



## Economic and Revenue Forecast Council

**EMBARGOED** until September 26, 2018, 10:00 am PDT when it will be released at [www.erfc.wa.gov](http://www.erfc.wa.gov)  
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### Continued Economic Strength Leads to Increase in the Revenue Forecast

**OLYMPIA, September 26, 2018** –The Near General Fund-State (Near GF-S) revenue forecast for the 2017-19 biennium has increased by \$348 million, and revenue for the 2019-21 biennium has increased by \$443 million. The Near GF-S includes the General Fund-State, Education Legacy Trust Account and Washington Opportunity Pathways Account and provides the fullest picture of resources available for budget purposes.

Nationally, consumer confidence continues to strengthen with respondents reporting favorable perceptions of job prospects and economic growth. Major threats to the U.S. and Washington economies remain, including international trade concerns, geopolitical risks and a maturing economic expansion.

We expect Washington employment to grow 2.9% this year compared to 2.5% in the June forecast. We expect employment growth to average 1.2% per year in 2019 through 2023, which is slightly stronger than the 1.1% per year expected in the June forecast. Our forecast for nominal personal income growth this year is 6.6%, up from 5.8% in the June forecast. Our new forecast for nominal personal income growth in 2019 through 2023 averages 4.9% per year compared to 5.1% per year in the June forecast.

In addition to higher personal income and continued job growth, revenue collections in the current biennium continue to increase from strong retail sales and business transactions.

#### **Forecast of GF-S Revenue (probabilities in parenthesis): 2017-19**

**Baseline (70%):** \$43.808 billion; \$348 million higher than the previous forecast.

**Optimistic (15%):** \$44.402 billion; \$594 million more than the baseline forecast.

**Pessimistic (15%):** \$43.138 billion; \$669 million less than the baseline forecast.

**Governor's Council of Economic Advisors:** \$43.619 billion; \$189 million less than the baseline forecast.

The economic and revenue forecasts are updated quarterly. The next update to the revenue forecast will be on Tuesday, November 20, 2018.

Please see our full report for more information. You can access this report at <http://erfc.wa.gov/sites/default/files/public/documents/forecasts/rev20180926.pdf>

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#### **About the ERFC:**

**The ERFC was established under RCW 82.33 to provide the Governor and the Legislature with official independent and professional forecasts of the state economy and revenues.**