3	688.2	681.5
% Ch	1.4	14.5	-1.1	-3.4	1.2	1.8	-0.3	-1.0
Real Personal Income	17,254.9	18,139.7	17,759.7	17,773.2	18,208.3	18,776.6	19,304.3	19,836.1
% Ch	4.0	5.1	-2.1	0.1	2.4	3.1	2.8	2.8
Real Per Capita Income (\$/Person)	52,110	54,678	53,415	53,230	54,272	55,677	56,936	58,193
% Ch	3.6	4.9	-2.3	-0.3	2.0	2.6	2.3	2.2
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	110.6	112.8	119.2	125.0	127.6	129.6	132.0	134.5
% Ch	1.3	2.0	5.7	4.9	2.1	1.6	1.8	1.9
U.S. Consumer Price Index (1982-84=1.0)	2.573	2.632	2.820	2.984	3.052	3.101	3.158	3.219
% Ch	1.6	2.3	7.2	5.8	2.3	1.6	1.8	1.9
Employment Cost Index (Dec. 2005=1.0)	1.395	1.437	1.512	1.605	1.672	1.741	1.811	1.880
% Ch	3.0	3.0	5.3	6.2	4.1	4.1	4.1	3.8
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	21,039.6	21,848.8	24,136.1	25,877.5	27,100.9	28,287.4	29,481.7	30,724.8
% Ch	0.5	3.8	10.5	7.2	4.7	4.4	4.2	4.2
Personal Income	19,076.0	20,464.2	21,163.7	22,211.5	23,230.0	24,338.1	25,482.1	26,681.0
% Ch	5.4	7.3	3.4	5.0	4.6	4.8	4.7	4.7
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	162.6	160.6	163.0	166.1	167.5	168.3	169.0	169.7
Total U.S. Employment	152.9	149.5	156.2	159.9	160.4	160.7	161.3	162.2
Unemployment Rate (%)	6.00	6.92	4.17	3.73	4.27	4.52	4.57	4.41
Nonfarm Payroll Employment	147.08	142.96	149.39	152.93	153.21	153.33	153.64	154.37
% Ch	-1.9	-2.8	4.5	2.4	0.2	0.1	0.2	0.5
Manufacturing	12.52	12.18	12.59	12.98	12.98	12.79	12.59	12.49
% Ch	-2.1	-2.7	3.4	3.1	0.0	-1.5	-1.6	-0.8
Durable Manufacturing	7.82	7.57	7.83	8.10	8.14	8.01	7.86	7.78
% Ch	-2.6	-3.2	3.5	3.4	0.4	-1.5	-1.9	-1.0
Nondurable Manufacturing	4.70	4.61	4.76	4.88	4.84	4.78	4.73	4.71
% Ch	-1.4	-1.9	3.2	2.5	-0.7	-1.3	-1.0	-0.5
Construction	7.39	7.32	7.54	7.70	7.71	7.74	7.78	7.80
% Ch	-0.3	-0.9	3.1	2.1	0.2	0.4	0.4	0.3
Service-Providing	126.50	122.90	128.66	131.56	131.76	132.06	132.56	133.38
% Ch	-1.9	-2.8	4.7	2.3	0.2	0.2	0.4	0.6
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	46.7	51.8	88.0	104.3	90.0	81.1	74.5	69.8
Personal Saving/Disposable Income (%)	12.6	15.3	6.8	4.3	6.7	7.8	8.3	8.8
Auto Sales (Millions)	3.8	3.7	2.8	3.1	3.3	3.3	3.4	3.3
% Ch	-24.3	-3.2	-24.3	10.5	4.8	2.7	0.3	-1.7
Housing Starts (Millions)	1.315	1.549	1.661	1.532	1.493	1.523	1.505	1.473
% Ch	8.0	17.8	7.2	-7.8	-2.5	2.0	-1.1	-2.1
Federal Budget Surplus (Billions)	-2,231.2	-3,264.5	-1,539.6	-895.6	-1,225.8	-1,373.1	-1,418.7	-1,481.2
Net Exports (Billions)	-556.7	-819.6	-1,067.2	-1,205.3	-1,133.4	-1,021.3	-868.3	-737.6
3-Month Treasury Bill Rate (%)	1.20	0.07	0.35	2.27	2.80	2.42	2.37	2.36
10-Year Treasury Note Yield (%)	1.41	1.11	1.92	3.03	3.14	3.12	3.06	3.02
Bond Index of 20 G.O. Munis. (%)	3.20	2.21	2.49	3.47	3.58	3.55	3.51	3.51
30-Year Fixed Mortgage Rate (%)	3.53	2.89	3.70	5.25	5.08	4.92	4.83	4.77

Table 1.2

**Forecast Analysis**

Comparison of Forecasts for 2021-23

<b>U.S.</b>	Average Annual Rate of Growth (Percent) 2021:2-2023:2		Average Rate (Percent) 2021:3 to 2023:2	
	<b>Real GDP</b>	<b>PCE Price Index</b>	<b>3 Month T-Bill Rate</b>	<b>Mortgage Rate</b>
<b>2018</b>				
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
<b>2019</b>				
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
<b>2020</b>				
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
<b>2021</b>				
March	3.5	1.6	0.07	3.56
June	3.5	2.0	0.04	3.46
September	3.5	2.1	0.08	3.39
November	3.2	2.5	0.09	3.43
<b>2022</b>				
February	3.2	3.4	0.58	3.62
June	2.2	4.9	1.31	4.48



Table 1.3

**Forecast Analysis**

Comparison of Forecasts for 2023-25

<b>U.S.</b>	Average Annual Rate of Growth (Percent) 2023:2-2025:2		Average Rate (Percent) 2023:3 to 2025:2	
	<b>Real GDP</b>	<b>PCE Price Index</b>	<b>3 Month T-Bill Rate</b>	<b>Mortgage Rate</b>
<b>2020</b>				
February	2.0	2.1	2.30	4.62
June	2.3	1.7	0.13	3.24
September	2.4	1.8	0.10	3.27
November	2.0	1.9	0.08	3.29
<b>2021</b>				
March	2.2	1.9	0.23	3.92
June	1.9	1.9	0.22	3.86
September	2.2	1.9	0.47	4.02
November	2.1	2.1	0.88	4.26
<b>2022</b>				
February	2.1	2.1	1.64	4.55
June	2.1	1.7	2.61	5.00

Table 1.4  
**Forecast Comparison**  
 Forecast 2022 to 2025

Fiscal Years

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>U.S.</b>							
<b>Real GDP</b>							
June	18,938.1	19,721.7	20,105.1	20,487.7	20,921.9	21,331.3	21,750.4
% Ch	1.6	4.1	1.9	1.9	2.1	2.0	2.0
February	18,938.1	19,816.4	20,442.1	20,931.3	21,367.7	21,797.1	22,215.0
% Ch	1.6	4.6	3.2	2.4	2.1	2.0	1.9
<b>PCE Price Index</b>							
June	112.8	119.2	125.0	127.6	129.6	132.0	134.5
% Ch	2.0	5.7	4.9	2.1	1.6	1.8	1.9
February	112.8	118.6	121.9	124.3	126.9	129.6	132.3
% Ch	2.0	5.1	2.8	2.0	2.1	2.1	2.1
<b>Unemployment Rate</b>							
June	6.92	4.17	3.73	4.27	4.52	4.57	4.41
February	6.92	4.19	3.42	3.62	3.88	4.12	4.27
<b>Mortgage Rate</b>							
June	2.89	3.70	5.25	5.08	4.92	4.83	4.77
February	2.89	3.22	4.03	4.45	4.65	4.79	4.89
<b>3 Month T-Bill Rate</b>							
June	0.07	0.35	2.27	2.80	2.42	2.37	2.36
February	0.07	0.18	0.98	1.47	1.82	2.04	2.27



## Chapter 2: Washington Economy – Current Conditions and Forecast

- **The Washington economy continues to recover but inflation has spiked.**
- **Washington employment growth during the first five months of 2022 was slightly less than expected in the February forecast.**
- **Washington employment surpassed its pre-recession peak for the first time in May.**
- **Washington’s unemployment rate declined to 3.9% in May from 4.1% in April, matching the record low in the series last achieved at the business cycle peak in February 2020.**
- **Washington housing construction remained very strong in the first quarter of 2022 due to booming multi-family activity.**
- **Seattle-area home prices continue to rise rapidly.**
- **Washington exports increased 29% from the first quarter of 2021 to the first quarter of 2022.**
- **Washington personal income grew only 1.9% (SAAR) in the first quarter of 2022 compared to 4.8% for the nation.**
- **Seattle consumer price inflation of 9.1% outpaced the national average of 8.2% in the year ending in May 2022.**
- **The Washington forecast features higher inflation and lower real growth than in the February forecast, but housing construction is higher.**

*The Washington economy continues to recover but inflation has spiked*

The Washington economy continues to recover but inflation has spiked. Washington employment growth during the first five months of 2022 was slightly less than expected in the February forecast. Washington employment surpassed its pre-recession peak for the first time in May. Washington's unemployment rate declined to 3.9% in May from 4.1% in April, matching the record low in the series last achieved at the business cycle peak in February 2020. Washington housing construction remained very strong in the first quarter of 2022 due to booming multi-family activity. Seattle-area home prices continue to rise rapidly. Washington exports increased 29% from the first quarter of 2021 to the first quarter of 2022. Washington personal income grew only 1.9% (SAAR) in the first quarter of 2022 compared to 4.8% for the nation. Seattle consumer price inflation of 9.1% outpaced the national average of 8.2% in the year ending in May 2022.

*Washington employment grew slightly less than expected*

We have five months of new Washington employment data since the February forecast was released. Total seasonally adjusted nonfarm payroll employment increased 60,100 in from December 2021 to May 2022 which was 2,700 less than the increase of 62,800 expected in the forecast. Washington employment surpassed its pre-recession peak for the first time in May. Washington employment is now 900 (0.0%) higher than at its February 2020 peak. In comparison, national employment is 0.5% below its pre-recession peak. Private services-providing sectors added 44,900 jobs in the five-month period of which 12,900 were in the socially-dense leisure and hospitality sector. The manufacturing sector added 6,200 jobs, including 1,500 jobs in aerospace manufacturing, and construction employment increased by 6,100 jobs. State and local government employment increased by 3,200 jobs from December to May but the federal government lost 400 jobs.

*Revisions raised 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 added 27,300 (0.8%) to the estimated level of total employment in December 2021. Though employment growth from December through May was slightly less than expected, May employment is 24,600 (0.7%) higher than expected in the February forecast due to the upward revision to the December estimate.

*Washington's unemployment rate declined to 3.9% in May*

Washington's unemployment rate declined to 3.9% in May from 4.1% in April, matching the record low in the series last achieved at the business cycle peak in February 2020 (see Figure 2.1). The unemployment rate is down significantly from the 16.8% rate reached in April 2020 which was an all-time high in the series that dates back to 1976.

**Figure 2.1: Washington Unemployment Rate**

*The Washington unemployment rate is at a record low*



Source: Source: Bureau of Labor Statistics; data through May 2022

*Washington initial claims are close to the all-time low in the series*

Washington initial claims for unemployment insurance have fully recovered after rising to unprecedented levels in the spring of 2020. The four-week moving average of the seasonally adjusted number of claims in Washington edged up to 4,221 in the week ending June 25, 2022 from 4,195 in the previous week. Washington initial claims have declined 97% from the April 2020 peak and remain close to the all-time low in the series recorded in early April.

*Washington housing construction remained very strong in the first quarter of 2022 due to booming multi-family activity*

Washington housing construction remained very strong in the first quarter of 2022 due to booming multi-family activity. In the first quarter, 60,500 units (SAAR) were permitted, up from 59,800 in the fourth quarter of 2021. First quarter permits consisted of 25,000 single-family units and 35,500 multi-family units. The February forecast assumed 51,200 (SAAR) units in the first quarter consisting of 24,800 single-family units and 26,400 multi-family units. Permits declined in the first two months of the second quarter to an average rate of 50,300 units (SAAR) consisting of 24,300 single-family units and 26,000 multi-family units. The February forecast expected 49,900 units (SAAR) in the second quarter as a whole, consisting of 25,700 single-family units and 24,200 multi-family units.

*Seattle-area home prices continue to rise rapidly*

Seattle-area home prices continue to rise rapidly. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle home prices increased 1.4% in April compared to a 1.8% increase in the composite-20 index. April Seattle home prices were up 26.1% over the year, which is close to March's record 27.6% year-over-year growth. In comparison, the composite-20 index was up 21.2% over the year in April. April Seattle home prices were up 207% since the December 2011 trough and exceeded the May 2007 peak by 113%.

*Washington exports increased 29% from the first quarter of 2021 to the first quarter of 2022*

According to the World Institute for Strategic Economic Research (WISER), Washington exports increased 29% from the first quarter of 2021 to the first quarter of 2022. After more than two years of year-over-year declines, Washington exports of transportation equipment (mostly Boeing planes) increased over the year for a fourth consecutive quarter, rising 92%. Agricultural exports increased 17% over the year but this could be misleading as the data include soybean and corn exports which receive only minimal processing in Washington. Exports from all other sectors (mostly manufacturing) increased 12% over the year.

*Washington car and truck sales declined*

Washington car and truck sales continue to trend lower. The seasonally adjusted number of new vehicle registrations decreased 1.7% in May following a 0.3% increase in April. The number of registrations was down 22.8% over the year in May.

*A rare and large decline in information earnings more than explained the below average Washington income growth in the first quarter*

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 2022. Washington personal income increased from \$557.2 billion (SAAR) in the fourth quarter of 2021 to \$559.8 billion in the first quarter of 2022. The 1.9% increase (SAAR) in Washington personal income was the 2nd lowest among the states and District of Columbia and trailed the 4.8% rate of increase for the U.S. as a whole. A rare and large decline in information earnings more than explained the below average Washington income growth in the first quarter. Once again, changes to personal income from Covid-19 relief programs affected overall personal income growth. A reduction in the child tax credit subtracted \$2.1 billion from income growth and changes from other Covid-related programs netted another \$0.9 billion reduction for a total decline of \$3.0 billion in personal income growth from Covid-related programs in the first quarter. Washington personal income excluding these programs increased at an 4.2% annual rate which was lowest in the nation and trailed the national average growth rate of 8.2%.

*The 7.7% growth rate in Washington personal income was the 20th highest among the states and District of Columbia and slightly exceeded the 7.4% growth rate for the nation*

The BEA also released preliminary personal income estimates for 2021 as a whole. Washington personal income rose to \$556.3 billion in 2021 from \$516.4 billion in 2020. The 7.7% growth rate in Washington personal income was the 20th highest among the states and District of Columbia and slightly exceeded the 7.4% growth rate for the nation. Transfer receipts declined since 2020 as a source of personal income growth but stronger earnings growth more than made up for it (see Figure 2.2). Net earnings growth rose from 4.1% in 2020 to a 23-year-high high 9.7% in 2021, adding 6.1 percentage points to income growth. The contribution of transfer receipts declined from 5.0 percentage points in 2020 to 1.4 percentage points in 2021. Income from dividends, interest, and rent added 0.2 percentage points to

income growth in 2021 after subtracting 0.1 percentage points in 2020.

**Figure 2.2: Contributions to Washington Personal Income Growth**

*Transfer receipts declined since 2020 as a source of personal income growth but stronger earnings growth more than made up for it*



Source: BEA; data through 2021

*Seattle consumer price inflation outpaced the national average in the year ending in April 2022*

Seattle-area consumer price inflation outpaced the national average in the year ending in April 2022. From April 2021 to April 2022, the seasonally adjusted Seattle CPI rose 9.1% compared to the 8.2% increase in the U.S. City Average index (see Figure 2.3). These relatively high rates were partially due to much higher food and energy prices this year compared to last year. However, core prices, which exclude food and energy, still increased 7.8% in Seattle and 6.1% in the national index. Seattle shelter cost inflation exceeded the national average at 6.3% compared to 5.1%. Seattle inflation excluding shelter also exceeded the national average at 10.7% compared to 9.8%.

**Figure 2.3: Consumer Price Inflation**

*The seasonally adjusted Seattle CPI rose 9.1% over the year compared to the 8.2% increase in the U.S. City Average index*



Source: Bureau of Labor Statistics; data through April 2022

## Washington State Forecast

*The Washington forecast features higher inflation and lower real growth than in the February forecast, but housing construction is higher*

The Washington forecast features higher inflation and lower real growth than in the February forecast, but housing construction is higher. We expect a 4.8% increase in Washington employment this year up from the 4.2% growth rate expected in the February forecast. The increase in growth this year is due to upward revisions to historical data. We expect slower growth during the remainder of 2022 through mid-2025 as the U.S economy slows, partially offset by higher growth in the last two years of the forecast. We expect employment growth to average 0.9% per year in 2023 through 2027, down from 1.2% per year in the February forecast. Our forecast for nominal personal income growth this year is 3.0%, up from 2.9% in the February forecast. However, real personal income is expected to decline 3.0% this year which is a more severe decline than the 1.4% decline expected in February. Personal income growth this year will be undermined by the withdrawal of the extraordinary stimulus of the previous two years. Our new forecast for nominal personal income growth in 2023 through 2027 averages 5.3% per year which is the same rate expected in the February forecast. We expect permits to total 52,200 units this year, up from 48,900 units in the February forecast. We expect permits to average 47,800 units in 2023 through 2027, up from 43,500 units in the February forecast. We expect headline inflation to reach 7.8% this year, up from 5.0% in the February forecast. We expect Seattle headline inflation to average 2.2% per year in 2023 through 2027 which is the same average rate as in the February forecast.

## Washington Payroll Employment

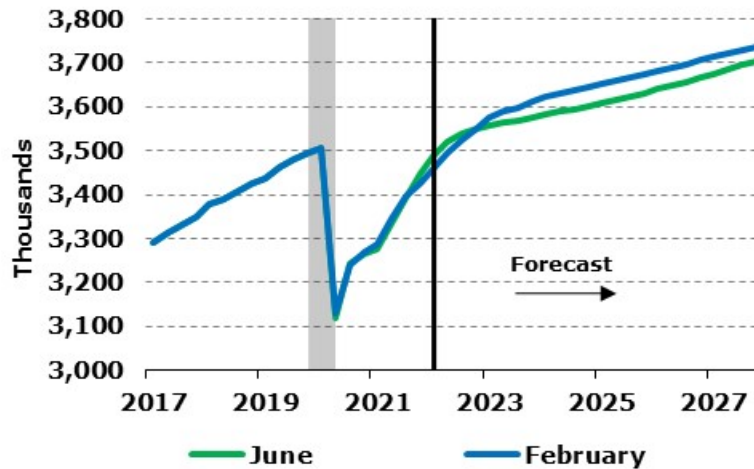
*We expect a 4.8% increase in Washington employment this year up from the 4.2% growth rate expected in the February forecast*

The June Washington employment forecast is initially higher but grows less than in the February forecast (see Figure 2.4). We expect a 4.8% increase in Washington employment this year up from the 4.2% growth rate expected in the February forecast. The increase in growth this year is due to upward revisions to historical data. We expect slower growth during the remainder of 2022 through mid-2025 as the U.S economy slows, partially offset by higher growth in the last two years of the forecast. We expect employment growth to average 0.9% per year in 2023 through 2027, down from 1.2% per year in the February forecast. On an annual basis, we expect 1.2% employment growth in 2023, 0.7% in 2024, and 0.7% in 2025, 0.9% in 2026, and 1.0% in 2027.



**Figure 2.4: Washington Nonfarm Payroll Employment**

*The June Washington employment forecast is initially higher but grows less than in the February forecast*



Source: Employment Security Department, ERFC; historical data through 2022 Q1

*Aerospace employment is increasing*

After the grounding of the 737 Max and then the pandemic, Washington’s aerospace employment declined from 89,600 at end of 2019 to a low of 66,800 in August 2021, a loss of 22,800 jobs. Since August, the industry added back 2,400 jobs, bringing the level to 69,200 in May 2022. We expect aerospace employment to continue to expand in Washington, adding 5,700 jobs from the second quarter of 2022 to the fourth quarter of 2024. We expect slower but still positive growth for the remainder of the forecast. On an annual average basis, we expect aerospace employment to grow 3.0% this year and 4.6% in 2023, slowing to 2.4% in 2024, 0.5% in 2025, 0.3% in 2026, and 0.6% in 2027.

*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. Employment growth since the recession has been erratic but positive on average. We believe the erratic quarterly pattern may be due to abnormal seasonality caused by the pandemic. As of May 2022, Washington software employment was 11.9% higher than at the business cycle peak of February 2020. Based on actual growth through May, we are increasing our calendar year forecast for 2022 to 4.7% from 3.8% in the February forecast. We expect slower growth during the remainder of the forecast with growth rates of 1.4% in 2023, 1.6% in 2024, 1.6% in 2025, 1.3% in 2026, and 1.4% in 2027.

*Construction has recovered more than all the jobs lost in the recession*

Construction has recovered more than all the jobs lost in the recession. After an initial drop in employment in March and April of 2020, construction employment came roaring back. As of May 2022, construction employment was 4.0% higher than at its peak in February 2020. The recovery has been entirely due to residential construction. Employment in residential building and residential specialty trades is 12,400 higher than at the business cycle peak while all other construction employment is 3,500 lower. We expect some near-term weakness in construction

employment due to lower housing construction. We expect construction employment to grow 4.4% in calendar year 2022 followed by a 0.7% decline in 2023. We expect construction to grow 1.0% in 2024, 0.8% in 2025, 1.1% in 2026, and 0.8% in 2027.

## Washington Personal Income

*Personal income was slightly higher than previously thought*

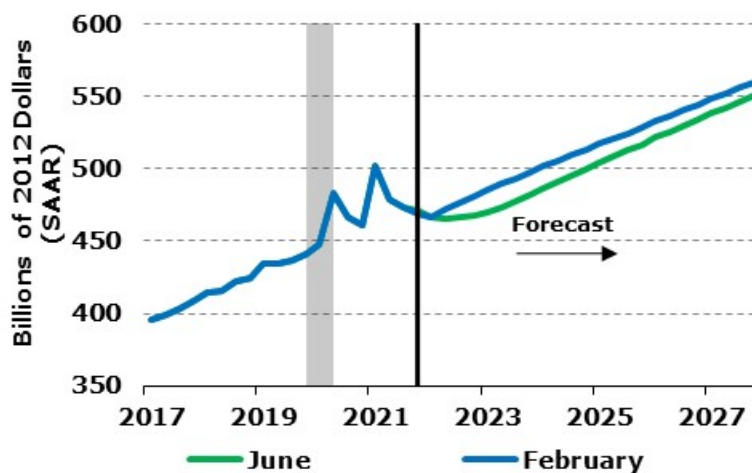
In March, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the fourth quarter of 2021. We have incorporated the new BEA estimates as well as additional Washington Quarterly Census of Employment and Wages (QCEW) data. Our current estimate of Washington personal income in the fourth quarter of 2021 is \$1.6 billion (0.3%) higher than in the February forecast. Wages and salaries are \$3.2 billion (1.1%) higher than expected but nonwage income is \$1.6 billion (0.6%) lower than expected.

*Personal income growth will be weak this year*

Our forecast for nominal personal income growth this year is 3.0%, up from 2.9% in the February forecast. However, real personal income is expected to decline 3.0% this year which is a more severe decline than the 1.4% decline expected in February. Personal income growth this year will be undermined by the withdrawal of the extraordinary stimulus of the previous two years. Our new forecast for nominal personal income growth in 2023 through 2027 averages 5.3% per year which is the same rate expected in the February forecast. While the nominal personal income forecast is only 0.3% lower on average during 2022-27 than in February, the real personal income forecast is 2.3% lower (see Figure 2.5). On an annual basis, we expect personal income to grow 5.1% in 2023, 5.4% in 2024, 5.3% in 2025, 5.3% in 2026, and 5.1% in 2027.

**Figure 2.5: Washington Real Personal Income**

*Real personal income will decline this year*



Source: Bureau of Economic Analysis, ERFC; historical data through 2021 Q4

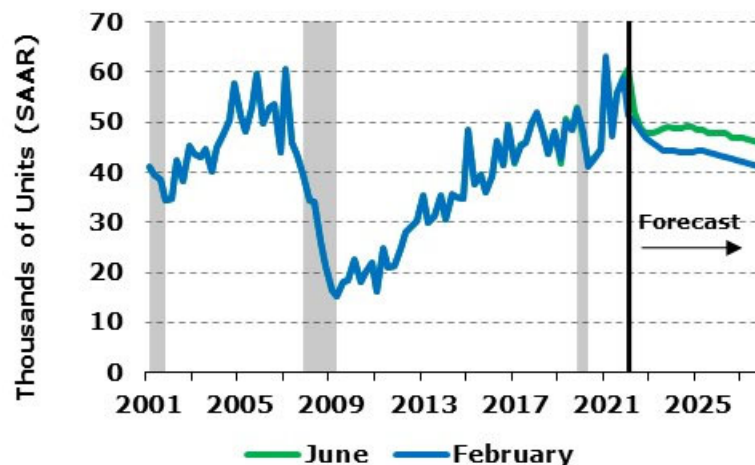
## Washington Building Permits

*Washington housing construction is higher than in the February forecast*

While we expect housing activity to decline from recent levels, the forecast is higher than expected in February. The number of authorized housing units jumped to 56,200 in 2021 from 44,100 in 2020. This was the highest annual total since 1978. As in February, we expect housing construction to decline from the recent highs. We expect permits to total 52,200 units this year, up from 48,900 units in the February forecast. We expect permits to average 47,800 units in 2023 through 2027, up from 43,500 units in the February forecast (see Figure 2.6). The reason for the increase is new housing stock data from the Department of Housing and Urban Development that indicates more homes need to be replaced than was previously assumed. On a calendar year basis, we expect 48,500 units in 2023, 48,900 units in 2024, 48,200 in 2025, 47,300 units in 2026, and 46,300 units in 2027.

**Figure 2.6: Washington Housing Permits**

*New housing stock data indicate more homes need to be replaced than was previously assumed*



Source: Census Bureau, ERFC; historical data through 2022 Q1

## Consumer Price Index

*The near-term inflation outlook has increased since the February forecast*

The near-term inflation outlook has increased since the February forecast but we expect price pressures to diminish over the course of 2022 and 2023. The Seattle core CPI index rose 3.8% in 2021 which was the highest rate since 1997. On an annual average basis, core inflation will rise further to 6.2% this year, up from 5.2% in the February forecast. While near term inflation is higher, we believe longer term inflation is well-anchored. We expect Seattle core inflation to average 2.5% per year in 2023 through 2027, which is the same rate expected in the February forecast. Our forecast calls for annual Seattle core inflation rates of 3.5% in 2023, 2.4% 2024, 2.3% in 2025, 2.3% in 2026, and 2.2% in 2027.

*Energy costs are expected to fall*

Energy costs rebounded in 2021 adding to headline inflation. The all-items Seattle CPI rose 4.7% in 2021 which was the highest annual rate since 1991 and was well above the 3.8% core inflation rate. We expect headline inflation to reach 7.8% this

year, up from 5.0% in the February forecast. Energy costs are expected to fall every year from 2023 through 2027. This will result in all-items inflation dropping below core inflation. We expect Seattle headline inflation to average 2.2% per year in 2023 through 2027 which is the same average rate as in the February forecast. On a calendar year basis, we expect inflation rates of 3.5% 2023, 1.7% in 2024, 1.8% in 2025, 1.9% in 2026, and 2.0% in 2027.

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

*Faster resolution to the Russia-Ukraine conflict and improving supply issues drive faster growth*

The optimistic scenario assumes a quicker recovery of consumer spending and stronger productivity relative to the baseline. We assume the consumer and business response to the Infrastructure Investment and Jobs Act is more robust than in the baseline, while a quicker resolution to the Russia-Ukraine conflict allows for a smaller initial increase in energy prices. Moreover, we assume firms continue to capitalize on the productivity gains they achieved during the early stages of the pandemic, which improves corporate profitability. GDP rises at a 3.6% annual rate in the second quarter of 2022 and 3.0% over 2022, compared to 2.9% and 2.5% rates of increase, respectively, in the baseline. As a result of faster GDP growth, the unemployment rate quickly falls to 3.3% by mid-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 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. After a pause in 2022 and 2023, construction employment grows more rapidly in 2024-27 than in the baseline forecast. By the end of 2027, Washington nonfarm payroll employment is higher by 89,000 jobs (2.4%) than in the baseline forecast and Washington personal income is \$50.0 billion (6.6%) higher.

## **Pessimistic**

*Recovery stumbles as Russia-Ukraine conflict intensifies and supply chain problems persist*

The pessimistic scenario assumes the Russia-Ukraine conflict intensifies, leading to higher price paths for energy commodities, other industrial commodities and grains, wider risk spreads and a more pronounced slow-down in foreign growth. In addition, a slower correction of supply-chain issues prolongs delays in the production and shipment of consumer durable goods. The result is a six quarters of negative GDP growth, including the first two quarters of 2022, with a peak-to-trough decline of 1.1%. On an annual basis, GDP rises 1.4% in 2022 and declines 0.4% in 2023, versus growth of 2.5% and 1.9% in the baseline forecast. The unemployment rate in this scenario rises from 3.7% in the second quarter of this year to 6.6% by the end of 2024, before declining to 4.8% by the end of the forecast horizon.

*The pessimistic scenario also assumes a weaker local economy*

In addition to reflecting the impact of the weaker U.S. forecast on the state economy, after a slight rebound in 2022, aerospace employment begins to decline again in 2023-27 rather than levelling off as in the baseline. Software employment declines rather than continuing to grow as in the baseline forecast. Construction employment declines faster than in the baseline and the decline continues through 2027. The relatively weak local economy also puts downward pressure on Washington wages and the Seattle CPI. By the end of 2027, Washington nonfarm payroll employment is 193,100 (5.2%) lower than in the baseline forecast and Washington personal income is \$85.1 billion (11.3%) 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 Governor's Council of Economic Advisors' national forecast is very similar to our baseline forecast*

The Governor's Council of Economic Advisors' (GCEA) national forecast is very similar to our baseline forecast. The GCEA real GDP growth forecast averages 2.1% per year in 2022 through 2027 as does the baseline forecast. Their forecast of 2.3% average real consumer spending growth is also the same as the baseline assumption. The GCEA members' personal consumption expenditures (PCE) inflation forecast averages 3.0% per year which is higher than the 2.7% average rate in the baseline forecast. The Council members' mortgage rate forecast averages 5.3% over the six-year forecast horizon, which is higher than the 4.9% average rate in our forecast. The GCEA oil price forecast averages \$94 per barrel which is also higher than the \$89 average price in the baseline forecast.

*The Governor's Council of Economic Advisors' Washington forecast is slightly higher than the baseline forecast*

The Governor's Council of Economic Advisors' Washington forecast is slightly higher than the baseline forecast. The GCEA scenario for Washington real personal income growth averages 2.2% per year in 2022 through 2027 compared to the 2.1% average rate in the baseline forecast. Because their inflation forecast is also slightly higher than ours, however, their implied average nominal income growth is 5.2% compared to our 4.9%. The Council members' forecast for total employment growth over the five-year period averages 1.7% per year, which is slightly stronger than the 1.6% rate in the baseline forecast. The GCEA forecasts for average manufacturing employment growth and average construction employment growth are both slightly lower than their counterparts in the baseline forecast. The GCEA housing permit forecast is also slightly lower than the baseline, averaging 47,500 units per year compared to 48,500 in the baseline forecast. At the end of 2027, the GCEA forecast for Washington nonfarm payroll employment is 36,500 (1.0%) higher than in the baseline forecast and Washington personal income is \$15.8 billion (2.1%) higher.

Table 2.1

Fiscal Years

**Washington Economic Forecast Summary**  
 Forecast 2022 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	452.172	477.066	469.098	469.325	484.107	502.024	519.147	536.087
% Ch	5.5	5.5	-1.7	0.0	3.1	3.7	3.4	3.3
Real Wage and Salary Disb.	232.968	245.236	255.929	258.844	267.051	276.289	285.268	294.254
% Ch	3.4	5.3	4.4	1.1	3.2	3.5	3.3	3.1
Real Nonwage Income	219.204	231.831	213.168	210.481	217.056	225.735	233.879	241.833
% Ch	7.7	5.8	-8.1	-1.3	3.1	4.0	3.6	3.4
Real Per Capita Income (\$/Person)	58,847	61,726	60,432	59,926	61,210	62,833	64,307	65,723
% Ch	4.3	4.9	-2.1	-0.8	2.1	2.7	2.3	2.2
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.105	1.128	1.192	1.250	1.276	1.296	1.320	1.345
% Ch	1.3	2.0	5.7	4.9	2.1	1.6	1.8	1.9
Seattle Cons. Price Index (1982-84=1.0)	2.803	2.871	3.083	3.259	3.334	3.387	3.450	3.517
% Ch	2.1	2.4	7.4	5.7	2.3	1.6	1.9	1.9
Average Nonfarm Annual Wage	73,822	82,064	85,867	88,762	92,822	96,881	101,033	105,171
% Ch	6.0	11.2	4.6	3.4	4.6	4.4	4.3	4.1
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.92	27.87	29.10	31.07	32.31	33.61	34.93	36.21
% Ch	0.0	-3.6	4.4	6.8	4.0	4.0	3.9	3.7
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	499.856	538.130	558.939	586.533	617.627	650.725	685.290	721.080
% Ch	6.9	7.7	3.9	4.9	5.3	5.4	5.3	5.2
Disposable Personal Income	442.414	476.404	482.948	504.676	543.230	574.837	604.044	635.217
% Ch	7.3	7.7	1.4	4.5	7.6	5.8	5.1	5.2
Per Capita Income (\$/Person)	65,053	69,626	72,003	74,890	78,091	81,443	84,886	88,401
% Ch	5.6	7.0	3.4	4.0	4.3	4.3	4.2	4.1
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,968.2	3,882.3	3,972.5	4,076.7	4,127.8	4,170.2	4,211.3	4,251.5
Total Washington Employment	3,706.3	3,617.5	3,796.1	3,905.7	3,933.2	3,964.6	4,002.8	4,047.2
Unemployment Rate (%)	6.59	6.82	4.44	4.19	4.71	4.93	4.95	4.81
Nonfarm Payroll Employment	3,399.9	3,280.4	3,462.1	3,552.6	3,578.6	3,604.5	3,634.9	3,670.8
% Ch	-1.0	-3.5	5.5	2.6	0.7	0.7	0.8	1.0
Manufacturing	287.3	260.4	264.2	277.4	280.8	280.6	279.7	280.1
% Ch	-1.6	-9.4	1.5	5.0	1.2	-0.1	-0.3	0.1
Durable Manufacturing	202.5	178.3	177.8	187.1	190.2	190.8	190.1	190.3
% Ch	-1.5	-11.9	-0.3	5.2	1.7	0.3	-0.3	0.1
Aerospace	87.7	71.0	68.0	71.4	73.9	74.9	75.0	75.4
% Ch	1.3	-19.0	-4.2	5.1	3.5	1.3	0.2	0.5
Nondurable Manufacturing	84.9	82.0	86.4	90.3	90.6	89.9	89.6	89.8
% Ch	-1.7	-3.3	5.3	4.5	0.3	-0.8	-0.3	0.3
Construction	216.2	219.2	229.2	231.9	232.5	234.6	237.1	239.2
% Ch	-0.3	1.3	4.6	1.2	0.3	0.9	1.1	0.9
Service-Providing	2,890.7	2,795.3	2,962.9	3,037.6	3,059.7	3,083.6	3,112.4	3,145.9
% Ch	-0.9	-3.3	6.0	2.5	0.7	0.8	0.9	1.1
Software Publishers	73.6	77.6	81.6	83.8	85.0	86.4	87.7	88.8
% Ch	8.7	5.4	5.2	2.8	1.4	1.7	1.5	1.3
Electronic Shopping and Mail-Order	69.3	77.3	76.1	78.3	80.1	81.9	83.6	85.4
% Ch	19.1	11.6	-1.5	2.9	2.4	2.2	2.1	2.1
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	47.445	49.402	56.751	48.142	48.798	48.771	47.784	46.700
% Ch	3.1	4.1	14.9	-15.2	1.4	-0.1	-2.0	-2.3
Single-Family	22.804	25.896	23.977	25.942	25.716	26.596	26.665	26.341
% Ch	1.8	13.6	-7.4	8.2	-0.9	3.4	0.3	-1.2
Multi-Family	24.641	23.506	32.774	22.200	23.082	22.176	21.119	20.359
% Ch	4.3	-4.6	39.4	-32.3	4.0	-3.9	-4.8	-3.6
30-Year Fixed Mortgage Rate (%)	3.53	2.89	3.70	5.25	5.08	4.92	4.83	4.77

Table 2.2  
**Comparison of Alternative Forecasts**

Fiscal Years

	2022	2023	2024	2025	2026	2027
<b>U.S.</b>						
<b>Real GDP, Percent Change</b>						
Optimistic	4.2	3.1	2.0	1.8	1.7	1.5
Baseline	4.1	1.9	1.9	2.1	2.0	2.0
Pessimistic	3.9	-0.3	0.3	1.5	2.1	2.4
<b>PCE Price Index, Percent Change</b>						
Optimistic	5.5	5.0	2.5	1.8	2.1	2.1
Baseline	5.7	4.9	2.1	1.6	1.8	1.9
Pessimistic	5.6	5.4	2.3	1.3	1.5	1.4
<b>Mortgage Rate, Percent</b>						
Optimistic	3.70	5.29	5.12	4.97	4.89	4.85
Baseline	3.70	5.25	5.08	4.92	4.83	4.77
Pessimistic	3.73	5.36	4.66	4.22	4.03	3.97
<b>3 Month T-Bill Rate, Percent</b>						
Optimistic	0.34	2.40	3.09	2.69	2.51	2.41
Baseline	0.35	2.27	2.80	2.42	2.37	2.36
Pessimistic	0.33	1.57	1.26	0.68	0.57	0.56
<b>Washington</b>						
<b>Real Personal Income, Percent Change</b>						
Optimistic	-1.2	2.5	4.3	4.1	3.7	3.5
Baseline	-1.7	0.0	3.1	3.7	3.4	3.3
Pessimistic	-2.0	-2.8	-0.1	1.9	2.3	2.2
<b>Personal Income, Percent Change</b>						
Optimistic	4.2	7.7	6.9	6.0	5.9	5.7
Baseline	3.9	4.9	5.3	5.4	5.3	5.2
Pessimistic	3.5	2.5	2.3	3.1	3.8	3.7
<b>Employment, Percent Change</b>						
Optimistic	5.6	3.1	1.1	1.2	1.3	1.3
Baseline	5.5	2.6	0.7	0.7	0.8	1.0
Pessimistic	5.5	1.5	-1.2	-0.5	0.5	0.7
<b>Housing Permits, Thousands of Authorized Units</b>						
Optimistic	56.8	49.2	50.1	50.5	50.3	49.7
Baseline	56.8	48.1	48.8	48.8	47.8	46.7
Pessimistic	56.7	45.6	43.3	41.4	39.4	38.0



Table 2.3

Calendar Years

**Governor's Council of Economic Advisor's Forecast**

	2022	2023	2024	2025	2026	2027
<b>U.S.</b>						
<b>Real GDP</b>						
<i>Growth</i>						
ERFC	2.5	1.9	2.1	2.0	2.0	1.9
GCEA Average	2.7	2.0	1.9	2.1	2.0	2.0
<b>Real Consumption</b>						
<i>Growth</i>						
ERFC	3.2	1.9	2.3	2.2	2.1	2.1
GCEA Average	3.3	2.1	2.0	2.2	2.2	2.0
<b>PCE Price Index</b>						
<i>Growth</i>						
ERFC	6.1	3.1	1.6	1.7	1.9	1.9
GCEA Average	6.0	3.2	2.4	2.2	2.2	2.2
<b>Mortgage Rate</b>						
<i>Percent</i>						
ERFC	4.9	5.2	5.0	4.9	4.8	4.8
GCEA Average	5.2	5.7	5.3	5.5	5.0	4.9
<b>Oil Price (Brent)</b>						
<i>Dollars per barrel</i>						
ERFC	110.4	100.6	90.0	82.5	77.4	74.1
GCEA Average	112.0	101.8	90.8	87.3	85.0	84.6
<b>Washington State</b>						
<b>Real Personal Income</b>						
<i>Growth</i>						
ERFC	-3.0	1.9	3.7	3.5	3.3	3.2
GCEA Average	-2.0	2.4	3.2	3.2	3.2	3.0
<b>Wage and Salary Employment</b>						
<i>Growth</i>						
ERFC	4.8	1.2	0.7	0.7	0.9	1.0
GCEA Average	4.3	1.5	1.1	1.1	1.2	1.2
<b>Manufacturing Employment</b>						
<i>Growth</i>						
ERFC	5.1	2.6	0.6	-0.3	-0.1	0.4
GCEA Average	4.4	1.8	0.4	0.3	0.3	0.2
<b>Construction Employment</b>						
<i>Growth</i>						
ERFC	4.4	-0.7	1.0	0.8	1.1	0.8
GCEA Average	4.1	-0.1	0.5	0.4	0.8	0.7
<b>Housing Permits</b>						
<i>Thousands of authorized units</i>						
ERFC	52.2	48.5	48.9	48.2	47.3	46.3
GCEA Average	52.2	47.4	46.4	46.9	46.1	45.6
<b>Washington Average Annual Wage</b>						
<i>Growth</i>						
ERFC	3.2	4.3	4.4	4.4	4.2	3.9
GCEA Average	4.3	4.9	4.1	4.1	4.1	4.0

Table 2.4  
**Forecast Analysis**  
 Comparison of Forecasts for 2021-23

<b>Washington</b>	Average Annual Rate of Growth (Percent) 2021:2-2023:2			Average Annual Rate (Thousands) 2021:3 to 2023:2
	<b>Employment</b>	<b>Personal Income</b>	<b>Real Personal Income</b>	<b>Housing Units Authorized</b>
<b>2018</b>				
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
<b>2019</b>				
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
<b>2020</b>				
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
<b>2021</b>				
March	3.1	0.1	-1.5	46.3
June	3.7	3.0	1.0	47.0
September	3.5	3.9	1.8	47.1
November	3.6	3.7	1.1	48.0
<b>2022</b>				
February	3.6	4.6	1.1	50.1
June	3.4	4.3	-0.6	52.4

Table 2.5  
**Forecast Analysis**  
 Comparison of Forecasts for 2023-25

<b>Washington</b>	Average Annual Rate of Growth (Percent) 2023:2-2025:2			Average Annual Rate (Thousands) 2023:3 to 2025:2
	<b>Employment</b>	<b>Personal Income</b>	<b>Real Personal Income</b>	<b>Housing Units Authorized</b>
2020				
February	0.6	5.0	2.9	42.3
June	0.9	4.1	2.4	38.2
September	1.2	4.4	2.6	39.7
November	1.1	4.7	2.8	41.4
2021				
March	1.4	5.3	3.4	43.5
June	1.4	4.9	3.0	45.2
September	1.3	5.2	3.2	44.1
November	1.0	5.2	3.0	43.4
2022				
February	1.0	5.3	3.1	44.2
June	0.7	5.4	3.6	48.8

Table 2.6  
**Forecast Comparison**  
 Forecast 2022 to 2025

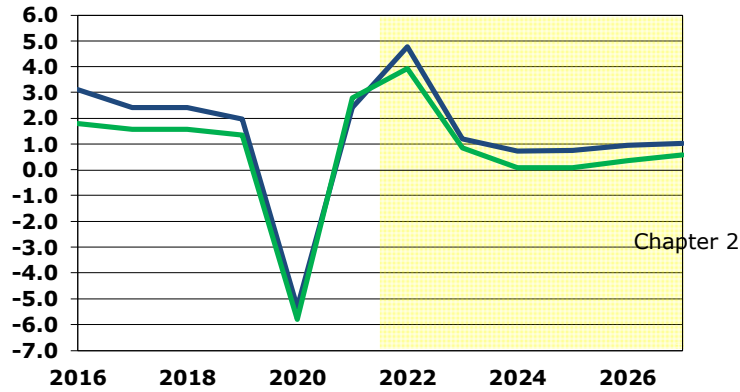
Fiscal Years

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Washington</b>							
<b>Real Personal Income</b>							
June	477.066	469.098	469.325	484.107	502.024	519.147	536.087
% Ch	5.5	-1.7	0.0	3.1	3.7	3.4	3.3
February	476.981	470.246	483.023	499.695	514.996	530.586	546.176
% Ch	5.5	-1.4	2.7	3.5	3.1	3.0	2.9
<b>Personal Income</b>							
June	538.130	558.939	586.533	617.627	650.725	685.290	721.080
% Ch	7.7	3.9	4.9	5.3	5.4	5.3	5.2
February	538.032	557.465	588.608	621.145	653.489	687.578	722.773
% Ch	7.6	3.6	5.6	5.5	5.2	5.2	5.1
<b>Employment</b>							
June	3280.4	3462.1	3552.6	3578.6	3604.5	3634.9	3670.8
% Ch	-3.5	5.5	2.6	0.7	0.7	0.8	1.0
February	3285.9	3443.3	3560.4	3615.2	3648.8	3677.9	3708.5
% Ch	-3.4	4.8	3.4	1.5	0.9	0.8	0.8
<b>Housing Permits</b>							
June	49.402	56.751	48.142	48.798	48.771	47.784	46.700
% Ch	4.1	14.9	-15.2	1.4	-0.1	-2.0	-2.3
February	49.375	53.849	46.418	44.243	44.147	43.540	42.212
% Ch	3.8	9.1	-13.8	-4.7	-0.2	-1.4	-3.1

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

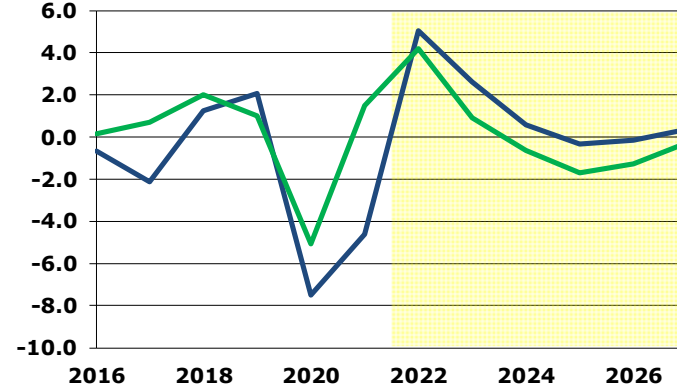
Forecast

Total Nonfarm Payroll Employment



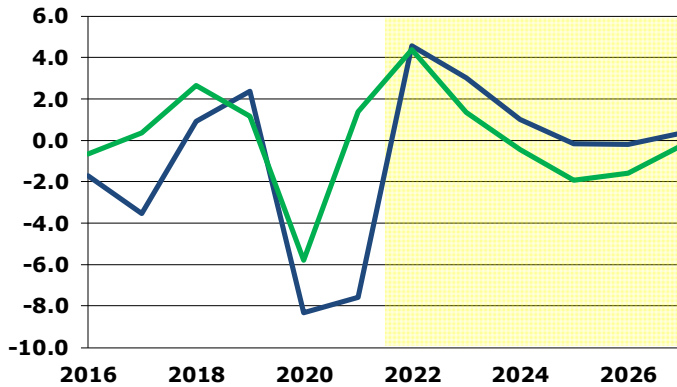
Source: WA State Employment Security Dept. 2021, ERFC 2027

Manufacturing Employment



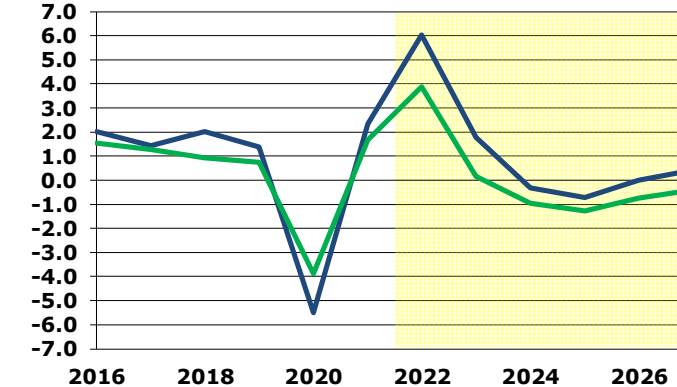
Source: WA State Employment Security Dept. 2021, ERFC 2027

Durable Manufacturing Employment



Source: WA State Employment Security Dept. 2021, ERFC 2027

Nondurable Manufacturing Employment



Source: WA State Employment Security Dept. 2021, ERFC 2027

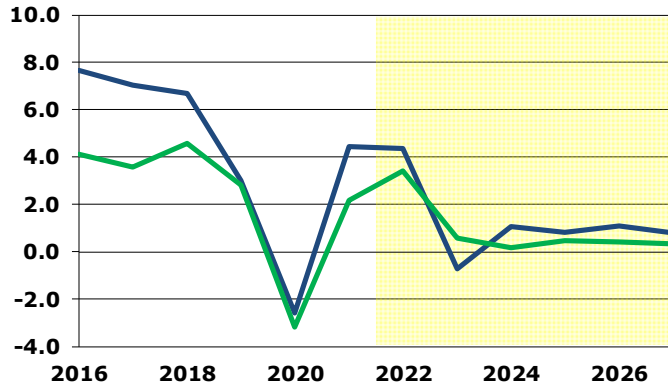
Washington

U.S.

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

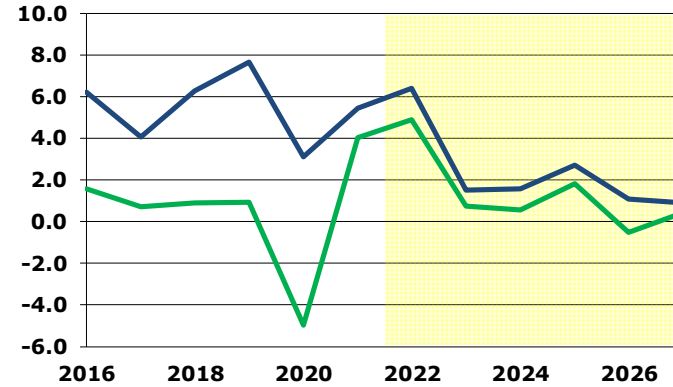
Forecast

Construction Employment



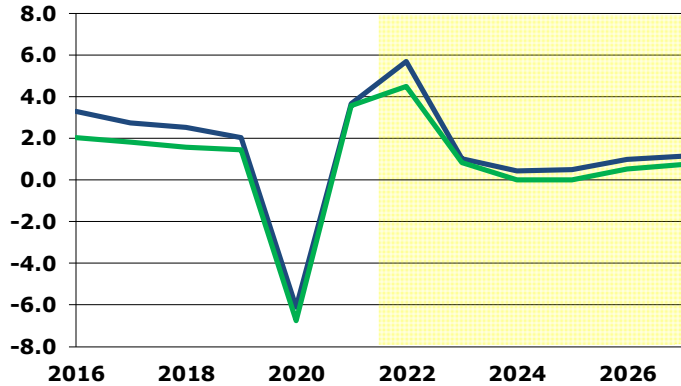
Source: WA State Employment Security Dept. 2021, ERFC 2027

Information Employment



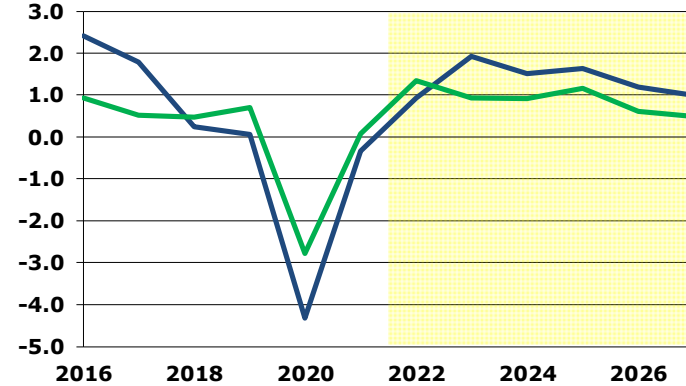
Source: WA State Employment Security Dept. 2021, ERFC 2027

Other Private Employment



Source: WA State Employment Security Dept. 2021, ERFC 2027

Government Employment



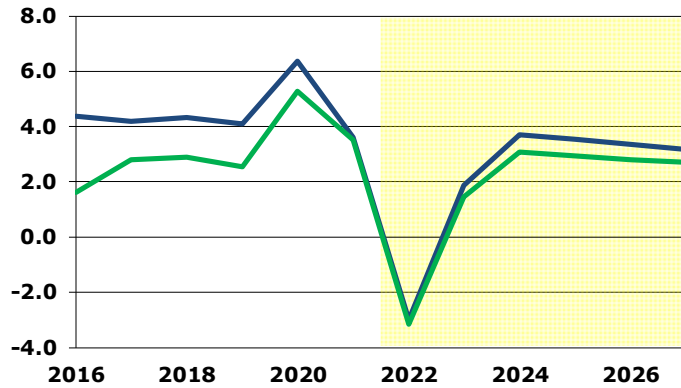
Source: WA State Employment Security Dept. 2021, ERFC 2027

Washington

U.S.

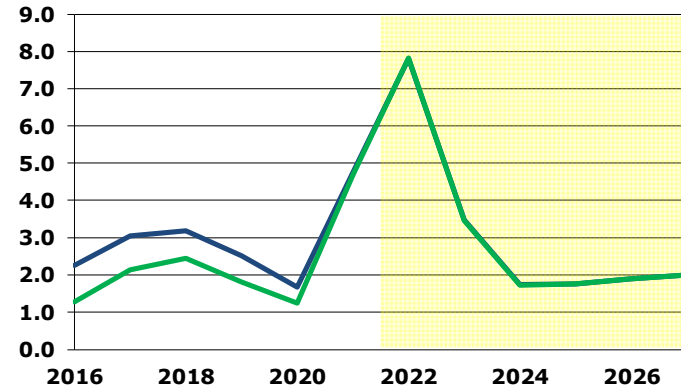
Figure 2.7: Comparison of Washington and U.S. Economic Forecasts (continued)  
(Percent change)

Real Personal Income



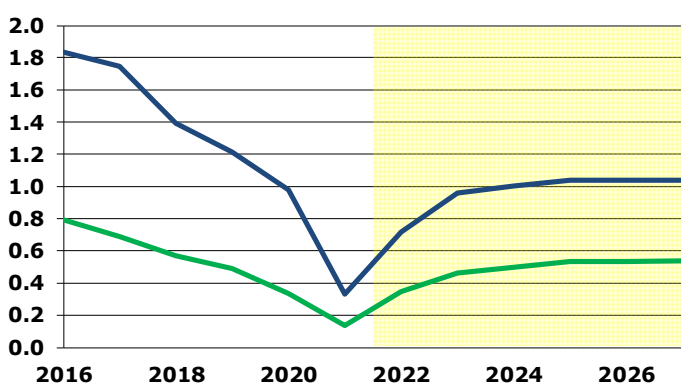
Source: Bureau of Economic Analysis 2021, ERFC 2027

Consumer Price Indices



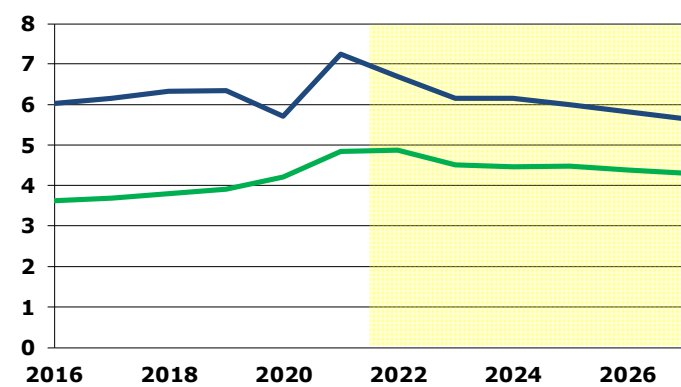
Source: Bureau of Labor Statistics 2021, ERFC 2027

Population



Source: Bureau of Economic Analysis 2021, ERFC 2027

New Housing Units Per 1,000 Population (Level)



Source: Census Bureau, Bureau of Economic Analysis 2021, ERFC 2027

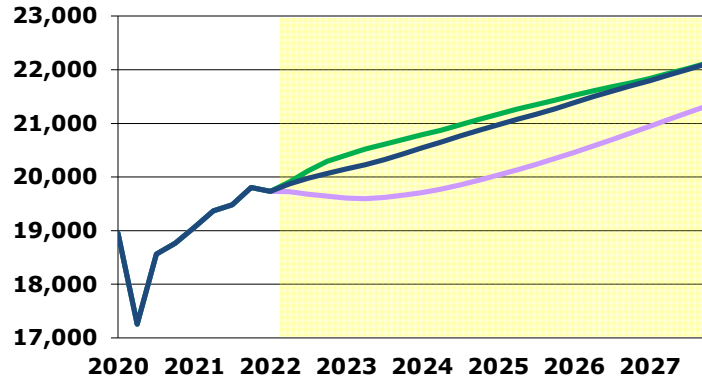
■ Washington      ■ U.S.

■ Forecast

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

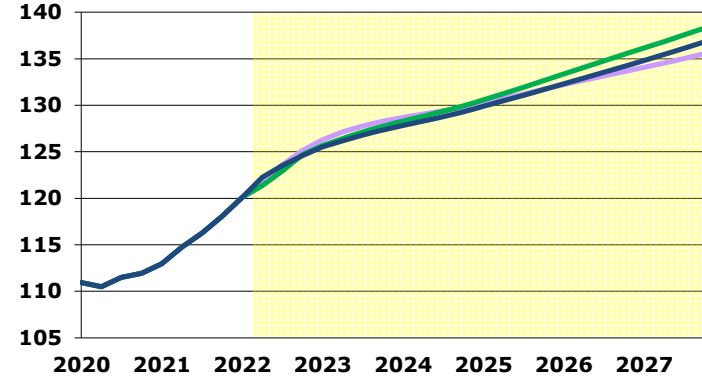
Forecast

Real GDP, Billions of 2012 Dollars



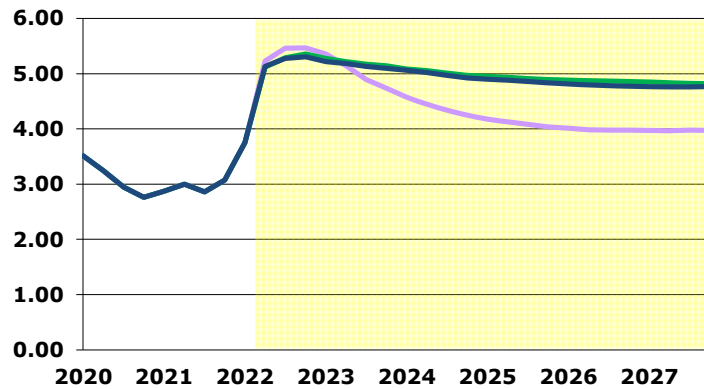
Source: Bureau of Economic Analysis 2022 Q1, ERFC 2027 Q4

PCE Price Index, 2012 = 100



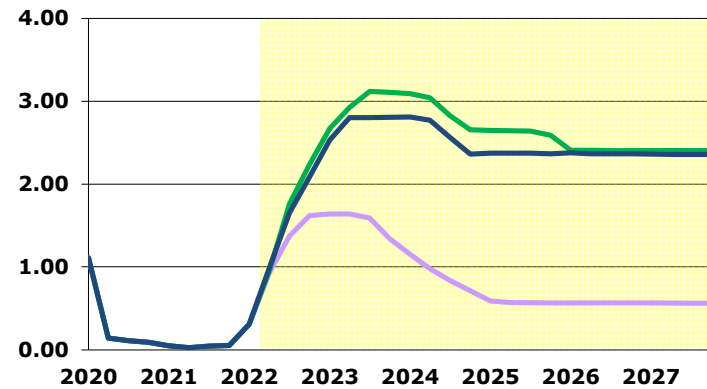
Source: Bureau of Economic Analysis 2022 Q1, ERFC 2027 Q4

Mortgage Rate, Percent



Source: Freddie Mac 2022 Q1, ERFC 2027 Q4

Three Month T-Bill Rate, Percent



Source: Federal Reserve Board 2022 Q1, ERFC 2027 Q4

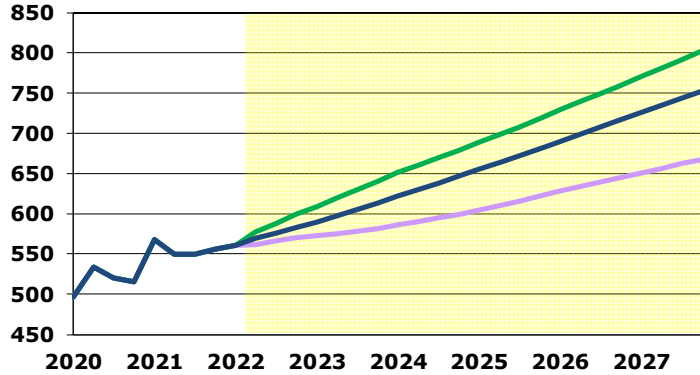
■ Baseline    ■ Optimistic    ■ Pessimistic



Figure 2.9: Comparison of Alternative Washington Economic Forecasts

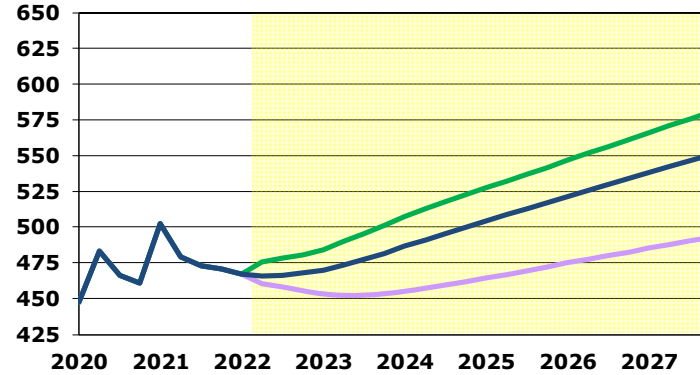
Forecast

Personal Income, Billions of Dollars



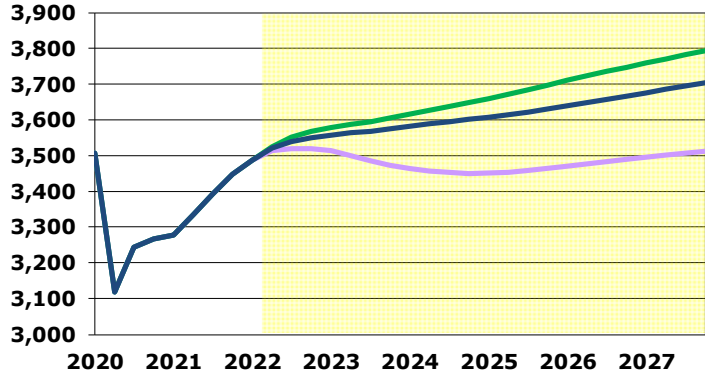
Source: Bureau of Economic Analysis 2020 Q4, ERFC 2027 Q4

Real Personal Income, Billions of 2012 Dollars



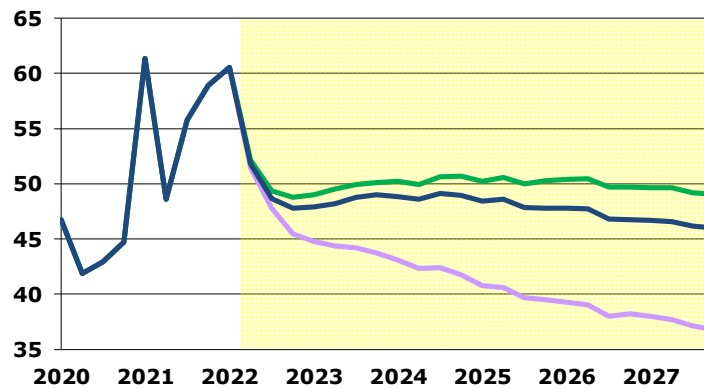
Source: Bureau of Economic Analysis 2020 Q4, ERFC 2027 Q4

Total Nonfarm Payroll Employment, Thousands



Source: WA State Employment Security 2022 Q1, ERFC 2027 Q4

Housing Permits, Thousands



Source: Census Bureau 2022 Q1, ERFC 2027 Q4

■ Baseline      ■ Optimistic      ■ Pessimistic



## Chapter 3: Washington State Revenue Forecast Summary

- **Boosted by inflation, taxable economic activity has been higher than expected in the February forecast. Tracked collections have come in well above their forecasted amounts.**
- **The total forecast for funds subject to the budget outlook process was increased by \$1.46 billion in the 2021-23 biennium, \$632 million in the 2023-25 biennium and \$176 million in the 2025-27 biennium.**
- **The forecasted revenue increases would have been higher, but they were reduced by legislative and budget-driven revenue changes from the 2022 legislative session. These changes reduced expected revenue by \$95 million in the 2021-23 biennium, \$480 million in the 2023-25 biennium and \$619 million in the 2025-27 biennium.**

### Overview

*The revenue forecast has been increased due to higher-than-expected inflation and stronger projected construction activity*

Since the February forecast, taxable activity has been stronger than expected, with tracked collections coming in well above the forecast. Much of the surplus in collections was due to the unexpected increase in inflation, which provided an extra boost to the level of taxable activity as people and businesses maintained their real spending while their nominal spending increased. There was also a sizeable surplus in real estate excise tax collections, which are expected to exceed the February forecast even as the market winds down. As a result of the recent strength in collections, combined with projected increases in state construction employment and housing permits in the updated economic forecast, forecasted revenue collections have been increased. The projected increases, however, will be partially offset by legislative changes from the 2022 session which include increases in tax credits and deductions coupled with increased net transfers of funds from the state general fund to other state accounts.

*Total forecast change by biennium (millions):*

*21-23: \$1,457*

*23-25: \$632*

*25-27: \$176*

Table 3.1 summarizes the changes to forecasted revenue in funds subject to the budget outlook process for the 2021-23 through the 2025-27 biennia. In the 2021-23 biennium, the forecasted increase in taxable activity adds \$1,551.9 million to expected revenue for the remainder of the biennium while

legislative and budget-driven revenue changes subtract \$95.2 million, resulting in a total forecast increase of \$1,456.7 million. Without legislative changes, the forecast for the 2023-25 biennium would have increased by \$1,111.6 million. Legislative changes reduced the forecast by \$480.1 million, resulting in a net forecast increase of \$631.5 million. Legislative changes reduced the forecast for the 2025-27 biennium by \$618.8 million, reducing a forecast increase of \$795.1 million to a net forecast increase of \$176.3 million. The June 2022 forecast for these funds total \$63,147.4 million in the 2021-23 biennium, \$65,999.2 million in the 2023-25 biennium and \$70,201.8 million in the 2025-27 biennium.

*June forecast by biennium (\$billions):*

2021-23:  
\$63.147

2023-25:  
\$65.999

2025-27:  
\$70.202

**Table 3.1: Revisions to the forecast of funds subject to the budget outlook\***

	<b>2021-23 Biennium</b>	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
Non-Economic Change	(\$95.2)	(\$480.1)	(\$618.8)
Forecast Change	\$1,551.9	\$1,111.6	\$795.1
<b>Total Change</b>	<b>\$1,456.7</b>	<b>\$631.5</b>	<b>\$176.3</b>

(\*cash basis, millions of dollars)

*The budget outlook process ensures the current biennial budget will be sustainable in the next biennium*

The budget outlook process ensures that the budget adopted for the current biennium will also be sustainable in the next biennium given forecasted revenue. The funds that are currently included when establishing the outlook are the General Fund-State, the Education Legacy Trust Account, the Washington Opportunity Pathways Account and the Workforce Education Investment Account. Once funded, the planned Fair Start for Kids Account will also be subject to the outlook. The recent history and forecast of these funds can be found in Table 3.17.

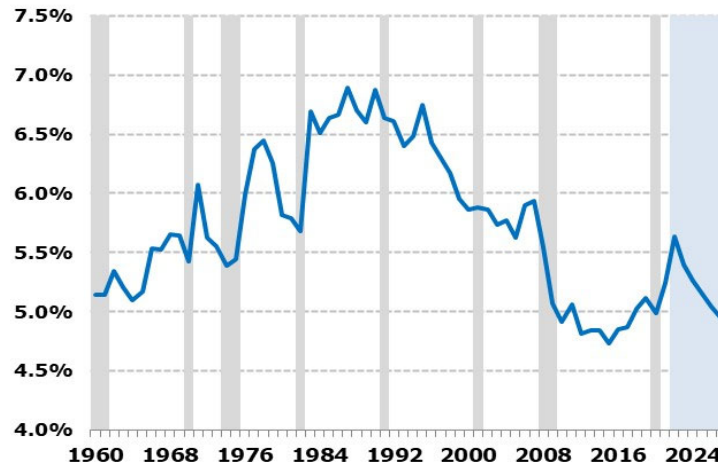
*Though the ratio of total collections to income has increased from the FY 2015 trough, it is expected to peak in FY 2022*

Figure 3.1 shows the ratio of revenue collected for funds subject to the budget outlook relative to state personal income. Through FY 2005, the revenue represented in the chart is what is currently defined as General Fund-State (GF-S) revenue. From FY 2006 onward the revenue includes the Education Legacy Trust Account (ELTA), which in its early years was wholly funded by the estate tax and a portion of the cigarette tax. From FY 2011 onward, the total includes the Washington Opportunity Pathways account (OPA), which is funded by Lottery receipts. From FY 2020 onward the total includes the Workforce Education Investment Account (WEIA), funded by a surtax on large service providers and companies that involve advanced computing. As can be seen in the chart, the ratio of revenue to income followed a downward trend from FY 1995 to FY 2015, 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 FY 2011.

While the ratio grew slightly in FY 2016 and FY 2017, it increased rapidly in FY2018 and FY 2019 when the state property tax levy increased to partially displace local levies and increased further in FY 2020 with the establishment of the graduated real estate excise tax. The pandemic-related booms in real estate and spending on goods, coupled with the new WEIA surtax, increased the ratio further in FY 2021 and FY 2022. From FY 2023 onward, however, total revenues are expected to grow at a rate lower than the rate of income growth, causing the ratio to continue its pre-FY 2015 downward trend through FY 2027.

**Figure 3.1: Funds subject to the budget outlook as a Percentage of State Personal Income (Fiscal Years)**

*Total revenue relative to state personal income has been on a general declining trend since 1995*



Source: ERFC, data through fiscal year 2021. Gray shaded area indicates recession; blue shaded area indicates forecast.

### Track Record for the 2021-23 Biennium

*The current forecast is \$6.13 billion higher than the forecasted revenue at the time of the initial 2021-23 budget*

Table 3.10 summarizes the historical changes to the forecast of funds subject to the budget outlook for the 2021-23 biennium. The February 2018 forecast was the initial forecast for the biennium. The June 2022 forecast is \$10.36 billion (19.6%) higher than the initial forecast. Non-economic changes have increased the forecast by \$2.05 billion (3.9%). Excluding non-economic changes, the current forecast is \$8.31 billion (15.7%) higher than the initial forecast. The March 2021 forecast, coupled with a \$399 million revenue increase from legislative and budget-driven revenue changes passed in the 2021 legislative session after the March forecast, was the basis for the initial budget for the 2021-23 biennium. The June forecast of biennial revenue is \$6.13 billion (10.8%) higher than that sum.

## Track Record for the 2023-25 Biennium

*The current forecast is \$6.16 billion higher than the initial forecast in February 2020*

Table 3.11 summarizes the historical changes to the forecast of funds subject to the budget outlook for the 2023-25 biennium. The February 2020 forecast was the initial forecast for the biennium. The June forecast of GF-S revenue is \$6.16 billion (10.3%) higher than the initial forecast. Non-economic changes have increased the forecast by \$0.70 billion (1.2%). Excluding non-economic changes, the current forecast is \$5.45 billion (9.1%) higher than the initial forecast.

## Legislative and Budget-Driven Revenue Chances to the Forecast

*Most of the legislative changes reduced expected revenue*

Table 3.20 summarizes the legislative and budget-driven revenue changes to the forecast from bills passed in the 2022 legislative session (excluding Governor vetoes). Most of the changes reduced revenues going to the funds subject to the outlook. The largest changes were transfers of funds from the GF-S to transportation accounts, the deferral of some sales taxes on transportation spending, and an increase in the minimum income threshold for filing Business and Occupation taxes.

## Recent Collection Experience

*Collections were \$590 million (6.4%) higher than forecasted in February*

GF-S revenue collections from the Department of Revenue (DOR) and the Washington court system are tracked monthly. In the period since the February forecast, total revenue from the above sources came in \$589.9 million (6.4%) higher than expected (see Table 3.2). Revenue Act collections reported by the DOR were \$440.1 million (6.8%) higher than forecasted and revenue from other DOR tax sources was \$151.6 million (5.4%) above the forecast.

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

<u>Agency/Source</u>	<u>Collection Variance</u>	<u>Percent of Estimate</u>
Department of Revenue		
Revenue Act	\$440.1	6.8%
Non-Revenue Act	\$151.6	5.4%
Subtotal	\$591.6	6.4%
Washington court system	(\$1.7)	-11.6%
<b>Total*</b>	<b>\$589.9</b>	<b>6.4%</b>

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

Source: ERFCC; Period: February 11 - June 10, 2022

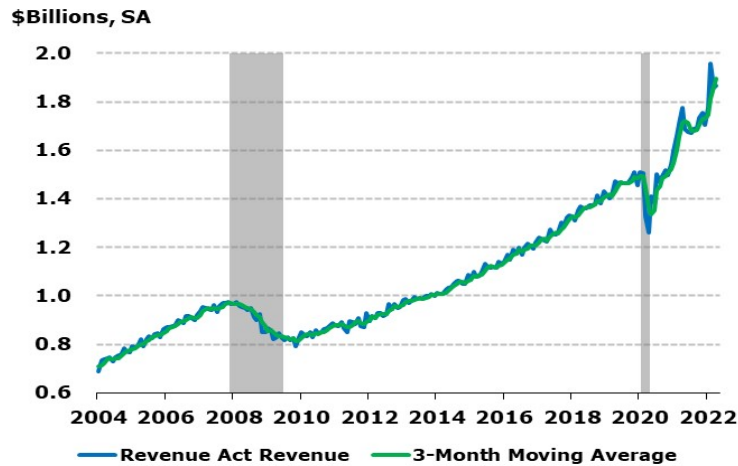
*Real estate excise tax collections were much higher than forecasted*

The largest contributor to the surplus in non-Revenue Act collections was real estate excise tax (REET), which came in \$131.2 million (28.4%) higher than forecasted. Property tax

collections came in \$30.2 million (1.5%) higher than forecasted. Cigarette tax collections came in \$1.1 million (1.2%) higher than forecasted, while liquor sales and liter tax receipts came in \$1.1 million (1.1%) lower than forecasted. Net refunds of unclaimed property from the GF-S were \$18.4 million higher than forecasted. Revenue from all other DOR revenue sources came in \$8.5 million (7.2%) higher than forecasted. Revenue from the Washington court system was \$1.7 million (11.6%) lower than forecasted.

**Figure 3.2: Revenue Act Collections\***

*Increased inflation has boosted Revenue Act collections growth in recent months*



Source: ERFC; Data through June 10, 2022

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

*Adjusted Revenue Act collections were up 12.4% year over year for first quarter 2022 activity and 13.1% for fourth quarter 2021 activity*

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 then recovered, and exceptional growth began in the spring of 2021. Adjusted year-over-year collections representing first quarter 2021 activity grew 14.6% year over year and collections representing second quarter 2021 activity grew 26.0% year over year. Adjusted collections representing third quarter 2021 activity were up 13.9% year over year and collections representing fourth quarter 2021 activity were up 13.1%. Adjusted collections for first quarter 2022 activity (February 11 - May 10 collections) were up 12.4% year over year. Adjusted collections for April 2022 activity (May 11 - June 10 collections) were up 3.3% year over year and collections for March 2022 activity were up 10.3% year over year.

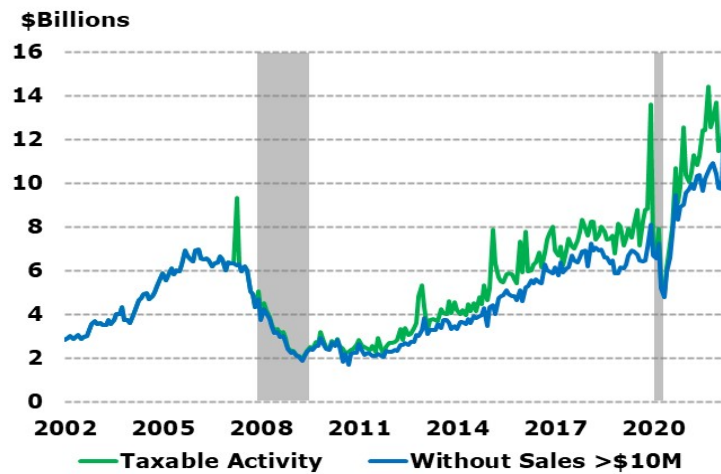


*Real estate activity was much higher than expected in February*

Taxable real estate activity was much higher than previously forecasted. Through May, the residential market has shown continued strength despite rising mortgage rates. Sales of property valued below \$10 million reached a record high in March 2022 and remained near that level in May (see Figure 3.3). Most of the recent increase in activity has been due to higher prices rather than increases in the number of transactions. While large commercial sales (sales greater than \$10 million) are down from their high levels of last year, they remain moderately strong, averaging \$720 million per month over the last three months.

**Figure 3.3: Taxable Real Estate Excise Activity, SA**

*Sales of property valued at \$10 million and below jumped in March 2022*



Source: ERFC; data through May 2022

### General Fund-State Revenue Forecast by Source

*The GF-S is the largest of the funds subject to the budget outlook*

The General Fund-State (GF-S) is the largest of the funds subject to the budget outlook, consisting of most of the commonly paid state taxes. The history and forecast 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 2021-23 biennium can be found in Table 3.5 (cash) and Table 3.6 (GAAP). Forecast changes for the 2023-25 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.

### Department of Revenue

*Taxes collected by DOR are most of GF-S taxes*

The Department of Revenue (DOR) collects and administers most of Washington’s GF-S revenue, accounting for 95.3% of total GF-S revenue in FY 2021. 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.

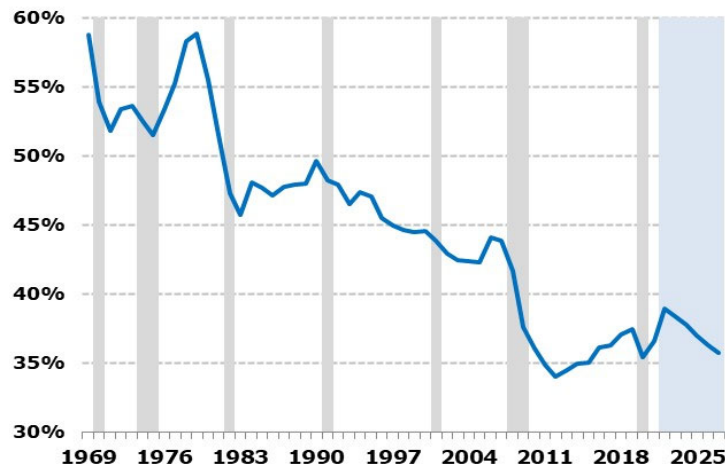
The revenue forecasts discussed below can be found in Tables 3.5-3.8.

*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 46.2% of GF-S revenue in FY 2021. 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. As can be seen in Figure 3.4, taxable sales as a share of personal income has long been on a declining trend. The share fell even more sharply than the previous trend from the 2008 recession through FY 2012. In that year, 34.0% 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 extended the tax to bottled water and online sales caused a continued increase in the ratio. The COVID-19-related collapse in late FY 2020, coupled with federal emergency income support, caused the ratio of sales to income to dip in FY 2020. In the last months of FY 2020 and continuing into FY 2021, however, the trend of increasing purchases of nontaxable services reversed due to pandemic-related shutdowns of services and stimulus payments to households. With the limited availability of services, consumers opted to buy goods. Car sales and construction activity also increased. These trends have continued into FY 2022, which, coupled with a slowdown in FY 2022 income growth after the stimulus-boosted income levels of FY 2021, is expected to bring the ratio of sales to income to a peak of 38.9% in that year. The ratio is then forecasted to continue its historical downward trend through FY 2027. Forecasted and historical taxable retail sales by fiscal year can be found in Table 3.4.

**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 historically*



\*Past tax base adjusted to represent current base. Gray shaded area indicates recession, blue shaded area indicates forecast.



Source: ERFC; Data through FY 2021, forecast through FY 2027

*Retail sales tax receipt growth forecast:*

FY22: 12.3%  
FY23: 3.9%  
FY24: 3.3%  
FY25: 3.2%

Growth in FY 2019 taxable activity was relatively strong at 7.6%. Taxable activity growth slowed to 1.0% in FY 2020 due to pandemic-related shutdowns in the latter part of the year, but then rebounded by 11.1% in FY 2021. Sales are forecasted to grow an additional 10.4% above FY 2021's high level in FY 2022. Growth then eases to 3.7% in FY 2023, 3.5% in FY 2024, 3.2% in FY 2025, 3.4% in FY 2026 and 3.6% in FY 2027 (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 2020 was 1.7% and growth in FY 2021 was 10.3%. Collections are forecasted to increase by 12.3% in FY 2022, boosted by several large payments of past-due taxes and one large early payment of deferred taxes. Collections are forecasted to increase by 3.9% in FY 2023, 3.3% in FY 2024, 3.2% in FY 2025, 3.3% in FY 2026 and 3.6% in FY 2027.

*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 18.4% of GF-S revenue in FY 2021. 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 2021, 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 45% 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.

*B&O tax growth forecast:*

FY22: 14.5%  
FY23: 1.0%  
FY24: 4.2%  
FY25: 4.6%

In FY 2019, B&O tax receipts grew by 6.9%. Despite a second quarter collapse in activity, FY 2020 growth remained positive at 3.6%. Collections increased by 7.9% in FY 2021. Collections are now forecasted to grow by 14.5% in FY 2022 due to both strong activity and the receipt of several large one-time payments of past-due taxes. Due to FY 2022's elevated level, growth is forecasted at only 1.0% in FY 2023. Growth is then forecasted at 4.2% in FY 2024, 4.6% in FY 2025, 4.7% in FY 2026 and 4.4% in FY 2027.

*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 16.3% of total revenue in FY 2021. 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.

Constrained by prior law to a levy growth rate of one percent on existing property (or the rate of inflation if less than one

*Property tax growth forecast:*

*FY22: 0.4%*  
*FY23: 2.5%*  
*FY24: 2.4%*  
*FY25: 2.5%*

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 collections grew by 27.3% due to a full year of collections at the unreduced levy rate along with the collection of some taxes that would have been collected in FY 2020 but were instead deferred due to the pandemic. Absent the extra payments from deferrals, growth is expected to slow to 0.4% in FY 2022 before increasing to 2.5% in FY 2023, 2.4% in FY 2024 and 2.5% in FY 2025 through FY 2027. Growth in property tax levies excluding new construction is once again restricted to the lesser of one percent per year or the rate of inflation beginning with the calendar year 2022 levy.

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

The real estate excise tax (REET) was the fourth largest DOR source of GF-S revenue in FY 2021, accounting for 5.4% 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:*

*FY22: 36.2%*  
*FY23: -31.2%*  
*FY24: -6.1%*  
*FY25: 3.0%*

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 FY 2020, residential sales remained strong, and commercial sales surged in December 2019 ahead of the January 1, 2020 change in tax rates. The COVID-induced real estate market downturn that began with April 2020 collections, however, brought a total decline of 0.7% in FY 2020. Sales then began to boom in July 2020, with strength in both the residential

and commercial markets, bringing collections growth of 34.4% in FY 2021 and expected growth of 36.2% in FY 2022. After the boom years of FY 2021 and FY 2022, the number of transactions is expected to fall and price increases are expected to moderate, bringing a decline in REET receipts of 31.2% in FY 2023 and 6.0% in FY 2024. Growth is then expected to resume at 3.0% in FY 2025. Activity is then expected to flatten, with a decrease in collections of 1.0% in FY 2026 followed by an increase of 1.5% in FY 2027.

*Use tax was the fifth largest DOR GF-S source in FY 2021*

The state use tax was the fifth largest DOR GF-S revenue source in FY 2021 at 3.1% 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:*

*FY22: 7.8%  
FY23: -2.9%  
FY24: 1.5%  
FY25: 3.2%*

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 increased by 16.1% in FY 2021 due to record high used car sales. Continued strength in used car sales is expected to increase FY 2022 collections by 7.8% over FY 2021's strong level. Lower used car sales bring a forecasted decline of 2.9% in FY 2023 before growth continues at 1.5% in FY 2024 and 3.2% in FY 2025. Growth is forecasted at 3.8% in FY 2026 and 4.4% in FY 2027.

*Public utility taxes were the sixth largest DOR GF-S source in FY 2021*

Public utility taxes were the sixth largest DOR source of GF-S revenue in FY 2021, bringing in 1.6% 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:*

*FY22: 17.0%  
FY23: 12.9%  
FY24: -3.0%  
FY25: 0.1%*

Public utility tax receipts grew by 0.3% in FY 2020. The expiration of a large tax credit plus growth in natural gas and electricity use increased collections by 4.2% in FY 2021. The resumption of business activities plus increases in utility prices is forecasted to boost growth to 17.0% in FY 2022. Further increases in utility prices, led by increased prices for natural gas, is expected to bring growth of 12.9% in FY 2023. Gas prices are then expected to decrease, causing collections to decrease by 3.0% in FY 2024 before growing by 0.1% in FY 2025, 3.1% in FY 2026 and 2.4% in FY 2027.

*Taxes on sales of spirits were the seventh largest DOR GF-S source in FY 2021*

State taxes on sales of spirits were the seventh largest DOR GF-S revenue source in FY 2021 at 1.3% of total receipts. Spirits sales are taxed by both volume and price. The total tax rate by volume is \$3.7708 per liter. Liter tax receipts are deposited wholly into the GF-S. The price-based spirits tax is split between

the GF-S (65% of receipts) and the Liquor Excise Tax fund (35% of receipts). The overall tax rate on sales to consumers is 20.5% of the sales price and the overall rate on sales to restaurant licensees is 13.7%.

*Spirits tax growth forecast:*

*FY22: 2.4%*  
*FY23: -2.4%*  
*FY24: -0.1%*  
*FY25: 0.9%*

Total tax collections on spirits sales grew 5.2% in FY 2019. During the pandemic, spirit sales increased, with total tax collections growing by 8.2% FY 2020 and 9.9% in FY 2021. Collections are forecasted to increase by a further 2.4% in FY 2022 but then decrease by 2.4% in FY 2023 and 0.1% in FY 2024 as the pandemic fades. Collections are then forecasted to increase by 0.9% in FY 2025, 1.3% in FY 2026 and 1.7% in FY 2027.

*The cigarette tax was the eighth largest DOR GF-S source in FY 2021*

The state tax on cigarettes was the eighth largest DOR GF-S revenue source in FY 2021 at 1.2% 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:*

*FY22: -2.0%*  
*FY23: -3.0%*  
*FY24: -3.1%*  
*FY25: -3.8%*

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 increased. 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. Collections declined 2.4% in FY 2021 and are expected to decline by 2.0% in FY 2022, 3.0% in FY 2023, 3.1% in FY 2024 and 3.8% in FY 2025. Collections are expected to decline by 3.1% in FY 2026 and 2.8% in FY 2027.

## **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. After 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 (LCB) 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):*

21-23: *-\$57.3*  
23-25: *-\$76.2*  
25-27: *-\$92.5*

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 and \$361.0 million in the 2019-21 biennium. Due to new legislation from the 2022 session, beginning in FY 2023 distributions to local governments will occur before funds are distributed to the GF-S. Prior to this, distributions to local governments were part of the forecast of transfers to other agencies by the Office of Financial Management (OFM). As a result, the forecast of transfers of cannabis funds directly to the GF-S has been reduced but the reduction is offset by a decrease in forecasted transfers out of the GF-S in the June OFM forecast outlined below. Due to this change, changes to other transfers and budget-driven changes to the operation of the LCB, the forecast of GF-S distributions for the 2021-23 biennium has been decreased \$57.3 million to \$335.5 million and the forecast for the 2023-25 biennium has been decreased \$76.2 million to \$340.8 million. The forecast of GF-S distributions for the 2025-27 biennium has been decreased \$92.5 million to \$363.2 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):*

21-23: *-\$18.5*  
23-25: *-\$175.3*  
25-27: *-\$258.2*

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 June forecast was affected by many changes from the 2022 legislative session, most of them resulting in decreased revenue. Several transfers of funds into the GF-S were canceled and new fund transfers to transportation accounts were established. As a result of these changes, combined with economic forecast changes, the forecast for the 2021-23 biennium was decreased \$18.5 million to \$116.7 million and the forecast of revenue for the 2023-25 biennium was decreased \$175.3 million to -\$12.8 million. The forecast for the 2025-27 biennium was decreased \$258.2 million to -\$110.2 million. The negative numbers for the 2023-25 and 2025-27 biennia indicated that more funds will be transferred out of the GF-S by the agencies overseen by the OFM than will be transferred in from those agencies.

## State Treasurer

*Forecast change by biennium (millions):*

21-23: \$60.0  
23-25: \$130.4  
25-27: \$100.1

The Office of the State Treasurer generates GF-S revenue by investing state short-term cash reserves. The forecast of GF-S revenue for the 2021-23 biennium has been increased \$60.0 million to \$138.0 million and the forecast of revenue for the 2023-25 biennium has been increased \$130.4 million to \$201.1 million. The forecast of GF-S revenue for the 2025-27 biennium has been increased \$100.1 million to \$175.9 million. The increases were mainly due to a forecasted steep rise in interest rates. There were slight legislative changes to the forecast resulting in reductions of \$1.1-\$2.2 million per biennium.

## Insurance Commissioner

*Forecast change by biennium (millions):*

21-23: \$95.1  
23-25: \$52.8  
25-27: \$45.5

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 2021-23 biennium has been increased \$95.1 million to \$1,565.3 million and the forecast for the 2023-25 biennium has been increased \$52.8 million to \$1,612.5 million. The forecast of GF-S revenue for the 2025-27 biennium has been increased \$45.5 million to \$1,688.4 million.

## Liquor and Cannabis Board

*Forecast change by biennium (millions):*

21-23: -\$81.0  
23-25: -\$92.8  
25-27: -\$107.6

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 2021-23 biennium has been decreased \$81.0 million to \$658.5 million and the forecast of for the 2023-25 biennium has been decreased \$92.8 million to \$676.7 million. The forecast of GF-S distributions for the 2025-27 biennium has been decreased \$107.6 million to \$707.0 million. The forecast changes were a combination of changes in expected fees and taxes associated with beer, wine, and liquor distribution, budget driven revenue changes to the operation of the LCB and the legislative decreases in expected distributions of cannabis excise taxes to the GF-S discussed above.

## Lottery Commission

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

21-23: \$3.4  
23-25: \$1.6  
25-27: \$2.4

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. The forecast of GF-S transfers for the 2021-23 biennium has been increased \$3.4 million to \$62.0 million and the forecast for the 2023-25 biennium has been increased \$1.6 million to \$57.2 million. The forecast of GF-S transfers for the 2025-27 biennium is has been increased \$2.4 million to \$58.7 million.

## Washington Court System

*Forecast change  
by biennium  
(millions):*

21-23: -\$6.1  
23-25: -\$8.4  
25-27: -\$8.7

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 2021-23 biennium has been decreased \$6.1 million to \$80.9 million and the forecast for the 2023-25 biennium has been decreased \$8.4 million to \$72.0 million. The forecast of transfers for the 2025-27 biennium has been reduced \$8.7 million to \$67.9 million.

## 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.

## Alternative Forecasts for the 2021-23 and 2023-25 Biennia

*Optimistic scenario  
(billions):*

21-23: +\$1.93  
23-25: +\$5.03

*Pessimistic scenario:*

21-23: -\$2.18  
23-25: -\$6.17

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, 15% to the optimistic scenario and 35% to the pessimistic scenario. The revenue implications of these alternative scenarios for the 2021-23 biennium are shown in Table 3.13 and those of the 2023-25 biennium are shown in Table 3.14. For the 2021-23 biennium, the optimistic forecast generates \$62.145 billion in GF-S revenue, \$1.928 billion (3.2%) more than the baseline scenario, while the pessimistic forecast produces \$58.034 billion in revenue, \$2.183 billion (3.6%) less than the baseline. For the 2021-23 biennium, the optimistic forecast generates \$67.765 billion in GF-S revenue, \$5.034 billion (8.0%) more than the baseline scenario, while the pessimistic forecast produces \$56.560 billion in revenue, \$6.171 billion (9.8%) less than the baseline.

## Washington Opportunity Pathways Account

*OPA forecast  
change by  
biennium  
(millions):*

21-23: -\$2.6  
23-25: -\$1.7  
25-27: -\$0.3

The Washington Opportunity Pathways Account (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 2021-23 biennium has been decreased \$2.6 million to \$341.9 million and the forecast for the 2023-25 biennium has been decreased \$1.7 million to \$354.5 million. The forecast of OPA revenue for the 2025-27 biennium has been decreased \$0.3 million to \$356.6 million.

## Education Legacy Trust Account

*ELTA forecast  
change by  
biennium  
(millions):*

21-23: \$79.6  
23-25: \$21.0  
25-27: \$18.8

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. The forecast of ELTA revenue has been increased by \$79.6 million for the 2021-23 biennium, \$21.0 million for the 2023-25 biennium and \$18.8 million for the 2025-27 biennium due mainly to forecasted increases in REET and estate tax collections. Forecasted ELTA receipts are now \$1,822.4 million



for the 2021-23 biennium, \$2,104.7 million for the 2023-25 biennium and \$2,323.5 million for the 2025-27 biennium.

## Workforce Education Investment Account

*WEIA  
forecast  
change by  
biennium  
(millions):*

*21-23: \$81.4  
23-25: \$55.8  
25-27: \$20.0*

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 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 \$81.4 million in the 2021-23 biennium, \$55.8 million in the 2023-25 biennium and \$20.0 million in the 2025-27 biennium. WEIA revenue is now forecasted at \$765.6 million in the 2021-23 biennium, \$808.7 million in the 2023-25 biennium and \$851.3 million in the 2025-27 biennium. The WEIA forecast by fiscal year is presented in Table 3.19.

## Budgetary Balance Sheet for the 2021-23 Biennium

*The forecast  
implies total  
reserves of  
\$4.486  
billion at the  
end of the  
2021-23  
biennium for  
GF-S, ELTA,  
OPA and  
WEIA*

Table 3.12 shows the budgetary balance sheet for the 2021-23 biennium 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 2021-23 biennium was \$3,673.7 million and the total beginning balance for GF-S, ELTA, OPA and WEIA combined was \$4,160.7 million. Based on the current enacted budget, the balance sheet projects total GF-S reserves of \$4,267.7 million at the end for the 2021-23 biennium and total reserves for the GF-S, ELTA, OPA and WEIA accounts of \$4,485.6 million.

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

<u>Biennium</u>	<u>Current Dollars</u>	<u>Percent Change</u>	<b>2012</b> <u>Chained Dollars</u>	<u>Percent Change</u>
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%	8,287.6	24.5%
1971-73	1,922.1	10.9%	8,506.9	2.6%
1973-75	2,372.4	23.4%	9,071.9	6.6%
1975-77	3,395.0	43.1%	11,293.8	24.5%
1977-79	4,490.0	32.3%	13,117.2	16.1%
1979-81	5,356.4	19.3%	13,016.1	-0.8%
1981-83	6,801.4	27.0%	14,382.4	10.5%
1983-85	8,202.4	20.6%	16,006.5	11.3%
1985-87	9,574.6	16.7%	17,638.7	10.2%
1987-89	10,934.1	14.2%	18,811.9	6.7%
1989-91	13,309.0	21.7%	21,088.0	12.1%
1991-93	14,862.2	11.7%	22,155.5	5.1%
1993-95	16,564.6	11.5%	23,593.5	6.5%
1995-97	17,637.7	6.5%	24,106.2	2.2%
1997-99	19,620.1	11.2%	26,113.3	8.3%
1999-01	21,262.1	8.4%	27,233.5	4.3%
2001-03	21,140.7	-0.6%	26,166.2	-3.9%
2003-05	23,388.5	10.6%	27,699.2	5.9%
2005-07	27,772.0	18.7%	31,098.9	12.3%
2007-09	27,703.0	-0.2%	29,596.4	-4.8%
2009-11	28,218.1	1.9%	29,411.6	-0.6%
2011-13	30,657.0	8.6%	30,677.3	4.3%
2013-15	33,666.0	9.8%	32,817.7	7.0%
2015-17	38,317.4	13.8%	36,735.5	11.9%
2017-19	44,142.6	15.2%	40,816.9	11.1%
2019-21	50,803.4	15.1%	45,497.3	11.5%
2021-23 <sup>F</sup>	60,217.5	18.5%	49,331.7	8.4%
2023-25 <sup>F</sup>	62,731.2	4.2%	48,782.2	-1.1%
2025-27 <sup>F</sup>	66,670.4	6.3%	50,034.4	2.6%

<sup>F</sup> June 2022 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 2022 forecast.

Table 3.4  
**Taxable retail sales\***  
(millions of dollars)

<b>Fiscal Year</b>	<b>Amount</b>	<b>Percent Change</b>
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	196,651	11.1%
2022 <sup>F</sup>	217,124	10.4%
2023 <sup>F</sup>	225,111	3.7%
2024 <sup>F</sup>	232,956	3.5%
2025 <sup>F</sup>	240,504	3.2%
2026 <sup>F</sup>	248,582	3.4%
2027 <sup>F</sup>	257,601	3.6%

<sup>F</sup> June 2022 forecast

Source: ERFC

\* 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**

2021-23 biennium; cash basis

(millions of dollars)

<b>Forecast by Agency</b>	<b>Feb 2022 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>June 2022 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$28,033.8	(\$24.5)	\$509.3	\$28,518.6	\$484.8
Business & Occupation	11,039.7	(32.5)	409.7	11,416.9	377.1
Use	1,718.9	0.0	55.6	1,774.5	55.6
Public Utility	1,013.5	0.0	28.2	1,041.7	28.2
Liquor Sales/Liter	694.3	0.0	(1.6)	692.7	(1.6)
Cigarette	608.8	0.0	3.4	612.2	3.4
Property (State Levy)	8,872.0	0.0	90.9	8,962.9	90.9
Real Estate Excise	3,179.9	(0.2)	177.2	3,356.9	177.0
Timber Excise	5.5	0.0	1.0	6.5	1.0
Other	1,184.2	36.5	(7.6)	1,213.2	28.9
Subtotal	56,350.6	(20.8)	1,266.3	57,596.1	1,245.5
<b>Insurance Commissioner</b>					
Insurance Premiums	1,470.2	0.0	95.1	1,565.3	95.1
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	679.7	(30.3)	(49.9)	599.5	(80.2)
Beer & Wine Surtax	59.9	0.0	(0.8)	59.0	(0.8)
<b>Lottery Commission</b>					
Lottery Revenue	58.6	(1.1)	4.5	62.0	3.4
<b>State Treasurer</b>					
Interest Earnings	78.1	0.0	60.0	138.0	60.0
<b>Office of Financial Management</b>					
Other Agencies	135.1	(41.3)	22.9	116.7	(18.5)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	87.0	0.0	(6.1)	80.9	(6.1)
<b>Total General Fund-State *</b>	<b>\$58,919.2</b>	<b>(\$93.5)</b>	<b>\$1,391.8</b>	<b>\$60,217.5</b>	<b>\$1,298.3</b>

<sup>1</sup> Forecast for the 2021-23 biennium adopted by the Economic and Revenue Forecast Council February 16, 2022<sup>2</sup> Forecast for the 2021-23 biennium, adopted June 22, 2022

\*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 3.6

**Comparison of the General Fund-State forecast by agency**

2021-23 biennium; GAAP basis

(millions of dollars)

<b>Forecast by Agency</b>	<b>Feb 2022 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>June 2022 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$28,033.8	(\$24.5)	\$509.3	\$28,518.6	\$484.8
Business & Occupation	11,039.7	(32.5)	409.7	11,416.9	377.1
Use	1,718.9	0.0	55.6	1,774.5	55.6
Public Utility	1,013.5	0.0	28.2	1,041.7	28.2
Liquor Sales/Liter	706.3	0.0	(1.0)	705.4	(1.0)
Cigarette	608.8	0.0	3.4	612.2	3.4
Property (State Levy)	8,872.0	0.0	83.7	8,955.7	83.7
Real Estate Excise	3,179.9	(0.2)	177.2	3,356.9	177.0
Timber Excise	5.6	0.0	1.0	6.7	1.0
Other	1,183.9	36.5	(7.2)	1,213.2	29.3
Subtotal	56,362.4	(20.8)	1,260.1	57,601.7	1,239.3
<b>Insurance Commissioner</b>					
Insurance Premiums	1,470.2	0.0	95.1	1,565.3	95.1
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	679.7	(30.3)	(49.9)	599.5	(80.2)
Beer & Wine Surtax	59.9	0.0	(0.8)	59.0	(0.8)
<b>Lottery Commission</b>					
Lottery Revenue	59.1	(1.1)	4.4	62.4	3.3
<b>State Treasurer</b>					
Interest Earnings	64.1	0.0	67.8	131.9	67.8
<b>Office of Financial Management</b>					
Other Agencies	135.1	(41.3)	22.9	116.7	(18.5)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	87.0	0.0	(6.1)	80.9	(6.1)
<b>Total General Fund-State *</b>	<b>\$58,917.6</b>	<b>(\$93.5)</b>	<b>\$1,393.4</b>	<b>\$60,217.4</b>	<b>\$1,299.9</b>

<sup>1</sup> Forecast for the 2021-23 biennium adopted by the Economic and Revenue Forecast Council February 16, 2022<sup>2</sup> Forecast for the 2021-23 biennium, adopted June 22, 2022

\*Detail may not add to totals because of rounding.

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

Table 3.7

**Comparison of the General Fund-State forecast by agency**

2023-25 biennium; cash basis

(millions of dollars)

<b>Forecast by Agency</b>	<b>Feb 2022 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>June 2022 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$30,162.8	(\$79.2)	\$435.4	\$30,519.0	\$356.2
Business & Occupation	12,020.0	(159.3)	366.0	12,226.7	206.7
Use	1,773.3	0.0	29.5	1,802.8	29.5
Public Utility	1,093.4	0.0	(20.7)	1,072.8	(20.7)
Liquor Sales/Liter	685.5	0.0	1.1	686.6	1.1
Cigarette	568.5	0.0	4.1	572.7	4.1
Property (State Levy)	9,396.2	0.0	7.9	9,404.1	7.9
Real Estate Excise	2,550.1	(1.2)	60.4	2,609.3	59.2
Timber Excise	2.5	0.0	0.1	2.6	0.1
Other	1,223.9	3.6	0.2	1,227.7	3.8
Subtotal	59,476.3	(236.1)	884.1	60,124.3	647.9
<b>Insurance Commissioner</b>					
Insurance Premiums	1,559.7	0.0	52.8	1,612.5	52.8
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	708.9	(74.3)	(17.7)	616.9	(92.0)
Beer & Wine Surtax	60.6	0.0	(0.8)	59.8	(0.8)
<b>Lottery Commission</b>					
Lottery Revenue	55.6	0.0	1.6	57.2	1.6
<b>State Treasurer</b>					
Interest Earnings	70.7	(2.2)	132.6	201.1	130.4
<b>Office of Financial Management</b>					
Other Agencies	162.5	(166.9)	(8.3)	(12.8)	(175.3)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	80.5	0.0	(8.4)	72.0	(8.4)
<b>Total General Fund-State *</b>	<b>\$62,174.8</b>	<b>(\$479.6)</b>	<b>\$1,035.9</b>	<b>\$62,731.2</b>	<b>\$556.3</b>

<sup>1</sup> Forecast for the 2023-25 biennium adopted by the Economic and Revenue Forecast Council February 16, 2022<sup>2</sup> Forecast for the 2023-25 biennium, adopted June 22, 2022

\*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**

2023-25 biennium; GAAP basis

(millions of dollars)

<b>Forecast by Agency</b>	<b>Feb 2022 Forecast<sup>1</sup></b>	<b>Legislative Changes</b>	<b>Forecast Revision</b>	<b>June 2022 Forecast<sup>2</sup></b>	<b>Total Change</b>
<b>Department of Revenue</b>					
Retail Sales	\$30,162.8	(\$79.2)	\$435.4	\$30,519.0	\$356.2
Business & Occupation	12,020.0	(159.3)	366.0	12,226.7	206.7
Use	1,773.3	0.0	29.5	1,802.8	29.5
Public Utility	1,093.4	0.0	(20.7)	1,072.8	(20.7)
Liquor Sales/Liter	685.5	0.0	1.1	686.6	1.1
Cigarette	568.5	0.0	4.1	572.7	4.1
Property (State Levy)	9,396.2	0.0	7.9	9,404.1	7.9
Real Estate Excise	2,550.1	(1.2)	60.4	2,609.3	59.2
Timber Excise	2.7	0.0	0.2	2.9	0.2
Other	1,223.9	3.6	0.2	1,227.7	3.8
Subtotal	59,476.6	(236.1)	884.2	60,124.7	648.1
<b>Insurance Commissioner</b>					
Insurance Premiums	1,559.7	0.0	52.8	1,612.5	52.8
<b>Liquor Control Board</b>					
Fees, Cannabis Excise Tax	708.9	(74.3)	(17.7)	616.9	(92.0)
Beer & Wine Surtax	60.6	0.0	(0.8)	59.8	(0.8)
<b>Lottery Commission</b>					
Lottery Revenue	55.9	0.0	1.7	57.6	1.7
<b>State Treasurer</b>					
Interest Earnings	70.7	(2.2)	132.4	200.9	130.2
<b>Office of Financial Management</b>					
Other Agencies	162.5	(166.9)	(8.3)	(12.8)	(175.3)
<b>Washington Court System</b>					
Court Fees, Fines & Forfeitures	80.5	0.0	(8.4)	72.0	(8.4)
<b>Total General Fund-State *</b>	<b>\$62,175.3</b>	<b>(\$479.6)</b>	<b>\$1,036.0</b>	<b>\$62,731.7</b>	<b>\$556.4</b>

<sup>1</sup> Forecast for the 2023-25 biennium adopted by the Economic and Revenue Forecast Council February 16, 2022<sup>2</sup> Forecast for the 2023-25 biennium, adopted June 22, 2022

\*Detail may not add to totals because of rounding.

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

Table 3.9

**June 2022 General Fund-State forecast detail**  
**2021-23 to 2025-27 Biennia; Cash Basis**  
(Millions of Dollars)

<b>Forecast by Source</b>	<b>Fiscal 2022</b>	<b>Fiscal 2023</b>	<b>2021-23 Biennium</b>	<b>Fiscal 2024</b>	<b>Fiscal 2025</b>	<b>2023-25 Biennium</b>	<b>Fiscal 2026</b>	<b>Fiscal 2027</b>	<b>2025-27 Biennium</b>
<b>State Taxes</b>									
Retail sales**	\$13,988.8	\$14,529.8	\$28,518.6	\$15,016.0	\$15,503.1	\$30,519.0	\$16,009.9	\$16,584.5	\$32,594.3
Business & occupation Use**	5,679.1	5,737.8	11,416.9	5,976.7	6,250.0	12,226.7	6,545.4	6,834.5	13,379.8
Public Utility	489.4	552.4	1,041.7	536.0	536.8	1,072.8	553.2	566.8	1,120.0
Liquor sales/liter	350.6	342.1	692.7	341.7	344.8	686.6	349.4	355.4	704.8
Beer & wine surtax	29.4	29.6	59.0	29.8	30.0	59.8	30.2	30.4	60.6
Cigarette	319.2	310.0	629.2	300.6	289.4	590.0	280.8	273.1	553.9
Tobacco products	50.2	55.2	105.4	53.1	53.6	106.6	54.1	54.6	108.7
Cannabis Excise Taxes	173.0	154.0	327.0	163.3	168.9	332.2	174.3	180.1	354.3
Property (state school levy)	4,427.1	4,535.8	8,962.9	4,643.1	4,761.0	9,404.1	4,879.1	5,003.4	9,882.5
Leasehold Excise Tax	40.9	38.0	78.9	38.9	39.6	78.5	40.3	41.0	81.2
Public utility district	59.6	62.4	122.0	64.4	66.3	130.7	67.8	69.3	137.1
Brokered Natural Gas	39.6	33.7	73.3	33.8	34.4	68.3	35.0	35.6	70.6
Real estate excise***	1,988.2	1,368.7	3,356.9	1,285.2	1,324.1	2,609.3	1,310.8	1,330.5	2,641.3
Timber excise	5.5	1.1	6.5	1.2	1.4	2.6	1.5	1.5	3.0
Estate/inheritance	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Boat excise	17.5	12.9	30.4	13.1	13.3	26.4	13.5	13.6	27.1
Insurance premiums	784.3	781.0	1,565.3	795.6	817.0	1,612.5	835.6	852.8	1,688.4
Penalties and interest on past due taxes	128.7	137.8	266.5	146.7	153.4	300.1	159.7	166.2	325.9
Other	62.8	57.8	120.6	58.6	59.6	118.2	60.5	65.6	126.1
<b>Total Taxes</b>	<b>29,533.9</b>	<b>29,614.5</b>	<b>59,148.5</b>	<b>30,385.0</b>	<b>31,362.3</b>	<b>61,747.3</b>	<b>32,351.6</b>	<b>33,451.3</b>	<b>65,802.9</b>
<b>State Non-Tax Sources</b>									
Licenses, permits, fees	181.0	176.1	357.1	178.1	179.7	357.8	181.9	184.0	365.9
Liquor & Cannabis fees	148.6	124.0	272.5	140.1	144.6	284.7	144.7	147.3	292.1
Earnings on investments	50.9	87.1	138.0	110.4	90.7	201.1	88.2	87.7	175.9
Washington Court System	42.7	38.2	80.9	36.7	35.3	72.0	34.3	33.6	67.9
Transfers of unclaimed property	158.1	189.7	347.8	160.3	156.6	316.9	159.0	160.5	319.5
Other revenue & transfers	(41.1)	(86.2)	(127.3)	(108.5)	(140.2)	(248.6)	(170.7)	(183.1)	(353.8)
<b>Total Non-Tax</b>	<b>540.2</b>	<b>528.9</b>	<b>1,069.0</b>	<b>517.0</b>	<b>466.9</b>	<b>983.9</b>	<b>437.5</b>	<b>430.0</b>	<b>867.5</b>
<b>Total General Fund-State *</b>	<b>\$30,074.1</b>	<b>\$30,143.4</b>	<b>\$60,217.5</b>	<b>\$30,902.0</b>	<b>\$31,829.1</b>	<b>\$62,731.2</b>	<b>\$32,789.1</b>	<b>\$33,881.3</b>	<b>\$66,670.4</b>

\* 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 2021-23 biennial forecast of funds subject to the budget outlook**

February 2018 through June 2022

Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>General Fund-State</u>	<u>Education Legacy Trust Acct.</u>	<u>Washington Opportunity Pathways Acct.</u>	<u>Workforce Education Investment Acct.</u>	<u>Subtotal</u>	<u>Non-economic changes</u>	<u>Total change</u>	<u>Total of funds</u>
<b>February 2018*</b>	\$51,932	\$593	\$266	NA				\$52,790
<b>Changes to Forecast</b>								
June 2018	357	26	4	NA	387	(7) #1	380	53,170
September 2018	249	94	27	NA	369	46 #2	415	53,585
November 2018	201	2	7	NA	209	0	209	53,795
March 2019	369	0	5	NA	374	190 #3	564	54,358
June 2019	64	5	3	NA	73	605 #4	678	55,036
September 2019	(79)	21	(5)	NA	(63)	0	(63)	54,973
November 2019	175	(2)	8	NA	181	0	181	55,154
February 2020	512	25	(1)	NA	536	627 #5	1,163	56,317
June 2020	(4,570)	6	8	(56)	(4,612)	213 #6	(4,399)	51,919
September 2020	2,246	149	(5)	30	2,419	0	2,419	54,338
November 2020	297	22	6	4	328	0	328	54,666
March 2021	1,894	24	10	21	1,949	0	1,949	56,615
June 2021	1,340	6	18	35	1,399	399 #7	1,798	58,413
September 2021	845	73	1	8	927	0	927	59,341
November 2021	994	(179)	5	10	829	69 #8	898	60,238
February 2022	1,400	56	(10)	6	1,453	0	1,453	61,691
June 2022	1,392	80	(2)	83	1,552	(95) #9	1,457	63,147
<b>Total change:</b>								
From February 2018**	7,687	407	77	139	8,310	2,047	10,357	
Percent change	14.8	68.8	28.9	22.2	15.7	3.9	19.6	
<b>Change in forecast since initial 2123 biennial budget***</b>								
	<b>5,971</b>	<b>36</b>	<b>12</b>	<b>141</b>	<b>6,160</b>	<b>(27)</b>	<b>6,134</b>	
Percent change	11.0	2.0	3.5	22.5	10.8	0.0	10.8	

Table 3.11

**Track Record for the 2023-25 Forecast of Funds Subject to the Budget Outlook**

February 2020 through June 2022

Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>General Fund-State</u>	<u>Education Legacy Trust Acct.</u>	<u>Washington Opportunity Pathways Acct.</u>	<u>Workforce Education Investment Acct.</u>	<u>Subtotal</u>	<u>Non-economic Changes</u>	<u>Total Change</u>	<u>Total of Funds</u>
<b>February 2020*</b>	\$57,930	\$925	\$321	\$667				\$59,843
<b>Changes to Forecast</b>								
June 2020	(4,682)	(9)	8	(3)	(4,685)	209 #6	(4,476)	55,367
September 2020	2,460	125	(7)	35	2,612	0	2,612	57,979
November 2020	16	14	2	(4)	28	0	28	58,007
March 2021	1,846	17	10	25	1,899	0	1,899	59,906
June 2021	1,419	(6)	16	7	1,436	810 #7	2,246	62,151
September 2021	891	31	(1)	9	931	0	931	63,082
November 2021	828	(44)	5	11	800	165 #8	965	64,047
February 2022	1,311	2	2	5	1,320	0	1,320	65,368
June 2022	1,036	21	(1)	55	1,112	(480) #9	632	65,999
<b>Total change:</b>								
From February 2020	5,125	152	34	141	5,452	704	6,156	
Percent change	8.8	16.5	10.7	21.1	9.1	1.2	10.3	

\*First official forecast for the 2021-23 biennium

\*\*Change in Workforce Education Investment Account forecast represents change from the initial fiscal note estimate of \$627 million first recorded in February 2020 forecast

\*\*\*Resources for the initial 2021-23 budget include forecasted March 2021 revenue plus legislative revenue changes from 2021 session subsequent to the March forecast

#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 Establishment of Workforce Education Investment Account

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

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

#8 Addition of financial services tax to forecast after court approval and expected refunds from DOR rule change on apportionment

#9 Legislative and budget-driven revenue changes from the 2022 legislative session

Table 3.12

**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), Fair Start for Kids Account (FSKA),**  
**Budget Stabilization Account (BSA) and Washington Rescue Plan Transition Account**  
Dollars in Millions

	2021-23		
	GFS	ELTA, OPA, WEIA, FSKA*	TOTAL
<b>RESOURCES</b>			
<b>Beginning Fund Balance</b>	<b>3,673.7</b>	<b>487.0</b>	<b>4,160.7</b>
February 2022 Revenue Forecast	58,919.2	2,771.4	61,690.7
June 2022 Revenue Forecast Change	1,391.8	160.1	1,551.9
<b>Current Revenue Totals</b>	<b>60,311.0</b>	<b>2,931.5</b>	<b>63,242.6</b>
Transfer to Budget Stabilization Account (1% of GSR)	(587.4)		(587.4)
Transfer to Budget Stabilization Account (EGSR)	-		-
Enacted Fund Transfers	50.2	-	50.2
Assumed Prior Period Adjustments	40.8		40.8
2022 Legislative Session			-
Revenue Legislation	(63.2)	(1.2)	(64.3)
New Fund Transfers	(1,231.7)	-	(1,231.7)
Budget Driven Revenue	(30.3)	(0.5)	(30.8)
Governor's Vetoes	(2.7)	-	(2.7)
<b>Total Resources (Including Beginning Fund Balance)</b>	<b>62,160.4</b>	<b>3,416.8</b>	<b>65,577.2</b>
<b>EXPENDITURES</b>			
<b>Enacted Budgets</b>			
2021-23 Biennium	56,187.8	2,878.8	59,066.6
2022 Supplemental Budget	4,751.3	320.1	5,071.4
2022 Supplemental Budget - Governor's Vetoes	(13.4)	-	(13.4)
Assumed Reversions	(321.7)	-	(321.7)
<b>Total Expenditures</b>	<b>60,604.0</b>	<b>3,198.9</b>	<b>63,802.9</b>
<b>RESERVES</b>			
<b>Projected Ending Balance</b>	<b>1,556.4</b>	<b>218.0</b>	<b>1,774.3</b>
<b>Budget Stabilization Account</b>			
Budget Stabilization Account Beginning Balance	19.2		19.2
Transfers from General Fund (1% of GSR)	587.4		587.4
Transfers from GFS (EGSR)	-		-
Assumed 21-23 Biennium-Interest Earnings	4.7		4.7
<b>Projected Budget Stabilization Account Ending Balance</b>	<b>611.3</b>		<b>611.3</b>
<b>Washington Rescue Plan Transition Account</b>			
Beginning Balance	1,000.0		1,000.0
Transfers	1,100.0		1,100.0
<b>Projected Wash Rescue Plan Transition Account Ending Balance</b>	<b>2,100.0</b>		<b>2,100.0</b>
<b>Total Reserves Including Budget Stabilization and Wa Rescue Plan</b>	<b>4,267.7</b>	<b>218.0</b>	<b>4,485.6</b>

\* No revenue or expenditures for 25H-Fair Start for Kids Account (FSKA).

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**  
**2021-23 biennium**  
(cash basis, millions of dollars)

<b>Forecast by Source</b>	<b>Optimistic Forecast</b>	<b>Baseline Forecast</b>	<b>Pessimistic Forecast</b>
<b>Department of Revenue</b>			
Retail Sales	\$29,704.7	\$28,518.6	\$27,276.1
Business & Occupation	11,891.6	11,416.9	10,953.9
Use	1,857.8	1,774.5	1,683.4
Public Utility	1,087.5	1,041.7	999.0
Property (school levy)	8,917.3	8,962.9	8,837.3
Real Estate Excise	3,391.5	3,356.9	3,278.6
Other	2,566.3	2,524.6	2,486.3
Subtotal	59,416.6	57,596.1	55,514.6
<b>Insurance Commissioner<sup>1</sup></b>	1,604.7	1,565.3	1,525.9
<b>Lottery Commission</b>	64.4	62.0	59.6
<b>State Treasurer - Interest earnings</b>	183.2	138.0	97.6
<b>Liquor and Cannabis Surtaxes &amp; Fees<sup>2</sup></b>	676.2	658.5	641.3
<b>Office of Financial Management</b>			
Other agencies	117.8	116.7	115.5
<b>Washington Court System</b>			
Court Fees, Fines & Forfeitures	82.1	80.9	79.7
<b>Total General Fund - State*</b>	<b>\$62,145.1</b>	<b>\$60,217.5</b>	<b>\$58,034.2</b>
<b>Difference from June 2022 Baseline</b>	<b>\$1,927.6</b>		<b>(\$2,183.3)</b>

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**  
**2023-25 biennium**  
(cash basis, millions of dollars)

<b>Forecast by Source</b>	<b>Optimistic Forecast</b>	<b>Baseline Forecast</b>	<b>Pessimistic Forecast</b>
<b>Department of Revenue</b>			
Retail Sales	\$33,582.1	\$30,519.0	\$26,790.0
Business & Occupation	13,420.3	12,226.7	10,907.8
Use	2,018.6	1,802.8	1,551.9
Public Utility	1,184.4	1,072.8	992.4
Property (school levy)	9,460.4	9,404.1	9,321.6
Real Estate Excise	2,689.0	2,609.3	2,249.0
Other	2,608.5	2,489.5	2,328.6
Subtotal	64,963.3	60,124.3	54,141.2
<b>Insurance Commissioner<sup>1</sup></b>	1,694.0	1,612.5	1,531.1
<b>Lottery Commission</b>	60.1	57.2	54.4
<b>State Treasurer - Interest earnings</b>	275.4	201.1	140.2
<b>Liquor and Cannabis Surtaxes &amp; Fees<sup>2</sup></b>	709.8	676.7	637.9
<b>Office of Financial Management</b>			
Other agencies	(13.2)	(12.8)	(12.4)
<b>Washington Court System</b>			
Court Fees, Fines & Forfeitures	75.5	72.0	67.4
<b>Total General Fund - State*</b>	<b>\$67,765.0</b>	<b>\$62,731.2</b>	<b>\$56,559.7</b>
<b>Difference from June 2022 Baseline</b>	<b>\$5,033.8</b>		<b>(\$6,171.4)</b>

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**

February 2022 Forecast  
(cash basis, millions of dollars)

	<b>Lottery: Total Transfers:*</b>	<b>General Fund</b>	<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student Achievement Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Development Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>
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	231.6	27.7	0.0	14.2	0.0	0.0	0.5	4.8	184.4	0.0	0.0
2019-21 Biennium	418.0	44.4	0.0	27.9	0.0	0.0	0.8	8.0	336.9	0.0	0.0
2022	206.3	33.1	0.0	0.0	0.0	0.0	0.4	4.6	168.2	0.0	0.0
2023	207.2	28.9	0.0	0.0	0.0	0.0	0.4	4.2	173.7	0.0	0.0
2021-23 Biennium	413.5	62.0	0.0	0.0	0.0	0.0	0.9	8.8	341.9	0.0	0.0
2024	211.0	28.4	0.0	0.0	0.0	0.0	0.4	4.4	177.8	0.0	0.0
2025	210.5	28.9	0.0	0.0	0.0	0.0	0.4	4.4	176.7	0.0	0.0
2023-25 Biennium	421.5	57.2	0.0	0.0	0.0	0.0	0.9	8.9	354.5	0.0	0.0
2026	211.9	29.0	0.0	0.0	0.0	0.0	0.4	4.4	178.0	0.0	0.0
2027	213.1	29.7	0.0	0.0	0.0	0.0	0.4	4.4	178.5	0.0	0.0
2025-27 Biennium	425.0	58.7	0.0	0.0	0.0	0.0	0.9	8.9	356.6	0.0	0.0

Table 3.16

**Lottery transfers by fund**

February 2022 Forecast  
(GAAP basis, millions of dollars)

	<b>Lottery: Total Transfers:*</b>	<b>General Fund</b>	<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student Achievement Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Development Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>
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	229.0	23.9	0.0	14.2	0.0	0.0	0.5	4.7	185.7	0.0	0.0
2019-21 Biennium	410.0	40.1	0.0	27.9	0.0	0.0	0.8	8.1	333.1	0.0	0.0
2022	210.4	33.9	0.0	0.0	0.0	0.0	0.4	4.4	171.6	0.0	0.0
2023	207.3	28.5	0.0	0.0	0.0	0.0	0.4	4.4	173.9	0.0	0.0
2021-23 Biennium	417.6	62.4	0.0	0.0	0.0	0.0	0.9	8.9	345.5	0.0	0.0
2024	209.4	28.7	0.0	0.0	0.0	0.0	0.4	4.4	175.9	0.0	0.0
2025	210.6	28.9	0.0	0.0	0.0	0.0	0.4	4.4	176.8	0.0	0.0
2023-25 Biennium	420.0	57.6	0.0	0.0	0.0	0.0	0.9	8.9	352.7	0.0	0.0
2026	212.1	29.0	0.0	0.0	0.0	0.0	0.4	4.4	178.1	0.0	0.0
2027	213.2	29.1	0.0	0.0	0.0	0.0	0.4	4.4	179.2	0.0	0.0
2025-27 Biennium	425.3	58.2	0.0	0.0	0.0	0.0	0.9	8.9	357.3	0.0	0.0

\* Total Transfers are equal to total sales less total expenses (prizes, cost of sales, administration etc.)  
Source: Lottery Commission, ERF

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)

February 2022 - 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 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%
FY 2021	\$26,986	13.3%	\$726	-20.5%	\$184	20.9%	\$320	905.5%	\$28,217	13.3%
Forecast:										
FY 2022	\$30,074	11.4%	\$879	21.1%	\$168	-8.8%	\$377	17.7%	\$31,499	11.6%
FY 2023	\$30,143	0.2%	\$943	7.3%	\$174	3.3%	\$389	3.0%	\$31,649	0.5%
FY 2024	\$30,902	2.5%	\$993	5.3%	\$178	2.3%	\$399	2.7%	\$32,472	2.6%
FY 2025	\$31,829	3.0%	\$1,112	12.0%	\$177	-0.6%	\$410	2.6%	\$33,527	3.2%
FY 2026	\$32,789	3.0%	\$1,143	2.8%	\$178	0.7%	\$420	2.6%	\$34,531	3.0%
FY 2027	\$33,881	3.3%	\$1,180	3.2%	\$179	0.3%	\$431	2.6%	\$35,671	3.3%
<b>Biennial Totals</b>										
<b>09-11 Biennium</b>	<b>\$28,218</b>	<b>-5.4%</b>	<b>\$269</b>	<b>-38.5%</b>	<b>\$99</b>	<b>NA</b>	<b>\$0</b>	<b>NA</b>	<b>\$28,586</b>	<b>-5.5%</b>
<b>11-13 Biennium</b>	<b>\$30,657</b>	<b>8.6%</b>	<b>\$215</b>	<b>-19.9%</b>	<b>\$244</b>	<b>145.2%</b>	<b>\$0</b>	<b>NA</b>	<b>\$31,116</b>	<b>8.8%</b>
<b>13-15 Biennium</b>	<b>\$33,666</b>	<b>9.8%</b>	<b>\$405</b>	<b>88.0%</b>	<b>\$234</b>	<b>-4.1%</b>	<b>\$0</b>	<b>NA</b>	<b>\$34,305</b>	<b>10.2%</b>
<b>15-17 Biennium</b>	<b>\$38,317</b>	<b>13.8%</b>	<b>\$467</b>	<b>15.4%</b>	<b>\$266</b>	<b>13.6%</b>	<b>\$0</b>	<b>NA</b>	<b>\$39,050</b>	<b>13.8%</b>
<b>17-19 Biennium</b>	<b>\$44,143</b>	<b>15.2%</b>	<b>\$1,654</b>	<b>254.1%</b>	<b>\$284</b>	<b>6.9%</b>	<b>\$0</b>	<b>NA</b>	<b>\$46,081</b>	<b>18.0%</b>
<b>19-21 Biennium</b>	<b>\$50,803</b>	<b>15.1%</b>	<b>\$1,639</b>	<b>-0.9%</b>	<b>\$337</b>	<b>18.5%</b>	<b>\$352</b>	<b>NA</b>	<b>\$53,132</b>	<b>15.3%</b>
<b>21-23 Biennium</b>	<b>\$60,218</b>	<b>18.5%</b>	<b>\$1,822</b>	<b>11.2%</b>	<b>\$342</b>	<b>1.5%</b>	<b>\$766</b>	<b>117.4%</b>	<b>\$63,147</b>	<b>18.9%</b>
<b>23-25 Biennium</b>	<b>\$62,731</b>	<b>4.2%</b>	<b>\$2,105</b>	<b>15.5%</b>	<b>\$355</b>	<b>3.7%</b>	<b>\$809</b>	<b>5.6%</b>	<b>\$65,999</b>	<b>4.5%</b>
<b>25-27 Biennium</b>	<b>\$66,670</b>	<b>6.3%</b>	<b>\$2,323</b>	<b>10.4%</b>	<b>\$357</b>	<b>0.6%</b>	<b>\$851</b>	<b>5.3%</b>	<b>\$70,202</b>	<b>6.4%</b>

\*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 2022

Cash forecast, 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							General Fund-State*
				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	Local governments	
2016	\$168,051	\$16,342	\$151,709	\$12,814	\$7,500	\$345	\$79,750	\$0	\$251	\$0	\$51,049
2017	\$300,635	\$22,180	\$278,455	\$27,786	\$7,500	\$345	\$145,717	\$0	\$511	\$0	\$96,596
2018	\$360,608	\$31,388	\$329,220	\$27,786	\$9,761	\$365	\$173,418	\$0	\$513	\$0	\$117,377
2019	\$391,191	\$60,749	\$330,442	\$0	\$9,764	\$365	\$188,317	\$0	\$515	\$0	\$131,482
2020	\$448,427	\$66,894	\$381,533	\$0	\$10,786	\$374	\$215,096	\$0	\$522	\$0	\$154,754
2021	\$560,929	\$70,584	\$490,345	\$0	\$10,615	\$384	\$272,521	\$0	\$530	\$0	\$206,296
2022	\$527,090	\$18,493	\$508,597	\$0	\$10,584	\$401	\$264,470	\$55,556	\$520	\$0	\$177,066
2023	\$527,124	\$32,098	\$495,026	\$0	\$0	\$0	\$257,413	\$54,453	\$0	\$24,751	\$158,408
2024	\$555,878	\$32,108	\$523,771	\$0	\$0	\$0	\$272,361	\$57,615	\$0	\$26,189	\$167,607
2025	\$571,552	\$30,223	\$541,329	\$0	\$0	\$0	\$281,491	\$59,546	\$0	\$27,066	\$173,225
2026	\$589,128	\$30,708	\$558,420	\$0	\$0	\$0	\$290,378	\$61,426	\$0	\$27,921	\$178,694
2027	\$607,708	\$31,276	\$576,432	\$0	\$0	\$0	\$299,744	\$63,407	\$0	\$28,822	\$184,458
<b>Biennial totals</b>											
2015-17	\$468,686	\$38,522	\$430,164	\$40,600	\$15,000	\$690	\$225,467	\$0	\$762	\$0	\$147,645
2017-19	\$751,799	\$92,137	\$659,662	\$27,786	\$19,525	\$730	\$361,735	\$0	\$1,028	\$0	\$248,859
2019-21	\$1,009,356	\$137,478	\$871,878	\$0	\$21,401	\$758	\$487,617	\$0	\$1,052	\$0	\$361,050
2021-23	\$1,054,214	\$50,591	\$1,003,623	\$0	\$10,584	\$401	\$521,884	\$110,009	\$520	\$24,751	\$335,474
2023-25	\$1,127,430	\$62,331	\$1,065,099	\$0	\$0	\$0	\$553,852	\$117,161	\$0	\$53,255	\$340,832
2025-27	\$1,196,835	\$61,984	\$1,134,852	\$0	\$0	\$0	\$590,123	\$124,834	\$0	\$56,743	\$363,152

\*Before distributions to local governments FY 2016-FY2022

Table 3.19

**Workforce Education Investment Account**

June 2022

Cash forecast, thousands of dollars

	FY22	FY23	2021-23 Biennium	FY24	FY25	2023-25 Biennium	FY26	FY27	2025-27 Biennium
February 2022 forecast	\$334,106	\$350,088	\$684,194	\$367,178	\$385,732	\$752,909	\$405,217	\$426,094	\$831,312
Forecast change	\$42,954	\$38,465	\$81,418	\$31,999	\$23,838	\$55,837	\$14,930	\$5,032	\$19,961
June 2022 forecast	\$377,059	\$388,553	\$765,613	\$399,176	\$409,570	\$808,746	\$420,147	\$431,126	\$851,273

Table 3.20

**Revenue legislation and budget driven revenue changes**

Passed in the 2022 Legislative Session

(Millions of dollars, excludes Governor vetoes)

**2022 Revenue Legislation**

Bill number	Bill title	Tax Type/Fee	Rev Source	FY22	FY23	FY24	FY25	FY26	FY27
1015	Equitable Access to Credit	GFS	0105	0.000	(8.000)	(8.000)	(8.000)	(8.000)	(8.000)
1359	Liquor License Fees	GFS	0205	(0.698)	(4.188)	(2.094)	0.000	0.000	0.000
1641	Custom Farming, Etc./Tax	GFS	0105	0.000	(0.037)	(0.040)	(0.040)	(0.040)	(0.040)
1643	Affordable Housing/REET	GFS	0157	0.000	(0.231)	(0.603)	(0.621)	(0.639)	(0.691)
1700	Derelict Vessel Removal	GFS	0149	0.000	(4.284)	(4.379)	(4.379)	(4.500)	(4.528)
1765	Health Benefit Ex./B&O Tax	GFS	0105	0.000	0.000	(1.000)	(1.110)	(1.110)	(1.110)
1814	Community Solar Projects	GFS	0136	0.000	0.000	(0.300)	(2.600)	(6.500)	(6.500)
1818	Reentry and Rehabilitation	GFS	0621	0.000	1.100	0.000	0.000	0.000	0.000
1846	Data Centers Tax Preference	GFS	0101	0.000	(5.890)	(9.990)	(19.860)	(27.300)	(32.800)
1914	Motion Picture Program	GFS	0106	0.000	(11.500)	(11.500)	(11.500)	(11.500)	(11.500)
1988	Clean Tech. Tax Deferrals	GFS	0101	0.000	(3.115)	(3.544)	(3.644)	(3.740)	(3.850)
1990	SR 167 & I-405 Sales Tax Deferral	GFS	0101	0.000	(0.400)	(6.290)	(7.790)	(6.600)	(8.500)
2024	SR 520 Sales Tax Deferral	GFS	0101	0.000	(11.180)	(11.180)	(11.180)	(11.180)	(11.180)
2058	Parks & Rec. Leasehold Tax	GFS	0159	0.000	(0.023)	(0.048)	(0.050)	(0.052)	(0.053)
2099	Tax Penalties	GFS	0175	0.000	0.010	0.030	0.030	0.030	0.030
5488	Tacoma Narrows Toll Bridge	GFS	0622	0.000	(13.000)	(13.000)	(13.000)	(13.000)	(13.000)
5531	Uniform Unclaimed Property	GFS	0621	0.000	35.400	4.400	(0.780)	0.000	0.000
5714	Solar Canopies Tax Deferral	GFS	0101	0.000	(5.390)	(8.290)	(9.580)	(11.000)	(12.700)
5728	Drug Forfeiture Collections	GFS	0622	0.000	(1.100)	(1.100)	(1.100)	(1.100)	(1.100)
5755	Vacant Land Redevelopment	GFS	0101	0.000	0.000	(1.020)	(1.670)	(1.730)	(1.780)
5849	Tax Incentives	GFS	0105	0.000	0.000	0.000	0.000	0.000	0.000
5901	Economic Dev. Tax Incentives	GFS	0101	0.000	1.090	0.430	0.320	0.200	0.030
5974	Transportation Resources	GFS	0101	0.000	(18.760)	(77.200)	(78.000)	(109.000)	(109.000)
5980	B&O Tax Credits	GFS	0105	0.000	(13.000)	(57.800)	(60.300)	(63.100)	(65.900)
<b>Total Revenue legislation-fiscal year-GFS</b>				<b>(0.698)</b>	<b>(62.498)</b>	<b>(212.518)</b>	<b>(234.854)</b>	<b>(279.861)</b>	<b>(292.172)</b>
<b>Biennial totals</b>					<b>(63.196)</b>		<b>(447.372)</b>		<b>(572.033)</b>
<b>2022 GF-S Budget Driven Revenue</b>				<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
	Liquor Control Board (Liquor)	GFS		3.664	(18.887)	1.064	2.510	0.000	0.000
	Liquor Control Board (Marijuana)	GFS		(1.340)	(8.498)	(9.877)	(12.548)	(14.430)	(16.595)
	Marijuana Distribution Changes	GFS		0.000	(5.243)	(6.227)	(7.100)	(8.165)	(9.390)
<b>Total budget driven revenue-fiscal year-GFS</b>				<b>2.324</b>	<b>(32.628)</b>	<b>(15.040)</b>	<b>(17.138)</b>	<b>(22.595)</b>	<b>(25.984)</b>
<b>Biennial totals</b>					<b>(30.304)</b>		<b>(32.178)</b>		<b>(48.580)</b>
1643	Affordable Housing/REET	ELTA	0157	0.00	(0.05)	(0.11)	(0.11)	(0.11)	(0.12)
<b>Total ELTA fund 08A changes</b>				<b>0.00</b>	<b>(0.05)</b>	<b>(0.11)</b>	<b>(0.11)</b>	<b>(0.11)</b>	<b>(0.12)</b>
<b>Biennial totals</b>					<b>(0.05)</b>		<b>(0.22)</b>		<b>(0.23)</b>
5799	Workforce Surcharge/Clinics	WEIA	0105	0.00	(1.10)	0.10	0.50	1.00	1.50
<b>Total WEIA fund 24J changes</b>				<b>0.00</b>	<b>(1.10)</b>	<b>0.10</b>	<b>0.50</b>	<b>1.00</b>	<b>1.50</b>
<b>Biennial totals</b>					<b>(1.10)</b>		<b>0.60</b>		<b>2.50</b>
<b>Budget driven revenue Lottery fund 17F OPA</b>				<b>0.01</b>	<b>(0.51)</b>	<b>(0.55)</b>	<b>(0.39)</b>	<b>(0.27)</b>	<b>(0.19)</b>
<b>All funds total</b>				<b>1.63</b>	<b>(96.79)</b>	<b>(228.11)</b>	<b>(251.99)</b>	<b>(301.84)</b>	<b>(316.97)</b>
<b>Biennial totals</b>					<b>(95.16)</b>		<b>(480.10)</b>		<b>(618.81)</b>



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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 2022 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	18,384.7	19,427.3	19,911.4	20,282.8	20,708.7	21,122.9	21,545.4	21,954.7
% Ch	-3.4	5.7	2.5	1.9	2.1	2.0	2.0	1.9
Real Consumption	12,629.9	13,624.8	14,058.5	14,327.9	14,657.5	14,979.9	15,294.5	15,615.7
% Ch	-3.8	7.9	3.2	1.9	2.3	2.2	2.1	2.1
Real Nonresidential Fixed Investment	2,671.1	2,868.5	3,034.8	3,112.6	3,144.8	3,160.3	3,198.7	3,267.5
% Ch	-5.3	7.4	5.8	2.6	1.0	0.5	1.2	2.2
Real Residential Fixed Investment	648.0	707.7	680.9	672.5	684.3	690.6	685.4	679.3
% Ch	6.8	9.2	-3.8	-1.2	1.8	0.9	-0.8	-0.9
Real Personal Income	17,647.9	18,266.2	17,690.8	17,947.0	18,497.5	19,040.0	19,571.7	20,098.7
% Ch	5.3	3.5	-3.2	1.4	3.1	2.9	2.8	2.7
Real Per Capita Income (\$/Person)	53,229	55,019	53,102	53,623	54,994	56,307	57,571	58,806
% Ch	4.9	3.4	-3.5	1.0	2.6	2.4	2.2	2.1
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	111.2	115.5	122.6	126.5	128.6	130.8	133.2	135.8
% Ch	1.2	3.9	6.1	3.1	1.6	1.7	1.9	1.9
U.S. Consumer Price Index (1982-84=1.0)	2.588	2.710	2.922	3.023	3.075	3.129	3.188	3.252
% Ch	1.2	4.7	7.8	3.5	1.7	1.8	1.9	2.0
Employment Cost Index (Dec. 2005=1.0)	1.414	1.471	1.562	1.639	1.706	1.776	1.846	1.915
% Ch	2.9	4.0	6.2	4.9	4.1	4.1	4.0	3.7
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	20,893.7	22,996.1	25,114.1	26,498.3	27,697.7	28,874.9	30,104.0	31,359.3
% Ch	-2.2	10.1	9.2	5.5	4.5	4.3	4.3	4.2
Personal Income	19,627.6	21,092.8	21,694.0	22,699.1	23,779.6	24,902.2	26,077.9	27,294.7
% Ch	6.5	7.5	2.9	4.6	4.8	4.7	4.7	4.7
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	160.8	161.2	164.9	167.0	168.0	168.7	169.3	170.0
Total U.S. Employment	147.8	152.6	158.9	160.2	160.6	160.9	161.7	162.6
Unemployment Rate (%)	8.10	5.35	3.63	4.03	4.41	4.60	4.50	4.34
Nonfarm Payroll Employment	142.15	146.10	151.88	153.15	153.29	153.41	153.96	154.87
% Ch	-5.8	2.8	4.0	0.8	0.1	0.1	0.4	0.6
Manufacturing	12.17	12.35	12.87	12.98	12.90	12.68	12.52	12.49
% Ch	-5.1	1.5	4.2	0.9	-0.6	-1.7	-1.3	-0.3
Durable Manufacturing	7.57	7.68	8.01	8.12	8.09	7.93	7.81	7.79
% Ch	-5.8	1.4	4.4	1.4	-0.4	-1.9	-1.6	-0.2
Nondurable Manufacturing	4.59	4.67	4.85	4.86	4.81	4.75	4.72	4.70
% Ch	-3.9	1.7	3.9	0.2	-1.0	-1.3	-0.7	-0.4
Construction	7.26	7.41	7.66	7.71	7.72	7.76	7.79	7.82
% Ch	-3.2	2.2	3.4	0.6	0.2	0.5	0.4	0.3
Service-Providing	122.12	125.78	130.71	131.73	131.91	132.25	132.95	133.87
% Ch	-6.0	3.0	3.9	0.8	0.1	0.3	0.5	0.7
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	39.2	68.0	105.8	95.8	85.3	77.5	71.9	68.2
Personal Saving/Disposable Income (%)	16.4	12.2	4.5	5.4	7.4	8.0	8.5	9.0
Auto Sales (Millions)	3.4	3.3	2.9	3.2	3.3	3.4	3.3	3.3
% Ch	-27.9	-1.8	-13.0	9.8	3.8	1.5	-0.9	-2.0
Housing Starts (Millions)	1.395	1.605	1.626	1.507	1.500	1.514	1.489	1.469
% Ch	8.1	15.1	1.3	-7.3	-0.5	1.0	-1.6	-1.3
Federal Budget Surplus (Billions)	-3,110.0	-2,783.8	-1,044.8	-1,035.5	-1,324.6	-1,397.6	-1,447.7	-1,513.2
Net Exports (Billions)	-651.2	-918.2	-1,188.4	-1,186.3	-1,077.2	-950.4	-795.3	-687.1
3-Month Treasury Bill Rate (%)	0.37	0.04	1.26	2.74	2.63	2.37	2.37	2.36
10-Year Treasury Note Yield (%)	0.89	1.44	2.70	3.09	3.15	3.09	3.03	3.01
Bond Index of 20 G.O. Munis. (%)	2.65	2.19	3.13	3.54	3.58	3.53	3.51	3.52
30-Year Fixed Mortgage Rate (%)	3.12	2.95	4.87	5.16	4.99	4.87	4.79	4.76

Table A1.2

**U.S. Economic Forecast Summary**

Forecast 2022 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	19,731.1	19,870.6	19,976.4	20,067.3	20,147.9	20,228.6	20,324.4	20,430.3
% Ch , Annual Rate	-1.5	2.9	2.1	1.8	1.6	1.6	1.9	2.1
Real Consumption	13,924.8	14,034.9	14,106.0	14,168.5	14,225.7	14,291.9	14,360.2	14,434.0
% Ch , Annual Rate	3.1	3.2	2.0	1.8	1.6	1.9	1.9	2.1
Real Nonresidential Fixed Investment	2,969.9	3,012.5	3,078.2	3,078.4	3,095.4	3,106.0	3,118.4	3,130.5
% Ch , Annual Rate	9.2	5.9	9.0	0.0	2.2	1.4	1.6	1.6
Real Residential Fixed Investment	698.6	682.6	674.4	668.0	667.4	670.3	673.7	678.4
% Ch , Annual Rate	0.4	-8.8	-4.7	-3.8	-0.3	1.7	2.0	2.8
Real Personal Income	17,701.7	17,635.5	17,682.5	17,743.4	17,782.6	17,884.3	17,997.8	18,123.2
% Ch , Annual Rate	-2.0	-1.5	1.1	1.4	0.9	2.3	2.6	2.8
Real Per Capita Income (\$/Person)	53,219	52,966	53,049	53,172	53,228	53,469	53,744	54,053
% Ch , Annual Rate	-2.4	-1.9	0.6	0.9	0.4	1.8	2.1	2.3
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	120.1	122.3	123.5	124.6	125.5	126.2	126.8	127.4
% Ch , Annual Rate	7.0	7.4	4.3	3.5	3.0	2.2	1.9	1.8
U.S. Consumer Price Index (1982-84=1.0)	2.846	2.919	2.949	2.973	2.997	3.015	3.032	3.048
% Ch , Annual Rate	9.2	10.6	4.2	3.3	3.3	2.4	2.2	2.1
Employment Cost Index (Dec. 2005=1.0)	1.517	1.553	1.579	1.598	1.614	1.631	1.647	1.664
% Ch , Annual Rate	5.2	10.0	6.7	5.0	4.0	4.2	4.0	4.2
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	24,384.3	24,954.9	25,392.8	25,724.5	26,048.1	26,344.5	26,648.0	26,952.4
% Ch , Annual Rate	6.5	9.7	7.2	5.3	5.1	4.6	4.7	4.6
Personal Income	21,258.3	21,562.5	21,846.5	22,108.7	22,321.2	22,569.9	22,822.1	23,083.4
% Ch , Annual Rate	4.8	5.8	5.4	4.9	3.9	4.5	4.5	4.7
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	164.0	164.4	165.2	165.9	166.4	166.8	167.2	167.4
Total U.S. Employment	157.8	158.5	159.4	159.9	160.1	160.2	160.3	160.3
Unemployment Rate (%)	3.81	3.58	3.53	3.62	3.79	3.96	4.12	4.24
Nonfarm Payroll Employment	150.35	151.71	152.51	152.93	153.12	153.15	153.16	153.17
% Ch , Annual Rate	4.7	3.6	2.1	1.1	0.5	0.1	0.0	0.0
Manufacturing	12.63	12.82	12.98	13.03	12.95	12.96	13.01	13.01
% Ch , Annual Rate	4.0	6.1	5.0	1.4	-2.4	0.6	1.4	-0.1
Durable Manufacturing	7.85	7.98	8.08	8.14	8.08	8.11	8.15	8.16
% Ch , Annual Rate	3.3	6.5	5.5	2.7	-3.1	1.5	2.4	0.1
Nondurable Manufacturing	4.78	4.85	4.89	4.89	4.87	4.86	4.86	4.85
% Ch , Annual Rate	5.0	5.5	4.1	-0.7	-1.3	-0.9	-0.1	-0.5
Construction	7.60	7.68	7.68	7.70	7.71	7.71	7.71	7.71
% Ch , Annual Rate	5.1	4.4	0.3	1.1	0.1	0.1	0.2	0.1
Service-Providing	129.53	130.59	131.21	131.53	131.76	131.75	131.70	131.69
% Ch , Annual Rate	4.7	3.3	1.9	1.0	0.7	0.0	-0.2	0.0
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	94.4	109.4	113.1	106.3	101.0	97.0	94.0	91.3
Personal Saving/Disposable Income (%)	5.6	4.3	4.1	3.9	4.1	5.0	5.8	6.7
Auto Sales (Millions)	2.9	2.6	3.0	3.1	3.1	3.2	3.2	3.3
% Ch , Annual Rate	37.8	-34.0	76.9	19.0	1.1	2.0	5.6	7.2
Housing Starts (Millions)	1.724	1.671	1.586	1.525	1.512	1.505	1.512	1.500
% Ch , Annual Rate	11.1	-11.6	-19.0	-14.6	-3.3	-1.9	1.8	-3.0
Federal Budget Surplus (Billions)	-1,042.2	-1,382.3	-905.6	-849.0	-854.0	-973.8	-1,103.8	-1,210.5
Net Exports (Billions)	-1,182.8	-1,167.3	-1,179.8	-1,223.5	-1,215.0	-1,203.0	-1,176.3	-1,151.0
3-Month Treasury Bill Rate (%)	0.31	0.99	1.65	2.09	2.53	2.80	2.80	2.81
10-Year Treasury Note Yield (%)	1.94	2.89	2.98	2.99	3.06	3.07	3.10	3.14
Bond Index of 20 G.O. Munis. (%)	2.40	3.31	3.39	3.43	3.51	3.53	3.54	3.59
30-Year Fixed Mortgage Rate (%)	3.75	5.13	5.27	5.31	5.22	5.19	5.13	5.10

Table A1.2 (continued)  
**U.S. Economic Forecast Summary**  
Forecast 2022 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	20,542.9	20,653.2	20,764.5	20,874.4	20,974.9	21,073.7	21,170.4	21,272.6
% Ch , Annual Rate	2.2	2.2	2.2	2.1	1.9	1.9	1.8	1.9
Real Consumption	14,523.6	14,613.3	14,704.0	14,789.0	14,867.9	14,943.7	15,017.0	15,091.2
% Ch , Annual Rate	2.5	2.5	2.5	2.3	2.2	2.1	2.0	2.0
Real Nonresidential Fixed Investment	3,138.4	3,142.8	3,147.3	3,150.8	3,153.5	3,156.9	3,162.0	3,168.9
% Ch , Annual Rate	1.0	0.6	0.6	0.4	0.3	0.4	0.6	0.9
Real Residential Fixed Investment	679.8	681.2	684.9	691.3	692.7	692.2	689.2	688.3
% Ch , Annual Rate	0.9	0.8	2.1	3.8	0.8	-0.3	-1.7	-0.5
Real Personal Income	18,286.1	18,425.9	18,569.3	18,708.7	18,849.9	18,978.6	19,103.2	19,228.3
% Ch , Annual Rate	3.6	3.1	3.1	3.0	3.1	2.8	2.7	2.6
Real Per Capita Income (\$/Person)	54,471	54,818	55,173	55,513	55,857	56,163	56,456	56,750
% Ch , Annual Rate	3.1	2.6	2.6	2.5	2.5	2.2	2.1	2.1
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	127.8	128.3	128.8	129.3	129.9	130.5	131.1	131.7
% Ch , Annual Rate	1.5	1.5	1.5	1.7	1.9	1.7	1.8	2.0
U.S. Consumer Price Index (1982-84=1.0)	3.058	3.070	3.080	3.093	3.108	3.122	3.136	3.151
% Ch , Annual Rate	1.3	1.5	1.4	1.6	2.0	1.8	1.8	2.0
Employment Cost Index (Dec. 2005=1.0)	1.680	1.697	1.714	1.732	1.750	1.767	1.785	1.802
% Ch , Annual Rate	4.0	4.1	4.2	4.2	4.1	4.1	4.1	4.0
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	27,254.6	27,548.7	27,844.6	28,143.0	28,438.4	28,723.7	29,015.5	29,322.1
% Ch , Annual Rate	4.6	4.4	4.4	4.4	4.3	4.1	4.1	4.3
Personal Income	23,375.1	23,639.6	23,912.3	24,191.7	24,487.4	24,761.0	25,037.0	25,323.4
% Ch , Annual Rate	5.2	4.6	4.7	4.8	5.0	4.5	4.5	4.7
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	167.7	167.9	168.1	168.3	168.4	168.6	168.8	168.9
Total U.S. Employment	160.4	160.5	160.6	160.7	160.8	160.8	160.9	161.1
Unemployment Rate (%)	4.32	4.39	4.44	4.49	4.56	4.61	4.63	4.61
Nonfarm Payroll Employment	153.23	153.27	153.31	153.34	153.34	153.35	153.41	153.54
% Ch , Annual Rate	0.2	0.1	0.1	0.1	0.0	0.0	0.2	0.3
Manufacturing	12.97	12.93	12.88	12.82	12.76	12.70	12.66	12.61
% Ch , Annual Rate	-1.3	-1.0	-1.6	-1.9	-1.8	-1.9	-1.4	-1.5
Durable Manufacturing	8.13	8.11	8.08	8.03	7.99	7.95	7.91	7.87
% Ch , Annual Rate	-1.4	-0.9	-1.7	-2.0	-2.1	-2.3	-1.7	-2.0
Nondurable Manufacturing	4.84	4.82	4.81	4.79	4.77	4.75	4.75	4.74
% Ch , Annual Rate	-1.1	-1.3	-1.5	-1.7	-1.3	-1.3	-0.8	-0.8
Construction	7.71	7.71	7.73	7.74	7.75	7.76	7.76	7.77
% Ch , Annual Rate	0.0	-0.1	0.8	0.7	0.4	0.4	0.3	0.5
Service-Providing	131.80	131.86	131.95	132.04	132.10	132.17	132.28	132.45
% Ch , Annual Rate	0.3	0.2	0.3	0.3	0.2	0.2	0.3	0.5
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	88.6	86.3	84.1	82.1	80.1	78.2	76.6	75.2
Personal Saving/Disposable Income (%)	7.1	7.4	7.6	7.7	7.9	8.0	8.1	8.1
Auto Sales (Millions)	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4
% Ch , Annual Rate	2.2	3.5	2.0	3.3	0.9	1.1	0.6	-1.2
Housing Starts (Millions)	1.479	1.480	1.518	1.521	1.526	1.526	1.501	1.504
% Ch , Annual Rate	-5.4	0.1	10.8	0.7	1.2	0.1	-6.4	0.8
Federal Budget Surplus (Billions)	-1,271.1	-1,317.6	-1,343.2	-1,366.5	-1,385.5	-1,397.2	-1,393.4	-1,414.4
Net Exports (Billions)	-1,117.3	-1,089.0	-1,064.4	-1,038.1	-1,008.9	-973.7	-931.5	-887.4
3-Month Treasury Bill Rate (%)	2.81	2.77	2.56	2.36	2.37	2.37	2.38	2.37
10-Year Treasury Note Yield (%)	3.15	3.15	3.15	3.13	3.12	3.10	3.08	3.06
Bond Index of 20 G.O. Munis. (%)	3.59	3.59	3.57	3.56	3.55	3.53	3.52	3.52
30-Year Fixed Mortgage Rate (%)	5.06	5.02	4.97	4.92	4.90	4.88	4.86	4.84

Table A1.2 (continued)  
**U.S. Economic Forecast Summary**  
Forecast 2022 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
<b>Real National Income Accounts (Billions of Chained 2012 Dollars)</b>								
Real Gross Domestic Product	21,385.6	21,496.6	21,600.5	21,698.8	21,799.5	21,902.9	22,006.0	22,110.6
% Ch , Annual Rate	2.1	2.1	1.9	1.8	1.9	1.9	1.9	1.9
Real Consumption	15,172.5	15,254.4	15,336.0	15,415.3	15,497.5	15,576.4	15,655.3	15,733.7
% Ch , Annual Rate	2.2	2.2	2.2	2.1	2.1	2.1	2.0	2.0
Real Nonresidential Fixed Investment	3,179.6	3,191.6	3,204.4	3,219.2	3,236.3	3,255.5	3,277.2	3,301.0
% Ch , Annual Rate	1.4	1.5	1.6	1.9	2.1	2.4	2.7	2.9
Real Residential Fixed Investment	688.0	687.5	684.6	681.4	679.8	680.1	678.8	678.4
% Ch , Annual Rate	-0.2	-0.3	-1.7	-1.8	-1.0	0.2	-0.7	-0.2
Real Personal Income	19,376.1	19,509.8	19,636.9	19,763.9	19,908.3	20,035.4	20,161.7	20,289.4
% Ch , Annual Rate	3.1	2.8	2.6	2.6	3.0	2.6	2.5	2.6
Real Per Capita Income (\$/Person)	57,110	57,428	57,725	58,021	58,366	58,661	58,952	59,246
% Ch , Annual Rate	2.6	2.2	2.1	2.1	2.4	2.0	2.0	2.0
<b>Price and Wage Indexes</b>								
PCE Price Index (2012=100)	132.3	132.9	133.5	134.2	134.8	135.5	136.1	136.8
% Ch , Annual Rate	1.9	1.8	1.9	1.9	1.9	1.9	2.0	2.0
U.S. Consumer Price Index (1982-84=1.0)	3.165	3.180	3.196	3.211	3.227	3.243	3.260	3.277
% Ch , Annual Rate	1.9	1.8	2.0	2.0	2.0	2.0	2.1	2.1
Employment Cost Index (Dec. 2005=1.0)	1.820	1.838	1.855	1.872	1.889	1.906	1.923	1.940
% Ch , Annual Rate	4.0	3.9	3.8	3.7	3.7	3.6	3.6	3.6
<b>Current Dollar National Income (Billions of Dollars)</b>								
Gross Domestic Product	29,638.1	29,951.1	30,261.5	30,565.4	30,877.3	31,195.1	31,518.2	31,846.6
% Ch , Annual Rate	4.4	4.3	4.2	4.1	4.1	4.2	4.2	4.2
Personal Income	25,636.7	25,931.4	26,224.8	26,518.7	26,840.0	27,140.5	27,444.6	27,753.8
% Ch , Annual Rate	5.0	4.7	4.6	4.6	4.9	4.6	4.6	4.6
<b>Employment (Millions)</b>								
U.S. Civilian Labor Force	169.1	169.2	169.4	169.6	169.7	169.9	170.1	170.2
Total U.S. Employment	161.4	161.6	161.8	162.1	162.3	162.5	162.7	162.9
Unemployment Rate (%)	4.55	4.51	4.49	4.44	4.39	4.35	4.32	4.29
Nonfarm Payroll Employment	153.72	153.88	154.02	154.24	154.47	154.75	155.00	155.26
% Ch, Annual Rate	0.5	0.4	0.4	0.6	0.6	0.7	0.7	0.7
Manufacturing	12.57	12.53	12.50	12.49	12.49	12.49	12.49	12.48
% Ch, Annual Rate	-1.2	-1.3	-1.0	-0.4	0.3	-0.2	-0.1	-0.3
Durable Manufacturing	7.84	7.81	7.79	7.78	7.79	7.79	7.79	7.79
% Ch, Annual Rate	-1.5	-1.6	-1.3	-0.5	0.5	0.0	0.1	0.1
Nondurable Manufacturing	4.73	4.72	4.71	4.71	4.71	4.70	4.70	4.69
% Ch, Annual Rate	-0.7	-0.8	-0.6	-0.3	-0.1	-0.4	-0.5	-0.9
Construction	7.78	7.79	7.80	7.80	7.80	7.81	7.82	7.83
% Ch, Annual Rate	0.5	0.6	0.4	0.0	0.3	0.5	0.4	0.7
Service-Providing	132.66	132.86	133.02	133.26	133.48	133.75	134.00	134.26
% Ch, Annual Rate	0.6	0.6	0.5	0.7	0.7	0.8	0.8	0.8
<b>Miscellaneous Indicators</b>								
Oil-WTI (\$ per barrel)	73.7	72.4	71.3	70.3	69.3	68.5	67.7	67.2
Personal Saving/Disposable Income (%)	8.3	8.5	8.6	8.7	8.9	8.9	9.0	9.1
Auto Sales (Millions)	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.2
% Ch, Annual Rate	-1.5	-0.1	-1.9	-2.9	-2.6	-1.7	-1.1	-2.2
Housing Starts (Millions)	1.507	1.510	1.469	1.471	1.477	1.477	1.463	1.461
% Ch, Annual Rate	0.9	0.9	-10.4	0.5	1.6	0.1	-3.8	-0.6
Federal Budget Surplus (Billions)	-1,429.9	-1,437.1	-1,443.9	-1,479.8	-1,498.8	-1,502.2	-1,506.1	-1,545.8
Net Exports (Billions)	-845.3	-809.2	-777.5	-749.4	-723.6	-699.8	-674.6	-650.4
3-Month Treasury Bill Rate (%)	2.38	2.37	2.37	2.36	2.36	2.36	2.36	2.36
10-Year Treasury Note Yield (%)	3.05	3.04	3.03	3.02	3.01	3.01	3.01	3.01
Bond Index of 20 G.O. Munis. (%)	3.50	3.50	3.51	3.51	3.50	3.52	3.52	3.53
30-Year Fixed Mortgage Rate (%)	4.82	4.80	4.78	4.77	4.76	4.76	4.76	4.77

Table A1.3  
**Washington Economic Forecast Summary**  
Forecast 2022 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	464.412	481.193	466.782	475.523	493.167	510.602	527.688	544.365
% Ch	6.4	3.6	-3.0	1.9	3.7	3.5	3.3	3.2
Real Wage and Salary Disb.	237.494	252.186	256.702	262.557	271.695	280.749	289.815	298.543
% Ch	2.8	6.2	1.8	2.3	3.5	3.3	3.2	3.0
Real Nonwage Income	226.919	229.007	210.080	212.966	221.472	229.854	237.872	245.821
% Ch	10.4	0.9	-8.3	1.4	4.0	3.8	3.5	3.3
Real Per Capita Income (\$/Person)	60,201	62,172	59,881	60,423	62,042	63,577	65,028	66,393
% Ch	5.4	3.3	-3.7	0.9	2.7	2.5	2.3	2.1
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.112	1.155	1.226	1.265	1.286	1.308	1.332	1.358
% Ch	1.2	3.9	6.2	3.1	1.6	1.7	1.9	1.9
Seattle Cons. Price Index (1982-84=1.0)	2.826	2.960	3.191	3.302	3.359	3.418	3.483	3.552
% Ch	1.7	4.7	7.8	3.5	1.7	1.8	1.9	2.0
Average Nonfarm Annual Wage	78,331	84,401	87,060	90,779	94,817	98,958	103,114	107,182
% Ch	9.9	7.7	3.2	4.3	4.4	4.4	4.2	3.9
Avg. Hourly Earnings-Mfg. (\$/Hour)	28.32	28.05	30.29	31.70	32.95	34.27	35.57	36.84
% Ch	-2.9	-1.0	8.0	4.6	4.0	4.0	3.8	3.6
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	516.441	555.616	572.384	601.444	634.000	667.816	703.113	739.271
% Ch	7.6	7.6	3.0	5.1	5.4	5.3	5.3	5.1
Disposable Personal Income	458.665	487.487	490.582	523.506	559.760	589.287	619.545	650.960
% Ch	8.6	6.3	0.6	6.7	6.9	5.3	5.1	5.1
Per Capita Income (\$/Person)	66,946	71,786	73,425	76,422	79,758	83,151	86,645	90,164
% Ch	6.6	7.2	2.3	4.1	4.4	4.3	4.2	4.1
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,929.2	3,910.5	4,034.6	4,104.2	4,149.4	4,190.8	4,231.6	4,271.0
Total Washington Employment	3,595.7	3,704.3	3,870.4	3,919.7	3,948.7	3,982.0	4,025.2	4,068.3
Unemployment Rate (%)	8.47	5.28	4.07	4.49	4.84	4.98	4.88	4.75
Nonfarm Payroll Employment	3,283.5	3,363.1	3,524.3	3,566.3	3,591.7	3,618.5	3,652.6	3,690.0
% Ch	-5.3	2.4	4.8	1.2	0.7	0.7	0.9	1.0
Manufacturing	271.7	259.2	272.3	279.4	281.0	280.1	279.7	280.7
% Ch	-7.5	-4.6	5.1	2.6	0.6	-0.3	-0.1	0.4
Durable Manufacturing	189.7	175.3	183.3	188.8	190.8	190.4	190.0	190.7
% Ch	-8.3	-7.6	4.6	3.0	1.0	-0.2	-0.2	0.4
Aerospace	80.1	67.6	69.6	72.9	74.6	75.0	75.2	75.7
% Ch	-9.6	-15.6	3.0	4.6	2.4	0.5	0.3	0.6
Nondurable Manufacturing	82.0	83.9	89.0	90.6	90.3	89.6	89.6	90.0
% Ch	-5.5	2.3	6.0	1.8	-0.3	-0.7	0.0	0.4
Construction	213.8	223.4	233.1	231.4	233.8	235.7	238.3	240.2
% Ch	-2.6	4.5	4.4	-0.7	1.0	0.8	1.1	0.8
Service-Providing	2,792.3	2,874.8	3,013.2	3,049.9	3,071.2	3,097.0	3,129.0	3,163.5
% Ch	-5.3	3.0	4.8	1.2	0.7	0.8	1.0	1.1
Software Publishers	76.0	79.5	83.2	84.3	85.7	87.1	88.2	89.4
% Ch	8.0	4.6	4.7	1.4	1.6	1.6	1.3	1.4
Electronic Shopping and Mail-Order	75.9	75.4	77.1	79.2	81.0	82.8	84.5	86.2
% Ch	19.5	-0.6	2.2	2.7	2.3	2.2	2.1	2.0
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	44.062	56.169	52.191	48.460	48.882	48.171	47.255	46.340
% Ch	-9.0	27.5	-7.1	-7.1	0.9	-1.5	-1.9	-1.9
Single-Family	23.044	24.922	25.417	25.728	26.061	26.661	26.520	26.282
% Ch	-1.1	8.1	2.0	1.2	1.3	2.3	-0.5	-0.9
Multi-Family	21.018	31.247	26.774	22.732	22.821	21.509	20.736	20.059
% Ch	-16.3	48.7	-14.3	-15.1	0.4	-5.7	-3.6	-3.3
30-Year Fixed Mortgage Rate (%)	3.12	2.95	4.87	5.16	4.99	4.87	4.79	4.76

Table A1.4  
**Washington Economic Forecast Summary**  
Forecast 2022 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	467.078	465.882	466.231	467.937	469.649	473.483	477.348	481.612
% Ch, Annual Rate	-3.0	-1.0	0.3	1.5	1.5	3.3	3.3	3.6
Real Wage and Salary Disb.	256.189	255.968	256.759	257.893	259.275	261.448	263.581	265.926
% Ch, Annual Rate	-1.6	-0.3	1.2	1.8	2.2	3.4	3.3	3.6
Real Nonwage Income	210.889	209.914	209.472	210.043	210.374	212.035	213.768	215.686
% Ch, Annual Rate	-4.8	-1.8	-0.8	1.1	0.6	3.2	3.3	3.6
Real Per Capita Income (\$/Person)	60,116	59,841	59,746	59,822	59,896	60,239	60,582	60,973
% Ch, Annual Rate	-3.9	-1.8	-0.6	0.5	0.5	2.3	2.3	2.6
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.201	1.223	1.235	1.246	1.255	1.262	1.268	1.274
% Ch, Annual Rate	7.0	7.5	4.3	3.5	3.0	2.2	1.9	1.8
Seattle Cons. Price Index (1982-84=1.0)	3.107	3.188	3.221	3.248	3.274	3.294	3.312	3.329
% Ch, Annual Rate	8.0	10.9	4.2	3.3	3.3	2.4	2.2	2.1
Average Nonfarm Annual Wage	85,981	86,634	87,359	88,265	89,187	90,236	91,319	92,373
% Ch, Annual Rate	0.5	3.1	3.4	4.2	4.2	4.8	4.9	4.7
Avg. Hourly Earnings-Mfg. (\$/Hour)	29.59	30.07	30.57	30.94	31.23	31.55	31.85	32.16
% Ch, Annual Rate	11.6	6.6	6.7	4.9	3.9	4.1	3.9	4.0
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	560.829	569.625	576.021	583.059	589.515	597.535	605.302	613.424
% Ch, Annual Rate	3.7	6.4	4.6	5.0	4.5	5.6	5.3	5.5
Disposable Personal Income	481.403	487.658	493.443	499.826	507.314	518.120	528.850	539.739
% Ch, Annual Rate	-1.2	5.3	4.8	5.3	6.1	8.8	8.5	8.5
Per Capita Income (\$/Person)	72,182	73,166	73,815	74,539	75,183	76,021	76,821	77,660
% Ch, Annual Rate	2.8	5.6	3.6	4.0	3.5	4.5	4.3	4.4
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	3,981.7	4,033.9	4,053.1	4,069.8	4,084.9	4,098.9	4,110.5	4,122.6
Total Washington Employment	3,811.8	3,874.5	3,892.3	3,902.9	3,910.4	3,917.3	3,921.9	3,929.3
Unemployment Rate (%)	4.27	3.95	3.97	4.10	4.27	4.43	4.59	4.69
Nonfarm Payroll Employment	3,487.3	3,521.3	3,539.6	3,549.0	3,557.1	3,564.6	3,568.3	3,575.1
% Ch, Annual Rate	4.7	4.0	2.1	1.1	0.9	0.8	0.4	0.8
Manufacturing	266.4	270.1	275.3	277.4	278.1	278.7	280.1	280.8
% Ch, Annual Rate	6.7	5.8	7.8	3.2	0.9	0.9	1.9	1.1
Durable Manufacturing	178.9	181.8	185.4	187.2	187.5	188.3	189.5	190.2
% Ch, Annual Rate	6.1	6.7	8.2	3.9	0.7	1.6	2.6	1.5
Aerospace	68.1	69.2	70.2	71.0	71.9	72.6	73.2	73.8
% Ch, Annual Rate	3.1	6.9	5.8	4.8	4.8	3.8	3.6	3.1
Nondurable Manufacturing	87.5	88.3	89.9	90.3	90.6	90.5	90.6	90.7
% Ch, Annual Rate	7.7	3.8	7.1	1.7	1.3	-0.4	0.6	0.3
Construction	232.5	234.9	232.9	232.1	231.4	231.3	230.8	232.2
% Ch, Annual Rate	9.9	4.1	-3.4	-1.4	-1.2	-0.2	-0.9	2.5
Service-Providing	2,982.8	3,010.6	3,025.6	3,033.8	3,042.1	3,049.0	3,051.9	3,056.5
% Ch, Annual Rate	4.2	3.8	2.0	1.1	1.1	0.9	0.4	0.6
Software Publishers	82.3	83.2	83.5	83.7	84.0	84.2	84.4	84.7
% Ch, Annual Rate	2.2	4.7	1.2	1.0	1.7	0.7	1.3	1.4
Electronic Shopping and Mail-Order	75.8	77.0	77.5	78.0	78.5	79.0	79.4	79.9
% Ch, Annual Rate	0.5	6.2	2.7	2.6	2.5	2.4	2.4	2.3
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	60.520	51.784	48.675	47.783	47.907	48.202	48.745	48.986
% Ch, Annual Rate	11.3	-46.4	-21.9	-7.1	1.0	2.5	4.6	2.0
Single-Family	25.008	24.296	26.476	25.888	25.708	25.696	25.772	25.736
% Ch, Annual Rate	31.8	-10.9	41.0	-8.6	-2.8	-0.2	1.2	-0.5
Multi-Family	35.512	27.488	22.199	21.895	22.200	22.506	22.973	23.250
% Ch, Annual Rate	-0.8	-64.1	-57.5	-5.4	5.7	5.6	8.6	4.9
30-Year Fixed Mortgage Rate (%)	3.75	5.13	5.27	5.31	5.22	5.19	5.13	5.10



Table A1.4 (continued)  
**Washington Economic Forecast Summary**  
Forecast 2022 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	486.570	490.898	495.381	499.820	504.310	508.585	512.708	516.805
% Ch, Annual Rate	4.2	3.6	3.7	3.6	3.6	3.4	3.3	3.2
Real Wage and Salary Disb.	268.196	270.501	272.883	275.199	277.417	279.655	281.855	284.067
% Ch, Annual Rate	3.5	3.5	3.6	3.4	3.3	3.3	3.2	3.2
Real Nonwage Income	218.374	220.397	222.498	224.621	226.893	228.930	230.853	232.738
% Ch, Annual Rate	5.1	3.8	3.9	3.9	4.1	3.6	3.4	3.3
Real Per Capita Income (\$/Person)	61,447	61,838	62,244	62,640	63,039	63,409	63,757	64,101
% Ch, Annual Rate	3.1	2.6	2.7	2.6	2.6	2.4	2.2	2.2
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.278	1.283	1.288	1.293	1.299	1.305	1.311	1.317
% Ch, Annual Rate	1.5	1.5	1.5	1.7	1.9	1.7	1.8	2.0
Seattle Cons. Price Index (1982-84=1.0)	3.340	3.353	3.365	3.378	3.395	3.410	3.425	3.442
% Ch, Annual Rate	1.3	1.5	1.4	1.6	2.0	1.8	1.8	2.0
Average Nonfarm Annual Wage	93,300	94,298	95,317	96,355	97,410	98,442	99,471	100,510
% Ch, Annual Rate	4.1	4.4	4.4	4.4	4.5	4.3	4.2	4.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	32.47	32.78	33.12	33.45	33.77	34.10	34.43	34.76
% Ch, Annual Rate	3.8	3.9	4.1	4.0	4.0	3.9	4.0	3.8
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	621.982	629.799	637.919	646.303	655.138	663.539	671.965	680.624
% Ch, Annual Rate	5.7	5.1	5.3	5.4	5.6	5.2	5.2	5.3
Disposable Personal Income	548.173	556.157	563.659	571.053	578.745	585.891	592.625	599.886
% Ch, Annual Rate	6.4	6.0	5.5	5.4	5.5	5.0	4.7	5.0
Per Capita Income (\$/Person)	78,548	79,335	80,153	80,998	81,893	82,728	83,562	84,420
% Ch, Annual Rate	4.7	4.1	4.2	4.3	4.5	4.1	4.1	4.2
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	4,133.9	4,144.3	4,154.6	4,165.0	4,175.4	4,185.8	4,196.0	4,206.2
Total Washington Employment	3,937.2	3,944.4	3,952.5	3,960.6	3,968.5	3,976.7	3,986.1	3,996.8
Unemployment Rate (%)	4.76	4.82	4.86	4.91	4.95	4.99	5.00	4.98
Nonfarm Payroll Employment	3,582.6	3,588.3	3,594.7	3,601.3	3,607.6	3,614.3	3,621.7	3,630.2
% Ch, Annual Rate	0.8	0.6	0.7	0.7	0.7	0.7	0.8	0.9
Manufacturing	281.1	281.2	281.1	280.8	280.5	280.1	279.9	279.7
% Ch, Annual Rate	0.3	0.2	-0.3	-0.4	-0.4	-0.5	-0.3	-0.4
Durable Manufacturing	190.5	190.8	190.9	190.9	190.8	190.5	190.3	190.1
% Ch, Annual Rate	0.7	0.7	0.1	0.0	-0.2	-0.5	-0.4	-0.5
Aerospace	74.2	74.5	74.8	74.9	75.0	75.0	75.0	75.0
% Ch, Annual Rate	2.4	1.8	1.3	0.7	0.2	0.1	0.1	0.1
Nondurable Manufacturing	90.6	90.4	90.2	89.9	89.7	89.6	89.6	89.6
% Ch, Annual Rate	-0.4	-0.7	-1.0	-1.2	-0.7	-0.6	-0.1	0.0
Construction	233.4	233.7	233.9	234.3	234.6	235.4	236.0	236.8
% Ch, Annual Rate	2.0	0.6	0.3	0.6	0.6	1.3	1.1	1.3
Service-Providing	3,062.6	3,067.7	3,074.1	3,080.6	3,086.8	3,093.1	3,100.0	3,108.0
% Ch, Annual Rate	0.8	0.7	0.8	0.8	0.8	0.8	0.9	1.0
Software Publishers	85.1	85.6	85.9	86.2	86.6	87.0	87.3	87.6
% Ch, Annual Rate	1.9	1.9	1.6	1.7	1.8	1.7	1.4	1.3
Electronic Shopping and Mail-Order	80.4	80.8	81.2	81.7	82.1	82.6	83.0	83.4
% Ch, Annual Rate	2.3	2.2	2.2	2.2	2.2	2.1	2.1	2.1
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	48.841	48.619	49.095	48.972	48.440	48.578	47.852	47.812
% Ch, Annual Rate	-1.2	-1.8	4.0	-1.0	-4.3	1.1	-5.8	-0.3
Single-Family	25.657	25.699	26.375	26.513	26.674	26.820	26.524	26.627
% Ch, Annual Rate	-1.2	0.6	11.0	2.1	2.5	2.2	-4.3	1.6
Multi-Family	23.184	22.920	22.719	22.459	21.766	21.758	21.328	21.185
% Ch, Annual Rate	-1.1	-4.5	-3.5	-4.5	-11.8	-0.1	-7.7	-2.7
30-Year Fixed Mortgage Rate (%)	5.06	5.02	4.97	4.92	4.90	4.88	4.86	4.84

Table A1.4 (continued)  
**Washington Economic Forecast Summary**  
Forecast 2022 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
<b>Real Income (Billions of Chained 2012 Dollars)</b>								
Real Personal Income	521.400	525.675	529.791	533.885	538.321	542.350	546.365	550.422
% Ch, Annual Rate	3.6	3.3	3.2	3.1	3.4	3.0	3.0	3.0
Real Wage and Salary Disb.	286.427	288.724	290.924	293.186	295.392	297.513	299.599	301.669
% Ch, Annual Rate	3.4	3.2	3.1	3.1	3.0	2.9	2.8	2.8
Real Nonwage Income	234.973	236.950	238.868	240.699	242.930	244.837	246.767	248.752
% Ch, Annual Rate	3.9	3.4	3.3	3.1	3.8	3.2	3.2	3.3
Real Per Capita Income (\$/Person)	64,504	64,865	65,205	65,539	65,913	66,235	66,552	66,873
% Ch, Annual Rate	2.5	2.3	2.1	2.1	2.3	2.0	1.9	1.9
<b>Price and Wage Indexes</b>								
U.S. Implicit Price Deflator, PCE (2012=1.0)	1.323	1.329	1.335	1.342	1.348	1.355	1.361	1.368
% Ch, Annual Rate	1.9	1.8	1.9	1.9	1.9	1.9	2.0	2.0
Seattle Cons. Price Index (1982-84=1.0)	3.458	3.474	3.491	3.508	3.525	3.543	3.561	3.580
% Ch, Annual Rate	1.9	1.8	2.0	2.0	2.0	2.0	2.1	2.1
Average Nonfarm Annual Wage	101,555	102,595	103,640	104,667	105,696	106,681	107,676	108,674
% Ch, Annual Rate	4.2	4.2	4.1	4.0	4.0	3.8	3.8	3.8
Avg. Hourly Earnings-Mfg. (\$/Hour)	35.09	35.42	35.74	36.05	36.37	36.68	36.99	37.31
% Ch, Annual Rate	3.8	3.8	3.7	3.6	3.5	3.5	3.5	3.5
<b>Current Dollar Income (Billions of Dollars)</b>								
Personal Income	689.870	698.701	707.529	716.353	725.757	734.681	743.726	752.919
% Ch, Annual Rate	5.5	5.2	5.2	5.1	5.4	5.0	5.0	5.0
Disposable Personal Income	607.973	615.690	623.404	631.114	639.357	646.993	654.774	662.718
% Ch, Annual Rate	5.5	5.2	5.1	5.0	5.3	4.9	4.9	4.9
Per Capita Income (\$/Person)	85,346	86,216	87,080	87,938	88,863	89,723	90,593	91,476
% Ch, Annual Rate	4.5	4.1	4.1	4.0	4.3	3.9	3.9	4.0
<b>Employment (Thousands)</b>								
Washington Civilian Labor Force	4,216.4	4,226.5	4,236.7	4,246.7	4,256.4	4,266.1	4,275.9	4,285.7
Total Washington Employment	4,008.6	4,019.8	4,030.6	4,042.0	4,052.9	4,063.4	4,073.4	4,083.6
Unemployment Rate (%)	4.93	4.89	4.86	4.82	4.78	4.75	4.73	4.72
Nonfarm Payroll Employment	3,639.5	3,648.3	3,656.5	3,666.3	3,675.3	3,685.3	3,694.9	3,704.6
% Ch, Annual Rate	1.0	1.0	0.9	1.1	1.0	1.1	1.0	1.1
Manufacturing	279.6	279.6	279.6	279.9	280.3	280.6	280.9	281.1
% Ch, Annual Rate	-0.1	-0.1	0.1	0.4	0.7	0.4	0.4	0.3
Durable Manufacturing	190.0	190.0	190.0	190.1	190.4	190.6	190.8	191.0
% Ch, Annual Rate	-0.1	-0.1	0.0	0.3	0.6	0.3	0.4	0.5
Aerospace	75.0	75.1	75.2	75.4	75.5	75.6	75.7	75.8
% Ch, Annual Rate	0.2	0.3	0.6	0.8	0.7	0.7	0.5	0.4
Nondurable Manufacturing	89.6	89.6	89.6	89.7	89.9	90.0	90.1	90.0
% Ch, Annual Rate	0.0	0.0	0.2	0.5	0.8	0.5	0.3	-0.1
Construction	237.5	238.1	238.6	239.0	239.4	239.9	240.4	241.1
% Ch, Annual Rate	1.2	1.0	0.9	0.6	0.7	0.9	0.9	1.2
Service-Providing	3,116.7	3,124.9	3,132.6	3,141.8	3,150.0	3,159.1	3,168.0	3,176.7
% Ch, Annual Rate	1.1	1.1	1.0	1.2	1.0	1.2	1.1	1.1
Software Publishers	87.8	88.1	88.4	88.6	89.0	89.3	89.6	89.9
% Ch, Annual Rate	1.3	1.2	1.2	1.2	1.4	1.4	1.5	1.4
Electronic Shopping and Mail-Order	83.9	84.3	84.7	85.1	85.6	86.0	86.4	86.9
% Ch, Annual Rate	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0
<b>Housing Indicators (Thousands)</b>								
Housing Units Authorized by Bldg. Permit	47.761	47.712	46.817	46.730	46.690	46.564	46.142	45.965
% Ch, Annual Rate	-0.4	-0.4	-7.3	-0.7	-0.3	-1.1	-3.6	-1.5
Single-Family	26.712	26.799	26.248	26.320	26.378	26.419	26.172	26.157
% Ch, Annual Rate	1.3	1.3	-8.0	1.1	0.9	0.6	-3.7	-0.2
Multi-Family	21.050	20.913	20.569	20.410	20.312	20.145	19.970	19.808
% Ch, Annual Rate	-2.5	-2.6	-6.4	-3.0	-1.9	-3.2	-3.4	-3.2
30-Year Fixed Mortgage Rate (%)	4.82	4.80	4.78	4.77	4.76	4.76	4.76	4.77

Table A2.1

**U.S. Nonagricultural Employment by Industry (Millions)**

Forecast 2022 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Nonfarm Payroll Employment	142.15	146.10	151.88	153.15	153.29	153.41	153.96	154.87
% Ch	-5.8	2.8	4.0	0.8	0.1	0.1	0.4	0.6
Manufacturing	12.17	12.35	12.87	12.98	12.90	12.68	12.52	12.49
% Ch	-5.1	1.5	4.2	0.9	-0.6	-1.7	-1.3	-0.3
Durable Manufacturing	7.57	7.68	8.01	8.12	8.09	7.93	7.81	7.79
% Ch	-5.8	1.4	4.4	1.4	-0.4	-1.9	-1.6	-0.2
Wood Products	0.40	0.41	0.44	0.41	0.40	0.40	0.39	0.38
% Ch	-3.2	3.6	7.4	-7.3	-2.7	-0.2	-2.4	-1.5
Primary and Fabricated Metals	1.74	1.73	1.82	1.85	1.88	1.86	1.84	1.83
% Ch	-7.1	-0.3	4.7	2.0	1.5	-1.0	-1.3	-0.1
Computer and Electronic Products	1.06	1.06	1.08	1.10	1.11	1.12	1.11	1.11
% Ch	-1.1	-0.4	2.3	1.6	1.1	0.5	-0.2	-0.5
Machinery and Electrical Equipment	1.44	1.45	1.52	1.55	1.52	1.48	1.45	1.45
% Ch	-5.9	0.6	5.3	1.4	-1.6	-2.9	-1.7	-0.1
Transportation Equipment	1.59	1.64	1.71	1.82	1.81	1.74	1.68	1.67
% Ch	-8.0	3.0	4.4	6.3	-0.6	-3.9	-3.4	-0.5
Other Durables	1.34	1.39	1.44	1.40	1.37	1.34	1.34	1.34
% Ch	-5.5	3.1	3.8	-2.8	-2.0	-2.0	-0.5	0.4
Nondurable Manufacturing	4.59	4.67	4.85	4.86	4.81	4.75	4.72	4.70
% Ch	-3.9	1.7	3.9	0.2	-1.0	-1.3	-0.7	-0.4
Food Manufacturing	1.62	1.64	1.70	1.72	1.74	1.74	1.76	1.77
% Ch	-1.8	1.4	4.0	1.3	1.0	0.1	0.8	1.0
Paper and Paper Products	0.35	0.35	0.36	0.36	0.36	0.36	0.35	0.35
% Ch	-2.9	-1.7	3.3	0.8	0.0	-1.4	-1.0	-0.4
Other Nondurables	2.62	2.68	2.79	2.77	2.71	2.65	2.61	2.57
% Ch	-5.2	2.3	3.9	-0.6	-2.3	-2.2	-1.7	-1.3
Natural Resources and Mining	0.60	0.57	0.63	0.73	0.75	0.72	0.70	0.69
% Ch	-17.6	-5.6	11.8	15.4	3.2	-4.5	-2.4	-1.1
Construction	7.26	7.41	7.66	7.71	7.72	7.76	7.79	7.82
% Ch	-3.2	2.2	3.4	0.6	0.2	0.5	0.4	0.3
Trade, Transportation, and Utilities	26.69	27.72	28.51	27.93	27.30	26.84	26.81	26.81
% Ch	-3.7	3.9	2.9	-2.0	-2.3	-1.7	-0.1	0.0
Wholesale Trade	5.63	5.68	5.86	5.92	6.03	6.11	6.15	6.19
% Ch	-4.3	0.8	3.2	1.1	1.7	1.4	0.7	0.5
Retail Trade	14.87	15.41	15.62	14.95	14.16	13.53	13.39	13.34
% Ch	-4.7	3.6	1.3	-4.3	-5.3	-4.5	-1.0	-0.3
Trans., Warehousing, and Utilities	6.18	6.63	7.04	7.06	7.11	7.20	7.26	7.28
% Ch	-0.6	7.3	6.1	0.3	0.8	1.3	0.9	0.3
Information	2.72	2.83	2.97	2.99	3.01	3.06	3.05	3.06
% Ch	-5.0	4.0	4.9	0.7	0.5	1.8	-0.5	0.4
Publishing Industries	0.77	0.79	0.81	0.80	0.79	0.79	0.78	0.77
% Ch	0.5	3.0	2.8	-1.8	-0.4	-0.3	-1.7	-1.3
Other Information	1.95	2.04	2.16	2.19	2.21	2.27	2.27	2.29
% Ch	-7.0	4.4	5.8	1.7	0.9	2.6	-0.1	1.0
Financial Activities	8.70	8.78	8.93	8.91	8.96	9.03	8.98	8.91
% Ch	-0.6	0.8	1.7	-0.2	0.5	0.8	-0.5	-0.8
Professional and Business Services	20.31	21.24	22.30	22.17	21.76	21.62	21.93	22.41
% Ch	-4.5	4.6	5.0	-0.6	-1.9	-0.6	1.4	2.2
Education and Health Services	23.27	23.67	24.17	24.01	24.37	24.58	24.81	25.08
% Ch	-3.7	1.7	2.1	-0.6	1.5	0.9	1.0	1.1
Leisure and Hospitality	13.13	14.09	15.88	17.58	18.04	18.23	18.23	18.25
% Ch	-20.8	7.4	12.6	10.7	2.6	1.0	0.0	0.1
Other Services	5.33	5.45	5.67	5.63	5.78	5.93	6.03	6.14
% Ch	-9.6	2.4	3.9	-0.6	2.6	2.6	1.8	1.8
Federal Government	2.93	2.89	2.88	2.88	2.88	2.88	2.88	2.88
% Ch	3.6	-1.6	-0.2	0.0	0.0	0.0	0.0	0.0
State and Local Government	19.05	19.11	19.42	19.62	19.83	20.09	20.23	20.34
% Ch	-3.7	0.3	1.6	1.1	1.0	1.3	0.7	0.6

Table A2.2

**U.S. Nonagricultural Employment by Industry (Millions)**

Forecast 2022 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Nonfarm Payroll Employment	150.35	151.71	152.51	152.93	153.12	153.15	153.16	153.17
% Ch, Annual Rate	4.7	3.6	2.1	1.1	0.5	0.1	0.0	0.0
Manufacturing	12.63	12.82	12.98	13.03	12.95	12.96	13.01	13.01
% Ch, Annual Rate	4.0	6.1	5.0	1.4	-2.4	0.6	1.4	-0.1
Durable Manufacturing	7.85	7.98	8.08	8.14	8.08	8.11	8.15	8.16
% Ch, Annual Rate	3.3	6.5	5.5	2.7	-3.1	1.5	2.4	0.1
Wood Products	0.42	0.44	0.45	0.45	0.42	0.41	0.40	0.40
% Ch, Annual Rate	7.8	12.9	14.5	-4.0	-22.3	-12.1	-3.0	-2.4
Primary and Fabricated Metals	1.78	1.81	1.83	1.84	1.83	1.84	1.86	1.87
% Ch, Annual Rate	4.6	6.0	5.1	2.6	-3.1	3.1	4.8	1.9
Computer and Electronic Products	1.07	1.08	1.09	1.09	1.09	1.10	1.10	1.10
% Ch, Annual Rate	1.3	4.5	2.8	1.2	0.7	1.6	1.4	1.1
Machinery and Electrical Equipment	1.48	1.52	1.55	1.55	1.54	1.54	1.55	1.55
% Ch, Annual Rate	6.0	9.7	7.1	0.7	-3.2	2.0	2.6	-0.8
Transportation Equipment	1.66	1.69	1.72	1.77	1.79	1.82	1.83	1.83
% Ch, Annual Rate	-2.1	6.9	6.0	14.1	4.2	5.8	3.5	0.1
Other Durables	1.43	1.44	1.45	1.44	1.41	1.40	1.40	1.39
% Ch, Annual Rate	5.7	3.1	3.2	-4.3	-8.2	-2.1	-0.1	-1.4
Nondurable Manufacturing	4.78	4.85	4.89	4.89	4.87	4.86	4.86	4.85
% Ch, Annual Rate	5.0	5.5	4.1	-0.7	-1.3	-0.9	-0.1	-0.5
Food Manufacturing	1.67	1.70	1.72	1.72	1.72	1.72	1.73	1.74
% Ch, Annual Rate	5.7	5.3	5.3	1.1	-1.3	0.0	2.1	2.4
Paper and Paper Products	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
% Ch, Annual Rate	6.1	5.9	0.6	0.3	-0.3	0.7	1.3	1.3
Other Nondurables	2.75	2.79	2.81	2.80	2.79	2.78	2.77	2.75
% Ch, Annual Rate	4.5	5.6	3.9	-1.9	-1.4	-1.7	-1.7	-2.4
Natural Resources and Mining	0.60	0.62	0.64	0.67	0.70	0.72	0.74	0.75
% Ch, Annual Rate	10.7	14.3	16.4	18.4	19.2	14.2	9.8	7.4
Construction	7.60	7.68	7.68	7.70	7.71	7.71	7.71	7.71
% Ch, Annual Rate	5.1	4.4	0.3	1.1	0.1	0.1	0.2	0.1
Trade, Transportation, and Utilities	28.49	28.67	28.68	28.20	28.02	28.05	27.82	27.81
% Ch, Annual Rate	5.9	2.4	0.2	-6.5	-2.6	0.4	-3.2	-0.1
Wholesale Trade	5.79	5.86	5.88	5.91	5.95	5.91	5.90	5.92
% Ch, Annual Rate	4.0	4.7	1.8	1.9	2.8	-2.5	-0.7	1.5
Retail Trade	15.78	15.77	15.70	15.21	14.95	15.09	14.90	14.86
% Ch, Annual Rate	5.8	-0.3	-1.7	-12.0	-6.7	3.8	-4.9	-1.0
Trans., Warehousing, and Utilities	6.92	7.04	7.10	7.09	7.12	7.05	7.02	7.03
% Ch, Annual Rate	7.9	7.0	3.2	-0.6	2.1	-3.9	-1.8	0.5
Information	2.92	2.98	2.99	2.98	2.98	3.01	3.00	2.97
% Ch, Annual Rate	3.2	8.2	1.6	-2.2	-0.2	5.2	-1.3	-4.1
Publishing Industries	0.81	0.82	0.81	0.81	0.81	0.80	0.79	0.79
% Ch, Annual Rate	5.9	4.2	-2.1	-3.1	-0.3	-4.5	-1.8	-1.2
Other Information	2.11	2.16	2.18	2.17	2.17	2.22	2.21	2.18
% Ch, Annual Rate	2.2	9.8	3.0	-1.9	-0.2	8.9	-1.1	-5.1
Financial Activities	8.89	8.92	8.92	8.97	9.02	8.90	8.86	8.86
% Ch, Annual Rate	2.1	1.4	0.3	2.0	2.3	-5.1	-1.9	0.0
Professional and Business Services	22.00	22.28	22.47	22.45	22.48	22.21	22.04	21.94
% Ch, Annual Rate	5.2	5.2	3.4	-0.3	0.5	-4.7	-3.0	-1.8
Education and Health Services	24.06	24.20	24.27	24.15	24.07	23.98	23.96	24.04
% Ch, Annual Rate	3.1	2.4	1.1	-1.9	-1.3	-1.5	-0.3	1.3
Leisure and Hospitality	15.36	15.61	15.83	16.70	17.08	17.50	17.88	17.87
% Ch, Annual Rate	12.4	6.6	5.8	23.9	9.2	10.3	8.9	-0.2
Other Services	5.64	5.68	5.69	5.67	5.67	5.61	5.61	5.64
% Ch, Annual Rate	4.7	2.8	0.8	-1.8	0.4	-4.0	-0.3	2.2
Federal Government	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88
% Ch, Annual Rate	-0.3	0.0	0.3	0.0	0.0	0.0	0.0	0.0
State and Local Government	19.29	19.38	19.47	19.53	19.57	19.60	19.64	19.68
% Ch, Annual Rate	1.0	1.9	2.0	1.2	0.8	0.7	0.7	0.8

Table A2.2 (continued)

**U.S. Nonagricultural Employment by Industry (Millions)**

Forecast 2022 to 2027

	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Nonfarm Payroll Employment	153.23	153.27	153.31	153.34	153.34	153.35	153.41	153.54
% Ch, Annual Rate	0.2	0.1	0.1	0.1	0.0	0.0	0.2	0.3
Manufacturing	12.97	12.93	12.88	12.82	12.76	12.70	12.66	12.61
% Ch, Annual Rate	-1.3	-1.0	-1.6	-1.9	-1.8	-1.9	-1.4	-1.5
Durable Manufacturing	8.13	8.11	8.08	8.03	7.99	7.95	7.91	7.87
% Ch, Annual Rate	-1.4	-0.9	-1.7	-2.0	-2.1	-2.3	-1.7	-2.0
Wood Products	0.40	0.40	0.39	0.40	0.40	0.40	0.39	0.39
% Ch, Annual Rate	-2.2	-2.0	-2.4	2.0	3.6	-1.0	-4.7	-3.3
Primary and Fabricated Metals	1.87	1.88	1.88	1.88	1.87	1.86	1.86	1.85
% Ch, Annual Rate	0.6	1.4	0.0	-0.7	-1.5	-1.7	-1.2	-1.8
Computer and Electronic Products	1.11	1.11	1.11	1.11	1.12	1.12	1.12	1.12
% Ch, Annual Rate	1.1	0.9	0.9	0.8	0.5	0.3	0.1	-0.3
Machinery and Electrical Equipment	1.54	1.53	1.51	1.50	1.49	1.48	1.47	1.47
% Ch, Annual Rate	-3.2	-2.8	-3.0	-3.4	-3.2	-3.0	-1.7	-1.9
Transportation Equipment	1.83	1.82	1.80	1.78	1.76	1.74	1.73	1.71
% Ch, Annual Rate	-1.9	-1.5	-3.0	-4.3	-4.6	-4.4	-3.1	-4.0
Other Durables	1.38	1.38	1.37	1.36	1.35	1.34	1.34	1.34
% Ch, Annual Rate	-2.9	-1.8	-2.5	-2.7	-2.1	-2.0	-1.1	-0.5
Nondurable Manufacturing	4.84	4.82	4.81	4.79	4.77	4.75	4.75	4.74
% Ch, Annual Rate	-1.1	-1.3	-1.5	-1.7	-1.3	-1.3	-0.8	-0.8
Food Manufacturing	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.75
% Ch, Annual Rate	1.0	0.4	-0.2	-0.4	0.0	0.1	0.8	0.8
Paper and Paper Products	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
% Ch, Annual Rate	0.0	-0.9	-1.1	-1.6	-1.5	-1.5	-1.1	-1.0
Other Nondurables	2.73	2.72	2.70	2.68	2.67	2.66	2.64	2.63
% Ch, Annual Rate	-2.5	-2.4	-2.4	-2.4	-2.1	-2.1	-1.8	-1.8
Natural Resources and Mining	0.76	0.76	0.75	0.74	0.73	0.72	0.71	0.71
% Ch, Annual Rate	2.3	0.0	-3.4	-5.0	-5.6	-5.4	-3.8	-3.0
Construction	7.71	7.71	7.73	7.74	7.75	7.76	7.76	7.77
% Ch, Annual Rate	0.0	-0.1	0.8	0.7	0.4	0.4	0.3	0.5
Trade, Transportation, and Utilities	27.65	27.32	27.17	27.04	26.92	26.83	26.80	26.80
% Ch, Annual Rate	-2.4	-4.6	-2.2	-1.9	-1.8	-1.4	-0.3	-0.1
Wholesale Trade	5.98	6.02	6.04	6.06	6.09	6.10	6.12	6.13
% Ch, Annual Rate	3.5	3.3	1.3	1.3	1.7	1.0	0.9	0.7
Retail Trade	14.60	14.18	14.00	13.85	13.66	13.53	13.47	13.44
% Ch, Annual Rate	-6.9	-10.9	-5.0	-4.4	-5.2	-3.9	-1.6	-1.0
Trans., Warehousing, and Utilities	7.07	7.11	7.12	7.13	7.17	7.19	7.21	7.23
% Ch, Annual Rate	2.5	2.3	0.5	0.6	2.0	1.3	1.1	0.8
Information	2.97	3.00	3.02	3.04	3.06	3.07	3.07	3.06
% Ch, Annual Rate	0.1	3.2	3.4	2.2	2.3	1.7	-0.1	-1.0
Publishing Industries	0.79	0.80	0.79	0.79	0.80	0.79	0.79	0.79
% Ch, Annual Rate	0.9	0.9	-0.5	-0.1	0.4	-0.1	-1.4	-1.7
Other Information	2.18	2.20	2.23	2.24	2.26	2.27	2.28	2.27
% Ch, Annual Rate	-0.1	4.1	4.8	3.0	2.9	2.4	0.3	-0.7
Financial Activities	8.91	8.95	8.97	8.99	9.02	9.03	9.03	9.02
% Ch, Annual Rate	2.2	2.1	0.7	1.1	1.0	0.7	0.0	-0.3
Professional and Business Services	21.89	21.80	21.69	21.64	21.64	21.60	21.60	21.65
% Ch, Annual Rate	-1.0	-1.5	-2.0	-0.9	-0.1	-0.7	0.0	0.9
Education and Health Services	24.22	24.36	24.42	24.47	24.52	24.55	24.59	24.65
% Ch, Annual Rate	3.1	2.3	1.1	0.8	0.8	0.5	0.5	1.1
Leisure and Hospitality	17.85	17.99	18.12	18.19	18.18	18.22	18.25	18.27
% Ch, Annual Rate	-0.4	3.3	2.9	1.5	-0.3	1.1	0.5	0.4
Other Services	5.70	5.77	5.81	5.84	5.88	5.92	5.94	5.97
% Ch, Annual Rate	4.6	4.3	2.8	2.5	2.8	2.3	1.8	1.6
Federal Government	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	19.73	19.79	19.86	19.94	20.01	20.07	20.12	20.16
% Ch, Annual Rate	1.0	1.2	1.5	1.5	1.5	1.2	1.0	0.7

Table A2.2 (continued)

**U.S. Nonagricultural Employment by Industry (Millions)**

Forecast 2022 to 2027

	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1	2027Q2	2027Q3	2027Q4
Nonfarm Payroll Employment	153.72	153.88	154.02	154.24	154.47	154.75	155.00	155.26
% Ch, Annual Rate	0.5	0.4	0.4	0.6	0.6	0.7	0.7	0.7
Manufacturing	12.57	12.53	12.50	12.49	12.49	12.49	12.49	12.48
% Ch, Annual Rate	-1.2	-1.3	-1.0	-0.4	0.3	-0.2	-0.1	-0.3
Durable Manufacturing	7.84	7.81	7.79	7.78	7.79	7.79	7.79	7.79
% Ch, Annual Rate	-1.5	-1.6	-1.3	-0.5	0.5	0.0	0.1	0.1
Wood Products	0.39	0.39	0.39	0.38	0.38	0.38	0.38	0.38
% Ch, Annual Rate	-1.0	-1.5	-3.8	-2.4	-0.4	-1.5	-0.8	0.6
Primary and Fabricated Metals	1.84	1.84	1.83	1.83	1.83	1.83	1.83	1.83
% Ch, Annual Rate	-1.3	-1.3	-0.7	-0.3	0.6	-0.1	0.1	0.0
Computer and Electronic Products	1.12	1.11	1.11	1.11	1.11	1.11	1.11	1.11
% Ch, Annual Rate	-0.2	-0.2	-0.2	-0.1	-0.6	-0.7	-0.7	-0.7
Machinery and Electrical Equipment	1.46	1.45	1.45	1.45	1.45	1.45	1.45	1.45
% Ch, Annual Rate	-1.6	-1.8	-1.1	-0.4	0.6	0.1	0.4	0.7
Transportation Equipment	1.70	1.68	1.67	1.67	1.67	1.67	1.67	1.67
% Ch, Annual Rate	-3.6	-3.6	-2.8	-0.9	0.6	0.4	0.3	-0.2
Other Durables	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34
% Ch, Annual Rate	-0.3	-0.2	-0.3	-0.1	1.2	0.4	0.5	0.4
Nondurable Manufacturing	4.73	4.72	4.71	4.71	4.71	4.70	4.70	4.69
% Ch, Annual Rate	-0.7	-0.8	-0.6	-0.3	-0.1	-0.4	-0.5	-0.9
Food Manufacturing	1.75	1.75	1.76	1.76	1.77	1.77	1.78	1.78
% Ch, Annual Rate	0.8	0.7	0.9	1.3	1.4	1.0	0.7	0.1
Paper and Paper Products	0.36	0.35	0.35	0.35	0.35	0.35	0.35	0.35
% Ch, Annual Rate	-1.0	-1.1	-0.8	-0.4	0.0	-0.3	-0.5	-0.9
Other Nondurables	2.62	2.61	2.60	2.59	2.58	2.58	2.57	2.56
% Ch, Annual Rate	-1.6	-1.7	-1.6	-1.4	-1.1	-1.3	-1.4	-1.6
Natural Resources and Mining	0.71	0.70	0.70	0.70	0.70	0.70	0.69	0.69
% Ch, Annual Rate	-2.2	-1.4	-1.2	-0.9	-0.8	-1.2	-1.6	-1.7
Construction	7.78	7.79	7.80	7.80	7.80	7.81	7.82	7.83
% Ch, Annual Rate	0.5	0.6	0.4	0.0	0.3	0.5	0.4	0.7
Trade, Transportation, and Utilities	26.80	26.80	26.80	26.82	26.81	26.82	26.82	26.79
% Ch, Annual Rate	0.1	0.0	-0.1	0.4	-0.1	0.1	-0.1	-0.4
Wholesale Trade	6.14	6.15	6.16	6.17	6.18	6.19	6.19	6.18
% Ch, Annual Rate	1.0	0.6	0.4	0.6	0.9	0.9	-0.2	-0.6
Retail Trade	13.41	13.39	13.37	13.37	13.35	13.35	13.34	13.33
% Ch, Annual Rate	-0.8	-0.7	-0.6	0.0	-0.6	-0.1	-0.1	-0.5
Trans., Warehousing, and Utilities	7.24	7.26	7.27	7.28	7.28	7.28	7.28	7.28
% Ch, Annual Rate	1.0	0.7	0.6	0.8	-0.1	0.0	0.1	-0.3
Information	3.05	3.05	3.04	3.04	3.05	3.06	3.06	3.07
% Ch, Annual Rate	-1.0	-0.8	-0.3	-0.2	1.0	0.8	0.9	0.9
Publishing Industries	0.79	0.78	0.78	0.77	0.77	0.77	0.77	0.77
% Ch, Annual Rate	-1.7	-1.9	-2.0	-2.0	-1.0	-1.0	-0.7	-0.9
Other Information	2.27	2.27	2.27	2.27	2.28	2.29	2.29	2.30
% Ch, Annual Rate	-0.7	-0.4	0.2	0.4	1.6	1.4	1.5	1.5
Financial Activities	9.02	8.99	8.96	8.94	8.93	8.92	8.90	8.87
% Ch, Annual Rate	-0.3	-1.1	-1.2	-0.9	-0.5	-0.7	-0.8	-1.2
Professional and Business Services	21.76	21.88	21.98	22.10	22.20	22.33	22.45	22.65
% Ch, Annual Rate	2.1	2.1	1.9	2.1	2.0	2.3	2.3	3.5
Education and Health Services	24.73	24.79	24.83	24.90	24.98	25.05	25.11	25.16
% Ch, Annual Rate	1.3	1.0	0.7	1.1	1.3	1.1	1.0	0.8
Leisure and Hospitality	18.24	18.24	18.23	18.23	18.21	18.24	18.26	18.27
% Ch, Annual Rate	-0.6	0.0	-0.1	0.0	-0.3	0.6	0.6	0.1
Other Services	6.00	6.02	6.04	6.07	6.10	6.12	6.15	6.18
% Ch, Annual Rate	1.9	1.6	1.6	1.7	1.9	1.7	2.0	1.7
Federal Government	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and Local Government	20.19	20.22	20.25	20.27	20.30	20.33	20.36	20.39
% Ch, Annual Rate	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5

Table A2.3

**Washington Nonagricultural Employment by Industry (Thousands)**

Forecast 2022 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Nonfarm Payroll Employment	3,283.5	3,363.1	3,524.3	3,566.3	3,591.7	3,618.5	3,652.6	3,690.0
% Ch	-5.3	2.4	4.8	1.2	0.7	0.7	0.9	1.0
Manufacturing	271.7	259.2	272.3	279.4	281.0	280.1	279.7	280.7
% Ch	-7.5	-4.6	5.1	2.6	0.6	-0.3	-0.1	0.4
Durable Manufacturing	189.7	175.3	183.3	188.8	190.8	190.4	190.0	190.7
% Ch	-8.3	-7.6	4.6	3.0	1.0	-0.2	-0.2	0.4
Wood Products	12.6	13.2	13.9	12.8	12.2	11.9	11.4	10.9
% Ch	-2.8	5.3	5.0	-7.7	-4.7	-2.6	-4.5	-3.8
Primary and Fabricated Metals	24.4	23.0	24.1	25.0	25.4	25.2	24.9	24.9
% Ch	-9.1	-5.8	4.8	3.6	1.8	-0.9	-1.2	0.1
Computer and Electronic Products	18.8	17.9	18.1	19.0	19.6	20.1	20.3	20.4
% Ch	-5.3	-5.0	1.1	5.2	3.3	2.2	1.1	0.5
Machinery and Electrical Equipment	19.3	19.1	20.8	22.1	22.2	21.9	22.1	22.7
% Ch	-8.9	-0.9	8.9	6.2	0.4	-1.3	0.7	3.1
Aerospace	80.1	67.6	69.6	72.9	74.6	75.0	75.2	75.7
% Ch	-9.6	-15.6	3.0	4.6	2.4	0.5	0.3	0.6
Other Transportation Equip.	9.1	9.1	10.0	10.0	9.7	9.4	9.2	9.0
% Ch	-6.2	-0.3	10.2	0.7	-3.4	-3.2	-1.6	-2.9
Other Durables	25.5	25.4	26.9	27.1	27.0	27.0	27.0	27.1
% Ch	-8.6	-0.1	5.6	0.8	-0.3	0.0	0.1	0.4
Nondurable Manufacturing	82.0	83.9	89.0	90.6	90.3	89.6	89.6	90.0
% Ch	-5.5	2.3	6.0	1.8	-0.3	-0.7	0.0	0.4
Food Manufacturing	37.6	38.7	41.5	42.0	42.0	41.6	41.5	41.5
% Ch	-4.4	2.8	7.2	1.3	-0.1	-0.9	-0.2	0.0
Paper and Paper Products	7.5	7.4	7.5	7.6	7.5	7.3	7.1	7.0
% Ch	-3.5	-0.7	1.3	0.3	-1.0	-2.6	-2.2	-1.5
Other Nondurables	36.9	37.8	40.0	41.0	40.8	40.7	41.0	41.5
% Ch	-6.9	2.5	5.8	2.6	-0.5	-0.2	0.6	1.2
Natural Resources and Mining	5.6	5.7	5.7	5.6	5.6	5.7	5.7	5.6
% Ch	-5.1	2.1	0.2	-1.7	0.2	1.4	-0.6	-1.1
Construction	213.8	223.4	233.1	231.4	233.8	235.7	238.3	240.2
% Ch	-2.6	4.5	4.4	-0.7	1.0	0.8	1.1	0.8
Trade, Transportation, and Utilities	630.0	653.7	672.1	663.3	654.6	649.1	652.3	656.4
% Ch	-2.0	3.8	2.8	-1.3	-1.3	-0.9	0.5	0.6
Wholesale Trade	130.0	131.4	138.9	141.4	145.0	148.1	150.1	151.7
% Ch	-4.4	1.0	5.7	1.8	2.6	2.1	1.3	1.1
Retail Trade	387.7	403.4	411.1	400.0	386.4	376.0	375.9	377.8
% Ch	-0.7	4.0	1.9	-2.7	-3.4	-2.7	0.0	0.5
Electronic Shopping and Mail-Order	75.9	75.4	77.1	79.2	81.0	82.8	84.5	86.2
% Ch	19.5	-0.6	2.2	2.7	2.3	2.2	2.1	2.0
Other Retail Trade	311.9	328.0	334.0	320.8	305.4	293.2	291.4	291.6
% Ch	-4.6	5.2	1.9	-4.0	-4.8	-4.0	-0.6	0.1
Trans., Warehousing, and Utilities	112.2	118.9	122.1	121.9	123.2	125.0	126.3	126.8
% Ch	-3.5	5.9	2.7	-0.2	1.0	1.5	1.1	0.4
Information	149.0	157.1	167.1	169.6	172.3	176.9	178.9	180.5
% Ch	3.1	5.4	6.4	1.5	1.6	2.7	1.1	0.9
Software Publishers	76.0	79.5	83.2	84.3	85.7	87.1	88.2	89.4
% Ch	8.0	4.6	4.7	1.4	1.6	1.6	1.3	1.4
Other Publishing Industries	4.1	3.8	3.5	3.0	2.8	2.5	2.1	1.7
% Ch	-15.2	-7.5	-8.5	-12.2	-9.0	-9.3	-15.9	-17.1
Other Information	69.0	73.8	80.5	82.2	83.8	87.3	88.5	89.3
% Ch	-0.5	7.1	9.0	2.2	1.9	4.2	1.4	0.9
Financial Activities	158.4	160.5	165.2	164.5	165.3	166.4	165.3	163.5
% Ch	-1.3	1.3	2.9	-0.4	0.5	0.7	-0.7	-1.1
Professional and Business Services	425.3	448.3	477.3	478.7	475.6	477.1	486.1	498.1
% Ch	-2.1	5.4	6.5	0.3	-0.6	0.3	1.9	2.5
Education and Health Services	488.2	498.5	516.3	518.1	528.1	535.6	543.6	552.1
% Ch	-2.8	2.1	3.6	0.4	1.9	1.4	1.5	1.6
Leisure and Hospitality	262.9	282.8	330.2	358.0	366.7	371.4	373.1	375.0
% Ch	-24.3	7.6	16.8	8.4	2.4	1.3	0.5	0.5
Other Services	116.2	113.5	119.5	121.2	123.5	125.8	128.0	130.2
% Ch	-9.9	-2.3	5.3	1.4	1.9	1.9	1.7	1.7
Federal Government	78.5	76.8	75.7	75.9	76.2	76.5	76.8	77.1
% Ch	3.6	-2.2	-1.4	0.2	0.4	0.4	0.4	0.4
State and Local Government	483.7	483.5	489.8	500.5	508.9	518.2	525.0	530.6
% Ch	-5.5	0.0	1.3	2.2	1.7	1.8	1.3	1.1



Table A2.4

**Washington Nonagricultural Employment by Industry (Thousands)**

Forecast 2022 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Nonfarm Payroll Employment	3,487.3	3,521.3	3,539.6	3,549.0	3,557.1	3,564.6	3,568.3	3,575.1
% Ch, Annual Rate	4.7	4.0	2.1	1.1	0.9	0.8	0.4	0.8
Manufacturing	266.4	270.1	275.3	277.4	278.1	278.7	280.1	280.8
% Ch, Annual Rate	6.7	5.8	7.8	3.2	0.9	0.9	1.9	1.1
Durable Manufacturing	178.9	181.8	185.4	187.2	187.5	188.3	189.5	190.2
% Ch, Annual Rate	6.1	6.7	8.2	3.9	0.7	1.6	2.6	1.5
Wood Products	13.8	13.7	14.1	14.0	13.3	12.8	12.7	12.5
% Ch, Annual Rate	14.3	-4.6	13.1	-2.9	-19.0	-12.6	-4.9	-4.4
Primary and Fabricated Metals	23.6	23.9	24.3	24.7	24.6	24.8	25.2	25.3
% Ch, Annual Rate	5.6	3.5	8.4	5.7	-0.6	3.4	5.3	2.4
Computer and Electronic Products	17.8	17.8	18.2	18.5	18.7	18.9	19.1	19.3
% Ch, Annual Rate	-1.0	-1.1	9.7	6.5	5.6	4.3	3.8	3.4
Machinery and Electrical Equipment	19.9	20.4	21.2	21.6	21.6	22.0	22.3	22.4
% Ch, Annual Rate	13.0	10.9	16.6	6.8	1.0	5.9	6.8	1.7
Aerospace	68.1	69.2	70.2	71.0	71.9	72.6	73.2	73.8
% Ch, Annual Rate	3.1	6.9	5.8	4.8	4.8	3.8	3.6	3.1
Other Transportation Equip.	9.5	10.0	10.2	10.2	10.2	10.1	10.0	9.9
% Ch, Annual Rate	10.4	24.8	6.1	1.3	0.2	-4.7	-4.6	-3.5
Other Durables	26.1	26.9	27.2	27.2	27.2	27.1	27.0	27.0
% Ch, Annual Rate	9.0	11.6	5.1	0.6	-1.2	-1.4	-0.5	-0.4
Nondurable Manufacturing	87.5	88.3	89.9	90.3	90.6	90.5	90.6	90.7
% Ch, Annual Rate	7.7	3.8	7.1	1.7	1.3	-0.4	0.6	0.3
Food Manufacturing	40.9	41.2	41.8	42.0	42.0	41.9	42.0	42.1
% Ch, Annual Rate	14.8	3.0	6.1	2.1	-0.3	-1.0	1.0	1.3
Paper and Paper Products	7.6	7.5	7.5	7.5	7.6	7.6	7.6	7.6
% Ch, Annual Rate	1.8	-5.3	1.7	1.4	0.6	-0.2	0.5	0.4
Other Nondurables	39.0	39.7	40.5	40.7	41.0	41.0	41.0	41.0
% Ch, Annual Rate	2.0	6.5	9.2	1.5	3.1	0.1	0.2	-0.6
Natural Resources and Mining	5.6	5.7	5.8	5.7	5.6	5.6	5.6	5.6
% Ch, Annual Rate	-2.6	4.9	11.0	-11.5	-3.5	1.7	-3.5	-0.9
Construction	232.5	234.9	232.9	232.1	231.4	231.3	230.8	232.2
% Ch, Annual Rate	9.9	4.1	-3.4	-1.4	-1.2	-0.2	-0.9	2.5
Trade, Transportation, and Utilities	673.2	674.3	674.9	666.1	663.2	665.4	661.9	662.9
% Ch, Annual Rate	4.5	0.7	0.4	-5.1	-1.8	1.3	-2.1	0.6
Wholesale Trade	136.3	139.1	139.7	140.6	141.7	141.0	141.1	141.9
% Ch, Annual Rate	7.3	8.5	1.6	2.7	3.2	-1.9	0.2	2.2
Retail Trade	414.5	413.6	413.0	403.5	398.8	402.5	399.4	399.4
% Ch, Annual Rate	5.4	-0.9	-0.6	-8.9	-4.5	3.8	-3.1	0.0
Electronic Shopping and Mail-Order	75.8	77.0	77.5	78.0	78.5	79.0	79.4	79.9
% Ch	0.5	6.2	2.7	2.6	2.5	2.4	2.4	2.3
Other Retail Trade	338.6	336.6	335.5	325.5	320.3	323.6	319.9	319.5
% Ch	6.6	-2.4	-1.3	-11.4	-6.2	4.1	-4.4	-0.6
Trans., Warehousing, and Utilities	122.4	121.6	122.3	122.1	122.6	121.8	121.4	121.7
% Ch, Annual Rate	-1.6	-2.6	2.3	-0.7	1.9	-2.7	-1.3	0.9
Information	165.2	167.2	168.2	167.9	168.2	170.3	170.4	169.5
% Ch, Annual Rate	5.2	5.0	2.2	-0.7	0.8	5.1	0.1	-2.0
Software Publishers	82.3	83.2	83.5	83.7	84.0	84.2	84.4	84.7
% Ch, Annual Rate	2.2	4.7	1.2	1.0	1.7	0.7	1.3	1.4
Other Publishing Industries	3.5	3.6	3.4	3.3	3.2	3.1	3.0	2.9
% Ch, Annual Rate	-25.0	3.9	-12.1	-15.2	-7.6	-19.8	-13.0	-11.4
Other Information	79.4	80.5	81.2	80.9	81.0	83.1	83.0	81.9
% Ch, Annual Rate	10.2	5.3	3.9	-1.7	0.3	11.1	-0.5	-5.2
Financial Activities	163.9	165.6	165.4	166.0	166.9	164.4	163.3	163.4
% Ch, Annual Rate	2.0	4.2	-0.5	1.7	2.1	-6.0	-2.6	0.2
Professional and Business Services	471.1	476.5	480.4	481.0	482.4	478.9	477.1	476.4
% Ch, Annual Rate	6.8	4.6	3.3	0.5	1.2	-2.9	-1.5	-0.6
Education and Health Services	511.1	517.1	519.0	517.9	517.6	517.1	517.7	520.0
% Ch, Annual Rate	3.5	4.8	1.5	-0.8	-0.2	-0.4	0.5	1.8
Leisure and Hospitality	322.6	325.6	329.3	343.3	349.5	356.5	362.8	363.1
% Ch, Annual Rate	15.7	3.8	4.6	18.1	7.4	8.3	7.2	0.4
Other Services	117.9	119.7	120.1	120.4	120.8	120.9	121.2	121.8
% Ch, Annual Rate	3.2	5.9	1.5	0.9	1.4	0.3	1.2	1.8
Federal Government	76.0	75.5	75.6	75.7	75.8	75.8	75.9	76.0
% Ch, Annual Rate	-1.2	-2.4	0.7	0.4	0.4	0.4	0.4	0.4
State and Local Government	481.8	489.2	492.8	495.5	497.6	499.6	501.5	503.3
% Ch, Annual Rate	-3.5	6.3	3.0	2.2	1.8	1.6	1.5	1.5



Table A2.4 (continued)

**Washington Nonagricultural Employment by Industry (Thousands)**

Forecast 2022 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Nonfarm Payroll Employment	3,582.6	3,588.3	3,594.7	3,601.3	3,607.6	3,614.3	3,621.7	3,630.2
% Ch, Annual Rate	0.8	0.6	0.7	0.7	0.7	0.7	0.8	0.9
Manufacturing	281.1	281.2	281.1	280.8	280.5	280.1	279.9	279.7
% Ch, Annual Rate	0.3	0.2	-0.3	-0.4	-0.4	-0.5	-0.3	-0.4
Durable Manufacturing	190.5	190.8	190.9	190.9	190.8	190.5	190.3	190.1
% Ch, Annual Rate	0.7	0.7	0.1	0.0	-0.2	-0.5	-0.4	-0.5
Wood Products	12.4	12.3	12.1	12.1	12.1	12.0	11.8	11.7
% Ch, Annual Rate	-4.2	-4.1	-4.5	-0.7	0.6	-3.3	-6.4	-5.2
Primary and Fabricated Metals	25.4	25.5	25.5	25.4	25.3	25.2	25.2	25.1
% Ch, Annual Rate	0.9	1.7	0.0	-0.7	-1.5	-1.6	-1.1	-1.8
Computer and Electronic Products	19.4	19.6	19.7	19.8	19.9	20.0	20.1	20.1
% Ch, Annual Rate	3.3	3.1	3.0	2.8	2.2	1.8	1.5	0.7
Machinery and Electrical Equipment	22.3	22.2	22.1	22.0	21.9	21.9	21.9	21.9
% Ch, Annual Rate	-2.0	-1.3	-1.6	-2.1	-1.8	-1.3	0.7	0.3
Aerospace	74.2	74.5	74.8	74.9	75.0	75.0	75.0	75.0
% Ch, Annual Rate	2.4	1.8	1.3	0.7	0.2	0.1	0.1	0.1
Other Transportation Equip.	9.8	9.8	9.7	9.6	9.5	9.4	9.4	9.3
% Ch, Annual Rate	-3.0	-2.6	-3.6	-3.4	-3.4	-3.2	-3.0	-2.0
Other Durables	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0
% Ch, Annual Rate	-0.2	0.1	-0.2	-0.2	0.1	0.1	0.4	0.1
Nondurable Manufacturing	90.6	90.4	90.2	89.9	89.7	89.6	89.6	89.6
% Ch, Annual Rate	-0.4	-0.7	-1.0	-1.2	-0.7	-0.6	-0.1	0.0
Food Manufacturing	42.1	42.1	41.9	41.8	41.7	41.6	41.6	41.6
% Ch, Annual Rate	0.0	-0.6	-1.1	-1.4	-1.0	-0.9	-0.2	-0.2
Paper and Paper Products	7.6	7.5	7.5	7.4	7.4	7.3	7.3	7.2
% Ch, Annual Rate	-1.0	-2.0	-2.3	-2.8	-2.7	-2.7	-2.2	-2.2
Other Nondurables	40.9	40.8	40.8	40.7	40.7	40.7	40.7	40.8
% Ch, Annual Rate	-0.7	-0.6	-0.7	-0.7	-0.1	0.0	0.4	0.5
Natural Resources and Mining	5.6	5.6	5.6	5.7	5.7	5.7	5.7	5.7
% Ch, Annual Rate	0.9	0.7	1.3	3.7	2.8	0.1	-1.9	0.9
Construction	233.4	233.7	233.9	234.3	234.6	235.4	236.0	236.8
% Ch, Annual Rate	2.0	0.6	0.3	0.6	0.6	1.3	1.1	1.3
Trade, Transportation, and Utilities	660.4	654.7	652.5	650.9	649.3	648.4	648.9	649.7
% Ch, Annual Rate	-1.5	-3.4	-1.3	-1.0	-1.0	-0.6	0.3	0.5
Wholesale Trade	143.4	144.9	145.6	146.3	147.2	147.9	148.4	148.9
% Ch, Annual Rate	4.3	4.3	1.9	2.0	2.4	1.8	1.5	1.4
Retail Trade	394.6	386.6	383.6	381.0	377.8	375.7	375.3	375.3
% Ch, Annual Rate	-4.7	-7.8	-3.1	-2.7	-3.3	-2.2	-0.5	0.0
Electronic Shopping and Mail-Order	80.4	80.8	81.2	81.7	82.1	82.6	83.0	83.4
% Ch	2.3	2.2	2.2	2.2	2.2	2.1	2.1	2.1
Other Retail Trade	314.2	305.8	302.3	299.3	295.7	293.1	292.3	291.9
% Ch	-6.4	-10.3	-4.5	-4.0	-4.7	-3.4	-1.2	-0.6
Trans., Warehousing, and Utilities	122.5	123.1	123.4	123.6	124.3	124.8	125.2	125.5
% Ch, Annual Rate	2.5	2.3	0.7	0.9	2.2	1.6	1.3	1.1
Information	170.0	171.5	173.1	174.4	175.7	176.9	177.4	177.8
% Ch, Annual Rate	1.2	3.6	3.8	2.9	3.0	2.7	1.3	0.7
Software Publishers	85.1	85.6	85.9	86.2	86.6	87.0	87.3	87.6
% Ch, Annual Rate	1.9	1.9	1.6	1.7	1.8	1.7	1.4	1.3
Other Publishing Industries	2.8	2.8	2.7	2.7	2.6	2.6	2.5	2.4
% Ch, Annual Rate	-4.9	-4.8	-9.8	-8.7	-7.1	-9.0	-13.8	-15.4
Other Information	82.0	83.2	84.5	85.5	86.4	87.3	87.7	87.8
% Ch, Annual Rate	0.6	5.6	6.6	4.6	4.7	4.1	1.8	0.7
Financial Activities	164.4	165.3	165.5	165.9	166.3	166.6	166.5	166.3
% Ch, Annual Rate	2.5	2.3	0.5	1.0	1.0	0.7	-0.1	-0.5
Professional and Business Services	476.4	476.0	475.0	475.1	475.9	476.2	477.2	478.9
% Ch, Annual Rate	0.0	-0.4	-0.8	0.1	0.7	0.2	0.8	1.5
Education and Health Services	524.1	527.4	529.5	531.3	533.1	534.6	536.2	538.3
% Ch, Annual Rate	3.2	2.5	1.6	1.4	1.4	1.2	1.2	1.6
Leisure and Hospitality	363.2	365.9	368.2	369.7	369.9	371.1	371.9	372.6
% Ch, Annual Rate	0.1	2.9	2.6	1.6	0.3	1.3	0.9	0.8
Other Services	122.5	123.2	123.8	124.4	125.0	125.6	126.1	126.6
% Ch, Annual Rate	2.4	2.3	2.0	1.9	2.0	1.8	1.7	1.7
Federal Government	76.1	76.1	76.2	76.3	76.4	76.4	76.5	76.6
% Ch, Annual Rate	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
State and Local Government	505.4	507.7	510.1	512.6	515.1	517.4	519.3	521.1
% Ch, Annual Rate	1.7	1.8	1.9	1.9	2.0	1.7	1.5	1.4

Table A2.4 (continued)

**Washington Nonagricultural Employment by Industry (Thousands)**

Forecast 2022 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Nonfarm Payroll Employment	3,639.5	3,648.3	3,656.5	3,666.3	3,675.3	3,685.3	3,694.9	3,704.6
% Ch, Annual Rate	1.0	1.0	0.9	1.1	1.0	1.1	1.0	1.1
Manufacturing	279.6	279.6	279.6	279.9	280.3	280.6	280.9	281.1
% Ch, Annual Rate	-0.1	-0.1	0.1	0.4	0.7	0.4	0.4	0.3
Durable Manufacturing	190.0	190.0	190.0	190.1	190.4	190.6	190.8	191.0
% Ch, Annual Rate	-0.1	-0.1	0.0	0.3	0.6	0.3	0.4	0.5
Wood Products	11.6	11.5	11.3	11.2	11.1	11.0	10.9	10.8
% Ch, Annual Rate	-3.3	-3.7	-5.7	-4.5	-2.9	-3.8	-3.2	-2.1
Primary and Fabricated Metals	25.0	24.9	24.9	24.9	24.9	24.9	24.9	24.9
% Ch, Annual Rate	-1.2	-1.3	-0.6	-0.2	0.8	0.0	0.3	0.2
Computer and Electronic Products	20.2	20.2	20.3	20.4	20.4	20.4	20.4	20.4
% Ch, Annual Rate	1.0	0.9	1.1	1.2	0.2	0.1	0.1	0.0
Machinery and Electrical Equipment	22.0	22.0	22.1	22.2	22.4	22.6	22.8	23.1
% Ch, Annual Rate	0.8	0.5	1.5	2.5	4.1	3.4	3.8	4.2
Aerospace	75.0	75.1	75.2	75.4	75.5	75.6	75.7	75.8
% Ch, Annual Rate	0.2	0.3	0.6	0.8	0.7	0.7	0.5	0.4
Other Transportation Equip.	9.3	9.3	9.2	9.2	9.1	9.0	8.9	8.9
% Ch, Annual Rate	-0.8	-0.2	-1.7	-3.2	-3.6	-3.4	-3.2	-2.8
Other Durables	27.0	27.0	27.0	27.0	27.1	27.1	27.1	27.2
% Ch, Annual Rate	0.1	0.0	0.1	0.2	0.7	0.4	0.5	0.5
Nondurable Manufacturing	89.6	89.6	89.6	89.7	89.9	90.0	90.1	90.0
% Ch, Annual Rate	0.0	0.0	0.2	0.5	0.8	0.5	0.3	-0.1
Food Manufacturing	41.5	41.5	41.5	41.5	41.5	41.5	41.5	41.4
% Ch, Annual Rate	-0.2	-0.3	-0.1	0.3	0.4	0.0	-0.3	-0.9
Paper and Paper Products	7.2	7.2	7.1	7.1	7.1	7.0	7.0	7.0
% Ch, Annual Rate	-2.2	-2.3	-2.0	-1.5	-1.0	-1.4	-1.6	-2.1
Other Nondurables	40.9	40.9	41.0	41.1	41.3	41.4	41.5	41.6
% Ch, Annual Rate	0.7	0.7	0.8	1.1	1.5	1.3	1.2	1.0
Natural Resources and Mining	5.7	5.7	5.7	5.6	5.6	5.6	5.6	5.6
% Ch, Annual Rate	0.9	-1.3	-3.0	-1.3	-0.2	-0.7	-1.3	-1.5
Construction	237.5	238.1	238.6	239.0	239.4	239.9	240.4	241.1
% Ch, Annual Rate	1.2	1.0	0.9	0.6	0.7	0.9	0.9	1.2
Trade, Transportation, and Utilities	650.8	651.8	652.6	654.1	654.9	656.1	657.0	657.4
% Ch, Annual Rate	0.7	0.6	0.5	0.9	0.5	0.7	0.5	0.3
Wholesale Trade	149.5	149.9	150.3	150.7	151.2	151.8	151.9	152.0
% Ch, Annual Rate	1.5	1.1	1.0	1.1	1.4	1.4	0.5	0.2
Retail Trade	375.4	375.7	375.9	376.7	376.9	377.6	378.2	378.6
% Ch, Annual Rate	0.2	0.3	0.3	0.8	0.3	0.7	0.7	0.4
Electronic Shopping and Mail-Order	83.9	84.3	84.7	85.1	85.6	86.0	86.4	86.9
% Ch	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Other Retail Trade	291.6	291.4	291.2	291.5	291.4	291.6	291.7	291.7
% Ch	-0.4	-0.3	-0.2	0.4	-0.2	0.3	0.3	-0.1
Trans., Warehousing, and Utilities	125.9	126.2	126.4	126.7	126.8	126.8	126.9	126.8
% Ch, Annual Rate	1.1	0.9	0.8	0.9	0.1	0.1	0.2	-0.1
Information	178.1	178.5	179.1	179.7	180.0	180.3	180.6	180.9
% Ch, Annual Rate	0.8	0.9	1.3	1.4	0.7	0.6	0.7	0.7
Software Publishers	87.8	88.1	88.4	88.6	89.0	89.3	89.6	89.9
% Ch, Annual Rate	1.3	1.2	1.2	1.2	1.4	1.4	1.5	1.4
Other Publishing Industries	2.3	2.2	2.1	1.9	1.9	1.8	1.7	1.6
% Ch, Annual Rate	-15.9	-17.5	-18.4	-19.3	-15.7	-16.3	-15.8	-17.6
Other Information	88.0	88.2	88.7	89.1	89.2	89.2	89.3	89.4
% Ch, Annual Rate	0.7	1.1	1.9	2.2	0.3	0.2	0.2	0.3
Financial Activities	166.1	165.6	164.9	164.5	164.2	163.8	163.3	162.7
% Ch, Annual Rate	-0.4	-1.4	-1.5	-1.2	-0.7	-0.9	-1.1	-1.5
Professional and Business Services	481.8	484.7	487.4	490.4	493.2	496.2	499.3	503.6
% Ch, Annual Rate	2.4	2.4	2.3	2.4	2.3	2.5	2.5	3.5
Education and Health Services	540.7	542.7	544.5	546.7	549.0	551.2	553.3	555.1
% Ch, Annual Rate	1.8	1.5	1.3	1.6	1.7	1.6	1.5	1.3
Leisure and Hospitality	372.5	372.9	373.3	373.7	373.8	374.6	375.4	375.9
% Ch, Annual Rate	0.0	0.4	0.3	0.4	0.2	0.9	0.9	0.5
Other Services	127.2	127.7	128.3	128.8	129.4	129.9	130.5	131.0
% Ch, Annual Rate	1.8	1.7	1.7	1.7	1.7	1.7	1.8	1.7
Federal Government	76.7	76.7	76.8	76.9	77.0	77.0	77.1	77.2
% Ch, Annual Rate	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
State and Local Government	522.7	524.3	525.7	527.1	528.5	529.9	531.4	532.8
% Ch, Annual Rate	1.3	1.2	1.1	1.1	1.0	1.1	1.1	1.1

Table A3.1

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

Forecast 2022 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Personal Income	19,627.6	21,092.8	21,694.0	22,699.1	23,779.6	24,902.2	26,077.9	27,294.7
% Ch	6.5	7.5	2.9	4.6	4.8	4.7	4.7	4.7
Total Wage and Salary Disbursements	9,444.1	10,343.8	11,389.4	11,982.9	12,522.8	13,071.0	13,653.9	14,257.2
% Ch	1.3	9.5	10.1	5.2	4.5	4.4	4.5	4.4
Nonwage Personal Income	10,183.5	10,749.0	10,304.6	10,716.2	11,256.8	11,831.2	12,424.0	13,037.5
% Ch	11.9	5.6	-4.1	4.0	5.0	5.1	5.0	4.9
Supplements to Wages and Salaries	2,128.0	2,254.9	2,387.1	2,495.1	2,593.1	2,694.7	2,810.8	2,934.1
% Ch	0.2	6.0	5.9	4.5	3.9	3.9	4.3	4.4
Proprietor's Income	1,650.0	1,821.9	1,903.3	1,924.9	1,951.4	2,039.4	2,147.1	2,268.4
% Ch	3.2	10.4	4.5	1.1	1.4	4.5	5.3	5.6
Farm	70.2	97.8	110.2	89.6	76.2	76.7	79.4	82.1
% Ch	...	...	...	...	...	...	...	...
Nonfarm	1,579.9	1,724.1	1,793.1	1,835.3	1,875.2	1,962.8	2,067.7	2,186.3
% Ch	1.2	9.1	4.0	2.3	2.2	4.7	5.3	5.7
Less: Contribution For Govt. Soc. Ins.	1,459.5	1,593.4	1,741.2	1,815.2	1,883.4	1,958.6	2,042.6	2,131.8
% Ch	2.7	9.2	9.3	4.2	3.8	4.0	4.3	4.4
Dividends/Int./Rent	3,623.7	3,667.7	3,842.9	4,113.2	4,401.3	4,645.4	4,866.6	5,080.3
% Ch	-1.0	1.2	4.8	7.0	7.0	5.5	4.8	4.4
Transfer Payments	4,241.1	4,597.8	3,912.6	3,998.2	4,194.4	4,410.2	4,642.1	4,886.4
% Ch	35.1	8.4	-14.9	2.2	4.9	5.1	5.3	5.3

Table A3.2

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

Forecast 2022 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Personal Income	21,258.3	21,562.5	21,846.5	22,108.7	22,321.2	22,569.9	22,822.1	23,083.4
% Ch, Annual Rate	4.8	5.8	5.4	4.9	3.9	4.5	4.5	4.7
Total Wage and Salary Disbursements	11,086.1	11,316.6	11,498.8	11,656.0	11,785.8	11,914.5	12,047.9	12,183.5
% Ch, Annual Rate	9.9	8.6	6.6	5.6	4.5	4.4	4.6	4.6
Nonwage Personal Income	10,172.2	10,245.9	10,347.7	10,452.7	10,535.4	10,655.4	10,774.2	10,899.9
% Ch, Annual Rate	-0.4	2.9	4.0	4.1	3.2	4.6	4.5	4.7
Supplements to Wages and Salaries	2,340.3	2,372.1	2,403.1	2,432.9	2,459.9	2,483.2	2,506.8	2,530.4
% Ch, Annual Rate	6.4	5.6	5.3	5.0	4.5	3.8	3.9	3.8
Proprietor's Income	1,877.0	1,890.0	1,913.7	1,932.5	1,929.5	1,924.7	1,920.9	1,924.6
% Ch, Annual Rate	4.0	2.8	5.1	4.0	-0.6	-1.0	-0.8	0.8
Farm	108.7	112.6	111.5	107.8	100.5	92.5	85.1	80.3
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	1,768.3	1,777.4	1,802.3	1,824.7	1,829.0	1,832.1	1,835.7	1,844.3
% Ch, Annual Rate	-0.5	2.1	5.7	5.1	0.9	0.7	0.8	1.9
Less: Contribution For Govt. Soc. Ins.	1,699.1	1,731.6	1,759.5	1,774.9	1,795.5	1,807.9	1,821.5	1,835.9
% Ch, Annual Rate	10.8	7.9	6.6	3.5	4.7	2.8	3.0	3.2
Dividends/Int./Rent	3,757.0	3,808.3	3,868.6	3,937.6	3,998.8	4,075.4	4,151.1	4,227.4
% Ch, Annual Rate	2.6	5.6	6.5	7.3	6.4	7.9	7.6	7.5
Transfer Payments	3,897.0	3,907.1	3,921.8	3,924.6	3,942.7	3,980.0	4,016.8	4,053.4
% Ch, Annual Rate	-4.5	1.0	1.5	0.3	1.9	3.8	3.8	3.7

Table A3.2 (continued)

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

Forecast 2022 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	23,375.1	23,639.6	23,912.3	24,191.7	24,487.4	24,761.0	25,037.0	25,323.4
% Ch, Annual Rate	5.2	4.6	4.7	4.8	5.0	4.5	4.5	4.7
Total Wage and Salary Disbursements	12,314.6	12,453.2	12,592.8	12,730.8	12,868.3	13,000.0	13,136.0	13,279.7
% Ch, Annual Rate	4.4	4.6	4.6	4.5	4.4	4.2	4.3	4.4
Nonwage Personal Income	11,060.5	11,186.4	11,319.5	11,460.8	11,619.2	11,761.0	11,901.0	12,043.8
% Ch, Annual Rate	6.0	4.6	4.8	5.1	5.6	5.0	4.8	4.9
Supplements to Wages and Salaries	2,557.0	2,581.1	2,605.4	2,629.1	2,657.8	2,681.3	2,706.2	2,733.6
% Ch, Annual Rate	4.3	3.8	3.8	3.7	4.4	3.6	3.8	4.1
Proprietor's Income	1,933.2	1,940.4	1,954.3	1,977.5	2,001.6	2,027.0	2,051.2	2,077.9
% Ch, Annual Rate	1.8	1.5	2.9	4.8	5.0	5.2	4.9	5.3
Farm	78.0	76.1	75.3	75.3	75.8	76.4	77.0	77.6
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	1,855.2	1,864.3	1,879.0	1,902.2	1,925.9	1,950.6	1,974.2	2,000.3
% Ch, Annual Rate	2.4	2.0	3.2	5.0	5.1	5.2	4.9	5.4
Less: Contribution For Govt. Soc. Ins.	1,859.3	1,875.1	1,891.4	1,907.7	1,933.6	1,949.6	1,966.5	1,984.6
% Ch, Annual Rate	5.2	3.4	3.5	3.5	5.5	3.3	3.5	3.7
Dividends/Int./Rent	4,299.7	4,369.1	4,436.1	4,500.4	4,560.1	4,617.7	4,673.9	4,730.0
% Ch, Annual Rate	7.0	6.6	6.3	5.9	5.4	5.2	5.0	4.9
Transfer Payments	4,130.0	4,171.0	4,215.1	4,261.4	4,333.3	4,384.7	4,436.1	4,486.8
% Ch, Annual Rate	7.8	4.0	4.3	4.5	6.9	4.8	4.8	4.6

Table A3.2 (continued)

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

Forecast 2022 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Personal Income	25,636.7	25,931.4	26,224.8	26,518.7	26,840.0	27,140.5	27,444.6	27,753.8
% Ch, Annual Rate	5.0	4.7	4.6	4.6	4.9	4.6	4.6	4.6
Total Wage and Salary Disbursements	13,431.5	13,579.7	13,726.2	13,878.0	14,031.5	14,181.8	14,332.2	14,483.4
% Ch, Annual Rate	4.7	4.5	4.4	4.5	4.5	4.4	4.3	4.3
Nonwage Personal Income	12,205.2	12,351.7	12,498.5	12,640.7	12,808.5	12,958.7	13,112.4	13,270.4
% Ch, Annual Rate	5.5	4.9	4.8	4.6	5.4	4.8	4.8	4.9
Supplements to Wages and Salaries	2,767.4	2,796.3	2,824.9	2,854.7	2,889.7	2,919.4	2,948.9	2,978.5
% Ch, Annual Rate	5.0	4.2	4.2	4.3	5.0	4.2	4.1	4.1
Proprietor's Income	2,102.7	2,132.8	2,163.4	2,189.5	2,216.4	2,249.6	2,285.3	2,322.4
% Ch, Annual Rate	4.9	5.8	5.9	4.9	5.0	6.1	6.5	6.7
Farm	78.4	79.1	79.8	80.5	81.2	81.8	82.5	83.1
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	2,024.4	2,053.7	2,083.7	2,109.0	2,135.2	2,167.8	2,202.8	2,239.3
% Ch, Annual Rate	4.9	5.9	6.0	5.0	5.1	6.2	6.6	6.8
Less: Contribution For Govt. Soc. Ins.	2,013.8	2,033.0	2,051.9	2,071.6	2,102.0	2,121.8	2,141.6	2,161.6
% Ch, Annual Rate	6.0	3.9	3.8	3.9	6.0	3.8	3.8	3.8
Dividends/Int./Rent	4,783.9	4,839.2	4,894.4	4,948.9	5,000.5	5,053.0	5,106.6	5,161.3
% Ch, Annual Rate	4.6	4.7	4.6	4.5	4.2	4.3	4.3	4.4
Transfer Payments	4,565.1	4,616.5	4,667.7	4,719.3	4,804.0	4,858.5	4,913.3	4,969.8
% Ch, Annual Rate	7.2	4.6	4.5	4.5	7.4	4.6	4.6	4.7

Table A3.3

**Washington Personal Income by Component (Billions of Dollars)**

Forecast 2022 to 2027

	2020	2021	2022	2023	2024	2025	2026	2027
Personal Income	516.441	555.616	572.384	601.444	634.000	667.816	703.113	739.271
% Ch	7.6	7.6	3.0	5.1	5.4	5.3	5.3	5.1
Total Wage and Salary Disbursements	264.145	291.386	314.785	332.084	349.282	367.190	386.162	405.434
% Ch	4.1	10.3	8.0	5.5	5.2	5.1	5.2	5.0
Manufacturing	22.291	21.681	24.334	26.224	27.636	28.707	29.841	31.087
% Ch	-6.6	-2.7	12.2	7.8	5.4	3.9	3.9	4.2
Durable Manufacturing	17.224	16.307	18.286	19.781	20.928	21.774	22.628	23.573
% Ch	-8.3	-5.3	12.1	8.2	5.8	4.0	3.9	4.2
Nondurable Manufacturing	5.067	5.374	6.048	6.443	6.708	6.932	7.212	7.514
% Ch	-0.3	6.1	12.5	6.5	4.1	3.3	4.0	4.2
Nonmanufacturing	234.597	262.249	282.511	297.527	312.931	329.378	346.810	364.426
% Ch	5.1	11.8	7.7	5.3	5.2	5.3	5.3	5.1
Other Private Wages	1.375	1.431	1.584	1.669	1.749	1.830	1.914	1.997
% Ch	3.5	4.1	10.7	5.4	4.8	4.6	4.6	4.4
Farm Wages	1.826	1.928	2.105	2.253	2.397	2.544	2.699	2.856
% Ch	16.7	5.6	9.1	7.1	6.4	6.1	6.1	5.8
Military Wages	4.057	4.096	4.251	4.410	4.569	4.732	4.898	5.067
% Ch	4.7	1.0	3.8	3.7	3.6	3.6	3.5	3.5
Nonwage Personal Income	252.296	264.230	257.598	269.360	284.719	300.626	316.951	333.837
% Ch	11.6	4.7	-2.5	4.6	5.7	5.6	5.4	5.3
Supplements to Wages and Salaries	56.559	60.159	63.460	66.522	69.477	72.604	76.121	79.787
% Ch	1.7	6.4	5.5	4.8	4.4	4.5	4.8	4.8
Proprietor's Income	39.554	43.031	44.163	44.195	44.904	46.941	49.388	52.104
% Ch	8.2	8.8	2.6	0.1	1.6	4.5	5.2	5.5
Farm	3.644	3.693	3.372	2.482	2.255	2.263	2.309	2.355
% Ch	...	...	...	...	...	...	...	...
Nonfarm	35.910	39.338	40.791	41.713	42.649	44.678	47.079	49.749
% Ch	2.9	9.5	3.7	2.3	2.2	4.8	5.4	5.7
Less: Contribution For Govt. Soc. Ins.	41.445	45.515	49.346	51.512	53.631	55.997	58.618	61.326
% Ch	4.1	9.8	8.4	4.4	4.1	4.4	4.7	4.6
Plus: Residence Adjustment	4.927	5.357	5.895	6.243	6.559	6.879	7.220	7.573
% Ch	4.7	8.7	10.0	5.9	5.1	4.9	5.0	4.9
Dividends/Int./Rent	99.518	100.716	106.152	114.182	122.792	130.251	137.136	143.878
% Ch	-0.3	1.2	5.4	7.6	7.5	6.1	5.3	4.9
Transfer Payments	93.183	100.482	87.274	89.729	94.618	99.947	105.703	111.821
% Ch	34.9	7.8	-13.1	2.8	5.4	5.6	5.8	5.8
State U.I. Benefits	12.258	8.318	0.894	0.994	1.064	1.087	1.098	1.131
% Ch	1,064.3	-32.1	-89.3	11.2	7.1	2.1	1.0	3.0
Other Transfers	80.924	92.163	86.380	88.735	93.554	98.860	104.605	110.690
% Ch	19.0	13.9	-6.3	2.7	5.4	5.7	5.8	5.8

Table A3.4

**Washington Personal Income by Component (Billions of Dollars)**

Forecast 2022 to 2027

	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4
Personal Income	560.829	569.625	576.021	583.059	589.515	597.535	605.302	613.424
% Ch, Annual Rate	3.7	6.4	4.6	5.0	4.5	5.6	5.3	5.5
Total Wage and Salary Disbursements	307.611	312.967	317.222	321.341	325.448	329.946	334.234	338.707
% Ch, Annual Rate	5.3	7.1	5.5	5.3	5.2	5.6	5.3	5.5
Manufacturing	23.395	24.005	24.710	25.227	25.569	25.981	26.459	26.887
% Ch, Annual Rate	19.9	10.9	12.3	8.6	5.5	6.6	7.6	6.6
Durable Manufacturing	17.548	18.037	18.572	18.988	19.248	19.587	19.973	20.315
% Ch, Annual Rate	22.1	11.6	12.4	9.3	5.6	7.2	8.1	7.0
Nondurable Manufacturing	5.847	5.969	6.137	6.239	6.322	6.394	6.485	6.572
% Ch, Annual Rate	13.6	8.5	11.8	6.8	5.4	4.7	5.8	5.4
Nonmanufacturing	276.447	281.063	284.507	288.026	291.682	295.677	299.395	303.356
% Ch, Annual Rate	4.1	6.8	5.0	5.0	5.2	5.6	5.1	5.4
Other Private Wages	1.542	1.575	1.600	1.621	1.639	1.659	1.678	1.699
% Ch, Annual Rate	10.5	9.0	6.4	5.3	4.7	5.0	4.7	5.1
Farm Wages	2.033	2.088	2.130	2.167	2.200	2.236	2.270	2.307
% Ch, Annual Rate	13.0	11.2	8.3	7.1	6.3	6.7	6.3	6.7
Military Wages	4.194	4.236	4.275	4.300	4.358	4.393	4.432	4.457
% Ch, Annual Rate	6.8	4.1	3.8	2.4	5.5	3.3	3.5	2.3
Nonwage Personal Income	253.218	256.658	258.800	261.718	264.067	267.588	271.068	274.717
% Ch, Annual Rate	1.8	5.5	3.4	4.6	3.6	5.4	5.3	5.5
Supplements to Wages and Salaries	62.208	63.132	63.879	64.623	65.425	66.172	66.880	67.612
% Ch, Annual Rate	6.7	6.1	4.8	4.7	5.1	4.6	4.4	4.5
Proprietor's Income	44.159	44.254	43.969	44.270	44.224	44.177	44.126	44.255
% Ch, Annual Rate	0.9	0.9	-2.6	2.8	-0.4	-0.4	-0.5	1.2
Farm	3.930	3.778	2.973	2.806	2.668	2.531	2.405	2.324
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	40.229	40.476	40.996	41.464	41.556	41.645	41.721	41.931
% Ch, Annual Rate	0.0	2.5	5.2	4.6	0.9	0.9	0.7	2.0
Less: Contribution For Govt. Soc. Ins.	48.195	49.156	49.828	50.206	50.835	51.288	51.722	52.201
% Ch, Annual Rate	10.8	8.2	5.6	3.1	5.1	3.6	3.4	3.8
Plus: Residence Adjustment	5.718	5.853	5.960	6.052	6.128	6.203	6.281	6.360
% Ch, Annual Rate	11.3	9.8	7.5	6.3	5.1	5.0	5.1	5.1
Dividends/Int./Rent	103.604	105.122	106.919	108.963	110.797	113.060	115.304	117.568
% Ch, Annual Rate	3.2	6.0	7.0	7.9	6.9	8.4	8.2	8.1
Transfer Payments	85.724	87.453	87.901	88.017	88.329	89.265	90.199	91.123
% Ch, Annual Rate	1.4	8.3	2.1	0.5	1.4	4.3	4.3	4.2
State U.I. Benefits	0.883	0.835	0.897	0.959	0.953	0.976	1.015	1.029
% Ch, Annual Rate	-0.7	-19.9	33.1	30.8	-2.5	9.9	17.0	5.7
Other Transfers	84.841	86.618	87.004	87.058	87.375	88.289	89.184	90.093
% Ch, Annual Rate	1.4	8.6	1.8	0.2	1.5	4.2	4.1	4.1



Table A3.4 (continued)

**Washington Personal Income by Component (Billions of Dollars)**

Forecast 2022 to 2027

	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2025:4
Personal Income	621.982	629.799	637.919	646.303	655.138	663.539	671.965	680.624
% Ch, Annual Rate	5.7	5.1	5.3	5.4	5.6	5.2	5.2	5.3
Total Wage and Salary Disbursements	342.835	347.040	351.400	355.852	360.386	364.860	369.404	374.111
% Ch, Annual Rate	5.0	5.0	5.1	5.2	5.2	5.1	5.1	5.2
Manufacturing	27.193	27.498	27.790	28.063	28.322	28.566	28.833	29.105
% Ch, Annual Rate	4.6	4.6	4.3	4.0	3.7	3.5	3.8	3.8
Durable Manufacturing	20.564	20.816	21.055	21.279	21.483	21.671	21.871	22.073
% Ch, Annual Rate	5.0	5.0	4.7	4.3	3.9	3.6	3.7	3.7
Nondurable Manufacturing	6.629	6.682	6.735	6.785	6.840	6.895	6.962	7.032
% Ch, Annual Rate	3.5	3.3	3.2	3.0	3.3	3.3	4.0	4.1
Nonmanufacturing	307.065	310.873	314.845	318.939	323.098	327.235	331.415	335.764
% Ch, Annual Rate	5.0	5.1	5.2	5.3	5.3	5.2	5.2	5.4
Other Private Wages	1.719	1.739	1.759	1.779	1.800	1.819	1.839	1.860
% Ch, Annual Rate	4.7	4.7	4.8	4.7	4.6	4.4	4.5	4.6
Farm Wages	2.342	2.378	2.415	2.452	2.489	2.525	2.562	2.601
% Ch, Annual Rate	6.2	6.3	6.3	6.3	6.2	5.9	6.0	6.1
Military Wages	4.516	4.552	4.591	4.618	4.677	4.714	4.754	4.781
% Ch, Annual Rate	5.3	3.2	3.5	2.3	5.2	3.2	3.5	2.3
Nonwage Personal Income	279.147	282.759	286.518	290.451	294.751	298.679	302.560	306.513
% Ch, Annual Rate	6.6	5.3	5.4	5.6	6.1	5.4	5.3	5.3
Supplements to Wages and Salaries	68.411	69.109	69.831	70.558	71.449	72.194	72.971	73.803
% Ch, Annual Rate	4.8	4.1	4.2	4.2	5.1	4.2	4.4	4.6
Proprietor's Income	44.474	44.650	44.976	45.513	46.071	46.657	47.214	47.822
% Ch, Annual Rate	2.0	1.6	3.0	4.9	5.0	5.2	4.9	5.3
Farm	2.286	2.253	2.240	2.239	2.247	2.257	2.268	2.279
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	42.188	42.397	42.736	43.274	43.824	44.400	44.946	45.543
% Ch, Annual Rate	2.5	2.0	3.2	5.1	5.2	5.4	5.0	5.4
Less: Contribution For Govt. Soc. Ins.	52.906	53.371	53.867	54.381	55.186	55.713	56.258	56.832
% Ch, Annual Rate	5.5	3.6	3.8	3.9	6.0	3.9	4.0	4.1
Plus: Residence Adjustment	6.437	6.518	6.600	6.680	6.761	6.838	6.917	7.001
% Ch, Annual Rate	4.9	5.1	5.1	5.0	4.9	4.6	4.7	4.9
Dividends/Int./Rent	119.729	121.813	123.837	125.791	127.616	129.390	131.128	132.870
% Ch, Annual Rate	7.6	7.1	6.8	6.5	5.9	5.7	5.5	5.4
Transfer Payments	93.003	94.039	95.141	96.289	98.040	99.313	100.588	101.848
% Ch, Annual Rate	8.5	4.5	4.8	4.9	7.5	5.3	5.2	5.1
State U.I. Benefits	1.044	1.062	1.073	1.080	1.084	1.086	1.089	1.091
% Ch, Annual Rate	5.7	6.9	4.2	2.7	1.5	0.8	1.2	0.7
Other Transfers	91.959	92.977	94.069	95.210	96.957	98.228	99.500	100.757
% Ch, Annual Rate	8.5	4.5	4.8	4.9	7.5	5.3	5.3	5.2

Table A3.4 (continued)

**Washington Personal Income by Component (Billions of Dollars)**

Forecast 2022 to 2027

	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4
Personal Income	689.870	698.701	707.529	716.353	725.757	734.681	743.726	752.919
% Ch, Annual Rate	5.5	5.2	5.2	5.1	5.4	5.0	5.0	5.0
Total Wage and Salary Disbursements	378.975	383.758	388.524	393.390	398.242	403.019	407.821	412.652
% Ch, Annual Rate	5.3	5.1	5.1	5.1	5.0	4.9	4.9	4.8
Manufacturing	29.397	29.686	29.983	30.296	30.634	30.936	31.242	31.536
% Ch, Annual Rate	4.1	4.0	4.1	4.2	4.5	4.0	4.0	3.8
Durable Manufacturing	22.293	22.512	22.736	22.972	23.227	23.455	23.689	23.921
% Ch, Annual Rate	4.0	4.0	4.0	4.2	4.5	4.0	4.1	4.0
Nondurable Manufacturing	7.104	7.174	7.247	7.324	7.407	7.481	7.552	7.615
% Ch, Annual Rate	4.1	4.0	4.1	4.3	4.6	4.1	3.9	3.3
Nonmanufacturing	340.213	344.610	348.978	353.441	357.834	362.211	366.606	371.053
% Ch, Annual Rate	5.4	5.3	5.2	5.2	5.1	5.0	4.9	4.9
Other Private Wages	1.882	1.903	1.924	1.946	1.967	1.987	2.008	2.028
% Ch, Annual Rate	4.8	4.6	4.5	4.5	4.4	4.2	4.2	4.2
Farm Wages	2.640	2.680	2.719	2.758	2.798	2.837	2.875	2.915
% Ch, Annual Rate	6.3	6.1	5.9	6.0	5.8	5.7	5.6	5.6
Military Wages	4.841	4.879	4.921	4.949	5.010	5.049	5.091	5.120
% Ch, Annual Rate	5.1	3.2	3.4	2.3	5.0	3.1	3.4	2.3
Nonwage Personal Income	310.895	314.943	319.004	322.964	327.514	331.662	335.905	340.267
% Ch, Annual Rate	5.8	5.3	5.3	5.1	5.8	5.2	5.2	5.3
Supplements to Wages and Salaries	74.819	75.684	76.547	77.433	78.473	79.348	80.224	81.103
% Ch, Annual Rate	5.6	4.7	4.6	4.7	5.5	4.5	4.5	4.5
Proprietor's Income	48.384	49.065	49.760	50.345	50.942	51.683	52.480	53.312
% Ch, Annual Rate	4.8	5.7	5.8	4.8	4.8	5.9	6.3	6.5
Farm	2.291	2.304	2.315	2.327	2.339	2.350	2.360	2.371
% Ch, Annual Rate	...	...	...	...	...	...	...	...
Nonfarm	46.093	46.761	47.445	48.018	48.604	49.333	50.120	50.941
% Ch, Annual Rate	4.9	5.9	6.0	4.9	5.0	6.1	6.5	6.7
Less: Contribution For Govt. Soc. Ins.	57.723	58.319	58.911	59.518	60.426	61.025	61.625	62.228
% Ch, Annual Rate	6.4	4.2	4.1	4.2	6.2	4.0	4.0	4.0
Plus: Residence Adjustment	7.090	7.177	7.263	7.351	7.441	7.529	7.617	7.706
% Ch, Annual Rate	5.2	5.0	4.9	5.0	5.0	4.8	4.8	4.7
Dividends/Int./Rent	134.551	136.276	138.005	139.714	141.348	143.012	144.709	146.442
% Ch, Annual Rate	5.2	5.2	5.2	5.0	4.8	4.8	4.8	4.9
Transfer Payments	103.774	105.060	106.341	107.638	109.736	111.115	112.500	113.933
% Ch, Annual Rate	7.8	5.0	5.0	5.0	8.0	5.1	5.1	5.2
State U.I. Benefits	1.092	1.096	1.100	1.104	1.114	1.125	1.137	1.149
% Ch, Annual Rate	0.7	1.2	1.4	1.8	3.5	4.1	4.3	4.2
Other Transfers	102.682	103.964	105.241	106.533	108.622	109.990	111.363	112.784
% Ch, Annual Rate	7.9	5.1	5.0	5.0	8.1	5.1	5.1	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	22.5	3.4	0.418	3.3	0.393	2.9
1973	23.8	5.4	0.444	6.3	0.418	6.4
1974	26.2	10.4	0.493	11.0	0.464	11.0
1975	28.4	8.3	0.538	9.1	0.511	10.2
1976	30.0	5.5	0.569	5.8	0.540	5.5
1977	31.9	6.5	0.606	6.5	0.583	8.0
1978	34.1	7.0	0.652	7.6	0.640	9.9
1979	37.2	8.9	0.726	11.3	0.709	10.8
1980	41.2	10.8	0.824	13.5	0.827	16.7
1981	44.9	9.0	0.909	10.4	0.916	10.8
1982	47.4	5.6	0.965	6.2	0.978	6.7
1983	49.4	4.3	0.996	3.2	0.993	1.5
1984	51.2	3.8	1.039	4.4	1.030	3.8
1985	53.0	3.5	1.076	3.5	1.056	2.5
1986	54.2	2.2	1.097	1.9	1.066	1.0
1987	55.9	3.1	1.136	3.6	1.092	2.4
1988	58.0	3.9	1.183	4.1	1.128	3.3
1989	60.6	4.4	1.239	4.8	1.181	4.7
1990	63.2	4.4	1.307	5.4	1.268	7.3
1991	65.3	3.3	1.362	4.2	1.341	5.8
1992	67.1	2.7	1.403	3.0	1.390	3.7
1993	68.8	2.5	1.445	3.0	1.429	2.8
1994	70.2	2.1	1.482	2.6	1.478	3.4
1995	71.7	2.1	1.524	2.8	1.522	3.0
1996	73.2	2.1	1.569	2.9	1.575	3.4
1997	74.5	1.7	1.605	2.3	1.630	3.5
1998	75.1	0.8	1.630	1.5	1.677	2.9
1999	76.2	1.5	1.666	2.2	1.728	3.0
2000	78.1	2.5	1.722	3.4	1.792	3.7
2001	79.7	2.0	1.770	2.8	1.857	3.6
2002	80.7	1.3	1.799	1.6	1.893	2.0
2003	82.4	2.1	1.840	2.3	1.924	1.6
2004	84.4	2.5	1.889	2.7	1.947	1.2
2005	86.9	2.9	1.953	3.4	2.002	2.8
2006	89.3	2.8	2.016	3.2	2.076	3.7
2007	91.6	2.6	2.073	2.9	2.157	3.9
2008	94.3	3.0	2.153	3.8	2.247	4.2
2009	94.1	-0.3	2.146	-0.3	2.260	0.6
2010	95.7	1.8	2.181	1.6	2.267	0.3
2011	98.2	2.5	2.249	3.1	2.328	2.7
2012	100.0	1.9	2.296	2.1	2.387	2.5
2013	101.4	1.4	2.330	1.5	2.416	1.2
2014	102.9	1.5	2.367	1.6	2.460	1.8
2015	103.1	0.2	2.370	0.1	2.494	1.4
2016	104.1	1.0	2.400	1.3	2.550	2.3
2017	106.1	1.8	2.451	2.1	2.627	3.0
2018	108.3	2.1	2.511	2.4	2.711	3.2
2019	109.9	1.5	2.556	1.8	2.779	2.5
2020	111.2	1.2	2.588	1.2	2.826	1.7
2021	115.5	3.9	2.710	4.7	2.960	4.7
Forecast						
2022	122.6	6.1	2.922	7.8	3.191	7.8
2023	126.5	3.1	3.023	3.5	3.302	3.5
2024	128.6	1.6	3.075	1.7	3.359	1.7
2025	130.8	1.7	3.129	1.8	3.418	1.8
2026	133.2	1.9	3.188	1.9	3.483	1.9
2027	135.8	1.9	3.252	2.0	3.552	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	16.7	5.5	21.4	2.3	4.9	6.4	9.1	0.7
1972	17.4	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	19.8	8.5	29.0	15.2	9.0	58.9	13.6	35.1
1975	21.5	8.6	31.2	7.5	9.8	8.5	14.6	6.7
1976	23.0	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	26.7	7.7	36.9	9.6	12.6	5.7	16.8	4.3
1979	28.9	8.4	40.5	9.8	17.3	37.9	22.5	34.0
1980	31.9	10.4	43.9	8.4	24.3	40.4	31.2	38.8
1981	35.2	10.2	47.1	7.1	29.8	22.3	34.7	11.3
1982	37.9	7.8	48.3	2.6	29.2	-1.9	32.9	-5.1
1983	40.3	6.1	48.8	1.1	26.9	-7.8	31.9	-3.3
1984	42.4	5.2	50.3	3.0	27.5	2.2	31.4	-1.5
1985	44.4	4.9	50.9	1.1	26.4	-3.9	31.6	0.8
1986	46.3	4.1	52.1	2.4	20.7	-21.7	24.8	-21.5
1987	47.7	3.0	53.7	3.2	21.2	2.6	25.8	3.8
1988	49.9	4.8	55.3	3.0	21.2	0.0	26.0	0.8
1989	52.3	4.7	58.2	5.3	22.5	5.9	28.4	9.2
1990	54.7	4.6	61.1	4.9	27.1	20.4	32.3	13.8
1991	56.8	3.9	63.0	3.1	25.8	-4.8	31.9	-1.3
1992	58.8	3.6	63.5	0.8	24.7	-4.1	31.8	-0.4
1993	60.9	3.5	64.3	1.4	24.6	-0.7	31.5	-1.0
1994	62.5	2.7	65.4	1.7	24.1	-1.8	31.6	0.5
1995	64.3	2.8	66.8	2.2	23.9	-0.9	32.1	1.6
1996	66.1	2.7	68.9	3.1	27.1	13.3	34.1	6.1
1997	67.9	2.8	70.2	1.9	27.1	0.2	34.1	0.0
1998	69.4	2.1	71.1	1.3	24.0	-11.4	29.7	-12.9
1999	70.7	2.0	72.2	1.6	24.4	1.7	32.3	8.9
2000	72.7	2.8	73.9	2.3	35.8	46.6	41.3	27.8
2001	75.1	3.2	76.1	2.9	35.1	-2.0	39.8	-3.6
2002	77.0	2.6	77.2	1.5	31.3	-10.8	37.4	-6.0
2003	79.6	3.3	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	84.8	3.4	82.6	1.7	58.7	33.0	62.3	21.6
2006	87.8	3.6	84.0	1.7	66.7	13.7	70.3	12.9
2007	90.8	3.3	87.2	3.9	71.3	6.9	76.3	8.4
2008	93.5	2.9	92.6	6.1	96.8	35.7	88.8	16.5
2009	94.2	0.8	93.7	1.2	66.2	-31.6	65.2	-26.6
2010	96.0	1.9	93.9	0.3	77.5	16.9	76.9	18.0
2011	97.9	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	104.9	2.5	102.9	1.9	98.3	-0.5	93.5	-3.8
2015	106.8	1.8	104.1	1.1	69.9	-28.8	68.7	-26.5
2016	109.2	2.2	103.0	-1.0	58.1	-17.0	61.1	-11.1
2017	112.0	2.5	102.9	-0.1	66.8	15.1	68.9	12.8
2018	115.1	2.8	103.4	0.5	80.8	21.0	78.0	13.2
2019	117.8	2.4	104.4	1.0	77.1	-4.6	75.3	-3.4
2020	120.3	2.1	108.0	3.4	59.8	-22.4	64.2	-14.8
2021	124.2	3.3	111.4	3.1	78.1	30.6	85.9	33.8
Forecast								
2022	130.1	4.8	122.6	10.1	117.4	50.2	120.5	40.3
2023	135.4	4.1	129.2	5.4	115.6	-1.5	118.1	-2.0
2024	139.6	3.1	128.8	-0.3	110.9	-4.1	112.9	-4.4
2025	143.6	2.9	128.1	-0.6	108.0	-2.6	109.2	-3.3
2026	147.5	2.8	130.2	1.6	106.0	-1.8	106.2	-2.7
2027	151.6	2.7	132.8	2.0	104.9	-1.1	104.5	-1.6

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	-7.2
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	46.2
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	94.0
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	70.3	31.7	8.7
1983	4307.2	30.7	0.7	69.6	32.6	-6.3
1984	4354.1	46.8	1.1	68.6	33.3	11.5
1985	4415.8	61.7	1.4	69.2	34.0	26.5
1986	4462.2	46.4	1.1	70.3	34.0	10.1
1987	4527.1	64.9	1.5	69.4	34.4	29.8
1988	4616.9	89.8	2.0	71.1	36.0	54.7
1989	4728.1	111.2	2.4	73.2	36.1	74.0
1990	4866.7	138.6	2.9	76.7	36.3	98.3
1991	5000.4	133.7	2.7	79.3	36.7	91.1
1992	5091.1	90.8	1.8	80.6	37.2	47.5
1993	5188.0	96.9	1.9	79.5	39.4	56.7
1994	5291.6	103.6	2.0	78.3	39.6	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	6781.6	57.0	0.8	86.4	48.8	19.4
2012	6835.4	53.8	0.8	87.1	49.2	15.9
2013	6909.7	74.3	1.1	87.3	51.1	38.1
2014	7005.5	95.8	1.4	87.0	50.7	59.5
2015	7107.0	101.5	1.4	88.5	52.8	65.9
2016	7237.7	130.7	1.8	89.8	54.7	95.5
2017	7344.6	106.9	1.5	89.7	56.1	73.3
2018	7464.1	119.5	1.6	87.3	56.4	88.5
2019	7582.5	118.4	1.6	85.7	57.2	89.9
2020	7707.0	124.6	1.6	84.8	58.5	98.2
2021	7767.0	59.9	0.8	82.8	65.0	42.1
<b>Forecast</b>						
2022	7828.1	61.2	0.8	84.6	67.7	44.3
2023	7899.0	70.9	0.9	85.3	59.9	45.4
2024	7970.3	71.3	0.9	86.1	61.3	46.5
2025	8041.7	71.4	0.9	86.7	62.8	47.6
2026	8113.1	71.4	0.9	87.2	64.4	48.6
2027	8184.8	71.6	0.9	87.8	66.0	49.9

\* As of April 1 of Each Year

Source: Office of Financial Management, November 2021 Forecast

Table A5.2  
**Washington Population\***  
 (Thousands)

	<b>Actual</b>				<b>Forecast</b>					
	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b>
Total Population	7464.1	7582.5	7707.0	7767.0	7828.1	7899.0	7970.3	8041.7	8113.1	8184.8
Percent Change	1.6	1.6	1.6	0.8	0.8	0.9	0.9	0.9	0.9	0.9
Age 17 and Under			1681.0	1682.4	1684.3	1685.9	1687.5	1686.0	1683.7	1683.1
Percent of Total			21.8	21.7	21.5	21.3	21.2	21.0	20.8	20.6
Age 6-18			1234.5	1243.8	1255.6	1264.6	1268.9	1269.8	1265.8	1258.9
Percent of Total			16.0	16.0	16.0	16.0	15.9	15.8	15.6	15.4
Age 18 and Over			6026.1	6084.6	6143.8	6213.1	6282.8	6355.8	6429.5	6501.7
Percent of Total			78.2	78.3	78.5	78.7	78.8	79.0	79.2	79.4
Age 21 and Over			5737.3	5800.7	5862.3	5929.8	5995.0	6061.4	6128.5	6195.9
Percent of Total			74.4	74.7	74.9	75.1	75.2	75.4	75.5	75.7
Age 20-34			1593.5	1597.6	1602.0	1603.8	1604.7	1603.0	1601.0	1601.3
Percent of Total			20.7	20.6	20.5	20.3	20.1	19.9	19.7	19.6
Age 18-64			4730.2	4740.5	4752.9	4768.3	4787.0	4807.2	4830.2	4855.3
Percent of Total			61.4	61.0	60.7	60.4	60.1	59.8	59.5	59.3
Age 65 and Over			1295.9	1344.1	1390.9	1444.8	1495.9	1548.6	1599.2	1646.4
Percent of Total			16.8	17.3	17.8	18.3	18.8	19.3	19.7	20.1

Table A6.1

**Summary of National and State Indicators**

<b>Indicator</b>	<b>Latest Data</b>	<b>Indication*</b>
U.S. Leading Index	May 2022	-
U.S. Real GDP Growth	1st quarter 2022	-
U.S. ISM Index	May 2022	+
U.S. Employment YOY%Δ	May 2022	-
U.S. Unemployment Rate	May 2022	unchanged
U.S. Consumer Confidence	June 2022	-
U.S. Consumer Sentiment	June 2022	-
U.S. CPI YOY%Δ	May 2022	-
U.S. Home Prices YOY%Δ	April 2022	+
S&P 500 Index	June 2022	-
WA Leading Index	May 2022	+
WA Employment YOY%Δ	May 2022	+
WA Aerospace Empl. YOY%Δ	May 2022	+
WA Unemployment Rate	May 2022	+
WA Help Wanted Index	May 2022	+
WA Business Cycle Indicator	May 2022	+
WA Initial Unemploy. Claims	May 2022	+
WA Housing Permits	May 2022	+
WA Weekly Hours in Mfg.	May 2022	+
WA New Vehicle Registration	May 2022	-
WA In-Migration	May 2022	-
WA Exports-Total YOY%Δ	1st quarter 2022	-
WA Exports- w/o Trans. Equip. YOY%Δ	1st quarter 2022	-
Seattle CPI YOY%Δ	April 2022	-
Seattle Home Prices YOY%Δ	April 2022	-
WA Construction Activity Index	May 2022	+

\*Change from the previous reading

Table A6.2  
**Washington Business Indicators**  
Historical Data

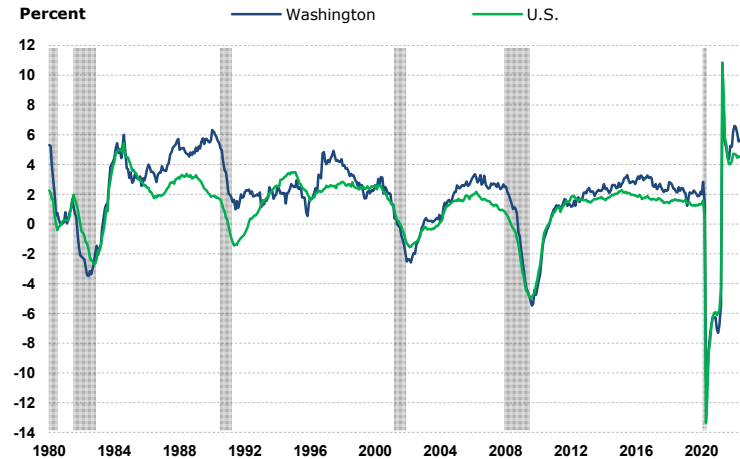
	<b>WA Index of Leading Indicators</b>	<b>U.S. Index of Leading Indicators</b>	<b>WA State Business Cycle Indicator</b>	<b>WA State Construction Index</b>	<b>WA State Help Wanted Index</b>	<b>U.S. Purchasing Management Index</b>
<b>2016:01</b>	118.5	99.3	63.4	105.9	128.7	48.2
<b>2016:02</b>	118.8	99.2	65.7	107.3	124.9	49.7
<b>2016:03</b>	119.2	99.2	62.8	106.8	128.9	51.7
<b>2016:04</b>	120.4	99.7	63.4	107.9	130.9	50.7
<b>2016:05</b>	121.1	99.5	65.5	108.2	148.2	51.0
<b>2016:06</b>	121.4	99.8	66.7	109.3	151.3	52.8
<b>2016:07</b>	122.0	100.2	67.7	108.7	156.3	52.3
<b>2016:08</b>	121.2	100.2	66.9	106.5	153.1	49.4
<b>2016:09</b>	121.8	100.4	67.4	111.2	143.4	51.7
<b>2016:10</b>	122.1	100.5	68.2	111.7	152.3	52.0
<b>2016:11</b>	121.5	100.7	69.2	111.6	148.8	53.5
<b>2016:12</b>	121.5	101.2	70.7	113.0	149.2	54.5
<b>2017:01</b>	122.1	101.8	69.0	111.0	152.5	56.0
<b>2017:02</b>	122.1	102.1	68.8	112.0	140.1	57.7
<b>2017:03</b>	122.7	102.6	70.5	111.5	143.4	57.2
<b>2017:04</b>	123.3	102.8	69.5	111.9	143.3	54.8
<b>2017:05</b>	124.0	103.2	71.2	112.8	149.2	54.9
<b>2017:06</b>	124.3	103.8	70.8	113.5	145.4	57.8
<b>2017:07</b>	124.6	104.1	71.0	113.8	139.5	56.3
<b>2017:08</b>	124.7	104.5	72.0	114.3	135.1	58.8
<b>2017:09</b>	125.0	104.5	73.3	113.7	140.4	60.8
<b>2017:10</b>	125.3	105.9	73.0	117.1	132.7	58.7
<b>2017:11</b>	125.4	106.3	75.1	116.8	134.7	58.2
<b>2017:12</b>	126.2	107.1	74.8	116.2	138.6	59.7
<b>2018:01</b>	126.6	107.8	74.5	115.7	136.8	59.1
<b>2018:02</b>	128.1	108.5	76.9	117.8	133.3	60.8
<b>2018:03</b>	128.7	108.8	77.6	119.8	137.4	59.3
<b>2018:04</b>	128.7	109.3	76.9	116.9	133.7	57.3
<b>2018:05</b>	128.0	109.4	77.8	115.6	128.2	58.7
<b>2018:06</b>	127.7	110.0	78.5	117.5	128.0	60.2
<b>2018:07</b>	127.4	110.4	77.8	115.9	129.3	58.1
<b>2018:08</b>	127.4	110.9	76.3	117.5	129.2	61.3
<b>2018:09</b>	127.8	111.5	76.5	116.5	132.4	59.8
<b>2018:10</b>	127.4	111.4	76.9	118.0	133.0	57.7
<b>2018:11</b>	127.5	111.5	76.8	118.5	133.3	59.3
<b>2018:12</b>	128.3	111.3	78.0	119.4	140.1	54.1
<b>2019:01</b>	129.8	111.3	78.9	118.8	154.6	56.6
<b>2019:02</b>	128.2	111.5	75.8	114.4	156.5	54.2
<b>2019:03</b>	130.9	111.7	78.4	119.8	150.1	55.3
<b>2019:04</b>	131.5	111.8	80.3	121.3	154.0	52.8
<b>2019:05</b>	131.6	111.8	80.1	120.2	150.2	52.1
<b>2019:06</b>	131.0	111.6	81.0	119.6	149.9	51.7
<b>2019:07</b>	131.5	112.0	80.8	121.8	152.0	51.2
<b>2019:08</b>	130.7	111.8	79.1	119.3	153.3	49.1
<b>2019:09</b>	130.5	111.6	80.3	120.6	154.8	47.8
<b>2019:10</b>	129.6	111.4	79.9	120.7	147.2	48.3
<b>2019:11</b>	130.1	111.6	79.5	123.3	146.6	48.1
<b>2019:12</b>	130.6	111.4	83.6	125.0	147.9	47.2
<b>2020:01</b>	130.7	112.0	80.0	119.5	149.1	50.9
<b>2020:02</b>	131.7	111.8	81.7	119.9	149.4	50.1
<b>2020:03</b>	121.2	103.5	74.9	120.9	127.9	49.1
<b>2020:04</b>	113.0	96.9	42.0	105.0	97.5	41.5
<b>2020:05</b>	119.4	99.8	47.2	113.8	119.8	43.1
<b>2020:06</b>	122.2	102.8	58.4	114.5	136.5	52.6
<b>2020:07</b>	124.5	104.9	64.7	117.2	139.8	54.2
<b>2020:08</b>	125.7	106.5	66.0	117.5	134.3	56.0
<b>2020:09</b>	125.5	107.5	71.1	121.3	133.8	55.4
<b>2020:10</b>	126.4	108.2	72.4	119.9	137.7	59.3
<b>2020:11</b>	127.3	109.2	73.9	120.5	135.6	57.5
<b>2020:12</b>	129.2	109.6	77.0	125.0	136.0	60.7
<b>2021:01</b>	130.4	110.1	76.9	123.3	141.6	58.7
<b>2021:02</b>	132.1	110.1	81.1	125.1	150.6	60.8
<b>2021:03</b>	133.0	111.5	83.6	125.1	160.4	64.7
<b>2021:04</b>	134.5	113.1	88.6	124.0	175.3	60.7
<b>2021:05</b>	135.4	114.6	88.8	123.7	176.0	61.2
<b>2021:06</b>	137.1	116.2	88.3	123.0	189.5	60.6
<b>2021:07</b>	139.7	116.6	92.3	125.4	206.7	59.5
<b>2021:08</b>	138.8	117.4	89.9	128.5	187.9	59.9
<b>2021:09</b>	138.1	117.6	91.0	124.1	193.3	61.1
<b>2021:10</b>	138.5	118.1	91.3	127.0	196.3	60.8
<b>2021:11</b>	139.5	118.8	93.1	128.1	201.8	61.1
<b>2021:12</b>	138.9	119.3	94.2	128.3	201.8	58.7
<b>2022:01</b>	139.9	118.5	94.6	126.4	201.5	57.6
<b>2022:02</b>	142.7	119.4	100.7	127.6	207.7	58.6
<b>2022:03</b>	143.4	119.3	100.8	131.0	218.4	57.1
<b>2022:04</b>	143.0	118.8	100.0	128.1	210.1	55.4
<b>2022:05</b>	143.6	118.3	100.8	129.4	216.8	56.1



# Figure A7.1: Washington State Economic Indicators

## Year-over-Year Employment Growth

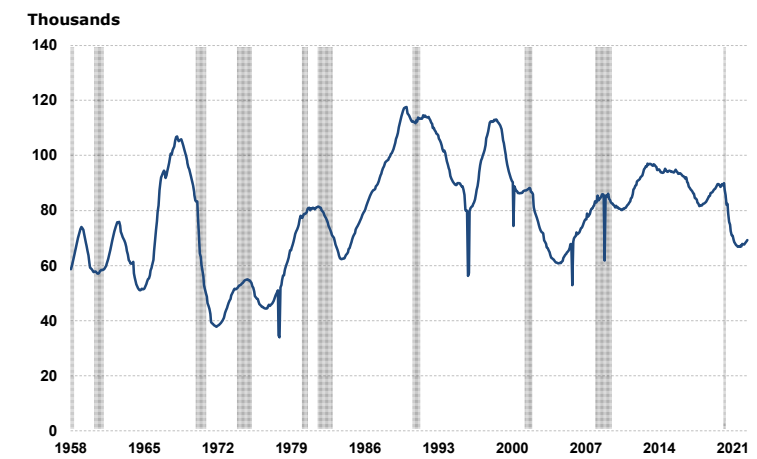
January 1980 to May 2022



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

## Washington Aircraft and Parts Employment

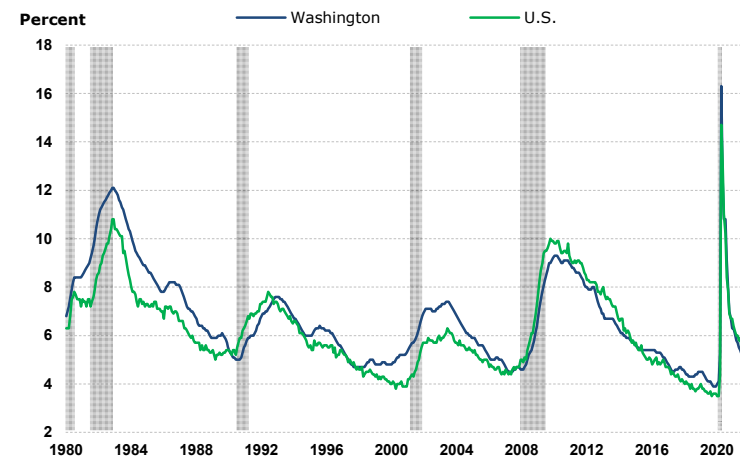
January 1958 to May 2022



\* Source: Bureau of Labor Statistics, ERFC

## Unemployment Rate, S.A.

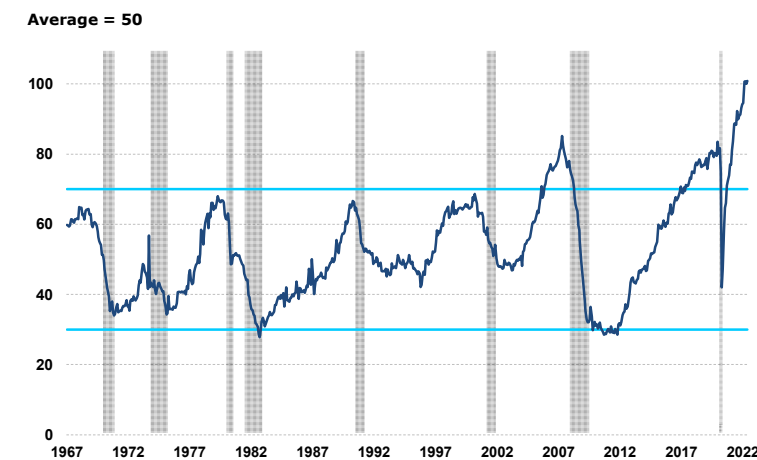
January 1980 to May 2022



\* Source: Bureau of Labor Statistics

## Washington Business Cycle Indicator

January 1968 to May 2022



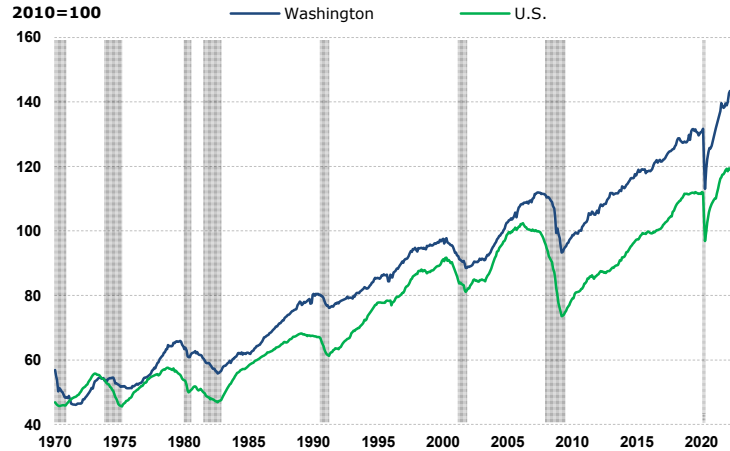
\* Source: ERFC

\* Shaded areas correspond with national recessions.

# Figure A7.2: Washington State Leading Indicators

## The Washington and U.S. Indexes of Leading Indicators

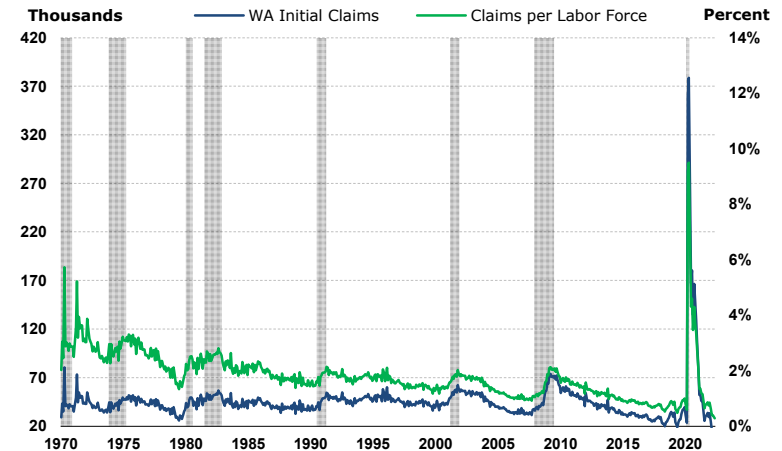
January 1970 to May 2022



\* The Conference Board, ERFC

## Washington Initial Claims for Unemployment Insurance

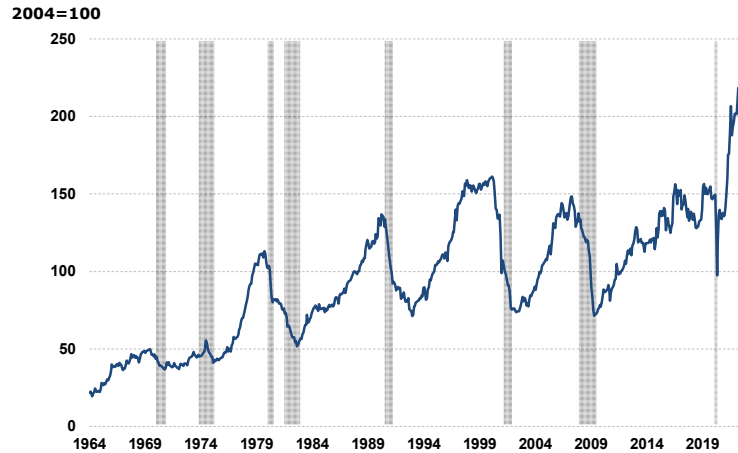
January 1970 to May 2022, S.A.



\* Source: WA State Employment Security, ERFC

## Washington State Help Wanted Index

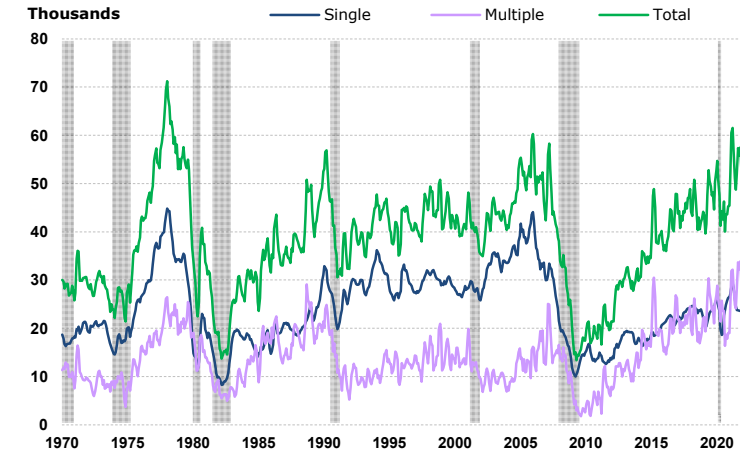
January 1964 to May 2022



\* Source: The Conference Board, ERFC

## Housing Units Authorized in Washington State

January 1970 to May 2022, 3mma, SAAR



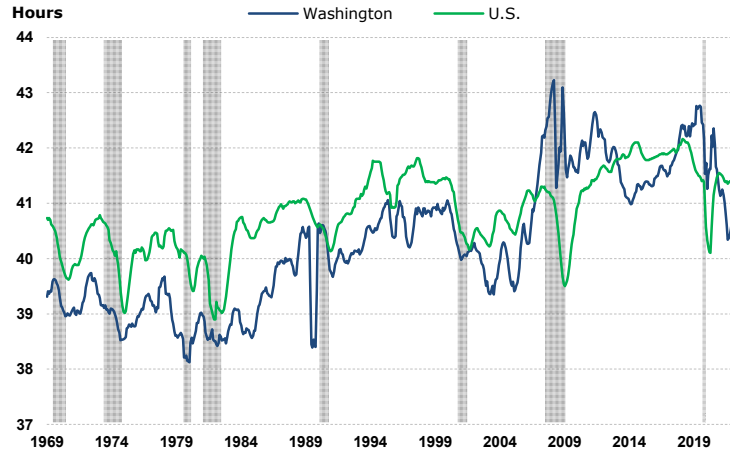
\* Source: Census Bureau, ERFC

\* Shaded areas correspond with national recessions.

# Figure A7.3: Other State Economic Indicators

## Average Weekly Hours in Manufacturing

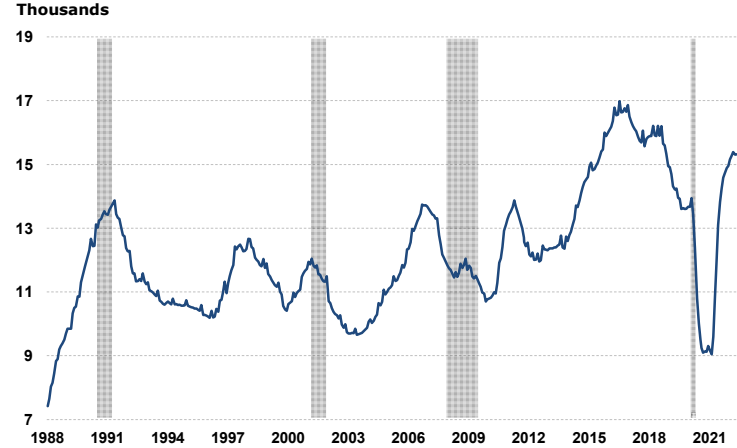
June 1969 to May 2022, 6-Mo. Moving Average, S.A.



\* Bureau of Labor Statistics, ERFC

## Washington Driver's License In-Migration

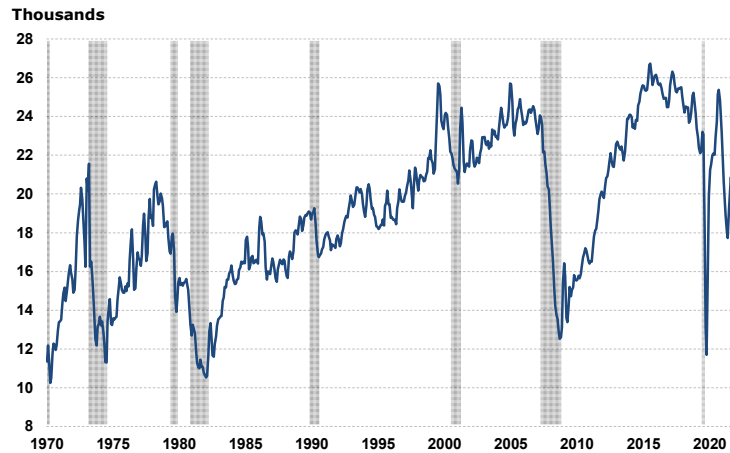
January 1988 to May 2022, 12-Month Moving Average



\* Source: WA State Department of Licensing, ERFC

## New Car and Truck Registrations in Washington

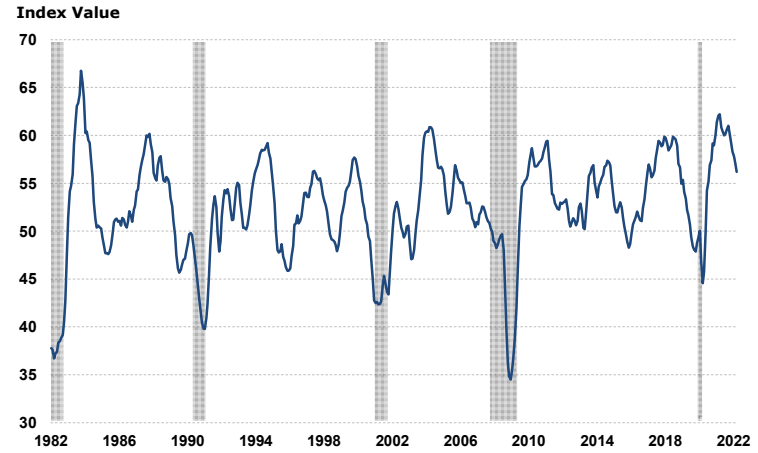
September 1970 to May 2022, 3-Month Moving Average, S.A.



\* Source: WA State Department of Licensing, ERFC

## U.S. Institute for Supply Management Index

March 1982 to May 2022, 3-Month Moving Average, S.A.



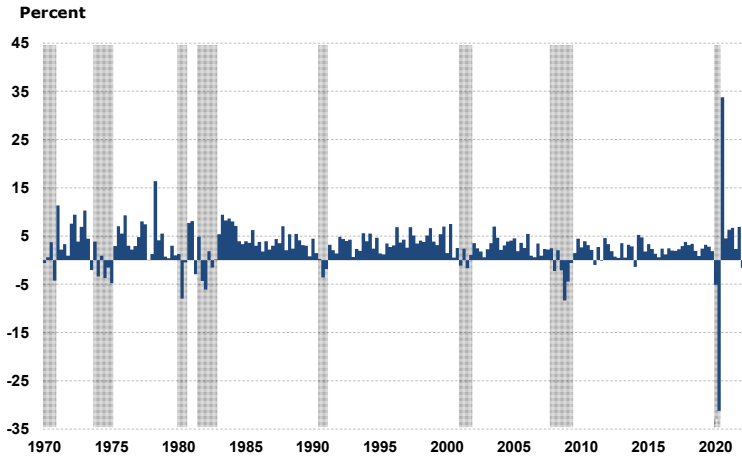
\* Source: Institute for Supply Management, ISM-WW, ERFC

\* Shaded areas correspond with national recessions.

# Figure A7.4: Other Economic Indicators

## Quarterly U.S. Real GDP Growth

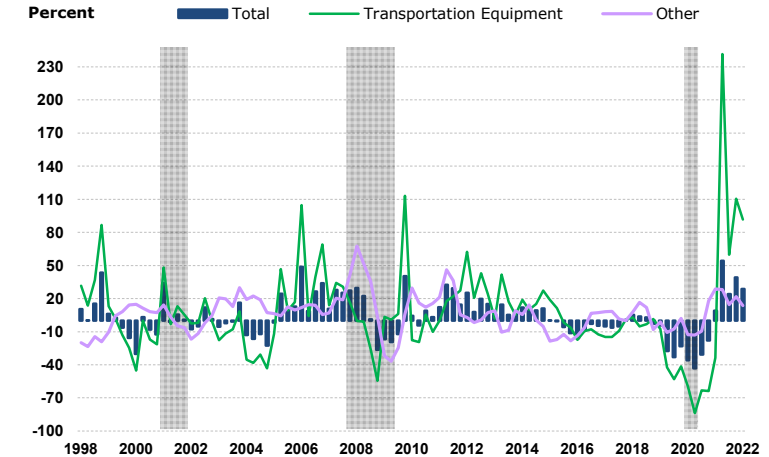
1970Q1 to 2022Q1, SAAR



\* Source: Bureau of Economic Analysis

## Washington State Export Composition

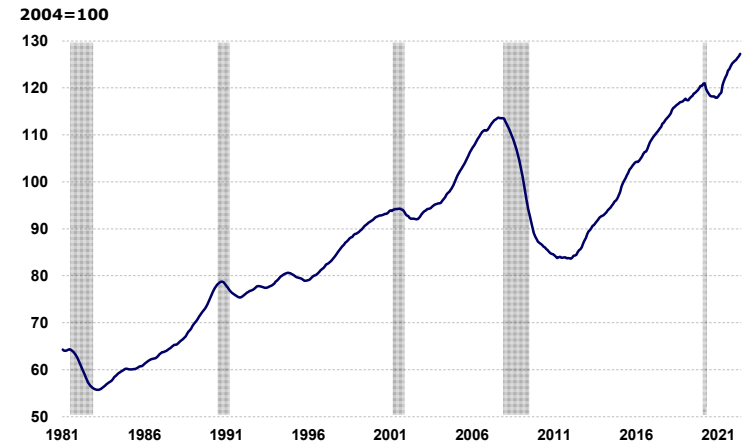
1998Q1 to 2022Q1, Year-over-year percent change



\* Source: WISER

## Washington State Construction Index

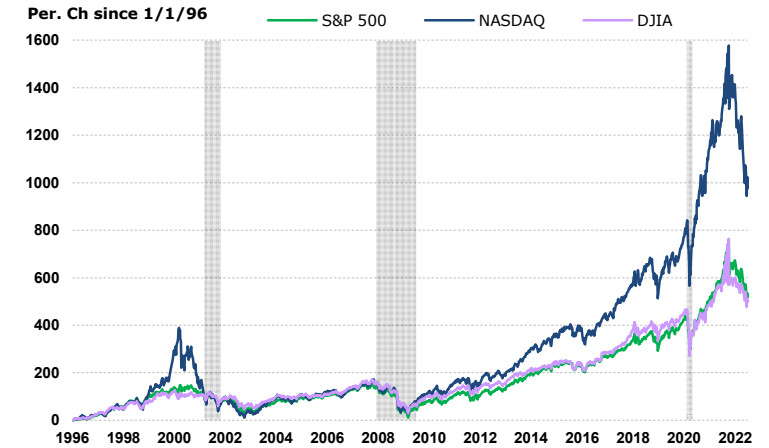
January 1981 to May 2015, 12mma



\* Source: ERFC

## National Stock Indexes

January 1, 1996 to June 27, 2022



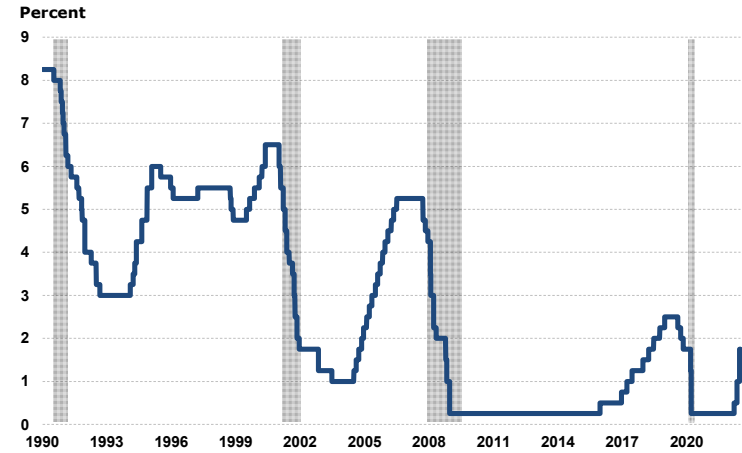
\* Source: ERFC

\* Shaded areas correspond with national recessions.

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

## Federal Funds Target Rate

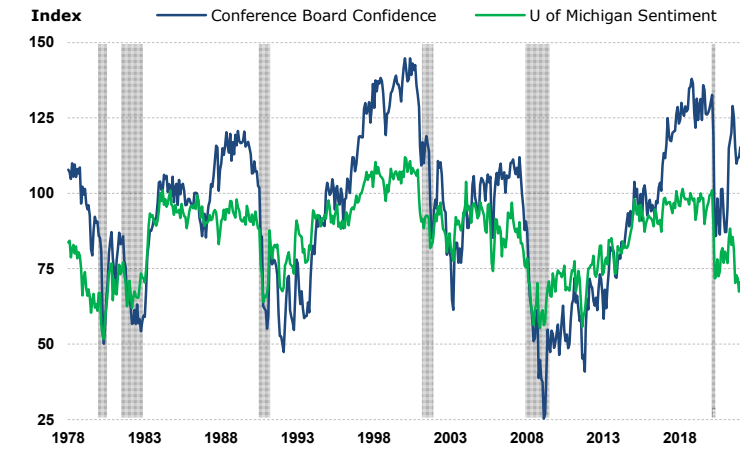
January 1, 1990 to July 1, 2022



\* Federal Reserve

## Consumer Confidence

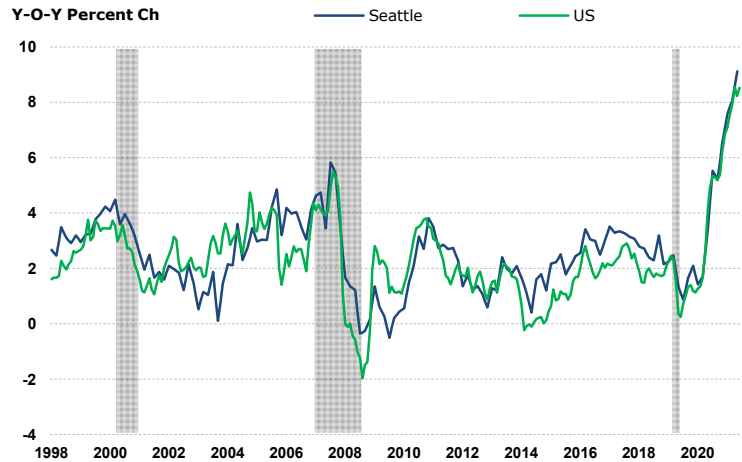
March 1978 to June 2022



\* Source: The Conference Board, University of Michigan

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

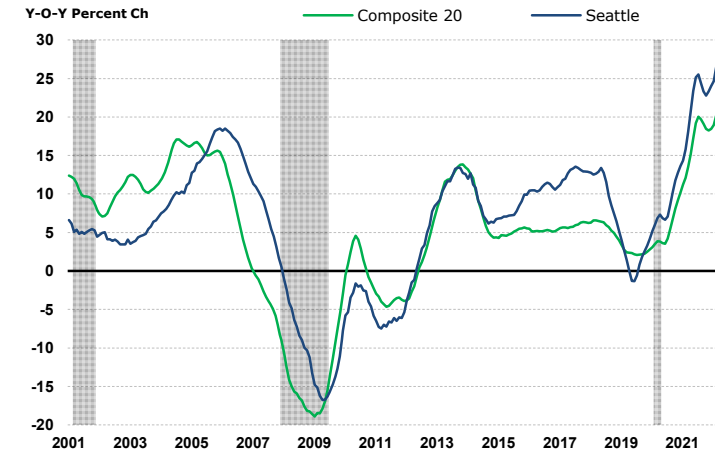
December 1998 to May 2022



\* Source: Bureau of Labor Statistics

## Case Shiller Home Price Index

January 2001 to April 2022, SA



\* Source: Case Shiller, 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.