



## Final September 2016 Economic Forecast

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We have updated the preliminary September economic forecast which was released on September 1, 2016. The final September economic forecast reflects a more recent national forecast and newly released state employment data. This updated economic forecast is consistent with the September 2016 revenue forecast released today, September 21, 2016.

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

For more information, please see the September 21st revenue forecast presentation at:

[http://www.erfc.wa.gov/forecasts/documents/rev20160921\\_color.pdf](http://www.erfc.wa.gov/forecasts/documents/rev20160921_color.pdf) (Color, best for viewing)

[http://www.erfc.wa.gov/forecasts/documents/rev20160921\\_bw.pdf](http://www.erfc.wa.gov/forecasts/documents/rev20160921_bw.pdf) (Grayscale, best for printing)

**U.S. Forecast Comparison**

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

September Forecast, Final	16,570	16,692	16,793	16,884
Percent Change	1.1%	3.0%	2.4%	2.2%
September Forecast, Preliminary	16,575	16,694	16,791	16,882
Percent Change	1.2%	2.9%	2.3%	2.2%

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

September Forecast, Final	11,487	11,569	11,641	11,709
Percent Change	4.4%	2.9%	2.5%	2.3%
September Forecast, Preliminary	11,483	11,558	11,630	11,699
Percent Change	4.2%	2.6%	2.5%	2.4%

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

September Forecast, Final	1.105	1.109	1.116	1.120
Percent Change	2.0%	1.6%	2.3%	1.5%
September Forecast, Preliminary	1.105	1.109	1.115	1.119
Percent Change	1.9%	1.5%	2.2%	1.4%

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

September Forecast, Final	14,387	14,466	14,537	14,634
Percent Change	2.1%	2.2%	2.0%	2.7%
September Forecast, Preliminary	14,348	14,452	14,523	14,627
Percent Change	0.9%	2.9%	2.0%	2.9%

**Nonfarm Payroll Employment (Millions)**

September Forecast, Final	144.0	144.7	145.3	145.7
Percent Change	1.3%	2.0%	1.6%	1.2%
September Forecast, Preliminary	144.0	144.7	145.2	145.6
Percent Change	1.3%	1.9%	1.4%	1.2%

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

September Forecast, Final	4.9	4.8	4.8	4.7
September Forecast, Preliminary	4.9	4.8	4.7	4.7

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

September Forecast, Final	3.6	3.5	3.6	3.8
September Forecast, Preliminary	3.6	3.5	3.6	3.8

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

September Forecast, Final	0.3	0.3	0.4	0.6
September Forecast, Preliminary	0.3	0.3	0.4	0.6

	2015	2016	2017	2018	2019	2020	2021
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16,397	16,645	17,019	17,394	17,759	18,150	18,531
2.6%	1.5%	2.2%	2.2%	2.1%	2.2%	2.1%
16,397	16,646	17,016	17,391	17,756	18,147	18,528
2.6%	1.5%	2.2%	2.2%	2.1%	2.2%	2.1%

11,215	11,516	11,809	12,081	12,347	12,618	12,896
3.2%	2.7%	2.6%	2.3%	2.2%	2.2%	2.2%
11,215	11,509	11,799	12,071	12,336	12,608	12,885
3.2%	2.6%	2.5%	2.3%	2.2%	2.2%	2.2%

1.095	1.107	1.127	1.145	1.166	1.188	1.212
0.4%	1.1%	1.7%	1.6%	1.8%	1.9%	2.0%
1.095	1.107	1.126	1.145	1.165	1.187	1.210
0.4%	1.1%	1.7%	1.7%	1.8%	1.9%	1.9%

14,113	14,426	14,767	15,170	15,590	16,014	16,405
4.0%	2.2%	2.4%	2.7%	2.8%	2.7%	2.4%
14,113	14,410	14,766	15,180	15,599	16,019	16,408
4.0%	2.1%	2.5%	2.8%	2.8%	2.7%	2.4%

141.8	144.4	146.2	147.3	148.4	149.5	150.5
2.1%	1.8%	1.2%	0.8%	0.8%	0.8%	0.7%
141.8	144.3	146.0	147.1	148.2	149.3	150.3
2.1%	1.8%	1.2%	0.7%	0.7%	0.7%	0.7%

5.3	4.8	4.7	4.6	4.6	4.7	4.8
5.3	4.8	4.7	4.6	4.6	4.7	4.8

3.9	3.6	4.1	4.9	5.5	5.8	5.8
3.9	3.6	4.1	4.8	5.5	5.8	5.8

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

September Forecast	16,570	16,692	16,793	16,884
Percent Change	1.1%	3.0%	2.4%	2.2%
June Forecast	16,588	16,681	16,782	16,884
Percent Change	2.0%	2.3%	2.4%	2.5%

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

September Forecast	11,487	11,569	11,641	11,709
Percent Change	4.4%	2.9%	2.5%	2.3%
June Forecast	11,459	11,532	11,605	11,677
Percent Change	2.6%	2.6%	2.5%	2.5%

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

September Forecast	1.105	1.109	1.116	1.120
Percent Change	2.0%	1.6%	2.3%	1.5%
June Forecast	1.105	1.110	1.117	1.121
Percent Change	2.3%	1.6%	2.5%	1.5%

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

September Forecast	14,387	14,466	14,537	14,634
Percent Change	2.1%	2.2%	2.0%	2.7%
June Forecast	14,375	14,442	14,500	14,617
Percent Change	1.4%	1.9%	1.6%	3.3%

**Nonfarm Payroll Employment (Millions)**

September Forecast	144.0	144.7	145.3	145.7
Percent Change	1.3%	2.0%	1.6%	1.2%
June Forecast	144.0	144.3	145.0	145.6
Percent Change	1.2%	1.1%	1.9%	1.5%

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

September Forecast	4.9	4.8	4.8	4.7
June Forecast	4.8	4.7	4.7	4.6

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

September Forecast	3.6	3.5	3.6	3.8
June Forecast	3.6	3.7	4.0	4.1

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

September Forecast	0.3	0.3	0.4	0.6
June Forecast	0.3	0.4	0.5	0.7

**2015 2016 2017 2018 2019 2020 2021**

16,397	16,645	17,019	17,394	17,759	18,150	18,531
2.6%	1.5%	2.2%	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%

11,215	11,516	11,809	12,081	12,347	12,618	12,896
3.2%	2.7%	2.6%	2.3%	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%

1.095	1.107	1.127	1.145	1.166	1.188	1.212
0.4%	1.1%	1.7%	1.6%	1.8%	1.9%	2.0%
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%

14,113	14,426	14,767	15,170	15,590	16,014	16,405
4.0%	2.2%	2.4%	2.7%	2.8%	2.7%	2.4%
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%

141.8	144.4	146.2	147.3	148.4	149.5	150.5
2.1%	1.8%	1.2%	0.8%	0.8%	0.8%	0.7%
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%

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

3.9	3.6	4.1	4.9	5.5	5.8	5.8
3.9	3.8	4.2	4.9	5.7	5.7	5.6

0.1	0.3	0.9	1.6	2.5	2.8	2.8
0.1	0.4	1.1	2.1	2.8	2.8	2.8

## Washington Forecast Comparison

	2016Q2	2016Q3	2016Q4	2017Q1
<b>Real Personal Income (Billions of 2009 Dollars)</b>				
September Forecast, Final	346.7	347.8	348.8	355.0
Percent Change	0.7%	1.3%	1.1%	7.3%
September Forecast, Preliminary	345.7	347.7	348.7	355.2
Percent Change	-0.5%	2.3%	1.2%	7.7%
<b>Personal Income (Billions of Dollars)</b>				
September Forecast, Final	383.2	385.9	389.1	397.6
Percent Change	2.7%	2.8%	3.4%	9.0%
September Forecast, Preliminary	382.0	385.6	388.8	397.4
Percent Change	1.5%	3.8%	3.4%	9.2%
<b>Nonfarm Payroll Employment (Thousands)</b>				
September Forecast, Final	3231	3245	3255	3268
Percent Change	2.5%	1.8%	1.2%	1.6%
September Forecast, Preliminary	3231	3249	3257	3270
Percent Change	2.6%	2.3%	1.0%	1.6%
<b>Unemployment Rate (Percent of Labor Force)</b>				
September Forecast, Final	5.8	5.7	5.7	5.6
September Forecast, Preliminary	5.8	5.8	5.7	5.6
<b>Manufacturing Employment (Thousands)</b>				
September Forecast, Final	289.9	288.5	284.1	284.2
Percent Change	-1.4%	-2.0%	-6.0%	0.2%
September Forecast, Preliminary	290.0	289.1	284.3	284.0
Percent Change	-1.4%	-1.2%	-6.4%	-0.5%
<b>Construction Employment (Thousands)</b>				
September Forecast, Final	183.3	184.0	183.8	183.7
Percent Change	3.5%	1.7%	-0.6%	-0.1%
September Forecast, Preliminary	183.3	184.3	184.0	183.9
Percent Change	3.5%	2.2%	-0.7%	-0.2%
<b>Housing Permits (Thousands)</b>				
September Forecast, Final	45.3	40.5	40.5	41.3
Percent Change	110.7%	-35.9%	0.2%	7.4%
September Forecast, Preliminary	45.3	40.5	41.0	41.7
Percent Change	110.7%	-35.9%	5.3%	6.3%

	2015	2016	2017	2018	2019	2020	2021
<b>Real Personal Income (Billions of 2009 Dollars)</b>							
September Forecast, Final	335.0	347.4	356.4	368.3	380.4	392.4	403.5
Percent Change	4.4%	3.7%	2.6%	3.3%	3.3%	3.1%	2.8%
September Forecast, Preliminary	335.0	347.1	356.6	369.0	381.3	393.3	404.5
Percent Change	4.4%	3.6%	2.7%	3.5%	3.3%	3.1%	2.8%
<b>Personal Income (Billions of Dollars)</b>							
September Forecast, Final	367.0	384.7	401.7	421.8	443.6	466.3	489.1
Percent Change	4.7%	4.8%	4.4%	5.0%	5.2%	5.1%	4.9%
September Forecast, Preliminary	367.0	384.2	401.4	422.4	444.3	467.0	489.5
Percent Change	4.7%	4.7%	4.5%	5.2%	5.2%	5.1%	4.8%
<b>Nonfarm Payroll Employment (Thousands)</b>							
September Forecast, Final	3146	3235	3286	3333	3375	3414	3450
Percent Change	2.8%	2.8%	1.6%	1.4%	1.3%	1.2%	1.0%
September Forecast, Preliminary	3146	3237	3286	3335	3379	3419	3456
Percent Change	2.8%	2.9%	1.5%	1.5%	1.3%	1.2%	1.1%
<b>Unemployment Rate (Percent of Labor Force)</b>							
September Forecast, Final	5.7	5.8	5.5	5.2	5.1	5.1	5.1
September Forecast, Preliminary	5.7	5.8	5.5	5.2	5.1	5.1	5.1
<b>Manufacturing Employment (Thousands)</b>							
September Forecast, Final	290.8	288.4	284.7	285.3	287.7	290.3	293.0
Percent Change	0.7%	-0.8%	-1.3%	0.2%	0.9%	0.9%	0.9%
September Forecast, Preliminary	290.8	288.6	284.6	285.0	287.1	289.6	292.5
Percent Change	0.7%	-0.7%	-1.4%	0.1%	0.7%	0.9%	1.0%
<b>Construction Employment (Thousands)</b>							
September Forecast, Final	173.2	183.2	186.1	194.2	199.4	202.4	204.6
Percent Change	8.5%	5.7%	1.6%	4.3%	2.7%	1.5%	1.1%
September Forecast, Preliminary	173.2	183.3	186.3	194.7	200.5	203.6	205.7
Percent Change	8.5%	5.8%	1.7%	4.5%	3.0%	1.5%	1.0%
<b>Housing Permits (Thousands)</b>							
September Forecast, Final	40.4	41.0	42.3	44.1	44.4	44.4	44.0
Percent Change	19.1%	1.5%	3.1%	4.4%	0.7%	0.0%	-0.9%
September Forecast, Preliminary	40.4	41.1	43.0	44.9	45.0	44.9	44.7
Percent Change	19.1%	1.8%	4.6%	4.5%	0.2%	-0.2%	-0.4%

## Washington Forecast Comparison

	2016Q2	2016Q3	2016Q4	2017Q1
<b>Real Personal Income (Billions of 2009 Dollars)</b>				
September Forecast	346.7	347.8	348.8	355.0
Percent Change	0.7%	1.3%	1.1%	7.3%
June Forecast	344.6	345.7	346.6	351.1
Percent Change	1.8%	1.4%	0.9%	5.4%
<b>Personal Income (Billions of Dollars)</b>				
September Forecast	383.2	385.9	389.1	397.6
Percent Change	2.7%	2.8%	3.4%	9.0%
June Forecast	380.9	383.7	387.0	393.5
Percent Change	4.1%	2.9%	3.4%	7.0%
<b>Nonfarm Payroll Employment (Thousands)</b>				
September Forecast	3231	3245	3255	3268
Percent Change	2.5%	1.8%	1.2%	1.6%
June Forecast	3215	3223	3239	3254
Percent Change	2.0%	1.0%	2.0%	1.8%
<b>Unemployment Rate (Percent of Labor Force)</b>				
September Forecast	5.8	5.7	5.7	5.6
June Forecast	5.8	5.7	5.6	5.5
<b>Manufacturing Employment (Thousands)</b>				
September Forecast	289.9	288.5	284.1	284.2
Percent Change	-1.4%	-2.0%	-6.0%	0.2%
June Forecast	286.8	282.9	284.1	284.4
Percent Change	-1.7%	-5.4%	1.8%	0.3%
<b>Construction Employment (Thousands)</b>				
September Forecast	183.3	184.0	183.8	183.7
Percent Change	3.5%	1.7%	-0.6%	-0.1%
June Forecast	182.5	183.4	184.4	185.4
Percent Change	1.9%	1.9%	2.2%	2.2%
<b>Housing Permits (Thousands)</b>				
September Forecast	45.3	40.5	40.5	41.3
Percent Change	110.7%	-35.9%	0.2%	7.4%
June Forecast	42.6	41.0	41.2	41.7
Percent Change	65.8%	-14.3%	1.5%	5.0%

	2015	2016	2017	2018	2019	2020	2021
September Forecast	335.0	347.4	356.4	368.3	380.4	392.4	403.5
Percent Change	4.4%	3.7%	2.6%	3.3%	3.3%	3.1%	2.8%
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%
September Forecast	367.0	384.7	401.7	421.8	443.6	466.3	489.1
Percent Change	4.7%	4.8%	4.4%	5.0%	5.2%	5.1%	4.9%
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%
September Forecast	3146	3235	3286	3333	3375	3414	3450
Percent Change	2.8%	2.8%	1.6%	1.4%	1.3%	1.2%	1.0%
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%
September Forecast	5.7	5.8	5.5	5.2	5.1	5.1	5.1
June Forecast	5.7	5.7	5.4	5.2	5.1	5.1	5.1
September Forecast	290.8	288.4	284.7	285.3	287.7	290.3	293.0
Percent Change	0.7%	-0.8%	-1.3%	0.2%	0.9%	0.9%	0.9%
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%
September Forecast	173.2	183.2	186.1	194.2	199.4	202.4	204.6
Percent Change	8.5%	5.7%	1.6%	4.3%	2.7%	1.5%	1.1%
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%
September Forecast	40.4	41.0	42.3	44.1	44.4	44.4	44.0
Percent Change	19.1%	1.5%	3.1%	4.4%	0.7%	0.0%	-0.9%
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%