



Final March 2017 Economic Forecast

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We have updated the preliminary March economic forecast, which was released on February 27, 2017. The final March economic forecast reflects a more recent national forecast and newly released state employment data. This updated economic forecast is consistent with the March 2017 revenue forecast released today, March 16, 2017.

The following tables compare the final March economic forecast with the preliminary March forecast as well as with the forecast adopted in November 2016.

For more information, please see the March 16th revenue forecast presentation at:

<http://www.erfc.wa.gov/forecasts/documents/rev20170316.pdf>

U.S. Forecast Comparison

	2016Q4	2017Q1	2017Q2	2017Q3
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Real GDP (Billions of 2009 Dollars)

March Forecast, Final	16,804	16,884	16,989	17,090
Percent Change	1.9%	1.9%	2.5%	2.4%
March Forecast, Preliminary	16,805	16,897	16,994	17,096
Percent Change	1.9%	2.2%	2.3%	2.4%

Real Consumption (Billions of 2009 Dollars)

March Forecast, Final	11,655	11,709	11,786	11,859
Percent Change	3.0%	1.9%	2.6%	2.5%
March Forecast, Preliminary	11,640	11,708	11,781	11,858
Percent Change	2.5%	2.4%	2.5%	2.6%

Implicit Price Deflator, PCE (2009=1.00)

March Forecast, Final	1.115	1.121	1.123	1.128
Percent Change	1.9%	2.3%	0.9%	1.7%
March Forecast, Preliminary	1.115	1.120	1.123	1.129
Percent Change	2.2%	1.6%	1.4%	2.0%

Real Personal Income (Billions of 2009 Dollars)

March Forecast, Final	14,595	14,643	14,777	14,874
Percent Change	2.0%	1.3%	3.7%	2.6%
March Forecast, Preliminary	14,575	14,646	14,759	14,849
Percent Change	1.6%	1.9%	3.1%	2.4%

Nonfarm Payroll Employment (Millions)

March Forecast, Final	145.2	145.8	146.4	146.9
Percent Change	1.4%	1.8%	1.5%	1.4%
March Forecast, Preliminary	145.2	145.7	146.2	146.7
Percent Change	1.4%	1.6%	1.3%	1.4%

Unemployment Rate (Percent of Labor Force)

March Forecast, Final	4.7	4.7	4.6	4.5
March Forecast, Preliminary	4.7	4.7	4.6	4.5

30 Year Fixed Mortgage Rate (Percent, average)

March Forecast, Final	3.8	4.2	4.5	4.6
March Forecast, Preliminary	3.8	4.2	4.2	4.3

3 Month T-Bill Rate (Percent, average)

March Forecast, Final	0.4	0.6	0.8	1.0
March Forecast, Preliminary	0.4	0.5	0.7	1.0

	2015	2016	2017	2018	2019	2020	2021
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16,397	16,660	17,039	17,447	17,814	18,170	18,533
2.6%	1.6%	2.3%	2.4%	2.1%	2.0%	2.0%
16,397	16,660	17,046	17,454	17,821	18,195	18,559
2.6%	1.6%	2.3%	2.4%	2.1%	2.1%	2.0%

11,215	11,519	11,822	12,126	12,405	12,678	12,945
3.2%	2.7%	2.6%	2.6%	2.3%	2.2%	2.1%
11,215	11,515	11,820	12,120	12,387	12,647	12,913
3.2%	2.7%	2.7%	2.5%	2.2%	2.1%	2.1%

1.095	1.107	1.126	1.143	1.162	1.184	1.207
0.4%	1.1%	1.7%	1.5%	1.7%	1.9%	1.9%
1.095	1.107	1.126	1.144	1.163	1.185	1.207
0.4%	1.1%	1.7%	1.6%	1.7%	1.9%	1.9%

14,113	14,462	14,819	15,276	15,725	16,116	16,471
4.0%	2.5%	2.5%	3.1%	2.9%	2.5%	2.2%
14,113	14,455	14,802	15,248	15,693	16,095	16,457
4.0%	2.4%	2.4%	3.0%	2.9%	2.6%	2.2%

141.8	144.3	146.6	148.2	149.4	150.4	151.1
2.1%	1.8%	1.6%	1.1%	0.8%	0.7%	0.5%
141.8	144.3	146.5	148.2	149.4	150.5	151.3
2.1%	1.8%	1.5%	1.2%	0.8%	0.7%	0.5%

5.3	4.9	4.6	4.3	4.3	4.4	4.5
5.3	4.9	4.6	4.3	4.3	4.4	4.5

3.9	3.6	4.5	5.1	5.8	6.0	5.9
3.9	3.6	4.3	5.1	5.8	6.0	5.9

0.1	0.3	0.9	1.6	2.5	2.8	2.8
0.1	0.3	0.9	1.6	2.5	2.8	2.8

U.S. Forecast Comparison

	2016Q4	2017Q1	2017Q2	2017Q3
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Real GDP (Billions of 2009 Dollars)

March Forecast	16,804	16,884	16,989	17,090
Percent Change	1.9%	1.9%	2.5%	2.4%
November Forecast	16,789	16,882	16,977	17,067
Percent Change	2.1%	2.2%	2.3%	2.1%

Real Consumption (Billions of 2009 Dollars)

March Forecast	11,655	11,709	11,786	11,859
Percent Change	3.0%	1.9%	2.6%	2.5%
November Forecast	11,620	11,687	11,754	11,817
Percent Change	2.6%	2.3%	2.3%	2.1%

Implicit Price Deflator, PCE (2009=1.00)

March Forecast	1.115	1.121	1.123	1.128
Percent Change	1.9%	2.3%	0.9%	1.7%
November Forecast	1.115	1.119	1.124	1.130
Percent Change	2.3%	1.4%	1.7%	2.1%

Real Personal Income (Billions of 2009 Dollars)

March Forecast	14,595	14,643	14,777	14,874
Percent Change	2.0%	1.3%	3.7%	2.6%
November Forecast	14,510	14,603	14,698	14,770
Percent Change	1.2%	2.6%	2.6%	2.0%

Nonfarm Payroll Employment (Millions)

March Forecast	145.2	145.8	146.4	146.9
Percent Change	1.4%	1.8%	1.5%	1.4%
November Forecast	145.1	145.6	145.9	146.2
Percent Change	1.4%	1.3%	1.0%	0.9%

Unemployment Rate (Percent of Labor Force)

March Forecast	4.7	4.7	4.6	4.5
November Forecast	4.9	4.8	4.7	4.7

30 Year Fixed Mortgage Rate (Percent, average)

March Forecast	3.8	4.2	4.5	4.6
November Forecast	3.5	3.7	3.8	3.9

3 Month T-Bill Rate (Percent, average)

March Forecast	0.4	0.6	0.8	1.0
November Forecast	0.4	0.6	0.6	0.7

	2015	2016	2017	2018	2019	2020	2021
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16,397	16,660	17,039	17,447	17,814	18,170	18,533
2.6%	1.6%	2.3%	2.4%	2.1%	2.0%	2.0%
16,397	16,650	17,019	17,376	17,741	18,114	18,476
2.6%	1.5%	2.2%	2.1%	2.1%	2.1%	2.0%

11,215	11,519	11,822	12,126	12,405	12,678	12,945
3.2%	2.7%	2.6%	2.6%	2.3%	2.2%	2.1%
11,215	11,504	11,783	12,042	12,307	12,565	12,829
3.2%	2.6%	2.4%	2.2%	2.2%	2.1%	2.1%

1.095	1.107	1.126	1.143	1.162	1.184	1.207
0.4%	1.1%	1.7%	1.5%	1.7%	1.9%	1.9%
1.095	1.107	1.127	1.148	1.168	1.191	1.215
0.4%	1.1%	1.8%	1.8%	1.8%	1.9%	2.0%

14,113	14,462	14,819	15,276	15,725	16,116	16,471
4.0%	2.5%	2.5%	3.1%	2.9%	2.5%	2.2%
14,113	14,418	14,732	15,121	15,535	15,947	16,336
4.0%	2.2%	2.2%	2.6%	2.7%	2.7%	2.4%

141.8	144.3	146.6	148.2	149.4	150.4	151.1
2.1%	1.8%	1.6%	1.1%	0.8%	0.7%	0.5%
141.8	144.3	146.1	147.2	148.4	149.7	150.7
2.1%	1.7%	1.2%	0.8%	0.8%	0.8%	0.7%

5.3	4.9	4.6	4.3	4.3	4.4	4.5
5.3	4.9	4.7	4.6	4.7	4.7	4.8

3.9	3.6	4.5	5.1	5.8	6.0	5.9
3.9	3.6	3.9	4.7	5.3	5.6	5.6

0.1	0.3	0.9	1.6	2.5	2.8	2.8
0.1	0.3	0.7	1.4	2.2	2.6	2.6

Washington Forecast Comparison

	2016Q4	2017Q1	2017Q2	2017Q3
Real Personal Income (Billions of 2009 Dollars)				
March Forecast, Final	356.3	360.7	362.3	363.7
Percent Change	3.7%	5.0%	1.8%	1.6%
March Forecast, Preliminary	356.0	360.8	361.9	363.2
Percent Change	3.3%	5.5%	1.2%	1.5%
Personal Income (Billions of Dollars)				
March Forecast, Final	397.1	404.3	407.0	410.4
Percent Change	5.7%	7.4%	2.7%	3.4%
March Forecast, Preliminary	397.0	403.9	406.5	410.0
Percent Change	5.5%	7.2%	2.6%	3.5%
Nonfarm Payroll Employment (Thousands)				
March Forecast, Final	3280	3296	3313	3330
Percent Change	3.0%	2.0%	2.1%	2.1%
March Forecast, Preliminary	3279	3293	3307	3325
Percent Change	2.9%	1.7%	1.8%	2.1%
Unemployment Rate (Percent of Labor Force)				
March Forecast, Final	5.2	5.1	4.9	4.8
March Forecast, Preliminary	5.3	5.1	5.0	4.9
Manufacturing Employment (Thousands)				
March Forecast, Final	286.3	285.8	285.0	284.9
Percent Change	-3.9%	-0.7%	-1.1%	-0.1%
March Forecast, Preliminary	286.2	286.1	285.8	285.5
Percent Change	-3.9%	-0.1%	-0.5%	-0.4%
Construction Employment (Thousands)				
March Forecast, Final	190.1	192.8	194.5	196.5
Percent Change	7.3%	5.6%	3.6%	4.2%
March Forecast, Preliminary	190.1	191.5	193.1	195.0
Percent Change	7.2%	3.0%	3.4%	3.9%
Housing Permits (Thousands)				
March Forecast, Final	50.9	40.8	41.3	41.0
Percent Change	183.5%	-59.0%	5.3%	-3.0%
March Forecast, Preliminary	50.9	40.1	40.7	40.5
Percent Change	183.5%	-61.6%	6.1%	-1.7%

	2015	2016	2017	2018	2019	2020	2021
Real Personal Income (Billions of 2009 Dollars)							
March Forecast, Final	339.7	352.1	363.5	377.1	390.6	402.3	413.3
Percent Change	4.3%	3.6%	3.3%	3.7%	3.6%	3.0%	2.7%
March Forecast, Preliminary	339.7	352.0	363.2	376.6	389.9	401.9	413.2
Percent Change	4.3%	3.6%	3.2%	3.7%	3.6%	3.1%	2.8%
Personal Income (Billions of Dollars)							
March Forecast, Final	372.1	389.8	409.4	431.1	454.0	476.4	498.9
Percent Change	4.6%	4.8%	5.0%	5.3%	5.3%	4.9%	4.7%
March Forecast, Preliminary	372.1	389.8	409.1	430.8	453.6	476.2	498.8
Percent Change	4.6%	4.7%	4.9%	5.3%	5.3%	5.0%	4.7%
Nonfarm Payroll Employment (Thousands)							
March Forecast, Final	3146	3244	3321	3382	3428	3469	3504
Percent Change	2.9%	3.1%	2.3%	1.8%	1.4%	1.2%	1.0%
March Forecast, Preliminary	3146	3244	3316	3380	3428	3471	3507
Percent Change	2.9%	3.1%	2.2%	1.9%	1.4%	1.2%	1.1%
Unemployment Rate (Percent of Labor Force)							
March Forecast, Final	5.6	5.4	4.9	4.5	4.4	4.5	4.6
March Forecast, Preliminary	5.7	5.6	5.0	4.6	4.5	4.5	4.5
Manufacturing Employment (Thousands)							
March Forecast, Final	291.8	290.0	285.0	287.2	290.9	293.2	295.3
Percent Change	1.1%	-0.6%	-1.7%	0.8%	1.3%	0.8%	0.7%
March Forecast, Preliminary	291.8	290.0	285.6	287.3	290.9	293.9	296.3
Percent Change	1.1%	-0.6%	-1.5%	0.6%	1.2%	1.1%	0.8%
Construction Employment (Thousands)							
March Forecast, Final	173.3	186.2	195.7	203.2	206.5	208.1	211.3
Percent Change	8.5%	7.5%	5.1%	3.8%	1.6%	0.8%	1.6%
March Forecast, Preliminary	173.3	186.2	194.3	201.4	204.9	207.3	211.0
Percent Change	8.5%	7.5%	4.4%	3.7%	1.7%	1.2%	1.8%
Housing Permits (Thousands)							
March Forecast, Final	40.4	43.2	40.9	41.1	40.8	40.8	40.5
Percent Change	19.1%	7.1%	-5.3%	0.3%	-0.6%	-0.1%	-0.6%
March Forecast, Preliminary	40.4	43.2	40.5	40.9	40.8	40.9	40.9
Percent Change	19.1%	7.1%	-6.4%	1.2%	-0.5%	0.5%	-0.2%

Washington Forecast Comparison

	2016Q4	2017Q1	2017Q2	2017Q3
Real Personal Income (Billions of 2009 Dollars)				
March Forecast	356.3	360.7	362.3	363.7
Percent Change	3.7%	5.0%	1.8%	1.6%
November Forecast	353.9	359.9	360.5	360.5
Percent Change	1.3%	6.9%	0.7%	0.0%
Personal Income (Billions of Dollars)				
March Forecast	397.1	404.3	407.0	410.4
Percent Change	5.7%	7.4%	2.7%	3.4%
November Forecast	394.7	402.8	405.2	407.4
Percent Change	3.6%	8.4%	2.5%	2.1%
Nonfarm Payroll Employment (Thousands)				
March Forecast	3280	3296	3313	3330
Percent Change	3.0%	2.0%	2.1%	2.1%
November Forecast	3265	3278	3291	3305
Percent Change	2.0%	1.6%	1.6%	1.6%
Unemployment Rate (Percent of Labor Force)				
March Forecast	5.2	5.1	4.9	4.8
November Forecast	5.4	5.3	5.2	5.1
Manufacturing Employment (Thousands)				
March Forecast	286.3	285.8	285.0	284.9
Percent Change	-3.9%	-0.7%	-1.1%	-0.1%
November Forecast	282.6	281.2	281.8	282.2
Percent Change	-6.8%	-2.0%	0.9%	0.5%
Construction Employment (Thousands)				
March Forecast	190.1	192.8	194.5	196.5
Percent Change	7.3%	5.6%	3.6%	4.2%
November Forecast	185.6	185.4	186.2	187.6
Percent Change	3.2%	-0.4%	1.8%	3.0%
Housing Permits (Thousands)				
March Forecast	50.9	40.8	41.3	41.0
Percent Change	183.5%	-59.0%	5.3%	-3.0%
November Forecast	39.2	39.4	39.8	40.2
Percent Change	8.6%	1.7%	4.7%	3.6%

	2015	2016	2017	2018	2019	2020	2021
March Forecast	339.7	352.1	363.5	377.1	390.6	402.3	413.3
Percent Change	4.3%	3.6%	3.3%	3.7%	3.6%	3.0%	2.7%
November Forecast	339.7	351.7	361.2	372.7	384.8	396.5	407.5
Percent Change	4.3%	3.5%	2.7%	3.2%	3.2%	3.1%	2.8%
March Forecast	372.1	389.8	409.4	431.1	454.0	476.4	498.9
Percent Change	4.6%	4.8%	5.0%	5.3%	5.3%	4.9%	4.7%
November Forecast	372.1	389.4	407.1	427.7	449.5	472.1	495.0
Percent Change	4.6%	4.7%	4.5%	5.1%	5.1%	5.0%	4.8%
March Forecast	3146	3244	3321	3382	3428	3469	3504
Percent Change	2.9%	3.1%	2.3%	1.8%	1.4%	1.2%	1.0%
November Forecast	3146	3238	3298	3350	3398	3442	3479
Percent Change	2.8%	2.9%	1.9%	1.6%	1.4%	1.3%	1.1%
March Forecast	5.6	5.4	4.9	4.5	4.4	4.5	4.6
November Forecast	5.7	5.7	5.2	4.9	4.9	4.9	4.9
March Forecast	291.8	290.0	285.0	287.2	290.9	293.2	295.3
Percent Change	1.1%	-0.6%	-1.7%	0.8%	1.3%	0.8%	0.7%
November Forecast	290.7	287.8	281.9	283.9	286.5	290.0	293.5
Percent Change	0.7%	-1.0%	-2.0%	0.7%	0.9%	1.2%	1.2%
March Forecast	173.3	186.2	195.7	203.2	206.5	208.1	211.3
Percent Change	8.5%	7.5%	5.1%	3.8%	1.6%	0.8%	1.6%
November Forecast	173.2	183.6	187.3	194.5	199.2	202.1	204.5
Percent Change	8.5%	6.0%	2.0%	3.8%	2.4%	1.4%	1.2%
March Forecast	40.4	43.2	40.9	41.1	40.8	40.8	40.5
Percent Change	19.1%	7.1%	-5.3%	0.3%	-0.6%	-0.1%	-0.6%
November Forecast	40.4	40.1	40.0	41.1	41.4	41.5	41.6
Percent Change	19.1%	-0.6%	-0.3%	2.9%	0.6%	0.2%	0.4%