



## Final June 2016 Economic Forecast

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We have updated the preliminary June economic forecast which was released on May 26, 2016. The final June economic forecast reflects a more recent national forecast and newly released state employment data. This updated economic forecast is consistent with the June 2016 revenue forecast released today, June 15, 2016.

The following tables compare the final June economic forecast with the preliminary June forecast as well as with the forecast adopted in February, 2016.

For more information, please see the June 15<sup>h</sup> revenue forecast presentation at:

[http://www.erfc.wa.gov/forecasts/documents/rev20160615\\_color.pdf](http://www.erfc.wa.gov/forecasts/documents/rev20160615_color.pdf) (Color, best for viewing)

[http://www.erfc.wa.gov/forecasts/documents/rev20160615\\_bw.pdf](http://www.erfc.wa.gov/forecasts/documents/rev20160615_bw.pdf)  
(Grayscale, best for printing)

**U.S. Forecast Comparison**

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

June Forecast, Final	16,505	16,588	16,681	16,782
Percent Change	0.8%	2.0%	2.3%	2.4%
June Forecast, Preliminary	16,493	16,587	16,687	16,788
Percent Change	0.5%	2.3%	2.4%	2.4%

**Real Consumption (Billions of 2009 Dollars)**

June Forecast, Final	11,384	11,459	11,532	11,605
Percent Change	1.9%	2.6%	2.6%	2.5%
June Forecast, Preliminary	11,383	11,459	11,533	11,606
Percent Change	1.9%	2.7%	2.6%	2.6%

**Implicit Price Deflator, PCE (2009=1.00)**

June Forecast, Final	1.099	1.105	1.110	1.117
Percent Change	0.3%	2.3%	1.6%	2.5%
June Forecast, Preliminary	1.099	1.104	1.106	1.114
Percent Change	0.3%	1.7%	0.8%	3.0%

**Real Personal Income (Billions of 2009 Dollars)**

June Forecast, Final	14,324	14,375	14,442	14,500
Percent Change	3.4%	1.4%	1.9%	1.6%
June Forecast, Preliminary	14,277	14,356	14,453	14,504
Percent Change	3.1%	2.2%	2.7%	1.4%

**Nonfarm Payroll Employment (Millions)**

June Forecast, Final	143.5	144.0	144.3	145.0
Percent Change	1.9%	1.2%	1.1%	1.9%
June Forecast, Preliminary	143.5	144.3	144.9	145.5
Percent Change	1.9%	2.0%	1.8%	1.7%

**Unemployment Rate (Percent of Labor Force)**

June Forecast, Final	4.9	4.8	4.7	4.7
June Forecast, Preliminary	4.9	4.9	4.9	4.8

**30 Year Fixed Mortgage Rate (Percent, average)**

June Forecast, Final	3.7	3.6	3.7	4.0
June Forecast, Preliminary	3.7	3.7	4.0	4.2

**3 Month T-Bill Rate (Percent, average)**

June Forecast, Final	0.3	0.3	0.4	0.5
June Forecast, Preliminary	0.3	0.3	0.5	0.7

	2015	2016	2017	2018	2019	2020	2021
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16,349	16,639	17,022	17,397	17,762	18,153	18,534
2.4%	1.8%	2.3%	2.2%	2.1%	2.2%	2.1%
16,349	16,639	17,022	17,397	17,762	18,153	18,534
2.4%	1.8%	2.3%	2.2%	2.1%	2.2%	2.1%

11,213	11,495	11,779	12,050	12,315	12,586	12,862
3.1%	2.5%	2.5%	2.3%	2.2%	2.2%	2.2%
11,213	11,495	11,779	12,050	12,315	12,586	12,863
3.1%	2.5%	2.5%	2.3%	2.2%	2.2%	2.2%

1.094	1.108	1.128	1.149	1.171	1.194	1.217
0.3%	1.2%	1.9%	1.9%	1.9%	1.9%	1.9%
1.094	1.106	1.126	1.147	1.169	1.191	1.214
0.3%	1.0%	1.8%	1.9%	1.9%	1.9%	1.9%

14,026	14,411	14,754	15,139	15,546	15,959	16,361
4.1%	2.7%	2.4%	2.6%	2.7%	2.7%	2.5%
14,017	14,397	14,777	15,179	15,590	15,999	16,394
4.1%	2.7%	2.6%	2.7%	2.7%	2.6%	2.5%

141.8	144.2	146.1	147.1	148.2	149.3	150.3
2.1%	1.7%	1.3%	0.7%	0.7%	0.8%	0.7%
141.8	144.6	146.5	147.6	148.6	149.6	150.5
2.1%	1.9%	1.3%	0.8%	0.7%	0.7%	0.6%

5.3	4.8	4.6	4.5	4.5	4.6	4.7
5.3	4.9	4.8	4.7	4.8	4.8	4.9

3.9	3.8	4.2	4.9	5.7	5.7	5.6
3.9	3.9	4.5	5.1	5.6	5.6	5.6

0.1	0.4	1.1	2.1	2.8	2.8	2.8
0.1	0.4	1.3	2.4	2.8	2.8	2.8

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

June Forecast	16,505	16,588	16,681	16,782
Percent Change	0.8%	2.0%	2.3%	2.4%
February Forecast	16,532	16,638	16,744	16,849
Percent Change	2.2%	2.6%	2.6%	2.5%

**Real Consumption (Billions of 2009 Dollars)**

June Forecast	11,384	11,459	11,532	11,605
Percent Change	1.9%	2.6%	2.6%	2.5%
February Forecast	11,395	11,472	11,549	11,625
Percent Change	2.6%	2.7%	2.7%	2.7%

**Implicit Price Deflator, PCE (2009=1.00)**

June Forecast	1.099	1.105	1.110	1.117
Percent Change	0.3%	2.3%	1.6%	2.5%
February Forecast	1.098	1.100	1.103	1.108
Percent Change	0.0%	0.7%	1.2%	2.0%

**Real Personal Income (Billions of 2009 Dollars)**

June Forecast	14,324	14,375	14,442	14,500
Percent Change	3.4%	1.4%	1.9%	1.6%
February Forecast	14,345	14,404	14,487	14,563
Percent Change	3.7%	1.6%	2.3%	2.1%

**Nonfarm Payroll Employment (Millions)**

June Forecast	143.5	144.0	144.3	145.0
Percent Change	1.9%	1.2%	1.1%	1.9%
February Forecast	143.5	144.1	144.5	144.9
Percent Change	1.8%	1.7%	1.2%	1.1%

**Unemployment Rate (Percent of Labor Force)**

June Forecast	4.9	4.8	4.7	4.7
February Forecast	4.8	4.8	4.8	4.8

**30 Year Fixed Mortgage Rate (Percent, average)**

June Forecast	3.7	3.6	3.7	4.0
February Forecast	3.9	4.0	4.1	4.2

**3 Month T-Bill Rate (Percent, average)**

June Forecast	0.3	0.3	0.4	0.5
February Forecast	0.3	0.5	0.6	0.7

**2015 2016 2017 2018 2019 2020 2021**

16,349	16,639	17,022	17,397	17,762	18,153	18,534
2.4%	1.8%	2.3%	2.2%	2.1%	2.2%	2.1%
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%

11,213	11,495	11,779	12,050	12,315	12,586	12,862
3.1%	2.5%	2.5%	2.3%	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%

1.094	1.108	1.128	1.149	1.171	1.194	1.217
0.3%	1.2%	1.9%	1.9%	1.9%	1.9%	1.9%
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%

14,026	14,411	14,754	15,139	15,546	15,959	16,361
4.1%	2.7%	2.4%	2.6%	2.7%	2.7%	2.5%
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%

141.8	144.2	146.1	147.1	148.2	149.3	150.3
2.1%	1.7%	1.3%	0.7%	0.7%	0.8%	0.7%
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%

5.3	4.8	4.6	4.5	4.5	4.6	4.7
5.3	4.8	4.8	4.7	4.8	4.8	4.9

3.9	3.8	4.2	4.9	5.7	5.7	5.6
3.9	4.1	4.4	5.0	5.6	5.6	5.6

0.1	0.4	1.1	2.1	2.8	2.8	2.8
0.1	0.5	1.4	2.3	2.8	2.8	2.8

## Washington Forecast Comparison

	2016Q1	2016Q2	2016Q3	2016Q4
<b>Real Personal Income (Billions of 2009 Dollars)</b>				
June Forecast, Final	343.0	344.6	345.7	346.6
Percent Change	5.3%	1.8%	1.4%	0.9%
June Forecast, Preliminary	342.8	344.6	346.4	347.1
Percent Change	5.0%	2.1%	2.1%	0.8%
<b>Personal Income (Billions of Dollars)</b>				
June Forecast, Final	377.1	380.9	383.7	387.0
Percent Change	5.6%	4.1%	2.9%	3.4%
June Forecast, Preliminary	376.7	380.3	383.1	386.7
Percent Change	5.2%	3.8%	2.9%	3.8%
<b>Nonfarm Payroll Employment (Thousands)</b>				
June Forecast, Final	3199	3215	3223	3239
Percent Change	3.6%	2.0%	1.0%	2.0%
June Forecast, Preliminary	3202	3218	3230	3245
Percent Change	3.6%	2.0%	1.5%	1.8%
<b>Unemployment Rate (Percent of Labor Force)</b>				
June Forecast, Final	5.8	5.8	5.7	5.6
June Forecast, Preliminary	5.8	5.8	5.8	5.7
<b>Manufacturing Employment (Thousands)</b>				
June Forecast, Final	288.0	286.8	282.9	284.1
Percent Change	-0.5%	-1.7%	-5.4%	1.8%
June Forecast, Preliminary	287.8	286.2	282.8	284.1
Percent Change	-0.5%	-2.2%	-4.7%	1.9%
<b>Construction Employment (Thousands)</b>				
June Forecast, Final	181.7	182.5	183.4	184.4
Percent Change	16.9%	1.9%	1.9%	2.2%
June Forecast, Preliminary	181.7	182.5	183.4	184.4
Percent Change	16.9%	1.9%	1.9%	2.1%
<b>Housing Permits (Thousands)</b>				
June Forecast, Final	37.6	42.6	41.0	41.2
Percent Change	-8.0%	65.8%	-14.3%	1.5%
June Forecast, Preliminary	37.6	42.6	40.4	40.7
Percent Change	-8.0%	65.8%	-19.1%	2.6%

	2015	2016	2017	2018	2019	2020	2021
<b>Real Personal Income (Billions of 2009 Dollars)</b>							
June Forecast, Final	335.4	345.0	354.1	365.2	376.8	388.7	400.2
Percent Change	4.4%	2.9%	2.6%	3.1%	3.2%	3.1%	3.0%
June Forecast, Preliminary	335.4	345.2	355.0	366.4	378.0	389.6	400.9
Percent Change	4.4%	2.9%	2.8%	3.2%	3.2%	3.1%	2.9%
<b>Personal Income (Billions of Dollars)</b>							
June Forecast, Final	367.0	382.2	399.5	419.7	441.5	464.0	486.9
Percent Change	4.8%	4.1%	4.5%	5.0%	5.2%	5.1%	4.9%
June Forecast, Preliminary	367.0	381.7	399.7	420.1	441.7	464.1	486.7
Percent Change	4.8%	4.0%	4.7%	5.1%	5.2%	5.1%	4.9%
<b>Nonfarm Payroll Employment (Thousands)</b>							
June Forecast, Final	3145	3219	3269	3311	3352	3391	3426
Percent Change	2.8%	2.4%	1.6%	1.3%	1.2%	1.2%	1.0%
June Forecast, Preliminary	3147	3224	3273	3314	3351	3388	3423
Percent Change	2.8%	2.4%	1.5%	1.3%	1.1%	1.1%	1.0%
<b>Unemployment Rate (Percent of Labor Force)</b>							
June Forecast, Final	5.7	5.7	5.4	5.2	5.1	5.1	5.1
June Forecast, Preliminary	5.7	5.8	5.6	5.4	5.3	5.3	5.3
<b>Manufacturing Employment (Thousands)</b>							
June Forecast, Final	290.3	285.5	284.7	284.5	285.7	287.9	290.7
Percent Change	0.6%	-1.7%	-0.3%	-0.1%	0.4%	0.8%	1.0%
June Forecast, Preliminary	289.3	285.2	284.6	284.4	285.2	286.7	288.8
Percent Change	0.2%	-1.4%	-0.2%	-0.1%	0.3%	0.5%	0.8%
<b>Construction Employment (Thousands)</b>							
June Forecast, Final	173.2	183.0	188.0	195.0	200.7	204.8	207.4
Percent Change	8.5%	5.6%	2.7%	3.8%	2.9%	2.1%	1.2%
June Forecast, Preliminary	173.2	183.0	188.1	195.1	200.7	205.1	207.6
Percent Change	8.5%	5.6%	2.8%	3.7%	2.9%	2.2%	1.2%
<b>Housing Permits (Thousands)</b>							
June Forecast, Final	40.4	40.6	42.5	44.0	44.1	44.4	44.3
Percent Change	19.1%	0.6%	4.6%	3.5%	0.4%	0.5%	-0.1%
June Forecast, Preliminary	40.4	40.3	42.3	43.7	44.3	44.4	44.2
Percent Change	19.1%	-0.1%	4.7%	3.5%	1.3%	0.4%	-0.5%

## Washington Forecast Comparison

	2016Q1	2016Q2	2016Q3	2016Q4
<b>Real Personal Income (Billions of 2009 Dollars)</b>				
June Forecast	343.0	344.6	345.7	346.6
Percent Change	5.3%	1.8%	1.4%	0.9%
February Forecast	347.4	348.4	350.2	351.1
Percent Change	7.2%	1.1%	2.1%	1.0%
<b>Personal Income (Billions of Dollars)</b>				
June Forecast	377.1	380.9	383.7	387.0
Percent Change	5.6%	4.1%	2.9%	3.4%
February Forecast	381.4	383.1	386.2	389.1
Percent Change	7.2%	1.8%	3.3%	3.1%
<b>Nonfarm Payroll Employment (Thousands)</b>				
June Forecast	3199	3215	3223	3239
Percent Change	3.6%	2.0%	1.0%	2.0%
February Forecast	3205	3218	3227	3238
Percent Change	2.7%	1.6%	1.2%	1.3%
<b>Unemployment Rate (Percent of Labor Force)</b>				
June Forecast	5.8	5.8	5.7	5.6
February Forecast	5.4	5.4	5.3	5.3
<b>Manufacturing Employment (Thousands)</b>				
June Forecast	288.0	286.8	282.9	284.1
Percent Change	-0.5%	-1.7%	-5.4%	1.8%
February Forecast	288.2	287.5	286.5	287.1
Percent Change	0.6%	-0.9%	-1.4%	0.8%
<b>Construction Employment (Thousands)</b>				
June Forecast	181.7	182.5	183.4	184.4
Percent Change	16.9%	1.9%	1.9%	2.2%
February Forecast	177.0	176.5	176.8	177.6
Percent Change	8.4%	-1.2%	0.8%	1.8%
<b>Housing Permits (Thousands)</b>				
June Forecast	37.6	42.6	41.0	41.2
Percent Change	-8.0%	65.8%	-14.3%	1.5%
February Forecast	37.4	38.0	38.3	39.6
Percent Change	8.7%	6.8%	3.2%	14.5%

	2015	2016	2017	2018	2019	2020	2021
<b>Real Personal Income (Billions of 2009 Dollars)</b>							
June Forecast	335.4	345.0	354.1	365.2	376.8	388.7	400.2
Percent Change	4.4%	2.9%	2.6%	3.1%	3.2%	3.1%	3.0%
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%
<b>Personal Income (Billions of Dollars)</b>							
June Forecast	367.0	382.2	399.5	419.7	441.5	464.0	486.9
Percent Change	4.8%	4.1%	4.5%	5.0%	5.2%	5.1%	4.9%
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%
<b>Nonfarm Payroll Employment (Thousands)</b>							
June Forecast	3145	3219	3269	3311	3352	3391	3426
Percent Change	2.8%	2.4%	1.6%	1.3%	1.2%	1.2%	1.0%
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%
<b>Unemployment Rate (Percent of Labor Force)</b>							
June Forecast	5.7	5.7	5.4	5.2	5.1	5.1	5.1
February Forecast	5.5	5.3	5.2	5.1	5.1	5.1	5.1
<b>Manufacturing Employment (Thousands)</b>							
June Forecast	290.3	285.5	284.7	284.5	285.7	287.9	290.7
Percent Change	0.6%	-1.7%	-0.3%	-0.1%	0.4%	0.8%	1.0%
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%
<b>Construction Employment (Thousands)</b>							
June Forecast	173.2	183.0	188.0	195.0	200.7	204.8	207.4
Percent Change	8.5%	5.6%	2.7%	3.8%	2.9%	2.1%	1.2%
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%
<b>Housing Permits (Thousands)</b>							
June Forecast	40.4	40.6	42.5	44.0	44.1	44.4	44.3
Percent Change	19.1%	0.6%	4.6%	3.5%	0.4%	0.5%	-0.1%
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%