



## September 2024 Preliminary Economic Forecast

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CONTACT: Lance Carey, Senior Economist  
PHONE: 360.534.1564

This forecast is based on a modified version of S&P Global Market Intelligence's August 2024 control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to be consistent with the Blue Chip "Consensus" GDP forecast for 2024 and 2025. We expect real GDP to increase 2.5% in 2024, up from the 2.3% growth rate assumed in the June forecast. The real GDP forecast for 2025 is unchanged at 1.8%. Our forecast for real GDP growth in 2026-29 is based on the most recent long term forecast from Blue Chip which was released in March 2024. We expect growth rates of 2.0%, 2.0%, 1.9%, and 1.9% in 2026 through 2029, unchanged from the June forecast.

Our oil price forecast reflects the futures markets for the Brent (North Sea) oil price and West Texas Intermediate (WTI) benchmarks. This forecast was based on the Monday, August 19, 2024 closing prices for Brent and WTI futures. Oil prices are slightly lower than in the June forecast. As in June, oil prices are expected to decline throughout the forecast. The latest futures prices indicate that the refiner acquisition price of crude oil will average \$77 per barrel in the third quarter of 2024, unchanged from the June forecast. By the fourth quarter of 2029 the refiner acquisition price of crude is expected to average \$64 per barrel, down from \$65 per barrel in the June forecast.

A comparison of the preliminary September U.S. forecast with the June U.S. forecast is shown in Table 2.

Washington job growth has been stronger than expected in the two months since the June forecast, although historical revisions have lowered prior estimates of employment. Total seasonally adjusted nonfarm payroll employment increased 13,900 in June and 1,700 in July. The forecast expected a 2,600 job gain in June and a 1,000 job gain in July. The construction sector increased by 3,800 jobs while manufacturing employment increased by 2,100 in the two-month period. Health services and social assistance had the largest increase in the private service sector, gaining 4,600 jobs since May. The largest decline was in administrative and support services with a loss of 3,900 jobs. Government employment increased by 1,600. The combination of downward revisions to history and stronger than expected job growth have resulted in the level of employment being 6,900 higher than expected in the June forecast.

Washington's unemployment rate has been trending upward. The unemployment rate increased to 4.9% in July from 4.8% the month before, and up from 3.9% a year ago. Labor force participation declined to 63.6% in July from 63.7% the month before and is down from the recent peak of 64.4% in July 2023.

In June, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the first quarter of

2024. We have incorporated the new BEA estimates as well as additional Washington Quarterly Census of Employment and Wages (QCEW) data. Our current estimate of Washington personal income in the first quarter of 2024 is \$1.18 billion (0.2%) higher than in the June forecast. Wages and salaries are \$1.29 billion (0.4%) higher than expected and nonwage income was \$0.11 billion (0.0%) lower than expected.

Washington housing construction slowed in the second quarter of 2024. The number of housing units authorized by building permits declined to 33,300 (SAAR) in the second quarter from 38,000 in the first quarter. Single-family permits declined 3,000 to 17,500 (SAAR) units and multi-family permits declined 1,700 to 15,700 (SAAR) units. The June forecast expected 35,500 units (SAAR) in the second quarter, consisting of 20,500 single-family units and 15,000 multi-family units.

We expect a 1.4% increase in Washington employment this year, up from the 1.3% growth rate expected in the June forecast. We expect slower growth during the remainder of the forecast as the U.S economy slows. We expect Washington employment growth to average 0.9% per year in 2025 through 2029, down slightly from the 1.0% average rate in the previous forecast. Our forecast for nominal personal income growth this year is 5.4%, up from 5.3% in the June forecast. The current forecast for nominal personal income growth in 2025 through 2029 averages 5.6% per year, unchanged from the June forecast.

A comparison of the preliminary September Washington forecast with the June Washington forecast is shown in Table 3.

Table 1

**U.S. Economic Forecast Comparison**

August 2024

	2024Q3	2024Q4	2025Q1	2025Q2	2024	2025	2026	2027	2028	2029
<b>Real GDP, Percent Change, Annual Rate</b>										
ERFC (Preliminary September)	1.5	1.4	1.6	1.9	2.5	1.8	2.0	2.0	1.9	1.9
S&P Global	1.8	1.4	1.4	1.8	2.6	1.7	1.7	1.8	1.8	1.8
Economy.com	1.8	1.5	1.6	1.7	2.6	1.7				
Blue Chip Average*	1.7	1.5	1.7	1.9	2.5	1.8	2.0	2.0	1.9	1.9
Blue Chip Top 10*	2.4	2.2	2.3	2.5	2.7	2.3	2.2	2.2	2.1	2.1
Blue Chip Bottom 10*	0.9	0.8	0.9	1.2	2.4	1.3	1.8	1.7	1.7	1.7
<b>Real Consumption, Percent Change, Annual Rate</b>										
ERFC (Preliminary September)	2.1	1.7	1.6	1.8	2.2	1.9	2.1	2.0	2.0	2.0
S&P Global	2.7	1.9	1.7	1.8	2.3	1.9	1.9	2.3	2.4	2.2
Economy.com	2.3	2.2	2.1	2.0	2.3	2.1				
Blue Chip Average*	2.0	1.7	1.7	1.8	2.2	1.9	2.1	2.0	2.0	2.0
Blue Chip Top 10*	2.8	2.5	2.4	2.4	2.4	2.4	2.3	2.2	2.2	2.1
Blue Chip Bottom 10*	1.0	0.9	0.9	1.2	2.0	1.3	1.9	1.8	1.9	1.8
<b>Federal Funds Rate</b>										
ERFC (Preliminary September)	5.3	5.1	4.8	4.5	5.3	4.3	2.8	2.6	2.6	2.6
S&P Global	5.3	5.3	5.1	4.8	5.3	4.5	2.9	2.6	2.6	2.6
Economy.com	5.3	5.0	4.8	4.6	5.2	4.4				
<b>Three Month T-Bill Rate</b>										
ERFC (Preliminary September)	5.4	5.1	4.7	4.1	5.3	3.9	2.6	2.4	2.4	2.4
S&P Global	5.3	5.2	4.8	4.5	5.2	4.3	2.6	2.4	2.4	2.4
Blue Chip Average*	5.2	4.8	4.5	4.1	5.2	4.0	3.0	2.9	2.9	2.8
Blue Chip Top 10*	5.4	5.1	4.8	4.5	5.3	4.4	3.5	3.3	3.3	3.2
Blue Chip Bottom 10*	5.1	4.6	4.1	3.6	5.1	3.5	2.4	2.5	2.5	2.4
<b>10-Yr. T-Note Yield</b>										
ERFC (Preliminary September)	4.4	4.0	3.8	3.3	4.3	3.4	3.3	3.2	3.2	3.2
S&P Global	4.3	4.0	3.8	3.7	4.2	3.6	3.3	3.2	3.2	3.2
Economy.com	4.2	4.2	4.2	4.2	4.3	4.2				
Blue Chip Average*	4.2	4.0	3.9	3.9	4.2	3.9	3.5	3.6	3.6	3.6
Blue Chip Top 10*	4.4	4.3	4.3	4.3	4.3	4.3	3.9	3.9	4.0	4.0
Blue Chip Bottom 10*	3.9	3.7	3.6	3.5	4.0	3.4	3.2	3.2	3.2	3.2
<b>Consumer Price Index, Percent Change, Year-over-Year</b>										
ERFC (Preliminary September)	2.7	2.6	2.5	2.4	2.9	2.4	2.4	2.4	2.4	2.3
S&P Global	2.9	2.7	2.2	2.1	3.0	2.2	2.6	2.1	2.3	2.3
Economy.com	2.9	2.8	2.5	2.5	3.0	2.5				
Blue Chip Average*	2.9	2.8	2.4	2.3	3.0	2.3	2.2	2.2	2.2	2.2
Blue Chip Top 10*	3.1	3.1	2.8	2.8	3.2	2.6	2.4	2.4	2.4	2.3
Blue Chip Bottom 10*	2.7	2.4	1.9	1.6	2.9	2.0	2.1	2.1	2.0	2.0
<b>Payroll Employment, Millions</b>										
ERFC (Preliminary September)	158.8	159.1	159.4	159.6	158.5	159.6	160.0	160.4	161.0	161.6
Percent Change, Annual Rate	1.0	0.8	0.6	0.5	1.6	0.7	0.2	0.3	0.4	0.4
S&P Global	159.0	159.5	159.7	159.8	158.7	159.8	160.1	160.5	161.2	161.9
Percent Change, Annual Rate	1.4	1.2	0.5	0.3	1.7	0.7	0.2	0.3	0.4	0.5
Economy.com	158.9	159.2	159.5	159.7	158.6	159.8				
Percent Change, Annual Rate	1.1	0.9	0.7	0.6	1.6	0.7				
<b>Unemployment Rate, Percent</b>										
ERFC (Preliminary September)	4.3	4.3	4.3	4.3	4.1	4.3	4.4	4.5	4.5	4.3
S&P Global	4.0	4.1	4.2	4.2	4.0	4.3	4.5	4.6	4.5	4.4
Economy.com	4.2	4.1	4.1	4.1	4.0	4.1				
Blue Chip Average*	4.2	4.3	4.4	4.3	4.1	4.3	3.9	3.9	3.9	4.0
Blue Chip Top 10*	4.4	4.6	4.7	4.7	4.2	4.7	4.2	4.1	4.1	4.1
Blue Chip Bottom 10*	4.0	4.1	4.1	4.1	4.0	4.1	3.7	3.8	3.7	3.8
<b>Real Disposable Personal Income, Percent Change, Annual Rate</b>										
ERFC (Preliminary September)	2.9	3.2	3.7	1.8	1.5	2.9	3.1	2.9	2.6	2.4
S&P Global	2.4	2.5	4.0	3.1	1.4	3.0	3.1	2.9	2.6	2.4
Blue Chip Average*	2.1	2.0	2.4	2.2	1.4	2.2	2.3	2.2	2.1	2.1
Blue Chip Top 10*	3.1	2.9	3.7	2.8	1.8	2.9	2.6	2.5	2.3	2.3
Blue Chip Bottom 10*	1.1	0.8	1.3	1.4	1.1	1.3	1.9	2.0	2.0	1.9
<b>West Texas Intermediate</b>										
ERFC (Preliminary September)	77.5	73.0	71.7	70.8	77.4	70.4	67.7	65.8	64.7	63.9
S&P Global	81.3	77.7	73.9	72.3	79.5	72.8	75.0	77.9	81.0	83.2
Economy.com	81.5	78.6	78.0	76.5	79.8	76.1				

\* Forecasts beyond 2025 are from the March 2024 Blue Chip Economic Indicators

**Table 2**

**U.S. Forecast Comparison**

	2024Q2	2024Q3	2024Q4	2025Q1
<b>Real GDP (Billions of 2017 Dollars)</b>				
September Forecast, Preliminary	22,919	23,006	23,085	23,178
Percent Change	2.8%	1.5%	1.4%	1.6%
June Forecast	22,860	22,954	23,041	23,139
Percent Change	2.0%	1.6%	1.5%	1.7%
<b>Real Consumption (Billions of 2017 Dollars)</b>				
September Forecast, Preliminary	15,733	15,814	15,881	15,945
Percent Change	2.3%	2.1%	1.7%	1.6%
June Forecast	15,750	15,819	15,883	15,954
Percent Change	2.2%	1.8%	1.6%	1.8%
<b>PCE Price Index (2017=100)</b>				
September Forecast, Preliminary	123.2	123.7	124.3	125.0
Percent Change	2.6%	1.7%	2.0%	2.3%
June Forecast	123.3	123.9	124.6	125.3
Percent Change	3.0%	1.9%	2.5%	2.4%
<b>Real Personal Income (Billions of 2017 Dollars)</b>				
September Forecast, Preliminary	19,390	19,528	19,680	19,859
Percent Change	1.4%	2.9%	3.2%	3.7%
June Forecast	19,447	19,599	19,723	19,890
Percent Change	2.4%	3.2%	2.5%	3.4%
<b>Nonfarm Payroll Employment (Millions)</b>				
September Forecast, Preliminary	158.4	158.8	159.1	159.4
Percent Change	1.5%	1.0%	0.8%	0.6%
June Forecast	158.5	159.1	159.4	159.6
Percent Change	1.8%	1.5%	0.9%	0.4%
<b>Unemployment Rate (Percent of Labor Force)</b>				
September Forecast, Preliminary	4.0	4.3	4.3	4.3
June Forecast	4.0	4.0	4.0	4.0
<b>Oil Price, Refiner's Acquisition</b>				
September Forecast, Preliminary	81.8	76.6	72.8	71.6
June Forecast	79.9	77.2	75.9	74.6
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>				
September Forecast, Preliminary	7.0	6.8	6.3	5.8
June Forecast	7.0	6.7	6.3	6.0
<b>3 Month T-Bill Rate (Percent, average)</b>				
September Forecast, Preliminary	5.2	5.4	5.1	4.7
June Forecast	5.4	5.3	5.1	4.8

	2023	2024	2025	2026	2027	2028	2029
<b>Real GDP (Billions of 2017 Dollars)</b>							
September Forecast, Preliminary	22,377	22,942	23,354	23,821	24,298	24,759	25,230
Percent Change	2.5%	2.5%	1.8%	2.0%	2.0%	1.9%	1.9%
June Forecast	22,377	22,901	23,315	23,781	24,257	24,718	25,187
Percent Change	2.5%	2.3%	1.8%	2.0%	2.0%	1.9%	1.9%
<b>Real Consumption (Billions of 2017 Dollars)</b>							
September Forecast, Preliminary	15,426	15,768	16,060	16,397	16,725	17,060	17,401
Percent Change	2.2%	2.2%	1.9%	2.1%	2.0%	2.0%	2.0%
June Forecast	15,426	15,779	16,073	16,410	16,739	17,073	17,415
Percent Change	2.2%	2.3%	1.9%	2.1%	2.0%	2.0%	2.0%
<b>PCE Price Index (2017=100)</b>							
September Forecast, Preliminary	120.4	123.4	126.1	129.2	132.0	134.9	137.7
Percent Change	3.7%	2.5%	2.2%	2.5%	2.1%	2.2%	2.1%
June Forecast	120.4	123.5	126.5	129.6	132.5	135.4	138.3
Percent Change	3.7%	2.6%	2.4%	2.4%	2.2%	2.2%	2.1%
<b>Real Personal Income (Billions of 2017 Dollars)</b>							
September Forecast, Preliminary	19,074	19,480	20,066	20,704	21,308	21,905	22,421
Percent Change	1.3%	2.1%	3.0%	3.2%	2.9%	2.8%	2.4%
June Forecast	19,074	19,525	20,049	20,719	21,268	21,794	22,373
Percent Change	1.3%	2.4%	2.7%	3.3%	2.6%	2.5%	2.7%
<b>Nonfarm Payroll Employment (Millions)</b>							
September Forecast, Preliminary	156.1	158.5	159.6	160.0	160.4	161.0	161.6
Percent Change	2.3%	1.6%	0.7%	0.2%	0.3%	0.4%	0.4%
June Forecast	156.1	158.7	159.7	160.0	160.3	161.0	161.6
Percent Change	2.3%	1.7%	0.6%	0.2%	0.2%	0.4%	0.4%
<b>Unemployment Rate (Percent of Labor Force)</b>							
September Forecast, Preliminary	3.6	4.1	4.3	4.4	4.5	4.5	4.3
June Forecast	3.6	3.9	4.0	4.3	4.4	4.4	4.3
<b>Oil Price, Refiner's Acquisition</b>							
September Forecast, Preliminary	77.7	76.9	70.4	67.9	66.2	65.2	64.5
June Forecast	77.7	77.3	73.2	70.0	67.9	66.4	65.4
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>							
September Forecast, Preliminary	6.8	6.7	5.6	5.1	5.0	5.0	4.8
June Forecast	6.8	6.7	5.8	5.1	5.1	5.0	4.9
<b>3 Month T-Bill Rate (Percent, average)</b>							
September Forecast, Preliminary	5.1	5.3	3.9	2.6	2.4	2.4	2.4
June Forecast	5.1	5.3	4.2	2.7	2.3	2.4	2.4

**Table 3**

**Washington Forecast Comparison**

	2024Q2	2024Q3	2024Q4	2025Q1
<b>Real Personal Income (Billions of 2017 Dollars)</b>				
September Forecast, Preliminary	525.4	529.6	534.0	539.1
<i>Percent Change</i>	2.3%	3.2%	3.3%	3.9%
June Forecast	524.9	528.9	532.5	537.5
<i>Percent Change</i>	2.6%	3.1%	2.8%	3.8%
<b>Personal Income (Billions of Dollars)</b>				
September Forecast, Preliminary	647.2	655.1	663.9	673.9
<i>Percent Change</i>	5.0%	5.0%	5.4%	6.2%
June Forecast	647.1	655.1	663.6	673.7
<i>Percent Change</i>	5.7%	5.1%	5.3%	6.2%
<b>Disposable Personal Income (Billions of Dollars)</b>				
September Forecast, Preliminary	565.0	572.4	579.9	588.4
<i>Percent Change</i>	4.5%	5.3%	5.4%	6.1%
June Forecast	566.0	573.1	580.6	589.4
<i>Percent Change</i>	5.6%	5.1%	5.3%	6.2%
<b>Nonfarm Payroll Employment (Thousands)</b>				
September Forecast, Preliminary	3639.8	3655.7	3666.8	3677.7
<i>Percent Change</i>	2.5%	1.8%	1.2%	1.2%
June Forecast	3641.0	3650.7	3660.0	3666.9
<i>Percent Change</i>	2.0%	1.1%	1.0%	0.8%
<b>Unemployment Rate (Percent of Labor Force)</b>				
September Forecast, Preliminary	4.9	5.0	5.0	5.0
June Forecast	4.9	4.9	4.9	4.9
<b>Manufacturing Employment (Thousands)</b>				
September Forecast, Preliminary	277.1	278.2	278.7	277.8
<i>Percent Change</i>	0.6%	1.6%	0.7%	-1.2%
June Forecast	277.7	277.0	275.1	273.2
<i>Percent Change</i>	0.9%	-1.0%	-2.7%	-2.6%
<b>Construction Employment (Thousands)</b>				
September Forecast, Preliminary	231.4	234.3	236.1	237.9
<i>Percent Change</i>	5.0%	5.0%	3.2%	3.0%
June Forecast	232.6	235.5	237.9	239.6
<i>Percent Change</i>	3.8%	5.0%	4.1%	3.0%
<b>Housing Permits (Thousands)</b>				
September Forecast, Preliminary	33.3	35.0	35.9	36.7
<i>Percent Change</i>	-41.3%	22.2%	10.8%	9.9%
June Forecast	35.5	36.8	37.7	39.0
<i>Percent Change</i>	-24.1%	15.7%	10.7%	14.2%

	2023	2024	2025	2026	2027	2028	2029
<b>Real Personal Income (Billions of 2017 Dollars)</b>							
September Forecast, Preliminary	513.3	527.9	545.2	565.2	584.4	603.8	620.9
<i>Percent Change</i>	2.0%	2.8%	3.3%	3.7%	3.4%	3.3%	2.8%
June Forecast	513.6	527.0	542.9	564.3	582.4	599.6	618.4
<i>Percent Change</i>	2.1%	2.6%	3.0%	3.9%	3.2%	3.0%	3.1%
<b>Personal Income (Billions of Dollars)</b>							
September Forecast, Preliminary	617.9	651.4	687.7	730.6	771.2	814.3	855.0
<i>Percent Change</i>	5.8%	5.4%	5.6%	6.2%	5.6%	5.6%	5.0%
June Forecast	618.2	651.0	686.9	731.3	771.4	812.1	855.1
<i>Percent Change</i>	5.9%	5.3%	5.5%	6.5%	5.5%	5.3%	5.3%
<b>Disposable Personal Income (Billions of Dollars)</b>							
September Forecast, Preliminary	544.6	569.0	599.6	636.2	670.8	707.0	742.4
<i>Percent Change</i>	8.0%	4.5%	5.4%	6.1%	5.4%	5.4%	5.0%
June Forecast	544.9	569.5	600.6	638.8	671.6	705.7	742.7
<i>Percent Change</i>	8.1%	4.5%	5.5%	6.4%	5.1%	5.1%	5.2%
<b>Nonfarm Payroll Employment (Thousands)</b>							
September Forecast, Preliminary	3593	3645	3686	3720	3749	3786	3824
<i>Percent Change</i>	1.8%	1.4%	1.1%	0.9%	0.8%	1.0%	1.0%
June Forecast	3595	3644	3677	3715	3748	3784	3822
<i>Percent Change</i>	1.9%	1.3%	0.9%	1.0%	0.9%	1.0%	1.0%
<b>Unemployment Rate (Percent of Labor Force)</b>							
September Forecast, Preliminary	4.1	4.9	5.0	5.0	5.0	4.9	4.7
June Forecast	4.1	4.8	4.9	4.9	4.9	4.7	4.5
<b>Manufacturing Employment (Thousands)</b>							
September Forecast, Preliminary	273.9	277.6	276.0	278.8	279.3	279.0	278.8
<i>Percent Change</i>	1.9%	1.4%	-0.6%	1.0%	0.2%	-0.1%	-0.1%
June Forecast	273.9	276.7	272.0	275.2	275.5	275.3	275.9
<i>Percent Change</i>	1.9%	1.0%	-1.7%	1.2%	0.1%	-0.1%	0.2%
<b>Construction Employment (Thousands)</b>							
September Forecast, Preliminary	231.9	232.6	240.0	247.4	255.2	263.5	271.4
<i>Percent Change</i>	-0.2%	0.3%	3.2%	3.1%	3.1%	3.2%	3.0%
June Forecast	232.2	234.1	241.9	249.6	258.3	266.8	275.2
<i>Percent Change</i>	-0.1%	0.8%	3.3%	3.2%	3.5%	3.3%	3.2%
<b>Housing Permits (Thousands)</b>							
September Forecast, Preliminary	37.1	35.5	37.9	40.8	42.4	43.0	43.6
<i>Percent Change</i>	-24.3%	-4.2%	6.8%	7.6%	3.8%	1.4%	1.5%
June Forecast	37.1	37.0	39.9	42.0	43.6	44.5	45.1
<i>Percent Change</i>	-24.3%	-0.3%	7.9%	5.2%	3.9%	2.1%	1.3%