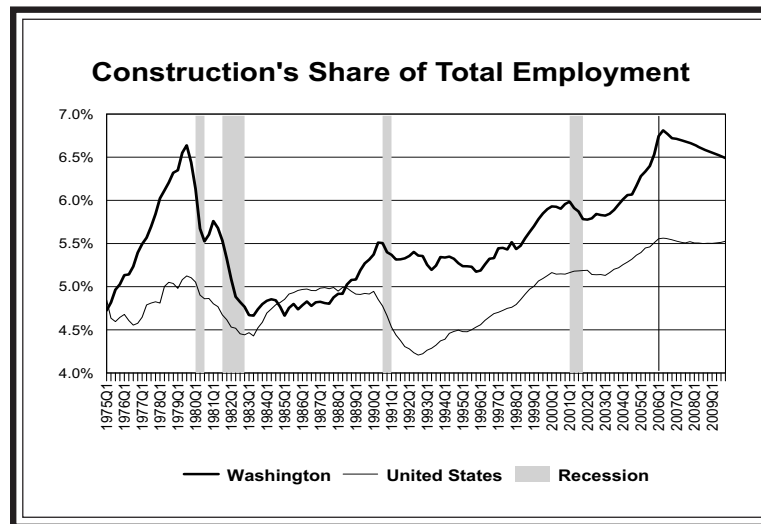


Washington Economic and Revenue Forecast



June 2006
Volume XXIX, No. 2

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Explanation of the Cover Graph

Bolstered primarily by a hot housing market, Washington's construction employment growth has averaged 8.1 percent per year since mid-2003. The current level of construction employment is a record not only in absolute terms, but also as a percentage of total employment. Construction employment currently accounts for 6.7 percent of total nonfarm employment, surpassing the previous peak of 6.6 percent reached in the late 1970s. Higher interest rates are expected to depress single family activity in the future but strong migration into Washington should boost multi-family activity. In addition, nonresidential construction is expected to continue to expand. The forecast assumes that construction employment will continue to grow but at a slower rate than the overall economy.

This publication is available on the Internet at <http://www.erfc.wa.gov>

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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June 2006

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Executive Summary

U.S. Economic Forecast

The June 2006 economic and revenue forecast incorporated the advance GDP estimate for the first quarter of 2006. According to the advance estimate, real GDP grew at a 4.8 percent rate in the first quarter of 2006, up sharply from 1.7 percent in the fourth quarter of 2005. The rebound in final sales was even sharper, from a negative 0.2 percent to a positive 5.4 percent. The strong first quarter was expected as the economy bounced back from the weak fourth quarter. Personal consumption expenditures grew at a 5.5 percent annual rate in the first quarter led by a 20.6 percent surge in purchases of durable goods. Fixed investment grew at a strong 9.9 percent rate in the first quarter, mainly as a result of a 16.4 percent increase in business spending on equipment and software. The 3.9 percent increase in government purchases in the first quarter was mostly due to a 10.3 percent jump in military spending. Net exports subtracted 0.8 percentage points from GDP growth in the first quarter as a 13.0 percent increase in imports more than offset a 12.1 percent increase in exports.

Payroll employment growth improved to 1.7 percent in the first quarter from 1.2 percent in the fourth quarter. This apparent improvement mainly reflects the adverse impact of Katrina on fourth quarter employment. Excluding Louisiana, national employment growth slowed slightly to 1.6 percent from 1.7 percent. The unemployment rate declined from 4.93 percent in the fourth quarter to 4.73 percent in the first quarter. Inflation, as measured by the Consumer Price Index, eased to 2.2 percent in the first quarter of 2006 following increases of 5.5 percent and 3.2 percent in the final two quarters of 2005. The improvement was due to moderating energy cost increases. Core inflation, which excludes food and energy, was unchanged at 2.4 percent in the first quarter. Housing starts climbed at a 14.8 percent rate in the first quarter reaching a nearly 33-year-high 2.131 million units while the mortgage rate edged up to 6.24 percent from 6.22 percent. On March 28th the Federal Open Market Committee raised its target for the federal funds rate by 25 basis points to 4.75 percent.

U.S. economic growth bounced back to a 4.8 percent pace in the first quarter, but is expected to slow over the rest of the year, dipping below 3.0 percent in the second half. Growth should ease as the housing market cools and consumers begin to exhibit more caution. Strong news on growth around the world is fanning inflation fears and pushing up global bond yields, which probably have further to rise. Oil prices at \$70/barrel are complicating the outlook by threatening to fuel inflation and undermine economic growth at the same time. The forecast expects GDP growth to slow from 3.5 percent in 2005 to 3.3 percent this year and 2.7 percent in 2007. GDP growth is expected to pick up to 3.2 percent and 3.3 percent in 2008 and 2009. Nonfarm payroll employment growth improved to 1.5 percent in 2005 from 1.1 percent in 2004. The forecast assumes a slowing trend in employment growth as the recovery matures. Employment is expected to grow 1.5 percent again this year followed by increases of 1.4 percent, 1.4 percent, and 1.2

percent in 2007, 2008, and 2009. The unemployment rate also improved in 2005, declining to 5.06 percent from 5.52 percent in 2004 and 6.00 percent in 2003. With the economy expected to grow at about its potential rate during the next four years, the unemployment rate should be fairly stable. The forecast calls for unemployment rates of 4.70 percent this year, 4.83 percent in 2007, 4.81 percent in 2008, and 4.65 percent in 2009. Inflation, as measured by the implicit price deflator for personal consumption expenditures, accelerated to 2.8 percent in 2005 from 2.6 percent in 2004. Rising energy costs continue to boost overall inflation. Excluding food and energy, inflation was unchanged at 2.0 percent in 2005. Energy will add to inflation again this year but will help restrain inflation during the next three years as energy prices finally decline. The forecast expects an inflation rate of 2.6 percent this year, 1.6 percent in 2007, 1.7 percent in 2008, and 1.6 percent in 2009. Inflation risks suggest that the Federal Reserve has not finished raising interest rates. The forecast anticipates two more hikes in the federal funds rate, to 5.00 percent in May and to 5.25 percent at the end of June.

Washington State Economic Forecast

The state's employment growth rate jumped to 5.2 percent in the first quarter of 2006 from a strong 3.6 percent rate in the fourth quarter. The fourth quarter growth rate was distorted by the Boeing-IAM labor dispute, which reduced average employment in the third quarter by 5,300. Excluding this transitory impact, employment growth in the fourth quarter would have been 2.8 percent. Manufacturing employment rose at a 4.7 percent rate in the first quarter, led by aerospace employment which rose at a 7.9 percent rate. Manufacturing employment other than aerospace was also strong, rising at a 3.6 percent rate. Employment in every major nonmanufacturing sector also expanded in the first quarter led by construction employment which rose at a blistering 19.6 percent rate. Information employment grew 10.9 percent led by a 17.3 percent increase in software employment. Information other than software was also strong, rising at a 6.2 percent rate. Leisure and hospitality; professional and business services; and trade, transportation, and utilities were also strong, rising 7.0 percent, 6.1 percent, and 6.0 percent. Other services, education and health services, and financial activities posted more moderate increases at 2.9 percent, 1.5 percent, and 0.8 percent. In the public sector, state and local government employment rose at a 1.5 percent rate while federal government employment edged up 0.8 percent.

Washington's personal income in the fourth quarter of 2005 was \$1.037 billion (0.5 percent) lower than the estimate made in February. Total wages were \$1.026 billion (0.8 percent) lower than expected in February. Software wages were \$0.230 billion (4.7 percent) higher than expected but non-software wages were \$1.256 billion (1.0 percent) lower. Nonwage personal income was \$0.010 billion (0.0 percent) above the February estimate for the fourth quarter. The forecast assumes that income growth jumped to 8.1 percent in the first quarter of 2006 from 1.5 percent in the fourth quarter of 2005. Stock awards and bonuses in the software industry artificially inflated the third quarter, however, which depressed the fourth quarter growth rate. Excluding software wages, income growth in the first quarter would still have improved to 9.1 percent from 5.2 percent in the fourth quarter. Supported by strong employment growth, the forecast assumes wages grew at a healthy 7.9 percent rate in the first quarter. The forecast also assumes that income other than wages grew at an 8.4 percent rate.

The number of housing units authorized by building permit fell 10,200 in the first quarter of 2006 to 47,500 from 57,700 in the fourth quarter. This was the weakest showing for housing permits in Washington in two years. Single-family permits fell 7,800 to 35,800 and multi-family permits fell 2,300 to 11,700.

The forecast also reflects Seattle consumer price data through April. After trailing the national average during 2002, 2003, and 2004, December-December Seattle core inflation (excluding food and energy) edged ahead of the national average, rising 2.3 percent compared to 2.2 percent. During the first four

months of 2006 core inflation in Seattle shot up at an annual rate of 6.0 percent, twice the 3.0 percent U.S. rate. Because energy rose less locally than elsewhere in the U.S., the gap in overall inflation was smaller. The overall Seattle CPI rose at an annual rate of 6.2 percent in the first four months of the year compared to 5.1 percent for the U.S. city average.

The Washington aerospace employment forecast incorporates a downward revision of 1,800 to the April 2006 level due to a revision in the historical data and weaker than expected growth. The forecast expects another 8,900 new aerospace jobs by mid-2008 when it is expected to level off at 80,700. This is still 32,400 (28.7 percent) lower than the previous peak in June 1998. The software wage forecast is essentially unchanged since February. Software employment is expected to grow about 7,300 from now through the end of 2009 which translates into a growth rate of 2,000 jobs per year. Higher interest rates will have an adverse impact on the Washington housing market but this will be offset by strong population growth. In addition, nonresidential construction is expected to recover. Overall Washington construction employment is expected to continue to expand but at a much reduced rate.

Washington nonfarm payroll employment growth accelerated to 2.8 percent in 2005 from 1.6 percent in 2004 and just 0.1 percent in 2003. An even stronger year is expected in 2006 with employment growth increasing to 3.4 percent. Weaker growth is expected during the next three years as the U.S. expansion matures and the aerospace expansion slows down. The forecast calls for employment growth rates of 2.4 percent, 2.1 percent, and 1.7 percent in 2007, 2008, and 2009. Washington personal income growth declined to 2.9 percent in 2005 from 7.6 percent in 2004. Microsoft's special dividend in November 2004 temporarily boosted Washington personal income by nearly 3 percentage points. Without the special dividend in 2004, growth would have accelerated in 2005 to 5.6 percent from 4.9 percent in 2004. The forecast expects even stronger income growth during the next four years. Growth is expected to climb to 7.1 percent per year this year and next year, declining to 6.7 percent and 6.4 percent in 2008 and 2009. Housing permits increased 2,900 in 2005 to 53,000, which is the highest annual total since 1978. The strength in housing has been mostly in the single-family market, which continues to benefit from low mortgage rates. Higher mortgage rates are expected to depress the single-family market during the next four years. Offsetting this will be stronger population growth, which should boost multi-family activity. The forecast expects total housing permits to dip to 48,900 in 2006 before edging up to 50,400 in 2007. Permits are expected to decline to 49,200 in 2008 and 46,700 in 2009 as population growth subsides. Inflation, as measured by the Seattle CPI, jumped to 2.8 percent in 2005 from 1.2 percent in 2004. Core inflation (excluding food and energy) was more moderate, rising at a 1.8 percent rate in 2005. Still, this is up from core inflation rates of 0.7 percent and 0.2 percent in 2003 and 2004. While core inflation should continue to edge up due to the strengthening economy, energy prices are expected to fall. As a result, overall inflation should remain moderate during the next four years. The forecast expects the Seattle CPI to rise 3.2 percent, 2.0 percent, 2.1 percent, and 1.7 percent in 2006, 2007, 2008, and 2009.

Washington State Revenue Forecast

The June revenue forecast update reflects a slightly stronger U.S. economic outlook as well as better than expected job growth in Washington during the first four months of 2006. The main reason for the large revenue forecast increase is very strong revenue collection experience during the four months since the last forecast was released. Once again, construction and real estate related revenue sources accounted for the majority of the forecast increase.

The June 2006 General Fund-State revenue estimate for the 2005-07 biennium is \$26,967.0 million. The new forecast is \$523.9 million more than expected in February of which \$135.5 million is due to higher than expected revenue collections during the last four months. The forecast for the 2007-09 biennium

is \$29,463.3 million, which is \$435.6 million higher than expected in February. The forecast changes include a \$5.7 million non-economic increase in 2005-07 and a \$111.9 million non-economic reduction in 2007-09.

As required by law, optimistic and pessimistic alternative forecasts were developed for the 2005-07 biennium. The forecast based on more optimistic economic assumptions netted \$491 million (1.8 percent) more revenue than did the baseline while the pessimistic alternative was \$566 million (2.1 percent) lower. An alternative forecast based on the average view of the Governor's Council of Economic Advisors yielded \$68 million (0.3 percent) less 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.

Washington State and U.S. Economic Forecasts

Recent U.S. Economic Activity

The June 2006 economic and revenue forecast incorporated the advance GDP estimate for the first quarter of 2006. According to the advance estimate, real GDP grew at a 4.8 percent rate in the first quarter of 2006, up sharply from 1.7 percent in the fourth quarter of 2005. The rebound in final sales was even sharper, from a negative 0.2 percent to a positive 5.4 percent. The strong first quarter was expected as the economy bounced back from the weak fourth quarter. Personal consumption expenditures grew at a 5.5 percent annual rate in the first quarter led by a 20.6 percent surge in purchases of durable goods. Consumer purchases of nondurable goods rose 5.4 percent while spending on consumer services increased 2.8 percent. Fixed investment grew at a strong 9.9 percent rate in the first quarter, mainly as a result of a 16.4 percent increase in business spending on equipment and software. Nonresidential construction spending jumped 8.6 percent while residential fixed investment increased 2.6 percent. The 3.9 percent increase in government purchases in the first quarter was mostly due to a 10.3 percent jump in military spending. Federal nondefense spending was also strong, rising at an 11.7 percent rate but state and local government purchases were unchanged. Net exports subtracted 0.8 percentage points from GDP growth in the first quarter as a 13.0 percent increase in imports more than offset a 12.1 percent increase in exports.

Payroll employment growth improved to 1.7 percent in the first quarter from 1.2 percent in the fourth quarter. This apparent improvement mainly reflects the adverse impact of Katrina on fourth quarter employment. Excluding Louisiana, national employment growth slowed slightly to 1.6 percent from 1.7 percent. The unemployment rate declined from 4.93 percent in the fourth quarter to 4.73 percent in the first quarter. Inflation, as measured by the Consumer Price Index, eased to 2.2 percent in the first quarter of 2006 following increases of 5.5 percent and 3.2 percent in the final two quarters of 2005. The improvement was due to moderating energy cost increases. Core inflation, which excludes food and energy, was unchanged at 2.4 percent in the first quarter. Housing starts climbed at a 14.8 percent rate in the first quarter reaching a nearly 33-year-high 2.131 million units while the mortgage rate edged up to 6.24 percent from 6.22 percent. On March 28th the Federal Open Market Committee raised its target for the federal funds rate by 25 basis points to 4.75 percent

U.S. Forecast Highlights

U.S. economic growth bounced back to a 4.8 percent pace in the first quarter, but is expected to slow over the rest of the year, dipping below 3.0 percent in the second half. Growth should ease as the housing

market cools and consumers begin to exhibit more caution. Strong news on growth around the world is fanning inflation fears and pushing up global bond yields, which probably have further to rise. Oil prices at \$70/barrel are complicating the outlook by threatening to fuel inflation and undermine economic growth at the same time. The forecast expects GDP growth to slow from 3.5 percent in 2005 to 3.3 percent this year and 2.7 percent in 2007. GDP growth is expected to pick up to 3.2 percent and 3.3 percent in 2008 and 2009. Nonfarm payroll employment growth improved to 1.5 percent in 2005 from 1.1 percent in 2004. The forecast assumes a slowing trend in employment growth as the recovery matures. Employment is expected to grow 1.5 percent again this year followed by increases of 1.4 percent, 1.4 percent, and 1.2 percent in 2007, 2008, and 2009. The unemployment rate also improved in 2005, declining to 5.06 percent from 5.52 percent in 2004 and 6.00 percent in 2003. With the economy expected to grow at about its potential rate during the next four years, the unemployment rate should be fairly stable. The forecast calls for unemployment rates of 4.70 percent this year, 4.83 percent in 2007, 4.81 percent in 2008, and 4.65 percent in 2009. Inflation, as measured by the implicit price deflator for personal consumption expenditures, accelerated to 2.8 percent in 2005 from 2.6 percent in 2004. Rising energy costs continue to boost overall inflation. Excluding food and energy, inflation was unchanged at 2.0 percent in 2005. Energy will add to inflation again this year but will help restrain inflation during the next three years as energy prices finally decline. The forecast expects an inflation rate of 2.6 percent this year, 1.6 percent in 2007, 1.7 percent in 2008, and 1.6 percent in 2009. Inflation risks suggest that the Federal Reserve has not finished raising interest rates. The forecast anticipates two more hikes in the federal funds rate, to 5.00 percent in May and to 5.25 percent at the end of June.

1. Real GDP growth slowed to 3.7 percent in fiscal 2005 from 4.1 percent in 2004. Growth during the last two years has been primarily driven by consumer spending, business spending on equipment and software, residential fixed investment, and military spending. Increasing trade deficits, however, have cost the economy more than 0.5 percentage points per year in growth. Consumer spending and business spending on equipment and software are expected to be the main contributors to GDP growth in the next four years. The level of defense spending will remain high but the growth rate will slow down. Residential investment growth is expected to turn negative by 2007 but net exports should begin adding to growth by 2008. Overall GDP growth is expected to slow further during the next four years as the economy approaches its potential growth path. The forecast calls for GDP growth rates of 3.4 percent in 2006, 3.0 percent in 2007, 2.9 percent in 2008, and 3.3 percent in 2009.
2. Inflation, as measured by the implicit price deflator for personal consumption expenditures, jumped to 2.7 percent in fiscal 2005 from 2.1 percent in 2004. Surging energy costs continue to add to overall inflation. Core inflation rose at a moderate 2.1 percent in fiscal 2005 following a 1.5 percent increase in 2004. Core inflation is expected to remain moderate this year at 1.9 percent but the addition of food and energy will raise the overall inflation rate to 3.0 percent. Falling energy prices will help keep inflation in check during the final three years of the forecast. The forecast expects overall inflation rates of 1.9 percent in 2007 and 1.6 percent per year in 2008 and 2009.
3. The Fed continued its policy of gradual tightening by raising its target interest rate 25-basis-points in March to 4.75 percent. The forecast assumes two more 25-basis-point increases in May and June bringing the rate to 5.25 percent. The Fed is able to ease somewhat in 2007 as the economy shows signs of cooling. The three-month Treasury bill rate rose to 2.21 percent in fiscal 2005 from a 57-year-low 0.96 percent in fiscal 2004. The forecast expects the T-bill rate to increase to 4.09 percent in 2006 and 5.00 percent in 2007 before easing to 4.59 percent in 2008 and 4.64 percent in 2009. The mortgage rate declined slightly from 5.92 percent in fiscal 2004 to 5.78 percent in

fiscal 2005. The forecast expects the mortgage rate to rise to 6.19 percent, 6.78 percent, 6.73 percent, and 6.93 percent in 2006, 2007, 2008, and 2009.

4. Spurred by low mortgage interest rates, housing activity held up well during the recession and has accelerated in the last four years. Housing starts increased 3.8 percent in fiscal 2005 to 2.019 million units following a 12.4 percent increase in fiscal 2004. This was the highest level of permits since 1973. Not surprisingly, given the low mortgage rates, the strength has been primarily in the single family market. The 1.665 million single family units started in 2005 was the highest ever. Fiscal 2006 is shaping up to be even stronger with a 1.7 percent increase to 2.053 million units. Housing starts are expected to decline over the next three years as interest rates rise. The forecast calls for a 12.7 percent reduction in 2007 to 1.792 million units, a 2.2 percent reduction in 2008 to 1.753 million units, and a 1.2 percent reduction in 2009 to 1.732 million units.
5. The nation's unemployment rate declined in fiscal 2005 to 5.28 percent from 5.81 percent in 2004 and 5.90 percent in 2003. The unemployment rate is expected to drop again this year to 4.84 percent. Little improvement is expected in the next three years as GDP growth slows to its trend rate. The forecast calls for unemployment rates of 4.74 percent in 2007, 4.86 percent in 2008, and 4.71 percent in 2009.
6. The federal budget deficit (national income and product accounts basis) narrowed to \$344.7 billion in fiscal 2005 from a record \$426.0 billion in 2004. The forecast assumes that Congress will not allow all the Bush personal tax reductions to expire as scheduled but will tinker enough to raise federal income tax receipts toward their historical average 8.2 percent of GDP. Continued economic growth should also help reduce deficits in the future. The deficit is expected to improve during the next four years though Hurricane Katrina will add to spending especially in fiscal 2006. The forecast expects the deficit to improve to \$303.8 billion in 2006 and \$268.0 billion in 2007, widening to \$295.3 billion in 2008 and \$290.0 billion in 2009.
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 2005 to an all-time record \$678.0 billion from \$543.3 billion in 2004. The dollar is expected to resume its downward trend which should help restrain imports and boost exports but, with the U.S. economy leading the global recovery, the trade balance will continue to deteriorate for a while. The forecast expects the deficit to grow to \$782.5 billion in 2006 and \$810.0 billion in 2007 before improving somewhat to \$776.0 billion in 2008 and \$717.4 billion in 2009.

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 2006. This forecast is based on adjusted employment estimates as described in Adjustments to Economic Data. The state's employment growth rate jumped to 5.2 percent in the first quarter of 2006 from a strong 3.6 percent rate in the fourth quarter. The fourth quarter growth rate was distorted by the Boeing-IAM labor dispute, which reduced average employment in the third quarter by 5,300. Excluding this transitory impact, employment growth in the fourth quarter would have been 2.8 percent. Manufacturing employment rose at a 4.7 percent rate in the first quarter, led by aerospace employment which rose at a 7.9 percent rate. Manufacturing employment other than aerospace was also strong, rising at a 3.6 percent rate. Employment in every major nonmanufacturing sector also expanded in the first quarter led by construction employment which rose at a blistering 19.6 percent rate. Information employment grew 10.9 percent led

by a 17.3 percent increase in software employment. Information other than software was also strong, rising at a 6.2 percent rate. Leisure and hospitality; professional and business services; and trade, transportation, and utilities were also strong, rising 7.0 percent, 6.1 percent, and 6.0 percent. Other services, education and health services, and financial activities posted more moderate increases at 2.9 percent, 1.5 percent, and 0.8 percent. In the public sector, state and local government employment rose at a 1.5 percent rate while federal government employment edged up 0.8 percent.

In March 2006 the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) revised its quarterly state personal income estimates through the third quarter of 2005 and released preliminary estimates for the fourth quarter. In addition, the wage estimates for 2004 and 2005 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 2005 was \$1.037 billion (0.5 percent) lower than the estimate made in February. Total wages were \$1.026 billion (0.8 percent) lower than expected in February. Software wages were \$0.230 billion (4.7 percent) higher than expected but non-software wages were \$1.256 billion (1.0 percent) lower. Nonwage personal income was \$0.010 billion (0.0 percent) above the February estimate for the fourth quarter. The forecast assumes that income growth jumped to 8.1 percent in the first quarter of 2006 from 1.5 percent in the fourth quarter of 2005. Stock awards and bonuses in the software industry artificially inflated the third quarter, however, which depressed the fourth quarter growth rate. Excluding software wages, income growth in the first quarter would still have improved to 9.1 percent from 5.2 percent in the fourth quarter. Supported by strong employment growth, the forecast assumes wages grew at a healthy 7.9 percent rate in the first quarter. The forecast also assumes that income other than wages grew at an 8.4 percent rate.

The number of housing units authorized by building permit fell 10,200 in the first quarter of 2006 to 47,500 from 57,700 in the fourth quarter. This was the weakest showing for housing permits in Washington in two years. Single-family permits fell 7,800 to 35,800 and multi-family permits fell 2,300 to 11,700.

The forecast also reflects Seattle consumer price data through April. After trailing the national average during 2002, 2003, and 2004, December-December Seattle core inflation (excluding food and energy) edged ahead of the national average, rising 2.3 percent compared to 2.2 percent. During the first four months of 2006 core inflation in Seattle shot up at an annual rate of 6.0 percent, twice the 3.0 percent U.S. rate. Because energy rose less locally than elsewhere in the U.S., the gap in overall inflation was smaller. The overall Seattle CPI rose at an annual rate of 6.2 percent in the first four months of the year compared to 5.1 percent for the U.S. city average.

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 2005 which added 2,000 (0.1 percent) to the BLS Current Employment Statistics (CES) estimate for December 2005. By April 2006 the difference had widened slightly to 3,300 (0.1 percent).

The BEA benchmarks its estimates for wage and salary disbursements to the Quarterly Census of Employment and Wages (QCEW) data for all sectors except agriculture and federal government. We have more up-to-date QCEW data for wages for the fourth quarter of 2004 and for all four quarters of 2005 than were available to the Bureau of Economic Analysis (BEA) at the time of their latest state personal income release. We derived wage estimates for these sectors for the fourth quarter of 2004 and for all four quarters of 2005 based on the QCEW data. Unadjusted BEA estimates were used for farm, federal

civilian, and military wages as well as for all nonwage components of personal income. Our adjustments increased the fourth quarter wage estimate by \$1.334 billion (1.1 percent), adding 0.6 percent to total personal income in that quarter.

Washington State Forecast Highlights

The Washington aerospace employment forecast incorporates a downward revision of 1,800 to the April 2006 level due to a revision in the historical data and weaker than expected growth. The forecast expects another 8,900 new aerospace jobs by mid-2008 when it is expected to level off at 80,700. This is still 32,400 (28.7 percent) lower than the previous peak in June 1998. The software wage forecast is essentially unchanged since February. Software employment is expected to grow about 7,300 from now through the end of 2009 which translates into a growth rate of 2,000 jobs per year. Higher interest rates will have an adverse impact on the Washington housing market but this will be offset by strong population growth. In addition, nonresidential construction is expected to recover. Overall Washington construction employment is expected to continue to expand but at a much reduced rate.

Washington nonfarm payroll employment growth accelerated to 2.8 percent in 2005 from 1.6 percent in 2004 and just 0.1 percent in 2003. An even stronger year is expected in 2006 with employment growth increasing to 3.4 percent. Weaker growth is expected during the next three years as the U.S. expansion matures and the aerospace expansion slows down. The forecast calls for employment growth rates of 2.4 percent, 2.1 percent, and 1.7 percent in 2007, 2008, and 2009. Washington personal income growth declined to 2.9 percent in 2005 from 7.6 percent in 2004. Microsoft's special dividend in November 2004 temporarily boosted Washington personal income by nearly 3 percentage points. Without the special dividend in 2004, growth would have accelerated in 2005 to 5.6 percent from 4.9 percent in 2004. The forecast expects even stronger income growth during the next four years. Growth is expected to climb to 7.1 percent per year this year and next year, declining to 6.7 percent and 6.4 percent in 2008 and 2009. Housing permits increased 2,900 in 2005 to 53,000, which is the highest annual total since 1978. The strength in housing has been mostly in the single-family market, which continues to benefit from low mortgage rates. Higher mortgage rates are expected to depress the single-family market during the next four years. Offsetting this will be stronger population growth, which should boost multi-family activity. The forecast expects total housing permits to dip to 48,900 in 2006 before edging up to 50,400 in 2007. Permits are expected to decline to 49,200 in 2008 and 46,700 in 2009 as population growth subsides. Inflation, as measured by the Seattle CPI, jumped to 2.8 percent in 2005 from 1.2 percent in 2004. Core inflation (excluding food and energy) was more moderate, rising at a 1.8 percent rate in 2005. Still, this is up from core inflation rates of 0.7 percent and 0.2 percent in 2003 and 2004. While core inflation should continue to edge up due to the strengthening economy, energy prices are expected to fall. As a result, overall inflation should remain moderate during the next four years. The forecast expects the Seattle CPI to rise 3.2 percent, 2.0 percent, 2.1 percent, and 1.7 percent in 2006, 2007, 2008, and 2009.

1. Nominal personal income surged 7.9 percent in fiscal 2005 following a 3.7 percent increase in 2004. The strong growth was largely due to the special one-time dividend paid by Microsoft in December 2004. Without the special dividend, growth would have been 5.2 percent in 2005. The improvement in growth in 2005, aside from the special dividend, was primarily due to much stronger employment growth. Declining software stock option income continues to hurt overall income growth. Excluding software wages as well as the special dividend, Washington personal income would have increased 5.9 percent in 2005 rather than 5.2 percent. The forecast expects even stronger income growth in the next two years. Employment growth should remain healthy and average wage growth and nonwage income growth are expected to accelerate. Nominal income growth will accelerate to 6.3 percent in 2006 (excluding the special dividend impact) and 7.4

percent in 2007. Slower income growth is expected for the final two years as the pace of employment growth weakens. The forecast expects growth rates of 6.8 percent in 2008 and 6.6 percent in 2009. Software wages are not expected to have a major impact on income growth in the forecast.

2. Washington real personal income growth jumped to 5.0 percent in fiscal 2005 from 1.6 percent in 2004, again largely because of the special Microsoft dividend in December 2004. Excluding the special dividend, the improvement was more modest, from 1.6 percent to 2.4 percent. Much stronger real personal income growth is expected during the next four years. The forecast calls for real personal income growth rates of 0.6 percent in 2006 (3.2 percent excluding the Microsoft special dividend), 5.4 percent in 2007, and 5.1 percent in 2008, and 4.9 percent in 2009.
3. Total payroll employment in Washington rose 2.4 percent in fiscal 2005 following a gain of just 0.7 percent 2004 and declines in 2003 and 2002. The areas that suffered the most in the recession in Washington were information technology, aerospace, and construction. Construction employment has now moved well beyond its previous peak and continues to grow rapidly. The aerospace sector is expanding again and, with the exception of telecommunications, the IT sector is in recovery. Washington payroll employment growth is expected to peak at 3.2 percent this year. Slower growth is expected during the final three years of the forecast due to weaker U.S. growth, a leveling off of construction employment, and slower aerospace employment growth. The forecast calls for employment growth rates of 2.9 percent in 2007, 2.3 percent in 2008, and 1.9 percent in 2009.

- ◆ As of April 2006, the aerospace recovery has added 10,900 jobs since the trough of the last downturn in May 2004. Previously, 27,300 aerospace jobs had been lost since the September 11 terrorist attacks and 52,300 jobs had been lost since the June 1998 peak. Boeing expects to deliver 395 planes in 2006 which is an increase of 36 percent over the 290 delivered in 2005. Deliveries are expected to increase again in 2007 to between 440 and 445 planes according to Boeing. The strong growth in production in 2006 and 2007 is reflected in the aerospace employment forecast which assumes fourth quarter to fourth quarter employment increases of 5,900 and 3,600. The forecast assumes only 1,500 new aerospace jobs during 2008 and no year-over-year growth in 2009. Aerospace employment is expected to peak at 80,700 which is 32,400 (28.7 percent) lower than the previous peak in June 1998.
- ◆ After more than a decade of robust and sustained growth, employment by Washington's software publishers flattened in mid-2001. The software employment growth rate averaged more than 16 percent per year from the beginning of 1990 through the second quarter of 2001. During the next two years the average annual growth rate slowed to just 0.9 percent. Microsoft continued to grow, albeit at a reduced rate, but other Washington software publishers suffered absolute declines. Since mid-2003, however, growth has picked up to an average rate of 6.3 percent including a 17.3 percent surge in the first quarter of this year. The forecast assumes that Microsoft employment will continue to grow, though not nearly as fast as in the 1990s, and that non-Microsoft software will also grow. Microsoft has announced that it expects to hire 4,000 to 5,000 employees worldwide during the current fiscal year. Microsoft's announcement in February that it will accelerate the planned expansion of its Redmond campus, adding enough office space for about 12,000 employees during the next three years, also bodes well for software employment growth in Washington. The forecast assumes software employment will grow at an average rate of 4.3 percent per year during the remainder of the forecast.
- ◆ Bolstered primarily by a hot housing market, Washington's construction employment growth

has averaged 8.1 percent per year since mid-2003 including a 19.6 percent jump in the first quarter of 2006. Employment is now 29,200 (17.9 percent) higher than at the previous peak in the first quarter of 2001 and 38,900 (25.4 percent) higher than at the trough in the first quarter of 2002. The monthly employment data suggest that the second quarter will grow at a healthy 6.7 percent as well. Higher interest rates are expected to depress single family activity in the future but strong migration into Washington should boost multi-family activity. In addition, nonresidential construction is expected to continue to expand. As a result, the forecast expects construction employment growth to slow down but remain positive. Growth is expected to average just 0.6 percent per year from mid-2006 through the end of 2009.

- ◆ Financial activities employment grew rapidly right through the recession. From the end of 2000 through the third quarter of 2003 growth averaged 2.9 percent per year. The growth was concentrated in credit intermediation and related activities, which clearly benefited by a refinancing boom brought on by the decline in mortgage interest rates during this period. Employment in this sector plateaued when mortgage rates stopped falling in early 2003 but picked up again in the fourth quarter of 2004. Since then, growth has averaged 1.9 percent. Employment growth is projected to remain moderate at an average rate of about 1.9 percent per year during the remainder of the forecast as interest rates rise and the housing market stabilizes.
- ◆ Washington retail trade employment fell farther 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 3.6 percent since its pre-recession peak. Most of the decline was in the miscellaneous “other retail trade” category which includes e-tailing, a clear casualty of the dot-com implosion. After a slow start, the recovery in retail trade employment accelerated during 2005 and early 2006. Retail employment rose at a strong average annual rate of 3.3 percent from the fourth quarter of 2004 through the first quarter of 2006. The forecast expects growth to average 2.6 percent per year through 2008, slowing to an average rate of 0.9 during 2009.
- ◆ Employment in the professional and business services sector plunged 6.6 percent from the end of 2000 through the first quarter of 2002. The 20,300 jobs lost during the recession can be attributed to employment services (mainly temporary help agencies), which fell 14,000 (26.1 percent) and computer systems design and related services, which fell 6,100 (20.0 percent). These areas of weakness have turned around. Employment in computer systems design and related services has increased 9.9 percent during the last year while employment services employment is up 12.2 percent over the year and 33.9 percent in the last two and a half years. Largely as a result of this turnaround, overall professional and business services employment growth has averaged 4.7 percent per year since mid-2003. The forecast expects fairly strong growth averaging 4.1 percent per year through the end of 2009.
- ◆ 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. From the end of 2000 through the end of 2002, employment grew at an average rate of 1.9 percent per year (excluding the impact of the reclassification of tribal government employment in January 2001). During the next three years growth slowed to an average rate of 0.6 percent per year and just 0.2 percent per year excluding the small but rapidly expanding tribal government sector. The forecast assumes some improvement as state and local government budgets recover and tribal government employment should continue to grow rapidly but growth will be restrained by slow school age population growth. The forecast expects an average

growth rate of 1.8 percent per year from the fourth quarter of 2005 through the end of 2009 (1.5 percent per year excluding tribal employment).

4. The number of housing units authorized by building permit in Washington rose 17.2 percent in fiscal 2005 to 52,000 units following increases of 13.9 percent and 4.1 percent in 2003 and 2004. The strength in housing has been mainly in the single family market which has benefited from record low mortgage interest rates. Single family permits increased 11.6 percent in 2005 to a 27 year high 38,500 units and multi-family permits jumped 36.9 percent to 13,500 units. The forecast expects a slight 0.3 percent decline in housing permits this year to 51,900 units. Rising mortgage rates will depress the single family market beginning in 2007. Largely offsetting this is strong net migration which should continue to boost multi-family activity. The net effect is a modest reduction in overall activity during the final three years of the forecast. The forecast expects a 3.5 percent decrease in 2007 to 50,100 units, a 0.1 percent reduction in 2008 to 50,000 units, and a 3.7 percent reduction in 2009 to 48,100 units.
5. Inflation in the Seattle metropolitan area, as measured by the consumer price index for all urban consumers, increased in fiscal 2005 to 1.9 percent from 1.3 percent in 2004. Core inflation in Seattle was only 1.0 percent in 2005, up slightly from 0.4 percent in 2004. Seattle inflation trailed the national average in 2003, 2004, and 2005 reflecting the more severe local recession. Seattle inflation is expected to remain below U.S. inflation this year at 3.1 percent compared to 3.8 percent for the U.S. The stronger local recovery should cause Seattle inflation to rise above the U.S. rate. Fortunately declining energy costs should hold overall inflation in check. The forecast calls for Seattle inflation rates of 2.6 percent, 2.0 percent, and 1.9 percent in 2007, 2008, and 2009 compared to a national rates of 2.0 percent, 1.5 percent, and 1.5 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.

Pessimistic Forecast: The pessimistic alternative assumes that there is less spare capacity than thought, both globally and in the U.S. economy. It assumes that the dollar weakens quickly as foreign investors take fright at the spiraling U.S. trade deficit. Interest rates rise as foreign investors diversify away from the dollar, and the federal deficit widens relative to the baseline. The falling dollar adds to the upward pressure on inflation. The Fed responds by accelerating the pace of tightening. Despite the more aggressive stance, both the stock and bond markets slip on signs that the Fed may have let inflation build up an unstoppable momentum. The Fed cannot permit this acceleration to continue, and so it continues hiking interest rates. This simulation also has a deeper housing downturn than the baseline. Between the higher interest rates and persistently high energy prices, consumer confidence suffers. Consumers rein in their discretionary spending and the U.S. economy slows. At the same time, hiring falters, causing the unemployment rate to climb. Debt-laden consumers retrench further. The economy does not sink into recession in the pessimistic alternative, but merely fails to come as close to its potential as in the baseline, with GDP growth coming in 2.7 percent in 2006 and just 0.9 percent in 2007. At the state level, the recovery in aerospace employment is much slower than in the baseline. 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. Construction employment begins to decline again in the third quarter of 2006 rather than leveling off as in the baseline.

Because of the weak economy, Washington wage growth is weaker than in the baseline forecast in spite of the higher inflation assumption in the national pessimistic forecast. Seattle inflation is initially about the same as in the baseline but falls below the baseline in 2007, 2008, and 2009. By the end of the 2005-07 biennium, Washington nonagricultural employment is 52,900 lower than the baseline forecast and Washington personal income is \$8.3 billion lower. The pessimistic scenario produced \$566 million (2.1 percent) less revenue in the 2005-07 biennium than did the baseline forecast.

Optimistic Forecast: Seven assumptions distinguish the optimistic scenario from the baseline forecast. First, productivity is stronger. Underlying this assumption is the view that the information-driven technology boom, which may have accelerated in recent years, continues. Second, foreign economic growth is stronger. A stronger world economy boosts U.S. exports and strengthens domestic manufacturing. Third, the optimistic alternative assumes a stronger dollar, resulting in expansion of U.S. demand for foreign goods and services. Fourth, business investment is stronger. Fifth, the federal government budget deficit is lower. Sixth, housing starts are stronger. Finally, the optimistic scenario assumes that energy prices are lower than in the baseline. These assumptions produce a rosier outlook, with the U.S. economy growing 3.6% in 2006 and 3.7% in 2007. Although economic growth and labor markets are stronger, inflation is lower because of the stronger dollar and the higher productivity gains. The lower inflation rate allows the Federal Reserve to keep the federal funds rate below the baseline value. Since productivity growth is stronger, potential GDP is higher and remains so throughout the forecast period. For Washington, the optimistic forecast assumes a more typical, vigorous aerospace employment expansion than the modest growth assumed in the baseline. Washington's wages also grow faster than in the baseline. The strong regional economy raises Seattle CPI inflation above the baseline forecast in the optimistic scenario in spite of strong productivity growth. The initial level of Washington personal income is also higher in the optimistic scenario and population growth is stronger. Construction employment continues to rise in the optimistic scenario rather than leveling off as in the baseline. By the end of the 2005-07 biennium, Washington nonagricultural employment is higher by 38,800 jobs than in the baseline forecast and Washington personal income is \$8.5 billion higher. The optimistic scenario generated \$491 million (1.8 percent) more revenue in the 2005-07 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 fiscal year nearly over, there was little difference in 2006. The GCEA forecast for the U.S. economy is similar to the baseline forecast in 2007 but the Council members' expect slightly less real GDP growth and slightly more inflation. Their long term and short term interest rate forecasts were virtually the same as the baseline forecast. The GCEA forecast for Washington State is also similar to the baseline forecast. Their real personal income and employment forecasts are slightly weaker than the baseline forecast but their nominal personal income forecast is stronger due to the higher inflation assumption. The Council members also expect fewer housing permits in fiscal 2007 than does the baseline. At the end of the 2005-07 biennium Washington nonagricultural employment is 6,100 lower in the GCEA forecast than in the baseline forecast and their Washington personal income forecast is \$0.4 billion lower. The Governor's Council scenario generated \$68 million (0.3 percent) less revenue in the 2005-07 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.

Table 1.1
U.S. Economic Forecast Summary
 Forecast 2006 to 2009

Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009
Real National Income Accounts (Billions of Chained 2000 Dollars)								
Real Gross Domestic Product	9,947.5	10,138.9	10,557.5	10,948.6	11,326.2	11,661.3	11,996.8	12,397.4
% Ch	0.7	1.9	4.1	3.7	3.4	3.0	2.9	3.3
Real Consumption	7,010.9	7,180.1	7,453.8	7,727.7	7,988.1	8,230.2	8,474.3	8,748.0
% Ch	2.7	2.4	3.8	3.7	3.4	3.0	3.0	3.2
Real Nonresidential Fixed Investment	1,115.3	1,061.8	1,130.6	1,242.8	1,345.3	1,456.4	1,525.2	1,597.9
% Ch	-9.3	-4.8	6.5	9.9	8.2	8.3	4.7	4.8
Real Residential Fixed Investment	457.1	483.0	541.1	580.8	614.0	575.5	547.4	541.7
% Ch	2.9	5.7	12.0	7.3	5.7	-6.3	-4.9	-1.0
Real Personal Income	8,567.5	8,593.3	8,815.5	9,122.8	9,332.9	9,718.7	10,088.9	10,494.9
% Ch	0.5	0.3	2.6	3.5	2.3	4.1	3.8	4.0
Real Per Capita Income (\$/Person)	29,836	29,633	30,100	30,862	31,288	32,291	33,229	34,267
% Ch	-0.5	-0.7	1.6	2.5	1.4	3.2	2.9	3.1
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.027	1.046	1.067	1.096	1.130	1.151	1.170	1.189
% Ch	1.5	1.8	2.1	2.7	3.0	1.9	1.6	1.6
U.S. Consumer Price Index (1982-84=1.0)	1.782	1.821	1.861	1.917	1.990	2.029	2.060	2.091
% Ch	1.8	2.2	2.2	3.0	3.8	2.0	1.5	1.5
Employment Cost Index (June 1989=1.0)	1.542	1.584	1.629	1.672	1.715	1.768	1.821	1.878
% Ch	3.7	2.7	2.9	2.6	2.5	3.1	3.0	3.1
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	10,280.3	10,670.0	11,361.7	12,097.7	12,906.1	13,583.0	14,205.9	14,944.1
% Ch	2.9	3.8	6.5	6.5	6.7	5.2	4.6	5.2
Personal Income	8,798.7	8,988.3	9,410.8	10,003.3	10,545.5	11,190.5	11,807.4	12,481.0
% Ch	2.0	2.2	4.7	6.3	5.4	6.1	5.5	5.7
Employment (Millions)								
U.S. Civilian Labor Force	144.4	145.9	146.8	148.2	150.3	152.1	153.7	155.2
Total U.S. Employment	136.4	137.1	138.3	140.4	143.1	144.9	146.2	147.9
Unemployment Rate (%)	5.47	5.90	5.81	5.28	4.84	4.74	4.86	4.71
Nonfarm Payroll Employment	130.88	130.11	130.47	132.44	134.47	136.53	138.41	140.31
% Ch	-1.0	-0.6	0.3	1.5	1.5	1.5	1.4	1.4
Manufacturing	15.73	14.88	14.33	14.29	14.23	14.25	14.13	14.00
% Ch	-7.7	-5.4	-3.7	-0.2	-0.4	0.1	-0.8	-0.9
Durable Manufacturing	9.83	9.21	8.88	8.96	8.98	9.01	8.91	8.84
% Ch	-8.6	-6.2	-3.6	0.9	0.3	0.4	-1.2	-0.8
Nondurable Manufacturing	5.91	5.67	5.45	5.33	5.25	5.24	5.22	5.16
% Ch	-6.0	-4.1	-3.9	-2.1	-1.6	-0.2	-0.2	-1.2
Construction	6.77	6.69	6.84	7.13	7.43	7.56	7.63	7.72
% Ch	-0.7	-1.2	2.2	4.2	4.2	1.8	0.9	1.2
Service-Producing	107.78	107.97	108.73	110.42	112.17	114.02	115.96	117.92
% Ch	-0.0	0.2	0.7	1.6	1.6	1.7	1.7	1.7
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	23.8	29.9	33.8	48.8	64.1	67.4	64.3	57.9
Personal Saving/Disposable Income (%)	2.4	1.9	2.0	0.9	-0.8	-0.1	0.6	1.2
Auto Sales (Millions)	8.2	7.9	7.5	7.6	7.8	7.3	7.3	7.3
% Ch	-4.3	-3.7	-4.3	0.2	2.7	-6.4	0.5	0.5
Housing Starts (Millions)	1.646	1.729	1.944	2.019	2.053	1.792	1.753	1.732
% Ch	4.8	5.1	12.4	3.8	1.7	-12.7	-2.2	-1.2
Federal Budget Surplus (Billions)	-135.8	-302.9	-426.0	-344.7	-303.8	-268.0	-295.3	-290.0
Net Exports (Billions)	-375.7	-477.9	-543.3	-678.0	-782.5	-810.0	-776.0	-717.4
3-Month Treasury Bill Rate (%)	2.15	1.30	0.96	2.21	4.09	5.00	4.59	4.64
10-Year Treasury Note Yield (%)	4.98	3.95	4.29	4.23	4.59	5.16	5.13	5.36
Bond Index of 20 G.O. Munis. (%)	5.14	4.77	4.79	4.50	4.54	5.11	5.25	5.53
30-Year Fixed Mortgage Rate (%)	6.88	5.93	5.92	5.78	6.19	6.78	6.73	6.93

Table 1.2
Washington Economic Forecast Summary
 Forecast 2006 to 2009

Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009
Real Income (Billions of Chained 2000 Dollars)								
Real Personal Income	190.131	190.029	193.110	202.857	203.992	215.020	225.934	236.984
% Ch	0.8	-0.1	1.6	5.0	0.6	5.4	5.1	4.9
Real Wage and Salary Disb.	107.638	107.325	108.685	111.107	114.888	120.692	126.407	132.236
% Ch	-1.1	-0.3	1.3	2.2	3.4	5.1	4.7	4.6
Real Nonwage Income	82.493	82.704	84.425	91.749	89.104	94.328	99.526	104.747
% Ch	3.5	0.3	2.1	8.7	-2.9	5.9	5.5	5.2
Real Per Capita Income (\$/Person)	31,516	31,193	31,347	32,474	32,090	33,186	34,220	35,287
% Ch	-0.3	-1.0	0.5	3.6	-1.2	3.4	3.1	3.1
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.027	1.046	1.067	1.096	1.130	1.151	1.170	1.189
% Ch	1.5	1.8	2.1	2.7	3.0	1.9	1.6	1.6
Seattle Cons. Price Index (1982-84=1.0)	1.876	1.910	1.935	1.973	2.034	2.087	2.129	2.170
% Ch	2.7	1.8	1.3	1.9	3.1	2.6	2.0	1.9
Average Nonfarm Annual Wage	39,824	40,512	41,522	42,501	43,930	45,749	47,638	49,709
% Ch	#N/A!	1.7	2.5	2.4	3.4	4.1	4.1	4.3
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.34	17.87	18.15	18.57	19.26	19.91	20.28	20.64
% Ch	6.0	-2.6	1.6	2.3	3.7	3.4	1.8	1.8
Current Dollar Income (Billions of Dollars)								
Personal Income	195.257	198.753	206.136	222.399	230.476	247.581	264.413	281.826
% Ch	2.4	1.8	3.7	7.9	3.6	7.4	6.8	6.6
Disposable Personal Income	170.555	175.837	184.279	197.242	202.901	217.140	231.989	247.048
% Ch	5.0	3.1	4.8	7.0	2.9	7.0	6.8	6.5
Per Capita Income (\$/Person)	32,366	32,625	33,461	35,602	36,255	38,211	40,047	41,963
% Ch	1.2	0.8	2.6	6.4	1.8	5.4	4.8	4.8
Employment (Thousands)								
Washington Civilian Labor Force	3,074.3	3,133.5	3,193.7	3,254.0	3,326.8	3,404.4	3,482.0	3,550.2
Total Washington Employment	2,857.5	2,903.9	2,972.7	3,064.8	3,158.2	3,241.7	3,312.0	3,372.6
Unemployment Rate (%)	7.05	7.33	6.92	5.82	5.07	4.78	4.88	5.00
Nonfarm Payroll Employment	2,665.3	2,654.7	2,673.6	2,737.7	2,826.4	2,908.1	2,974.3	3,031.2
% Ch	-1.9	-0.4	0.7	2.4	3.2	2.9	2.3	1.9
Manufacturing	300.1	274.8	263.2	267.7	277.4	286.9	290.5	290.6
% Ch	-8.1	-8.4	-4.2	1.7	3.6	3.5	1.2	0.0
Durable Manufacturing	212.0	190.5	181.0	186.7	196.9	205.5	206.8	206.3
% Ch	-9.0	-10.2	-5.0	3.2	5.5	4.4	0.6	-0.3
Aerospace	82.9	70.1	62.1	63.4	69.0	76.0	79.5	80.7
% Ch	-4.5	-15.5	-11.4	2.1	8.7	10.1	4.6	1.5
Nondurable Manufacturing	88.1	84.4	82.2	81.0	80.4	81.4	83.7	84.3
% Ch	-5.8	-4.2	-2.5	-1.5	-0.7	1.2	2.8	0.7
Construction	154.7	154.9	159.9	170.1	187.2	195.6	197.9	198.9
% Ch	-4.1	0.1	3.2	6.4	10.1	4.5	1.2	0.5
Service-Producing	2,200.9	2,215.9	2,241.8	2,290.7	2,353.2	2,416.9	2,477.3	2,533.2
% Ch	-0.8	0.7	1.2	2.2	2.7	2.7	2.5	2.3
Software Publishers	36.0	36.5	38.5	40.1	42.8	45.2	46.9	48.8
% Ch	4.1	1.6	5.5	4.1	6.7	5.6	3.8	4.0
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	37.437	42.641	44.395	52.033	51.866	50.050	50.004	48.132
% Ch	-7.1	13.9	4.1	17.2	-0.3	-3.5	-0.1	-3.7
Single-Family	27.014	32.681	34.506	38.500	38.328	31.134	29.950	28.325
% Ch	1.0	21.0	5.6	11.6	-0.4	-18.8	-3.8	-5.4
Multi-Family	10.422	9.960	9.889	13.533	13.537	18.916	20.054	19.808
% Ch	-22.9	-4.4	-0.7	36.9	0.0	39.7	6.0	-1.2
30-Year Fixed Mortgage Rate (%)	6.88	5.93	5.92	5.78	6.19	6.78	6.73	6.93

Table 1.3

Comparison of Alternative Forecasts

	Fiscal Year 2005				Fiscal Year 2006				Fiscal Year 2007			
	O	B	P	G	O	B	P	G	O	B	P	G
U.S.												
Real GDP	10948.6	10948.6	10948.6	10948.6	11326.4	11326.2	11315.9	11325.7	11740.2	11661.3	11483.4	11634.1
%Ch	3.7	3.7	3.7	3.7	3.5	3.4	3.4	3.4	3.7	3.0	1.5	2.7
Implicit Price Deflator	1.096	1.096	1.096	1.096	1.129	1.130	1.131	1.130	1.144	1.151	1.168	1.158
%Ch	2.7	2.7	2.7	2.7	3.0	3.0	3.2	3.0	1.3	1.9	3.2	2.5
Mortgage Rate	5.78	5.78	5.78	5.78	6.18	6.19	6.29	6.20	6.48	6.78	8.57	6.93
3 Month T-Bill Rate	2.21	2.21	2.21	2.21	4.09	4.09	4.12	4.12	4.79	5.00	6.23	4.96
Washington												
Real Personal Income	202.857	202.857	202.857	202.857	204.736	203.992	202.985	204.039	221.818	215.020	206.566	214.341
%Ch	5.0	5.0	5.0	5.0	0.9	0.6	0.1	0.6	8.3	5.4	1.8	5.0
Personal Income	222.399	222.399	222.399	222.399	231.239	230.476	229.593	230.497	253.872	247.581	241.232	248.235
%Ch	7.9	7.9	7.9	7.9	4.0	3.6	3.2	3.6	9.8	7.4	5.1	7.7
Employment	2737.7	2737.7	2737.7	2737.7	2827.9	2826.4	2824.3	2826.8	2932.9	2908.1	2874.2	2900.4
%Ch	2.4	2.4	2.4	2.4	3.3	3.2	3.2	3.3	3.7	2.9	1.8	2.6
Housing Permits	52.033	52.033	52.033	52.033	52.093	51.866	51.095	51.980	54.698	50.050	39.985	48.595
%Ch	17.2	17.2	17.2	17.2	0.1	-0.3	-1.8	-0.1	5.0	-3.5	-21.7	-6.5

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

Table 1.4
Forecast Analysis
 Comparison of Forecasts for 2005-07

Forecast Date	2004				2005				2006				2007	
	<u>Feb.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Mar.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Feb.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Mar.</u>	<u>June</u>
U.S.														
Percent Growth, 2005:2-2007:2														
Real GDP	6.8	6.8	6.5	6.2	6.4	5.9	6.3	6.4	6.2	6.2				
Implicit Price Deflator	3.9	3.7	3.8	3.5	3.7	3.9	5.0	5.0	4.3	4.5				
Average Rate, 2005:3 to 2007:2														
3 Month T-Bill Rate	2.65	2.68	3.20	3.10	3.42	3.89	4.04	4.18	4.30	4.54				
Mortgage Rate	7.01	6.57	6.98	6.54	6.46	6.76	6.37	6.54	6.30	6.48				
Washington														
Percent Growth, 2005:2-2007:2														
Employment	4.2	4.0	3.9	3.3	3.6	4.0	4.4	4.6	5.2	6.0				
Personal Income	12.8	12.7	12.5	11.9	12.2	13.0	14.0	14.3	13.9	14.1				
Real Personal Income	8.6	8.7	8.5	8.1	8.3	8.8	8.6	8.9	9.3	9.3				
Total (Thousands of units), 2005:3 to 2007:2														
Housing Units Authorized	79.2	86.9	88.0	86.3	89.7	93.4	98.1	100.4	105.0	101.9				

Table 1.5

Fiscal Years

Forecast Comparison

Forecast 2006 to 2007

	2005	2006	2007	2008	2009
U.S.					
Real GDP					
June Baseline	10948.6	11326.2	11661.3	11996.8	12397.4
% Ch	3.7	3.4	3.0	2.9	3.3
February Baseline	10948.6	11314.2	11653.0	11972.8	12346.0
% Ch	3.7	3.3	3.0	2.7	3.1
Implicit Price Deflator					
June Baseline	1.096	1.130	1.151	1.170	1.189
% Ch	2.7	3.0	1.9	1.6	1.6
February Baseline	1.096	1.127	1.147	1.171	1.194
% Ch	2.7	2.8	1.8	2.0	2.0
U.S. Unemployment Rate					
June Baseline	5.28	4.84	4.74	4.86	4.71
February Baseline	5.28	4.87	4.80	4.93	4.92
Mortgage Rate					
June Baseline	5.78	6.19	6.78	6.73	6.93
February Baseline	5.78	6.15	6.45	6.68	7.04
3 Month T-Bill Rate					
June Baseline	2.21	4.09	5.00	4.59	4.64
February Baseline	2.21	4.03	4.58	4.58	4.78
Washington					
Real Personal Income					
June Baseline	202.857	203.992	215.020	225.934	236.984
% Ch	5.0	0.6	5.4	5.1	4.9
February Baseline	202.243	204.735	215.426	224.653	234.277
% Ch	4.9	1.2	5.2	4.3	4.3
Personal Income					
June Baseline	222.399	230.476	247.581	264.413	281.826
% Ch	7.9	3.6	7.4	6.8	6.6
February Baseline	221.727	230.749	247.176	262.978	279.761
% Ch	7.8	4.1	7.1	6.4	6.4
Employment					
June Baseline	2737.7	2826.4	2908.1	2974.3	3031.2
% Ch	2.4	3.2	2.9	2.3	1.9
February Baseline	2737.9	2819.1	2888.8	2945.6	2993.9
% Ch	2.4	3.0	2.5	2.0	1.6
Housing Permits					
June Baseline	52.033	51.866	50.050	50.004	48.132
% Ch	17.2	-0.3	-3.5	-0.1	-3.7
February Baseline	51.915	54.224	50.775	48.543	46.462
% Ch	17.5	4.4	-6.4	-4.4	-4.3

Table 1.6

Calendar Years

Long Range Economic Outlook

Forecast 2006 to 2016

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
U.S.											
Real GDP, %Ch	3.3	2.7	3.2	3.3	2.9	2.8	2.7	2.8	2.9	3.1	3.1
Implicit Price Deflator, %Ch	2.6	1.6	1.7	1.6	1.8	2.0	2.0	2.0	1.9	1.8	1.9
3 Month T-Bill Rate	4.82	4.78	4.58	4.78	4.85	4.86	4.86	4.86	4.86	4.86	4.86
Mortgage Rate	6.58	6.75	6.78	7.10	7.21	7.22	7.22	7.22	7.23	7.23	7.24
State*											
Real Personal Income, %Ch	4.3	5.4	4.9	4.8	3.9	3.5	3.3	3.4	3.6	3.8	3.8
Personal Income, %Ch	7.1	7.1	6.7	6.4	5.8	5.5	5.4	5.4	5.6	5.7	5.8
Employment, %Ch	3.4	2.4	2.1	1.7	1.3	1.1	1.0	1.0	1.1	1.2	1.3

* June Baseline (2006-2009) judgmentally extended through 2016.

Comparison of Washington and U.S. Economic Forecasts

Chart 1.1
Total Nonfarm Payroll Employment

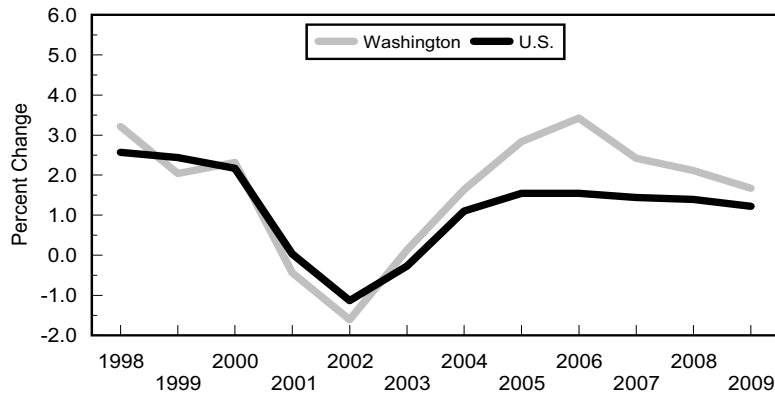


Chart 1.2
Manufacturing Employment

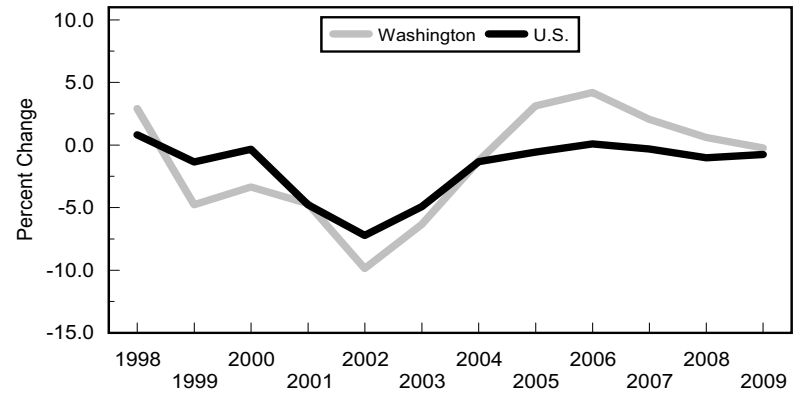


Chart 1.3
Aerospace Employment

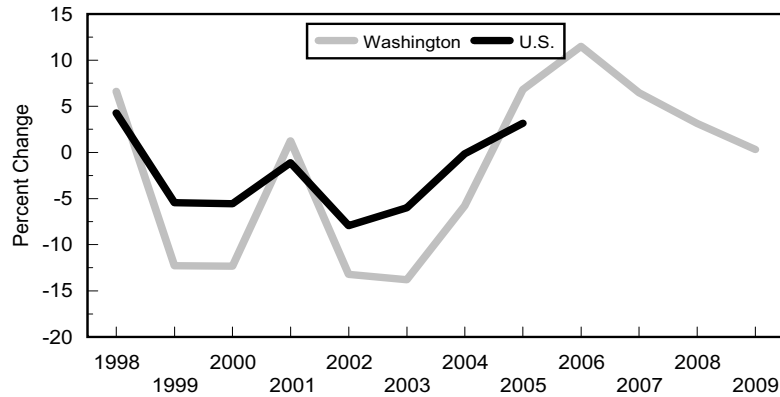
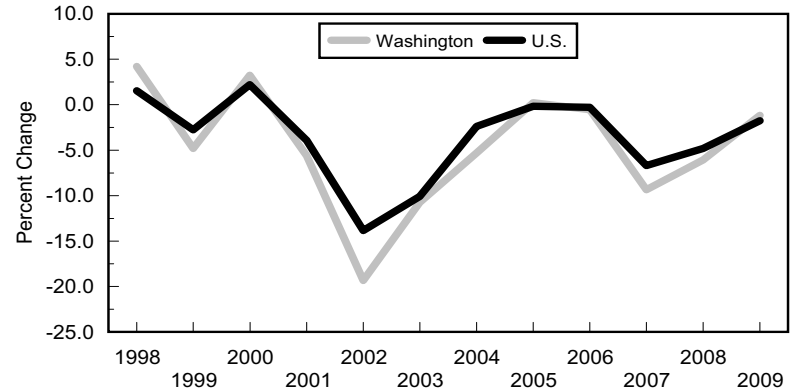


Chart 1.4
Computers and Electronics Employment



Adjustments have been made for the Microsoft special dividend in 2004 and the tribal government ownership code change in 2001.

Comparison of Washington and U.S. Economic Forecasts

Chart 1.5
Construction Employment

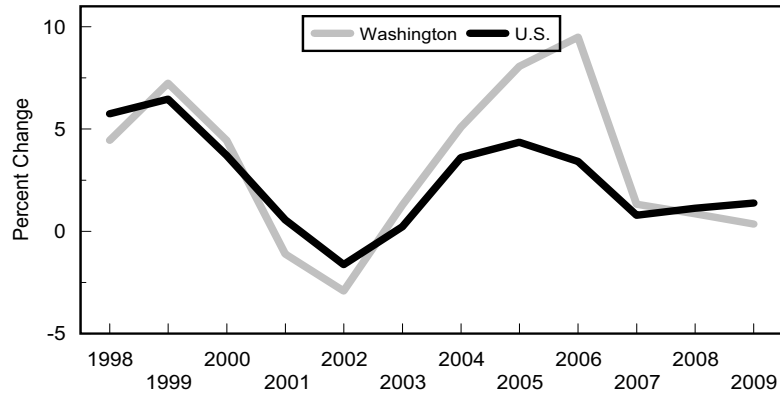


Chart 1.6
Information Employment

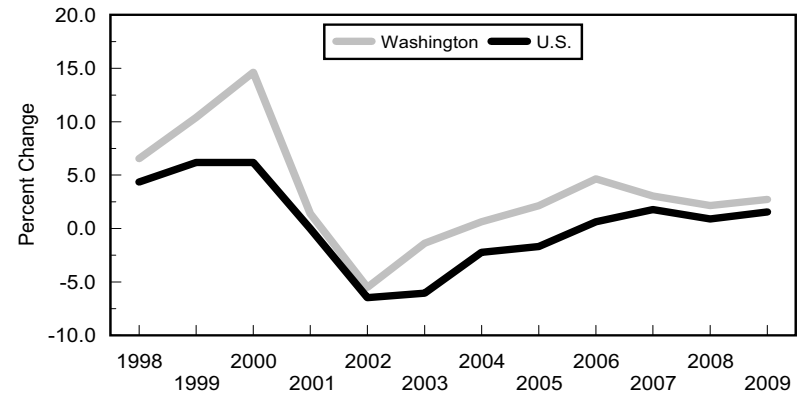


Chart 1.7
Other Private Employment

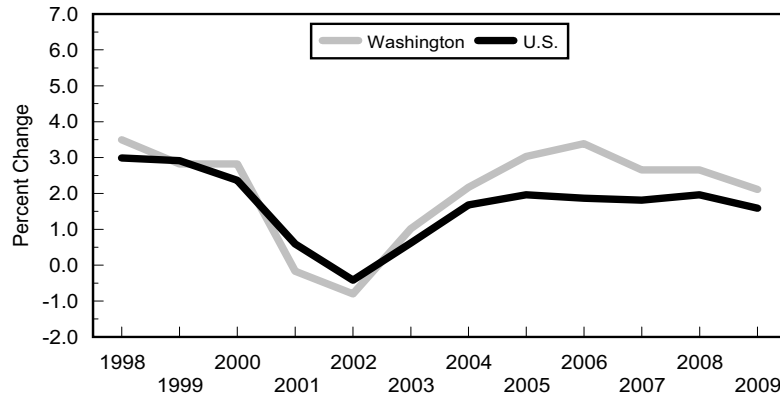
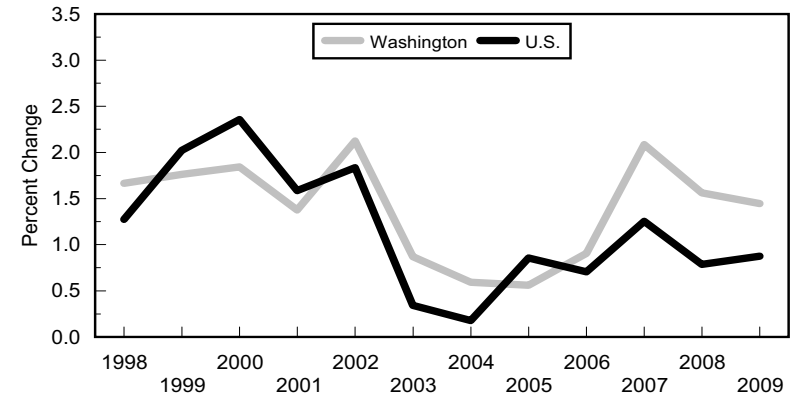


Chart 1.8
Government Employment



Adjustments have been made for the Microsoft special dividend in 2004 and the tribal government ownership code change in 2001.

Comparison of Washington and U.S. Economic Forecasts

Chart 1.9
Real Personal Income

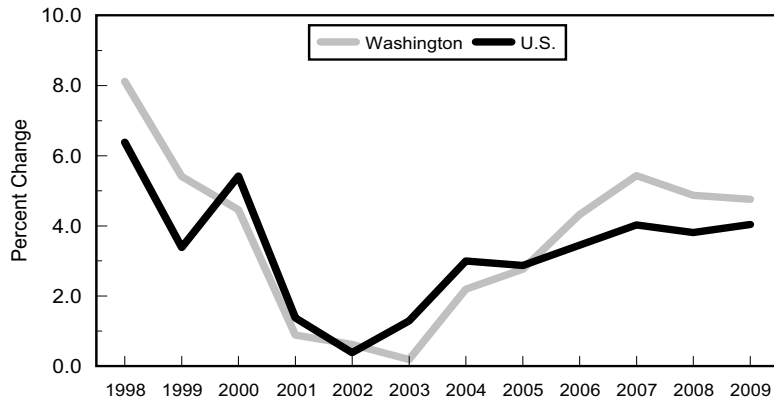


Chart 1.10
Consumer Price Indices

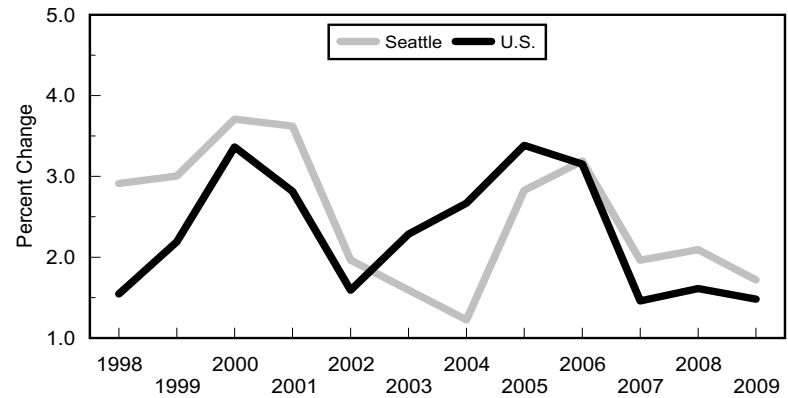


Chart 1.11
Population

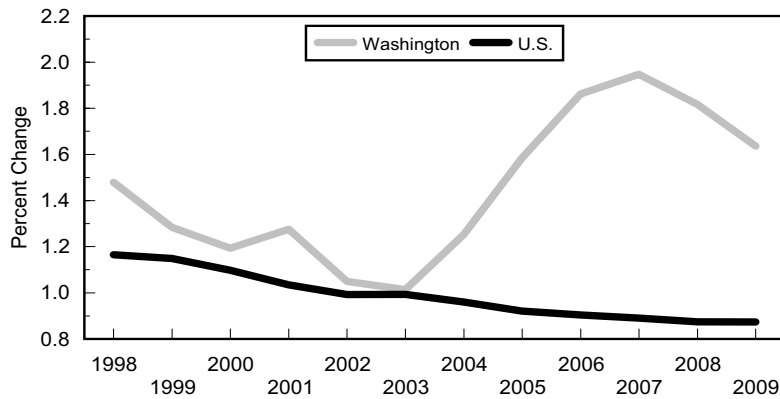
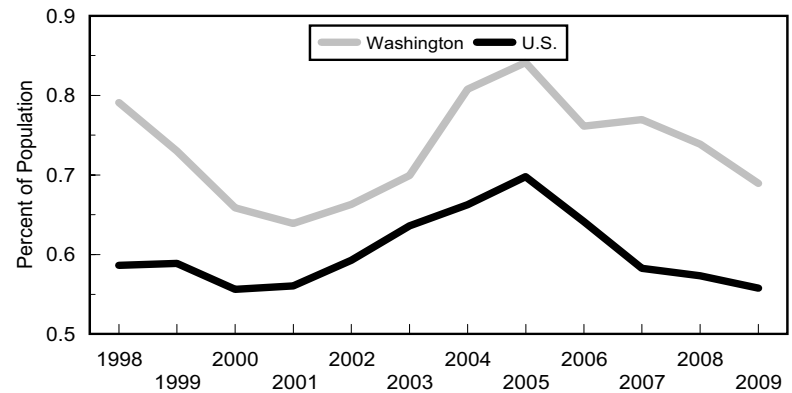


Chart 1.12
Per Capita Housing Units



Adjustments have been made for the Microsoft special dividend in 2004 and the tribal government ownership code change in 2001.

Comparison of Alternative U.S. Forecasts

Chart 1.13
Real GDP

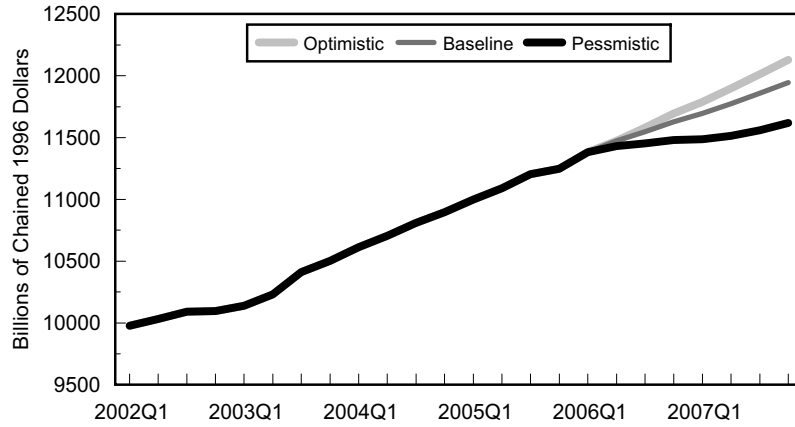


Chart 1.14
Implicit Price Deflator

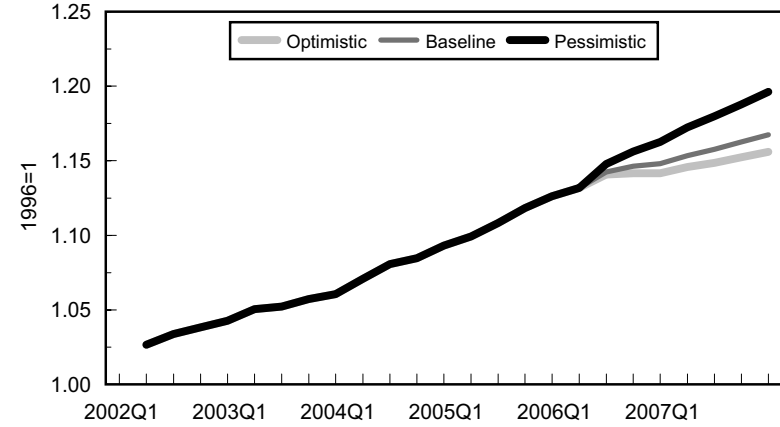


Chart 1.15
Mortgage Rate

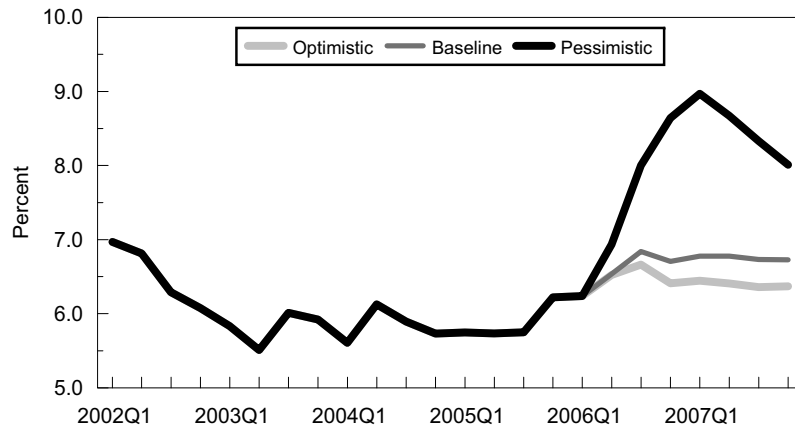
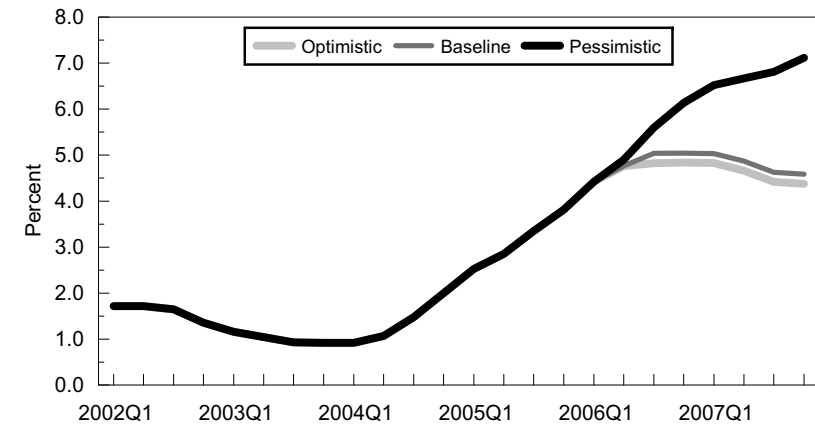


Chart 1.16
Three Month T-Bill Rate



Comparison of Alternative Washington Forecasts

Chart 1.17
Personal Income

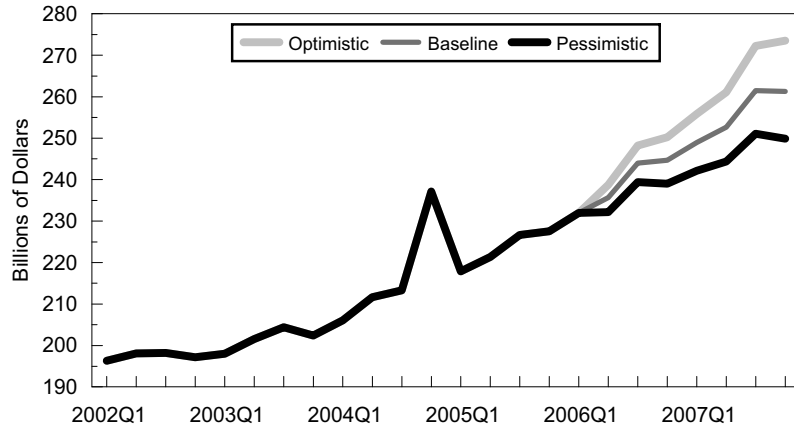


Chart 1.18
Real Personal Income

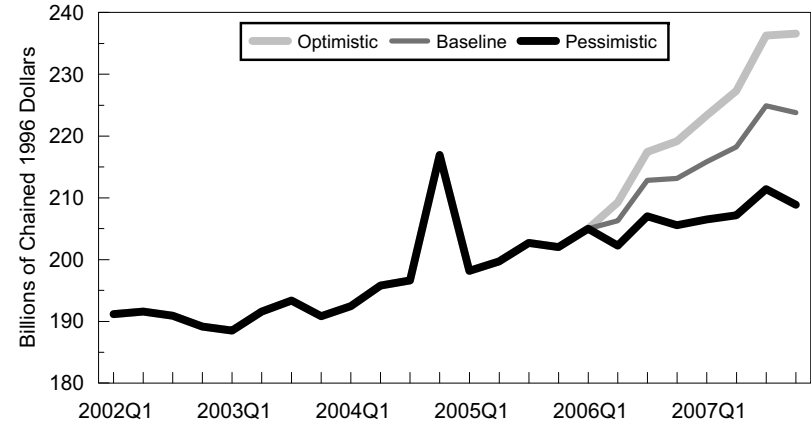


Chart 1.19
Total Nonfarm Payroll Employment

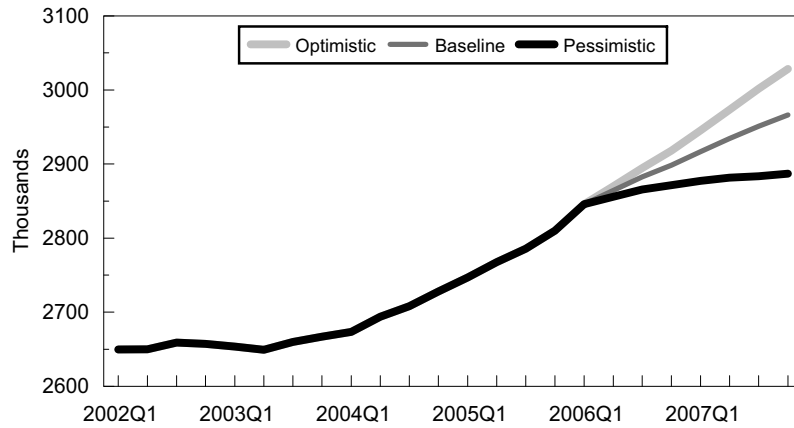
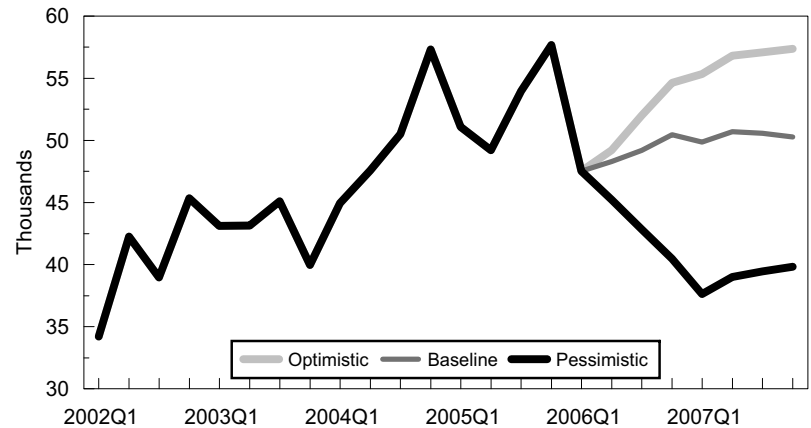


Chart 1.20
Housing Permits



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 strong 5.6* percent annual rate in the first quarter of 2006, up significantly from the rate of 1.7 percent in the fourth quarter of 2005. The largest contributor to first quarter growth was a rebound in real consumer spending, which increased at an annual rate of 5.1 percent after growing at 0.9 percent in the fourth quarter of 2005. The increase in real consumer spending was led by a large increase in real durable goods consumption, which grew at an annual rate of 20.3 percent after shrinking at a 16.6 percent rate in the fourth quarter of 2005. Real nondurable goods consumption increased at a rate of 5.9 percent, up from the previous quarter's rate of 5.0 percent, and real services consumption increased at a rate of 1.9 percent, down from the previous quarter's rate of 2.6 percent. Growth in real gross private domestic investment slowed in the first quarter, growing at a still-strong rate of 8.4 percent after growing at 16.1 percent in the previous quarter. First quarter investment growth was supported mainly by real fixed investment, which grew at a rate of 10.1 percent after growing at 3.9 percent in the previous quarter. Non-residential investment was the fastest-growing component of fixed investment, increasing at a rate of 14.2 percent after increasing at 4.5 percent in the previous quarter. Residential fixed investment accelerated slightly, growing at a 3.3 percent rate after growing at 2.8 percent in the previous quarter. Government spending rebounded in the first quarter, growing at a rate of 4.8 percent after declining at a rate of 0.8 percent in the fourth quarter of 2005. While real export growth outpaced import growth in the first quarter, growing at 14.7 percent versus import growth of 10.7 percent, trade once again detracted from headline GDP growth in the first quarter due to the large level of imports compared to that of exports.

The Institute for Supply Management (ISM) reported that its index of manufacturing activity decreased in May to 54.4 from its April value of 57.3. Despite the decline, the fact that the index value remains above 50 indicates that manufacturing sector output is still increasing. The employment component of the index decreased to 52.9 from April's value of 55.8, remaining just above the critical value of 50, which indicates that more of the manufacturers surveyed have been increasing employment than decreasing it during that period.

U.S. seasonally-adjusted payroll employment grew by 75,000 jobs in May after adding 126,000 in April. Year-over-year employment growth was 1.4 percent in both months. The U.S. seasonally-adjusted unemployment rate decreased to 4.6 percent in May from April's value of 4.7 percent.

Productivity growth rebounded in the first quarter of 2006, growing at a 3.7 percent annual rate after shrinking at a 0.3 percent rate in the previous quarter. Energy prices drove a large monthly increase of 0.4

percent in May's seasonally adjusted Consumer Price Index (CPI) after an even larger increase of 0.6 percent in April. Year-over-year CPI growth was 4.1 percent in May and 3.6 percent in April. The seasonally-adjusted index excluding food and energy increased at a monthly rate of 0.3 percent in both May and April, resulting in year-over-year growth rates of 2.4 and 2.3 percent respectively.

The Conference Board's Index of Consumer Confidence increased to 105.7 in June from May's value of 104.7. Improvement was seen in both the expectations and present conditions components of the index. The University of Michigan Consumer Sentiment Survey also increased in June to a value of 84.9 from May's value of 79.1, with increases in both the expectations and present conditions components of that index. The Conference Board's U.S. Index of Leading Indicators decreased 1.1 percent in May, its second month of decline after a 0.1 percent decrease in April. Only three of the ten index components were positive in May.

The Federal Open Market Committee (FOMC) voted to increase its target rate for federal funds from 5.00 to 5.25 percent at its June 29, 2006 meeting. This was the FOMC's seventeenth consecutive 25 basis point increase since its meeting of June 30, 2004. The Committee's statement said that despite slower growth that "should help to limit inflation pressures", "some inflation risks remain."

The non-seasonally adjusted Monster Employment Index, which measures internet employment advertising, increased to 167 in May, a year-over-year increase of 24.6 percent. This followed a 24.4 percent year-over-year increase in April. The Conference Board's May Help Wanted Index, however, which measures newspaper employment advertising, decreased by two points to a value of 33.

The State Economy and Indicators

Washington wage and salary employment rose at an extremely strong 5.2 percent annual rate in the first quarter of 2006, following a strong growth rate of 3.6 percent in the fourth quarter of 2005. The fourth quarter growth rate, however, was inflated by the Boeing strike of September, which reduced recorded third quarter employment. Construction employment boomed in the first quarter, increasing at a 19.6 percent annual rate after increasing at a strong 12.5 percent rate in the fourth quarter of 2005. Manufacturing employment increased at an annual rate of 4.7 percent in the first quarter of 2006. Durable goods manufacturing increased at a 6.4 percent rate, aided by a 7.9 percent growth rate of aerospace employment. Nondurable goods manufacturing eked out a growth rate of 0.5 percent after declining at a rate of 3.4 percent in the previous quarter.

Washington's seasonally adjusted unemployment rate jumped sharply in May to 5.1 percent from April's value of 4.7 percent. May's Seattle Times Index of Help-Wanted Advertising decreased to 49.5 from April's level of 50.7. These movements, however, conflicted with May's movement in Washington's seasonally adjusted initial claims for unemployment insurance, which declined to 32,500 from April's count of 34,100. May's count, the lowest since October 1979, is the lowest count on record when measured as a percentage of the workforce.

April year-over-year growth in the Seattle CPI was unchanged from February's value of 3.0 percent. April's index excluding food and energy was up 2.8 percent year-over-year. Washington's seasonally adjusted average weekly hours in manufacturing decreased to 39.4 in May from April's value of 40.5. The non-seasonally adjusted Washington Purchasing Management Index decreased in May to a value of 67.7 from April's value of 73.2. As with the national ISM index, values greater than 50 indicate expansion. The employment component of the index decreased to 68.2 from April's value of 78.6.

The Boom Monitor Composite Index increased in May to a value of 62.5 from April's value of 61.8. After comprehensive revision in April, the index now shows values above 50 since December 2003.

Boom Monitor levels above 50 indicate that the weighted average growth in the index's components is above their historic average. The Washington Index of Leading Indicators increased by 0.1 points in May following a 0.5 point increase in April. Four of the seven index components were positive in May. Authorized housing permits increased to an annualized level of 52,290 units in May from April's level of 51,110 units.

On the following page is a summary of what various national and state measures are indicating as of the publication date of the June 2006 economic and revenue forecast.

**This is based on the most recent data from the Bureau of Economic Analysis (the final GDP estimates for the first quarter of 2006 released June 29, 2006). The June economic forecast is based upon the May Global Insight forecast, which incorporated the BEA's advance estimate from April 28, 2006.*

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 2006	-
U.S. Real GDP Growth	1st quarter 2006	+
U.S. ISM Index	May 2006	+ but slowing
U.S. Employment y-o-y %ch	May 2006	+
U.S. Unemployment Rate	May 2006	+
U.S. Help Wanted Index	May 2006	-
U.S. Fed Funds Target	June 29, 2006	credit tightening
U.S. Consumer Confidence	June 2006	+
U.S. CPI	May 2006	-
U.S. Monster Employment Index	May 2006	+
S&P 500 Index	Week of June 30, 2006	+
WA Leading Index	May 2006	+
WA ISM Index	May 2006	+
WA Help Wanted Index	May 2006	-
WA Employment y-o-y %ch	May 2006	+
WA Aerospace Empl. Growth	May 2006	+
WA Unemployment Rate	May 2006	-
WA Boom Monitor	May 2006	+
WA Initial Unemploy. Claims	May 2006	+
WA Housing Permits	May 2006	+
WA Weekly Hours in Mfg.	May 2006	-
WA New Car/Truck Registration	May 2006	+
WA Migration (DOL data)	May 2006	+
WA Exports-Total	1st quarter 2006	+
WA Exports- w/o Trans. Equip.	1st quarter 2006	+
Seattle CPI	April 2006	unchanged
NW Regional Stock Index	Week of June 30, 2006	+

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

Washington State Economic Indicators

Chart 2.1
Year-over-Year Employment Growth
 January 1980 to May 2006

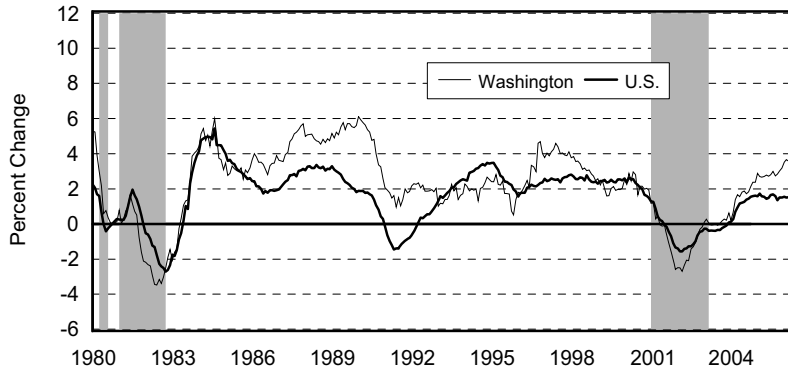


Chart 2.2
Washington Aircraft and Parts Employment
 January 1958 to May 2006

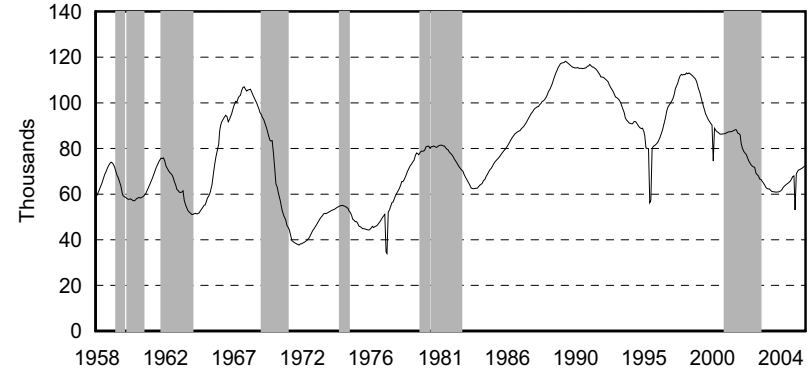


Chart 2.3
Unemployment Rate, S.A.
 January 1980 to May 2006

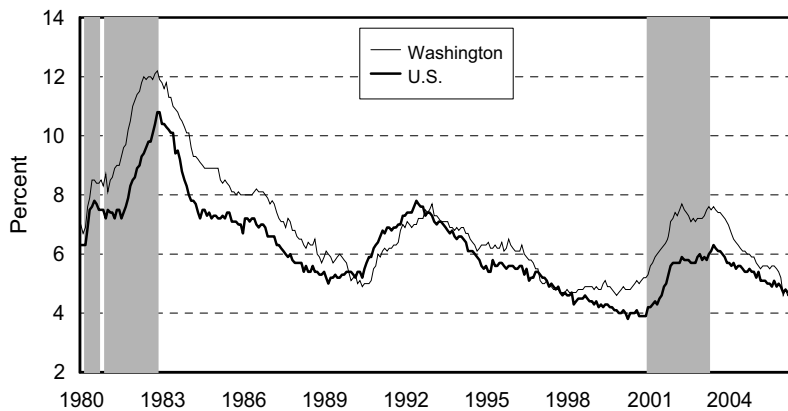
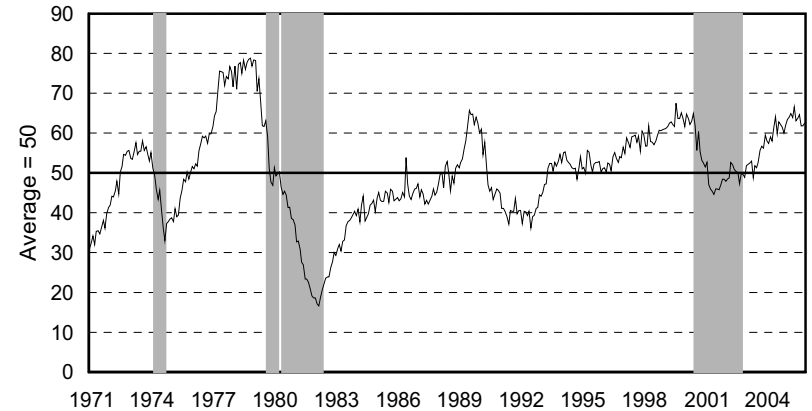


Chart 2.4
Washington Boom Monitor Composite Index
 July 1971 to May 2006



* 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 2006

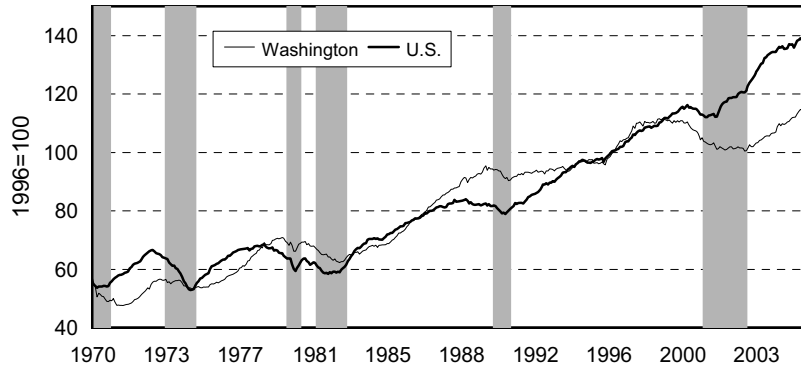


Chart 2.6
Washington Initial Claims for Unemployment Insurance
 January 1970 to May 2006

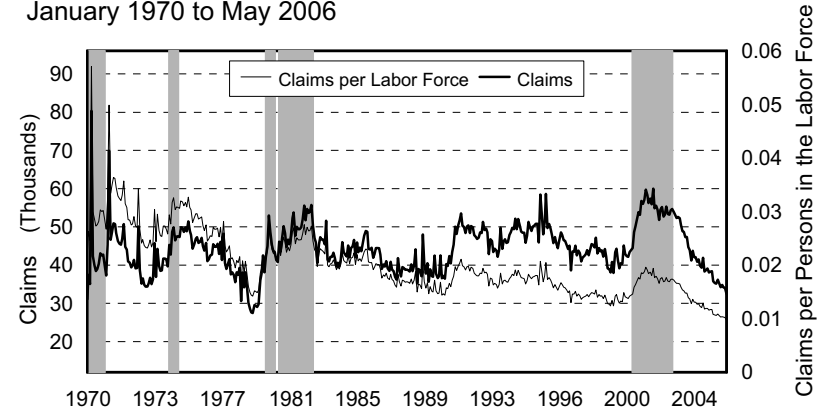


Chart 2.7
Seattle Times and U.S. Help-Wanted Advertising Indexes
 January 1970 to May 2006

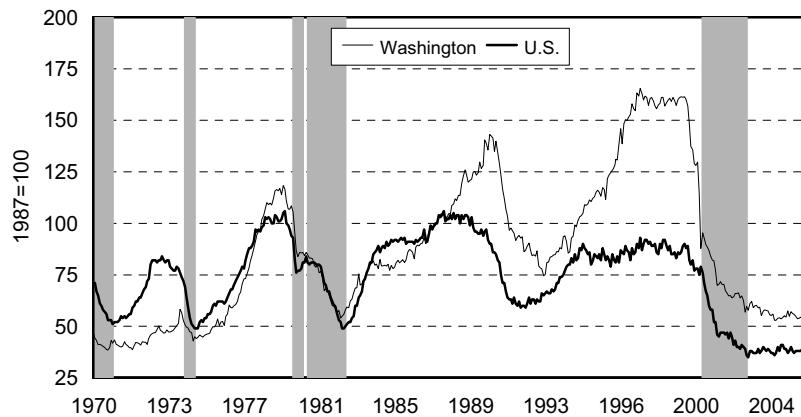
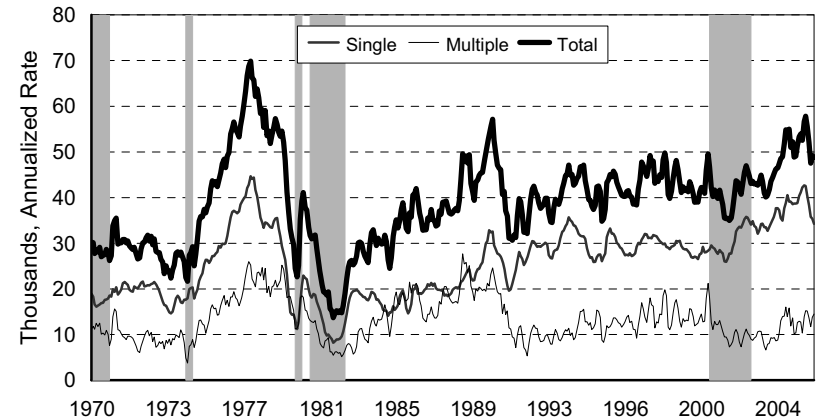


Chart 2.8
Housing Units Authorized in Washington State
 January 1970 to May 2006, 3-Month Moving Average



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 2006, 3-Mo. Moving Average, SA

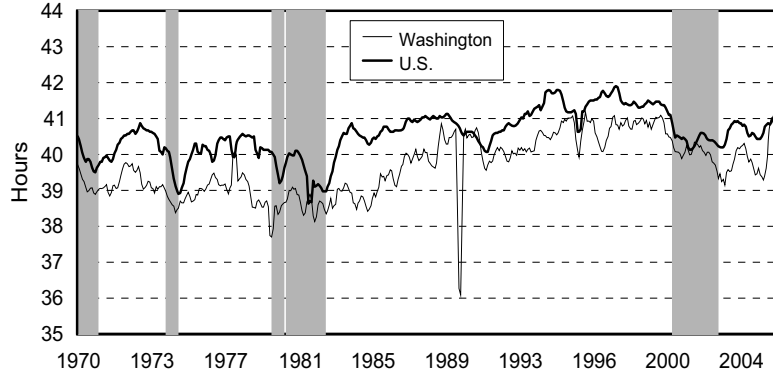


Chart 2.10
Washington Driver's License Migration
 September 1983 to May 2006 12-Month Moving Average

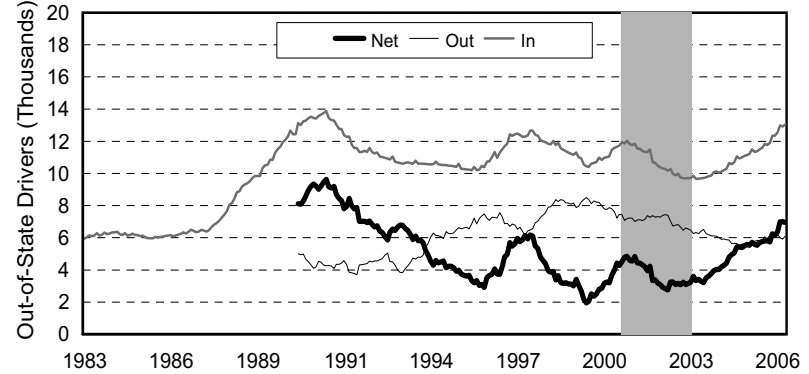


Chart 2.11
New Car and Truck Registrations in Washington
 January 1977 to May 2006, 6-Month Moving Average

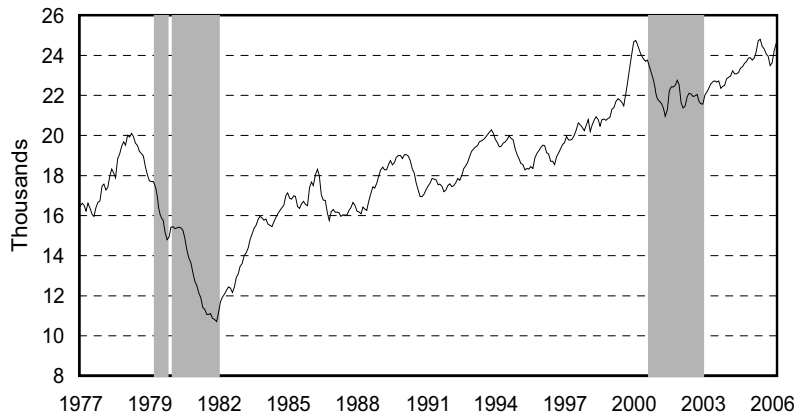
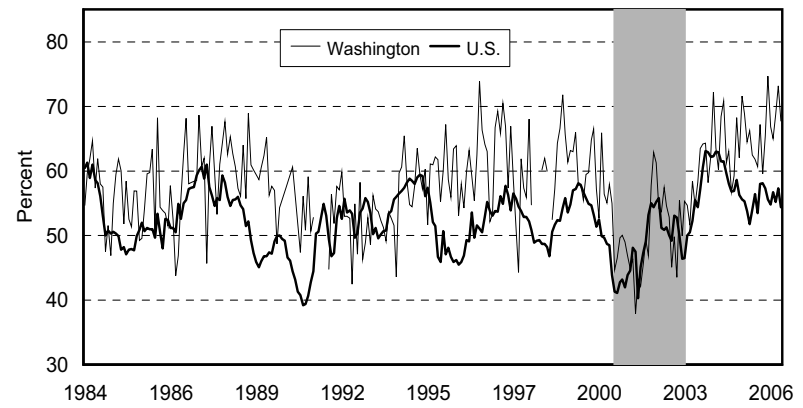


Chart 2.12
Institute for Supply Management Index
 January 1984 to May 2006



* Shaded areas correspond with Washington employment downturns.

Other Economic Indicators

Chart 2.13
Quarterly U.S. Real GDP Growth
 1970 Q1 to 2006 Q1

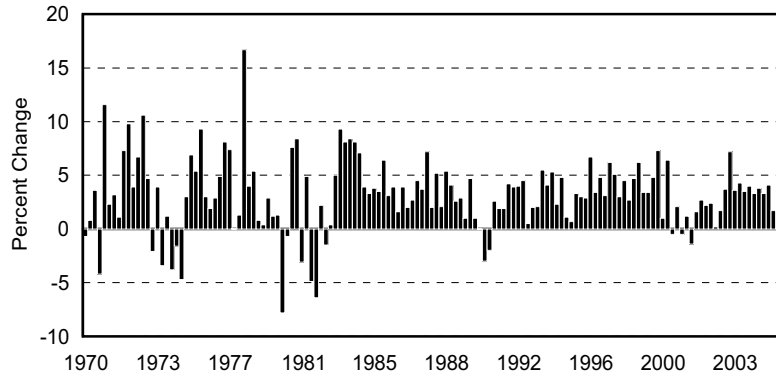


Chart 2.14
Washington State Export Composition
 Change from Same Quarter Year Ago, 1998Q1 to 2006Q1

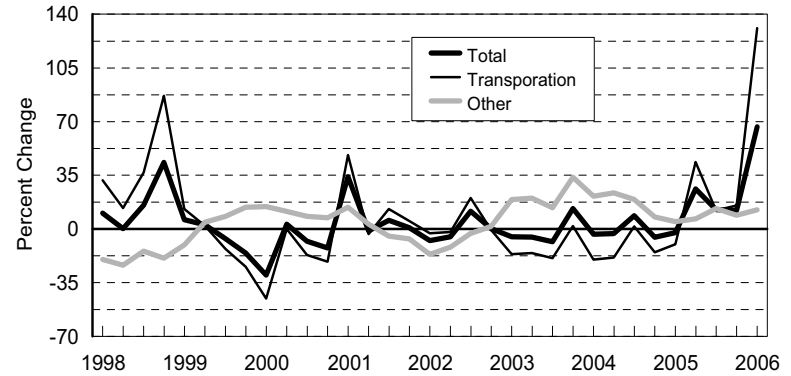


Chart 2.15
U.S. Economic Indicators*
 January 1970 to May 2006

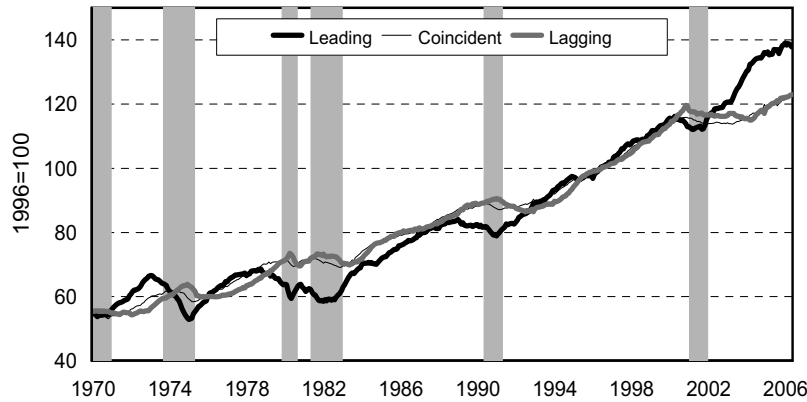
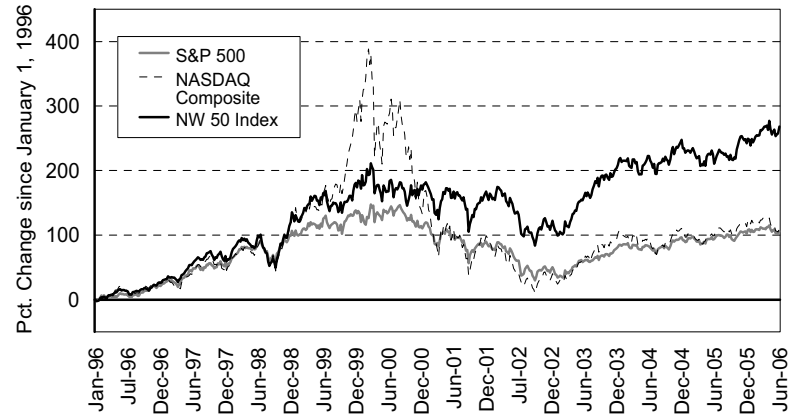


Chart 2.16
Northwest 50 Regional Stock Index vs. National Indices
 January 1, 1996 to June 30, 2006



* 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, 2006

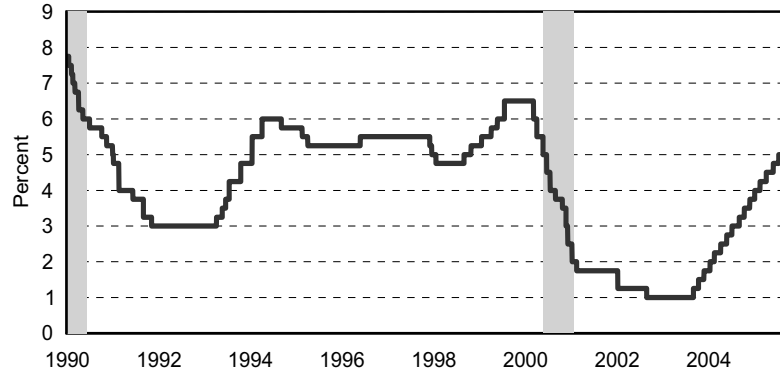


Chart 2.18
Consumer Confidence
 January 1978 to June 2006

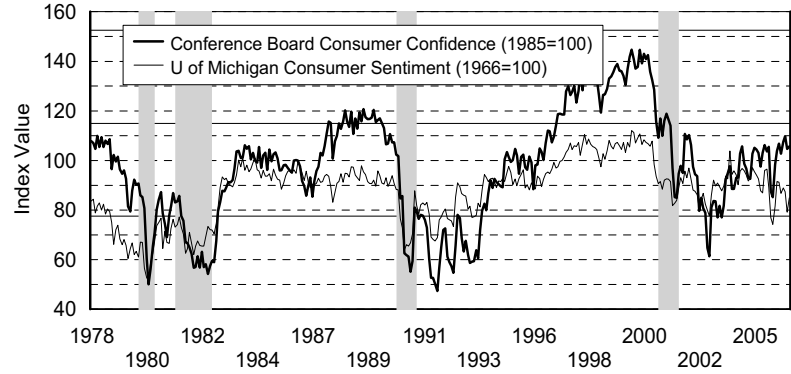


Chart 2.19
Seattle vs U.S. CPI (All Urban Consumers)
 December 1998 to May 2006 (Seattle to 4/06)

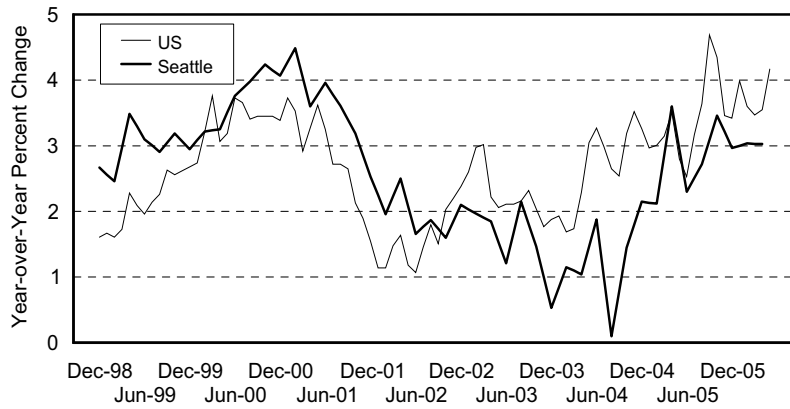
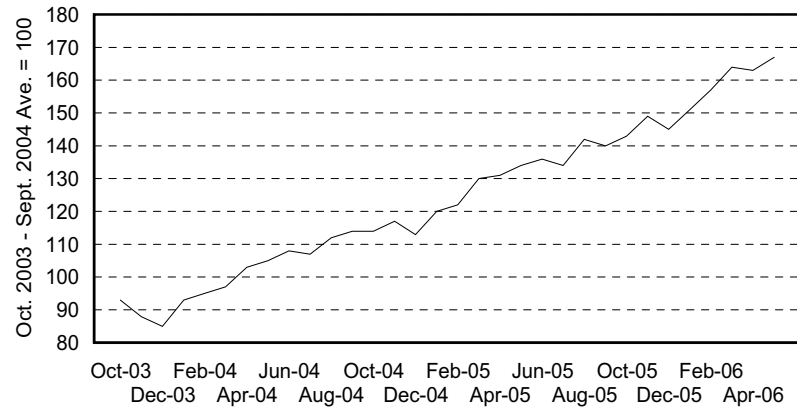


Chart 2.20
Monster Employment Index
 October 2003 to May 2006



* 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
2004:5	105.7	133.3	58	39	60.2	62.9
2004:6	105.6	133.7	56	38	68.4	61.5
2004:7	106.4	134.2	55	37	70.9	61.5
2004:8	106.6	134.4	56	37	61.3	59.6
2004:9	106.7	134.4	53	36	63.1	58.0
2004:10	107.0	134.4	53	37	56.7	56.8
2004:11	108.8	135.2	54	40	59.3	56.9
2004:12	109.9	136.1	54	38	68.3	58.6
2005:1	109.2	135.8	54	41	62.1	56.3
2005:2	109.9	136.3	54	41	71.6	55.6
2005:3	109.6	135.4	55	39	68.9	55.3
2005:4	109.9	135.5	54	39	64.5	53.8
2005:5	110.4	135.6	57	37	66.3	51.8
2005:6	110.7	137.1	55	38	62.5	54.0
2005:7	111.3	136.9	57	40	61.8	56.4
2005:8	111.9	137.0	56	38	60.7	53.5
2005:9	112.0	135.8	56	37	67.2	58.0
2005:10	112.2	136.9	55	38	59.6	58.1
2005:11	113.2	138.2	54	38	65.4	57.3
2005:12	114.1	138.5	54	38	74.7	55.6
2006:1	114.7	139.1	54	38	66.9	54.8
2006:2	114.4	138.4	53	39	65.0	56.7
2006:3	114.1	138.9	51	37	68.8	55.2
2006:4	114.6	138.7	51	35	73.2	57.3
2006:5	114.7	137.9	49	33	67.7	54.4

Washington State Revenue Forecast Summary

Introduction

The Washington State Economic and Revenue Forecast Council approved a \$523.9 million increase to the General Fund-State revenue forecast for the 2005-07 biennium at its June 15, 2006 meeting. The change was primarily due to a much stronger economy than was assumed in the February 2006 forecast. The higher forecast includes \$135.5 million more than expected tax payments in the four months since the last forecast and a \$5.7 million increase due to the impact of 2006 legislation. Economic growth in the first quarter was much better than expected, lead by strong employment gains, especially in the construction sector. Revenue has continued to grow much faster than expected as well. The housing market has yet to cool and is once again is the primary reason for the higher GFS forecast in June. The forecast still expects growth to slow in the coming months as higher mortgage rates slow housing activity and reduced home equity cash-outs and higher energy costs slow consumer spending.

The June 2006 GFS forecast for the 2005-07 biennium, which spans the period from July 2005 through June 2007, is \$26,967.0 million. GFS revenue in the 2005-07 budget period is projected to be \$3.6 billion (15.3 percent) higher than in the 2003-05 biennium. Adjusting for tax law changes and other factors affecting the comparability between biennia, GFS revenue is expected to increase 16.3 percent in the 2005-07 biennium, the strongest growth in sixteen years. The GFS unrestricted ending balance is now projected to total \$744.7 million at the end of the 2005-07 biennium. In

	<u>2005-07 Biennium</u>	<u>2007-09 Biennium</u>	<u>Both Biennia</u>
2006 Legislation	\$5.7	(\$111.9)	(\$106.2)
Forecast Change	<u>\$518.2</u>	<u>\$547.5</u>	<u>\$1,065.7</u>
Total Change*	\$523.9	\$435.6	\$959.5

*Detail may not add to totals due to rounding.

addition to the GFS ending balance, the 2006 legislature created three additional reserve accounts. The projected total for the four reserves at the end of the 2005-07 budget period is \$1,484.3 million.

The Economic and Revenue Forecast Council also approved a \$435.6 million increase to the forecast for the 2007-09 biennium in June. The change includes a \$547.5 million increase due to a higher base in 2005-07 and an improved economic outlook. This was partially offset by a \$111.9 million reduction due to the impact of 2006 legislation. The GFS forecast for the 2007-09 biennium is projected to total \$29,463.3 million. This is \$2.5 billion, 9.3 percent, higher than 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 the 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 2006 baseline forecast for the 2005-07 biennium, is shown in Table 3.2.

June 2006 Forecast Assumptions

1. The June 2006 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 2006 baseline forecast for the U.S. economy.

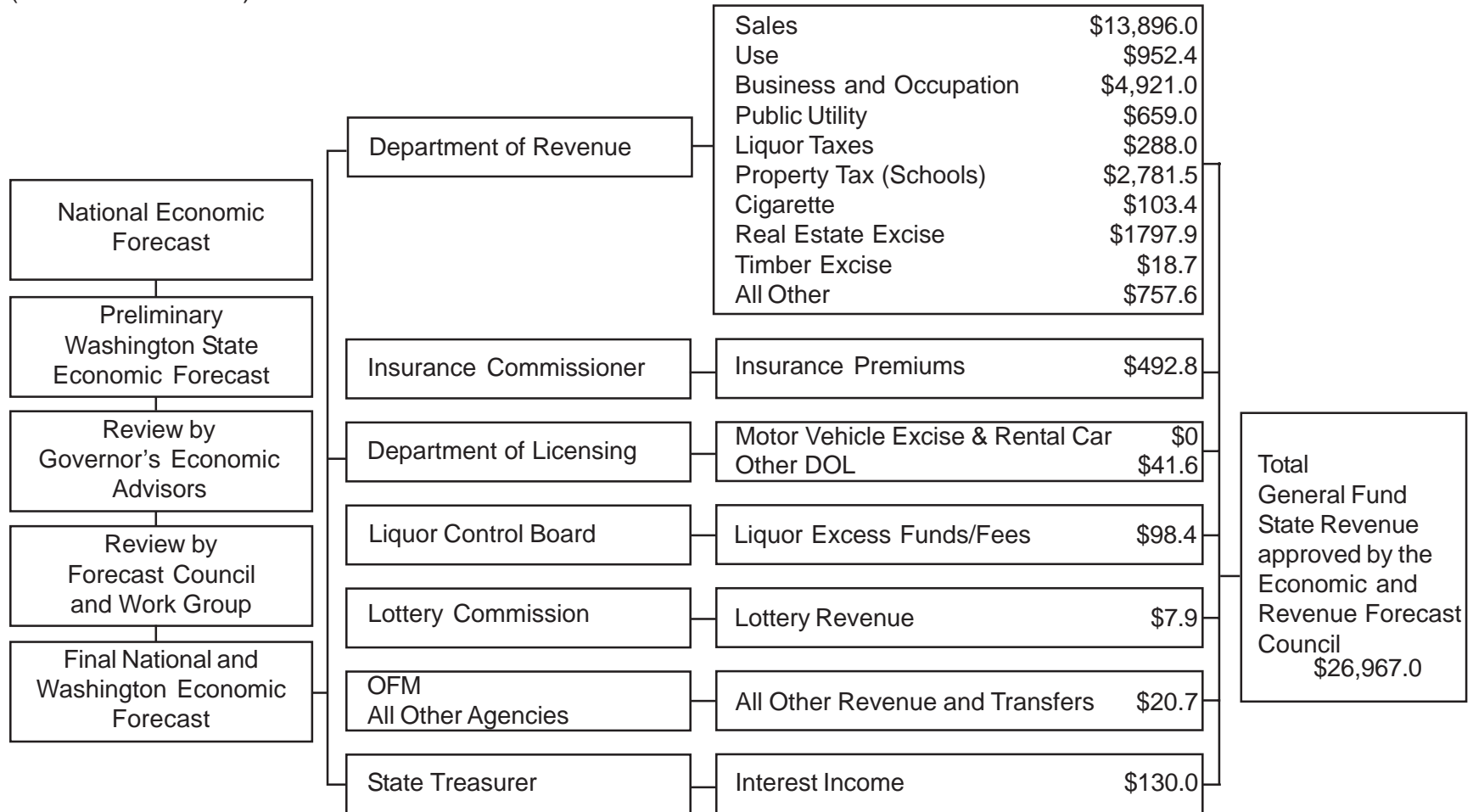
2. The GFS revenue forecast is based on current law and administrative practices. The revenue impact of tax law changes enacted during the 2006 legislative session and signed into law by the Governor have been incorporated in the June 2006 forecast. The impact of legislation on GFS revenue is summarized in Table 3.13
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. Part II of Table 3.19 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. The two most visible cases are a recent ruling by a judge in Snohomish County invalidating some of the tax increases enacted during the 2005 legislative session and the King County Superior Court ruling in June 2006 invalidating Initiative 747. Both of these rulings are on appeal. Any impact of legal challenges 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 2005-07 biennium. As of June 2006, new tax law changes and other non-economic factors have reduced GFS revenue for the 2005-07 biennium by an estimated \$474 million. In addition, legislation has reduced the GFS for the 2007-09 biennium by \$111.9 million.
6. Initiative 728, which transfers a portion of revenue from the General Fund to the Student Achievement account, has a disproportional impact on GFS revenue over time. The I-728 property tax transfers grew from \$267.0 million in the 2001-03 biennium to \$329.8 million in the 2003-05 biennium. They are expected to grow to \$493.3 million in the 2005-07 biennium and to \$508.0 million in the 2007-09 biennium. (See part I of Table 3.19.)

Recent Collection Experience

Revenue collected in the four months since the February forecast was \$135.5 million, 3.5 percent, more than expected. This included \$19.8 million due to special factors (unusually large audit payments and an accounting adjustment) which are unrelated to the strength of the economy. Excluding special factors, collections were \$115.7 million, 2.9 percent, higher than expected. The much higher than expected collections in the last four months reflect a still booming economy. The positive revenue variance since the last forecast continues to be from higher than expected Revenue Act (retail sales, business and occupation, use and public utility tax) receipts and real estate excise tax collections. Revenue Act tax payments exceeded the February forecast by \$103.3 million (3.4 percent) excluding special factors and the GFS share of real estate excise tax collections was \$32.2 million more than expected. Other GFS taxes and transfers were \$16.4 million less than expected since the February forecast.

Revenue growth was very strong since the last forecast. Revenue Act taxes were 12 percent above the year-ago level in the four months since the February 2006 forecast (January 2006 through April 2006 business activity). This was the same as in the third quarter of 2005 and better than the fourth quarter of

Table 3.2
Economic and Revenue Forecast Flow Chart*
 General Fund-State
 2005-07 Biennium
 (Amounts in millions)



* Cash Basis

2005 (9.4 percent). It was also again much stronger than income growth and faster than the growth of retail sales nationally. Revenue from Washington's major excise taxes has increased faster than income for the last twelve quarters and has grown nearly twice as fast as income for the last four quarters. The June forecast continues to assume that this pace is unsustainable and that revenue growth will slow. There has been little evidence of slowing through the first quarter of 2006. Growth in the most recent month, however, did moderate a little. The year-over year increase in tax payments in the May 11-June 10 period (April activity) slowed to 7.1 percent. Although this was the weakest monthly growth since February 2005, it was still faster than the increase in personal income.

Preliminary industry detail for the most recent month available (April 2006 activity, reflecting excise tax payments of taxpayers who filed electronically in the May 11- June 10, 2006 period) indicates tax payments remained very strong in most retail trade sectors and construction related sectors. Tax payments of businesses in the retail trade and food services sector were up 9.6 percent from the year-ago level. The prior month payments from this sector were up 8.7 percent. Tax payments by businesses in retail trade sectors have increase on average 8.0 percent over the last year. Tax payments from non-retailing sectors, however, increased only 3.7 percent in the most recent month. The prior month non-retailers reported a 6.7 percent increase. For the current month, five of twelve three-digit retail NACIS sectors reported double-digit gains with the strongest growth reported by electronics and appliance stores (+30.3 percent), general merchandise stores

(+19.0 percent), building equipment and garden supply retailers (+11.9 percent), furniture and home furnishings retailers (+11.5 percent) and gas stations and convenience stores (+10.4 percent). The motor vehicle and parts sector, the largest retailing sector, reported a 4.9 percent increase in tax payments. Although overall tax payment growth in non-retailing sectors was weak, there was a lot of variation among sectors. The weak non-retailing growth was due primarily to a 13.7 percent decline in tax payments from the manufacturing sector. Other weak sectors included: professional, technical and scientific services (-10.6 percent), education and health services (-2.2 percent), accommodations (-0.4 percent), information (+0.9 percent) and transportation and

Table 3.3
Collection Variance of Major General Fund-State Taxes by Agency
 February 11 - June 10, 2006
 Based on the February 2006 Forecast (Millions of Dollars)

<u>Agency/Source</u>	<u>Collection Variance*</u>	<u>Adjusted</u>		
		<u>Percent of Estimate</u>	<u>Collection Variance**</u>	<u>Percent of Estimate</u>
Department of Revenue				
Revenue Act ¹	\$119.2	3.9%	\$103.3	3.4%
Non Revenue Act ²	\$15.8	1.9%	\$11.9	1.4%
Subtotal	<u>\$135.0</u>	<u>3.4%</u>	<u>\$115.2</u>	<u>2.9%</u>
Department of Licensing ²	\$0.5	5.6%	\$0.5	5.6%
Other	na	na	na	na
Total***	\$135.5	3.5%	\$115.7	2.9%

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, 2006 through June 10, 2006.
² Variance based on Feb. 2006 through May 2006 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 2006 forecast.
 ** Variance adjusted for special factors (primarily unusually large audit payments).
 *** Detail may not add to total due to rounding.

warehousing (+0.9 percent). Several non-retailing sectors reported moderate to strong growth. These included: construction (+16.2 percent), wholesaling (+8.9 percent) and utilities (+6.8 percent).

Washington's real estate market is still growing faster than assumed in the February forecast. Taxable real estate activity reached another all time high in the first quarter of 2006. After slowing a bit in the fourth quarter of 2005, real estate activity increased at an annual rate of 22.1 in the first quarter of 2006 despite higher mortgage rates. Activity in the quarter was 19.5 percent above the year-ago level. The increase was solely due to rising real estate values. The number of transactions has declined on a year-over-year basis for five straight months and was 5.0 percent below the year-ago level in the first quarter of 2006. The average value-per-transaction, however, was 26.4 percent higher than a year-ago for the quarter. Activity in April appears to have slowed. Taxable activity was 0.6 percent below the year-ago level in April. This was the first year-over-year decline since January 2004. Transactions declined 10.5 percent while the average value-per-transaction increased only 11.1 percent. The June forecast assumes real estate activity is in transition. Growth for the last couple of years has been very strong. Growth is expected to slow considerably in the coming months as mortgage rates continue to rise. Monthly data is very volatile, however, and it is too soon to know for sure if the weakness in April signals the start of the expected slowdown or if slower growth is further down the road.

General Fund-State taxes collected by the Department of Licensing (primarily revenue from licenses and fees) were \$479,000 (5.6 percent) above the estimate in the four months since the February forecast.

The General Fund-State Forecast for the 2005-07 and the 2007-09 Biennia

The long anticipated slowdown in revenue growth has yet to occur. Nearly half way into the biennium, revenue growth remains very strong and continues to exceed expectations. Revenue from major excise taxes are 10.5 percent above year-ago levels in the first eleven months of the biennium despite some slowing in the most recent month. The growth of real estate excise tax receipts are even stronger, 21.8 percent higher than the year-ago level. A booming housing market and accelerating employment and income growth have produced strong consumer and business spending. In addition, consumer spending has been boosted by refinancing activity and home equity cash outs resulting in spending outpacing income growth for most of the biennium. While the forecast expects growth to slow in the remainder of the biennium, the economic fundamentals remain healthy and growth for the biennium as a whole will be very strong. The forecast expects real personal income in Washington to increase 7.2 percent in the 2005-07 biennium, up from 2.8 percent in the 2003-05 period. Employment growth is also expected to improve, increasing 6.0 percent compared to 1.7 percent in the 2003-05 budget period. The strong economy and spending will produce the strongest biennial increase in GFS revenue since the 1989-91 budget period. The June forecast expects GFS collections to total \$26,967.0 million in the 2005-07 biennium. This is \$3.6 billion (15.3 percent) more than in the 2003-05 biennium. Adjusting for tax law changes and other non-economic factors, revenue is expected to increase 16.3 percent.

The June 2006 forecast expects the economy and revenue to continue to grow in the 2007-09 budget period, though at a slightly slower pace. Employment growth is expected to moderate slightly next biennium, growing 4.7 percent, after increasing 6.0 percent in the 2005-07 budget period. Housing next biennium is expected to weaken even more. Building permits are expected to fall 3.7 percent in the 2007-09 biennium after increasing 5.7 percent in the 2005-07 period. On the other hand state personal income is expected to increase 14.3 percent next biennium, an improvement from the 13.0 percent increase expected during the current biennium. The pace of consumer and business spending is expected to moderate in the 2007-09 budget period. Interest rates are expected to be higher, and the added stimulus to

spending from home equity cash-outs will no longer be present. After a prolonged period where spending exceeded the growth in income, the spending relative to income relationship in the 2007-09 period will return to a more normal level. Slower spending will produce a more modest revenue growth in the 2007-09 biennium. GFS revenue is expected to increase 9.3 percent in the 2007-09 biennium after increasing 15.3 percent in the 2005-07 biennium and 10.6 percent in the 2003-05 budget period.

Washington's tax structure is different from most states. 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 are expected to account for 83.6 percent of the \$27.0 billion total GFS cash receipts in the 2005-07 biennium. This is down from 84.2 percent in the 2003-05 biennium. These taxes are expected to account for 84.5 percent of GFS revenue in the 2007-09 biennium. The state's reliance on sales, business and occupation, and property taxes has increased over time, rising from 79.7 percent in the 1991-93 biennium and from 75 percent twenty-five years ago. The slight reduction in the General Fund's reliance on these three taxes between the 2003-05 and the 2005-07 biennia is primarily due to a surge in real estate excise tax revenue in the current biennium. The real estate excise tax is the General Fund-State's fourth largest revenue source. Real estate excise tax receipts are expected to increase 35.5 percent in the 2005-07 biennium compared to 15.3 percent for total GFS revenue. Revenue from the real estate excise tax is expected to account for 6.7 percent of GFS revenue in the 2005-07 biennium, up from 5.7 percent in the 2003-05 biennium and 4.1 percent in the 2001-03 biennium. Next biennium the real estate excise tax is expected to account for 6.1 percent of total GFS revenue.

The retail sales and use tax, the state's largest revenue source, generated \$12.7 billion (54.5 percent) of total GFS revenue in the 2003-05 biennium. Sales and use taxes are expected to produce \$14.8 billion (55.1 percent) of the total in the 2005-07 budget period and \$16.5 billion, 55.9 percent of the total in the 2007-09 budget period. The business and occupation tax totaled \$4.2 billion in the 2003-05 biennium, 18.0 percent of total GFS revenue. This tax is expected to produce \$4.9 billion, 18.3 percent of the total in the 2005-07 biennium and \$5.4 billion, 18.5 percent of the total next biennium.

Table 3.4
General Fund-State Collections*
(Millions of Dollars)

Cash Basis

<u>Biennium</u>	<u>Current Dollars</u>	<u>Percent Change</u>	<u>2000 Chained Dollars</u>	<u>Percent Change</u>
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%	21,264.8	4.1%
2001-03	21,140.7	-0.6%	20,397.7	-4.1%
2003-05	23,388.5	10.6%	21,618.4	6.0%
2005-07 ^F	26,967.0	15.3%	23,643.3	9.4%
2007-09 ^F	29,463.3	9.3%	24,974.6	5.6%

^F: June 2006 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 2006 forecast.

Table 3.5
Taxable Retail Sales*
 June 2006
 (Millions of Dollars)

Fiscal Year	Amount	Percent Change
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	83,335	8.0%
2001	85,633	2.8%
2002	84,418	-1.4%
2003	86,165	2.1%
2004	90,139	4.6%
2005	97,253	7.9%
2006 ^F	106,396	9.4%
2007 ^F	111,476	4.8%
2008 ^F	117,933	5.8%
2009 ^F	124,483	5.6%

^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 2004. Changes to the tax base due to increased compliance efforts effective fy 2003. Fiscal 2005, 2006, 2007, 2008 & 2009 affective by 2004, 2005 & 2006 legislation.

niun. The General Fund-State's share of the property tax totaled \$2.7 billion, 11.7 percent of total GFS revenue in the 2003-05 biennium. The property tax is expected to total \$2.8 billion, 10.3 percent of the total in the 2005-07 biennium and \$3.0 billion, 10.2 percent of the total in the 2007-09 biennium. The reduction in the property tax share of total GFS receipts reflects the impact of I-728, which transfers a 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 3.19, part 1.)

Taxable sales (sales subject to the 6.5 percent state retail sales tax) totaled \$27,645.9 million in the fourth quarter of 2005, the most recent quarter available. This was 9.6 percent higher than the year-ago level. Taxable sales increased 10.1 percent in the third quarter of 2005 and 8.8 percent in the second quarter. Taxable sales have now increased on a year-over-year basis for fourteen consecutive quarters after having fallen or remaining unchanged for five straight quarters during the last recession. Taxable sales in the fourth quarter again grew faster than personal income and retail sales nationally. In the fourth quarter of 2005, U.S. retail sales were 6.2 percent above the year ago level, somewhat weaker than the 8.2 percent year-over-year increase in the third quarter. The June 2006 forecast assumes that taxable sales in Washington remained strong in the first quarter of 2006. Although the first quarter is over, actual taxable sales data for the quarter are not yet available. The forecast assumes that taxable sales were 10.0 percent higher than the year-ago level in the first quarter of 2006, nearly as strong as the 10.1 percent gain in the fourth quarter of 2005 and again better than the growth of U.S. retail sales (8.3 percent) and the growth of state personal income (6.5 percent).

The Department of Revenue has converted the classification of taxpayers from the Standard Industrial Classification (SIC) basis to the North American Industry Classification System (NAICS) making historical comparisons by sector easier and more meaningful. Taxable sales in the fourth quarter of 2005 of business in the retail trade sector, which accounted for 46.0 percent of all taxable sales in

Chart 3.1
General Fund-State Revenue

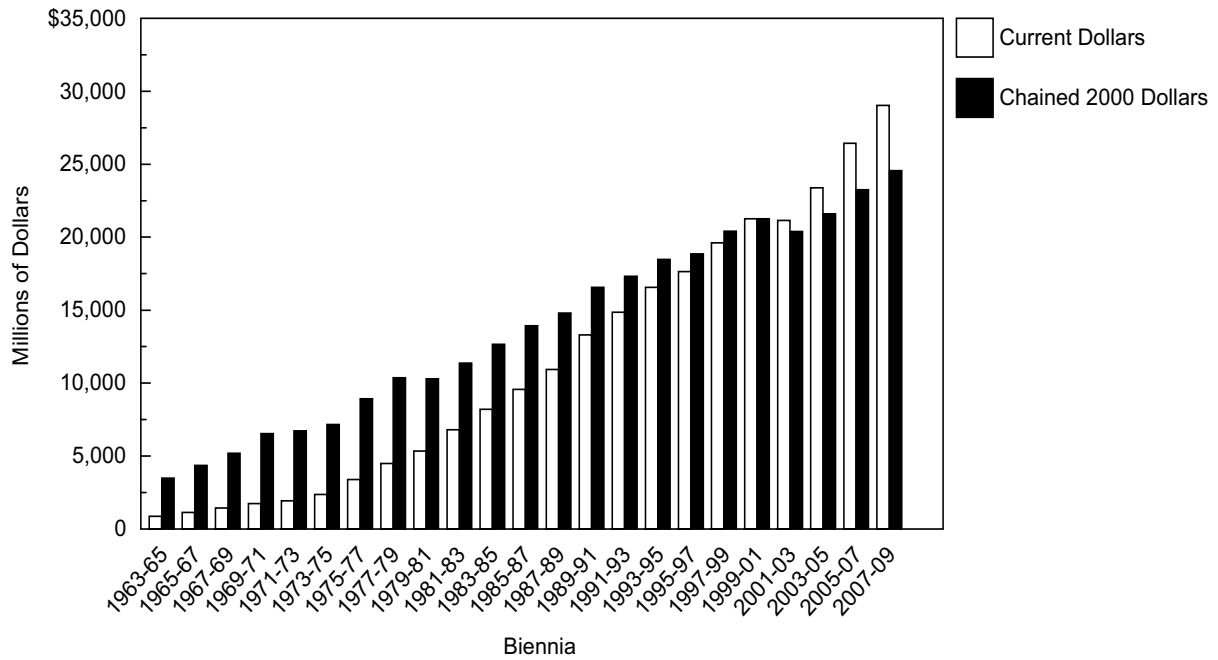


Chart 3.2
General Fund-State Revenue - Percent Change

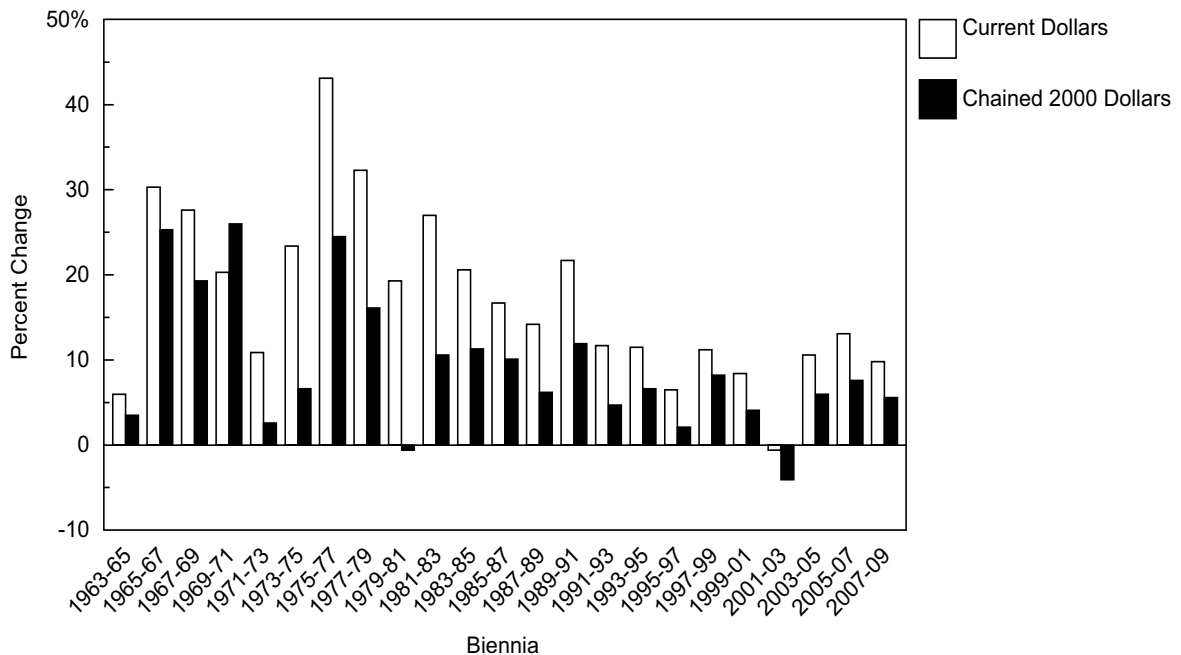


Chart 3.3
Composition of General Fund-State Revenue

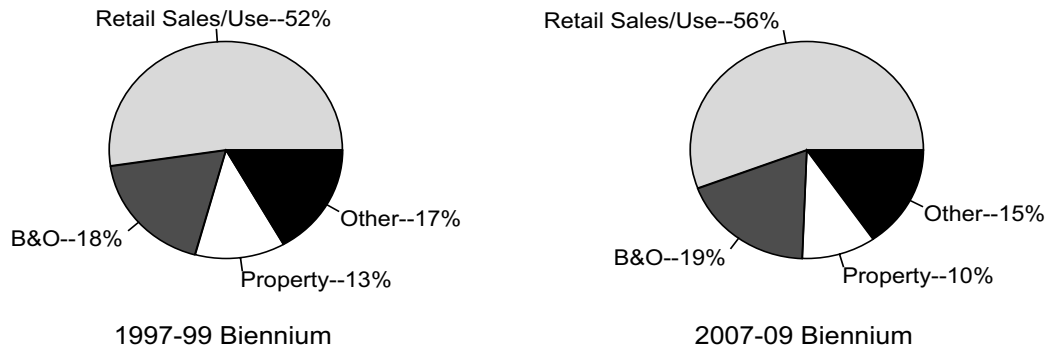


Chart 3.4
Taxable Sales* as a Percent of Personal Income



* Adjusted Base

the fourth quarter of 2005, were 7.5 percent above the year-ago level. Last quarter taxable sales of firms in the retail trade sector increased 10.0 percent. Within retailing, non store retailers (NAICS 454) reported the largest increase, 27.7 percent. Miscellaneous retail stores (NAICS 453) also reported a very large increase (20.3 percent). Furniture and home furnishings retailers (NAICS 442) also reported strong growth (+15.8 percent). Other retailing sectors with double digit gains in the fourth quarter were: health and personal care stores (+16.0 percent), building materials and garden equipment retailers (+11.2 percent), electronics and appliance stores (+10.4 percent) and gasoline stations (+10.3 percent). No major retail sector reported a decline in activity in the fourth quarter. Taxable sales of auto dealers, the largest retail trade sector, accounting for 10.1 percent of taxable sales in the fourth quarter, were only 0.8 percent above the year-ago level. This follows a 9.3 percent increase in the third quarter.

Taxable sales reported by non-retailing sectors were 11.4 percent higher than a year-ago in the fourth quarter of 2005. This follows a 10.1 percent increase in the third quarter. The year-over-year change in the current quarter varied widely among non-retail trade sectors. Taxable sales reported by the construction sector, which accounted for 18.5 percent of all taxable sales, were 15.9 percent higher than a year ago. This sector reported a 15.1 percent increase last quarter. Taxable sales reported by the service sector, which accounted for 16.9 percent of all taxable sales in the fourth quarter, were 11.1 percent higher than a year-ago. Taxable sales reported by the manufacturing sector increased 5.2 percent and the wholesale trade sector reported a 10.5 percent year-over-year increase. The importance of the strong housing market on taxable sales growth is again very evident from fourth quarter taxable sales data. Housing related sectors (construction, furniture, building materials and electronics/appliance retailers (accounting for 28.1 percent of total taxable sales) reported a 14.6 percent increase in taxable sales in the fourth quarter of 2005; taxable sales increased 7.8 percent for all other sectors.

Taxable sales in the state's three largest counties (King, Snohomish and Pierce) were 10.6 percent higher than a year ago in the fourth quarter of 2005. Taxable sales increased 8.0 percent in the rest of the state. Taxable sales in King County were 9.5 percent higher than a year-ago for the quarter. This is the tenth straight quarterly increase in King County. Prior to the third quarter of 2003, taxable sales in King County had declined or remained unchanged in eight of the previous nine quarters. Fourth quarter 2005 taxable sales growth in King County is almost, but not quite, at the statewide average. King County taxable sales growth has been below the statewide average for twenty consecutive quarters. Taxable sales in Snohomish County increased 16.0 percent in the fourth quarter of 2005 and Pierce County reported a 10.0 percent increase. Taxable sales in Spokane County were 9.2 percent above the year-ago level.

The June 2006 forecast expects taxable sales to increase 9.4 percent in fiscal 2006. This would be the best growth since 1990. Taxable sales growth increased a healthy 7.9 percent in fiscal 2005, after four weak years. The strong growth in the last two years reflects a very favorable economic environment. Improving job and income growth, a very strong housing market and associated high level of home equity cash-outs has significantly contributed to the strength of taxable sales in both fiscal 2005 and 2006. After increasing much faster than income for three years, taxable sales growth is expected to grow slower than income beginning in fiscal 2007 as the housing boom subsides and as consumers replenish their savings. The forecast assumes taxable sales growth will decelerate to 4.8 percent in fiscal 2007. Taxable sales growth is expected to rebound in the 2007-09 budget period, increasing 5.8 percent in fiscal 2008 and 5.6 percent in fiscal 2009.

Forecast Change for the 2005-07 and 2007-09 Biennia

The June 2006 forecast of General Fund-State revenue for the 2005-07 biennium is \$523.9 million higher than the February 2006 forecast. The change includes a \$518.2 million increase due to stronger

than expected revenue growth and an improvement in the economic outlook and a \$5.7 million increase due to 2006 legislation. The change includes \$135.5 million of higher than expected collections in the four months since the February forecast.

The June 2006 forecast for the 2007-09 biennium is also higher than the February 2006 forecast. The June forecast of GFS revenue in the 2007-09 budget period is \$435.6 million above the February 2006 forecast. The change is comprised of a \$547.5 million increase due to economic factors and a \$111.9 million reduction due to the impact of 2006 legislation. Although the outlook for revenue growth is not too different than the prior forecast, the higher starting point in the 2005-07 biennium is expected to result in significantly more revenue for next biennium than expected in February.

Table 3.6 summarizes the changes to the GFS cash forecast for the 2005-07 and 2007-09 biennia by type of change. Tables 3.7 and 3.8 summarize the June 2006 revisions to GFS revenue for the 2005-07 biennium by agency and source of revenue. Table 3.7 is on a cash basis and Table 3.8 is on a GAAP basis. Tables 3.9 and 3.10 summarize the changes to the GFS revenue forecast for the 2007-09 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. Table 3.12 provides a fiscal year summary of GFS cash receipts. Table 3.13 summarizes the impact of the 2006 legislation on GFS revenue. Below is a brief description of the impact of the three largest 2006 legislative changes incorporated into the forecast in June 2006 and a summary of the changes to the forecast by agency.

June 2006 Non-Economic Change

The impact of 2006 legislation increased GFS revenue in the 2005-07 biennium \$5.7 million and reduced GFS revenue in the 2007-09 biennium by \$111.9 million. Table 3.13 summarizes the impact of 2006 legislation on GFS revenue. There were more than thirty bills that were enacted by the legislature and signed into law by the Governor that had an impact on GFS revenue. A summary of three bills with a relatively significant amount of GFS impact are summarized here. A description of all 2006 legislation with GFS impact can be obtained from the Department of Revenue. Three bills with the largest GFS impact were SHB 2880, SB 6368 and SSB 6874. SHB 2880 clarifies the sales tax liability of the insurance industry. Prior to passage of this legislation, the insurance premiums tax statute provide insurance companies with an unintended exemption from the retail sales/use tax on taxable services and extended warranties. Passage of SHB 2880 amends the insurance premiums tax statute by making it explicit that the insurance premiums tax is not in lieu of retail sales tax on taxable services including extended warranties. Enactment of this legislation increases the retail sales tax by \$51.6 million in the 2005-07 biennium and by \$65.4 million in the 2007-09 biennium. The impact includes the avoidance of refunds on previously collected tax that were expected to be made. SB 6368 repeals a \$5.25 per day per patient fee on nursing homes. This fee was enacted in 2003 and was intended to generate revenue which was eligible for matching by the federal government thereby providing increased funding for nursing home services. The passage of SB 6368, which is effective July 1, 2007, reduces GFS revenue by \$31.4 million in the 2007-09 biennium. SSB 6874 provides a business and occupation tax reduction for the timber industry. The tax rate drops from .484 percent to .4235 in fiscal 2007. Beginning in fiscal 2008 the rate drops to .2904 percent. However, partially offsetting the second reduction is the introduction of a surtax of .052 percent in fiscal 2008. This surtax is designed to fund a new account outside the General Fund (Forest and Fish Support Account). Thus part of the GFS revenue loss is in effect a transfer from the General Fund to the new Forest and Fish Support Account. The passage of SB 6874 is expected to reduce GFS revenue in the 2005-07 biennium by \$4.6 million and \$32.6 million in the 2007-09 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 in the 2005-07 and 2007-09 biennia. The June 2006 forecast for the 2005-07 biennium of GFS revenue sources administered and collected by the Department of Revenue is \$521.9 million higher than in February, including a \$10.6 million increase due to the impact of 2006 legislation. The vast majority of the change reflects a better economic outlook and stronger than expected revenue collections since the last forecast. In addition, the Department of Revenue GFS forecast for the 2007-09 biennium is \$431.5 million higher than in February. This includes a \$530.7 million increase due to economic factors which was partially offset by a \$99.2 million reduction due to 2006 legislation. The economic outlook is a little better than assumed in February, however, the primary reason for the higher revenue next biennium is the higher starting point, not faster growth. Since the release of the forecast in February, consumer and business spending has continued to grow faster than expected. In addition, the housing market has not slowed as was assumed in February providing additional stimulus to the economy and generating addition revenue. Although the rate of home equity cash-outs has been slowing, it remains an important source for spending in the 2005-07 budget period. The June forecast continues to expect that both the housing market and overall spending will slow in the coming months. However, due to the stronger than expected growth in the last four months the level of activity is significantly higher than expected in the February forecast.

Major changes to the Department of Revenue GFS forecast in June are to the outlook for the state retail sales tax, the business and occupation tax, and the real estate excise tax. These three taxes account for nearly all of the change to the forecast in June. The June retail sales forecast for the 2005-07 biennium is \$298.3 million higher than in February. This includes a \$41.2 million increase due to 2006 legislation. The sales tax forecast for the 2007-09 biennium is \$293.3 million higher than in June, including \$27.2 million due to 2006 legislation. The business and occupation tax forecast for the 2005-07 biennium is \$81.6 million more than in February. This includes a \$19.1 million reduction due to 2006 legislation. For the 2007-09 biennium, the business and occupation tax is \$29.4 million higher than in February. The change is comprised of a \$107.9 million increase due to economic factors and a \$78.5 million reduction due to 2006 legislation. The June 2006 GFS real estate excise tax forecast for the 2005-07 biennium is \$137.0 million higher than in February; for the 2007-09 biennium it is \$113.1 million higher. The forecast continues to expect slower growth for the remainder of the biennium, however, the much stronger growth experienced in the four months since the February forecast means not only more money in the bank but a much higher base going forward.

Most major tax sources have experienced modest to strong growth in the 2005-07 biennium. The major exceptions are the portion of the state property tax levy that goes to the General Fund and the GFS portion of the estate tax. While overall the state levy is expected to increase 6.6 percent in the 2005-07 biennium, the General Fund portion of the property tax is expected to increase only 1.4 percent. 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) which grew from \$267.0 million in the 2001-03 biennium to \$329.8 million in the 2003-05 biennium will grow to \$493.3 million in the 2005-07 biennium. The Washington estate tax was ruled invalid by the Washington State Supreme Court and the General Fund will no longer get estate tax revenue after mid-fiscal 2006. Although a new estate tax was enacted, revenue from it no longer goes to the General Fund.

Table 3.6
Summary of Changes to the General Fund-State Forecast
 June 2006 Cash Forecast
 (Millions of Dollars)

	<u>June 2006 Change</u>
<u>2005-07 Biennium</u>	
<i>Collection Experience in the 2005-07 Biennium</i>	\$135.5
Department of Revenue ¹	135.0
Department of Licensing ²	0.5
<i>Non-Economic Adjustments to the Forecast</i>³	\$5.7
<i>Forecast Change for the 2005-07 Biennium</i>	\$382.8
Department of Revenue	376.4
Other agencies	6.4
Total Change: 2005-07 Biennium*	\$523.9
<u>2007-09 Biennium</u>	
<i>Non-Economic Adjustments to the Forecast</i>³	(\$111.9)
<i>Forecast Change for the 2007-09 Biennium</i>	\$547.5
Department of Revenue	\$530.7
Other agencies	\$16.8
Total Change: 2007-09 Biennium*	\$435.6
Total Change: Both Biennia	<u>\$959.5</u>

¹ Variance based on collections February 11, 2006 to June 10, 2006.

² Variance based on collections February 2006 through May 2006.

³ Impact of 2006 legislation on GFS revenue.

* Detail may not add due to rounding.

The forecast for the real estate excise tax was increased again in June. After a pause in the fourth quarter of 2005, taxable real estate activity accelerated in the first quarter of 2006. The June forecast continues to expect real estate activity to weaken, however, the expected deceleration is less than what was assumed in February and is from a much higher level. The June forecast still assumes that there will be a real estate correction during the 2005-07 biennium. The forecast does not expect a crash or falling prices. Rising interest rates, however, will result in less activity and much slower growth in real estate values producing in a decline in taxable real estate activity. The correction is expected to be similar in magnitude and duration to the 1995 downturn. Despite this assumption, the GFS portion of the real estate excise tax is still expected to increase 35.5 percent in the 2005-07 biennium. This follows a 52.0 percent increase in the 2003-05 biennium.

Department of Licensing

The majority of General Fund-State revenue collected by the Department of Licensing is from firearm and event licenses, boat excise tax, and boat registration fees. The department's General Fund-State forecast for the 2005-07 biennium has been increased \$1.2 million to \$41.6 million. The department's forecast for the 2007-09 biennium has been increased \$2.2 million to \$46.0 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, the Liquor Control Board, the Insurance Commissioner, and the State Treasurer. The OFM forecast for the 2005-07 biennium was increased \$2.3 million to \$20.7 million, with forecast increases spread across several agencies. The OFM forecast for the 2007-09 biennium has been increased 0.6 million to \$9.7 million. The 2007-09 biennial forecast included a reduction of \$1.1 million due to SSB 5236, which was offset by forecast increases in several agencies.

State Treasurer

The Office of the State Treasurer generates General Fund-State revenue by investing state short-term cash reserves. The office's forecast for the 2005-07 biennium has been decreased \$3.3 million to \$130.0 million. HB 2671, which included a change of the due date for some excise tax filers from the 20th to the 25th of the month, reduced forecasted revenue by \$5.2 million for the biennium. This reduction was partially offset by a forecasted increase of \$1.9 million due to increased interest rates and fund balances. The office's forecast for the 2007-09 biennium has been increased \$4.8 million to \$133.5 million. In the forecast, a \$12.3 million reduction from HB 2671 was offset by a forecasted increase of \$17.1 million from increased interest rates and fund balances.

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 for the 2005-07 biennium has been decreased \$3.1 million to \$492.8 million. The office's forecast for the 2007-09 biennium has been decreased \$9.2 million to \$544.3 million. Forecast changes in both biennia were due to expected slowing of the rate of insurance premium volume growth.

Table 3.7
Comparison of the General Fund-State Forecast by Agency
2005-07 Biennium; Cash Basis
(Millions of Dollars)

Forecast by Agency	February 2006 Forecast¹	Non-Economic Changes²	Forecast Revision	June 2006 Forecast³	Total Change
Department of Revenue					
Retail Sales	\$13,597.7	41.2	\$257.1	\$13,896.0	\$298.3
Business & Occupation Use	4,839.4	(19.1)	100.7	4,921.0	81.6
Public Utility	962.1	(2.3)	(7.4)	952.4	(9.7)
Liquor Sales/Liter	655.3	(3.5)	7.2	659.0	3.8
Cigarette	282.5		5.5	288.0	5.5
Property (State Levy)	100.3		3.1	103.4	3.1
Real Estate Excise	2,782.5		(1.0)	2,781.5	(1.0)
Timber Excise	1,660.9		137.0	1,797.9	137.0
Other	19.0		(0.3)	18.7	(0.3)
Subtotal	754.1	(5.8)	9.3	757.6	3.5
	25,653.7	10.6	511.4	26,175.7	521.9
Department of Licensing					
Boat excise, licenses, fees & other	40.4		1.2	41.6	1.2
Insurance Commissioner					
Insurance Premiums	495.9		(3.1)	492.8	(3.1)
Liquor Control Board					
Liquor Profits and Fees	95.3	0.4	(1.2)	94.5	(0.8)
Beer & Wine Surtax	4.2		(0.3)	3.9	(0.3)
Lottery Commission					
Lottery Revenue	1.9		6.0	7.9	6.0
State Treasurer					
Interest Earnings	133.2	(5.2)	1.9	130.0	(3.3)
Office of Financial Management					
Other	18.4	0.0	2.3	20.7	2.3
Total General Fund-State *	\$26,443.0	\$5.7	\$518.2	\$26,967.0	\$523.9

1 General Fund-State forecast for the 2005-07 biennium, adopted February 2006.

2 The GFS impact of 2006 legislation.

3 Revised General Fund-State forecast for the 2005-07 biennium, adopted June 2006.

* Detail may not add to totals because of rounding.

Table 3.8
Comparison of the General Fund-State Forecast by Agency
2005-07 Biennium; GAAP Basis
(Millions of Dollars)

Forecast by Agency	February 2006 Forecast¹	Non- Economic Changes²	Forecast Revision	June 2006 Forecast³	Total Change
Department of Revenue					
Retail Sales	\$13,655.4	41.2	\$256.2	\$13,952.8	\$297.4
Business & Occupation Use	4,849.5	(19.1)	100.7	4,931.1	81.6
Public Utility	965.9	(2.3)	(7.4)	956.2	(9.7)
Liquor Sales/Liter Cigarette	656.8	(3.5)	4.9	658.2	1.4
Property (State Levy)	283.4	0.0	5.7	289.1	5.7
Real Estate Excise	99.9	0.0	3.1	103.0	3.1
Timber Excise	2,783.1	0.0	(0.9)	2,782.1	(0.9)
Other	1,676.3	0.0	137.1	1,813.4	137.1
Subtotal	19.4	0.0	(0.5)	18.9	(0.5)
	755.1	(5.8)	8.0	757.3	2.2
	25,744.7	\$10.6	506.9	26,262.2	517.5
Department of Licensing					
Boat excise, licenses, fees & other	40.6	0.0	1.2	41.8	1.2
Insurance Commissioner					
Insurance Premiums	495.9	0.0	(3.1)	492.8	(3.1)
Liquor Control Board					
Liquor Profits and Fees	95.3	0.4	(1.2)	94.5	(0.8)
Beer & Wine Surtax	4.2	0.0	(0.3)	3.9	(0.3)
Lottery Commission					
Lottery Revenue	0.0	0.0	6.0	6.0	6.0
State Treasurer					
Interest Earnings	134.8	(5.2)	1.1	130.7	(4.1)
Office of Financial Management					
Other	18.6	0.0	2.2	20.8	2.2
Total General Fund-State *	\$26,534.1	\$5.7	\$512.9	\$27,052.7	\$518.7

1 General Fund-State forecast for the 2005-07 biennium, adopted February 2006.

2 The GFS impact of 2006 legislation.

3 Revised General Fund-State forecast for the 2005-07 biennium, adopted June 2006.

* Detail may not add to totals because of rounding.

Table 3.9
Comparison of the General Fund-State Forecast by Agency
2007-09 Biennium; Cash Basis
(Millions of Dollars)

Forecast by Agency	February 2006 Forecast¹	Non- Economic Changes²	Forecast Revision	June 2006 Forecast³	Total Change
Department of Revenue					
Retail Sales	\$15,092.4	\$27.2	\$266.2	\$15,385.7	\$293.3
Business & Occupation Use	5,409.2	(78.5)	107.9	5,438.6	29.4
Public Utility	1,086.8	(3.4)	6.4	1,089.8	3.0
Liquor Sales/Liter	688.5	(1.0)	9.8	697.2	8.7
Cigarette	297.6		13.7	311.3	13.7
Property (State Levy)	97.2		3.6	100.9	3.6
Real Estate Excise	2,985.5		4.9	2,990.4	4.9
Timber Excise	1,691.0		113.1	1,804.1	113.1
Other	20.3		1.6	21.9	1.6
Subtotal	811.2	(43.4)	3.5	771.4	(39.8)
	28,179.7	(99.2)	530.7	28,611.3	431.5
Department of Licensing					
Boat excise, licenses, fees & other	43.9		2.2	46.0	2.2
Insurance Commissioner					
Insurance Premiums	553.5		(9.2)	544.3	(9.2)
Liquor Control Board					
Liquor Profits and Fees	108.4	0.7	5.0	114.1	5.8
Beer & Wine Surtax	4.5		(0.2)	4.4	(0.2)
Lottery Commission					
Lottery Revenue	-		0.0	0.0	-
State Treasurer					
Interest Earnings	128.7	(12.3)	17.1	133.5	4.8
Office of Financial Management					
Other	9.0	(1.1)	1.8	9.7	0.6
Total General Fund-State *	\$29,027.7	(\$111.9)	\$547.5	\$29,463.3	\$435.6

1 Forecast adopted by the ERFC in February 2006.

2 Impact of 2006 legislation.

3 Forecast adopted by the ERFC in June 2006.

* Detail may not add to totals because of rounding.

Table 3.10
Comparison of the General Fund-State Forecast by Agency
2007-09 Biennium; GAAP Basis
(Millions of Dollars)

Forecast by Agency	February 2006 Forecast¹	Non-Economic Changes²	Forecast Revision	June 2006 Forecast³	Total Change
Department of Revenue					
Retail Sales	\$15,149.0	27.2	\$266.2	\$15,442.3	\$293.3
Business & Occupation Use	5,419.2	(78.5)	107.9	5,448.6	29.4
Public Utility	1,090.6	(3.4)	6.4	1,093.6	3.0
Liquor Sales/Liter	690.0	(1.0)	8.3	697.2	7.2
Cigarette	298.4		14.0	312.5	14.0
Property (State Levy)	96.8		3.6	100.5	3.6
Real Estate Excise	2,986.1		4.9	2,991.0	4.9
Timber Excise	1,706.4		113.1	1,819.5	113.1
Other	19.9		2.0	21.9	2.0
Subtotal	812.2	(43.4)	1.4	770.3	(41.9)
	28,268.8	(\$99.2)	527.8	28,697.4	428.6
Department of Licensing					
Boat excise, licenses, fees & other	44.1		2.2	46.3	2.2
Insurance Commissioner					
Insurance Premiums	553.5		(9.2)	544.3	(9.2)
Liquor Control Board					
Liquor Profits and Fees	108.4	0.7	5.0	114.1	5.8
Beer & Wine Surtax	4.5		(0.2)	4.4	(0.2)
Lottery Commission					
Lottery Revenue	0.0		0.0	0.0	-
State Treasurer					
Interest Earnings	127.9	(12.3)	18.1	133.7	5.8
Office of Financial Management					
Other	9.2	(1.1)	1.8	9.8	0.6
Total General Fund-State *	\$29,116.4	(\$111.9)	\$545.5	\$29,550.0	\$433.6

1 Forecast adopted by the ERFC in February 2006.

2 Impact of 2006 legislation.

3 Forecast adopted by the ERFC in June 2006.

* Detail may not add to totals because of rounding.

Table 3.11
June 2006 General Fund-State Forecast
2005-07 & 2007-09 Biennia; Cash Basis
(Millions of Dollars)

Forecast by Source	Fiscal 2005^a	Fiscal 2006	Fiscal 2007	2005-07 Biennium	Fiscal 2008	Fiscal 2009	2007-09 Biennium
State Taxes							
Retail sales***	\$6,151.4	\$6,800.8	\$7,095.2	\$13,896.0	\$7,481.4	\$7,904.4	\$15,385.7
Business & occupation Use***	2,195.8	2,410.7	2,510.3	4,921.0	2,638.5	2,800.1	5,438.6
Public Utility	439.6	467.5	484.9	952.4	525.6	564.2	1,089.8
Liquor sales/liter	294.8	327.7	331.3	659.0	344.7	352.5	697.2
Beer & wine surtax	104.8	141.2	146.8	288.0	152.6	158.7	311.3
Cigarette	1.8	1.9	2.0	3.9	2.1	2.2	4.4
Tobacco products	52.2	52.2	51.3	103.4	50.7	50.1	100.9
Property (state school levy)**	9.5	7.6	8.1	15.7	8.6	9.0	17.6
Public utility district	1,372.6	1,365.0	1,416.6	2,781.5	1,471.4	1,519.0	2,990.4
Real estate excise	38.0	38.8	41.3	80.0	43.9	46.5	90.4
Timber excise	759.4	918.9	879.0	1,797.9	879.4	924.7	1,804.1
Estate/inheritance	10.1	9.3	9.5	18.8	10.5	11.4	21.9
Motor vehicle excise & Rental car	(43.1)	5.1	0.0	5.1	0.0	0.0	0.0
Boat excise	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance premiums	14.8	15.7	16.7	32.3	17.8	18.9	36.7
Other	228.0	241.5	251.3	492.8	265.8	278.5	544.3
Total Taxes	237.0	262.0	261.8	523.8	246.8	265.9	512.7
	11,866.8	13,065.8	13,506.0	26,571.8	14,139.8	14,906.1	29,045.9
State Non-Tax Sources							
Licenses, permits, fees	75.8	81.2	84.0	165.2	84.7	86.6	171.3
Liquor profits & fees	45.5	44.9	49.5	94.5	54.5	59.7	114.1
Earnings on investments	28.8	66.4	63.6	130.0	68.9	64.6	133.5
Lottery transfers	4.3	1.9	6.0	7.9	0.0	0.0	0.0
Other revenue & transfers	46.0	(1.1)	(1.2)	(2.2)	(2.9)	1.3	(1.6)
Total Non-Tax	200.5	193.3	202.0	395.2	205.2	212.2	417.3
Total General Fund-State *	\$12,067.3	\$13,259.0	\$13,707.9	\$26,967.0	\$14,345.0	\$15,118.3	\$29,463.3

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.

***GFS portion after Initiative 900 transfer.

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 board's forecast of excess funds and fees for the 2005-07 biennium has been decreased \$0.8 million to \$94.5 million and its forecast of beer and wine surtaxes has been decreased \$0.3 million to \$3.9 million. The board's forecast of excess funds and fees for the 2007-09 biennium has been increased \$5.8 million to \$114.1 million and its forecast of beer and wine surtaxes has been decreased \$0.2 million to \$4.4 million. The forecasts of excess funds and fees were augmented by the effects of ESB 6537 and 2SSB 6823, which increased the forecasts by \$0.4 million in the 2005-07 biennium and \$0.7 million in the 2007-09 biennium.

Lottery Commission

The Lottery Commission transfers the unallocated portion of collections from sales of Lottery products to the General Fund. Under the bill, funds are not transferred unless there is lottery revenue remaining after the School Construction and stadium/exhibition center accounts receive their allotments. The Commission's General Fund cash forecast for the 2005-07 biennium has been increased \$6.0 million to \$7.9 million due to higher-than-forecasted sales of Lottery products. No General Fund revenue is currently forecasted for the 2007-09 biennium. The Commission's forecast of revenues for the School Construction Account for the 2005-07 biennium was increased \$8.3 million to \$197.9 million and its forecast for the 2007-09 biennium is unchanged at \$180.3 million.

Track Record for the 2005-07 Biennium

The June 2006 GFS cash receipts forecast for the 2005-07 biennium totals \$26,967.0 million. This is \$523.9 million more than the previous forecast released in February 2006. Excluding a \$5.7 million increase for a non-economic reasons (2006 legislation), the forecast is up \$518.2 million. The June 2006 update is the ninth revision to the GFS revenue forecast for the 2005-07 biennium since the initial forecast in February 2004. Eight of the nine revisions, including the June 2006 update, have increased the forecast for the 2005-07 biennium excluding legislation and other non-economic factors. The June 2006 forecast for the 2005-07 budget period is now \$2,014 million more than the initial estimate for the biennium. Non-economic changes, including 2006, 2005 and 2004 legislation along with the impact of the two recent State Supreme Court decisions and the impact of Initiative 900, have reduced the forecast by \$474 million. Excluding non-economic changes, the current GFS forecast for the 2005-07 biennium is \$2,487 million (10.0 percent) higher than the initial February 2004 forecast. Table 3.14 summarizes the changes to the GFS revenue forecast for the 2005-07 biennium.

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

Table 3.12
General Fund - State Cash Receipts
 June 2006 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	6,803.5	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%
2004	11,321.2	5.9%
2005	12,067.3	6.6%
Forecast		
2006	13,259.0	9.9%
2007	13,707.9	3.4%
2008	14,345.0	4.6%
2009	15,118.3	5.4%

Table 3.13

**Summary of 2006 Legislation- General Fund-State
2005-07 & 2007-09 Biennia**

Millions of dollars

Agency/Bill	Fiscal 06	Fiscal 07	05-07 Biennium	Fiscal 08	Fiscal 09	07-09 Biennium
Department of Revenue						
SHB 1523 Sales tax deferral; conditioning of vegetable seeds	\$0.0	(\$1.1)	(\$1.1)	(\$1.3)	(\$1.3)	(\$2.6)
ESHB 1672 B&O tax credit for hospitals; patient-lifting devices; G.F. impact	0.0	0.0	0.0	(0.6)	0.0	(0.6)
HB 2348 Incentives for aluminum manuf. extended five years	0.0	(1.1)	(1.1)	(2.3)	(2.3)	(4.7)
HB 2364 Use tax exemption; certain items acquired by state credit unions	0.0	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)
HB 2416 State park fees	(0.0)	(0.2)	(0.3)	(0.2)	(0.2)	(0.4)
HB 2424 Sales tax exemption; diesel fuel used on farms	(0.7)	(3.9)	(4.5)	(4.0)	(4.1)	(8.1)
SHB 2457 Sales tax exemption; replacement parts for farm machinery	0.0	(5.8)	(5.8)	(6.5)	(6.7)	(13.3)
HB 2466 Expansion of aerospace tax incentives	0.0	(2.9)	(2.9)	(3.7)	(3.8)	(7.5)
SHB 2569 Senior citizens property tax deferral; interest rate reduced	0.0	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)
SHB 2640 Sales tax deferral/exemption for biotechnology investments	0.0	(1.4)	(1.4)	(1.6)	(1.7)	(3.3)
HB 2644 Public utility tax credit for billing discounts; \$3 million increase	0.0	(3.0)	(3.0)	0.0	0.0	0.0
HB 2671 Excise tax due date moved back to 25th; assessment penalty revised	0.0	(5.9)	(5.9)	(6.2)	(6.2)	(12.4)
E2SHB 2673 Tax increment financing; state-credited local sales tax	0.0	0.0	0.0	0.0	(5.0)	(5.0)
SHB 2778 B&O exemption; nonprofit org. receipts for tourism promotion	0.0	(0.2)	(0.2)	(0.2)	(0.2)	(0.5)
2SHB 2799 Sales tax exemption for solar hot water systems	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
SHB 2880 Sales tax liability of insurance companies; telephone service	8.0	43.6	51.6	45.1	20.4	65.4
EHB 3159 B&O and sales tax exemptions; dairy & seafood processors	0.0	(2.8)	(2.8)	(3.2)	(3.3)	(6.5)
SHB 3190 Sales/B&O tax incentives; producers of semiconductor materials	0.0	0.0	0.0	(0.5)	(1.3)	(1.8)
ESHB 3222 Sales tax exemption for livestock feeding operations	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
ESB 5048 Cigarette/ OTP sampling prohibited; GF impact (OTP & use tax)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
SSB 6141 Wind turbines excluded from property tax levy limits	0.0	0.3	0.3	0.5	0.6	1.1
ESSB 6230 State-credited local sales tax for regional centers extended	0.0	(0.4)	(0.4)	(0.6)	(0.7)	(1.3)
2SSB 6326 B&O tax credit for workforce training	0.0	(0.9)	(0.9)	(1.6)	(1.4)	(3.0)
SB 6368 Nursing home fee is repealed, 7/1/2007	0.0	0.0	0.0	(15.0)	(16.4)	(31.4)
SSB 6512 B&O and sales tax exemptions for truck stops (land-based power)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
SSB 6533 B&O tax credit for syrup tax paid on carbonated beverage syrup	0.0	(2.3)	(2.3)	(5.1)	(7.8)	(12.9)
ESB 6537 Use tax on wine shipped from out of state directly to consumers	0.0	2.5	2.5	2.5	2.6	5.1
2SSB 6558 B&O tax credit for contributions to motion picture program	0.0	(3.5)	(3.5)	(3.5)	(3.5)	(7.0)
SSB 6671 Professional employer organizations; deduction for certain payments	0.0	(2.1)	(2.1)	(3.3)	(3.4)	(6.7)
SSB 6686 State-credited local sales tax; municipal services in annexed areas	0.0	0.0	0.0	0.0	(7.7)	(7.7)
SB 6826 Public utility tax deduction for public transit	0.0	(0.5)	(0.5)	(0.5)	(0.5)	(1.0)
SSB 6874 Preferential B&O rates for timber extracting, manuf. of wood products	0.0	(4.6)	(4.6)	(15.6)	(17.0)	(32.6)
Subtotal: DOR	7.3	3.3	10.6	(27.7)	(71.5)	(99.2)
Liquor Control Board						
ESB 6537 Shipment of Wine	0.0	0.3	0.3	0.3	0.3	0.7
2ssb 6823 Distribution of Beer and Wine	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal: LCB	0.0	0.4	0.4	0.4	0.4	0.7
State Treasurer						
HB 2671 Excise Tax relief	0.0	(5.2)	(5.2)	(6.0)	(6.3)	(12.3)
Office of Financial Management/Other agencies						
SSB 5236 Prevailing wage program	0.0	0.0	0.0	(0.6)	(0.6)	(1.1)
Total GFS	\$7.3	(\$1.6)	\$5.7	(\$33.9)	(\$78.0)	(\$111.9)

Table 3.14

Track Record for the 2005-07 General Fund-State Cash Forecast

February 2004 through June 2006

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 Fund-State Cash Basis</u>
February 2004****	\$24,293	\$660				\$24,953
Changes to Forecast						
June 2004	57	4	62	(265) #1	(203)	24,750
September 2004	32	16	48	(22) #2	26	24,776
November 2004	(57)	3	(54)	0	(54)	24,722
March 2005	424	14	438	(275) #3	164	24,885
June 2005	327	14	341	159 #4	499	25,385
September 2005	631	15	646	0	646	26,031
November 2005	306	24	330	(25) #5	305	26,336
February 2006	138	21	159	(52) #6	107	26,443
June 2006	511	7	518	6 #7	524	26,967
Total change***:						
From February 2004	2,370	118	2,487	(474)	2,014	
Percent change	9.8%	17.9%	10.0%	-1.9%	8.1%	

* 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 2005-07 biennium.

#1 Change to the forecast due to 2004 legislation.

#2 Revision to fiscal note for high tech tax incentives.

#3 Impact of the state Supreme Court decision invalidating the estate tax and lowering the b&O rate on certain meat products.

#4 Impact of 2005 legislation, budget driven revenue on the GFS forecast (+\$353.8 million) and shift refunds associated with the two recent court decisions from fy 2005 to fy 2006 (-\$195.0 million).

#5 Impact of Initiative 900 and an accounting and other adjustments.

#6 The Department of Revenue has determined that under current law the insurance industry is exempt from sales tax on telephone services. Impact includes on-going and refunds.

#7 Impact of 2006 legislation.

Table 3.15

June 2006 Baseline Forecast by Agency
Comparison of Cash and GAAP Basis
(Millions of dollars)

Agency	2003-05 Biennium			2005-07 Biennium			2007-09 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	\$22,573.4	\$22,771.6	\$198.2	\$26,058.0	\$26,143.5	\$85.5	\$28,476.6	\$28,561.9	\$85.3
Department of Licensing	45.1	46.1	0.9	41.6	41.8	0.2	46.0	46.3	0.3
Insurance Commissioner ⁴	459.9	459.9	0.0	508.7	508.7	0.0	561.9	561.9	0.0
State Treasurer	50.7	52.1	1.4	130.0	130.7	0.7	133.5	133.7	0.2
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	211.4	211.4	0.0	218.4	218.5	0.1	225.2	225.3	0.1
Subtotal: General Fund-State Cash/Revenue*	23,340.6	23,541.1	200.5	26,956.7	27,043.3	86.6	29,443.2	29,529.1	85.9
General Fund State - Other Financing Sources⁵									
Department of Revenue ⁶	147.0	152.5	5.5	117.7	118.7	1.0	134.7	135.5	0.8
Lottery Commission	4.3	6.1	1.9	7.9	6.0	(1.9)	0.0	0.0	0.0
Insurance Commissioner ⁷	(14.3)	(14.3)	0.0	(15.9)	(15.9)	0.0	(17.6)	(17.6)	0.0
Liquor Control Board	92.0	92.0	0.0	98.4	98.4	0.0	118.5	118.5	0.0
Office of Financial Management									
Other Agencies ⁸	(181.0)	(181.0)	0.0	(197.7)	(197.7)	0.0	(215.5)	(215.5)	0.0
Subtotal: GFS Other Financing Sources	47.9	55.3	7.4	10.3	9.4	(0.9)	20.1	20.9	0.8
Total Available Receipts/Resources									
General Fund-State *	\$23,388.5	\$23,596.4	\$207.9	\$26,967.0	\$27,052.7	\$85.7	\$29,463.3	\$29,550.0	\$86.7

* 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

**2005-07 Biennium Balance Sheet Including
Enacted 2006 Supplemental Budget**

General Fund-State Dollars in Millions

RESOURCES	
Beginning Fund Balance	869.7
February 2006 Forecast	26,443.0
June 2006 Update	518.2
2006 Supplemental: Legislation Impacting Revenues	
Revenue Policy Legislation (Net)	5.7
Current Revenue Totals	26,967.0
Legislatively-enacted fund transfers and other adjustments	205.9
Total Resources (Includes Fund Balance)	28,042.6
APPROPRIATIONS AND SPENDING ESTIMATES	
2005-07 Appropriations	25,952.4
2006 Supplemental Budget	
Maintenance and Policy Expenditures	522.5
Appropriations to Reserves and Other Funds	825.0
Governor's Vetoes	(2.0)
Spending Level	27,297.9
UNRESTRICTED RESERVES	
Projected General Fund Ending Balance	744.7

Note: In addition to the projected General Fund ending balance, the 2006 Legislature created the following reserves:

Student Achievement Fund - \$277 million
 Health Services Account - \$161.4 million
 Pension Funding Stabilization Account - \$301.4 million.

The combined total of these four reserves is \$1,484.5 million.

Table 3.17
June 2006 Alternative Forecasts Compared to the Baseline Forecast
2005-07 Biennium
(Millions of dollars)

<u>Forecast by Source</u>	<u>Optimistic Forecast</u>	<u>Baseline Forecast</u>	<u>Pessimistic Forecast</u>
<i>Department of Revenue</i>			
Retail Sales	\$14,112.1	\$13,896.0	\$13,628.7
Business & Occupation Use	4,980.4	4,921.0	4,860.9
Public Utility	966.4	952.4	935.2
Property (school levy)	660.6	659.0	659.1
Real Estate Excise	2,837.7	2,781.5	2,725.4
Other	1,838.1	1,797.9	1,724.8
Subtotal	1,206.3	1,167.8	1,131.8
	26,601.6	26,175.7	25,665.9
<i>Department of Licensing</i>			
	42.8	41.6	40.3
<i>Insurance Commissioner¹</i>			
	505.1	492.8	480.5
<i>Lottery Commission</i>			
	11.9	7.9	1.9
<i>State Treasurer - Interest earnings</i>			
	164.9	130.0	105.7
<i>Liquor Profits & Fees²</i>			
	100.4	98.4	96.4
<i>Office of Financial Management</i>			
Other agencies	31.2	20.7	10.2
Total General Fund - State*	\$27,457.8	\$26,967.0	\$26,400.9
Difference from June 2006 Baseline	\$490.8		(\$566.1)

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
June 2006 Alternative Forecasts Compared to the Baseline Forecast
2007-09 Biennium
(Millions of dollars)

Forecast by Source	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast
<i>Department of Revenue</i>			
Retail Sales	\$16,492.3	\$15,385.7	\$14,353.3
Business & Occupation Use	5,779.4	5,438.6	5,204.3
Public Utility	1,177.5	1,089.8	1,026.3
Property (school levy)	712.8	697.2	694.9
Real Estate Excise	3,139.9	2,990.4	2,840.9
Other	1,981.0	1,804.1	1,623.2
Subtotal	1,271.0	1,205.5	1,146.0
	30,553.9	28,611.3	26,888.8
<i>Department of Licensing</i>			
	47.4	46.0	44.6
<i>Insurance Commissioner¹</i>			
	557.9	544.3	530.7
<i>Lottery Commission</i>			
	0.0	0.0	0.0
<i>State Treasurer - Interest earnings</i>			
	197.4	133.5	74.5
<i>Liquor Profits & Fees²</i>			
	120.9	118.5	116.1
<i>Office of Financial Management</i>			
Other agencies	22.2	9.7	(2.8)
Total General Fund - State*	\$31,499.7	\$29,463.3	\$27,652.0
Difference from June 2006 Baseline	\$2,036.4		(\$1,811.3)

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax.

* Detail may not add to total due to rounding.

Table 3.19

**Impact of Initiative 728 on the State Property Tax and Lottery Revenue
June 2006 Cash Forecast; Millions of Dollars**

I. Disposition of the State portion of the Property Tax

	State Levy: Total Receipts	To the General Fund	To the Student Achievement Account ¹
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	1,504.7	1,370.5	134.2
2005	1,568.1	1,372.6	195.5
2003-05 Biennium	3,072.8	2,743.1	329.8
2006	1,610.2	1,365.0	245.2
2007	1,664.6	1,416.6	248.1
2005-07 Biennium	3,274.8	2,781.5	493.3
2008	1,720.8	1,471.4	249.4
2009	1,777.6	1,519.0	258.5
200-09 Biennium	3,498.3	2,990.4	508.0

II. Lottery Transfers by Fund*

	Lottery: Total Transfers:**	General Fund	Mariners Stadium	Exhibition Center & Stadium	Student Achievement Account ¹	School Construction Account ¹	Problem Transfer to VERDE ² Account	Problem Gambling Account	Economic Development Account
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	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		
2005	112.2	4.3	4.2	7.6	0.0	96.2	0.0		
2003-05 Biennium	225.6 0.0	4.3	8.2	14.9	76.5	121.7	0.0		
2006	124.9	1.9	4.4	7.9	0.0	107.8	0.0	2.8	
2007	112.0	6.0	4.5	8.2	0.0	90.2	0.0	2.9	
2005-07 Biennium	236.9	7.9	8.9	16.1	0.0	197.9	0.0	5.7	
2008	106.5	0.0	4.7	8.5	0.0	90.2	0.0	2.9	
2009	107.1	0.0	4.9	8.9	0.0	90.2	0.0	2.9	
2007-09 Biennium	213.6	0.0	9.6	17.4	0.0	180.3	0.0	5.8	

* 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).

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 2003-05 biennium totaled \$23,596.4 million on a GAAP basis, \$207.9 million more than the \$23,388.5 million cash receipts total. The GFS forecast for the 2005-07 biennium is \$27,052.7 million on a GAAP basis, \$85.7 million more than the \$26,967.0 million cash forecast. For the 2007-09 biennium, the GFS forecast on a GAAP basis is \$29,550.0 million, \$86.7 million more than the \$29,463.3 cash receipts total.

Table 3.16 shows the budgetary balance sheet for the 2005-07 biennium. As of the June 2006 forecast, the projected ending balance for the General Fund at the end of the 2005-07 biennium is \$744.7 million. This is based on a spending level of \$27,297.9 million that includes the 2006 enacted Supplemental Budget and an \$869.7 million beginning balance. In addition, the 2006 Legislature created three additional reserves: the Student Achievement Fund (\$277 million), the Health Services Account (\$161.4 million) and the Pension Funding Stabilization Account (\$301.4 million). The combined total of these four reserves totals \$1,484.5 million, 5.4 percent of the 2005-07 spending level.

Alternative Forecast for the 2005-07 and 2007-09 Biennia

The June forecast continues to expect a growing economy for the remainder of the 2005-07 biennium as well as in the 2007-09 biennium. Nearly half way into the 2005-07 biennium revenue growth is still very strong, especially the state's major excise taxes and the real estate excise tax. The June baseline forecast, like previous forecasts, expects growth to slow during the remainder of the biennium in response to rising interest rates and relatively high energy costs. A weaker housing market is expected to slow housing related spending, as well as other spending, as housing equity cash-outs subside. In addition, the savings rate has been negative and the forecast assumes that at some point consumer spending will be scaled back as consumers replenish their savings. So far the assumed housing correction and slower spending expected in the baseline forecast has yet to occur. While the forecast still believes slower growth lies ahead, when and to what degree is much less certain. The onset of slower growth may be pushed out further in the future than assumed in the baseline forecast or it may be so mild it will hardly be noticeable. On the other hand, interest rates may increase more than expected and the slowdown expected in housing may be much worse than anticipated in the baseline forecast. The revenue implications of stronger, as well as weaker economic growth, are contained in two alternative forecasts.

The June 2006 optimistic scenario is similar to February. In the optimist scenario economic growth slows very little. Productivity increases much faster in the optimistic forecast than in the baseline. In addition, a stronger dollar and lower energy costs keep inflation lower than in the baseline forecast. Lower inflation produces lower interest rates, a stronger housing market, stronger business investment, and stronger consumer spending than assumed in the baseline forecast. Washington's economy benefits from stronger growth nationally. In the optimistic scenario state personal income is 3.3 percent higher than in the baseline by the end of the 2005-07 biennium. State wage and salary employment is 38,800 higher by the end of the 2005-07 budget period.

The June 2006 pessimistic scenario also is similar to the February pessimistic alternative. In this scenario inflation accelerates due to higher energy costs. This leads to higher interest rates and to a steep decline in housing. Consumer and business confidence falls as does spending. The weak national economy

results in weaker job and income growth in the state. In the pessimistic scenario, state personal income is 3.3 percent less than the baseline by the end of the 2005-07 biennium and wage and salary employment is 52,900 less than the baseline by the end of the 2005-07 budget period.

Table 3.17 shows the revenue implications of these alternative scenarios for the 2005-07 biennium. The optimistic scenario generates \$27,457.8 million, \$490.8 million more than the baseline forecast. The pessimistic alternative produces only \$26,400.9 million GFS revenue in the 2005-07 biennium, \$566.1 million less than the baseline forecast. For the 2007-09 biennium, the range is much wider (Table 3.18). The optimistic GFS forecast for the 2007-09 biennium is \$31,499.7 million, \$2,036.4 million more than the baseline forecast. The pessimistic alternative for the 2007-09 budget period generates only \$27,652 million, 1,811.3 million less than the baseline.

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 2006 GCEA scenario was based on the forecast of five members of the GCEA. The GCEA alternative was close to the June 2006 baseline forecast, producing \$68 million less than the baseline for the 2005-07 biennium and \$97 million less than the baseline in the 2007-09 biennium.

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County Personal Income and Employment, 2000 to 2004

“Personal Income” is defined by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) as “Income received by persons from all sources. It includes income received from participation in production as well as from government and business transfer payments. It is the sum of compensation of employees (received), supplements to wages and salaries, proprietors’ income with inventory valuation adjustment and capital consumption adjustment, rental income of persons with capital consumption adjustment, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance.” 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 BEA publishes annual estimates of personal income on a county-by-county basis broken down by source and by industry. In April of this year, the bureau released new estimates for 2004 personal income and revised personal income estimates from 2003 to 2004. This report presents details of the income data from 2000 to 2004. Data prior to 2000 is available through the BEA or the Washington State Economic and Revenue Forecast Council.

In 2004 per capita personal income in Washington’s counties ranged from \$49,286 in King County to \$19,336 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 \$11,969 in 2004. 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, in 2000 (the most recent year for which data is available) approximately four times as many people commuted from other counties to work in King County than the reverse¹. In 2004, this resulted in a net earnings outflow from King County into other areas of 10.8 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 (\$9,192) than within (\$6,950).

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 2004 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, Snohomish County had a job ratio of 44.8, well below the state average of 58.3. It also, however, had a large positive per capita residence adjustment of \$7,267, indicating that a large amount of the labor force worked in other counties (in this case, King County). The county's unemployment rate of 5.4 percent, well below the state average of 6.2 percent, further indicates that county residents as a whole could find work more easily than the job ratio would seem to indicate. Klickitat County, on the other hand, had a higher job ratio of 47.9 but also had a lower (\$2,000) per capita residence adjustment. Coupled with the county's 2004 unemployment rate of 9.2 percent, this indicates that jobs for residents of the county were relatively hard to find².

Chart 4.2 indicates 2004 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 \$15,467.

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 2004 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 21 percent of jobs³ in Garfield County, which ranked 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 15 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 2000 to 2004 and the amount of growth during that period. From 2000 to 2004, the state's urban counties experienced a total increase in per capita personal income of 9.7 percent, while that of rural counties grew 12.7 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 through mid-2004 with the layoff of over 23,000 aerospace employees from December 2001 through December 2004 while the rest of the state's employment began to recover in the beginning of 2002. Also partially due to the slowdown in the Seattle area, growth in U.S. per capita personal income outpaced that of the state from 2000-2004, growing by 10.7 percent while the state's grew by 10.3 percent.

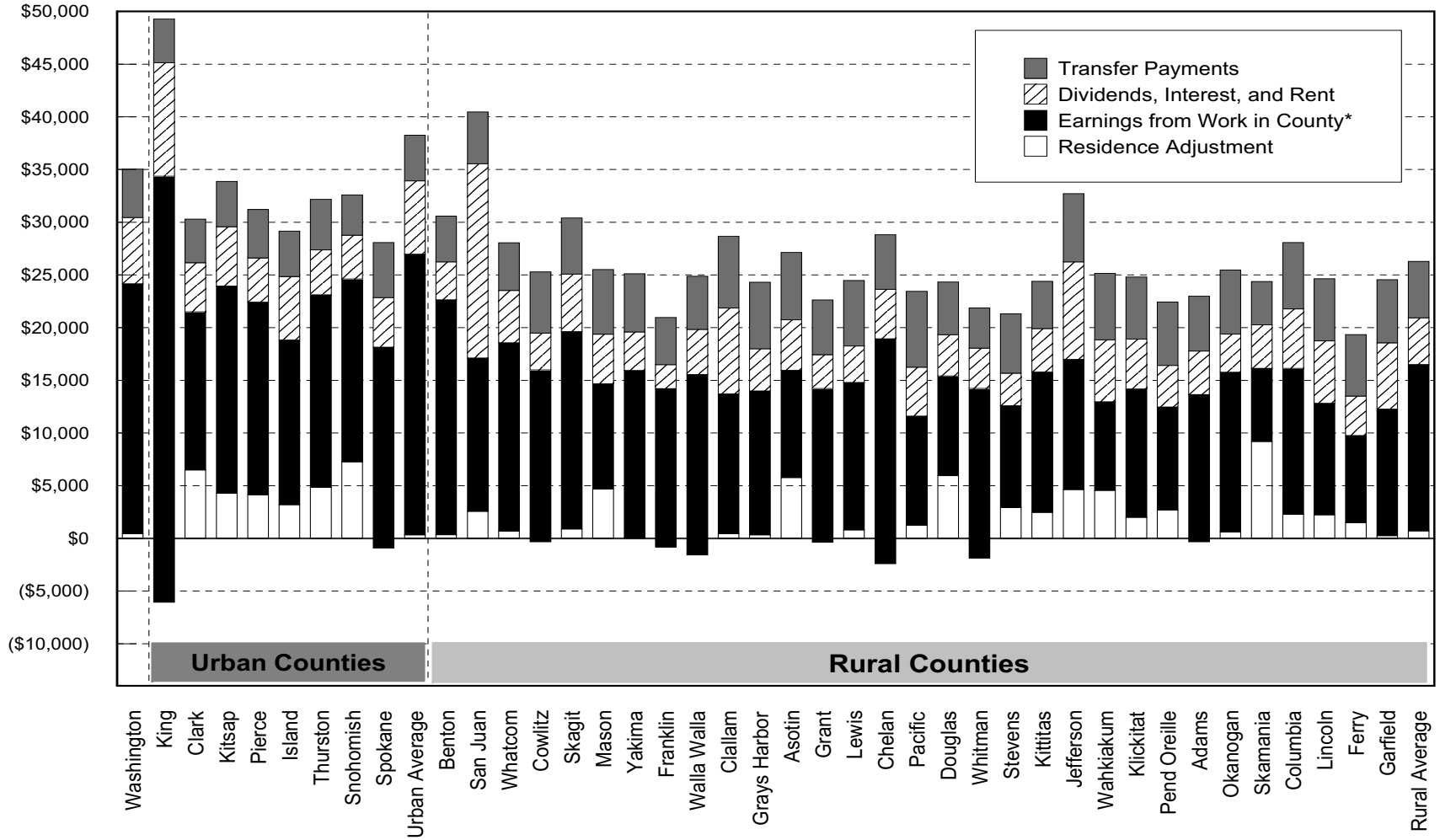
While there is a wide variation in per capita personal income between rural and urban counties, there is also variation in the counties' cost of living. While neither the federal nor the state government provides a measure of the relative cost of living between counties, the median home price can provide a good indication. Table 4.5 shows the relationship of 2004 median home prices to per capita personal income. For example, King County had the highest per capita personal income level, which was 41 percent higher than the state average, and the highest median home price, which was 44 percent higher than the state median. Alternatively, Ferry County had the lowest per capita personal income, which was 45 percent lower than the state average, and was tied for the eighth lowest median home price, which was 49 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, U.S. 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
2004 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
2004 Earnings per Job
 (Counties Ordered by Population Density)

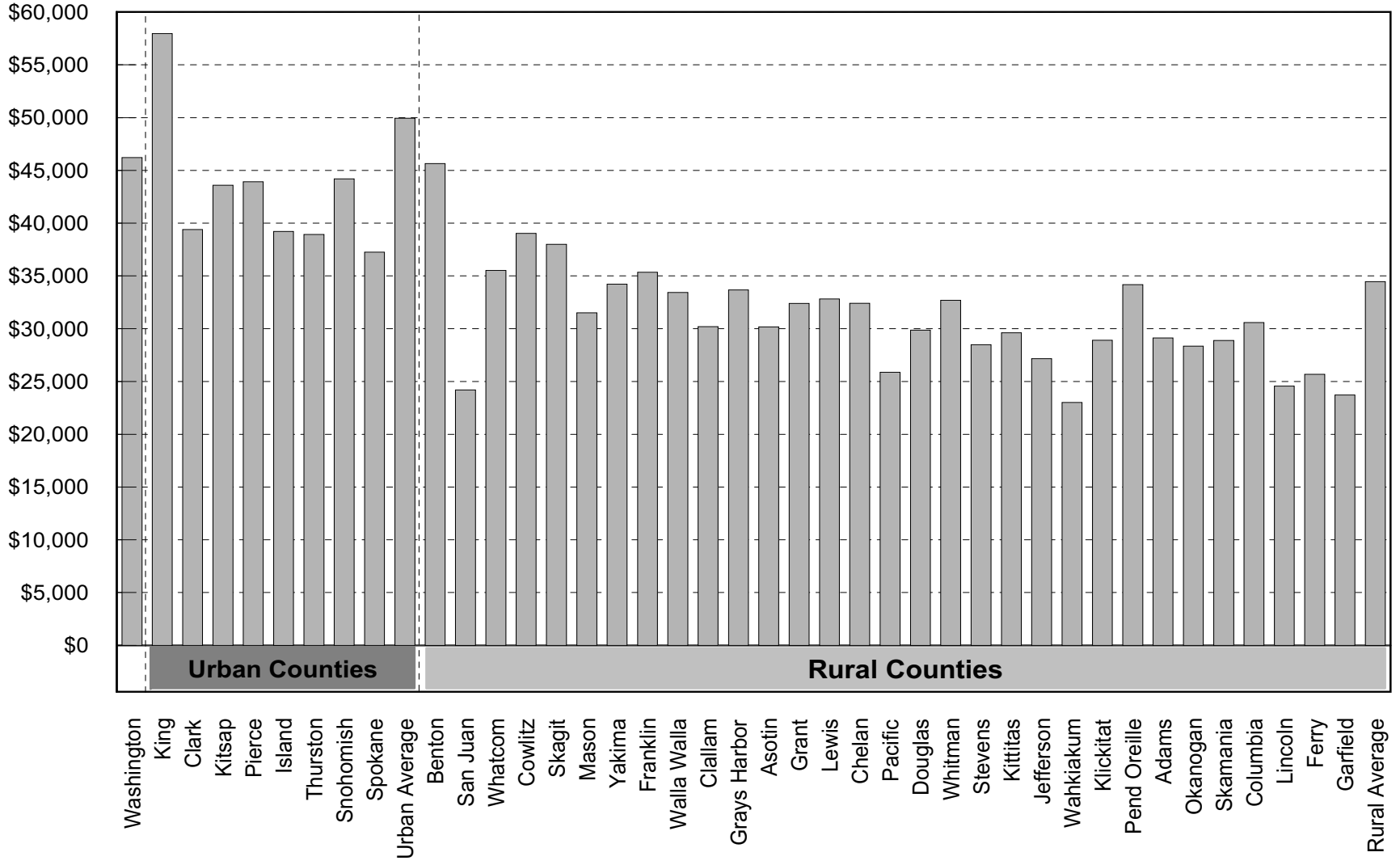


Table 4.1

2004 Job Ratio, Unemployment, and Per Capita Residence Adjustment

	Total Full and Part-Time Employment	Population	Job Ratio	Per Capita Residence Adjustment	Unemployment Rate
Washington	3,620,312	6,207,046	58.3	\$439	6.2%
King*	1,407,013	1,777,746	79.1	-\$6,054	5.1%
Chelan	51,301	68,897	74.5	-\$2,412	6.9%
San Juan	10,360	15,142	68.4	\$2,569	4.5%
Okanogan	23,588	39,472	59.8	\$621	7.8%
Garfield	1,357	2,313	58.7	\$269	5.2%
Spokane*	254,968	435,146	58.6	-\$930	6.5%
Walla Walla	33,334	57,238	58.2	-\$1,564	6.1%
Whatcom#	103,096	180,205	57.2	\$699	5.7%
Whitman	22,565	40,182	56.2	-\$1,870	4.4%
Benton#	87,145	155,901	55.9	\$344	5.9%
Skagit	62,055	111,131	55.8	\$899	6.9%
Adams	9,035	16,647	54.3	-\$319	7.9%
Thurston*	120,592	224,661	53.7	\$4,865	5.7%
Yakima#	120,209	229,515	52.4	\$63	8.6%
Jefferson	14,685	28,110	52.2	\$4,626	5.9%
Columbia	2,131	4,158	51.3	\$2,277	8.3%
Kittitas	18,515	36,158	51.2	\$2,460	6.5%
Grant	40,641	79,983	50.8	-\$359	8.1%
Kitsap*	122,066	241,436	50.6	\$4,302	5.9%
Clallam	34,244	67,991	50.4	\$441	6.9%
Lincoln	5,133	10,410	49.3	\$2,230	6.5%
Lewis	34,936	71,299	49.0	\$805	8.3%
Franklin#	28,809	59,651	48.3	-\$820	7.6%
Cowlitz	46,192	96,208	48.0	-\$330	8.5%
Klickitat	9,471	19,771	47.9	\$2,000	9.2%
Pierce*	352,598	745,778	47.3	\$4,130	7.1%
Grays Harbor	32,825	70,335	46.7	\$330	8.3%
Pacific	9,780	21,209	46.1	\$1,233	7.7%
Snohomish*	288,654	644,205	44.8	\$7,267	5.4%
Island*	35,381	79,742	44.4	\$3,206	6.7%
Clark*	170,395	392,364	43.4	\$6,493	7.5%
Wahkiakum	1,592	3,773	42.2	\$4,560	7.6%
Stevens	15,985	41,294	38.7	\$2,934	8.3%
Asotin	8,051	20,910	38.5	\$5,765	6.6%
Ferry	2,766	7,523	36.8	\$1,477	10.6%
Mason	19,370	53,110	36.5	\$4,681	7.4%
Douglas	12,498	34,426	36.3	\$5,956	6.3%
Pend Oreille	4,061	12,450	32.6	\$2,710	8.8%
Skamania	2,915	10,556	27.6	\$9,192	8.7%

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

Table 4.2

2004 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	3,620,312	\$46,224	9,035	\$29,114	8,051	\$30,178
Wage and salary employment	2,957,913	\$40,299	6,864	\$26,883	5,868	\$25,875
Proprietors employment	662,399	\$27,764	2,171	\$16,389	2,183	\$25,002
Farm proprietors employment	33,559	\$25,584	635	\$9,195	178	-\$26,011
Nonfarm proprietors employment ³	628,840	\$27,880	1,536	\$19,363	2,005	\$29,531
Farm employment	81,581	\$25,999	1,766	\$23,763	235	-\$13,855
Nonfarm employment	3,538,731	\$46,691	7,269	\$30,414	7,816	\$31,502
Private employment	2,944,579	\$45,286	5,700	\$28,507	6,635	\$30,281
Forestry, fishing, related activities, and other ⁴	50,209	\$37,736	493	\$24,815	(D)	(D)
Mining	5,901	\$47,914	12	\$4,750	(D)	(D)
Utilities	4,728	\$122,613	(D)	(D)	(D)	(D)
Construction	221,655	\$51,132	235	\$30,911	681	\$40,567
Manufacturing	279,653	\$71,118	899	\$40,475	595	\$37,723
Wholesale trade	132,028	\$63,628	521	\$41,180	103	\$42,971
Retail Trade	397,312	\$29,238	903	\$19,045	1,015	\$27,262
Transportation and warehousing	103,316	\$53,176	(D)	(D)	(D)	(D)
Information	101,698	\$113,074	39	\$19,385	52	\$38,385
Finance and insurance	144,736	\$64,818	191	\$22,927	294	\$42,265
Real estate and rental and leasing	145,914	\$28,507	231	\$9,615	286	\$22,832
Professional and technical services	234,837	\$55,751	159	\$20,981	384	\$22,099
Management of companies and enterprises	34,060	\$89,621	0	\$0	(D)	(D)
Administrative and waste services	180,482	\$32,372	93	\$10,097	(D)	(D)
Educational services	59,362	\$22,333	(D)	(D)	67	\$12,045
Health care and social assistance	342,368	\$42,753	(D)	(D)	1,056	\$31,426
Arts, entertainment, and recreation	83,908	\$20,128	19	\$12,684	229	\$14,258
Accommodation and food services	229,405	\$18,463	426	\$12,883	608	\$14,594
Other services, except public administration	193,007	\$25,615	336	\$23,473	746	\$39,630
Government and government enterprises	594,152	\$53,650	1,569	\$37,344	1,181	\$38,359
Federal, civilian	68,260	\$85,094	44	\$62,955	61	\$71,852
Military	76,029	\$62,998	58	\$32,828	73	\$32,740
State and local	449,863	\$47,299	1,467	\$36,754	1,047	\$36,799
State government	143,220	\$47,387	64	\$39,703	162	\$35,080
Local government	306,643	\$47,258	1,403	\$36,619	885	\$37,114

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

Table 4.2 (cont'd)

2004 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	87,145	\$45,650	51,301	\$32,411	34,244	\$30,187
Wage and salary employment	73,813	\$41,422	40,670	\$28,613	24,098	\$28,749
Proprietors employment	13,332	\$19,874	10,631	\$23,430	10,146	\$16,754
Farm proprietors employment	1,259	\$7,732	1,246	\$37,126	344	\$2,744
Nonfarm proprietors employment ³	12,073	\$21,140	9,385	\$21,612	9,802	\$17,246
Farm employment	4,017	\$21,412	5,608	\$25,324	439	\$7,114
Nonfarm employment	83,128	\$46,821	45,693	\$33,280	33,805	\$30,486
Private employment	71,407	\$45,436	39,133	\$30,556	26,603	\$26,326
Forestry, fishing, related activities, and other ⁴	1,876	\$22,980	(D)	(D)	1,065	\$54,169
Mining	48	\$3,896	(D)	(D)	81	\$12,198
Utilities	109	\$83,606	47	\$32,553	28	\$21,786
Construction	5,104	\$49,541	2,814	\$42,638	2,612	\$37,621
Manufacturing	4,129	\$55,332	2,070	\$46,790	1,617	\$41,518
Wholesale trade	1,221	\$39,586	1,532	\$38,928	563	\$39,032
Retail Trade	10,199	\$23,498	5,889	\$23,755	4,782	\$24,272
Transportation and warehousing	980	\$34,366	1,053	\$34,896	785	\$35,055
Information	900	\$43,363	582	\$41,296	422	\$29,199
Finance and insurance	2,228	\$41,193	1,178	\$35,854	1,031	\$28,301
Real estate and rental and leasing	2,676	\$21,277	1,779	\$31,771	1,646	\$12,945
Professional and technical services	12,228	\$73,390	1,754	\$31,283	1,707	\$24,066
Management of companies and enterprises	402	\$74,694	70	\$59,529	172	\$60,122
Administrative and waste services	10,238	\$74,310	1,280	\$14,455	1,150	\$10,863
Educational services	696	\$14,105	391	\$14,215	327	\$12,318
Health care and social assistance	7,546	\$39,518	5,648	\$46,869	3,040	\$30,610
Arts, entertainment, and recreation	1,787	\$15,949	890	\$10,198	670	\$7,452
Accommodation and food services	5,093	\$16,776	3,914	\$16,212	2,632	\$13,772
Other services, except public administration	3,947	\$23,081	2,330	\$23,107	2,273	\$19,826
Government and government enterprises	11,721	\$55,261	6,560	\$49,533	7,202	\$45,853
Federal, civilian	861	\$107,774	738	\$75,642	433	\$72,247
Military	559	\$33,726	242	\$32,988	554	\$51,639
State and local	10,301	\$52,040	5,580	\$46,798	6,215	\$43,498
State government	1,189	\$42,522	1,225	\$45,023	1,318	\$43,602
Local government	9,112	\$53,282	4,355	\$47,297	4,897	\$43,470

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

Table 4.2 (cont'd)

2004 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	170,395	\$39,401	2,131	\$30,572	46,192	\$39,041
Wage and salary employment	130,701	\$36,041	1,568	\$27,425	39,017	\$33,357
Proprietors employment	39,694	\$21,658	563	\$18,760	7,175	\$23,992
Farm proprietors employment	1,402	\$10,563	241	\$29,095	411	\$13,727
Nonfarm proprietors employment ³	38,292	\$22,065	322	\$11,025	6,764	\$24,615
Farm employment	1,778	\$13,184	339	\$29,310	715	\$18,730
Nonfarm employment	168,617	\$39,677	1,792	\$30,811	45,477	\$39,360
Private employment	145,542	\$37,938	1,273	\$26,041	39,316	\$38,748
Forestry, fishing, related activities, and other ⁴	580	\$26,455	(D)	(D)	1,314	\$36,358
Mining	457	\$101,221	(D)	(D)	182	\$45,500
Utilities	130	\$70,000	(D)	(D)	(D)	(D)
Construction	14,780	\$49,462	(D)	(D)	2,884	\$70,845
Manufacturing	13,727	\$59,979	(D)	(D)	7,633	\$64,630
Wholesale trade	5,977	\$56,546	82	\$48,024	(D)	(D)
Retail Trade	20,236	\$24,654	174	\$14,040	5,836	\$24,681
Transportation and warehousing	4,849	\$42,995	(D)	(D)	1,793	\$43,632
Information	3,328	\$54,640	18	\$10,444	471	\$40,399
Finance and insurance	6,343	\$43,317	36	\$19,806	1,288	\$38,165
Real estate and rental and leasing	8,444	\$22,392	26	\$9,885	1,254	\$12,695
Professional and technical services	11,379	\$54,341	60	\$18,733	1,394	\$29,905
Management of companies and enterprises	837	\$72,640	(D)	(D)	47	\$45,532
Administrative and waste services	9,952	\$22,209	(D)	(D)	1,530	\$15,717
Educational services	1,974	\$15,012	(D)	(D)	403	\$16,514
Health care and social assistance	17,853	\$43,439	(D)	(D)	5,320	\$38,958
Arts, entertainment, and recreation	4,157	\$16,012	(D)	(D)	895	\$15,023
Accommodation and food services	10,826	\$17,974	(D)	(D)	2,967	\$14,875
Other services, except public administration	9,713	\$24,597	154	\$22,461	2,806	\$19,753
Government and government enterprises	23,075	\$50,649	519	\$42,511	6,161	\$43,266
Federal, civilian	2,677	\$99,868	66	\$83,394	253	\$76,016
Military	1,375	\$33,145	15	\$32,133	336	\$33,054
State and local	19,023	\$44,987	438	\$36,705	5,572	\$42,394
State government	3,480	\$41,421	43	\$42,419	1,146	\$39,376
Local government	15,543	\$45,786	395	\$36,084	4,426	\$43,176

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

Table 4.2 (cont'd)

2004 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	12,498	\$29,860	2,766	\$25,678	28,809	\$35,350
Wage and salary employment	10,446	\$26,071	1,819	\$26,446	24,512	\$29,330
Proprietors employment	2,052	\$19,077	947	\$8,624	4,297	\$29,599
Farm proprietors employment	930	\$21,011	205	\$420	944	\$36,387
Nonfarm proprietors employment ³	1,122	\$17,474	742	\$10,891	3,353	\$27,688
Farm employment	2,764	\$20,040	207	\$531	4,576	\$27,606
Nonfarm employment	9,734	\$32,648	2,559	\$27,712	24,233	\$36,813
Private employment	7,545	\$28,295	1,589	\$20,444	19,374	\$34,458
Forestry, fishing, related activities, and other ⁴	930	\$30,386	(D)	(D)	1,275	\$42,038
Mining	12	\$5,167	(D)	(D)	48	\$41,792
Utilities	(L)	(L)	0	\$0	51	\$55,490
Construction	779	\$38,157	(D)	(D)	1,582	\$42,898
Manufacturing	257	\$46,763	(D)	(D)	1,932	\$48,664
Wholesale trade	322	\$44,314	(D)	(D)	1,347	\$43,649
Retail Trade	1,305	\$25,811	286	\$15,790	2,644	\$29,121
Transportation and warehousing	380	\$39,655	(D)	(D)	1,281	\$51,716
Information	52	\$38,327	(D)	(D)	178	\$32,438
Finance and insurance	215	\$30,684	30	\$15,867	402	\$28,341
Real estate and rental and leasing	206	\$11,675	(D)	(D)	801	\$23,939
Professional and technical services	302	\$30,662	87	\$10,678	635	\$34,973
Management of companies and enterprises	(D)	(D)	(D)	(D)	0	\$0
Administrative and waste services	(D)	(D)	(D)	(D)	964	\$21,249
Educational services	103	\$13,922	(L)	(L)	350	\$21,431
Health care and social assistance	654	\$34,700	116	\$12,198	2,555	\$36,065
Arts, entertainment, and recreation	414	\$23,319	(D)	(D)	442	\$18,093
Accommodation and food services	681	\$12,789	(D)	(D)	1,435	\$14,080
Other services, except public administration	640	\$19,291	159	\$16,648	1,452	\$26,414
Government and government enterprises	2,189	\$47,652	970	\$39,618	4,859	\$46,202
Federal, civilian	190	\$98,142	158	\$69,405	548	\$86,881
Military	128	\$34,875	26	\$33,385	207	\$32,966
State and local	1,871	\$43,399	786	\$33,836	4,104	\$41,438
State government	88	\$42,534	27	\$40,630	1,132	\$38,859
Local government	1,783	\$43,442	759	\$33,594	2,972	\$42,420

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

Table 4.2 (cont'd)

2004 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	1,357	\$23,724	40,641	\$32,396	32,825	\$33,683
Wage and salary employment	909	\$29,125	33,225	\$27,274	26,266	\$30,938
Proprietors employment	448	-\$5,931	7,416	\$26,045	6,559	\$14,182
Farm proprietors employment	218	-\$19,922	1,902	\$54,832	461	\$17,377
Nonfarm proprietors employment ³	230	\$7,330	5,514	\$16,115	6,098	\$13,941
Farm employment	283	-\$10,438	7,097	\$34,944	573	\$18,190
Nonfarm employment	1,074	\$32,725	33,544	\$31,857	32,252	\$33,958
Private employment	570	\$20,551	26,104	\$27,622	25,687	\$31,836
Forestry, fishing, related activities, and other ⁴	(D)	(D)	(D)	(D)	(D)	(D)
Mining	12	\$0	(D)	(D)	(D)	(D)
Utilities	(D)	(D)	20	\$12,400	(D)	(D)
Construction	(D)	(D)	1,541	\$32,822	1,678	\$37,433
Manufacturing	(D)	(D)	4,117	\$44,889	4,056	\$52,888
Wholesale trade	139	\$35,403	1,123	\$41,444	867	\$46,494
Retail Trade	115	\$17,809	4,074	\$22,327	4,137	\$23,643
Transportation and warehousing	(D)	(D)	1,056	\$40,519	(D)	(D)
Information	(D)	(D)	221	\$28,941	288	\$32,267
Finance and insurance	33	\$24,970	708	\$33,023	900	\$34,810
Real estate and rental and leasing	17	\$5,412	1,007	\$14,282	1,012	\$11,308
Professional and technical services	(D)	(D)	913	\$27,692	1,078	\$36,024
Management of companies and enterprises	0	\$0	36	\$81,389	153	\$54,275
Administrative and waste services	(D)	(D)	1,492	\$14,255	728	\$14,974
Educational services	0	\$0	179	\$15,793	(D)	(D)
Health care and social assistance	(D)	(D)	3,109	\$28,307	(D)	(D)
Arts, entertainment, and recreation	(L)	(L)	489	\$14,104	541	\$10,148
Accommodation and food services	(D)	(D)	2,024	\$13,552	2,492	\$14,718
Other services, except public administration	52	\$16,750	1,769	\$21,181	2,051	\$19,471
Government and government enterprises	504	\$46,494	7,440	\$46,715	6,565	\$42,260
Federal, civilian	127	\$76,835	626	\$80,668	196	\$67,117
Military	(L)	(L)	280	\$33,018	290	\$36,593
State and local	369	\$36,339	6,534	\$44,049	6,079	\$41,729
State government	(D)	(D)	833	\$39,194	1,287	\$44,354
Local government	(D)	(D)	5,701	\$44,758	4,792	\$41,024

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

Table 4.2 (cont'd)
2004 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	35,381	\$39,225	14,685	\$27,154	1,407,013	\$57,959
Wage and salary employment	25,286	\$34,347	10,162	\$27,008	1,174,680	\$49,705
Proprietors employment	10,095	\$14,183	4,523	\$12,837	232,333	\$40,017
Farm proprietors employment	305	\$8,026	161	\$15,335	1,250	\$18,718
Nonfarm proprietors employment ³	9,790	\$14,375	4,362	\$12,745	231,083	\$40,132
Farm employment	416	\$12,834	204	\$17,676	2,011	\$26,324
Nonfarm employment	34,965	\$39,539	14,481	\$27,287	1,405,002	\$58,004
Private employment	21,841	\$23,427	12,240	\$24,141	1,235,498	\$58,307
Forestry, fishing, related activities, and other ⁴	233	\$13,670	284	\$19,032	4,503	\$118,694
Mining	65	\$26,108	68	\$21,618	1,523	\$34,937
Utilities	90	\$47,144	70	\$72,943	955	\$268,141
Construction	2,482	\$33,215	1,287	\$29,986	75,135	\$61,997
Manufacturing	1,017	\$35,353	841	\$48,409	111,356	\$86,044
Wholesale trade	331	\$34,979	217	\$30,876	68,766	\$76,687
Retail Trade	3,610	\$23,587	1,526	\$19,974	138,853	\$35,115
Transportation and warehousing	344	\$27,765	209	\$31,794	51,674	\$63,724
Information	389	\$43,396	226	\$25,761	72,697	\$140,337
Finance and insurance	873	\$27,696	301	\$72,359	69,805	\$77,947
Real estate and rental and leasing	1,792	\$15,927	760	\$14,672	63,807	\$37,937
Professional and technical services	1,594	\$23,275	996	\$19,781	126,713	\$66,804
Management of companies and enterprises	197	\$57,173	0	\$0	23,488	\$101,637
Administrative and waste services	1,432	\$15,571	554	\$11,984	80,302	\$38,476
Educational services	542	\$18,734	288	\$12,851	27,803	\$23,395
Health care and social assistance	2,087	\$25,912	1,698	\$29,373	121,221	\$47,269
Arts, entertainment, and recreation	896	\$10,362	486	\$6,940	39,316	\$27,378
Accommodation and food services	1,944	\$13,191	1,409	\$14,121	88,628	\$22,331
Other services, except public administration	1,923	\$19,994	1,020	\$18,076	68,953	\$30,032
Government and government enterprises	13,124	\$66,353	2,241	\$44,473	169,504	\$55,796
Federal, civilian	1,396	\$58,587	149	\$84,503	22,076	\$89,762
Military	8,617	\$75,790	112	\$37,964	7,487	\$42,250
State and local	3,111	\$43,700	1,980	\$41,828	139,941	\$51,163
State government	392	\$37,224	313	\$46,585	53,940	\$48,600
Local government	2,719	\$44,633	1,667	\$40,935	86,001	\$52,771

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

Table 4.2 (cont'd)

2004 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	122,066	\$43,601	18,515	\$29,623	9,471	\$28,916
Wage and salary employment	98,606	\$36,795	13,980	\$26,391	6,517	\$28,223
Proprietors employment	23,460	\$18,305	4,535	\$18,966	2,954	\$16,054
Farm proprietors employment	410	\$18,620	906	\$13,405	616	\$4,180
Nonfarm proprietors employment ³	23,050	\$18,299	3,629	\$20,355	2,338	\$19,183
Farm employment	487	\$20,368	1,358	\$19,708	1,424	\$17,591
Nonfarm employment	121,579	\$43,694	17,157	\$30,408	8,047	\$30,921
Private employment	81,151	\$30,343	12,551	\$26,354	6,307	\$28,196
Forestry, fishing, related activities, and other ⁴	540	\$49,565	(D)	(D)	(D)	(D)
Mining	136	\$21,132	(D)	(D)	(D)	(D)
Utilities	152	\$79,132	39	\$58,821	54	\$105,426
Construction	7,130	\$40,727	1,364	\$41,962	667	\$27,153
Manufacturing	1,777	\$44,674	792	\$35,125	515	\$32,227
Wholesale trade	1,796	\$42,289	533	\$46,546	174	\$31,517
Retail Trade	14,633	\$25,952	2,265	\$22,458	663	\$40,712
Transportation and warehousing	1,330	\$46,752	487	\$39,152	227	\$48,907
Information	2,410	\$33,316	244	\$71,754	68	\$31,824
Finance and insurance	3,531	\$44,942	335	\$26,254	176	\$24,920
Real estate and rental and leasing	4,449	\$18,688	538	\$16,048	380	\$7,974
Professional and technical services	7,825	\$39,739	(D)	(D)	(D)	(D)
Management of companies and enterprises	158	\$65,810	(D)	(D)	(D)	(D)
Administrative and waste services	4,968	\$25,232	456	\$16,386	411	\$39,835
Educational services	1,561	\$16,496	198	\$9,369	(D)	(D)
Health care and social assistance	12,196	\$36,588	1,130	\$27,448	(D)	(D)
Arts, entertainment, and recreation	2,910	\$12,535	423	\$9,381	169	\$7,757
Accommodation and food services	6,928	\$16,078	1,795	\$13,813	437	\$11,840
Other services, except public administration	6,721	\$21,480	1,072	\$20,421	587	\$20,342
Government and government enterprises	40,428	\$70,495	4,606	\$41,454	1,740	\$40,797
Federal, civilian	14,514	\$94,431	171	\$73,626	96	\$63,729
Military	12,558	\$71,276	137	\$41,153	69	\$33,029
State and local	13,356	\$43,749	4,298	\$40,184	1,575	\$39,740
State government	2,203	\$42,861	2,412	\$42,121	184	\$44,620
Local government	11,153	\$43,924	1,886	\$37,707	1,391	\$39,094

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

Table 4.2 (cont'd)

2004 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	34,936	\$32,826	5,133	\$24,570	19,370	\$31,495
Wage and salary employment	27,074	\$30,631	3,349	\$26,225	14,498	\$28,918
Proprietors employment	7,862	\$14,742	1,784	\$8,757	4,872	\$18,609
Farm proprietors employment	1,340	\$20,107	666	\$3,790	250	\$17,216
Nonfarm proprietors employment ³	6,522	\$13,639	1,118	\$11,716	4,622	\$18,684
Farm employment	1,695	\$21,676	931	\$9,533	443	\$24,801
Nonfarm employment	33,241	\$33,395	4,202	\$27,901	18,927	\$31,651
Private employment	28,022	\$31,914	2,713	\$22,993	14,064	\$27,954
Forestry, fishing, related activities, and other ⁴	1,831	\$34,918	(D)	(D)	(D)	(D)
Mining	715	\$84,771	(D)	(D)	(D)	(D)
Utilities	294	\$103,541	(D)	(D)	31	\$39,355
Construction	1,734	\$35,018	234	\$29,731	1,399	\$37,974
Manufacturing	3,354	\$48,050	127	\$24,598	1,738	\$47,727
Wholesale trade	737	\$39,574	269	\$37,212	615	\$30,808
Retail Trade	4,823	\$23,086	475	\$18,107	2,252	\$22,697
Transportation and warehousing	1,492	\$43,247	(D)	(D)	321	\$39,505
Information	328	\$33,378	31	\$14,194	138	\$25,826
Finance and insurance	715	\$31,338	196	\$29,214	588	\$32,328
Real estate and rental and leasing	917	\$13,046	96	\$4,396	770	\$12,325
Professional and technical services	875	\$28,448	185	\$28,373	664	\$20,807
Management of companies and enterprises	102	\$41,794	0	\$0	(D)	(D)
Administrative and waste services	1,446	\$17,622	68	\$6,368	(D)	(D)
Educational services	284	\$13,310	(D)	(D)	215	\$21,251
Health care and social assistance	3,373	\$37,640	(D)	(D)	1,357	\$29,750
Arts, entertainment, and recreation	525	\$10,366	87	\$7,483	374	\$16,904
Accommodation and food services	2,315	\$14,185	185	\$8,730	1,065	\$12,553
Other services, except public administration	2,162	\$20,086	305	\$14,816	1,278	\$21,293
Government and government enterprises	5,219	\$41,342	1,489	\$36,845	4,863	\$42,343
Federal, civilian	231	\$69,147	71	\$59,324	87	\$66,989
Military	250	\$32,836	36	\$33,167	187	\$32,914
State and local	4,738	\$40,435	1,382	\$35,786	4,589	\$42,260
State government	1,230	\$41,524	81	\$43,543	945	\$47,915
Local government	3,508	\$40,054	1,301	\$35,303	3,644	\$40,794

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

Table 4.2 (cont'd)

2004 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	23,588	\$28,351	9,780	\$25,862	4,061	\$34,170
Wage and salary employment	17,665	\$23,383	7,148	\$24,581	2,968	\$30,620
Proprietors employment	5,923	\$26,246	2,632	\$13,343	1,093	\$20,933
Farm proprietors employment	1,491	\$33,768	285	\$40,046	277	\$1,354
Nonfarm proprietors employment ³	4,432	\$23,716	2,347	\$10,100	816	\$27,580
Farm employment	4,538	\$24,216	402	\$35,781	283	\$1,597
Nonfarm employment	19,050	\$29,336	9,378	\$25,436	3,778	\$36,610
Private employment	13,425	\$24,371	7,333	\$20,441	2,455	\$32,941
Forestry, fishing, related activities, and other ⁴	1,838	\$20,736	1,043	\$24,058	158	\$31,658
Mining	85	\$36,247	54	\$26,481	41	\$28,268
Utilities	38	\$77,158	(D)	(D)	0	\$0
Construction	1,030	\$27,855	396	\$21,391	231	\$19,312
Manufacturing	445	\$13,108	990	\$31,791	392	\$104,977
Wholesale trade	385	\$55,161	(D)	(D)	24	\$18,542
Retail Trade	2,336	\$32,524	1,021	\$18,791	338	\$18,731
Transportation and warehousing	303	\$32,191	94	\$28,926	67	\$25,507
Information	177	\$32,362	70	\$19,000	69	\$25,449
Finance and insurance	435	\$27,984	228	\$37,399	99	\$29,758
Real estate and rental and leasing	675	\$13,544	339	\$8,083	97	\$7,670
Professional and technical services	642	\$21,187	(D)	(D)	98	\$26,398
Management of companies and enterprises	(D)	(D)	(D)	(D)	0	\$0
Administrative and waste services	(D)	(D)	202	\$13,782	93	\$10,731
Educational services	142	\$14,880	32	\$1,750	23	\$20,435
Health care and social assistance	1,504	\$30,198	610	\$22,149	170	\$17,918
Arts, entertainment, and recreation	361	\$7,668	195	\$9,774	(D)	(D)
Accommodation and food services	1,455	\$14,324	1,035	\$12,329	(D)	(D)
Other services, except public administration	1,065	\$19,020	658	\$17,131	256	\$19,047
Government and government enterprises	5,625	\$41,186	2,045	\$43,350	1,323	\$43,418
Federal, civilian	506	\$74,154	67	\$56,448	114	\$71,404
Military	138	\$32,804	185	\$49,584	44	\$32,545
State and local	4,981	\$38,070	1,793	\$42,218	1,165	\$41,090
State government	336	\$41,946	328	\$42,820	29	\$43,759
Local government	4,645	\$37,789	1,465	\$42,083	1,136	\$41,022

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

Table 4.2 (cont'd)

2004 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	352,598	\$43,918	10,360	\$24,202	62,055	\$37,988
Wage and salary employment	293,336	\$37,324	6,082	\$25,990	48,830	\$31,127
Proprietors employment	59,262	\$25,498	4,278	\$12,992	13,225	\$33,594
Farm proprietors employment	1,158	\$18,648	198	\$566	825	\$36,159
Nonfarm proprietors employment ³	58,104	\$25,635	4,080	\$13,595	12,400	\$33,423
Farm employment	1,977	\$25,167	232	\$5,328	3,004	\$33,613
Nonfarm employment	350,621	\$44,024	10,128	\$24,635	59,051	\$38,211
Private employment	270,765	\$39,691	9,072	\$22,878	48,485	\$37,296
Forestry, fishing, related activities, and other ⁴	1,583	\$29,488	(D)	(D)	1,771	\$43,290
Mining	365	\$50,753	(D)	(D)	133	\$57,579
Utilities	656	\$98,119	75	\$86,493	181	\$83,392
Construction	25,322	\$51,430	1,348	\$34,922	4,574	\$47,668
Manufacturing	19,284	\$61,083	477	\$28,025	5,563	\$73,649
Wholesale trade	10,785	\$53,725	124	\$26,145	1,081	\$41,351
Retail Trade	39,654	\$27,624	1,041	\$23,847	8,894	\$32,779
Transportation and warehousing	11,105	\$50,012	164	\$18,774	1,361	\$43,787
Information	3,712	\$49,377	155	\$22,361	624	\$37,220
Finance and insurance	13,082	\$80,646	237	\$31,447	1,893	\$46,916
Real estate and rental and leasing	14,813	\$26,384	800	\$18,010	2,380	\$21,561
Professional and technical services	14,427	\$41,734	(D)	(D)	2,661	\$33,174
Management of companies and enterprises	1,639	\$70,994	(D)	(D)	170	\$55,482
Administrative and waste services	17,656	\$28,854	551	\$11,880	1,856	\$20,484
Educational services	6,466	\$25,197	140	\$12,464	584	\$14,940
Health care and social assistance	39,151	\$47,507	493	\$23,085	5,567	\$35,921
Arts, entertainment, and recreation	6,987	\$15,075	553	\$9,416	1,284	\$15,639
Accommodation and food services	23,017	\$16,823	1,328	\$19,705	4,407	\$15,998
Other services, except public administration	21,061	\$25,373	668	\$18,627	3,501	\$24,835
Government and government enterprises	79,856	\$58,717	1,056	\$39,726	10,566	\$42,409
Federal, civilian	9,595	\$69,357	62	\$62,645	411	\$68,937
Military	26,071	\$70,506	53	\$32,868	387	\$32,935
State and local	44,190	\$49,451	941	\$38,603	9,768	\$41,668
State government	11,702	\$44,871	157	\$27,280	1,497	\$43,136
Local government	32,488	\$51,101	784	\$40,870	8,271	\$41,403

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

Table 4.2 (cont'd)

2004 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	2,915	\$28,875	288,654	\$44,187	254,968	\$37,258
Wage and salary employment	2,181	\$28,005	235,190	\$39,128	212,450	\$32,932
Proprietors employment	734	\$8,443	53,464	\$19,281	42,518	\$18,023
Farm proprietors employment	76	-\$2,263	1,319	\$15,997	1,929	\$5,372
Nonfarm proprietors employment ³	658	\$9,679	52,145	\$19,364	40,589	\$18,625
Farm employment	100	\$1,800	2,086	\$21,425	2,258	\$8,353
Nonfarm employment	2,815	\$29,837	286,568	\$44,352	252,710	\$37,516
Private employment	2,042	\$24,349	242,727	\$42,951	214,128	\$35,123
Forestry, fishing, related activities, and other ⁴	(D)	(D)	1,578	\$47,702	483	\$16,286
Mining	(D)	(D)	364	\$44,302	389	\$43,733
Utilities	0	\$0	112	\$69,455	581	\$90,888
Construction	160	\$22,263	23,493	\$48,981	15,501	\$41,696
Manufacturing	221	\$46,833	43,705	\$79,952	17,284	\$53,383
Wholesale trade	32	\$37,063	7,555	\$51,593	11,104	\$47,142
Retail Trade	205	\$14,532	35,349	\$27,212	31,998	\$27,178
Transportation and warehousing	55	\$37,818	4,409	\$39,069	6,629	\$44,006
Information	21	\$18,429	4,655	\$55,918	3,635	\$43,864
Finance and insurance	(D)	(D)	12,668	\$60,253	13,366	\$48,291
Real estate and rental and leasing	(D)	(D)	11,617	\$23,216	9,144	\$20,833
Professional and technical services	133	\$43,940	13,541	\$42,145	13,328	\$41,663
Management of companies and enterprises	(D)	(D)	1,487	\$70,656	3,071	\$58,175
Administrative and waste services	(D)	(D)	14,084	\$22,749	12,691	\$22,315
Educational services	(D)	(D)	3,780	\$20,702	5,408	\$25,634
Health care and social assistance	(D)	(D)	24,256	\$41,108	33,382	\$40,945
Arts, entertainment, and recreation	57	\$5,561	5,690	\$16,438	5,019	\$12,301
Accommodation and food services	564	\$22,582	17,739	\$16,597	16,910	\$17,261
Other services, except public administration	164	\$17,884	16,645	\$24,304	14,205	\$22,371
Government and government enterprises	773	\$44,335	43,841	\$52,108	38,582	\$50,796
Federal, civilian	148	\$70,324	2,105	\$73,361	4,542	\$79,258
Military	37	\$32,730	7,545	\$60,894	5,093	\$61,913
State and local	588	\$38,524	34,191	\$48,861	28,947	\$44,374
State government	48	\$38,292	5,720	\$44,555	9,974	\$44,094
Local government	540	\$38,544	28,471	\$49,726	18,973	\$44,521

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

Table 4.2 (cont'd)

2004 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	15,985	\$28,490	120,592	\$38,919	1,592	\$23,006
Wage and salary employment	11,132	\$27,938	98,199	\$35,378	975	\$26,453
Proprietors employment	4,853	\$13,083	22,393	\$19,893	617	\$8,178
Farm proprietors employment	1,206	\$2,545	958	\$26,027	142	\$1,268
Nonfarm proprietors employment ³	3,647	\$16,568	21,435	\$19,619	475	\$10,244
Farm employment	1,267	\$3,495	1,765	\$29,384	144	\$1,590
Nonfarm employment	14,718	\$30,641	118,827	\$39,060	1,448	\$25,135
Private employment	11,595	\$27,679	82,619	\$33,228	1,176	\$22,337
Forestry, fishing, related activities, and other ⁴	752	\$32,912	1,407	\$38,892	369	\$32,930
Mining	99	\$27,990	158	\$49,209	(L)	(L)
Utilities	(D)	(D)	192	\$91,990	0	\$0
Construction	880	\$28,250	6,655	\$45,173	83	\$24,229
Manufacturing	1,539	\$49,995	3,338	\$51,963	60	\$34,400
Wholesale trade	(D)	(D)	2,605	\$67,179	(L)	(L)
Retail Trade	1,815	\$22,024	14,087	\$25,816	118	\$13,644
Transportation and warehousing	435	\$32,880	2,132	\$35,296	27	\$13,963
Information	176	\$17,375	1,243	\$39,545	(D)	(D)
Finance and insurance	411	\$32,781	3,839	\$50,599	(D)	(D)
Real estate and rental and leasing	536	\$9,976	4,220	\$20,179	(D)	(D)
Professional and technical services	437	\$21,149	5,868	\$36,598	41	\$11,220
Management of companies and enterprises	(D)	(D)	482	\$60,674	0	\$0
Administrative and waste services	(D)	(D)	5,536	\$20,406	46	\$9,609
Educational services	144	\$11,882	2,382	\$24,365	(D)	(D)
Health care and social assistance	1,763	\$30,880	12,290	\$41,215	(D)	(D)
Arts, entertainment, and recreation	257	\$10,498	2,228	\$13,887	(D)	(D)
Accommodation and food services	755	\$11,344	6,864	\$16,477	(D)	(D)
Other services, except public administration	974	\$20,798	7,093	\$25,799	76	\$17,447
Government and government enterprises	3,123	\$41,638	36,208	\$52,368	272	\$37,235
Federal, civilian	375	\$74,037	964	\$86,230	13	\$55,077
Military	144	\$32,917	816	\$37,860	13	\$33,154
State and local	2,604	\$37,454	34,428	\$51,764	246	\$36,508
State government	344	\$47,198	23,548	\$55,707	(D)	(D)
Local government	2,260	\$35,971	10,880	\$43,230	(D)	(D)

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

Table 4.2 (cont'd)

2004 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	33,334	\$33,444	103,096	\$35,511	22,565	\$32,694
Wage and salary employment	27,328	\$29,485	81,882	\$30,650	18,223	\$29,518
Proprietors employment	6,006	\$17,773	21,214	\$23,740	4,342	\$10,852
Farm proprietors employment	893	\$15,034	1,454	\$39,798	1,093	\$4,191
Nonfarm proprietors employment ³	5,113	\$18,252	19,760	\$22,559	3,249	\$13,093
Farm employment	3,175	\$23,165	3,287	\$34,020	1,507	\$10,029
Nonfarm employment	30,159	\$34,526	99,809	\$35,560	21,058	\$34,316
Private employment	24,804	\$31,038	84,817	\$34,110	11,745	\$27,689
Forestry, fishing, related activities, and other ⁴	(D)	(D)	1,551	\$30,150	(D)	(D)
Mining	(D)	(D)	215	\$40,805	(D)	(D)
Utilities	107	\$97,252	195	\$74,492	(D)	(D)
Construction	1,472	\$35,511	8,925	\$46,782	606	\$39,842
Manufacturing	3,968	\$46,981	8,608	\$59,309	1,175	\$68,592
Wholesale trade	920	\$34,554	3,461	\$59,177	680	\$38,984
Retail Trade	3,275	\$22,074	12,520	\$27,376	1,699	\$19,240
Transportation and warehousing	460	\$42,870	2,280	\$38,662	(D)	(D)
Information	417	\$40,290	1,923	\$39,850	238	\$20,849
Finance and insurance	1,028	\$46,782	2,792	\$45,272	553	\$36,982
Real estate and rental and leasing	791	\$19,363	3,983	\$21,249	547	\$15,327
Professional and technical services	(D)	(D)	5,588	\$34,498	838	\$16,774
Management of companies and enterprises	(D)	(D)	553	\$56,467	35	\$19,057
Administrative and waste services	729	\$15,266	4,300	\$18,010	253	\$9,182
Educational services	(D)	(D)	1,168	\$13,390	155	\$7,200
Health care and social assistance	(D)	(D)	10,219	\$36,890	1,440	\$30,148
Arts, entertainment, and recreation	452	\$10,027	2,768	\$11,569	312	\$8,596
Accommodation and food services	1,723	\$14,287	7,933	\$14,683	1,437	\$11,455
Other services, except public administration	1,843	\$18,443	5,835	\$22,111	1,082	\$17,150
Government and government enterprises	5,355	\$50,683	14,992	\$43,765	9,313	\$42,674
Federal, civilian	932	\$95,829	1,111	\$88,537	269	\$70,171
Military	203	\$34,621	677	\$35,455	153	\$40,725
State and local	4,220	\$41,486	13,204	\$40,424	8,891	\$41,876
State government	1,757	\$44,183	4,130	\$39,780	(D)	(D)
Local government	2,463	\$39,562	9,074	\$40,718	(D)	(D)

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

Table 4.2 (cont'd)
2004 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Yakima	
	Employment	Earnings/Job
Total full-time and part-time employment	120,209	\$34,212
Wage and salary employment	100,396	\$28,225
Proprietors employment	19,813	\$31,967
Farm proprietors employment	3,975	\$69,834
Nonfarm proprietors employment ³	15,838	\$22,463
Farm employment	16,190	\$36,407
Nonfarm employment	104,019	\$33,871
Private employment	86,526	\$31,664
Forestry, fishing, related activities, and other ⁴	9,134	\$24,791
Mining	55	\$10,545
Utilities	209	\$83,000
Construction	4,603	\$38,768
Manufacturing	9,697	\$45,129
Wholesale trade	4,476	\$46,592
Retail Trade	12,267	\$24,756
Transportation and warehousing	3,332	\$38,719
Information	1,442	\$45,499
Finance and insurance	2,612	\$41,616
Real estate and rental and leasing	2,841	\$19,901
Professional and technical services	3,357	\$32,737
Management of companies and enterprises	567	\$56,917
Administrative and waste services	3,449	\$18,157
Educational services	1,688	\$20,841
Health care and social assistance	13,647	\$38,789
Arts, entertainment, and recreation	1,832	\$13,403
Accommodation and food services	5,886	\$15,122
Other services, except public administration	5,432	\$22,896
Government and government enterprises	17,493	\$44,784
Federal, civilian	1,277	\$76,240
Military	866	\$36,036
State and local	15,350	\$42,660
State government	3,015	\$45,845
Local government	12,335	\$41,882

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

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Income by Place of Residence					
Personal income (thousands of dollars)	217,503,197	382,626	567,238	4,766,205	1,985,233
Nonfarm personal income	215,382,202	340,661	570,494	4,680,195	1,843,215
Farm income ⁵	2,120,995	41,965	-3,256	86,010	142,018
Population (persons) ⁶	6,207,046	16,647	20,910	155,901	68,897
Per capita personal income (dollars)	35,041	22,985	27,128	30,572	28,815
Derivation of Total Personal Income					
Earnings by place of work	167,346,671	263,048	242,960	3,978,159	1,662,699
less: Personal contributions for social insurance ⁷	20,111,063	30,543	30,110	501,654	191,689
plus: Adjustment for residence ⁸	2,723,494	-5,313	120,552	53,654	-166,190
equals: Net earnings by place of residence	149,959,102	227,192	333,402	3,530,159	1,304,820
plus: Dividends, interest, and rent ⁹	39,034,939	68,707	100,299	559,810	324,134
plus: Transfer payments	28,509,156	86,727	133,537	676,236	356,279
Earnings by Place of Work					
Wage and salary disbursements	119,202,055	184,522	151,836	3,057,476	1,163,676
Other labor income	29,753,877	42,945	36,545	655,721	249,936
Proprietors' income ¹⁰	18,390,739	35,581	54,579	264,962	249,087
Farm proprietors' income	858,590	5,839	-4,630	9,735	46,259
Nonfarm proprietors' income	17,532,149	29,742	59,209	255,227	202,828
Earnings by Industry					
Farm earnings	2,120,995	41,965	-3,256	86,010	142,018
Nonfarm earnings	165,225,676	221,083	246,216	3,892,149	1,520,681
Private earnings	133,349,331	162,491	200,914	3,244,440	1,195,742
Forestry, fishing, related activities, and other ⁴	1,894,670	12,234	(D)	43,111	(D)
Forestry and logging	529,379	0	501	3,266	3,501
Fishing, hunting, and trapping	608,261	0	1,223	12,171	1,479
Agriculture and forestry support activities	757,030	12,234	(D)	27,674	(D)
Other ⁴	0	0	0	0	0
Mining	282,740	57	(D)	187	(D)
Oil and gas extraction	25,176	57	62	(L)	62
Mining (except oil and gas)	232,281	0	(D)	185	(D)
Support activities for mining	25,283	0	0	0	0
Utilities	579,713	(D)	(D)	9,113	1,530
Construction	11,333,673	7,264	27,626	252,855	119,984
Construction of buildings	3,612,066	(D)	6,185	81,324	63,634
Heavy and civil engineering construction	1,691,152	(D)	10,528	55,063	20,547
Specialty trade contractors	6,030,455	3,788	10,913	116,468	35,803
Manufacturing	19,888,397	36,387	22,445	228,466	96,856
Durable goods manufacturing	14,628,797	930	21,778	59,295	65,339
Wood product manufacturing	965,263	(D)	(D)	(L)	6,892
Nonmetallic mineral product manufacturing	505,856	(D)	(D)	(D)	5,543
Primary metal manufacturing	341,811	0	0	11,965	36,506
Fabricated metal product manufacturing	909,478	0	(D)	6,213	1,739
Machinery manufacturing	832,849	(D)	2,072	1,951	2,673
Computer and electronic product manufacturing	1,898,175	0	(D)	18,335	(D)
Electrical equipment and appliance manufacturing	295,069	0	0	(D)	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Motor vehicle manufacturing	(D)	0	68	(D)	(L)
Transportation equipment mfg. excl. motor vehicles	(D)	0	(D)	(D)	309
Furniture and related product manufacturing	367,951	0	1,087	1,213	(D)
Miscellaneous manufacturing	709,952	0	(D)	6,015	1,819
Nondurable goods manufacturing	5,259,600	35,457	667	169,171	31,517
Food manufacturing	1,619,941	34,516	(D)	69,432	13,608
Beverage and tobacco product manufacturing	235,130	0	0	17,854	1,449
Textile mills	29,126	0	0	0	(D)
Textile product mills	89,564	0	(D)	(D)	(D)
Apparel manufacturing	89,850	0	(D)	0	(D)
Leather and allied product manufacturing	36,918	0	0	(D)	(L)
Paper manufacturing	1,166,681	0	0	0	(D)
Printing and related support activities	475,903	(L)	(L)	2,346	791
Petroleum and coal products manufacturing	370,162	0	0	0	0
Chemical manufacturing	664,176	(D)	0	(D)	(D)
Plastics and rubber products manufacturing	482,149	(D)	(D)	(D)	10,040
Wholesale trade	8,400,697	21,455	4,426	48,334	59,638
Retail Trade	11,616,522	17,198	27,671	239,660	139,896
Motor vehicle and parts dealers	2,229,289	2,449	3,056	38,283	33,079
Furniture and home furnishings stores	480,522	904	(D)	6,952	4,349
Electronics and appliance stores	474,657	207	(D)	7,349	2,256
Building material and garden supply stores	1,010,041	2,036	2,538	22,640	19,028
Food and beverage stores	2,036,388	2,635	5,813	30,336	23,919
Health and personal care stores	592,746	(D)	3,452	9,912	3,668
Gasoline stations	487,473	1,964	244	18,239	12,430
Clothing and clothing accessories stores	630,230	(D)	809	11,071	2,994
Sporting goods, hobby, book and music stores	418,582	(D)	951	10,779	5,815
General merchandise stores	1,634,552	(D)	(D)	61,664	16,273
Miscellaneous store retailers	730,132	257	1,722	16,609	13,202
Nonstore retailers	891,910	(D)	(D)	5,826	2,883
Transportation and warehousing	5,493,965	(D)	(D)	33,679	36,746
Air transportation	946,136	0	142	(D)	(D)
Rail transportation	(D)	519	0	349	6,388
Water transportation	297,243	0	0	0	(D)
Truck transportation	1,412,838	7,766	1,299	5,205	9,793
Transit and ground passenger transportation	178,924	(L)	(L)	2,120	594
Pipeline transportation	17,461	0	0	0	0
Scenic and sightseeing transportation	45,685	0	632	(D)	(D)
Support activities for transportation	1,317,745	10,997	(D)	5,613	6,062
Couriers and messengers	(D)	(D)	(D)	(D)	4,252
Warehousing and storage	374,080	(D)	(L)	9,873	6,841
Information	11,499,349	756	1,996	39,027	24,034
Publishing industries, except Internet	7,086,823	525	(D)	17,155	8,182
Motion picture and sound recording industries	138,377	(D)	0	(D)	730
Broadcasting, except Internet	1,090,497	0	0	5,905	4,572

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Internet publishing and broadcasts	177,865	0	0	0	0
Telecommunications	2,675,834	(D)	1,804	15,024	9,859
ISPs, search portals, and data processing	276,059	(D)	(D)	(D)	690
Other information services	53,894	0	0	(L)	(L)
Finance and insurance	9,381,480	4,379	12,426	91,777	42,236
Monetary authorities - central bank	(D)	0	0	0	0
Credit intermediation and related activities	4,145,388	2,709	7,399	52,660	24,764
Securities, commodity contracts, investments	1,875,961	(D)	369	(D)	4,508
Insurance carriers and related activities	3,097,587	(D)	4,658	29,563	12,964
Funds, trusts, and other financial vehicles	(D)	0	0	(D)	0
Real estate and rental and leasing	4,159,627	2,221	6,530	56,938	56,520
Real estate	3,514,053	753	1,720	40,566	46,832
Rental and leasing services	619,357	1,468	4,810	16,372	9,688
Lessors of nonfinancial intangible assets	26,217	0	0	0	0
Professional and technical services	13,092,290	3,336	8,486	897,416	54,870
Management of companies and enterprises	3,052,491	0	(D)	30,027	4,167
Administrative and waste services	5,842,631	939	(D)	760,787	18,502
Administrative and support services	4,831,789	(D)	3,527	75,833	15,169
Waste management and remediation services	1,010,842	(D)	(D)	684,954	3,333
Educational services	1,325,738	(D)	807	9,817	5,558
Health care and social assistance	14,637,107	(D)	33,186	298,203	264,714
Ambulatory health care services	7,863,202	13,043	13,001	182,987	132,335
Hospitals	3,638,465	0	(D)	(D)	(D)
Nursing and residential care facilities	1,691,781	(D)	5,617	32,325	32,240
Social assistance	1,443,659	3,195	(D)	(D)	(D)
Arts, entertainment, and recreation	1,688,907	241	3,265	28,501	9,076
Performing arts and spectator sports	733,582	0	(D)	2,339	682
Museums, historical sites, zoos, and parks	82,970	0	(D)	576	236
Amusement, gambling, and recreation	872,355	241	2,832	25,586	8,158
Accommodation and food services	4,235,490	5,488	8,873	85,442	63,454
Accommodation	839,587	1,403	2,043	13,131	28,900
Food services and drinking places	3,395,903	4,085	6,830	72,311	34,554
Other services, except public administration	4,943,844	7,887	29,564	91,100	53,840
Repair and maintenance	1,475,061	3,314	(D)	25,211	11,308
Personal and laundry services	929,859	(D)	(D)	19,722	4,606
Membership associations and organizations	1,835,491	3,550	5,049	(D)	19,868
Private households	703,433	(D)	(D)	(D)	18,058
Government and government enterprises	31,876,345	58,592	45,302	647,709	324,939
Federal, civilian	5,808,506	2,770	4,383	92,793	55,824
Military	4,789,686	1,904	2,390	18,853	7,983
State and local	21,278,153	53,918	38,529	536,063	261,132
State government	6,786,718	2,541	5,683	50,559	55,153
Local government	14,491,435	51,377	32,846	485,504	205,979

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Income by Place of Residence					
Personal income (thousands of dollars)	1,948,883	11,884,195	116,711	2,433,903	837,399
Nonfarm personal income	1,945,760	11,860,754	106,775	2,420,511	782,008
Farm income ⁵	3,123	23,441	9,936	13,392	55,391
Population (persons) ⁶	67,991	392,364	4,158	96,208	34,426
Per capita personal income (dollars)	28,664	30,289	28,069	25,298	24,325
Derivation of Total Personal Income					
Earnings by place of work	1,033,712	6,713,667	65,149	1,803,366	373,185
less: Personal contributions for social insurance ⁷	131,862	828,529	7,489	233,893	47,278
plus: Adjustment for residence ⁸	30,006	2,547,562	9,467	-31,757	205,035
equals: Net earnings by place of residence	931,856	8,432,700	67,127	1,537,716	530,942
plus: Dividends, interest, and rent ⁹	554,297	1,830,441	23,449	336,823	134,004
plus: Transfer payments	462,730	1,621,054	26,135	559,364	172,453
Earnings by Place of Work					
Wage and salary disbursements	692,795	4,710,542	43,003	1,301,506	272,341
Other labor income	170,927	1,143,415	11,584	329,720	61,698
Proprietors' income ¹⁰	169,990	859,710	10,562	172,140	39,146
Farm proprietors' income	944	14,809	7,012	5,642	19,540
Nonfarm proprietors' income	169,046	844,901	3,550	166,498	19,606
Earnings by Industry					
Farm earnings	3,123	23,441	9,936	13,392	55,391
Nonfarm earnings	1,030,589	6,690,226	55,213	1,789,974	317,794
Private earnings	700,359	5,521,510	33,150	1,523,414	213,483
Forestry, fishing, related activities, and other ⁴	57,690	15,344	(D)	47,775	28,259
Forestry and logging	46,769	8,846	(D)	32,210	(D)
Fishing, hunting, and trapping	7,435	(D)	(D)	(D)	1,383
Agriculture and forestry support activities	3,486	(D)	(D)	(D)	(D)
Other ⁴	0	0	0	0	0
Mining	988	46,258	(D)	8,281	62
Oil and gas extraction	(L)	16,363	62	(L)	0
Mining (except oil and gas)	942	(D)	(D)	(D)	55
Support activities for mining	(L)	(D)	0	(D)	(L)
Utilities	610	9,100	(D)	(D)	180
Construction	98,265	731,052	(D)	204,318	29,724
Construction of buildings	39,751	290,109	870	69,057	10,414
Heavy and civil engineering construction	16,643	119,656	834	27,531	6,645
Specialty trade contractors	41,871	321,287	(D)	107,730	12,665
Manufacturing	67,135	823,336	(D)	493,318	12,018
Durable goods manufacturing	36,468	499,629	(D)	132,305	11,161
Wood product manufacturing	21,141	37,018	(D)	48,667	(L)
Nonmetallic mineral product manufacturing	2,791	18,287	(D)	4,181	(D)
Primary metal manufacturing	(L)	4,953	0	(D)	0
Fabricated metal product manufacturing	1,534	59,498	(D)	9,238	(D)
Machinery manufacturing	69	84,651	0	21,830	(D)
Computer and electronic product manufacturing	0	205,744	0	(D)	0
Electrical equipment and appliance manufacturing	(D)	9,022	0	(L)	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(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	1,297	16,042	(L)	3,990	(D)
Miscellaneous manufacturing	2,587	24,181	0	7,838	(D)
Nondurable goods manufacturing	30,667	323,707	(D)	361,013	857
Food manufacturing	1,958	65,936	(D)	(D)	(D)
Beverage and tobacco product manufacturing	(D)	(D)	(D)	0	209
Textile mills	0	(D)	0	0	0
Textile product mills	1,375	1,311	0	(D)	0
Apparel manufacturing	(L)	1,679	0	0	(D)
Leather and allied product manufacturing	138	(D)	0	(L)	0
Paper manufacturing	(D)	169,657	0	302,677	0
Printing and related support activities	1,258	5,413	0	7,535	(D)
Petroleum and coal products manufacturing	0	(L)	0	1,079	0
Chemical manufacturing	(D)	28,511	0	17,096	0
Plastics and rubber products manufacturing	(D)	31,328	0	(D)	56
Wholesale trade	21,975	337,976	3,938	(D)	14,269
Retail Trade	116,068	498,907	2,443	144,039	33,683
Motor vehicle and parts dealers	17,842	96,438	(D)	37,069	3,327
Furniture and home furnishings stores	5,042	18,697	(D)	2,815	(D)
Electronics and appliance stores	2,088	13,893	0	2,248	2,032
Building material and garden supply stores	11,260	42,350	(D)	12,863	303
Food and beverage stores	23,457	74,334	(D)	27,167	5,192
Health and personal care stores	9,323	32,176	(D)	6,004	1,154
Gasoline stations	9,104	25,597	(D)	9,627	802
Clothing and clothing accessories stores	2,561	19,601	0	2,562	1,847
Sporting goods, hobby, book and music stores	2,390	8,967	(D)	2,748	498
General merchandise stores	22,340	104,324	(D)	29,189	15,695
Miscellaneous store retailers	6,951	25,639	140	7,879	1,682
Nonstore retailers	3,710	36,891	(L)	3,868	(D)
Transportation and warehousing	27,518	208,484	(D)	78,233	15,069
Air transportation	(D)	855	0	135	(D)
Rail transportation	0	43,268	0	10,164	0
Water transportation	(D)	(D)	0	237	0
Truck transportation	15,938	94,896	(D)	30,656	3,023
Transit and ground passenger transportation	1,616	4,212	0	620	(L)
Pipeline transportation	0	0	0	(D)	0
Scenic and sightseeing transportation	(D)	948	0	602	92
Support activities for transportation	2,482	31,821	0	28,810	(D)
Couriers and messengers	(D)	(D)	0	4,913	(D)
Warehousing and storage	(D)	7,322	0	(D)	(D)
Information	12,322	181,841	188	19,028	1,993
Publishing industries, except Internet	6,407	40,392	(D)	6,844	(D)
Motion picture and sound recording industries	(D)	4,579	(D)	(D)	(D)
Broadcasting, except Internet	(D)	(D)	0	1,212	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Internet publishing and broadcasts	(D)	(D)	0	(D)	0
Telecommunications	2,833	128,380	(D)	6,710	(D)
ISPs, search portals, and data processing	(D)	6,010	0	(D)	(D)
Other information services	(L)	(L)	0	0	0
Finance and insurance	29,178	274,759	713	49,156	6,597
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	14,836	188,392	(D)	33,854	4,602
Securities, commodity contracts, investments	5,270	(D)	69	(D)	(D)
Insurance carriers and related activities	9,072	65,211	(D)	(D)	(D)
Funds, trusts, and other financial vehicles	0	(D)	0	0	0
Real estate and rental and leasing	21,308	189,075	257	15,920	2,405
Real estate	16,773	90,994	162	11,371	1,521
Rental and leasing services	(D)	(D)	95	4,280	884
Lessors of nonfinancial intangible assets	(D)	(D)	0	269	0
Professional and technical services	41,081	618,351	1,124	41,687	9,260
Management of companies and enterprises	10,341	60,800	(D)	2,140	(D)
Administrative and waste services	12,492	221,027	(D)	24,047	(D)
Administrative and support services	9,562	204,643	(D)	20,113	3,673
Waste management and remediation services	2,930	16,384	(D)	3,934	(D)
Educational services	4,028	29,634	(D)	6,655	1,434
Health care and social assistance	93,054	775,514	(D)	207,254	22,694
Amulatory health care services	63,605	422,797	682	95,437	10,876
Hospitals	0	(D)	0	(D)	0
Nursing and residential care facilities	15,507	116,594	0	25,501	7,498
Social assistance	13,942	(D)	(D)	(D)	4,320
Arts, entertainment, and recreation	4,993	66,560	(D)	13,446	9,654
Performing arts and spectator sports	200	7,321	(L)	(D)	193
Museums, historical sites, zoos, and parks	72	242	(D)	(D)	0
Amusement, gambling, and recreation	4,721	58,997	(D)	12,964	9,461
Accommodation and food services	36,248	194,584	(D)	44,134	8,709
Accommodation	10,289	30,384	(D)	5,229	(D)
Food services and drinking places	25,959	164,200	487	38,905	(D)
Other services, except public administration	45,065	238,908	3,459	55,426	12,346
Repair and maintenance	16,523	70,680	(D)	16,768	1,608
Personal and laundry services	6,349	41,752	(D)	(D)	1,998
Membership associations and organizations	15,807	90,449	(D)	24,938	6,627
Private households	6,386	36,027	1,740	(D)	2,113
Government and government enterprises	330,230	1,168,716	22,063	266,560	104,311
Federal, civilian	31,283	267,347	5,504	19,232	18,647
Military	28,608	45,575	482	11,106	4,464
State and local	270,339	855,794	16,077	236,222	81,200
State government	57,468	144,145	1,824	45,125	3,743
Local government	212,871	711,649	14,253	191,097	77,457

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Income by Place of Residence					
Personal income (thousands of dollars)	145,464	1,250,946	56,763	1,809,471	1,710,012
Nonfarm personal income	145,354	1,124,623	59,717	1,561,473	1,699,589
Farm income ⁵	110	126,323	-2,954	247,998	10,423
Population (persons) ⁶	7,523	59,651	2,313	79,983	70,335
Per capita personal income (dollars)	19,336	20,971	24,541	22,623	24,312
Derivation of Total Personal Income					
Earnings by place of work	71,025	1,018,412	32,193	1,316,608	1,105,639
less: Personal contributions for social insurance ⁷	8,788	122,295	4,438	150,704	145,591
plus: Adjustment for residence ⁸	11,110	-48,898	623	-28,698	23,201
equals: Net earnings by place of residence	73,347	847,219	28,378	1,137,206	983,249
plus: Dividends, interest, and rent ⁹	28,313	136,618	14,541	256,991	282,319
plus: Transfer payments	43,804	267,109	13,844	415,274	444,444
Earnings by Place of Work					
Wage and salary disbursements	48,106	718,947	26,475	906,186	812,609
Other labor income	14,752	172,277	8,375	217,272	200,008
Proprietors' income ¹⁰	8,167	127,188	-2,657	193,150	93,022
Farm proprietors' income	86	34,349	-4,343	104,290	8,011
Nonfarm proprietors' income	8,081	92,839	1,686	88,860	85,011
Earnings by Industry					
Farm earnings	110	126,323	-2,954	247,998	10,423
Nonfarm earnings	70,915	892,089	35,147	1,068,610	1,095,216
Private earnings	32,486	667,594	11,714	721,054	817,780
Forestry, fishing, related activities, and other ⁴	(D)	53,599	(D)	(D)	(D)
Forestry and logging	3,473	5,509	0	1,386	56,247
Fishing, hunting, and trapping	1,725	20,503	(L)	(D)	13,042
Agriculture and forestry support activities	(D)	27,587	(D)	38,628	(D)
Other ⁴	0	0	0	0	0
Mining	(D)	2,006	0	(D)	(D)
Oil and gas extraction	62	62	0	(L)	0
Mining (except oil and gas)	(D)	1,944	0	(D)	(D)
Support activities for mining	(D)	0	0	(L)	0
Utilities	(L)	2,830	(D)	248	(D)
Construction	(D)	67,864	(D)	50,578	62,813
Construction of buildings	829	7,152	485	12,289	23,183
Heavy and civil engineering construction	(D)	11,113	0	13,689	18,708
Specialty trade contractors	1,271	49,599	(D)	24,600	20,922
Manufacturing	(D)	94,019	(D)	184,808	214,512
Durable goods manufacturing	(L)	24,739	53	58,792	133,571
Wood product manufacturing	(L)	4,606	0	988	78,013
Nonmetallic mineral product manufacturing	(L)	(D)	0	23,637	(D)
Primary metal manufacturing	0	0	0	(D)	(D)
Fabricated metal product manufacturing	(L)	2,339	(L)	1,876	6,991
Machinery manufacturing	0	(D)	0	(D)	13,055
Computer and electronic product manufacturing	0	0	0	(D)	0
Electrical equipment and appliance manufacturing	0	(D)	0	828	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Motor vehicle manufacturing	0	197	0	(D)	(D)
Transportation equipment mfg. excl. motor vehicles	0	6,396	0	(D)	(D)
Furniture and related product manufacturing	(L)	(D)	0	(D)	149
Miscellaneous manufacturing	(L)	(D)	(L)	(D)	279
Nondurable goods manufacturing	(D)	69,280	(D)	126,016	80,941
Food manufacturing	0	66,184	(D)	99,204	16,120
Beverage and tobacco product manufacturing	0	738	0	4,260	(D)
Textile mills	0	0	0	0	0
Textile product mills	0	(D)	0	(D)	0
Apparel manufacturing	(L)	(L)	0	(D)	0
Leather and allied product manufacturing	(L)	0	0	903	(L)
Paper manufacturing	0	0	0	(D)	54,022
Printing and related support activities	(D)	(D)	0	677	531
Petroleum and coal products manufacturing	0	0	0	0	0
Chemical manufacturing	184	0	0	14,251	(D)
Plastics and rubber products manufacturing	0	(D)	0	0	379
Wholesale trade	(D)	58,795	4,921	46,542	40,310
Retail Trade	4,516	76,996	2,048	90,959	97,811
Motor vehicle and parts dealers	(D)	37,143	(D)	14,791	19,227
Furniture and home furnishings stores	(D)	889	(D)	2,285	3,429
Electronics and appliance stores	0	1,215	0	1,655	867
Building material and garden supply stores	(D)	7,715	(D)	16,399	7,472
Food and beverage stores	1,361	13,123	(D)	13,822	23,830
Health and personal care stores	(D)	6,205	(D)	6,506	6,045
Gasoline stations	1,296	4,764	0	11,161	7,639
Clothing and clothing accessories stores	(D)	432	0	1,698	6,880
Sporting goods, hobby, book and music stores	(D)	(D)	(D)	1,141	1,803
General merchandise stores	(D)	2,167	(D)	(D)	14,454
Miscellaneous store retailers	(D)	2,811	(D)	3,344	3,744
Nonstore retailers	(D)	(D)	(L)	(D)	2,421
Transportation and warehousing	(D)	66,248	(D)	42,788	(D)
Air transportation	0	(D)	0	177	128
Rail transportation	0	28,982	0	2,179	1,603
Water transportation	0	0	0	0	(D)
Truck transportation	1,245	19,511	(D)	17,865	20,825
Transit and ground passenger transportation	0	(D)	0	(D)	520
Pipeline transportation	0	(D)	0	(D)	0
Scenic and sightseeing transportation	0	0	0	0	1,382
Support activities for transportation	0	7,418	(D)	2,431	8,371
Couriers and messengers	(D)	4,343	0	3,558	(D)
Warehousing and storage	(L)	(D)	0	14,069	(D)
Information	(D)	5,774	(D)	6,396	9,293
Publishing industries, except Internet	(D)	(D)	(D)	3,184	(D)
Motion picture and sound recording industries	0	(D)	0	(D)	(D)
Broadcasting, except Internet	(L)	1,574	0	797	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Internet publishing and broadcasts	0	0	0	0	(D)
Telecommunications	(D)	2,498	0	(D)	3,949
ISPs, search portals, and data processing	0	(D)	0	(D)	0
Other information services	0	(L)	0	0	0
Finance and insurance	476	11,393	824	23,380	31,329
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	(D)	9,111	(D)	15,064	22,660
Securities, commodity contracts, investments	95	(D)	0	513	1,590
Insurance carriers and related activities	(D)	(D)	(D)	7,803	7,079
Funds, trusts, and other financial vehicles	0	0	0	0	0
Real estate and rental and leasing	(D)	19,175	92	14,382	11,444
Real estate	(D)	4,204	(L)	10,558	9,020
Rental and leasing services	(D)	14,971	72	3,824	2,424
Lessors of nonfinancial intangible assets	0	0	0	0	0
Professional and technical services	929	22,208	(D)	25,283	38,834
Management of companies and enterprises	(D)	0	0	2,930	8,304
Administrative and waste services	(D)	20,484	(D)	21,268	10,901
Administrative and support services	(D)	17,538	(D)	19,376	7,758
Waste management and remediation services	(D)	2,946	0	1,892	3,143
Educational services	62	7,501	0	2,827	(D)
Health care and social assistance	1,415	92,147	(D)	88,007	(D)
Amubulatory health care services	(D)	39,752	(D)	60,797	49,382
Hospitals	0	(D)	0	0	(D)
Nursing and residential care facilities	311	12,854	0	11,661	(D)
Social assistance	(D)	(D)	(D)	15,549	9,262
Arts, entertainment, and recreation	(D)	7,997	(L)	6,897	5,490
Performing arts and spectator sports	(L)	(D)	0	(D)	(D)
Museums, historical sites, zoos, and parks	(D)	(D)	0	(D)	(D)
Amusement, gambling, and recreation	53	7,380	(L)	6,739	4,908
Accommodation and food services	(D)	20,205	(D)	27,429	36,677
Accommodation	(D)	5,404	(D)	6,100	12,424
Food services and drinking places	807	14,801	(D)	21,329	24,253
Other services, except public administration	2,647	38,353	871	37,469	39,936
Repair and maintenance	635	14,434	(D)	11,028	11,520
Personal and laundry services	(D)	(D)	(D)	(D)	(D)
Membership associations and organizations	1,492	14,666	(D)	19,323	19,600
Private households	(D)	(D)	184	(D)	(D)
Government and government enterprises	38,429	224,495	23,433	347,556	277,436
Federal, civilian	10,966	47,611	9,758	50,498	13,155
Military	868	6,824	266	9,245	10,612
State and local	26,595	170,060	13,409	287,813	253,669
State government	1,097	43,988	(D)	32,649	57,083
Local government	25,498	126,072	(D)	255,164	196,586

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Income by Place of Residence					
Personal income (thousands of dollars)	2,324,756	919,827	87,617,622	8,176,168	882,174
Nonfarm personal income	2,319,417	916,221	87,564,685	8,166,249	855,411
Farm income ⁵	5,339	3,606	52,937	9,919	26,763
Population (persons) ⁶	79,742	28,110	1,777,746	241,436	36,158
Per capita personal income (dollars)	29,153	32,722	49,286	33,865	24,398
Derivation of Total Personal Income					
Earnings by place of work	1,387,823	398,756	81,548,765	5,322,240	548,465
less: Personal contributions for social insurance ⁷	141,092	51,438	9,704,591	579,811	66,303
plus: Adjustment for residence ⁸	255,666	130,026	-10,763,057	1,038,570	88,955
equals: Net earnings by place of residence	1,502,397	477,344	61,081,117	5,780,999	571,117
plus: Dividends, interest, and rent ⁹	478,995	259,997	19,179,176	1,357,984	148,651
plus: Transfer payments	343,364	182,486	7,357,329	1,037,185	162,406
Earnings by Place of Work					
Wage and salary disbursements	868,492	274,456	58,387,706	3,628,210	368,950
Other labor income	376,156	66,237	13,863,818	1,264,599	93,502
Proprietors' income ¹⁰	143,175	58,063	9,297,241	429,431	86,013
Farm proprietors' income	2,448	2,469	23,397	7,634	12,145
Nonfarm proprietors' income	140,727	55,594	9,273,844	421,797	73,868
Earnings by Industry					
Farm earnings	5,339	3,606	52,937	9,919	26,763
Nonfarm earnings	1,382,484	395,150	81,495,828	5,312,321	521,702
Private earnings	511,667	295,487	72,038,102	2,462,359	330,764
Forestry, fishing, related activities, and other ⁴	3,185	5,405	534,479	26,765	(D)
Forestry and logging	(D)	(D)	95,477	(D)	2,533
Fishing, hunting, and trapping	(D)	3,476	341,809	(D)	2,956
Agriculture and forestry support activities	(D)	(D)	97,193	3,572	(D)
Other ⁴	0	0	0	0	0
Mining	1,697	1,470	53,209	2,874	(D)
Oil and gas extraction	(L)	53	6,361	(L)	0
Mining (except oil and gas)	1,564	1,417	44,622	2,775	(D)
Support activities for mining	97	0	2,226	77	(L)
Utilities	4,243	5,106	256,075	12,028	2,294
Construction	82,439	38,592	4,658,173	290,385	57,236
Construction of buildings	41,102	15,534	1,505,083	93,691	19,200
Heavy and civil engineering construction	6,367	6,641	570,970	40,377	17,517
Specialty trade contractors	34,970	16,417	2,582,120	156,317	20,519
Manufacturing	35,954	40,712	9,581,536	79,385	27,819
Durable goods manufacturing	34,136	(D)	7,517,966	69,314	16,464
Wood product manufacturing	(D)	(D)	99,127	2,230	(D)
Nonmetallic mineral product manufacturing	1,418	(D)	185,812	9,089	(D)
Primary metal manufacturing	0	(D)	71,506	0	(L)
Fabricated metal product manufacturing	(D)	1,898	356,133	6,747	9,481
Machinery manufacturing	(D)	760	372,302	1,449	(D)
Computer and electronic product manufacturing	(D)	(D)	791,907	1,785	0
Electrical equipment and appliance manufacturing	(D)	0	136,559	(D)	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Motor vehicle manufacturing	(L)	0	(D)	(D)	0
Transportation equipment mfg. excl. motor vehicles	(D)	3,413	(D)	(D)	(D)
Furniture and related product manufacturing	1,929	469	129,430	9,550	1,043
Miscellaneous manufacturing	(D)	658	471,549	22,732	(D)
Nondurable goods manufacturing	1,818	(D)	2,063,570	10,071	11,355
Food manufacturing	1,103	598	682,170	1,876	10,937
Beverage and tobacco product manufacturing	(D)	226	137,290	(D)	(D)
Textile mills	0	(D)	2,251	1,122	0
Textile product mills	(D)	(D)	50,603	(D)	(L)
Apparel manufacturing	0	(D)	54,136	212	(D)
Leather and allied product manufacturing	(D)	0	12,588	(L)	(L)
Paper manufacturing	(D)	(D)	217,883	(L)	0
Printing and related support activities	226	1,001	333,434	2,341	(D)
Petroleum and coal products manufacturing	0	0	20,843	0	0
Chemical manufacturing	(L)	(L)	388,885	(D)	(D)
Plastics and rubber products manufacturing	(D)	0	163,487	(D)	0
Wholesale trade	11,578	6,700	5,273,439	75,951	24,809
Retail Trade	85,148	30,480	4,875,848	379,753	50,867
Motor vehicle and parts dealers	13,252	4,465	734,110	82,528	10,699
Furniture and home furnishings stores	5,109	1,953	260,052	11,471	2,589
Electronics and appliance stores	1,269	814	293,478	9,423	925
Building material and garden supply stores	11,907	4,795	353,063	42,133	4,889
Food and beverage stores	17,750	10,883	830,549	72,831	9,575
Health and personal care stores	4,735	(D)	241,797	21,263	2,191
Gasoline stations	2,712	842	98,950	14,320	4,575
Clothing and clothing accessories stores	1,939	732	359,001	10,962	687
Sporting goods, hobby, book and music stores	2,141	924	181,238	13,162	1,202
General merchandise stores	10,224	(D)	520,089	67,180	7,888
Miscellaneous store retailers	9,322	2,106	341,174	22,986	3,850
Nonstore retailers	4,788	1,457	662,347	11,494	1,797
Transportation and warehousing	9,551	6,645	3,292,861	62,180	19,067
Air transportation	157	53	899,119	(D)	208
Rail transportation	0	498	(D)	0	358
Water transportation	275	(D)	266,143	(D)	0
Truck transportation	3,793	1,123	551,826	19,251	15,219
Transit and ground passenger transportation	(D)	0	99,058	4,724	(L)
Pipeline transportation	0	0	(D)	0	0
Scenic and sightseeing transportation	699	750	20,997	(D)	0
Support activities for transportation	4,179	(D)	823,054	22,584	(D)
Couriers and messengers	(D)	(D)	347,068	(D)	(D)
Warehousing and storage	0	(D)	156,343	1,125	(L)
Information	16,881	5,822	10,202,084	80,292	17,508
Publishing industries, except Internet	4,605	4,120	6,670,210	35,307	8,198
Motion picture and sound recording industries	318	509	95,212	2,016	2,723
Broadcasting, except Internet	(D)	0	975,425	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Internet publishing and broadcasts	0	0	164,441	1,052	0
Telecommunications	11,276	(D)	2,003,718	35,951	5,516
ISPs, search portals, and data processing	0	(D)	241,123	3,967	(D)
Other information services	(D)	0	51,955	(D)	678
Finance and insurance	24,179	21,780	5,441,098	158,689	8,795
Monetary authorities - central bank	0	0	(D)	0	0
Credit intermediation and related activities	13,335	11,607	2,356,223	95,647	4,949
Securities, commodity contracts, investments	(D)	(D)	1,037,102	(D)	(D)
Insurance carriers and related activities	(D)	(D)	1,856,226	46,593	(D)
Funds, trusts, and other financial vehicles	0	0	(D)	(D)	0
Real estate and rental and leasing	28,542	11,151	2,420,676	83,143	8,634
Real estate	24,208	9,444	2,147,046	(D)	3,596
Rental and leasing services	4,334	1,111	258,603	(D)	5,038
Lessors of nonfinancial intangible assets	0	596	15,027	895	0
Professional and technical services	37,100	19,702	8,464,929	310,960	(D)
Management of companies and enterprises	11,263	0	2,387,239	10,398	(D)
Administrative and waste services	22,298	6,639	3,089,684	125,352	7,472
Administrative and support services	20,263	(D)	2,956,200	113,762	(D)
Waste management and remediation services	2,035	(D)	133,484	11,590	(D)
Educational services	10,154	3,701	650,463	25,751	1,855
Health care and social assistance	54,079	49,875	5,729,957	446,224	31,016
Amulatory health care services	38,394	13,693	2,982,895	238,435	17,247
Hospitals	0	0	1,592,731	(D)	0
Nursing and residential care facilities	5,720	4,536	570,631	77,987	10,110
Social assistance	9,965	31,646	583,700	(D)	3,659
Arts, entertainment, and recreation	9,284	3,373	1,076,398	36,477	3,968
Performing arts and spectator sports	1,465	348	648,016	7,638	(D)
Museums, historical sites, zoos, and parks	661	488	59,771	2,138	(D)
Amusement, gambling, and recreation	7,158	2,537	368,611	26,701	3,591
Accommodation and food services	25,643	19,896	1,979,170	111,385	24,794
Accommodation	4,099	6,438	438,533	11,445	3,392
Food services and drinking places	21,544	13,458	1,540,637	99,940	21,402
Other services, except public administration	38,449	18,438	2,070,784	144,367	21,891
Repair and maintenance	11,561	5,809	588,730	49,932	7,012
Personal and laundry services	4,250	1,553	459,227	24,132	2,551
Membership associations and organizations	15,556	8,988	720,099	49,902	8,450
Private households	7,082	2,088	302,728	20,401	3,878
Government and government enterprises	870,817	99,663	9,457,726	2,849,962	190,938
Federal, civilian	81,787	12,591	1,981,584	1,370,569	12,590
Military	653,080	4,252	316,327	895,082	5,638
State and local	135,950	82,820	7,159,815	584,311	172,710
State government	14,592	14,581	2,621,467	94,423	101,595
Local government	121,358	68,239	4,538,348	489,888	71,115

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Income by Place of Residence					
Personal income (thousands of dollars)	490,495	1,745,316	256,411	1,355,121	1,004,922
Nonfarm personal income	465,446	1,708,576	247,536	1,344,134	895,030
Farm income ⁵	25,049	36,740	8,875	10,987	109,892
Population (persons) ⁶	19,771	71,299	10,410	53,110	39,472
Per capita personal income (dollars)	24,809	24,479	24,631	25,515	25,459
Derivation of Total Personal Income					
Earnings by place of work	273,867	1,146,807	126,116	610,054	668,742
less: Personal contributions for social insurance ⁷	33,212	149,780	15,895	79,414	71,232
plus: Adjustment for residence ⁸	39,545	57,377	23,213	248,602	24,493
equals: Net earnings by place of residence	280,200	1,054,404	133,434	779,242	622,003
plus: Dividends, interest, and rent ⁹	93,694	247,622	61,690	249,762	143,457
plus: Transfer payments	116,601	443,290	61,287	326,117	239,462
Earnings by Place of Work					
Wage and salary disbursements	183,927	829,298	87,829	419,259	413,056
Other labor income	42,516	201,610	22,664	100,133	100,229
Proprietors' income ¹⁰	47,424	115,899	15,623	90,662	155,457
Farm proprietors' income	2,575	26,944	2,524	4,304	50,348
Nonfarm proprietors' income	44,849	88,955	13,099	86,358	105,109
Earnings by Industry					
Farm earnings	25,049	36,740	8,875	10,987	109,892
Nonfarm earnings	248,818	1,110,067	117,241	599,067	558,850
Private earnings	177,831	894,302	62,379	393,152	327,176
Forestry, fishing, related activities, and other ⁴	(D)	63,934	(D)	(D)	38,112
Forestry and logging	9,567	46,531	(D)	17,945	3,162
Fishing, hunting, and trapping	(D)	(D)	635	3,299	3,181
Agriculture and forestry support activities	16,678	(D)	3,166	(D)	31,769
Other ⁴	0	0	0	0	0
Mining	(D)	60,611	(D)	(D)	3,081
Oil and gas extraction	0	(L)	0	0	(L)
Mining (except oil and gas)	(D)	(D)	(D)	(D)	(D)
Support activities for mining	(L)	(D)	0	0	(D)
Utilities	5,693	30,441	(D)	1,220	2,932
Construction	18,111	60,722	6,957	53,125	28,691
Construction of buildings	8,389	20,474	(D)	8,079	10,488
Heavy and civil engineering construction	4,576	15,108	(D)	11,592	5,866
Specialty trade contractors	5,146	25,140	1,725	33,454	12,337
Manufacturing	16,597	161,161	3,124	82,949	5,833
Durable goods manufacturing	13,346	133,576	(D)	63,288	4,494
Wood product manufacturing	(D)	91,817	(D)	49,794	2,280
Nonmetallic mineral product manufacturing	494	1,682	(L)	(D)	1,208
Primary metal manufacturing	(D)	(D)	0	(D)	0
Fabricated metal product manufacturing	(D)	12,924	(L)	480	226
Machinery manufacturing	(D)	490	0	74	(D)
Computer and electronic product manufacturing	(D)	(D)	0	(D)	(D)
Electrical equipment and appliance manufacturing	0	(D)	0	0	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(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	(D)	2,673	(L)	669	(D)
Miscellaneous manufacturing	(D)	2,173	(L)	4,694	(D)
Nondurable goods manufacturing	3,251	27,585	(D)	19,661	1,339
Food manufacturing	(D)	20,009	234	7,705	744
Beverage and tobacco product manufacturing	(D)	(D)	0	(D)	397
Textile mills	0	0	0	(L)	0
Textile product mills	0	810	(D)	0	0
Apparel manufacturing	(L)	1,673	(L)	(D)	(D)
Leather and allied product manufacturing	(L)	(D)	0	0	(L)
Paper manufacturing	0	(D)	0	6,086	102
Printing and related support activities	(L)	1,430	(D)	218	(D)
Petroleum and coal products manufacturing	0	(D)	0	0	0
Chemical manufacturing	542	(D)	0	(D)	(L)
Plastics and rubber products manufacturing	(D)	1,006	0	(D)	0
Wholesale trade	5,484	29,166	10,010	18,947	21,237
Retail Trade	26,992	111,342	8,601	51,114	75,975
Motor vehicle and parts dealers	2,214	23,934	1,011	7,592	8,396
Furniture and home furnishings stores	(D)	2,537	105	1,243	(D)
Electronics and appliance stores	(D)	1,904	(L)	(D)	1,117
Building material and garden supply stores	1,119	7,872	1,954	5,285	5,889
Food and beverage stores	4,320	19,882	2,249	6,593	15,534
Health and personal care stores	(D)	6,136	733	1,353	2,214
Gasoline stations	13,618	11,713	(D)	7,452	21,378
Clothing and clothing accessories stores	(D)	2,601	(D)	(D)	1,272
Sporting goods, hobby, book and music stores	(D)	2,256	(D)	501	1,334
General merchandise stores	(D)	20,221	0	(D)	(D)
Miscellaneous store retailers	(D)	9,864	150	2,156	3,669
Nonstore retailers	937	2,422	(D)	1,808	3,694
Transportation and warehousing	11,102	64,524	(D)	12,681	9,754
Air transportation	113	(D)	0	(D)	84
Rail transportation	6,423	4,655	869	371	978
Water transportation	0	0	0	(D)	146
Truck transportation	3,009	35,682	1,433	4,119	2,951
Transit and ground passenger transportation	(L)	(D)	(L)	(D)	(D)
Pipeline transportation	0	0	0	0	0
Scenic and sightseeing transportation	0	(D)	0	(D)	371
Support activities for transportation	(D)	5,070	(D)	3,164	3,444
Couriers and messengers	(D)	(D)	(L)	(D)	(D)
Warehousing and storage	(D)	(D)	0	(D)	(D)
Information	2,164	10,948	440	3,564	5,728
Publishing industries, except Internet	540	5,266	(D)	(D)	1,015
Motion picture and sound recording industries	0	(D)	0	(D)	454
Broadcasting, except Internet	(D)	(D)	0	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Internet publishing and broadcasts	0	0	0	0	0
Telecommunications	(D)	3,698	(D)	(D)	1,186
ISPs, search portals, and data processing	0	577	0	0	(D)
Other information services	0	(L)	0	0	0
Finance and insurance	4,386	22,407	5,726	19,009	12,173
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	2,919	11,968	3,776	14,120	8,559
Securities, commodity contracts, investments	(D)	(D)	130	(D)	(D)
Insurance carriers and related activities	(D)	9,364	1,820	(D)	(D)
Funds, trusts, and other financial vehicles	0	(D)	0	0	0
Real estate and rental and leasing	3,030	11,963	422	9,490	9,142
Real estate	(D)	8,680	(D)	8,141	7,317
Rental and leasing services	(D)	3,283	(D)	1,349	1,107
Lessors of nonfinancial intangible assets	0	0	0	0	718
Professional and technical services	(D)	24,892	5,249	13,816	13,602
Management of companies and enterprises	(D)	4,263	0	(D)	(D)
Administrative and waste services	16,372	25,481	433	(D)	(D)
Administrative and support services	5,755	21,166	(D)	6,792	6,407
Waste management and remediation services	10,617	4,315	(D)	(D)	(D)
Educational services	(D)	3,780	(D)	4,569	2,113
Health care and social assistance	(D)	126,960	(D)	40,371	45,418
Amulatory health care services	6,041	67,735	1,868	22,900	35,044
Hospitals	0	(D)	0	0	0
Nursing and residential care facilities	(D)	19,797	(D)	13,973	5,193
Social assistance	1,401	(D)	(D)	3,498	5,181
Arts, entertainment, and recreation	1,311	5,442	651	6,322	2,768
Performing arts and spectator sports	90	(D)	(D)	146	(D)
Museums, historical sites, zoos, and parks	397	(D)	0	(D)	0
Amusement, gambling, and recreation	824	5,247	(D)	(D)	(D)
Accommodation and food services	5,174	32,838	1,615	13,369	20,841
Accommodation	918	4,550	(D)	2,166	10,476
Food services and drinking places	4,256	28,288	(D)	11,203	10,365
Other services, except public administration	11,941	43,427	4,519	27,213	20,256
Repair and maintenance	5,229	13,838	1,116	6,740	7,257
Personal and laundry services	(D)	4,261	(D)	(D)	(D)
Membership associations and organizations	4,602	(D)	2,105	12,497	8,332
Private households	(D)	(D)	(D)	(D)	(D)
Government and government enterprises	70,987	215,765	54,862	205,915	231,674
Federal, civilian	6,118	15,973	4,212	5,828	37,522
Military	2,279	8,209	1,194	6,155	4,527
State and local	62,590	191,583	49,456	193,932	189,625
State government	8,210	51,074	3,527	45,280	14,094
Local government	54,380	140,509	45,929	148,652	175,531

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Income by Place of Residence					
Personal income (thousands of dollars)	497,327	279,180	23,273,083	612,605	3,380,045
Nonfarm personal income	482,943	278,728	23,223,328	611,369	3,279,071
Farm income ⁵	14,384	452	49,755	1,236	100,974
Population (persons) ⁶	21,209	12,450	745,778	15,142	111,131
Per capita personal income (dollars)	23,449	22,424	31,206	40,457	30,415
Derivation of Total Personal Income					
Earnings by place of work	252,926	138,764	15,485,490	250,735	2,357,360
less: Personal contributions for social insurance ⁷	33,006	17,394	1,840,513	30,535	275,855
plus: Adjustment for residence ⁸	26,152	33,738	3,079,923	38,899	99,868
equals: Net earnings by place of residence	246,072	155,108	16,724,900	259,099	2,181,373
plus: Dividends, interest, and rent ⁹	98,240	49,212	3,122,343	279,108	605,853
plus: Transfer payments	153,015	74,860	3,425,840	74,398	592,819
Earnings by Place of Work					
Wage and salary disbursements	175,703	90,881	10,948,553	158,069	1,519,914
Other labor income	42,105	25,003	3,025,863	37,087	393,170
Proprietors' income ¹⁰	35,118	22,880	1,511,074	55,579	444,276
Farm proprietors' income	11,413	375	21,594	112	29,831
Nonfarm proprietors' income	23,705	22,505	1,489,480	55,467	414,445
Earnings by Industry					
Farm earnings	14,384	452	49,755	1,236	100,974
Nonfarm earnings	238,542	138,312	15,435,735	249,499	2,256,386
Private earnings	149,891	80,870	10,746,844	207,548	1,808,292
Forestry, fishing, related activities, and other ⁴	25,092	5,002	46,679	(D)	76,667
Forestry and logging	9,103	(D)	21,545	(D)	24,994
Fishing, hunting, and trapping	15,666	1,185	17,196	(D)	29,119
Agriculture and forestry support activities	323	(D)	7,938	(D)	22,554
Other ⁴	0	0	0	0	0
Mining	1,430	1,159	18,525	(D)	7,658
Oil and gas extraction	62	62	782	(L)	(L)
Mining (except oil and gas)	1,368	1,097	17,321	(D)	(D)
Support activities for mining	0	0	422	0	(D)
Utilities	(D)	180	64,366	6,487	15,094
Construction	8,471	4,461	1,302,312	47,075	218,032
Construction of buildings	3,670	1,935	345,518	21,315	64,544
Heavy and civil engineering construction	1,188	1,168	291,770	9,534	43,430
Specialty trade contractors	3,613	1,358	665,024	16,226	110,058
Manufacturing	31,473	41,151	1,177,930	13,368	409,708
Durable goods manufacturing	17,706	(D)	805,575	11,288	(D)
Wood product manufacturing	16,764	(D)	142,985	2,516	17,468
Nonmetallic mineral product manufacturing	(D)	0	97,240	1,121	10,116
Primary metal manufacturing	0	0	(D)	0	224
Fabricated metal product manufacturing	(D)	(D)	110,887	734	12,919
Machinery manufacturing	0	0	38,068	(D)	40,669
Computer and electronic product manufacturing	61	0	151,667	(D)	5,334
Electrical equipment and appliance manufacturing	0	928	(D)	0	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Motor vehicle manufacturing	0	0	7,957	0	1,071
Transportation equipment mfg. excl. motor vehicles	189	0	149,143	(D)	64,002
Furniture and related product manufacturing	(L)	111	56,463	429	3,876
Miscellaneous manufacturing	(D)	567	30,657	(D)	8,017
Nondurable goods manufacturing	13,767	(D)	372,355	2,080	(D)
Food manufacturing	13,613	(D)	82,896	869	39,229
Beverage and tobacco product manufacturing	0	0	(D)	(D)	(D)
Textile mills	(L)	0	(D)	(L)	(D)
Textile product mills	0	89	5,043	(D)	2,560
Apparel manufacturing	(L)	0	19,021	(L)	(D)
Leather and allied product manufacturing	0	1,011	1,565	67	647
Paper manufacturing	0	(D)	77,288	0	26,286
Printing and related support activities	(D)	(D)	28,379	91	1,387
Petroleum and coal products manufacturing	0	0	43,900	0	(D)
Chemical manufacturing	0	9,887	32,512	(D)	(D)
Plastics and rubber products manufacturing	(D)	(D)	73,036	53	3,574
Wholesale trade	(D)	445	579,426	3,242	44,700
Retail Trade	19,186	6,331	1,095,413	24,825	291,535
Motor vehicle and parts dealers	1,145	(D)	286,985	1,537	80,274
Furniture and home furnishings stores	(D)	(D)	43,035	1,014	6,559
Electronics and appliance stores	(D)	(D)	30,673	(D)	6,486
Building material and garden supply stores	1,316	(D)	93,950	5,632	24,024
Food and beverage stores	5,595	3,184	175,223	9,227	45,967
Health and personal care stores	1,492	423	63,700	1,502	9,960
Gasoline stations	1,206	498	31,997	1,734	30,402
Clothing and clothing accessories stores	397	(D)	58,137	469	9,669
Sporting goods, hobby, book and music stores	372	(L)	47,385	887	8,034
General merchandise stores	(D)	0	179,692	286	40,205
Miscellaneous store retailers	1,811	210	55,967	1,681	18,780
Nonstore retailers	(D)	(D)	28,669	(D)	11,175
Transportation and warehousing	2,719	1,709	555,379	3,079	59,594
Air transportation	88	(D)	(D)	(D)	(D)
Rail transportation	477	394	30,733	0	3,400
Water transportation	154	0	(D)	77	(D)
Truck transportation	1,333	628	208,062	549	28,927
Transit and ground passenger transportation	0	(L)	14,412	(D)	595
Pipeline transportation	0	0	267	0	0
Scenic and sightseeing transportation	596	124	900	(D)	1,323
Support activities for transportation	(D)	(D)	187,852	501	13,782
Couriers and messengers	(D)	0	36,725	(D)	6,369
Warehousing and storage	(L)	(L)	69,263	(L)	2,570
Information	1,330	1,756	183,286	3,466	23,225
Publishing industries, except Internet	(D)	(D)	50,932	(D)	11,858
Motion picture and sound recording industries	(D)	(D)	4,557	305	1,014
Broadcasting, except Internet	81	0	(D)	336	1,352

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Internet publishing and broadcasts	0	0	5,717	0	(D)
Telecommunications	(D)	975	116,921	(D)	7,752
ISPs, search portals, and data processing	0	(D)	2,086	1,196	409
Other information services	0	(L)	(D)	(L)	(D)
Finance and insurance	8,527	2,946	1,055,015	7,453	88,812
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	6,676	1,966	280,807	4,793	47,110
Securities, commodity contracts, investments	287	(L)	531,304	957	9,851
Insurance carriers and related activities	1,564	970	235,913	1,703	31,851
Funds, trusts, and other financial vehicles	0	0	6,991	0	0
Real estate and rental and leasing	2,740	744	390,819	14,408	51,315
Real estate	(D)	(D)	337,203	11,598	38,566
Rental and leasing services	(D)	(D)	(D)	2,810	12,749
Lessors of nonfinancial intangible assets	0	0	(D)	0	0
Professional and technical services	(D)	2,587	602,098	(D)	88,276
Management of companies and enterprises	(D)	0	116,359	(D)	9,432
Administrative and waste services	2,784	998	509,445	6,546	38,018
Administrative and support services	1,540	(D)	467,246	5,787	32,240
Waste management and remediation services	1,244	(D)	42,199	759	5,778
Educational services	56	470	162,921	1,745	8,725
Health care and social assistance	13,511	3,046	1,859,943	11,381	199,970
Amulatory health care services	5,523	(D)	1,042,292	6,834	137,923
Hospitals	0	0	473,779	0	0
Nursing and residential care facilities	5,518	(D)	178,565	3,074	36,031
Social assistance	2,470	1,671	165,307	1,473	26,016
Arts, entertainment, and recreation	1,906	(D)	105,326	5,207	20,081
Performing arts and spectator sports	(D)	(D)	15,714	(D)	1,744
Museums, historical sites, zoos, and parks	(D)	0	6,337	(D)	1,494
Amusement, gambling, and recreation	1,685	(D)	83,275	3,357	16,843
Accommodation and food services	12,760	(D)	387,226	26,168	70,501
Accommodation	5,071	(D)	36,761	17,065	14,631
Food services and drinking places	7,689	2,042	350,465	9,103	55,870
Other services, except public administration	11,272	4,876	534,376	12,443	86,949
Repair and maintenance	2,244	(D)	197,094	1,011	42,391
Personal and laundry services	(D)	424	99,211	1,808	9,481
Membership associations and organizations	5,876	2,474	187,463	4,041	27,467
Private households	(D)	(D)	50,608	5,583	7,610
Government and government enterprises	88,651	57,442	4,688,891	41,951	448,094
Federal, civilian	3,782	8,140	665,480	3,884	28,333
Military	9,173	1,432	1,838,153	1,742	12,746
State and local	75,696	47,870	2,185,258	36,325	407,015
State government	14,045	1,269	525,078	4,283	64,574
Local government	61,651	46,601	1,660,180	32,042	342,441

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Income by Place of Residence					
Personal income (thousands of dollars)	257,259	20,995,591	12,212,265	880,410	7,229,582
Nonfarm personal income	257,079	20,950,899	12,193,404	875,982	7,177,720
Farm income ⁵	180	44,692	18,861	4,428	51,862
Population (persons) ⁶	10,556	644,205	435,146	41,294	224,661
Per capita personal income (dollars)	24,371	32,591	28,065	21,321	32,180
Derivation of Total Personal Income					
Earnings by place of work	84,171	12,754,637	9,499,589	455,405	4,693,291
less: Personal contributions for social insurance ⁷	10,810	1,579,326	1,200,307	57,221	594,677
plus: Adjustment for residence ⁸	97,028	4,681,662	-404,681	121,157	1,092,893
equals: Net earnings by place of residence	170,389	15,856,973	7,894,601	519,341	5,191,507
plus: Dividends, interest, and rent ⁹	43,501	2,672,924	2,046,258	128,054	961,193
plus: Transfer payments	43,369	2,465,694	2,271,406	233,015	1,076,882
Earnings by Place of Work					
Wage and salary disbursements	61,078	9,202,419	6,996,311	311,011	3,474,082
Other labor income	16,896	2,521,400	1,736,957	80,902	773,738
Proprietors' income ¹⁰	6,197	1,030,818	766,321	63,492	445,471
Farm proprietors' income	-172	21,100	10,362	3,069	24,934
Nonfarm proprietors' income	6,369	1,009,718	755,959	60,423	420,537
Earnings by Industry					
Farm earnings	180	44,692	18,861	4,428	51,862
Nonfarm earnings	83,991	12,709,945	9,480,728	450,977	4,641,429
Private earnings	49,720	10,425,461	7,520,924	320,943	2,745,282
Forestry, fishing, related activities, and other ⁴	(D)	75,274	7,866	24,750	54,721
Forestry and logging	1,356	20,925	(D)	19,467	37,051
Fishing, hunting, and trapping	146	46,663	(D)	2,886	3,226
Agriculture and forestry support activities	(D)	7,686	2,203	2,397	14,444
Other ⁴	0	0	0	0	0
Mining	(D)	16,126	17,012	2,771	7,775
Oil and gas extraction	0	697	(L)	(L)	(L)
Mining (except oil and gas)	(D)	(D)	1,569	2,753	(D)
Support activities for mining	0	(D)	15,441	(L)	(D)
Utilities	0	7,779	52,806	(D)	17,662
Construction	3,562	1,150,699	646,329	24,860	300,624
Construction of buildings	(D)	293,559	191,204	10,439	98,426
Heavy and civil engineering construction	(D)	154,558	65,793	4,805	34,828
Specialty trade contractors	1,663	702,582	389,332	9,616	167,370
Manufacturing	10,350	3,494,309	922,680	76,943	173,451
Durable goods manufacturing	(D)	3,246,239	720,115	74,914	84,208
Wood product manufacturing	(D)	114,776	17,750	47,002	15,421
Nonmetallic mineral product manufacturing	(D)	32,819	54,466	(D)	13,389
Primary metal manufacturing	0	5,718	96,326	(D)	0
Fabricated metal product manufacturing	(D)	134,985	93,035	503	19,492
Machinery manufacturing	(D)	41,440	83,834	18,973	3,656
Computer and electronic product manufacturing	(D)	488,190	200,316	(D)	227
Electrical equipment and appliance manufacturing	(D)	20,886	37,749	153	628

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Motor vehicle manufacturing	(D)	(D)	40,833	(D)	(D)
Transportation equipment mfg. excl. motor vehicles	0	(D)	29,473	(D)	(D)
Furniture and related product manufacturing	0	67,958	42,333	(D)	13,318
Miscellaneous manufacturing	(D)	42,451	24,000	(D)	12,040
Nondurable goods manufacturing	(D)	248,070	202,565	2,029	89,243
Food manufacturing	(D)	52,505	56,272	(D)	6,403
Beverage and tobacco product manufacturing	(D)	6,060	9,091	(D)	13,444
Textile mills	0	(D)	(D)	(D)	(D)
Textile product mills	0	4,121	4,198	0	352
Apparel manufacturing	0	4,595	5,476	(L)	(D)
Leather and allied product manufacturing	0	2,590	(D)	167	(L)
Paper manufacturing	0	(D)	20,368	0	(D)
Printing and related support activities	0	41,556	21,787	314	6,952
Petroleum and coal products manufacturing	0	1,123	(L)	0	0
Chemical manufacturing	(L)	12,137	32,735	0	4,464
Plastics and rubber products manufacturing	0	38,071	42,486	132	34,286
Wholesale trade	1,186	389,786	523,464	(D)	175,002
Retail Trade	2,979	961,930	869,654	39,974	363,666
Motor vehicle and parts dealers	(D)	242,614	209,874	6,111	71,456
Furniture and home furnishings stores	0	30,476	31,006	(D)	9,151
Electronics and appliance stores	0	30,059	28,471	661	14,172
Building material and garden supply stores	289	104,596	68,055	2,062	47,497
Food and beverage stores	1,501	178,084	145,602	7,659	67,812
Health and personal care stores	(D)	52,247	47,915	1,677	13,819
Gasoline stations	440	31,988	31,844	6,843	15,576
Clothing and clothing accessories stores	(L)	44,888	44,118	366	13,989
Sporting goods, hobby, book and music stores	(L)	41,372	42,085	1,204	14,677
General merchandise stores	140	141,904	119,352	(D)	62,312
Miscellaneous store retailers	107	47,818	53,073	1,696	23,896
Nonstore retailers	(D)	15,884	48,259	3,006	9,309
Transportation and warehousing	2,080	172,257	291,716	14,303	75,251
Air transportation	64	5,026	15,340	146	(D)
Rail transportation	0	19,119	70,054	591	1,476
Water transportation	0	(D)	159	0	236
Truck transportation	(D)	59,481	108,921	8,356	25,699
Transit and ground passenger transportation	(L)	19,090	13,900	(D)	2,605
Pipeline transportation	0	165	(D)	0	289
Scenic and sightseeing transportation	284	(D)	(D)	0	(D)
Support activities for transportation	(D)	43,243	36,419	1,346	12,627
Couriers and messengers	0	18,170	(D)	(D)	(D)
Warehousing and storage	(L)	7,094	6,053	(D)	17,242
Information	387	260,297	159,447	3,058	49,154
Publishing industries, except Internet	(D)	72,296	56,435	(D)	14,908
Motion picture and sound recording industries	(L)	9,286	6,422	(D)	1,595
Broadcasting, except Internet	0	(D)	34,912	(D)	5,234

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Internet publishing and broadcasts	(L)	(D)	1,103	0	(D)
Telecommunications	(D)	169,717	56,874	(D)	24,381
ISPs, search portals, and data processing	(D)	4,657	3,696	875	2,641
Other information services	0	(D)	(L)	(L)	(D)
Finance and insurance	(D)	763,287	645,454	13,473	194,251
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	670	344,586	272,435	9,981	98,566
Securities, commodity contracts, investments	(D)	(D)	108,604	(D)	38,851
Insurance carriers and related activities	(D)	335,708	252,193	(D)	49,734
Funds, trusts, and other financial vehicles	0	(D)	12,222	0	7,100
Real estate and rental and leasing	(D)	269,700	190,499	5,347	85,155
Real estate	(D)	239,527	154,530	3,555	76,037
Rental and leasing services	(D)	(D)	32,879	1,792	(D)
Lessors of nonfinancial intangible assets	0	(D)	3,090	0	(D)
Professional and technical services	5,844	570,692	555,287	9,242	214,755
Management of companies and enterprises	(D)	105,065	178,654	(D)	29,245
Administrative and waste services	(D)	320,403	283,196	(D)	112,967
Administrative and support services	(D)	298,352	268,456	1,671	102,094
Waste management and remediation services	1,175	22,051	14,740	(D)	10,873
Educational services	(D)	78,255	138,631	1,711	58,038
Health care and social assistance	(D)	997,115	1,366,815	54,441	506,529
Ambulatory health care services	482	596,190	694,642	25,042	278,987
Hospitals	0	(D)	400,894	(D)	(D)
Nursing and residential care facilities	(D)	134,599	154,191	5,702	52,632
Social assistance	431	(D)	117,088	(D)	(D)
Arts, entertainment, and recreation	317	93,531	61,739	2,698	30,941
Performing arts and spectator sports	(L)	16,724	(D)	50	6,746
Museums, historical sites, zoos, and parks	(D)	1,389	(D)	(D)	2,532
Amusement, gambling, and recreation	(D)	75,418	46,795	(D)	21,663
Accommodation and food services	12,736	294,414	291,888	8,565	113,101
Accommodation	11,610	20,347	74,905	1,554	11,650
Food services and drinking places	1,126	274,067	216,983	7,011	101,451
Other services, except public administration	2,933	404,542	317,787	20,257	182,994
Repair and maintenance	(D)	117,645	80,343	6,165	55,024
Personal and laundry services	(D)	82,535	68,922	1,600	19,054
Membership associations and organizations	2,139	153,205	119,216	(D)	89,733
Private households	(D)	51,157	49,306	(D)	19,183
Government and government enterprises	34,271	2,284,484	1,959,804	130,034	1,896,147
Federal, civilian	10,408	154,424	359,992	27,764	83,126
Military	1,211	459,447	315,325	4,740	30,894
State and local	22,652	1,670,613	1,284,487	97,530	1,782,127
State government	1,838	254,855	439,792	16,236	1,311,787
Local government	20,814	1,415,758	844,695	81,294	470,340

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Income by Place of Residence					
Personal income (thousands of dollars)	94,874	1,422,938	5,054,587	879,091	5,766,499
Nonfarm personal income	94,645	1,349,389	4,942,764	863,978	5,177,069
Farm income ⁵	229	73,549	111,823	15,113	589,430
Population (persons) ⁶	3,773	57,238	180,205	40,182	229,515
Per capita personal income (dollars)	25,146	24,860	28,049	21,878	25,125
Derivation of Total Personal Income					
Earnings by place of work	36,625	1,114,820	3,661,036	737,746	4,112,619
less: Personal contributions for social insurance ⁷	4,890	135,252	443,236	90,382	470,028
plus: Adjustment for residence ⁸	17,205	-89,514	126,022	-75,153	14,551
equals: Net earnings by place of residence	48,940	890,054	3,343,822	572,211	3,657,142
plus: Dividends, interest, and rent ⁹	22,180	245,366	896,745	153,067	839,121
plus: Transfer payments	23,754	287,518	814,020	153,813	1,270,236
Earnings by Place of Work					
Wage and salary disbursements	25,792	805,763	2,509,711	537,915	2,833,650
Other labor income	5,787	202,311	647,695	152,712	645,612
Proprietors' income ¹⁰	5,046	106,746	503,630	47,119	633,357
Farm proprietors' income	180	13,425	57,866	4,581	277,589
Nonfarm proprietors' income	4,866	93,321	445,764	42,538	355,768
Earnings by Industry					
Farm earnings	229	73,549	111,823	15,113	589,430
Nonfarm earnings	36,396	1,041,271	3,549,213	722,633	3,523,189
Private earnings	26,268	769,861	2,893,081	325,206	2,739,790
Forestry, fishing, related activities, and other ⁴	12,151	(D)	46,763	(D)	226,442
Forestry and logging	7,378	(D)	19,230	1,161	12,779
Fishing, hunting, and trapping	(D)	1,180	19,401	4,319	13,811
Agriculture and forestry support activities	(D)	16,465	8,132	(D)	199,852
Other ⁴	0	0	0	0	0
Mining	62	(D)	8,773	(D)	580
Oil and gas extraction	62	0	195	62	(L)
Mining (except oil and gas)	0	(D)	8,357	(D)	548
Support activities for mining	0	0	221	0	(L)
Utilities	0	10,406	14,526	(D)	17,347
Construction	2,011	52,272	417,526	24,144	178,447
Construction of buildings	778	17,958	160,917	10,395	60,091
Heavy and civil engineering construction	289	5,660	69,507	2,395	19,005
Specialty trade contractors	944	28,654	187,102	11,354	99,351
Manufacturing	2,064	186,421	510,534	80,596	437,620
Durable goods manufacturing	2,064	(D)	247,160	(D)	(D)
Wood product manufacturing	(D)	1,557	57,168	(D)	49,000
Nonmetallic mineral product manufacturing	(D)	2,273	11,318	(D)	7,121
Primary metal manufacturing	0	254	(D)	0	(D)
Fabricated metal product manufacturing	0	3,018	17,237	(D)	36,682
Machinery manufacturing	(D)	(D)	21,226	(D)	27,492
Computer and electronic product manufacturing	0	0	6,895	10,243	(D)
Electrical equipment and appliance manufacturing	0	0	8,623	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Motor vehicle manufacturing	0	0	(D)	0	(D)
Transportation equipment mfg. excl. motor vehicles	(D)	(D)	(D)	(D)	(D)
Furniture and related product manufacturing	(L)	327	5,354	(D)	4,054
Miscellaneous manufacturing	(L)	2,939	19,024	(D)	12,897
Nondurable goods manufacturing	0	(D)	263,374	(D)	(D)
Food manufacturing	0	(D)	66,321	0	106,736
Beverage and tobacco product manufacturing	0	15,090	912	0	14,262
Textile mills	0	(D)	(D)	(L)	(L)
Textile product mills	0	(D)	11,625	0	861
Apparel manufacturing	0	(D)	773	(L)	(L)
Leather and allied product manufacturing	0	731	(D)	(D)	0
Paper manufacturing	0	(D)	(D)	0	31,503
Printing and related support activities	0	4,647	4,729	(D)	7,403
Petroleum and coal products manufacturing	0	0	130,168	(D)	(D)
Chemical manufacturing	0	2,536	(D)	(D)	6,037
Plastics and rubber products manufacturing	0	1,713	11,286	0	62,115
Wholesale trade	(L)	31,790	204,811	26,509	208,545
Retail Trade	1,610	72,292	342,744	32,688	303,680
Motor vehicle and parts dealers	(D)	13,464	50,802	6,793	65,137
Furniture and home furnishings stores	125	2,051	11,604	(D)	9,383
Electronics and appliance stores	0	764	10,918	430	7,149
Building material and garden supply stores	(D)	6,882	35,882	5,734	29,196
Food and beverage stores	(D)	16,765	70,675	6,274	65,805
Health and personal care stores	(D)	3,107	16,222	2,028	9,936
Gasoline stations	256	5,261	24,187	3,646	20,690
Clothing and clothing accessories stores	(L)	4,816	17,314	281	7,267
Sporting goods, hobby, book and music stores	(L)	1,276	11,425	(D)	6,863
General merchandise stores	0	11,490	54,826	(D)	59,868
Miscellaneous store retailers	(D)	3,267	25,172	946	15,360
Nonstore retailers	(L)	3,149	13,717	(D)	7,026
Transportation and warehousing	377	19,720	88,150	(D)	129,012
Air transportation	0	(D)	1,564	(D)	(D)
Rail transportation	0	1,561	5,201	984	5,464
Water transportation	0	0	1,138	0	308
Truck transportation	(D)	9,400	32,876	2,281	57,617
Transit and ground passenger transportation	0	(D)	5,744	(D)	3,066
Pipeline transportation	0	(D)	(D)	(D)	0
Scenic and sightseeing transportation	0	947	1,542	0	780
Support activities for transportation	0	2,434	21,096	2,011	19,381
Couriers and messengers	(D)	(D)	(D)	(D)	(D)
Warehousing and storage	0	(D)	10,641	1,289	34,911
Information	(D)	16,801	76,632	4,962	65,610
Publishing industries, except Internet	(D)	11,339	28,364	542	21,340
Motion picture and sound recording industries	0	(D)	1,194	(D)	(D)
Broadcasting, except Internet	0	1,217	9,352	1,114	27,162

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2004

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Internet publishing and broadcasts	0	0	(D)	0	0
Telecommunications	(D)	3,141	35,620	2,141	14,242
ISPs, search portals, and data processing	0	(D)	(D)	(D)	(D)
Other information services	0	(D)	(L)	0	(L)
Finance and insurance	(D)	48,092	126,399	20,451	108,700
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	(D)	34,327	70,916	15,761	56,099
Securities, commodity contracts, investments	52	2,556	(D)	430	(D)
Insurance carriers and related activities	(D)	11,209	34,107	4,260	38,670
Funds, trusts, and other financial vehicles	0	0	(D)	0	(D)
Real estate and rental and leasing	(D)	15,316	84,635	8,384	56,540
Real estate	(D)	11,404	75,567	6,535	(D)
Rental and leasing services	(D)	3,125	(D)	1,849	(D)
Lessors of nonfinancial intangible assets	0	787	(D)	0	0
Professional and technical services	460	(D)	192,774	14,057	109,898
Management of companies and enterprises	0	(D)	31,226	667	32,272
Administrative and waste services	442	11,129	77,442	2,323	62,624
Administrative and support services	(D)	(D)	63,392	(D)	56,132
Waste management and remediation services	(D)	(D)	14,050	(D)	6,492
Educational services	(D)	(D)	15,640	1,116	35,180
Health care and social assistance	(D)	(D)	376,983	43,413	529,360
Amulatory health care services	(D)	58,790	197,887	23,566	283,597
Hospitals	0	(D)	(D)	(D)	127,619
Nursing and residential care facilities	(D)	22,680	47,679	7,784	58,843
Social assistance	(D)	8,654	(D)	(D)	59,301
Arts, entertainment, and recreation	(D)	4,532	32,023	2,682	24,555
Performing arts and spectator sports	(L)	(D)	2,415	(D)	4,651
Museums, historical sites, zoos, and parks	(D)	(D)	461	(D)	1,609
Amusement, gambling, and recreation	99	3,527	29,147	2,342	18,295
Accommodation and food services	(D)	24,616	116,484	16,461	89,007
Accommodation	(D)	3,434	24,013	3,802	15,199
Food services and drinking places	649	21,182	92,471	12,659	73,808
Other services, except public administration	1,326	33,990	129,016	18,556	124,371
Repair and maintenance	76	8,465	42,272	3,221	34,619
Personal and laundry services	(D)	3,060	17,843	2,012	22,714
Membership associations and organizations	794	14,602	51,839	8,442	(D)
Private households	(D)	7,863	17,062	4,881	(D)
Government and government enterprises	10,128	271,410	656,132	397,427	783,399
Federal, civilian	716	89,313	98,365	18,876	97,358
Military	431	7,028	24,003	6,231	31,207
State and local	8,981	175,069	533,764	372,320	654,834
State government	(D)	77,629	164,292	(D)	138,223
Local government	(D)	97,440	369,472	(D)	516,611

Table 4.4

Per Capita Personal Income

	2000	2001	2002	2003	2004	Change 2000-04
U.S.	29,845	30,574	30,810	31,484	33,050	10.7%
Washington	31,779	32,291	32,549	32,882	35,041	10.3%
Bellingham, WA (MSA)	24,240	25,417	25,493	26,884	28,049	15.7%
Bremerton-Silverdale, WA (MSA)	29,493	30,549	31,336	32,215	33,865	14.8%
Kennewick-Richland-Pasco, WA (MSA)	24,681	26,295	26,774	27,078	27,915	13.1%
Olympia, WA (MSA)	29,250	30,522	30,639	31,034	32,180	10.0%
Portland-Vancouver-Beaverton, OR-WA (MSA)	32,122	32,353	32,255	32,328	33,875	5.5%
Seattle-Tacoma-Bellevue, WA (MSA)	37,746	37,808	38,229	38,447	41,634	10.3%
Seattle-Bellevue-Everett, WA (MDiv)	40,794	40,523	40,925	41,081	44,845	9.9%
Spokane, WA (MSA)	26,010	26,212	26,498	26,871	28,065	7.9%
Tacoma, WA (MDiv)	27,580	28,824	29,411	29,900	31,206	13.1%
Yakima, WA (MSA)	22,070	23,067	23,071	24,057	25,125	13.8%
Washington (Urban Counties)*	34,864	35,111	35,427	35,668	38,254	9.7%
Washington (Rural Counties)	23,327	24,513	24,626	25,254	26,285	12.7%
Adams	20,472	21,414	21,796	22,008	22,985	12.3%
Asotin	23,716	25,509	25,807	26,458	27,128	14.4%
Benton#	26,559	28,270	28,889	29,294	30,572	15.1%
Chelan	25,101	26,337	26,938	27,311	28,815	14.8%
Clallam	24,617	26,561	26,564	27,354	28,664	16.4%
Clark*	28,890	29,541	28,997	29,050	30,289	4.8%
Columbia	27,591	27,508	26,196	26,653	28,069	1.7%
Cowlitz	23,664	24,948	24,565	24,476	25,298	6.9%
Douglas	21,509	22,330	22,429	23,105	24,325	13.1%
Ferry	17,265	18,449	18,644	18,538	19,336	12.0%
Franklin#	19,259	20,625	20,760	21,028	20,971	8.9%
Garfield	24,225	22,765	22,547	23,794	24,541	1.3%
Grant	20,171	20,951	21,281	21,791	22,623	12.2%
Grays Harbor	21,953	22,467	22,893	23,379	24,312	10.7%
Island*	26,567	27,848	28,269	28,191	29,153	9.7%
Jefferson	28,418	30,195	30,536	30,902	32,722	15.1%
King*	44,437	43,841	44,313	44,482	49,286	10.9%
Kitsap*	29,493	30,549	31,336	32,215	33,865	14.8%
Kittitas	23,028	23,486	23,651	23,666	24,398	5.9%
Klickitat	22,519	23,185	23,978	24,121	24,809	10.2%
Lewis	22,246	23,197	23,265	23,409	24,479	10.0%
Lincoln	22,376	23,165	23,304	24,142	24,631	10.1%
Mason	22,793	23,880	24,072	24,421	25,515	11.9%
Okanogan	20,609	21,891	22,401	23,882	25,459	23.5%
Pacific	21,175	22,889	22,548	22,425	23,449	10.7%
Pend Oreille	20,736	21,642	21,057	21,860	22,424	8.1%
Pierce*	27,580	28,824	29,411	29,900	31,206	13.1%
San Juan	37,620	38,267	38,377	38,663	40,457	7.5%
Skagit	27,282	29,366	29,391	29,637	30,415	11.5%
Skamania	22,447	22,468	22,420	23,398	24,371	8.6%
Snohomish*	30,393	31,178	31,495	31,650	32,591	7.2%
Spokane*	26,010	26,212	26,498	26,871	28,065	7.9%
Stevens	19,598	20,205	20,044	20,596	21,321	8.8%
Thurston*	29,250	30,522	30,639	31,034	32,180	10.0%
Wahkiakum	22,493	23,624	23,047	24,657	25,146	11.8%
Walla Walla	22,642	24,113	22,985	23,885	24,860	9.8%
Whatcom#	24,240	25,417	25,493	26,884	28,049	15.7%
Whitman	19,820	19,512	19,477	20,753	21,878	10.4%
Yakima#	22,070	23,067	23,071	24,057	25,125	13.8%

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

Table 4.5
2004 Per Capita Personal Income and Median Home Prices
 Ordered by 2004 Per Capita Personal Income Rank

	Per Capita Personal Income	Rank	Median Home Price	Rank
King*	\$49,286	1	\$324,000	2
San Juan	\$40,457	2	\$337,000	1
Kitsap*	\$33,865	3	\$206,900	7
Jefferson	\$32,722	4	\$245,000	4
Snohomish*	\$32,591	5	\$250,000	3
Thurston*	\$32,180	6	\$184,900	11
Pierce*	\$31,206	7	\$199,900	8
Benton#	\$30,572	8	\$147,900	15
Skagit	\$30,415	9	\$191,200	10
Clark*	\$30,289	10	\$195,000	9
Island*	\$29,153	11	\$215,900	6
Chelan	\$28,815	12	\$147,300	18
Clallam	\$28,664	13	\$164,300	14
Columbia	\$28,069	14	\$81,400	35
Spokane*	\$28,065	15	\$131,100	22
Whatcom#	\$28,049	16	\$216,800	5
Asotin	\$27,128	17	\$111,200	29
Mason	\$25,515	18	\$138,100	21
Okanogan	\$25,459	19	\$86,500	34
Cowlitz	\$25,298	20	\$125,000	24
Wahkiakum	\$25,146	21	\$167,000	13
Yakima#	\$25,125	22	\$125,700	23
Walla Walla	\$24,860	23	\$139,500	20
Klickitat	\$24,809	24	N/A	N/A
Lincoln	\$24,631	25	N/A	N/A
Garfield	\$24,541	26	\$111,200	29
Lewis	\$24,479	27	\$124,500	25
Kittitas	\$24,398	28	\$174,000	12
Skamania	\$24,371	29	N/A	N/A
Douglas	\$24,325	30	\$147,300	18
Grays Harbor	\$24,312	31	\$104,000	32
Pacific	\$23,449	32	\$100,000	33
Adams	\$22,985	33	N/A	N/A
Grant	\$22,623	34	\$105,000	31
Pend Oreille	\$22,424	35	\$114,000	26
Whitman	\$21,878	36	\$147,700	17
Stevens	\$21,321	37	\$114,000	26
Franklin#	\$20,971	38	\$147,900	15
Ferry	\$19,336	39	\$114,000	26
Washington	\$35,041		\$225,000	

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. 2001-2004 estimates of employment and earnings by industry are based on the 2002 North American Industry Classification System (NAICS). Estimates for 2000 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 2006.
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 2006 to 2009

	2002	2003	2004	2005	2006	2007	2008	2009
Real National Income Accounts (Billions of Chained 2000 Dollars)								
Real Gross Domestic Product	10,048.9	10,320.6	10,755.7	11,134.8	11,507.3	11,818.7	12,194.2	12,590.7
% Ch	1.6	2.7	4.2	3.5	3.3	2.7	3.2	3.3
Real Consumption	7,099.3	7,306.5	7,588.6	7,856.9	8,115.8	8,349.8	8,606.9	8,890.5
% Ch	2.7	2.9	3.9	3.5	3.3	2.9	3.1	3.3
Real Nonresidential Fixed Investment	1,071.5	1,085.0	1,186.7	1,289.0	1,409.3	1,491.2	1,559.2	1,636.2
% Ch	-9.2	1.3	9.4	8.6	9.3	5.8	4.6	4.9
Real Residential Fixed Investment	469.9	509.4	561.8	601.9	601.7	556.4	544.2	539.5
% Ch	4.8	8.4	10.3	7.1	-0.0	-7.5	-2.2	-0.9
Real Personal Income	8,578.1	8,689.1	8,972.5	9,206.4	9,523.6	9,907.1	10,284.9	10,700.8
% Ch	0.4	1.3	3.3	2.6	3.4	4.0	3.8	4.0
Real Per Capita Income (\$/Person)	29,727	29,815	30,494	31,004	31,784	32,773	33,728	34,788
% Ch	-0.6	0.3	2.3	1.7	2.5	3.1	2.9	3.1
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.035	1.055	1.082	1.113	1.142	1.160	1.180	1.199
% Ch	1.4	1.9	2.6	2.8	2.6	1.6	1.7	1.6
U.S. Consumer Price Index (1982-84=1.0)	1.799	1.840	1.889	1.953	2.014	2.044	2.077	2.107
% Ch	1.6	2.3	2.7	3.4	3.2	1.5	1.6	1.5
Employment Cost Index (June 1989=1.0)	1.564	1.608	1.651	1.692	1.741	1.794	1.849	1.908
% Ch	3.2	2.8	2.7	2.5	2.9	3.0	3.1	3.2
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	10,469.6	10,971.3	11,734.3	12,487.2	13,281.5	13,879.7	14,567.2	15,312.8
% Ch	3.4	4.8	7.0	6.4	6.4	4.5	5.0	5.1
Personal Income	8,881.9	9,169.1	9,713.3	10,248.3	10,878.7	11,495.9	12,138.1	12,827.0
% Ch	1.8	3.2	5.9	5.5	6.2	5.7	5.6	5.7
Employment (Millions)								
U.S. Civilian Labor Force	145.1	146.5	147.4	149.3	151.2	152.9	154.4	155.9
Total U.S. Employment	136.5	137.7	139.2	141.7	144.1	145.5	147.0	148.7
Unemployment Rate (%)	5.78	6.00	5.52	5.06	4.70	4.83	4.81	4.65
Nonfarm Payroll Employment	130.34	129.99	131.42	133.46	135.52	137.47	139.39	141.09
% Ch	-1.1	-0.3	1.1	1.5	1.5	1.4	1.4	1.2
Manufacturing	15.26	14.51	14.31	14.23	14.25	14.20	14.06	13.95
% Ch	-7.2	-4.9	-1.3	-0.6	0.1	-0.3	-1.0	-0.7
Durable Manufacturing	9.48	8.96	8.92	8.95	9.01	8.97	8.86	8.83
% Ch	-8.2	-5.5	-0.4	0.3	0.7	-0.5	-1.2	-0.4
Nondurable Manufacturing	5.77	5.55	5.39	5.28	5.23	5.24	5.20	5.13
% Ch	-5.4	-4.0	-2.8	-2.1	-0.9	0.1	-0.8	-1.4
Construction	6.72	6.73	6.97	7.28	7.53	7.59	7.67	7.78
% Ch	-1.6	0.2	3.6	4.4	3.4	0.8	1.1	1.4
Service-Producing	107.79	108.18	109.54	111.32	113.07	114.98	116.98	118.71
% Ch	-0.2	0.4	1.3	1.6	1.6	1.7	1.7	1.5
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	26.1	31.1	41.5	56.6	67.7	65.5	61.8	55.9
Personal Saving/Disposable Income (%)	2.4	2.1	1.7	-0.4	-0.6	0.3	1.0	1.3
Auto Sales (Millions)	8.1	7.6	7.5	7.7	7.5	7.3	7.3	7.3
% Ch	-3.8	-6.0	-1.4	2.0	-1.7	-3.7	1.1	0.2
Housing Starts (Millions)	1.710	1.854	1.950	2.072	1.922	1.761	1.748	1.716
% Ch	6.8	8.4	5.2	6.3	-7.2	-8.4	-0.7	-1.9
Federal Budget Surplus (Billions)	-248.0	-382.8	-406.5	-323.0	-261.2	-279.5	-305.7	-271.5
Net Exports (Billions)	-424.4	-500.9	-624.0	-726.5	-813.2	-793.0	-751.1	-692.1
3-Month Treasury Bill Rate (%)	1.61	1.01	1.36	3.14	4.82	4.78	4.58	4.78
10-Year Treasury Note Yield (%)	4.61	4.01	4.27	4.29	5.01	5.12	5.21	5.53
Bond Index of 20 G.O. Munis. (%)	5.03	4.74	4.68	4.40	4.88	5.17	5.36	5.70
30-Year Fixed Mortgage Rate (%)	6.54	5.82	5.84	5.86	6.58	6.75	6.78	7.10

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2006 to 2009

	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	10,612.5	10,704.1	10,808.9	10,897.1	10,999.3	11,089.2	11,202.3	11,248.3
% Ch	4.3	3.5	4.0	3.3	3.8	3.3	4.1	1.7
Real Consumption	7,501.4	7,536.6	7,617.5	7,698.8	7,764.9	7,829.5	7,907.9	7,925.4
% Ch	4.7	1.9	4.4	4.3	3.5	3.4	4.1	0.9
Real Nonresidential Fixed Investment	1,135.1	1,171.6	1,204.8	1,235.1	1,252.2	1,279.0	1,305.2	1,319.7
% Ch	7.9	13.5	11.8	10.4	5.7	8.8	8.4	4.5
Real Residential Fixed Investment	542.4	565.1	568.8	571.0	584.1	599.3	610.0	614.2
% Ch	5.1	17.8	2.6	1.6	9.5	10.8	7.3	2.8
Real Personal Income	8,857.3	8,894.8	8,968.3	9,169.6	9,163.0	9,190.2	9,164.7	9,307.5
% Ch	2.9	1.7	3.3	9.3	-0.3	1.2	-1.1	6.4
Real Per Capita Income (\$/Person)	30,211	30,264	30,444	31,056	30,963	30,985	30,829	31,239
% Ch	2.0	0.7	2.4	8.3	-1.2	0.3	-2.0	5.4
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.071	1.081	1.085	1.093	1.099	1.108	1.118	1.126
% Ch	3.8	3.8	1.5	3.1	2.3	3.3	3.7	2.9
U.S. Consumer Price Index (1982-84=1.0)	1.866	1.884	1.894	1.911	1.922	1.940	1.966	1.982
% Ch	3.7	4.1	2.1	3.5	2.5	3.7	5.5	3.2
Employment Cost Index (June 1989=1.0)	1.633	1.645	1.659	1.667	1.678	1.686	1.696	1.708
% Ch	2.5	3.0	3.4	2.1	2.5	2.1	2.5	2.8
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	11,457.1	11,666.1	11,818.8	11,995.2	12,198.8	12,378.0	12,605.7	12,766.1
% Ch	8.1	7.5	5.3	6.1	7.0	6.0	7.6	5.2
Personal Income	9,484.8	9,614.3	9,729.2	10,024.8	10,073.4	10,185.7	10,250.4	10,483.7
% Ch	6.9	5.6	4.9	12.7	2.0	4.5	2.6	9.4
Employment (Millions)								
U.S. Civilian Labor Force	146.8	147.1	147.6	148.1	148.1	149.1	149.8	150.1
Total U.S. Employment	138.5	138.9	139.5	140.1	140.4	141.5	142.3	142.7
Unemployment Rate (%)	5.67	5.57	5.43	5.40	5.23	5.07	5.00	4.93
Nonfarm Payroll Employment	130.57	131.28	131.60	132.24	132.69	133.23	133.75	134.16
% Ch	1.2	2.2	1.0	2.0	1.4	1.6	1.6	1.2
Manufacturing	14.29	14.33	14.34	14.31	14.27	14.25	14.21	14.21
% Ch	-0.8	1.2	0.2	-0.8	-1.0	-0.7	-1.1	0.1
Durable Manufacturing	8.87	8.92	8.95	8.96	8.96	8.96	8.94	8.96
% Ch	0.5	2.5	1.5	0.2	-0.1	0.2	-0.7	0.8
Nondurable Manufacturing	5.42	5.41	5.38	5.35	5.32	5.29	5.26	5.25
% Ch	-2.7	-0.8	-2.0	-2.5	-2.5	-2.1	-1.7	-1.1
Construction	6.86	6.94	7.00	7.09	7.16	7.26	7.30	7.39
% Ch	4.1	4.5	3.6	5.5	3.6	5.7	2.6	4.8
Service-Producing	108.84	109.42	109.67	110.24	110.66	111.10	111.61	111.92
% Ch	1.2	2.1	0.9	2.1	1.5	1.6	1.8	1.1
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	35.4	38.3	43.9	48.3	49.9	53.1	63.2	60.1
Personal Saving/Disposable Income (%)	1.8	1.6	1.2	2.3	0.5	-0.3	-1.6	-0.2
Auto Sales (Millions)	7.5	7.5	7.4	7.7	7.5	7.6	8.0	7.5
% Ch	-0.6	-0.3	-3.7	16.0	-8.6	7.7	17.0	-20.1
Housing Starts (Millions)	1.929	1.923	1.974	1.973	2.083	2.044	2.101	2.059
% Ch	-19.4	-1.2	11.1	-0.3	24.2	-7.2	11.6	-7.8
Federal Budget Surplus (Billions)	-429.3	-413.4	-411.6	-371.6	-298.3	-297.3	-407.9	-288.6
Net Exports (Billions)	-559.6	-613.1	-638.0	-685.4	-697.5	-691.0	-730.4	-787.1
3-Month Treasury Bill Rate (%)	0.92	1.07	1.48	2.00	2.52	2.86	3.35	3.82
10-Year Treasury Note Yield (%)	4.02	4.60	4.30	4.17	4.30	4.16	4.21	4.49
Bond Index of 20 G.O. Munis. (%)	4.52	4.98	4.71	4.50	4.44	4.34	4.30	4.51
30-Year Fixed Mortgage Rate (%)	5.61	6.13	5.90	5.73	5.75	5.74	5.75	6.22

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2006 to 2009

	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	11,381.4	11,472.6	11,547.8	11,627.3	11,695.2	11,774.9	11,858.7	11,946.1
% Ch	4.8	3.2	2.6	2.8	2.4	2.8	2.9	3.0
Real Consumption	8,032.0	8,087.4	8,142.5	8,201.4	8,258.9	8,318.0	8,379.5	8,442.6
% Ch	5.5	2.8	2.8	2.9	2.8	2.9	3.0	3.0
Real Nonresidential Fixed Investment	1,364.6	1,391.6	1,426.6	1,454.5	1,463.1	1,481.2	1,501.5	1,519.0
% Ch	14.3	8.2	10.4	8.1	2.4	5.0	5.6	4.7
Real Residential Fixed Investment	618.2	613.7	597.2	577.6	567.7	559.7	550.7	547.5
% Ch	2.6	-2.9	-10.4	-12.5	-6.7	-5.5	-6.3	-2.3
Real Personal Income	9,401.0	9,458.2	9,559.5	9,675.9	9,771.7	9,867.8	9,951.6	10,037.5
% Ch	4.1	2.5	4.4	5.0	4.0	4.0	3.4	3.5
Real Per Capita Income (\$/Person)	31,481	31,602	31,869	32,186	32,432	32,679	32,884	33,096
% Ch	3.1	1.5	3.4	4.0	3.1	3.1	2.5	2.6
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.132	1.143	1.146	1.148	1.153	1.158	1.163	1.168
% Ch	2.0	3.8	1.4	0.6	1.9	1.5	1.7	1.7
U.S. Consumer Price Index (1982-84=1.0)	1.993	2.018	2.023	2.023	2.033	2.039	2.047	2.055
% Ch	2.2	5.0	1.1	0.0	1.9	1.2	1.6	1.6
Employment Cost Index (June 1989=1.0)	1.720	1.734	1.749	1.762	1.774	1.788	1.800	1.814
% Ch	2.8	3.2	3.5	3.1	2.8	3.0	2.7	3.1
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	13,020.9	13,231.5	13,368.8	13,504.9	13,656.7	13,801.5	13,951.5	14,109.0
% Ch	8.2	6.6	4.2	4.1	4.6	4.3	4.4	4.6
Personal Income	10,641.5	10,806.3	10,958.8	11,108.4	11,271.3	11,423.6	11,569.8	11,719.0
% Ch	6.2	6.3	5.8	5.6	6.0	5.5	5.2	5.3
Employment (Millions)								
U.S. Civilian Labor Force	150.4	151.0	151.4	151.8	152.3	152.8	153.1	153.5
Total U.S. Employment	143.3	143.9	144.3	144.7	145.0	145.4	145.7	146.0
Unemployment Rate (%)	4.73	4.68	4.67	4.71	4.77	4.82	4.86	4.87
Nonfarm Payroll Employment	134.73	135.26	135.82	136.27	136.76	137.25	137.69	138.17
% Ch	1.7	1.6	1.7	1.3	1.5	1.4	1.3	1.4
Manufacturing	14.23	14.26	14.27	14.23	14.27	14.21	14.18	14.15
% Ch	0.5	1.0	0.1	-0.9	1.1	-1.7	-1.0	-0.6
Durable Manufacturing	8.98	9.03	9.04	9.01	9.03	8.97	8.94	8.92
% Ch	1.0	2.0	0.5	-1.5	1.1	-2.5	-1.5	-0.6
Nondurable Manufacturing	5.24	5.23	5.23	5.23	5.24	5.24	5.24	5.23
% Ch	-0.5	-0.8	-0.5	0.3	1.1	-0.3	-0.3	-0.5
Construction	7.48	7.52	7.55	7.55	7.56	7.57	7.58	7.63
% Ch	5.2	2.0	1.2	0.4	0.3	0.6	0.7	2.5
Service-Producing	112.36	112.79	113.32	113.78	114.23	114.77	115.24	115.69
% Ch	1.6	1.5	1.9	1.6	1.6	1.9	1.6	1.6
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	63.4	69.7	70.7	67.0	67.0	65.0	65.7	64.3
Personal Saving/Disposable Income (%)	-0.7	-0.8	-0.5	-0.2	0.0	0.2	0.4	0.5
Auto Sales (Millions)	7.8	7.8	7.3	7.2	7.3	7.2	7.3	7.3
% Ch	15.5	-1.3	-21.0	-5.3	2.1	-2.4	2.0	0.1
Housing Starts (Millions)	2.131	1.920	1.843	1.792	1.780	1.752	1.754	1.758
% Ch	14.8	-34.1	-15.0	-10.8	-2.6	-6.2	0.4	0.9
Federal Budget Surplus (Billions)	-256.3	-262.4	-266.2	-260.2	-267.7	-278.0	-278.8	-293.6
Net Exports (Billions)	-803.4	-809.2	-825.4	-814.9	-803.8	-795.9	-787.1	-785.3
3-Month Treasury Bill Rate (%)	4.42	4.77	5.04	5.04	5.03	4.87	4.63	4.58
10-Year Treasury Note Yield (%)	4.57	5.10	5.22	5.16	5.14	5.11	5.11	5.11
Bond Index of 20 G.O. Munis. (%)	4.42	4.94	5.06	5.09	5.11	5.16	5.20	5.22
30-Year Fixed Mortgage Rate (%)	6.24	6.54	6.84	6.71	6.78	6.78	6.73	6.73

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2006 to 2009

	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4
Real National Income Accounts (Billions of Chained 2000 Dollars)								
Real Gross Domestic Product	12,037.7	12,144.8	12,243.8	12,350.7	12,448.4	12,546.8	12,635.7	12,731.8
% Ch	3.1	3.6	3.3	3.5	3.2	3.2	2.9	3.1
Real Consumption	8,503.8	8,571.3	8,639.3	8,713.1	8,783.7	8,855.9	8,924.4	8,998.1
% Ch	2.9	3.2	3.2	3.5	3.3	3.3	3.1	3.3
Real Nonresidential Fixed Investment	1,531.8	1,548.6	1,567.9	1,588.5	1,607.1	1,628.2	1,647.2	1,662.2
% Ch	3.4	4.5	5.1	5.4	4.8	5.3	4.8	3.7
Real Residential Fixed Investment	545.8	545.5	542.9	542.8	541.3	539.8	537.4	539.4
% Ch	-1.2	-0.2	-1.9	-0.1	-1.1	-1.1	-1.7	1.5
Real Personal Income	10,131.1	10,235.5	10,332.0	10,441.1	10,551.0	10,655.4	10,750.5	10,846.6
% Ch	3.8	4.2	3.8	4.3	4.3	4.0	3.6	3.6
Real Per Capita Income (\$/Person)	33,332	33,603	33,847	34,129	34,413	34,678	34,912	35,148
% Ch	2.9	3.3	2.9	3.4	3.4	3.1	2.7	2.7
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.173	1.178	1.183	1.187	1.191	1.196	1.201	1.206
% Ch	1.9	1.6	1.7	1.4	1.5	1.5	1.8	1.7
U.S. Consumer Price Index (1982-84=1.0)	2.065	2.073	2.081	2.087	2.095	2.102	2.112	2.121
% Ch	1.9	1.5	1.6	1.2	1.4	1.5	1.8	1.7
Employment Cost Index (June 1989=1.0)	1.829	1.842	1.856	1.870	1.886	1.901	1.915	1.929
% Ch	3.3	3.0	3.1	3.1	3.4	3.2	3.1	3.0
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	14,286.0	14,477.1	14,658.5	14,847.4	15,042.5	15,228.1	15,400.4	15,580.2
% Ch	5.1	5.5	5.1	5.3	5.4	5.0	4.6	4.8
Personal Income	11,884.9	12,056.0	12,220.4	12,391.3	12,569.6	12,742.6	12,912.8	13,083.0
% Ch	5.8	5.9	5.6	5.7	5.9	5.6	5.5	5.4
Employment (Millions)								
U.S. Civilian Labor Force	153.9	154.2	154.6	155.0	155.4	155.7	156.1	156.5
Total U.S. Employment	146.4	146.8	147.2	147.7	148.1	148.5	148.9	149.3
Unemployment Rate (%)	4.87	4.84	4.79	4.73	4.68	4.65	4.63	4.63
Nonfarm Payroll Employment	138.63	139.15	139.64	140.13	140.53	140.93	141.28	141.64
% Ch	1.3	1.5	1.4	1.4	1.2	1.1	1.0	1.0
Manufacturing	14.12	14.07	14.04	14.00	13.99	13.96	13.94	13.92
% Ch	-1.0	-1.3	-0.9	-1.0	-0.5	-0.6	-0.6	-0.6
Durable Manufacturing	8.90	8.87	8.85	8.83	8.83	8.83	8.83	8.82
% Ch	-1.3	-1.3	-0.8	-0.7	-0.1	-0.1	-0.1	-0.1
Nondurable Manufacturing	5.22	5.21	5.19	5.17	5.16	5.14	5.12	5.10
% Ch	-0.6	-1.2	-1.2	-1.5	-1.3	-1.5	-1.4	-1.5
Construction	7.63	7.66	7.68	7.71	7.73	7.76	7.79	7.83
% Ch	0.2	1.5	0.9	1.7	1.1	1.6	1.3	2.1
Service-Producing	116.19	116.73	117.24	117.74	118.15	118.55	118.90	119.25
% Ch	1.7	1.9	1.8	1.7	1.4	1.4	1.2	1.2
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	65.0	62.3	61.7	58.3	56.5	55.0	56.0	56.0
Personal Saving/Disposable Income (%)	0.7	1.0	1.1	1.2	1.2	1.3	1.4	1.4
Auto Sales (Millions)	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.4
% Ch	4.8	-1.4	0.9	-0.3	-0.8	1.0	0.5	2.4
Housing Starts (Millions)	1.752	1.749	1.748	1.744	1.723	1.713	1.710	1.717
% Ch	-1.4	-0.7	-0.1	-0.9	-4.7	-2.4	-0.9	1.7
Federal Budget Surplus (Billions)	-298.1	-310.7	-309.4	-304.6	-275.2	-270.9	-269.5	-270.3
Net Exports (Billions)	-775.7	-755.8	-744.0	-728.7	-707.5	-689.4	-686.7	-684.9
3-Month Treasury Bill Rate (%)	4.58	4.58	4.58	4.58	4.60	4.79	4.85	4.85
10-Year Treasury Note Yield (%)	5.12	5.18	5.24	5.30	5.36	5.55	5.61	5.61
Bond Index of 20 G.O. Munis. (%)	5.25	5.32	5.40	5.47	5.53	5.72	5.78	5.78
30-Year Fixed Mortgage Rate (%)	6.72	6.75	6.80	6.87	6.93	7.11	7.19	7.19

Table A1.3
Washington Economic Forecast Summary
 Forecast 2006 to 2009

	2002	2003	2004	2005	2006	2007	2008	2009
Real Income (Billions of Chained 2000 Dollars)								
Real Personal Income	190.708	191.065	200.443	200.647	209.319	220.697	231.446	242.452
% Ch	0.6	0.2	4.9	0.1	4.3	5.4	4.9	4.8
Real Wage and Salary Disb.	107.608	108.128	109.677	112.937	117.811	123.617	129.389	134.986
% Ch	-0.7	0.5	1.4	3.0	4.3	4.9	4.7	4.3
Real Nonwage Income	83.099	82.938	90.766	87.710	91.508	97.081	102.058	107.465
% Ch	2.4	-0.2	9.4	-3.4	4.3	6.1	5.1	5.3
Real Per Capita Income (\$/Person)	31,455	31,197	32,319	31,852	32,620	33,736	34,748	35,815
% Ch	-0.4	-0.8	3.6	-1.4	2.4	3.4	3.0	3.1
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.035	1.055	1.082	1.113	1.142	1.160	1.180	1.199
% Ch	1.4	1.9	2.6	2.8	2.6	1.6	1.7	1.6
Seattle Cons. Price Index (1982-84=1.0)	1.893	1.924	1.947	2.002	2.066	2.107	2.151	2.188
% Ch	2.0	1.6	1.2	2.8	3.2	2.0	2.1	1.7
Average Nonfarm Annual Wage	40,277	41,096	42,032	43,238	44,836	46,683	48,689	50,761
% Ch	2.1	2.0	2.3	2.9	3.7	4.1	4.3	4.3
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.15	18.02	18.28	18.82	19.73	20.09	20.46	20.80
% Ch	1.0	-0.7	1.5	2.9	4.9	1.8	1.8	1.7
Current Dollar Income (Billions of Dollars)								
Personal Income	197.452	201.607	217.022	223.346	239.106	256.096	273.156	290.630
% Ch	2.0	2.1	7.6	2.9	7.1	7.1	6.7	6.4
Disposable Personal Income	174.068	179.623	193.578	196.981	210.059	224.545	239.767	254.370
% Ch	4.8	3.2	7.8	1.8	6.6	6.9	6.8	6.1
Per Capita Income (\$/Person)	32,567	32,918	34,992	35,454	37,260	39,146	41,009	42,931
% Ch	1.0	1.1	6.3	1.3	5.1	5.1	4.8	4.7
Employment (Thousands)								
Washington Civilian Labor Force	3,110.7	3,159.3	3,224.0	3,292.2	3,362.3	3,444.3	3,517.6	3,580.1
Total Washington Employment	2,882.5	2,925.3	3,022.3	3,109.9	3,203.7	3,277.9	3,344.1	3,397.5
Unemployment Rate (%)	7.34	7.41	6.26	5.54	4.72	4.83	4.93	5.10
Nonfarm Payroll Employment	2,654.0	2,657.5	2,700.9	2,777.6	2,872.8	2,942.2	3,004.5	3,054.6
% Ch	-1.6	0.1	1.6	2.8	3.4	2.4	2.1	1.7
Manufacturing	285.0	267.0	263.7	271.9	283.4	289.2	290.9	290.3
% Ch	-9.8	-6.3	-1.3	3.1	4.2	2.1	0.6	-0.2
Durable Manufacturing	199.3	183.7	182.4	191.1	203.0	206.4	206.7	206.1
% Ch	-11.4	-7.8	-0.7	4.8	6.2	1.7	0.1	-0.3
Aerospace	75.7	65.3	61.5	65.7	73.2	77.9	80.4	80.7
% Ch	-13.2	-13.8	-5.8	6.8	11.5	6.5	3.2	0.3
Nondurable Manufacturing	85.7	83.3	81.3	80.8	80.4	82.8	84.2	84.2
% Ch	-6.0	-2.8	-2.4	-0.6	-0.5	2.9	1.7	0.0
Construction	154.2	156.2	164.1	177.4	194.2	196.8	198.5	199.2
% Ch	-2.9	1.3	5.1	8.1	9.5	1.3	0.9	0.4
Service-Producing	2,205.4	2,225.6	2,264.0	2,319.3	2,386.5	2,447.5	2,506.4	2,556.6
% Ch	-0.3	0.9	1.7	2.4	2.9	2.6	2.4	2.0
Software Publishers	36.1	37.4	39.3	41.3	44.2	46.0	47.8	49.9
% Ch	0.8	3.4	5.1	5.1	7.2	4.1	3.8	4.3
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	40.200	42.825	50.089	52.988	48.865	50.351	49.205	46.669
% Ch	4.8	6.5	17.0	5.8	-7.8	3.0	-2.3	-5.2
Single-Family	30.239	33.091	36.489	41.407	32.566	30.611	29.201	27.355
% Ch	13.1	9.4	10.3	13.5	-21.4	-6.0	-4.6	-6.3
Multi-Family	9.961	9.734	13.600	11.581	16.299	19.739	20.003	19.314
% Ch	-14.2	-2.3	39.7	-14.8	40.7	21.1	1.3	-3.4
30-Year Fixed Mortgage Rate (%)	6.54	5.82	5.84	5.86	6.58	6.75	6.78	7.10

Table A1.4
Washington Economic Forecast Summary
 Forecast 2006 to 2009

	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	192.436	195.812	196.598	216.926	198.182	199.722	202.674	202.010
% Ch	3.4	7.2	1.6	48.2	-30.3	3.1	6.0	-1.3
Real Wage and Salary Disb.	107.309	110.033	110.961	110.405	110.931	112.132	115.124	113.560
% Ch	1.5	10.5	3.4	-2.0	1.9	4.4	11.1	-5.3
Real Nonwage Income	85.125	85.781	85.636	106.521	87.251	87.589	87.551	88.450
% Ch	5.8	3.1	-0.7	139.4	-55.0	1.6	-0.2	4.2
Real Per Capita Income (\$/Person)	31,200	31,634	31,648	34,796	31,677	31,778	32,101	31,852
% Ch	2.2	5.7	0.2	46.1	-31.3	1.3	4.1	-3.1
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.071	1.081	1.085	1.093	1.099	1.108	1.118	1.126
% Ch	3.8	3.8	1.5	3.1	2.3	3.3	3.7	2.9
Seattle Cons. Price Index (1982-84=1.0)	1.935	1.944	1.946	1.963	1.981	2.001	2.000	2.027
% Ch	1.4	1.9	0.4	3.6	3.6	4.2	-0.2	5.4
Average Nonfarm Annual Wage	41,080	42,239	42,519	42,291	42,317	42,878	44,227	43,528
% Ch	3.8	11.8	2.7	-2.1	0.2	5.4	13.2	-6.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.12	18.22	18.30	18.48	18.64	18.86	18.28	19.48
% Ch	-2.6	2.3	1.7	4.1	3.4	4.8	-11.6	28.9
Current Dollar Income (Billions of Dollars)								
Personal Income	206.054	211.637	213.261	237.138	217.857	221.340	226.668	227.520
% Ch	7.3	11.3	3.1	52.9	-28.8	6.6	10.0	1.5
Disposable Personal Income	184.123	188.876	190.063	211.250	192.523	195.133	199.681	200.587
% Ch	8.1	10.7	2.5	52.6	-31.0	5.5	9.7	1.8
Per Capita Income (\$/Person)	33,408	34,190	34,330	38,038	34,821	35,217	35,902	35,874
% Ch	6.1	9.7	1.6	50.7	-29.8	4.6	8.0	-0.3
Employment (Thousands)								
Washington Civilian Labor Force	3,202.9	3,220.0	3,224.2	3,248.9	3,260.6	3,282.4	3,301.9	3,323.8
Total Washington Employment	2,988.0	3,017.7	3,028.0	3,055.3	3,077.5	3,098.4	3,118.5	3,145.4
Unemployment Rate (%)	6.71	6.28	6.08	5.96	5.62	5.61	5.56	5.37
Nonfarm Payroll Employment	2,673.5	2,693.9	2,708.1	2,728.2	2,747.0	2,767.5	2,785.7	2,810.2
% Ch	1.0	3.1	2.1	3.0	2.8	3.0	2.7	3.6
Manufacturing	261.8	262.9	263.8	266.1	269.0	271.9	269.9	276.9
% Ch	-2.1	1.6	1.4	3.6	4.4	4.4	-2.9	10.8
Durable Manufacturing	180.1	181.4	182.9	185.1	187.9	191.0	188.9	196.6
% Ch	-0.9	2.9	3.3	5.0	6.2	6.9	-4.3	17.3
Aerospace	61.3	60.9	61.1	62.6	64.3	65.8	62.9	69.7
% Ch	-6.8	-2.6	1.4	10.2	11.0	9.9	-16.3	50.1
Nondurable Manufacturing	81.8	81.5	80.9	81.0	81.1	80.9	81.0	80.3
% Ch	-4.6	-1.2	-2.9	0.6	0.3	-1.3	0.6	-3.4
Construction	160.7	163.3	164.3	168.3	172.5	175.3	178.2	183.5
% Ch	5.1	6.5	2.5	10.1	10.4	6.6	6.8	12.5
Service-Producing	2,242.0	2,258.6	2,270.8	2,284.5	2,296.3	2,311.2	2,328.7	2,341.0
% Ch	1.0	3.0	2.2	2.4	2.1	2.6	3.1	2.1
Software Publishers	38.9	39.1	39.4	39.7	40.3	41.0	42.0	41.7
% Ch	4.7	2.7	2.5	4.0	5.9	7.5	9.9	-3.3
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	44.954	47.577	50.507	57.318	51.092	49.217	53.968	57.675
% Ch	60.2	25.5	27.0	65.9	-36.9	-13.9	44.6	30.4
Single-Family	34.150	37.610	35.425	38.771	40.145	39.660	42.207	43.617
% Ch	17.8	47.1	-21.3	43.5	14.9	-4.7	28.3	14.1
Multi-Family	10.805	9.967	15.081	18.547	10.947	9.557	11.761	14.058
% Ch	412.3	-27.6	424.3	128.7	-87.9	-41.9	129.4	104.1
30-Year Fixed Mortgage Rate (%)	5.61	6.13	5.90	5.73	5.75	5.74	5.75	6.22

Table A1.4
Washington Economic Forecast Summary
 Forecast 2006 to 2009

	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	204.977	206.306	212.854	213.139	215.842	218.244	224.912	223.792
% Ch	6.0	2.6	13.3	0.5	5.2	4.5	12.8	-2.0
Real Wage and Salary Disb.	115.178	115.690	120.830	119.544	120.690	121.702	127.173	124.901
% Ch	5.8	1.8	19.0	-4.2	3.9	3.4	19.2	-7.0
Real Nonwage Income	89.798	90.616	92.024	93.595	95.151	96.542	97.739	98.891
% Ch	6.2	3.7	6.4	7.0	6.8	6.0	5.1	4.8
Real Per Capita Income (\$/Person)	32,175	32,231	33,095	32,977	33,233	33,441	34,299	33,971
% Ch	4.1	0.7	11.2	-1.4	3.1	2.5	10.7	-3.8
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.132	1.143	1.146	1.148	1.153	1.158	1.163	1.168
% Ch	2.0	3.8	1.4	0.6	1.9	1.5	1.7	1.7
Seattle Cons. Price Index (1982-84=1.0)	2.041	2.069	2.076	2.079	2.091	2.101	2.112	2.123
% Ch	2.8	5.6	1.5	0.5	2.4	1.8	2.2	2.1
Average Nonfarm Annual Wage	43,818	44,146	46,045	45,334	45,671	45,947	48,034	47,081
% Ch	2.7	3.0	18.4	-6.0	3.0	2.4	19.4	-7.7
Avg. Hourly Earnings-Mfg. (\$/Hour)	19.60	19.68	19.78	19.87	19.96	20.05	20.13	20.23
% Ch	2.3	1.8	2.0	1.8	1.7	1.9	1.7	1.9
Current Dollar Income (Billions of Dollars)								
Personal Income	232.008	235.710	244.011	244.693	248.965	252.653	261.485	261.281
% Ch	8.1	6.5	14.8	1.1	7.2	6.1	14.7	-0.3
Disposable Personal Income	204.110	207.226	214.285	214.614	218.231	221.432	229.237	229.282
% Ch	7.2	6.2	14.3	0.6	6.9	6.0	14.9	0.1
Per Capita Income (\$/Person)	36,418	36,825	37,939	37,860	38,333	38,713	39,876	39,661
% Ch	6.2	4.5	12.7	-0.8	5.1	4.0	12.6	-2.1
Employment (Thousands)								
Washington Civilian Labor Force	3,328.3	3,353.1	3,374.0	3,393.7	3,414.8	3,435.0	3,454.3	3,472.9
Total Washington Employment	3,173.8	3,195.0	3,214.5	3,231.4	3,250.9	3,269.8	3,287.2	3,303.6
Unemployment Rate (%)	4.64	4.72	4.73	4.78	4.80	4.81	4.84	4.87
Nonfarm Payroll Employment	2,845.7	2,864.3	2,882.6	2,898.5	2,916.8	2,934.6	2,950.9	2,966.4
% Ch	5.2	2.6	2.6	2.2	2.6	2.5	2.2	2.1
Manufacturing	280.1	282.5	284.8	286.0	288.2	288.7	289.5	290.4
% Ch	4.7	3.5	3.2	1.8	3.0	0.7	1.0	1.2
Durable Manufacturing	199.7	202.5	204.5	205.2	206.2	206.2	206.4	206.9
% Ch	6.4	5.6	4.1	1.3	2.1	-0.1	0.4	0.9
Aerospace	71.0	72.3	74.0	75.6	76.7	77.5	78.4	79.2
% Ch	7.9	7.6	9.4	9.2	5.9	4.4	4.3	4.3
Nondurable Manufacturing	80.4	80.1	80.3	80.9	82.0	82.5	83.1	83.5
% Ch	0.5	-1.4	1.0	3.1	5.4	2.8	2.7	2.1
Construction	191.9	195.1	195.1	194.8	195.8	196.5	197.2	197.7
% Ch	19.6	6.7	0.1	-0.7	2.1	1.5	1.3	1.0
Service-Producing	2,364.9	2,378.0	2,394.0	2,408.9	2,424.1	2,440.7	2,455.6	2,469.7
% Ch	4.2	2.2	2.7	2.5	2.6	2.8	2.5	2.3
Software Publishers	43.4	44.1	44.6	45.0	45.4	45.9	46.3	46.7
% Ch	17.3	6.9	4.3	3.7	3.9	4.1	3.5	3.6
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	47,516	48,303	49,195	50,445	49,850	50,710	50,564	50,279
% Ch	-53.9	6.8	7.6	10.6	-4.6	7.1	-1.1	-2.2
Single-Family	35,790	31,699	31,229	31,546	30,915	30,848	30,539	30,144
% Ch	-54.7	-38.5	-5.8	4.1	-7.8	-0.9	-3.9	-5.1
Multi-Family	11,726	16,605	17,966	18,899	18,935	19,862	20,025	20,135
% Ch	-51.6	302.1	37.1	22.5	0.8	21.0	3.3	2.2
30-Year Fixed Mortgage Rate (%)	6.24	6.54	6.84	6.71	6.78	6.78	6.73	6.73

Table A1.4
Washington Economic Forecast Summary
 Forecast 2006 to 2009

	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4
Real Income (Billions of Chained 2000 Dollars)								
Real Personal Income	226.316	228.715	236.001	234.754	237.458	239.722	247.255	245.371
% Ch	4.6	4.3	13.4	-2.1	4.7	3.9	13.2	-3.0
Real Wage and Salary Disb.	126.268	127.287	133.319	130.681	132.029	132.916	139.117	135.884
% Ch	4.5	3.3	20.3	-7.7	4.2	2.7	20.0	-9.0
Real Nonwage Income	100.047	101.428	102.682	104.073	105.429	106.806	108.138	109.488
% Ch	4.8	5.6	5.0	5.5	5.3	5.3	5.1	5.1
Real Per Capita Income (\$/Person)	34,199	34,411	35,357	35,024	35,285	35,481	36,454	36,038
% Ch	2.7	2.5	11.5	-3.7	3.0	2.2	11.4	-4.5
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.173	1.178	1.183	1.187	1.191	1.196	1.201	1.206
% Ch	1.9	1.6	1.7	1.4	1.5	1.5	1.8	1.7
Seattle Cons. Price Index (1982-84=1.0)	2.136	2.146	2.157	2.165	2.174	2.183	2.193	2.202
% Ch	2.4	2.0	2.0	1.5	1.7	1.6	1.9	1.8
Average Nonfarm Annual Wage	47,553	47,884	50,212	49,108	49,590	49,924	52,387	51,142
% Ch	4.1	2.8	20.9	-8.5	4.0	2.7	21.2	-9.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	20.33	20.42	20.51	20.59	20.68	20.77	20.85	20.92
% Ch	2.0	1.8	1.8	1.7	1.8	1.6	1.5	1.4
Current Dollar Income (Billions of Dollars)								
Personal Income	265.494	269.394	279.136	278.600	282.890	286.679	296.988	295.965
% Ch	6.6	6.0	15.3	-0.8	6.3	5.5	15.2	-1.4
Disposable Personal Income	232.914	236.523	245.124	244.507	247.657	250.904	259.942	258.977
% Ch	6.5	6.3	15.4	-1.0	5.3	5.3	15.2	-1.5
Per Capita Income (\$/Person)	40,120	40,531	41,819	41,566	42,036	42,431	43,786	43,469
% Ch	4.7	4.2	13.3	-2.4	4.6	3.8	13.4	-2.9
Employment (Thousands)								
Washington Civilian Labor Force	3,491.4	3,509.5	3,526.5	3,543.0	3,558.2	3,573.1	3,587.4	3,601.5
Total Washington Employment	3,320.4	3,337.0	3,352.3	3,366.8	3,379.4	3,391.8	3,403.6	3,415.1
Unemployment Rate (%)	4.90	4.91	4.94	4.97	5.03	5.07	5.12	5.18
Nonfarm Payroll Employment	2,982.1	2,997.8	3,012.2	3,025.8	3,037.6	3,049.3	3,060.4	3,071.2
% Ch	2.1	2.1	1.9	1.8	1.6	1.6	1.5	1.4
Manufacturing	291.0	291.2	291.0	290.6	290.5	290.3	290.3	290.2
% Ch	0.9	0.2	-0.2	-0.6	-0.2	-0.2	-0.1	-0.1
Durable Manufacturing	207.0	207.0	206.7	206.3	206.2	206.1	206.1	206.1
% Ch	0.3	-0.0	-0.6	-0.8	-0.3	-0.1	-0.0	0.0
Aerospace	79.9	80.5	80.7	80.7	80.7	80.7	80.7	80.7
% Ch	3.5	3.0	1.0	0.0	0.0	0.0	0.0	0.0
Nondurable Manufacturing	84.0	84.2	84.3	84.3	84.3	84.2	84.2	84.1
% Ch	2.3	0.9	0.7	-0.1	0.1	-0.4	-0.2	-0.4
Construction	198.2	198.4	198.6	198.9	199.1	199.2	199.3	199.3
% Ch	0.9	0.5	0.4	0.5	0.4	0.3	0.1	0.1
Service-Producing	2,484.3	2,499.6	2,514.0	2,527.8	2,539.5	2,551.3	2,562.4	2,573.2
% Ch	2.4	2.5	2.3	2.2	1.9	1.9	1.7	1.7
Software Publishers	47.1	47.6	48.0	48.5	49.0	49.6	50.1	50.7
% Ch	4.0	3.8	4.0	4.0	4.5	4.5	4.6	4.5
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	49.722	49.454	48.955	48.688	48.024	46.863	46.089	45.700
% Ch	-4.4	-2.1	-4.0	-2.2	-5.3	-9.3	-6.4	-3.3
Single-Family	29.700	29.418	29.020	28.666	28.194	27.418	26.979	26.829
% Ch	-5.8	-3.7	-5.3	-4.8	-6.4	-10.6	-6.3	-2.2
Multi-Family	20.022	20.035	19.935	20.021	19.830	19.444	19.110	18.871
% Ch	-2.2	0.3	-2.0	1.7	-3.8	-7.6	-6.7	-4.9
30-Year Fixed Mortgage Rate (%)	6.72	6.75	6.80	6.87	6.93	7.11	7.19	7.19

Table A2.1
U.S. Nonagricultural Employment by Industry
 Forecast 2006 to 2009

	2002	2003	2004	2005	2006	2007	2008	2009
Nonfarm Payroll Employment	130.34	129.99	131.42	133.46	135.52	137.47	139.39	141.09
% Ch	-1.1	-0.3	1.1	1.5	1.5	1.4	1.4	1.2
Manufacturing	15.26	14.51	14.31	14.23	14.25	14.20	14.06	13.95
% Ch	-7.2	-4.9	-1.3	-0.6	0.1	-0.3	-1.0	-0.7
Durable Manufacturing	9.48	8.96	8.92	8.95	9.01	8.97	8.86	8.83
% Ch	-8.2	-5.5	-0.4	0.3	0.7	-0.5	-1.2	-0.4
Wood Products	0.55	0.54	0.55	0.56	0.55	0.53	0.50	0.49
% Ch	-3.3	-3.1	2.3	0.9	-0.1	-4.7	-4.8	-3.3
Primary and Fabricated Metals	2.06	1.96	1.96	1.99	2.02	2.07	2.08	2.09
% Ch	-8.4	-4.9	0.4	1.3	1.8	2.5	0.5	0.5
Computer and Electronic Products	1.51	1.35	1.32	1.32	1.32	1.23	1.17	1.15
% Ch	-13.8	-10.1	-2.4	-0.2	-0.3	-6.7	-4.8	-1.7
Machinery and Electrical Equipment	1.73	1.61	1.59	1.60	1.62	1.65	1.61	1.57
% Ch	-10.4	-6.8	-1.3	0.6	1.6	1.6	-2.5	-2.3
Transportation Equipment	1.83	1.77	1.77	1.77	1.77	1.73	1.75	1.79
% Ch	-5.6	-3.0	-0.5	0.4	-0.3	-2.0	1.0	2.2
Other Durables	1.81	1.73	1.73	1.72	1.73	1.76	1.75	1.74
% Ch	-4.9	-4.3	0.2	-0.7	0.5	1.5	-0.4	-0.4
Nondurable Manufacturing	5.77	5.55	5.39	5.28	5.23	5.24	5.20	5.13
% Ch	-5.4	-4.0	-2.8	-2.1	-0.9	0.1	-0.8	-1.4
Food Manufacturing	1.52	1.52	1.49	1.47	1.47	1.50	1.52	1.53
% Ch	-1.6	-0.5	-1.5	-1.5	-0.4	2.0	1.5	0.5
Paper and Paper Products	0.55	0.52	0.50	0.48	0.47	0.48	0.48	0.47
% Ch	-5.4	-5.6	-4.0	-2.2	-2.2	0.8	0.1	-1.2
Other Nondurables	3.70	3.51	3.40	3.32	3.29	3.26	3.20	3.13
% Ch	-6.9	-5.1	-3.2	-2.3	-0.9	-0.9	-1.9	-2.3
Natural Resources and Mining	0.58	0.57	0.59	0.62	0.68	0.70	0.68	0.65
% Ch	-3.8	-1.8	3.2	5.8	8.8	2.8	-2.4	-4.8
Construction	6.72	6.73	6.97	7.28	7.53	7.59	7.67	7.78
% Ch	-1.6	0.2	3.6	4.4	3.4	0.8	1.1	1.4
Trade, Transportation, and Utilities	25.50	25.29	25.53	25.91	26.14	26.47	26.96	27.27
% Ch	-1.9	-0.8	1.0	1.5	0.9	1.3	1.8	1.1
Wholesale Trade	5.65	5.61	5.66	5.75	5.84	5.89	5.94	6.00
% Ch	-2.1	-0.8	0.9	1.5	1.7	0.8	1.0	0.9
Retail Trade	15.03	14.92	15.06	15.25	15.33	15.52	15.82	15.94
% Ch	-1.4	-0.7	0.9	1.3	0.5	1.3	1.9	0.7
Trans., Warehousing, and Utilities	4.82	4.76	4.81	4.90	4.97	5.06	5.20	5.34
% Ch	-3.1	-1.2	1.0	1.9	1.3	1.9	2.7	2.7
Information	3.39	3.19	3.12	3.07	3.08	3.14	3.17	3.22
% Ch	-6.5	-6.1	-2.2	-1.7	0.6	1.8	0.9	1.6
Publishing Industries	0.96	0.92	0.91	0.90	0.90	0.91	0.92	0.94
% Ch	-5.5	-4.1	-1.7	-0.6	0.1	0.6	1.0	1.9
Other Information	2.43	2.26	2.21	2.16	2.18	2.23	2.25	2.28
% Ch	-6.8	-6.9	-2.4	-2.1	0.8	2.2	0.9	1.4
Financial Activities	7.85	7.98	8.03	8.14	8.34	8.41	8.51	8.60
% Ch	0.5	1.6	0.7	1.4	2.4	0.9	1.2	1.1
Professional and Business Services	15.98	15.98	16.39	16.88	17.36	17.90	18.49	19.14
% Ch	-3.1	0.0	2.5	3.0	2.8	3.1	3.3	3.5
Education and Health Services	16.20	16.59	16.95	17.34	17.74	18.09	18.41	18.70
% Ch	3.6	2.4	2.2	2.3	2.3	1.9	1.8	1.6
Leisure and Hospitality	11.99	12.18	12.49	12.80	13.05	13.30	13.54	13.68
% Ch	-0.4	1.6	2.6	2.4	1.9	1.9	1.8	1.0
Other Services	5.37	5.40	5.41	5.39	5.40	5.44	5.49	5.51
% Ch	2.2	0.5	0.2	-0.4	0.2	0.8	0.9	0.3
Federal Government	2.77	2.76	2.73	2.72	2.70	2.71	2.71	2.72
% Ch	0.1	-0.2	-1.1	-0.2	-0.8	0.1	0.1	0.5
State and Local Government	18.74	18.82	18.89	19.08	19.26	19.53	19.70	19.88
% Ch	2.1	0.4	0.4	1.0	0.9	1.4	0.9	0.9

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2006 to 2009

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Nonfarm Payroll Employment	130.57	131.28	131.60	132.24	132.69	133.23	133.75	134.16
% Ch	1.2	2.2	1.0	2.0	1.4	1.6	1.6	1.2
Manufacturing	14.29	14.33	14.34	14.31	14.27	14.25	14.21	14.21
% Ch	-0.8	1.2	0.2	-0.8	-1.0	-0.7	-1.1	0.1
Durable Manufacturing	8.87	8.92	8.95	8.96	8.96	8.96	8.94	8.96
% Ch	0.5	2.5	1.5	0.2	-0.1	0.2	-0.7	0.8
Wood Products	0.54	0.55	0.55	0.56	0.56	0.55	0.55	0.56
% Ch	2.3	4.3	2.2	3.6	0.9	-2.8	-0.4	1.6
Primary and Fabricated Metals	1.94	1.96	1.97	1.98	1.98	1.99	1.99	1.99
% Ch	1.6	4.0	2.7	0.7	0.9	1.1	0.7	0.8
Computer and Electronic Products	1.32	1.32	1.33	1.32	1.32	1.32	1.32	1.32
% Ch	-1.0	1.4	1.4	-2.4	-1.0	0.8	1.2	-0.2
Machinery and Electrical Equipment	1.58	1.59	1.60	1.59	1.59	1.60	1.60	1.60
% Ch	-1.0	2.2	2.5	-0.8	-0.1	1.3	0.1	1.0
Transportation Equipment	1.76	1.76	1.76	1.77	1.78	1.78	1.76	1.77
% Ch	-0.2	0.4	0.1	2.6	0.6	0.5	-4.4	2.6
Other Durables	1.72	1.74	1.74	1.74	1.73	1.72	1.72	1.71
% Ch	2.0	3.4	0.5	-0.8	-1.6	-1.8	-0.6	-0.9
Nondurable Manufacturing	5.42	5.41	5.38	5.35	5.32	5.29	5.26	5.25
% Ch	-2.7	-0.8	-2.0	-2.5	-2.5	-2.1	-1.7	-1.1
Food Manufacturing	1.50	1.50	1.49	1.49	1.48	1.48	1.47	1.46
% Ch	-3.7	-0.3	-0.8	-1.6	-1.3	-2.0	-2.0	-1.4
Paper and Paper Products	0.50	0.50	0.49	0.49	0.49	0.49	0.48	0.48
% Ch	-4.7	-3.3	-1.1	-2.6	-0.9	-2.9	-3.1	-3.6
Other Nondurables	3.42	3.42	3.40	3.37	3.34	3.33	3.31	3.31
% Ch	-2.1	-0.6	-2.5	-2.9	-3.3	-1.9	-1.4	-0.7
Natural Resources and Mining	0.58	0.59	0.60	0.60	0.61	0.62	0.63	0.64
% Ch	2.3	8.1	3.9	1.8	8.3	7.2	4.1	8.6
Construction	6.86	6.94	7.00	7.09	7.16	7.26	7.30	7.39
% Ch	4.1	4.5	3.6	5.5	3.6	5.7	2.6	4.8
Trade, Transportation, and Utilities	25.39	25.51	25.56	25.67	25.78	25.89	25.97	25.99
% Ch	1.5	1.9	0.8	1.7	1.7	1.7	1.2	0.3
Wholesale Trade	5.62	5.65	5.67	5.70	5.71	5.74	5.76	5.78
% Ch	2.0	2.0	1.4	1.7	1.2	1.9	1.3	1.3
Retail Trade	14.99	15.06	15.06	15.13	15.19	15.25	15.30	15.28
% Ch	1.3	1.8	0.2	1.7	1.6	1.5	1.3	-0.3
Trans., Warehousing, and Utilities	4.78	4.80	4.82	4.84	4.88	4.90	4.91	4.93
% Ch	1.6	1.7	2.1	1.7	2.6	2.1	0.9	1.1
Information	3.14	3.13	3.11	3.09	3.07	3.07	3.07	3.06
% Ch	-1.3	-0.7	-3.5	-2.6	-2.7	0.0	-0.1	-0.4
Publishing Industries	0.91	0.91	0.91	0.91	0.90	0.90	0.91	0.90
% Ch	-1.6	0.3	-1.6	-1.0	-0.9	-0.6	1.3	-0.9
Other Information	2.23	2.22	2.20	2.18	2.16	2.16	2.16	2.16
% Ch	-1.3	-1.1	-4.3	-3.3	-3.4	0.3	-0.7	-0.2
Financial Activities	7.99	8.03	8.04	8.06	8.09	8.11	8.15	8.21
% Ch	0.0	2.0	0.6	1.1	1.6	0.5	2.5	2.9
Professional and Business Services	16.17	16.36	16.44	16.59	16.70	16.81	16.94	17.06
% Ch	1.5	4.9	2.1	3.7	2.5	2.6	3.3	2.8
Education and Health Services	16.80	16.91	16.99	17.11	17.19	17.29	17.41	17.48
% Ch	2.1	2.6	1.8	2.9	2.0	2.3	2.9	1.5
Leisure and Hospitality	12.39	12.46	12.50	12.62	12.70	12.78	12.84	12.87
% Ch	3.1	2.3	1.4	3.7	2.6	2.7	1.8	1.0
Other Services	5.41	5.42	5.41	5.40	5.39	5.39	5.39	5.38
% Ch	0.6	0.9	-1.0	-0.8	-0.2	-0.2	-0.3	-0.6
Federal Government	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.72
% Ch	-1.0	0.9	-0.7	0.0	-0.6	0.1	-0.2	-0.5
State and Local Government	18.83	18.86	18.89	18.98	19.01	19.05	19.12	19.15
% Ch	0.1	0.7	0.7	1.9	0.6	0.9	1.4	0.7

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2006 to 2009

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Nonfarm Payroll Employment	134.73	135.26	135.82	136.27	136.76	137.25	137.69	138.17
% Ch	1.7	1.6	1.7	1.3	1.5	1.4	1.3	1.4
Manufacturing	14.23	14.26	14.27	14.23	14.27	14.21	14.18	14.15
% Ch	0.5	1.0	0.1	-0.9	1.1	-1.7	-1.0	-0.6
Durable Manufacturing	8.98	9.03	9.04	9.01	9.03	8.97	8.94	8.92
% Ch	1.0	2.0	0.5	-1.5	1.1	-2.5	-1.5	-0.6
Wood Products	0.56	0.56	0.55	0.55	0.54	0.53	0.52	0.52
% Ch	2.1	-2.0	-0.4	-3.9	-4.7	-8.4	-6.3	-4.6
Primary and Fabricated Metals	2.00	2.02	2.03	2.05	2.07	2.07	2.07	2.08
% Ch	2.0	2.3	2.7	3.3	5.1	0.0	0.5	0.7
Computer and Electronic Products	1.32	1.34	1.33	1.28	1.26	1.24	1.22	1.20
% Ch	-0.5	4.3	-1.8	-13.6	-7.1	-6.5	-6.4	-4.6
Machinery and Electrical Equipment	1.61	1.62	1.63	1.64	1.66	1.65	1.65	1.64
% Ch	0.9	3.2	2.5	2.6	4.5	-1.7	-0.8	-0.9
Transportation Equipment	1.77	1.78	1.77	1.75	1.75	1.73	1.72	1.73
% Ch	0.7	1.3	-3.0	-3.7	-0.9	-3.6	-1.5	1.1
Other Durables	1.72	1.72	1.73	1.74	1.75	1.75	1.76	1.76
% Ch	1.2	1.1	1.9	1.8	3.3	-0.3	0.4	0.3
Nondurable Manufacturing	5.24	5.23	5.23	5.23	5.24	5.24	5.24	5.23
% Ch	-0.5	-0.8	-0.5	0.3	1.1	-0.3	-0.3	-0.5
Food Manufacturing	1.46	1.46	1.47	1.47	1.49	1.49	1.50	1.51
% Ch	-0.2	0.5	0.6	1.8	3.5	1.9	2.0	1.8
Paper and Paper Products	0.48	0.47	0.47	0.47	0.47	0.48	0.48	0.48
% Ch	-1.4	-3.3	-0.4	0.7	1.3	1.4	2.1	0.7
Other Nondurables	3.30	3.30	3.29	3.28	3.28	3.27	3.26	3.24
% Ch	-0.5	-1.0	-1.0	-0.5	0.0	-1.5	-1.6	-1.7
Natural Resources and Mining	0.65	0.68	0.69	0.70	0.70	0.70	0.70	0.70
% Ch	8.8	14.6	6.9	7.4	1.2	-2.2	-1.3	1.3
Construction	7.48	7.52	7.55	7.55	7.56	7.57	7.58	7.63
% Ch	5.2	2.0	1.2	0.4	0.3	0.6	0.7	2.5
Trade, Transportation, and Utilities	26.06	26.09	26.17	26.25	26.30	26.41	26.52	26.66
% Ch	1.0	0.5	1.3	1.1	0.8	1.7	1.7	2.0
Wholesale Trade	5.81	5.84	5.86	5.86	5.87	5.88	5.89	5.91
% Ch	2.3	2.1	1.0	0.5	0.6	0.5	0.6	1.5
Retail Trade	15.30	15.29	15.35	15.39	15.41	15.48	15.56	15.64
% Ch	0.4	-0.3	1.5	1.0	0.6	2.0	2.1	1.9
Trans., Warehousing, and Utilities	4.94	4.95	4.97	5.00	5.02	5.05	5.07	5.11
% Ch	1.3	0.9	1.3	2.3	1.7	2.2	2.1	3.1
Information	3.07	3.07	3.09	3.11	3.12	3.13	3.15	3.16
% Ch	1.0	0.2	2.0	2.7	1.1	1.9	2.6	0.6
Publishing Industries	0.90	0.90	0.91	0.91	0.91	0.91	0.91	0.91
% Ch	0.1	-0.4	1.4	0.3	0.8	1.3	-0.1	0.3
Other Information	2.17	2.17	2.18	2.20	2.21	2.22	2.24	2.24
% Ch	1.4	0.4	2.3	3.7	1.3	2.2	3.7	0.7
Financial Activities	8.27	8.33	8.38	8.38	8.38	8.41	8.41	8.43
% Ch	2.6	3.4	2.0	0.1	0.2	1.5	-0.1	1.1
Professional and Business Services	17.16	17.27	17.42	17.58	17.69	17.84	17.98	18.10
% Ch	2.5	2.5	3.5	3.7	2.5	3.4	3.2	2.8
Education and Health Services	17.58	17.70	17.80	17.89	17.99	18.04	18.11	18.20
% Ch	2.5	2.6	2.5	1.9	2.3	1.2	1.6	1.9
Leisure and Hospitality	12.96	13.03	13.07	13.14	13.20	13.27	13.35	13.38
% Ch	2.7	2.2	1.4	2.0	2.0	2.1	2.3	1.1
Other Services	5.40	5.39	5.40	5.39	5.41	5.44	5.45	5.47
% Ch	1.4	-0.1	0.3	-0.6	1.4	1.9	1.1	1.2
Federal Government	2.71	2.70	2.71	2.71	2.71	2.71	2.71	2.71
% Ch	-2.3	-1.3	1.6	-0.0	-0.0	0.1	0.1	0.1
State and Local Government	19.17	19.22	19.28	19.35	19.43	19.53	19.56	19.59
% Ch	0.4	1.1	1.3	1.4	1.7	1.9	0.7	0.6

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2006 to 2009

	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4
Nonfarm Payroll Employment	138.63	139.15	139.64	140.13	140.53	140.93	141.28	141.64
% Ch	1.3	1.5	1.4	1.4	1.2	1.1	1.0	1.0
Manufacturing	14.12	14.07	14.04	14.00	13.99	13.96	13.94	13.92
% Ch	-1.0	-1.3	-0.9	-1.0	-0.5	-0.6	-0.6	-0.6
Durable Manufacturing	8.90	8.87	8.85	8.83	8.83	8.83	8.83	8.82
% Ch	-1.3	-1.3	-0.8	-0.7	-0.1	-0.1	-0.1	-0.1
Wood Products	0.51	0.51	0.50	0.49	0.49	0.49	0.48	0.48
% Ch	-3.8	-4.0	-5.1	-4.8	-3.1	-2.4	-2.1	-0.7
Primary and Fabricated Metals	2.08	2.08	2.09	2.09	2.09	2.09	2.09	2.09
% Ch	0.2	0.4	0.9	0.3	0.7	0.3	0.3	0.0
Computer and Electronic Products	1.19	1.17	1.16	1.15	1.15	1.15	1.15	1.15
% Ch	-4.7	-4.5	-4.1	-3.0	-1.2	-0.4	-0.0	-0.1
Machinery and Electrical Equipment	1.63	1.61	1.60	1.59	1.58	1.57	1.57	1.56
% Ch	-2.9	-4.5	-3.2	-2.3	-1.9	-2.1	-2.0	-1.6
Transportation Equipment	1.73	1.74	1.75	1.76	1.78	1.79	1.79	1.80
% Ch	1.3	2.0	2.8	2.3	2.4	2.5	1.7	0.9
Other Durables	1.75	1.75	1.75	1.74	1.74	1.74	1.74	1.74
% Ch	-0.8	-0.8	-0.4	-0.8	-0.3	-0.5	-0.1	0.1
Nondurable Manufacturing	5.22	5.21	5.19	5.17	5.16	5.14	5.12	5.10
% Ch	-0.6	-1.2	-1.2	-1.5	-1.3	-1.5	-1.4	-1.5
Food Manufacturing	1.51	1.52	1.52	1.52	1.53	1.53	1.53	1.53
% Ch	2.0	1.1	0.9	0.4	0.6	0.2	0.4	0.1
Paper and Paper Products	0.48	0.48	0.48	0.48	0.47	0.47	0.47	0.47
% Ch	-0.2	-0.7	-0.9	-1.2	-1.1	-1.5	-1.4	-1.4
Other Nondurables	3.23	3.21	3.19	3.17	3.15	3.14	3.12	3.10
% Ch	-1.8	-2.3	-2.2	-2.5	-2.2	-2.4	-2.2	-2.3
Natural Resources and Mining	0.69	0.69	0.68	0.67	0.66	0.65	0.64	0.64
% Ch	-3.4	-4.2	-3.5	-3.9	-5.2	-5.6	-5.7	-5.0
Construction	7.63	7.66	7.68	7.71	7.73	7.76	7.79	7.83
% Ch	0.2	1.5	0.9	1.7	1.1	1.6	1.3	2.1
Trade, Transportation, and Utilities	26.79	26.91	27.01	27.13	27.19	27.25	27.30	27.33
% Ch	2.0	1.7	1.6	1.8	0.8	1.0	0.7	0.5
Wholesale Trade	5.93	5.94	5.95	5.96	5.97	5.99	6.00	6.01
% Ch	1.2	0.8	0.7	0.7	1.0	1.0	0.9	0.8
Retail Trade	15.72	15.79	15.85	15.92	15.93	15.94	15.94	15.94
% Ch	2.0	1.9	1.5	1.9	0.0	0.4	0.0	-0.1
Trans., Warehousing, and Utilities	5.15	5.18	5.22	5.25	5.29	5.32	5.36	5.38
% Ch	3.0	2.5	2.8	2.6	3.0	2.8	2.4	2.0
Information	3.15	3.16	3.17	3.18	3.20	3.21	3.22	3.23
% Ch	-0.3	1.2	1.0	1.2	2.1	1.7	1.6	1.4
Publishing Industries	0.91	0.92	0.92	0.92	0.93	0.93	0.94	0.94
% Ch	1.4	1.0	1.7	1.3	2.4	2.1	2.4	2.1
Other Information	2.24	2.25	2.25	2.26	2.27	2.28	2.28	2.29
% Ch	-1.0	1.3	0.7	1.1	2.0	1.6	1.3	1.1
Financial Activities	8.48	8.50	8.52	8.53	8.56	8.58	8.61	8.64
% Ch	2.0	1.2	0.9	0.6	1.2	1.1	1.4	1.5
Professional and Business Services	18.24	18.41	18.58	18.74	18.94	19.09	19.20	19.32
% Ch	3.2	3.7	3.7	3.6	4.3	3.3	2.4	2.4
Education and Health Services	18.28	18.37	18.46	18.54	18.63	18.70	18.72	18.75
% Ch	1.9	1.8	2.0	1.9	1.9	1.5	0.5	0.7
Leisure and Hospitality	13.46	13.53	13.56	13.61	13.63	13.66	13.70	13.73
% Ch	2.2	2.1	1.1	1.4	0.6	0.9	1.2	0.8
Other Services	5.48	5.49	5.49	5.49	5.50	5.50	5.51	5.52
% Ch	1.0	0.4	0.5	-0.1	0.3	0.2	0.7	0.5
Federal Government	2.71	2.71	2.71	2.71	2.71	2.71	2.72	2.75
% Ch	0.1	0.1	0.1	0.1	0.1	0.1	1.6	3.5
State and Local Government	19.59	19.66	19.74	19.80	19.81	19.85	19.91	19.97
% Ch	0.1	1.5	1.6	1.2	0.1	0.8	1.3	1.3

Table A2.3
Washington Nonagricultural Employment by Industry
 Forecast 2006 to 2009

	2002	2003	2004	2005	2006	2007	2008	2009
Nonfarm Payroll Employment	2,654.0	2,657.5	2,700.9	2,777.6	2,872.8	2,942.2	3,004.5	3,054.6
% Ch	-1.6	0.1	1.6	2.8	3.4	2.4	2.1	1.7
Manufacturing	285.0	267.0	263.7	271.9	283.4	289.2	290.9	290.3
% Ch	-9.8	-6.3	-1.3	3.1	4.2	2.1	0.6	-0.2
Durable Manufacturing	199.3	183.7	182.4	191.1	203.0	206.4	206.7	206.1
% Ch	-11.4	-7.8	-0.7	4.8	6.2	1.7	0.1	-0.3
Wood Products	18.0	17.8	18.8	20.0	20.5	19.4	18.3	17.5
% Ch	-4.9	-1.3	5.4	6.7	2.2	-5.1	-5.6	-4.5
Primary and Fabricated Metals	23.5	22.1	22.3	23.2	24.6	25.2	25.3	25.5
% Ch	-12.7	-6.2	0.8	4.4	5.7	2.6	0.5	0.5
Computer and Electronic Products	26.2	23.4	22.1	22.2	22.1	20.0	18.8	18.6
% Ch	-19.3	-10.7	-5.3	0.2	-0.5	-9.4	-6.1	-1.2
Machinery and Electrical Equipment	16.7	16.3	17.0	17.8	18.8	19.9	20.1	20.3
% Ch	-10.0	-2.5	4.4	4.6	5.8	5.9	0.9	1.1
Aerospace	75.7	65.3	61.5	65.7	73.2	77.9	80.4	80.7
% Ch	-13.2	-13.8	-5.8	6.8	11.5	6.5	3.2	0.3
Other Transportation Equip.	10.9	11.1	12.1	13.0	13.4	13.3	13.1	12.9
% Ch	-3.0	1.7	9.2	7.1	3.1	-0.8	-1.1	-1.8
Other Durables	28.3	27.9	28.6	29.3	30.5	30.7	30.7	30.7
% Ch	-4.5	-1.5	2.7	2.3	4.1	0.8	-0.1	0.1
Nondurable Manufacturing	85.7	83.3	81.3	80.8	80.4	82.8	84.2	84.2
% Ch	-6.0	-2.8	-2.4	-0.6	-0.5	2.9	1.7	0.0
Food Manufacturing	35.3	34.8	34.1	33.7	33.6	35.5	37.0	37.3
% Ch	-5.4	-1.3	-2.0	-1.1	-0.5	5.7	4.3	0.9
Paper and Paper Products	13.2	13.3	12.7	12.2	11.7	11.8	11.9	11.7
% Ch	-6.1	0.1	-4.6	-3.9	-3.6	0.9	0.1	-1.3
Other Nondurables	37.2	35.2	34.5	34.9	35.1	35.5	35.4	35.2
% Ch	-6.5	-5.4	-1.9	1.0	0.7	1.0	-0.3	-0.4
Natural Resources and Mining	9.4	8.6	9.1	9.0	8.7	8.7	8.6	8.5
% Ch	-4.6	-7.7	5.7	-1.8	-2.9	-0.6	-1.0	-1.1
Construction	154.2	156.2	164.1	177.4	194.2	196.8	198.5	199.2
% Ch	-2.9	1.3	5.1	8.1	9.5	1.3	0.9	0.4
Trade, Transportation, and Utilities	509.3	509.8	518.4	531.3	547.4	559.1	572.8	581.6
% Ch	-2.8	0.1	1.7	2.5	3.0	2.1	2.5	1.5
Wholesale Trade	115.7	116.0	119.3	122.6	126.1	127.4	128.9	130.0
% Ch	-3.4	0.3	2.8	2.8	2.8	1.0	1.2	0.9
Retail Trade	305.3	305.9	309.3	317.3	326.5	334.8	344.6	350.0
% Ch	-2.0	0.2	1.1	2.6	2.9	2.5	2.9	1.6
Trans., Warehousing, and Utilities	88.3	87.9	89.7	91.4	94.8	96.9	99.3	101.6
% Ch	-4.4	-0.5	2.1	1.8	3.8	2.2	2.5	2.3
Information	93.6	92.3	92.9	94.8	99.2	102.3	104.5	107.3
% Ch	-5.5	-1.4	0.6	2.1	4.6	3.0	2.1	2.7
Software Publishers	36.1	37.4	39.3	41.3	44.2	46.0	47.8	49.9
% Ch	0.8	3.4	5.1	5.1	7.2	4.1	3.8	4.3
Other Publishing Industries	12.6	12.1	11.3	11.2	11.1	11.1	11.1	11.2
% Ch	-4.4	-4.0	-6.7	-0.6	-0.9	-0.4	-0.1	0.8
Other Information	44.8	42.8	42.3	42.3	43.8	45.1	45.5	46.3
% Ch	-10.3	-4.5	-1.2	0.1	3.6	2.9	1.0	1.6
Financial Activities	146.2	151.9	151.8	154.0	157.5	160.2	163.2	165.9
% Ch	0.7	3.9	-0.1	1.5	2.3	1.7	1.9	1.6
Professional and Business Services	290.2	290.3	301.7	316.7	332.9	347.4	361.7	375.9
% Ch	-2.3	0.0	3.9	5.0	5.1	4.3	4.1	4.0
Education and Health Services	306.9	312.9	319.7	329.3	337.6	346.7	355.7	363.5
% Ch	2.9	1.9	2.2	3.0	2.5	2.7	2.6	2.2
Leisure and Hospitality	245.4	248.9	255.6	263.6	274.9	282.1	288.8	293.3
% Ch	-0.7	1.4	2.7	3.1	4.3	2.6	2.4	1.6
Other Services	97.8	98.9	100.3	102.9	105.4	107.2	108.8	109.9
% Ch	0.9	1.2	1.4	2.6	2.4	1.7	1.5	1.0
Federal Government	69.2	70.2	69.7	69.6	69.7	70.2	70.7	71.4
% Ch	1.9	1.4	-0.6	-0.2	0.1	0.8	0.7	0.9
State and Local Government	447.0	450.5	454.0	457.1	461.8	472.3	480.3	487.6
% Ch	2.2	0.8	0.8	0.7	1.0	2.3	1.7	1.5

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2006 to 2009

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Nonfarm Payroll Employment	2,673.5	2,693.9	2,708.1	2,728.2	2,747.0	2,767.5	2,785.7	2,810.2
% Ch	1.0	3.1	2.1	3.0	2.8	3.0	2.7	3.6
Manufacturing	261.8	262.9	263.8	266.1	269.0	271.9	269.9	276.9
% Ch	-2.1	1.6	1.4	3.6	4.4	4.4	-2.9	10.8
Durable Manufacturing	180.1	181.4	182.9	185.1	187.9	191.0	188.9	196.6
% Ch	-0.9	2.9	3.3	5.0	6.2	6.9	-4.3	17.3
Wood Products	18.1	18.6	19.0	19.4	19.7	19.8	20.1	20.3
% Ch	7.9	12.5	9.0	7.6	8.2	1.9	6.4	3.7
Primary and Fabricated Metals	22.0	22.2	22.3	22.6	22.8	23.2	23.3	23.7
% Ch	4.9	4.9	1.8	4.4	4.3	6.2	2.6	7.3
Computer and Electronic Products	22.0	22.1	22.2	22.2	22.1	22.1	22.2	22.2
% Ch	-9.7	2.1	2.6	-1.2	-1.0	0.0	2.3	-0.4
Machinery and Electrical Equipment	16.7	16.9	17.1	17.3	17.4	17.6	17.9	18.2
% Ch	5.4	5.9	4.7	4.6	3.6	3.5	7.2	5.8
Aerospace	61.3	60.9	61.1	62.6	64.3	65.8	62.9	69.7
% Ch	-6.8	-2.6	1.4	10.2	11.0	9.9	-16.3	50.1
Other Transportation Equip.	11.7	12.1	12.4	12.3	12.6	13.4	13.0	13.0
% Ch	10.4	13.6	10.3	-3.0	9.5	27.6	-10.0	-2.5
Other Durables	28.4	28.6	28.7	28.8	28.9	29.2	29.4	29.6
% Ch	2.4	2.3	1.8	1.6	1.8	3.3	3.0	2.8
Nondurable Manufacturing	81.8	81.5	80.9	81.0	81.1	80.9	81.0	80.3
% Ch	-4.6	-1.2	-2.9	0.6	0.3	-1.3	0.6	-3.4
Food Manufacturing	34.4	34.3	33.7	34.0	34.2	33.8	33.7	33.3
% Ch	-4.2	-1.0	-6.3	3.5	1.6	-4.7	-0.3	-5.2
Paper and Paper Products	12.9	12.7	12.6	12.4	12.3	12.3	12.2	11.9
% Ch	-12.8	-5.8	-4.4	-5.3	-2.8	-0.8	-4.0	-9.4
Other Nondurables	34.5	34.5	34.6	34.6	34.6	34.8	35.1	35.1
% Ch	-1.8	0.4	1.2	-0.0	0.3	2.1	3.1	0.4
Natural Resources and Mining	8.9	9.1	9.2	9.2	9.2	9.1	8.8	8.8
% Ch	22.2	9.4	3.8	0.8	-2.8	-1.0	-14.6	-1.8
Construction	160.7	163.3	164.3	168.3	172.5	175.3	178.2	183.5
% Ch	5.1	6.5	2.5	10.1	10.4	6.6	6.8	12.5
Trade, Transportation, and Utilities	512.3	517.4	520.1	523.7	527.0	529.5	532.4	536.3
% Ch	1.0	4.1	2.1	2.8	2.5	1.9	2.2	3.0
Wholesale Trade	117.5	119.1	119.7	120.9	121.6	122.3	122.7	124.0
% Ch	2.3	5.5	2.1	4.1	2.1	2.3	1.5	4.2
Retail Trade	306.8	309.1	310.1	311.5	313.9	315.4	318.6	321.4
% Ch	0.4	3.0	1.3	1.9	3.1	2.0	4.0	3.6
Trans., Warehousing, and Utilities	88.0	89.3	90.3	91.3	91.6	91.8	91.1	91.0
% Ch	1.2	5.8	4.8	4.4	1.3	0.8	-2.9	-0.6
Information	92.4	92.8	92.6	93.6	93.8	94.7	95.7	95.1
% Ch	-2.8	1.8	-0.8	4.2	1.0	4.0	3.9	-2.2
Software Publishers	38.9	39.1	39.4	39.7	40.3	41.0	42.0	41.7
% Ch	4.7	2.7	2.5	4.0	5.9	7.5	9.9	-3.3
Other Publishing Industries	11.4	11.3	11.3	11.3	11.3	11.3	11.2	11.2
% Ch	-8.3	-1.0	-1.3	0.5	1.4	-1.9	-3.9	0.1
Other Information	42.2	42.4	42.0	42.5	42.2	42.4	42.5	42.3
% Ch	-7.7	1.8	-3.7	5.5	-3.5	2.4	0.4	-1.7
Financial Activities	151.8	151.6	151.5	152.4	152.4	153.1	155.1	155.5
% Ch	-1.6	-0.6	-0.1	2.3	0.1	1.9	5.4	0.9
Professional and Business Services	296.0	300.3	303.2	307.1	310.8	314.9	319.1	321.9
% Ch	4.3	6.0	3.8	5.3	4.9	5.3	5.5	3.5
Education and Health Services	315.8	318.8	320.8	323.3	325.1	328.1	330.8	333.2
% Ch	0.6	3.9	2.5	3.1	2.2	3.8	3.4	3.0
Leisure and Hospitality	253.0	254.9	255.9	258.5	259.7	262.0	264.4	268.1
% Ch	1.7	3.1	1.6	4.1	1.9	3.6	3.6	5.8
Other Services	99.1	100.1	100.7	101.2	102.2	102.4	103.0	104.1
% Ch	-0.3	4.4	2.2	2.2	3.7	1.0	2.3	4.3
Federal Government	69.9	69.7	69.7	69.7	69.6	69.7	69.5	69.5
% Ch	-0.8	-0.7	-0.2	-0.3	-0.3	0.7	-1.4	-0.1
State and Local Government	451.8	452.9	456.3	455.1	455.7	456.7	458.8	457.2
% Ch	1.0	1.0	3.1	-1.0	0.5	0.9	1.8	-1.4

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2006 to 2009

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Nonfarm Payroll Employment	2,845.7	2,864.3	2,882.6	2,898.5	2,916.8	2,934.6	2,950.9	2,966.4
% Ch	5.2	2.6	2.6	2.2	2.6	2.5	2.2	2.1
Manufacturing	280.1	282.5	284.8	286.0	288.2	288.7	289.5	290.4
% Ch	4.7	3.5	3.2	1.8	3.0	0.7	1.0	1.2
Durable Manufacturing	199.7	202.5	204.5	205.2	206.2	206.2	206.4	206.9
% Ch	6.4	5.6	4.1	1.3	2.1	-0.1	0.4	0.9
Wood Products	20.4	20.6	20.5	20.3	20.0	19.5	19.2	18.9
% Ch	1.3	4.9	-2.4	-5.0	-5.6	-8.3	-6.8	-5.4
Primary and Fabricated Metals	24.2	24.5	24.7	24.9	25.2	25.2	25.2	25.3
% Ch	8.9	4.7	2.7	3.2	4.9	0.1	0.6	0.7
Computer and Electronic Products	22.2	22.4	22.4	21.2	20.6	20.2	19.7	19.4
% Ch	0.4	3.6	-1.3	-19.7	-9.7	-8.8	-8.6	-5.7
Machinery and Electrical Equipment	18.4	18.6	19.0	19.3	19.7	19.8	20.0	20.1
% Ch	4.6	6.0	7.2	7.3	9.7	1.9	3.1	2.9
Aerospace	71.0	72.3	74.0	75.6	76.7	77.5	78.4	79.2
% Ch	7.9	7.6	9.4	9.2	5.9	4.4	4.3	4.3
Other Transportation Equip.	13.2	13.5	13.5	13.4	13.3	13.3	13.3	13.2
% Ch	8.4	7.7	0.3	-2.3	-1.6	-1.5	-1.1	-0.6
Other Durables	30.3	30.5	30.5	30.6	30.7	30.7	30.7	30.7
% Ch	9.6	2.4	1.1	0.3	1.5	-0.0	0.1	0.1
Nondurable Manufacturing	80.4	80.1	80.3	80.9	82.0	82.5	83.1	83.5
% Ch	0.5	-1.4	1.0	3.1	5.4	2.8	2.7	2.1
Food Manufacturing	33.4	33.4	33.5	33.9	34.8	35.2	35.7	36.2
% Ch	1.6	-0.9	1.8	5.3	10.1	5.3	5.6	5.2
Paper and Paper Products	11.8	11.7	11.7	11.7	11.8	11.8	11.9	11.9
% Ch	-3.8	-1.6	-0.4	0.7	1.4	1.5	2.3	0.7
Other Nondurables	35.2	35.0	35.1	35.2	35.4	35.5	35.5	35.4
% Ch	0.8	-1.9	0.7	1.8	2.2	0.7	-0.0	-0.4
Natural Resources and Mining	8.8	8.7	8.7	8.7	8.7	8.7	8.6	8.6
% Ch	1.8	-6.1	1.6	0.6	-0.8	-1.4	-0.7	0.1
Construction	191.9	195.1	195.1	194.8	195.8	196.5	197.2	197.7
% Ch	19.6	6.7	0.1	-0.7	2.1	1.5	1.3	1.0
Trade, Transportation, and Utilities	544.2	545.7	548.6	551.2	553.8	557.3	560.9	564.5
% Ch	6.0	1.1	2.2	1.9	1.9	2.6	2.6	2.6
Wholesale Trade	125.8	125.9	126.3	126.5	126.9	127.2	127.5	128.0
% Ch	5.9	0.5	1.1	0.7	1.4	1.0	1.0	1.4
Retail Trade	324.3	325.2	327.4	329.2	330.9	333.5	336.2	338.7
% Ch	3.7	1.2	2.7	2.3	2.0	3.2	3.2	3.0
Trans., Warehousing, and Utilities	94.1	94.6	95.0	95.5	96.1	96.6	97.1	97.8
% Ch	14.7	1.9	1.7	2.3	2.2	2.4	2.2	2.8
Information	97.6	99.0	99.7	100.6	101.2	101.9	102.7	103.2
% Ch	10.9	5.7	3.1	3.4	2.3	2.9	3.3	1.9
Software Publishers	43.4	44.1	44.6	45.0	45.4	45.9	46.3	46.7
% Ch	17.3	6.9	4.3	3.7	3.9	4.1	3.5	3.6
Other Publishing Industries	11.2	11.1	11.2	11.1	11.1	11.1	11.1	11.1
% Ch	-0.6	-0.6	0.3	-0.7	-0.3	0.2	-1.0	-0.7
Other Information	43.1	43.8	44.0	44.5	44.6	44.9	45.4	45.5
% Ch	8.0	6.3	2.6	4.2	1.4	2.5	4.2	0.8
Financial Activities	155.8	157.2	158.4	158.7	159.2	160.1	160.4	161.2
% Ch	0.8	3.8	2.9	0.9	1.2	2.3	0.8	1.8
Professional and Business Services	326.7	331.3	335.0	338.8	342.0	345.7	349.3	352.5
% Ch	6.1	5.7	4.5	4.6	3.9	4.4	4.2	3.8
Education and Health Services	334.5	336.1	338.7	341.0	343.7	345.6	347.7	350.0
% Ch	1.5	1.9	3.2	2.8	3.1	2.2	2.5	2.7
Leisure and Hospitality	272.7	274.0	275.6	277.4	279.3	281.2	283.3	284.5
% Ch	7.0	1.9	2.3	2.7	2.9	2.8	2.9	1.8
Other Services	104.8	105.2	105.6	105.8	106.4	107.0	107.4	107.9
% Ch	2.9	1.4	1.5	1.0	2.0	2.2	1.8	1.7
Federal Government	69.6	69.4	69.8	69.9	70.0	70.1	70.3	70.4
% Ch	0.8	-0.9	1.8	0.7	0.7	0.8	0.8	0.8
State and Local Government	458.9	460.0	462.7	465.5	468.5	471.7	473.6	475.4
% Ch	1.5	0.9	2.3	2.4	2.6	2.8	1.6	1.5

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2006 to 2009

	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4
Nonfarm Payroll Employment	2,982.1	2,997.8	3,012.2	3,025.8	3,037.6	3,049.3	3,060.4	3,071.2
% Ch	2.1	2.1	1.9	1.8	1.6	1.6	1.5	1.4
Manufacturing	291.0	291.2	291.0	290.6	290.5	290.3	290.3	290.2
% Ch	0.9	0.2	-0.2	-0.6	-0.2	-0.2	-0.1	-0.1
Durable Manufacturing	207.0	207.0	206.7	206.3	206.2	206.1	206.1	206.1
% Ch	0.3	-0.0	-0.6	-0.8	-0.3	-0.1	-0.0	0.0
Wood Products	18.7	18.5	18.2	17.9	17.7	17.6	17.4	17.3
% Ch	-4.9	-5.0	-5.8	-5.5	-4.3	-3.8	-3.5	-2.6
Primary and Fabricated Metals	25.3	25.3	25.4	25.4	25.4	25.5	25.5	25.5
% Ch	0.2	0.4	1.0	0.4	0.7	0.4	0.3	0.1
Computer and Electronic Products	19.1	18.9	18.6	18.5	18.5	18.5	18.6	18.7
% Ch	-6.0	-5.6	-5.0	-3.2	-0.3	1.1	1.7	1.6
Machinery and Electrical Equipment	20.1	20.1	20.1	20.1	20.2	20.3	20.4	20.5
% Ch	0.4	-1.6	-0.0	1.1	1.7	1.4	1.6	2.1
Aerospace	79.9	80.5	80.7	80.7	80.7	80.7	80.7	80.7
% Ch	3.5	3.0	1.0	0.0	0.0	0.0	0.0	0.0
Other Transportation Equip.	13.2	13.2	13.1	13.1	13.0	12.9	12.9	12.8
% Ch	-0.6	-1.4	-1.5	-2.0	-1.9	-1.6	-2.0	-2.4
Other Durables	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7
% Ch	-0.2	-0.2	0.0	-0.1	0.1	0.1	0.3	0.3
Nondurable Manufacturing	84.0	84.2	84.3	84.3	84.3	84.2	84.2	84.1
% Ch	2.3	0.9	0.7	-0.1	0.1	-0.4	-0.2	-0.4
Food Manufacturing	36.7	36.9	37.1	37.2	37.3	37.3	37.3	37.3
% Ch	5.7	2.8	2.2	0.8	0.8	0.1	0.5	-0.1
Paper and Paper Products	11.9	11.9	11.8	11.8	11.8	11.7	11.7	11.6
% Ch	-0.3	-0.7	-0.9	-1.2	-1.1	-1.6	-1.5	-1.5
Other Nondurables	35.4	35.4	35.3	35.3	35.3	35.2	35.2	35.2
% Ch	-0.2	-0.5	-0.4	-0.6	-0.3	-0.5	-0.4	-0.4
Natural Resources and Mining	8.6	8.6	8.5	8.5	8.5	8.5	8.5	8.4
% Ch	-0.5	-1.9	-2.2	-1.0	-0.7	-1.0	-1.2	-0.6
Construction	198.2	198.4	198.6	198.9	199.1	199.2	199.3	199.3
% Ch	0.9	0.5	0.4	0.5	0.4	0.3	0.1	0.1
Trade, Transportation, and Utilities	568.2	571.4	574.3	577.4	579.1	581.1	582.6	583.8
% Ch	2.7	2.3	2.1	2.1	1.2	1.3	1.0	0.8
Wholesale Trade	128.5	128.7	129.0	129.2	129.6	129.9	130.1	130.3
% Ch	1.6	0.8	0.8	0.7	1.0	0.9	0.8	0.6
Retail Trade	341.2	343.6	345.7	348.0	348.8	349.8	350.5	351.1
% Ch	3.1	2.8	2.4	2.7	0.9	1.2	0.8	0.7
Trans., Warehousing, and Utilities	98.5	99.0	99.6	100.2	100.8	101.4	101.9	102.4
% Ch	2.8	2.3	2.5	2.2	2.6	2.4	2.1	1.7
Information	103.6	104.2	104.7	105.4	106.2	106.9	107.7	108.4
% Ch	1.3	2.3	2.2	2.4	3.2	2.9	2.9	2.7
Software Publishers	47.1	47.6	48.0	48.5	49.0	49.6	50.1	50.7
% Ch	4.0	3.8	4.0	4.0	4.5	4.5	4.6	4.5
Other Publishing Industries	11.1	11.1	11.1	11.1	11.1	11.2	11.2	11.2
% Ch	0.3	-0.1	0.6	0.2	1.1	1.0	1.2	0.9
Other Information	45.3	45.5	45.6	45.7	46.0	46.2	46.4	46.5
% Ch	-1.1	1.4	0.8	1.2	2.3	1.8	1.5	1.2
Financial Activities	162.2	163.0	163.6	164.1	164.8	165.5	166.3	167.0
% Ch	2.7	1.9	1.5	1.2	1.8	1.6	1.9	1.9
Professional and Business Services	356.1	359.8	363.6	367.2	371.2	374.7	377.5	380.4
% Ch	4.1	4.3	4.2	4.0	4.5	3.8	3.1	3.0
Education and Health Services	352.3	354.5	356.8	359.0	361.2	363.1	364.2	365.5
% Ch	2.7	2.5	2.6	2.5	2.5	2.1	1.2	1.4
Leisure and Hospitality	286.5	288.3	289.5	290.8	291.7	292.8	294.0	294.9
% Ch	2.7	2.5	1.7	1.8	1.2	1.5	1.6	1.2
Other Services	108.3	108.7	109.0	109.2	109.5	109.8	110.1	110.4
% Ch	1.6	1.3	1.2	0.9	1.0	0.9	1.2	1.0
Federal Government	70.6	70.7	70.8	70.9	71.0	71.1	71.4	72.0
% Ch	0.7	0.7	0.7	0.6	0.6	0.6	1.6	3.0
State and Local Government	476.6	479.1	481.6	483.8	484.7	486.3	488.6	490.8
% Ch	1.0	2.1	2.2	1.8	0.7	1.4	1.9	1.9

Table A3.1
U.S. Personal Income by Component
 Forecast 2006 to 2009

	2002	2003	2004	2005	2006	2007	2008	2009
Personal Income	8,881.9	9,169.1	9,713.3	10,248.3	10,878.7	11,495.9	12,138.1	12,827.0
% Ch	1.8	3.2	5.9	5.5	6.2	5.7	5.6	5.7
Total Wage and Salary Disbursements	4,980.9	5,111.1	5,389.5	5,723.6	6,040.5	6,347.9	6,678.2	7,023.2
% Ch	0.8	2.6	5.4	6.2	5.5	5.1	5.2	5.2
Nonwage Personal Income	3,901.0	4,058.0	4,323.8	4,524.6	4,838.2	5,148.0	5,460.0	5,803.8
% Ch	3.2	4.0	6.6	4.6	6.9	6.4	6.1	6.3
Supplements to Wages and Salaries	1,110.3	1,210.0	1,298.2	1,401.6	1,497.8	1,568.9	1,627.4	1,689.2
% Ch	11.1	9.0	7.3	8.0	6.9	4.8	3.7	3.8
Proprietor's Income	768.4	810.2	889.6	938.7	999.0	1,048.6	1,109.4	1,178.7
% Ch	-0.5	5.4	9.8	5.5	6.4	5.0	5.8	6.2
Farm	10.6	27.8	35.8	20.8	15.2	16.5	17.1	18.3
% Ch	-46.3	162.4	29.0	-41.8	-27.2	9.0	3.5	7.0
Nonfarm	757.8	782.4	853.8	917.8	983.9	1,032.1	1,092.3	1,160.4
% Ch	0.7	3.2	9.1	7.5	7.2	4.9	5.8	6.2
Less: Contribution For Govt. Soc. Ins.	750.0	776.6	822.2	871.2	928.6	979.9	1,030.4	1,083.7
% Ch	2.6	3.5	5.9	6.0	6.6	5.5	5.2	5.2
Dividends/Int./Rent	1,486.2	1,470.4	1,530.8	1,530.3	1,650.0	1,801.9	1,944.6	2,106.4
% Ch	-4.0	-1.1	4.1	-0.0	7.8	9.2	7.9	8.3
Transfer Payments	1,286.2	1,344.0	1,427.5	1,525.3	1,620.0	1,708.4	1,809.0	1,913.3
% Ch	7.7	4.5	6.2	6.8	6.2	5.5	5.9	5.8

Table A3.2
U.S. Personal Income by Component
 Forecast 2006 to 2009

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Personal Income	9,484.8	9,614.3	9,729.2	10,024.8	10,073.4	10,185.7	10,250.4	10,483.7
% Ch	6.9	5.6	4.9	12.7	2.0	4.5	2.6	9.4
Total Wage and Salary Disbursements	5,254.8	5,318.1	5,422.0	5,562.9	5,629.9	5,672.3	5,762.3	5,830.1
% Ch	5.3	4.9	8.0	10.8	4.9	3.0	6.5	4.8
Nonwage Personal Income	4,230.0	4,296.2	4,307.2	4,461.9	4,443.5	4,513.4	4,488.1	4,653.6
% Ch	8.8	6.4	1.0	15.2	-1.6	6.4	-2.2	15.6
Supplements to Wages and Salaries	1,271.9	1,285.5	1,302.3	1,333.0	1,371.9	1,387.9	1,415.3	1,431.6
% Ch	10.7	4.3	5.3	9.8	12.2	4.8	8.1	4.7
Proprietor's Income	870.2	898.3	889.1	900.9	917.9	936.7	932.3	967.7
% Ch	15.2	13.6	-4.0	5.4	7.8	8.4	-1.9	16.1
Farm	44.8	44.1	29.7	24.6	24.7	19.6	18.0	21.0
% Ch	165.4	-6.1	-79.4	-52.9	1.6	-60.4	-28.9	85.3
Nonfarm	825.4	854.2	859.4	876.3	893.2	917.1	914.3	946.7
% Ch	10.6	14.7	2.5	8.1	7.9	11.1	-1.2	14.9
Less: Contribution For Govt. Soc. Ins.	806.3	813.0	825.9	843.5	861.0	864.9	875.4	883.6
% Ch	10.6	3.4	6.5	8.8	8.5	1.8	4.9	3.8
Dividends/Int./Rent	1,494.7	1,505.7	1,500.3	1,622.3	1,525.9	1,544.2	1,457.7	1,593.3
% Ch	2.6	3.0	-1.4	36.7	-21.7	4.9	-20.6	42.7
Transfer Payments	1,399.6	1,419.8	1,441.5	1,449.2	1,488.8	1,509.6	1,558.1	1,544.7
% Ch	11.4	5.9	6.3	2.2	11.4	5.7	13.5	-3.4

Table A3.2
U.S. Personal Income by Component
 Forecast 2006 to 2009

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Personal Income	10,641.5	10,806.3	10,958.8	11,108.4	11,271.3	11,423.6	11,569.8	11,719.0
% Ch	6.2	6.3	5.8	5.6	6.0	5.5	5.2	5.3
Total Wage and Salary Disbursements	5,915.5	6,005.2	6,083.6	6,157.8	6,236.2	6,310.0	6,384.5	6,461.1
% Ch	6.0	6.2	5.3	5.0	5.2	4.8	4.8	4.9
Nonwage Personal Income	4,726.0	4,801.1	4,875.2	4,950.6	5,035.1	5,113.6	5,185.3	5,257.9
% Ch	6.4	6.5	6.3	6.3	7.0	6.4	5.7	5.7
Supplements to Wages and Salaries	1,465.3	1,491.8	1,510.8	1,523.1	1,546.9	1,563.4	1,577.0	1,588.4
% Ch	9.8	7.4	5.2	3.3	6.4	4.3	3.5	2.9
Proprietor's Income	977.9	993.6	1,006.8	1,017.8	1,029.5	1,042.4	1,054.4	1,068.2
% Ch	4.3	6.6	5.4	4.5	4.7	5.1	4.7	5.3
Farm	16.1	15.0	14.1	15.4	16.0	16.6	16.6	16.9
% Ch	-65.5	-24.3	-21.4	39.1	16.6	16.9	0.8	6.3
Nonfarm	961.8	978.6	992.6	1,002.5	1,013.6	1,025.8	1,037.7	1,051.3
% Ch	6.5	7.2	5.9	4.0	4.5	4.9	4.7	5.3
Less: Contribution For Govt. Soc. Ins.	907.5	923.8	938.9	944.3	967.5	975.9	985.4	990.8
% Ch	11.3	7.4	6.7	2.3	10.2	3.5	4.0	2.2
Dividends/Int./Rent	1,605.9	1,626.0	1,663.9	1,704.1	1,749.0	1,786.2	1,820.9	1,851.5
% Ch	3.2	5.1	9.7	10.0	11.0	8.8	8.0	6.9
Transfer Payments	1,584.3	1,613.5	1,632.5	1,649.9	1,677.2	1,697.4	1,718.4	1,740.6
% Ch	10.7	7.6	4.8	4.3	6.8	4.9	5.0	5.3

Table A3.2

U.S. Personal Income by Component

Forecast 2006 to 2009

	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4
Personal Income	11,884.9	12,056.0	12,220.4	12,391.3	12,569.6	12,742.6	12,912.8	13,083.0
% Ch	5.8	5.9	5.6	5.7	5.9	5.6	5.5	5.4
Total Wage and Salary Disbursements	6,550.5	6,636.2	6,720.0	6,806.0	6,897.9	6,983.8	7,065.2	7,145.8
% Ch	5.7	5.3	5.2	5.2	5.5	5.1	4.7	4.6
Nonwage Personal Income	5,334.4	5,419.8	5,500.4	5,585.3	5,671.7	5,758.7	5,847.6	5,937.2
% Ch	5.9	6.6	6.1	6.3	6.3	6.3	6.3	6.3
Supplements to Wages and Salaries	1,607.4	1,621.7	1,634.2	1,646.3	1,667.4	1,682.7	1,696.8	1,709.7
% Ch	4.9	3.6	3.1	3.0	5.2	3.7	3.4	3.1
Proprietor's Income	1,083.8	1,101.7	1,117.5	1,134.7	1,153.2	1,172.0	1,186.7	1,202.9
% Ch	6.0	6.7	5.9	6.3	6.7	6.6	5.1	5.6
Farm	16.5	16.7	17.2	17.9	17.6	18.2	18.6	18.7
% Ch	-8.7	4.3	14.0	16.9	-6.1	12.6	8.7	4.1
Nonfarm	1,067.3	1,085.0	1,100.2	1,116.8	1,135.6	1,153.8	1,168.1	1,184.1
% Ch	6.2	6.8	5.7	6.2	6.9	6.6	5.1	5.6
Less: Contribution For Govt. Soc. Ins.	1,016.2	1,026.1	1,035.7	1,043.5	1,069.9	1,079.7	1,089.5	1,095.5
% Ch	10.7	4.0	3.8	3.0	10.5	3.7	3.7	2.2
Dividends/Int./Rent	1,887.2	1,925.2	1,963.5	2,002.3	2,042.2	2,085.2	2,129.2	2,168.8
% Ch	7.9	8.3	8.2	8.1	8.2	8.7	8.7	7.6
Transfer Payments	1,772.1	1,797.4	1,821.0	1,845.5	1,878.8	1,898.6	1,924.5	1,951.4
% Ch	7.4	5.8	5.4	5.5	7.4	4.3	5.6	5.7

Table A3.3
Washington Personal Income by Component
 Forecast 2006 to 2009

	2002	2003	2004	2005	2006	2007	2008	2009
Personal Income	197.452	201.607	217.022	223.346	239.106	256.096	273.156	290.630
% Ch	2.0	2.1	7.6	2.9	7.1	7.1	6.7	6.4
Total Wage and Salary Disbursements	111.412	114.093	118.721	125.717	134.577	143.445	152.707	161.810
% Ch	0.7	2.4	4.1	5.9	7.0	6.6	6.5	6.0
Manufacturing	14.660	13.594	13.857	15.148	16.469	17.491	18.342	19.074
% Ch	-3.8	-7.3	1.9	9.3	8.7	6.2	4.9	4.0
Durable Manufacturing	10.772	10.101	10.334	11.543	12.818	13.578	14.188	14.743
% Ch	-7.3	-6.2	2.3	11.7	11.1	5.9	4.5	3.9
Nondurable Manufacturing	3.888	3.494	3.523	3.606	3.651	3.914	4.154	4.331
% Ch	7.2	-10.1	0.8	2.3	1.3	7.2	6.1	4.3
Nonmanufacturing	92.236	95.617	99.678	104.960	112.348	119.873	127.956	135.990
% Ch	1.2	3.7	4.2	5.3	7.0	6.7	6.7	6.3
Other Private Wages	1.084	1.139	1.159	1.244	1.257	1.364	1.475	1.589
% Ch	5.0	5.1	1.8	7.3	1.1	8.5	8.1	7.8
Farm Wages	0.922	0.946	1.090	1.219	1.268	1.337	1.409	1.483
% Ch	-8.4	2.5	15.3	11.8	4.0	5.5	5.4	5.2
Military Wages	2.510	2.797	2.938	3.146	3.234	3.379	3.525	3.676
% Ch	15.5	11.4	5.1	7.1	2.8	4.5	4.3	4.3
Nonwage Personal Income	86.039	87.514	98.301	97.630	104.529	112.651	120.449	128.820
% Ch	3.8	1.7	12.3	-0.7	7.1	7.8	6.9	6.9
Supplements to Wages and Salaries	25.491	27.225	29.754	32.274	34.862	37.029	38.871	40.689
% Ch	9.7	6.8	9.3	8.5	8.0	6.2	5.0	4.7
Proprietor's Income	16.108	16.529	18.391	19.825	21.080	22.178	23.530	25.025
% Ch	-0.3	2.6	11.3	7.8	6.3	5.2	6.1	6.4
Farm	0.396	0.750	0.858	0.770	0.619	0.607	0.612	0.619
% Ch	85.3	89.3	14.5	-10.3	-19.6	-2.0	0.9	1.1
Nonfarm	15.712	15.779	17.532	19.055	20.461	21.571	22.918	24.406
% Ch	-1.5	0.4	11.1	8.7	7.4	5.4	6.2	6.5
Less: Contribution For Govt. Soc. Ins.	18.165	18.908	20.111	21.174	22.759	24.312	25.817	27.311
% Ch	1.9	4.1	6.4	5.3	7.5	6.8	6.2	5.8
Plus: Residence Adjustment	2.386	2.426	2.723	3.050	3.318	3.471	3.625	3.800
% Ch	3.2	1.7	12.3	12.0	8.8	4.6	4.4	4.8
Dividends/Int./Rent	33.594	32.335	39.035	33.781	35.709	39.413	42.937	46.867
% Ch	-0.9	-3.7	20.7	-13.5	5.7	10.4	8.9	9.2
Transfer Payments	26.625	27.907	28.509	29.874	32.318	34.873	37.303	39.750
% Ch	6.2	4.8	2.2	4.8	8.2	7.9	7.0	6.6
State U.I. Benefits	2.386	2.238	1.184	0.722	0.725	0.769	0.829	0.876
% Ch	73.6	-6.2	-47.1	-39.0	0.5	6.1	7.7	5.7
Other Transfers	24.239	25.669	27.325	29.153	31.593	34.103	36.474	38.874
% Ch	2.3	5.9	6.5	6.7	8.4	7.9	7.0	6.6

Table A3.4
Washington Personal Income by Component
 Forecast 2006 to 2009

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Personal Income	206.054	211.637	213.261	237.138	217.857	221.340	226.668	227.520
% Ch	7.3	11.3	3.1	52.9	-28.8	6.6	10.0	1.5
Total Wage and Salary Disbursements	114.903	118.925	120.366	120.692	121.944	124.270	128.753	127.900
% Ch	5.4	14.8	4.9	1.1	4.2	7.9	15.2	-2.6
Manufacturing	13.287	13.741	14.171	14.228	14.436	15.461	15.063	15.633
% Ch	-5.5	14.4	13.1	1.6	6.0	31.6	-9.9	16.0
Durable Manufacturing	9.850	10.225	10.674	10.586	10.916	11.883	11.286	12.086
% Ch	-7.4	16.1	18.8	-3.3	13.1	40.4	-18.6	31.5
Nondurable Manufacturing	3.437	3.516	3.497	3.642	3.520	3.578	3.778	3.547
% Ch	0.0	9.5	-2.1	17.7	-12.8	6.8	24.3	-22.3
Nonmanufacturing	96.539	100.047	100.976	101.149	101.808	103.204	108.139	106.688
% Ch	6.4	15.3	3.8	0.7	2.6	5.6	20.5	-5.3
Other Private Wages	1.119	1.143	1.176	1.198	1.255	1.239	1.264	1.216
% Ch	-3.2	8.9	12.1	7.6	20.4	-4.9	8.4	-14.4
Farm Wages	1.007	1.055	1.113	1.185	1.204	1.214	1.224	1.234
% Ch	14.3	20.5	23.9	28.5	6.6	3.4	3.3	3.3
Military Wages	2.951	2.939	2.930	2.932	3.241	3.152	3.062	3.129
% Ch	26.4	-1.6	-1.2	0.3	49.3	-10.5	-10.9	9.0
Nonwage Personal Income	91.149	92.713	92.894	116.446	95.913	97.070	97.915	99.620
% Ch	9.9	7.0	0.8	146.9	-54.0	4.9	3.5	7.1
Supplements to Wages and Salaries	28.482	29.671	30.112	30.751	31.701	32.090	32.407	32.898
% Ch	16.0	17.8	6.1	8.8	12.9	5.0	4.0	6.2
Proprietor's Income	17.845	18.632	18.489	18.597	19.252	19.560	20.192	20.296
% Ch	19.6	18.8	-3.0	2.4	14.9	6.6	13.6	2.1
Farm	0.990	1.117	0.751	0.575	0.836	0.645	0.890	0.709
% Ch	6.E+01	62.1	-79.6	-65.6	346.8	-6.E+01	262.5	-59.7
Nonfarm	16.854	17.515	17.738	18.022	18.416	18.915	19.302	19.587
% Ch	17.8	16.6	5.2	6.6	9.0	11.3	8.4	6.0
Less: Contribution For Govt. Soc. Ins.	19.430	20.069	20.305	20.641	21.002	21.086	21.224	21.386
% Ch	11.8	13.8	4.8	6.8	7.2	1.6	2.6	3.1
Plus: Residence Adjustment	2.654	2.680	2.737	2.822	2.949	2.986	3.092	3.173
% Ch	22.1	4.0	8.8	13.0	19.3	5.1	15.0	10.9
Dividends/Int./Rent	33.274	33.368	33.398	56.099	33.537	33.673	33.644	34.269
% Ch	7.1	1.1	0.4	696.0	-87.2	1.6	-0.3	7.6
Transfer Payments	28.325	28.431	28.463	28.818	29.476	29.847	29.804	30.370
% Ch	2.1	1.5	0.5	5.1	9.5	5.1	-0.6	7.8
State U.I. Benefits	1.589	1.165	1.042	0.938	0.759	0.691	0.728	0.708
% Ch	-68.6	-71.1	-36.0	-34.3	-57.1	-31.3	23.2	-10.5
Other Transfers	26.735	27.266	27.421	27.880	28.717	29.156	29.076	29.662
% Ch	10.9	8.2	2.3	6.9	12.6	6.3	-1.1	8.3

Table A3.4
Washington Personal Income by Component
 Forecast 2006 to 2009

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Personal Income	232.008	235.710	244.011	244.693	248.965	252.653	261.485	261.281
% Ch	8.1	6.5	14.8	1.1	7.2	6.1	14.7	-0.3
Total Wage and Salary Disbursements	130.367	132.179	138.517	137.242	139.212	140.890	147.853	145.824
% Ch	7.9	5.7	20.6	-3.6	5.9	4.9	21.3	-5.4
Manufacturing	16.004	16.337	16.644	16.891	17.177	17.374	17.592	17.822
% Ch	9.8	8.6	7.7	6.1	6.9	4.7	5.1	5.3
Durable Manufacturing	12.413	12.720	12.980	13.161	13.360	13.493	13.645	13.813
% Ch	11.3	10.3	8.4	5.7	6.2	4.0	4.6	5.0
Nondurable Manufacturing	3.591	3.617	3.664	3.731	3.817	3.881	3.948	4.009
% Ch	5.0	3.0	5.2	7.5	9.5	6.9	7.0	6.4
Nonmanufacturing	108.690	110.107	116.085	114.508	116.038	117.462	124.151	121.839
% Ch	7.7	5.3	23.5	-5.3	5.5	5.0	24.8	-7.2
Other Private Wages	1.228	1.240	1.267	1.294	1.324	1.351	1.378	1.403
% Ch	4.0	4.0	9.1	8.7	9.6	8.5	8.0	7.6
Farm Wages	1.246	1.258	1.276	1.292	1.312	1.329	1.346	1.363
% Ch	4.0	4.0	5.6	5.2	6.2	5.5	5.2	5.1
Military Wages	3.200	3.236	3.246	3.256	3.361	3.373	3.385	3.398
% Ch	9.3	4.6	1.2	1.3	13.5	1.5	1.4	1.5
Nonwage Personal Income	101.641	103.531	105.494	107.451	109.753	111.763	113.632	115.457
% Ch	8.4	7.6	7.8	7.6	8.8	7.5	6.9	6.6
Supplements to Wages and Salaries	33.956	34.659	35.226	35.608	36.331	36.845	37.289	37.650
% Ch	13.5	8.5	6.7	4.4	8.4	5.8	4.9	3.9
Proprietor's Income	20.591	20.969	21.271	21.490	21.753	22.039	22.309	22.611
% Ch	5.9	7.5	5.9	4.2	5.0	5.4	5.0	5.5
Farm	0.642	0.620	0.606	0.607	0.607	0.608	0.606	0.607
% Ch	-32.7	-12.8	-8.8	0.6	0.0	0.3	-1.4	0.6
Nonfarm	19.949	20.349	20.665	20.883	21.145	21.431	21.703	22.005
% Ch	7.6	8.3	6.4	4.3	5.1	5.5	5.2	5.7
Less: Contribution For Govt. Soc. Ins.	22.149	22.605	23.044	23.237	23.898	24.182	24.491	24.678
% Ch	15.1	8.5	8.0	3.4	11.9	4.8	5.2	3.1
Plus: Residence Adjustment	3.238	3.306	3.348	3.381	3.419	3.453	3.489	3.525
% Ch	8.5	8.6	5.2	3.9	4.7	4.0	4.2	4.2
Dividends/Int./Rent	34.618	35.139	36.053	37.025	38.104	39.018	39.880	40.650
% Ch	4.1	6.2	10.8	11.2	12.2	9.9	9.1	7.9
Transfer Payments	31.386	32.062	32.639	33.184	34.045	34.591	35.157	35.699
% Ch	14.1	8.9	7.4	6.9	10.8	6.6	6.7	6.3
State U.I. Benefits	0.704	0.703	0.739	0.755	0.762	0.764	0.773	0.778
% Ch	-2.4	-0.6	22.3	8.7	4.1	0.7	5.2	2.7
Other Transfers	30.682	31.360	31.900	32.430	33.282	33.827	34.383	34.920
% Ch	14.5	9.1	7.1	6.8	10.9	6.7	6.7	6.4

Table A3.4
Washington Personal Income by Component
 Forecast 2006 to 2009

	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4
Personal Income	265.494	269.394	279.136	278.600	282.890	286.679	296.988	295.965
% Ch	6.6	6.0	15.3	-0.8	6.3	5.5	15.2	-1.4
Total Wage and Salary Disbursements	148.127	149.926	157.686	155.089	157.290	158.951	167.099	163.902
% Ch	6.5	4.9	22.4	-6.4	5.8	4.3	22.1	-7.4
Manufacturing	18.055	18.262	18.442	18.608	18.798	18.985	19.169	19.344
% Ch	5.4	4.7	4.0	3.7	4.1	4.1	3.9	3.7
Durable Manufacturing	13.978	14.131	14.260	14.382	14.526	14.673	14.816	14.955
% Ch	4.9	4.4	3.7	3.5	4.1	4.1	4.0	3.8
Nondurable Manufacturing	4.077	4.131	4.182	4.226	4.272	4.312	4.353	4.389
% Ch	7.0	5.4	5.0	4.2	4.4	3.8	3.8	3.3
Nonmanufacturing	123.752	125.283	132.806	129.984	131.835	133.248	141.153	137.721
% Ch	6.4	5.0	26.3	-8.2	5.8	4.4	25.9	-9.4
Other Private Wages	1.432	1.461	1.489	1.517	1.546	1.575	1.603	1.631
% Ch	8.4	8.4	7.8	7.7	8.0	7.6	7.4	7.1
Farm Wages	1.382	1.400	1.418	1.436	1.455	1.474	1.492	1.510
% Ch	5.6	5.5	5.2	5.1	5.4	5.2	5.1	4.9
Military Wages	3.506	3.519	3.532	3.545	3.656	3.669	3.682	3.695
% Ch	13.4	1.5	1.4	1.5	13.1	1.5	1.4	1.5
Nonwage Personal Income	117.367	119.468	121.450	123.511	125.600	127.727	129.889	132.063
% Ch	6.8	7.4	6.8	7.0	6.9	6.9	6.9	6.9
Supplements to Wages and Salaries	38.257	38.700	39.089	39.439	40.063	40.504	40.915	41.275
% Ch	6.6	4.7	4.1	3.6	6.5	4.5	4.1	3.6
Proprietor's Income	22.975	23.370	23.707	24.069	24.476	24.878	25.195	25.550
% Ch	6.6	7.1	5.9	6.3	6.9	6.7	5.2	5.8
Farm	0.608	0.610	0.614	0.618	0.615	0.618	0.621	0.623
% Ch	1.0	1.0	2.6	3.0	-2.1	2.3	1.8	1.0
Nonfarm	22.367	22.761	23.093	23.451	23.861	24.260	24.574	24.928
% Ch	6.8	7.2	6.0	6.3	7.2	6.8	5.3	5.9
Less: Contribution For Govt. Soc. Ins.	25.385	25.693	25.982	26.207	26.916	27.199	27.479	27.650
% Ch	12.0	4.9	4.6	3.5	11.3	4.3	4.2	2.5
Plus: Residence Adjustment	3.564	3.604	3.646	3.688	3.732	3.777	3.824	3.869
% Ch	4.5	4.5	4.7	4.7	4.9	4.9	5.0	4.8
Dividends/Int./Rent	41.532	42.465	43.402	44.348	45.317	46.354	47.416	48.379
% Ch	9.0	9.3	9.1	9.0	9.0	9.5	9.5	8.4
Transfer Payments	36.424	37.023	37.590	38.174	38.929	39.413	40.017	40.640
% Ch	8.4	6.7	6.3	6.4	8.2	5.1	6.3	6.4
State U.I. Benefits	0.803	0.827	0.831	0.854	0.853	0.869	0.883	0.898
% Ch	13.2	12.4	1.9	11.8	-0.6	7.9	6.6	6.7
Other Transfers	35.621	36.196	36.759	37.320	38.076	38.544	39.134	39.742
% Ch	8.3	6.6	6.4	6.2	8.4	5.0	6.3	6.4

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
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	1.021	2.1	1.770	2.8	1.857	3.6
2002	1.035	1.4	1.799	1.6	1.893	2.0
2003	1.055	1.9	1.840	2.3	1.924	1.6
2004	1.082	2.6	1.889	2.7	1.947	1.2
2005	1.113	2.8	1.953	3.4	2.002	2.8
Forecast						
2006	1.142	2.6	2.014	3.2	2.066	3.2
2007	1.160	1.6	2.044	1.5	2.107	2.0
2008	1.180	1.7	2.077	1.6	2.151	2.1
2009	1.199	1.6	2.107	1.5	2.188	1.7

* 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
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	103.257	3.3	102.943	2.9	101.737	1.7	96.288	-3.7
2002	106.018	2.7	104.951	2.0	91.687	-9.9	90.433	-6.1
2003	109.246	3.0	106.987	1.9	109.693	19.6	105.165	16.3
2004	112.695	3.2	110.262	3.1	125.767	14.7	123.939	17.9
2005	116.195	3.1	112.714	2.2	161.176	28.2	151.007	21.8
Forecast								
2006	119.880	3.2	115.099	2.1	180.595	12.0	170.857	13.1
2007	122.912	2.5	117.180	1.8	168.658	-6.6	159.742	-6.5
2008	125.927	2.5	119.492	2.0	162.928	-3.4	153.583	-3.9
2009	128.942	2.4	121.350	1.6	156.428	-4.0	146.044	-4.9

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	79.1	44.7	22.2
2004	6167.8	69.5	1.1	81.0	45.9	34.4
2005	6256.4	88.6	1.4	81.9	43.9	50.6
Forecast						
2006	6370.7	114.3	1.8	85.2	48.7	77.8
2007	6484.6	113.9	1.8	86.9	49.5	76.5
2008	6597.1	112.5	1.7	88.8	50.3	74.0
2009	6706.7	109.6	1.7	90.6	51.0	70.0

* As of April 1 of Each Year

Source: Office of Financial Management

Table A5.2
Washington Population*
 (Thousands)

	Actual		Forecast			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Population	6167.8	6256.4	6370.7	6484.6	6597.1	6706.7
Percent Change	1.1	1.4	1.8	1.8	1.7	1.7
Age 17 and Under	1522.0	1530.9	1549.5	1567.6	1582.5	1597.0
Percent of Total	24.7	24.5	24.3	24.2	24.0	23.8
Age 6-18	1128.4	1131.8	1141.6	1151.8	1159.4	1162.4
Percent of Total	18.3	18.1	17.9	17.8	17.6	17.3
Age 18 and Over	4645.8	4725.5	4821.3	4917.0	5014.6	5109.7
Percent of Total	75.3	75.5	75.7	75.8	76.0	76.2
Age 21 and Over	4379.3	4456.5	4547.8	4640.2	4729.9	4818.8
Percent of Total	71.0	71.2	71.4	71.6	71.7	71.9
Age 20-34	1273.2	1282.9	1306.9	1335.5	1370.9	1407.4
Percent of Total	20.6	20.5	20.5	20.6	20.8	21.0
Age 18-64	3948.8	4013.7	4095.3	4173.8	4247.3	4317.3
Percent of Total	64.0	64.2	64.3	64.4	64.4	64.4
Age 65 and Over	697.0	711.8	725.9	743.2	767.4	792.4
Percent of Total	11.3	11.4	11.4	11.5	11.6	11.8

* 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 2001-2003 biennium started on July 1, 2003 and ends June 30, 2005. The current 2005-2007 biennium started July 1, 2005 and ends June 30, 2007.

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 bimonthly 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.