



Final November 2018 Economic Forecast

CONTACT: Bret Bertolin, Senior Economist
PHONE: 360-534-1566

We have updated the preliminary November economic forecast, which was released on October 29, 2018. The final November economic forecast reflects a more recent national forecast and newly released state employment data. This updated economic forecast will form the basis of the November 2018 revenue forecast scheduled for release on November 20, 2018.

The following tables compare the final November economic forecast with the preliminary November forecast as well as with the forecast adopted in September 2018.

U.S. Forecast Comparison

	2018Q3	2018Q4	2019Q1	2019Q2
--	--------	--------	--------	--------

Real GDP (Billions of 2012 Dollars)

November Forecast, Final	18,671	18,790	18,905	19,021
Percent Change	3.5%	2.6%	2.5%	2.5%
November Forecast, Preliminary	18,664	18,795	18,903	19,018
Percent Change	3.3%	2.8%	2.3%	2.4%

Real Consumption (Billions of 2012 Dollars)

November Forecast, Final	12,969	13,036	13,121	13,199
Percent Change	4.0%	2.1%	2.6%	2.4%
November Forecast, Preliminary	12,937	13,022	13,101	13,177
Percent Change	3.0%	2.7%	2.4%	2.3%

PCE Price Index (2012=100)

November Forecast, Final	108.5	108.9	109.5	110.0
Percent Change	1.6%	1.8%	1.9%	2.0%
November Forecast, Preliminary	108.5	109.2	109.8	110.3
Percent Change	1.7%	2.4%	2.3%	1.9%

Real Personal Income (Billions of 2012 Dollars)

November Forecast, Final	16,299	16,374	16,472	16,588
Percent Change	2.6%	1.9%	2.4%	2.8%
November Forecast, Preliminary	16,285	16,336	16,457	16,572
Percent Change	2.2%	1.3%	3.0%	2.8%

Nonfarm Payroll Employment (Millions)

November Forecast, Final	149.3	150.0	150.5	151.0
Percent Change	1.7%	1.7%	1.5%	1.4%
November Forecast, Preliminary	149.3	149.9	150.4	150.9
Percent Change	1.6%	1.6%	1.3%	1.3%

Unemployment Rate (Percent of Labor Force)

November Forecast, Final	3.8	3.7	3.5	3.4
November Forecast, Preliminary	3.9	3.7	3.6	3.6

Oil Price, Refiner's Acquisition

November Forecast, Final	69.0	64.0	59.0	59.7
November Forecast, Preliminary	69.9	71.6	70.5	70.4

30 Year Fixed Mortgage Rate (Percent, average)

November Forecast, Final	4.6	4.8	4.9	5.0
November Forecast, Preliminary	4.6	4.8	4.9	5.0

3 Month T-Bill Rate (Percent, average)

November Forecast, Final	2.0	2.4	2.6	2.7
November Forecast, Preliminary	2.1	2.4	2.5	2.7

	2017	2018	2019	2020	2021	2022	2023
--	------	------	------	------	------	------	------

18,051	18,574	19,060	19,403	19,753	20,128	20,551
2.2%	2.9%	2.6%	1.8%	1.8%	1.9%	2.1%
18,051	18,574	19,059	19,402	19,752	20,127	20,549
2.2%	2.9%	2.6%	1.8%	1.8%	1.9%	2.1%

12,559	12,892	13,228	13,479	13,749	14,038	14,347
2.5%	2.7%	2.6%	1.9%	2.0%	2.1%	2.2%
12,559	12,881	13,205	13,456	13,726	14,014	14,322
2.5%	2.6%	2.5%	1.9%	2.0%	2.1%	2.2%

106.1	108.3	110.3	112.4	114.7	117.0	119.4
1.8%	2.1%	1.9%	1.9%	2.1%	2.0%	2.0%
106.1	108.3	110.6	112.8	115.0	117.2	119.3
1.8%	2.1%	2.1%	2.0%	2.0%	1.9%	1.8%

15,867	16,244	16,639	17,053	17,430	17,819	18,249
2.6%	2.4%	2.4%	2.5%	2.2%	2.2%	2.4%
15,867	16,231	16,625	17,029	17,403	17,794	18,230
2.6%	2.3%	2.4%	2.4%	2.2%	2.2%	2.4%

146.6	149.0	151.2	152.6	153.5	154.5	155.6
1.6%	1.6%	1.5%	0.9%	0.6%	0.7%	0.7%
146.6	149.0	151.1	152.4	153.2	153.9	154.6
1.6%	1.6%	1.4%	0.9%	0.5%	0.4%	0.5%

4.4	3.9	3.5	3.6	3.7	3.8	3.8
4.4	3.9	3.6	3.7	3.9	4.1	4.2

50.7	65.5	59.6	59.8	59.6	59.4	59.0
50.7	67.6	70.1	67.5	64.6	62.0	60.1

4.0	4.6	5.0	5.2	5.2	5.2	5.1
4.0	4.6	5.0	5.2	5.2	5.1	5.1

0.9	2.0	2.8	3.1	3.2	3.2	3.0
0.9	2.0	2.8	3.1	3.2	3.1	3.0

U.S. Forecast Comparison

	2018Q3	2018Q4	2019Q1	2019Q2
--	--------	--------	--------	--------

Real GDP (Billions of 2012 Dollars)

November Forecast	18,671	18,790	18,905	19,021
Percent Change	3.5%	2.6%	2.5%	2.5%
September Forecast	18,665	18,796	18,905	19,017
Percent Change	3.3%	2.9%	2.3%	2.4%

Real Consumption (Billions of 2012 Dollars)

November Forecast	12,969	13,036	13,121	13,199
Percent Change	4.0%	2.1%	2.6%	2.4%
September Forecast	12,931	13,016	13,093	13,169
Percent Change	2.8%	2.7%	2.4%	2.3%

PCE Price Index (2012=100)

November Forecast	108.5	108.9	109.5	110.0
Percent Change	1.6%	1.8%	1.9%	2.0%
September Forecast	108.6	109.2	109.7	110.2
Percent Change	2.1%	2.2%	2.0%	2.0%

Real Personal Income (Billions of 2012 Dollars)

November Forecast	16,299	16,374	16,472	16,588
Percent Change	2.6%	1.9%	2.4%	2.8%
September Forecast	16,281	16,358	16,501	16,609
Percent Change	2.1%	1.9%	3.5%	2.7%

Nonfarm Payroll Employment (Millions)

November Forecast	149.3	150.0	150.5	151.0
Percent Change	1.7%	1.7%	1.5%	1.4%
September Forecast	149.4	150.0	150.6	151.1
Percent Change	1.9%	1.7%	1.4%	1.3%

Unemployment Rate (Percent of Labor Force)

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

Oil Price, Refiner's Acquisition

November Forecast	69.0	64.0	59.0	59.7
September Forecast	69.4	71.0	70.3	69.6

30 Year Fixed Mortgage Rate (Percent, average)

November Forecast	4.6	4.8	4.9	5.0
September Forecast	4.6	4.7	4.8	4.9

3 Month T-Bill Rate (Percent, average)

November Forecast	2.0	2.4	2.6	2.7
September Forecast	2.1	2.4	2.5	2.7

	2017	2018	2019	2020	2021	2022	2023
--	------	------	------	------	------	------	------

18,051	18,574	19,060	19,403	19,753	20,128	20,551
2.2%	2.9%	2.6%	1.8%	1.8%	1.9%	2.1%
18,051	18,575	19,060	19,421	19,799	20,208	20,623
2.2%	2.9%	2.6%	1.9%	1.9%	2.1%	2.1%

12,559	12,892	13,228	13,479	13,749	14,038	14,347
2.5%	2.7%	2.6%	1.9%	2.0%	2.1%	2.2%
12,559	12,878	13,199	13,457	13,732	14,025	14,329
2.5%	2.5%	2.5%	2.0%	2.0%	2.1%	2.2%

106.1	108.3	110.3	112.4	114.7	117.0	119.4
1.8%	2.1%	1.9%	1.9%	2.1%	2.0%	2.0%
106.1	108.3	110.5	112.8	114.9	117.1	119.3
1.8%	2.1%	2.0%	2.0%	1.9%	1.9%	1.9%

15,867	16,244	16,639	17,053	17,430	17,819	18,249
2.6%	2.4%	2.4%	2.5%	2.2%	2.2%	2.4%
15,867	16,236	16,662	17,075	17,483	17,913	18,342
2.6%	2.3%	2.6%	2.5%	2.4%	2.5%	2.4%

146.6	149.0	151.2	152.6	153.5	154.5	155.6
1.6%	1.6%	1.5%	0.9%	0.6%	0.7%	0.7%
146.6	149.1	151.2	152.6	153.5	154.5	155.3
1.6%	1.7%	1.5%	0.9%	0.6%	0.6%	0.5%

4.4	3.9	3.5	3.6	3.7	3.8	3.8
4.4	3.8	3.5	3.6	3.7	3.8	3.9

50.7	65.5	59.6	59.8	59.6	59.4	59.0
50.7	67.3	69.2	65.7	62.6	60.2	58.8

4.0	4.6	5.0	5.2	5.2	5.2	5.1
4.0	4.5	4.9	5.1	5.2	5.1	5.1

0.9	2.0	2.8	3.1	3.2	3.2	3.0
0.9	2.0	2.7	3.1	3.2	3.1	3.0

Washington Forecast Comparison

	2018Q3	2018Q4	2019Q1	2019Q2
Real Personal Income (Billions of 2012 Dollars)				
November Forecast, Final	424.7	427.6	430.2	433.6
Percent Change	3.7%	2.8%	2.4%	3.3%
November Forecast, Preliminary	424.8	426.8	430.2	433.6
Percent Change	3.8%	1.9%	3.2%	3.2%
Personal Income (Billions of Dollars)				
November Forecast, Final	460.7	465.9	470.9	477.0
Percent Change	5.3%	4.6%	4.4%	5.3%
November Forecast, Preliminary	461.0	465.9	472.3	478.3
Percent Change	5.7%	4.4%	5.5%	5.2%
Disposable Personal Income (Billions of Dollars)				
November Forecast, Final	410.1	414.6	419.2	424.8
Percent Change	5.0%	4.5%	4.5%	5.4%
November Forecast, Preliminary	410.6	414.9	420.8	426.2
Percent Change	5.5%	4.3%	5.7%	5.3%
Nonfarm Payroll Employment (Thousands)				
November Forecast, Final	3420	3446	3462	3480
Percent Change	2.8%	3.0%	2.0%	2.0%
November Forecast, Preliminary	3420	3440	3456	3472
Percent Change	2.9%	2.3%	1.9%	1.9%
Unemployment Rate (Percent of Labor Force)				
November Forecast, Final	4.5	4.3	4.2	4.1
November Forecast, Preliminary	4.5	4.3	4.2	4.2
Manufacturing Employment (Thousands)				
November Forecast, Final	287.7	289.0	289.6	290.0
Percent Change	3.7%	1.9%	0.8%	0.6%
November Forecast, Preliminary	287.3	289.2	290.3	290.7
Percent Change	3.1%	2.7%	1.5%	0.5%
Construction Employment (Thousands)				
November Forecast, Final	213.3	215.9	215.8	215.8
Percent Change	3.3%	4.8%	-0.1%	0.1%
November Forecast, Preliminary	213.1	214.1	214.1	214.3
Percent Change	2.9%	1.8%	0.1%	0.4%
Housing Permits (Thousands)				
November Forecast, Final	39.7	42.8	42.9	43.6
Percent Change	-29.1%	35.9%	0.9%	6.7%
November Forecast, Preliminary	39.7	42.8	43.5	43.8
Percent Change	-29.1%	35.9%	6.3%	2.6%

	2017	2018	2019	2020	2021	2022	2023
Real Personal Income (Billions of 2012 Dollars)							
November Forecast, Final	404.2	423.2	435.2	448.3	460.1	472.4	485.7
Percent Change	4.2%	4.7%	2.8%	3.0%	2.6%	2.7%	2.8%
November Forecast, Preliminary	404.2	423.1	435.3	447.9	459.6	471.8	485.0
Percent Change	4.2%	4.7%	2.9%	2.9%	2.6%	2.7%	2.8%
Personal Income (Billions of Dollars)							
November Forecast, Final	428.8	458.2	479.9	503.8	527.8	552.8	579.8
Percent Change	6.1%	6.9%	4.7%	5.0%	4.8%	4.7%	4.9%
November Forecast, Preliminary	428.8	458.3	481.3	505.4	528.7	552.9	578.7
Percent Change	6.1%	6.9%	5.0%	5.0%	4.6%	4.6%	4.7%
Disposable Personal Income (Billions of Dollars)							
November Forecast, Final	380.3	407.9	427.4	449.3	471.0	492.7	515.6
Percent Change	6.0%	7.3%	4.8%	5.1%	4.8%	4.6%	4.6%
November Forecast, Preliminary	380.3	408.1	428.9	451.0	472.0	493.2	515.5
Percent Change	6.0%	7.3%	5.1%	5.1%	4.6%	4.5%	4.5%
Nonfarm Payroll Employment (Thousands)							
November Forecast, Final	3322	3411	3486	3538	3575	3612	3648
Percent Change	2.4%	2.7%	2.2%	1.5%	1.0%	1.0%	1.0%
November Forecast, Preliminary	3322	3410	3478	3527	3560	3587	3611
Percent Change	2.4%	2.6%	2.0%	1.4%	0.9%	0.8%	0.7%
Unemployment Rate (Percent of Labor Force)							
November Forecast, Final	4.8	4.6	4.1	4.3	4.5	4.6	4.6
November Forecast, Preliminary	4.8	4.6	4.2	4.4	4.6	4.8	5.0
Manufacturing Employment (Thousands)							
November Forecast, Final	283.8	286.4	290.1	290.5	290.2	292.2	295.8
Percent Change	-2.1%	0.9%	1.3%	0.1%	-0.1%	0.7%	1.2%
November Forecast, Preliminary	283.8	286.4	290.7	290.9	290.4	292.0	294.9
Percent Change	-2.1%	0.9%	1.5%	0.1%	-0.2%	0.6%	1.0%
Construction Employment (Thousands)							
November Forecast, Final	199.7	212.5	215.8	215.7	214.9	213.8	212.5
Percent Change	7.0%	6.4%	1.6%	-0.1%	-0.3%	-0.5%	-0.6%
November Forecast, Preliminary	199.7	212.0	214.3	214.4	213.4	211.8	209.8
Percent Change	7.0%	6.2%	1.1%	0.1%	-0.5%	-0.8%	-0.9%
Housing Permits (Thousands)							
November Forecast, Final	45.8	43.7	43.6	43.8	42.2	41.4	40.6
Percent Change	3.9%	-4.5%	-0.2%	0.4%	-3.7%	-1.9%	-2.0%
November Forecast, Preliminary	45.8	43.7	43.7	43.5	42.0	41.0	40.0
Percent Change	3.9%	-4.5%	0.0%	-0.4%	-3.5%	-2.4%	-2.5%

Washington Forecast Comparison

2018Q3 2018Q4 2019Q1 2019Q2

Real Personal Income (Billions of 2012 Dollars)

November Forecast	424.7	427.6	430.2	433.6
Percent Change	3.7%	2.8%	2.4%	3.3%
September Forecast	414.4	416.9	421.1	424.5
Percent Change	3.2%	2.4%	4.0%	3.3%

Personal Income (Billions of Dollars)

November Forecast	460.7	465.9	470.9	477.0
Percent Change	5.3%	4.6%	4.4%	5.3%
September Forecast	450.0	455.2	462.0	468.0
Percent Change	5.3%	4.6%	6.1%	5.4%

Disposable Personal Income (Billions of Dollars)

November Forecast	410.1	414.6	419.2	424.8
Percent Change	5.0%	4.5%	4.5%	5.4%
September Forecast	402.8	407.4	413.6	419.1
Percent Change	5.3%	4.6%	6.3%	5.4%

Nonfarm Payroll Employment (Thousands)

November Forecast	3420	3446	3462	3480
Percent Change	2.8%	3.0%	2.0%	2.0%
September Forecast	3433	3452	3469	3485
Percent Change	3.0%	2.2%	2.0%	1.9%

Unemployment Rate (Percent of Labor Force)

November Forecast	4.5	4.3	4.2	4.1
September Forecast	4.6	4.4	4.2	4.2

Manufacturing Employment (Thousands)

November Forecast	287.7	289.0	289.6	290.0
Percent Change	3.7%	1.9%	0.8%	0.6%
September Forecast	287.4	289.3	290.3	290.5
Percent Change	2.7%	2.7%	1.4%	0.4%

Construction Employment (Thousands)

November Forecast	213.3	215.9	215.8	215.8
Percent Change	3.3%	4.8%	-0.1%	0.1%
September Forecast	212.4	212.8	213.0	213.3
Percent Change	1.5%	0.7%	0.5%	0.4%

Housing Permits (Thousands)

November Forecast	39.7	42.8	42.9	43.6
Percent Change	-29.1%	35.9%	0.9%	6.7%
September Forecast	40.1	42.8	43.3	43.8
Percent Change	-25.8%	29.9%	4.4%	4.2%

2017 2018 2019 2020 2021 2022 2023

404.2	423.2	435.2	448.3	460.1	472.4	485.7
4.2%	4.7%	2.8%	3.0%	2.6%	2.7%	2.8%
395.9	413.4	426.1	438.8	451.3	464.3	477.2
3.7%	4.4%	3.1%	3.0%	2.8%	2.9%	2.8%

428.8	458.2	479.9	503.8	527.8	552.8	579.8
6.1%	6.9%	4.7%	5.0%	4.8%	4.7%	4.9%
420.0	447.8	471.0	494.9	518.7	543.8	569.5
5.6%	6.6%	5.2%	5.1%	4.8%	4.8%	4.7%

380.3	407.9	427.4	449.3	471.0	492.7	515.6
6.0%	7.3%	4.8%	5.1%	4.8%	4.6%	4.6%
374.2	400.8	421.7	443.4	464.6	486.4	508.5
5.6%	7.1%	5.2%	5.1%	4.8%	4.7%	4.6%

3322	3411	3486	3538	3575	3612	3648
2.4%	2.7%	2.2%	1.5%	1.0%	1.0%	1.0%
3322	3419	3491	3539	3572	3605	3630
2.4%	2.9%	2.1%	1.4%	0.9%	0.9%	0.7%

4.8	4.6	4.1	4.3	4.5	4.6	4.6
4.8	4.6	4.2	4.2	4.3	4.3	4.4

283.8	286.4	290.1	290.5	290.2	292.2	295.8
-2.1%	0.9%	1.3%	0.1%	-0.1%	0.7%	1.2%
283.8	286.6	290.5	290.7	290.5	292.3	295.1
-2.1%	1.0%	1.4%	0.0%	-0.1%	0.6%	0.9%

199.7	212.5	215.8	215.7	214.9	213.8	212.5
7.0%	6.4%	1.6%	-0.1%	-0.3%	-0.5%	-0.6%
199.7	211.4	213.1	213.1	212.1	211.4	210.0
7.0%	5.9%	0.8%	0.0%	-0.5%	-0.3%	-0.7%

45.8	43.7	43.6	43.8	42.2	41.4	40.6
3.9%	-4.5%	-0.2%	0.4%	-3.7%	-1.9%	-2.0%
45.8	43.8	43.8	44.2	43.0	42.0	41.1
3.9%	-4.2%	0.0%	0.8%	-2.6%	-2.4%	-2.1%