



November 2024 Preliminary Economic Forecast

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This forecast is based on a modified version of S&P Global Market Intelligence's October 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 2.7% in 2024 and 2.0% in 2025, up from the 2.6% and 1.8% growth rates assumed in the September forecast. 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 October 2024. We expect growth rates of 2.1%, 2.0%, 2.0%, and 1.9% in 2026 through 2029, up from 2.0%, 2.0%, 1.9%, and 1.9% in the September 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 Tuesday, October 15, 2024 closing prices for Brent and WTI futures. Oil prices are higher than in the September forecast. As in September, oil prices are expected to decline throughout the forecast. The latest futures prices indicate that the refiner acquisition price of crude oil will average \$70 per barrel in the fourth quarter of 2024, up from \$69 per barrel in the previous forecast. By the fourth quarter of 2029 the refiner acquisition price of crude is expected to average \$66 per barrel, up from \$64 per barrel in the September forecast.

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

We have just one new month of Washington employment data since the September forecast was released. Total seasonally adjusted nonfarm payroll employment declined 2,100 in September. The forecast expected a gain of 2,700 jobs over the month. The construction sector increased by 700 jobs while manufacturing employment increased by 400 in September. The information sector had the largest increase with a gain of 1,300 jobs. The largest declines in private sector services were in accommodation and food services and membership associations with declines of 900 jobs each. Government employment declined by 4,000, although the decline was due to an 8,000 reduction in state government education which is notorious for seasonal adjustment issues around summer months.

Washington's unemployment rate continues to hold steady. The unemployment rate was unchanged at 4.8% in September. The jobless rate has remained between 4.9% and 4.8% each month since March. The labor force participation rate fell from 63.5% to 63.3% in September and is down from 64.3% a year ago.

In September, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the second quarter of 2024. Washington personal income increased from \$657.3 billion (SAAR) in the first quarter to

\$665.4 billion in the second quarter of 2024. The 5.1% increase (SAAR) in Washington personal income was the 28th among the states and District of Columbia and trailed the 5.3% (SAAR) rate of increase for the U.S. as a whole. Growth in Washington net earnings slightly trailed the U.S. in the second quarter, with Washington earnings increasing 6.2% (SAAR) compared to 6.3% (SAAR) for the nation. Dividends, interest, and rent grew 1.5% (SAAR) in both Washington and the nation. Transfer payments grew for both Washington and the nation, increasing 5.3% (SAAR) and 6.1% (SAAR) respectively.

Washington housing construction picked up in the first two months of the third quarter. A total of 35,300 units were permitted in July and August (SAAR) consisting of 17,800 single-family units and 17,500 multi-family units. Total permits in the second quarter totaled 33,300 (SAAR). The September forecast expected 35,100 units (SAAR) in the third quarter, consisting of 16,900 single-family units and 18,300 multi-family units.

We expect a 1.3% increase in Washington employment this year, unchanged from the September 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, up slightly from the 0.8% average rate in the previous forecast. Our forecast for nominal personal income growth this year is 6.3%, up from 5.2% in the September forecast. The forecast for nominal personal income growth in 2025 through 2029 averages 5.6% per year, unchanged from the September forecast.

The preliminary November economic forecast incorporates the September 12th vote to go on strike by machinists at Boeing. We assume a 60-day strike duration. Aerospace employment is temporarily reduced by approximately 30,000, and wages associated with striking workers temporarily reduce our forecast of wages as well.

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

Table 1
U.S. Economic Forecast Comparison
 October 2024

	2024Q3	2024Q4	2025Q1	2025Q2	2024	2025	2026	2027	2028	2029
Real GDP, Percent Change, Annual Rate										
ERFC (Prelim November)	2.4	1.8	1.6	1.9	2.7	2.0	2.1	2.0	2.0	1.9
S&P Global	2.8	1.9	2.0	1.9	2.7	2.1	1.8	1.7	1.8	1.8
Economy.com	2.2	2.3	2.0	2.4	2.7	2.3				
Blue Chip Average*	2.3	1.8	1.7	1.9	2.7	2.0	2.1	2.0	2.0	1.9
Blue Chip Top 10*	2.9	2.3	2.3	2.5	2.7	2.4	2.4	2.2	2.1	2.1
Blue Chip Bottom 10*	1.8	1.2	1.0	1.3	2.6	1.6	1.9	1.9	1.9	1.8
Real Consumption, Percent Change, Annual Rate										
ERFC (Prelim November)	2.7	1.8	1.9	1.8	2.5	2.1	2.1	2.1	2.0	2.0
S&P Global	3.2	2.5	2.3	2.3	2.6	2.4	2.1	2.3	2.5	2.4
Economy.com	3.6	3.0	2.4	2.1	2.7	2.6				
Blue Chip Average*	2.8	1.9	1.9	1.8	2.5	2.1	2.1	2.1	2.0	2.0
Blue Chip Top 10*	3.4	2.6	2.7	2.4	2.6	2.6	2.3	2.2	2.1	2.1
Blue Chip Bottom 10*	1.8	1.2	1.3	1.2	2.3	1.6	1.9	2.0	1.9	1.9
Federal Funds Rate										
ERFC (Prelim November)	5.3	4.7	4.3	4.1	5.1	3.8	2.6	2.6	2.6	2.6
S&P Global	5.3	4.7	4.3	4.1	5.1	3.8	2.6	2.6	2.6	2.6
Economy.com	5.3	4.6	4.3	4.0	5.1	3.9				
Three Month T-Bill Rate										
ERFC (Prelim November)	5.0	4.5	4.1	3.8	5.0	3.5	2.4	2.4	2.3	2.4
S&P Global	5.0	4.5	4.1	3.8	5.0	3.5	2.4	2.4	2.4	2.4
Blue Chip Average*	5.0	4.5	4.1	3.8	5.1	3.6	3.0	3.0	2.9	2.9
Blue Chip Top 10*	5.0	4.8	4.4	4.1	5.2	4.0	3.3	3.3	3.3	3.2
Blue Chip Bottom 10*	5.0	4.2	3.7	3.4	4.9	3.4	2.7	2.7	2.6	2.6
10-Yr. T-Note Yield										
ERFC (Prelim November)	3.9	3.8	3.7	3.6	4.1	3.6	3.3	3.2	3.2	3.2
S&P Global	3.9	3.8	3.6	3.5	4.1	3.5	3.3	3.3	3.2	3.3
Economy.com	4.0	4.0	4.1	4.1	4.2	4.1				
Blue Chip Average*	3.9	3.8	3.8	3.7	4.1	3.7	3.7	3.7	3.7	3.7
Blue Chip Top 10*	3.9	4.1	4.0	4.0	4.1	4.0	4.0	4.0	4.1	4.1
Blue Chip Bottom 10*	3.9	3.6	3.5	3.4	4.0	3.4	3.3	3.4	3.4	3.4
Consumer Price Index, Percent Change, Year-over-Year										
ERFC (Prelim November)	2.5	2.4	2.4	2.4	2.9	2.3	2.2	2.3	2.4	2.3
S&P Global	2.6	2.3	1.7	1.6	2.8	2.0	3.1	2.1	2.2	2.2
Economy.com	2.6	2.5	2.2	2.2	2.9	2.4				
Blue Chip Average*	2.7	2.6	2.2	2.1	2.9	2.2	2.3	2.3	2.2	2.2
Blue Chip Top 10*	2.9	2.9	2.7	2.6	3.1	2.5	2.4	2.4	2.4	2.4
Blue Chip Bottom 10*	2.6	2.3	1.8	1.5	2.8	1.9	2.1	2.1	2.0	2.0
Payroll Employment, Millions										
ERFC (Prelim November)	158.8	159.4	159.6	159.8	158.6	159.8	160.3	160.7	161.2	161.9
Percent Change, Annual Rate	1.1	1.3	0.6	0.4	1.6	0.8	0.3	0.3	0.3	0.4
S&P Global	158.9	159.4	159.7	159.9	158.6	159.9	160.3	160.5	160.9	161.6
Percent Change, Annual Rate	1.2	1.4	0.7	0.4	1.6	0.8	0.2	0.1	0.2	0.4
Economy.com	158.9	159.3	159.7	160.0	158.6	160.1				
Percent Change, Annual Rate	1.2	1.0	0.9	0.8	1.6	0.9				
Unemployment Rate, Percent										
ERFC (Prelim November)	4.2	4.2	4.3	4.3	4.0	4.4	4.5	4.5	4.5	4.4
S&P Global	4.2	4.2	4.2	4.3	4.0	4.3	4.5	4.6	4.5	4.4
Economy.com	4.2	4.2	4.2	4.1	4.0	4.1				
Blue Chip Average*	4.2	4.3	4.3	4.4	4.1	4.3	4.1	4.1	4.0	4.1
Blue Chip Top 10*	4.2	4.4	4.6	4.7	4.1	4.6	4.3	4.2	4.2	4.2
Blue Chip Bottom 10*	4.2	4.2	4.2	4.1	4.0	4.1	3.9	3.9	3.9	3.9
Real Disposable Personal Income, Percent Change, Annual Rate										
ERFC (Prelim November)	1.7	2.1	3.3	2.8	3.1	2.6	3.0	2.9	2.7	2.6
S&P Global	1.7	2.3	3.4	2.7	3.2	2.6	2.6	2.7	2.5	2.4
Blue Chip Average*	1.9	1.9	2.2	2.1	2.5	2.0	2.1	2.1	2.1	2.1
Blue Chip Top 10*	3.1	2.6	3.3	2.7	3.2	2.7	2.6	2.4	2.3	2.2
Blue Chip Bottom 10*	0.8	0.9	1.0	1.4	1.4	1.2	1.7	1.9	1.9	1.9
West Texas Intermediate										
ERFC (Prelim November)	76.2	70.6	69.3	68.6	76.5	68.4	66.7	65.8	65.4	65.1
S&P Global	76.2	70.5	67.0	67.8	76.4	68.8	74.7	77.9	80.8	82.9
Economy.com	76.4	76.5	76.2	76.4	78.1	75.6				

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

Table 2

U.S. Forecast Comparison

	2024Q3	2024Q4	2025Q1	2025Q2	2023	2024	2025	2026	2027	2028	2029
Real GDP (Billions of 2017 Dollars)											
November Forecast, Preliminary	23,361	23,464	23,556	23,666	22,671	23,275	23,734	24,232	24,717	25,211	25,691
Percent Change	2.4%	1.8%	1.6%	1.9%	2.9%	2.7%	2.0%	2.1%	2.0%	2.0%	1.9%
September Forecast	23,030	23,112	23,207	23,311	22,377	22,956	23,374	23,841	24,318	24,780	25,251
Percent Change	1.8%	1.4%	1.6%	1.8%	2.5%	2.6%	1.8%	2.0%	2.0%	1.9%	1.9%
Real Consumption (Billions of 2017 Dollars)											
November Forecast, Preliminary	16,072	16,146	16,222	16,297	15,622	16,011	16,340	16,683	17,033	17,374	17,721
Percent Change	2.7%	1.8%	1.9%	1.8%	2.5%	2.5%	2.1%	2.1%	2.1%	2.0%	2.0%
September Forecast	15,847	15,910	15,974	16,046	15,426	15,789	16,089	16,427	16,755	17,090	17,432
Percent Change	2.4%	1.6%	1.6%	1.8%	2.2%	2.4%	1.9%	2.1%	2.0%	2.0%	2.0%
PCE Price Index (2017=100)											
November Forecast, Preliminary	123.6	124.1	124.8	125.4	120.5	123.4	125.8	128.8	131.2	134.0	136.7
Percent Change	1.2%	1.6%	2.1%	2.2%	3.8%	2.4%	2.0%	2.4%	1.9%	2.1%	2.1%
September Forecast	123.5	124.1	124.7	125.4	120.4	123.3	125.7	128.7	131.2	134.0	136.8
Percent Change	1.3%	1.7%	2.0%	2.2%	3.7%	2.4%	2.0%	2.4%	2.0%	2.1%	2.1%
Real Personal Income (Billions of 2017 Dollars)											
November Forecast, Preliminary	20,109	20,212	20,366	20,499	19,422	20,049	20,564	21,178	21,824	22,427	22,998
Percent Change	2.1%	2.1%	3.1%	2.6%	2.1%	3.2%	2.6%	3.0%	3.0%	2.8%	2.5%
September Forecast	19,531	19,647	19,821	19,927	19,074	19,473	20,004	20,623	21,284	21,902	22,454
Percent Change	2.9%	2.4%	3.6%	2.2%	1.3%	2.1%	2.7%	3.1%	3.2%	2.9%	2.5%
Nonfarm Payroll Employment (Millions)											
November Forecast, Preliminary	158.8	159.4	159.6	159.8	156.1	158.6	159.8	160.3	160.7	161.2	161.9
Percent Change	1.1%	1.3%	0.6%	0.4%	2.3%	1.6%	0.8%	0.3%	0.3%	0.3%	0.4%
September Forecast	158.9	159.4	159.6	159.7	156.1	158.6	159.8	160.2	160.6	161.2	161.9
Percent Change	1.2%	1.3%	0.6%	0.3%	2.3%	1.6%	0.7%	0.3%	0.3%	0.4%	0.4%
Unemployment Rate (Percent of Labor Force)											
November Forecast, Preliminary	4.2	4.2	4.3	4.3	3.6	4.0	4.4	4.5	4.5	4.5	4.4
September Forecast	4.2	4.3	4.3	4.4	3.6	4.1	4.4	4.5	4.6	4.5	4.3
Oil Price, Refiner's Acquisition											
November Forecast, Preliminary	75.6	70.3	69.2	68.6	77.7	76.0	68.4	66.8	66.1	65.8	65.6
September Forecast	75.4	68.6	67.4	67.0	77.7	75.5	66.8	65.6	65.0	64.7	64.5
30 Year Fixed Mortgage Rate (Percent, average)											
November Forecast, Preliminary	6.5	6.1	5.8	5.7	6.8	6.6	5.6	5.1	4.9	5.0	4.9
September Forecast	6.5	6.1	5.8	5.6	6.8	6.6	5.5	5.1	4.9	4.9	4.9
3 Month T-Bill Rate (Percent, average)											
November Forecast, Preliminary	5.0	4.5	4.1	3.8	5.1	5.0	3.5	2.4	2.4	2.3	2.4
September Forecast	5.1	4.7	4.3	3.9	5.1	5.1	3.6	2.4	2.4	2.4	2.4

Table 3

Washington Forecast Comparison

	2024Q3	2024Q4	2025Q1	2025Q2
Real Personal Income (Billions of 2017 Dollars)				
November Forecast, Preliminary	544.5	546.2	549.1	553.1
<i>Percent Change</i>	1.5%	1.3%	2.2%	2.9%
September Forecast	528.6	532.8	538.4	540.2
<i>Percent Change</i>	2.5%	3.3%	4.2%	1.3%
Personal Income (Billions of Dollars)				
November Forecast, Preliminary	673.2	678.0	685.1	693.8
<i>Percent Change</i>	2.7%	2.9%	4.3%	5.2%
September Forecast	652.9	661.0	671.3	677.3
<i>Percent Change</i>	3.8%	5.0%	6.4%	3.6%
Disposable Personal Income (Billions of Dollars)				
November Forecast, Preliminary	589.8	594.0	600.6	608.3
<i>Percent Change</i>	2.1%	2.9%	4.5%	5.2%
September Forecast	569.7	576.4	585.1	590.5
<i>Percent Change</i>	3.4%	4.8%	6.2%	3.7%
Nonfarm Payroll Employment (Thousands)				
November Forecast, Preliminary	3650.7	3647.9	3663.6	3669.1
<i>Percent Change</i>	1.4%	-0.3%	1.7%	0.6%
September Forecast	3649.7	3651.4	3670.7	3675.8
<i>Percent Change</i>	1.4%	0.2%	2.1%	0.6%
Unemployment Rate (Percent of Labor Force)				
November Forecast, Preliminary	4.8	4.8	4.9	4.9
September Forecast	4.9	4.9	5.0	5.0
Manufacturing Employment (Thousands)				
November Forecast, Preliminary	279.1	267.9	274.3	272.5
<i>Percent Change</i>	3.0%	-15.1%	9.8%	-2.6%
September Forecast	278.9	268.0	277.2	276.3
<i>Percent Change</i>	2.7%	-14.7%	14.4%	-1.3%
Construction Employment (Thousands)				
November Forecast, Preliminary	232.7	233.7	235.3	237.2
<i>Percent Change</i>	3.7%	1.8%	2.7%	3.3%
September Forecast	232.5	234.6	236.3	237.8
<i>Percent Change</i>	3.4%	3.7%	2.9%	2.6%
Housing Permits (Thousands)				
November Forecast, Preliminary	35.3	35.0	35.8	36.7
<i>Percent Change</i>	26.8%	-3.2%	9.3%	10.3%
September Forecast	35.1	35.9	36.7	37.3
<i>Percent Change</i>	24.4%	9.7%	8.1%	6.9%

	2023	2024	2025	2026	2027	2028	2029
Real Personal Income (Billions of 2017 Dollars)							
November Forecast, Preliminary	521.4	541.3	555.3	575.2	596.1	615.9	634.3
<i>Percent Change</i>	2.9%	3.8%	2.6%	3.6%	3.6%	3.3%	3.0%
September Forecast	513.3	527.3	542.9	561.7	582.3	602.0	619.5
<i>Percent Change</i>	2.0%	2.7%	3.0%	3.5%	3.7%	3.4%	2.9%
Personal Income (Billions of Dollars)							
November Forecast, Preliminary	628.3	667.8	698.6	740.8	782.4	825.1	867.3
<i>Percent Change</i>	6.7%	6.3%	4.6%	6.0%	5.6%	5.5%	5.1%
September Forecast	617.9	650.0	682.7	722.9	764.1	806.6	847.7
<i>Percent Change</i>	5.8%	5.2%	5.0%	5.9%	5.7%	5.6%	5.1%
Disposable Personal Income (Billions of Dollars)							
November Forecast, Preliminary	552.4	585.8	612.5	648.5	683.3	719.4	755.8
<i>Percent Change</i>	9.5%	6.0%	4.6%	5.9%	5.4%	5.3%	5.1%
September Forecast	544.6	567.5	594.9	629.1	663.4	699.2	735.4
<i>Percent Change</i>	8.0%	4.2%	4.8%	5.7%	5.5%	5.4%	5.2%
Nonfarm Payroll Employment (Thousands)							
November Forecast, Preliminary	3593	3638	3673	3707	3737	3769	3803
<i>Percent Change</i>	1.8%	1.3%	1.0%	0.9%	0.8%	0.9%	0.9%
September Forecast	3593	3639	3680	3711	3738	3771	3805
<i>Percent Change</i>	1.8%	1.3%	1.1%	0.8%	0.7%	0.9%	0.9%
Unemployment Rate (Percent of Labor Force)							
November Forecast, Preliminary	4.1	4.8	4.9	5.0	4.9	4.8	4.7
September Forecast	4.1	4.8	5.0	5.0	5.0	4.8	4.6
Manufacturing Employment (Thousands)							
November Forecast, Preliminary	273.7	275.2	272.8	274.8	276.8	277.4	277.6
<i>Percent Change</i>	1.8%	0.5%	-0.9%	0.7%	0.7%	0.2%	0.1%
September Forecast	273.7	275.2	276.3	277.5	278.4	278.8	278.8
<i>Percent Change</i>	1.8%	0.5%	0.4%	0.4%	0.3%	0.2%	0.0%
Construction Employment (Thousands)							
November Forecast, Preliminary	232.0	231.4	237.9	244.7	251.9	259.4	266.2
<i>Percent Change</i>	-0.1%	-0.3%	2.8%	2.9%	2.9%	3.0%	2.6%
September Forecast	232.0	231.6	238.5	245.1	252.2	259.8	267.4
<i>Percent Change</i>	-0.1%	-0.2%	3.0%	2.8%	2.9%	3.0%	2.9%
Housing Permits (Thousands)							
November Forecast, Preliminary	37.1	35.4	37.0	39.8	41.7	42.6	43.2
<i>Percent Change</i>	-24.3%	-4.6%	4.6%	7.4%	4.8%	2.3%	1.3%
September Forecast	37.1	35.6	37.7	40.5	42.1	43.0	43.4
<i>Percent Change</i>	-24.3%	-4.1%	5.9%	7.4%	4.2%	1.9%	1.1%