

# Economic and Revenue Growth Trends

Presented to the  
House Finance Committee

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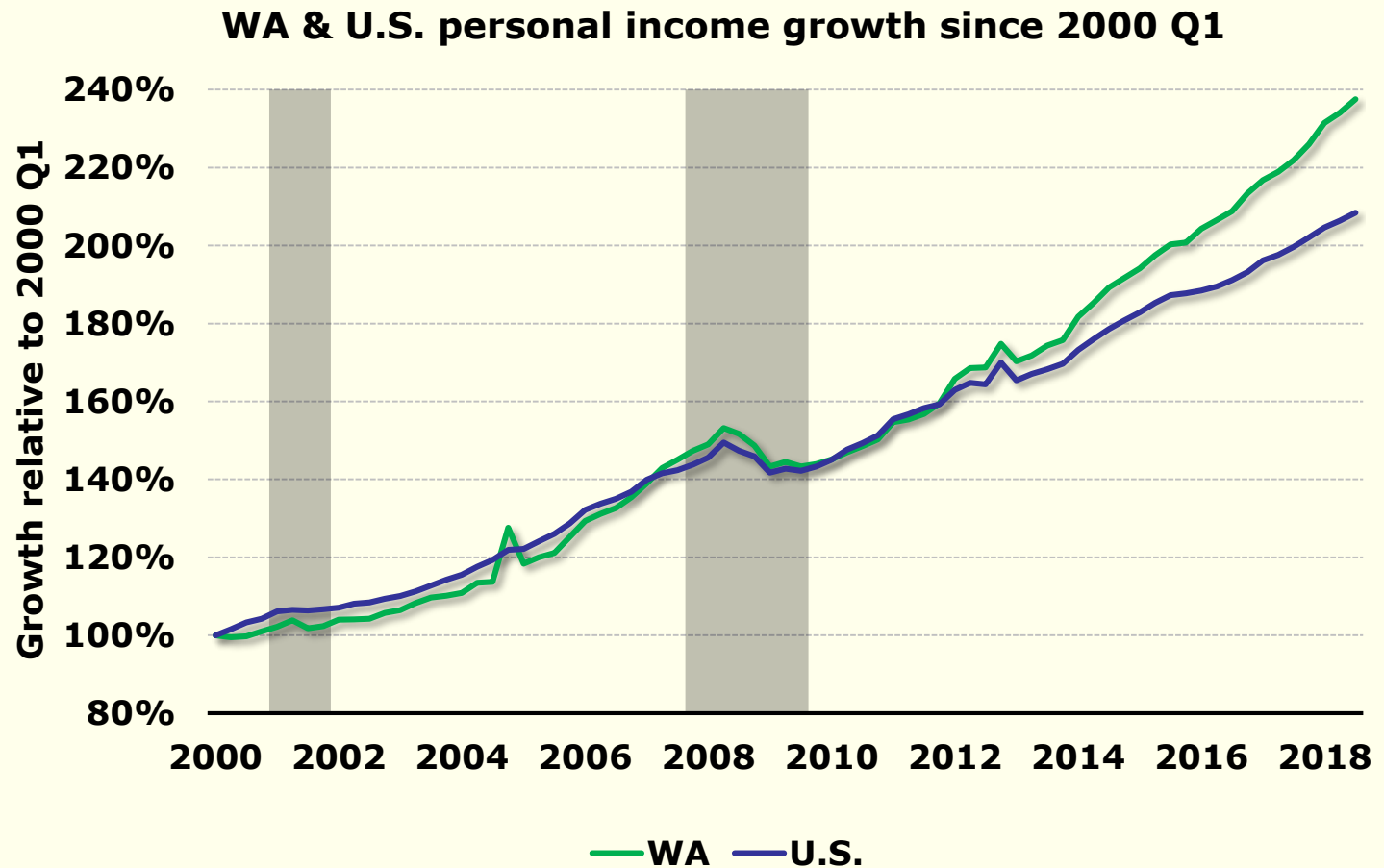
January 22, 2019  
Olympia, Washington



WASHINGTON STATE  
ECONOMIC AND REVENUE FORECAST COUNCIL



# Since 2012, WA personal income has grown faster than the nation



Source: U.S. Dept. of Commerce, BEA; data through 2018 Q3

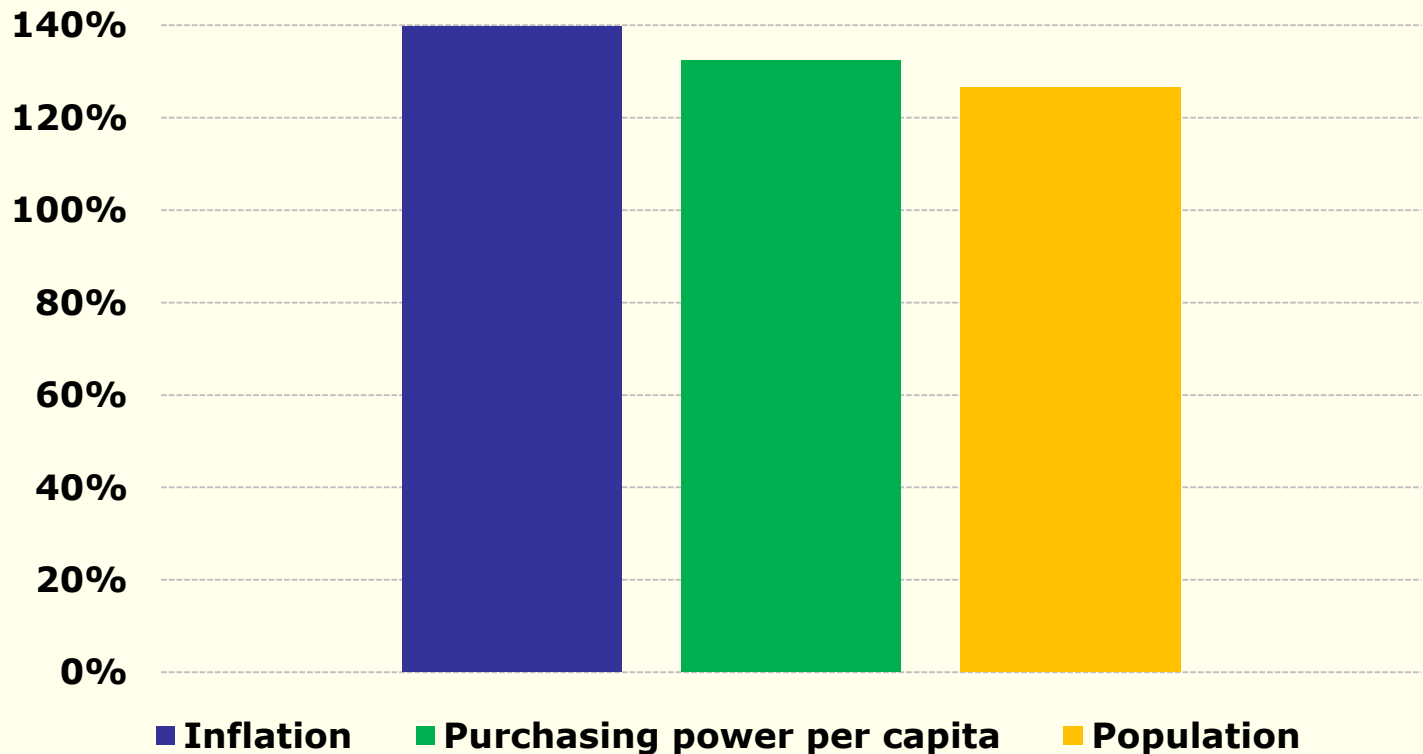
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# Personal income growth rises as purchasing power, prices and population increase

Purchasing power per capita is typically referred to as real, or inflation-adjusted, per capita personal income

**Change in WA personal income components, 2000Q1 to 2018Q3**



Source: U.S. Dept. of Commerce, BEA; data through 2018 Q3

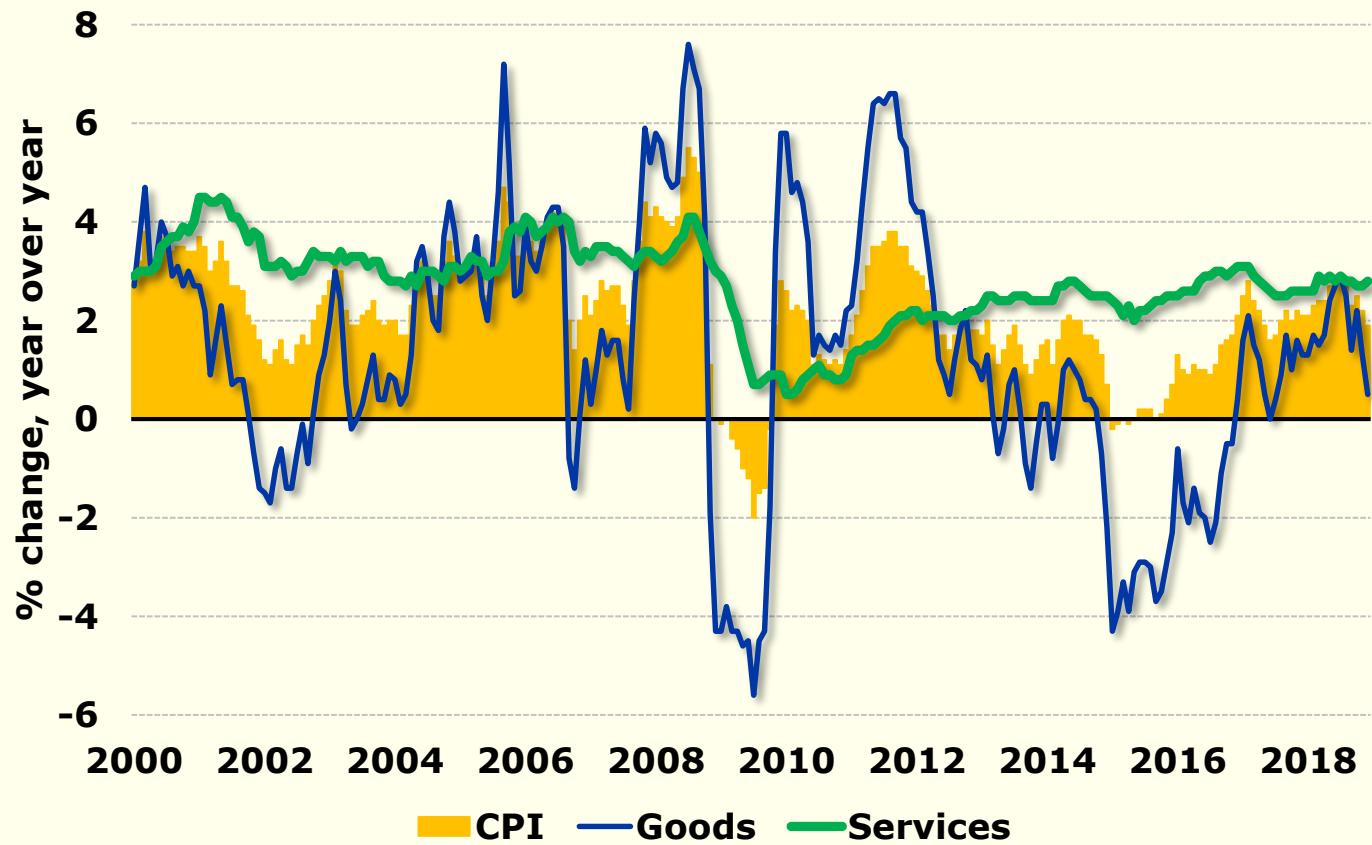
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# Inflation for goods has tended to be lower than for services

Generally, goods are subject to sales tax while services are not

### Year over year change in inflation

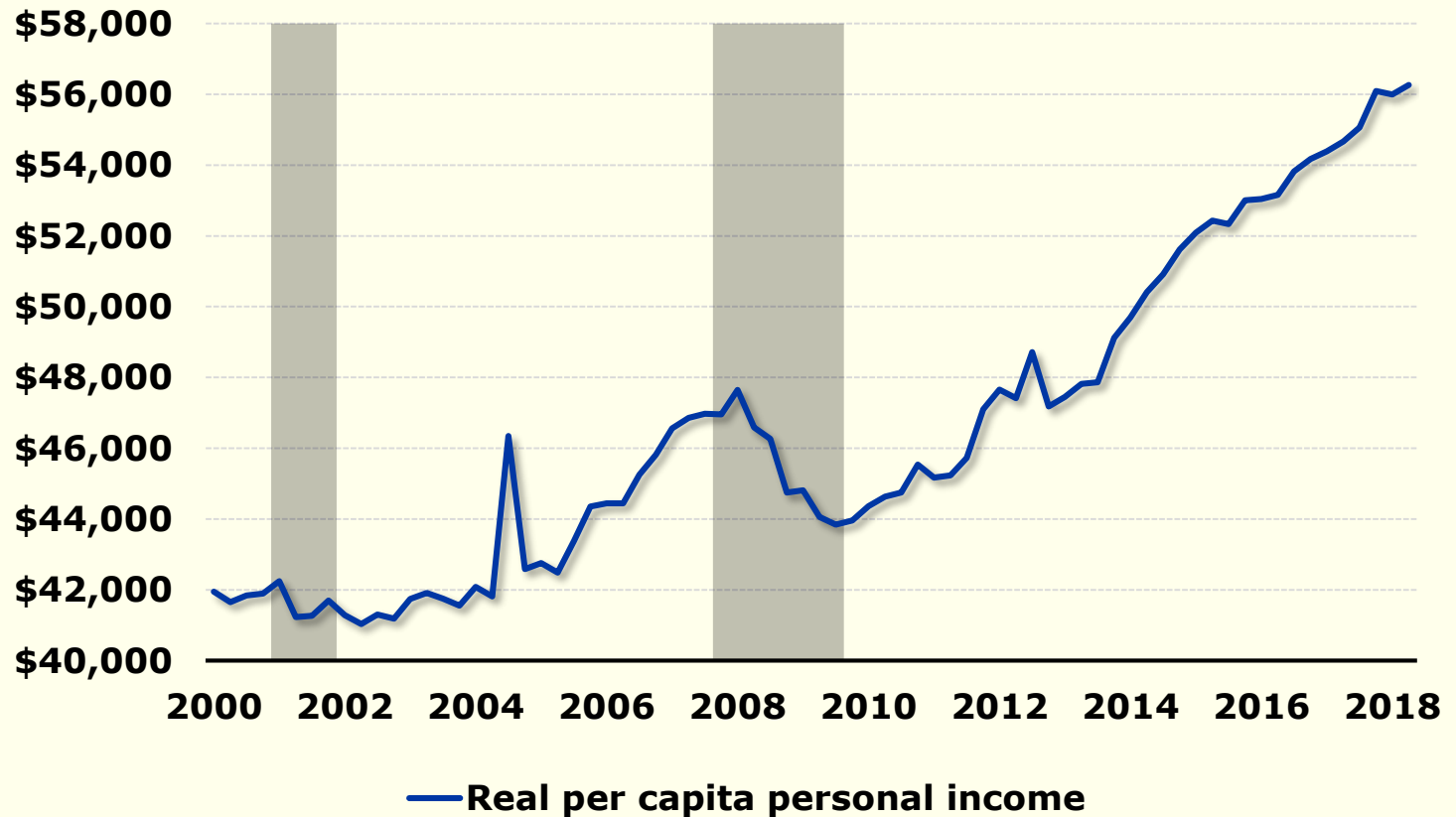


Source: U.S. Dept. of Labor, BLS; data through Dec. 2018

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# WA real per capita personal income has grown strongly since the recession

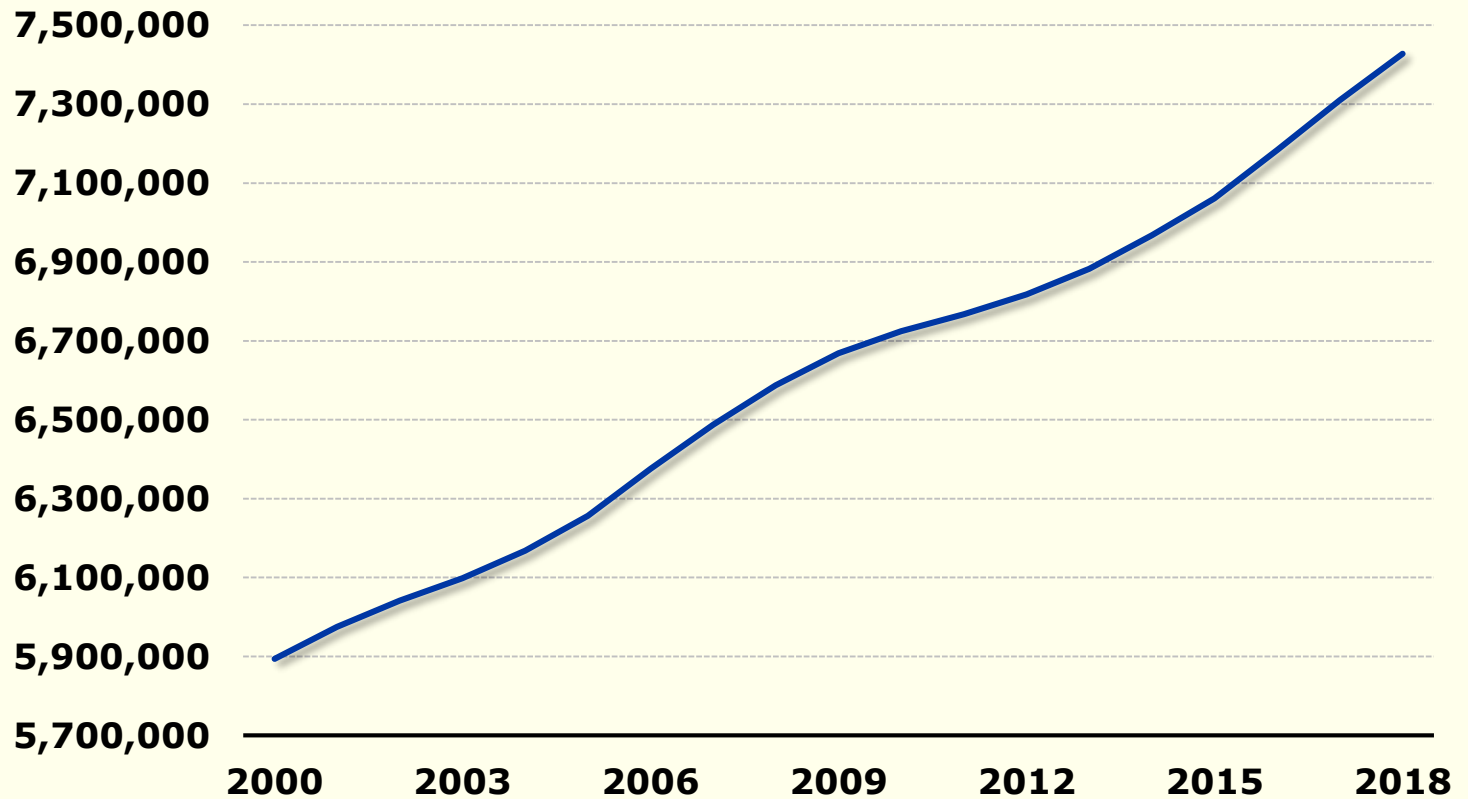


Source: U.S. Dept. of Commerce, BEA; data through 2018 Q3

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# Washington population has increased by over 1.5 million since 2000



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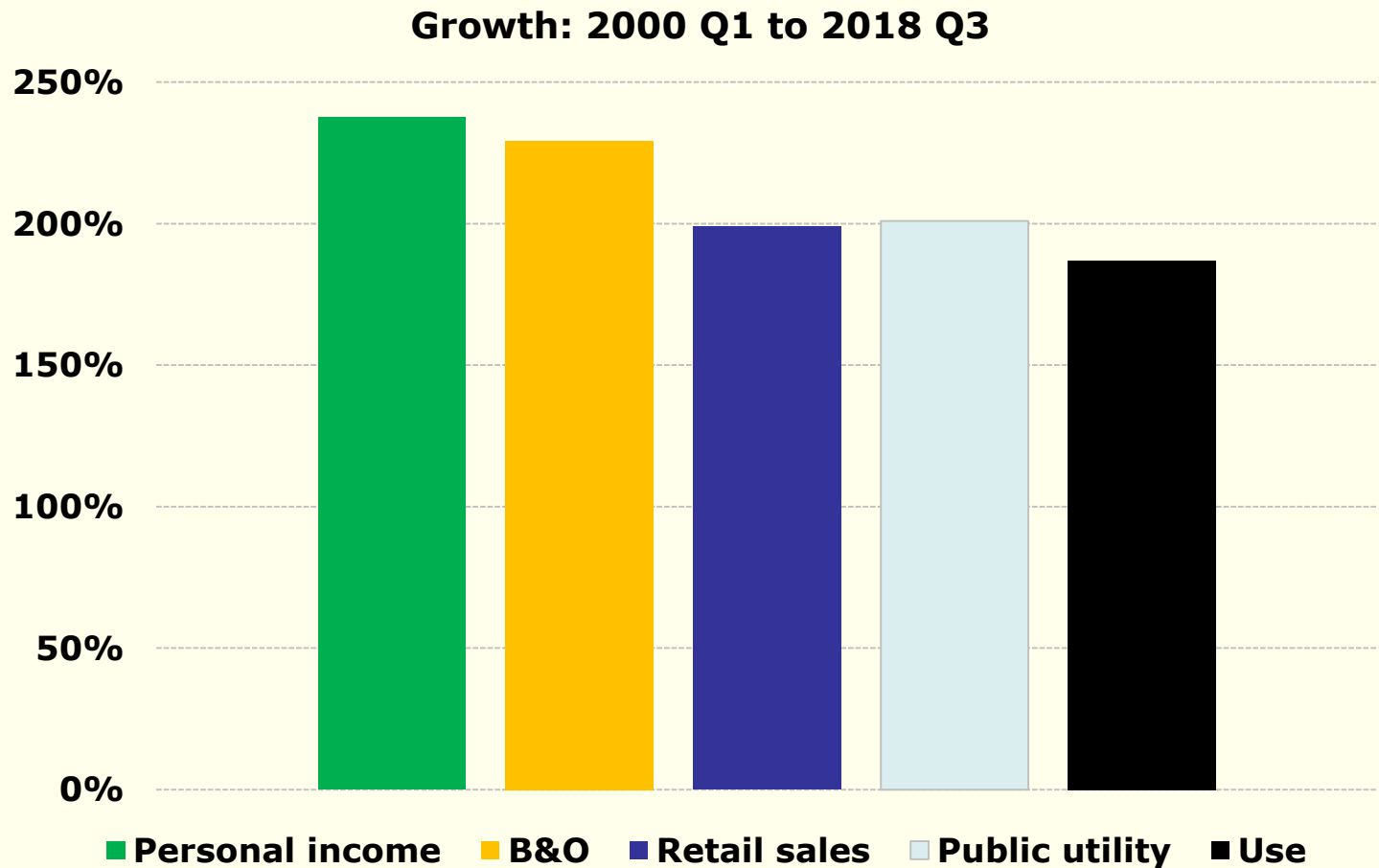
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Source: WA Office of Financial Management; data through April 1, 2018

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# Growth in major tax sources and personal income: 2000Q1 to 2018Q3



Source: U.S. Dept. of Commerce, BEA, ERFC; data through 2018 Q3

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# Growth in state property tax and personal income: 2000 to 2017



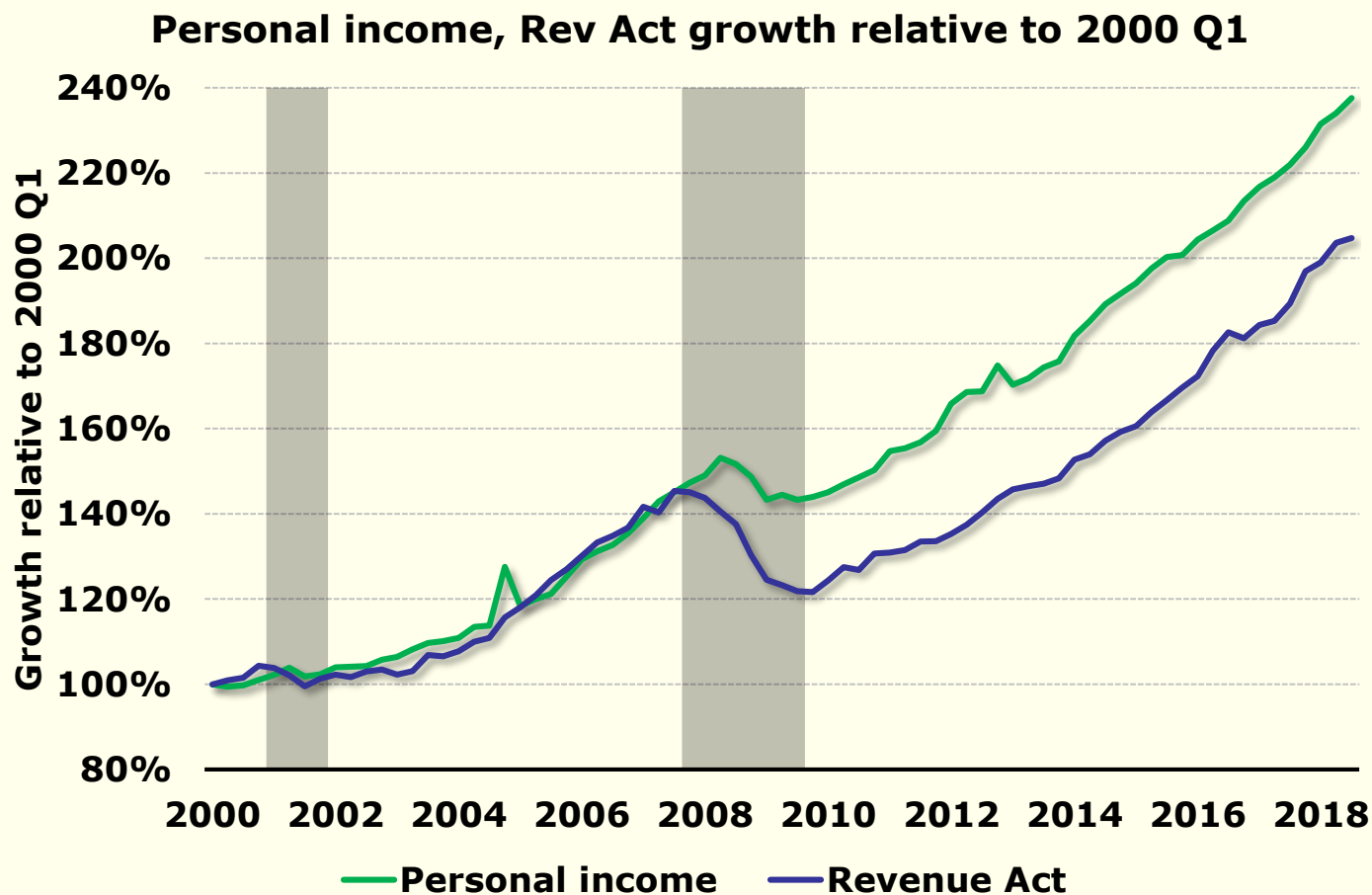
Source: U.S. Dept. of Commerce, BEA, ERFC; data through 2017

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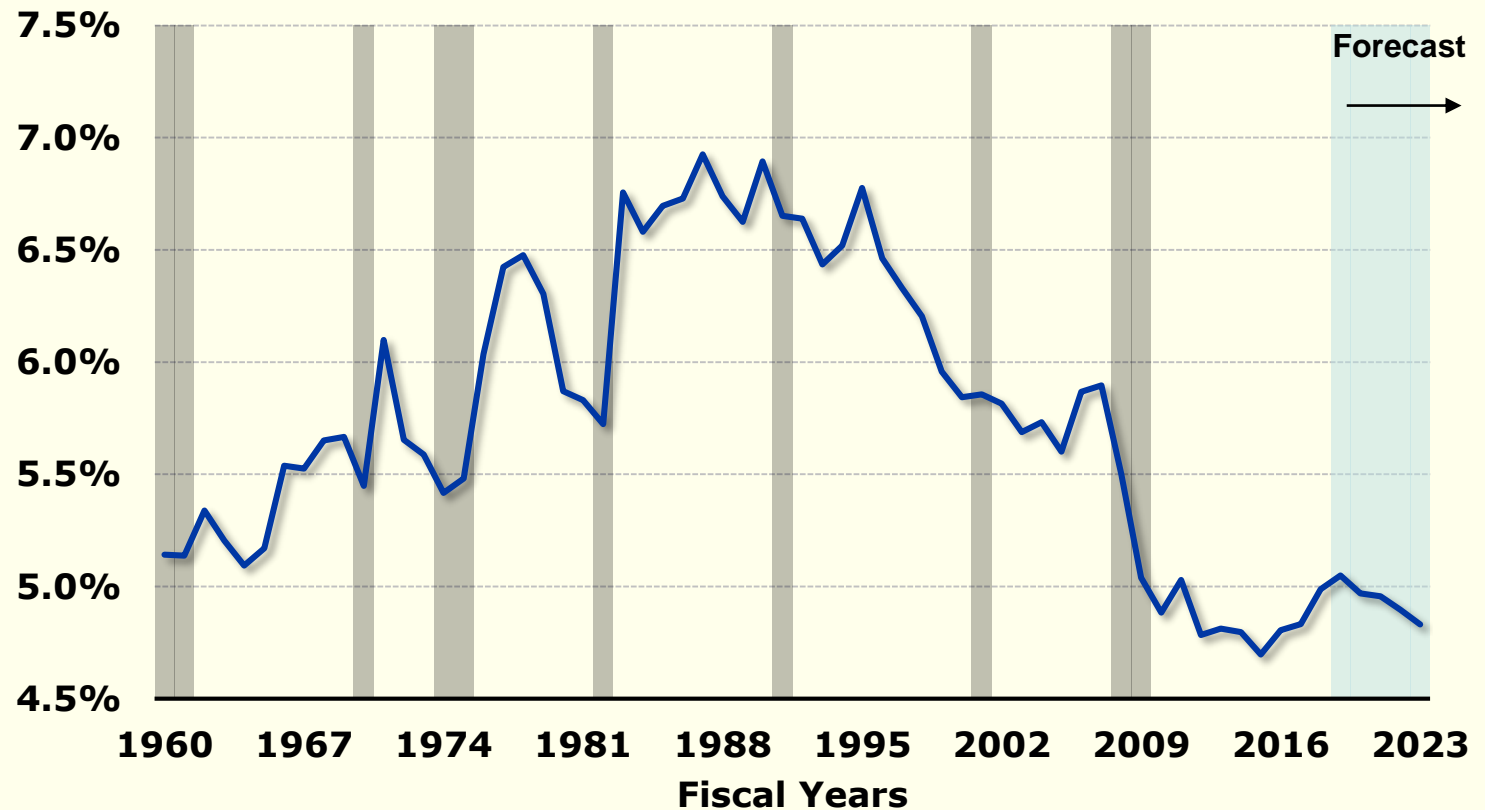


# Revenue Act sources declined faster than personal income during the 2007-09 recession





# Near General Fund-State revenue as a percentage of personal income



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Source: U.S. Dept. of Commerce, BEA; ERFC Nov. 2018 forecast, data through FY 2023

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# Questions



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[www.ercf.wa.gov](http://www.ercf.wa.gov)  
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