



Final February 2016 Economic Forecast

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We have updated the preliminary February economic forecast which was released on January 29, 2016. The final February economic forecast reflects a more recent national forecast and newly released state employment data. This updated economic forecast is consistent with the February 2016 revenue forecast released today, February 17, 2016.

The following tables compare the final February economic forecast with the preliminary February forecast as well as with the forecast adopted in November, 2015.

For more information, please see the February 17^h revenue forecast presentation at:

http://www.erfc.wa.gov/forecasts/documents/rev20160217_color.pdf (Color, best for viewing)

http://www.erfc.wa.gov/forecasts/documents/rev20160217_bw.pdf (Grayscale, best for printing)

U.S. Forecast Comparison**2015Q4 2016Q1 2016Q2 2016Q3****Real GDP (Billions of 2009 Dollars)**

February Forecast, Final	16,442	16,532	16,638	16,744
Percent Change	0.7%	2.2%	2.6%	2.6%
February Forecast, Preliminary	16,462	16,577	16,693	16,806
Percent Change	1.2%	2.8%	2.8%	2.7%

Real Consumption (Billions of 2009 Dollars)

February Forecast, Final	11,323	11,395	11,472	11,549
Percent Change	2.2%	2.6%	2.7%	2.7%
February Forecast, Preliminary	11,329	11,409	11,489	11,570
Percent Change	2.4%	2.8%	2.8%	2.8%

Implicit Price Deflator, PCE (2009=1.00)

February Forecast, Final	1.098	1.098	1.100	1.103
Percent Change	0.1%	0.0%	0.7%	1.2%
February Forecast, Preliminary	1.099	1.097	1.100	1.105
Percent Change	0.6%	-0.8%	1.2%	1.8%

Real Personal Income (Billions of 2009 Dollars)

February Forecast, Final	14,215	14,345	14,404	14,487
Percent Change	3.5%	3.7%	1.6%	2.3%
February Forecast, Preliminary	14,200	14,349	14,431	14,513
Percent Change	3.0%	4.3%	2.3%	2.3%

Nonfarm Payroll Employment (Millions)

February Forecast, Final	142.9	143.5	144.1	144.5
Percent Change	2.0%	1.8%	1.7%	1.2%
February Forecast, Preliminary	143.0	143.7	144.2	144.6
Percent Change	2.0%	1.9%	1.5%	1.2%

Unemployment Rate (Percent of Labor Force)

February Forecast, Final	5.0	4.8	4.8	4.8
February Forecast, Preliminary	5.0	4.9	4.8	4.8

30 Year Fixed Mortgage Rate (Percent, average)

February Forecast, Final	3.9	3.9	4.0	4.1
February Forecast, Preliminary	3.9	4.2	4.4	4.4

3 Month T-Bill Rate (Percent, average)

February Forecast, Final	0.1	0.3	0.5	0.6
February Forecast, Preliminary	0.1	0.5	0.7	1.0

2015 2016 2017 2018 2019 2020 2021

16,342	16,691	17,093	17,503	17,889	18,282	18,684
2.4%	2.1%	2.4%	2.4%	2.2%	2.2%	2.2%
16,347	16,747	17,158	17,570	17,957	18,352	18,755
2.4%	2.5%	2.5%	2.4%	2.2%	2.2%	2.2%

11,211	11,510	11,803	12,086	12,364	12,649	12,927
3.1%	2.7%	2.5%	2.4%	2.3%	2.3%	2.2%
11,213	11,529	11,823	12,106	12,385	12,670	12,949
3.1%	2.8%	2.5%	2.4%	2.3%	2.3%	2.2%

1.094	1.102	1.120	1.141	1.161	1.181	1.202
0.3%	0.7%	1.6%	1.8%	1.8%	1.7%	1.7%
1.095	1.103	1.122	1.141	1.161	1.181	1.202
0.3%	0.8%	1.7%	1.8%	1.7%	1.7%	1.7%

14,034	14,450	14,834	15,243	15,655	16,054	16,448
4.2%	3.0%	2.7%	2.8%	2.7%	2.5%	2.5%
14,030	14,473	14,882	15,314	15,725	16,121	16,518
4.2%	3.2%	2.8%	2.9%	2.7%	2.5%	2.5%

141.8	144.3	145.8	147.0	148.2	149.3	150.3
2.1%	1.7%	1.0%	0.9%	0.8%	0.8%	0.6%
142.0	144.4	146.0	147.4	148.6	149.6	150.5
2.1%	1.7%	1.1%	1.0%	0.8%	0.7%	0.6%

5.3	4.8	4.8	4.7	4.8	4.8	4.9
5.3	4.8	4.8	4.8	4.8	4.9	4.9

3.9	4.1	4.4	5.0	5.6	5.6	5.6
3.9	4.4	4.7	5.3	5.7	5.7	5.7

0.1	0.5	1.4	2.3	2.8	2.8	2.8
0.1	0.8	1.8	2.8	3.0	3.0	3.0

U.S. Forecast Comparison

	2015Q4	2016Q1	2016Q2	2016Q3
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Real GDP (Billions of 2009 Dollars)

February Forecast	16,442	16,532	16,638	16,744
Percent Change	0.7%	2.2%	2.6%	2.6%
November Forecast	16,503	16,612	16,722	16,826
Percent Change	2.7%	2.7%	2.7%	2.5%

Real Consumption (Billions of 2009 Dollars)

February Forecast	11,323	11,395	11,472	11,549
Percent Change	2.2%	2.6%	2.7%	2.7%
November Forecast	11,355	11,436	11,515	11,587
Percent Change	3.1%	2.9%	2.8%	2.5%

Implicit Price Deflator, PCE (2009=1.00)

February Forecast	1.098	1.098	1.100	1.103
Percent Change	0.1%	0.0%	0.7%	1.2%
November Forecast	1.100	1.102	1.107	1.112
Percent Change	0.9%	0.8%	1.7%	1.9%

Real Personal Income (Billions of 2009 Dollars)

February Forecast	14,215	14,345	14,404	14,487
Percent Change	3.5%	3.7%	1.6%	2.3%
November Forecast	14,137	14,264	14,348	14,441
Percent Change	3.2%	3.6%	2.4%	2.6%

Nonfarm Payroll Employment (Millions)

February Forecast	142.9	143.5	144.1	144.5
Percent Change	2.0%	1.8%	1.7%	1.2%
November Forecast	142.8	143.5	144.0	144.4
Percent Change	1.6%	1.8%	1.5%	1.1%

Unemployment Rate (Percent of Labor Force)

February Forecast	5.0	4.8	4.8	4.8
November Forecast	5.0	5.0	4.9	4.9

30 Year Fixed Mortgage Rate (Percent, average)

February Forecast	3.9	3.9	4.0	4.1
November Forecast	3.9	4.2	4.4	4.5

3 Month T-Bill Rate (Percent, average)

February Forecast	0.1	0.3	0.5	0.6
November Forecast	0.1	0.5	0.7	0.9

	2015	2016	2017	2018	2019	2020	2021
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February Forecast	16,342	16,691	17,093	17,503	17,889	18,282	18,684
Percent Change	2.4%	2.1%	2.4%	2.4%	2.2%	2.2%	2.2%
November Forecast	16,352	16,772	17,191	17,604	17,991	---	---
Percent Change	2.4%	2.6%	2.5%	2.4%	2.2%	---	---

February Forecast	11,211	11,510	11,803	12,086	12,364	12,649	12,927
Percent Change	3.1%	2.7%	2.5%	2.4%	2.3%	2.3%	2.2%
November Forecast	11,221	11,548	11,837	12,121	12,400	---	---
Percent Change	3.2%	2.9%	2.5%	2.4%	2.3%	---	---

February Forecast	1.094	1.102	1.120	1.141	1.161	1.181	1.202
Percent Change	0.3%	0.7%	1.6%	1.8%	1.8%	1.7%	1.7%
November Forecast	1.095	1.110	1.131	1.152	1.171	---	---
Percent Change	0.3%	1.4%	1.9%	1.8%	1.7%	---	---

February Forecast	14,034	14,450	14,834	15,243	15,655	16,054	16,448
Percent Change	4.2%	3.0%	2.7%	2.8%	2.7%	2.5%	2.5%
November Forecast	13,984	14,394	14,813	15,266	15,700	---	---
Percent Change	3.8%	2.9%	2.9%	3.1%	2.8%	---	---

February Forecast	141.8	144.3	145.8	147.0	148.2	149.3	150.3
Percent Change	2.1%	1.7%	1.0%	0.9%	0.8%	0.8%	0.6%
November Forecast	141.9	144.2	145.9	147.4	148.5	---	---
Percent Change	2.1%	1.6%	1.2%	1.1%	0.8%	---	---

February Forecast	5.3	4.8	4.8	4.7	4.8	4.8	4.9
November Forecast	5.3	4.9	4.9	4.9	5.0	---	---

February Forecast	3.9	4.1	4.4	5.0	5.6	5.6	5.6
November Forecast	3.9	4.4	4.7	5.2	5.7	---	---

February Forecast	0.1	0.5	1.4	2.3	2.8	2.8	2.8
November Forecast	0.1	0.8	1.8	2.8	3.0	---	---

Washington Forecast Comparison

	2015Q4	2016Q1	2016Q2	2016Q3
Real Personal Income (Billions of 2009 Dollars)				
February Forecast, Final	341.4	347.4	348.4	350.2
Percent Change	2.3%	7.2%	1.1%	2.1%
February Forecast, Preliminary	341.7	347.4	349.1	350.8
Percent Change	2.6%	6.9%	1.9%	2.0%
Personal Income (Billions of Dollars)				
February Forecast, Final	374.8	381.4	383.1	386.2
Percent Change	2.4%	7.2%	1.8%	3.3%
February Forecast, Preliminary	375.5	381.1	384.0	387.7
Percent Change	3.2%	6.1%	3.1%	3.9%
Nonfarm Payroll Employment (Thousands)				
February Forecast, Final	3184	3205	3218	3227
Percent Change	2.0%	2.7%	1.6%	1.2%
February Forecast, Preliminary	3183	3199	3211	3220
Percent Change	2.0%	2.0%	1.4%	1.2%
Unemployment Rate (Percent of Labor Force)				
February Forecast, Final	5.3	5.4	5.4	5.3
February Forecast, Preliminary	5.3	5.4	5.4	5.3
Manufacturing Employment (Thousands)				
February Forecast, Final	287.7	288.2	287.5	286.5
Percent Change	-2.8%	0.6%	-0.9%	-1.4%
February Forecast, Preliminary	287.5	287.2	286.3	285.1
Percent Change	-3.1%	-0.4%	-1.2%	-1.7%
Construction Employment (Thousands)				
February Forecast, Final	173.5	177.0	176.5	176.8
Percent Change	4.1%	8.4%	-1.2%	0.8%
February Forecast, Preliminary	173.2	173.3	173.0	173.7
Percent Change	3.6%	0.3%	-0.6%	1.6%
Housing Permits (Thousands)				
February Forecast, Final	36.6	37.4	38.0	38.3
Percent Change	4.4%	8.7%	6.8%	3.2%
February Forecast, Preliminary	36.6	37.4	38.4	38.5
Percent Change	4.4%	8.7%	11.7%	0.9%

	2015	2016	2017	2018	2019	2020	2021
Real Personal Income (Billions of 2009 Dollars)							
February Forecast, Final	337.7	349.2	359.4	370.8	382.3	393.8	405.4
Percent Change	5.2%	3.4%	2.9%	3.2%	3.1%	3.0%	2.9%
February Forecast, Preliminary	337.8	349.8	360.5	372.3	383.8	395.2	407.1
Percent Change	5.2%	3.6%	3.1%	3.3%	3.1%	3.0%	3.0%
Personal Income (Billions of Dollars)							
February Forecast, Final	369.6	385.0	402.7	423.1	444.0	465.3	487.2
Percent Change	5.5%	4.2%	4.6%	5.1%	5.0%	4.8%	4.7%
February Forecast, Preliminary	369.7	385.9	404.4	425.0	445.7	466.9	489.2
Percent Change	5.5%	4.4%	4.8%	5.1%	4.9%	4.8%	4.8%
Nonfarm Payroll Employment (Thousands)							
February Forecast, Final	3158	3222	3262	3301	3340	3380	3415
Percent Change	2.8%	2.0%	1.2%	1.2%	1.2%	1.2%	1.1%
February Forecast, Preliminary	3158	3215	3256	3297	3336	3376	3413
Percent Change	2.8%	1.8%	1.3%	1.3%	1.2%	1.2%	1.1%
Unemployment Rate (Percent of Labor Force)							
February Forecast, Final	5.5	5.3	5.2	5.1	5.1	5.1	5.1
February Forecast, Preliminary	5.5	5.3	5.2	5.2	5.2	5.2	5.2
Manufacturing Employment (Thousands)							
February Forecast, Final	289.1	287.3	287.7	288.9	290.5	292.1	295.0
Percent Change	0.3%	-0.6%	0.1%	0.4%	0.5%	0.6%	1.0%
February Forecast, Preliminary	289.1	286.1	286.0	286.9	288.5	290.3	293.2
Percent Change	0.3%	-1.0%	0.0%	0.3%	0.6%	0.6%	1.0%
Construction Employment (Thousands)							
February Forecast, Final	172.5	177.0	181.6	189.4	195.2	200.4	203.5
Percent Change	8.3%	2.6%	2.6%	4.3%	3.1%	2.6%	1.6%
February Forecast, Preliminary	172.4	173.7	178.8	185.7	191.3	196.5	200.2
Percent Change	8.2%	0.8%	2.9%	3.8%	3.0%	2.7%	1.9%
Housing Permits (Thousands)							
February Forecast, Final	40.0	38.3	41.9	43.6	43.7	44.4	44.4
Percent Change	17.9%	-4.1%	9.4%	3.9%	0.4%	1.5%	0.0%
February Forecast, Preliminary	40.0	38.5	41.8	43.4	43.7	43.9	44.1
Percent Change	17.9%	-3.7%	8.6%	3.7%	0.7%	0.5%	0.5%

Washington Forecast Comparison

	2015Q4	2016Q1	2016Q2	2016Q3
Real Personal Income (Billions of 2009 Dollars)				
February Forecast	341.4	347.4	348.4	350.2
Percent Change	2.3%	7.2%	1.1%	2.1%
November Forecast	340.8	346.0	347.7	349.7
Percent Change	3.2%	6.2%	2.0%	2.4%
Personal Income (Billions of Dollars)				
February Forecast	374.8	381.4	383.1	386.2
Percent Change	2.4%	7.2%	1.8%	3.3%
November Forecast	374.7	381.2	384.7	388.8
Percent Change	4.1%	7.1%	3.7%	4.3%
Nonfarm Payroll Employment (Thousands)				
February Forecast	3184	3205	3218	3227
Percent Change	2.0%	2.7%	1.6%	1.2%
November Forecast	3183	3197	3209	3219
Percent Change	1.7%	1.7%	1.6%	1.3%
Unemployment Rate (Percent of Labor Force)				
February Forecast	5.3	5.4	5.4	5.3
November Forecast	5.2	5.2	5.2	5.2
Manufacturing Employment (Thousands)				
February Forecast	287.7	288.2	287.5	286.5
Percent Change	-2.8%	0.6%	-0.9%	-1.4%
November Forecast	287.9	286.9	286.6	286.5
Percent Change	-2.6%	-1.3%	-0.5%	0.0%
Construction Employment (Thousands)				
February Forecast	173.5	177.0	176.5	176.8
Percent Change	4.1%	8.4%	-1.2%	0.8%
November Forecast	173.5	173.5	173.3	174.3
Percent Change	1.4%	0.0%	-0.4%	2.4%
Housing Permits (Thousands)				
February Forecast	36.6	37.4	38.0	38.3
Percent Change	4.4%	8.7%	6.8%	3.2%
November Forecast	36.4	37.4	38.5	39.4
Percent Change	-10.2%	11.6%	12.1%	10.3%

	2015	2016	2017	2018	2019	2020	2021
February Forecast	337.7	349.2	359.4	370.8	382.3	393.8	405.4
Percent Change	5.2%	3.4%	2.9%	3.2%	3.1%	3.0%	2.9%
November Forecast	337.2	348.6	360.2	373.0	385.5	---	---
Percent Change	5.0%	3.4%	3.3%	3.6%	3.3%	---	---
February Forecast	369.6	385.0	402.7	423.1	444.0	465.3	487.2
Percent Change	5.5%	4.2%	4.6%	5.1%	5.0%	4.8%	4.7%
November Forecast	369.1	386.8	407.4	429.6	451.6	---	---
Percent Change	5.4%	4.8%	5.3%	5.5%	5.1%	---	---
February Forecast	3158	3222	3262	3301	3340	3380	3415
Percent Change	2.8%	2.0%	1.2%	1.2%	1.2%	1.2%	1.1%
November Forecast	3159	3214	3263	3312	3353	---	---
Percent Change	2.8%	1.8%	1.5%	1.5%	1.3%	---	---
February Forecast	5.5	5.3	5.2	5.1	5.1	5.1	5.1
November Forecast	5.5	5.2	5.2	5.2	5.3	---	---
February Forecast	289.1	287.3	287.7	288.9	290.5	292.1	295.0
Percent Change	0.3%	-0.6%	0.1%	0.4%	0.5%	0.6%	1.0%
November Forecast	289.2	287.0	288.5	289.8	291.2	---	---
Percent Change	0.4%	-0.8%	0.5%	0.5%	0.5%	---	---
February Forecast	172.5	177.0	181.6	189.4	195.2	200.4	203.5
Percent Change	8.3%	2.6%	2.6%	4.3%	3.1%	2.6%	1.6%
November Forecast	172.8	174.2	181.5	190.1	195.5	---	---
Percent Change	8.5%	0.8%	4.2%	4.8%	2.9%	---	---
February Forecast	40.0	38.3	41.9	43.6	43.7	44.4	44.4
Percent Change	17.9%	-4.1%	9.4%	3.9%	0.4%	1.5%	0.0%
November Forecast	41.0	38.9	42.6	44.1	44.6	---	---
Percent Change	21.1%	-5.2%	9.4%	3.7%	1.1%	---	---