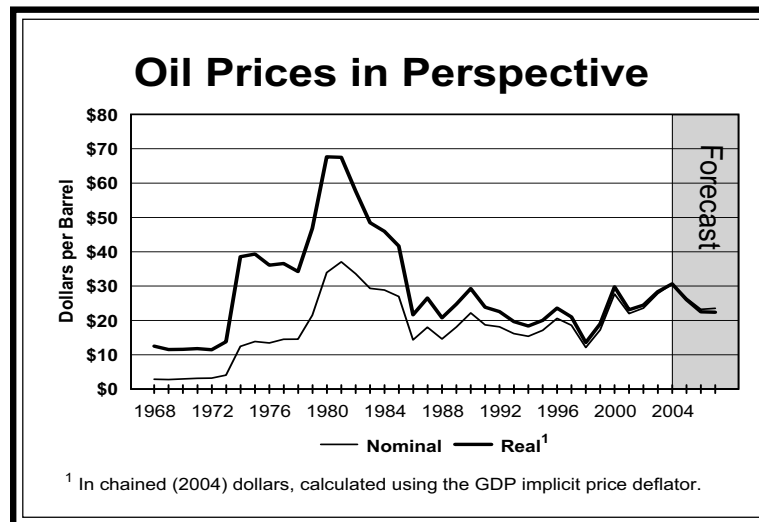


Washington Economic and Revenue Forecast



June 2004
Volume XXVII, No. 2

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Explanation of the Cover Graph

The cover chart shows the crude oil refiner acquisition cost for imported oil in both current and 2004 dollars. At an estimated \$31 dollars in 2004, the price of oil is the highest in more than 30 years. After adjusting for inflation, however, prices do not seem nearly so inflated. Oil prices would have to approach \$70 per barrel to be as high in real terms as the all-time peak in 1980. Also, energy demand as a share of GDP is now only about half what it was thirty years ago which further reduces the impact of higher prices on the economy. Thus, while higher oil prices will slow the economy this year, they are not expected to derail the recovery.

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Washington Economic and Revenue Forecast

Prepared by the
Economic and Revenue Forecast Council

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Preface

The Economic and Revenue Forecast Council is required by Chapter 231, Section 34, Laws of 1992 (RCW 82.33.020) to prepare a quarterly state economic and revenue forecast and submit it to the Forecast Council. This report presents the state's economic and General Fund-State revenue forecast. It is issued four times a year.

Copies on Compact Disc are available to Washington State businesses and residents for \$2.50 per copy, and to those out-of-state for \$5.00 per copy. You may contact our office for more subscription information at (360) 570-6100 or by writing the Office of the Forecast Council, Post Office Box 40912, Olympia, WA 98504-0912.

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Executive Summary

U.S. Economic Forecast

The June 2004 economic and revenue forecast incorporated the advance GDP estimate for the first quarter of 2004. According to the advance estimate, real GDP grew at a 4.2 percent rate in the first quarter, up slightly from the 4.1 percent rate in the fourth quarter of 2003. Final sales were up 3.9 percent in the quarter as inventory accumulation accelerated slightly. As usual, consumption spending accounted for the bulk of GDP growth, rising at a 3.8 percent annual rate in spite of a 4.7 percent drop in durable goods caused by declining purchases of motor vehicles and parts. Fixed investment spending rose 5.4 percent in the first quarter, led by an 11.5 increase in equipment and software purchases. Growth in government purchases was a moderate 2.0 percent in the first quarter. Government spending growth was entirely due to defense spending which jumped 15.1 percent. The foreign sector was essentially neutral in the first quarter as a 2.0 percent rise in imports canceled out a 3.2 percent increase in exports.

U.S. employment posted its second consecutive increase rising at a 1.0 percent rate in the first quarter of 2004 following a 0.6 percent increase in the fourth quarter of last year while the unemployment rate declined to 5.63 percent from 5.87. Inflation, as measured by the Consumer Price Index, jumped to 3.6 percent in the first quarter of 2004 from 0.7 percent in the fourth quarter. The increase was mostly due to surging energy prices. Core inflation (excluding food and energy) also increased, though, from 1.0 percent to 1.8 percent. Housing starts fell 16.0 percent to a still strong 1.944 million units. The 2.031 million units started in the fourth quarter of last year was the first time starts had broken the 2 million unit mark since 1978. The mortgage rate declined to 5.61 percent in the first quarter from 5.92 percent in the fourth quarter of 2003. As expected in the forecast, the Federal Open Market Committee left its target interest rate unchanged at 1.00 percent in May.

By fall, the economy will be operating with less policy stimulus. Tax refunds will have been spent or perhaps saved-tax rates will have stabilized, and the ultra-low interest rates that boosted housing activity and spurred mortgage refinancing will be history. The last bit of legislated stimulus will wind down at the end of the year, when the bonus depreciation for capital equipment purchases expires. The fiscal stimulus from rising federal government purchases will continue, although at a lesser degree than in the recent past. As policy stimulus dissipates, first investment, then trade, will take over the driver's seat, with state and local governments gradually restoring the cuts in education and highway maintenance that kept funds flowing to the more critical social services. With employment on the increase, growth in earned income will more than compensate for the loss of stimulus from tax cuts and low interest rates, keeping consumer spending on the rise. We expect real GDP growth to come in near 5% this year, and then decelerate but hold above 3% through 2007. Thereafter, we expect that increases in federal personal taxes, slower improvement in net trade, and a gradual increase in the household saving rate will temporarily pull growth

down into the 2.5-3.0% range. The forecast assumes employment growth will improve from -0.3 percent in 2003 to 1.0 percent in 2004 and 1.9 percent in 2005, slowing to 1.6 percent in 2006 and 1.2 percent in 2007. The unemployment rate, which rose from 3.98 percent in 2000 to 5.99 percent in 2003, is expected to decline gradually to 5.57 percent this year and 5.48 percent, 5.46 percent, and 5.40 percent in the following three years. Inflation, as measured by the implicit price deflator for personal consumption expenditures, accelerated to 1.8 percent in 2003 from 1.4 percent in 2002. The increase in 2003 was entirely the result of higher energy costs. Core inflation fell from 1.7 percent in 2002 to 1.2 percent in 2003. Rising energy costs are expected to boost inflation again this year but the opposite is expected in 2005, 2006, and 2007 when easing energy prices will help restrain overall inflation. The forecast expects inflation rates of 2.0 percent in 2004, 1.5 percent in 2005, 1.6 percent in 2006, and 2.1 percent in 2007. The forecast assumes that the Fed will begin raising rates in August although the recent strength in the economy suggests a June rate hike is likely.

Washington State Economic Forecast

It now seems clear that the long awaited recovery in employment has finally arrived here in Washington. Washington's payroll employment growth rate accelerated to 2.5 percent in the first quarter of 2004 following growth rates of 1.7 percent and 1.4 percent in the third and fourth quarters of 2003. Manufacturing employment fell at a 0.6 percent annual rate in the first quarter, the twenty-third consecutive decline in overall manufacturing employment excluding the impact of the February 2000 aerospace labor dispute. Aerospace employment more than accounted for the decline in manufacturing employment, falling at a 3.2 percent annual rate in the first quarter as Boeing's layoffs continued. Washington aerospace employment is now down 29.8 percent since September 11 and 45.2 percent since the 1998 peak. Manufacturing employment other than aerospace edged up 0.1 percent in the first quarter of 2004. This was the first quarterly increase in non-aerospace manufacturing employment in four years. Nearly every nonmanufacturing sector expanded in the first quarter. Construction employment growth accelerated to 9.7 percent from 4.9 percent and 3.7 percent in the previous two quarters. Other services employment was also very strong, rising at a 7.1 percent rate. Information employment grew at a 4.7 percent rate led by a 6.8 percent increase in software employment. Trade, transportation, and utilities employment grew at a 3.7 percent rate while professional and business services employment rose 3.6 percent due mainly to a 16.3 percent increase in employment services. Financial activities, state and local government, and education and health services were up 2.1 percent, 1.8 percent, and 1.6 percent respectively. Federal government employment fell at a 3.7 percent rate, however, and leisure and hospitality employment slipped 0.3 percent.

Washington's personal income in the fourth quarter of 2003 was \$1.774 billion (0.9 percent) lower than the estimate made in February. Fourth quarter wages were \$0.842 billion (0.7 percent) lower than expected in February due mostly to a \$0.524 (10.0 percent) billion discrepancy in software wages. Non-software wages were also lower than expected by \$0.318 billion (0.3 percent). Nonwage personal income was \$0.933 billion (1.0 percent) lower than expected in February due to historical revisions stemming from the comprehensive revision of the National Income and Product Accounts.

The number of housing units authorized by building permit in Washington rose 1,000 in the first quarter of 2004 to an annualized rate of 42,000 from 41,000 in the fourth quarter. The increase was more than accounted for by the volatile multi-family market, however, which rose 2,100 to 9,600. Single family permits declined 1,100 to a still strong 32,400. Single family permits in 2003 were the highest since 1998.

The Washington State forecast reflects the slightly weaker growth in the new U.S. forecast. The Washington aerospace employment forecast is essentially unchanged. The forecast expects a decline of 2,200 during 2004 before a modest recovery begins in 2005 which adds 11,200 by the end of 2007. The

software wage assumption has been lowered to reflect the assumption of lower stock option income. The software employment forecast assumes an increase of about 3,000 employees per year through 2007. Washington employment rose at a strong 3.1 percent annual rate in the first four months of 2004. As a result of the recent strength in employment, the population and housing forecasts have also been increased.

Washington nonfarm payroll employment stabilized in 2003, rising 0.2 percent following declines of 0.5 percent and 1.6 percent in 2001 and 2002. In spite of the recent strength in employment, the recovery in Washington is expected to be unusually slow. The forecast expects only a weak national recovery and no Boeing upturn until 2005. Population growth has slowed to a crawl and both wage growth and price growth have been dampened by the prolonged contraction. The forecast calls for an employment growth rate of 1.9 percent in 2004 improving to 2.2 percent in 2005. Employment growth is expected to retreat slightly to 2.1 percent and 1.8 percent during the final two years of the forecast. Washington personal income growth increased from 2.4 percent in 2002 to 3.2 percent in 2003. Personal income growth is expected to continue to improve to 4.8 percent this year and 5.5 percent, 6.1 percent, and 6.5 percent during the next three years as the recovery gains momentum. Housing activity is expected to stabilize after strong growth in the last two years. Housing permits increased 2,600 in 2003 to 42,800. While stronger population growth in the next four years should boost multi-family activity, higher mortgage rates will lead to similar declines in the single family market. As a result, overall housing is expected to remain relatively stable. The forecast expects housing permits to total 43,500 in 2004, and 44,500 in 2005 before slowing to 43,400 in 2006 and 42,600 in 2007.

Washington State Revenue Forecast

The U.S. and Washington economies are finally producing significant and sustained job gains in recent months setting the stage for a virtuous cycle of growth in jobs, incomes, and production. Washington employment grew at a 3.1 percent rate in the first four months of this year adding nearly 30,000 jobs. The improved economy is reflected in higher than expected revenue collections since February.

Excluding 2004 legislation which was incorporated into the forecast in June, the June forecast is up \$185.5 million (0.8 percent) from the February forecast and the forecast for the 2005-07 biennium is up \$61.7 million (0.2 percent). The total change, excluding legislation, for the two biennia is an increase of \$247.2 million.

The June forecast includes the impact of 2004 legislation which reduces General Fund-State revenue in the current biennium by \$86.4 million and by \$264.7 million in the 2005-07 biennium. The June 2004 forecast, including legislation, for the 2003-05 biennium now is \$22,996.3 million and the forecast for the 2005-07 biennium is \$24,750.4 million.

As required by law, optimistic and pessimistic alternative forecasts were developed for the 2003-05 biennium. The forecast based on more optimistic economic assumptions netted \$355 million (1.5 percent) more revenue than did the baseline while the pessimistic alternative was \$309 million (1.3 percent) lower. An alternative forecast based on the average view of the Governor's Council of Economic Advisors yielded \$49 million (0.2 percent) more revenue than did the baseline forecast.

Note: The economic data discussed in this chapter were current at the time the forecast was prepared. Many concepts including real GDP have changed since then due to new releases and data revisions.

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Washington State and U.S. Economic Forecasts

Recent U.S. Economic Activity

The June 2004 economic and revenue forecast incorporated the advance GDP estimate for the first quarter of 2004. According to the advance estimate, real GDP grew at a 4.2 percent rate in the first quarter, up slightly from the 4.1 percent rate in the fourth quarter of 2003. Final sales were up 3.9 percent in the quarter as inventory accumulation accelerated slightly. As usual, consumption spending accounted for the bulk of GDP growth, rising at a 3.8 percent annual rate in spite of a 4.7 percent drop in durable goods caused by declining purchases of motor vehicles and parts. Consumer purchases of nondurable goods rose at a strong 6.4 percent rate in the quarter while purchases of services rose 4.3 percent. Fixed investment spending rose 5.4 percent in the first quarter, led by an 11.5 increase in equipment and software purchases. Residential fixed investment growth slowed to 2.1 percent while nonresidential construction fell 6.5 percent. Growth in government purchases was a moderate 2.0 percent in the first quarter. Government spending growth was entirely due to defense spending which jumped 15.1 percent. Federal nondefense spending edged up only 0.7 percent and state and local government purchases fell 2.6 percent. The foreign sector was essentially neutral in the first quarter as a 2.0 percent rise in imports canceled out a 3.2 percent increase in exports.

U.S. employment posted its second consecutive increase rising at a 1.0 percent rate in the first quarter of 2004 following a 0.6 percent increase in the fourth quarter of last year while the unemployment rate declined to 5.63 percent from 5.87. Inflation, as measured by the Consumer Price Index, jumped to 3.6 percent in the first quarter of 2004 from 0.7 percent in the fourth quarter. The increase was mostly due to surging energy prices. Core inflation (excluding food and energy) also increased, though, from 1.0 percent to 1.8 percent. Housing starts fell 16.0 percent to a still strong 1.944 million units. The 2.031 million units started in the fourth quarter of last year was the first time starts had broken the 2 million unit mark since 1978. The mortgage rate declined to 5.61 percent in the first quarter from 5.92 percent in the fourth quarter of 2003. As expected in the forecast, the Federal Open Market Committee left its target interest rate unchanged at 1.00 percent in May.

U.S. Forecast Highlights

By fall, the economy will be operating with less policy stimulus. Tax refunds will have been spent—or perhaps saved—tax rates will have stabilized, and the ultra-low interest rates that boosted housing activity and spurred mortgage refinancing will be history. The last bit of legislated stimulus will wind down at the

end of the year, when the bonus depreciation for capital equipment purchases expires. The fiscal stimulus from rising federal government purchases will continue, although at a lesser degree than in the recent past. As policy stimulus dissipates, first investment, then trade, will take over the driver's seat, with state and local governments gradually restoring the cuts in education and highway maintenance that kept funds flowing to the more critical social services. With employment on the increase, growth in earned income will more than compensate for the loss of stimulus from tax cuts and low interest rates, keeping consumer spending on the rise. The forecast assumes employment growth will improve from -0.3 percent in 2003 to 1.0 percent in 2004 and 1.9 percent in 2005, slowing to 1.6 percent in 2006 and 1.2 percent in 2007. The unemployment rate, which rose from 3.98 percent in 2000 to 5.99 percent in 2003, is expected to decline gradually to 5.57 percent this year and 5.48 percent, 5.46 percent, and 5.40 percent in the following three years. Inflation, as measured by the implicit price deflator for personal consumption expenditures, accelerated to 1.8 percent in 2003 from 1.4 percent in 2002. The increase in 2003 was entirely the result of higher energy costs. Core inflation fell from 1.7 percent in 2002 to 1.2 percent in 2003. Rising energy costs are expected to boost inflation again this year but the opposite is expected in 2005, 2006, and 2007 when easing energy prices will help restrain overall inflation. The forecast expects inflation rates of 2.0 percent in 2004, 1.5 percent in 2005, 1.6 percent in 2006, and 2.1 percent in 2007. The forecast assumes that the Fed will begin raising rates in August although the recent strength in the economy suggests a June rate hike is likely.

1. Though real GDP has been growing for more two years, the pace has been too slow, given the strong productivity growth we have been enjoying, to provide the job growth required for a self sustaining recovery. That should change this year as real GDP growth accelerates to 4.5 percent in fiscal 2004 and 4.3 percent in 2005 from 2.6 percent in 2003 and just 0.7 percent in 2002. Overall consumer spending growth is expected to accelerate as job growth finally turns positive. Investment spending is also expected to be a major contributor to GDP growth in the next two years due mainly to business spending on equipment and software. Defense spending will remain strong through 2004 but state and local government spending will lag. Net exports will be roughly neutral as strong export growth is offset by strong import growth. GDP growth is expected to slow in the next biennium as the recovery matures. The forecast calls for GDP growth rates of 3.1 percent and 3.6 percent in 2006 and 2007.
2. Inflation, as measured by the implicit price deflator for personal consumption expenditures, increased to 1.9 percent in fiscal 2003 from 1.4 percent in 2002. Most of the increase was due to a swing in energy costs, which reduced inflation in 2002 but fueled inflation in 2003. Energy costs are expected to boost inflation this year to 1.8 percent even though core inflation is expected to reach a 21-year-low 1.2 percent. The reverse will be true during the next three years as energy costs decline but core inflation creeps up. The forecast expects inflation rates of 1.8 percent in 2005, 1.5 percent in 2006, and 1.9 percent in 2007.
3. The Federal Reserve has taken no action on interest rates since lowering its target rate 25 basis points to 1.00 percent at the June 2003 meeting but with the economy showing renewed strength, rate increases are imminent. Still, there is enough slack in the economy that the Fed Funds target will be raised gradually. The Fed is expected to make its first tightening move at its September meeting with the funds rate reaching 3.00 percent in fiscal 2007. As a result of the past Fed easing, the three-month Treasury bill rate fell to 1.30 percent in fiscal 2003 from 2.15 percent in 2002 and 5.14 percent in 2001. The T-bill rate is expected to decline even further to 0.92 percent in 2004. The forecast expects the T-bill rate to increase to 1.60 percent in 2005, 2.59 percent in 2006, and

2.77 percent in 2007 as the Fed begins tightening again. Mortgage rates also continued to decline in fiscal 2003 to 5.93 percent from 6.88 percent in 2002 and 7.45 percent in 2001 as a result of the easier monetary policy as well as the weak economy. The forecast expects the mortgage rate to rise fall further this year to 5.91 percent before bouncing back to 6.39 percent, 6.55 percent, and 6.60 percent during the next three years.

4. Supported by record-low mortgage interest rates, housing activity held up well during the recession and has accelerated in the last two years in spite of the lackluster recovery. Housing starts increased 4.6 percent in fiscal 2002 to 1.642 million units and another 5.3 percent 2003 to a seventeen-year-high 1.730 million units. This year housing should rise another 13.1 percent to 1.956 million units. Rising mortgage rates will dampen housing activity during the next three years, though. The forecast calls for an 8.7 percent reduction in 2005 to 1.785 million units, a 7.2 percent reduction in 2006 to 1.656 million units, and a 0.3 percent reduction in 2007 to 1.651 million units.
5. Though the recession officially ended in November 2001, the unemployment rate continued to rise in fiscal 2003 to 5.89 percent from 5.47 percent in 2002 and 4.14 percent in 2001. The corner may finally have been turned, however. The unemployment rate has now declined for two consecutive quarters, reaching 5.63 percent in the first quarter of 2004 compared to a cyclical peak of 6.13 percent in the third quarter of 2003. The forecast expects only a tiny improvement this year to 5.82 percent but the strengthening of the recovery should finally begin to chip away at the unemployment rate in the next three years. The forecast expects the unemployment rate to fall to 5.48 percent in 2005, 5.50 percent in 2006, and 5.40 percent in 2007.
6. From fiscal 2001 to fiscal 2003 the federal budget went from a record \$162.2 billion surplus (national income and product accounts basis) to a \$321.1 billion deficit. Revenues are down due to the weak economy and tax cuts and the war with Iraq and its aftermath as well as other military and homeland security spending are boosting spending. While fiscal policy is providing a much needed boost to the economy in the near term, the result is a ballooning deficit. In spite of an improving economy, the deficit is expected to swell to \$509.6 billion in 2004 and \$517.3 billion in 2005. The deficit is expected to improve only slightly during the final two years of the forecast. The forecast calls for deficits of \$465.3 billion in 2006, and \$453.6 billion in 2007.
7. The trade deficit has been a huge drag on GDP growth in recent years. The trade deficit (national income and product accounts basis) increased in fiscal 2003 to \$476.3 billion from \$377.4 billion in 2002. The declining dollar should help restrain imports and boost exports but, with the U.S. economy leading the global recovery, imports will rise and exports will lag. The forecast expects the deficit to grow to \$509.6 billion in 2004 and \$517.3 billion in 2005. The lower dollar should finally bring a gradual improvement during the next biennium. The forecast expects deficits of \$465.3 billion and \$453.6 billion in 2006 and 2007.

Table 1.1 provides a fiscal year summary of the U.S. economic indicators.

Recent Economic Activity in Washington

The Employment Security Department has released preliminary employment estimates through April 2004. This forecast is based on adjusted employment estimates as described in **Adjustments to Economic Data**. It now seems clear that the long awaited recovery in employment has finally arrived here in Washington. Washington's payroll employment growth rate accelerated to 2.5 percent in the first quarter of 2004 following growth rates of 1.7 percent and 1.4 percent in the third and fourth quarters of 2003.

Manufacturing employment fell at a 0.6 percent annual rate in the first quarter, the twenty-third consecutive decline in overall manufacturing employment excluding the impact of the February 2000 aerospace labor dispute. Aerospace employment more than accounted for the decline in manufacturing employment, falling at a 3.2 percent annual rate in the first quarter as Boeing's layoffs continued. Washington aerospace employment is now down 29.8 percent since September 11 and 45.2 percent since the 1998 peak. Manufacturing employment other than aerospace edged up 0.1 percent in the first quarter of 2004. This was the first quarterly increase in non-aerospace manufacturing employment in four years. Nearly every nonmanufacturing sector expanded in the first quarter. Construction employment growth accelerated to 9.7 percent from 4.9 percent and 3.7 percent in the previous two quarters. Other services employment was also very strong, rising at a 7.1 percent rate. Information employment grew at a 4.7 percent rate led by a 6.8 percent increase in software employment. Trade, transportation, and utilities employment grew at a 3.7 percent rate while professional and business services employment rose 3.6 percent due mainly to a 16.3 percent increase in employment services. Financial activities, state and local government, and education and health services were up 2.1 percent, 1.8 percent, and 1.6 percent respectively. Federal government employment fell at a 3.7 percent rate, however, and leisure and hospitality employment slipped 0.3 percent.

In January 2004 the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) revised its quarterly state personal income estimates through the third quarter of 2003 and released preliminary estimates for the fourth quarter. In addition, the wage estimates for the fourth quarter of 2003 have been adjusted to reflect the Covered Employment and Payrolls data produced by the Department of Employment Security (see **Adjustments to Economic Data**). According to the adjusted estimates, Washington's personal income in the fourth quarter of 2003 was \$1.774 billion (0.9 percent) lower than the estimate made in February. Fourth quarter wages were \$0.842 billion (0.7 percent) lower than expected in February due mostly to a \$0.524 (10.0 percent) billion discrepancy in software wages. Non-software wages were also lower than expected by \$0.318 billion (0.3 percent). Nonwage personal income was \$0.933 billion (1.0 percent) lower than expected in February due to historical revisions stemming from the comprehensive revision of the National Income and Product Accounts.

The number of housing units authorized by building permit in Washington rose 1,000 in the first quarter of 2004 to an annualized rate of 42,000 from 41,000 in the fourth quarter. The increase was more than accounted for by the volatile multi-family market, however, which rose 2,100 to 9,600. Single family permits declined 1,100 to a still strong 32,400. Single family permits in 2003 were the highest since 1998.

Adjustments to Economic Data

This forecast utilized an alternative employment estimate developed by the Department of Employment Security which incorporates more recent covered employment and payrolls data than does the Bureau of Labor Statistics (BLS) estimate. The alternative employment estimate incorporated the covered employment and payrolls data through the fourth quarter of 2003 which added 100 (0.0 percent) to the BLS Current Employment Statistics (CES) estimate for December 2003. By April the difference widened slightly to 700 (0.0 percent).

The BEA benchmarks its estimates for wage and salary disbursements to the covered employment and payrolls (ES202) data for all sectors except agriculture and federal government. Since we have one more quarter of ES202 data than was available to the BEA at the time of its most recent release, we derived wage estimates for these sectors for the fourth quarter of 2003 based on the ES202 data. Unadjusted BEA estimates were used for farm, federal civilian, and military wages as well as for all nonwage compo-

nents of personal income. Our adjustments reduced the fourth quarter wage estimate by \$0.203 billion (0.2 percent), which subtracted 0.1 percent from total personal income in that quarter.

Washington State Forecast Highlights

The Washington State forecast reflects the slightly weaker growth in the new U.S. forecast. The Washington aerospace employment forecast is essentially unchanged. The forecast expects a decline of 2,200 during 2004 before a modest recovery begins in 2005 which adds 11,200 by the end of 2007. The software wage assumption has been lowered to reflect the assumption of lower stock option income. The software employment forecast assumes an increase of about 3,000 employees per year through 2007. Washington employment rose at a strong 3.1 percent annual rate in the first four months of 2004. As a result of the recent strength in employment, the population and housing forecasts have also been increased.

Washington nonfarm payroll employment stabilized in 2003, rising 0.2 percent following declines of 0.5 percent and 1.6 percent in 2001 and 2002. In spite of the recent strength in employment, the recovery in Washington is expected to be unusually slow. The forecast expects only a weak national recovery and no Boeing upturn until 2005. Population growth has slowed to a crawl and both wage growth and price growth have been dampened by the prolonged contraction. The forecast calls for an employment growth rate of 1.9 percent in 2004 improving to 2.2 percent in 2005. Employment growth is expected to retreat slightly to 2.1 percent and 1.8 percent during the final two years of the forecast. Washington personal income growth increased from 2.4 percent in 2002 to 3.2 percent in 2003. Personal income growth is expected to continue to improve to 4.8 percent this year and 5.5 percent, 6.1 percent, and 6.5 percent during the next three years as the recovery gains momentum. Housing activity is expected to stabilize after strong growth in the last two years. Housing permits increased 2,600 in 2003 to 42,800. While stronger population growth in the next four years should boost multi-family activity, higher mortgage rates will lead to similar declines in the single family market. As a result, overall housing is expected to remain relatively stable. The forecast expects housing permits to total 43,500 in 2004, and 44,500 in 2005 before slowing to 43,400 in 2006 and 42,600 in 2007.

1. Nominal personal income growth improved in fiscal 2003 to 2.8 percent from 2.5 percent in 2002. What little improvement there was in 2003 was entirely due to the fact that employment fell less in 2003 than in 2002. Software stock options were not a major factor in income growth in 2003, as they have been in recent years. In spite of an expected decline in stock option income, overall personal income growth should improve this year to 4.0 percent as employment growth turns modestly positive. Income growth is expected to accelerate during the next three years due to rebounding employment growth and stronger wage growth. Washington personal income is expected to grow 5.4 percent in 2005 and 2006, and 6.6 percent in 2007.
2. Washington real personal income growth slowed to a twenty-year-low 0.9 percent in 2003 from 1.1 percent in 2002. The deterioration in 2003 was due to higher inflation brought on by surging energy costs. Though inflation is expected to remain low during 2004, real income growth will continue to suffer from the lack of meaningful job growth. The forecast expects only a slight improvement to 2.2 percent this year. Real income growth is expected to improve during the next three years as job growth accelerates while inflation remains low. The forecast calls for real personal income growth rates of 3.5 percent in 2005, 3.8 percent in 2006, and 4.7 percent in 2007.
3. Total payroll employment in Washington fell 0.4 percent in fiscal 2003 following a 1.9 percent drop in fiscal 2002. This year we should finally see positive growth, though only at a 1.0 percent rate.

The areas that suffered the most in the recession in Washington were information technology, aerospace, and construction. The employment declines related to the bursting of the IT bubble are complete and the aerospace cutbacks are also winding down while construction is rebounding. As the U.S. employment recovery finally takes hold and aerospace turns positive, employment growth is expected to increase to 2.2 percent in 2005 and 2.1 percent per year in 2006 and 2007.

- ◆ The six-year aerospace employment contraction is finally drawing to a close. Employment reductions have averaged only about 100 per month since the beginning of the year compared to 1,000 per month in 2002 and 2003. Boeing expects production to be stable this year and to increase gradually in 2005 and 2006. As of May, the company-wide cumulative reduction since September 2001 stands at 42,300 jobs (including contract employees). Of these, 27,200 have been in Washington State, the home of the commercial airplane unit. The forecast assumes a loss of only 2,200 Washington aerospace jobs this year. On a quarterly basis, the forecast expects a total reduction since September 11 of 27,900 (excluding contract employees) by the end of 2004. Thousands more contract positions have also been eliminated since September 11. Measured from the second quarter of 1998 peak, the overall decline will reach 52,800. A gradual recovery is assumed to begin in 2005 which accelerates in 2006 and 2007. The forecast expects employment to rise 1,500, 4,700, and 5,000 in 2005, 2006, and 2007.
- ◆ After more than a decade of robust and sustained growth, employment by Washington's software publishers flattened in mid-2001. From the beginning of 1990 through the second quarter of 2001, the software employment growth rate averaged more than 16 percent per year. During the next two years the average annual growth rate slowed to just 0.8 percent. Microsoft has continued to grow, albeit at a reduced rate, but other Washington software publishers have suffered absolute declines. Since the middle of last year, however, growth has picked up to an average rate of 8.4 percent. The forecast assumes strong employment growth to continue through the remainder of the forecast. Microsoft has announced plans to increase employment significantly during the current fiscal year and employment at other software publishers is expected to recover. Employment growth is expected to average 7.2 percent per year through the end of 2007.
- ◆ Washington's construction industry has finally begun to grow again after a precipitous 6.0 percent decline during the 2001 recession. In contrast, U.S. peak to trough construction employment fell only 2.5 percent. Housing held up pretty well during the recession but nonresidential building in the Puget Sound area fell sharply. We believe the commercial side has now stabilized and the recent strength in housing permits should support construction employment in the near term. Based on the monthly data through April, the second quarter growth rate is expected to come in at 7.8 percent. To date, construction has been supported by the strong housing market but housing is expected to plateau. Fortunately nonresidential construction should revive by the end of the year. As a result, the forecast expects fairly stable construction employment growth averaging 2.4 percent per year through 2007.
- ◆ Financial activities employment has been a rare bright spot in Washington's economy. Employment in this sector has risen a total of 6.6 percent in the last two years and the monthly data through April suggests a healthy 3.9 percent for the current quarter. The strong growth had been mostly in credit intermediation and related activities, which clearly benefited by a refinancing boom brought on by low mortgage interest rates. With mortgage rates heading up

again, this source of stimulus has probably pretty much played itself out. After the strong second quarter, Employment is expected to be flat for the next year, recovering to a slow 1.0 percent average rate through the remainder of the forecast.

- ◆ Washington retail trade employment fell father during the recession than did U.S. retail trade employment but the recovery here was also earlier and stronger. By the end of 2002 Washington retail trade employment had fallen 3.8 percent since its pre-recession peak. Since then, however, Washington retail trade employment growth has generally been positive, averaging 1.7 percent per quarter. Still, employment remains 1.7 percent below the pre-recession peak. Growth in the second quarter is expected to be a brisk 3.1 percent based on monthly data through April. Growth is expected to remain restrained during the next year and a half, averaging only 0.4 percent through the end of 2005. Employment growth is expected to strengthen in 2006 to an average fourth quarter to fourth quarter growth rate of 2.3 percent, slowing to 0.7 percent for the final four quarters of the forecast.
 - ◆ Employment in the professional and business services sector plunged 6.5 percent from the end of 2000 through the first quarter of 2002. The 19,800 jobs lost during the recession can be attributed to employment services (mainly temporary help agencies), which fell 13,800 (25.8 percent) and computer systems design and related services, which fell 6,100 (20.1 percent). These areas of weakness appear to be bottoming out. Computer systems design and related services employment has been essentially flat for the last three quarters while employment services employment has been growing at a whopping 16.2 percent annual rate. As a result, overall professional and business services employment growth averaged 3.5 percent since the middle of 2003. The forecast expects a strong rebound during the next four quarters with growth averaging 7.0 percent per year, moderating to 4.4 percent thereafter.
 - ◆ State and local government employment grew throughout the recession but the protracted slowdown in the state's economy put pressure on state and local governments' budgets with a lag. Employment in this sector grew only 0.3 percent (year-end to year-end) during 2003 though it improved to an annual rate of 1.8 percent in the first quarter of this year. State government employment has been virtually flat since the recession officially ended more than two years ago, rising at only a 0.4 percent annual rate, but local government employment has been growing at a 1.5 percent rate. The forecast assumes that state and local government employment will recover to a 2.1 percent annual rate during the next six quarters before slowing to a 0.6 percent rate through the end of 2005.
4. The number of housing units authorized by building permit in Washington shot up 14.4 percent in fiscal 2003 to 42,600 units. Single family permits, spurred by record low interest rates, surged 21.5 percent to 32,600. Multi-family permits slumped 4.1 percent to 9,900, though. With the fiscal year nearly complete, it is clear that 2004 will be another strong year with permits growing 1.1 percent to 43,000 while rising immigration should boost next year's permits 3.2 percent to 44,400. Rising mortgage rates will offset the beneficial impacts of an improving economy and higher population growth in the next biennium. The forecast expects a 1.3 percent reduction in 2006 to 43,800 and a 1.7 percent reduction in 2007 to 43,100.
 5. At 1.8 percent in fiscal 2003, inflation in the Seattle metropolitan area, as measured by the consumer price index for all urban consumers, trailed the national average of 2.2 percent for the first time since 1989. Seattle inflation is expected to remain below U.S. inflation in during the next two

years due to the weaker local economy. The forecast expects inflation rates of 1.3 percent per year in 2004 and 2005 in Seattle compared to 2.1 percent and 1.9 percent for the U.S. city average. The Seattle inflation rate is expected to move past the U.S. city average again in the next biennium as the local economy recovers. The forecast calls for Seattle inflation rates of 1.5 percent and 1.9 percent in 2006 and 2007 compared to national rates of 1.4 percent and 1.6 percent.

Table 1.2 provides a fiscal year summary of the state economic indicators.

Alternative Forecasts

As required by statute, the Forecast Council has also adopted two alternatives to the baseline forecast. One of these was based on more optimistic economic assumptions than the baseline and one was based on more pessimistic assumptions. These alternatives are summarized in Table 1.3.

Optimistic Forecast. Three assumptions distinguish the optimistic scenario from the baseline: productivity growth, foreign economic growth, and the strength of the dollar. Total factor productivity is stronger in the optimistic forecast than in the baseline. Underlying this assumption is the view that the information-driven technology boom, which appears to have accelerated in recent quarters, continues. Also, in the optimistic scenario, both developing and industrialized countries grow faster than in the baseline, promoting U.S. exports and strengthening manufacturing. Since exports are higher, the merchandise trade balance is less negative than in the baseline. Finally, the dollar is stronger in the optimistic scenario than in the baseline. The stronger currency helps keep inflation contained. It also helps keep the merchandise trade balance deficit smaller than in the baseline. At the state level, the optimistic forecast assumes that the long slide in aerospace employment is over. Aerospace employment growth turns slightly positive this year rather than continuing to decline as in the baseline and rapidly accelerates in 2005 before leveling off in 2006 and 2007. Washington's wages grow faster than in the baseline and so does the Seattle CPI. The initial level of Washington personal income is also higher in the optimistic scenario and population growth and construction employment growth are stronger. By the end of the 2003-05 biennium, Washington nonagricultural employment is higher by 27,100 jobs than in the baseline forecast and Washington personal income is \$5.2 billion higher. The optimistic scenario generated \$355 million (1.5 percent) more revenue in the 2003-05 biennium than did the baseline forecast.

Pessimistic Forecast. A new worry has cropped up in recent months—skyrocketing commodity prices, fueled by shortages and the weaker dollar. These price increases are unlikely to set off a cost-push price spiral, but they could set the recovery back. In the debate at the Fed over whether to focus on employment or inflation, inflation would most likely win. The Fed starts raising interest rates in August, as in the baseline forecast, but realizes toward the end of the year that it is falling behind and begins to accelerate the rate hikes. The housing market slumps and investment slows. New hiring quickly dries up as investment slows. Soon, layoffs resume as more work is sent abroad and consumer sentiment tumbles, taking new automotive sales along for the ride. Home prices drop, but not enough to offset the higher interest rates, slowing relocations and discouraging new construction. At the state level, aerospace production and employment cuts are more severe and protracted than assumed in the baseline forecast. Data revisions show that the initial level of Washington personal income is lower than was assumed in the baseline. Population growth is also slower in this scenario and construction employment levels off rather than rising robustly as in the baseline. Because of the weak economy, Washington wage growth is less than in the baseline but Seattle inflation is higher due to the higher inflation assumption in the national forecast. By the end of the 2003-05 biennium, Washington nonagricultural employment is lower by 26,900 jobs than the baseline forecast and

Washington personal income is \$4.3 billion lower. The pessimistic scenario produced \$309 million (1.3 percent) less General Fund-State revenue in the 2003-05 biennium than did the baseline forecast.

Governor's Council of Economic Advisors Scenario

In addition to the optimistic and pessimistic forecasts, the staff has prepared a forecast based on the opinions of the Governor's Council of Economic Advisors (GCEA) as summarized in Table 1.3. In the GCEA scenario, the U.S. and state forecasts were adjusted to match the average view of the Council members. With the current fiscal year nearly over, there was very little difference between the Governor's Council and baseline forecasts for fiscal 2004. The GCEA forecast for the U.S. in fiscal 2005 was also very similar to the baseline but their GDP forecast was slightly lower and their inflation forecast was slightly higher. Both long term and short term interest rates were also higher in the GCEA scenario. The GCEA forecast for Washington State was also very similar to the baseline forecast in 2004. In 2005, however, the GCEA nominal and real income growth forecasts were significantly higher than the baseline even though their employment growth forecast was virtually identical. On the other hand, the Council members' housing forecast was slightly weaker than the baseline forecast in 2005. At the end of the 2003-05 biennium, Washington nonagricultural employment was 4,700 higher in the GCEA forecast than in the baseline forecast and their Washington personal income forecast was \$1.4 billion higher. The Governor's Council scenario generated \$49 million (0.2 percent) more revenue than did the baseline forecast in the 2003-05 biennium.

Note: The economic data discussed in this chapter were current at the time the forecast was prepared. Many concepts including real GDP have changed since then due to new releases and data revisions.

Table 1.1
U.S. Economic Forecast Summary
 Forecast 2004 to 2007

Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007
Real National Income Accounts (Billions of Chained 2000 Dollars)								
Real Gross Domestic Product	9,679.2	9,868.2	9,940.3	10,197.0	10,660.5	11,119.6	11,469.6	11,880.8
% Ch	4.5	2.0	0.7	2.6	4.5	4.3	3.1	3.6
Real Consumption	6599.5	6824.7	7029.1	7226.6	7524.8	7775.9	7987.6	8245.0
% Ch	5.0	3.4	3.0	2.8	4.1	3.3	2.7	3.2
Real Nonresidential Fixed Investment	1,186.8	1,229.0	1,119.2	1,092.8	1,179.0	1,299.4	1,393.6	1,494.5
% Ch	9.4	3.6	-8.9	-2.4	7.9	10.2	7.2	7.2
Real Residential Fixed Investment	449.8	443.9	457.0	483.1	526.9	521.1	494.0	495.8
% Ch	3.5	-1.3	2.9	5.7	9.1	-1.1	-5.2	0.4
Real Personal Income	8,209.2	8,512.3	8,582.1	8,641.9	8,870.5	9,159.4	9,480.4	9,857.2
% Ch	4.2	3.7	0.8	0.7	2.6	3.3	3.5	4.0
Real Per Capita Income (\$/Person)	29,188	29,945	29,886	29,797	30,283	30,977	31,786	32,774
% Ch	3.0	2.6	-0.2	-0.3	1.6	2.3	2.6	3.1
Price and Wage Indexes								
U.S. Implicit Price Deflator (2000=1.0)	0.988	1.011	1.026	1.045	1.063	1.083	1.099	1.120
% Ch	2.3	2.3	1.4	1.9	1.8	1.8	1.5	1.9
U.S. Consumer Price Index (1982-84=1.0)	1.693	1.751	1.782	1.821	1.859	1.894	1.920	1.951
% Ch	2.9	3.4	1.8	2.2	2.1	1.9	1.4	1.6
Employment Cost Index (June 1989=1.0)	1.431	1.487	1.541	1.585	1.630	1.673	1.724	1.782
% Ch	3.7	3.9	3.6	2.9	2.8	2.6	3.1	3.3
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	9,571.3	9,982.2	10,261.9	10,687.0	11,370.3	12,069.1	12,639.7	13,314.8
% Ch	6.4	4.3	2.8	4.1	6.4	6.1	4.7	5.3
Personal Income	8,115.3	8,608.5	8,803.6	9,030.0	9,432.3	9,917.3	10,420.9	11,037.6
% Ch	6.6	6.1	2.3	2.6	4.5	5.1	5.1	5.9
Employment (Millions)								
U.S. Civilian Labor Force	142.0	143.2	144.4	145.9	146.8	148.3	150.4	152.9
Total U.S. Employment	136.2	137.3	136.5	137.3	138.3	140.1	142.1	144.7
Unemployment Rate (%)	4.07	4.14	5.47	5.89	5.82	5.48	5.50	5.40
Nonfarm Payroll Employment	130.60	132.25	130.88	130.11	130.25	132.47	134.81	136.83
% Ch	2.5	1.3	-1.0	-0.6	0.1	1.7	1.8	1.5
Manufacturing	17.29	17.04	15.73	14.88	14.35	14.34	14.43	14.47
% Ch	-0.8	-1.4	-7.7	-5.4	-3.6	-0.1	0.6	0.3
Durable Manufacturing	10.85	10.75	9.83	9.21	8.88	8.99	9.15	9.20
% Ch	-0.1	-0.9	-8.6	-6.2	-3.6	1.3	1.7	0.6
Nondurable Manufacturing	6.44	6.29	5.91	5.67	5.47	5.34	5.28	5.27
% Ch	-1.9	-2.4	-6.0	-4.1	-3.5	-2.3	-1.1	-0.2
Construction	6.70	6.82	6.77	6.69	6.80	7.00	7.17	7.34
% Ch	5.5	1.8	-0.7	-1.2	1.5	3.1	2.3	2.5
Producing	106.01	107.78	107.78	107.97	108.53	110.57	112.68	114.52
% Ch	2.9	1.7	-0.0	0.2	0.5	1.9	1.9	1.6
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	22.2	23.3	23.8	24.0	23.9	23.4	22.5	21.7
Auto Sales (Millions)	9.0	8.6	8.2	7.9	7.6	7.8	7.7	7.7
% Ch	7.7	-5.0	-4.2	-3.7	-3.8	3.1	-1.7	0.1
Housing Starts (Millions)	1.638	1.571	1.642	1.730	1.956	1.785	1.656	1.651
% Ch	-1.3	-4.1	4.6	5.3	13.1	-8.7	-7.2	-0.3
Federal Budget Surplus (Billions)	156.2	162.2	-125.9	-321.1	-457.5	-387.2	-283.8	-273.3
Net Exports (Billions)	-323.9	-388.5	-377.4	-476.3	-509.6	-517.3	-465.3	-453.6
3-Month Treasury Bill Rate (%)	5.23	5.14	2.15	1.30	0.92	1.60	2.59	2.77
30-Year U.S. Govt. Bond Rate (%)	6.14	5.66	5.55	4.99	5.17	5.68	5.93	5.92
Bond Index of 20 G.O. Munis. (%)	5.82	5.35	5.14	4.77	4.78	5.06	5.13	5.09
Mortgage Rate (%)	8.05	7.45	6.88	5.93	5.91	6.39	6.55	6.60

Table 1.2
Washington Economic Forecast Summary
 Forecast 2004 to 2007

Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007
Real Income (Billions of Chained 2000 Dollars)								
Real Personal Income	185.815	188.313	190.297	192.056	196.273	203.227	210.983	220.845
% Ch	6.3	1.3	1.1	0.9	2.2	3.5	3.8	4.7
Real Wage and Salary Disb.	110.278	108.724	107.689	107.911	109.037	113.203	117.986	123.537
% Ch	8.4	-1.4	-1.0	0.2	1.0	3.8	4.2	4.7
Real Nonwage Income	75.536	79.588	82.608	84.145	87.236	90.024	92.997	97.309
% Ch	3.4	5.4	3.8	1.9	3.7	3.2	3.3	4.6
Real Per Capita Income (\$/Person)	31,561	31,575	31,544	31,527	31,879	32,551	33,298	34,366
% Ch	5.1	0.0	-0.1	-0.1	1.1	2.1	2.3	3.2
Price and Wage Indexes								
U.S. Implicit Price Deflator (2000=1.0)	0.988	1.011	1.026	1.045	1.063	1.083	1.099	1.120
% Ch	2.3	2.3	1.4	1.9	1.8	1.8	1.5	1.9
Seattle Cons. Price Index (1982-84=1.0)	1.757	1.828	1.876	1.910	1.936	1.961	1.990	2.028
% Ch	3.2	4.0	2.7	1.8	1.3	1.3	1.5	1.9
Avg. Hourly Earnings-Mfg. (\$/Hour)	16.42	17.30	18.34	17.87	18.12	18.22	18.51	18.86
% Ch	2.8	5.4	6.0	-2.6	1.4	0.5	1.6	1.9
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	183.265	190.060	194.863	200.256	208.300	219.585	231.343	246.682
% Ch	8.9	3.7	2.5	2.8	4.0	5.4	5.4	6.6
Personal Income	183.670	190.446	195.203	200.670	208.693	220.043	231.913	247.290
% Ch	8.8	3.7	2.5	2.8	4.0	5.4	5.4	6.6
Disposable Personal Income	157.042	162.153	170.387	177.845	186.857	196.202	205.196	218.451
% Ch	8.1	3.3	5.1	4.4	5.1	5.0	4.6	6.5
Per Capita Income (\$/Person)	31,196	31,932	32,357	32,941	33,896	35,244	36,601	38,480
% Ch	7.5	2.4	1.3	1.8	2.9	4.0	3.9	5.1
Employment (Thousands)								
Washington Civilian Labor Force	3,081.1	3,031.9	3,058.7	3,130.6	3,172.3	3,269.6	3,327.7	3,383.7
Total Washington Employment	2,931.4	2,858.7	2,841.8	2,899.6	2,953.0	3,058.5	3,119.5	3,180.9
Unemployment Rate (%)	4.86	5.71	7.09	7.38	6.92	6.46	6.26	5.99
Nonfarm Payroll Employment	2,684.4	2,717.3	2,665.3	2,654.6	2,680.0	2,740.3	2,797.6	2,855.3
% Ch	2.4	1.2	-1.9	-0.4	1.0	2.2	2.1	2.1
Manufacturing	336.3	326.4	300.1	274.8	263.1	261.1	264.5	272.4
% Ch	-4.8	-2.9	-8.1	-8.4	-4.3	-0.8	1.3	3.0
Durable Manufacturing	239.7	232.9	212.0	190.5	180.6	180.6	184.8	191.2
% Ch	-6.4	-2.8	-9.0	-10.1	-5.2	-0.0	2.4	3.5
Aerospace	89.6	86.8	82.9	70.1	62.5	60.4	62.3	67.0
% Ch	-16.5	-3.1	-4.5	-15.4	-10.9	-3.3	3.1	7.5
Nondurable Manufacturing	96.5	93.5	88.1	84.3	82.4	80.5	79.7	81.2
% Ch	-0.3	-3.2	-5.7	-4.3	-2.2	-2.3	-1.0	1.9
Construction	158.3	161.3	154.8	154.8	159.9	167.0	171.4	175.2
% Ch	6.5	1.9	-4.1	0.0	3.3	4.4	2.6	2.2
Service-Producing	2,179.4	2,219.8	2,200.8	2,215.9	2,248.1	2,303.3	2,352.8	2,398.9
% Ch	3.3	1.9	-0.9	0.7	1.5	2.5	2.2	2.0
Software Publishers	29.5	34.5	35.9	36.5	38.5	41.4	44.3	47.5
% Ch	14.0	16.9	4.1	1.6	5.3	7.7	6.9	7.3
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	39.065	40.384	37.216	42.572	43.031	44.402	43.829	43.103
% Ch	-13.1	3.4	-7.8	14.4	1.1	3.2	-1.3	-1.7
Single-Family	26.372	26.761	26.856	32.632	32.500	29.508	28.367	27.593
% Ch	-6.7	1.5	0.4	21.5	-0.4	-9.2	-3.9	-2.7
Multi-Family	12.693	13.623	10.360	9.939	10.531	14.894	15.462	15.509
% Ch	-24.0	7.3	-24.0	-4.1	5.9	41.4	3.8	0.3
Mortgage Rate (%)	8.05	7.45	6.88	5.93	5.91	6.39	6.55	6.60

Table 1.3
Comparison of Alternative Forecasts

	Fiscal Year 2003				Fiscal Year 2004				Fiscal Year 2005			
	O	B	P	G	O	B	P	G	O	B	P	G
U.S.												
Real GDP	10197.0	10197.0	10197.0	10197.0	10663.6	10660.5	10659.7	10659.3	11178.4	11119.6	11035.6	11105.0
%Ch	2.6	2.6	2.6	2.6	4.6	4.5	4.5	4.5	4.8	4.3	3.5	4.2
Implicit Price Deflator	1.045	1.045	1.045	1.045	1.063	1.063	1.063	1.063	1.082	1.083	1.088	1.084
%Ch	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.7	1.8	1.8	2.3	1.9
Mortgage Rate	5.93	5.93	5.93	5.93	5.91	5.91	5.92	5.93	6.33	6.39	6.66	6.52
3 Month T-Bill Rate	1.30	1.30	1.30	1.30	0.92	0.92	0.92	0.97	1.59	1.60	1.74	1.76
Washington												
Real Personal Income	192.056	192.056	192.056	192.056	196.883	196.273	195.714	196.176	207.147	203.227	199.117	204.850
%Ch	0.9	0.9	0.9	0.9	2.5	2.2	1.9	2.1	5.2	3.5	1.7	4.4
Personal Income	200.670	200.670	200.670	200.670	209.326	208.693	208.125	208.559	224.159	220.043	216.699	222.025
%Ch	2.8	2.8	2.8	2.8	4.3	4.0	3.7	3.9	7.1	5.4	4.1	6.5
Employment	2654.6	2654.6	2654.6	2654.6	2681.5	2680.0	2679.4	2679.8	2758.0	2740.3	2724.3	2741.5
%Ch	-0.4	-0.4	-0.4	-0.4	1.0	1.0	0.9	0.9	2.9	2.2	1.7	2.3
Housing Permits	42.572	42.572	42.572	42.572	43.230	43.031	42.942	42.991	47.119	44.402	38.988	43.917
%Ch	14.4	14.4	14.4	14.4	1.5	1.1	0.9	1.0	9.0	3.2	-9.2	2.2

(O) Optimistic; (B) Baseline; (P) Pessimistic; (G) Governor's Council of Economic Advisors

Table 1.4

Forecast Analysis

Comparison of Forecasts for 2003-05

Forecast Date	2002				2003				2004				2005	
	Feb.	June	Sept.	Nov.	Mar.	June	Sept.	Nov.	Feb.	June	Sept.	Nov.	Mar.	June
U.S.														
Percent Growth, 2001:2-2003:2														
Real GDP	7.1	7.2	6.4	7.7	8.9	7.8	7.8	8.5	9.7	9.4				
Implicit Price Deflator	4.6	4.9	5.1	5.6	3.5	3.3	3.5	3.2	2.5	3.6				
Average Rate, 2001:3 to 2003:2														
3 Month T-Bill Rate	4.52	4.90	3.48	3.16	2.92	1.57	1.15	1.12	1.34	1.26				
Mortgage Rate	7.49	7.64	7.86	6.62	7.21	6.46	6.39	6.32	6.45	6.15				
Washington														
Percent Growth, 2001:2-2003:2														
Employment	4.6	5.0	4.4	4.6	4.6	3.3	2.7	3.0	4.0	4.3				
Personal Income	11.5	12.5	10.9	11.9	10.6	8.6	9.1	9.1	9.7	9.8				
Real Personal Income	6.6	7.2	5.5	6.0	6.8	5.1	5.5	5.6	7.0	6.0				
Total (Thousands of units), 2001:3 to 2003:2														
Housing Units Authorized	77.4	77.1	76.0	80.1	79.8	78.1	81.3	82.7	83.1	87.4				

Table 1.5

Fiscal Years

Forecast Comparison

Forecast 2004 to 2007

	2003	2004	2005	2006	2007
U.S.					
Real GDP					
June Baseline	10197.0	10660.5	11119.6	11469.6	11880.8
% Ch	2.6	4.5	4.3	3.1	3.6
February Baseline	10197.0	10662.8	11126.7	11508.0	11909.9
% Ch	2.6	4.6	4.4	3.4	3.5
Implicit Price Deflator					
June Baseline	1.045	1.063	1.083	1.099	1.120
% Ch	1.9	1.8	1.8	1.5	1.9
February Baseline	1.045	1.058	1.071	1.088	1.110
% Ch	1.9	1.3	1.2	1.6	2.0
U.S. Unemployment Rate					
June Baseline	5.89	5.82	5.48	5.50	5.40
February Baseline	5.89	5.88	5.43	5.30	5.26
Mortgage Rate					
June Baseline	5.93	5.91	6.39	6.55	6.60
February Baseline	5.93	6.10	6.81	7.08	6.93
3 Month T-Bill Rate					
June Baseline	1.30	0.92	1.60	2.59	2.77
February Baseline	1.30	0.95	1.73	2.55	2.74
Washington					
Real Personal Income					
June Baseline	192.056	196.273	203.227	210.983	220.845
% Ch	0.9	2.2	3.5	3.8	4.7
February Baseline	193.370	198.887	206.480	214.409	223.938
% Ch	2.3	2.9	3.8	3.8	4.4
Personal Income					
June Baseline	200.670	208.693	220.043	231.913	247.290
% Ch	2.8	4.0	5.4	5.4	6.6
February Baseline	202.047	210.509	221.214	233.366	248.582
% Ch	4.2	4.2	5.1	5.5	6.5
Employment					
June Baseline	2654.6	2680.0	2740.3	2797.6	2855.3
% Ch	-0.4	1.0	2.2	2.1	2.1
February Baseline	2655.3	2670.9	2731.9	2793.5	2851.3
% Ch	-0.3	0.6	2.3	2.3	2.1
Housing Permits					
June Baseline	42.572	43.031	44.402	43.829	43.103
% Ch	14.4	1.1	3.2	-1.3	-1.7
February Baseline	42.689	41.908	41.239	39.401	39.830
% Ch	14.4	-1.8	-1.6	-4.5	1.1

Table 1.6
Long Range Economic Outlook
 Forecast 2004 to 2014

Calendar Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
U.S.											
Real GDP, %Ch	4.8	3.6	3.4	3.3	2.5	2.7	3.1	3.1	2.9	3.2	3.1
Implicit Price Deflator, %Ch	2.0	1.5	1.6	2.1	2.3	2.3	2.5	2.7	2.6	2.6	2.7
3 Month T-Bill Rate	1.08	2.19	2.76	2.93	3.76	4.69	5.08	5.10	5.12	5.13	5.14
Mortgage Rate	6.09	6.48	6.59	6.74	7.30	7.87	7.98	8.00	7.94	7.88	7.89
State*											
Real Personal Income, %Ch	2.7	3.9	4.5	4.3	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Personal Income, %Ch	4.8	5.5	6.1	6.5	4.8	4.9	5.1	5.3	5.2	5.2	5.3
Employment, %Ch	1.9	2.2	2.1	1.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0

* June 2004 Baseline (2004-2007) judgmentally extended through 2014.

Comparison of Washington and U.S. Economic Forecasts

Chart 1.1
Total Nonfarm Payroll Employment

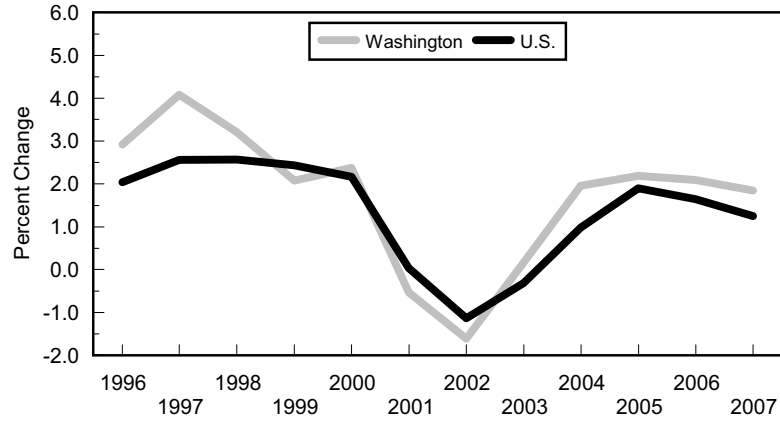


Chart 1.2
Manufacturing Employment

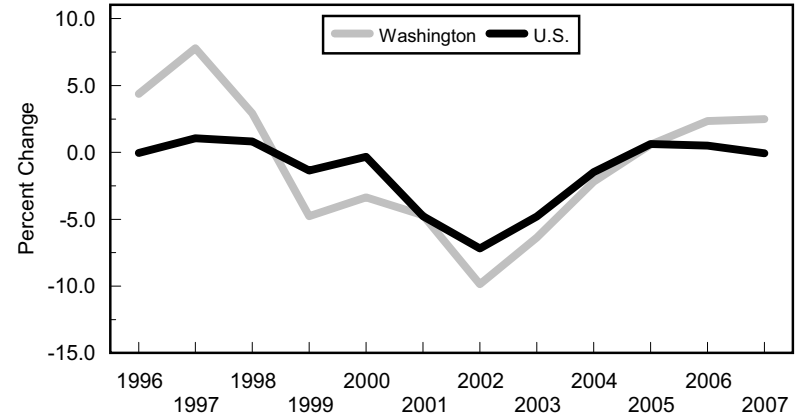


Chart 1.3
Aerospace Employment

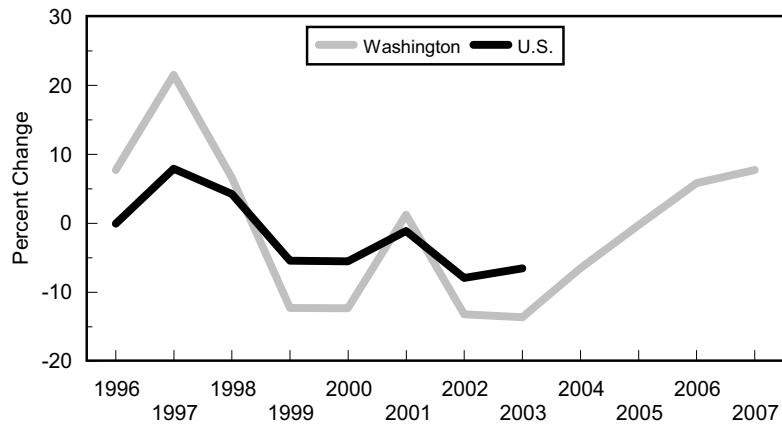
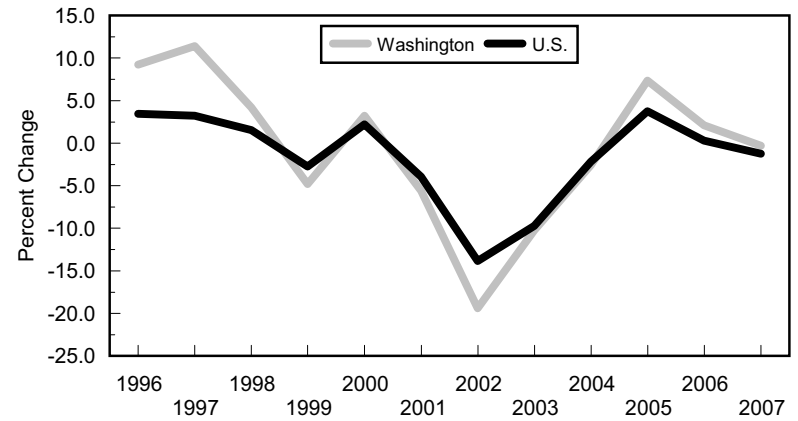


Chart 1.4
Computers and Electronics Employment



Comparison of Washington and U.S. Economic Forecasts

Chart 1.5
Construction Employment

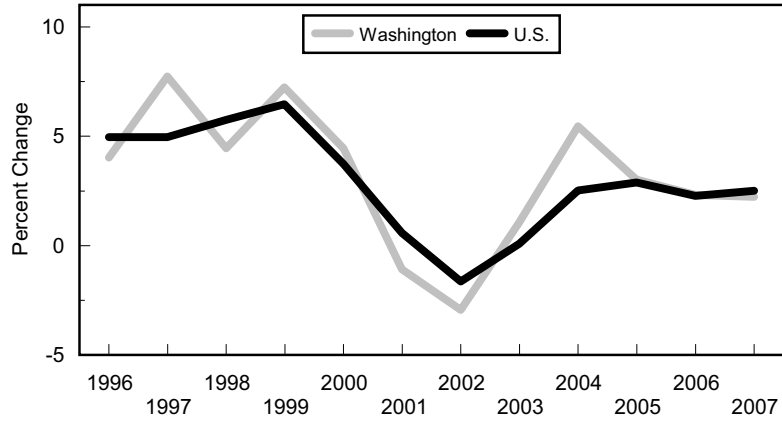


Chart 1.6
Information Employment

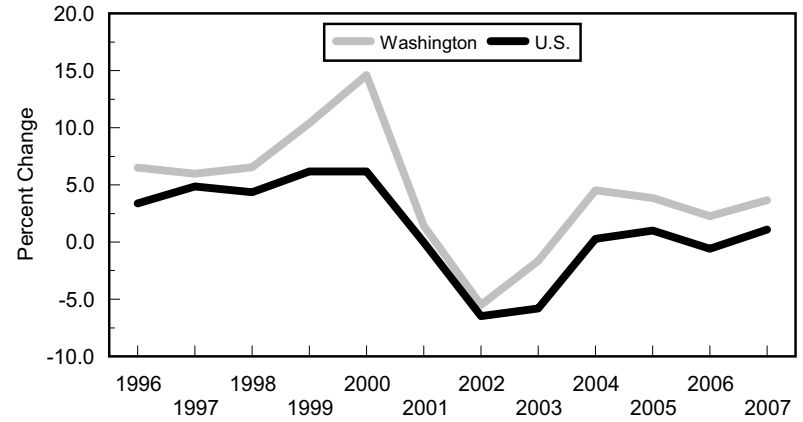


Chart 1.7
Other Private Employment

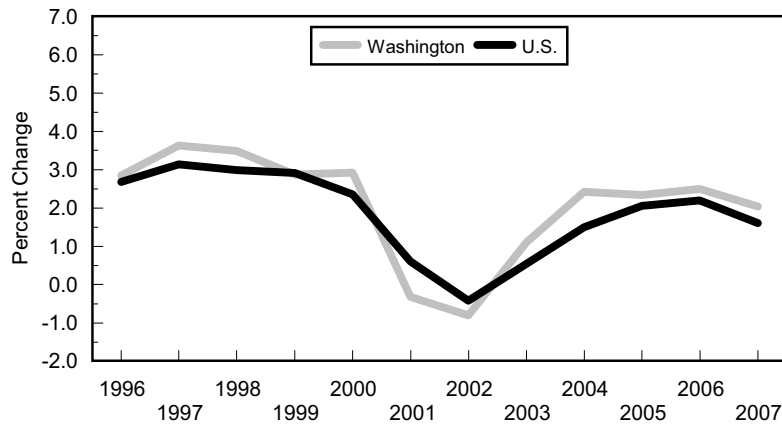
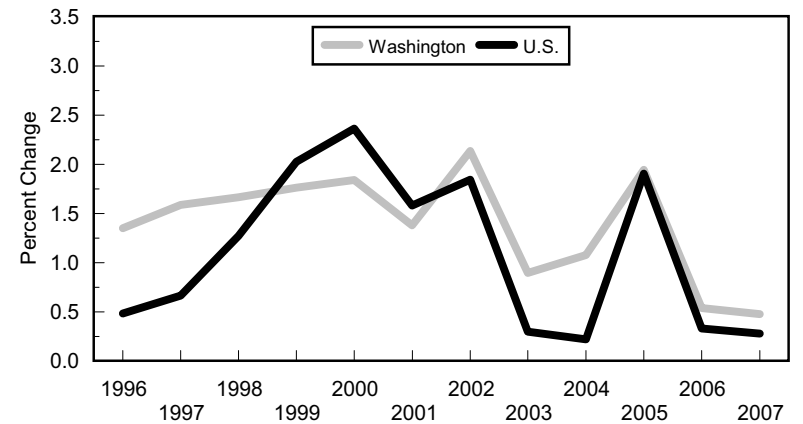


Chart 1.8
Government Employment



Comparison of Washington and U.S. Economic Forecasts

Chart 1.9
Real Personal Income

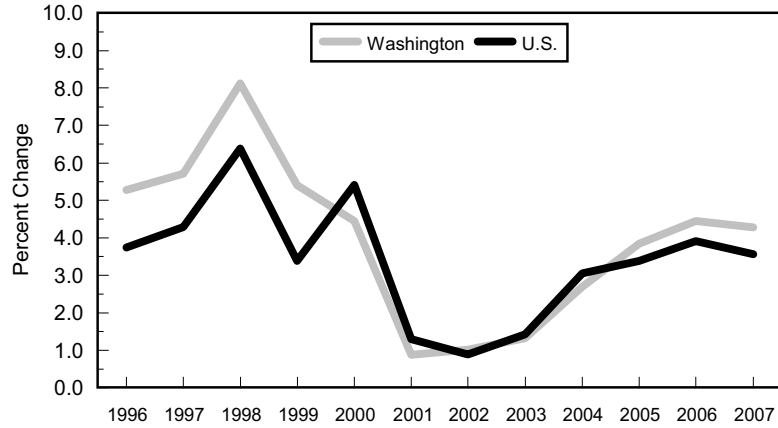


Chart 1.10
Consumer Price Indices

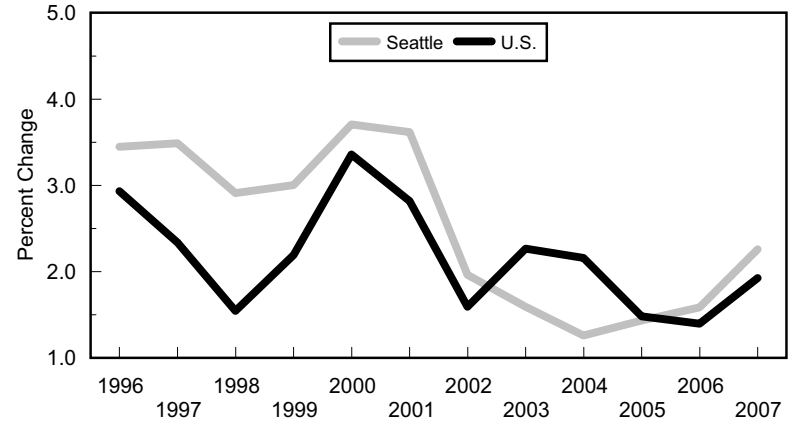


Chart 1.11
Population

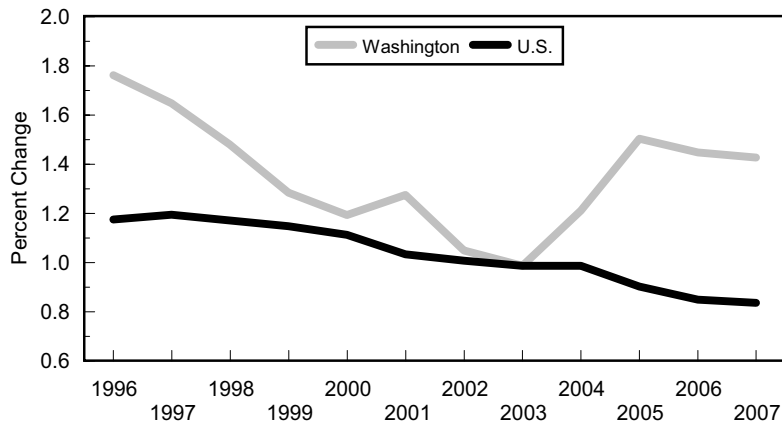
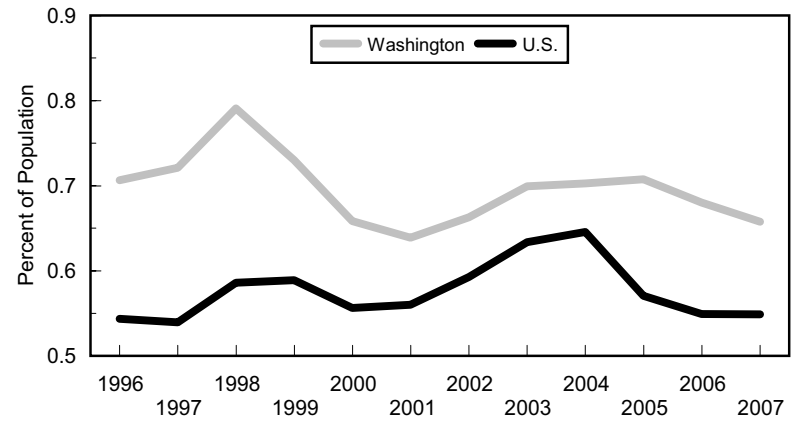


Chart 1.12
Per Capita Housing Units



Comparison of Alternative U.S. Forecasts

Chart 1.13
Real GDP

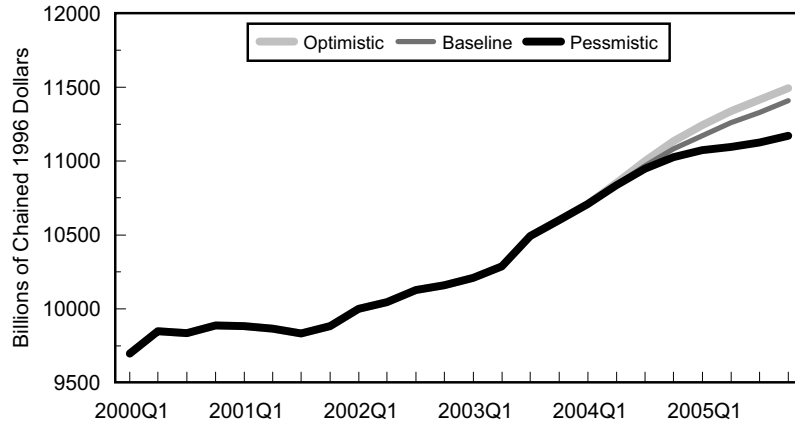


Chart 1.14
Implicit Price Deflator

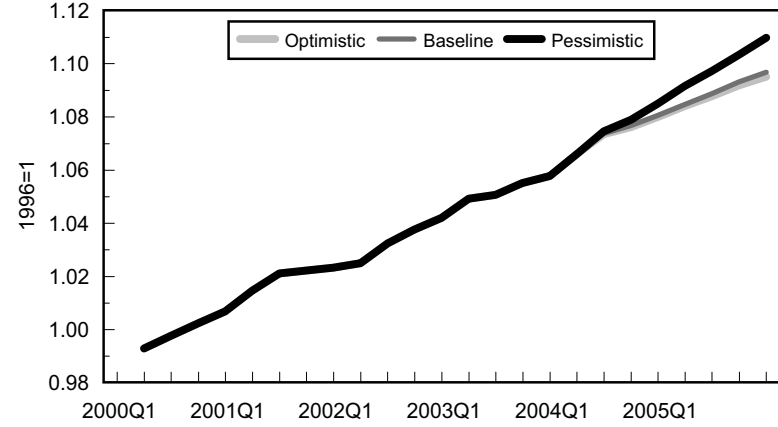


Chart 1.15
Mortgage Rate

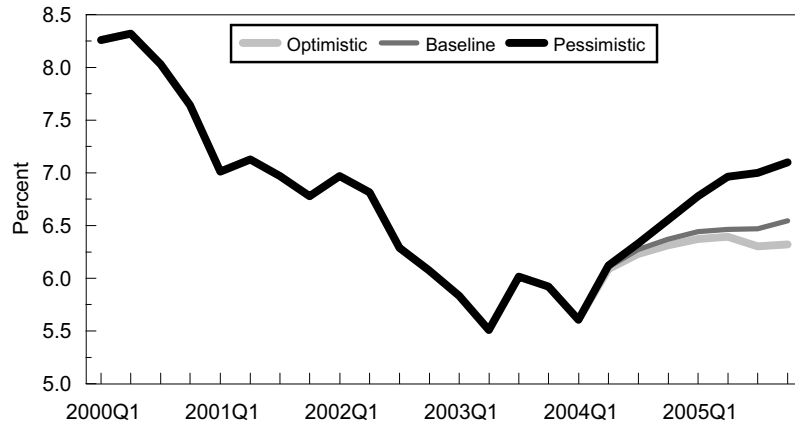
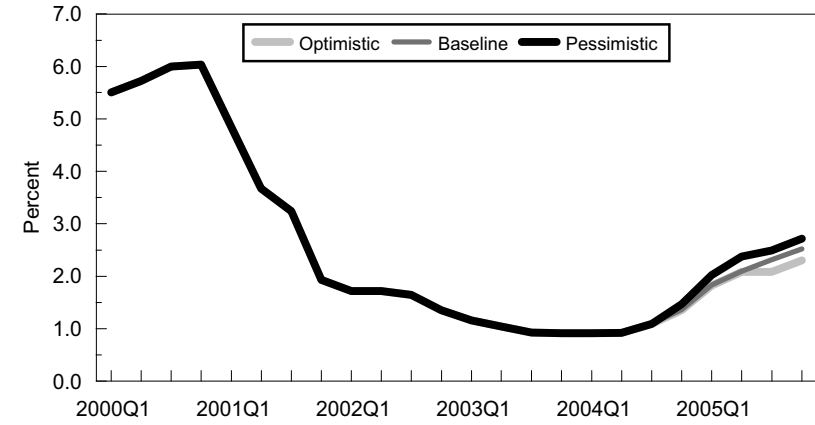


Chart 1.16
Three Month T-Bill Rate



Comparison of Alternative Washington Forecasts

Chart 1.17
Personal Income

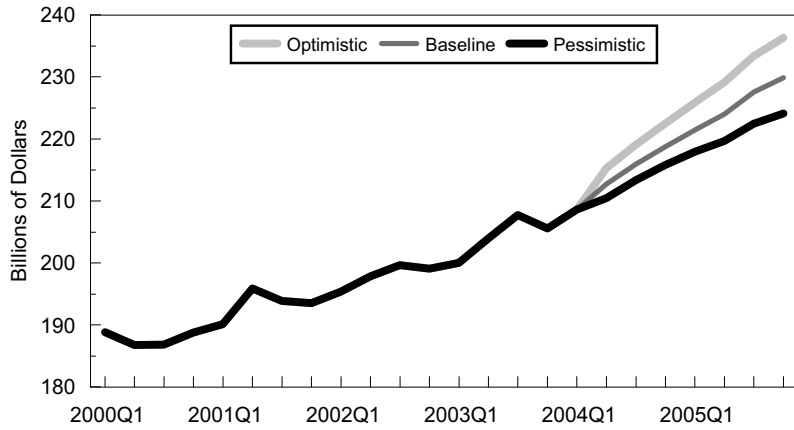


Chart 1.18
Real Personal Income

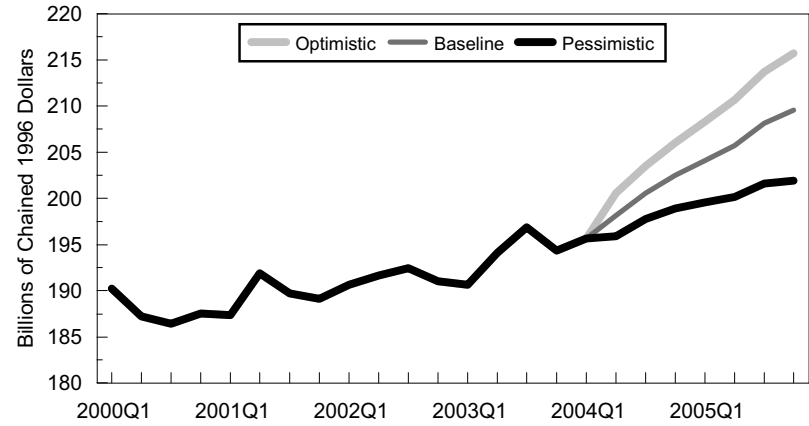


Chart 1.19
Total Nonfarm Payroll Employment

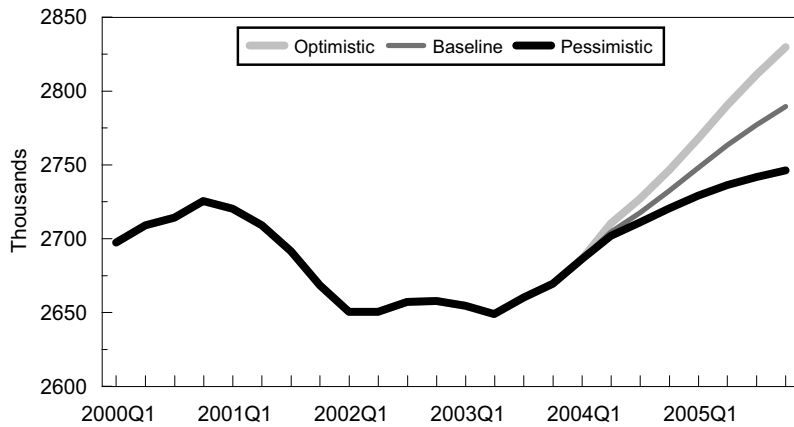
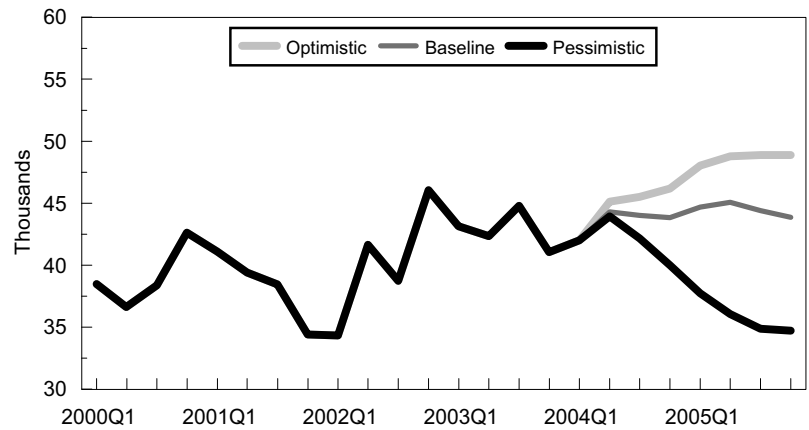


Chart 1.20
Housing Permits



Washington Business Indicators

The National Economy

The Bureau of Economic Analysis reported that real gross domestic product (GDP), the broadest measure of economic activity, grew at a 3.9* percent annual rate in the first quarter of 2004, down slightly from the previous quarter's growth rate of 4.1%. Real GDP has now increased for ten consecutive quarters since the U.S. recession ended in the fourth quarter of 2001. Real consumer spending increased at a 3.8 percent annual rate in the first quarter, an increase from the previous quarter's rate of 3.2 percent. Conversely, real spending on durable goods declined by 3.7 percent after a slow growth of 0.7 percent in the fourth quarter of 2003. This period of weakness, however, came after strong increases of 28.0 percent in the third quarter and 17.7 percent in the second quarter. While down from the fourth quarter of 2003's growth rate of 14.9 percent, real business investment in equipment and software showed continuing strength in the first quarter, growing at an annual rate of 9.2 percent.

The Institute for Supply Management (ISM) reported that its index of manufacturing activity decreased slightly in June to 61.1 from its May value of 62.8. Despite the decline, the index indicates that the output of the manufacturing sector is still quite strong. The index has been above 60 points for the past eight months and above 50 for the past fourteen months. An index above 50 indicates that output of the manufacturing sector is growing; below 50 indicates the sector is contracting. The employment component of the index has also been above 50 for eight months, indicating that more manufacturers are increasing employment than decreasing it. June's value of the employment component was 59.7, down slightly from May's value of 61.9.

The U.S. economy has added jobs for nine straight months beginning in September 2003 on a seasonally adjusted basis, with positive year-over-year growth for the last five months. May's seasonally adjusted payroll employment grew by 235,000, down from April's increase of 324,000. May's U.S. unemployment rate remained unchanged at 5.6 percent. The unemployment rate has remained at a value of either 5.6 or 5.7 percent since December 2003 despite the continuing employment increases due to additional workers entering the workforce.

Productivity growth accelerated in the first quarter of 2004, increasing at a 3.8 percent annual rate as compared to 2.5 percent growth in the fourth quarter of 2003. Prices, however, also showed signs of acceleration. The seasonally adjusted Consumer Price Index (CPI) increased 0.6 percent in May 2004. On a year-over-year basis, the index increased 3.1 percent, its highest rate of increase since June 2001. The increase was due mainly to increases in the prices of food and energy. Excluding the food and energy components of the CPI, prices rose only 0.2 percent in May and are only 1.7 percent higher than a year ago.

The Conference Board reported that its Index of Consumer Confidence took a large upward jump in June, with an index level of 101.9 as compared with May's level of 93.1. June's index level is the highest in two years. Both the current conditions and expectations components of the index increased, with most of the increase stemming from the current conditions component. In addition, The Conference Board reported that the U.S. Index of Leading Indicators rose 0.5 percent in May. The index has increased or remained unchanged for fourteen consecutive months. The leading index continues to support the likelihood of a sustained recovery. The May 2004 index level is 116.5 (1996=100). Eight of the ten components of the index increased in May.

The Federal Open Market Committee (FOMC) voted to increase its target rate for federal funds from 1.0 to 1.25 percent at its June 30, 2004 meeting. In its discussion of the change, the FOMC stated: "With underlying inflation still expected to be relatively low, the Committee believes that policy accommodation can be removed at a pace that is likely to be measured. Nonetheless, the Committee will respond to changes in economic prospects as needed to fulfill its obligation to maintain price stability." This statement was similar to May's statement with the exception of the elimination of May's reference to the presence of "resource use slack", indicating that the FOMC sees some improvement in capacity utilization since May.

The State Economy and Indicators

Washington wage and salary employment rose at a strong 2.5 percent annual rate in the first quarter of 2004, following quarterly increases of 1.7 and 1.4 percent respectively for the third and fourth quarters of 2003. Jobs declined in the first two quarters of 2003. While manufacturing employment continued to decline, its rate of decline has moderated to a -0.6 percent annual rate in the first quarter of 2004 after annualized declines of 3.0 percent in the third quarter of 2003 and 3.0 percent in the fourth quarter. Manufacturing employment has declined since the third quarter of 1998 (twenty-three consecutive quarters after adjusting for the impact of the Boeing strike in the first quarter of 2000.) The rate of decline in aerospace employment also moderated to a -3.2 percent annual rate in the first quarter of 2004 after declining at an 11.1 percent annual rate in the fourth quarter of 2003. Aerospace employment has now declined for ten consecutive quarters.

Washington's seasonally adjusted unemployment rate fell to 6.1 percent of the labor force in May 2004 from 6.3 percent in April. Other state economic indicators are also generally improving. The Washington Purchasing Management Index rose in June to a value of 68.4, the highest value in 5 years with the exception of March's value of 72.2. The index has been greater than 50 the last fifteen months and greater than 60 for eight of those months. (A reading above 50 indicates expansion, below 50 indicates contraction.) Washington's seasonally adjusted initial claims for unemployment insurance fell in May to 40,960 from 43,535 in April. The May claims number is the lowest since June 2000. Washington's seasonally adjusted average weekly hours in manufacturing fell only slightly in May from 40.1 to 40.0, well up from its cyclical low of 38.3 hours in July 2003. May's Seattle Times Index of Help-Wanted Advertising rose to 58.2 from April's level of 56.6 after reaching a 27-year low of 51.4 in January 2004.

The Washington Index of Leading Indicators rose in May to 98.7 from 98.5 in December (1996=100). Since bottoming out in April 2003 at 95.9 points, the index has increased nine of the thirteen intervening months. Four of seven components were positive in May: an increase in the Seattle Help-Wanted Index, an increase in the U.S. leading index, a decline in initial claims for unemployment insurance, and an increase in authorized housing permits. A higher exchange rate and a decrease in average weekly hours in manufacturing were negative components in May, while Aerospace employment was unchanged.

Below is a summary of what various national and state indicators are indicating as of the publication date of the June 2004 economic and revenue forecast.

Table 2.1
Summary of National and State Indicators

<u>Indicator</u>	<u>Latest Data</u>	<u>Most Recent Indication¹</u>
U.S. leading index	May 2004	+ Indication
U.S real GDP growth	2004, quarter 1	growth slowed slightly
U.S real GDP growth	2004, quarter 1	+
U.S. ISM index	Jun-04	+
U.S emplo	May-04	slower but still +
U.S unemployment ra	May-04	unchanged
U.S help wanted inde	May-04	+
U.S. ISM index	June 2004	expansion slowed slightly
U.S employment y/y %ch	May 2004	growth slowed slightly
U.S unemployment rate	May 2004	no change
U.S help wanted index	May 2004	+
U.S. Fed funds target	June 2004	up but still stimulative
U.S. Consumer confidence	May 2004	+
U.S. CPI	May 2004	sharp increase
S&P 500 index	Week of Jun. 28	3rd week of decline
WA leading index	May 2004	+
WA ISM index	June 2004	+
WA help wanted index	May 2004	+
WA payroll empl. y/y % ch	May 2004	+
WA aerospace empl y/y%ch	May 2004	neutral
WA unemployment rate	May 2004	+
WA boom monitor	May 2004	slight -; trend +
WA initial unemploy. Claims	May 2004	+ (claims decreasing)
WA housing units	May 2004	+
WA weekly hours in mfg	May 2004	slight -
WA new car/truck registration	May 2004	+
WA migration (DOL data)	May 2004	+
WA exports-total	2004 qtr 1	-
WA exports- w/o trans. Equip.	2004 qtr1	+
Seattle CPI	April 2004	low, down from Feb.
NW regional stock index	Week of June 28, 2004	down; up year-to-date

¹ + sign: good for the economy; - sign : Indicates weakness

**This is based on the most recent data from the Bureau of Economic Analysis (the final GDP estimates for the first quarter of 2004 released June 25, 2004). The June 2004 economic forecast was completed prior to the preliminary GDP release, and shows the advance estimate of a 4.2 percent increase in real GDP for the first quarter of 2004.*

Washington State Economic Indicators

Chart 2.1
Year-over-Year Employment Growth
January 1980 to May 2004

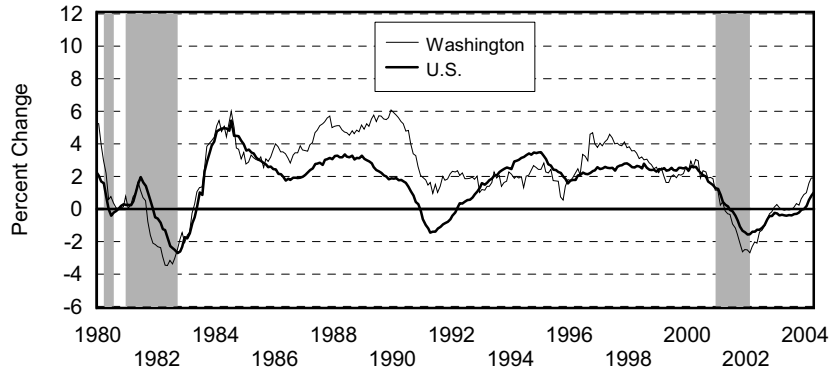


Chart 2.2
Washington Aircraft and Parts Employment
January 1958 to May 2004

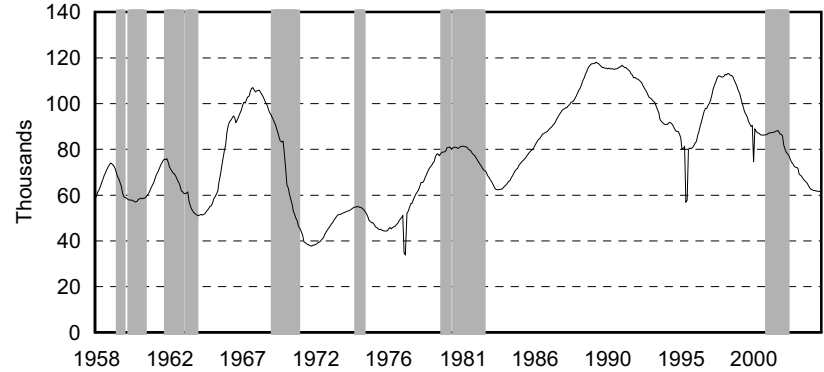


Chart 2.3
Unemployment Rate, S.A.
January 1980 to May 2004

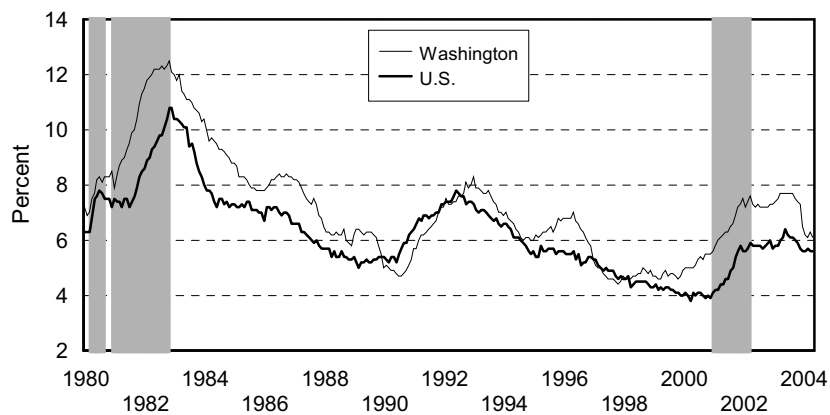
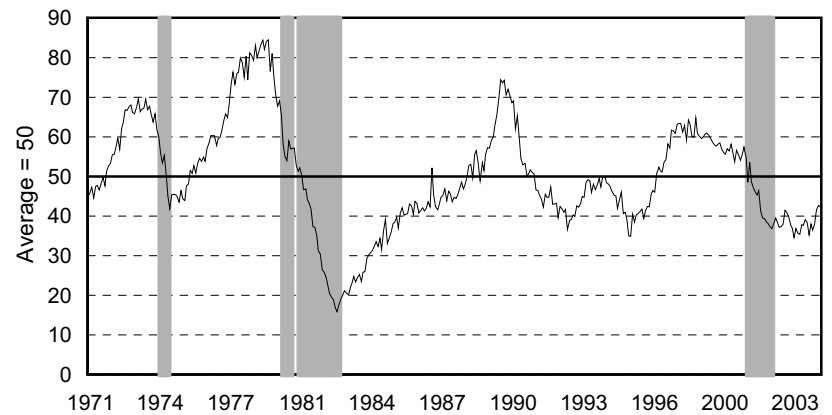


Chart 2.4
Washington Boom Monitor Composite Index
July 1971 to May 2004



* Shaded areas correspond with Washington employment downturns.

Washington State Leading Indicators

Chart 2.5
The Washington and U.S. Indexes of Leading Indicators
January 1970 to May 2004

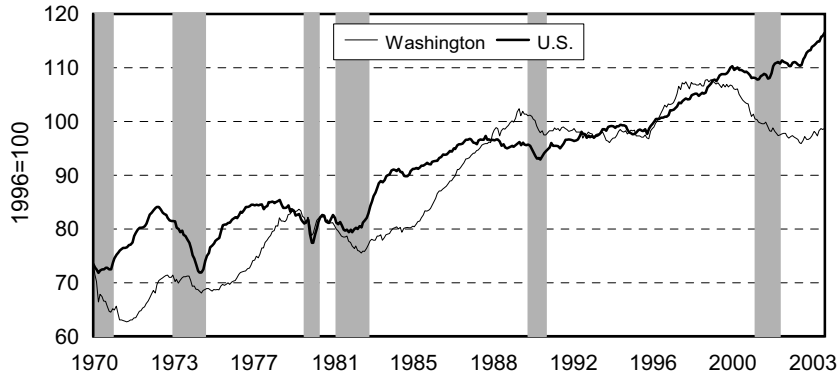


Chart 2.6
Washington Initial Claims for Unemployment Insurance
January 1970 to May 2004

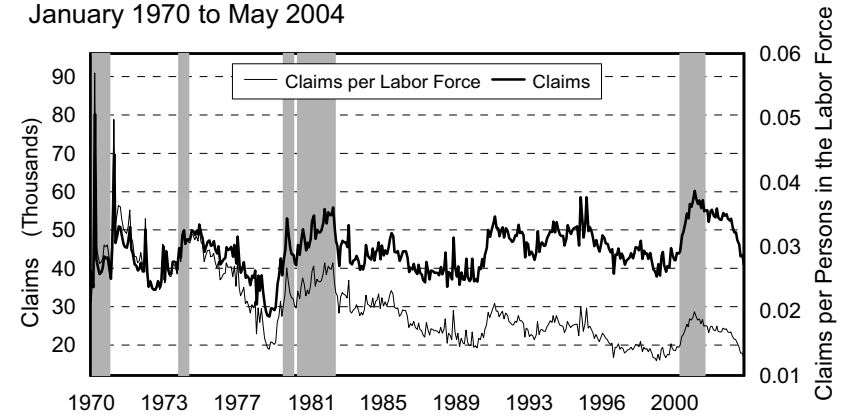


Chart 2.7
Seattle Times and U.S. Help-Wanted Advertising Indexes
January 1970 to May 2004

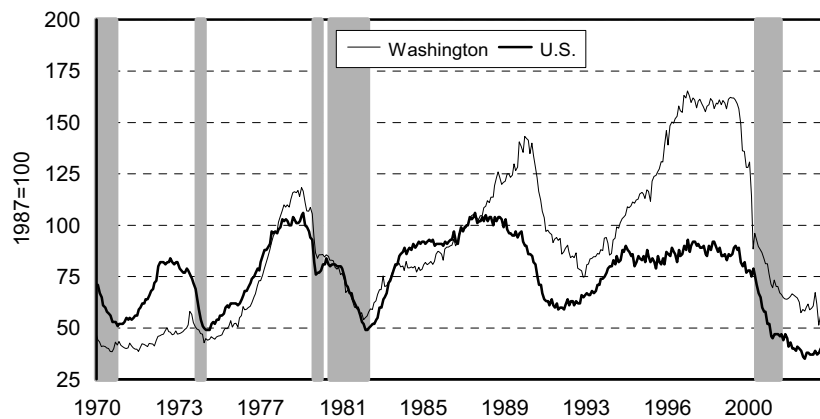
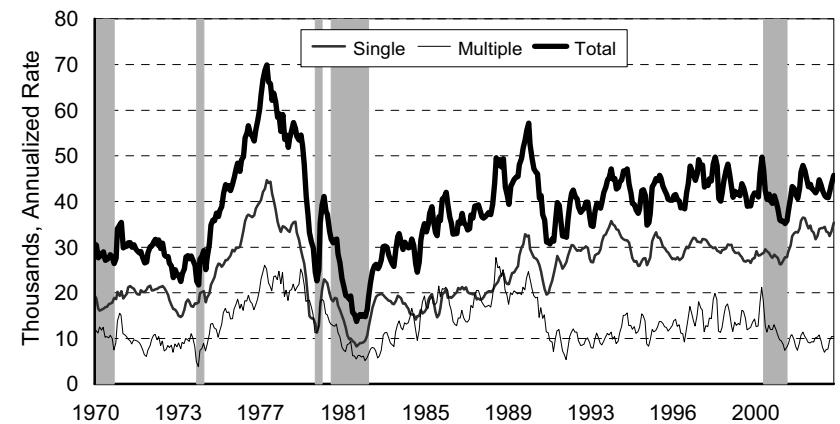


Chart 2.8
Housing Units Authorized in Washington State
January 1970 to May 2004, 3-Month Moving Average



Shaded areas in all charts correspond with Washington employment downturns.

Other State Economic Indicators

Chart 2.9
Average Weekly Hours in Manufacturing
Jan. 1970 to May 2004, 3-Mo. Moving Average, SA

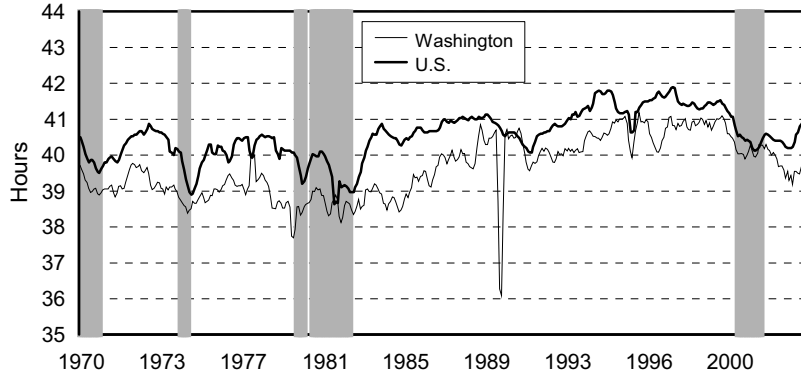


Chart 2.10
Washington Driver's License Migration
September 1983 to May 2004 12-Month Moving Average

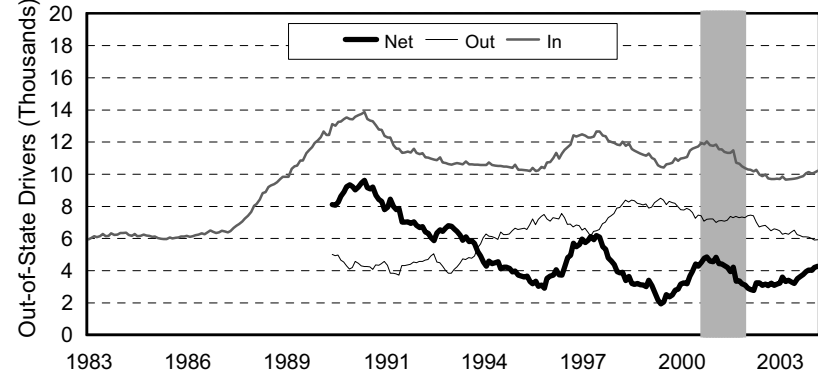


Chart 2.11
New Car and Truck Registrations in Washington
January 1977 to May 2004, 6-Month Moving Average

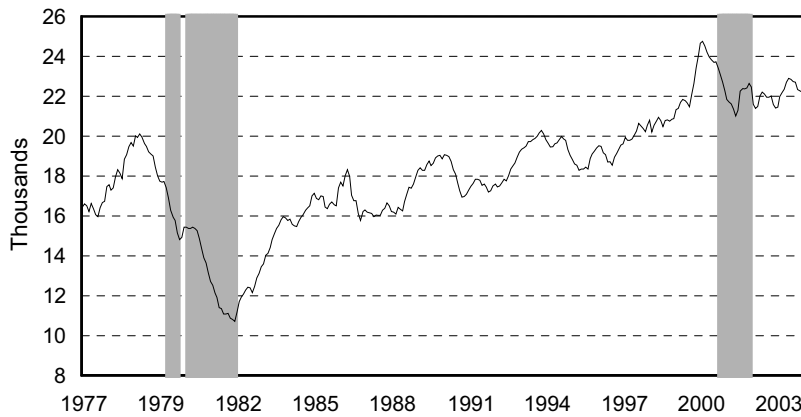
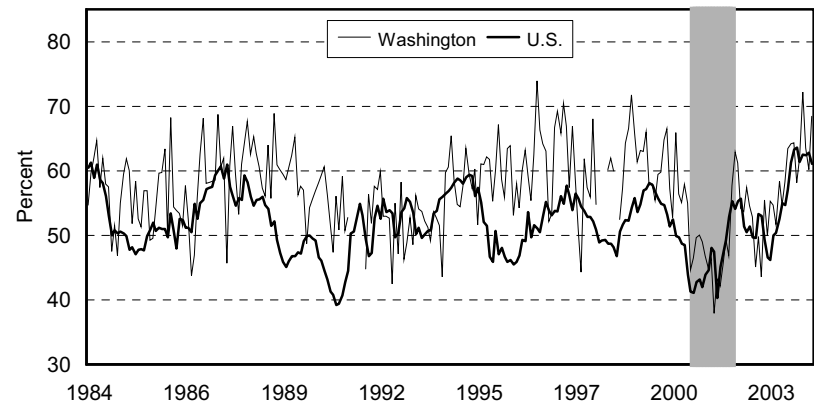


Chart 2.12
Institute for Supply Management Index
January 1984 to June 2004



* Shaded areas correspond with Washington employment downturns.

Other Economic Indicators

Chart 2.13
Quarterly U.S. Real GDP Growth
1970 Q1 to 2004 Q1

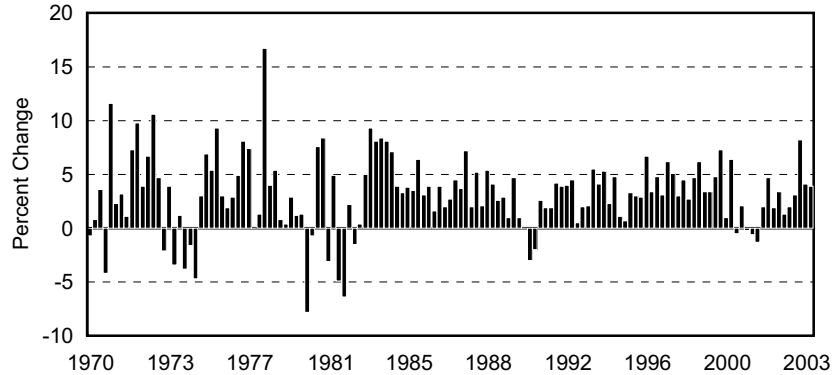


Chart 2.14
Washington State Export Composition
Change from Same Quarter Year Ago, 1998Q1 to 2004Q1

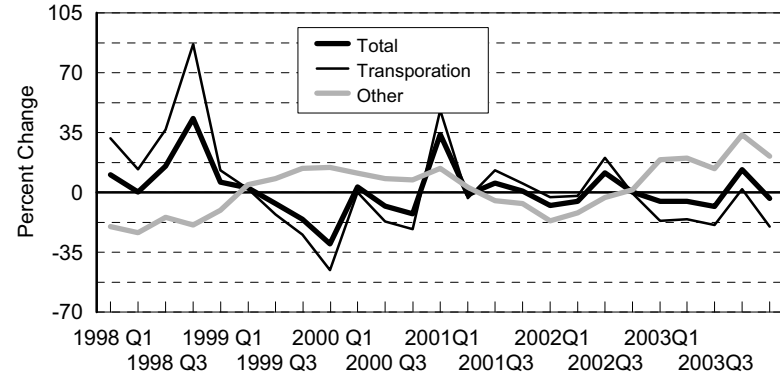


Chart 2.15
U.S. Economic Indicators*
January 1970 to May 2004

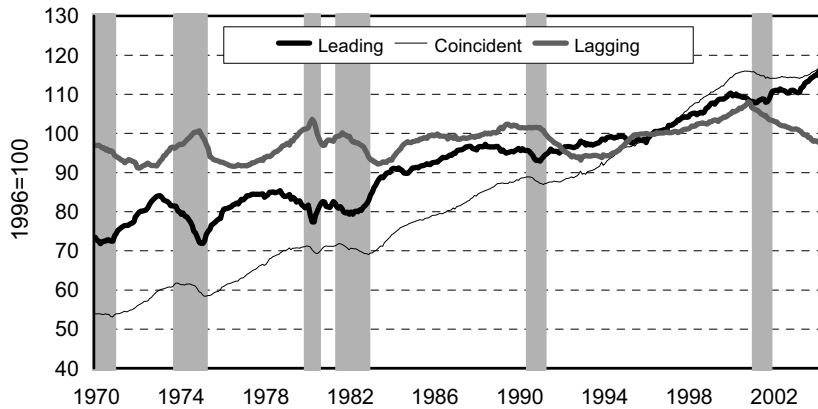
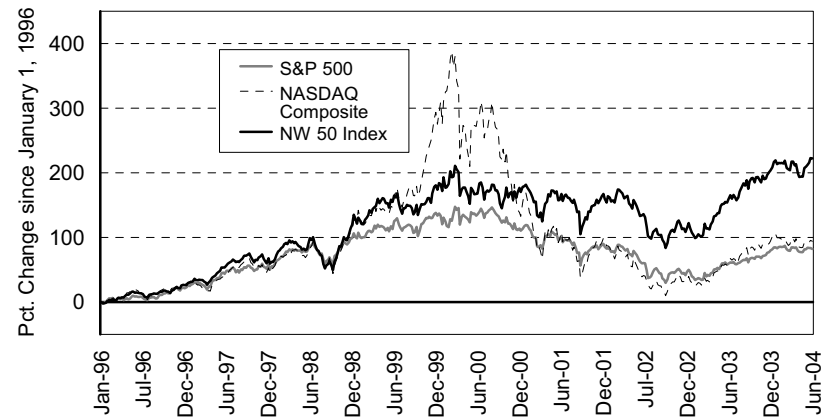


Chart 2.16
Northwest 50 Regional Stock Index vs. National Indices
January 1, 1996 to July 2, 2004



* Shaded areas correspond with U.S. business cycle contractions as defined by the National Bureau of Economic Analysis.

Other Economic Indicators

Chart 2.17
Federal Funds Target Rate
October 1, 1990 to June 30, 2004

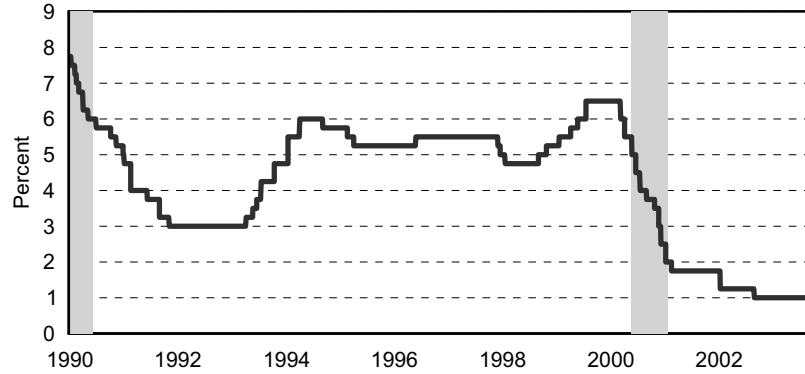


Chart 2.18
Consumer Confidence
January 1978 to June 2004

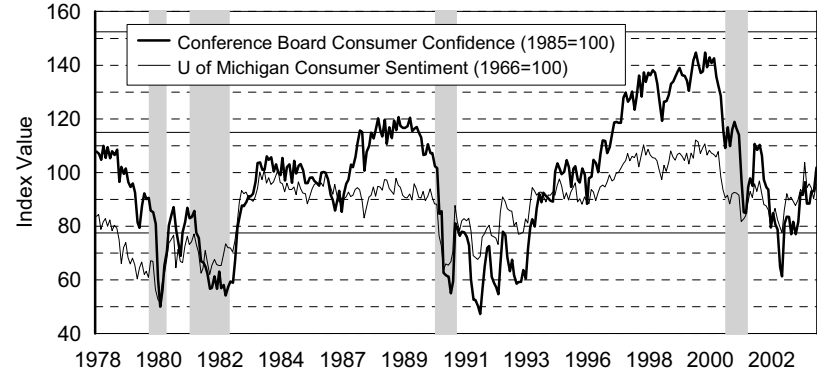
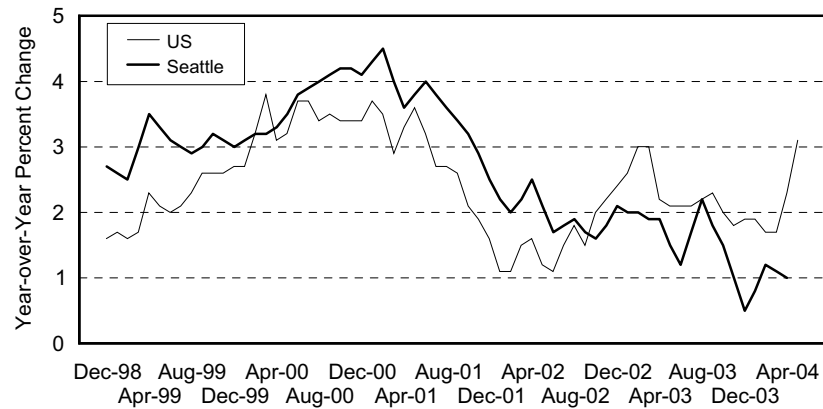


Chart 2.19
Seattle vs U.S. CPI (All Urban Consumers)
December 1998 to May 2004 (WA to April)



* Shaded areas correspond with U.S. business cycle contractions as defined by the National Bureau of Economic Analysis.

Table 2.2
Washington Business Indicators
 Historical Data

	Washington Index of Leading Indicators	U.S. Index of Leading Indicators	Seattle Index of Help-Wanted Advertising	U.S. Index of Help-Wanted Advertising	Washington Purchasing Management Index	U.S. Purchasing Management Index
2002:6	97.8	111.1	64	47	54.2	55.7
2002:7	97.8	111.0	64	45	53.7	51.4
2002:8	97.2	110.8	65	41	57.4	50.5
2002:9	96.9	110.3	65	43	54.6	51.4
2002:10	97.2	110.3	67	40	52.8	49.7
2002:11	97.4	111.0	66	40	45.1	49.6
2002:12	97.1	111.1	65	39	49.8	53.3
2003:1	96.9	111.0	65	41	43.5	53.0
2003:2	96.7	110.6	62	40	55.5	49.4
2003:3	96.1	110.4	57	39	50.0	46.6
2003:4	95.9	110.5	59	36	55.3	46.2
2003:5	96.5	111.6	58	35	54.7	50.0
2003:6	97.2	112.0	60	38	51.7	50.4
2003:7	96.7	112.8	62	38	58.4	52.6
2003:8	96.7	113.2	59	37	54.7	55.0
2003:9	96.9	113.3	60	37	58.3	54.7
2003:10	97.3	113.9	61	37	63.5	57.1
2003:11	98.1	114.2	67	39	64.2	61.3
2003:12	97.9	114.5	62	37	64.3	63.3
2004:1	97.3	114.9	51	38	58.2	63.6
2004:2	98.2	114.9	57	40	62.1	61.4
2004:3	98.7	115.8	59	39	72.2	62.5
2004:4	98.5	115.9	57	38	63.6	62.4
2004:5	98.7	116.5	58	39	60.2	62.8

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Washington State Revenue Forecast Summary

Introduction

The Economic and Revenue Forecast Council approved a \$99.0 million (0.4 percent) increase to the Washington General Fund-State (GFS) revenue forecast for the 2003-05 biennium at its June 17, 2004 meeting. In addition to reflecting an updated economic outlook, the June 2004 revenue forecast incorporates the impact of legislation enacted during the 2004 legislative session. The \$99.0 million change to the forecast is comprised of a \$185.5 million increase due to an improving economy and an \$86.4 million reduction due to legislation. The U.S and Washington economies are finally producing significant and sustained job gains which are generating stronger economic activity and more General Fund-State revenue. Nearly half of the \$185.5 million increase to the forecast for the current biennium due to a better economy reflects higher than expected collections in the four months since the February forecast. The June 2004 forecast is the fourth consecutive quarterly update in which the GFS revenue forecast for the 2003-05 biennium has been increased.

The June 2004 GFS revenue forecast expects \$22,996.3 million in the 2003-05 biennium, which spans the period July 2003 through June 2005. Job growth in Washington has increased a little sooner and stronger than expected in the February economic forecast, with nearly 30,000 jobs added since January. Stronger than expected job growth and a still very strong real estate market were the factors primarily responsible for the increase in the GFS

Table 3.1

Revision to the General Fund-State Forecast 2003-05 & 2005-07 Biennia

June 2004
(Millions of dollars)

Cash Basis

	<u>2003-05 Biennium</u>	<u>2005-07 Biennium</u>	<u>Both Biennia</u>
Non Economic Changes	(\$86.4)	(\$264.7)	(\$351.1)
Forecast Change	<u>185.5</u>	<u>61.7</u>	<u>247.2</u>
Total Change*	\$99.0	(\$203.0)	(\$104.0)

*Detail may not add to totals due to rounding

revenue forecast. Job and revenue growth are expected to grow moderately for the remainder of the biennium. The June forecast expects \$1.9 billion, 8.8 percent more GFS revenue in the 2003-05 biennium than in the 2001-03 budget period. Some of the increase, however, will be due to tax law changes. Excluding law changes, GFS revenue is expected to increase 7.5 percent in the 2003-05 biennium.

The GFS unrestricted ending balance for the 2003-05 biennium is now projected to be \$464.7 million, 2.0 percent of the budget. Although GFS revenue (\$22,996.3 million) for the biennium is expected to be less than the spending level (\$23,246.1 million) the ending balance is expected to be positive due to a \$404.6 million beginning balance and \$309.9 million in transfers and adjustments.

The revenue forecast for the 2005-07 biennium was also revised in June. The improving economy has raised the forecast for next biennium by \$61.7 million. However, due to 2004 legislation which reduced revenue for the 2005-07 biennium by \$264.7 million, the June 2004 forecast for next biennium is \$203.0 million less than the forecast in February.

The June 2004 GFS forecast for the 2005-07 biennium, which spans the period July 2005 through June 2007, is \$24,750.4 million. Economic and revenue growth is expected to improve a little next biennium. GFS revenue in the 2005-07 budget period is forecast to generate \$1.8 billion, 7.6 percent more than in the current biennium. The growth of GFS revenue next biennium is weaker than for the current biennium primarily due to a larger amount of property tax revenue going to the Student Achievement account rather than the General Fund. Adjusting for the I-728 diversion on other tax law changes GFS revenue is expected to increase 9.5 percent in the 2005-07 biennium.

Background and Assumptions

The Washington State GFS revenue forecast is prepared quarterly in conjunction with the state economic forecast for the Economic and Revenue Forecast Council. The Economic and Revenue Forecast Council was created by Chapter 138, Laws of 1984, to provide an objective revenue forecast for both executive and legislative branches of state government. The Council consists of six members, two appointed by the Governor and two appointed by the Legislature from each caucus of the Senate and House of Representatives. Current members of the Economic and Revenue Forecast Council are listed inside the front cover of this publication. The GFS revenue forecast is updated four times per year: March (February in even-numbered years), June, September, and November. Each state agency engaged in revenue collection is responsible for forecasting the revenue it collects or administers. The staff of the Economic and Revenue Forecast Council is responsible for the preparation of the state economic forecast and the revenue forecast of the Department of Revenue's GFS sources. The staff is also responsible for review and coordination of the revenue forecasts of agencies that collect relatively large amounts of GFS revenue. These are the Department of Licensing, the Office of the Insurance Commissioner, the Lottery Commission, the State Treasurer, the Liquor Control Board and the Office of Financial Management. The Office of Financial Management is responsible for summarizing the forecasts of all other state agencies that collect relatively smaller amounts of GFS revenue.

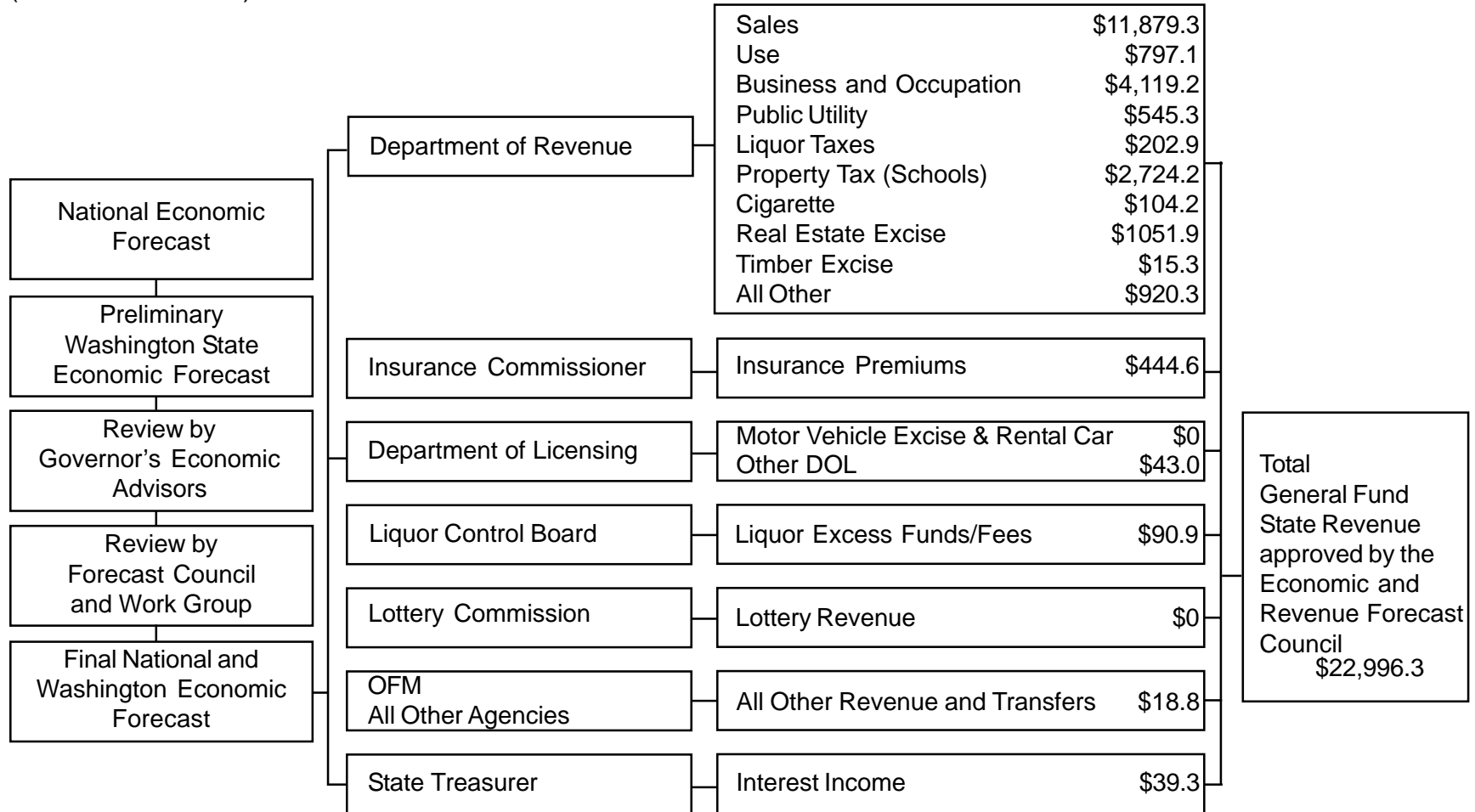
For each quarterly update, the staff of the Economic and Revenue Forecast Council, under the direction of the Executive Director, reviews (and if warranted, modifies) a national economic forecast prepared by Global Insight Inc. A state economic forecast is then prepared using an econometric model that links Washington's economy to the national economy. The Global Insight national forecast is the primary driver for the state economic forecast. After review by the Governor's Council of Economic Advisors, the economic forecast is used to prepare a baseline forecast of GFS revenue. Agencies and the staff of the Forecast Council use the economic forecast, in conjunction with revenue models, to prepare a GFS

revenue forecast. The revenue forecasts for most major General Fund sources are prepared using econometric models which link the tax base of major General Fund taxes to the national and state economic forecast. A baseline revenue forecast, along with at least two alternative forecasts, is prepared for all GFS sources and presented to the Forecast Council for approval. Once the Council approves the forecast, it becomes the official forecast of GFS revenue. An outline of the forecast process, including a summary of the June 2004 baseline forecast for the 2003-05 biennium is shown in Table 3.2.

June 2004 Forecast Assumptions

1. The June 2004 GFS revenue forecast is based in part on the economic forecast for the U.S. and the Washington State economies presented in Chapter 1 of this publication. The economic outlook for the state is in part based on the Global Insight Inc. May 2004 baseline forecast for the U.S. economy.
2. The GFS revenue forecast is based on current law and administrative practices. The June forecast includes the impact of 2004 legislation. Tax law changes reduced GFS revenue by \$86.4 million in the 2003-05 biennium and by \$264.7 million in the 2005-07 biennium. Legislation with the greatest impact were two bills that extend tax incentives that had or would have expired in during the 2003-05 biennium. A summary of the impact of 2004 legislation on the 2003-05 and 2005-07 biennium is summarized in Table 3.14.
3. Under provisions of Initiative 728, passed by the voters in November 2000, lottery revenue was dedicated to a newly created Student Achievement Account and to the School Construction Account. Prior to Initiative 728, most lottery revenue went into the General Fund. Under provisions of E2SSB 6560, enacted during the 2002 legislative session, the state is participating in a multi-state lottery game. Proceeds from this new game go the General Fund, after the first \$102 million per year of uncommitted lottery earnings are transferred to the Student Achievement Account and the School Construction Account. The June 2004 forecast assumes that lottery sales will be insufficient to contribute to GFS revenue. Part II of Table 3.18 summarizes lottery distributions by fund.
4. There are several legal challenges to various aspects of the state's tax laws or administration. Most of these challenges are in litigation and either have not yet been ruled on by the courts or are on appeal. Any impact on GFS receipts will not be incorporated into the forecast until the issue has been completely resolved.
5. There have been several legislative and other non-economic changes affecting actual GFS receipts for the last few biennia as well as the forecast for the 2003-05 and 2005-07 biennia. As of June 2004, new tax law changes have increased GFS revenue for the 2003-05 biennium by an estimated \$671 million. The GFS forecast for the 2005-07 biennium is also affected by legislation. Legislation enacted in the 2004 legislative session reduced the GFS forecast for the 2004-07 biennium by \$264.7 million. In addition, the effect of Initiative 728, which transfers a portion of revenue from the General Fund to the Student Achievement account, accelerates in both the 2003-05 biennium and the 2005-07 biennium. The I-728 transfers from the General Fund to the Student Achievement Account have a disproportional effect on GFS revenue for the 2003-05 and 2005-07 biennia relative to prior biennia. The I-728 property tax transfers grow from \$267.0 million in the 2001-03 biennium to \$329.8 million in the 2003-05 biennium. They are expected to grow to \$629.1 million in the 2005-07 biennium. (See part I of Table 3.18)

Table 3.2
Economic and Revenue Forecast Flow Chart*
 General Fund-State
 2003-05 Biennium
 (Amounts in millions)



* Cash Basis

Recent Collection Experience

Revenue collections in the four months since the February forecast were \$87.0 million, 2.5 percent, more than expected. Excluding two large non-recurring payments, collections were \$76.5 million, 2.2 percent higher than expected. Revenue Act taxes (Washington's major excise taxes: sales, use, business and occupation and public utility taxes) were \$28 million (1.1 percent) more than expected excluding special factors while other taxes primarily the real estate excise tax were \$47.9 million above the forecast.

The Washington economy grew faster than expected in the last four months adding nearly 30,000 jobs. The better economy translated into more consumer and investment spending and higher than expected revenue. Revenue Act receipts (primarily sales and business and occupation tax payments) averaged 5.9 percent above the year-ago level in this four month period excluding the impact of tax law changes and special factors. The growth in March (10.0 percent) and in April (7.1) were the best gains since before the recession. With higher gas prices and rising interest rates growth is expected to moderate.

Preliminary data on tax payments of 9,561 large taxpayers who filed electronically for the current month (April 2004 activity) show very strong growth across-the-board. Tax payments by retailers were up 11.8 percent and non-retailers reported an 11.0 percent increase. Last month tax payments by retailers were up 7.8 and non-retailers reported only a 3.4 percent gain. For the current month all three-digit

NAICS retail trade sectors reported an increase in tax payments with seven sectors reporting double-digit gains. The largest increases were reported by building materials/garden equipment retailers (+27.5 percent), apparel and accessory retailers (+16.9 percent), food and beverage stores (+14.2 percent) and gas stations and convenience stores (+14.1 percent). Most non-retailing sectors also reported very strong growth. Manufacturers reported a 19.4 percent increase in tax payments this month. Other sectors reporting very strong growth in tax payments include the education and health services sector (+16.6 percent), the construction sector (+13.1 percent), the transportation and warehousing sector (+12.0 percent), the pro-

Table 3.3

Collection Variance of Major General Fund-State Taxes by Agency

February 11 - June 10, 2004

Based on the February 2004 Forecast (Millions of Dollars)

Agency/Source	Collection Variance*	Adjusted		
		Percent of Estimate	Collection Variance**	Percent of Estimate
Department of Revenue				
Revenue Act ¹	\$38.5	1.5%	\$28.0	1.1%
Non Revenue Act ²	\$47.9	6.0%	\$47.9	6.0%
Subtotal	<u>\$86.4</u>	<u>2.5%</u>	<u>\$75.9</u>	<u>2.2%</u>
Department of Licensing ²	\$0.6	7.2%	\$0.6	7.2%
Other	na	na	na	na
Total***	\$87.0	2.5%	\$76.5	2.2%

¹ Revenue Act taxes consist of retail sales, business and occupation, use, public utility and tobacco products taxes as well as penalty and interest receipts. The variance is based on collections February 11, 2004 through June 10, 2004.

² Variance based on February 2004 through May 2004 collections. Major Non Revenue Act sources include: state property tax levy, real estate excise tax and estate tax.

* Collection variance: actual tax payments compared to monthly estimates based on the February 2004 forecast.

** Variance adjusted for special factors (e.g. unusually large audit payments).

*** Detail may not add to total due to rounding.

professional, scientific and technical services sector (+11.8 percent), the accommodations and food service sector (+11.7 percent), the information sector (+11.4 percent) and the wholesale trade sector (+11.4 percent). There was only one major non-retailing sector that reported a decline in tax payments this month. Tax payments reported by the finance and insurance sector were 4.8 percent less than a year-ago.

The pace of real estate activity accelerated in recent months as mortgage rates fell in the first quarter rather than rising as assumed in the February forecast. Real estate tax receipts were \$31.0 million more than expected, accounting for more than a third of the cumulative collection variance. Real estate activity, as measured by real estate sales subject to the state's real estate excise tax, was 31.2 percent above the year-ago level in the last two months and is 19.2 percent ahead of last year for the fiscal year-to-date. Although the number of transactions continues to increase, higher prices have been the primary reason for the recent gains.

General Fund-State taxes collected by the Department of Licensing (primarily revenue from licenses and fees) were \$582,000 (7.2 percent) above the estimate in the four months since the February forecast. During this period, Department of Licensing General Fund collections were 1.4 percent below the year-ago level.

The General Fund-State Forecast for the 2003-05 and 2005-07 Biennia

The June 2004 forecast for the 2003-05 biennium (July 1, 2003 to June 30, 2005) assumes modest economic and revenue growth. We are nearly a year into the biennium and economic and revenue data confirm that the economic recovery is underway. Nationally, output as measured by real GDP growth is expected to increase 4.5 percent in fiscal 2004, the best growth since fiscal 2000. The June 2004 forecast shows both fiscal 2004 GDP and income growth were a little better than expected in February. At the state level employment has increased for three consecutive quarters and its growth in early calendar 2004 was significantly stronger than was assumed in the February forecast. Revenue growth accelerated in fiscal 2004, especially in the last three months. Challenges remain. The recent improvement in economic and revenue growth has been helped by low interest rates, tax cuts and an acceleration in Federal spending. Interest rates are now expected to rise and most of the stimulative effects of the tax cuts are behind us. In addition, a higher gas price is placing an additional burden on the economy. The June forecast assumes that there is sufficient economic momentum to offset these obstacles. While higher interest rates, less fiscal stimulus and higher gas prices may result in a little slower growth, they are not expected to derail the recovery. State nominal personal income is expected to increase 8.3 percent in the 2003-05 biennium, up from 5.8 percent in the 2001-03 biennium. Wage and salary employment growth is expected to increase only 1.9 percent in the 2003-05 biennium; though much better than the 1.5 percent decline experienced in the 2001-03 biennium, this is still the weakest biennium employment growth since the 81-83 biennium. The June forecast expects GFS revenue will improve in the 2003-05 biennium from a depressed 2001-03 level. GFS revenue in the 2003-05 biennium is expected to total \$22,996.3 million. This is \$1.9 billion (8.8 percent) more than in the 2001-03 biennium. Adjusting for major legislative changes, GFS revenue is expected to grow 7.5 percent. This is a vast improvement from the 2001-03 biennium in which GFS revenue fell \$121 million (0.6 percent.)

The June 2004 forecast for the 2005-07 biennium continues to assume modest economic and revenue growth. Growth in the 2005-07 budget period is expected to be better than in the current biennium. Real personal income is expected to increase 8.1 percent in the 2005-07 biennium, up from 4.5 percent in the 2003-05 period. Employment growth is also expected to be better, increasing 4.3 percent compared to 1.9 percent in the current biennium. Revenue growth will also improve. The state is expected to collect

\$24,750.4 million in GFS receipts in the 2005-07 budget period. This is \$1.8 billion, 7.6 percent, more than in the 2003-05 biennium. Adjusting for tax law changes and the impact of higher I-728 transfers out of the General Fund, revenue is expected to increase 9.5 percent.

Washington has no personal or corporate income tax. Three taxes: sales and use, business and occupation and the property tax (state school levy) comprise the majority of Washington's GFS revenue. These three taxes accounted for 85.8 percent of the \$21.1 billion total GFS cash receipts in the 2001-03 biennium. These taxes are expected to account for 84.9 percent of GFS revenue in the 2003-05 biennium and 85.7 percent in the 2005-07 biennium. The state's reliance on sales, business and occupation, and property taxes has increased over time, rising from 80 percent in the 1989-91 biennium and from 75 percent twenty years ago. The retail sales and use tax, the state's largest revenue source, generated \$11.7 billion, 55.5 percent of total GFS revenue in the 2001-03 biennium. Sales and use taxes are expected to produce \$12.7 billion, 55.1 percent of total GFS revenue in the 2003-05 biennium and \$14.0 billion, 56.5 percent of the total in the 2005-07 budget period. The business and occupation tax totaled \$3.8 billion in the 2001-03 biennium, 17.9 percent of total GFS revenue. This tax is expected to produce \$4.1 billion, 17.9 percent of the total in the 2003-05 biennium and \$4.6 billion, 18.6 percent of the total in the 2005-07 biennium. The state share of the property tax totaled \$2.6 billion, 12.4 percent of total GFS revenue in the 2001-03 biennium. The June forecast expects property tax to produce \$2.7 billion in the 2003-05 biennium, 11.9 percent of total GFS revenue and \$2.6 billion, 10.6 percent of the total in the 2005-07 biennium. The reduction in the property tax share of total GFS receipts reflects the growing impact of I-728, which transfers a growing portion of the state property tax levy from the General Fund to the Student Achievement/School Construction Account beginning in the 2001-03 biennium. (See Table 3.18, part 1.)

Taxable sales (sales subject to the 6.5 percent state retail sales tax) totaled \$23.3 billion in the fourth quarter of 2003, the most recent quarter available. This was 2.5 percent higher than a year-ago. Taxable sales grew 4.2 percent in the third quarter. Taxable sales have now increased on a year-over-year basis for six consecutive quarters after having fallen or remained unchanged for five straight

Biennium	Current Dollars	Percent Change	2000 Chained Dollars	Percent Change
1961-63	\$817.1		\$3,362.6	
1963-65	866.2	6.0%	3,478.7	3.5%
1965-67	1,128.6	30.3%	4,357.5	25.3%
1967-69	1,440.5	27.6%	5,200.4	19.3%
1969-71	1,732.7	20.3%	6,552.5	26.0%
1971-73	1,922.1	10.9%	6,721.8	2.6%
1973-75	2,372.4	23.4%	7,168.5	6.6%
1975-77	3,395.0	43.1%	8,922.0	24.5%
1977-79	4,490.0	32.3%	10,358.6	16.1%
1979-81	5,356.4	19.3%	10,292.1	-0.6%
1981-83	6,801.4	27.0%	11,378.5	10.6%
1983-85	8,202.4	20.6%	12,662.4	11.3%
1985-87	9,574.6	16.7%	13,936.5	10.1%
1987-89	10,934.1	14.2%	14,805.5	6.2%
1989-91	13,309.0	21.7%	16,560.9	11.9%
1991-93	14,862.2	11.7%	17,331.1	4.7%
1993-95	16,564.6	11.5%	18,474.0	6.6%
1995-97	17,637.7	6.5%	18,866.9	2.1%
1997-99	19,620.1	11.2%	20,420.8	8.2%
1999-01	21,262.1	8.4%	21,266.3	4.1%
2001-03	21,140.7	-0.6%	20,419.8	-4.0%
2003-05 ^F	22,996.3	8.8%	21,432.3	5.0%
2005-07 ^F	24,750.4	7.6%	22,309.3	4.1%

^F: June 2004 Forecast
 *Total General Fund-State revenue and transfers. Cash basis; includes rate base and administrative changes. Modified cash basis: 1985-87 and prior; pure cash basis: 1987-89 and after. May not be comparable because the collection totals include the impact of rate, base and administrative changes. Source: Department of Revenue, the Office of Financial Management and the Office of the Forecast Council 's June 2004 forecast.

Table 3.5
Taxable Retail Sales*
 June 2004 Forecast
 (Millions of Dollars)

<u>Fiscal Year</u>	<u>Amount</u>	<u>Percent Change</u>
1974	11,877	
1975	13,380	12.7%
1976	15,493	15.8%
1977	17,626	13.8%
1978	21,121	19.8%
1979	22,309	5.6%
1980	24,057	7.8%
1981	25,197	4.7%
1982	26,097	3.6%
1983	29,368	12.5%
1984	29,156	-0.7%
1985	30,687	5.3%
1986	32,158	4.8%
1987	34,647	7.7%
1988	37,452	8.1%
1989	41,429	10.6%
1990	47,183	13.9%
1991	49,812	5.6%
1992	53,189	6.8%
1993	55,319	4.0%
1994	59,009	6.7%
1995	61,927	4.9%
1996	62,817	1.4%
1997	66,748	6.3%
1998	72,059	8.0%
1999	77,197	7.1%
2000	83,385	8.0%
2001	85,633	2.7%
2002	84,418	-1.4%
2003	86,165	2.1%
2004 ^F	90,021	4.5%
2005 ^F	94,697	5.2%
2006 ^F	98,946	4.5%
2007 ^F	104,327	5.4%

^F Forecast.

* Actual Base. Includes statutory and administrative changes to the tax base. Historical fiscal year data are from quarterly taxable sales reported by taxpayers on the state's Combined Excise tax return. Major base changes include: exemption of off-premises food, beginning 1978:3 (fiscal 1979); extension of the sales tax base to off premises food (1982:2 to 1983:2) food again exempt 1983:3 (fiscal 1984). Base extended to some personal services effective July 1994. Exemption of manufacturing equipment effective fiscal 1996. Additional sales tax exemptions (including an exemption for R&D equipment) effective fiscal 1997. Changes in reporting, effective 1997. Additional exemptions effective fiscal 1999, 2000, 2001, 2002 and 2006. Additions to the tax base due to increased compliance efforts effective fy 2003. Fiscal 2005, 2006 and 2007 affected by 2004 legislative changes.

quarters. The growth of Washington taxable sales decelerated a bit in the fourth quarter and was weaker than both personal income and retail sales nationally. U.S. retail and food service sales were very strong in the fourth quarter, 6.7 percent above the year-ago level. This follows a 6.4 percent increase in the third quarter of 2003. Preliminary data indicate that the year-over-year increase of U.S. retail and food service was even stronger, 7.7 percent, in the first quarter of 2004. The June 2004 forecast assumes that taxable sales in Washington increased 6.0 percent in the first quarter of 2004.

The Department of Revenue is in the process of converting the classification of taxpayers from the Standard Industrial Classification (SIC) basis to the North American Industry Classification System (NAICS). When completed, historical comparisons will be easier and more reliable. Preliminary analysis of the growth of taxable sales in the fourth quarter of 2003 by sector (NAICS basis) shows the retail trade sector, which accounted for about 48 percent of all taxable sales in the fourth quarter, was 5.1 percent above the year-ago level. Last quarter taxable sales of the retail trade sector increased 4.9 percent. Within retailing, building materials and garden equipment stores reported the largest year-over-year gain in the fourth quarter, 11.0 percent. Electronic and appliance retailers (+7.7 percent), clothing and accessories stores (+7.3 percent) and non store retailers (+7.4 percent) also reported a strong gains. No three digit retail sector reported a drop in taxable sales but sporting goods, hobby, music and book stores reported an increase of only 0.2 percent and taxable sales of food and beverage stores increased only 2.4 percent. Auto dealers, the largest retail trade sector accounting for 11 percent of taxable sales in the fourth quarter, increased 5.1 percent.

Taxable sales reported by non-retailing sectors were only 0.2 higher than a year-ago in the fourth quarter of 2003. This was the weakest year-over-year increase since the second quarter of 2002. Last quarter, taxable sales of non-retailers increased 3.6 percent. The fourth quarter year-over-year change varied widely among non-retail trade sec-

Chart 3.1
General Fund-State Revenue

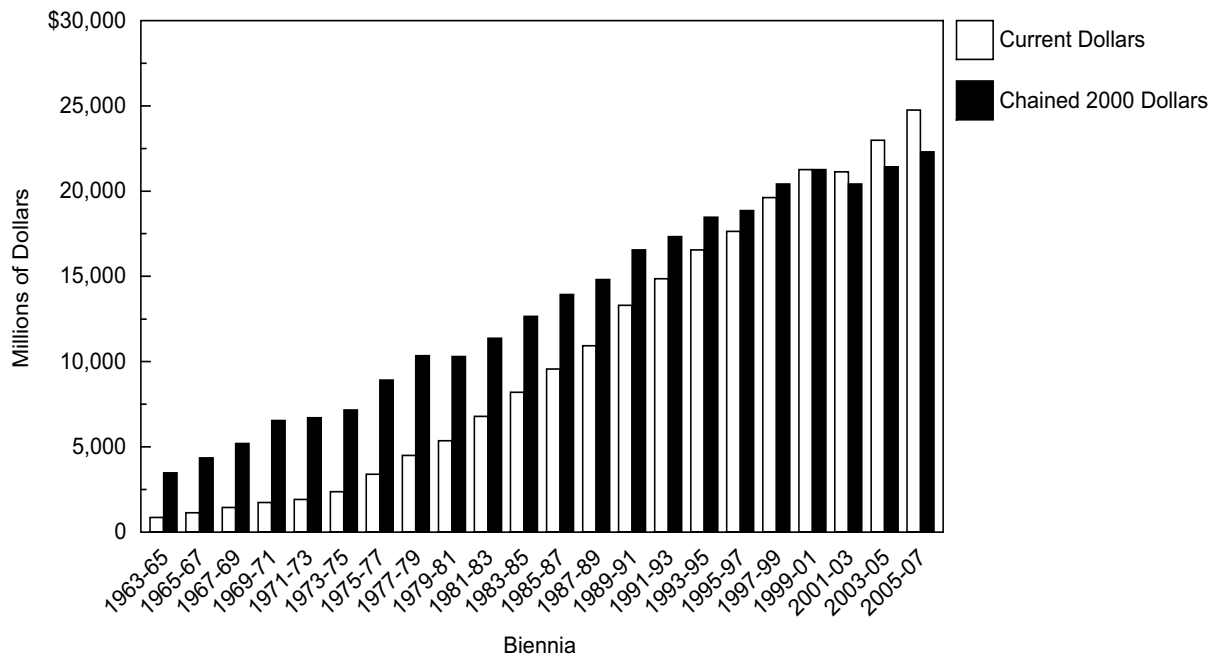


Chart 3.2
General Fund-State Revenue - Percent Change

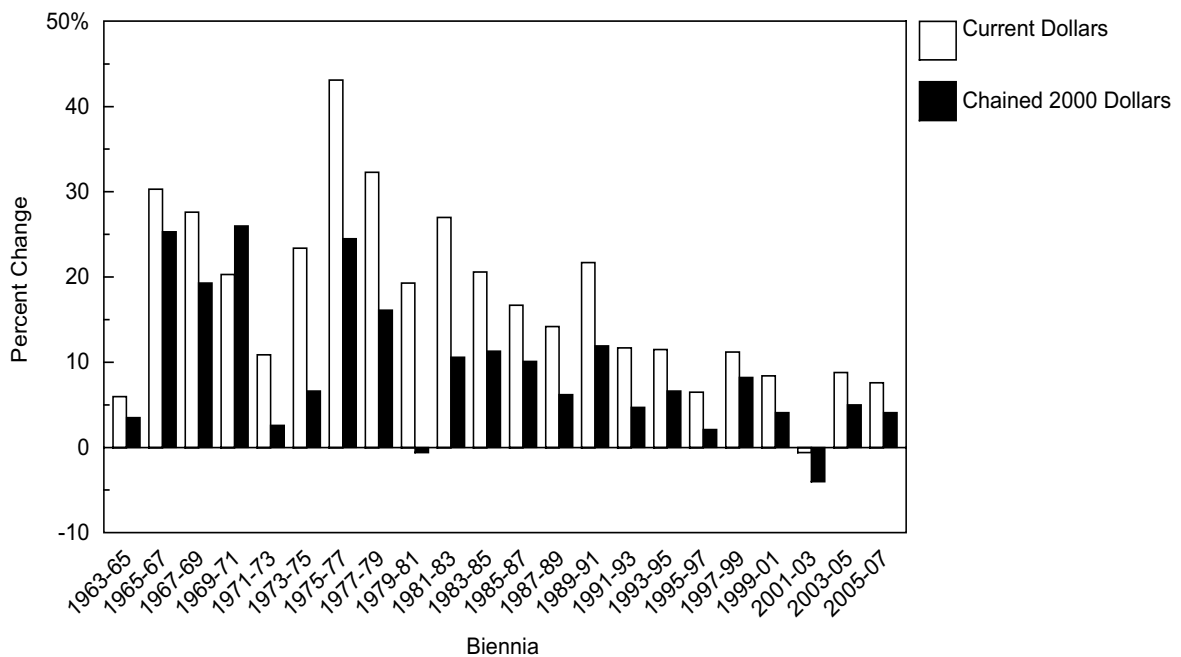


Chart 3.3
Composition of General Fund-State Revenue

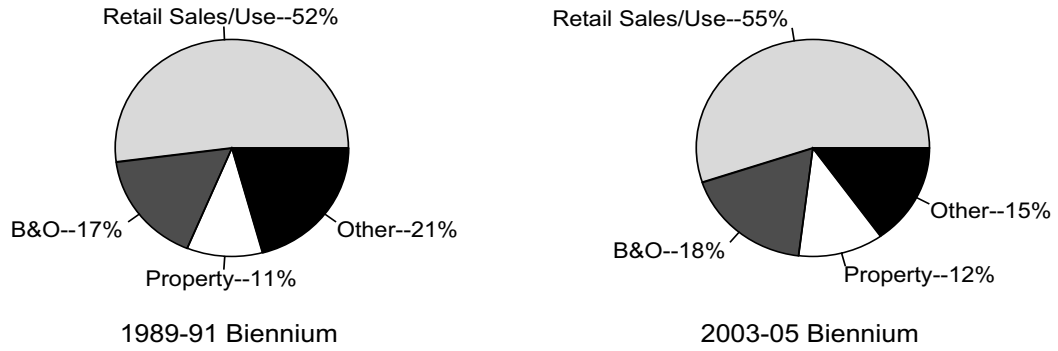
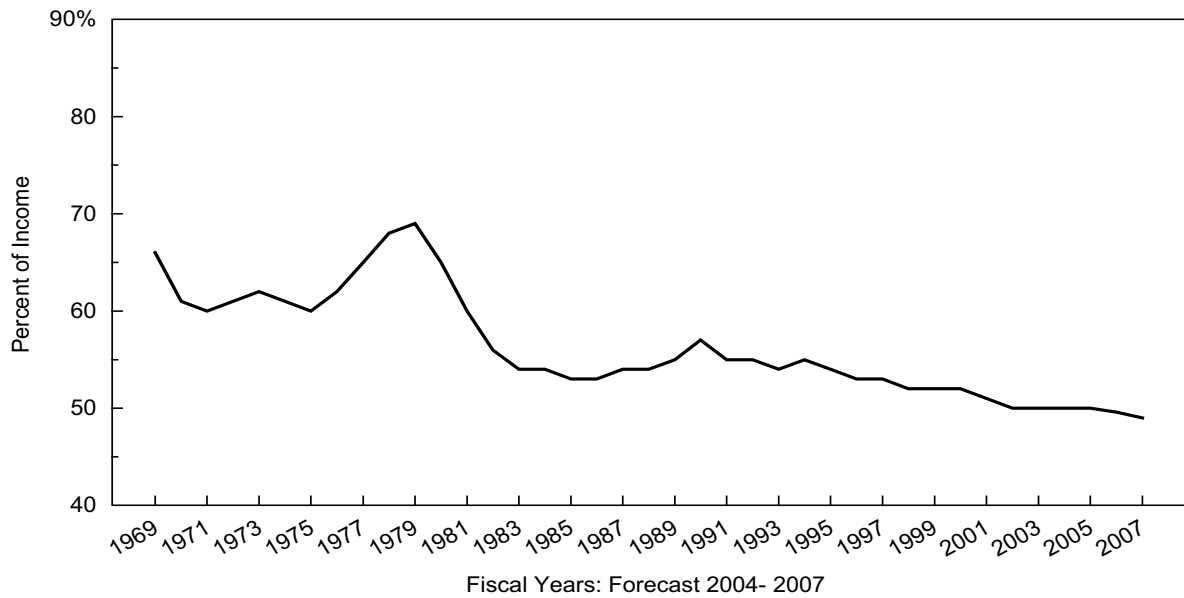


Chart 3.4
Taxable Sales* as a Percent of Personal Income



* Adjusted Base

tors. Taxable sales reported by the contract construction sector, which accounted for about 16 percent of all taxable sales in the fourth quarter of 2003, increased 1.0 percent. Last quarter it increased 5.7 percent. Taxable sales reported by the service sector, which accounted for nearly 17 percent of all taxable sales in the fourth quarter, were 2.8 percent higher than a year-ago. This was due to a 5.8 percent increase in taxable sales reported by the accommodations and food service sector. Taxable sales reported by the information sector were only 0.1 percent above the year-ago level. Taxable sales in the manufacturing sector declined 1.9 percent. The wholesale trade sector reported a 2.3 percent year-over-year drop in taxable sales in the fourth quarter.

Taxable sales in the state's three largest counties (King, Snohomish and Pierce) were 2.3 percent higher than a year ago in the fourth quarter of 2003. Taxable sales increased 2.5 percent in the rest of the state. Taxable sales in King County were 1.2 percent higher than a year-ago in the fourth quarter of 2003. Though the increase was small and below the statewide average, this is the second straight quarter year-over-year taxable sales increased in King County. Prior to the third quarter of 2003, King County taxable sales had declined or remained unchanged eight of the previous nine quarters. Taxable sales in Snohomish County increased 3.0 percent in the fourth quarter of 2003 and Pierce County reported a strong 5.9 percent increase. Taxable sales in Spokane County were 3.9 percent above the year-ago level. Taxable sales were up 3.1 percent in metropolitan counties in the fourth quarter and declined 2.0 percent in non-metropolitan counties.

Statewide taxable sales are expected to increase 4.5 percent in fiscal 2004 after declining 1.4 percent in fiscal 2002 and growing only 2.1 percent in fiscal 2003. The forecast expects additional improvement to 5.2 percent in fiscal 2005. Taxable sales growth in fiscal 2005 is a little weaker than in February primarily due to 2004 legislation which extended the sales tax deferral/exemption which was set to expire in July 2004. This reduces the growth of taxable sales about a percent in fiscal 2005. Taxable sales are expected to grow moderately in the 2005-07 biennium. The June 2004 forecast assumes taxable sales will grow 4.5 percent in fiscal 2006 and 5.4 percent in fiscal 2007.

Forecast Change for the 2003-05 and the 2005-07 Biennia

The June 2004 forecast expects a stronger economy to generate \$247.2 million more GFS revenue than assumed in February for the current and next biennial budget periods. However, the incorporation of 2004 legislation into the GFS forecast reduces the forecast by \$351.1 million by June 2007, more than offsetting the gain due to the better economy.

The June 2004 forecast of GFS revenue for the two year budget cycle ending June 30, 2005 is \$99.0 million (0.4 percent) higher than in February. The June forecast change is comprised of a \$185.5 million increase due to a better economy and an \$86.5 million reduction due to 2004 legislative changes. The \$185.5 million increase due to a better economic outlook includes \$87.0 million of higher than expected revenue in the four months since the forecast in February.

The June GFS forecast for the 2005-07 biennium is \$203.0 million lower than in February. Although an improved economic outlook added \$61.7 million to the GFS forecast for next biennium, this was more than offset by tax law changes enacted during the 2004 legislative session which reduced the forecast by \$264.7 million.

Table 3.6 summarizes the changes to the June 2004 cash forecast by type of change. Tables 3.7 and 3.8 summarize changes since February to GFS revenue for the 2003-05 biennium by agency and source of revenue. Table 3.7 is on a cash basis and Table 3.8 is on a GAAP basis. Table 3.9 and 3.10 summarize the changes to GFS revenue forecast for the 2005-07 biennium by agency and source. Table 3.9 is on a

cash basis and Table 3.10 is on a GAAP basis. Table 3.11 provides the fiscal year forecast by major revenue source (cash basis). Table 3.12 provides a fiscal year summary of GFS cash receipts. Table 13 summarizes the impact of 2004 legislative changes to GFS revenue for the 2003-05 and 2005-07 biennia. Below is a summary of the changes to the June 2004 GFS forecast due to legislation followed by a summary of changes to the forecast by agency.

Legislative Changes to the Forecast

Tax law changes enacted during the 2004 Regular Session of the 58th Legislature reduced the GFS revenue forecast by \$351.1 million for the 2003-05 and 2005-07 budget periods. The forecast for the 2003-05 biennium was reduced \$86.4 million, all but \$400,000 in fiscal 2005. The forecast for the 2005-07 biennium was reduced \$264.7 million. The impact of tax law changes of GFS revenue that are incorporated into the June 2004 forecast are summarized in Table 3.14. Below is a brief description of 2004 legislation with the largest GFS impact.

E2SHB 2546 extends the B&O tax credit for certain high technology activities that were scheduled to expire on December 31, 2004. The bill also extends the sales tax deferral /exemption program which allows firms in certain high technology areas to defer (or exempt) sales and use tax on construction of R&D or pilot manufacturing facilities and the acquisition of certain new equipment. This program was scheduled to expire July 1, 2004. This legislation reduces GFS revenue by \$52.4 million in the 2003-05 biennium (fiscal 2005) and by \$174.1 million in the 2005-07 biennium.

SSB 6240 extends tax incentives for firms in rural counties. This legislation contains three separate tax incentives for certain activities of firms located in rural Washington counties. These incentives either had already expired or were scheduled to expire in 2004. These are: a B&O credit for firms engaged in manufacturing or developing computer software, a B&O credit for help-desk service firms located in rural counties and a sales/use exemption for qualified investment in rural counties or community empowerment zones for firms engaged in manufacturing or R&D. This legislation reduces GFS \$15.8 million in the 2003-05 biennium (primarily fiscal 2005) and by \$39.1 million in the 2005-07 biennium.

SB 6515 corrects errors in legislation enacted in 2003 to implement the Streamline Sales and Use Tax Agreement which is intended to make the base of the Washington's retail sales tax more consistent with a national model. This legislation is expected to reduce GFS revenue in the 2003-05 biennium by \$7.9 million and by \$19.9 million in the 2005-07 biennium.

SHB 1328 clarifies the taxation of certain boarding homes which are licensed by the Department of Social and Health Services. The legislation lowers the B&O tax rate from 1.5 percent to 0.275 percent and creates a new B&O deduction for Medicaid receipts for these homes. This legislation is expected to reduce GFS revenue in the 2003-05 biennium by \$3.9 million and by \$12.9 million in the 2005-07 biennium

Department of Revenue

The Department of Revenue collects and administers the majority of Washington's GFS revenue, accounting for more than 97 percent of total GFS revenue for the 2003-05 and 2005-07 biennia. The June forecast of GFS revenue sources administered and collected by the Department of Revenue is \$140.2 million lower than in February. The forecast for Department of Revenue sources is \$67.5 million higher than in February for the 2003-05 biennium but is \$207.7 million less for the 2005-07 biennium. An improved economic outlook and more actual revenue in the last four months added \$154.3 million to the forecast for the 2003-05 biennium and \$57.4 million to the forecast for the 2005-07 biennium. The in-

crease, however, was more than offset by 2004 legislation which reduced GFS revenue for Department of Revenue sources by \$86.8 million in the 2003-05 biennium and by \$265.1 million in the 2005-07 biennium.

The largest change to the Department of Revenue GFS sources in June was a \$236.6 million reduction to the retail sales tax forecast. The sales tax forecast was lowered \$44.5 million in the 2003-05 biennium and \$192.1 million next biennium. The change was comprised of a \$265.7 million reduction due to 2004 legislation (primarily extending the sales tax deferral/exemption to high technology firms and firms who locate in rural counties) which was partially offset by a \$29.1 million increase due to a better economic outlook. The real estate excise tax forecast is \$78.5 million higher than in February. Real estate activity has been much stronger than assumed in the February forecast, boosted by lower mortgage rates and stronger than expected economic growth. The real estate excise tax forecast for the 2003-05 biennium was increased \$52.9 million and the forecast for the 2005-07 biennium was raised \$25.6 million. Real estate activity the last two months were 31.2 percent higher than a year ago and much of the increase to the forecast this biennium reflect actual collection experience. The business and occupation tax forecast is \$68.9 million lower than in February. The forecast for the 2003-05 biennium was reduced \$7.2 million while the forecast for next biennium is \$61.7 million less than assumed in February. The reduction is due to 2004 legislation, not to a weaker outlook for activity subject to the business and occupation tax. Excluding legislation, the business and occupation tax forecast is similar, \$2.1 million higher, to the June forecast. Other significant changes to the Department of Revenue GFS forecast in June were positive. The public utility tax forecast is \$25.7 million higher than in February. This consists of a \$17.8 million increase in 2003-05 and a \$7.9 million increase to the 2005-07 forecast. The June estate tax forecast is \$20.3 million higher than in February (\$18.4 in 2003-05 and \$1.9 million in the 2005-07 biennium) and the forecast for liquor tax revenue is \$10.1 million higher than in February, \$4.9 million higher in the current biennium and \$5.2 million higher in the 2005-07 budget period. These increases primarily reflect a combination of higher than expected collections in the four months since the February forecast and an improving economy.

Most major tax sources are expected to experience modest growth in the 2003-05 and the 2005-07 biennium. The major exception is the portion of the state property tax levy that goes to the General Fund. While overall the state levy is expected to increase 6.0 percent in the 2003-05 biennium and 6.2 percent in the 2005-07 biennium, the General Fund portion of the property tax is expected to increase only 4.2 percent in the 2003-05 biennium and decline 4.0 percent in the 2005-07 biennium. This is due to the impact of Initiative 728 which diverts a portion of the state levy from the General Fund to the Student Achievement Account (SAA). The forecast assumes that the share of the state levy going to the SAA (instead of the General Fund) grows from \$267.0 million in the 2001-03 biennium to \$329.8 million in the 2003-05 biennium and to \$629.1 million in the 2005-07 biennium.

Department of Licensing

The majority of General Fund-State revenue collected by the Department of Licensing is from professional licenses, boat excise tax, and boat registration. The Department's General Fund-State forecast for the current biennium has been increased \$1.1 million to \$43.0 million, and its forecast for the 2005-07 biennium has been increased \$1.4 million to \$44.8 million.

The Office of Financial Management (Other Agencies)

The Office of Financial Management (OFM) is responsible for preparing General Fund-State revenue and transfer forecasts for all agencies excluding the Department of Revenue, the Department of Licensing,

Table 3.6

Summary of Changes to the General Fund-State Forecast

June 2004 Cash Forecast

(Millions of Dollars)

		June 2004
<u>2003-05 Biennium</u>		
<i>Collection Experience in the 2003-05 Biennium</i>		\$87.0
Department of Revenue ¹	86.4	
Other agencies ²	0.6	
<i>Forecast Change for the 2003-05 Biennium</i>		\$98.4
Department of Revenue	67.9	
Other agencies	30.5	
<i>Non-Economic Change for the 2003-05 Biennium*</i>		(\$86.4)
Department of Revenue	(86.8)	
Other agencies	0.4	
Total Change: 2003-05 Biennium*		\$99.0
<u>2005-07 Biennium</u>		
<i>Forecast Change for the 2005-07 Biennium</i>		61.7
Department of Revenue	57.4	
Other agencies	4.3	
<i>Non-Economic Change for the 2003-05 Biennium*</i>		(264.7)
Department of Revenue	(265.1)	
Other agencies	0.4	
Total Change: 2003-05 Biennium		(\$203.0)
Total Change: Both Biennia**		(\$104.0)

¹ Variance based on collections February 11 - June 10, 2004; retail sales, b&0, use & public utility taxes.

² Variance based on collections in February 2004 - May 2004.

* 2004 legislation.

** Detail may not add due to rounding.

the Liquor Control Board, the Insurance Commissioner, and the State Treasurer. The office's forecast for the current biennium has been increased \$10.6 million to \$18.8 million. In the forecast, a \$3.5 million reduction in forecasted income from the Department of Financial Institutions was outweighed by a \$12.5 million increase in revenue due to reimbursement by the Federal Government of fire control expenses to the state Department of Natural Resources in addition to other forecasted increases. The office's forecast for the 2005-07 biennium has been decreased \$16.1 million to a negative \$15.0 million, due substantially to further reductions in the forecast of revenues from the Department of Financial Institutions. The negative forecast indicates that General Fund revenue and transfers from the General Fund to the agencies overseen by the OFM are expected to exceed the revenue and transfers to the General Fund by those agencies.

State Treasurer

The Office of the State Treasurer generates General Fund-State revenue by investing state short-term cash reserves. The office's General Fund-State forecast for the current biennium has been increased \$2.0 million to \$39.3 million and its forecast for the 2005-07 biennium has been increased \$2.1 million to \$59.1 million.

Insurance Commissioner

The Office of the Insurance Commissioner collects premium taxes on most classes of insurance sold in Washington State. These taxes are distributed to the General Fund-State, the health services account, and various accounts in support of fire services. The office's forecast of General Fund-State revenue for the current biennium has been increased \$14.6 million to \$444.6 million, and its forecast for the 2005-07 biennium has been increased \$14.2 million to \$491.4 million.

Liquor Control Board

The Liquor Control Board forecasts revenue from both profits and fees from state-run liquor stores and funds from surtaxes on beer and wine. The agency's estimate of excess funds and fees for the current biennium has been increased \$3.2 million to \$87.0 million and its forecast of beer and wine surtaxes is unchanged at \$3.9 million. The agency's estimate of excess funds for the 2005-07 biennium has been increased \$3.2 million to \$80.5 million and its forecast of beer and wine surtaxes is unchanged at \$4.1 million. The forecasted decline of excess funds and fees in the 2005-07 biennium compared to the current biennium is due to the forecasted expiration in the current biennium of a \$0.42 per liter surcharge, which expires by law once it has generated \$14 million in revenues.

Lottery Commission

The Lottery Commission transfers the unallocated portion of collections from sales of Lottery products to the General Fund. Under law, funds are not transferred unless there is lottery revenue remaining after the School Construction, Student Achievement, and stadium/exhibition center accounts receive their allotments. As in the February forecast, the Commission's forecasts of the current and 2005-07 biennia do not predict having any post-allotment revenue to transfer to the General Fund on a cash basis, although \$2.2 million in General Fund revenues are forecasted on a GAAP basis in the current biennium. The Commission's forecast of revenues for the School Construction and Student Achievement Funds for the current biennium has been increased \$7.3 million to \$203.7 million, and its forecast of revenues for the School Construction Account for the 2005-07 biennium has been increased \$8.4 million to \$198.1 million.

Table 3.7

**Comparison of the General Fund-State Forecast by Agency
2003-05 Biennium; Cash Basis**
(Millions of Dollars)

Forecast by Agency	February 2004 Forecast¹	Non- Economic Changes*	Forecast Revision	June 2004 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$11,923.8	(72.4)	\$27.9	\$11,879.3	(\$44.5)
Business & Occupation Use	4,126.4	(11.4)	4.2	4,119.2	(7.2)
Public Utility	790.4	(2.4)	9.0	797.1	6.6
Liquor Sales/Liter	527.5	(0.4)	18.1	545.3	17.8
Cigarette	198.0	0.1	4.9	202.9	4.9
Property (State Levy)	103.0		1.2	104.2	1.2
Real Estate Excise	2,714.4		9.8	2,724.2	9.8
Timber Excise	999.0		52.9	1,051.9	52.9
Other	14.3		1.0	15.3	1.0
Subtotal	895.3	(0.3)	25.3	920.3	25.0
	22,292.3	(\$86.8)	154.3	22,359.8	67.5
Department of Licensing					
Boat excise, licenses, fees & other	41.8	0.4	0.7	43.0	1.1
Insurance Commissioner					
Insurance Premiums	430.0		14.6	444.6	14.6
Liquor Control Board					
Liquor Profits and Fees	83.7		3.2	87.0	3.2
Beer & Wine Surtax	3.9		0.0	3.9	0.0
Lottery Commission					
Lottery Revenue	0.0		0.0	0.0	0.0
State Treasurer					
Interest Earnings	37.3		2.0	39.3	2.0
Office of Financial Management					
Other	8.2	(0.0)	10.6	18.8	10.6
Total General Fund-State **	\$22,897.3	(\$86.4)	\$185.5	\$22,996.3	\$99.0

1 General Fund-State forecast for the 2003-05 biennium, adopted February 2004.

2 Revised General Fund-State forecast for the 2003-05 biennium, adopted June 2004.

*Impact of 2004 legislation.

**Detail may not add to totals because of rounding.

Table 3.8

**Comparison of the General Fund-State Forecast by Agency
2003-05 Biennium; GAAP Basis**
(Millions of Dollars)

Forecast by Agency	February 2004 Forecast¹	Non - Economic Changes*	Forecast Revision	June 2004 Forecast²	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$11,969.2	(\$72.4)	\$27.9	\$11,924.6	(\$44.5)
Business & Occupation Use	4,136.6	(11.4)	4.1	4,129.4	(7.3)
Public Utility	793.4	(2.4)	9.0	800.0	6.6
Liquor Sales/Liter	528.1	(0.4)	18.1	545.9	17.8
Cigarette	198.3	0.1	4.9	203.3	4.9
Property (State Levy)	102.9		1.0	103.9	1.0
Real Estate Excise	2,715.9		14.6	2,730.5	14.6
Timber Excise	1,002.4		52.9	1,055.3	52.9
Other	14.4	(0.3)	1.3	15.7	1.3
Subtotal	894.3	(0.3)	24.6	918.7	24.4
	22,355.6	(86.8)	158.5	22,427.2	71.7
<i>Department of Licensing</i>					
Boat excise, licenses, fees & other	43.8	0.4	0.8	44.9	1.1
<i>Insurance Commissioner</i>					
Insurance Premiums	430.0		14.6	444.6	14.6
<i>Liquor Control Board</i>					
Liquor Profits and Fees	83.7		3.2	87.0	3.2
Beer & Wine Surtax	3.9		0.0	3.9	0.0
<i>Lottery Commission</i>					
Lottery Revenue	0.0		2.2	2.2	2.2
<i>State Treasurer</i>					
Interest Earnings	35.9		1.9	37.8	1.9
<i>Office of Financial Management</i>					
Other	8.8	(0.0)	10.8	19.6	10.8
Total General Fund-State **	\$22,961.7	(\$86.4)	\$192.0	\$23,067.3	\$105.5

1 General Fund-State Forecast for the 2003-05 biennium adopted February 2004

2 Revised General Fund-State Forecast for the 2003-05 biennium adopted June 2004.

*Impact of 2004 legislation.

**Detail may not add to totals because of rounding.

Table 3.9

**Comparison of the General Fund-State Forecast by Agency
2005-07 Biennium; Cash Basis**

(Millions of Dollars)

Forecast by Agency	February 2004 Forecast	Non- Economic Changes*	Forecast Revision	June 2004 Forecast¹	Total Change
Department of Revenue					
Retail Sales	\$13,295.9	(\$193.3)	\$1.2	\$13,103.8	(\$192.1)
Business & Occupation Use	4,667.7	(59.3)	(2.4)	4,606.1	(61.7)
Public Utility	891.1	(5.2)	1.6	887.5	(3.6)
Liquor Sales/Liter	534.0	(0.8)	8.8	541.9	7.9
Cigarette	207.1	0.1	5.1	212.3	5.2
Property (State Levy)	95.1		1.3	96.5	1.3
Real Estate Excise	2,606.1		8.8	2,614.9	8.8
Timber Excise	1,070.6		25.6	1,096.2	25.6
Other	18.7		1.1	19.8	1.1
Subtotal	907.1	(6.6)	6.4	906.9	(0.2)
	24,293.4	(265.1)	57.4	24,085.7	(207.7)
Department of Licensing					
Boat excise, licenses, fees & other	43.4	0.4	0.9	44.8	1.4
Insurance Commissioner					
Insurance Premiums	477.2		14.2	491.4	14.2
Liquor Control Board					
Liquor Profits and Fees	77.3		3.2	80.5	3.2
Beer & Wine Surtax	4.1		0.0	4.1	0.0
Lottery Commission					
Lottery Revenue	0.0		0.0	0.0	0.0
State Treasurer					
Interest Earnings	57.0		2.1	59.1	2.1
Office of Financial Management					
Other	1.0	(0.0)	(16.0)	(15.0)	(16.1)
Total General Fund-State **	\$24,953.4	(\$264.7)	61.7	\$24,750.4	(\$203.0)

1Adopted by the Council in February 2004.

2 Revised estimate; adopted by the Council in June 2004.

*Impact of 2004 legislation.

**Detail may not add to totals because of rounding.

Table 3.10

**Comparison of the General Fund-State Forecast by Agency
2005-07 Biennium; GAAP Basis**
(Millions of Dollars)

Forecast by Agency	February 2004 Forecast	Non - Economic Changes*	Forecast Revision	June 2004 Forecast¹	Total Change
Department of Revenue					
Retail Sales	\$13,348.4	(\$193.3)	\$1.2	\$13,156.3	(\$192.1)
Business & Occupation Use	4,676.7	(59.3)	(2.4)	4,615.0	(61.7)
Public Utility	892.3	(5.2)	1.6	888.7	(3.6)
Liquor Sales/Liter	535.6	(0.8)	8.8	543.5	7.9
Cigarette	207.4	0.1	5.1	212.6	5.2
Property (State Levy)	95.2		1.3	96.5	1.3
Real Estate Excise	2,607.1		13.3	2,620.4	13.3
Timber Excise	1,073.2		25.6	1,098.8	25.6
Other	18.7		2.0	20.7	2.0
Subtotal	907.8	(6.6)	6.4	907.6	(0.2)
	24,362.5	(265.1)	62.9	24,160.3	(202.2)
Department of Licensing					
Boat excise, licenses, fees & other	45.5	0.4	1.0	46.9	1.4
Insurance Commissioner					
Insurance Premiums	477.2		14.2	491.4	14.2
Liquor Control Board					
Liquor Profits and Fees	77.3		3.2	80.5	3.2
Beer & Wine Surtax	4.1		0.0	4.1	0.0
Lottery Commission					
Lottery Revenue	0.0		0.0	0.0	0.0
State Treasurer					
Interest Earnings	57.9		2.2	60.2	2.2
Office of Financial Management					
Other	2.0	(0.0)	(16.1)	(14.1)	(16.1)
Total General Fund-State *	\$25,026.4	(\$264.7)	\$67.3	\$24,829.0	(\$197.4)

¹Adopted by the Council in February 2004.

² Revised estimate; adopted by the Council in June 2004.

*Impact of 2004 legislation.

**Detail may not add to totals because of rounding.

Table 3.11
June 2004 General Fund-State Forecast
2003-05 & 2005-07 Biennia; Cash Basis
(Millions of Dollars)

Forecast by Source	Fiscal 2003^a	Fiscal 2004	Fiscal 2005	2003-05 Biennium	Fiscal 2006	Fiscal 2007	2005-07 Biennium
State Taxes							
Retail sales	\$5,551.9	\$5,805.1	\$6,074.2	\$11,879.3	\$6,380.6	\$6,723.2	\$13,103.8
Business & occupation Use	1,876.8	2,008.0	2,111.2	4,119.2	2,224.8	2,381.3	4,606.1
Public Utility	376.6	392.0	405.0	797.0	428.8	458.7	887.5
Liquor sales/liter	259.3	278.1	267.2	545.3	269.2	272.7	541.9
Beer & wine surtax	93.0	100.0	102.9	202.9	105.0	107.2	212.3
Cigarette	1.9	1.9	2.0	3.9	2.0	2.1	4.1
Tobacco products	53.2	53.6	50.6	104.2	48.8	47.6	96.5
Property (state school levy)**	8.8	9.5	9.7	19.1	10.1	10.5	20.6
Public utility district	1,331.6	1,371.3	1,352.9	2,724.2	1,317.5	1,297.4	2,614.9
Real estate excise	37.0	36.6	37.6	74.3	39.5	41.8	81.3
Timber excise	474.0	562.8	489.1	1,051.9	525.4	570.8	1,096.2
Estate/inheritance	8.3	7.9	7.5	15.3	9.4	10.4	19.8
Motor vehicle excise & Rental car	122.5	136.6	117.3	253.9	116.2	118.9	235.1
Boat excise	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Insurance premiums	12.1	12.5	13.0	25.5	13.5	14.2	27.7
Other	203.2	217.1	227.5	444.6	239.1	252.3	491.4
Total Taxes	140.6	189.6	204.7	394.3	207.7	213.7	421.3
	10,550.8	11,182.8	11,472.3	22,655.1	11,937.5	12,522.7	24,460.2
State Non-Tax Sources							
Licenses, permits, fees	74.7	73.0	74.3	147.2	74.6	74.9	149.5
Liquor profits & fees	30.9	41.3	45.6	87.0	39.1	41.3	80.5
Earnings on investments	25.6	21.9	17.5	39.3	28.3	30.7	59.1
Lottery transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other revenue & transfers	7.9	25.8	41.9	67.7	(7.5)	8.7	1.2
Total Non-Tax	139.1	162.0	179.2	341.3	134.6	155.6	290.2
Total General Fund-State *	\$10,689.9	\$11,344.8	\$11,651.5	\$22,996.3	\$12,072.1	\$12,678.3	\$24,750.4

a - Actual;

* Detail may not add to totals due to rounding.

**General Fund-State portion of the state levy AFTER transfers to the Student Achievement Account.

Track Record for the 2003-05 Biennium

The June 2004 GFS cash receipts forecast for the 2003-05 biennium totals \$22,996.3 million. This is \$99.0 million more than the previous forecast released in February 2004. The June 2004 forecast is \$206 million higher than the February 2002 forecast which was the initial forecast for the biennium. However legislative changes greatly distort this variance. Excluding the impact of non-economic factors, primarily the impact of 2002, 2003 and 2004 legislative changes, the June 2004 forecast is \$465 million (2.0 percent) lower than the February 2002 forecast. There have been nine revisions to the forecast for the 2003-05 biennium since February 2002. The first five lowered expected revenue (excluding tax law changes), and the last four, including the June 2004 change, have increased the forecast. Since June 2003 the forecast, excluding legislation, has been raised \$340 million, 1.5 percent. Table 3.13 summarizes the changes to the GFS forecast for the 2003-05 biennium since February 2002.

The Relationship between the Cash and GAAP General Fund-State Revenue Forecasts

Legislation enacted in 1987 requires that the state's biennial budget be in conformance with Generally Accepted Accounting Principles (GAAP). It also requires a GFS revenue forecast on both a cash and GAAP basis. Thus, there are two related but distinct GFS forecasts summarized in this chapter: a cash receipts forecast and a GAAP revenue forecast. The primary difference between the cash and GAAP forecasts is timing of the receipt of revenue. On a GAAP basis, revenues are credited to the biennium in which they are earned even though they may not have been received. The cash forecast, on the other hand, reflects expected cash receipts during a fiscal period. The forecast on a GAAP, or accrual, basis is primarily used for financial reporting. The cash forecast is used for cash flow management, revenue tracking and is the forecast used in the state's budgetary balance sheet, which is the principal tool for assessing the General Fund's current surplus or deficit position. References to the GFS forecast in the text of this chapter refer to the cash forecast unless otherwise noted. Likewise, the revenue tables other than Tables 3.8 and 3.10 are on a cash basis.

Table 3.15 compares the cash receipts forecast and the GAAP revenue forecast by agency. GFS revenue for the 2001-03 biennium totaled \$21,192.3 million on a GAAP basis, \$51.6 million higher than the \$21,140.7 million cash receipts total. The forecast on a GAAP basis for the 2003-05 biennium is \$23,067.3 million, \$70.9 million more than the \$22,996.3 million cash receipts total. The GFS forecast for the 2005-07 biennium is \$24,750.4 million on a GAAP basis, \$78.7 million more than the \$24,829 million cash forecast.

Table 3.16 shows the budgetary balance sheet for the 2003-05 biennium. The June 2004 projected GFS unrestricted ending balance for the 2003-05 biennium is \$484.7 million. This is \$112.2 million less than assumed in February and is about two percent of the 2003-05 budget. The projected ending balance for the 2003-05 biennium is positive despite a spending level (\$23,246.1 million) greater than revenues (\$22,996.3 million) due to a \$404.6 million beginning balance and \$309.9 million in transfers and adjustments.

Alternative Forecast for the 2003-05 Biennium

The June 2004 baseline forecast continues to assume the economy will improve over the course of the 2003-05 biennium. For the most part, economic indicators and revenue growth have been stronger than assumed in February forecast in the first year of the biennium. Going forward there will be a typical clash

Table 3.12
General Fund - State Cash Receipts
 June 2004 Forecast by Fiscal Year
 (Millions of Dollars)

	<u>General Fund - State</u>	<u>Percent Change</u>
Fiscal Years		
1986	\$4,566.2	
1987	5,008.4	9.7%
1988	5,248.1	4.8%
1989	5,686.0	8.3%
1990	6,505.4	14.4%
1991	6,801.9	4.6%
1992	7,297.6	7.3%
1993	7,564.6	3.7%
1994	8,013.4	5.9%
1995	8,551.3	6.7%
1996	8,581.2	0.3%
1997	9,056.6	5.5%
1998	9,640.9	6.5%
1999	9,979.2	3.5%
2000	10,433.2	4.5%
2001	10,828.9	3.8%
2002	10,450.7	-3.5%
2003	10,689.9	2.3%
Forecast		
2004	11,344.8	6.1%
2005	11,651.5	2.7%
2006	12,072.1	3.6%
2007	12,678.3	5.0%

Table 3.13
Track Record for the 2003-05 General Fund-State Cash Forecast
 February 2002 through June 2004
 Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>Department of Revenue*</u>	<u>Other Agencies</u>	<u>Subtotal*</u>	<u>Non Economic Changes**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
February 2002****	\$22,225	\$565				\$22,790
Changes to Forecast						
June 2002	(53)	23	(30)	205 #1	175	22,965
September 2002	(317)	(29)	(346)	80 #2	(265)	22,700
November 2002	(31)	21	(10)		(10)	22,690
March 2003	(216)	(49)	(265)	27 #3	(238)	22,452
June 2003	(148)	(9)	(156)	446 #4	290	22,741
September 2003	17	(3)	15		15	22,756
November 2003	70	(4)	65		65	22,821
February 2004	63	14	76		76	22,897
June 2004	154	31	185	(86) #5	99	22,996
Total change***:						
From February 2002	(459)	(5)	(465)	671	206	
Percent change	-2.1%	-1.0%	-2.0%	2.9%	0.9%	

* Excludes legislative, judicial, statutorily required or other major non-economic changes.

** Includes legislative, judicial, statutorily required or other major non-economic changes.

*** Detail may not add to total due to rounding.

**** First official forecast for the 2003-05 biennium.

#1 Change to the forecast due to 2002 legislation.

#2 Adjustment to the forecast to account for the expiration of two tax incentives and for 2002 legislation (SHB 2512) not previously included in the GFS forecast.

#3 Includes an \$86.6 million adjustment to the November forecast for SSB 6835 and a Dec. 2002 court case. Also the impact of 2003 legislation (hb 1977) enacted prior to the March 2003 forecast (-\$60.0 million).

#4 Impact of 2003 legislation on GFS revenue.

#5 Impact of 2004 legislation on GFS revenue.

Table 3.14

Summary of 2004 Legislation
General Fund-State Impact by Agency
(thousands of dollars)

		<u>fy 2004</u>	<u>fy 2005</u>	<u>2003-05</u>	<u>fy 2006</u>	<u>fy 2007</u>	<u>2005-07</u>
				<u>Biennium</u>			<u>Biennium</u>
Department of Revenue							
SHB 1328	Taxation of boarding homes	\$0	(\$3,945)	(\$3,945)	(\$5,695)	(\$7,215)	(\$12,910)
HB 2453	New motor vehicle taxation	0	(3)	(3)	(4)	(4)	(8)
E2SHB 2518	Public utility tax exemption		(325)	(325)	(325)	(325)	(650)
ESHB 2546	Hi-tech tech incentives	0	(52,384)	(52,384)	(81,470)	(92,593)	(174,063)
ESHB 2675	Electric utility tax credit	0	(50)	(50)	0	(200)	(200)
ESHB 2693	Taxation of timber	0	(144)	(144)	(301)	(560)	(861)
HB 2794	Paying for liquor	0	62	62	62	62	125
SHB 2929	American beef ban	(307)	(1,881)	(2,188)	(1,918)	(1,957)	(3,875)
EHB 2968	Excise tax deductions for govt. pymts. for salmon restoration	(46)	(324)	(370)	(386)	(454)	(840)
EHB 3036	Gift certificates	0	0	0	(2,740)	(2,740)	(5,480)
ESHB 3116	Blood banks & cancer centers	0	(239)	(239)	(271)	(281)	(552)
SHB 3158	Sales/use tax exemption-computer equip. for printing/publishing	0	(1,370)	(1,370)	(1,520)	(1,600)	(3,120)
SSB 6115	Amusemnt/recreatn use tax exempt for donations	(32)	(199)	(231)	(202)	(207)	(409)
SSB 6240	Rural county tax incentives	(126)	(15,708)	(15,834)	(18,704)	(20,414)	(39,118)
2SSB 6304	Aluminum smelters tax relief	0	(1,714)	(1,714)	(1,757)	(1,280)	(3,038)
SB 6490	Use tax on fuel cells	0	(121)	(121)	(121)	(121)	(243)
SB 6515	Streamlined sales & use tax corrections	0	(7,942)	(7,942)	(9,403)	(10,451)	(19,854)
Subtotal: Department of Revenue		(511)	(86,287)	(86,798)	(124,755)	(140,340)	(265,096)
Liquor Control Board							
SSB 6655	Beer/wine manufacturers	0	0	0	0	0	0
Office of Financial Management							
SHB 2621	Razor clam license	0	(19)	(19)	(19)	(19)	(38)
Department of Licensing							
SSB 6341	Cosmetologists	111	262	373	172	172	345
SSB 2313	Bail Bonds	0	15	15	61	44	105
Subtotal DOL		111	277	388	233	216	450
Total GF-S Revenue Impact		(\$400)	(\$86,029)	(\$86,429)	(\$124,541)	(\$140,143)	(\$264,684)

Table 3.15

June 2004 Baseline Forecast by Agency
Comparison of Cash and GAAP Basis
(Millions of dollars)

Agency	2001-03 Biennium			2003-05 Biennium			2005-07 Biennium		
	Cash Basis ¹	GAAP Basis ²	Diff.	Cash Basis ¹	GAAP Basis ²	Diff.	Cash Basis ¹	GAAP Basis ²	Diff.
General Fund - State Cash/Revenue Sources									
Department of Revenue ³	\$20,516.6	\$20,570.8	\$54.2	\$22,246.0	\$22,313.1	\$67.1	\$24,004.5	\$24,078.2	\$73.7
Department of Licensing	42.6	44.1	1.6	43.0	44.9	2.0	44.8	46.9	2.1
Insurance Commissioner ⁴	397.3	397.0	(0.3)	458.9	458.9	0.0	507.1	507.1	0.0
State Treasurer	58.2	55.9	(2.4)	39.3	37.8	(1.5)	59.1	60.2	1.1
Office of Financial Management									
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Agencies	160.9	161.5	0.5	197.6	198.4	0.8	184.6	185.5	0.9
Subtotal: General Fund-State Cash/Revenue*	21,175.6	21,229.3	53.6	22,984.8	23,053.2	68.4	24,800.1	24,877.9	77.8
General Fund State - Other Financing Sources⁵									
Department of Revenue ⁶	75.7	75.5	(6.4)	113.8	114.2	0.4	81.2	82.1	0.9
Lottery Commission	0.0	0.0	0.0	0.0	2.2	2.2	0.0	0.0	0.0
Insurance Commissioner ⁷	(9.8)	(9.8)	0.0	(14.3)	(14.3)	0.0	(15.8)	(15.8)	0.0
Liquor Control Board	63.5	63.5	0.0	90.9	90.9	0.0	84.5	84.5	0.0
Office of Financial Management									
Other Agencies ⁸	(164.5)	(166.3)	(1.8)	(178.8)	(178.8)	0.0	(199.7)	(199.7)	0.0
Subtotal: GFS Other Financing Sources	(35.0)	(37.0)	(8.2)	11.6	14.1	2.5	(49.8)	(48.9)	0.9
Total Available Receipts/Resources									
General Fund-State *	\$21,140.7	\$21,192.3	\$51.6	\$22,996.3	\$23,067.3	\$70.9	\$24,750.4	\$24,829.0	\$78.7

* Detail may not add due to rounding.

1 General Fund-State cash receipts forecast.

2 General Fund-State Revenue Forecast on a GAAP (Generally accepted accounting principles) basis, used to show the state revenue position for financial reporting purposes.

3 Excludes the state share of the timber tax and unclaimed property transfers.

4 Total insurance premiums tax.

5 Other financing sources represent transfers to/from other funds from/to the General Fund.

6 Includes the state share of the timber excise tax and unclaimed property transfers.

7 Portion of fire insurance premiums transferred out of the General Fund

8 Agency 701 and accounting sources: 480 and 481 for all other agencies.

Table 3.16
2003-05 Biennial Balance Sheet
Including Enacted 2004 Supplemental Budget
 General Fund-State and Emergency Reserve Fund
 Dollars in Millions

	2003-05
RESOURCES	
Beginning Fund Balance	404.6
February 2004 Forecast	22,897.3
June 2004 Forecast Update	185.5
2004 Supplemental: Tax Policy Legislation	(86.4)
Current Revenue Totals	22,996.3
2003 Fund Transfers and Other Adjustments	157.5
Federal Fiscal Relief - Grant	90.2
2004 Supplemental: Money Transfers from Other Funds	62.2
Total Resources (Includes Fund Balance)	23,710.8
APPROPRIATIONS AND SPENDING ESTIMATES	
Biennial Appropriation	23,081.4
2004 Supplemental Appropriations	145.5
Governor's Vetoes/Lapsed Appropriations	19.2
Spending Level	23,246.1
UNRESTRICTED GENERAL FUND BALANCE	
Projected Ending Fund Balance	464.7
EMERGENCY RESERVE FUND	
Beginning Fund Balance	57.6
Actual/Estimated Interest Earnings	0.5
Transfers and Appropriations	(58.1)
Projected Ending Fund Balance	0.0
TOTAL RESERVES	
Combined General and Emergency Reserve Projected Ending Fund Balance	464.7

Table 3.17
June 2004 Alternative Forecasts Compared to the Baseline Forecast
2003-05 Biennium
(Millions of dollars)

Forecast by Source	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast
Department of Revenue			
Retail Sales	\$12,013.2	\$11,879.3	\$11,764.7
Business & Occupation Use	4,162.2	4,119.2	4,091.2
Public Utility	806.7	797.1	792.4
Property (school levy)	547.5	545.3	544.5
Real Estate Excise	2,778.5	2,724.2	2,669.9
Other	1,073.0	1,051.9	1,025.6
Subtotal	1,282.5	1,242.8	1,199.8
	22,663.7	22,359.8	22,088.3
Department of Licensing			
	44.2	43.0	41.7
Insurance Commissioner¹			
	455.9	444.6	433.3
Lottery Commission			
	6.1	0.0	0.0
State Treasurer - Interest earnings			
	59.4	39.3	26.8
Liquor Profits & Fees²			
	92.7	90.9	89.0
Office of Financial Management			
Other agencies	29.3	18.8	8.3
Total General Fund - State*	\$23,351.3	\$22,996.3	\$22,687.3
Difference from June 2004 Baseline	\$355.0		(\$309.0)

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax.

* Detail may not add to total due to rounding.

Table 3.18

**Impact of Initiative 728 on the State Property Tax and Lottery Revenue
June 2004 Forecast; Millions of Dollars**

I. Disposition of the State portion of the Property Tax

	State Levy: <u>Total Receipts</u>	To the <u>General Fund</u>	To the <u>Student Achievement Account</u> ¹
2000	\$1,302.0	1,302.0	
2001	1,349.9	1,349.9	
1999-01 Biennium	2,652.0	2,652.0	
2002	1,415.0	1,281.8	133.1
2003	1,465.5	1,331.6	133.9
2001-03 Biennium	2,880.5	2,613.5	267.0
2004	1,505.6	1,371.3	134.2
2005	1,548.4	1,352.9	195.5
2003-05 Biennium	3,054.0	2,724.2	329.8
2006	1,597.9	1,317.5	280.4
2007	1,646.1	1,297.4	348.7
2005-07 Biennium	3,244.0	2,614.9	629.1

II. Lottery Transfers by Fund*

	Lottery: <u>Total Transfers:**</u>	<u>General Fund</u>	<u>Mariners Stadium</u>	<u>Exhibition Center & Stadium</u>	<u>Student Achievement Account</u> ¹	<u>School Construction Account</u> ¹	<u>Transfer to VERDE</u> ²
1998	117.8	114.6	3.2				
1999	118.6	107.5	3.3	7.8			
1999-01 Biennium	236.3	222.0	6.5	7.8			
2000	101.1	93.3	3.4	4.4			
2001	120.1	110.0	3.6	6.5			
1999-01 Biennium	221.3	203.3	7.0	10.9			
2002	90.2	0.0	3.7	6.7	39.9	39.9	0.0
2003	96.8	0.0	3.9	7.0	64.0	21.4	0.5
2001-03 Biennium	187.0	0.0	7.6	13.8	103.9	61.3	0.5
2004	113.3	0.0	4.0	7.3	76.5	25.5	0.0
102.0	0.2500						
2005	113.5	0.0	4.2	7.6	0.0	101.7	0.0
2003-05 Biennium	226.8	0.0	8.2	14.9	76.5	127.2	0.0
2006	113.1	0.0	4.4	7.9	0.0	100.8	0.0
2007	110.0	0.0	4.5	8.2	0.0	97.3	0.0
2005-07 Biennium	223.1	0.0	8.9	16.1	0.0	198.1	0.0

* Cash Basis

Total Transfers are equal to total sales less total expenses (prizes, cost of sales, administration etc.)

¹ Initiative 728 directs a portion of the state levy to the Student Achievement Account and lottery revenue to the Student Achievement Account and the School Construction Fund. Prior to Initiative 728 this revenue went into the General Fund.

² Transfer to the Violence Reduction and Drug Education Account required by 2002 legislation (SSB 6560).

between economic momentum pushing growth higher and changing policy conditions (higher interest rates and less fiscal stimulus) and the threat of negative shock that could produce slower growth. The implications of stronger as well as weaker growth assumptions than in the baseline forecast are contained in two alternative forecasts.

The optimistic scenario assumes higher productivity, stronger growth abroad and a stronger dollar than the baseline forecast. The assumed higher productivity offsets all areas of potential economic weakness. In this scenario employment growth is stronger and inflation is lower than in the baseline forecast. Exports also grow faster and the trade deficit is smaller than in the baseline. Washington's economy benefits from stronger growth nationally. In the optimistic scenario state personal income is 2.3 percent higher than the baseline by the end of the 2003-05 biennium. State wage and salary employment is 27,100 higher by the last quarter of the 2003-05 biennium.

The pessimistic scenario assumes that higher commodity prices lead to weaker growth. Higher prices result in cost pressures to boost productivity resulting in weaker job growth and eventually to slower income and spending growth. In this scenario the Fed accelerates rate hikes slowing growth even more. In the pessimistic scenario, state personal income is 1.9 percent less than the baseline by the end of the 2003-05 biennium. Wage and salary employment is 26,876 less by the last quarter of the 2003-2005 biennium

Table 3.16 shows the revenue implications of these alternative scenarios for the 2003-05 biennium. The optimistic scenario generates \$23,351.3 billion, \$355.0 million more than the baseline. The pessimistic alternative produces only \$22,687.3 million GFS revenue in the 2003-05 biennium, \$309.0 million less than the baseline forecast.

In addition to the official optimistic and pessimistic alternatives, we routinely prepare a third alternative forecast. This is developed by averaging the forecasts for several key economic indicators made by members of the Governor's Council of Economic Advisors (GCEA). The June 2004 GCEA scenario was based on the forecasts of seven members of the Governor's Council of Economic Advisors. The GCEA alternative was close to the June 2004 baseline forecast, producing \$49 million more GFS revenue than the baseline forecast for the 2003-05 biennium.

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County Personal Income and Employment, 1998 to 2002

“Personal Income” is a measure of the total income received by individuals. It includes not only income earned from working, but also income derived from dividends, rent, interest and transfer payments (such as Social Security). Personal contributions to social insurance programs such as Social Security, however, are not included in personal income because to do so would count this income twice, as these contributions end up as transfer payments for someone else. When the total personal income of a region is divided by the population of that region, the result is the “per capita personal income” of that region.

The US Department of Commerce, Bureau of Economic Analysis (BEA) publishes annual estimates of personal income on a county-by-county basis broken down by source and by industry. In May of this year, the bureau released new estimates for 2002 personal income and revised estimates from 1969 to 2001. This report presents details of the income data from 1998 to 2002. Data prior to 1998 is available through the BEA or the Washington State Economic and Revenue Forecast Council.

In 2002 per capita personal income in Washington’s counties ranged from \$44,135 in King County to \$19,258 in Ferry County. **Chart 4.1** illustrates both the level of per capita personal income in each county and its sources. The chart orders the counties according to population density, with the most densely populated counties presented first. The counties are also classified as rural or urban as per state law, which defines urban counties as those with a population density greater than one hundred people per square mile. The length of the black bar in the chart indicates the total amount of per capita earnings generated from work within a particular county. Where the bar extends below zero, it indicates that non-residents working in that county removed more earnings from the county than county residents working elsewhere brought into the county. This is indicated by a negative “residence adjustment” in the personal income tables. In counties where residents working outside the county brought in more earnings than non-residents took out, these earnings are indicated by a white bar, which indicates a positive residence adjustment. The total amount of per capita income that was derived from earnings by county residents is thus indicated by the top of the black bar, and the proportion of that income that was earned within the county is indicated by the relative lengths of the white and black bars.

From the chart, one can see that in general, the most densely populated counties tend to have the highest per capita personal income. This translates to a difference in per capita personal income between urban and rural counties of \$10,234 in 2002. The chart also indicates a large variation in income derivation between counties. One example of this variation is the difference between King and San Juan counties,

which were the two counties with the highest per capita personal income in the state. King County's above average per capita personal income stemmed from a high level of per capita earnings. San Juan County's high per capita personal income, however, was the result of high levels of income from dividends, interest, and rent.

Commuting, as reflected by "residence adjustments" in Chart 4.1, also has a large effect on county earnings. For example, approximately four times as many people commute from other counties to work in King County than the reverse¹. In 2002, this resulted in a net earnings outflow from King County into other areas of some 11.2 billion dollars. This outflow resulted in a positive residence adjustment for many of the surrounding counties. Counties in southwest Washington that border on the Portland metropolitan area such as Clark and Skamania experienced similar large earnings inflows. Skamania County, in fact, had a higher level of per capita earnings from outside of the county (\$7,877) than within (\$6,352).

The amount of income that county residents can earn within their own county is a function of job availability, labor force participation, and average wage per job. The job availability within counties can be compared by using a "job ratio," which is calculated by dividing the number of jobs in a county by the county's population. **Table 4.1** lists 2002 county job ratios, reported as the number of jobs per 100 residents.

The BEA does not publish county data on labor force participation, nor can it be determined by total employment, since there is no way of counting how many workers have more than one job. As a substitute, unemployment rates and per capita residence adjustments are also included in Table 4.1. While these figures do not indicate what portion of the population participates in the labor force, they can provide an indication of overall labor market behavior. For example, Asotin County had a job ratio of 38.8, well below the state average of 58.6. It also, however, had a large positive per capita residence adjustment of \$5,564, indicating that a large amount of the labor force worked in other counties or states (In this case, Lewiston, Idaho). The county's unemployment rate of 5.8 percent, well below the state average of 7.3 percent, further indicates that county residents as a whole could find work more easily than the job ratio would seem to indicate. Pend Oreille County, on the other hand, had a low (34.1) job ratio but also had a lower (\$2,347) per capita residence adjustment. Coupled with the county's 2002 unemployment rate of 9.3 percent, this indicates that jobs for residents of the county were relatively hard to find².

Chart 4.2 indicates 2002 county average earnings per job. The chart orders the counties according to population density, with the most densely populated counties presented first. From the chart, one can see that the difference in average earnings per job between urban and rural counties was even more pronounced than the difference in per capita personal income, reaching a level of just over fifteen thousand dollars.

The components of county earnings are detailed in tables 4.2 and 4.3. **Table 4.2** indicates the number of people in each county employed in either full-time or part-time jobs per major industry classification and the average earnings per job. **Table 4.3** lists the sources of 2002 income for each county, population and per capita personal income, and earnings broken down by major industry. These tables provide an indication of how much of the difference in per capita earnings between counties is the result of differences in industry mix. For example, according to Table 4.2, farm employment and farm proprietors employment were among the lowest paying industries in Washington. Total farm employment represented 20 percent of jobs³ in Lincoln County, which ranks second to last in county earnings per job. In Snohomish County, however, manufacturing, which was on average the fifth-highest paying industry in the state, represented 17 percent of jobs. This helped the county to rank third in wages per job.

Table 4.4 lists the per capita personal income of Washington's counties and metropolitan areas from 1998 to 2002 and the amount of growth during that period. From 1998 to 2002, the state's urban

counties experienced a total increase in per capita personal income of 14.7 percent, while that of rural counties grew 15.8 percent. This reversal of the usual pattern of faster growth in urban than rural areas is due to the fact that the state's employment downturn that began in December 2000 affected the Seattle area considerably more than the rest of the state. The Seattle area downturn continued throughout 2002 with the layoff of over 14,000 aerospace employees from December 2001 through December 2002 while the rest of the state's employment began to recover. The increases in both total Washington and U.S. per capita personal income in the same period were 15.0 percent.

While there is a wide variation in per capita personal income between rural and urban counties, there is also variation in the counties' cost of living. While neither the federal nor the state government provides a measure of the relative cost of living between counties, the median home price can provide a good indication. **Table 4.5** shows the relationship of 2002 median home prices to per capita personal income. For example, King County had the highest per capita personal income level, which was 35 percent higher than the state average, and the highest median home price, which was 48 percent higher than the state average. Alternatively, Ferry County had the lowest per capita personal income, which was 41 percent lower than the state average, and was tied for the lowest median home price, which was 52 percent lower than the state average. This relationship suggests that the difference in per capita personal income between urban and rural communities may be offset somewhat by their differences in cost of living.

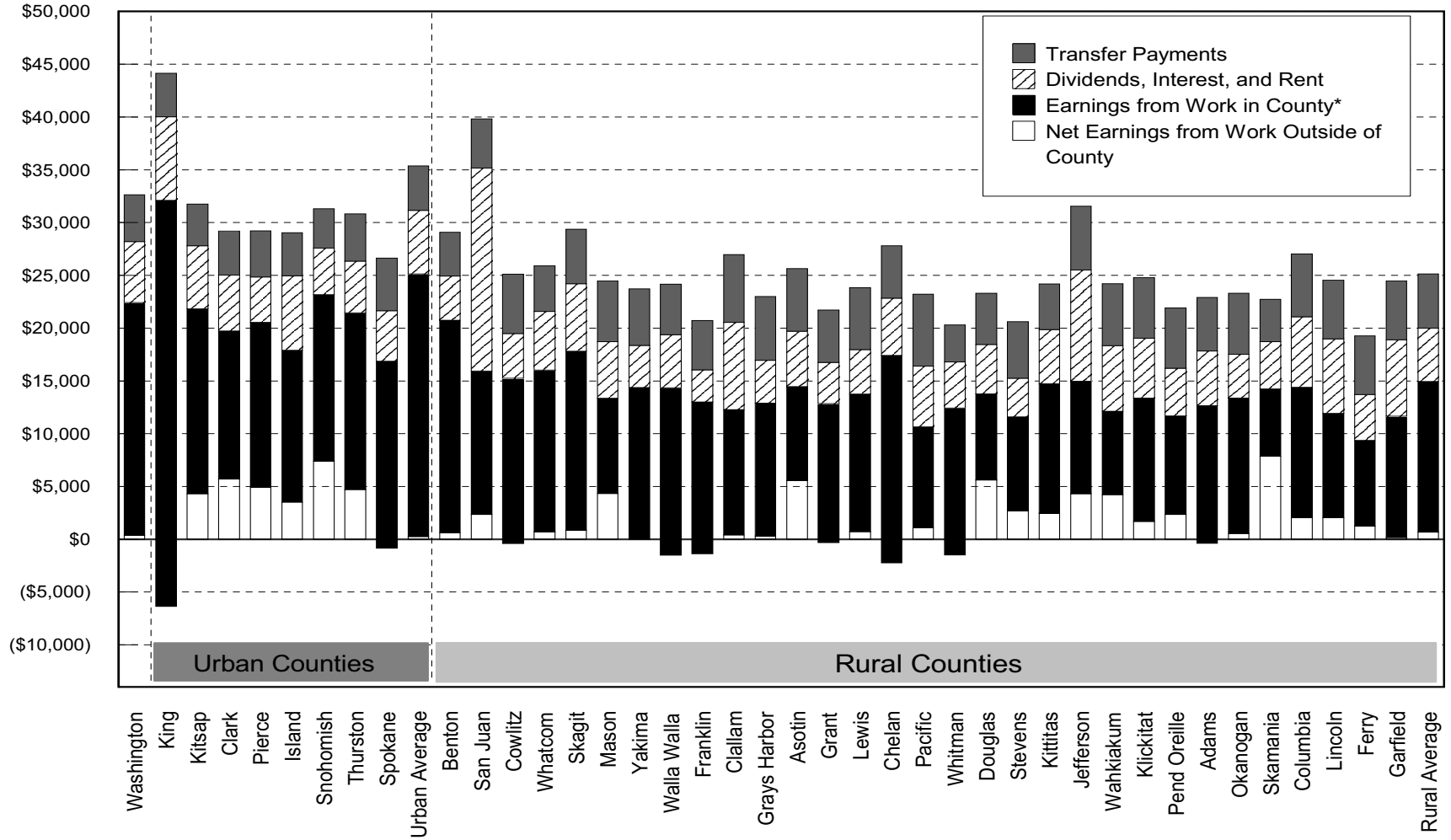
¹ 2000 Journey To Work Statistics, US Census Bureau

² Care, however, must be taken when comparing unemployment rates between Washington counties. This is because the yearly average unemployment rate of counties with high levels of farm employment is inflated by high off-season unemployment. These counties

' rates will therefore be higher on the average than non-farm counties even though their residents may experience similar degrees of employment.

³ Recall, however, that "jobs" includes both full-time and part-time positions and represents the number of jobs rather than the amount of time spent in employment

Chart 4.1
2002 County Per Capita Personal Income by Source
 (Counties Ordered by Population Density)



*Sections of in-county earnings that extend below zero indicate per capita in-county earnings of out-of-county residents

Chart 4.2
2002 Earnings per Job
(Counties Ordered by Population Density)

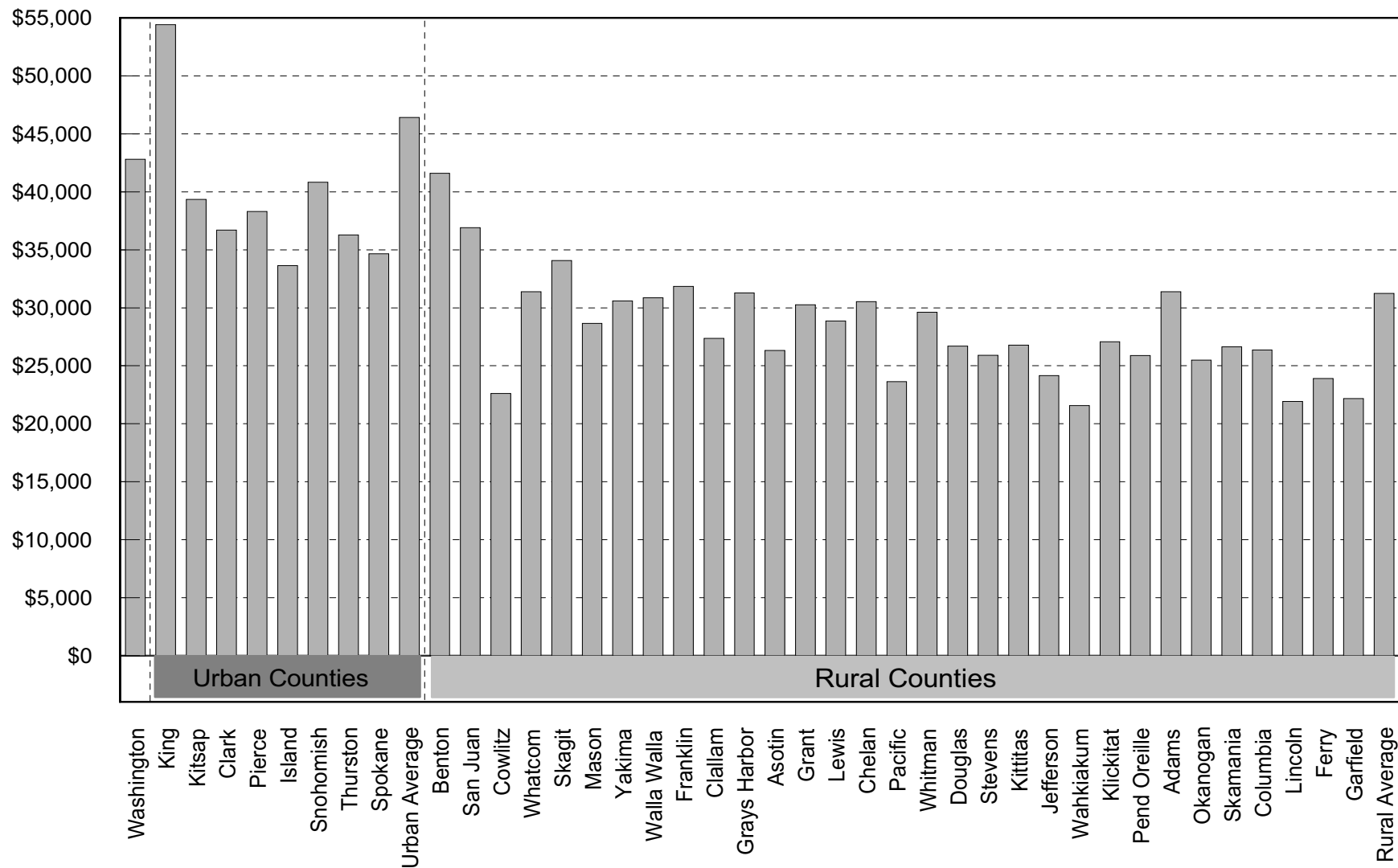


Table 4.1

2002 Job Ratio, Unemployment, and Per Capita Residence Adjustment

	Total Full and Part-Time Employment	Population	Job Ratio	Per Capita Residence Adjustment	Unemployment Rate
Washington	3,555,980	6,067,060	58.6	\$374	7.3%
King*	1,409,602	1,756,522	80.2	-\$6,367	6.5%
Chelan	49,050	67,198	73.0	-\$2,232	8.9%
San Juan	9,989	14,611	68.4	\$2,343	4.6%
Garfield	1,391	2,317	60.0	\$179	4.2%
Walla Walla	32,873	56,047	58.7	-\$1,503	5.9%
Spokane*	249,887	427,287	58.5	-\$848	6.5%
Adams	9,421	16,404	57.4	-\$384	9.9%
Okanogan	22,305	39,236	56.8	\$536	10.0%
Skagit	60,482	106,733	56.7	\$853	7.8%
Whatcom#	97,214	174,066	55.8	\$705	6.1%
Benton#	83,269	150,318	55.4	\$612	6.3%
Whitman	21,908	40,918	53.5	-\$1,481	2.4%
Columbia	2,188	4,091	53.5	\$2,040	11.1%
Yakima#	119,434	224,498	53.2	\$48	10.3%
Thurston*	115,090	217,959	52.8	\$4,714	5.7%
Kittitas	18,068	34,608	52.2	\$2,454	6.4%
Grant	40,328	77,554	52.0	-\$318	9.5%
Lincoln	5,251	10,129	51.8	\$2,051	5.7%
Franklin#	27,366	52,945	51.7	-\$1,383	8.5%
Jefferson	13,786	27,230	50.6	\$4,324	6.6%
Kitsap*	119,170	238,510	50.0	\$4,319	6.3%
Lewis	34,643	69,649	49.7	\$713	8.9%
Klickitat	9,634	19,393	49.7	\$1,688	13.9%
Clallam	32,804	66,092	49.6	\$418	7.5%
Cowlitz	46,221	94,544	48.9	-\$410	10.9%
Island*	35,843	75,130	47.7	\$3,521	6.3%
Pacific	9,643	20,768	46.4	\$1,104	8.7%
Pierce*	339,431	731,245	46.4	\$4,936	7.5%
Grays Harbor	31,829	68,655	46.4	\$302	9.5%
Snohomish*	280,846	633,875	44.3	\$7,401	5.4%
Clark*	161,597	369,854	43.7	\$5,702	9.0%
Wahkiakum	1,603	3,808	42.1	\$4,231	7.9%
Stevens	15,907	40,485	39.3	\$2,715	10.1%
Ferry	2,837	7,289	38.9	\$1,243	11.5%
Asotin	7,970	20,556	38.8	\$5,564	5.8%
Mason	18,525	51,120	36.2	\$4,346	7.7%
Douglas	11,685	33,261	35.1	\$5,627	7.6%
Pend Oreille	4,130	12,100	34.1	\$2,347	9.3%
Skamania	2,760	10,055	27.4	\$7,877	11.4%

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Bureau of Labor Statistics

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Washington		Adams		Asotin	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	3,555,980	\$42,816	9,421	\$25,881	7,970	\$26,327
Wage and salary employment	2,902,959	\$38,402	7,071	\$24,977	5,700	\$24,464
Proprietors employment	653,021	\$25,263	2,350	\$12,251	2,270	\$17,802
Farm proprietors employment	37,576	\$11,324	711	\$4,747	199	-\$19,136
Nonfarm proprietors employment ³	615,445	\$26,114	1,639	\$15,507	2,071	\$21,351
Farm employment	82,714	\$19,442	1,831	\$20,791	255	-\$9,486
Nonfarm employment	3,473,266	\$43,373	7,590	\$27,109	7,715	\$27,511
Private employment	2,891,363	\$42,297	6,049	\$25,390	6,556	\$26,155
Forestry, fishing, related, & other ⁴	51,969	\$37,392	(D)	(D)	(D)	(D)
Mining	5,481	\$43,663	12	\$12	(D)	(D)
Utilities	5,091	\$99,432	(D)	(D)	(D)	(D)
Construction	214,633	\$47,273	247	\$23,089	660	\$38,874
Manufacturing	301,159	\$64,047	877	\$37,719	545	\$34,706
Wholesale trade	128,221	\$56,694	645	\$37,817	83	\$33,181
Retail Trade	387,469	\$27,835	886	\$19,182	971	\$23,408
Transportation and warehousing	101,610	\$47,658	(D)	(D)	(D)	(D)
Information	103,488	\$115,368	42	\$17,333	59	\$33,119
Finance and insurance	142,019	\$53,085	192	\$23,583	298	\$29,326
Real estate and rental and leasing	153,636	\$24,529	227	\$8,458	343	\$18,248
Professional and technical services	227,408	\$55,952	162	\$20,259	376	\$25,854
Mgt of companies and enterprises	31,481	\$79,956	35	\$0	(D)	(D)
Administrative and waste services	160,589	\$30,195	94	\$8,787	(D)	(D)
Educational services	54,894	\$21,093	(D)	(D)	50	\$12,100
Health care and social assistance	330,812	\$39,533	(D)	(D)	1,114	\$30,004
Arts, entertainment, and recreation	78,745	\$17,491	(D)	(D)	266	\$13,684
Accommodation and food services	220,167	\$17,188	(D)	(D)	597	\$13,697
Other services, except public admin	192,491	\$23,595	370	\$19,249	722	\$23,720
Government and government enterprise	581,903	\$48,719	1,541	\$33,857	1,159	\$35,182
Federal, civilian	67,097	\$76,613	57	\$55,860	67	\$61,358
Military	74,506	\$49,293	49	\$15,959	61	\$16,000
State and local	440,300	\$44,371	1,435	\$33,594	1,031	\$34,616
State government	139,852	\$44,402	66	\$34,515	158	\$32,392
Local government	300,448	\$44,356	1,369	\$33,550	873	\$35,018

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2
2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Benton		Chelan		Clallam	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	83,269	\$41,597	49,050	\$30,540	32,804	\$27,371
Wage and salary employment	70,450	\$38,749	38,298	\$27,569	22,910	\$26,341
Proprietors employment	12,819	\$16,288	10,752	\$21,238	9,894	\$16,092
Farm proprietors employment	1,410	\$5,271	1,395	\$19,801	385	\$553
Nonfarm proprietors employment ³	11,409	\$17,650	9,357	\$21,452	9,509	\$16,721
Farm employment	4,198	\$20,391	4,471	\$21,341	474	\$4,753
Nonfarm employment	79,071	\$42,723	44,579	\$31,462	32,330	\$27,703
Private employment	67,931	\$41,144	38,196	\$29,051	25,327	\$23,706
Forestry, fishing, related, & other ⁴	(D)	(D)	(D)	(D)	1,065	\$54,046
Mining	50	\$50	(D)	(D)	69	\$10,391
Utilities	(D)	(D)	47	\$28,404	27	\$20,815
Construction	4,729	\$42,844	3,152	\$40,844	2,266	\$32,034
Manufacturing	3,987	\$54,169	2,377	\$40,702	1,592	\$33,118
Wholesale trade	1,151	\$39,627	1,495	\$36,132	452	\$36,108
Retail Trade	9,979	\$22,016	6,169	\$23,468	4,471	\$21,743
Transportation and warehousing	(D)	(D)	1,006	\$36,554	789	\$31,710
Information	943	\$37,241	664	\$34,806	474	\$25,865
Finance and insurance	2,064	\$35,736	1,251	\$30,126	1,056	\$24,377
Real estate and rental and leasing	2,702	\$19,311	1,796	\$15,144	1,687	\$10,591
Professional and technical services	11,356	\$71,744	1,596	\$34,207	1,567	\$23,756
Mgt of companies and enterprises	181	\$39,221	92	\$43,761	184	\$52,391
Administrative and waste services	9,937	\$63,312	1,169	\$20,823	930	\$10,713
Educational services	624	\$16,841	353	\$13,858	297	\$11,680
Health care and social assistance	7,016	\$35,307	5,468	\$45,352	3,010	\$28,044
Arts, entertainment, and recreation	1,766	\$13,820	834	\$9,222	584	\$7,116
Accommodation and food services	5,002	\$15,244	3,615	\$15,079	2,561	\$12,451
Other services, except public admin	3,790	\$20,795	2,337	\$22,152	2,246	\$18,292
Government and government enterprise	11,140	\$52,349	6,383	\$45,888	7,003	\$42,158
Federal, civilian	823	\$99,411	749	\$65,929	490	\$60,394
Military	461	\$17,082	201	\$16,194	491	\$39,599
State and local	9,856	\$50,068	5,433	\$44,224	6,022	\$40,883
State government	1,071	\$41,855	1,233	\$43,950	1,349	\$41,466
Local government	8,785	\$51,070	4,200	\$44,304	4,673	\$40,714

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Clark		Columbia		Cowlitz	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	161,597	\$36,699	2,188	\$26,366	46,221	\$36,909
Wage and salary employment	124,158	\$34,048	1,616	\$24,683	39,174	\$32,151
Proprietors employment	37,439	\$20,800	572	\$13,785	7,047	\$24,449
Farm proprietors employment	1,570	\$4,086	269	\$15,487	460	\$3,524
Nonfarm proprietors employment ³	35,869	\$21,532	303	\$12,274	6,587	\$25,910
Farm employment	1,898	\$7,484	363	\$18,702	753	\$10,518
Nonfarm employment	159,699	\$37,046	1,825	\$27,890	45,468	\$37,346
Private employment	137,830	\$35,541	1,327	\$23,490	39,485	\$36,723
Forestry, fishing, related, & other ⁴	580	\$27,574	(D)	(D)	(D)	(D)
Mining	420	\$97,357	(D)	(D)	(D)	(D)
Utilities	108	\$47,917	(D)	(D)	(D)	(D)
Construction	14,174	\$48,664	(D)	(D)	3,162	\$63,667
Manufacturing	13,715	\$53,532	(D)	(D)	7,373	\$59,028
Wholesale trade	4,944	\$52,772	63	\$33,984	(D)	(D)
Retail Trade	18,033	\$23,995	(D)	(D)	5,738	\$23,773
Transportation and warehousing	5,210	\$46,071	(D)	(D)	1,535	\$47,599
Information	3,550	\$47,064	20	\$11,650	485	\$34,781
Finance and insurance	5,860	\$36,225	38	\$22,895	1,411	\$37,615
Real estate and rental and leasing	8,993	\$18,494	33	\$12,364	1,297	\$9,716
Professional and technical services	10,802	\$53,949	53	\$17,264	1,490	\$29,524
Mgt of companies and enterprises	785	\$65,036	(D)	(D)	50	\$45,120
Administrative and waste services	8,418	\$20,892	(D)	(D)	1,299	\$18,029
Educational services	1,729	\$14,987	(D)	(D)	398	\$18,656
Health care and social assistance	16,741	\$40,036	(D)	(D)	5,420	\$36,323
Arts, entertainment, and recreation	4,197	\$13,325	(D)	(D)	843	\$13,510
Accommodation and food services	10,280	\$16,226	(D)	(D)	3,078	\$13,797
Other services, except public admin	9,291	\$22,030	159	\$20,786	2,837	\$18,759
Government and government enterprise	21,869	\$46,536	498	\$39,614	5,983	\$41,454
Federal, civilian	2,660	\$86,636	64	\$80,297	250	\$67,896
Military	1,118	\$16,432	12	\$16,250	282	\$15,965
State and local	18,091	\$42,500	422	\$34,109	5,451	\$41,560
State government	3,342	\$39,350	35	\$42,486	1,165	\$36,904
Local government	14,749	\$43,214	387	\$33,351	4,286	\$42,825

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Douglas		Ferry		Franklin	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	11,685	\$26,698	2,837	\$23,898	27,366	\$31,838
Wage and salary employment	9,493	\$24,364	1,845	\$24,605	23,294	\$27,502
Proprietors employment	2,192	\$14,232	992	\$9,650	4,072	\$21,753
Farm proprietors employment	1,041	\$7,897	230	\$1,474	1,057	\$23,981
Nonfarm proprietors employment ³	1,151	\$19,961	762	\$12,118	3,015	\$20,972
Farm employment	2,660	\$15,688	232	\$1,517	4,659	\$24,681
Nonfarm employment	9,025	\$29,943	2,605	\$25,892	22,707	\$33,307
Private employment	6,941	\$25,853	1,668	\$20,666	18,171	\$31,081
Forestry, fishing, related, & other ⁴	731	\$24,181	(D)	(D)	1,295	\$28,029
Mining	12	\$12	(D)	(D)	53	\$34,962
Utilities	(L)	(L)	0	\$0	15	\$26,867
Construction	635	\$35,306	(D)	(D)	1,400	\$39,140
Manufacturing	248	\$42,339	(D)	(D)	1,859	\$41,066
Wholesale trade	302	\$41,742	(D)	(D)	1,147	\$40,486
Retail Trade	1,267	\$25,603	283	\$14,823	2,535	\$28,568
Transportation and warehousing	397	\$34,113	(D)	(D)	1,213	\$50,719
Information	55	\$34,109	16	\$10,125	192	\$34,729
Finance and insurance	195	\$25,200	35	\$14,057	381	\$26,693
Real estate and rental and leasing	193	\$12,316	113	\$7,239	746	\$18,897
Professional and technical services	267	\$28,071	(D)	(D)	582	\$28,708
Mgt of companies and enterprises	35	\$0	(D)	(D)	0	\$0
Administrative and waste services	231	\$14,814	53	\$10,396	819	\$22,585
Educational services	110	\$14,382	(L)	(L)	299	\$17,916
Health care and social assistance	570	\$35,542	101	\$11,327	2,431	\$34,751
Arts, entertainment, and recreation	324	\$22,170	(D)	(D)	354	\$13,540
Accommodation and food services	743	\$12,775	(D)	(D)	1,452	\$13,789
Other services, except public admin	619	\$18,401	168	\$15,173	1,398	\$24,260
Government and government enterprise	2,084	\$43,563	937	\$35,194	4,536	\$42,222
Federal, civilian	176	\$81,801	146	\$61,596	500	\$77,290
Military	108	\$18,454	22	\$15,727	158	\$15,892
State and local	1,800	\$41,331	769	\$30,739	3,878	\$38,774
State government	74	\$41,203	32	\$36,063	1,063	\$37,582
Local government	1,726	\$41,336	737	\$30,507	2,815	\$39,224

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Garfield		Grant		Grays Harbor	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	1,391	\$22,185	40,328	\$28,857	31,829	\$31,289
Wage and salary employment	928	\$27,080	32,836	\$25,195	25,160	\$29,249
Proprietors employment	463	-\$3,609	7,492	\$20,158	6,669	\$15,199
Farm proprietors employment	244	-\$14,410	2,129	\$28,938	516	\$9,589
Nonfarm proprietors employment ³	219	\$8,425	5,363	\$16,673	6,153	\$15,670
Farm employment	311	-\$6,585	6,911	\$27,087	621	\$12,201
Nonfarm employment	1,080	\$30,469	33,417	\$29,223	31,208	\$31,669
Private employment	586	\$19,850	26,199	\$25,510	24,668	\$29,781
Forestry, fishing, related, & other ⁴	(D)	(D)	(D)	(D)	(D)	(D)
Mining	0	\$0	(D)	(D)	(D)	(D)
Utilities	(D)	(D)	25	\$13,000	22	\$52,227
Construction	(D)	(D)	1,461	\$29,845	1,795	\$37,365
Manufacturing	(D)	(D)	4,620	\$37,826	3,348	\$51,769
Wholesale trade	144	\$31,986	1,248	\$36,769	641	\$37,151
Retail Trade	117	\$18,650	3,945	\$22,303	4,051	\$23,083
Transportation and warehousing	(D)	(D)	1,035	\$37,323	886	\$36,985
Information	(D)	(D)	288	\$24,743	250	\$23,072
Finance and insurance	37	\$20,568	700	\$26,201	937	\$31,261
Real estate and rental and leasing	21	\$4,714	995	\$10,617	1,132	\$8,982
Professional and technical services	(D)	(D)	(D)	(D)	1,083	\$38,713
Mgt of companies and enterprises	0	\$0	(D)	(D)	36	\$68,250
Administrative and waste services	10	\$6,100	1,160	\$12,877	660	\$14,418
Educational services	0	\$0	225	\$18,124	100	\$9,530
Health care and social assistance	(D)	(D)	2,886	\$27,686	2,489	\$33,622
Arts, entertainment, and recreation	(L)	(L)	514	\$12,883	507	\$9,710
Accommodation and food services	23	\$8,348	1,852	\$12,700	2,496	\$14,091
Other services, except public admin	(D)	(D)	1,747	\$18,641	2,149	\$17,079
Government and government enterprise	494	\$43,067	7,218	\$42,700	6,540	\$38,793
Federal, civilian	131	\$69,328	611	\$68,738	209	\$59,670
Military	(L)	(L)	234	\$16,192	251	\$21,705
State and local	356	\$33,941	6,373	\$41,177	6,080	\$38,781
State government	21	\$41,143	761	\$38,292	1,237	\$41,749
Local government	335	\$33,490	5,612	\$41,568	4,843	\$38,023

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Island		Jefferson		King	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	35,843	\$33,637	13,786	\$24,162	1,409,602	\$54,429
Wage and salary employment	24,921	\$30,796	9,327	\$24,720	1,180,688	\$47,890
Proprietors employment	10,922	\$13,674	4,459	\$11,846	228,914	\$37,626
Farm proprietors employment	342	\$1,661	180	\$6,294	1,399	\$5,269
Nonfarm proprietors employment ³	10,580	\$14,062	4,279	\$12,079	227,515	\$37,825
Farm employment	451	\$7,508	209	\$10,478	2,239	\$18,528
Nonfarm employment	35,392	\$33,970	13,577	\$24,373	1,407,363	\$54,486
Private employment	22,233	\$21,501	11,464	\$21,340	1,240,173	\$54,930
Forestry, fishing, related, & other ⁴	(D)	(D)	380	\$22,211	5,281	\$116,982
Mining	(D)	(D)	76	\$20,645	1,469	\$28,634
Utilities	84	\$36,619	83	\$56,108	1,328	\$196,409
Construction	2,511	\$30,219	1,149	\$27,495	75,324	\$58,689
Manufacturing	827	\$33,167	795	\$45,844	128,054	\$76,340
Wholesale trade	343	\$25,583	184	\$41,011	69,169	\$68,368
Retail Trade	3,661	\$21,892	1,502	\$18,963	139,609	\$33,007
Transportation and warehousing	301	\$25,246	175	\$25,977	52,177	\$54,810
Information	418	\$37,517	196	\$21,821	74,014	\$145,173
Finance and insurance	942	\$25,372	342	\$25,661	70,496	\$64,737
Real estate and rental and leasing	2,184	\$11,532	960	\$13,214	66,806	\$33,814
Professional and technical services	1,592	\$23,558	868	\$21,949	124,602	\$66,924
Mgt of companies and enterprises	418	\$51,194	0	\$0	21,711	\$90,283
Administrative and waste services	1,296	\$16,033	725	\$19,154	74,677	\$35,689
Educational services	489	\$16,894	271	\$11,561	26,556	\$21,861
Health care and social assistance	2,122	\$23,862	1,103	\$22,171	117,156	\$43,888
Arts, entertainment, and recreation	863	\$9,324	430	\$7,337	36,397	\$23,175
Accommodation and food services	1,885	\$12,366	1,244	\$12,748	85,750	\$20,957
Other services, except public admin	1,907	\$17,441	981	\$16,399	69,597	\$27,515
Government and government enterprise	13,159	\$55,037	2,113	\$40,825	167,190	\$51,189
Federal, civilian	1,418	\$51,442	151	\$73,570	21,247	\$82,370
Military	8,643	\$60,839	90	\$20,644	6,690	\$28,198
State and local	3,098	\$40,497	1,872	\$39,154	139,253	\$47,536
State government	377	\$35,682	321	\$45,231	52,603	\$44,295
Local government	2,721	\$41,164	1,551	\$37,896	86,650	\$49,503

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Kitsap		Kittitas		Klickitat	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	119,170	\$39,347	18,068	\$26,772	9,634	\$27,064
Wage and salary employment	95,225	\$33,981	13,674	\$24,404	6,630	\$27,386
Proprietors employment	23,945	\$16,587	4,394	\$17,113	3,004	\$12,941
Farm proprietors employment	459	\$3,486	1,014	\$8,757	690	\$3,270
Nonfarm proprietors employment ³	23,486	\$16,843	3,380	\$19,620	2,314	\$15,825
Farm employment	502	\$5,627	1,503	\$15,066	1,505	\$15,809
Nonfarm employment	118,668	\$39,489	16,565	\$27,834	8,129	\$29,147
Private employment	77,615	\$27,428	12,179	\$23,933	6,403	\$26,574
Forestry, fishing, related, & other ⁴	628	\$59,409	(D)	(D)	826	\$31,073
Mining	117	\$24,068	(D)	(D)	31	\$15,581
Utilities	172	\$50,448	30	\$53,467	18	\$34,667
Construction	6,902	\$37,158	1,015	\$29,620	593	\$25,811
Manufacturing	1,795	\$39,210	706	\$36,176	672	\$38,146
Wholesale trade	1,557	\$37,352	594	\$40,719	139	\$26,460
Retail Trade	13,932	\$23,958	2,264	\$22,123	681	\$27,680
Transportation and warehousing	1,242	\$35,737	464	\$38,461	267	\$58,689
Information	2,488	\$36,353	330	\$37,612	73	\$23,890
Finance and insurance	3,325	\$36,809	318	\$24,198	195	\$22,574
Real estate and rental and leasing	4,947	\$14,114	614	\$17,018	462	\$9,483
Professional and technical services	7,014	\$35,612	557	\$25,907	(D)	(D)
Mgt of companies and enterprises	221	\$63,009	(D)	(D)	(D)	(D)
Administrative and waste services	4,573	\$23,477	(D)	(D)	434	\$35,491
Educational services	1,384	\$15,238	188	\$10,277	(D)	(D)
Health care and social assistance	11,539	\$33,039	1,261	\$26,658	(D)	(D)
Arts, entertainment, and recreation	2,646	\$11,385	386	\$8,715	157	\$8,369
Accommodation and food services	6,595	\$14,974	1,751	\$12,580	440	\$12,841
Other services, except public admin	6,538	\$20,181	1,015	\$18,727	560	\$18,436
Government and government enterprise	41,053	\$62,293	4,386	\$38,667	1,726	\$38,692
Federal, civilian	14,399	\$87,236	179	\$63,101	107	\$58,953
Military	13,915	\$55,674	116	\$25,974	58	\$15,897
State and local	12,739	\$41,328	4,091	\$37,958	1,561	\$38,150
State government	2,173	\$41,242	(D)	(D)	197	\$42,467
Local government	10,566	\$41,346	(D)	(D)	1,364	\$37,526

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Lewis		Lincoln		Mason	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	34,643	\$30,269	5,251	\$21,922	18,525	\$28,662
Wage and salary employment	26,940	\$28,751	3,341	\$24,506	13,627	\$27,528
Proprietors employment	7,703	\$13,536	1,910	\$7,307	4,898	\$15,180
Farm proprietors employment	1,501	\$6,710	746	-\$622	280	-\$9,364
Nonfarm proprietors employment ³	6,202	\$15,188	1,164	\$12,389	4,618	\$16,668
Farm employment	1,811	\$10,407	1,039	\$6,584	353	-\$759
Nonfarm employment	32,832	\$31,364	4,212	\$25,706	18,172	\$29,233
Private employment	27,625	\$29,985	2,767	\$21,468	13,564	\$25,857
Forestry, fishing, related, & other ⁴	1,921	\$33,191	133	\$30,805	(D)	(D)
Mining	687	\$76,706	12	\$12	(D)	(D)
Utilities	280	\$87,943	(D)	(D)	23	\$19,870
Construction	1,706	\$31,659	198	\$22,237	1,320	\$33,769
Manufacturing	3,187	\$45,497	122	\$18,303	1,897	\$40,600
Wholesale trade	808	\$34,431	232	\$35,491	506	\$24,534
Retail Trade	4,526	\$22,785	501	\$20,858	2,023	\$21,689
Transportation and warehousing	1,969	\$39,843	(D)	(D)	336	\$38,771
Information	331	\$31,215	26	\$13,462	146	\$24,452
Finance and insurance	713	\$29,149	228	\$26,658	560	\$25,298
Real estate and rental and leasing	901	\$10,515	168	\$5,482	909	\$9,483
Professional and technical services	838	\$29,625	190	\$29,674	584	\$21,776
Mgt of companies and enterprises	152	\$40,612	0	\$0	(D)	(D)
Administrative and waste services	1,214	\$16,939	87	\$5,586	(D)	(D)
Educational services	229	\$12,729	(D)	(D)	194	\$18,490
Health care and social assistance	3,364	\$32,886	(D)	(D)	1,274	\$28,548
Arts, entertainment, and recreation	441	\$8,762	77	\$6,649	375	\$13,253
Accommodation and food services	2,268	\$13,379	174	\$7,966	926	\$11,810
Other services, except public admin	2,090	\$18,638	278	\$13,910	1,239	\$19,862
Government and government enterprise	5,207	\$38,681	1,445	\$33,821	4,608	\$39,171
Federal, civilian	267	\$60,213	81	\$48,185	97	\$56,918
Military	208	\$15,957	30	\$16,033	152	\$15,947
State and local	4,732	\$38,465	1,334	\$33,349	4,359	\$39,586
State government	1,236	\$40,344	74	\$44,824	998	\$45,944
Local government	3,496	\$37,801	1,260	\$32,675	3,361	\$37,698

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Okanogan		Pacific		Pend Oreille	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	22,305	\$25,491	9,643	\$23,638	4,130	\$31,380
Wage and salary employment	16,352	\$22,193	6,895	\$23,320	3,003	\$28,632
Proprietors employment	5,953	\$20,592	2,748	\$11,874	1,127	\$19,798
Farm proprietors employment	1,670	\$15,896	319	\$23,295	310	\$1,206
Nonfarm proprietors employment ³	4,283	\$22,424	2,429	\$10,374	817	\$26,852
Farm employment	4,272	\$18,123	394	\$23,627	319	\$1,740
Nonfarm employment	18,033	\$27,236	9,249	\$23,639	3,811	\$33,861
Private employment	12,588	\$22,720	7,280	\$19,405	2,555	\$31,480
Forestry, fishing, related, & other ⁴	1,772	\$21,813	1,079	\$23,972	(D)	(D)
Mining	68	\$37,029	49	\$26,857	(D)	(D)
Utilities	43	\$67,558	(D)	(D)	(L)	(L)
Construction	1,007	\$24,152	422	\$20,953	215	\$17,944
Manufacturing	294	\$17,565	876	\$29,356	501	\$84,858
Wholesale trade	384	\$38,966	74	\$16,135	13	\$22,923
Retail Trade	2,175	\$31,960	987	\$18,916	337	\$17,015
Transportation and warehousing	296	\$30,098	(D)	(D)	148	\$23,324
Information	164	\$23,305	54	\$20,093	53	\$22,189
Finance and insurance	404	\$24,998	268	\$32,160	101	\$25,604
Real estate and rental and leasing	763	\$8,270	397	\$6,607	84	\$7,036
Professional and technical services	581	\$24,150	242	\$21,190	96	\$26,635
Mgt of companies and enterprises	(D)	(D)	(D)	(D)	0	\$0
Administrative and waste services	(D)	(D)	(D)	(D)	76	\$12,145
Educational services	116	\$15,138	20	\$2,600	(D)	(D)
Health care and social assistance	1,449	\$27,614	622	\$19,732	(D)	(D)
Arts, entertainment, and recreation	317	\$7,155	183	\$10,459	(D)	(D)
Accommodation and food services	1,292	\$12,973	1,069	\$11,418	(D)	(D)
Other services, except public admin	1,072	\$17,240	657	\$16,222	251	\$17,351
Government and government enterprise	5,445	\$37,678	1,969	\$39,294	1,256	\$38,704
Federal, civilian	487	\$65,429	63	\$53,111	120	\$59,492
Military	117	\$15,957	159	\$36,987	36	\$15,833
State and local	4,841	\$35,411	1,747	\$39,005	1,100	\$37,185
State government	329	\$39,802	324	\$40,809	27	\$42,185
Local government	4,512	\$35,091	1,423	\$38,595	1,073	\$37,059

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Pierce		San Juan		Skagit	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	339,431	\$38,307	9,989	\$22,613	60,482	\$34,082
Wage and salary employment	281,862	\$33,409	5,714	\$24,640	46,998	\$30,244
Proprietors employment	57,569	\$21,698	4,275	\$13,042	13,484	\$24,752
Farm proprietors employment	1,297	\$3,793	222	-\$4,486	924	\$16,786
Nonfarm proprietors employment ³	56,272	\$22,110	4,053	\$14,002	12,560	\$25,338
Farm employment	2,150	\$13,747	256	\$813	3,039	\$29,602
Nonfarm employment	337,281	\$38,464	9,733	\$23,186	57,443	\$34,319
Private employment	259,248	\$34,712	8,746	\$21,548	47,352	\$33,292
Forestry, fishing, related, & other ⁴	1,891	\$32,760	(D)	(D)	1,863	\$38,748
Mining	352	\$42,639	(D)	(D)	91	\$22,154
Utilities	652	\$61,460	69	\$76,043	156	\$68,769
Construction	22,401	\$44,697	1,316	\$32,742	4,474	\$44,289
Manufacturing	20,092	\$54,149	436	\$22,766	5,920	\$47,072
Wholesale trade	10,420	\$48,004	121	\$23,760	1,178	\$38,315
Retail Trade	37,944	\$26,704	990	\$23,372	8,042	\$26,709
Transportation and warehousing	9,784	\$45,731	163	\$15,926	1,331	\$39,113
Information	3,804	\$40,021	109	\$18,679	591	\$32,689
Finance and insurance	12,800	\$51,296	219	\$24,667	1,613	\$45,751
Real estate and rental and leasing	14,966	\$20,876	956	\$16,600	2,593	\$28,440
Professional and technical services	13,869	\$40,879	666	\$26,449	2,721	\$53,206
Mgt of companies and enterprises	1,303	\$61,874	61	\$31,721	172	\$45,785
Administrative and waste services	14,959	\$24,899	449	\$11,022	1,675	\$16,627
Educational services	6,235	\$23,011	110	\$11,345	519	\$15,800
Health care and social assistance	38,974	\$42,156	455	\$21,444	5,251	\$34,558
Arts, entertainment, and recreation	6,945	\$15,245	505	\$8,228	1,318	\$15,153
Accommodation and food services	21,122	\$15,159	1,266	\$18,320	4,398	\$14,804
Other services, except public admin	20,735	\$23,057	626	\$17,327	3,446	\$23,389
Government and government enterprise	78,033	\$50,928	987	\$37,701	10,091	\$39,139
Federal, civilian	9,467	\$60,541	64	\$53,422	414	\$59,671
Military	25,579	\$56,147	44	\$15,773	319	\$15,934
State and local	42,987	\$45,705	879	\$37,654	9,358	\$39,022
State government	11,431	\$42,416	118	\$27,237	1,437	\$42,215
Local government	31,556	\$46,897	761	\$39,269	7,921	\$38,442

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Skamania		Snohomish		Spokane	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	2,760	\$26,632	280,846	\$40,842	249,887	\$34,672
Wage and salary employment	2,061	\$25,750	230,836	\$37,400	206,817	\$31,140
Proprietors employment	699	\$8,432	50,010	\$17,670	43,070	\$18,356
Farm proprietors employment	85	-\$5,247	1,477	\$2,650	2,160	\$2,212
Nonfarm proprietors employment ³	614	\$10,326	48,533	\$18,127	40,910	\$19,208
Farm employment	108	-\$1,528	2,218	\$12,341	2,498	\$5,598
Nonfarm employment	2,652	\$27,778	278,628	\$41,069	247,389	\$34,966
Private employment	1,790	\$22,389	236,076	\$39,910	209,648	\$32,856
Forestry, fishing, related, & other ⁴	(D)	(D)	1,723	\$39,348	628	\$20,081
Mining	(D)	(D)	363	\$53,460	370	\$47,630
Utilities	(L)	(L)	118	\$50,008	598	\$69,592
Construction	129	\$18,589	23,767	\$42,789	14,371	\$37,716
Manufacturing	205	\$38,746	46,664	\$73,703	17,749	\$49,329
Wholesale trade	(D)	(D)	7,183	\$46,944	10,595	\$42,477
Retail Trade	191	\$14,419	34,243	\$26,449	31,737	\$26,106
Transportation and warehousing	(D)	(D)	4,071	\$35,743	6,511	\$42,851
Information	21	\$15,619	4,374	\$46,157	3,490	\$41,614
Finance and insurance	(D)	(D)	11,425	\$47,659	12,880	\$44,506
Real estate and rental and leasing	(D)	(D)	11,912	\$19,320	9,801	\$17,637
Professional and technical services	117	\$34,103	12,880	\$40,808	13,571	\$41,423
Mgt of companies and enterprises	(D)	(D)	1,322	\$64,572	2,843	\$56,794
Administrative and waste services	(D)	(D)	11,579	\$20,269	10,239	\$21,237
Educational services	12	\$12	2,832	\$20,499	5,087	\$23,243
Health care and social assistance	92	\$11,337	23,815	\$37,827	32,471	\$38,875
Arts, entertainment, and recreation	47	\$7,106	5,096	\$14,583	5,125	\$10,344
Accommodation and food services	441	\$21,481	16,223	\$15,442	16,953	\$16,014
Other services, except public admin	157	\$15,796	16,486	\$22,937	14,629	\$20,760
Government and government enterprise	862	\$38,970	42,552	\$47,498	37,741	\$46,687
Federal, civilian	214	\$53,150	2,139	\$64,939	4,417	\$71,295
Military	30	\$15,967	7,515	\$46,570	4,901	\$51,000
State and local	618	\$35,176	32,898	\$46,576	28,423	\$42,119
State government	46	\$39,739	5,539	\$42,656	9,687	\$41,980
Local government	572	\$34,809	27,359	\$47,370	18,736	\$42,190

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Stevens		Thurston		Wahkiakum	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	15,907	\$25,909	115,090	\$36,281	1,603	\$21,569
Wage and salary employment	10,784	\$26,219	93,164	\$33,801	922	\$25,959
Proprietors employment	5,123	\$12,122	21,926	\$18,203	681	\$8,540
Farm proprietors employment	1,351	\$1,905	1,073	\$6,451	159	-\$1,824
Nonfarm proprietors employment ³	3,772	\$15,781	20,853	\$18,808	522	\$11,697
Farm employment	1,412	\$2,784	1,825	\$18,391	164	-\$799
Nonfarm employment	14,495	\$28,162	113,265	\$36,569	1,439	\$24,118
Private employment	11,396	\$25,580	77,212	\$30,800	1,182	\$21,754
Forestry, fishing, related, & other ⁴	824	\$35,785	1,247	\$35,136	381	\$33,139
Mining	85	\$28,259	136	\$32,353	12	\$12
Utilities	(D)	(D)	173	\$74,231	0	\$0
Construction	856	\$23,505	6,246	\$39,593	94	\$20,521
Manufacturing	1,822	\$40,375	3,521	\$47,216	60	\$26,967
Wholesale trade	(D)	(D)	2,009	\$40,864	(L)	(L)
Retail Trade	1,669	\$17,718	13,324	\$28,277	(D)	(D)
Transportation and warehousing	421	\$36,133	1,690	\$31,150	(D)	(D)
Information	168	\$16,881	1,531	\$62,069	(D)	(D)
Finance and insurance	315	\$26,698	3,342	\$43,196	(D)	(D)
Real estate and rental and leasing	573	\$7,616	4,764	\$17,153	(D)	(D)
Professional and technical services	431	\$23,162	5,172	\$34,149	47	\$14,447
Mgt of companies and enterprises	(D)	(D)	416	\$51,471	0	\$0
Administrative and waste services	(D)	(D)	4,015	\$20,157	(D)	(D)
Educational services	108	\$8,472	2,148	\$23,404	(L)	(L)
Health care and social assistance	1,659	\$28,659	12,095	\$37,213	97	\$18,918
Arts, entertainment, and recreation	220	\$13,005	2,071	\$14,387	(D)	(D)
Accommodation and food services	701	\$10,954	6,578	\$15,246	(D)	(D)
Other services, except public admin	975	\$21,337	6,734	\$23,989	(D)	(D)
Government and government enterprise	3,099	\$37,653	36,053	\$48,923	257	\$34,992
Federal, civilian	402	\$62,085	986	\$74,632	13	\$52,769
Military	121	\$15,967	694	\$22,562	11	\$16,455
State and local	2,576	\$34,859	34,373	\$48,718	233	\$34,876
State government	334	\$46,317	23,311	\$53,115	12	\$40,500
Local government	2,242	\$33,152	11,062	\$39,451	221	\$34,570

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Walla Walla		Whatcom		Whitman	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	32,873	\$30,866	97,214	\$31,385	21,908	\$29,627
Wage and salary employment	26,986	\$27,531	76,562	\$28,671	17,559	\$27,640
Proprietors employment	5,887	\$17,928	20,652	\$17,885	4,349	\$10,697
Farm proprietors employment	999	\$16,459	1,628	\$11,663	1,224	\$1,971
Nonfarm proprietors employment ³	4,888	\$18,228	19,024	\$18,417	3,125	\$14,115
Farm employment	3,184	\$23,006	3,511	\$20,376	1,608	\$7,871
Nonfarm employment	29,689	\$31,709	93,703	\$31,797	20,300	\$31,351
Private employment	24,587	\$28,693	79,500	\$30,400	11,189	\$24,565
Forestry, fishing, related, & other ⁴	(D)	(D)	1,765	\$27,030	(D)	(D)
Mining	(D)	(D)	(D)	(D)	(D)	(D)
Utilities	107	\$78,430	(D)	(D)	(D)	(D)
Construction	1,407	\$30,829	8,184	\$44,246	588	\$35,446
Manufacturing	4,083	\$41,532	8,237	\$50,977	813	\$55,432
Wholesale trade	825	\$33,006	2,953	\$40,727	784	\$36,131
Retail Trade	3,197	\$22,316	11,733	\$22,488	1,617	\$18,730
Transportation and warehousing	521	\$41,154	2,155	\$35,417	(D)	(D)
Information	466	\$45,697	1,916	\$37,214	249	\$18,904
Finance and insurance	1,009	\$35,417	2,712	\$39,113	494	\$30,391
Real estate and rental and leasing	898	\$15,644	4,037	\$18,845	607	\$11,198
Professional and technical services	(D)	(D)	5,008	\$35,619	887	\$23,080
Mgt of companies and enterprises	(D)	(D)	484	\$51,438	14	\$37,643
Administrative and waste services	671	\$16,201	3,998	\$16,799	240	\$11,021
Educational services	(D)	(D)	978	\$13,062	160	\$8,906
Health care and social assistance	(D)	(D)	9,153	\$34,414	1,394	\$27,809
Arts, entertainment, and recreation	416	\$10,993	2,452	\$10,229	203	\$5,512
Accommodation and food services	1,659	\$12,750	7,468	\$13,715	1,417	\$10,534
Other services, except public admin	1,816	\$17,964	5,842	\$21,530	1,062	\$16,798
Government and government enterprise	5,102	\$46,247	14,203	\$39,617	9,111	\$39,684
Federal, civilian	898	\$81,273	908	\$79,845	283	\$65,972
Military	171	\$17,784	562	\$19,002	135	\$26,289
State and local	4,033	\$39,655	12,733	\$37,659	8,693	\$39,037
State government	1,676	\$42,850	4,151	\$37,073	(D)	(D)
Local government	2,357	\$37,384	8,582	\$37,942	(D)	(D)

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

2002 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Yakima	
	Employment	Earnings/Job
Total full-time and part-time employment	119,434	\$30,596
Wage and salary employment	99,138	\$26,458
Proprietors employment	20,296	\$24,080
Farm proprietors employment	4,451	\$32,277
Nonfarm proprietors employment ³	15,845	\$21,777
Farm employment	16,507	\$27,001
Nonfarm employment	102,927	\$31,172
Private employment	86,057	\$29,099
Forestry, fishing, related, & other ⁴	9,292	\$22,519
Mining	38	\$10,026
Utilities	207	\$70,870
Construction	4,533	\$34,388
Manufacturing	10,764	\$38,842
Wholesale trade	4,351	\$39,242
Retail Trade	11,848	\$24,225
Transportation and warehousing	3,169	\$32,815
Information	1,385	\$38,153
Finance and insurance	2,786	\$36,113
Real estate and rental and leasing	2,939	\$15,898
Professional and technical services	3,380	\$34,243
Mgt of companies and enterprises	617	\$54,000
Administrative and waste services	3,063	\$17,018
Educational services	1,389	\$21,368
Health care and social assistance	12,953	\$37,202
Arts, entertainment, and recreation	1,664	\$12,408
Accommodation and food services	5,840	\$14,386
Other services, except public admin	5,839	\$21,675
Government and government enterprise	16,870	\$41,748
Federal, civilian	1,343	\$66,030
Military	755	\$21,325
State and local	14,772	\$40,585
State government	2,905	\$44,000
Local government	11,867	\$39,749

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Income by Place of Residence					
Personal income (thousands of dollars)	198,017,690	375,768	527,204	4,372,108	1,868,900
Nonfarm personal income	196,409,597	337,699	529,623	4,286,505	1,773,483
Farm income ⁵	1,608,093	38,069	-2,419	85,603	95,417
Population (persons) ⁶	6,067,060	16,404	20,556	150,318	67,198
Per capita personal income (dollars)	32,638	22,907	25,647	29,086	27,812
Derivation of Total Personal Income					
Earnings by place of work	152,253,958	243,826	209,830	3,463,722	1,497,966
less: Personal contributions for social insurance ⁷	18,500,024	30,046	26,886	436,579	177,403
plus: Adjustment for residence ⁸	2,271,523	-6,305	114,376	91,941	-149,988
equals: Net earnings by place of residence	136,025,457	207,475	297,320	3,119,084	1,170,575
plus: Dividends, interest, and rent ⁹	35,002,879	85,178	107,681	628,714	364,925
plus: Transfer payments	26,989,354	83,115	122,203	624,310	333,400
Earnings by Place of Work					
Wage and salary disbursements	111,478,876	176,610	139,444	2,729,898	1,055,850
Other labor income	24,278,054	38,425	29,976	525,026	213,770
Proprietors' income ¹⁰	16,497,028	28,791	40,410	208,798	228,346
Farm proprietors' income	425,527	3,375	-3,808	7,432	27,623
Nonfarm proprietors' income	16,071,501	25,416	44,218	201,366	200,723
Earnings by Industry					
Farm earnings	1,608,093	38,069	-2,419	85,603	95,417
Nonfarm earnings	150,645,865	205,757	212,249	3,378,119	1,402,549
Private earnings	122,296,361	153,583	171,473	2,794,955	1,109,646
Forestry, fishing, related activities, and other ⁴	1,943,229	(D)	(D)	(D)	(D)
Forestry and logging	657,012	0	(D)	1,575	4,911
Fishing, hunting, and trapping	607,067	0	645	968	1,514
Agriculture and forestry support activities	679,150	(D)	(D)	(D)	(D)
Other ⁴	0	0	0	0	0
Mining	239,319	(L)	(D)	(L)	(D)
Oil and gas extraction	(D)	(L)	(L)	(L)	154
Mining (except oil and gas)	204,462	(L)	(D)	(L)	(D)
Support activities for mining	(D)	(L)	(L)	(L)	(L)
Utilities	506,209	(D)	(D)	(D)	1,335
Construction	10,146,264	5,703	25,657	202,610	128,741
Construction of buildings	3,349,161	(D)	7,364	96,561	67,231
Heavy and civil engineering construction	1,386,567	(D)	11,598	18,267	19,251
Specialty trade contractors	5,410,536	2,383	6,695	87,782	42,259
Manufacturing	19,288,266	33,080	18,915	215,970	96,748
Durable goods manufacturing	14,088,442	561	18,283	47,761	68,927
Wood product manufacturing	874,937	0	8,644	(L)	7,013
Nonmetallic mineral product manufacturing	441,560	(D)	(D)	1,165	3,540
Primary metal manufacturing	408,788	0	0	14,788	36,292
Fabricated metal product manufacturing	854,346	(L)	(D)	4,778	1,547
Machinery manufacturing	716,303	(D)	2,162	2,620	2,768
Computer and electronic product manufacturing	1,939,770	0	(D)	13,860	(D)
Electrical equipment and appliance manufacturing	232,483	0	0	(D)	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Motor vehicle manufacturing	(D)	(D)	(D)	(D)	(L)
Transportation equipment mfg. excl. motor vehicles	(D)	0	(D)	(D)	(D)
Furniture and related product manufacturing	326,064	0	1,019	954	1,083
Miscellaneous manufacturing	645,098	(L)	(D)	5,378	1,881
Nondurable goods manufacturing	5,199,824	32,519	632	168,209	27,821
Food manufacturing	1,512,909	32,079	(D)	80,265	12,934
Beverage and tobacco product manufacturing	205,316	0	0	12,007	(D)
Textile mills	31,422	0	0	0	0
Textile product mills	107,724	(D)	(D)	(D)	(D)
Apparel manufacturing	93,341	0	(L)	(D)	(L)
Leather and allied product manufacturing	19,368	0	0	(D)	(L)
Paper manufacturing	983,756	0	0	0	(D)
Printing and related support activities	505,697	0	(L)	2,217	1,393
Petroleum and coal products manufacturing	265,491	0	0	0	0
Chemical manufacturing	1,052,771	(D)	0	(D)	(D)
Plastics and rubber products manufacturing	422,029	(D)	(D)	654	8,775
Wholesale trade	7,269,355	24,392	2,754	45,611	54,018
Retail Trade	10,785,042	16,995	22,729	219,697	144,773
Motor vehicle and parts dealers	2,055,023	2,587	2,311	34,085	31,790
Furniture and home furnishings stores	615,011	(D)	(D)	7,268	6,162
Electronics and appliance stores	487,841	(D)	(L)	7,195	1,627
Building material and garden supply stores	895,387	1,125	1,738	20,507	14,020
Food and beverage stores	1,852,463	2,271	4,537	30,317	25,274
Health and personal care stores	544,578	(D)	3,233	9,750	3,596
Gasoline stations	404,559	1,777	(D)	15,484	10,518
Clothing and clothing accessories stores	674,500	(D)	297	12,395	3,407
Sporting goods, hobby, book and music stores	424,653	188	329	9,270	5,274
General merchandise stores	1,318,070	(D)	(D)	51,715	14,458
Miscellaneous store retailers	734,350	422	896	16,424	25,515
Nonstore retailers	778,607	(D)	(D)	5,287	3,132
Transportation and warehousing	4,842,540	(D)	(D)	(D)	36,773
Air transportation	875,891	0	0	(D)	(D)
Rail transportation	350,350	571	0	3,654	5,568
Water transportation	250,020	0	0	1,256	(D)
Truck transportation	1,324,406	7,435	1,957	7,740	8,779
Transit and ground passenger transportation	178,786	0	(L)	(D)	1,115
Pipeline transportation	23,565	556	(L)	163	247
Scenic and sightseeing transportation	33,829	0	400	(D)	(D)
Support activities for transportation	1,041,107	(D)	625	3,851	7,673
Couriers and messengers	461,110	(D)	(D)	(D)	3,616
Warehousing and storage	303,476	(D)	0	8,928	6,834
Information	11,939,159	728	1,954	35,118	23,111
Publishing industries, except Internet	8,286,504	(D)	(D)	12,175	7,658
Motion picture and sound recording industries	114,961	(D)	(L)	(D)	(D)
Broadcasting, except Internet	861,336	0	0	4,121	5,007

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Internet publishing and broadcasts	117,201	0	(L)	(L)	(L)
Telecommunications	2,219,622	(D)	(D)	17,207	9,175
ISPs, search portals, and data processing	311,974	(D)	(D)	(D)	(D)
Other information services	27,561	0	(L)	(L)	(L)
Finance and insurance	7,539,044	4,528	8,739	73,760	37,688
Monetary authorities - central bank	(D)	0	0	0	0
Credit intermediation and related activities	2,909,819	1,832	3,947	40,621	20,622
Securities, commodity contracts, investments	1,594,165	(D)	820	16,018	6,118
Insurance carriers and related activities	2,679,720	(D)	3,972	17,121	10,948
Funds, trusts, and other financial vehicles	(D)	0	0	0	0
Real estate and rental and leasing	3,768,574	1,920	6,259	52,179	27,198
Real estate	3,153,461	(D)	585	35,076	17,266
Rental and leasing services	581,924	(D)	5,674	16,182	9,932
Lessors of nonfinancial intangible assets	33,189	0	0	921	0
Professional and technical services	12,723,972	3,282	9,721	814,723	54,595
Management of companies and enterprises	2,517,102	0	(D)	7,099	4,026
Administrative and waste services	4,849,057	826	(D)	629,133	24,342
Administrative and support services	3,967,682	(D)	2,702	63,203	(D)
Waste management and remediation services	881,375	(D)	(D)	565,930	(D)
Educational services	1,157,899	(D)	605	10,509	4,892
Health care and social assistance	13,077,911	(D)	33,425	247,712	247,986
Ambulatory health care services	7,103,825	11,718	13,588	157,295	125,354
Hospitals	3,190,606	0	(D)	(D)	(D)
Nursing and residential care facilities	1,485,452	(D)	5,581	25,775	33,184
Social assistance	1,298,028	2,214	(D)	(D)	(D)
Arts, entertainment, and recreation	1,377,303	(D)	3,640	24,407	7,691
Performing arts and spectator sports	552,955	(D)	(D)	3,039	368
Museums, historical sites, zoos, and parks	75,668	0	(D)	1,605	147
Amusement, gambling, and recreation	748,680	(D)	3,319	19,763	7,176
Accommodation and food services	3,784,292	(D)	8,177	76,252	54,510
Accommodation	751,174	(D)	2,055	13,307	20,539
Food services and drinking places	3,033,118	4,072	6,122	62,945	33,971
Other services, except public administration	4,541,824	7,122	17,126	78,814	51,770
Repair and maintenance	1,454,463	1,715	(D)	21,969	13,310
Personal and laundry services	878,291	(D)	4,513	16,613	5,715
Membership associations and organizations	1,740,919	3,487	4,523	(D)	18,630
Private households	468,151	(D)	(D)	(D)	14,115
Government and government enterprises	28,349,504	52,174	40,776	583,164	292,903
Federal, civilian	5,140,479	3,184	4,111	81,815	49,381
Military	3,672,619	782	976	7,875	3,255
State and local	19,536,406	48,208	35,689	493,474	240,267
State government	6,209,704	2,278	5,118	44,827	54,190
Local government	13,326,702	45,930	30,571	448,647	186,077

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Income by Place of Residence					
Personal income (thousands of dollars)	1,781,797	10,796,545	110,592	2,373,448	775,285
Nonfarm personal income	1,779,544	10,782,341	103,803	2,365,528	733,555
Farm income ⁵	2,253	14,204	6,789	7,920	41,730
Population (persons) ⁶	66,092	369,854	4,091	94,544	33,261
Per capita personal income (dollars)	26,959	29,191	27,033	25,104	23,309
Derivation of Total Personal Income					
Earnings by place of work	897,894	5,930,471	57,688	1,705,951	311,964
less: Personal contributions for social insurance ⁷	114,453	740,371	7,164	224,953	41,202
plus: Adjustment for residence ⁸	27,618	2,109,088	8,345	-38,732	187,152
equals: Net earnings by place of residence	811,059	7,299,188	58,869	1,442,266	457,914
plus: Dividends, interest, and rent ⁹	547,172	1,960,209	27,361	401,157	155,942
plus: Transfer payments	423,566	1,537,148	24,362	530,025	161,429
Earnings by Place of Work					
Wage and salary disbursements	603,473	4,227,299	39,888	1,259,498	231,290
Other labor income	135,208	924,424	9,915	274,161	49,478
Proprietors' income ¹⁰	159,213	778,748	7,885	172,292	31,196
Farm proprietors' income	213	6,415	4,166	1,621	8,221
Nonfarm proprietors' income	159,000	772,333	3,719	170,671	22,975
Earnings by Industry					
Farm earnings	2,253	14,204	6,789	7,920	41,730
Nonfarm earnings	895,641	5,916,267	50,899	1,698,031	270,234
Private earnings	600,409	4,898,573	31,171	1,450,014	179,449
Forestry, fishing, related activities, and other ⁴	57,559	15,993	(D)	(D)	17,676
Forestry and logging	52,965	10,387	413	55,585	(D)
Fishing, hunting, and trapping	2,773	2,368	(D)	(D)	(D)
Agriculture and forestry support activities	1,821	3,238	(D)	10,484	14,099
Other ⁴	0	0	0	0	0
Mining	717	40,890	(D)	(D)	(L)
Oil and gas extraction	(L)	7,989	(L)	(L)	(L)
Mining (except oil and gas)	698	31,989	(D)	(D)	(L)
Support activities for mining	(L)	912	(L)	(D)	(L)
Utilities	562	5,175	(D)	(D)	235
Construction	72,588	689,765	(D)	201,314	22,419
Construction of buildings	27,385	208,929	126	86,613	(D)
Heavy and civil engineering construction	12,062	103,182	(D)	21,198	(D)
Specialty trade contractors	33,141	377,654	1,678	93,503	9,486
Manufacturing	52,724	734,188	(D)	435,211	10,500
Durable goods manufacturing	29,102	443,715	(D)	143,864	(D)
Wood product manufacturing	19,130	29,811	(D)	65,326	55
Nonmetallic mineral product manufacturing	2,060	16,734	(D)	3,284	(D)
Primary metal manufacturing	(L)	3,884	0	31,996	0
Fabricated metal product manufacturing	1,392	55,112	(D)	10,670	(D)
Machinery manufacturing	(D)	63,257	0	16,080	(D)
Computer and electronic product manufacturing	(L)	206,441	0	(D)	0
Electrical equipment and appliance manufacturing	(D)	4,606	0	0	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Motor vehicle manufacturing	(D)	(D)	0	(D)	0
Transportation equipment mfg. excl. motor vehicles	(D)	(D)	(D)	(D)	(D)
Furniture and related product manufacturing	944	14,241	(L)	2,819	(D)
Miscellaneous manufacturing	2,214	20,690	0	8,135	(D)
Nondurable goods manufacturing	23,622	290,473	(D)	291,347	(D)
Food manufacturing	1,564	56,204	(D)	(D)	(D)
Beverage and tobacco product manufacturing	(D)	(D)	(D)	(D)	(D)
Textile mills	0	(D)	0	0	0
Textile product mills	1,352	1,521	0	(D)	0
Apparel manufacturing	(L)	2,139	0	(D)	(L)
Leather and allied product manufacturing	(L)	(D)	0	0	0
Paper manufacturing	(D)	152,526	0	235,205	0
Printing and related support activities	1,229	4,117	0	2,821	(D)
Petroleum and coal products manufacturing	623	(L)	0	869	0
Chemical manufacturing	(D)	20,030	0	18,614	0
Plastics and rubber products manufacturing	(D)	31,175	0	(D)	0
Wholesale trade	16,321	260,907	2,141	(D)	12,606
Retail Trade	97,214	432,699	(D)	136,408	32,439
Motor vehicle and parts dealers	16,190	87,910	(D)	35,240	(D)
Furniture and home furnishings stores	4,496	21,595	(D)	3,701	(D)
Electronics and appliance stores	(D)	10,429	0	1,798	1,763
Building material and garden supply stores	8,485	30,566	(D)	9,298	(D)
Food and beverage stores	20,623	79,543	637	26,323	6,398
Health and personal care stores	7,769	34,836	(D)	5,693	1,007
Gasoline stations	3,686	20,136	499	10,177	1,212
Clothing and clothing accessories stores	2,976	16,940	0	2,796	1,974
Sporting goods, hobby, book and music stores	2,424	12,338	(L)	3,448	573
General merchandise stores	20,454	67,059	(D)	22,757	13,127
Miscellaneous store retailers	5,806	22,633	156	8,771	1,129
Nonstore retailers	(D)	28,714	(L)	6,406	362
Transportation and warehousing	25,019	240,030	(D)	73,064	13,543
Air transportation	(D)	-528	0	-130	(D)
Rail transportation	0	44,694	112	8,083	340
Water transportation	(D)	(D)	0	(D)	0
Truck transportation	14,784	133,662	(D)	27,531	2,903
Transit and ground passenger transportation	1,518	4,598	0	644	(L)
Pipeline transportation	(L)	164	(L)	(D)	(L)
Scenic and sightseeing transportation	(D)	386	0	(D)	0
Support activities for transportation	1,845	29,395	0	26,522	(D)
Couriers and messengers	(D)	(D)	0	3,445	(D)
Warehousing and storage	0	6,628	0	6,315	(D)
Information	12,260	167,076	233	16,869	1,876
Publishing industries, except Internet	6,478	35,801	(D)	6,703	(D)
Motion picture and sound recording industries	(D)	2,777	(D)	635	(D)
Broadcasting, except Internet	(D)	(D)	0	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Internet publishing and broadcasts	(L)	(D)	0	(D)	0
Telecommunications	3,546	121,844	(D)	6,833	(D)
ISPs, search portals, and data processing	(D)	4,093	(L)	(D)	(D)
Other information services	(L)	(L)	(L)	0	0
Finance and insurance	25,742	212,280	870	53,075	4,914
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	11,623	108,293	(D)	40,054	3,113
Securities, commodity contracts, investments	7,691	(D)	91	3,580	(D)
Insurance carriers and related activities	6,428	67,810	(D)	9,441	(D)
Funds, trusts, and other financial vehicles	0	(D)	0	0	0
Real estate and rental and leasing	17,867	166,319	408	12,602	2,377
Real estate	9,513	148,184	126	9,215	1,138
Rental and leasing services	8,354	16,260	282	3,081	1,239
Lessors of nonfinancial intangible assets	0	1,875	0	306	0
Professional and technical services	37,225	582,760	915	43,991	7,495
Management of companies and enterprises	9,640	51,053	(D)	2,256	0
Administrative and waste services	9,963	175,873	(D)	23,420	3,422
Administrative and support services	7,807	150,439	(D)	18,779	(D)
Waste management and remediation services	2,156	25,434	0	4,641	(D)
Educational services	3,469	25,913	(D)	7,425	1,582
Health care and social assistance	84,413	670,247	(D)	196,872	20,259
Amulatory health care services	58,164	380,007	566	92,148	10,648
Hospitals	0	(D)	0	(D)	0
Nursing and residential care facilities	13,480	91,212	89	22,685	8,946
Social assistance	12,769	(D)	(D)	(D)	665
Arts, entertainment, and recreation	4,156	55,924	(D)	11,389	7,183
Performing arts and spectator sports	(D)	3,707	(L)	(D)	191
Museums, historical sites, zoos, and parks	(D)	1,449	(D)	(D)	0
Amusement, gambling, and recreation	3,955	50,768	(D)	10,978	6,992
Accommodation and food services	31,886	166,804	(D)	42,467	9,492
Accommodation	9,743	21,572	(D)	5,502	(D)
Food services and drinking places	22,143	145,232	571	36,965	(D)
Other services, except public administration	41,084	204,677	3,305	53,220	11,390
Repair and maintenance	14,479	75,032	890	17,235	2,162
Personal and laundry services	6,561	28,819	(D)	(D)	1,368
Membership associations and organizations	15,432	84,516	(D)	23,778	(D)
Private households	4,612	16,310	1,403	(D)	(D)
Government and government enterprises	295,232	1,017,694	19,728	248,017	90,785
Federal, civilian	29,593	230,453	5,139	16,974	14,397
Military	19,443	18,371	195	4,502	1,993
State and local	246,196	768,870	14,394	226,541	74,395
State government	55,938	131,509	1,487	42,993	3,049
Local government	190,258	637,361	12,907	183,548	71,346

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Income by Place of Residence					
Personal income (thousands of dollars)	140,375	1,096,777	56,695	1,684,566	1,578,095
Nonfarm personal income	140,023	981,786	58,743	1,497,370	1,570,518
Farm income ⁵	352	114,991	-2,048	187,196	7,577
Population (persons) ⁶	7,289	52,945	2,317	77,554	68,655
Per capita personal income (dollars)	19,258	20,715	24,469	21,721	22,986
Derivation of Total Personal Income					
Earnings by place of work	67,800	871,290	30,859	1,163,737	995,912
less: Personal contributions for social insurance ⁷	8,612	109,937	4,253	142,428	131,236
plus: Adjustment for residence ⁸	9,057	-73,217	414	-24,654	20,736
equals: Net earnings by place of residence	68,245	688,136	27,020	996,655	885,412
plus: Dividends, interest, and rent ⁹	31,764	161,018	16,767	302,700	278,210
plus: Transfer payments	40,366	247,623	12,908	385,211	414,473
Earnings by Place of Work					
Wage and salary disbursements	45,397	640,629	25,130	827,310	735,902
Other labor income	12,830	142,081	7,400	185,402	158,646
Proprietors' income ¹⁰	9,573	88,580	-1,671	151,025	101,364
Farm proprietors' income	339	25,348	-3,516	61,609	4,948
Nonfarm proprietors' income	9,234	63,232	1,845	89,416	96,416
Earnings by Industry					
Farm earnings	352	114,991	-2,048	187,196	7,577
Nonfarm earnings	67,448	756,299	32,907	976,541	988,335
Private earnings	34,471	564,778	11,632	668,332	734,629
Forestry, fishing, related activities, and other ⁴	(D)	36,297	(D)	(D)	(D)
Forestry and logging	5,552	3,381	(L)	1,529	(D)
Fishing, hunting, and trapping	194	2,080	(L)	(D)	10,040
Agriculture and forestry support activities	(D)	30,836	(D)	45,047	8,764
Other ⁴	0	0	0	0	0
Mining	(D)	1,853	0	(D)	(D)
Oil and gas extraction	(L)	(L)	0	(L)	(L)
Mining (except oil and gas)	(D)	1,839	0	(D)	(D)
Support activities for mining	(L)	(L)	0	(L)	(L)
Utilities	(L)	403	(D)	325	1,149
Construction	(D)	54,796	(D)	43,603	67,070
Construction of buildings	894	8,784	246	11,300	25,503
Heavy and civil engineering construction	(D)	6,573	0	11,723	17,966
Specialty trade contractors	1,465	39,439	(D)	20,580	23,601
Manufacturing	(D)	76,341	(D)	174,754	173,323
Durable goods manufacturing	(D)	16,322	(L)	58,483	102,140
Wood product manufacturing	(D)	3,241	0	812	66,062
Nonmetallic mineral product manufacturing	(L)	(D)	0	(D)	(D)
Primary metal manufacturing	0	0	0	27,253	(D)
Fabricated metal product manufacturing	(D)	3,229	(L)	1,201	4,690
Machinery manufacturing	0	(D)	0	(D)	11,277
Computer and electronic product manufacturing	0	(D)	0	(D)	0
Electrical equipment and appliance manufacturing	0	(D)	0	(D)	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Motor vehicle manufacturing	0	(L)	0	(D)	(D)
Transportation equipment mfg. excl. motor vehicles	0	1,092	0	(D)	(D)
Furniture and related product manufacturing	53	359	0	(D)	323
Miscellaneous manufacturing	(L)	464	(L)	(D)	366
Nondurable goods manufacturing	(D)	60,019	(D)	116,271	71,183
Food manufacturing	(D)	57,668	(D)	93,826	11,789
Beverage and tobacco product manufacturing	0	831	(L)	(D)	(D)
Textile mills	0	0	0	(L)	0
Textile product mills	0	(D)	0	0	(D)
Apparel manufacturing	(L)	(L)	0	(D)	0
Leather and allied product manufacturing	(L)	0	0	54	0
Paper manufacturing	0	0	0	(D)	51,340
Printing and related support activities	(D)	(D)	(L)	441	498
Petroleum and coal products manufacturing	0	0	0	0	0
Chemical manufacturing	0	0	0	14,480	(D)
Plastics and rubber products manufacturing	0	(D)	0	0	(D)
Wholesale trade	(D)	46,438	4,606	45,888	23,814
Retail Trade	4,195	72,420	2,182	87,987	93,511
Motor vehicle and parts dealers	(D)	35,499	(D)	14,069	18,180
Furniture and home furnishings stores	(D)	1,712	(D)	3,066	3,699
Electronics and appliance stores	0	1,539	0	1,604	1,515
Building material and garden supply stores	381	7,389	1,065	11,441	6,131
Food and beverage stores	1,159	9,160	(D)	15,965	22,211
Health and personal care stores	(D)	3,368	(D)	7,984	5,245
Gasoline stations	928	4,997	0	11,659	7,670
Clothing and clothing accessories stores	(D)	(D)	0	1,908	5,993
Sporting goods, hobby, book and music stores	(D)	894	(D)	1,665	1,578
General merchandise stores	(D)	2,437	(D)	(D)	14,646
Miscellaneous store retailers	152	4,056	(D)	3,306	4,663
Nonstore retailers	(D)	(D)	(L)	(D)	1,980
Transportation and warehousing	(D)	61,522	(D)	38,629	32,769
Air transportation	(L)	(D)	0	0	(D)
Rail transportation	0	27,686	0	2,579	1,234
Water transportation	0	0	0	250	(D)
Truck transportation	1,190	15,151	(D)	15,478	20,644
Transit and ground passenger transportation	0	(D)	0	(D)	524
Pipeline transportation	(L)	(D)	0	(D)	(L)
Scenic and sightseeing transportation	0	0	0	380	(D)
Support activities for transportation	0	5,769	(D)	1,438	6,581
Couriers and messengers	(D)	6,856	0	2,933	(D)
Warehousing and storage	0	1,463	(D)	12,926	(D)
Information	162	6,668	(D)	7,126	5,768
Publishing industries, except Internet	(D)	275	(D)	3,933	(D)
Motion picture and sound recording industries	0	(D)	0	(D)	(D)
Broadcasting, except Internet	(L)	1,804	0	934	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Internet publishing and broadcasts	0	(L)	0	0	(D)
Telecommunications	(D)	(D)	0	(D)	1,966
ISPs, search portals, and data processing	(D)	(D)	(L)	(D)	(D)
Other information services	0	(L)	(L)	0	(L)
Finance and insurance	492	10,170	761	18,341	29,292
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	(D)	7,060	(D)	8,501	17,567
Securities, commodity contracts, investments	(L)	(D)	(L)	(D)	2,064
Insurance carriers and related activities	(D)	(D)	(D)	(D)	9,661
Funds, trusts, and other financial vehicles	0	0	0	0	0
Real estate and rental and leasing	818	14,097	99	10,564	10,168
Real estate	(D)	2,536	(L)	6,017	6,685
Rental and leasing services	(D)	11,561	94	4,547	3,483
Lessors of nonfinancial intangible assets	0	0	0	0	0
Professional and technical services	(D)	16,708	(D)	(D)	41,926
Management of companies and enterprises	(D)	0	0	(D)	2,457
Administrative and waste services	551	18,497	61	14,937	9,516
Administrative and support services	(D)	15,432	61	13,236	6,633
Waste management and remediation services	(D)	3,065	0	1,701	2,883
Educational services	66	5,357	0	4,078	953
Health care and social assistance	1,144	84,480	(D)	79,903	83,685
Amulatory health care services	(D)	36,939	(D)	55,088	41,467
Hospitals	0	(D)	0	0	(D)
Nursing and residential care facilities	(D)	11,197	0	10,441	9,441
Social assistance	151	(D)	(D)	14,374	(D)
Arts, entertainment, and recreation	(D)	4,793	(L)	6,622	4,923
Performing arts and spectator sports	0	(D)	0	(D)	60
Museums, historical sites, zoos, and parks	(D)	(D)	0	(D)	443
Amusement, gambling, and recreation	61	4,276	(L)	6,520	4,420
Accommodation and food services	(D)	20,022	192	23,520	35,170
Accommodation	(D)	5,116	(D)	5,615	11,755
Food services and drinking places	944	14,906	(D)	17,905	23,415
Other services, except public administration	2,549	33,916	(D)	32,565	36,702
Repair and maintenance	(D)	14,001	(D)	9,288	9,481
Personal and laundry services	(L)	(D)	(D)	(D)	(D)
Membership associations and organizations	1,342	12,742	(D)	17,748	18,831
Private households	(D)	(D)	(D)	(D)	(D)
Government and government enterprises	32,977	191,521	21,275	308,209	253,706
Federal, civilian	8,993	38,645	9,082	41,999	12,471
Military	346	2,511	110	3,789	5,448
State and local	23,638	150,365	12,083	262,421	235,787
State government	1,154	39,950	864	29,140	51,643
Local government	22,484	110,415	11,219	233,281	184,144

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Income by Place of Residence					
Personal income (thousands of dollars)	2,181,113	858,962	77,524,060	7,570,378	837,110
Nonfarm personal income	2,177,727	856,772	77,482,575	7,567,553	814,466
Farm income ⁵	3,386	2,190	41,485	2,825	22,644
Population (persons) ⁶	75,130	27,230	1,756,522	238,510	34,608
Per capita personal income (dollars)	29,031	31,545	44,135	31,740	24,188
Derivation of Total Personal Income					
Earnings by place of work	1,205,654	333,098	76,723,030	4,688,957	483,712
less: Personal contributions for social insurance ⁷	125,250	43,075	9,142,357	512,294	59,012
plus: Adjustment for residence ⁸	264,525	117,740	-11,184,291	1,030,124	84,930
equals: Net earnings by place of residence	1,344,929	407,763	56,396,382	5,206,787	509,630
plus: Dividends, interest, and rent ⁹	530,464	286,742	13,887,453	1,425,357	177,845
plus: Transfer payments	305,720	164,457	7,240,225	938,234	149,635
Earnings by Place of Work					
Wage and salary disbursements	767,466	230,566	56,543,457	3,235,878	333,707
Other labor income	288,845	49,711	11,566,539	1,055,914	74,810
Proprietors' income ¹⁰	149,343	52,821	8,613,034	397,165	75,195
Farm proprietors' income	568	1,133	7,371	1,600	8,880
Nonfarm proprietors' income	148,775	51,688	8,605,663	395,565	66,315
Earnings by Industry					
Farm earnings	3,386	2,190	41,485	2,825	22,644
Nonfarm earnings	1,202,268	330,908	76,681,545	4,686,132	461,068
Private earnings	478,034	244,645	68,123,253	2,128,837	291,474
Forestry, fishing, related activities, and other ⁴	(D)	8,440	617,781	37,309	(D)
Forestry and logging	(D)	(D)	116,209	(D)	6,882
Fishing, hunting, and trapping	2,162	3,199	469,756	(D)	516
Agriculture and forestry support activities	1,031	(D)	31,816	8,256	(D)
Other ⁴	0	0	0	0	0
Mining	(D)	1,569	42,064	2,816	(D)
Oil and gas extraction	153	(L)	(D)	133	(L)
Mining (except oil and gas)	(D)	1,552	37,260	(D)	(D)
Support activities for mining	(L)	(L)	(D)	(D)	(L)
Utilities	3,076	4,657	260,831	8,677	1,604
Construction	75,879	31,592	4,420,682	256,462	30,064
Construction of buildings	39,017	18,373	1,469,592	89,513	7,048
Heavy and civil engineering construction	7,290	5,376	503,190	32,310	6,273
Specialty trade contractors	29,572	7,843	2,447,900	134,639	16,743
Manufacturing	27,429	36,446	9,775,683	70,382	25,540
Durable goods manufacturing	26,626	(D)	7,427,037	58,201	14,226
Wood product manufacturing	(D)	1,412	102,651	1,963	(D)
Nonmetallic mineral product manufacturing	880	(D)	175,390	7,378	(D)
Primary metal manufacturing	0	(D)	66,569	0	0
Fabricated metal product manufacturing	572	1,945	365,204	5,144	9,506
Machinery manufacturing	(D)	(D)	329,416	1,084	0
Computer and electronic product manufacturing	(D)	(D)	865,568	2,758	0
Electrical equipment and appliance manufacturing	0	0	132,030	(D)	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Motor vehicle manufacturing	0	0	(D)	(D)	0
Transportation equipment mfg. excl. motor vehicles	(D)	3,264	(D)	(D)	(D)
Furniture and related product manufacturing	1,750	333	130,673	8,920	964
Miscellaneous manufacturing	(D)	859	431,971	22,656	(D)
Nondurable goods manufacturing	803	(D)	2,348,646	12,181	11,314
Food manufacturing	277	594	620,723	1,883	10,883
Beverage and tobacco product manufacturing	(L)	(D)	117,101	(D)	(D)
Textile mills	0	0	5,035	(D)	0
Textile product mills	(D)	357	72,079	3,884	(D)
Apparel manufacturing	0	0	52,857	318	(D)
Leather and allied product manufacturing	0	0	11,089	0	(L)
Paper manufacturing	(D)	(D)	177,274	(D)	0
Printing and related support activities	318	957	359,119	2,143	(D)
Petroleum and coal products manufacturing	0	0	35,138	0	0
Chemical manufacturing	(D)	(L)	763,654	(D)	0
Plastics and rubber products manufacturing	0	0	134,577	(D)	0
Wholesale trade	8,775	7,546	4,728,935	58,157	24,187
Retail Trade	80,145	28,483	4,608,081	333,778	50,087
Motor vehicle and parts dealers	12,224	3,414	709,361	74,619	9,963
Furniture and home furnishings stores	10,903	2,528	314,409	10,833	3,847
Electronics and appliance stores	1,079	394	255,250	8,699	1,185
Building material and garden supply stores	9,132	3,353	334,277	35,267	3,470
Food and beverage stores	13,847	9,779	738,217	63,331	11,778
Health and personal care stores	4,348	(D)	208,334	15,861	1,899
Gasoline stations	2,259	3,310	83,965	13,187	4,464
Clothing and clothing accessories stores	3,173	1,089	409,253	12,313	(D)
Sporting goods, hobby, book and music stores	2,273	939	201,856	13,380	1,169
General merchandise stores	8,849	(D)	435,534	56,635	6,070
Miscellaneous store retailers	8,045	1,730	330,950	22,373	3,587
Nonstore retailers	4,013	652	586,675	7,280	(D)
Transportation and warehousing	7,599	4,546	2,859,820	44,385	17,846
Air transportation	-117	-130	843,906	(D)	-81
Rail transportation	2,197	123	114,874	0	341
Water transportation	222	(D)	220,094	(D)	0
Truck transportation	1,712	884	470,291	18,815	15,279
Transit and ground passenger transportation	(D)	(D)	102,335	(D)	(L)
Pipeline transportation	(L)	(L)	(D)	208	57
Scenic and sightseeing transportation	337	610	19,186	882	0
Support activities for transportation	3,034	(D)	625,405	10,301	(D)
Couriers and messengers	(D)	(D)	(D)	(D)	(D)
Warehousing and storage	0	(D)	146,594	(D)	0
Information	15,682	4,277	10,744,804	90,446	12,412
Publishing industries, except Internet	4,317	2,203	7,915,607	26,872	2,934
Motion picture and sound recording industries	343	430	83,242	2,581	(D)
Broadcasting, except Internet	(D)	427	748,442	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Internet publishing and broadcasts	(L)	(L)	109,894	1,221	(L)
Telecommunications	10,300	(D)	1,579,502	55,778	4,939
ISPs, search portals, and data processing	(L)	(D)	281,692	1,861	(D)
Other information services	(D)	(L)	26,425	(D)	(L)
Finance and insurance	23,900	8,776	4,563,726	122,390	7,695
Monetary authorities - central bank	0	0	(D)	0	0
Credit intermediation and related activities	12,300	4,368	1,668,108	59,131	3,683
Securities, commodity contracts, investments	4,079	(D)	978,318	24,085	(D)
Insurance carriers and related activities	7,521	(D)	1,641,385	39,174	(D)
Funds, trusts, and other financial vehicles	0	0	(D)	0	0
Real estate and rental and leasing	25,186	12,685	2,258,969	69,822	10,449
Real estate	16,413	9,246	1,971,803	(D)	(D)
Rental and leasing services	8,773	3,439	267,965	(D)	(D)
Lessors of nonfinancial intangible assets	0	0	19,201	946	0
Professional and technical services	37,504	19,052	8,338,828	249,780	14,430
Management of companies and enterprises	21,399	0	1,960,142	13,925	(D)
Administrative and waste services	20,779	13,887	2,665,157	107,362	(D)
Administrative and support services	18,833	13,031	2,530,176	93,551	(D)
Waste management and remediation services	1,946	856	134,981	13,811	166
Educational services	8,261	3,133	580,548	21,089	1,932
Health care and social assistance	50,636	24,455	5,141,698	381,236	33,616
Amulatory health care services	35,532	13,410	2,690,379	205,634	16,579
Hospitals	0	0	1,399,894	(D)	0
Nursing and residential care facilities	5,556	3,589	508,694	64,230	13,879
Social assistance	9,548	7,456	542,731	(D)	3,158
Arts, entertainment, and recreation	8,047	3,155	843,516	30,124	3,364
Performing arts and spectator sports	(D)	(D)	489,819	5,904	85
Museums, historical sites, zoos, and parks	(D)	(D)	52,169	2,343	384
Amusement, gambling, and recreation	6,472	2,320	301,528	21,877	2,895
Accommodation and food services	23,309	15,859	1,797,059	98,753	22,027
Accommodation	4,933	3,205	386,894	13,372	3,854
Food services and drinking places	18,376	12,654	1,410,165	85,381	18,173
Other services, except public administration	33,260	16,087	1,914,929	131,944	19,008
Repair and maintenance	9,881	3,216	596,372	48,657	6,247
Personal and laundry services	4,800	(D)	443,940	21,177	2,381
Membership associations and organizations	13,562	7,858	674,514	47,497	7,921
Private households	5,017	(D)	200,103	14,613	2,459
Government and government enterprises	724,234	86,263	8,558,292	2,557,295	169,594
Federal, civilian	72,945	11,109	1,750,109	1,256,109	11,295
Military	525,829	1,858	188,647	774,707	3,013
State and local	125,460	73,296	6,619,536	526,479	155,286
State government	13,452	14,519	2,330,070	89,618	(D)
Local government	112,008	58,777	4,289,466	436,861	(D)

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Income by Place of Residence					
Personal income (thousands of dollars)	480,746	1,660,169	248,448	1,250,975	914,531
Nonfarm personal income	456,953	1,641,322	241,607	1,251,243	837,108
Farm income ⁵	23,793	18,847	6,841	-268	77,423
Population (persons) ⁶	19,393	69,649	10,129	51,120	39,236
Per capita personal income (dollars)	24,790	23,836	24,528	24,471	23,308
Derivation of Total Personal Income					
Earnings by place of work	260,731	1,048,600	115,113	530,955	568,576
less: Personal contributions for social insurance ⁷	33,968	140,622	15,111	70,807	64,430
plus: Adjustment for residence ⁸	32,740	49,664	20,772	222,142	21,045
equals: Net earnings by place of residence	259,503	957,642	120,774	682,290	525,191
plus: Dividends, interest, and rent ⁹	109,774	294,274	71,432	274,558	162,764
plus: Transfer payments	111,469	408,253	56,242	294,127	226,576
Earnings by Place of Work					
Wage and salary disbursements	181,570	774,557	81,876	375,121	362,907
Other labor income	40,287	169,773	19,280	81,483	83,082
Proprietors' income ¹⁰	38,874	104,270	13,957	74,351	122,587
Farm proprietors' income	2,256	10,071	-464	-2,622	26,546
Nonfarm proprietors' income	36,618	94,199	14,421	76,973	96,041
Earnings by Industry					
Farm earnings	23,793	18,847	6,841	-268	77,423
Nonfarm earnings	236,938	1,029,753	108,272	531,223	491,153
Private earnings	170,156	828,341	59,401	350,723	285,998
Forestry, fishing, related activities, and other ⁴	25,666	63,759	4,097	(D)	38,652
Forestry and logging	10,555	44,452	(D)	21,162	6,002
Fishing, hunting, and trapping	194	(D)	203	5,124	1,189
Agriculture and forestry support activities	14,917	(D)	(D)	(D)	31,461
Other ⁴	0	0	0	0	0
Mining	483	52,697	(L)	(D)	2,518
Oil and gas extraction	(L)	(L)	(L)	(L)	(L)
Mining (except oil and gas)	469	(D)	(L)	(D)	(D)
Support activities for mining	(L)	(D)	(L)	(L)	(D)
Utilities	624	24,624	(D)	457	2,905
Construction	15,306	54,010	4,403	44,575	24,321
Construction of buildings	7,203	18,943	(D)	18,721	8,750
Heavy and civil engineering construction	5,260	15,626	(D)	5,374	6,316
Specialty trade contractors	2,843	19,441	1,410	20,480	9,255
Manufacturing	25,634	144,998	2,233	77,019	5,164
Durable goods manufacturing	23,427	117,991	(D)	60,467	4,278
Wood product manufacturing	(D)	83,757	(D)	44,344	2,234
Nonmetallic mineral product manufacturing	(D)	1,627	(L)	1,472	1,251
Primary metal manufacturing	(D)	(D)	0	(D)	0
Fabricated metal product manufacturing	(L)	10,889	(D)	562	274
Machinery manufacturing	(D)	543	0	(D)	(D)
Computer and electronic product manufacturing	(D)	(D)	0	(D)	0
Electrical equipment and appliance manufacturing	0	(D)	0	0	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Motor vehicle manufacturing	0	(D)	0	(D)	0
Transportation equipment mfg. excl. motor vehicles	0	(D)	0	(D)	(D)
Furniture and related product manufacturing	97	2,118	(L)	536	(D)
Miscellaneous manufacturing	(L)	2,565	(L)	3,587	(D)
Nondurable goods manufacturing	2,207	27,007	(D)	16,552	886
Food manufacturing	(D)	18,733	145	9,674	388
Beverage and tobacco product manufacturing	(D)	(D)	0	(D)	(D)
Textile mills	0	(D)	0	(L)	0
Textile product mills	0	(D)	(D)	(D)	(D)
Apparel manufacturing	(L)	2,019	(L)	(D)	(D)
Leather and allied product manufacturing	(L)	(D)	0	0	0
Paper manufacturing	0	(D)	0	4,562	(L)
Printing and related support activities	(L)	1,974	(D)	220	(D)
Petroleum and coal products manufacturing	0	(D)	0	0	0
Chemical manufacturing	360	(D)	0	735	(L)
Plastics and rubber products manufacturing	(D)	(D)	0	(D)	0
Wholesale trade	3,678	27,820	8,234	12,414	14,963
Retail Trade	18,850	103,125	10,450	43,877	69,513
Motor vehicle and parts dealers	2,283	22,172	900	6,580	8,173
Furniture and home furnishings stores	(D)	3,533	(D)	1,823	(D)
Electronics and appliance stores	(D)	1,547	(L)	(D)	425
Building material and garden supply stores	1,905	7,577	3,123	6,213	6,164
Food and beverage stores	4,007	18,779	1,975	8,789	11,373
Health and personal care stores	1,292	6,396	702	1,494	2,205
Gasoline stations	805	11,170	2,383	5,480	17,853
Clothing and clothing accessories stores	(D)	3,383	(D)	358	2,723
Sporting goods, hobby, book and music stores	(D)	1,959	(D)	492	1,469
General merchandise stores	(D)	14,260	0	(D)	(D)
Miscellaneous store retailers	(D)	10,020	249	2,540	5,105
Nonstore retailers	918	2,329	(D)	1,449	2,343
Transportation and warehousing	15,670	78,451	(D)	13,027	8,909
Air transportation	-96	(D)	0	(D)	-119
Rail transportation	11,034	5,049	1,692	590	1,053
Water transportation	0	0	0	(D)	248
Truck transportation	3,518	31,757	682	5,156	3,902
Transit and ground passenger transportation	(L)	(D)	(L)	1,256	(L)
Pipeline transportation	(L)	76	(L)	109	(L)
Scenic and sightseeing transportation	0	(D)	0	1,353	(D)
Support activities for transportation	(D)	4,119	(D)	2,115	(D)
Couriers and messengers	(D)	(D)	(L)	(L)	(D)
Warehousing and storage	(D)	(D)	0	(D)	(D)
Information	1,744	10,332	350	3,570	3,822
Publishing industries, except Internet	496	4,443	(D)	(D)	1,133
Motion picture and sound recording industries	(D)	(D)	0	(D)	(D)
Broadcasting, except Internet	(D)	(D)	0	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Internet publishing and broadcasts	0	(L)	(L)	0	(L)
Telecommunications	(D)	3,711	(D)	(D)	1,043
ISPs, search portals, and data processing	(D)	(D)	(L)	(L)	201
Other information services	0	(L)	(L)	0	(L)
Finance and insurance	4,402	20,783	6,078	14,167	10,099
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	2,265	9,044	4,196	8,817	5,336
Securities, commodity contracts, investments	(D)	(D)	429	(D)	(D)
Insurance carriers and related activities	(D)	9,934	1,453	(D)	(D)
Funds, trusts, and other financial vehicles	0	(D)	0	0	0
Real estate and rental and leasing	4,381	9,474	921	8,620	6,310
Real estate	1,737	5,354	(D)	5,465	4,043
Rental and leasing services	2,644	4,120	(D)	3,155	1,822
Lessors of nonfinancial intangible assets	0	0	0	0	445
Professional and technical services	(D)	24,826	5,638	12,717	14,031
Management of companies and enterprises	(D)	6,173	0	(D)	(D)
Administrative and waste services	15,403	20,564	486	(D)	(D)
Administrative and support services	(D)	16,804	(D)	3,730	2,819
Waste management and remediation services	(D)	3,760	(D)	(D)	(D)
Educational services	(D)	2,915	(D)	3,587	1,756
Health care and social assistance	(D)	110,630	(D)	36,370	40,012
Amulatory health care services	6,453	58,582	2,291	17,554	30,575
Hospitals	0	(D)	0	0	0
Nursing and residential care facilities	(D)	17,744	(D)	13,826	4,930
Social assistance	1,574	(D)	786	4,990	4,507
Arts, entertainment, and recreation	1,314	3,864	512	4,970	2,268
Performing arts and spectator sports	295	(D)	(D)	(D)	(D)
Museums, historical sites, zoos, and parks	(D)	(D)	(D)	(D)	0
Amusement, gambling, and recreation	(D)	3,548	503	4,817	(D)
Accommodation and food services	5,650	30,343	1,386	10,936	16,761
Accommodation	871	4,144	193	1,804	8,299
Food services and drinking places	4,779	26,199	1,193	9,132	8,462
Other services, except public administration	10,324	38,953	3,867	24,609	18,481
Repair and maintenance	4,522	12,737	517	7,212	7,100
Personal and laundry services	(D)	(D)	(D)	(D)	(D)
Membership associations and organizations	4,300	14,153	1,914	10,648	7,725
Private households	(D)	(D)	(D)	(D)	(D)
Government and government enterprises	66,782	201,412	48,871	180,500	205,155
Federal, civilian	6,308	16,077	3,903	5,521	31,864
Military	922	3,319	481	2,424	1,867
State and local	59,552	182,016	44,487	172,555	171,424
State government	8,366	49,865	3,317	45,852	13,095
Local government	51,186	132,151	41,170	126,703	158,329

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Income by Place of Residence					
Personal income (thousands of dollars)	482,169	265,132	21,367,560	581,695	3,135,448
Nonfarm personal income	472,860	264,577	21,338,004	581,487	3,045,488
Farm income ⁵	9,309	555	29,556	208	89,960
Population (persons) ⁶	20,768	12,100	731,245	14,611	106,733
Per capita personal income (dollars)	23,217	21,912	29,221	39,812	29,377
Derivation of Total Personal Income					
Earnings by place of work	227,945	129,598	13,002,658	225,879	2,061,345
less: Personal contributions for social insurance ⁷	29,938	16,658	1,579,780	27,148	251,206
plus: Adjustment for residence ⁸	22,923	28,396	3,609,405	34,229	91,004
equals: Net earnings by place of residence	220,930	141,336	15,032,283	232,960	1,901,143
plus: Dividends, interest, and rent ⁹	119,888	54,656	3,130,271	281,026	682,454
plus: Transfer payments	141,351	69,140	3,205,006	67,709	551,851
Earnings by Place of Work					
Wage and salary disbursements	160,790	85,982	9,416,694	140,792	1,421,419
Other labor income	34,526	21,304	2,336,860	29,334	306,172
Proprietors' income ¹⁰	32,629	22,312	1,249,104	55,753	333,754
Farm proprietors' income	7,431	374	4,920	-996	15,510
Nonfarm proprietors' income	25,198	21,938	1,244,184	56,749	318,244
Earnings by Industry					
Farm earnings	9,309	555	29,556	208	89,960
Nonfarm earnings	218,636	129,043	12,973,102	225,671	1,971,385
Private earnings	141,267	80,431	8,999,043	188,460	1,576,433
Forestry, fishing, related activities, and other ⁴	25,866	(D)	61,950	(D)	72,188
Forestry and logging	(D)	4,963	35,919	(D)	45,589
Fishing, hunting, and trapping	14,863	184	10,330	2,536	11,114
Agriculture and forestry support activities	(D)	(D)	15,701	438	15,485
Other ⁴	0	0	0	0	0
Mining	1,316	(D)	15,009	(D)	2,016
Oil and gas extraction	(L)	(L)	713	(L)	(L)
Mining (except oil and gas)	1,302	(D)	14,214	(D)	(D)
Support activities for mining	(L)	(L)	82	(L)	(D)
Utilities	(D)	235	40,072	5,247	10,728
Construction	8,842	3,858	1,001,253	43,089	198,151
Construction of buildings	3,872	1,790	262,546	28,803	57,846
Heavy and civil engineering construction	1,040	997	202,898	2,619	36,523
Specialty trade contractors	3,930	1,071	535,809	11,667	103,782
Manufacturing	25,716	42,514	1,087,960	9,926	278,664
Durable goods manufacturing	14,779	(D)	732,719	8,180	122,231
Wood product manufacturing	14,258	(D)	118,702	(D)	21,925
Nonmetallic mineral product manufacturing	(D)	(D)	84,833	948	8,982
Primary metal manufacturing	0	0	18,912	0	(D)
Fabricated metal product manufacturing	(D)	(D)	97,131	548	9,535
Machinery manufacturing	0	2,584	35,679	(D)	21,159
Computer and electronic product manufacturing	(L)	0	159,803	(D)	10,415
Electrical equipment and appliance manufacturing	0	(D)	1,186	0	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Motor vehicle manufacturing	0	0	6,075	0	(D)
Transportation equipment mfg. excl. motor vehicles	(D)	0	127,520	(D)	(D)
Furniture and related product manufacturing	55	616	52,091	287	3,807
Miscellaneous manufacturing	130	432	30,787	1,477	6,175
Nondurable goods manufacturing	10,937	(D)	355,241	1,746	156,433
Food manufacturing	10,535	(D)	79,135	532	34,329
Beverage and tobacco product manufacturing	0	0	(D)	(D)	(D)
Textile mills	(D)	(L)	(D)	0	(D)
Textile product mills	0	0	3,939	(D)	2,399
Apparel manufacturing	(L)	0	22,689	(L)	(D)
Leather and allied product manufacturing	0	271	500	(L)	(L)
Paper manufacturing	0	(D)	76,117	0	6,826
Printing and related support activities	(D)	(D)	40,164	71	1,067
Petroleum and coal products manufacturing	0	0	28,545	633	(D)
Chemical manufacturing	0	0	33,882	(D)	5,960
Plastics and rubber products manufacturing	(D)	672	66,794	(L)	2,638
Wholesale trade	1,194	298	500,199	2,875	45,135
Retail Trade	18,670	5,734	1,013,261	23,138	214,791
Motor vehicle and parts dealers	1,043	844	261,159	1,282	64,207
Furniture and home furnishings stores	(D)	(D)	54,985	(D)	8,040
Electronics and appliance stores	(D)	(D)	27,620	248	4,359
Building material and garden supply stores	1,064	108	86,428	4,885	21,411
Food and beverage stores	4,359	2,662	166,091	8,508	36,394
Health and personal care stores	1,357	(D)	56,587	(D)	8,362
Gasoline stations	2,941	1,101	35,010	1,126	9,703
Clothing and clothing accessories stores	306	(D)	55,928	873	9,115
Sporting goods, hobby, book and music stores	354	(L)	45,069	1,099	5,667
General merchandise stores	(D)	(D)	142,767	311	25,894
Miscellaneous store retailers	1,496	144	57,456	1,657	15,049
Nonstore retailers	(D)	(L)	24,161	414	6,590
Transportation and warehousing	(D)	3,452	447,435	2,596	52,060
Air transportation	-140	(D)	-211	(D)	(D)
Rail transportation	155	709	23,173	0	3,320
Water transportation	122	0	5,087	181	(D)
Truck transportation	1,200	682	194,866	(D)	27,333
Transit and ground passenger transportation	0	(D)	16,779	(D)	(D)
Pipeline transportation	(L)	(L)	253	(L)	(D)
Scenic and sightseeing transportation	157	147	869	361	(D)
Support activities for transportation	(D)	(D)	152,235	438	10,142
Couriers and messengers	(D)	(L)	29,844	(D)	6,186
Warehousing and storage	0	0	24,540	(L)	2,318
Information	1,085	1,176	152,240	2,036	19,319
Publishing industries, except Internet	711	(D)	52,062	(D)	9,170
Motion picture and sound recording industries	(D)	(D)	4,659	(D)	(D)
Broadcasting, except Internet	(L)	0	(D)	205	1,358

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Internet publishing and broadcasts	0	(L)	(D)	(L)	(D)
Telecommunications	(D)	471	85,268	(D)	7,273
ISPs, search portals, and data processing	0	(D)	5,119	(D)	537
Other information services	0	(L)	(L)	(L)	(L)
Finance and insurance	8,619	2,586	656,585	5,402	73,796
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	5,136	1,576	193,778	3,439	31,753
Securities, commodity contracts, investments	1,858	(L)	255,875	621	21,993
Insurance carriers and related activities	1,625	995	197,707	1,342	20,050
Funds, trusts, and other financial vehicles	0	0	9,225	0	0
Real estate and rental and leasing	2,623	591	312,435	15,870	73,746
Real estate	(D)	(D)	271,355	(D)	36,146
Rental and leasing services	(D)	(D)	(D)	(D)	(D)
Lessors of nonfinancial intangible assets	0	0	(D)	0	(D)
Professional and technical services	5,128	2,557	566,948	17,615	144,773
Management of companies and enterprises	(D)	0	80,622	1,935	7,875
Administrative and waste services	(D)	923	372,471	4,949	27,850
Administrative and support services	1,262	(D)	344,398	4,039	22,336
Waste management and remediation services	(D)	(D)	28,073	910	5,514
Educational services	52	(D)	143,471	1,248	8,200
Health care and social assistance	12,273	(D)	1,642,985	9,757	181,463
Amulatory health care services	5,340	1,380	934,930	5,687	128,381
Hospitals	0	0	387,043	0	0
Nursing and residential care facilities	4,614	(D)	156,272	2,534	34,625
Social assistance	2,319	1,197	164,740	1,536	18,457
Arts, entertainment, and recreation	1,914	(D)	105,876	4,155	19,971
Performing arts and spectator sports	(D)	(D)	10,678	(D)	1,261
Museums, historical sites, zoos, and parks	(D)	0	5,033	(D)	575
Amusement, gambling, and recreation	1,724	(D)	90,165	2,901	18,135
Accommodation and food services	12,206	(D)	320,185	23,193	65,110
Accommodation	5,118	(D)	30,957	15,802	15,513
Food services and drinking places	7,088	1,918	289,228	7,391	49,597
Other services, except public administration	10,658	4,355	478,086	10,847	80,597
Repair and maintenance	1,616	(D)	172,341	2,525	41,653
Personal and laundry services	(D)	565	91,119	916	8,928
Membership associations and organizations	5,616	2,261	180,571	3,646	24,914
Private households	(D)	(D)	34,055	3,760	5,102
Government and government enterprises	77,369	48,612	3,974,059	37,211	394,952
Federal, civilian	3,346	7,139	573,144	3,419	24,704
Military	5,881	570	1,436,186	694	5,083
State and local	68,142	40,903	1,964,729	33,098	365,165
State government	13,222	1,139	484,852	3,214	60,663
Local government	54,920	39,764	1,479,877	29,884	304,502

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Income by Place of Residence					
Personal income (thousands of dollars)	228,533	19,847,809	11,381,715	834,405	6,719,343
Nonfarm personal income	228,698	19,820,436	11,367,732	830,474	6,685,779
Farm income ⁵	-165	27,373	13,983	3,931	33,564
Population (persons) ⁶	10,055	633,875	427,287	40,485	217,959
Per capita personal income (dollars)	22,728	31,312	26,637	20,610	30,828
Derivation of Total Personal Income					
Earnings by place of work	73,503	11,470,374	8,664,110	412,132	4,175,539
less: Personal contributions for social insurance ⁷	9,634	1,473,436	1,096,497	52,706	528,587
plus: Adjustment for residence ⁸	79,201	4,691,562	-362,526	109,928	1,027,367
equals: Net earnings by place of residence	143,070	14,688,500	7,205,087	469,354	4,674,319
plus: Dividends, interest, and rent ⁹	45,120	2,790,530	2,048,490	148,081	1,069,354
plus: Transfer payments	40,343	2,368,779	2,128,138	216,970	975,670
Earnings by Place of Work					
Wage and salary disbursements	53,070	8,633,166	6,440,202	282,743	3,148,997
Other labor income	14,539	1,953,541	1,433,325	67,290	627,421
Proprietors' income ¹⁰	5,894	883,667	790,583	62,099	399,121
Farm proprietors' income	-446	3,914	4,778	2,574	6,922
Nonfarm proprietors' income	6,340	879,753	785,805	59,525	392,199
Earnings by Industry					
Farm earnings	-165	27,373	13,983	3,931	33,564
Nonfarm earnings	73,668	11,443,001	8,650,127	408,201	4,141,975
Private earnings	40,076	9,421,861	6,888,120	291,514	2,378,151
Forestry, fishing, related activities, and other ⁴	(D)	67,796	12,611	29,487	43,815
Forestry and logging	1,242	18,832	(D)	25,580	29,892
Fishing, hunting, and trapping	116	21,726	(D)	592	7,403
Agriculture and forestry support activities	(D)	27,238	4,685	3,315	6,520
Other ⁴	0	0	0	0	0
Mining	(D)	19,406	17,623	2,402	4,400
Oil and gas extraction	(L)	(D)	180	(L)	(L)
Mining (except oil and gas)	(D)	(D)	1,765	2,371	(D)
Support activities for mining	(L)	(D)	15,678	(L)	(D)
Utilities	235	5,901	41,616	(D)	12,842
Construction	2,398	1,016,965	542,020	20,120	247,295
Construction of buildings	556	272,707	168,269	7,514	87,661
Heavy and civil engineering construction	567	143,512	46,512	5,229	21,543
Specialty trade contractors	1,275	600,746	327,239	7,377	138,091
Manufacturing	7,943	3,439,286	875,540	73,564	166,248
Durable goods manufacturing	(D)	3,156,006	705,669	(D)	68,311
Wood product manufacturing	(D)	84,856	14,441	44,874	11,748
Nonmetallic mineral product manufacturing	(D)	26,278	47,675	(D)	11,059
Primary metal manufacturing	0	5,166	110,366	(D)	0
Fabricated metal product manufacturing	(D)	122,652	75,157	(D)	16,940
Machinery manufacturing	(D)	37,019	79,901	15,747	3,507
Computer and electronic product manufacturing	(D)	431,171	219,377	(D)	176
Electrical equipment and appliance manufacturing	(D)	17,411	27,764	0	932

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Motor vehicle manufacturing	0	(D)	32,248	(D)	(D)
Transportation equipment mfg. excl. motor vehicles	0	(D)	50,299	(D)	(D)
Furniture and related product manufacturing	0	57,944	22,979	715	9,619
Miscellaneous manufacturing	(L)	30,607	25,462	(D)	10,503
Nondurable goods manufacturing	(D)	283,280	169,871	(D)	97,937
Food manufacturing	(D)	51,200	51,841	788	5,102
Beverage and tobacco product manufacturing	(D)	1,561	9,438	196	31,334
Textile mills	0	(D)	(D)	0	(D)
Textile product mills	0	2,850	3,218	0	292
Apparel manufacturing	0	5,180	4,631	(D)	62
Leather and allied product manufacturing	0	1,592	5,355	(L)	(D)
Paper manufacturing	0	(D)	19,464	0	(D)
Printing and related support activities	0	36,593	21,701	383	6,409
Petroleum and coal products manufacturing	0	711	(D)	0	0
Chemical manufacturing	0	67,804	24,372	0	3,736
Plastics and rubber products manufacturing	(D)	35,225	29,069	0	29,980
Wholesale trade	(D)	337,200	450,039	(D)	82,095
Retail Trade	2,754	905,706	828,534	29,571	376,759
Motor vehicle and parts dealers	(D)	213,038	192,002	4,320	65,461
Furniture and home furnishings stores	0	46,800	52,869	(D)	9,167
Electronics and appliance stores	0	36,003	28,831	377	74,205
Building material and garden supply stores	429	92,002	54,653	1,969	32,165
Food and beverage stores	1,226	165,797	136,058	6,702	62,896
Health and personal care stores	(D)	59,987	49,498	1,844	11,548
Gasoline stations	401	31,479	28,159	3,772	13,232
Clothing and clothing accessories stores	0	44,355	39,415	(D)	12,371
Sporting goods, hobby, book and music stores	58	35,441	37,764	1,349	13,434
General merchandise stores	221	116,882	105,319	(D)	49,886
Miscellaneous store retailers	(D)	46,210	61,144	1,147	24,396
Nonstore retailers	(D)	17,712	42,822	1,876	7,998
Transportation and warehousing	(D)	145,508	279,004	15,212	52,643
Air transportation	0	1,781	13,726	(L)	(D)
Rail transportation	(D)	15,561	58,519	3,694	1,761
Water transportation	0	(D)	0	0	255
Truck transportation	950	44,212	115,362	5,380	25,467
Transit and ground passenger transportation	0	15,845	12,278	(D)	2,247
Pipeline transportation	(L)	290	(D)	69	78
Scenic and sightseeing transportation	203	(D)	588	0	(D)
Support activities for transportation	316	46,938	39,933	2,333	7,236
Couriers and messengers	0	(D)	(D)	(D)	(D)
Warehousing and storage	(L)	3,398	3,616	(D)	3,314
Information	328	201,891	145,232	2,836	95,028
Publishing industries, except Internet	(D)	64,329	49,055	(D)	13,338
Motion picture and sound recording industries	(L)	6,339	3,718	(D)	1,680
Broadcasting, except Internet	0	(D)	37,483	(D)	4,116

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Internet publishing and broadcasts	(L)	(D)	(D)	0	(D)
Telecommunications	(D)	123,214	52,200	(D)	72,848
ISPs, search portals, and data processing	(D)	3,324	2,410	610	2,572
Other information services	(L)	(D)	(D)	0	(D)
Finance and insurance	(D)	544,506	573,238	8,410	144,360
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	(D)	185,934	234,894	5,677	69,261
Securities, commodity contracts, investments	(L)	(D)	117,709	(D)	24,222
Insurance carriers and related activities	(D)	290,079	201,434	(D)	40,883
Funds, trusts, and other financial vehicles	0	(D)	19,201	0	9,994
Real estate and rental and leasing	(D)	230,134	172,861	4,364	81,715
Real estate	(D)	207,719	137,255	2,169	72,145
Rental and leasing services	188	(D)	31,329	2,195	8,575
Lessors of nonfinancial intangible assets	0	(D)	4,277	0	995
Professional and technical services	3,990	525,606	562,152	9,983	176,621
Management of companies and enterprises	(D)	85,364	161,465	(D)	21,412
Administrative and waste services	(D)	234,699	217,443	(D)	80,929
Administrative and support services	149	213,717	207,451	1,766	71,476
Waste management and remediation services	(D)	20,982	9,992	(D)	9,453
Educational services	(L)	58,052	118,238	915	50,271
Health care and social assistance	1,043	900,861	1,262,302	47,546	450,091
Amulatory health care services	(D)	553,820	645,054	24,038	250,415
Hospitals	0	(D)	382,193	(D)	(D)
Nursing and residential care facilities	(D)	112,478	136,233	(D)	(D)
Social assistance	517	(D)	98,822	6,015	40,134
Arts, entertainment, and recreation	334	74,317	53,015	2,861	29,796
Performing arts and spectator sports	0	11,961	(D)	(D)	5,910
Museums, historical sites, zoos, and parks	(D)	1,761	(D)	(D)	3,170
Amusement, gambling, and recreation	(D)	60,595	42,072	2,820	20,716
Accommodation and food services	9,473	250,516	271,486	7,679	100,291
Accommodation	8,514	19,668	70,768	1,521	11,304
Food services and drinking places	959	230,848	200,718	6,158	88,987
Other services, except public administration	2,480	378,147	303,701	20,804	161,540
Repair and maintenance	(D)	117,078	93,677	7,209	50,872
Personal and laundry services	180	78,406	63,230	2,537	16,352
Membership associations and organizations	1,924	145,907	111,472	(D)	81,451
Private households	(D)	36,756	35,322	(D)	12,865
Government and government enterprises	33,592	2,021,140	1,762,007	116,687	1,763,824
Federal, civilian	11,374	138,904	314,911	24,958	73,587
Military	479	349,971	249,952	1,932	15,658
State and local	21,739	1,532,265	1,197,144	89,797	1,674,579
State government	1,828	236,272	406,665	15,470	1,238,171
Local government	19,911	1,295,993	790,479	74,327	436,408

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Income by Place of Residence					
Personal income (thousands of dollars)	92,146	1,354,052	4,508,589	830,720	5,323,727
Nonfarm personal income	92,277	1,280,802	4,437,049	818,064	4,878,023
Farm income ⁵	-131	73,250	71,540	12,656	445,704
Population (persons) ⁶	3,808	56,047	174,066	40,918	224,498
Per capita personal income (dollars)	24,198	24,159	25,902	20,302	23,714
Derivation of Total Personal Income					
Earnings by place of work	34,575	1,014,668	3,051,054	649,079	3,654,163
less: Personal contributions for social insurance ⁷	4,501	125,625	384,122	80,052	437,685
plus: Adjustment for residence ⁸	16,112	-84,224	122,771	-60,591	10,744
equals: Net earnings by place of residence	46,186	804,819	2,789,703	508,436	3,227,222
plus: Dividends, interest, and rent ⁹	23,639	281,054	965,549	178,790	894,516
plus: Transfer payments	22,321	268,179	753,337	143,494	1,201,989
Earnings by Place of Work					
Wage and salary disbursements	23,934	742,942	2,195,103	485,334	2,622,985
Other labor income	4,825	166,185	486,594	117,223	542,449
Proprietors' income ¹⁰	5,816	105,541	369,357	46,522	488,729
Farm proprietors' income	-290	16,443	18,988	2,413	143,667
Nonfarm proprietors' income	6,106	89,098	350,369	44,109	345,062
Earnings by Industry					
Farm earnings	-131	73,250	71,540	12,656	445,704
Nonfarm earnings	34,706	941,418	2,979,514	636,423	3,208,459
Private earnings	25,713	705,464	2,416,830	274,858	2,504,163
Forestry, fishing, related activities, and other ⁴	12,626	(D)	47,708	(D)	209,251
Forestry and logging	10,135	(D)	19,345	2,620	12,877
Fishing, hunting, and trapping	(D)	1,036	7,472	1,611	2,486
Agriculture and forestry support activities	(D)	18,480	20,891	(D)	193,888
Other ⁴	0	0	0	0	0
Mining	(L)	(D)	(D)	(D)	381
Oil and gas extraction	(L)	(L)	191	(L)	(L)
Mining (except oil and gas)	(L)	(D)	(D)	(D)	359
Support activities for mining	(L)	(L)	(L)	(L)	(L)
Utilities	0	8,392	(D)	(D)	14,670
Construction	1,929	43,376	362,108	20,842	155,880
Construction of buildings	535	16,018	130,195	4,291	79,584
Heavy and civil engineering construction	(D)	7,348	81,225	2,364	12,144
Specialty trade contractors	(D)	20,010	150,688	14,187	64,152
Manufacturing	1,618	169,575	419,899	45,066	418,095
Durable goods manufacturing	(D)	41,035	218,261	(D)	(D)
Wood product manufacturing	(D)	1,334	45,617	(D)	53,236
Nonmetallic mineral product manufacturing	(D)	(D)	10,098	(D)	8,871
Primary metal manufacturing	0	(D)	(D)	0	(D)
Fabricated metal product manufacturing	(D)	3,045	12,884	(D)	36,206
Machinery manufacturing	(D)	(D)	17,652	508	23,677
Computer and electronic product manufacturing	0	(D)	6,889	4,997	(D)
Electrical equipment and appliance manufacturing	0	164	8,971	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Motor vehicle manufacturing	0	(D)	(D)	0	(D)
Transportation equipment mfg. excl. motor vehicles	0	(D)	(D)	0	(D)
Furniture and related product manufacturing	0	236	4,692	(D)	4,094
Miscellaneous manufacturing	(L)	2,564	14,329	734	12,882
Nondurable goods manufacturing	(D)	128,540	201,638	(D)	(D)
Food manufacturing	(L)	(D)	55,115	(D)	108,558
Beverage and tobacco product manufacturing	0	6,751	(D)	0	12,977
Textile mills	0	(D)	(D)	0	(L)
Textile product mills	0	(D)	11,971	0	1,043
Apparel manufacturing	0	(D)	(D)	0	(L)
Leather and allied product manufacturing	0	(L)	0	0	0
Paper manufacturing	0	(D)	(D)	(L)	17,636
Printing and related support activities	0	4,111	5,710	334	8,473
Petroleum and coal products manufacturing	0	0	84,424	(D)	(D)
Chemical manufacturing	0	3,815	(D)	(D)	6,695
Plastics and rubber products manufacturing	(D)	1,375	8,863	0	63,560
Wholesale trade	(L)	27,230	120,266	28,327	170,740
Retail Trade	(D)	71,345	263,847	30,286	287,013
Motor vehicle and parts dealers	(D)	12,908	39,557	6,632	61,245
Furniture and home furnishings stores	428	1,778	10,492	(D)	10,739
Electronics and appliance stores	0	(D)	10,395	243	5,694
Building material and garden supply stores	(D)	9,194	30,798	5,358	31,416
Food and beverage stores	(D)	16,219	55,423	5,091	58,310
Health and personal care stores	(D)	2,780	12,970	1,990	8,882
Gasoline stations	(D)	1,829	15,460	3,211	21,037
Clothing and clothing accessories stores	58	4,704	13,646	182	8,771
Sporting goods, hobby, book and music stores	(L)	1,590	9,273	(D)	7,363
General merchandise stores	0	12,333	35,863	(D)	48,259
Miscellaneous store retailers	(D)	3,821	21,537	1,106	18,821
Nonstore retailers	(L)	(D)	8,433	(D)	6,476
Transportation and warehousing	(D)	21,441	76,323	(D)	103,992
Air transportation	0	335	(D)	(D)	(D)
Rail transportation	0	2,455	4,699	81	(D)
Water transportation	0	0	1,213	0	337
Truck transportation	(D)	9,237	28,753	2,523	58,126
Transit and ground passenger transportation	0	66	4,496	(D)	2,495
Pipeline transportation	0	(D)	(D)	(D)	175
Scenic and sightseeing transportation	0	1,055	(D)	0	511
Support activities for transportation	0	4,097	16,922	2,247	12,354
Couriers and messengers	(D)	(D)	(D)	(D)	(D)
Warehousing and storage	0	(D)	9,449	(D)	20,489
Information	(D)	21,295	71,302	4,707	52,842
Publishing industries, except Internet	(D)	10,600	33,022	915	16,308
Motion picture and sound recording industries	0	84	(D)	(D)	(D)
Broadcasting, except Internet	(L)	5,208	8,069	888	20,449

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2002

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Internet publishing and broadcasts	0	(D)	(D)	0	(D)
Telecommunications	(D)	4,515	28,617	2,011	13,439
ISPs, search portals, and data processing	0	(D)	742	(D)	(D)
Other information services	0	(D)	(L)	(L)	(L)
Finance and insurance	(D)	35,736	106,075	15,013	100,612
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	(D)	22,715	51,718	11,345	50,036
Securities, commodity contracts, investments	(L)	3,175	(D)	1,281	(D)
Insurance carriers and related activities	(D)	9,846	28,008	2,387	30,424
Funds, trusts, and other financial vehicles	0	0	(D)	0	(D)
Real estate and rental and leasing	(D)	14,048	76,079	6,797	46,725
Real estate	(D)	5,683	65,944	4,446	24,509
Rental and leasing services	(D)	8,365	8,991	2,351	22,216
Lessors of nonfinancial intangible assets	0	0	1,144	0	0
Professional and technical services	679	(D)	178,379	20,472	115,742
Management of companies and enterprises	0	(D)	24,896	527	33,318
Administrative and waste services	(D)	10,871	67,161	2,645	52,125
Administrative and support services	(D)	(D)	57,491	(D)	46,168
Waste management and remediation services	(D)	(D)	9,670	(D)	5,957
Educational services	66	(D)	12,775	1,425	29,680
Health care and social assistance	1,835	(D)	314,991	38,766	481,875
Ambulatory health care services	(D)	53,331	166,803	21,190	251,660
Hospitals	0	(D)	(D)	(D)	128,039
Nursing and residential care facilities	1,393	22,488	39,315	6,823	53,834
Social assistance	(D)	7,815	(D)	(D)	48,342
Arts, entertainment, and recreation	(D)	4,573	25,081	1,119	20,647
Performing arts and spectator sports	(L)	(D)	2,743	(D)	3,285
Museums, historical sites, zoos, and parks	(D)	(D)	1,160	0	791
Amusement, gambling, and recreation	(D)	3,921	21,178	(D)	16,571
Accommodation and food services	(D)	21,153	102,426	14,926	84,012
Accommodation	(L)	3,210	21,901	3,484	17,174
Food services and drinking places	(D)	17,943	80,525	11,442	66,838
Other services, except public administration	(D)	32,623	125,778	17,839	126,563
Repair and maintenance	(D)	10,044	39,883	4,488	33,782
Personal and laundry services	(L)	3,270	(D)	2,048	(D)
Membership associations and organizations	(D)	13,749	57,355	8,155	60,926
Private households	358	5,560	(D)	3,148	(D)
Government and government enterprises	8,993	235,954	562,684	361,565	704,296
Federal, civilian	686	72,983	72,499	18,670	88,678
Military	181	3,041	10,679	3,549	16,100
State and local	8,126	159,930	479,506	339,346	599,518
State government	486	71,816	153,889	(D)	127,819
Local government	7,640	88,114	325,617	(D)	471,699

Table 4.4
Per Capita Personal Income

	1998	1999	2000	2001	2002	Change 1996-2002
U.S.	26,883	27,939	29,847	30,527	30,906	15.0%
Washington	28,384	30,037	31,780	32,271	32,638	15.0%
Bellingham, WA (MSA)	22,674	23,278	24,245	25,450	25,902	14.2%
Bremerton, WA (PMSA)	25,842	27,159	29,472	30,461	31,740	22.8%
Olympia, WA (PMSA)	22,726	23,445	24,687	26,139	26,905	18.4%
Portland-Vancouver, OR-WA (PMSA)	25,757	26,672	29,242	30,341	30,828	19.7%
Richland-Kennewick-Pasco, WA (MSA)	28,851	29,858	32,127	32,326	32,167	11.5%
Seattle-Bellevue-Everett, WA (PMSA)	33,213	35,814	37,746	37,832	38,037	14.5%
Seattle-Tacoma-Bremerton, WA (CMSA)	35,547	38,714	40,793	40,590	40,735	14.6%
Spokane, WA (MSA)	23,239	24,107	26,012	26,179	26,637	14.6%
Tacoma, WA (PMSA)	25,308	26,071	27,582	28,711	29,221	15.5%
Yakima, WA (MSA)	20,734	20,875	22,074	22,934	23,714	14.4%
Washington (Urban Counties)*	30,834	32,914	34,863	35,110	35,365	14.7%
Washington (Rural Counties)	21,693	22,160	23,330	24,442	25,131	15.8%
Adams	20,351	19,867	20,473	21,821	22,907	12.6%
Asotin	21,369	22,544	23,721	24,973	25,647	20.0%
Benton#	24,227	25,152	26,566	28,141	29,086	20.1%
Chelan	23,877	23,823	25,106	26,715	27,812	16.5%
Clallam	22,903	23,436	24,616	26,418	26,959	17.7%
Clark*	26,405	26,924	28,894	29,430	29,191	10.6%
Columbia	23,709	24,031	27,584	27,906	27,033	14.0%
Cowlitz	21,688	22,580	23,668	24,936	25,104	15.8%
Douglas	19,478	19,783	21,506	22,413	23,309	19.7%
Ferry	16,428	16,933	17,260	18,545	19,258	17.2%
Franklin#	18,361	18,485	19,263	20,390	20,715	12.8%
Garfield	22,652	20,316	24,235	23,629	24,469	8.0%
Grant	20,163	19,408	20,177	21,066	21,721	7.7%
Grays Harbor	20,248	20,756	21,957	22,430	22,986	13.5%
Island*	26,283	26,331	26,579	28,285	29,031	10.5%
Jefferson	26,303	27,567	28,420	30,590	31,545	19.9%
King*	38,241	42,218	44,437	43,924	44,135	15.4%
Kitsap*	25,842	27,159	29,472	30,461	31,740	22.8%
Kittitas	21,149	21,880	23,030	23,538	24,188	14.4%
Klickitat	21,284	21,353	22,520	23,709	24,790	16.5%
Lewis	20,664	21,483	22,254	23,219	23,836	15.4%
Lincoln	22,080	21,133	22,385	23,361	24,528	11.1%
Mason	21,150	21,776	22,798	23,604	24,471	15.7%
Okanogan	19,794	19,780	20,615	22,109	23,308	17.8%
Pacific	19,937	20,310	21,174	22,404	23,217	16.5%
Pend Oreille	18,984	19,632	20,743	21,579	21,912	15.4%
Pierce*	25,308	26,071	27,582	28,711	29,221	15.5%
San Juan	35,738	36,977	37,618	39,154	39,812	11.4%
Skagit	24,709	25,970	27,288	28,732	29,377	18.9%
Skamania	20,901	21,822	22,450	22,579	22,728	8.7%
Snohomish*	27,692	28,580	30,393	31,225	31,312	13.1%
Spokane*	23,239	24,107	26,012	26,179	26,637	14.6%
Stevens	17,986	18,477	19,602	20,121	20,610	14.6%
Thurston*	25,757	26,672	29,242	30,341	30,828	19.7%
Wahkiakum	20,502	21,549	22,510	23,771	24,198	18.0%
Walla Walla	20,821	21,045	22,646	23,401	24,159	16.0%
Whatcom#	22,674	23,278	24,245	25,450	25,902	14.2%
Whitman	17,742	17,511	19,802	19,608	20,302	14.4%
Yakima#	20,734	20,875	22,074	22,934	23,714	14.4%

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.5
2002 Per Capita Personal Income and Median Home Prices
 Ordered by 2002 Per Capita Personal Income Rank

	Per Capita Personal Income	Rank	Median Home Price	Rank
King*	\$44,135	1	\$278,500	1
San Juan	\$39,812	2	\$272,200	2
Kitsap*	\$31,740	3	\$165,900	7
Jefferson	\$31,545	4	\$184,900	4
Snohomish*	\$31,312	5	\$220,000	3
Thurston*	\$30,828	6	\$154,900	11
Skagit	\$29,377	7	\$165,500	8
Pierce*	\$29,221	8	\$170,000	6
Clark*	\$29,191	9	\$156,500	10
Benton#	\$29,086	10	\$140,300	13
Island*	\$29,031	11	\$177,000	5
Chelan	\$27,812	12	\$131,400	15
Columbia	\$27,033	13	N/A	N/A
Clallam	\$26,959	14	\$131,400	15
Spokane*	\$26,637	15	\$109,700	24
Whatcom#	\$25,902	16	\$159,100	9
Asotin	\$25,647	17	\$95,300	26
Cowlitz	\$25,104	18	\$110,700	22
Klickitat	\$24,790	19	N/A	N/A
Lincoln	\$24,528	20	N/A	N/A
Mason	\$24,471	21	\$115,000	21
Garfield	\$24,469	22	\$95,300	26
Wahkiakum	\$24,198	23	\$128,000	19
Kittitas	\$24,188	24	\$150,300	12
Walla Walla	\$24,159	25	\$119,900	20
Lewis	\$23,836	26	\$106,000	25
Yakima#	\$23,714	27	\$110,700	22
Douglas	\$23,309	28	\$131,400	15
Okanogan	\$23,308	29	N/A	N/A
Pacific	\$23,217	30	\$78,200	34
Grays Harbor	\$22,986	31	\$87,000	33
Adams	\$22,907	32	\$92,800	28
Skamania	\$22,728	33	N/A	N/A
Pend Oreille	\$21,912	34	\$90,900	30
Grant	\$21,721	35	\$92,800	28
Franklin#	\$20,715	36	\$140,300	13
Stevens	\$20,610	37	\$90,900	30
Whitman	\$20,302	38	\$128,100	18
Ferry	\$19,258	39	\$90,900	30
Washington	\$32,638		\$188,500	

Source: U.S. Department of Commerce, Bureau of Economic Analysis; Washington Center for Real Estate Research.

Footnotes for Tables 4.1, 4.4 and 4.5

Metropolitan area (Defined by the US Office of Management and Budget: The general concept of a metropolitan area is that of a large population nucleus, together with adjacent communities having a high degree of social and economic integration with that core. Metropolitan areas comprise one or more entire counties, except in New England, where cities and towns are the basic geographic units.).

* Urban area (Per RCW 43.160.020 and RCW43.168.020, counties with greater than 100 persons per square mile. All urban areas are also metropolitan areas.).

N/A Data not available for this year.

Footnotes for Tables 4.2 and 4.3

1. The employment estimates used to compute the average wage are a job, not person, count. People holding more than one job are counted in the employment estimates for each job they hold.
2. 2001 and 2002 estimates of employment and earnings by industry are based on the 2002 North American Industry Classification System (NAICS). Estimates for prior years are based on the 1987 Standard Industrial Classification (SIC)
3. Excludes limited partners.
4. "Other" consists of wage and salary disbursements to U.S. residents employed by international organizations and foreign embassies and consulates in the United States.
5. Farm income consists of proprietors' income; the cash wages, pay-in-kind, and other labor income of hired farm workers; and the salaries of officers of corporate farms.
6. Census Bureau midyear population estimates as of April 2004.
7. Personal contributions for social insurance are included in earnings by type and industry but they are excluded from personal income.
8. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: Wage and salary disbursements to U.S. residents commuting to Canada less wage and salary disbursements to Canadian and Mexican residents commuting into the United States.
9. Rental income of persons includes the capital consumption adjustment.
10. Proprietors income includes the inventory valuation adjustment and capital consumption adjustment.

(D) Not shown to avoid disclosure of confidential information, but estimates for this item are included in the totals.

(L) Less than \$50,000, but the estimates for this item are included in the totals.

(N) Data not available for this year.

All state and local area dollar estimates are in current dollars (not adjusted for inflation).

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Detail Components of the Washington Economic Forecast

Calendar Years

Note: The economic data discussed in these tables were current at the time the forecast was prepared. Many concepts including real GDP have changed since then due to new releases and data revisions.

Table A1.1
U.S. Economic Forecast Summary
 Forecast 2004 to 2007

	2000	2001	2002	2003	2004	2005	2006	2007
Real National Income Accounts (Billions of Chained 2000 Dollars)								
Real Gross Domestic Product	9,817.0	9,866.7	10,083.0	10,398.0	10,899.6	11,291.7	11,676.0	12,066.7
% Ch	3.7	0.5	2.2	3.1	4.8	3.6	3.4	3.3
Real Consumption	6739.4	6904.6	7140.5	7365.2	7657.6	7876.0	8119.4	8358.7
% Ch	4.7	2.5	3.4	3.1	4.0	2.9	3.1	2.9
Real Nonresidential Fixed Investment	1,232.1	1,176.8	1,092.6	1,125.5	1,242.3	1,344.0	1,442.4	1,542.3
% Ch	8.7	-4.5	-7.2	3.0	10.4	8.2	7.3	6.9
Real Residential Fixed Investment	446.9	448.4	470.3	505.4	531.4	503.2	493.6	498.5
% Ch	0.8	0.3	4.9	7.5	5.1	-5.3	-1.9	1.0
Real Personal Income	8,429.3	8,539.0	8,614.8	8,738.1	9,004.9	9,310.4	9,675.1	10,020.1
% Ch	5.4	1.3	0.9	1.4	3.1	3.4	3.9	3.6
Real Per Capita Income (\$/Person)	29,807	29,886	29,851	29,981	30,595	31,349	32,303	33,177
% Ch	4.3	0.3	-0.1	0.4	2.0	2.5	3.0	2.7
Price and Wage Indexes								
U.S. Implicit Price Deflator (2000=1.0)	1.000	1.020	1.034	1.053	1.074	1.091	1.108	1.132
% Ch	2.5	2.0	1.4	1.8	2.0	1.5	1.6	2.1
U.S. Consumer Price Index (1982-84=1.0)	1.722	1.770	1.799	1.839	1.879	1.907	1.934	1.971
% Ch	3.4	2.8	1.6	2.3	2.2	1.5	1.4	1.9
Employment Cost Index (June 1989=1.0)	1.460	1.514	1.564	1.609	1.650	1.698	1.752	1.813
% Ch	4.1	3.7	3.3	2.9	2.5	2.9	3.2	3.5
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	9,817.0	10,100.8	10,480.8	10,987.9	11,737.0	12,349.9	12,969.0	13,658.8
% Ch	5.9	2.9	3.8	4.8	6.8	5.2	5.0	5.3
Personal Income	8,429.7	8,713.1	8,910.3	9,203.7	9,674.7	10,157.1	10,725.1	11,344.6
% Ch	8.0	3.4	2.3	3.3	5.1	5.0	5.6	5.8
Employment (Millions)								
U.S. Civilian Labor Force	142.6	143.9	145.1	146.5	147.3	149.3	151.7	154.1
Total U.S. Employment	136.9	137.1	136.7	137.7	139.1	141.1	143.4	145.8
Unemployment Rate (%)	3.98	4.76	5.78	5.99	5.57	5.48	5.46	5.40
Nonfarm Payroll Employment	131.79	131.84	130.34	129.94	131.20	133.69	135.89	137.59
% Ch	2.2	0.0	-1.1	-0.3	1.0	1.9	1.6	1.2
Manufacturing	17.27	16.44	15.26	14.52	14.30	14.40	14.47	14.45
% Ch	-0.3	-4.8	-7.2	-4.8	-1.5	0.6	0.5	-0.1
Durable Manufacturing	10.88	10.33	9.48	8.97	8.90	9.09	9.19	9.20
% Ch	0.4	-5.0	-8.2	-5.4	-0.8	2.2	1.1	0.1
Nondurable Manufacturing	6.39	6.11	5.77	5.55	5.40	5.30	5.28	5.25
% Ch	-1.6	-4.4	-5.4	-3.8	-2.7	-1.9	-0.5	-0.5
Construction	6.79	6.83	6.72	6.72	6.89	7.09	7.25	7.43
% Ch	3.7	0.6	-1.6	0.1	2.5	2.9	2.3	2.5
Service-Producing	107.14	107.96	107.79	108.12	109.44	111.66	113.65	115.21
% Ch	2.5	0.8	-0.2	0.3	1.2	2.0	1.8	1.4
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	22.5	23.7	23.9	23.9	23.7	22.9	22.0	21.4
Auto Sales (Millions)	8.9	8.4	8.1	7.6	7.7	7.7	7.8	7.6
% Ch	1.8	-4.9	-3.8	-5.9	1.0	0.4	0.3	-1.7
Housing Starts (Millions)	1.573	1.601	1.711	1.848	1.900	1.695	1.646	1.658
% Ch	-4.5	1.8	6.9	8.0	2.9	-10.8	-2.9	0.8
Federal Budget Surplus (Billions)	189.4	50.5	-240.0	-414.5	-448.7	-317.5	-273.9	-269.2
Net Exports (Billions)	-379.5	-366.5	-426.2	-495.0	-528.9	-490.3	-453.0	-449.3
3-Month Treasury Bill Rate (%)	5.81	3.43	1.61	1.01	1.08	2.19	2.76	2.93
30-Year U.S. Govt. Bond Rate (%)	5.94	5.49	5.42	5.02	5.35	5.86	5.93	6.03
Bond Index of 20 G.O. Munis. (%)	5.70	5.15	5.03	4.74	4.90	5.11	5.10	5.20
Mortgage Rate (%)	8.06	6.97	6.54	5.82	6.09	6.48	6.59	6.74

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2004 to 2007

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Real National Income Accounts (Billions of Chained 2000 Dollars)								
Real Gross Domestic Product	9,997.9	10,045.1	10,128.4	10,160.8	10,210.4	10,288.3	10,493.1	10,600.1
% Ch	4.7	1.9	3.4	1.3	2.0	3.1	8.2	4.1
Real Consumption	7,079.2	7,124.5	7,159.2	7,198.9	7,244.1	7,304.0	7,426.6	7,486.2
% Ch	4.1	2.6	2.0	2.2	2.5	3.3	6.9	3.2
Real Nonresidential Fixed Investment	1,100.4	1,092.1	1,089.1	1,088.9	1,087.3	1,105.8	1,139.5	1,169.4
% Ch	-7.0	-3.0	-1.1	-0.1	-0.6	7.0	12.8	10.9
Real Residential Fixed Investment	458.5	468.4	473.2	481.0	486.4	491.7	516.7	526.6
% Ch	8.7	8.9	4.2	6.8	4.6	4.4	21.9	7.9
Real Personal Income	8,588.3	8,632.1	8,619.8	8,619.0	8,623.8	8,705.0	8,771.9	8,851.7
% Ch	0.8	2.1	-0.6	-0.0	0.2	3.8	3.1	3.7
Real Per Capita Income (\$/Person)	29,874	29,951	29,826	29,751	29,702	29,909	30,058	30,255
% Ch	-0.1	1.0	-1.7	-1.0	-0.7	2.8	2.0	2.7
Price and Wage Indexes								
U.S. Implicit Price Deflator (2000=1.0)	1.025	1.032	1.038	1.042	1.049	1.051	1.055	1.058
% Ch	0.7	2.9	2.0	1.7	2.8	0.5	1.8	1.0
U.S. Consumer Price Index (1982-84=1.0)	1.780	1.795	1.805	1.814	1.831	1.834	1.845	1.848
% Ch	1.3	3.5	2.2	1.9	3.9	0.6	2.3	0.7
Employment Cost Index (June 1989=1.0)	1.548	1.562	1.569	1.577	1.593	1.603	1.617	1.625
% Ch	3.4	3.7	1.8	2.1	4.1	2.5	3.5	2.0
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	10,329.3	10,428.3	10,542.0	10,623.7	10,735.8	10,846.7	11,107.0	11,262.0
% Ch	5.4	3.9	4.4	3.1	4.3	4.2	10.0	5.7
Personal Income	8,803.6	8,912.2	8,944.0	8,981.3	9,048.7	9,145.9	9,256.3	9,363.9
% Ch	1.5	5.0	1.4	1.7	3.0	4.4	4.9	4.7
Employment (Millions)								
U.S. Civilian Labor Force	144.4	145.1	145.5	145.5	145.9	146.6	146.6	147.0
Total U.S. Employment	136.2	136.6	137.1	137.0	137.4	137.6	137.6	138.4
Unemployment Rate (%)	5.67	5.83	5.73	5.87	5.83	6.13	6.13	5.87
Nonfarm Payroll Employment	130.45	130.39	130.29	130.25	130.05	129.88	129.82	130.00
% Ch	-1.4	-0.2	-0.3	-0.1	-0.6	-0.5	-0.2	0.6
Manufacturing	15.50	15.35	15.20	14.98	14.78	14.57	14.41	14.34
% Ch	-8.0	-4.0	-3.9	-5.6	-5.3	-5.4	-4.3	-1.9
Durable Manufacturing	9.65	9.55	9.44	9.29	9.13	8.99	8.89	8.87
% Ch	-9.5	-4.3	-4.4	-6.4	-6.4	-6.1	-4.6	-1.0
Nondurable Manufacturing	5.85	5.80	5.76	5.69	5.64	5.58	5.52	5.47
% Ch	-5.5	-3.5	-2.9	-4.3	-3.6	-4.4	-3.9	-3.5
Construction	6.77	6.71	6.69	6.70	6.68	6.71	6.74	6.77
% Ch	-1.3	-3.7	-0.9	0.4	-1.2	1.8	1.8	1.7
Service-Producing	107.58	107.75	107.82	108.00	108.02	108.03	108.10	108.33
% Ch	-0.4	0.6	0.3	0.6	0.1	0.0	0.3	0.8
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	23.9	23.8	24.0	24.0	23.9	24.0	23.8	23.9
Auto Sales (Millions)	7.9	8.2	8.4	7.9	7.7	7.5	7.7	7.5
% Ch	-33.1	13.8	11.3	-22.0	-8.9	-9.5	11.9	-11.0
Housing Starts (Millions)	1.716	1.683	1.702	1.743	1.737	1.739	1.884	2.031
% Ch	42.8	-7.6	4.7	9.9	-1.4	0.5	37.9	35.0
Federal Budget Surplus (Billions)	-188.8	-232.0	-242.9	-296.3	-320.4	-424.7	-494.9	-417.9
Net Exports (Billions)	-365.6	-427.3	-435.9	-476.1	-487.6	-505.5	-490.6	-496.2
3-Month Treasury Bill Rate (%)	1.72	1.72	1.65	1.35	1.16	1.04	0.93	0.92
30-Year U.S. Govt. Bond Rate (%)	5.63	5.76	5.22	5.08	4.97	4.69	5.22	5.20
Bond Index of 20 G.O. Munis. (%)	5.18	5.16	4.89	4.90	4.83	4.47	4.89	4.76
Mortgage Rate (%)	6.97	6.81	6.29	6.08	5.83	5.51	6.01	5.92

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2004 to 2007

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Real National Income Accounts (Billions of Chained 2000 Dollars)								
Real Gross Domestic Product	10,708.6	10,840.1	10,967.3	11,082.4	11,171.5	11,257.3	11,329.4	11,408.8
% Ch	4.2	5.0	4.8	4.3	3.3	3.1	2.6	2.8
Real Consumption	7,555.6	7,630.8	7,695.5	7,748.7	7,803.6	7,855.9	7,897.9	7,946.8
% Ch	3.8	4.0	3.4	2.8	2.9	2.7	2.2	2.5
Real Nonresidential Fixed Investment	1,189.8	1,217.3	1,253.0	1,309.3	1,295.6	1,339.9	1,360.6	1,380.1
% Ch	7.2	9.6	12.3	19.2	-4.1	14.4	6.3	5.9
Real Residential Fixed Investment	529.3	535.0	534.4	526.7	516.7	506.4	496.4	493.3
% Ch	2.1	4.4	-0.4	-5.7	-7.4	-7.7	-7.7	-2.5
Real Personal Income	8,903.4	8,954.9	9,040.2	9,121.3	9,202.8	9,273.3	9,340.4	9,425.0
% Ch	2.4	2.3	3.9	3.6	3.6	3.1	2.9	3.7
Real Per Capita Income (\$/Person)	30,358	30,460	30,678	30,882	31,088	31,258	31,417	31,634
% Ch	1.4	1.4	2.9	2.7	2.7	2.2	2.0	2.8
Price and Wage Indexes								
U.S. Implicit Price Deflator (2000=1.0)	1.066	1.074	1.077	1.081	1.085	1.089	1.093	1.097
% Ch	3.2	2.9	1.1	1.5	1.5	1.5	1.6	1.3
U.S. Consumer Price Index (1982-84=1.0)	1.864	1.879	1.884	1.890	1.897	1.904	1.911	1.916
% Ch	3.6	3.2	0.9	1.4	1.5	1.4	1.5	1.1
Employment Cost Index (June 1989=1.0)	1.635	1.645	1.655	1.667	1.679	1.692	1.704	1.718
% Ch	2.5	2.4	2.7	2.7	3.0	3.1	2.9	3.3
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	11,447.8	11,664.2	11,836.0	11,999.8	12,151.0	12,289.8	12,412.9	12,545.8
% Ch	6.8	7.8	6.0	5.6	5.1	4.6	4.1	4.4
Personal Income	9,492.8	9,616.0	9,733.6	9,856.4	9,982.4	10,096.7	10,211.1	10,338.1
% Ch	5.6	5.3	5.0	5.1	5.2	4.7	4.6	5.1
Employment (Millions)								
U.S. Civilian Labor Force	146.7	147.1	147.5	148.0	148.5	149.0	149.6	150.1
Total U.S. Employment	138.4	138.8	139.4	139.9	140.4	140.9	141.4	141.8
Unemployment Rate (%)	5.63	5.63	5.52	5.49	5.45	5.46	5.48	5.52
Nonfarm Payroll Employment	130.33	130.85	131.48	132.16	132.77	133.48	134.01	134.50
% Ch	1.0	1.6	1.9	2.1	1.9	2.2	1.6	1.5
Manufacturing	14.31	14.34	14.32	14.25	14.40	14.39	14.39	14.42
% Ch	-0.8	0.7	-0.3	-2.2	4.3	-0.3	-0.0	0.8
Durable Manufacturing	8.88	8.90	8.93	8.89	9.08	9.08	9.09	9.13
% Ch	0.5	1.2	1.3	-1.7	8.4	0.2	0.7	1.7
Nondurable Manufacturing	5.44	5.43	5.39	5.35	5.32	5.31	5.29	5.28
% Ch	-2.8	-0.0	-3.0	-3.0	-2.3	-1.0	-1.2	-0.5
Construction	6.82	6.85	6.92	6.97	7.04	7.08	7.10	7.14
% Ch	3.3	1.9	3.6	3.4	3.6	2.6	1.0	2.3
Service-Producing	108.62	109.09	109.67	110.37	110.77	111.46	111.98	112.41
% Ch	1.1	1.7	2.2	2.6	1.5	2.5	1.9	1.5
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	23.9	23.8	23.7	23.6	23.3	23.1	22.8	22.6
Auto Sales (Millions)	7.4	7.7	7.8	7.9	7.7	7.9	7.7	7.6
% Ch	-6.4	17.1	6.7	3.7	-9.1	8.3	-6.8	-4.1
Housing Starts (Millions)	1.944	1.965	1.876	1.816	1.749	1.700	1.675	1.656
% Ch	-16.0	4.4	-17.0	-12.1	-14.0	-10.9	-5.5	-4.6
Federal Budget Surplus (Billions)	-459.1	-458.2	-444.7	-433.0	-345.0	-326.2	-303.3	-295.4
Net Exports (Billions)	-520.2	-531.5	-530.6	-533.3	-503.8	-501.4	-488.2	-467.7
3-Month Treasury Bill Rate (%)	0.92	0.93	1.10	1.37	1.84	2.09	2.31	2.53
30-Year U.S. Govt. Bond Rate (%)	4.94	5.34	5.48	5.64	5.77	5.84	5.89	5.92
Bond Index of 20 G.O. Munis. (%)	4.52	4.95	5.00	5.11	5.02	5.11	5.17	5.13
Mortgage Rate (%)	5.61	6.11	6.27	6.37	6.44	6.47	6.47	6.54

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2004 to 2007

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Real National Income Accounts (Billions of Chained 2000 Dollars)								
Real Gross Domestic Product	11,521.6	11,618.8	11,728.8	11,834.9	11,932.7	12,026.7	12,110.8	12,196.8
% Ch	4.0	3.4	3.8	3.7	3.3	3.2	2.8	2.9
Real Consumption	8,020.6	8,085.2	8,154.7	8,217.0	8,275.0	8,333.2	8,385.7	8,441.0
% Ch	3.8	3.3	3.5	3.1	2.8	2.8	2.5	2.7
Real Nonresidential Fixed Investment	1,403.7	1,429.8	1,455.3	1,480.7	1,508.4	1,533.6	1,554.1	1,573.2
% Ch	7.0	7.6	7.3	7.2	7.7	6.9	5.5	5.0
Real Residential Fixed Investment	493.5	492.9	493.1	495.2	496.6	498.2	498.8	500.2
% Ch	0.1	-0.5	0.2	1.7	1.2	1.3	0.5	1.1
Real Personal Income	9,528.7	9,627.5	9,727.9	9,816.4	9,901.8	9,982.7	10,060.3	10,135.5
% Ch	4.5	4.2	4.2	3.7	3.5	3.3	3.1	3.0
Real Per Capita Income (\$/Person)	31,915	32,178	32,446	32,673	32,888	33,088	33,277	33,456
% Ch	3.6	3.3	3.4	2.8	2.7	2.5	2.3	2.2
Price and Wage Indexes								
U.S. Implicit Price Deflator (2000=1.0)	1.101	1.106	1.111	1.117	1.123	1.129	1.135	1.142
% Ch	1.5	1.7	1.9	2.1	2.2	2.3	2.3	2.3
U.S. Consumer Price Index (1982-84=1.0)	1.922	1.929	1.937	1.946	1.956	1.966	1.976	1.987
% Ch	1.2	1.5	1.7	1.8	1.9	2.1	2.1	2.2
Employment Cost Index (June 1989=1.0)	1.731	1.745	1.759	1.774	1.790	1.805	1.821	1.836
% Ch	3.2	3.1	3.4	3.4	3.6	3.5	3.5	3.5
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	12,722.9	12,877.1	13,050.3	13,225.7	13,404.5	13,578.5	13,742.4	13,909.8
% Ch	5.8	4.9	5.5	5.5	5.5	5.3	4.9	5.0
Personal Income	10,490.8	10,643.5	10,806.1	10,960.0	11,114.9	11,269.3	11,421.5	11,572.7
% Ch	6.0	5.9	6.3	5.8	5.8	5.7	5.5	5.4
Employment (Millions)								
U.S. Civilian Labor Force	150.7	151.3	152.0	152.6	153.3	153.9	154.4	154.9
Total U.S. Employment	142.4	143.0	143.7	144.4	145.0	145.6	146.0	146.5
Unemployment Rate (%)	5.50	5.48	5.44	5.40	5.39	5.39	5.40	5.42
Nonfarm Payroll Employment	135.09	135.62	136.19	136.66	137.05	137.43	137.77	138.09
% Ch	1.8	1.6	1.7	1.4	1.2	1.1	1.0	0.9
Manufacturing	14.45	14.47	14.48	14.48	14.48	14.46	14.45	14.43
% Ch	0.9	0.7	0.2	0.1	0.0	-0.5	-0.3	-0.6
Durable Manufacturing	9.17	9.19	9.20	9.20	9.21	9.20	9.20	9.20
% Ch	1.7	1.1	0.2	0.1	0.2	-0.3	0.0	-0.3
Nondurable Manufacturing	5.28	5.28	5.28	5.28	5.27	5.26	5.25	5.23
% Ch	-0.5	-0.0	0.1	-0.1	-0.3	-1.0	-0.9	-1.2
Construction	7.20	7.22	7.27	7.31	7.37	7.42	7.46	7.49
% Ch	3.1	1.4	2.8	2.3	3.0	2.8	2.0	1.8
Service-Producing	112.92	113.41	113.93	114.36	114.71	115.06	115.38	115.69
% Ch	1.8	1.7	1.9	1.5	1.2	1.2	1.1	1.1
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	22.4	22.1	21.9	21.7	21.6	21.5	21.4	21.3
Auto Sales (Millions)	7.7	7.7	7.8	7.8	7.6	7.6	7.7	7.7
% Ch	1.2	3.4	3.0	2.5	-13.2	3.3	1.6	0.3
Housing Starts (Millions)	1.647	1.645	1.643	1.648	1.651	1.661	1.664	1.657
% Ch	-2.1	-0.7	-0.3	1.1	0.8	2.4	0.6	-1.7
Federal Budget Surplus (Billions)	-268.6	-267.8	-279.8	-279.5	-267.6	-266.4	-266.6	-276.1
Net Exports (Billions)	-452.7	-452.4	-452.4	-454.4	-453.3	-454.5	-448.2	-441.1
3-Month Treasury Bill Rate (%)	2.76	2.76	2.77	2.77	2.76	2.76	2.98	3.20
30-Year U.S. Govt. Bond Rate (%)	5.97	5.93	5.92	5.91	5.91	5.92	6.07	6.21
Bond Index of 20 G.O. Munis. (%)	5.12	5.10	5.09	5.10	5.07	5.10	5.25	5.40
Mortgage Rate (%)	6.58	6.59	6.58	6.59	6.60	6.63	6.77	6.96

Table A1.3
Washington Economic Forecast Summary
 Forecast 2004 to 2007

	2000	2001	2002	2003	2004	2005	2006	2007
Real Income (Billions of Chained 2000 Dollars)								
Real Personal Income	187.867	189.533	191.458	193.995	199.223	206.897	216.105	225.371
% Ch	4.5	0.9	1.0	1.3	2.7	3.9	4.5	4.3
Real Wage and Salary Disb.	110.017	108.432	107.788	108.594	110.490	115.619	120.884	126.200
% Ch	3.5	-1.4	-0.6	0.7	1.7	4.6	4.6	4.4
Real Nonwage Income	77.850	81.100	83.671	85.401	88.733	91.278	95.221	99.172
% Ch	5.9	4.2	3.2	2.1	3.9	2.9	4.3	4.1
Real Per Capita Income (\$/Person)	31,712	31,589	31,579	31,684	32,147	32,892	33,865	34,820
% Ch	3.2	-0.4	-0.0	0.3	1.5	2.3	3.0	2.8
Price and Wage Indexes								
U.S. Implicit Price Deflator (2000=1.0)	1.000	1.020	1.034	1.053	1.074	1.091	1.108	1.132
% Ch	2.5	2.0	1.4	1.8	2.0	1.5	1.6	2.1
Seattle Cons. Price Index (1982-84=1.0)	1.792	1.857	1.893	1.924	1.948	1.976	2.007	2.053
% Ch	3.7	3.6	2.0	1.6	1.3	1.4	1.6	2.3
Avg. Hourly Earnings-Mfg. (\$/Hour)	16.75	17.97	18.15	18.03	18.11	18.36	18.68	19.05
% Ch	3.7	7.3	1.0	-0.7	0.4	1.4	1.7	2.0
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	187.409	193.092	197.592	203.926	213.643	225.191	238.968	254.545
% Ch	7.0	3.0	2.3	3.2	4.8	5.4	6.1	6.5
Personal Income	187.853	193.395	198.018	204.322	214.043	225.714	239.562	255.169
% Ch	7.0	3.0	2.4	3.2	4.8	5.5	6.1	6.5
Disposable Personal Income	160.318	165.788	174.615	182.334	191.377	200.536	211.667	225.309
% Ch	6.5	3.4	5.3	4.4	5.0	4.8	5.6	6.4
Per Capita Income (\$/Person)	31,709	32,233	32,660	33,370	34,538	35,883	37,540	39,423
% Ch	5.8	1.7	1.3	2.2	3.5	3.9	4.6	5.0
Employment (Thousands)								
Washington Civilian Labor Force	3,055.8	3,024.2	3,109.5	3,139.9	3,225.9	3,299.2	3,356.3	3,408.7
Total Washington Employment	2,896.4	2,830.7	2,882.6	2,902.9	3,019.5	3,089.5	3,151.0	3,206.6
Unemployment Rate (%)	5.22	6.40	7.30	7.55	6.40	6.35	6.12	5.93
Nonfarm Payroll Employment	2,711.6	2,697.4	2,654.0	2,658.3	2,710.1	2,769.5	2,827.2	2,879.5
% Ch	2.4	-0.5	-1.6	0.2	1.9	2.2	2.1	1.8
Manufacturing	331.9	316.2	285.0	266.9	261.0	262.5	268.6	275.3
% Ch	-3.4	-4.7	-9.8	-6.4	-2.2	0.5	2.3	2.5
Durable Manufacturing	236.5	225.0	199.3	183.8	179.3	182.7	188.2	193.8
% Ch	-4.2	-4.8	-11.4	-7.8	-2.5	1.9	3.0	2.9
Aerospace	86.2	87.3	75.7	65.4	61.1	60.9	64.5	69.5
% Ch	-12.3	1.3	-13.2	-13.6	-6.5	-0.3	5.8	7.8
Nondurable Manufacturing	95.4	91.1	85.7	83.0	81.7	79.7	80.4	81.5
% Ch	-1.1	-4.5	-6.0	-3.1	-1.6	-2.4	0.9	1.4
Construction	160.6	158.8	154.2	155.8	164.3	169.3	173.3	177.1
% Ch	4.5	-1.1	-2.9	1.1	5.5	3.0	2.3	2.2
Service-Producing	2,209.0	2,212.6	2,205.4	2,226.7	2,275.7	2,328.8	2,376.5	2,418.3
% Ch	3.2	0.2	-0.3	1.0	2.2	2.3	2.1	1.8
Software Publishers	32.2	35.9	36.1	37.2	39.9	42.8	45.9	49.1
% Ch	17.8	11.4	0.8	2.9	7.3	7.4	7.1	7.0
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	39.021	38.345	40.200	42.825	43.543	44.507	43.408	42.566
% Ch	-8.7	-1.7	4.8	6.5	1.7	2.2	-2.5	-1.9
Single-Family	25.471	26.736	30.239	33.091	30.635	29.035	27.900	27.007
% Ch	-9.4	5.0	13.1	9.4	-7.4	-5.2	-3.9	-3.2
Multi-Family	13.550	11.609	9.961	9.734	12.908	15.472	15.507	15.560
% Ch	-7.5	-14.3	-14.2	-2.3	32.6	19.9	0.2	0.3
Mortgage Rate (%)	8.06	6.97	6.54	5.82	6.09	6.48	6.59	6.74

Table A1.4
Washington Economic Forecast Summary
 Forecast 2004 to 2007

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Real Income (Billions of Chained 2000 Dollars)								
Real Personal Income	190.655	191.682	192.454	191.042	190.622	194.106	196.890	194.363
% Ch	3.2	2.2	1.6	-2.9	-0.9	7.5	5.9	-5.0
Real Wage and Salary Disb.	107.828	107.657	108.400	107.266	106.669	109.310	111.089	107.310
% Ch	3.9	-0.6	2.8	-4.1	-2.2	10.3	6.7	-12.9
Real Nonwage Income	82.828	84.026	84.054	83.776	83.953	84.796	85.801	87.053
% Ch	2.3	5.9	0.1	-1.3	0.9	4.1	4.8	6.0
Real Per Capita Income (\$/Person)	31,557	31,652	31,706	31,400	31,258	31,745	32,114	31,618
% Ch	2.1	1.2	0.7	-3.8	-1.8	6.4	4.7	-6.0
Price and Wage Indexes								
U.S. Implicit Price Deflator (2000=1.0)	1.025	1.032	1.038	1.042	1.049	1.051	1.055	1.058
% Ch	0.7	2.9	2.0	1.7	2.8	0.5	1.8	1.0
Seattle Cons. Price Index (1982-84=1.0)	1.879	1.890	1.898	1.907	1.916	1.919	1.934	1.926
% Ch	1.4	2.3	1.8	1.9	1.9	0.6	3.2	-1.6
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.46	18.43	18.12	17.60	17.84	17.93	18.06	18.30
% Ch	0.7	-0.6	-6.5	-11.1	5.6	2.1	2.9	5.3
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	195.066	197.449	199.267	198.586	199.651	203.520	207.325	205.208
% Ch	3.7	5.0	3.7	-1.4	2.2	8.0	7.7	-4.0
Personal Income	195.428	197.895	199.685	199.063	200.005	203.928	207.753	205.604
% Ch	3.9	5.1	3.7	-1.2	1.9	8.1	7.7	-4.1
Disposable Personal Income	171.678	174.722	176.176	175.886	177.692	181.629	186.689	183.328
% Ch	14.1	7.3	3.4	-0.7	4.2	9.2	11.6	-7.0
Per Capita Income (\$/Person)	32,346	32,678	32,897	32,718	32,797	33,351	33,886	33,446
% Ch	2.8	4.2	2.7	-2.2	1.0	6.9	6.6	-5.1
Employment (Thousands)								
Washington Civilian Labor Force	3,073.4	3,107.2	3,124.6	3,132.6	3,132.7	3,132.6	3,142.5	3,151.8
Total Washington Employment	2,846.9	2,878.3	2,899.1	2,906.2	2,901.0	2,892.1	2,900.4	2,918.0
Unemployment Rate (%)	7.37	7.37	7.22	7.23	7.39	7.68	7.70	7.42
Nonfarm Payroll Employment	2,650.6	2,650.5	2,657.3	2,657.7	2,654.6	2,648.9	2,660.1	2,669.5
% Ch	-2.7	-0.0	1.0	0.1	-0.5	-0.8	1.7	1.4
Manufacturing	293.2	287.4	282.4	277.1	272.1	267.6	264.9	262.9
% Ch	-14.9	-7.7	-6.7	-7.3	-7.1	-6.5	-3.9	-3.0
Durable Manufacturing	205.9	201.9	197.0	192.5	187.8	184.8	182.4	180.3
% Ch	-18.2	-7.5	-9.5	-8.7	-9.4	-6.4	-5.0	-4.5
Aerospace	80.2	77.0	73.7	71.9	68.6	66.4	64.2	62.3
% Ch	-25.8	-14.9	-16.4	-9.1	-17.4	-12.1	-12.6	-11.1
Nondurable Manufacturing	87.3	85.5	85.5	84.6	84.3	82.8	82.5	82.6
% Ch	-6.3	-8.3	-0.0	-4.1	-1.5	-6.6	-1.5	0.3
Construction	153.4	153.5	155.0	154.7	155.0	154.4	156.3	157.7
% Ch	-1.9	0.3	3.9	-0.7	0.6	-1.5	4.9	3.7
Service-Producing	2,194.5	2,200.1	2,210.6	2,216.5	2,218.4	2,218.2	2,230.2	2,239.9
% Ch	-0.9	1.0	1.9	1.1	0.3	-0.0	2.2	1.8
Software Publishers	35.7	35.9	36.1	36.9	36.6	36.5	37.5	38.1
% Ch	-5.5	1.9	3.1	8.4	-3.2	-0.9	11.4	7.1
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	34.349	41.657	38.754	46.040	43.148	42.346	44.783	41.024
% Ch	-0.7	116.3	-25.1	99.2	-22.9	-7.2	25.1	-29.6
Single-Family	25.850	30.219	30.907	33.980	33.243	32.400	33.137	33.585
% Ch	18.1	86.8	9.4	46.1	-8.4	-9.8	9.4	5.5
Multi-Family	8.499	11.438	7.847	12.060	9.905	9.946	11.646	7.439
% Ch	-38.8	227.9	-77.8	457.8	-54.5	1.7	88.0	-83.4
Mortgage Rate (%)	6.97	6.81	6.29	6.08	5.83	5.51	6.01	5.92

Table A1.4
Washington Economic Forecast Summary
 Forecast 2004 to 2007

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Real Income (Billions of Chained 2000 Dollars)								
Real Personal Income	195.695	198.144	200.577	202.476	204.120	205.735	208.173	209.560
% Ch	2.8	5.1	5.0	3.8	3.3	3.2	4.8	2.7
Real Wage and Salary Disb.	107.976	109.776	111.477	112.730	113.758	114.849	116.691	117.180
% Ch	2.5	6.8	6.3	4.6	3.7	3.9	6.6	1.7
Real Nonwage Income	87.719	88.368	89.101	89.746	90.363	90.886	91.482	92.380
% Ch	3.1	3.0	3.4	2.9	2.8	2.3	2.6	4.0
Real Per Capita Income (\$/Person)	31,750	32,036	32,310	32,493	32,633	32,767	33,034	33,133
% Ch	1.7	3.7	3.5	2.3	1.7	1.7	3.3	1.2
Price and Wage Indexes								
U.S. Implicit Price Deflator (2000=1.0)	1.066	1.074	1.077	1.081	1.085	1.089	1.093	1.097
% Ch	3.2	2.9	1.1	1.5	1.5	1.5	1.6	1.3
Seattle Cons. Price Index (1982-84=1.0)	1.936	1.947	1.951	1.958	1.965	1.972	1.980	1.986
% Ch	2.0	2.3	0.9	1.4	1.5	1.5	1.6	1.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.07	18.07	18.12	18.18	18.25	18.32	18.39	18.47
% Ch	-4.9	-0.0	1.3	1.3	1.5	1.6	1.5	1.8
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	208.286	212.379	215.551	218.356	220.934	223.497	227.040	229.295
% Ch	6.1	8.1	6.1	5.3	4.8	4.7	6.5	4.0
Personal Income	208.640	212.774	215.962	218.794	221.411	224.003	227.578	229.864
% Ch	6.0	8.2	6.1	5.3	4.9	4.8	6.5	4.1
Disposable Personal Income	186.925	190.485	192.906	195.191	197.429	199.283	201.877	203.556
% Ch	8.1	7.8	5.2	4.8	4.7	3.8	5.3	3.4
Per Capita Income (\$/Person)	33,850	34,401	34,789	35,112	35,397	35,677	36,113	36,344
% Ch	4.9	6.7	4.6	3.8	3.3	3.2	5.0	2.6
Employment (Thousands)								
Washington Civilian Labor Force	3,171.9	3,223.2	3,246.8	3,261.8	3,277.3	3,292.6	3,306.8	3,320.1
Total Washington Employment	2,973.4	3,020.3	3,034.3	3,050.2	3,066.7	3,083.0	3,097.7	3,110.8
Unemployment Rate (%)	6.26	6.30	6.54	6.49	6.43	6.36	6.32	6.30
Nonfarm Payroll Employment	2,686.1	2,704.3	2,717.5	2,732.4	2,748.0	2,763.3	2,777.1	2,789.4
% Ch	2.5	2.7	2.0	2.2	2.3	2.3	2.0	1.8
Manufacturing	262.5	261.9	261.1	258.6	262.6	262.0	262.1	263.2
% Ch	-0.6	-0.9	-1.2	-3.8	6.4	-1.0	0.2	1.7
Durable Manufacturing	179.9	179.8	179.6	177.9	182.6	182.1	182.6	183.6
% Ch	-1.0	-0.2	-0.4	-3.8	10.9	-1.0	1.1	2.3
Aerospace	61.8	61.7	60.7	60.1	60.2	60.7	61.1	61.6
% Ch	-3.2	-0.8	-6.2	-3.9	0.7	3.0	3.0	3.0
Nondurable Manufacturing	82.6	82.1	81.5	80.7	80.1	79.8	79.5	79.5
% Ch	0.1	-2.3	-3.1	-3.8	-3.0	-1.2	-1.8	0.2
Construction	161.4	164.4	165.1	166.4	167.7	168.7	169.9	171.0
% Ch	9.7	7.8	1.8	3.2	3.0	2.6	2.7	2.6
Service-Producing	2,253.2	2,269.0	2,282.3	2,298.4	2,308.7	2,323.7	2,336.2	2,346.4
% Ch	2.4	2.8	2.4	2.9	1.8	2.6	2.2	1.8
Software Publishers	38.8	39.5	40.3	41.1	41.8	42.5	43.2	43.9
% Ch	6.8	7.4	8.4	8.2	7.8	6.4	6.4	6.5
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	42.007	44.310	44.022	43.834	44.689	45.065	44.418	43.855
% Ch	9.9	23.8	-2.6	-1.7	8.0	3.4	-5.6	-5.0
Single-Family	32.450	30.828	29.878	29.386	29.452	29.318	28.923	28.446
% Ch	-12.9	-18.5	-11.8	-6.4	0.9	-1.8	-5.3	-6.4
Multi-Family	9.557	13.482	14.144	14.448	15.237	15.747	15.495	15.409
% Ch	172.4	296.0	21.1	8.9	23.7	14.1	-6.2	-2.2
Mortgage Rate (%)	5.61	6.11	6.27	6.37	6.44	6.47	6.47	6.54

Table A1.4
Washington Economic Forecast Summary
 Forecast 2004 to 2007

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Real Income (Billions of Chained 2000 Dollars)								
Real Personal Income	211.859	214.339	219.041	219.182	221.491	223.669	228.474	227.852
% Ch	4.5	4.8	9.1	0.3	4.3	4.0	8.9	-1.1
Real Wage and Salary Disb.	118.387	119.686	123.167	122.298	123.720	124.963	128.828	127.287
% Ch	4.2	4.5	12.2	-2.8	4.7	4.1	13.0	-4.7
Real Nonwage Income	93.472	94.654	95.874	96.883	97.771	98.706	99.646	100.565
% Ch	4.8	5.2	5.3	4.3	3.7	3.9	3.9	3.7
Real Per Capita Income (\$/Person)	33,377	33,648	34,266	34,168	34,407	34,622	35,238	35,014
% Ch	3.0	3.3	7.5	-1.1	2.8	2.5	7.3	-2.5
Price and Wage Indexes								
U.S. Implicit Price Deflator (2000=1.0)	1.101	1.106	1.111	1.117	1.123	1.129	1.135	1.142
% Ch	1.5	1.7	1.9	2.1	2.2	2.3	2.3	2.3
Seattle Cons. Price Index (1982-84=1.0)	1.993	2.002	2.012	2.022	2.034	2.046	2.059	2.072
% Ch	1.4	1.7	2.0	2.1	2.3	2.4	2.5	2.6
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.55	18.63	18.72	18.81	18.90	19.00	19.10	19.20
% Ch	1.8	1.8	1.9	1.9	2.1	2.0	2.1	2.1
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	232.669	236.368	242.725	244.112	248.017	251.875	258.760	259.528
% Ch	6.0	6.5	11.2	2.3	6.6	6.4	11.4	1.2
Personal Income	233.252	236.960	243.318	244.718	248.629	252.496	259.388	260.162
% Ch	6.0	6.5	11.2	2.3	6.5	6.4	11.4	1.2
Disposable Personal Income	206.113	209.238	215.021	216.296	219.545	222.942	228.954	229.793
% Ch	5.1	6.2	11.5	2.4	6.1	6.3	11.2	1.5
Per Capita Income (\$/Person)	36,747	37,200	38,064	38,149	38,623	39,084	40,006	39,980
% Ch	4.5	5.0	9.6	0.9	5.1	4.9	9.8	-0.3
Employment (Thousands)								
Washington Civilian Labor Force	3,334.7	3,349.1	3,363.7	3,377.7	3,390.6	3,402.7	3,414.7	3,426.7
Total Washington Employment	3,126.6	3,142.8	3,159.5	3,174.9	3,188.2	3,200.8	3,212.7	3,224.5
Unemployment Rate (%)	6.24	6.16	6.07	6.00	5.97	5.93	5.91	5.90
Nonfarm Payroll Employment	2,804.3	2,819.6	2,835.2	2,849.7	2,862.2	2,874.1	2,885.3	2,896.4
% Ch	2.1	2.2	2.2	2.1	1.8	1.7	1.6	1.5
Manufacturing	265.3	267.6	269.8	271.8	273.5	274.7	275.9	277.0
% Ch	3.3	3.6	3.3	3.0	2.7	1.7	1.8	1.6
Durable Manufacturing	185.6	187.5	189.1	190.6	192.1	193.2	194.3	195.5
% Ch	4.3	4.2	3.5	3.2	3.0	2.3	2.4	2.4
Aerospace	62.6	63.8	65.1	66.3	67.6	68.8	70.1	71.3
% Ch	6.6	8.2	8.1	7.9	7.8	7.6	7.5	7.3
Nondurable Manufacturing	79.7	80.1	80.7	81.1	81.5	81.5	81.6	81.5
% Ch	1.0	2.2	2.6	2.4	1.7	0.1	0.3	-0.1
Construction	171.9	172.8	173.7	174.7	175.7	176.7	177.7	178.5
% Ch	2.2	2.0	2.1	2.3	2.4	2.3	2.2	1.9
Service-Producing	2,358.3	2,370.4	2,383.0	2,394.5	2,404.2	2,413.9	2,422.9	2,432.0
% Ch	2.0	2.1	2.1	1.9	1.6	1.6	1.5	1.5
Software Publishers	44.6	45.4	46.3	47.1	47.9	48.7	49.5	50.3
% Ch	7.4	7.4	7.4	7.4	7.2	6.8	6.4	6.6
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	43.671	43.371	43.371	43.218	43.001	42.822	42.420	42.023
% Ch	-1.7	-2.7	0.0	-1.4	-2.0	-1.7	-3.7	-3.7
Single-Family	28.184	27.913	27.827	27.677	27.539	27.329	26.851	26.306
% Ch	-3.6	-3.8	-1.2	-2.1	-2.0	-3.0	-6.8	-7.9
Multi-Family	15.487	15.457	15.544	15.540	15.461	15.492	15.569	15.717
% Ch	2.0	-0.8	2.3	-0.1	-2.0	0.8	2.0	3.9
Mortgage Rate (%)	6.58	6.59	6.58	6.59	6.60	6.63	6.77	6.96

Table A2.1

U.S. Nonagricultural Employment by Industry

Forecast 2004 to 2007

	2000	2001	2002	2003	2004	2005	2006	2007
Nonfarm Payroll Employment	131.79	131.84	130.34	129.94	131.20	133.69	135.89	137.59
% Ch	2.2	0.0	-1.1	-0.3	1.0	1.9	1.6	1.2
Manufacturing	17.27	16.44	15.26	14.52	14.30	14.40	14.47	14.45
% Ch	-0.3	-4.8	-7.2	-4.8	-1.5	0.6	0.5	-0.1
Durable Manufacturing	10.88	10.33	9.48	8.97	8.90	9.09	9.19	9.20
% Ch	0.4	-5.0	-8.2	-5.4	-0.8	2.2	1.1	0.1
Wood Products	0.61	0.57	0.55	0.54	0.54	0.53	0.52	0.52
% Ch	-1.2	-6.4	-3.3	-3.5	0.6	-1.7	-2.2	0.6
Primary and Fabricated Metals	2.38	2.25	2.06	1.96	1.94	1.98	2.01	2.03
% Ch	0.9	-5.4	-8.4	-5.0	-0.5	1.7	1.9	0.6
Computer and Electronic Products	1.82	1.75	1.51	1.36	1.33	1.38	1.39	1.37
% Ch	2.2	-3.9	-13.8	-9.7	-2.2	3.8	0.3	-1.2
Machinery and Electrical Equipment	2.05	1.92	1.73	1.61	1.59	1.64	1.66	1.66
% Ch	-0.4	-5.9	-10.3	-6.5	-1.2	2.9	1.3	-0.0
Transportation Equipment	2.06	1.94	1.83	1.78	1.77	1.79	1.78	1.78
% Ch	-1.5	-5.7	-5.6	-2.9	-0.3	0.9	-0.2	-0.1
Other Durables	1.97	1.90	1.81	1.73	1.72	1.78	1.83	1.84
% Ch	1.7	-3.3	-4.9	-4.4	-0.5	3.4	2.8	0.8
Nondurable Manufacturing	6.39	6.11	5.77	5.55	5.40	5.30	5.28	5.25
% Ch	-1.6	-4.4	-5.4	-3.8	-2.7	-1.9	-0.5	-0.5
Food Manufacturing	1.55	1.55	1.53	1.52	1.50	1.47	1.48	1.49
% Ch	0.2	-0.2	-1.7	-0.5	-1.5	-1.4	0.4	0.9
Paper and Paper Products	0.60	0.58	0.55	0.52	0.51	0.50	0.50	0.50
% Ch	-1.8	-4.5	-5.4	-5.0	-2.4	-1.8	0.2	-0.2
Other Nondurables	4.23	3.98	3.70	3.52	3.40	3.33	3.30	3.26
% Ch	-2.2	-6.0	-6.9	-5.0	-3.3	-2.2	-0.9	-1.1
Natural Resources and Mining	0.60	0.61	0.58	0.57	0.57	0.55	0.52	0.49
% Ch	0.1	1.2	-3.9	-2.1	-0.2	-3.7	-5.9	-5.2
Construction	6.79	6.83	6.72	6.72	6.89	7.09	7.25	7.43
% Ch	3.7	0.6	-1.6	0.1	2.5	2.9	2.3	2.5
Trade, Transportation, and Utilities	26.22	25.99	25.50	25.28	25.44	25.64	26.10	26.40
% Ch	1.8	-0.9	-1.9	-0.8	0.6	0.8	1.8	1.2
Wholesale Trade	5.93	5.77	5.65	5.61	5.65	5.73	5.86	5.91
% Ch	0.7	-2.7	-2.1	-0.8	0.7	1.5	2.2	0.8
Retail Trade	15.28	15.24	15.02	14.92	15.00	14.96	15.16	15.27
% Ch	2.1	-0.3	-1.4	-0.7	0.5	-0.2	1.3	0.8
Trans., Warehousing, and Utilities	5.01	4.97	4.82	4.76	4.80	4.94	5.08	5.22
% Ch	2.2	-0.8	-3.1	-1.3	0.9	2.9	2.9	2.8
Information	3.63	3.63	3.39	3.20	3.21	3.24	3.22	3.26
% Ch	6.2	-0.0	-6.5	-5.8	0.3	1.0	-0.6	1.1
Publishing Industries	1.03	1.02	0.96	0.93	0.91	0.92	0.94	0.95
% Ch	3.0	-1.4	-5.5	-3.9	-1.4	0.7	1.9	1.7
Other Information	2.59	2.61	2.43	2.27	2.29	2.32	2.28	2.30
% Ch	7.5	0.5	-6.8	-6.5	1.0	1.2	-1.6	0.9
Financial Activities	7.69	7.81	7.85	7.97	8.00	7.99	8.04	8.09
% Ch	0.5	1.6	0.5	1.6	0.3	-0.2	0.6	0.6
Professional and Business Services	16.67	16.48	15.98	15.99	16.55	17.47	18.19	18.92
% Ch	4.5	-1.1	-3.1	0.1	3.5	5.6	4.1	4.0
Education and Health Services	15.11	15.65	16.20	16.58	16.89	17.14	17.52	17.71
% Ch	2.1	3.6	3.6	2.3	1.9	1.5	2.2	1.0
Leisure and Hospitality	11.86	12.03	11.99	12.13	12.35	12.64	12.89	12.99
% Ch	2.7	1.5	-0.4	1.2	1.8	2.3	2.0	0.7
Other Services	5.17	5.26	5.37	5.39	5.37	5.51	5.58	5.68
% Ch	1.6	1.7	2.2	0.4	-0.3	2.4	1.4	1.8
Federal Government	2.86	2.76	2.77	2.76	2.72	2.73	2.73	2.73
% Ch	3.4	-3.5	0.1	-0.3	-1.3	0.3	-0.0	0.1
State and Local Government	17.93	18.36	18.74	18.82	18.90	19.30	19.38	19.44
% Ch	2.2	2.4	2.1	0.4	0.5	2.1	0.4	0.3

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2004 to 2007

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Nonfarm Payroll Employment	130.45	130.39	130.29	130.25	130.05	129.88	129.82	130.00
% Ch	-1.4	-0.2	-0.3	-0.1	-0.6	-0.5	-0.2	0.6
Manufacturing	15.50	15.35	15.20	14.98	14.78	14.57	14.41	14.34
% Ch	-8.0	-4.0	-3.9	-5.6	-5.3	-5.4	-4.3	-1.9
Durable Manufacturing	9.65	9.55	9.44	9.29	9.13	8.99	8.89	8.87
% Ch	-9.5	-4.3	-4.4	-6.4	-6.4	-6.1	-4.6	-1.0
Wood Products	0.56	0.56	0.55	0.55	0.54	0.54	0.53	0.54
% Ch	-1.9	-3.0	-2.2	-4.9	-4.6	-3.5	-3.5	3.4
Primary and Fabricated Metals	2.08	2.07	2.05	2.02	1.99	1.96	1.93	1.93
% Ch	-10.3	-3.3	-2.7	-5.5	-6.2	-6.0	-5.4	-0.8
Computer and Electronic Products	1.57	1.53	1.49	1.44	1.40	1.37	1.34	1.33
% Ch	-14.8	-9.6	-11.2	-11.1	-11.5	-8.6	-6.8	-3.2
Machinery and Electrical Equipment	1.77	1.74	1.71	1.68	1.65	1.62	1.60	1.59
% Ch	-11.5	-6.2	-5.9	-7.5	-7.3	-7.5	-5.1	-1.4
Transportation Equipment	1.84	1.84	1.83	1.81	1.80	1.78	1.76	1.76
% Ch	-9.0	-1.3	-1.7	-4.0	-2.7	-4.8	-2.6	0.2
Other Durables	1.83	1.82	1.81	1.78	1.75	1.73	1.72	1.71
% Ch	-4.5	-2.2	-2.6	-5.5	-5.8	-4.7	-3.7	-1.7
Nondurable Manufacturing	5.85	5.80	5.76	5.69	5.64	5.58	5.52	5.47
% Ch	-5.5	-3.5	-2.9	-4.3	-3.6	-4.4	-3.9	-3.5
Food Manufacturing	1.54	1.53	1.52	1.52	1.52	1.52	1.52	1.51
% Ch	-1.1	-1.7	-3.0	0.2	-0.2	0.0	1.7	-2.5
Paper and Paper Products	0.55	0.55	0.55	0.54	0.53	0.52	0.52	0.51
% Ch	-5.4	-3.5	-3.1	-6.2	-6.4	-5.0	-4.5	-2.5
Other Nondurables	3.76	3.72	3.69	3.64	3.60	3.54	3.48	3.45
% Ch	-7.2	-4.2	-2.8	-5.8	-4.5	-6.1	-6.1	-4.1
Natural Resources and Mining	0.59	0.58	0.58	0.57	0.57	0.57	0.57	0.57
% Ch	-3.3	-6.1	-4.9	-1.4	-1.8	-1.4	-0.7	0.5
Construction	6.77	6.71	6.69	6.70	6.68	6.71	6.74	6.77
% Ch	-1.3	-3.7	-0.9	0.4	-1.2	1.8	1.8	1.7
Trade, Transportation, and Utilities	25.55	25.55	25.49	25.40	25.35	25.30	25.23	25.25
% Ch	-2.1	-0.1	-0.9	-1.3	-0.8	-0.8	-1.0	0.2
Wholesale Trade	5.67	5.66	5.65	5.63	5.63	5.62	5.59	5.59
% Ch	-2.4	-1.2	-0.6	-1.0	-0.4	-0.7	-2.0	0.1
Retail Trade	15.06	15.07	15.01	14.96	14.93	14.92	14.91	14.92
% Ch	-1.7	0.2	-1.4	-1.4	-0.8	-0.2	-0.2	0.1
Trans., Warehousing, and Utilities	4.82	4.83	4.83	4.81	4.80	4.76	4.73	4.74
% Ch	-2.8	0.3	0.2	-1.4	-1.2	-2.8	-2.4	0.8
Information	3.47	3.42	3.36	3.32	3.24	3.20	3.18	3.17
% Ch	-7.2	-6.0	-6.3	-5.1	-9.7	-4.1	-3.0	-1.0
Publishing Industries	0.98	0.97	0.96	0.95	0.94	0.93	0.92	0.92
% Ch	-6.4	-4.9	-2.7	-3.4	-5.8	-3.5	-3.3	-1.5
Other Information	2.49	2.45	2.40	2.37	2.30	2.27	2.26	2.25
% Ch	-7.5	-6.4	-7.7	-5.7	-11.2	-4.3	-2.9	-0.8
Financial Activities	7.83	7.83	7.84	7.89	7.93	7.98	8.00	7.99
% Ch	-0.2	-0.3	0.6	2.8	1.9	2.5	0.9	-0.6
Professional and Business Services	15.99	16.02	15.96	15.93	15.89	15.94	16.02	16.11
% Ch	-3.6	0.9	-1.5	-0.9	-0.8	1.1	2.2	2.3
Education and Health Services	16.01	16.14	16.28	16.38	16.46	16.56	16.59	16.70
% Ch	3.4	3.4	3.5	2.3	2.1	2.4	0.8	2.7
Leisure and Hospitality	11.97	11.93	11.96	12.09	12.13	12.09	12.12	12.17
% Ch	-0.2	-1.4	1.1	4.3	1.5	-1.5	1.1	1.7
Other Services	5.35	5.37	5.37	5.39	5.40	5.40	5.39	5.38
% Ch	2.9	1.2	0.3	1.6	0.1	0.1	-0.3	-0.9
Federal Government	2.75	2.77	2.77	2.78	2.79	2.77	2.75	2.73
% Ch	-0.1	2.2	-0.5	1.8	1.3	-2.9	-2.2	-3.6
State and Local Government	18.65	18.72	18.79	18.82	18.83	18.80	18.81	18.82
% Ch	1.7	1.6	1.3	0.6	0.4	-0.7	0.1	0.3

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2004 to 2007

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Nonfarm Payroll Employment	130.33	130.85	131.48	132.16	132.77	133.48	134.01	134.50
% Ch	1.0	1.6	1.9	2.1	1.9	2.2	1.6	1.5
Manufacturing	14.31	14.34	14.32	14.25	14.40	14.39	14.39	14.42
% Ch	-0.8	0.7	-0.3	-2.2	4.3	-0.3	-0.0	0.8
Durable Manufacturing	8.88	8.90	8.93	8.89	9.08	9.08	9.09	9.13
% Ch	0.5	1.2	1.3	-1.7	8.4	0.2	0.7	1.7
Wood Products	0.54	0.54	0.54	0.54	0.53	0.53	0.53	0.53
% Ch	1.8	3.0	-1.0	-3.2	-2.2	-0.8	-2.4	-2.2
Primary and Fabricated Metals	1.94	1.94	1.95	1.95	1.96	1.97	1.98	2.00
% Ch	1.1	1.5	0.9	0.9	1.3	2.9	1.9	3.1
Computer and Electronic Products	1.33	1.34	1.36	1.30	1.44	1.37	1.35	1.35
% Ch	0.1	1.5	5.2	-16.5	54.0	-17.9	-5.6	-0.8
Machinery and Electrical Equipment	1.59	1.59	1.59	1.61	1.62	1.64	1.65	1.66
% Ch	-0.6	0.6	0.5	3.5	2.3	6.3	1.9	2.2
Transportation Equipment	1.76	1.77	1.77	1.77	1.78	1.79	1.79	1.79
% Ch	-0.2	1.4	0.8	0.0	1.0	2.0	0.7	0.2
Other Durables	1.72	1.72	1.72	1.73	1.75	1.77	1.79	1.81
% Ch	1.4	0.3	0.8	2.1	3.7	6.1	4.1	4.2
Nondurable Manufacturing	5.44	5.43	5.39	5.35	5.32	5.31	5.29	5.28
% Ch	-2.8	-0.0	-3.0	-3.0	-2.3	-1.0	-1.2	-0.5
Food Manufacturing	1.50	1.50	1.49	1.49	1.48	1.48	1.47	1.47
% Ch	-3.8	0.3	-1.5	-2.2	-1.7	-0.9	-1.4	-0.1
Paper and Paper Products	0.51	0.51	0.51	0.50	0.50	0.50	0.50	0.50
% Ch	-2.6	1.5	-3.1	-4.0	-2.0	-0.8	-0.7	0.2
Other Nondurables	3.43	3.42	3.39	3.36	3.34	3.33	3.32	3.32
% Ch	-2.4	-0.4	-3.6	-3.3	-2.6	-1.1	-1.2	-0.8
Natural Resources and Mining	0.57	0.57	0.57	0.56	0.56	0.55	0.55	0.54
% Ch	2.1	-0.7	-3.0	-2.5	-4.5	-3.4	-5.5	-5.4
Construction	6.82	6.85	6.92	6.97	7.04	7.08	7.10	7.14
% Ch	3.3	1.9	3.6	3.4	3.6	2.6	1.0	2.3
Trade, Transportation, and Utilities	25.34	25.41	25.48	25.53	25.47	25.60	25.69	25.79
% Ch	1.5	1.1	1.0	0.9	-1.0	1.9	1.4	1.6
Wholesale Trade	5.61	5.62	5.66	5.69	5.66	5.72	5.76	5.80
% Ch	1.7	0.4	2.8	2.2	-2.4	4.3	3.0	2.6
Retail Trade	14.97	15.03	15.01	14.98	14.94	14.95	14.96	14.99
% Ch	1.5	1.5	-0.6	-0.8	-0.9	0.3	0.2	0.7
Trans., Warehousing, and Utilities	4.76	4.77	4.81	4.87	4.87	4.93	4.97	5.00
% Ch	1.5	0.6	3.9	4.6	0.6	4.3	3.3	2.8
Information	3.17	3.17	3.22	3.27	3.23	3.23	3.26	3.25
% Ch	-0.6	0.6	6.1	7.1	-5.7	0.1	4.1	-1.1
Publishing Industries	0.91	0.91	0.91	0.92	0.91	0.92	0.92	0.93
% Ch	-1.4	-1.9	1.6	0.9	-0.6	0.9	2.3	3.0
Other Information	2.25	2.26	2.30	2.36	2.31	2.31	2.34	2.32
% Ch	-0.3	1.6	7.9	9.7	-7.6	-0.2	4.8	-2.7
Financial Activities	7.99	8.01	8.01	7.99	7.98	7.98	7.98	8.01
% Ch	0.2	1.3	-0.1	-1.0	-0.5	-0.0	-0.0	1.5
Professional and Business Services	16.19	16.35	16.65	16.99	17.25	17.43	17.52	17.67
% Ch	2.0	4.0	7.5	8.3	6.4	4.2	2.1	3.4
Education and Health Services	16.77	16.85	16.95	16.99	17.03	17.12	17.17	17.25
% Ch	1.6	1.8	2.6	0.9	1.0	2.0	1.2	1.8
Leisure and Hospitality	12.23	12.34	12.38	12.45	12.50	12.58	12.69	12.76
% Ch	1.9	3.7	1.4	2.1	1.8	2.7	3.5	2.2
Other Services	5.38	5.38	5.36	5.38	5.42	5.49	5.54	5.57
% Ch	-0.2	-0.2	-0.8	1.3	3.2	5.0	3.3	2.2
Federal Government	2.71	2.72	2.72	2.73	2.73	2.73	2.73	2.73
% Ch	-1.8	0.8	0.6	0.5	0.4	0.4	-0.3	-0.1
State and Local Government	18.83	18.85	18.88	19.03	19.15	19.29	19.40	19.38
% Ch	0.2	0.4	0.7	3.2	2.4	3.0	2.3	-0.3

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2004 to 2007

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Nonfarm Payroll Employment	135.09	135.62	136.19	136.66	137.05	137.43	137.77	138.09
% Ch	1.8	1.6	1.7	1.4	1.2	1.1	1.0	0.9
Manufacturing	14.45	14.47	14.48	14.48	14.48	14.46	14.45	14.43
% Ch	0.9	0.7	0.2	0.1	0.0	-0.5	-0.3	-0.6
Durable Manufacturing	9.17	9.19	9.20	9.20	9.21	9.20	9.20	9.20
% Ch	1.7	1.1	0.2	0.1	0.2	-0.3	0.0	-0.3
Wood Products	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52
% Ch	-2.8	-2.2	-2.1	-0.1	1.5	1.8	1.9	1.3
Primary and Fabricated Metals	2.01	2.02	2.02	2.02	2.02	2.02	2.03	2.03
% Ch	2.0	1.7	0.1	0.3	0.5	0.5	1.2	0.8
Computer and Electronic Products	1.37	1.38	1.39	1.39	1.39	1.38	1.36	1.35
% Ch	5.9	3.8	2.5	0.4	-1.1	-3.8	-4.5	-4.2
Machinery and Electrical Equipment	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66
% Ch	0.8	0.0	0.3	0.3	0.1	-0.7	-0.1	-0.0
Transportation Equipment	1.79	1.79	1.78	1.78	1.78	1.78	1.78	1.78
% Ch	-0.6	-0.7	-1.1	-0.7	-0.0	0.7	0.9	-0.1
Other Durables	1.82	1.83	1.83	1.83	1.84	1.84	1.85	1.85
% Ch	2.7	2.0	0.6	0.6	0.9	0.5	1.0	0.6
Nondurable Manufacturing	5.28	5.28	5.28	5.28	5.27	5.26	5.25	5.23
% Ch	-0.5	-0.0	0.1	-0.1	-0.3	-1.0	-0.9	-1.2
Food Manufacturing	1.47	1.48	1.48	1.49	1.49	1.49	1.49	1.49
% Ch	0.4	1.2	1.6	1.5	1.1	0.0	0.2	0.0
Paper and Paper Products	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
% Ch	0.3	0.6	0.6	0.2	-0.2	-0.8	-0.8	-1.1
Other Nondurables	3.31	3.30	3.30	3.29	3.28	3.27	3.26	3.24
% Ch	-1.1	-0.7	-0.7	-0.8	-1.0	-1.5	-1.4	-1.7
Natural Resources and Mining	0.53	0.52	0.51	0.50	0.50	0.49	0.49	0.48
% Ch	-6.2	-6.8	-6.3	-6.2	-5.2	-4.5	-3.8	-2.9
Construction	7.20	7.22	7.27	7.31	7.37	7.42	7.46	7.49
% Ch	3.1	1.4	2.8	2.3	3.0	2.8	2.0	1.8
Trade, Transportation, and Utilities	25.90	26.06	26.17	26.27	26.35	26.41	26.42	26.44
% Ch	1.8	2.3	1.8	1.5	1.2	0.9	0.2	0.3
Wholesale Trade	5.83	5.85	5.87	5.88	5.89	5.90	5.91	5.92
% Ch	2.5	1.3	1.0	0.8	0.9	0.8	0.3	0.5
Retail Trade	15.04	15.14	15.20	15.25	15.28	15.29	15.27	15.25
% Ch	1.4	2.5	1.7	1.3	0.8	0.3	-0.5	-0.5
Trans., Warehousing, and Utilities	5.03	5.07	5.10	5.14	5.17	5.21	5.24	5.27
% Ch	2.3	3.1	2.9	2.7	2.9	2.8	2.4	2.3
Information	3.23	3.22	3.21	3.23	3.24	3.24	3.26	3.28
% Ch	-2.4	-1.5	-0.9	2.2	2.0	-0.2	2.2	2.9
Publishing Industries	0.93	0.94	0.94	0.94	0.95	0.95	0.96	0.96
% Ch	1.6	1.5	1.6	1.2	1.8	1.8	2.0	2.2
Other Information	2.30	2.28	2.27	2.28	2.30	2.29	2.30	2.32
% Ch	-4.0	-2.8	-1.9	2.5	2.0	-1.0	2.3	3.2
Financial Activities	8.03	8.02	8.04	8.05	8.07	8.08	8.09	8.10
% Ch	0.8	-0.2	0.9	0.5	0.9	0.6	0.5	0.5
Professional and Business Services	17.88	18.08	18.29	18.52	18.72	18.88	18.99	19.10
% Ch	4.8	4.5	4.9	5.2	4.3	3.4	2.4	2.2
Education and Health Services	17.43	17.48	17.57	17.61	17.63	17.67	17.73	17.80
% Ch	4.2	1.3	2.1	0.7	0.6	0.8	1.4	1.6
Leisure and Hospitality	12.80	12.89	12.94	12.94	12.94	12.98	13.00	13.02
% Ch	1.3	2.6	1.6	0.1	0.1	1.0	0.8	0.4
Other Services	5.56	5.57	5.58	5.60	5.63	5.66	5.70	5.73
% Ch	-0.2	0.4	1.1	1.2	2.2	2.2	2.4	2.4
Federal Government	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73
% Ch	-0.0	-0.0	-0.0	0.1	0.1	0.2	0.2	0.2
State and Local Government	19.35	19.36	19.39	19.41	19.39	19.42	19.45	19.49
% Ch	-0.6	0.2	0.5	0.4	-0.4	0.6	0.7	0.6

Table A2.3
Washington Nonagricultural Employment by Industry
 Forecast 2004 to 2007

	2000	2001	2002	2003	2004	2005	2006	2007
Nonfarm Payroll Employment	2,711.6	2,697.4	2,654.0	2,658.3	2,710.1	2,769.5	2,827.2	2,879.5
% Ch	2.4	-0.5	-1.6	0.2	1.9	2.2	2.1	1.8
Manufacturing	331.9	316.2	285.0	266.9	261.0	262.5	268.6	275.3
% Ch	-3.4	-4.7	-9.8	-6.4	-2.2	0.5	2.3	2.5
Durable Manufacturing	236.5	225.0	199.3	183.8	179.3	182.7	188.2	193.8
% Ch	-4.2	-4.8	-11.4	-7.8	-2.5	1.9	3.0	2.9
Wood Products	21.9	18.9	18.0	17.9	17.9	17.2	16.4	16.1
% Ch	3.6	-13.6	-4.8	-0.7	-0.1	-3.9	-4.4	-2.0
Primary and Fabricated Metals	29.8	27.0	23.5	22.2	22.1	22.6	23.0	23.0
% Ch	-0.8	-9.4	-12.7	-5.8	-0.2	2.2	1.8	-0.0
Computer and Electronic Products	34.4	32.4	26.2	23.5	22.9	24.5	25.1	25.0
% Ch	3.2	-5.6	-19.4	-10.2	-2.6	7.3	2.1	-0.3
Machinery and Electrical Equipment	19.8	18.5	16.7	16.2	16.5	17.8	18.8	19.6
% Ch	3.0	-6.3	-9.9	-3.1	2.1	7.6	5.7	4.1
Aerospace	86.2	87.3	75.7	65.4	61.1	60.9	64.5	69.5
% Ch	-12.3	1.3	-13.2	-13.6	-6.5	-0.3	5.8	7.8
Other Transportation Equip.	13.4	11.3	10.9	11.1	11.3	11.5	11.6	11.4
% Ch	-6.0	-16.0	-2.8	1.6	1.4	2.0	0.6	-1.7
Other Durables	31.1	29.6	28.2	27.6	27.5	28.2	28.8	29.2
% Ch	1.0	-4.8	-4.7	-2.3	-0.3	2.3	2.4	1.4
Nondurable Manufacturing	95.4	91.1	85.7	83.0	81.7	79.7	80.4	81.5
% Ch	-1.1	-4.5	-6.0	-3.1	-1.6	-2.4	0.9	1.4
Food Manufacturing	38.9	37.2	35.3	34.8	35.0	33.6	33.9	34.6
% Ch	0.8	-4.3	-5.3	-1.4	0.6	-3.9	0.8	2.3
Paper and Paper Products	14.4	14.1	13.3	12.9	12.6	12.3	12.3	12.3
% Ch	-5.5	-2.0	-6.1	-2.5	-2.6	-2.3	0.2	-0.2
Other Nondurables	42.1	39.8	37.2	35.4	34.2	33.8	34.2	34.6
% Ch	-1.1	-5.5	-6.5	-4.9	-3.4	-1.0	1.2	1.1
Natural Resources and Mining	10.0	9.8	9.4	8.9	9.0	8.9	8.8	8.8
% Ch	-5.3	-2.2	-4.5	-5.1	1.3	-0.9	-1.3	0.0
Construction	160.6	158.8	154.2	155.8	164.3	169.3	173.3	177.1
% Ch	4.5	-1.1	-2.9	1.1	5.5	3.0	2.3	2.2
Trade, Transportation, and Utilities	531.9	523.8	509.3	510.4	521.1	526.9	537.6	545.7
% Ch	2.5	-1.5	-2.8	0.2	2.1	1.1	2.0	1.5
Wholesale Trade	121.3	119.8	115.7	115.7	117.4	119.4	122.1	123.2
% Ch	1.6	-1.2	-3.4	-0.0	1.5	1.7	2.2	0.9
Retail Trade	315.3	311.7	305.3	306.9	312.4	313.8	319.7	324.3
% Ch	3.2	-1.1	-2.0	0.5	1.8	0.5	1.9	1.4
Trans., Warehousing, and Utilities	95.4	92.4	88.3	87.9	91.3	93.6	95.8	98.2
% Ch	1.2	-3.2	-4.4	-0.5	3.9	2.5	2.4	2.5
Information	97.6	99.0	93.6	92.1	96.2	100.0	102.2	106.0
% Ch	14.6	1.4	-5.5	-1.6	4.5	3.9	2.3	3.7
Software Publishers	32.2	35.9	36.1	37.2	39.9	42.8	45.9	49.1
% Ch	17.8	11.4	0.8	2.9	7.3	7.4	7.1	7.0
Other Publishing Industries	13.7	13.2	12.6	12.5	12.3	12.4	12.4	12.5
% Ch	1.5	-3.5	-4.4	-1.2	-1.0	0.1	0.6	0.5
Other Information	51.7	49.9	44.8	42.4	44.0	44.8	43.9	44.4
% Ch	16.7	-3.5	-10.3	-5.4	3.7	1.7	-1.9	1.0
Financial Activities	142.3	145.2	146.2	152.3	155.2	155.8	157.3	158.9
% Ch	-0.4	2.0	0.7	4.2	1.9	0.4	0.9	1.0
Professional and Business Services	303.8	296.9	290.2	290.8	302.7	321.4	336.6	352.1
% Ch	6.1	-2.3	-2.3	0.2	4.1	6.2	4.7	4.6
Education and Health Services	291.9	298.3	306.8	312.0	318.2	324.6	332.8	338.2
% Ch	3.7	2.2	2.9	1.7	2.0	2.0	2.5	1.6
Leisure and Hospitality	251.8	247.1	245.4	248.9	254.4	260.2	265.7	268.9
% Ch	1.9	-1.9	-0.7	1.4	2.2	2.3	2.1	1.2
Other Services	106.2	96.9	97.8	99.3	101.3	103.3	104.6	106.3
% Ch	1.6	-8.8	0.9	1.6	2.0	1.9	1.3	1.6
Federal Government	69.9	67.9	69.2	70.3	70.3	70.7	71.0	71.3
% Ch	3.4	-2.8	2.0	1.6	-0.0	0.5	0.4	0.5
State and Local Government	413.5	437.6	447.0	450.5	456.2	466.0	468.6	470.9
% Ch	1.7	5.8	2.2	0.8	1.2	2.2	0.6	0.5

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2004 to 2007

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Nonfarm Payroll Employment	2,650.6	2,650.5	2,657.3	2,657.7	2,654.6	2,648.9	2,660.1	2,669.5
% Ch	-2.7	-0.0	1.0	0.1	-0.5	-0.8	1.7	1.4
Manufacturing	293.2	287.4	282.4	277.1	272.1	267.6	264.9	262.9
% Ch	-14.9	-7.7	-6.7	-7.3	-7.1	-6.5	-3.9	-3.0
Durable Manufacturing	205.9	201.9	197.0	192.5	187.8	184.8	182.4	180.3
% Ch	-18.2	-7.5	-9.5	-8.7	-9.4	-6.4	-5.0	-4.5
Wood Products	18.0	18.1	18.0	18.1	18.1	17.9	17.7	18.0
% Ch	-8.5	2.6	-0.7	0.6	-0.3	-4.0	-4.3	8.1
Primary and Fabricated Metals	24.6	23.5	23.2	22.8	22.6	22.3	22.0	21.8
% Ch	-11.4	-15.6	-4.9	-7.1	-3.3	-5.7	-5.7	-3.3
Computer and Electronic Products	27.2	26.5	26.0	24.9	24.3	23.5	23.2	22.9
% Ch	-26.4	-10.3	-7.3	-16.3	-8.8	-12.0	-5.5	-5.6
Machinery and Electrical Equipment	17.0	16.9	16.7	16.3	16.2	16.2	16.2	16.2
% Ch	-12.9	-3.9	-4.7	-8.5	-3.2	0.8	-0.8	1.7
Aerospace	80.2	77.0	73.7	71.9	68.6	66.4	64.2	62.3
% Ch	-25.8	-14.9	-16.4	-9.1	-17.4	-12.1	-12.6	-11.1
Other Transportation Equip.	10.5	11.5	11.1	10.7	10.6	10.9	11.4	11.5
% Ch	-3.7	43.9	-13.2	-14.7	-1.2	11.8	19.6	1.2
Other Durables	28.4	28.4	28.2	27.9	27.5	27.5	27.8	27.6
% Ch	-5.1	-0.1	-2.3	-5.0	-5.6	0.6	3.7	-2.2
Nondurable Manufacturing	87.3	85.5	85.5	84.6	84.3	82.8	82.5	82.6
% Ch	-6.3	-8.3	-0.0	-4.1	-1.5	-6.6	-1.5	0.3
Food Manufacturing	35.9	34.7	35.6	34.9	34.9	34.2	35.1	34.8
% Ch	-3.4	-12.5	10.0	-7.6	0.5	-7.7	10.5	-3.2
Paper and Paper Products	13.4	13.3	13.1	13.2	13.2	13.1	12.7	12.7
% Ch	-10.9	-3.3	-4.8	3.0	-2.0	-2.1	-10.4	-0.3
Other Nondurables	38.0	37.5	36.8	36.5	36.2	35.5	34.7	35.0
% Ch	-7.4	-5.9	-7.1	-3.2	-3.2	-7.2	-9.0	4.2
Natural Resources and Mining	9.4	9.4	9.3	9.3	9.1	8.8	8.7	9.0
% Ch	-7.4	-1.7	-6.0	3.5	-11.9	-10.8	-4.6	14.5
Construction	153.4	153.5	155.0	154.7	155.0	154.4	156.3	157.7
% Ch	-1.9	0.3	3.9	-0.7	0.6	-1.5	4.9	3.7
Trade, Transportation, and Utilities	510.8	509.4	510.1	507.0	509.0	508.3	512.3	512.1
% Ch	-2.8	-1.1	0.5	-2.4	1.6	-0.5	3.2	-0.1
Wholesale Trade	116.6	115.4	115.3	115.2	115.5	115.0	115.8	116.3
% Ch	-3.3	-4.2	-0.3	-0.3	0.9	-1.5	2.8	1.4
Retail Trade	305.4	305.6	306.2	304.2	305.1	306.0	308.6	307.7
% Ch	-1.8	0.2	0.8	-2.6	1.2	1.2	3.5	-1.2
Trans., Warehousing, and Utilities	88.8	88.4	88.6	87.6	88.4	87.3	87.8	88.2
% Ch	-5.5	-1.6	0.7	-4.5	3.9	-4.8	2.5	1.4
Information	94.3	93.5	93.1	93.5	92.3	91.4	92.0	92.5
% Ch	-9.0	-3.5	-1.6	1.7	-4.8	-4.2	2.9	2.3
Software Publishers	35.7	35.9	36.1	36.9	36.6	36.5	37.5	38.1
% Ch	-5.5	1.9	3.1	8.4	-3.2	-0.9	11.4	7.1
Other Publishing Industries	12.5	12.6	12.8	12.6	12.6	12.5	12.5	12.3
% Ch	-9.1	3.2	5.4	-4.1	-2.1	-2.1	1.1	-7.2
Other Information	46.1	45.0	44.2	44.0	43.2	42.4	42.0	42.1
% Ch	-11.5	-9.3	-7.0	-1.9	-6.8	-7.5	-3.6	0.9
Financial Activities	144.6	145.8	146.5	147.8	150.0	152.3	153.6	153.4
% Ch	-3.1	3.4	1.9	3.7	6.1	6.3	3.4	-0.7
Professional and Business Services	287.6	288.9	291.9	292.2	289.8	288.5	291.6	293.5
% Ch	-1.9	1.8	4.3	0.4	-3.3	-1.7	4.3	2.6
Education and Health Services	304.8	306.5	305.8	310.3	310.5	311.7	311.4	314.2
% Ch	2.9	2.3	-0.8	6.0	0.3	1.5	-0.3	3.6
Leisure and Hospitality	243.2	244.7	247.0	246.7	247.8	246.6	248.7	252.5
% Ch	-1.6	2.4	3.8	-0.4	1.8	-2.0	3.5	6.2
Other Services	97.1	98.1	98.1	97.8	99.7	99.5	98.9	99.1
% Ch	3.7	4.2	0.3	-1.6	8.1	-0.5	-2.5	0.7
Federal Government	68.6	68.3	69.2	70.9	70.6	69.9	69.9	71.0
% Ch	0.9	-1.7	5.6	9.9	-1.6	-3.8	-0.2	6.3
State and Local Government	443.6	445.2	448.9	450.4	448.8	449.9	451.8	451.7
% Ch	1.1	1.5	3.4	1.4	-1.5	1.0	1.7	-0.1

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2004 to 2007

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Nonfarm Payroll Employment	2,686.1	2,704.3	2,717.5	2,732.4	2,748.0	2,763.3	2,777.1	2,789.4
% Ch	2.5	2.7	2.0	2.2	2.3	2.3	2.0	1.8
Manufacturing	262.5	261.9	261.1	258.6	262.6	262.0	262.1	263.2
% Ch	-0.6	-0.9	-1.2	-3.8	6.4	-1.0	0.2	1.7
Durable Manufacturing	179.9	179.8	179.6	177.9	182.6	182.1	182.6	183.6
% Ch	-1.0	-0.2	-0.4	-3.8	10.9	-1.0	1.1	2.3
Wood Products	18.0	18.1	17.9	17.7	17.5	17.3	17.1	16.9
% Ch	-1.3	2.0	-3.4	-5.3	-4.4	-3.2	-4.6	-4.5
Primary and Fabricated Metals	22.0	22.1	22.2	22.2	22.4	22.6	22.7	22.9
% Ch	3.2	3.0	0.9	1.1	2.0	3.7	2.1	3.4
Computer and Electronic Products	22.9	23.0	23.5	22.0	26.1	24.3	23.9	23.9
% Ch	1.2	0.7	9.9	-22.9	97.0	-24.9	-6.9	0.4
Machinery and Electrical Equipment	16.3	16.4	16.6	16.9	17.2	17.7	18.0	18.3
% Ch	1.7	1.6	4.7	8.7	7.1	12.3	6.4	6.9
Aerospace	61.8	61.7	60.7	60.1	60.2	60.7	61.1	61.6
% Ch	-3.2	-0.8	-6.2	-3.9	0.7	3.0	3.0	3.0
Other Transportation Equip.	11.4	11.2	11.2	11.3	11.4	11.5	11.5	11.6
% Ch	-3.4	-6.5	2.1	3.0	3.1	2.6	2.3	1.5
Other Durables	27.5	27.4	27.5	27.6	27.8	28.1	28.3	28.5
% Ch	-1.3	-1.8	1.7	1.5	2.8	3.8	3.0	3.1
Nondurable Manufacturing	82.6	82.1	81.5	80.7	80.1	79.8	79.5	79.5
% Ch	0.1	-2.3	-3.1	-3.8	-3.0	-1.2	-1.8	0.2
Food Manufacturing	35.5	35.1	34.8	34.4	33.9	33.7	33.4	33.3
% Ch	8.6	-4.4	-3.7	-5.0	-4.8	-2.6	-4.1	-0.7
Paper and Paper Products	12.8	12.6	12.5	12.4	12.3	12.3	12.3	12.3
% Ch	1.9	-4.2	-3.3	-4.3	-2.2	-0.8	-0.8	0.2
Other Nondurables	34.3	34.3	34.1	33.9	33.8	33.8	33.8	33.9
% Ch	-8.4	0.6	-2.4	-2.3	-1.6	0.1	0.1	1.0
Natural Resources and Mining	9.1	9.0	9.0	9.0	9.0	8.9	8.9	8.9
% Ch	4.1	-3.7	-1.1	-0.8	0.4	-1.6	-1.1	-1.3
Construction	161.4	164.4	165.1	166.4	167.7	168.7	169.9	171.0
% Ch	9.7	7.8	1.8	3.2	3.0	2.6	2.7	2.6
Trade, Transportation, and Utilities	516.8	521.2	522.6	523.8	523.2	525.8	528.0	530.4
% Ch	3.7	3.4	1.1	1.0	-0.5	2.0	1.7	1.8
Wholesale Trade	116.2	117.1	117.8	118.4	117.8	119.0	120.0	120.8
% Ch	-0.3	3.2	2.5	2.2	-2.1	4.2	3.3	2.7
Retail Trade	310.6	313.0	313.0	312.9	312.8	313.4	314.1	315.1
% Ch	3.9	3.1	0.0	-0.2	-0.2	0.8	0.8	1.3
Trans., Warehousing, and Utilities	90.0	91.0	91.7	92.5	92.6	93.3	94.0	94.5
% Ch	8.8	4.6	2.9	3.4	0.6	3.1	2.6	2.2
Information	93.6	95.2	97.0	99.1	98.7	99.4	100.7	101.0
% Ch	4.7	7.1	7.9	8.7	-1.3	2.5	5.4	1.4
Software Publishers	38.8	39.5	40.3	41.1	41.8	42.5	43.2	43.9
% Ch	6.8	7.4	8.4	8.2	7.8	6.4	6.4	6.5
Other Publishing Industries	12.2	12.4	12.4	12.4	12.3	12.3	12.4	12.4
% Ch	-2.2	4.7	0.4	-0.2	-1.4	-0.2	0.9	1.6
Other Information	42.6	43.4	44.4	45.6	44.6	44.5	45.2	44.8
% Ch	4.9	7.6	9.6	11.7	-9.1	-0.3	5.8	-3.3
Financial Activities	154.1	155.6	155.7	155.5	155.5	155.6	155.8	156.4
% Ch	2.1	3.9	0.2	-0.5	-0.0	0.3	0.4	1.8
Professional and Business Services	296.1	298.8	304.7	311.3	316.7	320.4	322.6	325.8
% Ch	3.6	3.7	8.1	9.0	7.1	4.9	2.7	4.0
Education and Health Services	315.5	317.3	319.5	320.7	322.0	323.9	325.4	327.1
% Ch	1.6	2.4	2.8	1.5	1.6	2.4	1.8	2.2
Leisure and Hospitality	252.3	254.0	255.0	256.3	257.6	259.2	261.3	262.7
% Ch	-0.3	2.8	1.6	2.1	2.0	2.5	3.2	2.2
Other Services	100.8	101.3	101.4	101.7	102.3	103.0	103.6	104.1
% Ch	7.1	2.2	0.3	1.3	2.2	3.0	2.3	1.7
Federal Government	70.3	70.2	70.3	70.5	70.6	70.7	70.7	70.8
% Ch	-3.7	-0.5	0.7	0.7	0.7	0.7	0.2	0.3
State and Local Government	453.7	455.3	456.1	459.5	462.1	465.6	468.2	468.1
% Ch	1.8	1.4	0.7	3.1	2.3	3.0	2.3	-0.1

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2004 to 2007

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Nonfarm Payroll Employment	2,804.3	2,819.6	2,835.2	2,849.7	2,862.2	2,874.1	2,885.3	2,896.4
% Ch	2.1	2.2	2.2	2.1	1.8	1.7	1.6	1.5
Manufacturing	265.3	267.6	269.8	271.8	273.5	274.7	275.9	277.0
% Ch	3.3	3.6	3.3	3.0	2.7	1.7	1.8	1.6
Durable Manufacturing	185.6	187.5	189.1	190.6	192.1	193.2	194.3	195.5
% Ch	4.3	4.2	3.5	3.2	3.0	2.3	2.4	2.4
Wood Products	16.7	16.5	16.3	16.2	16.2	16.1	16.1	16.0
% Ch	-5.0	-4.5	-4.4	-2.7	-1.2	-1.1	-0.9	-1.4
Primary and Fabricated Metals	23.0	23.1	23.0	23.0	23.0	23.0	23.0	23.1
% Ch	2.0	1.5	-0.6	-0.4	-0.0	-0.3	0.7	0.1
Computer and Electronic Products	24.5	25.0	25.3	25.4	25.4	25.2	24.8	24.5
% Ch	10.9	7.5	5.5	2.2	-0.1	-4.2	-5.4	-4.8
Machinery and Electrical Equipment	18.5	18.7	18.9	19.1	19.3	19.5	19.6	19.8
% Ch	5.1	4.0	4.4	4.4	4.2	3.2	4.0	4.1
Aerospace	62.6	63.8	65.1	66.3	67.6	68.8	70.1	71.3
% Ch	6.6	8.2	8.1	7.9	7.8	7.6	7.5	7.3
Other Transportation Equip.	11.6	11.6	11.6	11.5	11.5	11.4	11.3	11.3
% Ch	0.8	-0.3	-1.0	-1.6	-2.1	-2.2	-2.0	-1.4
Other Durables	28.7	28.8	28.9	29.0	29.1	29.2	29.3	29.4
% Ch	2.3	2.0	1.2	1.3	1.5	1.3	1.5	1.2
Nondurable Manufacturing	79.7	80.1	80.7	81.1	81.5	81.5	81.6	81.5
% Ch	1.0	2.2	2.6	2.4	1.7	0.1	0.3	-0.1
Food Manufacturing	33.4	33.7	34.0	34.4	34.6	34.6	34.6	34.6
% Ch	1.0	3.3	4.3	4.1	3.0	-0.1	0.3	-0.2
Paper and Paper Products	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.2
% Ch	0.4	0.6	0.6	0.3	-0.2	-0.9	-0.9	-1.2
Other Nondurables	34.0	34.2	34.3	34.4	34.5	34.6	34.6	34.7
% Ch	1.3	1.6	1.7	1.5	1.2	0.6	0.6	0.5
Natural Resources and Mining	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
% Ch	-1.9	-1.2	-0.6	-0.3	0.2	0.5	0.5	0.8
Construction	171.9	172.8	173.7	174.7	175.7	176.7	177.7	178.5
% Ch	2.2	2.0	2.1	2.3	2.4	2.3	2.2	1.9
Trade, Transportation, and Utilities	533.0	536.5	539.2	541.7	543.8	545.4	546.3	547.3
% Ch	2.0	2.6	2.0	1.8	1.6	1.2	0.7	0.7
Wholesale Trade	121.5	121.9	122.3	122.5	122.8	123.1	123.3	123.5
% Ch	2.3	1.5	1.0	0.9	1.0	0.9	0.6	0.8
Retail Trade	316.6	319.0	320.8	322.4	323.6	324.3	324.5	324.8
% Ch	2.0	3.0	2.3	2.0	1.5	1.0	0.2	0.3
Trans., Warehousing, and Utilities	94.9	95.6	96.1	96.7	97.4	98.0	98.5	99.0
% Ch	1.9	2.7	2.5	2.5	2.6	2.5	2.2	2.1
Information	101.3	101.8	102.3	103.5	104.6	105.3	106.4	107.6
% Ch	1.0	1.8	2.3	4.6	4.3	2.6	4.2	4.8
Software Publishers	44.6	45.4	46.3	47.1	47.9	48.7	49.5	50.3
% Ch	7.4	7.4	7.4	7.4	7.2	6.8	6.4	6.6
Other Publishing Industries	12.4	12.4	12.4	12.5	12.5	12.5	12.5	12.5
% Ch	0.5	0.4	0.5	0.1	0.6	0.6	0.8	1.0
Other Information	44.2	43.9	43.6	44.0	44.2	44.1	44.4	44.8
% Ch	-4.8	-3.3	-2.2	3.1	2.4	-1.2	2.8	3.8
Financial Activities	156.9	157.0	157.5	157.8	158.3	158.8	159.1	159.5
% Ch	1.1	0.2	1.3	1.0	1.3	1.0	0.9	1.0
Professional and Business Services	330.1	334.2	338.7	343.4	347.5	351.0	353.6	356.1
% Ch	5.4	5.1	5.4	5.8	4.9	4.0	3.0	2.9
Education and Health Services	330.5	331.9	333.9	335.0	336.1	337.2	338.8	340.6
% Ch	4.1	1.8	2.4	1.3	1.2	1.4	1.9	2.1
Leisure and Hospitality	263.7	265.4	266.6	267.1	267.6	268.6	269.4	270.1
% Ch	1.5	2.6	1.8	0.7	0.7	1.4	1.3	1.0
Other Services	104.2	104.4	104.8	105.1	105.5	106.0	106.5	107.0
% Ch	0.6	0.9	1.2	1.3	1.8	1.8	1.9	1.9
Federal Government	70.9	70.9	71.0	71.1	71.2	71.3	71.4	71.5
% Ch	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5
State and Local Government	467.7	468.2	469.0	469.7	469.6	470.4	471.3	472.3
% Ch	-0.4	0.4	0.7	0.6	-0.1	0.7	0.8	0.8

Table A3.1
U.S. Personal Income by Component
 Forecast 2004 to 2007

	2000	2001	2002	2003	2004	2005	2006	2007
Personal Income	8,429.7	8,713.1	8,910.3	9,203.7	9,674.7	10,157.1	10,725.1	11,344.6
% Ch	8.0	3.4	2.3	3.3	5.1	5.0	5.6	5.8
Total Wage and Salary Disbursements	4,829.2	4,942.9	4,974.6	5,095.6	5,326.5	5,629.9	5,936.6	6,267.5
% Ch	8.1	2.4	0.6	2.4	4.5	5.7	5.4	5.6
Nonwage Personal Income	3,600.4	3,770.2	3,935.7	4,108.1	4,348.2	4,527.2	4,788.5	5,077.1
% Ch	7.9	4.7	4.4	4.4	5.8	4.1	5.8	6.0
Supplements to Wages and Salaries	953.4	997.6	1,044.5	1,102.4	1,181.2	1,240.8	1,313.4	1,381.6
% Ch	7.6	4.6	4.7	5.5	7.1	5.0	5.8	5.2
Proprietor's Income	728.4	770.6	797.7	846.9	921.8	977.4	1,025.8	1,085.7
% Ch	7.4	5.8	3.5	6.2	8.9	6.0	4.9	5.8
Farm	22.7	25.0	14.3	19.5	19.4	18.9	20.5	21.3
% Ch	-20.7	10.1	-42.8	36.2	-0.4	-2.3	8.4	3.7
Nonfarm	705.7	745.6	783.4	827.4	902.5	958.5	1,005.2	1,064.4
% Ch	8.6	5.7	5.1	5.6	9.1	6.2	4.9	5.9
Less: Contribution For Govt. Soc. Ins.	702.7	728.5	750.3	776.2	815.4	862.8	930.6	982.3
% Ch	6.2	3.7	3.0	3.5	5.1	5.8	7.9	5.6
Dividends/Int./Rent	1,537.3	1,538.0	1,551.6	1,557.5	1,616.5	1,675.4	1,785.1	1,901.1
% Ch	8.9	0.0	0.9	0.4	3.8	3.6	6.5	6.5
Transfer Payments	1,084.1	1,192.6	1,292.2	1,377.5	1,444.1	1,496.4	1,594.9	1,690.9
% Ch	6.1	10.0	8.4	6.6	4.8	3.6	6.6	6.0

Table A3.2

U.S. Personal Income by Component

Forecast 2004 to 2007

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Personal Income	8,803.6	8,912.2	8,944.0	8,981.3	9,048.7	9,145.9	9,256.3	9,363.9
% Ch	1.5	5.0	1.4	1.7	3.0	4.4	4.9	4.7
Total Wage and Salary Disbursements	4,945.1	4,973.1	4,980.9	4,999.1	5,033.2	5,072.2	5,118.8	5,158.3
% Ch	0.8	2.3	0.6	1.5	2.8	3.1	3.7	3.1
Nonwage Personal Income	3,858.5	3,939.1	3,963.1	3,982.2	4,015.5	4,073.7	4,137.5	4,205.6
% Ch	2.4	8.6	2.5	1.9	3.4	5.9	6.4	6.7
Supplements to Wages and Salaries	1,027.3	1,041.8	1,050.3	1,058.8	1,081.2	1,093.9	1,110.6	1,124.1
% Ch	5.6	5.7	3.3	3.3	8.7	4.8	6.2	4.9
Proprietor's Income	779.3	796.1	803.2	812.2	813.5	838.8	860.9	874.3
% Ch	-3.2	8.9	3.6	4.5	0.6	13.0	10.9	6.4
Farm	12.1	15.2	13.5	16.3	13.0	20.0	21.5	23.4
% Ch	-95.8	151.2	-37.7	110.4	-59.5	460.2	32.7	40.4
Nonfarm	767.2	780.9	789.7	795.9	800.5	818.8	839.4	850.9
% Ch	4.4	7.3	4.6	3.2	2.3	9.5	10.4	5.6
Less: Contribution For Govt. Soc. Ins.	743.7	749.6	752.1	755.5	768.7	772.3	779.0	784.7
% Ch	7.1	3.2	1.3	1.8	7.2	1.9	3.5	3.0
Dividends/Int./Rent	1,535.2	1,559.8	1,560.2	1,551.0	1,551.8	1,543.6	1,546.2	1,588.2
% Ch	0.1	6.6	0.1	-2.3	0.2	-2.1	0.7	11.3
Transfer Payments	1,260.5	1,291.1	1,301.6	1,315.6	1,337.6	1,369.7	1,398.7	1,403.8
% Ch	9.5	10.1	3.3	4.4	6.9	10.0	8.7	1.5

Table A3.2

U.S. Personal Income by Component

Forecast 2004 to 2007

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Personal Income	9,492.8	9,616.0	9,733.6	9,856.4	9,982.4	10,096.7	10,211.1	10,338.1
% Ch	5.6	5.3	5.0	5.1	5.2	4.7	4.6	5.1
Total Wage and Salary Disbursements	5,218.7	5,285.1	5,361.8	5,440.5	5,521.7	5,596.2	5,665.9	5,735.9
% Ch	4.8	5.2	5.9	6.0	6.1	5.5	5.1	5.0
Nonwage Personal Income	4,274.1	4,330.9	4,371.8	4,415.9	4,460.7	4,500.5	4,545.2	4,602.2
% Ch	6.7	5.4	3.8	4.1	4.1	3.6	4.0	5.1
Supplements to Wages and Salaries	1,159.0	1,175.6	1,188.1	1,202.2	1,222.7	1,233.4	1,246.6	1,260.4
% Ch	13.0	5.8	4.3	4.8	7.0	3.5	4.4	4.5
Proprietor's Income	894.3	916.7	930.4	945.9	961.0	972.6	983.2	993.0
% Ch	9.5	10.4	6.1	6.8	6.5	4.9	4.4	4.0
Farm	20.8	21.1	18.3	17.3	17.9	18.2	19.1	20.5
% Ch	-37.2	5.8	-42.9	-21.1	16.4	4.9	23.4	30.9
Nonfarm	873.5	895.6	912.1	928.7	943.1	954.4	964.0	972.5
% Ch	11.1	10.5	7.6	7.5	6.4	4.9	4.1	3.6
Less: Contribution For Govt. Soc. Ins.	804.5	807.8	818.8	830.7	853.0	858.9	864.7	874.7
% Ch	10.5	1.7	5.6	5.9	11.2	2.8	2.7	4.7
Dividends/Int./Rent	1,602.4	1,608.6	1,620.9	1,634.2	1,646.5	1,662.4	1,682.1	1,710.6
% Ch	3.6	1.6	3.1	3.3	3.0	3.9	4.8	6.9
Transfer Payments	1,423.1	1,437.9	1,451.2	1,464.3	1,483.4	1,491.0	1,498.1	1,513.0
% Ch	5.6	4.2	3.8	3.7	5.3	2.1	1.9	4.0

Table A3.2

U.S. Personal Income by Component

Forecast 2004 to 2007

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Personal Income	10,490.8	10,643.5	10,806.1	10,960.0	11,114.9	11,269.3	11,421.5	11,572.7
% Ch	6.0	5.9	6.3	5.8	5.8	5.7	5.5	5.4
Total Wage and Salary Disbursements	5,817.6	5,894.7	5,975.9	6,058.2	6,145.4	6,228.3	6,308.5	6,387.9
% Ch	5.8	5.4	5.6	5.6	5.9	5.5	5.2	5.1
Nonwage Personal Income	4,673.3	4,748.9	4,830.2	4,901.8	4,969.5	5,041.0	5,113.1	5,184.8
% Ch	6.3	6.6	7.0	6.1	5.6	5.9	5.8	5.7
Supplements to Wages and Salaries	1,287.7	1,304.3	1,321.4	1,340.0	1,359.0	1,374.6	1,388.8	1,404.0
% Ch	8.9	5.3	5.3	5.8	5.8	4.7	4.2	4.5
Proprietor's Income	1,006.3	1,017.9	1,031.7	1,047.2	1,062.7	1,079.1	1,093.7	1,107.3
% Ch	5.5	4.7	5.6	6.1	6.1	6.3	5.5	5.1
Farm	20.7	20.7	20.1	20.6	20.7	21.2	21.5	21.8
% Ch	5.3	-0.4	-12.1	10.5	2.6	9.8	5.6	5.8
Nonfarm	985.6	997.2	1,011.7	1,026.6	1,042.0	1,057.9	1,072.2	1,085.5
% Ch	5.5	4.8	6.0	6.0	6.1	6.3	5.5	5.1
Less: Contribution For Govt. Soc. Ins.	914.2	923.9	935.8	948.3	968.6	977.3	986.0	997.2
% Ch	19.3	4.3	5.2	5.4	8.9	3.6	3.6	4.6
Dividends/Int./Rent	1,740.1	1,770.6	1,800.0	1,829.6	1,857.0	1,884.9	1,915.3	1,947.3
% Ch	7.1	7.2	6.8	6.7	6.1	6.1	6.6	6.8
Transfer Payments	1,553.4	1,580.0	1,612.9	1,633.2	1,659.5	1,679.6	1,701.3	1,723.4
% Ch	11.1	7.0	8.6	5.1	6.6	4.9	5.3	5.3

Table A3.3
Washington Personal Income by Component
 Forecast 2004 to 2007

	2000	2001	2002	2003	2004	2005	2006	2007
Personal Income	187.853	193.395	198.018	204.322	214.043	225.714	239.562	255.169
% Ch	7.0	3.0	2.4	3.2	4.8	5.5	6.1	6.5
Total Wage and Salary Disbursements	110.002	110.641	111.479	114.374	118.711	126.136	134.006	142.886
% Ch	6.0	0.6	0.8	2.6	3.8	6.3	6.2	6.6
Manufacturing	0.000	15.241	14.700	13.722	13.746	14.393	15.349	16.492
% Ch	#DIV/0!	#DIV/0!	-3.5	-6.7	0.2	4.7	6.6	7.5
Nondurable Manufacturing	0.000	11.615	10.804	10.202	10.234	10.833	11.612	12.524
% Ch	#DIV/0!	#DIV/0!	-7.0	-5.6	0.3	5.9	7.2	7.9
Durable Manufacturing	0.000	3.627	3.896	3.520	3.513	3.560	3.737	3.969
% Ch	#DIV/0!	#DIV/0!	7.4	-9.7	-0.2	1.3	5.0	6.2
Nonmanufacturing	0.000	91.191	92.313	95.793	99.867	106.405	113.065	120.510
% Ch	#DIV/0!	#DIV/0!	1.2	3.8	4.3	6.5	6.3	6.6
Other Private Wages	0.000	1.036	1.092	1.153	1.169	1.241	1.328	1.427
% Ch	#DIV/0!	#DIV/0!	5.4	5.6	1.4	6.2	7.0	7.4
Farm Wages	1.004	1.000	0.993	1.076	1.165	1.214	1.271	1.336
% Ch	2.2	-0.4	-0.7	8.4	8.3	4.2	4.7	5.2
Military Wages	2.001	2.173	2.381	2.630	2.763	2.882	2.993	3.120
% Ch	4.9	8.6	9.5	10.4	5.1	4.3	3.9	4.2
Nonwage Personal Income	77.852	82.754	86.539	89.949	95.332	99.578	105.556	112.283
% Ch	8.5	6.3	4.6	3.9	6.0	4.5	6.0	6.4
Supplements to Wages and Salaries	22.875	23.277	24.278	25.574	27.109	28.593	30.471	32.341
% Ch	7.5	1.8	4.3	5.3	6.0	5.5	6.6	6.1
Proprietor's Income	14.150	15.511	16.497	17.497	19.309	20.671	21.818	23.214
% Ch	7.6	9.6	6.4	6.1	10.4	7.1	5.5	6.4
Farm	0.444	0.304	0.426	0.396	0.399	0.522	0.594	0.624
% Ch	24.4	-31.6	40.2	-6.9	0.7	30.8	13.6	5.1
Nonfarm	13.705	15.207	16.072	17.101	18.910	20.149	21.224	22.590
% Ch	7.2	11.0	5.7	6.4	10.6	6.6	5.3	6.4
Less: Contribution For Govt. Soc. Ins.	18.189	17.895	18.500	19.185	19.954	21.152	22.895	24.351
% Ch	7.3	-1.6	3.4	3.7	4.0	6.0	8.2	6.4
Plus: Residence Adjustment	2.182	2.326	2.271	2.363	2.645	2.808	2.940	3.091
% Ch	12.5	6.6	-2.4	4.0	11.9	6.2	4.7	5.1
Dividends/Int./Rent	34.521	34.465	35.003	34.874	36.403	37.871	40.451	43.195
% Ch	10.1	-0.2	1.6	-0.4	4.4	4.0	6.8	6.8
Transfer Payments	22.314	25.070	26.990	28.825	29.819	30.786	32.772	34.793
% Ch	6.4	12.4	7.7	6.8	3.4	3.2	6.5	6.2
State U.I. Benefits	0.923	1.373	2.394	2.429	1.825	1.137	0.917	0.899
% Ch	-2.5	48.7	74.4	1.4	-24.8	-37.7	-19.3	-2.0
Other Transfers	21.390	23.697	24.595	26.397	27.994	29.649	31.855	33.894
% Ch	6.9	10.8	3.8	7.3	6.0	5.9	7.4	6.4

Table A3.4
Washington Personal Income by Component
 Forecast 2004 to 2007

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Personal Income	195.428	197.895	199.685	199.063	200.005	203.928	207.753	205.604
% Ch	3.9	5.1	3.7	-1.2	1.9	8.1	7.7	-4.1
Total Wage and Salary Disbursements	110.527	111.146	112.473	111.770	111.920	114.841	117.218	113.516
% Ch	4.6	2.3	4.9	-2.5	0.5	10.9	8.5	-12.0
Manufacturing	15.183	14.491	14.689	14.437	13.959	13.808	13.565	13.554
% Ch	22.5	-17.0	5.6	-6.7	-12.6	-4.3	-6.9	-0.3
Nondurable Manufacturing	11.259	10.778	10.568	10.612	10.445	10.184	10.100	10.078
% Ch	13.7	-16.0	-7.6	1.7	-6.1	-9.6	-3.3	-0.9
Durable Manufacturing	3.924	3.713	4.121	3.825	3.514	3.624	3.465	3.476
% Ch	53.2	-19.8	51.7	-25.8	-28.8	13.1	-16.4	1.3
Nonmanufacturing	90.921	92.197	93.292	92.844	93.173	96.138	98.769	95.093
% Ch	1.7	5.7	4.8	-1.9	1.4	13.3	11.4	-14.1
Other Private Wages	1.081	1.080	1.104	1.102	1.166	1.161	1.159	1.127
% Ch	-7.1	-0.4	9.2	-0.7	25.3	-1.7	-0.7	-10.6
Farm Wages	0.991	0.990	0.992	0.998	1.025	1.059	1.093	1.127
% Ch	-2.8	-0.4	0.8	2.4	11.3	13.9	13.5	13.0
Military Wages	2.351	2.388	2.396	2.389	2.597	2.675	2.632	2.614
% Ch	25.3	6.4	1.3	-1.2	39.6	12.6	-6.3	-2.7
Nonwage Personal Income	84.901	86.749	87.212	87.293	88.086	89.087	90.535	92.088
% Ch	3.0	9.0	2.2	0.4	3.7	4.6	6.7	7.0
Supplements to Wages and Salaries	23.929	24.156	24.540	24.486	24.884	25.574	26.197	25.640
% Ch	9.5	3.8	6.5	-0.9	6.7	11.6	10.1	-8.2
Proprietor's Income	16.101	16.471	16.611	16.805	16.824	17.318	17.812	18.035
% Ch	11.8	9.5	3.4	4.8	0.5	12.3	11.9	5.1
Farm	0.362	0.446	0.418	0.477	0.354	0.408	0.428	0.396
% Ch	3.E+02	130.4	-22.8	69.6	-69.7	76.5	21.1	-26.7
Nonfarm	15.739	16.025	16.193	16.329	16.471	16.909	17.384	17.639
% Ch	9.0	7.5	4.3	3.4	3.5	11.1	11.7	6.0
Less: Contribution For Govt. Soc. Ins.	18.297	18.434	18.670	18.599	18.844	19.224	19.579	19.092
% Ch	11.8	3.0	5.2	-1.5	5.4	8.3	7.6	-9.6
Plus: Residence Adjustment	2.243	2.273	2.253	2.316	2.343	2.317	2.335	2.457
% Ch	-12.9	5.5	-3.5	11.7	4.7	-4.4	3.1	22.6
Dividends/Int./Rent	34.722	35.336	35.176	34.778	34.793	34.460	34.515	35.730
% Ch	3.1	7.3	-1.8	-4.4	0.2	-3.8	0.6	14.8
Transfer Payments	26.203	26.947	27.302	27.506	28.085	28.643	29.255	29.318
% Ch	-0.5	11.9	5.4	3.0	8.7	8.2	8.8	0.9
State U.I. Benefits	2.072	2.525	2.580	2.399	2.462	2.427	2.468	2.357
% Ch	112.6	120.5	9.0	-25.2	10.9	-5.6	6.9	-16.8
Other Transfers	24.131	24.421	24.722	25.106	25.623	26.216	26.787	26.961
% Ch	-6.2	4.9	5.0	6.4	8.5	9.6	9.0	2.6

Table A3.4
Washington Personal Income by Component
 Forecast 2004 to 2007

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Personal Income	208.640	212.774	215.962	218.794	221.411	224.003	227.578	229.864
% Ch	6.0	8.2	6.1	5.3	4.9	4.8	6.5	4.1
Total Wage and Salary Disbursements	115.118	117.881	120.027	121.816	123.394	125.047	127.569	128.533
% Ch	5.8	10.0	7.5	6.1	5.3	5.5	8.3	3.1
Manufacturing	13.641	13.709	13.813	13.822	14.203	14.292	14.438	14.639
% Ch	2.6	2.0	3.1	0.3	11.5	2.5	4.1	5.7
Nondurable Manufacturing	10.136	10.200	10.296	10.302	10.676	10.744	10.874	11.039
% Ch	2.3	2.6	3.8	0.2	15.3	2.6	4.9	6.2
Durable Manufacturing	3.505	3.508	3.517	3.520	3.527	3.548	3.564	3.600
% Ch	3.4	0.4	1.0	0.3	0.8	2.4	1.9	4.1
Nonmanufacturing	96.448	99.093	101.094	102.835	103.904	105.434	107.779	108.504
% Ch	5.8	11.4	8.3	7.1	4.2	6.0	9.2	2.7
Other Private Wages	1.143	1.160	1.178	1.196	1.216	1.232	1.249	1.268
% Ch	6.0	6.0	6.3	6.3	6.7	5.5	5.7	6.2
Farm Wages	1.144	1.160	1.172	1.184	1.197	1.208	1.219	1.232
% Ch	6.0	6.0	4.0	4.1	4.4	3.7	3.9	4.1
Military Wages	2.742	2.759	2.770	2.779	2.874	2.881	2.883	2.890
% Ch	21.1	2.4	1.6	1.4	14.4	0.9	0.4	0.9
Nonwage Personal Income	93.522	94.893	95.935	96.979	98.017	98.956	100.010	101.331
% Ch	6.4	6.0	4.5	4.4	4.4	3.9	4.3	5.4
Supplements to Wages and Salaries	26.534	26.988	27.289	27.626	28.169	28.411	28.729	29.064
% Ch	14.7	7.0	4.5	5.0	8.1	3.5	4.5	4.8
Proprietor's Income	18.631	19.179	19.517	19.911	20.276	20.559	20.813	21.037
% Ch	13.9	12.3	7.2	8.3	7.5	5.7	5.0	4.4
Farm	0.354	0.394	0.411	0.438	0.477	0.505	0.538	0.569
% Ch	-36.2	54.2	18.5	28.5	40.9	25.5	29.1	24.4
Nonfarm	18.277	18.784	19.105	19.473	19.798	20.054	20.275	20.468
% Ch	15.3	11.6	7.0	7.9	6.9	5.3	4.5	3.9
Less: Contribution For Govt. Soc. Ins.	19.647	19.782	20.049	20.337	20.912	21.050	21.199	21.445
% Ch	12.1	2.8	5.5	5.9	11.8	2.7	2.9	4.7
Plus: Residence Adjustment	2.556	2.628	2.677	2.720	2.759	2.793	2.826	2.856
% Ch	17.2	11.6	7.7	6.6	5.8	5.1	4.8	4.2
Dividends/Int./Rent	36.039	36.208	36.516	36.850	37.168	37.565	38.043	38.710
% Ch	3.5	1.9	3.5	3.7	3.5	4.3	5.2	7.2
Transfer Payments	29.408	29.673	29.985	30.208	30.558	30.678	30.798	31.109
% Ch	1.2	3.6	4.3	3.0	4.7	1.6	1.6	4.1
State U.I. Benefits	1.960	1.869	1.838	1.635	1.447	1.199	0.962	0.940
% Ch	-52.2	-17.3	-6.4	-37.4	-38.5	-52.9	-58.6	-8.5
Other Transfers	27.449	27.804	28.148	28.574	29.111	29.479	29.836	30.169
% Ch	7.4	5.3	5.0	6.2	7.7	5.2	4.9	4.5

Table A3.4
Washington Personal Income by Component
 Forecast 2004 to 2007

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Personal Income	233.252	236.960	243.318	244.718	248.629	252.496	259.388	260.162
% Ch	6.0	6.5	11.2	2.3	6.5	6.4	11.4	1.2
Total Wage and Salary Disbursements	130.342	132.317	136.818	136.547	138.879	141.068	146.260	145.337
% Ch	5.7	6.2	14.3	-0.8	7.0	6.5	15.6	-2.5
Manufacturing	14.910	15.203	15.492	15.790	16.087	16.355	16.628	16.899
% Ch	7.6	8.1	7.8	7.9	7.7	6.8	6.8	6.7
Nondurable Manufacturing	11.265	11.500	11.725	11.957	12.191	12.411	12.634	12.859
% Ch	8.4	8.6	8.1	8.2	8.1	7.4	7.4	7.3
Durable Manufacturing	3.645	3.702	3.767	3.833	3.896	3.944	3.994	4.040
% Ch	5.1	6.5	7.1	7.3	6.7	5.1	5.1	4.7
Nonmanufacturing	109.914	111.548	115.710	115.089	116.989	118.856	123.722	122.475
% Ch	5.3	6.1	15.8	-2.1	6.8	6.5	17.4	-4.0
Other Private Wages	1.292	1.315	1.341	1.365	1.390	1.415	1.439	1.463
% Ch	7.5	7.6	7.9	7.5	7.5	7.3	7.1	6.9
Farm Wages	1.247	1.262	1.279	1.295	1.312	1.328	1.344	1.361
% Ch	5.0	5.1	5.3	5.2	5.2	5.1	5.0	5.0
Military Wages	2.980	2.988	2.997	3.008	3.101	3.114	3.126	3.139
% Ch	13.0	1.2	1.1	1.4	13.0	1.6	1.6	1.7
Nonwage Personal Income	102.910	104.643	106.500	108.171	109.750	111.428	113.128	114.825
% Ch	6.4	6.9	7.3	6.4	6.0	6.3	6.2	6.1
Supplements to Wages and Salaries	29.796	30.231	30.678	31.178	31.716	32.143	32.539	32.965
% Ch	10.5	6.0	6.1	6.7	7.1	5.5	5.0	5.3
Proprietor's Income	21.349	21.630	21.968	22.325	22.685	23.061	23.398	23.712
% Ch	6.1	5.4	6.4	6.7	6.6	6.8	6.0	5.5
Farm	0.583	0.592	0.594	0.606	0.612	0.621	0.628	0.634
% Ch	10.4	6.3	1.3	8.4	3.9	6.4	4.2	4.0
Nonfarm	20.766	21.039	21.374	21.719	22.073	22.440	22.770	23.078
% Ch	6.0	5.4	6.5	6.6	6.7	6.8	6.0	5.5
Less: Contribution For Govt. Soc. Ins.	22.441	22.713	23.038	23.389	23.946	24.205	24.465	24.786
% Ch	19.9	4.9	5.8	6.2	9.9	4.4	4.4	5.3
Plus: Residence Adjustment	2.887	2.920	2.957	2.995	3.033	3.072	3.110	3.149
% Ch	4.5	4.7	5.1	5.3	5.2	5.2	5.1	5.0
Dividends/Int./Rent	39.399	40.109	40.800	41.495	42.143	42.808	43.533	44.294
% Ch	7.3	7.4	7.1	7.0	6.4	6.5	6.9	7.2
Transfer Payments	31.920	32.465	33.135	33.568	34.118	34.549	35.014	35.491
% Ch	10.8	7.0	8.5	5.3	6.7	5.1	5.5	5.6
State U.I. Benefits	0.929	0.919	0.913	0.910	0.904	0.899	0.896	0.896
% Ch	-4.9	-4.2	-2.6	-1.4	-2.5	-2.1	-1.4	0.0
Other Transfers	30.991	31.547	32.223	32.659	33.214	33.650	34.118	34.595
% Ch	11.4	7.4	8.9	5.5	7.0	5.3	5.7	5.7

Table A4.1
Selected Inflation Indicators
 (Deflator 2000=1.0; CPI 1982-84=1.0)

	Price Deflator*		U.S. CPI#		Seattle CPI+	
	Index	Percent Change	Index	Percent Change	Index	Percent Change
1967	0.232	2.5	0.334	2.8	0.328	2.9
1968	0.241	3.9	0.348	4.2	0.342	4.1
1969	0.253	4.6	0.367	5.4	0.358	4.8
1970	0.264	4.7	0.388	5.9	0.374	4.5
1971	0.276	4.2	0.405	4.2	0.382	2.1
1972	0.285	3.5	0.418	3.3	0.393	2.9
1973	0.301	5.5	0.444	6.3	0.418	6.4
1974	0.332	10.3	0.493	11.0	0.464	11.0
1975	0.359	8.3	0.538	9.1	0.511	10.2
1976	0.379	5.6	0.569	5.8	0.539	5.5
1977	0.404	6.5	0.606	6.5	0.583	8.0
1978	0.432	7.0	0.652	7.6	0.640	9.9
1979	0.471	8.8	0.726	11.3	0.709	10.8
1980	0.521	10.7	0.824	13.5	0.827	16.7
1981	0.567	8.9	0.909	10.4	0.916	10.8
1982	0.598	5.5	0.965	6.2	0.978	6.7
1983	0.624	4.3	0.996	3.2	0.993	1.5
1984	0.648	3.8	1.039	4.4	1.030	3.8
1985	0.669	3.3	1.076	3.5	1.056	2.5
1986	0.686	2.4	1.097	1.9	1.066	1.0
1987	0.709	3.5	1.136	3.6	1.092	2.4
1988	0.737	4.0	1.183	4.1	1.128	3.3
1989	0.770	4.4	1.239	4.8	1.181	4.7
1990	0.805	4.6	1.307	5.4	1.268	7.3
1991	0.834	3.6	1.362	4.2	1.341	5.8
1992	0.858	2.9	1.403	3.0	1.390	3.7
1993	0.878	2.3	1.445	3.0	1.429	2.8
1994	0.896	2.1	1.482	2.6	1.478	3.4
1995	0.916	2.1	1.524	2.8	1.522	3.0
1996	0.935	2.2	1.569	2.9	1.575	3.4
1997	0.951	1.7	1.605	2.3	1.630	3.5
1998	0.960	0.9	1.630	1.5	1.677	2.9
1999	0.976	1.7	1.666	2.2	1.728	3.0
2000	1.000	2.5	1.722	3.4	1.792	3.7
2001	1.020	2.0	1.770	2.8	1.857	3.6
2002	1.034	1.4	1.799	1.6	1.893	2.0
2003	1.053	1.8	1.839	2.3	1.924	1.6
Forecast						
2004	1.074	2.0	1.879	2.2	1.948	1.3
2005	1.091	1.5	1.907	1.5	1.976	1.4
2006	1.108	1.6	1.934	1.4	2.007	1.6
2007	1.132	2.1	1.971	1.9	2.053	2.3

* Chain-Weight Implicit Price Deflator for Personal Consumption Expenditures

Consumer Price Index for all Urban Consumers

+ Consumer Price Index for the Seattle-Tacoma-Bremerton, WA CMSA

Consumer Price Index and Implicit Price Deflator values shown here are annual averages of seasonally adjusted quarterly data and may differ slightly from the annual values published by the Bureau of Labor Statistics and Bureau of Economic Analysis.

Table A4.2
Chain-Weighted Price Indices
 (2000=1.0)

	Services		Food		Fuels		Gasoline	
	Index	Percent Change	Index	Percent Change	Index	Percent Change	Index	Percent Change
1967	18.349	3.0	23.023	1.6	12.295	3.2	20.700	3.3
1968	19.128	4.2	23.865	3.7	12.668	3.0	21.005	1.5
1969	20.106	5.1	25.031	4.9	12.959	2.3	21.696	3.3
1970	21.175	5.3	26.549	6.1	13.507	4.2	21.890	0.9
1971	22.340	5.5	27.384	3.1	14.417	6.7	22.050	0.7
1972	23.304	4.3	28.610	4.5	14.535	0.8	22.336	1.3
1973	24.381	4.6	31.742	10.9	16.633	14.4	24.473	9.6
1974	26.344	8.1	36.234	14.2	26.327	58.3	33.059	35.1
1975	28.596	8.5	39.106	7.9	28.862	9.6	35.279	6.7
1976	30.604	7.0	40.393	3.3	30.822	6.8	36.777	4.2
1977	32.933	7.6	42.920	6.3	34.781	12.8	38.907	5.8
1978	35.464	7.7	46.832	9.1	36.559	5.1	40.597	4.3
1979	38.316	8.0	51.496	10.0	48.977	34.0	54.406	34.0
1980	42.332	10.5	55.992	8.7	68.177	39.2	75.509	38.8
1981	46.746	10.4	60.254	7.6	82.998	21.7	84.017	11.3
1982	50.528	8.1	62.372	3.5	82.044	-1.1	79.768	-5.1
1983	53.799	6.5	63.699	2.1	77.109	-6.0	77.160	-3.3
1984	56.680	5.4	65.827	3.3	78.867	2.3	76.005	-1.5
1985	59.295	4.6	67.164	2.0	76.147	-3.4	76.619	0.8
1986	62.040	4.6	69.105	2.9	61.413	-19.3	60.175	-21.5
1987	64.299	3.6	71.395	3.3	61.478	0.1	62.488	3.8
1988	67.493	5.0	73.805	3.4	61.646	0.3	63.017	0.8
1989	70.708	4.8	77.477	5.0	64.403	4.5	68.837	9.2
1990	74.197	4.9	81.183	4.8	76.919	19.4	78.385	13.9
1991	77.497	4.4	83.938	3.4	74.496	-3.1	77.338	-1.3
1992	80.684	4.1	84.948	1.2	71.832	-3.6	77.040	-0.4
1993	83.345	3.3	86.249	1.5	71.587	-0.3	76.257	-1.0
1994	85.748	2.9	87.679	1.7	70.417	-1.6	76.614	0.5
1995	88.320	3.0	89.573	2.2	69.905	-0.7	77.826	1.6
1996	90.844	2.9	92.090	2.8	77.835	11.3	82.597	6.1
1997	93.305	2.7	94.197	2.3	78.644	1.0	82.579	-0.0
1998	95.319	2.2	95.868	1.8	71.779	-8.7	71.874	-13.0
1999	97.393	2.2	97.711	1.9	72.656	1.2	78.207	8.8
2000	100.000	2.7	100.000	2.3	100.000	37.6	100.000	27.9
2001	103.168	3.2	102.944	2.9	101.695	1.7	96.337	-3.7
2002	105.946	2.7	104.941	1.9	91.778	-9.8	90.415	-6.1
2003	109.007	2.9	106.966	1.9	110.164	20.0	105.259	16.4
Forecast								
2004	111.790	2.6	110.381	3.2	111.934	1.6	112.636	7.0
2005	114.598	2.5	111.815	1.3	106.761	-4.6	103.098	-8.5
2006	117.396	2.4	113.216	1.3	102.344	-4.1	97.185	-5.7
2007	120.710	2.8	115.169	1.7	104.564	2.2	97.894	0.7

Table A5.1

Washington Resident Population and Components of Change*

(Thousands)

	<u>Population</u>	<u>Change</u>	<u>Percent Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Net Migration</u>
1970	3413.2	16.2	0.5	59.9	30.0	-13.7
1971	3436.3	23.1	0.7	60.0	29.8	-7.1
1972	3430.3	-6.0	-0.2	53.1	30.4	-28.7
1973	3444.3	14.0	0.4	47.7	30.4	-3.3
1974	3508.7	64.4	1.9	48.2	29.9	46.1
1975	3567.9	59.2	1.7	50.1	30.3	39.4
1976	3634.9	67.0	1.9	51.4	30.2	45.8
1977	3715.4	80.5	2.2	54.2	29.1	55.4
1978	3836.2	120.8	3.3	57.3	30.4	93.9
1979	3979.2	143.0	3.7	60.2	30.2	113.0
1980	4132.2	153.0	3.8	65.4	31.3	118.9
1981	4229.3	97.1	2.4	68.2	31.8	60.8
1982	4276.5	47.3	1.1	70.1	31.7	8.9
1983	4307.2	30.7	0.7	69.5	32.5	-6.2
1984	4354.1	46.8	1.1	68.5	33.2	11.6
1985	4415.8	61.7	1.4	69.1	34.0	26.6
1986	4462.2	46.4	1.1	70.2	34.0	10.2
1987	4527.1	64.9	1.5	69.3	34.4	30.0
1988	4616.9	89.8	2.0	71.0	36.0	54.8
1989	4728.1	111.2	2.4	73.0	36.0	74.2
1990	4866.7	138.6	2.9	76.4	36.2	98.5
1991	5021.3	154.6	3.2	79.1	36.6	112.1
1992	5141.2	119.8	2.4	80.2	37.2	76.8
1993	5265.7	124.5	2.4	79.1	39.4	84.8
1994	5364.3	98.6	1.9	78.2	39.5	60.0
1995	5470.1	105.8	2.0	77.5	40.0	68.3
1996	5567.8	97.7	1.8	77.0	41.2	61.8
1997	5663.8	96.0	1.7	78.0	42.6	60.6
1998	5750.0	86.3	1.5	78.8	41.6	49.0
1999	5830.8	80.8	1.4	79.8	43.1	44.2
2000	5894.1	63.3	1.1	79.9	43.7	27.2
2001	5974.9	80.8	1.4	80.7	43.9	44.0
2002	6041.7	66.8	1.1	79.3	44.9	32.4
2003	6098.3	56.6	0.9	78.9	45.4	23.1
Forecast						
2004	6163.6	65.3	1.1	81.2	46.9	31.1
2005	6233.1	69.5	1.1	82.8	47.7	34.4
2006	6310.6	77.5	1.2	84.5	48.3	41.4
2007	6389.5	78.9	1.3	85.3	49.0	42.6

* As of April 1 of Each Year

Source: Office of Financial Management

Table A5.2
Washington Population*
 (Thousands)

	Actual		Forecast			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total Population	6041.7	6098.3	6163.6	6233.1	6310.6	6389.5
Percent Change	1.1	0.9	1.1	1.1	1.2	1.3
Age 17 and Under	1522.8	1520.2	1521.1	1526.0	1533.0	1540.3
Percent of Total	25.2	24.9	24.7	24.5	24.3	24.1
Age 6-18	1130.0	1128.3	1127.8	1127.6	1129.2	1131.9
Percent of Total	18.7	18.5	18.3	18.1	17.9	17.7
Age 18 and Over	4518.9	4578.1	4642.5	4707.1	4777.6	4849.2
Percent of Total	74.8	75.1	75.3	75.5	75.7	75.9
Age 21 and Over	4257.2	4313.9	4376.1	4439.5	4507.8	4578.0
Percent of Total	70.5	70.7	71.0	71.2	71.4	71.6
Age 20-34	1255.0	1263.6	1272.3	1276.0	1286.6	1302.5
Percent of Total	20.8	20.7	20.6	20.5	20.4	20.4
Age 18-64	3841.7	3891.7	3946.8	4000.1	4057.8	4113.4
Percent of Total	63.6	63.8	64.0	64.2	64.3	64.4
Age 65 and Over	677.2	686.4	695.6	707.0	719.8	735.7
Percent of Total	11.2	11.3	11.3	11.3	11.4	11.5

* As of April 1 of Each Year

Source: Office of Financial Management

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Glossary

Biennium: The state's two years budget cycle. The 1997-1999 biennium started on July 1, 1997 and ends June 30, 1999. The current 1999-2001 biennium started July 1, 1999 and ends June 30, 2001.

Cash Basis: Cash receipts received during a period. The Forecast Council forecasts revenues on a Cash and GAAP (Generally Accepted Accounting Principles) basis.

CPI: The Consumer Price Index for All Urban Consumers. The Bureau of Labor Statistics (BLS) updates the CPI monthly, surveying over 60,000 goods in 85 urban areas. The BLS also produces a bi-monthly Seattle-Tacoma-Bremerton CPI.

Tax Elasticity: A measure of how tax revenues respond to changes in personal income. If tax revenue elasticity is greater than one, a one percent change in personal income will be associated with more than a one percent increase in tax revenues. If elasticity is less than one, a one percent increase in personal income will be associated with less than a one percent increase in tax revenues.

Fiscal Year: The state's budget year. Washington State's fiscal year runs from July 1 through June 30. Fiscal year 1999, for example, ran from July 1, 1998 through June 30, 1999.

GAAP Basis: Generally Accepted Accounting Principles measure revenue in the period during which they accrue rather than the period in which they are received.

General Fund: Accounts for all financial resources and transactions not accounted for in another fund.

General Fund-State Revenue: Resources from state sources only, excludes federal monies.

Implicit Price Deflator for Personal Consumption Expenditures (IPD): The IPD is a by-product of the National Income and Product Accounts. It is derived by dividing current dollar (nominal) consumer expenditures by constant dollar (real) consumer expenditures.

Mortgage Rate: The average interest rate on 25 year conventional loan (as reported by the Federal Home Loan Bank Board).

Non-Wage Income: Personal income other than from wages and salaries. The major components are: proprietor's income, transfer payments, and dividends, interest and rent.

Real GDP: Gross Domestic Production adjusted for the price level.

Personal Income: Income from wages and salaries; other labor income; proprietor's income; dividends, interest and rent; transfer payments; and a residence adjustment. It is reduced by employee contributions for social insurance.

Seasonally Adjusted: Adjusted for normal seasonal variations. Monthly statistics, such as the unemployment rate, are seasonally adjusted to make month-to-month comparisons possible.

Wage and Salary Employment: Civilian nonfarm payroll employees. The self-employed, farm workers, members of the armed forces, private household employees, and workers on strike are excluded.