



## Final November 2016 Economic Forecast

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We have updated the preliminary November economic forecast which was released on October 28, 2016. The final November economic forecast reflects a more recent national forecast and newly released state employment data. This updated economic forecast is consistent with the November 2016 revenue forecast released today, November 16, 2016.

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

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

[http://www.erfc.wa.gov/forecasts/documents/rev20161116\\_color.pdf](http://www.erfc.wa.gov/forecasts/documents/rev20161116_color.pdf) (Color, best for viewing)

[http://www.erfc.wa.gov/forecasts/documents/rev20161116\\_bw.pdf](http://www.erfc.wa.gov/forecasts/documents/rev20161116_bw.pdf) (Grayscale, best for printing)

**U.S. Forecast Comparison****2016Q3 2016Q4 2017Q1 2017Q2****Real GDP (Billions of 2009 Dollars)**

November Forecast, Final	16,702	16,789	16,882	16,977
Percent Change	2.9%	2.1%	2.2%	2.3%
November Forecast, Preliminary	16,690	16,784	16,878	16,975
Percent Change	2.6%	2.3%	2.3%	2.3%

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

November Forecast, Final	11,546	11,620	11,687	11,754
Percent Change	2.1%	2.6%	2.3%	2.3%
November Forecast, Preliminary	11,560	11,630	11,698	11,768
Percent Change	2.7%	2.4%	2.4%	2.4%

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

November Forecast, Final	1.109	1.115	1.119	1.124
Percent Change	1.4%	2.3%	1.4%	1.7%
November Forecast, Preliminary	1.110	1.116	1.120	1.125
Percent Change	1.6%	2.3%	1.4%	2.0%

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

November Forecast, Final	14,467	14,510	14,603	14,698
Percent Change	2.4%	1.2%	2.6%	2.6%
November Forecast, Preliminary	14,462	14,516	14,612	14,692
Percent Change	2.3%	1.5%	2.7%	2.2%

**Nonfarm Payroll Employment (Millions)**

November Forecast, Final	144.6	145.1	145.6	145.9
Percent Change	1.7%	1.4%	1.3%	1.0%
November Forecast, Preliminary	144.7	145.2	145.6	146.0
Percent Change	2.0%	1.4%	1.1%	1.0%

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

November Forecast, Final	4.9	4.9	4.8	4.7
November Forecast, Preliminary	4.9	4.8	4.8	4.7

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

November Forecast, Final	3.4	3.5	3.7	3.8
November Forecast, Preliminary	3.5	3.5	3.8	3.8

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

November Forecast, Final	0.3	0.4	0.6	0.6
November Forecast, Preliminary	0.3	0.4	0.6	0.6

**2015 2016 2017 2018 2019 2020 2021**

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%
16,397	16,646	17,017	17,375	17,740	18,112	18,474
2.6%	1.5%	2.2%	2.1%	2.1%	2.1%	2.0%

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%
11,215	11,510	11,799	12,058	12,324	12,583	12,847
3.2%	2.6%	2.5%	2.2%	2.2%	2.1%	2.1%

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%
1.095	1.108	1.128	1.148	1.169	1.193	1.216
0.4%	1.1%	1.8%	1.8%	1.9%	2.0%	2.0%

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%
14,113	14,418	14,737	15,136	15,559	15,980	16,366
4.0%	2.2%	2.2%	2.7%	2.8%	2.7%	2.4%

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%
141.8	144.4	146.1	147.2	148.4	149.6	150.5
2.1%	1.8%	1.2%	0.8%	0.8%	0.8%	0.6%

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

3.9	3.6	3.9	4.7	5.3	5.6	5.6
3.9	3.6	3.9	4.6	5.3	5.6	5.6

0.1	0.3	0.7	1.4	2.2	2.6	2.6
0.1	0.3	0.7	1.4	2.2	2.6	2.6

## U.S. Forecast Comparison

2016Q3 2016Q4 2017Q1 2017Q2

### Real GDP (Billions of 2009 Dollars)

November Forecast	16,702	16,789	16,882	16,977
Percent Change	2.9%	2.1%	2.2%	2.3%
September Forecast	16,692	16,793	16,884	16,978
Percent Change	3.0%	2.4%	2.2%	2.2%

### Real Consumption (Billions of 2009 Dollars)

November Forecast	11,546	11,620	11,687	11,754
Percent Change	2.1%	2.6%	2.3%	2.3%
September Forecast	11,569	11,641	11,709	11,778
Percent Change	2.9%	2.5%	2.3%	2.4%

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

November Forecast	1.109	1.115	1.119	1.124
Percent Change	1.4%	2.3%	1.4%	1.7%
September Forecast	1.109	1.116	1.120	1.125
Percent Change	1.6%	2.3%	1.5%	1.7%

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

November Forecast	14,467	14,510	14,603	14,698
Percent Change	2.4%	1.2%	2.6%	2.6%
September Forecast	14,466	14,537	14,634	14,722
Percent Change	2.2%	2.0%	2.7%	2.4%

### Nonfarm Payroll Employment (Millions)

November Forecast	144.6	145.1	145.6	145.9
Percent Change	1.7%	1.4%	1.3%	1.0%
September Forecast	144.7	145.3	145.7	146.0
Percent Change	2.0%	1.6%	1.2%	0.9%

### Unemployment Rate (Percent of Labor Force)

November Forecast	4.9	4.9	4.8	4.7
September Forecast	4.8	4.8	4.7	4.7

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

November Forecast	3.4	3.5	3.7	3.8
September Forecast	3.5	3.6	3.8	4.0

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

November Forecast	0.3	0.4	0.6	0.6
September Forecast	0.3	0.4	0.6	0.7

2015 2016 2017 2018 2019 2020 2021

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%
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%

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%
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%

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%
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%

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%
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%

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%
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%

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

3.9	3.6	3.9	4.7	5.3	5.6	5.6
3.9	3.6	4.1	4.9	5.5	5.8	5.8

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

## Washington Forecast Comparison

	2016Q3	2016Q4	2017Q1	2017Q2
<b>Real Personal Income (Billions of 2009 Dollars)</b>				
November Forecast, Final	352.7	353.9	359.9	360.5
Percent Change	1.6%	1.3%	6.9%	0.7%
November Forecast, Preliminary	353.3	354.4	360.4	360.8
Percent Change	2.3%	1.3%	6.9%	0.4%
<b>Personal Income (Billions of Dollars)</b>				
November Forecast, Final	391.2	394.7	402.8	405.2
Percent Change	3.1%	3.6%	8.4%	2.5%
November Forecast, Preliminary	392.0	395.5	403.6	406.1
Percent Change	3.9%	3.6%	8.4%	2.5%
<b>Nonfarm Payroll Employment (Thousands)</b>				
November Forecast, Final	3249	3265	3278	3291
Percent Change	2.0%	2.0%	1.6%	1.6%
November Forecast, Preliminary	3249	3262	3274	3287
Percent Change	1.8%	1.5%	1.4%	1.7%
<b>Unemployment Rate (Percent of Labor Force)</b>				
November Forecast, Final	5.7	5.4	5.3	5.2
November Forecast, Preliminary	5.7	5.5	5.5	5.4
<b>Manufacturing Employment (Thousands)</b>				
November Forecast, Final	287.6	282.6	281.2	281.8
Percent Change	-3.4%	-6.8%	-2.0%	0.9%
November Forecast, Preliminary	288.1	283.8	283.1	283.6
Percent Change	-2.9%	-5.9%	-0.9%	0.6%
<b>Construction Employment (Thousands)</b>				
November Forecast, Final	184.2	185.6	185.4	186.2
Percent Change	1.4%	3.2%	-0.4%	1.8%
November Forecast, Preliminary	184.2	184.7	184.6	185.4
Percent Change	1.1%	1.1%	-0.4%	1.7%
<b>Housing Permits (Thousands)</b>				
November Forecast, Final	38.4	39.2	39.4	39.8
Percent Change	-48.3%	8.6%	1.7%	4.7%
November Forecast, Preliminary	38.4	39.2	39.0	39.4
Percent Change	-48.3%	8.6%	-1.9%	3.6%

	2015	2016	2017	2018	2019	2020	2021
<b>Real Personal Income (Billions of 2009 Dollars)</b>							
November Forecast, Final	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%
November Forecast, Preliminary	339.7	351.9	361.6	373.3	385.5	397.4	408.4
Percent Change	4.3%	3.6%	2.7%	3.2%	3.3%	3.1%	2.8%
<b>Personal Income (Billions of Dollars)</b>							
November Forecast, Final	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%
November Forecast, Preliminary	372.1	389.8	407.8	428.6	450.9	473.9	496.7
Percent Change	4.6%	4.8%	4.6%	5.1%	5.2%	5.1%	4.8%
<b>Nonfarm Payroll Employment (Thousands)</b>							
November Forecast, Final	3146	3238	3298	3350	3398	3442	3479
Percent Change	2.8%	2.9%	1.9%	1.6%	1.4%	1.3%	1.1%
November Forecast, Preliminary	3146	3238	3294	3345	3390	3433	3468
Percent Change	2.8%	2.9%	1.7%	1.6%	1.4%	1.2%	1.0%
<b>Unemployment Rate (Percent of Labor Force)</b>							
November Forecast, Final	5.7	5.7	5.2	4.9	4.9	4.9	4.9
November Forecast, Preliminary	5.7	5.7	5.3	5.0	4.9	4.9	5.0
<b>Manufacturing Employment (Thousands)</b>							
November Forecast, Final	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%
November Forecast, Preliminary	290.7	288.2	283.5	284.9	287.3	290.3	293.5
Percent Change	0.7%	-0.9%	-1.6%	0.5%	0.8%	1.1%	1.1%
<b>Construction Employment (Thousands)</b>							
November Forecast, Final	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%
November Forecast, Preliminary	173.2	183.4	186.4	193.4	198.2	201.1	203.7
Percent Change	8.5%	5.9%	1.6%	3.7%	2.5%	1.5%	1.3%
<b>Housing Permits (Thousands)</b>							
November Forecast, Final	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%
November Forecast, Preliminary	40.4	40.1	39.5	40.8	41.6	41.8	41.8
Percent Change	19.1%	-0.6%	-1.5%	3.2%	1.9%	0.7%	0.0%

## Washington Forecast Comparison

	2016Q3	2016Q4	2017Q1	2017Q2
<b>Real Personal Income (Billions of 2009 Dollars)</b>				
November Forecast	352.7	353.9	359.9	360.5
Percent Change	1.6%	1.3%	6.9%	0.7%
September Forecast	347.8	348.8	355.0	355.3
Percent Change	1.3%	1.1%	7.3%	0.3%
<b>Personal Income (Billions of Dollars)</b>				
November Forecast	391.2	394.7	402.8	405.2
Percent Change	3.1%	3.6%	8.4%	2.5%
September Forecast	385.9	389.1	397.6	399.6
Percent Change	2.8%	3.4%	9.0%	2.1%
<b>Nonfarm Payroll Employment (Thousands)</b>				
November Forecast	3249	3265	3278	3291
Percent Change	2.0%	2.0%	1.6%	1.6%
September Forecast	3245	3255	3268	3280
Percent Change	1.8%	1.2%	1.6%	1.5%
<b>Unemployment Rate (Percent of Labor Force)</b>				
November Forecast	5.7	5.4	5.3	5.2
September Forecast	5.7	5.7	5.6	5.5
<b>Manufacturing Employment (Thousands)</b>				
November Forecast	287.6	282.6	281.2	281.8
Percent Change	-3.4%	-6.8%	-2.0%	0.9%
September Forecast	288.5	284.1	284.2	284.5
Percent Change	-2.0%	-6.0%	0.2%	0.5%
<b>Construction Employment (Thousands)</b>				
November Forecast	184.2	185.6	185.4	186.2
Percent Change	1.4%	3.2%	-0.4%	1.8%
September Forecast	184.0	183.8	183.7	184.9
Percent Change	1.7%	-0.6%	-0.1%	2.6%
<b>Housing Permits (Thousands)</b>				
November Forecast	38.4	39.2	39.4	39.8
Percent Change	-48.3%	8.6%	1.7%	4.7%
September Forecast	40.5	40.5	41.3	42.1
Percent Change	-35.9%	0.2%	7.4%	8.2%

	2015	2016	2017	2018	2019	2020	2021
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%
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%
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%
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%
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%
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%
November Forecast	5.7	5.7	5.2	4.9	4.9	4.9	4.9
September Forecast	5.7	5.8	5.5	5.2	5.1	5.1	5.1
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%
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%
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%
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%
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%
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%