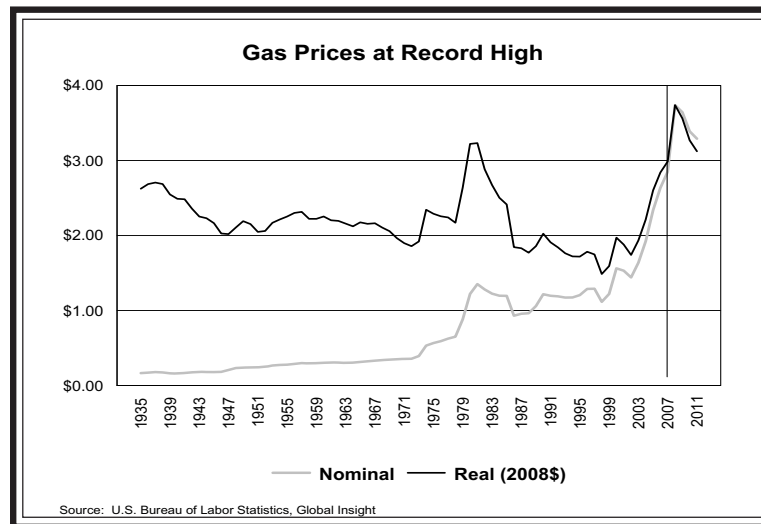


Washington Economic and Revenue Forecast



June 2008
Volume XXXI, No. 2

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Explanation of the Cover Graph

While nominal gasoline prices have set fresh all-time records in each of the last five years, the June 2008 economic and revenue forecast predicts a new real gas price record for the first time since 1981. The cover chart shows the average price of gasoline in the U.S. since 1935 in both current dollars and adjusted for inflation with the consumer price index. The forecast assumes gas prices will average \$3.74 per gallon in 2008, surpassing the previous inflation-adjusted record of \$3.23 set in 1981. The earlier spike in prices was caused by the severe supply disruptions during the Iran-Iraq war. This time the main culprit is strong world demand for oil, particularly in emerging markets. The forecast assumes a declining trend in gas prices over the next few years, but prices will remain relatively high by historical standards.

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 2008

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Executive Summary

U.S. Economic Forecast

The June 2008 economic and revenue forecast incorporated the preliminary GDP estimate for the first quarter of 2008. According to the preliminary estimate, real GDP growth inched up to 0.9 percent in the first quarter of 2008 from 0.6 percent in the fourth quarter of 2007. The apparent improvement was more than accounted for by inventories, however. Growth of final sales of domestic product fell to 0.7 percent from 2.4 percent. Consumer spending grew at only a 1.0 percent rate in the first quarter, which was the weakest gain in 13 years. Consumer purchases of durable goods fell at a 6.2 percent rate due mainly to a 13.5 percent decline in motor vehicles and parts. Once again the weakest sector was fixed investment which fell at a 7.8 percent rate in the quarter due to a 25.5 percent plunge in residential fixed investment. The decline in residential fixed investment subtracted 1.2 percentage points from GDP growth in the first quarter. The foreign sector partially offset the housing decline by contributing 0.8 percentage points to GDP growth in the first quarter. Exports rose at a 2.8 percent rate while imports declined at a 2.6 percent rate. Government consumption and investment spending rose at a 2.0 percent rate in the first quarter, led by a 5.6 percent increase in defense spending.

Payroll employment declined at a 0.3 percent rate in the first quarter compared to a 0.8 percent increase in the fourth quarter while the unemployment rate edged up to 4.93 percent from 4.83 percent. The Consumer Price Index rose 4.3 percent in the first quarter following a 5.0 percent rise in the fourth quarter. The high headline inflation rate was due to energy costs which rose at a 29.3 percent rate in the fourth quarter and an 18.5 percent rate in the first quarter. Core CPI inflation, which excludes food and energy, held steady at 2.5 percent. Housing starts plummeted at a 33.0 percent rate in the first quarter to 1.042 million units from 1.151 million units in the fourth quarter. The mortgage rate declined to 5.87 percent in the first quarter from 6.23 percent in the fourth quarter. The Federal Reserve cut its target for the federal funds rate by 75 basis points and 25 basis points in March and April resulting in a rate of 2.00 percent by April 30.

The fiscal stimulus package is worth \$152 billion in the second and third quarters of 2008 (1.1 percent of GDP), of which \$107 billion is for households and \$45 billion is for businesses. The rebates give some help to consumer spending in the second quarter, but their biggest impact is on the third quarter. Oil prices have moved above \$130 per barrel. While the decline of the dollar and “speculation” have had some impact on oil prices, we believe the main explanation for higher prices is underlying supply/demand. We assume that West Texas Intermediate averages \$129 per barrel over the second half of the year and remains above \$100 per barrel through the end of the decade. We assume that the Fed will keep the federal funds rate at 2.00 percent through mid-2009. It then begins a tightening cycle, returning the federal funds rate to 3.50 percent by the end of 2009 and 4.75 percent by the end of 2010. The Fed is becoming

more concerned about the currency's weakness, but a meaningful rebound would require the Fed to start hiking interest rates, which we do not anticipate this year. We project GDP growth in the United States' major-currency trading partners at 1.6 percent in 2008, down from 2.7 percent in 2007. Growth for other trading partners should ease from 6.1 percent in 2007 to 5.2 percent in 2008. The forecast assumes that Congress will not allow all of the Bush administration's personal tax reductions to expire as scheduled at the end of 2010, but we expect some increase in the income-tax burden, whether through the impact of the Alternative Minimum Tax (AMT) or through some kind of tax reform that raises a similar amount of revenues. Spending for the wars in Iraq and Afghanistan continues to climb. We expect real federal defense purchases to rise 4.8 percent in calendar 2008, up from 2.8 percent growth in calendar 2007. Overall federal purchases will rise 3.7 percent in 2008, up from 1.7 percent growth in 2007.

Annual GDP growth slowed to 2.2 percent in 2007 from 2.9 percent in 2006. The forecast expects GDP growth to slow down to 1.4 percent this year and 1.3 percent next year before recovering to 3.3 percent per year in 2010 and 2011. Nonfarm payroll employment growth slowed to 1.1 percent in 2007 from 1.8 percent in 2006. Employment is expected to grow just 0.1 percent this year and 0.0 percent next year. Employment growth is expected to improve to 1.2 percent in 2010 and 1.7 percent in 2011 as the economy recovers. The unemployment rate edged up to 4.64 percent in 2007 from 4.61 percent in 2006. The forecast expects the unemployment rate to rise to 5.22 percent in 2008 and 5.86 percent in 2009, recovering to 5.70 percent in 2010 and 5.22 percent in 2011. Inflation, as measured by the implicit price deflator for personal consumption expenditures, eased slightly to 2.5 percent in 2007 from 2.8 percent in 2006. Rising energy costs continue to boost overall inflation. Core inflation, which excludes food and energy, was only 2.1 percent in 2007. Energy costs will add to inflation in 2008 but will decline through the remainder of the forecast period, helping to restrain inflation in 2009-2011. The overall implicit price deflator is expected to rise 3.8 percent in 2008, 2.4 percent in 2009, and 1.6 percent in 2010, and 1.7 percent in 2011.

Washington State Economic Forecast

Washington payroll employment rose at a 1.6 percent annual rate in the first quarter of 2008 following a 2.4 percent increase in the fourth quarter of 2007. Manufacturing employment rose at a 1.2 percent rate in the first quarter due to a 6.4 percent increase in aerospace employment. Manufacturing employment other than aerospace declined at a 0.8 percent rate. Construction employment declined at a 0.5 percent rate in the first quarter following a 0.4 percent increase in the fourth quarter. Residential building and related special trades employment fell at a 5.0 percent rate but this was largely offset by a 3.8 percent increase in other construction employment. Natural resources (logging) and mining employment, while small, fell at a 1.5 percent rate in the first quarter as a 6.3 percent decline in logging employment more than offset a 6.6 percent increase in mining employment. Among the private services-producing sectors, information employment remained strong with a 5.1 percent growth rate. Software employment increased at a 4.6 percent rate and all other information employment rose at a 5.6 percent rate. Also strong in the first quarter were leisure and hospitality (4.0 percent), professional and business services (3.3 percent), education and health services (2.9 percent), and "other" services (2.0 percent). Employment in trade, transportation, and utilities was flat in the first quarter while financial activities employment fell at a 0.8 percent rate, the fourth consecutive decline. In the public sector, state and local government employment rose at a 1.8 percent rate in the first quarter but federal government employment fell at a 2.9 percent rate.

Washington's personal income in the fourth quarter of 2007 was \$0.438 billion (0.2 percent) higher than the estimate made in February but this was more than accounted for by a revision in the seasonal treatment of software wages (the personal income estimates for Washington now reflect seasonally adjusted

software wages, previously, software wages were unadjusted). Excluding this impact, the revision was a reduction of \$0.412 billion (0.2 percent). Total wages were \$0.786 billion (0.5 percent) higher than expected in February, again due to the revised seasonal treatment of software wages. Otherwise total wages would have been \$0.064 billion (0.0 percent) less than expected in February. After adjusting for the revision due to the seasonal adjustment of software wages, the current software wage estimate is \$0.056 billion (0.7 percent) less than expected in February. Fourth quarter wages in sectors other than software wages were \$0.008 billion (0.0 percent) lower than expected in the February forecast. Nonwage personal income in the fourth quarter was \$0.348 billion (0.3 percent) below the February forecast. The forecast assumes that personal income growth fell to 2.5 percent in the first quarter of 2008 from 6.4 percent in the fourth quarter of 2007. Fourth quarter 2007 income had been temporarily boosted by unusually large bonuses in the software sector. Personal income, excluding software wages, is assumed to have grown at a healthy 5.6 percent rate in the first quarter of 2008. The forecast assumes that wage and salary disbursements grew at only a 0.6 percent rate in the first quarter, again due mainly to software wages. Wages outside of the software sector rose at a 6.1 percent rate. The forecast assumes that income from sources other than wages grew at a healthy 5.0 percent rate in the first quarter.

The forecast also reflects Seattle consumer price data through April 2008. After trailing the national average during 2002, 2003, and 2004, December-December Seattle inflation moved ahead of the national average in 2005, 2006, and 2007. However, Seattle core inflation during the first four months of this year was only 1.2 percent compared to 1.8 percent for the U.S. city average and headline inflation here was only 0.5 percent compared to 3.0 percent for the nation. The benign performance so far this year is due to outright declines in both the core and all items Seattle CPIs between February and April. We do not believe this is a trend. The stronger inflation in Seattle compared to the U.S. city average during the last few years is mostly due to shelter costs, in particular, rent and owners' equivalent rent which is typical of periods when the local economy is outperforming the nation

The number of housing units authorized by building permit fell 6,800 in the first quarter of 2008 to 31,600 from 38,400 in the fourth quarter. Single-family permits fell 4,000 to 19,000 and multi-family permits fell 2,900 to 12,600. The number of single family permits taken out in the first quarter of 2008 was the lowest since the third quarter of 1986 and the overall number of units authorized was the lowest since the fourth quarter of 1991.

The decline in Washington housing permits during the first quarter of 2008 was more severe than expected in February. The current forecast assumes that housing permits will be significantly lower in 2008 than assumed in February but will recover to about the same rate in 2009. The forecast assumes construction employment will decline about 6,600 from the fourth quarter of 2007 to the fourth quarter of 2008, the same decline as expected in the February forecast. The forecast assumes little change in the overall level of construction employment during 2009, 2010, and 2011. The software employment forecast is similar to the February assumption. Software employment is expected to rise 4,600 from the fourth quarter of 2007 to the fourth quarter of 2009 and 5,200 in 2010 and 2011. The software wage forecast has been reduced an average of \$0.522 billion per year as a result of a decline in Microsoft's stock price which will reduce income from stock options and stock awards. The Washington aerospace employment is expected to continue to rise through the end of 2008, reaching 86,600 in December which is 2,400 higher than assumed in February. The forecast assumes no further changes in aerospace employment through 2011.

Propelled by continued strength in construction, aerospace, and software, Washington nonfarm payroll employment grew 2.5 percent in 2007 following a 3.0 percent increase in 2006. Growth in these key industries is expected to slow, though, and the state will also be adversely affected by the slow growth expected for the U.S. economy. The forecast calls for employment growth rates of 1.3 percent and 1.0

percent in 2008 and 2009. Employment growth is expected to improve to 1.8 percent per year in 2010 and 2011 as the national economy recovers. Washington personal income growth slowed from 8.4 percent in 2006 to a still strong 7.4 percent in 2007. Income growth is expected to slow to 5.4 percent in 2008 and 4.7 percent in 2009 before recovering to 6.1 percent and 6.3 percent in 2010 and 2011. After four years of uninterrupted growth, the number of housing units authorized by building permit fell 3,000 in 2006 to 50,000 and another 2,600 in 2007 to 47,400. Tighter lending standards and plunging consumer confidence are expected to depress the single-family market despite lower mortgage interest rates but continued strong net migration into Washington should support multi-family activity. The forecast expects total housing permits to decline to 32,900 in 2008 before bouncing back to 44,600 in 2009, 49,200 in 2010, and 49,800 in 2011. Inflation, as measured by the Seattle CPI, increased to 3.9 percent in 2007 from 3.7 percent in 2006. Core inflation (excluding food and energy) was slightly more moderate but also increased to 3.5 percent in 2007 from 3.3 percent in 2006. Energy costs will add to inflation again in 2008 raising headline inflation to 4.7 percent compared to core inflation of 2.9 percent. Declining energy costs in 2009, 2010, and 2011 should help lower overall inflation in those years. The slowdown in the overall economy should also help restrain core inflation. As a result, Seattle inflation should decline to 2.9 percent in 2009 and 2.0 percent per year in 2010 and 2011.

Washington State Revenue Forecast

Excluding legislation enacted in the 2008 session, the General Fund-State revenue forecast has been reduced by \$166.8 million for the combined 2007-09 and 2009-11 biennia. The new U.S. economic forecast exhibits weaker growth of GDP, employment and income than did the forecast adopted in February. The forecast assumes that the economy slumps once again to a near-recessionary state in the fourth quarter of this year and first half of next year as the impact of the tax rebates wears off. The new forecast also expects higher inflation in 2008 and 2009 than assumed in February. The weaker national outlook is the main reason for the reduction in the state's economic and revenue forecasts.

The June 2008 forecast for the 2007-09 biennium is \$29,402.4 million, which is \$60.5 million lower than expected in the February forecast. Of the \$60.5 million reduction, \$11.0 million is due to legislation and \$49.6 million is due to the weaker economic forecast. The forecast for the 2009-11 biennium is \$31,754.5 million, which is \$163.4 million lower than expected in the February forecast. Of the \$163.4 million reduction, \$46.1 million is due to legislation and \$117.2 million is due to the weaker economic forecast.

As required by law, optimistic and pessimistic alternative forecasts were developed for the 2007-09 biennium. The forecast based on more optimistic economic assumptions netted \$643 million (2.2 percent) more revenue in the 2007-09 biennium than did the baseline while the pessimistic alternative was \$530 million (1.8 percent) lower. An alternative forecast based on the average view of the Governor's Council of Economic Advisors yielded \$162 million (0.6 percent) less revenue in the 2007-09 biennium 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 2008 economic and revenue forecast incorporated the preliminary GDP estimate for the first quarter of 2008. According to the preliminary estimate, real GDP growth inched up to 0.9 percent in the first quarter of 2008 from 0.6 percent in the fourth quarter of 2007. The apparent improvement was more than accounted for by inventories, however. Growth of final sales of domestic product fell to 0.7 percent from 2.4 percent. Consumer spending grew at only a 1.0 percent rate in the first quarter, which was the weakest gain in 13 years. Consumer purchases of durable goods fell at a 6.2 percent rate due mainly to a 13.5 percent decline in motor vehicles and parts. Once again the weakest sector was fixed investment which fell at a 7.8 percent rate in the quarter due to a 25.5 percent plunge in residential fixed investment. The decline in residential fixed investment subtracted 1.2 percentage points from GDP growth in the first quarter. The foreign sector partially offset the housing decline by contributing 0.8 percentage points to GDP growth in the first quarter. Exports rose at a 2.8 percent rate while imports declined at a 2.6 percent rate. Government consumption and investment spending rose at a 2.0 percent rate in the first quarter, led by a 5.6 percent increase in defense spending.

Payroll employment declined at a 0.3 percent rate in the first quarter compared to a 0.8 percent increase in the fourth quarter while the unemployment rate edged up to 4.93 percent from 4.83 percent. The Consumer Price Index rose 4.3 percent in the first quarter following a 5.0 percent rise in the fourth quarter. The high headline inflation rate was due to energy costs which rose at a 29.3 percent rate in the fourth quarter and an 18.5 percent rate in the first quarter. Core CPI inflation, which excludes food and energy, held steady at 2.5 percent. Housing starts plummeted at a 33.0 percent rate in the first quarter to 1.042 million units from 1.151 million units in the fourth quarter. The mortgage rate declined to 5.87 percent in the first quarter from 6.23 percent in the fourth quarter. The Federal Reserve cut its target for the federal funds rate by 75 basis points and 25 basis points in March and April resulting in a rate of 2.00 percent by April 30.

U.S. Forecast Highlights

The fiscal stimulus package is worth \$152 billion in the second and third quarters of 2008 (1.1 percent of GDP), of which \$107 billion is for households and \$45 billion is for businesses. The rebates give some help to consumer spending in the second quarter, but their biggest impact is on the third quarter. Oil prices have moved above \$130 per barrel. While the decline of the dollar and “speculation” have had some impact on oil prices, we believe the main explanation for higher prices

is underlying supply/demand. We assume that West Texas Intermediate averages \$129 per barrel over the second half of the year and remains above \$100 per barrel through the end of the decade. We assume that the Fed will keep the federal funds rate at 2.00 percent through mid-2009. It then begins a tightening cycle, returning the federal funds rate to 3.50 percent by the end of 2009 and 4.75 percent by the end of 2010. The Fed is becoming more concerned about the currency's weakness, but a meaningful rebound would require the Fed to start hiking interest rates, which we do not anticipate this year. We project GDP growth in the United States' major-currency trading partners at 1.6 percent in 2008, down from 2.7 percent in 2007. Growth for other trading partners should ease from 6.1 percent in 2007 to 5.2 percent in 2008. The forecast assumes that Congress will not allow all of the Bush administration's personal tax reductions to expire as scheduled at the end of 2010, but we expect some increase in the income-tax burden, whether through the impact of the Alternative Minimum Tax (AMT) or through some kind of tax reform that raises a similar amount of revenues. Spending for the wars in Iraq and Afghanistan continues to climb. We expect real federal defense purchases to rise 4.8 percent in calendar 2008, up from 2.8 percent growth in calendar 2007. Overall federal purchases will rise 3.7 percent in 2008, up from 1.7 percent growth in 2007.

Annual GDP growth slowed to 2.2 percent in 2007 from 2.9 percent in 2006. The forecast expects GDP growth to slow down to 1.4 percent this year and 1.3 percent next year before recovering to 3.3 percent per year in 2010 and 2011. Nonfarm payroll employment growth slowed to 1.1 percent in 2007 from 1.8 percent in 2006. Employment is expected to grow just 0.1 percent this year and 0.0 percent next year. Employment growth is expected to improve to 1.2 percent in 2010 and 1.7 percent in 2011 as the economy recovers. The unemployment rate edged up to 4.64 percent in 2007 from 4.61 percent in 2006. The forecast expects the unemployment rate to rise to 5.22 percent in 2008 and 5.86 percent in 2009, recovering to 5.70 percent in 2010 and 5.22 percent in 2011. Inflation, as measured by the implicit price deflator for personal consumption expenditures, eased slightly to 2.5 percent in 2007 from 2.8 percent in 2006. Rising energy costs continue to boost overall inflation. Core inflation, which excludes food and energy, was only 2.1 percent in 2007. Energy costs will add to inflation in 2008 but will decline through the remainder of the forecast period, helping to restrain inflation in 2009-2011. The overall implicit price deflator is expected to rise 3.8 percent in 2008, 2.4 percent in 2009, and 1.6 percent in 2010, and 1.7 percent in 2011.

1. Real GDP growth slowed sharply in fiscal 2007 to 2.1 percent from 3.2 percent in 2006. The slowdown in 2007 was primarily due to residential fixed investment which, after five years of growth, turned sharply negative in 2007, declining at a 13.5 percent rate. The housing decline in 2007 subtracted 0.8 percentage points from real GDP growth after adding 0.2 percent in the previous year. The housing sector is expected to be a significant drag on GDP growth in 2008 and 2009 as well, subtracting 1.0 and 0.7 percentage points from growth, before bouncing back in 2010 and 2011. Consumer spending growth is expected to slow to 2.3 percent this year and 0.8 percent in 2009 after rising at an average rate of 3.3 percent per year during the previous four years. Consumer spending is expected to recover to 1.9 percent in 2010 and 3.2 percent in 2011. Net exports, on the other hand, added 0.2 percent to real GDP growth in 2007, the first positive contribution from trade in more than a decade. Supported by growth overseas and a weak dollar, the foreign sector is expected to add 1.0 percentage points to growth in 2008 and 0.9 percentage points in 2009. Overall, the forecast calls for relatively weak GDP growth rates of 2.4 percent in fiscal 2008 and 0.7 percent in 2009, recovering to 2.5 percent in 2010 and 3.4 percent in 2011.

2. Inflation, as measured by the implicit price deflator for personal consumption expenditures, declined to 2.4 percent in fiscal 2007 from 3.2 percent in 2006. The decline was entirely due to moderating energy costs. Core inflation actually increased slightly to 2.3 percent from 2.1 percent. Core inflation is expected to remain moderate at 2.0 percent in 2008 and 2.4 percent in 2009 but further increases in food and energy costs will raise headline inflation to 3.1 percent and 3.7 percent. Energy prices are expected to peak in fiscal 2009. Declining energy prices are expected to help restrain overall inflation to 1.6 percent in 2010 and 1.7 percent 2011.
3. Since the financial turbulence and flight to safety that erupted last summer, the Fed has cut its target for the federal funds rate by a 325 basis points to 2.00 percent by April 2008. The forecast assumes the Fed will keep the federal funds rate at 2.00 percent through mid-2009 at which time it will begin another tightening cycle. As a result of the past Fed tightening, the three-month Treasury bill rate rose to 4.89 percent in fiscal 2007 from 4.06 percent in fiscal 2006. Now that the Fed has shifted gears again, the forecast expects the T-bill rate to decline to 2.87 percent in 2008 and 1.92 percent in 2009 before rising again to 3.42 percent and 4.57 percent in 2010 and 2011. The rise in long term rates has been much more restrained. The mortgage rate increased from 6.20 percent in fiscal 2006 to 6.35 percent in 2007. The forecast expects the mortgage rate to decline slightly to 6.15 percent in 2008 and 5.73 percent in 2009, rising to 6.39 percent in 2010 and 7.11 percent in 2011.
4. Housing remains the biggest drag on growth in the U.S. economy. Housing starts declined 24.0 percent in fiscal 2007 to 1.547 million units, the first decline after a six-year housing boom. Rising foreclosures, high inventories of unsold homes, higher spreads for jumbo and other non-conventional loans, and tighter lending standards are expected to further depress housing activity. The forecast calls for a 27.9 percent reduction in starts in 2008 to 1.116 million units followed by an 18.6 percent decline in 2009 to 0.908 million units. The housing sector is expected to recover in 2010 and 2011, rising 38.1 percent to 1.254 million units and 26.1 percent to 1.581 million units.
5. The nation's unemployment rate declined from 4.83 percent in fiscal 2006 to a six-year-low 4.53 percent in 2007. The relatively mild U.S. recession assumed in the forecast is expected to cause a modest increase in the unemployment rate. The forecast calls for the unemployment rate to rise to 4.90 percent in 2008, 5.61 percent in 2009, and 5.85 percent in 2010 before recovering to 5.48 percent in 2011.
6. In spite of the housing decline, growth in the overall economy has had a beneficial impact on the federal deficit. Sharp revenue gains, fueled by surging profits and bonuses, were behind the improvement. Revenues improved so sharply that the federal deficit (national income and product accounts basis) dropped to \$211.5 billion in fiscal 2007 from \$286.8 billion in 2006. This trend is not expected to continue, however. Due to the projected slowdown in the economy and a flattening in corporate profits growth, overall revenue growth is expected to slow. Growth in expenditures, on the other hand, is expected to increase. The fiscal stimulus package will also add to the deficit. The forecast expects the deficit to widen to \$363.4 billion in 2008 and \$445.5 billion in 2009. The deficit is expected to improve to \$426.7 billion in 2010 and \$393.5 billion in 2011 as economic growth revives.
7. On a more positive note, the trade deficit (national income and product accounts basis) declined in fiscal 2007 to \$733.2 billion from an all-time record \$762.8 billion in 2006. The

trade deficit should narrow to \$721.9 billion this year. The low value of the dollar and continued, albeit slower, foreign economic growth should help restrain real imports and boost real exports. On the other hand, the run-up in oil prices adds to the nominal trade deficit. The forecast expects the deficit to increase to \$796.6 billion in fiscal 2009 due to higher prices for imported oil before improving to \$677.0 billion in 2010 and \$661.4 billion in 2011.

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 2008. This forecast is based on adjusted employment estimates as described in **Adjustments to Economic Data**. Washington payroll employment rose at a 1.6 percent annual rate in the first quarter of 2008 following a 2.4 percent increase in the fourth quarter of 2007. Manufacturing employment rose at a 1.2 percent rate in the first quarter due to a 6.4 percent increase in aerospace employment. Manufacturing employment other than aerospace declined at a 0.8 percent rate. Construction employment declined at a 0.5 percent rate in the first quarter following a 0.4 percent increase in the fourth quarter. Residential building and related special trades employment fell at a 5.0 percent rate but this was largely offset by a 3.8 percent increase in other construction employment. Natural resources (logging) and mining employment, while small, fell at a 1.5 percent rate in the first quarter as a 6.3 percent decline in logging employment more than offset a 6.6 percent increase in mining employment. Among the private services-producing sectors, information employment remained strong with a 5.1 percent growth rate. Software employment increased at a 4.6 percent rate and all other information employment rose at a 5.6 percent rate. Also strong in the first quarter were leisure and hospitality (4.0 percent), professional and business services (3.3 percent), education and health services (2.9 percent), and “other” services (2.0 percent). Employment in trade, transportation, and utilities was flat in the first quarter while financial activities employment fell at a 0.8 percent rate, the fourth consecutive decline. In the public sector, state and local government employment rose at a 1.8 percent rate in the first quarter but federal government employment fell at a 2.9 percent rate.

In March 2008 the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) revised its quarterly state personal income estimates through the third quarter of 2007 and released preliminary estimates for the fourth quarter. This forecast is based on adjusted personal income estimates as described in **Adjustments to Economic Data**. According to the adjusted estimates, Washington’s personal income in the fourth quarter of 2007 was \$0.438 billion (0.2 percent) higher than the estimate made in February but this was more than accounted for by a revision in the seasonal treatment of software wages (the personal income estimates for Washington now reflect seasonally adjusted software wages, previously, software wages were unadjusted). Excluding this impact, the revision was a reduction of \$0.412 billion (0.2 percent). Total wages were \$0.786 billion (0.5 percent) higher than expected in February, again due to the revised seasonal treatment of software wages. Otherwise total wages would have been \$0.064 billion (0.0 percent) less than expected in February. After adjusting for the revision due to the seasonal adjustment of software wages, the current software wage estimate is \$0.056 billion (0.7 percent) less than expected in February. Fourth quarter wages in sectors other than software wages were \$0.008 billion (0.0 percent) lower than expected in the February forecast. Nonwage personal income in the fourth quarter was \$0.348 billion (0.3 percent) below the February forecast. The forecast assumes that personal income growth fell to 2.5 percent in the first quarter of 2008 from 6.4 percent in the fourth quarter of 2007. Fourth quarter 2007 income had been temporarily boosted by unusually large bonuses in the software sector. Personal income, excluding soft-

ware wages, is assumed to have grown at a healthy 5.6 percent rate in the first quarter of 2008. The forecast assumes that wage and salary disbursements grew at only a 0.6 percent rate in the first quarter, again due mainly to software wages. Wages outside of the software sector rose at a 6.1 percent rate. The forecast assumes that income from sources other than wages grew at a healthy 5.0 percent rate in the first quarter.

The forecast also reflects Seattle consumer price data through April 2008. After trailing the national average during 2002, 2003, and 2004, December-December Seattle inflation moved ahead of the national average in 2005, 2006, and 2007. However, Seattle core inflation during the first four months of this year was only 1.2 percent compared to 1.8 percent for the U.S. city average and headline inflation here was only 0.5 percent compared to 3.0 percent for the nation. The benign performance so far this year is due to outright declines in both the core and all items Seattle CPIs between February and April. We do not believe this is a trend. The stronger inflation in Seattle compared to the U.S. city average during the last few years is mostly due to shelter costs, in particular, rent and owners' equivalent rent which is typical of periods when the local economy is outperforming the nation.

The number of housing units authorized by building permit fell 6,800 in the first quarter of 2008 to 31,600 from 38,400 in the fourth quarter. Single-family permits fell 4,000 to 19,000 and multi-family permits fell 2,900 to 12,600. The number of single family permits taken out in the first quarter of 2008 was the lowest since the third quarter of 1986 and the overall number of units authorized was the lowest since the fourth quarter of 1991.

Adjustments to Economic Data

This forecast utilized an alternative employment estimate produced by the Department of Employment Security which incorporated 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 2007 which added 2,600 (0.1 percent) to the BLS Current Employment Statistics (CES) estimate for December 2007. By April 2008 the difference had narrowed to 1,900 (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 2007 than were available to the Bureau of Economic Analysis (BEA) at the time of their latest state personal income release. We derived fourth quarter 2007 wage estimates for these sectors 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 \$1.068 billion (0.7 percent), adding 0.4 percent to total personal income in that quarter.

Washington State Forecast Highlights

The decline in Washington housing permits during the first quarter of 2008 was more severe than expected in February. The current forecast assumes that housing permits will be significantly lower in 2008 than assumed in February but will recover to about the same rate in 2009. The forecast assumes construction employment will decline about 6,600 from the fourth quarter of 2007 to the fourth quarter of 2008, the same decline as expected in the February forecast. The forecast assumes little change in the overall level of construction employment during 2009, 2010, and 2011. The software employment forecast is similar to the February assumption. Software employment is expected to rise 4,600 from the fourth quarter of 2007 to the fourth quarter of 2009 and 5,200 in 2010 and 2011. The

software wage forecast has been reduced an average of \$0.522 billion per year as a result of a decline in Microsoft's stock price which will reduce income from stock options and stock awards. The Washington aerospace employment is expected to continue to rise through the end of 2008, reaching 86,600 in December which is 2,400 higher than assumed in February. The forecast assumes no further changes in aerospace employment through 2011.

Propelled by continued strength in construction, aerospace, and software, Washington nonfarm payroll employment grew 2.5 percent in 2007 following a 3.0 percent increase in 2006. Growth in these key industries is expected to slow, though, and the state will also be adversely affected by the slow growth expected for the U.S. economy. The forecast calls for employment growth rates of 1.3 percent and 1.0 percent in 2008 and 2009. Employment growth is expected to improve to 1.8 percent per year in 2010 and 2011 as the national economy recovers. Washington personal income growth slowed from 8.4 percent in 2006 to a still strong 7.4 percent in 2007. Income growth is expected to slow to 5.4 percent in 2008 and 4.7 percent in 2009 before recovering to 6.1 percent and 6.3 percent in 2010 and 2011. After four years of uninterrupted growth, the number of housing units authorized by building permit fell 3,000 in 2006 to 50,000 and another 2,600 in 2007 to 47,400. Tighter lending standards and plunging consumer confidence are expected to depress the single-family market despite lower mortgage interest rates but continued strong net migration into Washington should support multi-family activity. The forecast expects total housing permits to decline to 32,900 in 2008 before bouncing back to 44,600 in 2009, 49,200 in 2010, and 49,800 in 2011. Inflation, as measured by the Seattle CPI, increased to 3.9 percent in 2007 from 3.7 percent in 2006. Core inflation (excluding food and energy) was slightly more moderate but also increased to 3.5 percent in 2007 from 3.3 percent in 2006. Energy costs will add to inflation again in 2008 raising headline inflation to 4.7 percent compared to core inflation of 2.9 percent. Declining energy costs in 2009, 2010, and 2011 should help lower overall inflation in those years. The slowdown in the overall economy should also help restrain core inflation. As a result, Seattle inflation should decline to 2.9 percent in 2009 and 2.0 percent per year in 2010 and 2011.

1. Nominal personal income growth jumped to 7.6 percent in fiscal 2007 from 4.3 percent in 2006. The apparent improvement in growth was largely due to the special one-time dividend paid by Microsoft in December 2004. Without the special dividend in fiscal 2005, personal income growth in 2006 would have been 6.9 percent. The forecast expects a slow down in growth during the next two years due mainly to slower employment growth as well as declining average wage growth and slower non-wage income growth. The forecast expects total personal income growth rates of 7.0 percent in 2008 and 4.5 percent in 2009. Personal income growth is expected to improve to 5.4 percent in 2010 and 6.3 percent in 2011 as job growth recovers.
2. Washington real personal income growth jumped to 5.2 percent in fiscal 2007 from just 1.0 percent in fiscal 2006. This apparent improvement was also largely due to the special Microsoft dividend in December 2004. Excluding the special dividend, real income growth in 2006 would have been 3.6 percent. Real personal income growth is expected to decline to 3.8 percent and 0.7 percent in 2008 and 2009 due to slower nominal income growth and rising inflation. The economy is expected to recover in 2010 and 2011, boosting incomes while oil prices are expected to decline, reducing inflation. The forecast expects real personal income growth to improve to 3.8 percent in 2010 and 4.6 percent in 2011.
3. Total nonfarm payroll employment in Washington rose 2.7 percent in fiscal 2007 which was almost as strong as the 3.0 percent gain in 2006. Booming construction employment growth

coupled with strong growth in both aerospace and software continued to support overall job growth. Together these sectors grew 9.1 percent in 2006 and 9.2 percent in 2007. Slower growth is expected during the next four years, however, due to the recession in the U.S. economy, a leveling off of aerospace employment growth, and declining construction employment. The forecast calls for employment growth rates of 2.1 percent in 2008 and 0.8 percent in 2009, recovering to 1.5 percent in 2010 and 1.9 percent in 2011.

- ◆ As of April 2008, the aerospace recovery has added 23,900 jobs since the trough of the last downturn in May 2004. Boeing Commercial Airplanes recorded yet another record in 2007, booking 1,423 gross orders. Boeing currently has a backlog exceeding seven years worth of current revenue. Boeing delivered 441 planes in 2007, an 11 percent increase over the 398 planes delivered in 2006. Boeing expects to increase deliveries to between 475 and 480 planes in 2008 and between 500 and 505 planes in 2009 of which 25 will be Dreamliners. The company expects to deliver more planes in 2010 than in 2009. Though production is still increasing, the forecast assumes only another 1,900 net aerospace jobs will be added between April and December 2008. No further increases are expected in 2009, 2010, and 2011. The new employment peak of 86,600 will be 26,500 (23.4 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. 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 annual rate of 6.2 percent. Microsoft's hiring shows no sign of slowing any time soon as they continue to add capacity at the Redmond campus. The forecast assumes software employment growth during the next four years will remain strong at an average annual rate of 4.7 percent per year.
- ◆ Booming construction employment growth has been a major driving force during the current expansion in Washington. Bolstered initially by a hot housing market and more recently by upturns in nonresidential building and heavy and civil engineering construction, Washington's construction employment grew at an average rate of 6.8 percent per year from mid-2003 through the end of 2007, adding 53,400 jobs. While it is too early to tell for certain, it now appears that construction employment peaked in the fourth quarter of 2007. Employment declined at a 0.5 percent rate in the first quarter of 2008. The forecast expects construction to fall at an average rate of 2.5 percent per year from the fourth quarter of 2007 through mid-2009, shedding 7,600 jobs. While the forecast expects a recovery in housing permits in 2009 and 2010, nonresidential construction is expected to decline. The forecast expects construction employment growth to average only 0.4 percent per year from mid-2009 through the end of 2011.
- ◆ Financial activities employment also appears to have peaked. As of the first quarter of 2008, employment is down 2,900 (1.8 percent) since the first quarter of 2006. Credit intermediation and related activities, a victim of the meltdown in the mortgage markets, more than accounted for the decline since the first quarter of 2006, falling by 4,400 (7.8 percent). Other financial activities employment actually grew 1,600 (1.6 percent). Normally the recent steep interest rate cuts would boost home sales and set off a wave of mortgage refinancing which, in turn, would boost employment in the financial activities sector. However, this is not likely in the current environment of excessive inventories of unsold homes and dysfunctional credit markets. Financial activities employment is ex-

- pected to decline at an average rate of 1.6 percent through the end of this year, improving to a positive average rate of 2.7 percent per year for the remainder of the forecast.
- ◆ After a slow start, the recovery in retail trade employment accelerated during 2005 and 2006, rising at a 2.1 percent average rate through the first quarter of 2007. Since then, growth has slowed to an average rate of just 0.6 percent including a 1.0 percent decline in the first quarter of 2008. The forecast assumes employment will decline slightly in the first half of 2008. Retail trade employment is expected to remain very weak for the next year. Employment is expected to decline in three out of the next four quarters with the exception being the third quarter of this year when the economic stimulus package is expected to produce a 0.2 percent gain. In spite of the stimulus impact, employment is expected to fall 0.3 percent over the next year. Retail trade employment growth should improve beginning in the second quarter of 2009, averaging 3.0 percent for the rest of the year, slowing to an average rate of 0.6 percent per year in 2010 and 2011.
 - ◆ Employment growth in the professional and business services sector has remained relatively healthy but has also slowed down to 3.1 percent over the last four quarters compared to an average rate of 4.9 percent per year during the previous two years. The most important reason for the slowdown in growth was employment services, which includes temporary help services, which went from an average growth rate of 7.8 percent to 0.9 percent. This turnaround is worrisome as temporary jobs tend to get cut first in a downturn. At the other extreme is computer systems design and related services where employment growth remains in double-digit territory. The forecast expects growth in this sector to remain relatively strong. Growth is expected to average 2.7 percent through the end of 2009, improving to an average rate of 4.9 percent per year during 2010 and 2011.
 - ◆ State and local government employment grew throughout the recession but the protracted slowdown in the state's economy put pressure on state and local governments' budgets with a lag. Employment growth was only 0.6 percent per year (0.3 percent per year excluding the small but rapidly expanding tribal government sector) from the end of 2002 through the first quarter of 2007. Growth has picked up during the most recent four quarters to an average annual rate of 2.2 percent but fresh budget concerns brought on by the weakening economy coupled with slow school age population growth will restrain future increases. The forecast expects an average growth rate of 1.5 percent per year through 2011 (1.2 percent per year excluding tribal employment).
4. The number of housing units authorized by building permit in Washington fell 6.1 percent in fiscal 2007 to a still impressive 50,500 units. Single family permits fell 15.7 percent in 2007 to 34,100 units from a 40-year high 40,400 units in 2006. However, multi-family units, responding to strong population growth, jumped 22.6 percent to 16,400 units. Even though population growth is expected to remain strong during the next four years, tighter lending standards and wider spreads for jumbo and other non-conventional lending products will further restrict housing activity. The forecast for total housing units authorized by building permits is for a 26.7 percent decrease in 2008 to 37,000 units. Housing permits are expected to grow 2.7 percent in 2009 to 38,000 units, 26.7 percent in 2010 to 48,200 units, and 3.2 percent in 2011 to 49,700 units.
 5. Inflation in the Seattle metropolitan area, as measured by the consumer price index for all urban consumers, jumped to 4.0 percent in fiscal 2007 from 3.2 percent in 2006. For once,

energy costs were not a significant factor. Seattle's core inflation rose even more, from 2.1 percent in 2006 to 3.8 percent in 2007. Seattle inflation trailed the national average in 2003, 2004, 2005, and 2006 reflecting the impact of a more severe local recession. However, the local economy is now much stronger than the U.S. economy. A slowdown in the U.S. economy should help restrain inflation but the relatively strong local economy should cause Seattle inflation to remain above the U.S. rate. In addition, another jump in energy costs will add to inflation in 2008 and 2009. The forecast calls for Seattle inflation rates of 4.1 percent in 2008 and 4.5 percent in 2009, slowing to 1.9 percent in 2010 and 2.1 percent in 2011.

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 scenario assumes that the housing recession deepens even more than in the baseline, and that oil prices shoot above \$145 per barrel in the third quarter of 2008. This fatal combination sends the economy into a full-blown, four-quarter recession. Real GDP tumbles in the second quarter of 2008. The stimulus package takes effect in the third quarter, but the recession deepens nonetheless. Then the effects of the stimulative monetary and fiscal policies wear off, and the economy contracts over two additional quarters. Peak-to-trough, real GDP drops 1.6 percent over four quarters, making this recession deeper and longer lasting than the 1991 and 2001 downturns. Housing starts drop to 857,000 units in 2008 compared with 932,000 in the baseline and 742,000 in 2009 compared with 1,064,000 in baseline. The median price of existing homes falls 10 percent below the baseline in 2009. The weakness in housing undermines consumer confidence. This, along with the drop in wealth associated with falling home prices and a slowdown in job growth, causes consumers to retrench sharply. Capital spending is also weaker, as firms respond to a bleaker outlook by scuttling long-term projects. Foreign economic growth is also lower, which cuts into export growth. In the pessimistic scenario, real GDP advances only 0.7 percent in 2008 and drops 0.6 percent in 2009, compared with growth of 1.4 percent and 1.3 percent, respectively, in the baseline. The U.S. economy loses 2.2 million jobs over seven quarters. At the state level, aerospace employment begins to decline in 2009 rather than leveling off as in the baseline and software employment levels off rather than continuing to grow as 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 and construction employment falls much more rapidly than in the baseline in 2008 and continues to decline throughout 2009. Due to the relatively weak local economy, Seattle inflation is lower than in the baseline forecast in spite of the higher national inflation rate. The weak economy also depresses Washington wage growth below the rate of growth in the baseline forecast. By the end of the 2007-09 biennium, Washington nonagricultural employment is 52,700 lower than in the baseline forecast and Washington personal income is \$10.8 billion lower. The pessimistic scenario produces \$530 million (1.8 percent) less revenue in the 2007-09 biennium than did the baseline forecast.

Optimistic Forecast: Renewed strength in productivity growth provides the key assumption distinguishing the optimistic scenario from the baseline forecast. Stronger productivity gains, coupled with a dose of raw optimism, facilitate enhanced business spending and a milder housing contraction. These, in turn, allow meager, but positive, GDP growth during the first half of 2008, and then a strong takeoff off in the second half. The fiscal stimulus package adds fuel to the fire during the latter

half of 2008. Combined with a stronger currency, the productivity gains also help to contain inflation. Business fixed investment, although down from 4.7 percent growth in 2007, registers a solid 4.1 percent gain in 2008, compared with a small 2.5 percent rise in the baseline forecast. The contraction in residential investment is less severe in the optimistic scenario, with housing starts beginning to recover in the fourth quarter of 2008 and averaging 1.26 million units in 2009, compared with only 1.06 million units in the baseline forecast. Foreign economic growth is also stronger, boosting U.S. exports and strengthening domestic manufacturing. Finally, the optimistic scenario assumes that energy prices are lower than in the baseline. Oil prices run about \$10–13 per barrel below baseline levels, while wellhead natural gas prices are also lower. Under these assumptions, the economic outlook is much brighter. After clawing out a 1.3 percent growth rate in the second quarter of 2008, real GDP jumps 3.8 percent in the third quarter. Real GDP averages 2.0 percent for the year in the optimistic scenario versus 1.4 percent in the baseline. Growth remains faster in 2009 as well, averaging 2.6 percent compared with 1.3 percent in the baseline. For Washington, the optimistic forecast assumes aerospace employment growth remains positive through 2009 rather than leveling off as in the baseline. Software employment also grows faster in the optimistic forecast. Washington's wages grow faster than in the baseline and the strong regional economy raises Seattle CPI inflation above the baseline forecast in the optimistic scenario in spite of stronger productivity growth. The initial level of Washington personal income is higher in the optimistic scenario and population growth is stronger. Finally, construction employment begins to rise again in 2009 rather than leveling off as in the baseline. By the end of the 2007-09 biennium, Washington nonagricultural employment is higher by 68,000 jobs than in the baseline forecast and Washington personal income is \$12.0 billion higher. The optimistic scenario generates \$643 million (2.2 percent) more revenue in the 2007-09 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. The GCEA forecast for the U.S. economy is weaker than the baseline forecast. The Governor's Council members expect less real GDP growth than assumed in the baseline, especially in fiscal 2009. Their inflation forecast is also lower. In spite of the weaker real growth, the Council members expect higher short term and long term interest rates than is assumed in the baseline. The GCEA forecast for Washington personal income is very similar to the baseline forecast but their real personal income forecast is stronger due to the lower inflation forecast. Their employment forecast, on the other hand, is weaker. The most significant difference is in the housing forecast where the Council members expect significantly fewer housing units authorized by building permit in 2009 than assumed in the baseline. By the end of the 2007-09 biennium Washington nonagricultural employment is 17,100 lower in the GCEA forecast than in the baseline forecast but Washington personal income is \$0.9 billion higher. The Governor's Council scenario yields \$162 million (0.6 percent) less revenue in the 2007-09 biennium 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 2008 to 2011

Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011
Real National Income Accounts (Billions of Chained 2000 Dollars)								
Real Gross Domestic Product	10,510.9	10,839.4	11,181.7	11,416.2	11,685.8	11,768.2	12,063.8	12,468.0
% Ch	3.7	3.1	3.2	2.1	2.4	0.7	2.5	3.4
Real Consumption	7,435.7	7,683.6	7,925.2	8,166.3	8,351.4	8,415.2	8,572.2	8,845.3
% Ch	3.6	3.3	3.1	3.0	2.3	0.8	1.9	3.2
Real Nonresidential Fixed Investment	1,108.0	1,191.0	1,270.6	1,328.1	1,402.1	1,387.1	1,385.8	1,460.0
% Ch	4.4	7.5	6.7	4.5	5.6	-1.1	-0.1	5.4
Real Residential Fixed Investment	539.8	578.3	601.8	520.4	417.2	339.8	380.6	442.4
% Ch	11.8	7.1	4.1	-13.5	-19.8	-18.5	12.0	16.2
Real Personal Income	8,809.5	9,126.9	9,395.6	9,757.0	10,008.0	9,982.6	10,257.6	10,651.2
% Ch	2.6	3.6	2.9	3.8	2.6	-0.3	2.8	3.8
Real Per Capita Income (\$/Person)	30,061	30,845	31,447	32,362	32,902	32,532	33,139	34,118
% Ch	1.6	2.6	2.0	2.9	1.7	-1.1	1.9	3.0
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.069	1.098	1.133	1.160	1.195	1.240	1.259	1.280
% Ch	2.2	2.8	3.2	2.4	3.1	3.7	1.6	1.7
U.S. Consumer Price Index (1982-84=1.0)	1.861	1.917	1.990	2.041	2.117	2.211	2.235	2.271
% Ch	2.2	3.0	3.8	2.6	3.7	4.4	1.1	1.6
Employment Cost Index (June 1989=1.0)	0.955	0.980	1.005	1.038	1.071	1.103	1.132	1.162
% Ch	2.9	2.6	2.5	3.3	3.2	3.0	2.6	2.6
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	11,330.3	12,049.8	12,846.0	13,495.0	14,120.8	14,536.3	15,201.9	16,036.1
% Ch	6.2	6.3	6.6	5.1	4.6	2.9	4.6	5.5
Personal Income	9,414.3	10,026.2	10,649.7	11,319.4	11,964.9	12,380.0	12,918.8	13,638.0
% Ch	4.8	6.5	6.2	6.3	5.7	3.5	4.4	5.6
Employment (Millions)								
U.S. Civilian Labor Force	146.8	148.2	150.4	152.4	153.6	154.6	155.7	157.2
Total U.S. Employment	138.3	140.4	143.1	145.5	146.1	146.0	146.6	148.6
Unemployment Rate (%)	5.82	5.30	4.83	4.53	4.90	5.61	5.85	5.48
Nonfarm Payroll Employment	130.46	132.47	135.00	136.96	137.87	137.59	138.50	140.60
% Ch	0.3	1.5	1.9	1.4	0.7	-0.2	0.7	1.5
Manufacturing	14.33	14.29	14.20	14.03	13.72	13.34	12.97	13.04
% Ch	-3.7	-0.3	-0.6	-1.2	-2.2	-2.8	-2.8	0.6
Durable Manufacturing	8.88	8.96	8.98	8.91	8.70	8.41	8.16	8.27
% Ch	-3.6	0.9	0.2	-0.7	-2.3	-3.3	-3.0	1.3
Nondurable Manufacturing	5.45	5.33	5.23	5.12	5.02	4.93	4.81	4.78
% Ch	-3.8	-2.1	-2.0	-2.1	-1.9	-1.8	-2.3	-0.8
Construction	6.84	7.13	7.57	7.69	7.43	6.91	6.84	7.04
% Ch	2.1	4.3	6.1	1.6	-3.3	-7.0	-1.0	3.0
Service-Producing	108.72	110.44	112.58	114.54	115.97	116.56	117.93	119.79
% Ch	0.7	1.6	1.9	1.7	1.3	0.5	1.2	1.6
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	33.8	48.8	64.3	63.4	96.1	124.1	110.8	104.2
Personal Saving/Disposable Income (%)	2.2	1.5	0.4	0.4	1.2	0.2	0.8	1.3
Auto Sales (Millions)	7.5	7.6	7.8	7.7	7.5	7.4	7.8	8.2
% Ch	-4.3	0.2	2.8	-1.3	-2.8	-0.4	5.5	4.8
Housing Starts (Millions)	1.945	2.016	2.036	1.547	1.116	0.908	1.254	1.581
% Ch	12.5	3.7	1.0	-24.0	-27.9	-18.6	38.1	26.1
Federal Budget Surplus (Billions)	-404.5	-320.7	-286.8	-211.5	-363.4	-445.5	-426.7	-393.5
Net Exports (Billions)	-535.8	-666.5	-762.8	-733.2	-721.9	-796.6	-677.0	-661.4
3-Month Treasury Bill Rate (%)	0.96	2.21	4.06	4.89	2.87	1.92	3.42	4.57
10-Year Treasury Note Yield (%)	4.29	4.23	4.59	4.76	4.12	3.78	4.64	5.43
Bond Index of 20 G.O. Munis. (%)	4.79	4.50	4.45	4.30	4.54	4.29	4.95	5.59
30-Year Fixed Mortgage Rate (%)	5.92	5.78	6.20	6.35	6.15	5.73	6.39	7.11

Table 1.2
Washington Economic Forecast Summary
 Forecast 2008 to 2011

Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011
Real Income (Billions of Chained 2000 Dollars)								
Real Personal Income	193.770	204.451	206.565	217.228	225.518	227.092	235.746	246.500
% Ch	1.7	5.5	1.0	5.2	3.8	0.7	3.8	4.6
Real Wage and Salary Disb.	108.686	111.689	115.593	121.826	126.580	127.429	132.078	137.417
% Ch	1.4	2.8	3.5	5.4	3.9	0.7	3.6	4.0
Real Nonwage Income	85.084	92.761	90.972	95.402	98.938	99.663	103.668	109.083
% Ch	2.2	9.0	-1.9	4.9	3.7	0.7	4.0	5.2
Real Per Capita Income (\$/Person)	31,455	32,728	32,475	33,553	34,245	33,893	34,587	35,589
% Ch	0.6	4.0	-0.8	3.3	2.1	-1.0	2.0	2.9
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.069	1.098	1.133	1.160	1.195	1.240	1.259	1.280
% Ch	2.2	2.8	3.2	2.4	3.1	3.7	1.6	1.7
Seattle Cons. Price Index (1982-84=1.0)	1.935	1.973	2.035	2.116	2.202	2.302	2.346	2.396
% Ch	1.3	1.9	3.2	4.0	4.1	4.5	1.9	2.1
Average Nonfarm Annual Wage	41,572	42,828	44,379	46,683	48,945	50,699	52,606	54,672
% Ch	2.7	3.0	3.6	5.2	4.8	3.6	3.8	3.9
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.15	18.57	19.32	20.22	20.82	21.23	21.58	21.94
% Ch	1.6	2.3	4.0	4.7	3.0	2.0	1.7	1.7
Current Dollar Income (Billions of Dollars)								
Personal Income	207.051	224.554	234.130	252.007	269.604	281.632	296.909	315.621
% Ch	3.9	8.5	4.3	7.6	7.0	4.5	5.4	6.3
Disposable Personal Income	185.114	199.299	205.900	220.346	236.922	247.309	259.947	275.808
% Ch	5.0	7.7	3.3	7.0	7.5	4.4	5.1	6.1
Per Capita Income (\$/Person)	33,610	35,945	36,807	38,924	40,937	42,032	43,560	45,568
% Ch	2.8	6.9	2.4	5.7	5.2	2.7	3.6	4.6
Employment (Thousands)								
Washington Civilian Labor Force	3,179.5	3,234.7	3,307.7	3,364.1	3,450.4	3,514.5	3,575.4	3,640.2
Total Washington Employment	2,960.0	3,046.8	3,138.2	3,206.0	3,289.9	3,323.4	3,370.4	3,430.1
Unemployment Rate (%)	6.91	5.81	5.13	4.70	4.65	5.44	5.73	5.77
Nonfarm Payroll Employment	2,673.4	2,737.4	2,820.4	2,895.9	2,956.7	2,980.3	3,024.4	3,080.5
% Ch	0.7	2.4	3.0	2.7	2.1	0.8	1.5	1.9
Manufacturing	263.2	267.8	279.2	289.7	295.8	295.7	291.9	294.5
% Ch	-4.2	1.7	4.3	3.7	2.1	-0.1	-1.3	0.9
Durable Manufacturing	181.0	186.8	197.6	208.0	214.5	214.7	211.6	213.6
% Ch	-5.0	3.2	5.8	5.3	3.1	0.1	-1.4	0.9
Aerospace	62.1	63.4	69.0	76.7	83.2	86.3	86.6	86.6
% Ch	-11.4	2.1	8.8	11.1	8.5	3.8	0.3	0.0
Nondurable Manufacturing	82.2	81.0	81.6	81.6	81.3	81.0	80.3	80.9
% Ch	-2.5	-1.5	0.7	0.1	-0.4	-0.4	-0.8	0.8
Construction	159.8	170.0	186.5	202.4	207.7	201.7	201.3	202.2
% Ch	3.2	6.4	9.7	8.5	2.6	-2.9	-0.2	0.5
Service-Producing	2,241.7	2,290.4	2,345.9	2,395.4	2,445.1	2,475.3	2,523.7	2,576.1
% Ch	1.2	2.2	2.4	2.1	2.1	1.2	2.0	2.1
Software Publishers	38.5	40.1	42.8	46.6	48.6	51.0	53.2	55.8
% Ch	5.5	4.1	6.7	8.8	4.4	4.9	4.3	4.9
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	44.302	51.850	53.820	50.514	37.022	38.015	48.153	49.678
% Ch	3.8	17.0	3.8	-6.1	-26.7	2.7	26.7	3.2
Single-Family	34.366	38.426	40.404	34.071	22.662	26.187	32.577	33.189
% Ch	5.2	11.8	5.1	-15.7	-33.5	15.6	24.4	1.9
Multi-Family	9.936	13.425	13.417	16.443	14.359	11.828	15.576	16.488
% Ch	-0.7	35.1	-0.1	22.6	-12.7	-17.6	31.7	5.9
30-Year Fixed Mortgage Rate (%)	5.92	5.78	6.20	6.35	6.15	5.73	6.39	7.11

Table 1.3
Comparison of Alternative Forecasts

	Fiscal Year 2007				Fiscal Year 2008				Fiscal Year 2009			
	O	B	P	G	O	B	P	G	O	B	P	G
U.S.												
Real GDP	11416.2	11416.2	11416.2	11416.2	11694.1	11685.8	11675.6	11682.2	11931.3	11768.2	11563.4	11714.5
%Ch	2.1	2.1	2.1	2.1	2.4	2.4	2.3	2.3	2.0	0.7	-1.0	0.3
Implicit Price Deflator	1.160	1.160	1.160	1.160	1.195	1.195	1.196	1.195	1.233	1.240	1.248	1.228
%Ch	2.4	2.4	2.4	2.4	3.0	3.1	3.1	3.0	3.1	3.7	4.4	2.8
Mortgage Rate	6.35	6.35	6.35	6.35	6.15	6.15	6.21	6.16	5.61	5.73	6.59	5.95
3 Month T-Bill Rate	4.89	4.89	4.89	4.89	2.87	2.87	2.86	2.89	1.96	1.92	2.46	2.48
Washington												
Real Personal Income	217.228	217.228	217.228	217.228	226.388	225.518	224.702	225.616	235.802	227.092	219.005	229.617
%Ch	5.2	5.2	5.2	5.2	4.2	3.8	3.4	3.9	4.2	0.7	-2.5	1.8
Personal Income	252.007	252.007	252.007	252.007	270.624	269.604	268.682	269.544	290.720	281.632	273.320	281.965
%Ch	7.6	7.6	7.6	7.6	7.4	7.0	6.6	7.0	7.4	4.5	1.7	4.6
Employment	2895.9	2895.9	2895.9	2895.9	2959.6	2956.7	2953.6	2957.1	3027.8	2980.3	2941.8	2962.6
%Ch	2.7	2.7	2.7	2.7	2.2	2.1	2.0	2.1	2.3	0.8	-0.4	0.2
Housing Permits	50.514	50.514	50.514	50.514	37.440	37.022	36.450	36.921	44.470	38.015	30.366	32.076
%Ch	-6.1	-6.1	-6.1	-6.1	-25.9	-26.7	-27.8	-26.9	18.8	2.7	-16.7	-13.1

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

Table 1.4
Forecast Analysis
 Comparison of Forecasts for 2007-09

Forecast Date	2006				2007				2008				2009	
	<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, 2007:2-2009:2														
Real GDP	6.1	6.6	6.3	6.7	6.2	6.1	4.6	4.9	3.6	2.6				
Implicit Price Deflator	4.1	3.3	3.7	3.9	4.2	3.6	3.4	3.4	4.2	6.3				
Average Rate, 2007:3 to 2009:2														
3 Month T-Bill Rate	4.68	4.62	4.72	4.44	4.91	4.89	4.23	3.95	2.35	2.39				
Mortgage Rate	6.86	6.83	6.99	6.56	6.57	6.56	6.38	6.44	5.44	5.94				
Washington														
Percent Growth, 2007:2-2009:2														
Employment	3.4	3.9	4.2	4.3	4.4	4.1	4.2	3.8	2.6	2.4				
Personal Income	13.1	13.5	14.1	14.0	14.1	13.9	12.5	12.6	10.9	10.3				
Real Personal Income	8.7	9.8	10.0	9.7	9.5	10.0	8.7	8.9	6.5	3.8				
Total (Thousands of units), 2007:3 to 2009:2														
Housing Units Authorized	95.0	98.1	97.5	99.9	97.8	97.8	91.1	87.6	80.0	75.0				

Table 1.5

Fiscal Years

Forecast Comparison

Forecast 2008 to 2009

	2007	2008	2009	2010	2011
U.S.					
Real GDP					
June Baseline	11416.2	11685.8	11768.2	12063.8	12468.0
% Ch	2.1	2.4	0.7	2.5	3.4
February Baseline	11416.2	11663.4	11839.7	12158.8	12535.7
% Ch	2.1	2.2	1.5	2.7	3.1
Implicit Price Deflator					
June Baseline	1.160	1.195	1.240	1.259	1.280
% Ch	2.4	3.1	3.7	1.6	1.7
February Baseline	1.160	1.192	1.214	1.236	1.259
% Ch	2.4	2.8	1.8	1.8	1.8
U.S. Unemployment Rate					
June Baseline	4.53	4.90	5.61	5.85	5.48
February Baseline	4.53	4.97	5.56	5.57	5.29
Mortgage Rate					
June Baseline	6.35	6.15	5.73	6.39	7.11
February Baseline	6.35	5.77	5.11	6.26	7.05
3 Month T-Bill Rate					
June Baseline	4.89	2.87	1.92	3.42	4.57
February Baseline	4.89	2.91	1.80	3.58	4.57
Washington					
Real Personal Income					
June Baseline	217.228	225.518	227.092	235.746	246.500
% Ch	5.2	3.8	0.7	3.8	4.6
February Baseline	217.100	225.800	232.749	241.528	251.576
% Ch	5.2	4.0	3.1	3.8	4.2
Personal Income					
June Baseline	252.007	269.604	281.632	296.909	315.621
% Ch	7.6	7.0	4.5	5.4	6.3
February Baseline	251.855	269.179	282.542	298.596	316.636
% Ch	7.6	6.9	5.0	5.7	6.0
Employment					
June Baseline	2895.9	2956.7	2980.3	3024.4	3080.5
% Ch	2.7	2.1	0.8	1.5	1.9
February Baseline	2896.0	2949.5	2982.9	3033.6	3087.1
% Ch	2.7	1.8	1.1	1.7	1.8
Housing Permits					
June Baseline	50.514	37.022	38.015	48.153	49.678
% Ch	-6.1	-26.7	2.7	26.7	3.2
February Baseline	49.171	38.199	41.806	46.824	48.378
% Ch	-8.8	-22.3	9.4	12.0	3.3

Table 1.6

Long Range Economic Outlook

Forecast 2008 to 2018

Calendar Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
U.S.											
Real GDP, %Ch	1.4	1.3	3.3	3.3	2.9	2.5	2.5	2.6	2.4	2.4	2.5
Implicit Price Deflator, %Ch	3.8	2.4	1.6	1.7	1.8	1.8	1.8	1.9	2.0	2.0	2.0
3 Month T-Bill Rate	1.85	2.43	4.24	4.59	4.59	4.59	4.59	4.59	4.59	4.59	4.59
Mortgage Rate	5.86	5.87	6.90	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12
State*											
Real Personal Income, %Ch	1.5	2.2	4.4	4.5	4.4	3.8	3.6	3.5	3.3	3.2	3.3
Personal Income, %Ch	5.4	4.7	6.1	6.3	6.3	5.7	5.5	5.5	5.3	5.2	5.4
Employment, %Ch	1.3	1.0	1.8	1.8	2.0	1.5	1.4	1.3	1.3	1.2	1.2

* February Baseline (2006-2011) judgmentally extended through 2018.

Comparison of Washington and U.S. Economic Forecasts

Chart 1.1
Total Nonfarm Payroll Employment

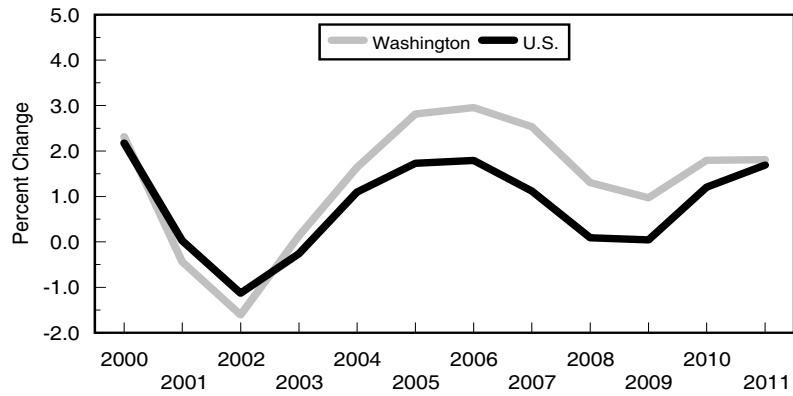


Chart 1.2
Manufacturing Employment

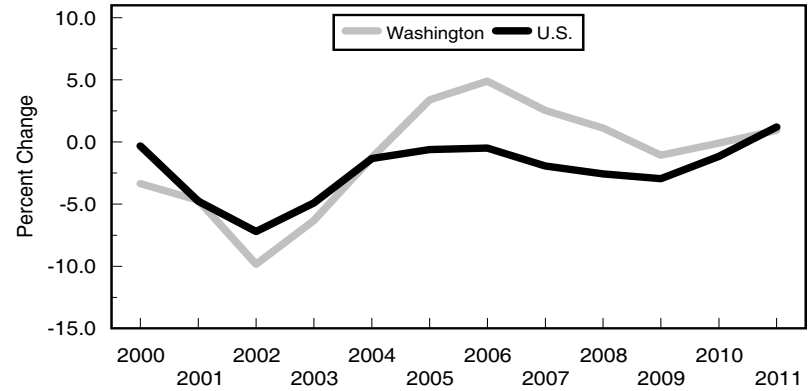


Chart 1.3
Aerospace Employment

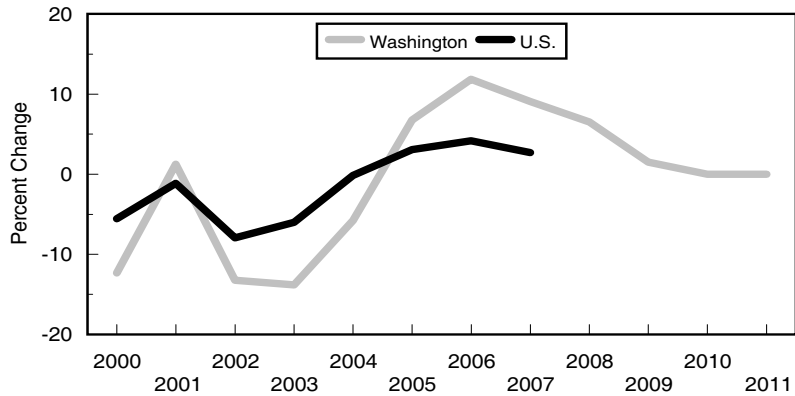
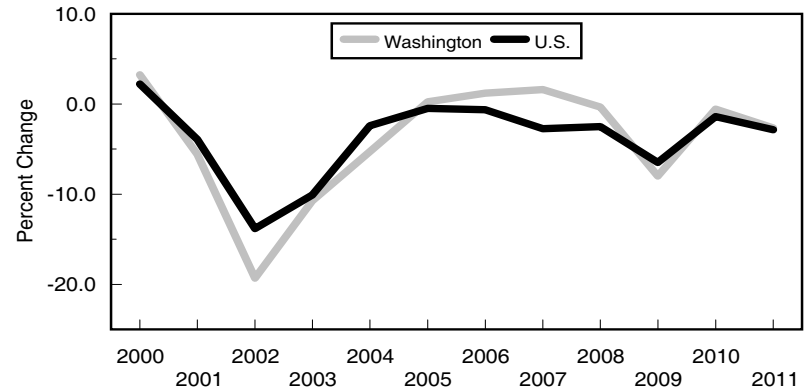


Chart 1.4
Computers and Electronics Employment



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

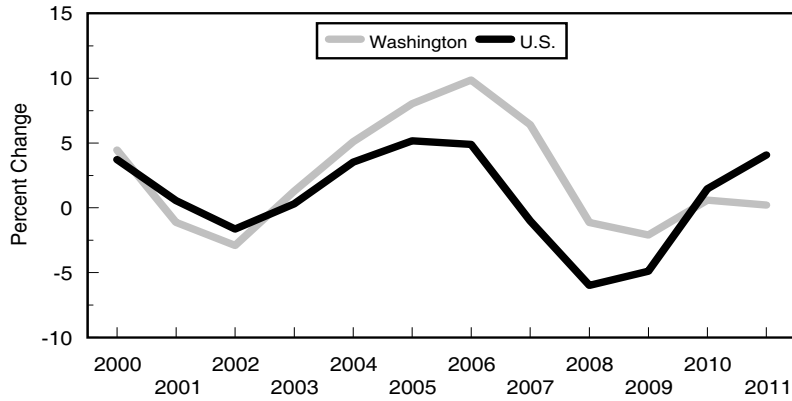


Chart 1.6
Information Employment

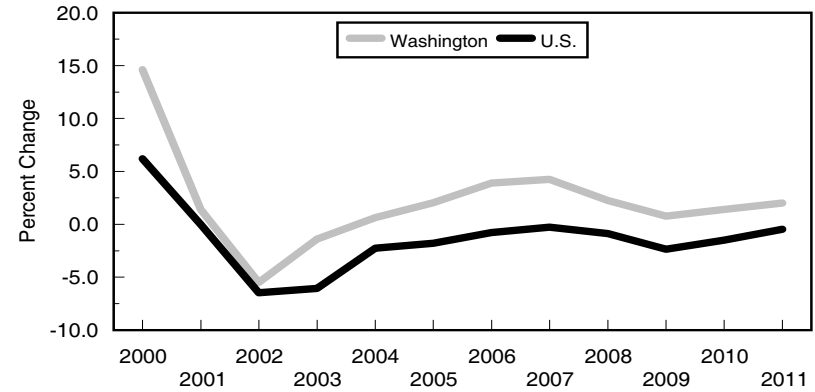


Chart 1.7
Other Private Employment

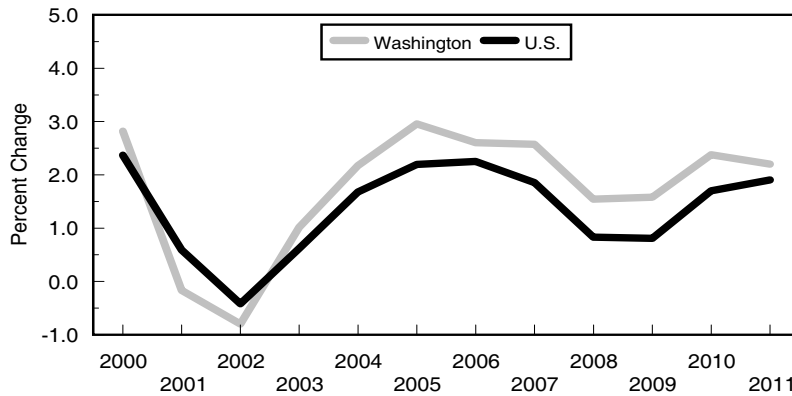
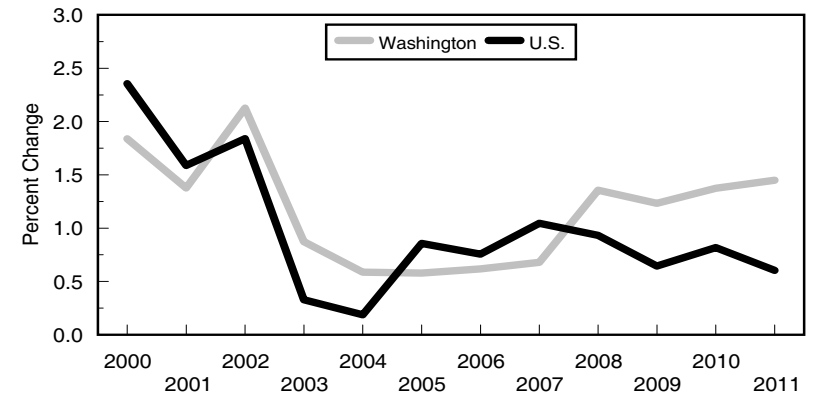


Chart 1.8
Government Employment



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

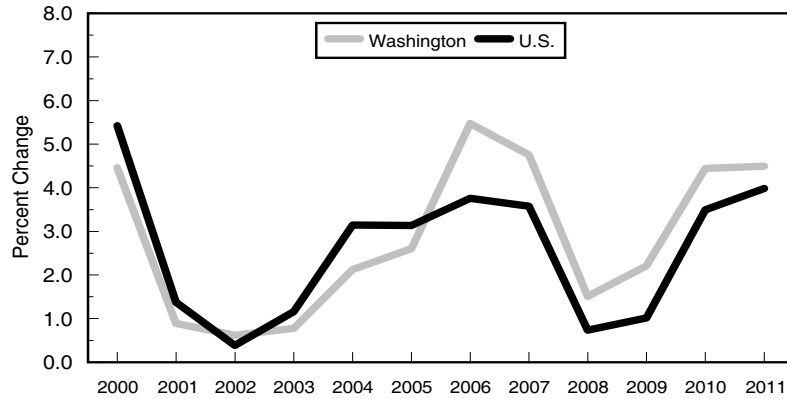


Chart 1.10
Consumer Price Indices

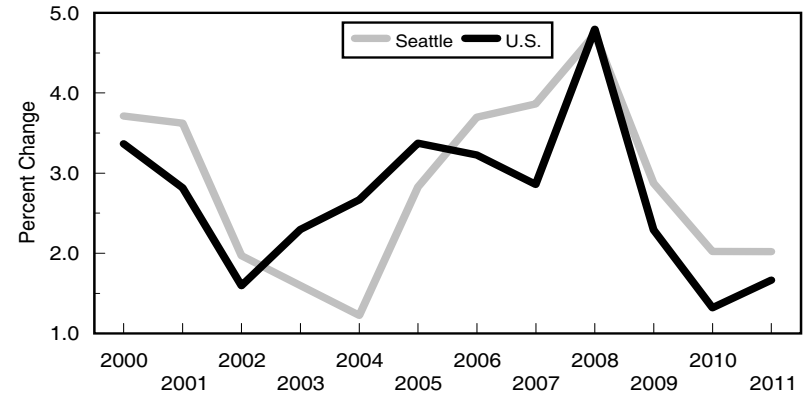


Chart 1.11
Population

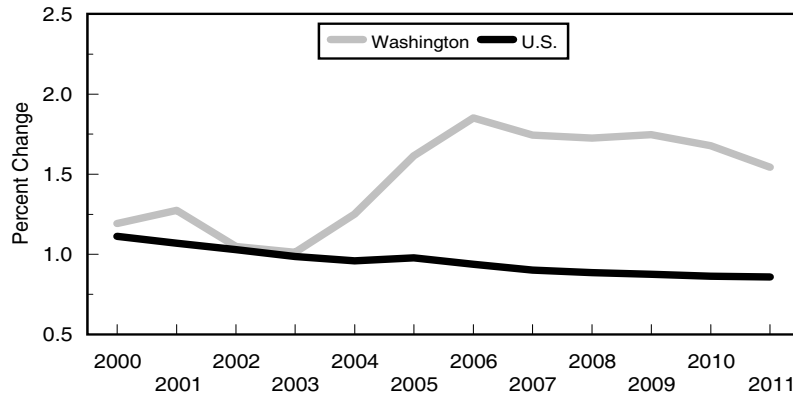
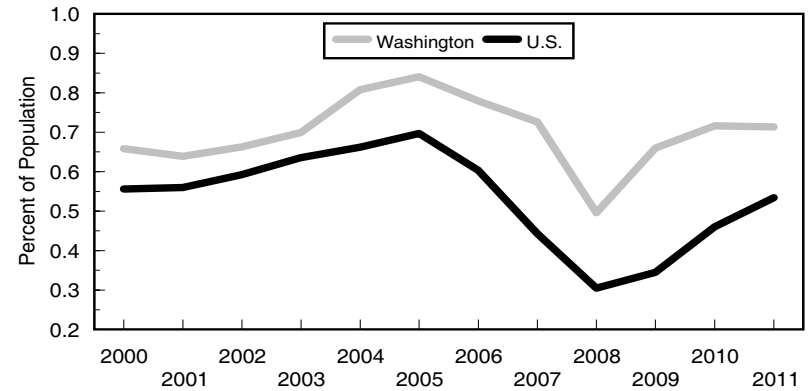


Chart 1.12
Per Capita Housing Units



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

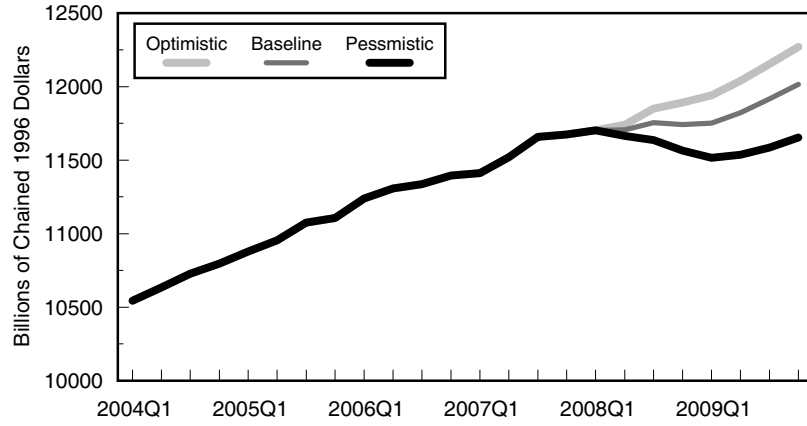


Chart 1.14
Implicit Price Deflator

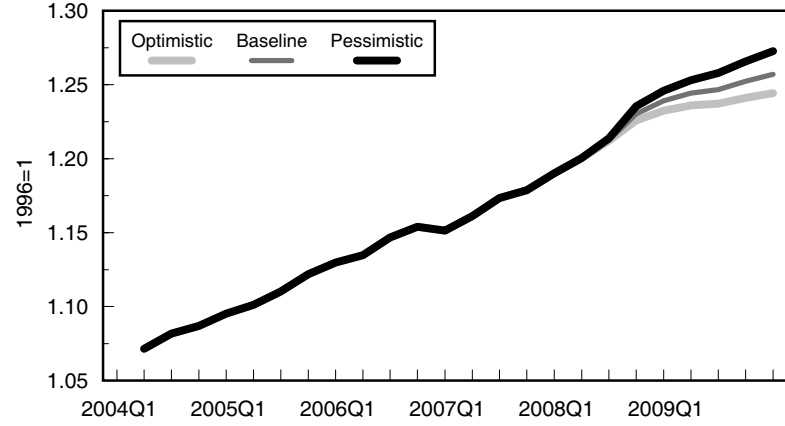


Chart 1.15
Mortgage Rate

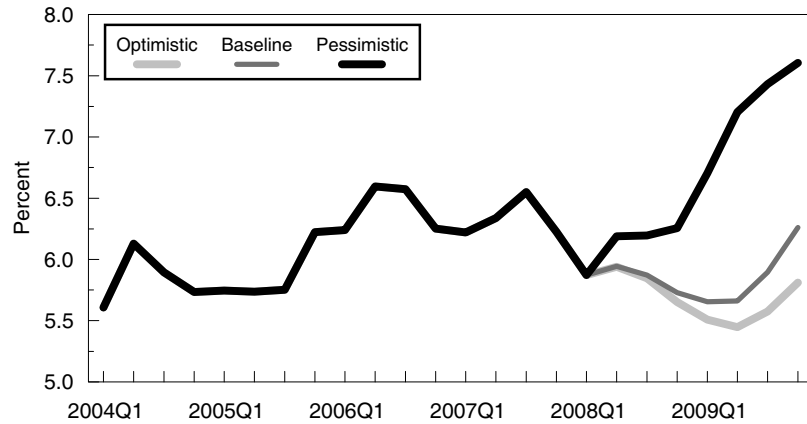
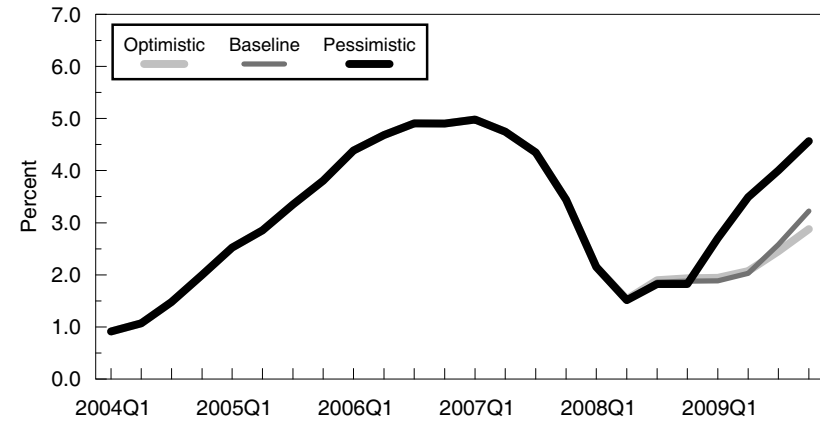


Chart 1.16
Three Month T-Bill Rate



Comparison of Alternative Washington Forecasts

Chart 1.17
Personal Income

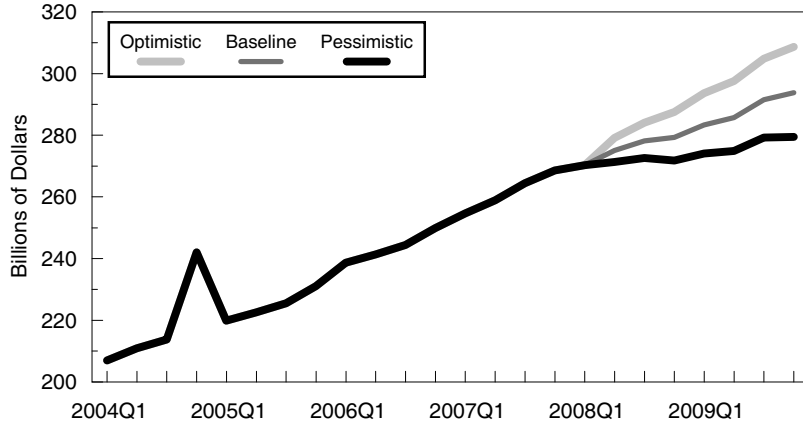


Chart 1.18
Real Personal Income

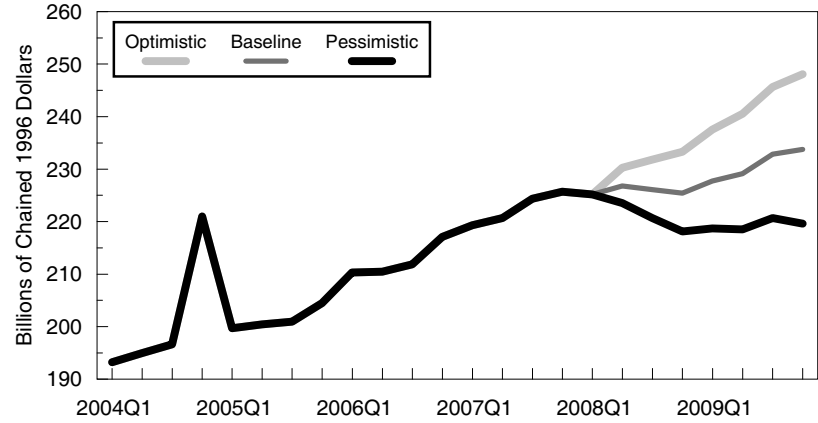


Chart 1.19
Total Nonfarm Payroll Employment

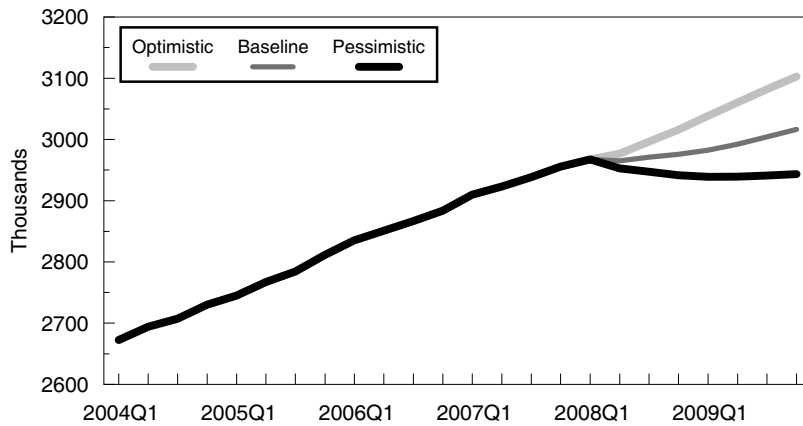
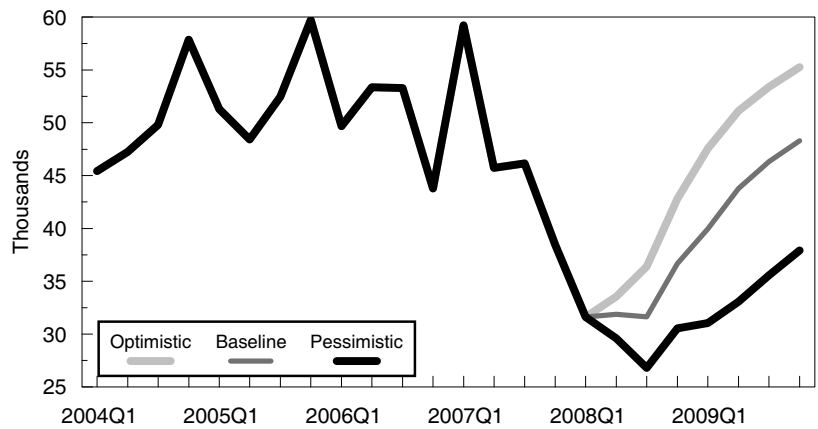


Chart 1.20
Housing Permits



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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 1.0* percent annual rate in the first quarter of 2008, up slightly from a weak growth rate of 0.6 percent in the fourth quarter of 2007. Growth continued to be held back by a combination of declining gross private domestic investment and weak consumer spending. Real gross private domestic investment shrank at a 6.9 percent annualized rate in the first quarter after declining at a 14.6 percent rate in the fourth quarter. Real fixed investment declined during the first quarter at a rate of 6.9 percent due to continuing contraction in residential fixed investment, which declined at a rate of 24.6 percent after shrinking at a 25.2 percent rate in the fourth quarter. This was the ninth consecutive decline in this component. Real non-residential fixed investment remained positive, growing at a 0.6 percent rate after increasing at a 6.0 percent rate in the previous quarter. Growth in real consumer spending, the largest component of GDP, slowed to a 1.1 percent rate after growing at a rate of 2.3 percent in the fourth quarter of 2007. Durable goods consumption shrank at a 6.0 percent rate after growing at a rate of 2.0 percent in the fourth quarter, while nondurable goods consumption decreased at a rate of 0.2 percent after growing at a 1.2 percent rate in the previous quarter. Services consumption grew at a rate of 3.1 percent after growing at a rate of 2.8 percent in the prior quarter. Government spending increased at a rate of 2.1 percent in the first quarter after growing at a 2.0 percent rate in the previous quarter. Real net exports contributed positively to GDP growth in the first quarter, with real exports increasing at a 5.4 percent rate while real imports contracted at a rate of 0.7 percent. Real net exports were also a positive contributor to growth in the fourth quarter of 2007, as real exports increased at a 6.5 percent rate while real imports decreased at a rate of 1.4 percent.

The Institute for Supply Management (ISM) reported that its index of manufacturing activity increased to 49.6 in May from its April value of 48.6. Index values below 50 indicate that manufacturing sector output is declining. The employment component of the index also increased slightly to 45.5 from May's value of 45.4. Values below 50 indicate that more of the manufacturers surveyed had been decreasing employment than increasing it during that period.

U.S. seasonally-adjusted payroll employment decreased by 49,000 jobs in May after shrinking by 28,000 jobs in April. Year-over-year employment growth was 0.2 percent in May, down from 0.3 percent year-over-year growth in April. The U.S. seasonally-adjusted unemployment rate jumped to 5.5 percent from April's value of 5.0 percent.

Nonfarm business productivity growth improved in the first quarter, growing at a 2.6 percent annual rate after growing at a 1.8 percent rate in the previous quarter. The seasonally adjusted

Consumer Price Index (CPI) increased by 0.6 percent in May after a 0.2 percent increase in April. Year-over-year CPI growth increased to 4.1 percent in May from April's value of 3.9 percent. The seasonally-adjusted index excluding food and energy increased at a monthly rate of 0.2 percent in May, and 0.1 percent in April, resulting in year-over year growth rates of 2.3 percent for each month.

The Conference Board's Index of Consumer Confidence decreased to 50.4 in June from May's value of 58.1. June's reading was the lowest value since February 1992. Both the expectations and present conditions components of the index declined. The University of Michigan Consumer Sentiment Index also decreased to 56.4 from May's value of 59.8, with declines in both the present conditions and expectations components as well. June's Index value was the lowest since May 1980. The Conference Board's U.S. Index of Leading Indicators managed 0.1 percent increases in both May and April after remaining unchanged in March. Four of the ten index components were positive in May while one was neutral.

The Federal Open Market Committee (FOMC) voted to leave its target rate for federal funds unchanged at 2.00 percent at its June 25, 2008 meeting after a 0.25 percent decrease in April. There was one dissenting vote for increasing the target rate. The Committee's policy statement indicated a neutral stance toward future rate changes, stating that it "will continue to monitor economic and financial developments and will act as needed to promote sustainable economic growth and price stability."

The non-seasonally adjusted Monster Employment Index, which measures internet employment advertising, declined to 166 in May, a decrease of 12.2 percent from the value of May 2007. This was the fifth consecutive year-over-year decline in the index. Year-over-year growth in the index was negative 6.5 percent in April. The Conference Board's May Help Wanted Index, which measures newspaper employment advertising, decreased one point to a value of 17, a year-over-year decline of 37.0 percent.

The State Economy and Indicators

Washington wage and salary employment rose at a 1.6 percent annual rate in the first quarter of 2008, following a 2.4 percent growth rate in the fourth quarter of 2007. Construction employment grew at a 1.2 percent rate after growing at a 0.2 percent rate in the previous quarter. Manufacturing employment growth slowed to an annual rate of 1.2 percent in the first quarter after increasing at a 2.3 percent rate in the prior quarter. Durable goods manufacturing employment increased at a 2.5 percent rate, aided by the 6.4 percent growth rate of aerospace employment. Nondurable goods manufacturing employment declined in the fourth quarter at a rate of 2.2 percent after growing at a 1.6 percent rate in the previous quarter.

The Seattle Times Index of Help-Wanted Advertising dropped to a value of 17.7 in May from April's value of 19.8, a one-month decline of 10.8 percent and a year-over-year decline of 53.5 percent. While newspaper help-wanted advertising has been declining for over a decade due to a shift to Internet-based advertising, the May drop in the Index was higher than average. The year-over-year growth rate of the Monster Employment Index for Seattle also declined in May to a value of negative 10.5 percent following a 2.1 percent year-over-year decrease in April. Prior to April the Index had shown positive growth since the statistic became available in May 2006. Washington's seasonally adjusted unemployment rate increased sharply in May, jumping to 5.3 percent from April's value of 4.7 percent. Washington seasonally adjusted initial claims for unemployment insurance increased to 41,100 from April's count of 39,700.

April year-over-year growth in the Seattle CPI, measured bimonthly, decreased to 3.4 percent from February's value of 4.7 percent. The growth in Seattle's price index excluding food and energy decreased to 2.6 percent from February's value of 3.8 percent. Washington's seasonally adjusted average weekly hours in manufacturing declined to a still-strong value of 42.7 in May from April's value of 43.6. The non-seasonally adjusted Washington Purchasing Management Index decreased in May to a value of 60.3 from April's value of 65.0. As with the national ISM index, values greater than 50 indicate expansion. The employment component of the index decreased from 72.7 to 60.0.

The Boom Monitor Composite Index decreased in May to a value of 29.6 from April's value of 34.7. Boom Monitor levels above 50 indicate that the weighted average growth in the index's components is above their historic average. Much of the May drop was the result of the large decrease in the Seattle Times help-wanted index, with additional negative pressure from falling real estate excise tax receipts. The Washington Index of Leading Indicators decreased by 1.3 points in May following a 0.3 point increase in April, reaching a value of 105.6. Like the Boom Monitor, most of the May drop in the Index was due to the drop in help-wanted advertising even though five of the seven index components were negative.

Authorized housing permits decreased to an annualized level of 30,410 units in May from April's level of 32,120 units. Most of the decrease occurred in multi-family permits, which fell from a level of 13,140 annualized units in April to a May level of 11,680 units. Single-family permits decreased slightly to 18,730 annualized units from April's level of 18,980 units. May's level of total permits was the second lowest since October 1991.

First quarter exports of goods originating in Washington totaled \$18.4 billion, a 29.9 percent increase over the same quarter in 2007. Transportation equipment exports of \$10.1 billion were 8.3 percent above the exports of the first quarter of 2007, and exports excluding transportation equipment of \$8.4 billion showed 70.9 percent year-over-year growth.

On the following page is a summary of what various national and state measures are indicating as of the publication date of the June 2008 economic and revenue forecast.

** This is based on the most recent data from the Bureau of Economic Analysis (the final GDP estimate for the first quarter of 2008 released June 26, 2008). The June economic forecast is based upon the June Global Insight forecast, which incorporated the BEA's preliminary GDP estimate from May 29, 2008.*

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 2008	+
U.S. Real GDP Growth	1st quarter 2008	+
U.S. ISM Index	May 2008	-
U.S. Employment y-o-y %ch	May 2008	+ but slowing
U.S. Unemployment Rate	May 2008	-
U.S. Help Wanted Index	May 2008	-
U.S. Fed Funds Target	June 25, 2008	neutral
U.S. Consumer Confidence	June 2008	-
U.S. CPI	May 2008	-
U.S. Monster Employment Index	May 2008	-
S&P 500 Index	Week of June 27, 2008	-
WA Leading Index	May 2008	-
WA ISM Index	May 2008	+
WA Help Wanted Index	May 2008	-
WA Employment y-o-y %ch	May 2008	+ but slowing
WA Aerospace Empl. Growth	May 2008	+
WA Unemployment Rate	May 2008	-
WA Boom Monitor	May 2008	-
WA Initial Unemploy. Claims	May 2008	-
WA Housing Permits	May 2008	-
WA Weekly Hours in Mfg.	May 2008	-
WA New Car/Truck Registration	May 2008	-
WA Migration (DOL data)	May 2008	+
WA Exports-Total	1st quarter 2008	+
WA Exports- w/o Trans. Equip.	1st quarter 2008	+
Seattle CPI	April 2008	+
Seattle Monster Employment Index	May 2008	-

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 2008

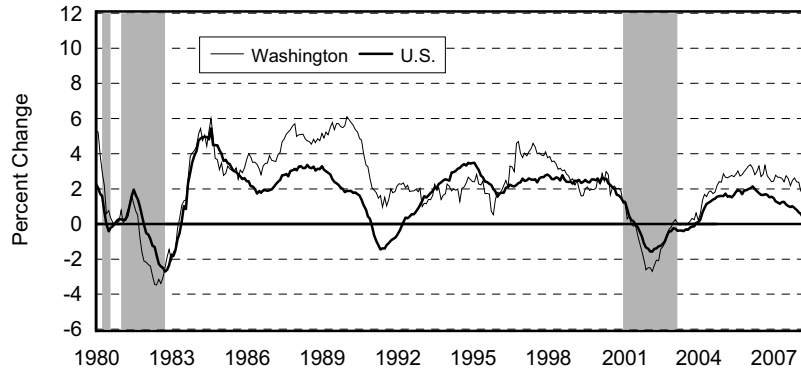


Chart 2.2
Washington Aircraft and Parts Employment
 January 1958 to May 2008

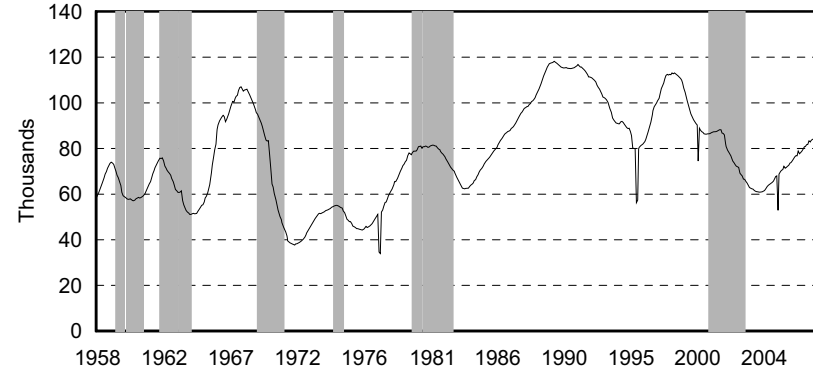


Chart 2.3
Unemployment Rate, S.A.
 January 1980 to May 2008

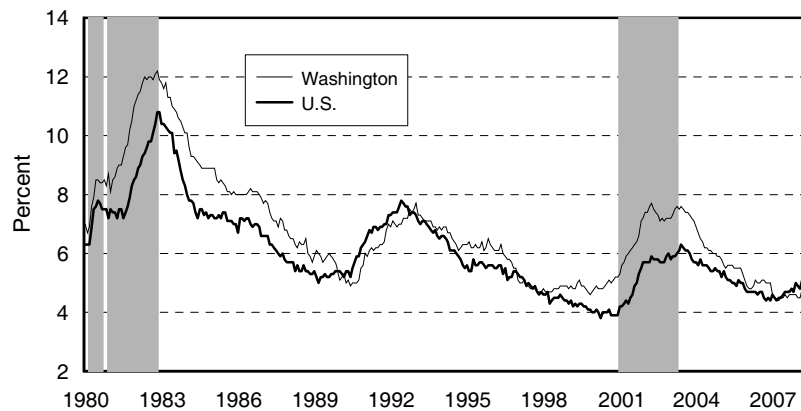
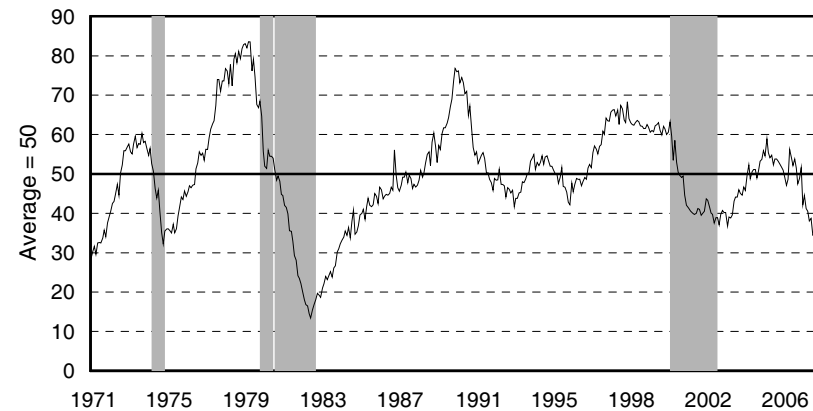


Chart 2.4
Washington Boom Monitor Composite Index
 July 1971 to May 2008



* 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 2008

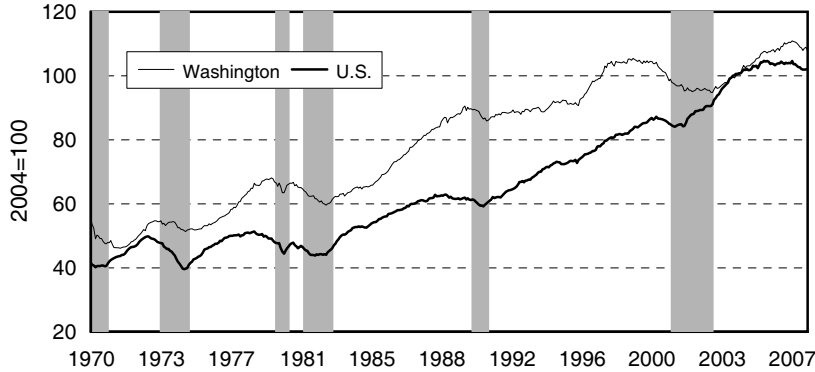


Chart 2.6
Washington Initial Claims for Unemployment Insurance
 January 1970 to May 2008

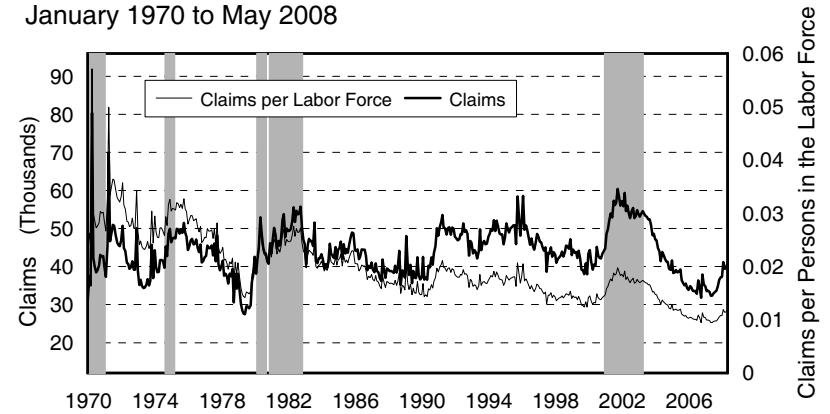


Chart 2.7
Seattle Times and U.S. Help-Wanted Advertising Indexes
 January 1970 to May 2008

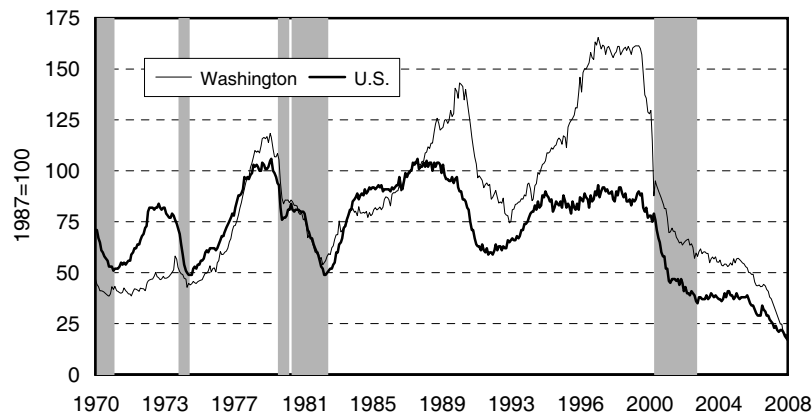
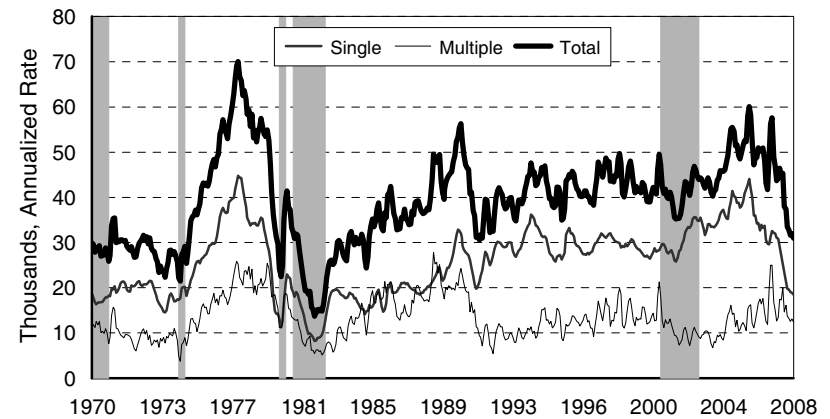


Chart 2.8
Housing Units Authorized in Washington State
 January 1970 to May 2008, 3-Month Moving Average



Shaded areas in all charts correspond with Washington employment downturns.

Other State Economic Indicators

Chart 2.9
Average Weekly Hours in Manufacturing
 January 1970 to May 2008, 3-Mo. Moving Average, SA

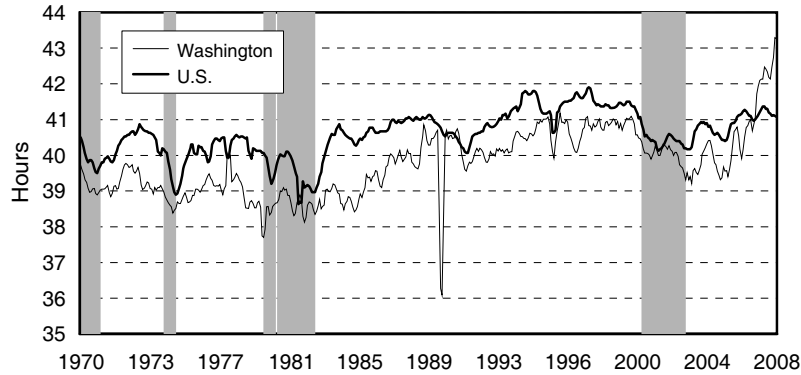


Chart 2.10
Washington Driver's License Migration
 September 1983 to May 2008, 12-Month Moving Average

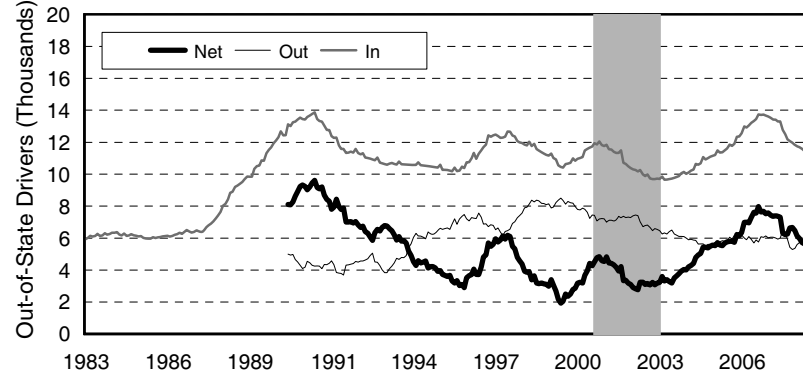


Chart 2.11
New Car and Truck Registrations in Washington
 January 1977 to May 2008, 6-Month Moving Average

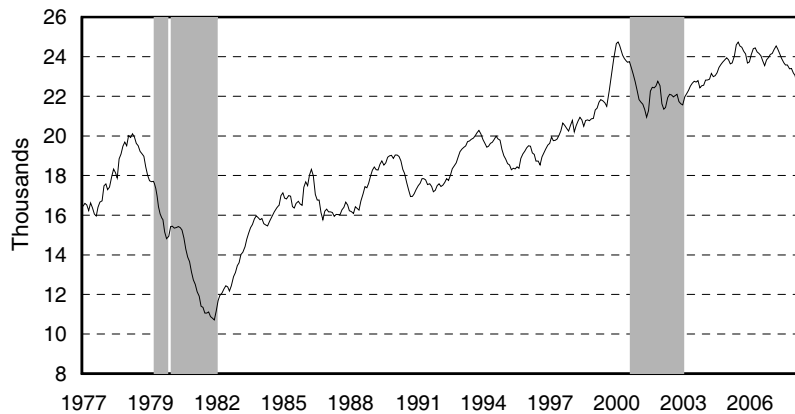
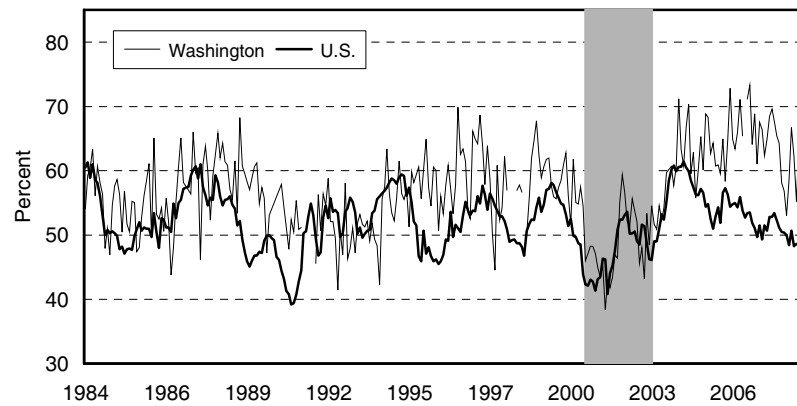


Chart 2.12
Institute for Supply Management Index
 January 1984 to May 2008



* Shaded areas correspond with Washington employment downturns.

Other Economic Indicators

Chart 2.13
Quarterly U.S. Real GDP Growth
 1970 Q1 to 2008 Q1

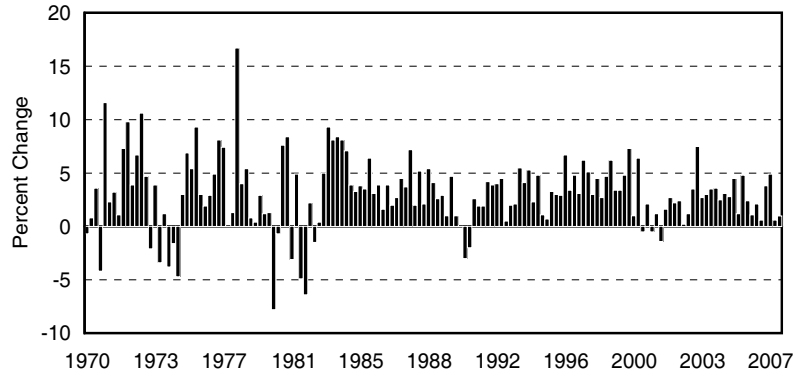


Chart 2.14
Washington State Export Composition
 Change from Same Quarter Year Ago, 1998Q1 to 2008Q1

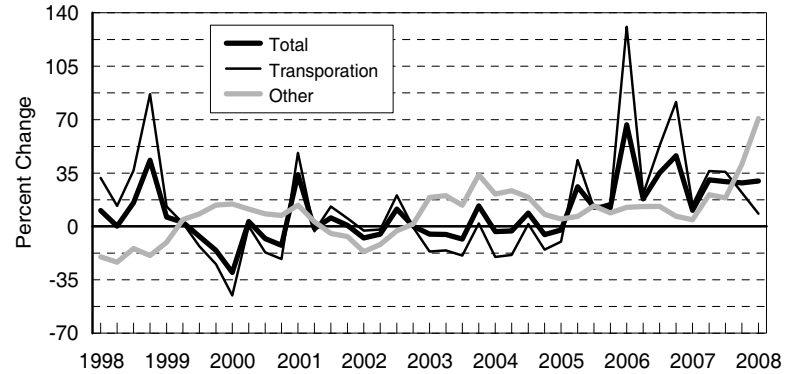


Chart 2.15
U.S. Economic Indicators*
 January 1970 to May 2008

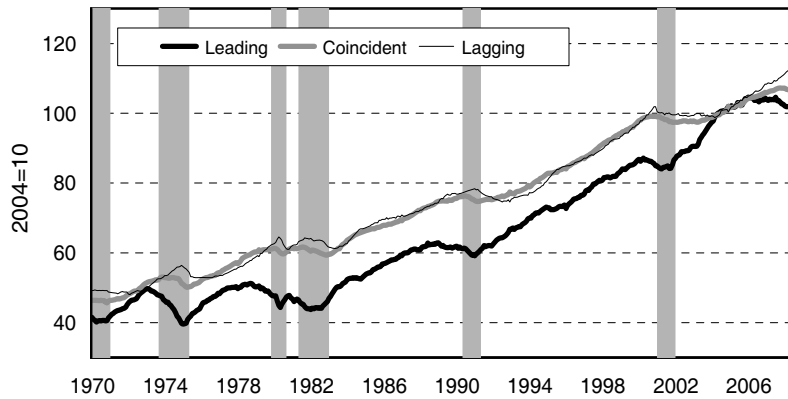
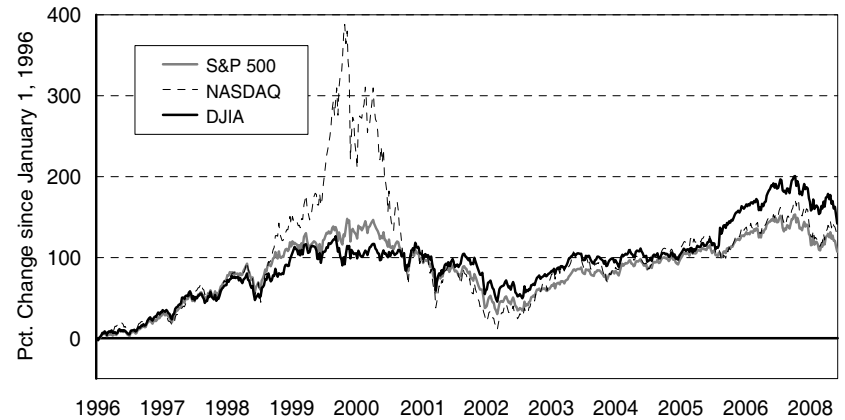


Chart 2.16
National Stock Indexes
 January 1, 1996 to June 27, 2008



* 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 27, 2008

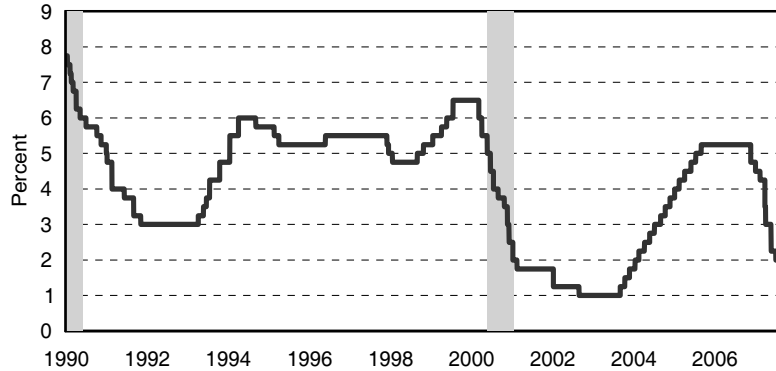


Chart 2.18
Consumer Confidence
 January 1978 to June 2008

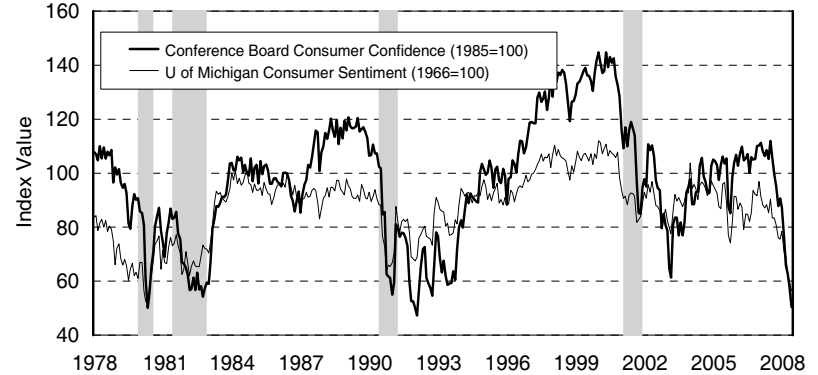


Chart 2.19
Seattle vs U.S. CPI (All Urban Consumers)
 December 1998 to May 2008 (Seattle to April 2008)

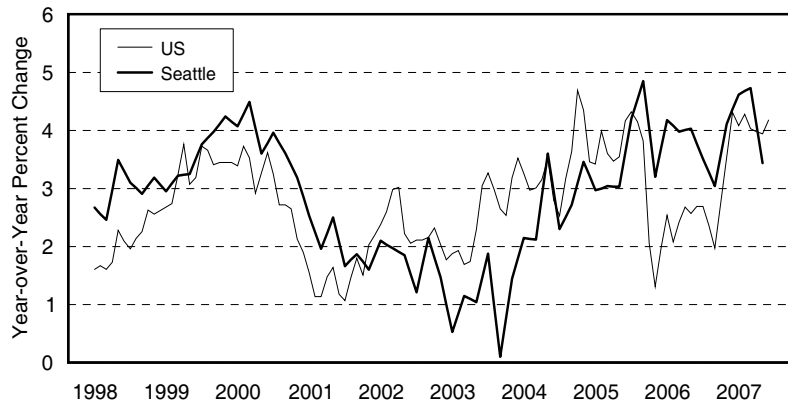
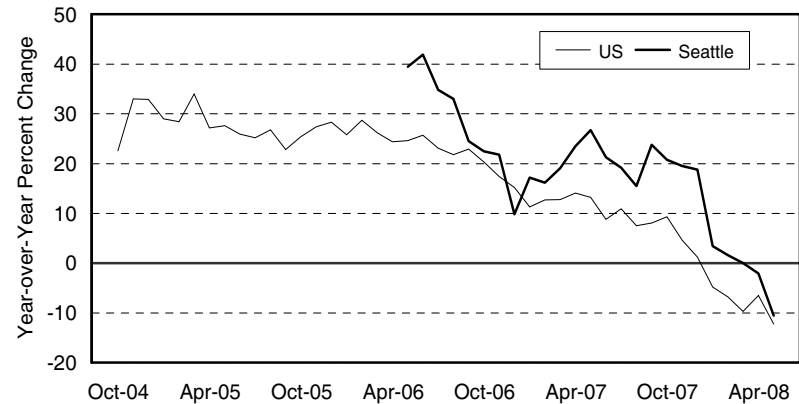


Chart 2.20
Monster Employment Index
 Year-Over-Year Growth, October 2004 to May 2008



* 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
2006:5	107.5	103.7	49	34	65.5	53.8
2006:6	107.9	103.9	49	34	NA	52.7
2006:7	108.2	103.7	45	32	71.2	53.4
2006:8	107.4	103.3	44	30	73.3	53.5
2006:9	108.2	103.7	44	29	64.1	51.9
2006:10	108.6	103.9	44	29	68.8	51.1
2006:11	107.9	103.8	43	29	61.1	49.7
2006:12	109.2	104.4	43	34	67.5	51.5
2007:1	109.2	104.0	44	32	66.4	49.3
2007:2	110.3	103.7	43	31	62.3	51.5
2007:3	109.9	104.1	42	29	64.9	50.7
2007:4	110.1	103.9	41	29	68.4	52.8
2007:5	110.5	104.0	38	27	69.6	52.8
2007:6	110.4	103.9	37	26	67.8	53.4
2007:7	110.9	104.6	35	25	65.4	52.3
2007:8	110.7	103.6	33	23	64.3	51.2
2007:9	110.6	103.7	31	24	58.1	50.5
2007:10	110.3	103.2	29	22	56.8	50.4
2007:11	109.8	102.8	27	21	53.0	50.0
2007:12	109.0	102.6	25	22	58.7	48.4
2008:1	108.8	102.1	25	22	66.7	50.7
2008:2	107.9	101.9	21	21	62.3	48.3
2008:3	108.6	101.9	20	19	55.2	48.6
2008:4	108.9	102.0	20	18	65.0	48.6
2008:5	107.6	102.1	18	17	60.3	49.6

Washington State Revenue Forecast Summary

Introduction

The Washington State Economic and Revenue Forecast Council unanimously approved \$223.9 million reduction to the General Fund-State (GFS) revenue forecast at its June 19, 2008 meeting. The change includes a \$166.8 million reduction due to a weaker economic outlook and a \$57.1 million reduction due to 2008 legislation. The revenue forecast for the 2007-09 biennium is \$60.5 million less than in February. The change to the current biennium is comprised of a \$49.6 million reduction due to economic factors and an \$11.0 million reduction due to tax law changes enacted during the 2008 legislative session. The change to the revenue forecast for the 2009-11 biennium includes a \$117.2 million reduction due to a weaker economy and a \$46.1 million dollar reduction due to 2008 legislation. The national outlook is a little weaker than assumed in February. Employment and income growth are weaker and consumer budgets remain under considerable stress due to rising energy and food prices. Weakness in the housing sector and financial markets remain a significant drag on growth. The Washington State economy is expected to grow a little slower than in February in response to the weaker national economy and weaker economic growth in the state is expected to produce less GFS revenue than was expected in the February 2008 forecast.

The June 2008 GFS revenue forecast for the 2007-09 budget period is \$29,402.4 million. This is \$1.6 billion, 5.9 percent higher than what was collected in the 2005-07 biennium. Growth for the current biennium is significantly less than the \$4.4 billion (18.7 percent) increase in the 2005-07 budget period and a little weaker than the 6.1 percent increase expected in the February forecast. The

	2007-09 Biennium	2009-11 Biennium	Total
Non-economic change	(\$11.0)	(\$46.1)	(\$57.1)
Forecast Change	(\$49.6)	(\$117.2)	(\$166.8)
Total Change*	(\$60.5)	(\$163.4)	(\$223.9)

*Detail may not add to totals due to rounding.

June 2008 forecast projects GFS reserves to total \$801.4 million at the end of the 2007-09 budget period. This is based on the June 2008 GFS revenue forecast and a 2007-09 spending level of \$29,838.2 million. Reserves are comprised of a \$359.2 million GFS ending balance and a \$442.3 million projected ending balance in the Budget Stabilization Account, a new account created by the 2007 legislature, and ratified by voters in November 2007.

The June 2008 GFS revenue forecast for the 2009-11 biennium is \$31,754.5 million. This is \$2.4 billion, 8.0 percent higher than what is expected to be collection in the current budget period. Revenue growth next biennium is higher than the growth rate expected for the 2007-09 biennium but a little weaker than what was expected in the February 2008 forecast.

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 revenue forecast for GFS and related funds. Agencies and the staff of the Forecast Council use the economic forecast, in conjunction with revenue models, to prepare revenue forecasts. The revenue forecasts for most major General Fund and related funds' 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 and related fund sources and presented to the Forecast Council for approval. Once the Council approves the forecast, it becomes the official forecast of GFS and related fund revenue. An outline of the forecast process, including a summary of the June 2008 baseline forecast for the 2007-09 biennium, is shown in Table 3.2.

June 2008 Forecast Assumptions

1. The June 2008 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 out-

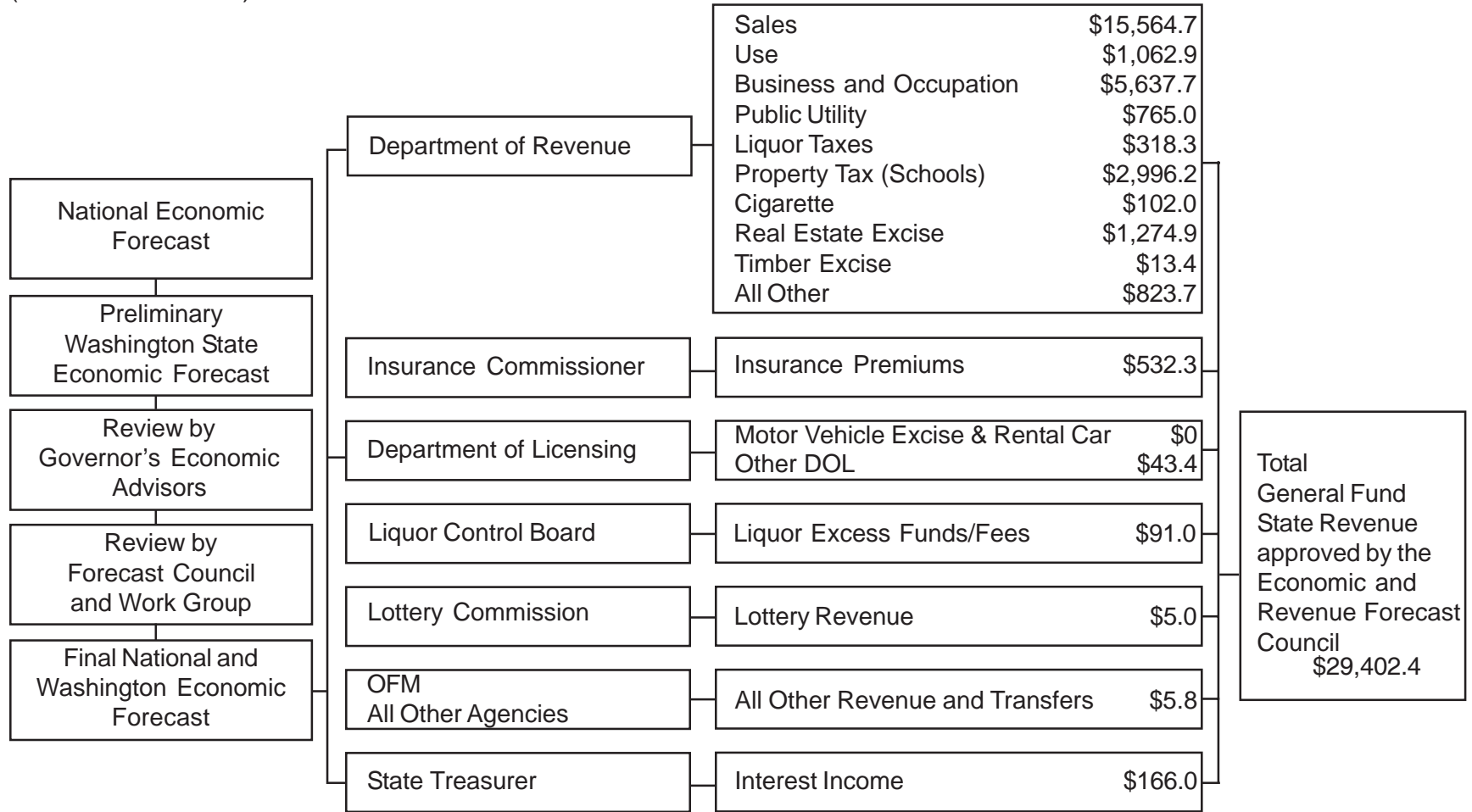
- look for the U.S and for the state is based on the Global Insight, Inc. June 2008 baseline forecast.
2. The GFS revenue forecast is based on current law and administrative practices. The impact of tax law changes enacted during the 2008 legislative session have been incorporated into the June forecast. Table 3.21 summarizes the GFS impact 2008 legislation for the 2007-09 and the 2009-11 biennia.
 3. Under provisions of Initiative 728, passed by the voters in November 2000, lottery revenue is 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. Part II of Table 3.18 summarizes lottery distributions by fund.
 4. There are several legal challenges to various aspects of the state's tax laws or administration. Most of these challenges are in litigation and either have not yet been ruled on by the courts or are on appeal. Any impact of legal challenge affecting 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 which have affected GFS receipts in past biennia as well as the GFS forecast for the 2007-09 biennium. New tax law changes and other non-economic factors reduced GFS revenue for the 2005-07 biennium by an estimated \$474 million. As of June 2008, tax law changes have reduced the forecast for GFS for the 2007-09 biennium by \$185.0 million.
 7. Initiative 728, which transfers a portion of the state property tax levy from the general fund to the student achievement account, has had 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 increased to \$491.8 million in the 2005-07 biennium and are expected to total \$503.4 million in the 2007-09 biennium and \$539.0 million in the 2009-11 biennium. (See part I of Table 3.18.)
 8. Since the September 2007 forecast publication, we have included a "related fund" forecast as well as a forecast for GFS revenue. The related fund is defined in RCW 43.135.025 to include: the health services account, violence reduction and drug enforcement account, public safety and education account, and the student achievement fund. The June 2008 GFS and related fund revenue forecast is shown in Table 3.19.

Recent Collection Experience

Revenue collected in the four months since the February 2008 forecast was \$37.7 million, 0.8 percent, more than expected. This variance, however, is distorted by an unusually large, non-recurring payment that is unrelated to economic activity. Excluding this payment, collections were just \$4.0 million, 0.1 percent, below the forecast. Although total revenue collections have been very close to the February 2008 forecast, there was considerable difference in the variance by source. Revenue Act (retail sales, business and occupation, use and public utility tax) receipts were a little stronger than expected, exceeding the forecast by \$11.2 million (0.3 percent) in the last four months. Real estate excise tax collections, on the other hand, continued to under-perform the forecast. Real estate GFS receipts were \$22.5 million (11.5 percent) less than expected since February. Excluding special factors, revenue from other Department of Revenue tax sources were \$6.6 million higher than expected in the four months since the February forecast.

Revenue growth has continued to slow. Revenue Act tax payments were only 2.5 percent above the year-ago level in the four months since the February 2007 forecast, primarily reflecting January through

Table 3.2
Economic and Revenue Forecast Flow Chart*
 General Fund-State
 2007-09 Biennium
 (Amounts in millions)



* Cash Basis

April 2008 business activity. Growth has decelerated from 5.9 in the last half of 2007 and from 8.9 percent in the first half of 2007. Revenue growth is very volatile on a monthly basis. The 2.5 percent average increase in the last four months included a 4.9 percent gain (February activity) and a 0.7 percent drop in March; the decline in March was the first year-over-year decline since 2003.

Industry detail for the most recent month (April 2008 activity, reflecting excise tax payments of taxpayers who filed electronically in the May 11- June 10, 2008 period) shows considerable weakness across-the-board. The retail trade sector remains especially weak. Tax payments by retail businesses were 3.0 percent below the year-ago level. Last month the decline was 4.4 percent. This is the fourth straight month the retail trade sector as a whole has declined or remained unchanged on a year-over-year basis. Most retail sectors were weak in the May 11-June 10, 2008 payment period. Five of the twelve two digit NAICS sectors reported declines: autos (-11.0 percent), furniture (-6.3 percent), building materials/garden equipment retailers (-11.2 percent), apparel and accessories stores (-1.9 percent) and general merchandise stores (-0.2 percent). In addition, electronics and appliance stores increased only 1.1 percent and miscellaneous retailing stores reported only a 0.9 percent increase in payments. Only three retail trade sectors had gains of more than 5.0 percent: food and beverage stores (+15.1 percent), gas stations and convenience stores (+12.3 percent) and non-store retailers (+12.0 percent) Based on the preliminary industry data, tax payments

reported by non-retailing sectors increased 6.5 percent in the most recent month. Last month payments by non-retailers increased only 2.4 percent. Despite weakening real estate excise tax payments, excise taxes paid by the construction sector remained strong relative to other sectors in the most recent month, +9.9 percent. This is up from just 2.2 percent last month. Other strong non-retail trade sectors included: manufacturing (+11.1 percent), information (+15.0 percent) and transportation and warehousing (+30.5 percent). Weak non-retail trade sectors included: finance and insurance (-0.7 percent) and professional, scientific and technical services (-9.2 percent).

Real estate activity has been weak for more than two

Table 3.3
Collection Variance of Major General Fund-State Taxes by Agency
 February 11 - June 10, 2008
 Based on the February 2008 Forecast (Millions of Dollars)

<u>Agency/Source</u>	<u>Collection Variance*</u>	<u>Percent of Estimate</u>	<u>Adjusted Collection Variance**</u>	<u>Percent of Estimate</u>
Department of Revenue				
Revenue Act ¹	\$11.2	0.3%	\$11.2	0.3%
Non Revenue Act ²	\$25.8	2.7%	(\$15.9)	-1.7%
Subtotal	<u>\$37.0</u>	<u>0.8%</u>	<u>(\$4.7)</u>	<u>-0.1%</u>
Department of Licensing ²	\$0.7	7.0%	\$0.7	7.0%
Other	na	na	na	na
Total***	\$37.7	0.8%	(\$4.0)	-0.1%

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, 2008 through June 10, 2008.

² Variance based on February 2008 through May 2008 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 2008 forecast.

** Variance adjusted for special factors: primarily unusually large unclaimed property transfer.

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

years. After peaking in the first quarter of 2006, on a seasonally adjusted basis, taxable real estate activity has fallen eight consecutive quarters. Conditions in the local real estate market appear to have worsened since the February forecast. Preliminary data indicates that taxable real estate activity (based on closings) in May 2008 was 46.4 percent below the year-ago level. Activity has declined on a year-over-year basis for ten consecutive months and eighteen of the last twenty-one months. The primary source of weakness continues to be the volume of activity. The number of real estate transactions has declined twenty-eight of the last twenty-nine months and was down 22.3 percent in April 2008, the latest available month. While price appreciation of real estate in most areas in the state has slowed or turned negative, it has not weakened nearly as much as in other parts of the country. Based on taxable real estate activity, the average value of real estate transactions in Washington has declined seven of the last eight months.

General Fund-State taxes collected by the Department of Licensing (primarily revenue from licenses and fees) were \$700,000 (7.0 percent) above the estimate in the four months since the February 2008 forecast.

The General Fund-State Forecast for the 2007-09 and 2009-11 Biennium

The June 2008 revenue forecast for the 2007-09 budget period is a little less than assumed in February primarily due to a weaker economic outlook. The new U.S. economic forecast assumes weaker output (GDP), employment, and income growth. The June economic forecast again assumes that the Washington economy continues to outperform the nation in part due to continued strength in Washington's two key industries: aerospace and software. However, Washington's economy is expected to slow in response to the weakness in the national economy and in the state's housing sector. The forecast expects employment growth to decelerate to 3.9 percent this biennium after increasing 5.6 percent in the 2005-07 biennium. The housing outlook remains grim for the 2007-09 biennium. Building permits are expected to fall 28.1 percent in the 2007-09 biennium after increasing 8.5 percent in the 2005-07 period. Weak housing and slower employment growth are expected to result in a slower pace of consumer and business spending in the 2007-09 budget period. After a prolonged period where spending exceeded income growth, the spending-relative-to-income relationship in the 2007-09 period is expected to dip below the long run average. Slower spending will produce much slower revenue growth in the 2007-09 budget period. GFS revenue is expected to total \$29,402.4 million, \$60.5 million less than expected in February 2008. Revenue is expected to increase \$1.6 billion, 5.9 percent, in the 2007-09 biennium, significantly slower than the 18.7 percent increase in the 2005-07 biennium and the 10.6 percent gain in the 2003-05 budget period.

The June forecast for the 2009-11 biennium is similar to the February forecast. Economic growth is expected to remain weak in the 2009-11 period. Payroll employment is expected to increase only 2.8 percent in the 2009-11 biennium and construction employment is expected to decline 1.4 percent next biennium. Income growth is expected to continue to decelerate in the 2009-11 budget period, increasing 11.1 percent down from the 13.4 percent expected this biennium. The forecast expects some improvement in revenue in the 2009-11 biennium but it too is expected to grow slower than average. GFS revenue is expected to total \$31,754.5 million, an increase of \$2.4 billion, 8.0 percent, from what is expected in the 2007-09 budget period.

Washington's tax structure is different from most states. Washington has no personal or corporate income tax. The majority of Washington's GFS revenue comes from three taxes: sales and use, business and occupation, and the property tax (state school levy). These three taxes account for 85.9 percent of the

\$29.4 billion GFS forecast of receipts for the 2007-09 biennium. This is up from 83.0 percent in the 2005-07 biennium. These taxes are expected to account for 85.6 percent of GFS revenue in the 2009-11 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 increase in the General Fund's reliance on these three taxes between the 2005-07 and the 2007-09 biennia is partly due to a plunge in real estate excise tax payments expected this biennium. The real estate excise tax is the General Fund-State's fourth largest revenue source. Real estate excise tax receipts increased 50.9 percent in the 2005-07 biennium compared to 18.7 percent for total GFS revenue. Revenue from the real estate excise tax accounted for 7.2 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. This biennium the real estate excise taxes are expected to decline 36.3 and are expected to account for only 4.3 percent of total GFS revenue.

The retail sales and use tax, the state's largest revenue source, generated \$15.2 billion, 54.7 percent of total GFS revenue in the 2005-07 biennium. Sales and use taxes are expected to produce \$16.6 billion, 56.6 percent of the total in the 2007-09 budget period and \$17.8 billion, 56.2 percent of GFS revenue in the 2009-11 biennium. The business and occupation tax totaled \$5.0 billion, 18.2 percent of the total in the 2005-07 biennium. The business and occupation tax is expected to produce \$5.6 billion, 19.2 percent, of the total this biennium and \$6.1 billion, 19.3 percent of the total, next biennium. The General Fund-State's share of the property tax totaled \$2.8 billion, 10.0 percent of total GFS revenue in the 2005-07 biennium. The property tax is expected to produce \$3.0 billion, 10.2 percent of the total in the 2007-09 biennium and \$3.2 billion, 10.0 percent of total GFS revenue in the 2009-11 period. Historically, the property tax had a bigger share of total General Fund-State revenue. 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 3.18, part 1.)

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

<u>Biennium</u>	<u>Current Dollars</u>	<u>Percent Change</u>	Cash Basis	
			<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%	20,397.2	-4.1%
2003-05	23,388.5	10.6%	21,587.3	5.8%
2005-07	27,772.0	18.7%	24,220.0	12.2%
2007-09 ^F	29,402.4	5.9%	24,144.1	-0.3%
2009-11 ^F	31,754.5	8.0%	25,006.2	3.6%

^F: June 2008 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.

Table 3.5
Taxable Retail Sales*
 June 2008
 (Millions of Dollars)

Fiscal Year	Amount	Percent Change
1978	21,121	
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	107,071	10.1%
2007	115,527	7.9%
2008 ^F	119,548	3.5%
2009 ^F	122,947	2.8%
2010 ^F	127,872	4.0%
2011 ^F	133,774	4.6%

^F Forecast.

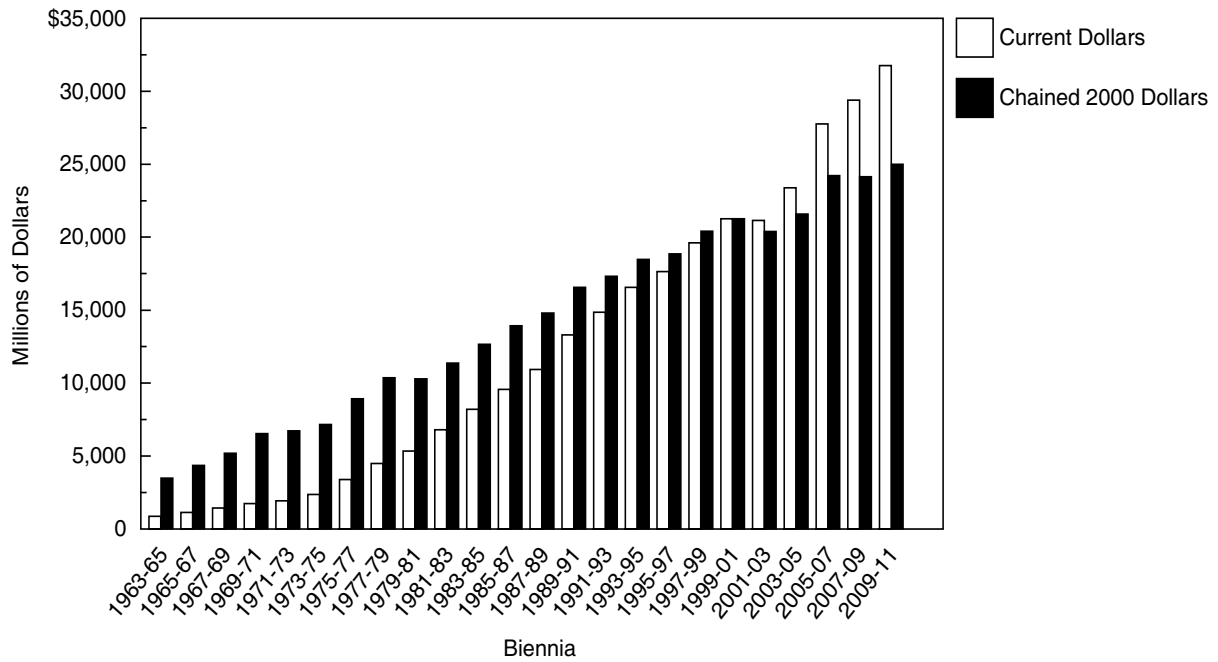
* Actual Base. Includes statutory and administrative changes to the tax base. Historical fiscal year data are from quarterly taxable sales reported by taxpayers on the state's Combined Excise tax return. Reported totals affected by enacted legislation. Major base changes include: exemption of off-premises 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).

Taxable sales (sales subject to the 6.5 percent state retail sales tax) totaled \$31,338.5 million in the fourth quarter of 2007, the most recent quarter available. This was 5.7 percent higher than the year-ago level. Taxable sales increased 5.9 percent in the third quarter of 2007 and 7.7 percent in the second quarter. Taxable sales have now increased on a year-over-year basis for twenty-two consecutive quarters after having fallen or remaining unchanged for five straight quarters during the last recession. Taxable sales in the fourth quarter of 2007 grew faster than retail sales nationally, although they grew more slowly than state personal income for the second straight quarter. Although the first quarter of 2008 is complete, actual taxable sales data for the state are not yet available for the first quarter. The forecast assumes that taxable sales increased only 1.6 percent in the first quarter of 2008. This would be significantly slower than the 5.7 percent increase in the fourth quarter and would be below the June forecast's assumed growth of both U.S. retail sales (2.9 percent) and the growth of state personal income (6.1 percent).

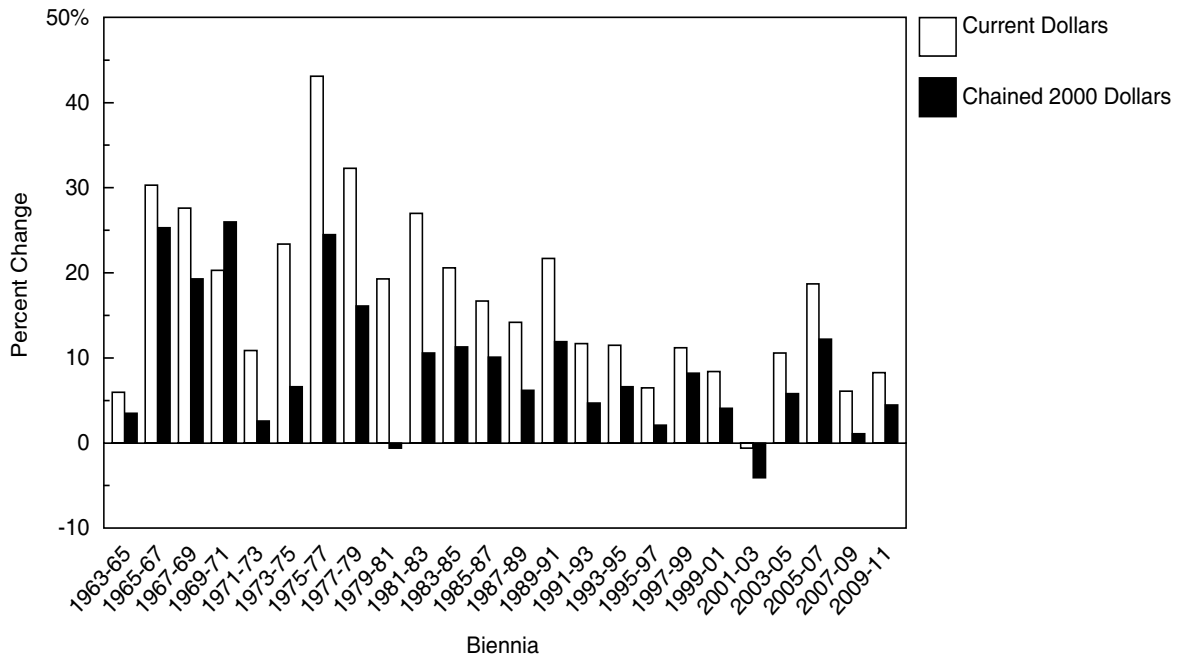
The Department of Revenue has converted the classification of taxpayers from the Standard Industrial Classification (SIC) basis to the North American Industry Classification System (NAICS), making historical comparisons by sector easier and more meaningful. Taxable sales in the fourth quarter of 2007 of businesses in the retail trade sector, which accounted for 44.2 percent of all taxable sales in the quarter, were only 2.5 percent above the year-ago level. Taxable sales of firms in the retail trade sector increased only 2.5 percent in the third quarter of 2007 as well. Within retailing, general merchandise retailers reported the largest increase in the fourth quarter, 8.0 percent. The next strongest category was food stores which reported a 6.9 percent year-over-year increase. The auto sector, the largest retail trade category, reported a 0.4 percent year-over-year decline in activity. In the third quarter, this sector reported a 1.9 percent year-over-year decline.

Prior to the drop in the third quarter, this sector had not reported a year-over-year decline in activity since 2002. There were several other relatively weak sectors including: electronics and appliance stores (-0.6 percent), furniture and home furnishing retailers (+0.7 percent), and building material and garden supply

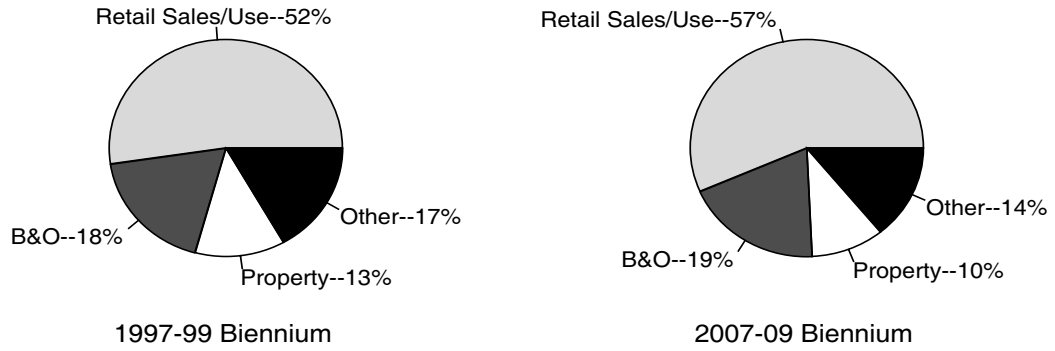
**Chart 3.1
General Fund-State Revenue**



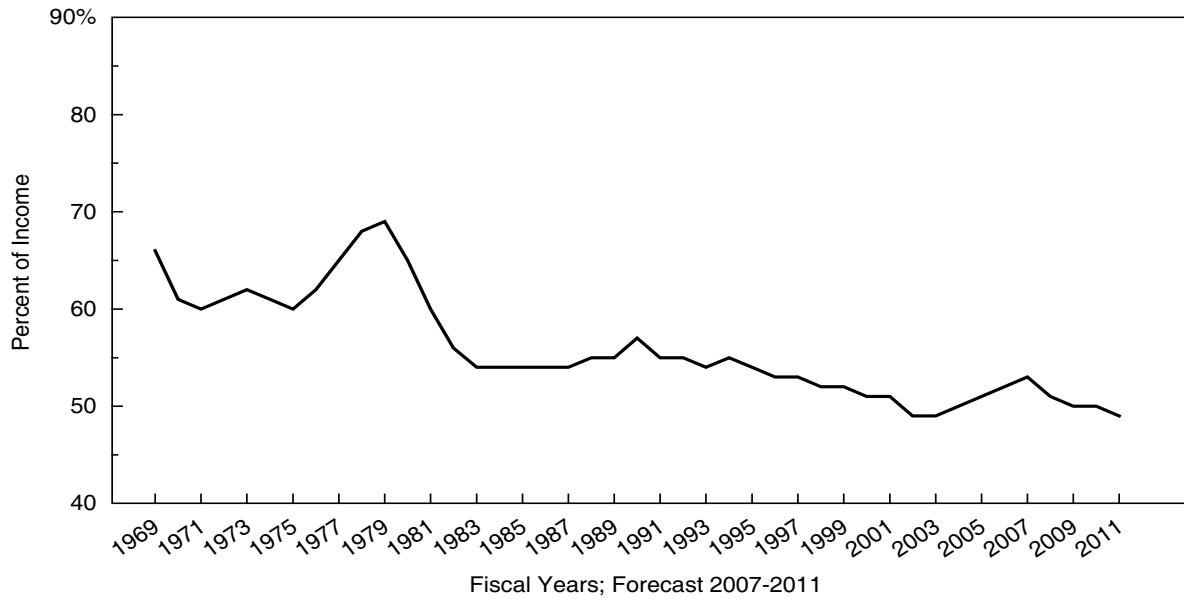
**Chart 3.2
General Fund-State Revenue - Percent Change**



**Chart 3.3
Composition of General Fund-State Revenue**



**Chart 3.4
Taxable Sales* as a Percent of Personal Income**



* Adjusted Base

sector (-3.4 percent). Taxable sales reported by non-retailing sectors in the fourth quarter of 2007 were 8.5 percent higher than a year-ago. This follows an 8.4 percent increase the previous 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 20.7 percent of all taxable sales in the fourth quarter of 2007, were 12.9 percent higher than a year ago. This is up from the 9.3 percent gain reported in the third quarter. Taxable sales reported by the service sector, which accounted for 17.0 percent of all taxable sales in the quarter, were 5.5 percent higher than a year-ago. Taxable sales reported by the wholesale trade sector increased 9.1 percent and the information sector reported a 2.6 percent year-over-year increase.

Taxable sales in the fourth quarter of 2007 for the state's three largest counties (King, Snohomish and Pierce) were 6.8 percent higher than a year ago. Taxable sales increased 4.1 percent in the rest of the state. Taxable sales in King County were 8.7 percent higher than a year-ago for the quarter. Taxable sales in Snohomish County increased 5.3 percent in the third quarter but Pierce County reported an increase of only 1.2 percent. Taxable sales in Spokane County were 2.0 percent above the year-ago level.

Statewide taxable sales increased 7.9 percent in fiscal 2007. This is down from 10.1 percent in 2006. The growth of taxable sales is expected to decelerate further in the 2007-09 biennium as the impact of the housing correction and higher energy prices slow consumer and business spending. The June 2008 forecast assumes taxable sales will increase 3.5 percent in fiscal 2008 and 2.8 percent in fiscal 2009. Taxable sales growth is expected to rebound somewhat in the next biennium, although the forecast continues to assume growth will be constrained by weaker than average employment and construction activity. The forecast assumes taxable sales will grow 4.0 percent in fiscal 2010 and 4.6 percent in fiscal 2011.

Forecast Change for the 2007-09 & 2009-11 Biennia

The June 2008 GFS revenue forecast for the 2007-09 biennium is \$60.5 million (0.2 percent) less than in February and the forecast for the 2009-11 biennium is \$163.4 million (0.5 percent) less. The \$60.5 million reduction to the 2007-09 biennium is comprised of an \$11.0 million reduction due to 2008 legislation and a \$49.6 million reduction due to a weaker economic outlook. The reduction to the forecast for the 2009-11 biennium includes a \$46.1 million reduction due to legislation and a \$117.2 million reduction due to a weaker economy. Legislation aside, the change to the forecast in June is relatively small and for the most part reflects continued weakness in housing and weaker consumer spending. Tax payments in the four months since the February forecast were very close to the estimate.

Table 3.6 summarizes the changes to the GFS cash forecast for the 2007-09 biennium by type of change. Tables 3.7 and 3.8 summarize data revisions to GFS revenue for the 2007-09 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 2009-11 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. Below is a brief description of the June 2008 non-economic changes to the forecast followed by a summary of changes to the forecast by agency.

Summary of Non-Economic changes

The GFS impact of legislation enacted during the 2008 legislative session and signed into law by the Governor is included in the June 2008 forecast. Tax law changes reduced the GFS forecast for the 2007-09 biennium by \$11.0 million and reduced the GFS forecast for the 2009-11 biennium by \$46.1 million. Table 3.21 summarizes the impact of legislative changes included in the June forecast by fiscal year, agency and major legislation. ESHB 3096 has the largest impact of all legislative changes. It provides a five year

deferral of sales tax on site preparation, construction work, equipment purchases and rental of equipment related to the replacement of the State Route 520 floating bridge. Based on the anticipated construction schedule, this would reduce GFS revenue by \$0.3 million in the current biennium and \$15.0 million in the 2009-11 budget period.

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 2007-09 and 2009-11 biennia. The June forecast of GFS revenue sources administered and collected by the Department of Revenue is \$163.5 million lower than in February. This is about 73 percent of the total GFS forecast change in June. The reduction to the forecast includes \$41.5 million due to 2008 legislation. Aside from tax law changes, most of the reduction to the forecast reflects a slight deterioration to the economic outlook, partially offset by slightly higher than expected collections in the last four months.

The housing outlook is weaker than assumed in the February forecast and a large portion of the change to the forecast in June is due to a reduction to the real estate excise tax forecast. The June 2008 real estate excise tax forecast is \$107.7 million less than in February for the 2007-09 and is \$42.8 million lower than the February forecast for the 2009-11 biennium. Other major changes include: a \$196.3 million reduction to the retail sales tax forecast, an \$8.2 million reduction to the use tax forecast, and a \$7.9 million reduction to the property (GFS portion of the state levy) tax forecast. There were some increases. The June 2008 business and occupation tax forecast is \$115.2 million higher than in February, the public utility tax forecast is \$38.0 million higher, the forecast of unclaimed property transfers is \$26.3 million higher and the miscellaneous revenue category (mostly brokered natural gas) is \$26.1 million higher than the February forecast. The reductions to the forecast primarily reflect a weaker housing market and weaker employment growth than in February. In addition, real estate excise, retail sales and use tax payments were significantly less than expected in the four months since the February forecast. The higher forecast for business and occupation, public utility and brokered natural gas reflect higher than expected collections in the four months since the last forecast. In addition, the forecast for energy prices is much higher than expected in February resulting in a higher forecast for public utility and brokered natural gas receipts. Business and occupation tax revenue has been strong in part due to strong export demand. In addition, the June forecast expects the wholesale prices and the prices of industrial and finished goods to rise much faster than was assumed in the February forecast boosting the forecast for business and occupation tax revenue. The higher forecast for unclaimed property transfers is solely due to a one-time, unusually large sale of unclaimed assets resulting in an extraordinarily large transfer of unclaimed property to the General Fund.

The outlook for housing continues to worsen and has resulted in a lower forecast for real estate excise tax revenue. The reduction to the real estate excise tax forecast is primarily due to weaker than expected real estate activity in the four months since the last forecast. Taxable real estate activity averaged 44.0 percent below the year ago level in the four months since the February forecast. This was worse than expected and resulted in a \$22.4 million shortfall of real estate excise tax payments. Taxable real estate activity has declined on a year-over-year basis for the last ten months and nineteen of the last twenty-two months. On a seasonally adjusted basis, taxable activity in the second quarter of 2008 is forecast to be 45.6 percent below the 2006:1 peak in activity. This would exceed the peak-to-trough decline of the early 1980's housing bust. Conditions are unlikely to improve until the last half of 2008 at the earliest due to tighter lending standards and a high and rising inventory of houses on the market.

The June 2008 forecast continues to expect the tax base of Washington's two major revenue sources, sales and business and occupation taxes, to grow at a below average rate and slower than state personal

income for the remainder of the 2007-09 biennium and for much of the next biennium. Revenue growth in the 2005-07 biennium and for the first two quarters of the current biennium was exceptionally strong due to a strong income and employment growth, a booming housing market, and readily available credit. Circumstances have dramatically changed. Although income is still expected to exhibit moderate growth, other factors (a strong housing market and rapidly increasing home equity withdrawal, increasing net worth, strong consumer confidence) that produced above trend growth in taxable sales and taxable business and occupation income no longer exist or are substantially less than in the 2005-07 period.

The June 2008 forecast expects the property tax (state tax levy) to increase 6.7 percent in the 2007-09 biennium and 6.5 percent in the 2009-11 biennium. The General Fund-State portion of the levy is expected to increase 7.4 percent in the 2007-09 and 6.4 percent in the 2009-11 budget period. The portion of the levy diverted to the Student Achievement Account as a result of Initiative 728 is projected to increase 2.4 percent in the 2007-09 biennium and 7.1 percent next 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 2007-09 biennium has been decreased \$1.8 million to \$43.4 million and its forecast for the 2009-11 biennium has been decreased \$4.0 million to \$46.1 million. Decreases in both biennia were due primarily to decreases in forecasted boat excise tax receipts.

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 office's forecast for the 2007-09 biennium has been decreased \$14.0 million to \$5.8 million. Legislative changes, primarily a treasurer's transfer to the Columbia River water delivery account, accounted for \$5.8 million of the decrease, while forecast changes subtracted \$8.2 million. The primary forecast decreases were in forecasted license and permit revenues from the Department of Financial Institutions and timber revenue from the Department of Natural Resources. The office's forecast for the 2009-11 biennium has been decreased \$13.3 million to negative \$28.9 million. Legislative changes, primarily additional treasurer's transfers to the Columbia River water delivery account, accounted for \$12.9 million of the decrease, while forecast changes subtracted \$0.4 million. The office's negative forecast for the 2009-11 biennium indicates that General Fund revenue and transfers from the General Fund to the agencies overseen by the OFM are expected to exceed the revenue and transfers to the General Fund by those agencies.

State Treasurer

The Office of the State Treasurer generates General Fund-State revenue by investing state short-term cash reserves. The office's forecast for the 2007-09 biennium has been increased \$10.4 million to \$166.0 million due mainly to an increase in forecasted account balances. The forecast also incorporated a \$0.2 million reduction due to the effects of new legislation. The office's forecast for the 2009-11 biennium has been reduced \$3.4 million to \$114.2 million due primarily to a reduction in forecasted interest rates. The 2009-11 forecast also incorporated a \$0.7 million reduction due to the effects of new legislation.

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

Table 3.6
Summary of Changes to the General Fund-State Forecast
 June 2008 Cash Forecast
 (Millions of Dollars)

	<u>June 2008 Change</u>
<u>2007-09 Biennium</u>	
<i>Collection Experience in the 2007-09 Biennium</i>	\$37.7
Department of Revenue ¹	37.0
Department of Licensing ²	0.7
<i>Non Economic Adjustments to the Forecast³</i>	(\$11.0)
<i>Forecast Change for the 2007-09 Biennium</i>	(\$87.3)
Department of Revenue	(\$73.1)
Other agencies	(\$14.2)
Total Change: 2007-09 Biennium*	<u>(\$60.5)</u>

¹ Variance base on collections February 11-June 10, 2008.

² Variance base on collections February 2008 - May 2008.

* Detail may not add due to rounding.

various accounts in support of fire services. The office's forecast for the 2007-09 biennium has been decreased \$13.7 million to \$532.3 million and its forecast for the 2009-11 biennium has been reduced \$20.1 million to \$586.7 million due to forecasted decreases in the growth rate of total insurance premiums.

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 2007-09 biennium has been increased \$0.1 million to \$86.2 million and its forecast of beer and wine surtaxes is unchanged at \$4.8 million. The forecast of excess funds and fees included a \$0.5 million increase due to legislative changes to the agency's budget. The board's forecast of excess funds and fees for the 2009-11 biennium has been increased \$1.4 million to \$97.2 million and its forecast of beer and wine surtaxes is unchanged at \$5.3 million.

Lottery Commission

The Lottery Commission transfers the unallocated portion of collections from sales of Lottery products to the General Fund. 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 forecast of General Fund cash transfers for the 2007-09 biennium is unchanged at \$5.0 million and its forecast for the 2009-11 biennium has been reduced \$1.9 million to \$5.2 million. The Commission's forecast of revenues for the School Construction Account for the 2007-09 biennium is unchanged at \$204.0 million and its forecast for the 2009-11 biennium is also unchanged at \$204.0 million.

Track Record for the 2007-09 Biennium

Table 3.13 summarizes the changes to the GFS revenue forecast for the 2007-09 biennium. The June 2008 forecast for the 2007-09 biennium is \$60.5 million lower than the February 2008 forecast but is \$375 million (1.3 percent) higher than the initial forecast for the 2007-09 biennium that was released in February 2006. Excluding non-economic changes however, the current forecast for the 2007-09 biennium is \$560 million, 1.9 percent higher than the initial forecast despite the reduction in June. There have been nine quarterly updates to the GFS forecast for the 2007-09 biennium: five have increased the forecast and four, including the June 2008 update, have reduced the forecast.

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

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

Table 3.7
Comparison of the General Fund-State Forecast by Agency
 2007-09 Biennium; Cash Basis
 (Millions of Dollars)

Forecast by Agency	Feb. 2008 Forecast¹	Non- Economic Changes	Forecast Revision	June 2008 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$15,654.9	(0.9)	(\$89.4)	\$15,564.7	(\$90.2)
Business & Occupation Use	5,543.7	(4.0)	98.0	5,637.7	94.0
Public Utility	1,074.7	0.0	(11.8)	1,062.9	(11.8)
Liquor Sales/Liter	736.5	0.0	28.5	765.0	28.5
Cigarette	319.0		(0.6)	318.3	(0.6)
Property (State Levy)	103.0		(1.0)	102.0	(1.0)
Real Estate Excise	2,994.6	(0.4)	2.1	2,996.2	1.7
Timber Excise	1,382.6		(107.7)	1,274.9	(107.7)
Other	13.9		(0.6)	13.4	(0.6)
Subtotal	777.5	(0.1)	46.3	823.7	46.2
	28,600.4	(5.4)	(36.1)	28,558.9	(41.5)
Department of Licensing					
Boat excise, licenses, fees & other	45.2		(1.8)	43.4	(1.8)
Insurance Commissioner					
Insurance Premiums	546.0		(13.7)	532.3	(13.7)
Liquor Control Board					
Liquor Profits and Fees	86.1	0.5	(0.4)	86.2	0.1
Beer & Wine Surtax	4.8		0.0	4.8	0.0
Lottery Commission					
Lottery Revenue	5.0		0.0	5.0	0.0
State Treasurer					
Interest Earnings	155.6	(0.2)	10.6	166.0	10.4
Office of Financial Management					
Other	19.9	(5.8)	(8.2)	5.8	(14.0)
Total General Fund-State *	\$29,462.9	(\$11.0)	(\$49.6)	\$29,402.4	(\$60.5)

1 General Fund-State forecast for the 2005-07 biennium adopted by the Economic and Revenue Forecast Council in February 2008.

2 General Fund-State forecast for the 2005-07 biennium, adopted June 2008;

*Detail may not add to totals because of rounding.

Table 3.8
Comparison of the General Fund-State Forecast by Agency
 2007-09 Biennium; GAAP Basis
 (Millions of Dollars)

<u>Forecast by Agency</u>	<u>Feb. 2008 Forecast¹</u>	<u>Non- Economic Changes</u>	<u>Forecast Revision</u>	<u>June 2008 Forecast²</u>	<u>Total Change</u>
<i>Department of Revenue</i>					
Retail Sales	\$15,729.7	(0.9)	(\$90.2)	\$15,638.7	(\$91.0)
Business & Occupation Use	5,563.0	(4.0)	101.3	5,660.2	97.2
Public Utility	1,078.6	0.0	(12.4)	1,066.3	(12.4)
Liquor Sales/Liter	738.5	0.0	28.9	767.5	28.9
Cigarette	319.5	0.0	(0.7)	318.9	(0.7)
Property (State Levy)	103.0	0.0	(1.0)	102.0	(1.0)
Real Estate Excise	2,995.2	(0.4)	1.5	2,996.2	1.1
Timber Excise	1,382.6	0.0	(107.7)	1,274.9	(107.7)
Other	13.1	0.0	(0.8)	12.2	(0.8)
Subtotal	778.7	(0.1)	46.5	825.1	46.4
	28,701.9	(\$5.4)	(34.5)	28,662.0	(39.9)
<i>Department of Licensing</i>					
Boat excise, licenses, fees & other	46.6	0.0	(1.9)	44.7	(1.9)
<i>Insurance Commissioner</i>					
Insurance Premiums	546.0	0.0	(13.7)	532.3	(13.7)
<i>Liquor Control Board</i>					
Liquor Profits and Fees	86.1	0.5	(0.4)	86.2	0.1
Beer & Wine Surtax	4.8	0.0	0.0	4.8	0.0
<i>Lottery Commission</i>					
Lottery Revenue	8.6	0.0	(0.9)	7.8	(0.9)
<i>State Treasurer</i>					
Interest Earnings	152.7	(0.2)	5.1	157.5	4.8
<i>Office of Financial Management</i>					
Other	19.9	(5.8)	(8.2)	5.8	(14.0)
<u>Total General Fund-State *</u>	\$29,566.5	(\$11.0)	(\$54.5)	\$29,501.1	(\$65.4)

1 Forecast for the 2007-09 biennium adopted February 2008.

2 June 2008 Forecast

*Detail may not add to totals because of rounding.

Table 3.9
Comparison of the General Fund-State Forecast by Agency
 2009-11 Biennium; Cash Basis
 (Millions of Dollars)

<u>Forecast by Agency</u>	<u>Feb. 2008 Forecast¹</u>	<u>Non-Economic Changes</u>	<u>Forecast Revision</u>	<u>June 2008 Forecast²</u>	<u>Total Change</u>
Department of Revenue					
Retail Sales	\$16,775.7	(\$18.9)	(\$87.1)	\$16,669.6	(\$106.0)
Business & Occupation Use	\$6,119.0	(13.4)	34.6	6,140.1	21.2
Public Utility	\$1,172.1	0.0	3.6	1,175.6	3.6
Liquor Sales/Liter	\$843.1	0.0	9.5	852.6	9.5
Cigarette	\$343.9	0.0	(1.3)	342.6	(1.3)
Property (State Levy)	\$100.5		(0.4)	100.1	(0.4)
Real Estate Excise	\$3,196.2		(9.5)	3,186.7	(9.5)
Timber Excise	\$1,630.6	(0.1)	(42.7)	1,587.8	(42.8)
Other	\$11.7	0.0	(0.9)	10.8	(0.9)
Subtotal	\$858.0	(0.2)	4.9	862.7	4.7
	\$31,050.8	(32.6)	(89.5)	30,928.7	(122.1)
Department of Licensing					
Boat excise, licenses, fees & other	\$50.1		(4.0)	46.1	(4.0)
Insurance Commissioner					
Insurance Premiums	\$606.8		(20.1)	586.7	(20.1)
Liquor Control Board					
Liquor Profits and Fees	\$95.9		1.4	97.2	1.4
Beer & Wine Surtax	\$5.3		0.0	5.3	0.0
Lottery Commission					
Lottery Revenue	\$7.1		(1.9)	5.2	(1.9)
State Treasurer					
Interest Earnings	\$117.6	(0.7)	(2.8)	114.2	(3.4)
Office of Financial Management					
Other	(\$15.6)	(12.9)	(0.4)	(28.9)	(13.3)
Total General Fund-State *	\$31,917.9	(\$46.1)	(117.2)	\$31,754.5	(163.4)

1 Forecast adopted by the ERFC in February 2008.

2 Forecast adopted by the ERFC in June 2008.

*Detail may not add to totals because of rounding.

Table 3.10

Comparison of the General Fund-State Forecast by Agency
 2009-11 Biennium; GAAP Basis
 (Millions of Dollars)

Forecast by Agency	Feb. 2008 Forecast¹	Non- Economic Changes	Forecast Revision	June 2008 Forecast²	Total Change
Department of Revenue					
Retail Sales	\$16,852.3	(18.9)	(\$87.1)	\$16,746.2	(\$106.0)
Business & Occupation Use	\$6,139.0	(13.4)	34.6	6,160.1	21.2
Public Utility	\$1,175.9	0.0	3.6	1,179.4	3.6
Liquor Sales/Liter	\$845.1	0.0	9.5	854.6	9.5
Cigarette	\$344.9	0.0	(1.3)	343.6	(1.3)
Property (State Levy)	\$100.5		(0.4)	100.1	(0.4)
Real Estate Excise	\$3,196.6		(9.9)	3,186.7	(9.9)
Timber Excise	\$1,630.6	(0.1)	(42.7)	1,587.8	(42.8)
Other	\$10.9	0.0	(0.6)	10.2	(0.6)
Subtotal	\$859.4	(0.2)	4.9	864.1	4.7
	\$31,155.2	(\$32.6)	(89.6)	31,033.0	(122.2)
Department of Licensing					
Boat excise, licenses, fees & other	\$51.7		(8.3)	43.4	(8.3)
Insurance Commissioner					
Insurance Premiums	\$606.8	0	(20.1)	586.7	(20.1)
Liquor Control Board					
Liquor Profits and Fees	\$95.9	-	1.4	97.2	1.4
Beer & Wine Surtax	\$5.3		0.0	5.3	0.0
Lottery Commission					
Lottery Revenue	\$7.0		(2.0)	5.0	(2.0)
State Treasurer					
Interest Earnings	\$118.9	(0.7)	(2.4)	115.9	(3.0)
Office of Financial Management					
Other	(\$15.6)	(12.9)	(0.4)	(28.9)	(13.3)
Total General Fund-State *	\$32,025.0	(\$46.1)	(121.4)	\$31,857.5	(167.5)

1 Forecast for the 2009-11 biennium adopted in February 2008.

2 Forecast for the 2009-11 biennium adopted in June 2008.

*Detail may not add to totals because of rounding.

Table 3.11
June 2008 General Fund-State Forecast
2007-09 & 2009-11 Biennia; Cash Basis
(Millions of Dollars)

Forecast by Source	Fiscal 2007^a	Fiscal 2008	Fiscal 2009	2007-09 Biennium	Fiscal 2010	Fiscal 2011	2009-11 Biennium
State Taxes							
Retail sales***	\$7,388.0	\$7,729.4	\$7,835.3	\$15,564.7	\$8,145.9	\$8,523.7	\$16,669.6
Business & occupation Use***	2,640.9	2,768.8	2,868.9	5,637.7	2,987.5	3,152.6	6,140.1
Public Utility	504.4	525.4	537.5	1,062.9	570.2	605.4	1,175.6
Liquor sales/liter	352.9	367.2	397.8	765.0	413.6	438.9	852.6
Beer & wine surtax	147.7	155.7	162.7	318.4	168.4	174.3	342.6
Cigarette	2.2	2.3	2.4	4.8	2.6	2.7	5.3
Tobacco products	50.5	51.2	50.9	102.0	50.3	49.8	100.1
Property (state school levy)**	6.8	(9.6)	10.2	0.6	10.5	10.8	21.3
Public utility district	1,423.1	1,475.4	1,520.8	2,996.2	1,566.4	1,620.3	3,186.7
Real estate excise	39.8	41.7	44.6	86.3	46.9	49.6	96.5
Timber excise	1,069.6	672.6	602.4	1,274.9	743.7	844.1	1,587.8
Estate/inheritance	8.0	7.3	6.1	13.4	5.7	5.1	10.8
Motor vehicle excise & Rental car	5.3	4.5	0.5	5.0	0.5	0.5	1.0
Boat excise	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance premiums	15.8	16.7	17.1	33.7	17.8	18.7	36.4
Other	249.0	260.6	271.7	532.3	286.4	300.3	586.7
Total Taxes	275.9	271.8	273.1	544.9	284.2	298.7	583.0
	14,180.0	14,341.0	14,601.8	28,942.8	15,300.5	16,095.6	31,396.1
State Non-Tax Sources							
Licenses, permits, fees	91.8	95.5	92.8	188.3	95.3	98.0	193.3
Liquor profits & fees	49.0	39.8	46.4	86.2	47.1	50.1	97.2
Earnings on investments	100.9	116.7	49.3	166.0	49.0	65.2	114.2
Lottery transfers	7.6	0.0	5.0	5.0	2.7	2.5	5.2
Other revenue & transfers	13.9	47.4	(33.3)	14.1	(28.7)	(22.9)	(51.6)
Total Non-Tax	263.1	299.3	160.3	459.6	165.5	192.9	358.4
Total General Fund-State *	\$14,443.2	\$14,640.3	\$14,762.1	\$29,402.4	\$15,466.0	\$16,288.5	\$31,754.5

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.

Table 3.14 compares the cash receipts forecast and the GAAP revenue forecast by agency. GFS revenue for the 2005-07 biennium totaled (revised) \$27,769.9 million on a GAAP basis, \$2.1 million less than the \$27,772.0 million cash receipts total. The June 2008 GFS forecast for the 2007-09 biennium is \$29,501.1 million on a GAAP basis, \$98.7 million more than the \$29,402.4 million cash forecast. For the 2009-11 biennium, the GAAP forecast totals \$31,861.7 million, \$107.1 million higher than the \$31,754.5 cash forecast.

Table 3.15 shows the budgetary balance sheet the 2007-09 biennium which ends June 30, 2009. With adoption of the June 2008 GFS forecast, the projected total ending balance for the 2007-09 biennium is \$801.4 million. This is based on an enacted 2007-09 appropriations level of \$29,838.2 million including the 2008 supplemental budget. This is \$152.3 million less than projected after adoption of the February 2008 revenue forecast and is 2.7 percent of 2007-09 enacted appropriations. The total ending balance for the 2007-09 biennium is comprised of a projected ending GFS balance of \$359.2 million and a \$442.2 million balance in the Budget Stabilization Account. The 2007 Legislature enacted joint resolutions creating a new Budget Stabilization Account which was ratified by voters in the November 2007 general election.

Alternative Forecast for the 2007-09 and 2009-11 Biennia

The June 2008 baseline forecast expects the housing correction to continue, energy prices to remain relatively high and economic growth to continue to weaken. Although the forecast no longer assumes a national recession, real GDP is expected to remain weak and grow less than one percent in fiscal 2009. U.S. employment declined in the first quarter of 2008 and the June forecast expects four additional quarters of decline. Housing is not expected to begin to recover until the first quarter of 2009. Washington State is expected to continue to see weak economic and revenue growth but no recession. The housing correction in Washington has intensified and overall spending is noticeably slower than earlier in the biennium. Whether or not economic and revenue growth weaken more or less than assumed in the baseline forecast depends upon the duration and severity of the housing downturn and its impact on consumer and business spending.

The June 2008 optimistic scenario assumes stronger growth sooner. Like previous optimistic scenarios, the optimistic forecast assumes higher productivity growth than in the baseline. In the optimistic scenario lower mortgage rates limit the contraction in the residential housing market and speed-up its recovery. Energy prices are lower in this scenario and employment growth is stronger. Stronger growth nationally benefits Washington's economy. In the optimistic scenario state personal income is 1.5 percent higher than in the baseline in the second quarter of calendar 2008 and is 4.2 percent higher by the end of the 2007-09 biennium. State personal income is 6.8 percent higher than the baseline forecast by the end of the 2009-11 biennium. State wage and salary employment is 11,700 higher than in the baseline forecast in the second quarter of calendar 2008 and is 68,000 higher by the end of the biennium. Employment is 116,400 higher by the end of the 2009-11 biennium.

The June 2008 pessimistic scenario assumes a national recession with both real GDP declining for four consecutive quarters beginning in the second quarter of 2008 and wage and salary employment declining for seven straight quarters beginning in the second quarter of 2008. In the pessimistic scenario the housing correction is deeper and longer than in the baseline forecast. Consumer and business confidence sink and investment and consumer spending growth is much slower than assumed in the baseline forecast. The weaker national economy results in weaker job and income growth in the state, with payroll employment in Washington also declining four consecutive quarters beginning in the second quarter of 2008. In the pessimistic scenario, state personal income is 1.3 percent less than the baseline in the second quarter of 2008 and is 3.8 percent lower than the baseline by the end of the 2007-09 budget period. State personal

Table 3.12
General Fund - State Cash Receipts
 June 2008 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%
2006	13,328.8	10.5%
2007	14,443.2	8.4%
Forecast		
2008	14,640.3	1.4%
2009	14,762.1	0.8%
2010	15,466.0	4.8%
2011	16,288.5	5.3%

Table 3.13

Track Record for the 2007-09 General Fund-State Cash Forecast

February 2006 through June 2008

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 Fund-State Change</u>	<u>Total General Fund-State Cash Basis</u>
February 2006****	\$28,180	\$848				\$29,028
Changes to Forecast						
June 2006	531	17	547	(112) #1	436	29,463
September 2006	76	(13)	62		62	29,526
November 2006	4	3	8		8	29,533
March 2007	(30)	12	(18)		(18)	29,516
June 2007	313	19	331	(43) #2	289	29,804
September 2007	204	8.9	213		213	30,017
November 2007	(145)	34	(111)	(20) #3	(130)	29,886
February 2008	(405)	(19)	(423)		(423)	29,463
June 2008	(36)	(14)	(50)	(11) #4	(61)	29,402
September 2008						
Total change***:						
From February 2006	512	48	560	(185)	375	
Percent change	1.8%	5.6%	1.9%	-0.6%	1.3%	

* 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 2007-09 biennium.

#1 Change to the forecast due to 2006 legislation.

#2 Change to the forecast due to 2007 legislation/budget driven revenue and the tobacco product tax settlement.

#3 Change to the forecast due to change in federal law regarding taxation of internet access.

#4 Impact of 2008 legislation and budget driven revenue.

Table 3.14

June 2008 Baseline Forecast by Agency
Comparison of Cash and GAAP Basis
(Millions of dollars)

Agency	2005-07 Biennium			2007-09 Biennium			2009-11 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	\$26,792.2	\$26,783.5	(\$8.7)	\$28,398.3	\$28,502.5	\$104.3	\$30,799.9	\$30,904.7	\$104.8
Department of Licensing	41.3	42.0	0.7	43.4	44.7	1.3	46.1	47.5	1.4
Insurance Commissioner ⁴	506.9	506.9	0.0	550.3	550.3	0.0	606.5	606.5	0.0
State Treasurer	167.3	175.3	8.0	166.0	157.5	(8.5)	114.2	115.9	1.7
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	248.4	248.4	0.0	265.8	265.8	0.0	274.664	274.664	0.0
Subtotal: General Fund-State Cash/	27,756.1	27,756.1	(0.0)	29,423.7	29,520.8	97.1	31,841.3	31,949.3	107.9
General Fund State - Other Financing Sources⁵									
Department of Revenue ⁶	117.5	117.3	(0.2)	160.6	159.5	(1.1)	128.8	128.3	(0.5)
Lottery Commission	9.5	7.6	(1.9)	5.0	7.8	2.7	5.2	5.0	(0.2)
Insurance Commissioner ⁷	(16.3)	(16.3)	0.0	(18.0)	(18.0)	0.0	(19.8)	(19.8)	0.0
Liquor Control Board	102.4	102.4	0.0	90.9	90.9	0.0	102.5	102.5	0.0
Office of Financial Management									
Other Agencies ⁸	-197.1	(197.1)	(0.0)	(259.9)	(259.9)	0.0	(303.5)	(303.5)	0.0
Subtotal: GFS Other Financing Sou	15.9	13.9	(2.0)	(21.4)	(19.7)	1.6	(86.8)	(87.6)	(0.8)
Total Available Receipts/Resources									
General Fund-State *	\$27,772.0	\$27,769.9	(\$2.1)	\$29,402.4	\$29,501.1	\$98.7	\$31,754.5	\$31,861.7	\$107.1

* 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 3.15

2007-09 Enacted Budget Balance Sheet Including 2008 Supplemental General Fund-State

Dollars in Millions

RESOURCES	
Beginning Fund Balance	780.5
February 2008 Forecast	29,462.9
June 2008 Update	(49.6)
2008 Legislation with Revenue Impacts	(12.3)
2008 Other Revenue Adjustments	1.3
Current Revenue Totals	29,402.4
Legislatively Enacted Fund Transfers	147.2
Spillover to the Emergency Reserve Fund (ERF)	0.0
Transfer to Budget Stabilization Account	(132.7)
Total Resources (including beginning fund balance)	30,197.4
EXPENDITURES	
2007-09 Enacted Budget	29,622.9
2008 Supplemental Budget	230.4
Governor's Vetoes	(15.1)
	29,838.2
RESERVES	
Projected General Fund Ending Balance	359.2
Emergency Reserve Fund Beginning Balance	293.3
Interest Earnings	9.1
Transfer To Budget Stabilization Account	(302.4)
Projected Emergency Reserve Fund Ending Balance	0.0
Budget Stabilization Account Beginning Balance	0.0
Transfer To Budget Stabilization Account (From ERF)	302.4
Transfer from General Fund and Interest Earnings	139.9
Projected Budget Stabilization Account Ending Balance	442.3
Total Reserves (General Fund plus Budget Stabilization)	801.4

House and Senate Fiscal Committees and Office of Financial Management

Table 3.16
June 2008 Alternative Forecasts Compared to the Baseline Forecast
2007-09 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	\$15,800.0	\$15,564.7	\$15,347.7
Business & Occupation Use	5,762.2	5,637.7	5,540.0
Public Utility	1,086.0	1,062.9	1,039.6
Property (school levy)	764.8	765.0	763.9
Real Estate Excise	3,079.7	2,996.2	2,905.4
Other	1,312.9	1,274.9	1,222.2
Subtotal	1,295.9	1,257.4	1,219.9
	29,101.5	28,558.9	28,038.8
<i>Department of Licensing</i>			
	44.7	43.4	42.1
<i>Insurance Commissioner¹</i>			
	539.9	532.3	524.7
<i>Lottery Commission</i>			
	5.0	5.0	0.0
<i>State Treasurer - Interest earnings</i>			
	246.0	166.0	182.0
<i>Liquor Profits & Fees²</i>			
	92.8	90.9	89.1
<i>Office of Financial Management</i>			
Other agencies	15.8	5.8	(4.2)
Total General Fund - State*	\$30,045.6	\$29,402.4	\$28,872.6
Difference from February 2008 Baseline	\$643.2		(\$529.8)

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax.

* Detail may not add to total due to rounding.

Table 3.17
June 2008 Alternative Forecasts Compared to the Baseline Forecast
2009-11 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	\$17,849.8	\$16,669.6	\$15,571.5
Business & Occupation Use	6,601.8	6,140.1	5,791.9
Public Utility	1,258.3	1,175.6	1,099.2
Property (school levy)	862.9	852.6	842.0
Real Estate Excise	3,346.0	3,186.7	3,027.3
Other	1,788.4	1,587.8	1,354.3
Subtotal	1,385.4	1,316.3	1,249.6
	33,092.7	30,928.7	28,935.9
<i>Department of Licensing</i>			
	47.5	46.1	44.7
<i>Insurance Commissioner¹</i>			
	601.4	586.7	572.0
<i>Lottery Commission</i>			
	7.7	5.2	0.0
<i>State Treasurer - Interest earnings</i>			
	160.8	114.2	63.1
<i>Liquor Profits & Fees²</i>			
	104.5	102.5	100.4
<i>Office of Financial Management</i>			
Other agencies	(18.9)	(28.9)	(38.9)
Total General Fund - State*	\$33,995.7	\$31,754.5	\$29,677.3
Difference from June 2008 Baseline	\$2,241.2		(\$2,077.2)

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax.

* Detail may not add to total due to rounding.

Table 3.18

**Impact of Initiative 728 on the State Property Tax and Lottery Revenue
June 2008 Cash Forecast; Millions of Dollars**

I. Disposition of the State portion of the Property Tax

	<u>State Levy: Total Receipts</u>	<u>To the General Fund</u>	<u>To the Student Achievement Account¹</u>
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	1,610.7	1,365.5	245.2
2007	1,669.7	1,423.1	246.6
2005-07 Biennium	3,280.4	2,788.6	491.8
2008	1,722.6	1,475.4	247.2
2009	1,777.0	1,520.8	256.2
200-09 Biennium	3,499.7	2,996.2	503.4
2010	1,834.3	1,566.4	267.9
2011	1,891.3	1,620.3	271.1
2010-11 Biennium	3,725.6	3,186.7	539.0

II. Lottery Transfers by Fund*

	<u>Lottery: Total Transfers:**</u>	<u>General Fund</u>	<u>Mariners Stadium</u>	<u>Exhibition Center & Stadium</u>	<u>Student Achievement Account¹</u>	<u>School Construction Account¹</u>	<u>Transfer to VRDE²</u>	<u>Problem Gambling Account</u>	<u>Economic Development Account</u>
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	4.3	8.2	14.9	76.5	121.7	0.0		
2006	125.1	1.9	4.4	7.9	0.0	107.8	0.0	0.2	3.0
2007	120.6	7.6	4.5	8.2	0.0	97.0	0.0	0.3	3.0
2005-07 Biennium	245.7	9.5	8.9	16.1	0.0	204.8	0.0	0.4	6.0
2008	118.7	0.0	4.7	8.5	0.0	102.0	0.0	0.3	3.2
2009	124.2	5.0	4.9	8.9	0.0	102.0	0.0	0.3	3.1
2007-09 Biennium	242.9	5.0	9.6	17.4	0.0	204.0	0.0	0.5	6.3
2010	122.7	2.7	5.1	9.2	0.0	102.0	0.0	0.3	3.4
2011	123.1	2.5	5.3	9.6	0.0	102.0	0.0	0.3	3.4
2009-11 Biennium	245.8	5.2	10.4	18.8	0.0	204.0	0.0	0.6	6.8

* 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).

Table 3.19

General Fund-State And Related Fund*

June 2008 and February 2008 Cash Forecasts

2007-09 & 2009-11 Biennia

Millions of dollars

	2007-09 Biennium			2009-11 Biennium			Change From 2007-08	
	<u>Feb. 2008 Forecast</u>	<u>June 2008 Forecast</u>	<u>Difference</u>	<u>Feb. 2008 Forecast</u>	<u>June 2008 Forecast</u>	<u>Difference</u>	<u>Amount</u>	<u>Percent</u>
General Fund-State	\$29,462.9	\$29,402.4	\$(60.5)	\$31,917.9	\$31,754.5	\$(163.4)	\$2,352.1	8.0%
Related Fund*								
Health Services Account	1,219.9	1,241.8	22.0	\$1,289.1	1,294.8	5.7	53.0	4.3%
Violence Reduction and Drug Enforce.Acct.	97.1	94.5	(2.6)	\$105.2	106.7	1.5	12.2	12.9%
Water Quality Account	72.2	71.8	(0.3)	\$90.8	90.8	(0.0)	19.0	26.4%
Student Achievement Account	503.4	503.4	0.1	\$540.4	539.0	(1.4)	35.5	7.1%
Public Safety and Education Account	203.3	203.6	0.3	\$214.7	214.0	(0.7)	10.3	5.1%
Total Related Fund	2,095.8	2,115.2	19.4	\$2,240.2	2,245.2	5.0	130.0	6.1%
Total General Fund and Related Fund	\$31,558.8	\$31,517.6	\$(41.2)	\$34,158.0	\$33,999.7	\$(158.3)	2,482.1	7.9%

*As defined in RCW 43.135.025; Cash forecast; state sources.

Table 3.20

General Fund-State and Related Fund *
 History/Forecast by Fiscal Year (Cash basis)
 June 2008 - Millions of Dollars

	General Fund-State		Related Fund*		Combined General Fund-State and Related Fund	
	Level	% Change	Level	Change	Level	Change
fiscal 1995	8,551.3		247.8		8,799.0	
fiscal 1996	8,581.2	0.3%	353.2	42.6%	8,934.4	1.5%
fiscal 1997	9,056.6	5.5%	392.3	11.1%	9,448.9	5.8%
fiscal 1998	9,640.9	6.5%	416.1	6.1%	10,057.0	6.4%
fiscal 1999	9,979.2	3.5%	434.9	4.5%	10,414.1	3.6%
fiscal 2000	10,433.2	4.5%	634.4	45.9%	11,067.5	6.3%
fiscal 2001	10,828.9	3.8%	731.1	15.2%	11,560.0	4.4%
fiscal 2002	10,450.7	-3.5%	1,181.7	61.6%	11,632.4	0.6%
fiscal 2003	10,689.9	2.3%	1,031.3	-12.7%	11,721.2	0.8%
fiscal 2004	11,321.2	5.9%	1,037.2	0.6%	12,358.4	5.4%
fiscal 2005	12,067.3	6.6%	969.0	-6.6%	13,036.3	5.5%
fiscal 2006	13,328.8	10.5%	988.8	2.0%	14,317.6	9.8%
fiscal 2007	14,443.2	8.4%	1,024.2	3.6%	15,467.4	8.0%
fiscal 2008	14,640.3	1.4%	1,040.3	1.6%	15,680.5	1.4%
fiscal 2009	14,762.1	0.8%	1,075.0	3.3%	15,837.0	1.0%
fiscal 2010	15,466.0	4.8%	1,110.8	3.3%	16,576.9	4.7%
fiscal 2011	16,288.5	5.3%	1,134.4	2.1%	17,422.8	5.1%

*As defined in RCW 43.135.025; Cash forecast; state sources.

income in the pessimistic scenario is 6.2 percent below the baseline forecast by the end of the 2009-11 biennium. Wage and salary employment is 1,900 less than the baseline in the second quarter of calendar 2008 and is 52,700 less by the end of the 2007-09 biennium. In the pessimistic scenario, payroll employment in the state is 108,700 less than the baseline by the end of the 2009-11 biennium.

The revenue implications of these alternative scenarios are shown in Table 3.16 for the 2007-09 biennium and Table 3.17 for the 2009-11 biennium. The optimistic scenario for the 2007-09 biennium generates \$30,045.6 million, \$643.2 million more than the baseline forecast. The pessimistic alternative produces only \$28,872.6 million GFS revenue in the 2007-09 biennium, \$529.8 million less than the baseline forecast. For the 2009-11 biennium the range is much wider. The optimistic forecast generates \$33,995.7 million, \$2,241.2 million more than the baseline while the pessimist forecast produces only \$29,677.3 million, \$2,077.2 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 February 2008 GCEA scenario was based on the forecast of five members of the GCEA. The GCEA alternative was \$162 million lower than the June 2008 baseline forecast for the 2007-09 biennium and \$169 million less than the baseline for the 2009-11 budget period.

Related Fund Forecast for the 2007-09 and 2009-11 Biennia

The June 2008 economic and revenue forecast includes a "related fund" forecast as well as the General Fund-State forecast for the 2007-09 and 2009-11 biennia. Related fund is defined in RCW 43.135.025 and consists of six funds: the public safety and education account, the water quality account, the violence reduction and drug enforcement account, the student achievement account, and the health services account. Tables 3.19 and 3.20 summarize the related fund forecast.

The related fund forecast for the 2007-09 biennium is \$2,115.2 million, \$19.4 million more than expected in February. The higher related fund forecast includes increases to the forecast of the health services account (+\$22.0 million), the student achievement account (\$0.1 million) and the public safety and education account (+\$0.3 million). These increases were partially offset by small reductions to the forecast of the water quality account (-\$0.3 million) and the violence reduction and drug enforcement account (-\$2.6 million). The combined GFS and related fund forecast for the 2007-09 totals \$31,517.6 million, \$41.2 million less than the February forecast.

The related fund forecast for the 2009-11 is \$2,245.2 million. This is \$5.0 million, higher than the February 20078 forecast and is 6.1 percent higher than the forecast for the 2007-09 biennium. The combined GFS and related fund forecast for the 2009-11 biennium is \$33,999.7 million. This is \$2,482.1 million, 7.9 percent, more than the forecast of the 2007-09 biennium.

Table 3.21

Summary of 2008 Legislation**GFS Impact 2007-09 and 2009-11 Biennia By Agency; thousands of dollars**

<u>I. 2008 Legislation</u>		<u>Fiscal</u>	<u>Fiscal</u>	<u>2007-09</u>	<u>Fiscal</u>	<u>Fiscal</u>	<u>2009-11</u>
		<u>2008</u>	<u>2009</u>	<u>Biennium</u>	<u>2010</u>	<u>2011</u>	<u>Biennium</u>
Department of Revenue							
E2SHB 1621	Manufactured/mobile home	-	(19)	(19)	(20)	(37)	(57)
3SHB 2053	Motor vehicle fuel	-	(125)	(125)	(125)	(125)	(250)
HB 2460	Amphitheater property	-	(12)	(12)	(48)	(48)	(96)
HB 2544	Temporary medical housing	-	(31)	(31)	(34)	(35)	(69)
SHB 2585	Newspaper supplement tax	-	(867)	(867)	(1,210)	(1,547)	(2,757)
HB 2678	Timber industry tax	-	(34)	(34)	(17)	(17)	(34)
ESHB 2847	Weatherization assistance	-	(276)	(276)	(285)	(293)	(578)
ESHB 3096	State route number 520	-	(251)	(251)	(2,725)	(12,238)	(14,963)
HB 3275	Grocery distribution co-ops	-	(1,100)	(1,100)	(1,800)	(1,800)	(3,600)
SHB 3283	Military personnel/taxes	-	(53)	(53)	(58)	(58)	(116)
ESHB 3303	Polysilicon manufacturers	-	-	-	(1,000)	(1,000)	(2,000)
HB 3362	Energy efficient equipment	-	(106)	(106)	(106)	-	(106)
SB 6375	Trail grooming services tax	-	(6)	(6)	(6)	(7)	(13)
2SSB 6468	Honey beekeeper taxation	-	(74)	(74)	(81)	(81)	(162)
2SSB 6626	Community empowerment zones	-	-	-	(1,298)	(1,298)	(2,596)
SB 6799	Florists' personal property	-	147	147	167	174	341
SSB 6828	Aerospace industry tax	-	<u>(2,166)</u>	<u>(2,166)</u>	<u>(2,636)</u>	<u>(2,917)</u>	<u>(5,553)</u>
Subtotal: DOR		-	(4,973)	(4,973)	(11,282)	(21,327)	(32,609)
State Treasurer							
EHB 3360	Time certificate of deposit	-	(210)	(210)	(320)	(320)	(640)
SSB 6297	Prosecuting atty salaries	-	<u>(13)</u>	<u>(13)</u>	<u>(16)</u>	<u>(20)</u>	<u>(36)</u>
Subtotal: State Treasurer		-	(223)	(223)	(336)	(340)	(676)
Other Agencies (OFM)							
SHB 2602	Victims' employment leave	-	38	38	38	38	76
ESHB 2687	Operating budget	-	9	9	9	9	18
EHB 3381	WA health, safety, education	-	42	42	46	46	93
SSB 6224	Vendor overpayments	-	(260)	(260)	(260)	(260)	(520)
SSB 6297	Prosecuting atty salaries	-	(903)	(903)	(903)	(903)	(1,806)
E2SSB 6874	Columbia river water	-	<u>(6,025)</u>	<u>(6,025)</u>	<u>(5,931)</u>	<u>(6,051)</u>	<u>(11,982)</u>
Subtotal: Other agencies		-	(7,099)	(7,099)	(7,001)	(7,120)	(14,122)
Total GFS Impact of 2008 Legislation		-	(12,295)	(12,295)	(18,619)	(28,787)	(47,406)
<u>II. 2008 Budget Driven Revenue and Revenue Adjustments</u>							
Liquor Control Board							
	Policy Enhancements	(517)	1,015	498	-	-	-
Office of Financial Management							
	Correction of PILT Calculation Error	632	633	1,265	633	633	1,266
Department of Revenue							
	Correct for Distribution Error	<u>(422)</u>	-	<u>(422)</u>	-	-	-
Total GFS Budget Driven Revenue and Adj		(307)	1,648	1,341	633	633	1,266
Total: Legislation and Budget Driven Rev		<u>(307)</u>	<u>(10,647)</u>	<u>(10,954)</u>	<u>(17,986)</u>	<u>(28,154)</u>	<u>(46,140)</u>

County Personal Income and Employment, 2002 to 2006

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

The U.S. Department of Commerce, Bureau of Economic Analysis (BEA) publishes annual estimates of personal income on a county-by-county basis broken down by source and by industry. In April of this year, the bureau released new estimates for 2006 personal income and comprehensively revised personal income estimates from 2004 to 2005. This report presents details of the income data from 2002 to 2006. Data prior to 2002 is available through the BEA or the Washington State Economic and Revenue Forecast Council.

In 2006, per capita personal income in Washington’s counties ranged from \$52,655 in King County to \$20,444 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, with urban counties defined 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 nonresidents 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 nonresidents 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 \$13,641 in 2006. The chart also indicates a large variation in sources of income 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 2006, this commuting pattern resulted in a net earnings outflow from King County into other areas of \$13.1 billion. 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 (\$11,226) than within (\$7,599).

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 2006 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 47.9, well below the state average of 60.7. It also, however, had a large positive per capita residence adjustment of \$8,463, indicating that a large amount of the labor force worked in other counties (in this case, King County). The county's unemployment rate of 4.5 percent, less than the state average of 4.9 percent, further indicates that county residents as a whole could find work more easily than the job ratio would seem to indicate. Okanogan County, on the other hand, had a much higher job ratio of 61.6 but also had a much lower (\$726) per capita residence adjustment. Coupled with the county's 2006 unemployment rate of 6.6 percent, this indicates that jobs for residents of the county were relatively hard to find².

Chart 4.2 indicates 2006 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 \$17,332.

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 2006 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, accommodation and food service employment were among the lowest paying industries in Washington. Accommodation and food service employment represented 11.9 percent of jobs in San Juan County, which ranked fourth 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 16.0 percent of jobs. This helped the county to rank second in wages per job.

Table 4.4 lists the per capita personal income of Washington’s counties and metropolitan areas from 2002 to 2006 and the amount of growth during that period. From 2002 to 2006, per capita income in the state’s urban counties grew by 18.2 percent, faster than the 14.2 percent growth in rural counties. Faster per capita income growth in urban counties during this period is explained by greater employment growth but slightly slower population growth relative to rural areas.

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 2006 median home prices to per capita personal income. For example, King County had the highest per capita personal income level, which was 38 percent higher than the state average, and the second highest median home price, which was 45 percent higher than the state median.

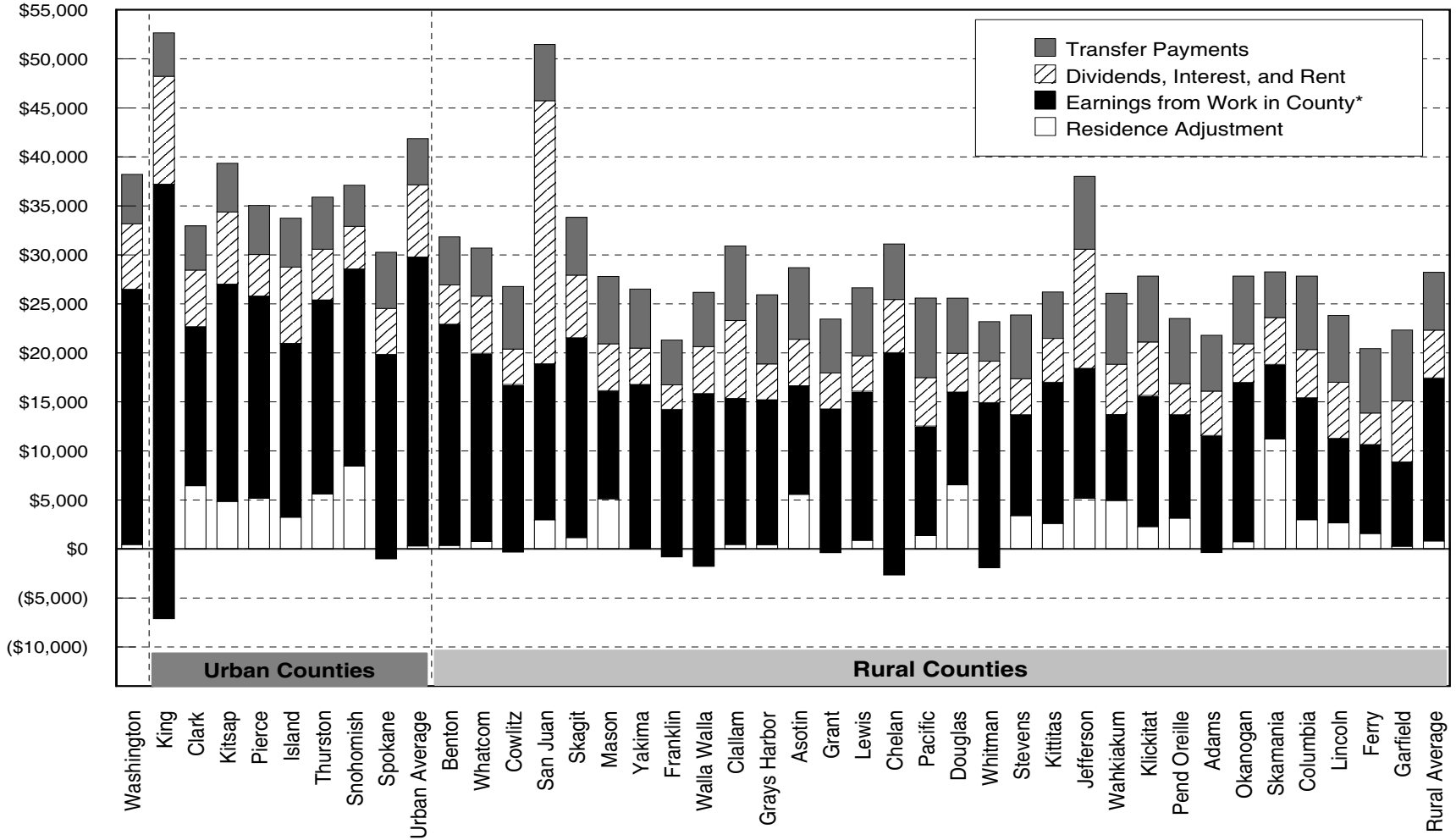
Alternatively, Ferry County had the lowest per capita personal income, which was 46 percent lower than the state average, and was tied for the eighth lowest median home price, which was 51 percent lower than the state median. This relationship suggests that the difference in per capita personal income 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
2006 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
2006 Earnings per Job
(Counties Ordered by Population Density)

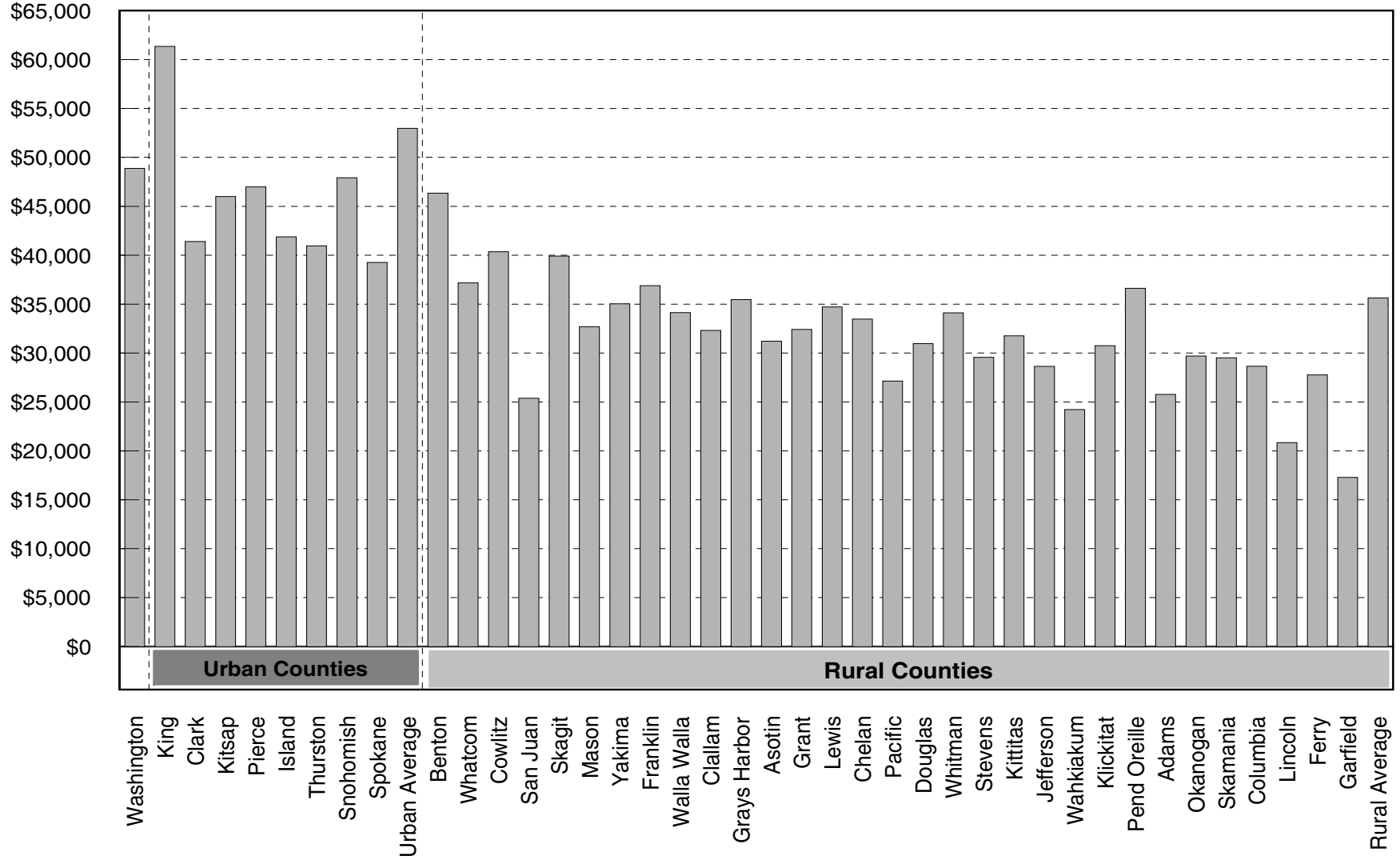


Table 4.1
2006 Job Ratio, Unemployment, and Per Capita Residence Adjustment

	Total Full and Part-Time Employment	Population	Job Ratio	Per Capita Residence Adjustment	Unemployment Rate
Washington	3,868,813	6,374,910	60.7	\$444	4.9%
King*	1,506,591	1,834,194	82.1	-\$7,120	4.1%
Chelan	53,904	70,023	77.0	-\$2,653	5.1%
San Juan	10,872	15,144	71.8	\$2,975	3.8%
Garfield	1,328	2,118	62.7	\$282	5.3%
Okanogan	24,162	39,231	61.6	\$726	6.6%
Spokane*	272,875	447,392	61.0	-\$1,017	5.0%
Walla Walla	34,106	57,609	59.2	-\$1,786	5.4%
Whatcom#	111,468	188,775	59.0	\$771	4.5%
Skagit	66,496	114,495	58.1	\$1,158	5.2%
Whitman	23,300	41,404	56.3	-\$1,911	4.0%
Benton#	87,934	157,549	55.8	\$366	5.7%
Thurston*	129,244	233,167	55.4	\$5,620	4.6%
Adams	9,024	16,614	54.3	-\$372	6.3%
Yakima#	125,212	230,840	54.2	\$61	6.8%
Kitsap*	129,473	238,827	54.2	\$4,856	4.7%
Jefferson	15,502	29,029	53.4	\$5,160	5.0%
Clallam	36,970	69,716	53.0	\$452	5.8%
Kittitas	19,680	37,981	51.8	\$2,604	5.2%
Grant	42,017	81,348	51.7	-\$384	6.5%
Lewis	36,941	72,759	50.8	\$869	6.9%
Klickitat	9,880	19,815	49.9	\$2,281	7.1%
Columbia	1,975	3,964	49.8	\$2,980	8.6%
Pierce*	380,072	763,670	49.8	\$5,193	5.1%
Lincoln	5,050	10,217	49.4	\$2,667	5.6%
Cowlitz	48,372	98,831	48.9	-\$312	6.5%
Grays Harbor	34,141	70,836	48.2	\$438	7.0%
Snohomish*	318,597	664,581	47.9	\$8,463	4.5%
Pacific	10,202	21,401	47.7	\$1,378	6.5%
Island*	38,154	80,857	47.2	\$3,248	5.1%
Franklin#	30,861	66,138	46.7	-\$818	7.0%
Clark*	183,614	409,230	44.9	\$6,454	5.8%
Wahkiakum	1,660	3,949	42.0	\$4,944	6.6%
Asotin	8,596	21,049	40.8	\$5,581	4.2%
Stevens	16,543	41,293	40.1	\$3,394	7.0%
Mason	21,366	54,915	38.9	\$5,119	5.8%
Ferry	2,805	7,495	37.4	\$1,575	9.2%
Douglas	12,519	35,266	35.5	\$6,544	5.0%
Pend Oreille	4,191	12,664	33.1	\$3,151	7.4%
Skamania	3,116	10,524	29.6	\$11,226	7.0%

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

Table 4.2

2006 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Washington		Adams		Asotin		Benton	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	3,868,813	\$48,885	9,024	\$25,766	8,596	\$31,222	87,934	\$46,353
Wage and salary employment	3,117,875	\$43,727	6,776	\$30,118	6,131	\$28,120	73,457	\$43,077
Proprietors employment	750,938	\$25,756	2,248	-\$8,941	2,465	\$22,017	14,477	\$17,453
Farm proprietors employment	32,705	\$4,226	619	-\$78,215	174	-\$47,511	1,227	\$715
Nonfarm proprietors employment ³	718,233	\$26,736	1,629	\$17,382	2,291	\$27,297	13,250	\$19,003
Farm employment	76,478	\$19,187	1,488	-\$9,460	229	-\$29,664	4,006	\$21,798
Nonfarm employment	3,792,335	\$49,484	7,536	\$32,721	8,367	\$32,889	83,928	\$47,526
Private employment	3,189,276	\$47,658	5,927	\$30,710	7,097	\$31,749	72,101	\$45,698
Forestry, fishing, related activities, and other ⁴	52,630	\$39,029	467	\$26,807	(D)	(D)	(D)	(D)
Mining	5,645	\$61,920	(L)	(L)	(D)	(D)	(D)	(D)
Utilities	5,076	\$135,754	(D)	(D)	(D)	(D)	119	\$89,361
Construction	267,204	\$52,149	234	\$36,962	793	\$42,483	5,808	\$48,940
Manufacturing	302,905	\$79,015	1,063	\$43,874	598	\$42,791	4,047	\$62,375
Wholesale trade	140,669	\$67,310	395	\$47,714	(D)	(D)	1,433	\$42,735
Retail Trade	415,450	\$30,656	882	\$19,314	1,087	\$28,221	10,819	\$23,872
Transportation and warehousing	111,882	\$53,786	(D)	(D)	154	\$35,701	1,092	\$35,069
Information	110,707	\$115,512	41	\$24,878	48	\$37,854	949	\$40,864
Finance and insurance	151,087	\$69,749	137	\$33,628	271	\$58,649	2,427	\$43,489
Real estate and rental and leasing	175,986	\$23,322	234	\$7,825	391	\$12,442	3,087	\$15,311
Professional and technical services	254,863	\$59,916	168	\$21,083	398	\$23,892	10,741	\$75,160
Management of companies and enterprises	35,081	\$99,652	0	\$0	(D)	(D)	378	\$81,225
Administrative and waste services	195,430	\$34,176	129	\$20,163	(D)	(D)	9,230	\$78,765
Educational services	64,856	\$21,988	(D)	(D)	52	\$12,038	758	\$16,467
Health care and social assistance	359,238	\$45,536	(D)	(D)	1,064	\$33,902	7,804	\$42,979
Arts, entertainment, and recreation	87,359	\$21,138	(D)	(D)	250	\$15,540	1,860	\$17,923
Accommodation and food services	245,510	\$20,762	(D)	(D)	623	\$17,358	5,460	\$18,206
Other services, except public administration	207,698	\$25,065	375	\$20,603	803	\$35,656	4,145	\$22,676
Government and government enterprises	603,059	\$59,143	1,609	\$40,131	1,270	\$39,257	11,827	\$58,665
Federal, civilian	69,379	\$90,536	48	\$68,938	61	\$73,738	743	\$119,342
Military	77,001	\$76,484	53	\$35,321	67	\$35,179	516	\$35,905
State and local	456,679	\$51,449	1,508	\$39,383	1,142	\$37,655	10,568	\$55,510
State government	144,474	\$51,919	67	\$45,507	169	\$39,467	1,318	\$46,248
Local government	312,205	\$51,232	1,441	\$39,098	973	\$37,340	9,250	\$56,830

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

Table 4.2
2006 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Chelan		Clallam		Clark		Columbia	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	53,904	\$33,461	36,970	\$32,327	183,614	\$41,397	1,975	\$28,659
Wage and salary employment	42,180	\$31,047	25,714	\$31,007	140,512	\$38,840	1,369	\$29,882
Proprietors employment	11,724	\$18,503	11,256	\$18,163	43,102	\$20,277	606	\$7,851
Farm proprietors employment	1,215	\$24,800	335	-\$2,391	1,367	\$2,598	235	\$4,443
Nonfarm proprietors employment ³	10,509	\$17,774	10,921	\$18,794	41,735	\$20,856	371	\$10,011
Farm employment	5,167	\$26,052	415	\$2,759	1,687	\$7,625	327	\$12,508
Nonfarm employment	48,737	\$34,246	36,555	\$32,662	181,927	\$41,710	1,648	\$31,864
Private employment	42,073	\$31,306	29,332	\$28,080	157,886	\$39,866	1,158	\$25,684
Forestry, fishing, related activities, and other ⁴	(D)	(D)	1,085	\$68,166	789	\$30,402	(D)	(D)
Mining	(D)	(D)	89	\$35,775	450	\$110,687	(D)	(D)
Utilities	51	\$28,020	32	\$23,500	150	\$76,260	(D)	(D)
Construction	3,422	\$38,695	3,199	\$35,630	17,750	\$48,761	(D)	(D)
Manufacturing	2,429	\$48,851	1,872	\$50,435	13,924	\$62,564	85	\$41,635
Wholesale trade	1,748	\$44,057	587	\$43,780	6,664	\$62,089	87	\$42,920
Retail Trade	6,323	\$24,329	5,236	\$25,473	19,855	\$27,102	168	\$15,173
Transportation and warehousing	1,070	\$35,418	762	\$36,735	5,675	\$46,005	(D)	(D)
Information	652	\$39,595	474	\$30,525	3,761	\$55,698	16	\$12,000
Finance and insurance	1,278	\$39,310	1,079	\$30,342	6,997	\$46,879	47	\$26,766
Real estate and rental and leasing	1,898	\$24,183	1,809	\$11,537	9,326	\$20,328	27	\$9,407
Professional and technical services	1,957	\$32,738	1,948	\$25,874	12,330	\$55,294	65	\$22,108
Management of companies and enterprises	58	\$60,638	196	\$61,077	879	\$86,480	(D)	(D)
Administrative and waste services	1,400	\$14,166	1,156	\$12,078	10,496	\$23,776	(D)	(D)
Educational services	437	\$12,359	331	\$11,613	2,198	\$13,966	(D)	(D)
Health care and social assistance	5,896	\$48,392	3,326	\$31,474	19,820	\$47,233	(D)	(D)
Arts, entertainment, and recreation	1,040	\$11,136	759	\$8,564	4,277	\$17,724	(D)	(D)
Accommodation and food services	3,950	\$17,887	2,830	\$15,683	11,687	\$19,717	(D)	(D)
Other services, except public administration	2,571	\$20,683	2,562	\$18,138	10,858	\$23,205	162	\$21,056
Government and government enterprises	6,664	\$52,806	7,223	\$51,270	24,041	\$53,822	490	\$46,469
Federal, civilian	697	\$81,512	428	\$79,292	2,837	\$102,024	66	\$92,439
Military	225	\$35,404	577	\$56,128	1,313	\$35,391	13	\$34,846
State and local	5,742	\$50,004	6,218	\$48,891	19,891	\$48,163	411	\$39,455
State government	1,186	\$49,031	1,244	\$49,031	3,689	\$45,500	42	\$48,286
Local government	4,556	\$50,257	4,974	\$48,856	16,202	\$48,770	369	\$38,450

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

Table 4.2

2006 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Cowlitz		Douglas		Ferry		Franklin	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	48,372	\$40,350	12,519	\$30,967	2,805	\$27,764	30,861	\$36,895
Wage and salary employment	40,215	\$35,696	10,503	\$28,418	1,840	\$28,194	26,349	\$31,658
Proprietors employment	8,157	\$20,340	2,016	\$10,740	965	\$10,400	4,512	\$24,135
Farm proprietors employment	401	\$3,449	906	\$673	199	\$1,588	920	\$4,647
Nonfarm proprietors employment ³	7,756	\$21,213	1,110	\$18,957	766	\$12,689	3,592	\$29,127
Farm employment	597	\$11,910	2,665	\$16,515	202	\$1,698	3,996	\$24,079
Nonfarm employment	47,775	\$40,706	9,854	\$34,876	2,603	\$29,787	26,865	\$38,801
Private employment	41,702	\$39,887	7,617	\$30,001	1,637	\$21,233	21,873	\$36,536
Forestry, fishing, related activities, and other ⁴	(D)	(D)	790	\$29,841	(D)	(D)	(D)	(D)
Mining	(D)	(D)	(L)	(L)	(D)	(D)	(D)	(D)
Utilities	(D)	(D)	(L)	(L)	0	\$0	(D)	(D)
Construction	3,432	\$67,503	853	\$42,142	(D)	(D)	1,831	\$46,709
Manufacturing	7,683	\$65,802	264	\$49,178	(D)	(D)	2,272	\$45,083
Wholesale trade	(D)	(D)	392	\$42,097	(D)	(D)	1,528	\$48,281
Retail Trade	6,151	\$24,122	1,348	\$28,431	275	\$16,844	3,429	\$28,338
Transportation and warehousing	1,964	\$48,371	335	\$40,884	(D)	(D)	(D)	(D)
Information	531	\$42,685	55	\$36,509	20	\$17,050	120	\$31,642
Finance and insurance	1,333	\$40,641	224	\$33,353	38	\$17,711	410	\$31,424
Real estate and rental and leasing	1,581	\$10,836	197	\$13,411	134	\$4,978	905	\$27,278
Professional and technical services	1,351	\$34,062	315	\$36,203	72	\$17,514	819	\$46,585
Management of companies and enterprises	36	\$41,056	(D)	(D)	(D)	(D)	0	\$0
Administrative and waste services	1,631	\$15,465	(D)	(D)	(D)	(D)	881	\$24,619
Educational services	415	\$15,564	101	\$13,891	(D)	(D)	346	\$22,486
Health care and social assistance	5,361	\$41,229	695	\$37,517	(D)	(D)	2,612	\$37,477
Arts, entertainment, and recreation	878	\$17,469	405	\$23,415	(D)	(D)	426	\$25,303
Accommodation and food services	3,222	\$17,155	699	\$13,651	(D)	(D)	1,401	\$17,530
Other services, except public administration	2,989	\$18,988	634	\$19,334	176	\$14,881	1,649	\$24,539
Government and government enterprises	6,073	\$46,327	2,237	\$51,475	966	\$44,283	4,992	\$48,728
Federal, civilian	241	\$77,788	199	\$101,211	163	\$76,607	531	\$90,277
Military	317	\$35,186	119	\$36,832	24	\$34,958	210	\$35,181
State and local	5,515	\$45,592	1,919	\$47,226	779	\$37,806	4,251	\$44,207
State government	1,156	\$43,482	131	\$51,038	36	\$43,722	1,102	\$41,248
Local government	4,359	\$46,152	1,788	\$46,946	743	\$37,520	3,149	\$45,242

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

Table 4.2
2006 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Garfield		Grant		Grays Harbor		Island	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	1,328	\$17,302	42,017	\$32,404	34,141	\$35,461	38,154	\$41,890
Wage and salary employment	866	\$31,542	34,229	\$29,465	27,058	\$33,064	26,369	\$37,969
Proprietors employment	462	-\$28,907	7,788	\$14,529	7,083	\$13,600	11,785	\$12,276
Farm proprietors employment	212	-\$71,906	1,854	\$8,154	450	\$8,216	298	-\$1,258
Nonfarm proprietors employment ³	250	\$7,556	5,934	\$16,520	6,633	\$13,965	11,487	\$12,627
Farm employment	259	-\$53,807	6,818	\$24,459	665	\$15,343	414	\$7,558
Nonfarm employment	1,069	\$34,530	35,199	\$33,942	33,476	\$35,861	37,740	\$42,267
Private employment	576	\$19,663	27,672	\$29,237	26,772	\$33,392	24,281	\$23,208
Forestry, fishing, related activities, and other ⁴	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Mining	(L)	(L)	(D)	(D)	(D)	(D)	(D)	(D)
Utilities	(D)	(D)	22	\$12,045	(D)	(D)	101	\$49,822
Construction	41	\$19,610	1,876	\$33,612	2,147	\$39,347	2,944	\$33,910
Manufacturing	13	\$13	3,807	\$52,210	4,448	\$55,122	1,174	\$33,458
Wholesale trade	143	\$36,294	1,197	\$41,654	972	\$50,646	360	\$38,258
Retail Trade	120	\$17,500	4,139	\$23,570	4,006	\$23,827	3,943	\$23,242
Transportation and warehousing	(D)	(D)	1,227	\$40,459	(D)	(D)	360	\$26,508
Information	(D)	(D)	254	\$31,469	289	\$34,872	356	\$39,410
Finance and insurance	33	\$24,939	742	\$39,398	905	\$36,804	869	\$29,719
Real estate and rental and leasing	19	\$2,737	1,176	\$11,899	1,107	\$10,720	2,366	\$10,776
Professional and technical services	(D)	(D)	892	\$30,062	1,056	\$37,373	1,777	\$25,674
Management of companies and enterprises	0	\$0	33	\$91,364	94	\$58,670	153	\$56,039
Administrative and waste services	(D)	(D)	1,617	\$14,289	807	\$14,257	1,549	\$16,638
Educational services	0	\$0	179	\$14,039	(D)	(D)	631	\$19,141
Health care and social assistance	(D)	(D)	3,451	\$28,842	(D)	(D)	2,184	\$27,039
Arts, entertainment, and recreation	(D)	(D)	470	\$14,204	538	\$10,857	1,022	\$8,968
Accommodation and food services	(D)	(D)	2,204	\$15,956	2,581	\$16,706	2,024	\$15,043
Other services, except public administration	56	\$14,482	1,818	\$20,445	2,170	\$18,338	2,142	\$18,504
Government and government enterprises	493	\$51,901	7,527	\$51,240	6,704	\$45,721	13,459	\$76,650
Federal, civilian	130	\$85,485	628	\$89,239	240	\$62,946	1,325	\$62,509
Military	(L)	(L)	262	\$35,176	266	\$39,244	8,795	\$90,057
State and local	356	\$39,963	6,637	\$48,278	6,198	\$45,332	3,339	\$46,949
State government	(D)	(D)	867	\$41,160	1,288	\$48,341	435	\$37,276
Local government	(D)	(D)	5,770	\$49,348	4,910	\$44,543	2,904	\$48,398

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

Table 4.2
2006 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Jefferson		King		Kitsap		Kittitas	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	15,502	\$28,629	1,506,591	\$61,338	129,473	\$46,002	19,680	\$31,760
Wage and salary employment	10,450	\$29,378	1,233,816	\$54,115	102,579	\$39,688	14,674	\$29,654
Proprietors employment	5,052	\$12,672	272,775	\$37,790	26,894	\$16,900	5,006	\$16,558
Farm proprietors employment	157	\$10,573	1,219	\$1,452	400	\$12,633	883	\$9,055
Nonfarm proprietors employment ³	4,895	\$12,740	271,556	\$37,953	26,494	\$16,964	4,123	\$18,165
Farm employment	193	\$15,415	1,901	\$16,778	470	\$15,736	1,285	\$17,567
Nonfarm employment	15,309	\$28,796	1,504,690	\$61,395	129,003	\$46,112	18,395	\$32,752
Private employment	13,070	\$25,318	1,335,235	\$61,485	88,729	\$31,359	13,907	\$28,124
Forestry, fishing, related activities, and other ⁴	327	\$21,220	4,729	\$100,425	571	\$68,708	(D)	(D)
Mining	83	\$42,337	1,298	\$46,210	128	\$39,648	(D)	(D)
Utilities	73	\$81,329	1,033	\$295,218	161	\$85,112	42	\$70,167
Construction	1,431	\$29,353	90,083	\$63,030	8,237	\$42,668	1,937	\$43,634
Manufacturing	804	\$50,557	120,972	\$97,200	2,151	\$58,484	830	\$36,651
Wholesale trade	268	\$30,284	70,015	\$81,442	2,059	\$46,573	583	\$48,978
Retail Trade	1,501	\$21,849	142,087	\$37,908	16,036	\$25,351	2,338	\$22,911
Transportation and warehousing	195	\$26,882	53,871	\$63,968	1,387	\$47,528	424	\$37,384
Information	252	\$50,397	78,541	\$143,716	2,034	\$42,865	277	\$65,758
Finance and insurance	363	\$75,931	71,403	\$88,365	3,616	\$49,081	355	\$29,386
Real estate and rental and leasing	886	\$11,141	82,499	\$29,534	6,177	\$13,229	599	\$14,052
Professional and technical services	1,050	\$23,274	138,927	\$72,266	7,830	\$39,483	(D)	(D)
Management of companies and enterprises	0	\$0	25,221	\$110,441	213	\$80,009	(D)	(D)
Administrative and waste services	551	\$11,799	88,637	\$40,725	5,854	\$24,326	428	\$15,119
Educational services	309	\$12,660	30,467	\$22,413	1,832	\$16,028	244	\$12,787
Health care and social assistance	1,875	\$28,692	127,697	\$50,352	12,652	\$40,318	1,106	\$28,837
Arts, entertainment, and recreation	574	\$6,723	39,961	\$29,176	3,015	\$13,229	544	\$15,954
Accommodation and food services	1,408	\$16,609	94,187	\$24,927	7,690	\$17,770	1,935	\$16,348
Other services, except public administration	1,120	\$17,575	73,607	\$29,775	7,086	\$20,867	1,166	\$19,253
Government and government enterprises	2,239	\$49,096	169,455	\$60,682	40,274	\$78,615	4,488	\$47,092
Federal, civilian	158	\$87,544	21,409	\$93,850	15,047	\$101,902	160	\$77,356
Military	105	\$39,276	7,076	\$46,683	11,741	\$85,031	126	\$44,032
State and local	1,976	\$46,544	140,970	\$56,347	13,486	\$47,047	4,202	\$46,031
State government	314	\$53,879	54,473	\$53,580	2,262	\$46,039	2,240	\$49,034
Local government	1,662	\$45,158	86,497	\$58,090	11,224	\$47,250	1,962	\$42,602

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

Table 4.2
2006 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Klickitat		Lewis		Lincoln		Mason	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	9,880	\$30,750	36,941	\$34,713	5,050	\$20,841	21,366	\$32,690
Wage and salary employment	6,573	\$31,850	28,473	\$33,403	3,190	\$28,403	15,849	\$30,364
Proprietors employment	3,307	\$14,032	8,468	\$11,829	1,860	-\$5,098	5,517	\$18,296
Farm proprietors employment	600	-\$2,822	1,306	\$4,856	649	-\$36,810	244	\$9,623
Nonfarm proprietors employment ³	2,707	\$17,768	7,162	\$13,100	1,211	\$11,898	5,273	\$18,698
Farm employment	1,269	\$14,713	1,609	\$9,686	863	-\$20,727	473	\$25,025
Nonfarm employment	8,611	\$33,113	35,332	\$35,853	4,187	\$29,409	20,893	\$32,863
Private employment	6,846	\$29,902	30,088	\$34,385	2,756	\$23,952	15,657	\$28,564
Forestry, fishing, related activities, and other ⁴	(D)	(D)	1,826	\$37,584	(D)	(D)	(D)	(D)
Mining	(D)	(D)	813	\$94,123	(D)	(D)	(D)	(D)
Utilities	51	\$90,902	283	\$118,438	(D)	(D)	33	\$34,485
Construction	772	\$26,452	2,211	\$47,205	289	\$32,419	1,586	\$33,987
Manufacturing	615	\$29,593	3,946	\$51,332	(D)	(D)	2,248	\$51,950
Wholesale trade	185	\$33,027	708	\$42,052	255	\$38,431	701	\$31,608
Retail Trade	671	\$47,917	5,053	\$23,358	485	\$15,862	2,368	\$22,451
Transportation and warehousing	249	\$44,422	1,676	\$39,109	(D)	(D)	327	\$39,700
Information	63	\$27,222	377	\$37,130	36	\$31,167	163	\$24,239
Finance and insurance	185	\$25,211	749	\$33,286	168	\$30,542	625	\$35,563
Real estate and rental and leasing	500	\$5,180	969	\$12,051	104	\$3,038	1,078	\$7,884
Professional and technical services	624	\$47,566	1,022	\$29,864	198	\$29,152	(D)	(D)
Management of companies and enterprises	(D)	(D)	92	\$44,826	0	\$0	(D)	(D)
Administrative and waste services	(D)	(D)	1,291	\$18,301	57	\$10,772	522	\$13,981
Educational services	49	\$13,041	295	\$13,434	(D)	(D)	240	\$18,550
Health care and social assistance	405	\$22,985	3,386	\$38,550	(D)	(D)	1,323	\$29,351
Arts, entertainment, and recreation	194	\$9,918	613	\$9,160	98	\$7,796	402	\$16,759
Accommodation and food services	382	\$12,144	2,399	\$16,786	153	\$9,503	1,238	\$17,330
Other services, except public administration	678	\$20,198	2,379	\$19,492	304	\$14,859	1,450	\$20,203
Government and government enterprises	1,765	\$45,567	5,244	\$44,277	1,431	\$39,918	5,236	\$45,718
Federal, civilian	103	\$70,058	233	\$70,554	73	\$60,137	73	\$74,014
Military	64	\$35,250	233	\$35,047	33	\$34,909	177	\$35,073
State and local	1,598	\$44,402	4,778	\$43,446	1,325	\$38,929	4,986	\$45,682
State government	176	\$50,131	1,218	\$44,700	67	\$46,642	951	\$52,157
Local government	1,422	\$43,693	3,560	\$43,016	1,258	\$38,518	4,035	\$44,156

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

Table 4.2
2006 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Okanogan		Pacific		Pend Oreille		Pierce	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	24,162	\$29,697	10,202	\$27,151	4,191	\$36,618	380,072	\$46,982
Wage and salary employment	17,770	\$25,163	7,307	\$26,848	3,022	\$33,544	314,013	\$39,978
Proprietors employment	6,392	\$25,259	2,895	\$11,305	1,169	\$20,789	66,059	\$25,385
Farm proprietors employment	1,453	\$26,891	278	\$26,813	270	-\$893	1,128	\$5,076
Nonfarm proprietors employment ³	4,939	\$24,778	2,617	\$9,658	899	\$27,300	64,931	\$25,738
Farm employment	4,531	\$23,676	402	\$27,284	275	-\$676	1,752	\$16,303
Nonfarm employment	19,631	\$31,087	9,800	\$27,146	3,916	\$39,237	378,320	\$47,124
Private employment	14,301	\$25,632	7,698	\$21,670	2,570	\$34,482	293,638	\$40,972
Forestry, fishing, related activities, and other ⁴	1,721	\$20,590	1,021	\$24,872	144	\$40,014	1,417	\$32,231
Mining	76	\$41,763	53	\$34,642	44	\$34,295	347	\$77,386
Utilities	43	\$83,302	(D)	(D)	0	\$0	703	\$112,319
Construction	1,308	\$28,109	491	\$22,949	302	\$19,278	30,709	\$54,273
Manufacturing	497	\$15,614	1,099	\$34,498	417	\$104,966	20,328	\$65,953
Wholesale trade	420	\$64,229	(D)	(D)	27	\$24,185	12,169	\$53,918
Retail Trade	2,430	\$37,337	935	\$20,003	361	\$18,632	42,218	\$28,145
Transportation and warehousing	354	\$30,116	89	\$28,056	94	\$25,096	13,057	\$52,764
Information	195	\$39,441	70	\$27,571	59	\$32,034	4,392	\$50,626
Finance and insurance	481	\$27,160	264	\$38,250	84	\$28,786	14,289	\$64,181
Real estate and rental and leasing	784	\$10,260	517	\$4,758	115	\$8,322	15,837	\$23,878
Professional and technical services	721	\$21,706	(D)	(D)	125	\$28,064	16,207	\$45,732
Management of companies and enterprises	(D)	(D)	(D)	(D)	0	\$0	1,255	\$73,543
Administrative and waste services	(D)	(D)	199	\$13,437	70	\$13,357	19,281	\$31,207
Educational services	124	\$12,645	30	\$2,033	26	\$21,462	6,954	\$24,768
Health care and social assistance	1,632	\$29,599	620	\$24,769	160	\$19,819	40,285	\$51,446
Arts, entertainment, and recreation	402	\$7,104	202	\$9,658	(D)	(D)	7,173	\$16,708
Accommodation and food services	1,481	\$16,297	1,013	\$14,331	(D)	(D)	24,271	\$18,859
Other services, except public administration	1,132	\$17,981	680	\$17,935	266	\$19,102	22,746	\$24,787
Government and government enterprises	5,330	\$45,722	2,102	\$47,200	1,346	\$48,316	84,682	\$68,455
Federal, civilian	479	\$85,140	69	\$62,449	115	\$81,948	10,542	\$76,557
Military	127	\$34,992	179	\$54,525	41	\$35,073	29,549	\$89,018
State and local	4,724	\$42,014	1,854	\$45,926	1,190	\$45,523	44,591	\$52,914
State government	317	\$45,511	299	\$47,247	37	\$45,351	11,543	\$49,135
Local government	4,407	\$41,762	1,555	\$45,671	1,153	\$45,528	33,048	\$54,234

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

Table 4.2
2006 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	San Juan		Skagit		Skamania		Snohomish	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	10,872	\$25,385	66,496	\$39,919	3,116	\$29,521	318,597	\$47,922
Wage and salary employment	6,232	\$28,659	51,422	\$34,059	2,284	\$28,959	258,321	\$43,160
Proprietors employment	4,640	\$12,208	15,074	\$30,605	832	\$8,385	60,276	\$18,685
Farm proprietors employment	193	-\$2,031	804	\$5,693	74	-\$2,743	1,285	-\$8,746
Nonfarm proprietors employment ³	4,447	\$12,826	14,270	\$32,008	758	\$9,471	58,991	\$19,282
Farm employment	228	\$4,412	2,568	\$29,077	101	\$1,931	1,959	\$6,647
Nonfarm employment	10,644	\$25,834	63,928	\$40,354	3,015	\$30,445	316,638	\$48,177
Private employment	9,557	\$23,763	53,118	\$39,056	2,194	\$24,221	272,434	\$46,648
Forestry, fishing, related activities, and other ⁴	(D)	(D)	1,602	\$42,712	(D)	(D)	1,635	\$52,410
Mining	(D)	(D)	99	\$50,253	(D)	(D)	370	\$62,595
Utilities	83	\$93,687	187	\$92,695	0	\$0	128	\$73,109
Construction	1,499	\$33,624	5,765	\$49,958	179	\$24,251	29,065	\$49,810
Manufacturing	483	\$24,588	6,000	\$82,410	226	\$47,084	50,835	\$88,968
Wholesale trade	143	\$26,783	1,245	\$46,149	38	\$31,105	8,682	\$56,079
Retail Trade	954	\$32,000	9,679	\$34,782	197	\$17,756	38,708	\$28,156
Transportation and warehousing	180	\$19,244	1,522	\$40,936	61	\$35,557	5,212	\$41,152
Information	143	\$25,944	668	\$37,027	20	\$17,750	6,021	\$53,168
Finance and insurance	241	\$33,369	2,096	\$50,550	61	\$20,639	13,087	\$66,751
Real estate and rental and leasing	924	\$11,885	3,058	\$13,636	(D)	(D)	12,956	\$21,020
Professional and technical services	(D)	(D)	2,898	\$36,492	141	\$34,766	15,588	\$49,115
Management of companies and enterprises	(D)	(D)	162	\$62,691	(D)	(D)	1,528	\$71,971
Administrative and waste services	605	\$11,517	1,922	\$18,781	(D)	(D)	15,439	\$26,120
Educational services	180	\$19,517	717	\$13,863	(D)	(D)	3,568	\$22,399
Health care and social assistance	513	\$25,357	5,727	\$37,606	(D)	(D)	25,709	\$42,581
Arts, entertainment, and recreation	551	\$9,276	1,260	\$12,824	62	\$6,726	6,451	\$15,752
Accommodation and food services	1,293	\$22,580	4,644	\$18,395	626	\$23,949	19,900	\$19,359
Other services, except public administration	778	\$17,059	3,867	\$24,226	205	\$17,259	17,552	\$24,060
Government and government enterprises	1,087	\$44,047	10,810	\$46,732	821	\$47,079	44,204	\$57,603
Federal, civilian	67	\$68,940	418	\$74,737	159	\$76,925	2,345	\$76,717
Military	48	\$35,354	366	\$35,079	34	\$35,353	7,370	\$71,438
State and local	972	\$42,760	10,026	\$45,990	628	\$40,158	34,489	\$53,347
State government	190	\$30,932	1,614	\$44,957	39	\$46,538	5,347	\$48,492
Local government	782	\$45,634	8,412	\$46,189	589	\$39,735	29,142	\$54,238

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

Table 4.2
2006 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Spokane		Stevens		Thurston		Wahkiakum	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	272,875	\$39,259	16,543	\$29,568	129,244	\$40,950	1,660	\$24,228
Wage and salary employment	225,049	\$35,539	11,272	\$29,798	104,245	\$38,228	995	\$28,520
Proprietors employment	47,826	\$16,573	5,271	\$12,442	24,999	\$16,665	665	\$8,293
Farm proprietors employment	1,879	-\$4,861	1,175	-\$1,940	934	-\$4,806	138	-\$3,688
Nonfarm proprietors employment ³	45,947	\$17,450	4,096	\$16,568	24,065	\$17,498	527	\$11,431
Farm employment	2,156	-\$525	1,234	-\$717	1,575	\$12,912	140	-\$3,257
Nonfarm employment	270,719	\$39,576	15,309	\$32,009	127,669	\$41,296	1,520	\$26,760
Private employment	232,478	\$37,125	12,186	\$28,775	90,452	\$35,051	1,230	\$23,092
Forestry, fishing, related activities, and other ⁴	594	\$19,202	772	\$34,851	1,443	\$43,691	359	\$37,847
Mining	427	\$51,304	97	\$39,588	124	\$42,460	(L)	(L)
Utilities	598	\$107,619	(D)	(D)	249	\$98,345	0	\$0
Construction	18,800	\$41,662	1,064	\$28,867	7,992	\$47,357	89	\$18,876
Manufacturing	18,639	\$57,559	1,619	\$48,998	3,291	\$56,073	75	\$33,973
Wholesale trade	12,291	\$48,521	(D)	(D)	3,286	\$79,674	(D)	(D)
Retail Trade	33,623	\$27,855	1,849	\$24,998	14,719	\$25,453	114	\$13,491
Transportation and warehousing	7,314	\$46,743	489	\$33,900	2,518	\$35,820	(D)	(D)
Information	4,102	\$45,381	136	\$20,559	1,598	\$50,557	(D)	(D)
Finance and insurance	14,317	\$53,874	313	\$30,751	4,096	\$49,354	34	\$20,471
Real estate and rental and leasing	9,750	\$19,156	654	\$7,387	4,667	\$17,019	(D)	(D)
Professional and technical services	14,472	\$44,090	470	\$23,443	6,461	\$38,609	50	\$8,920
Management of companies and enterprises	2,806	\$77,051	(D)	(D)	544	\$72,467	0	\$0
Administrative and waste services	15,051	\$24,778	(D)	(D)	5,675	\$21,054	54	\$12,333
Educational services	6,407	\$26,580	120	\$10,125	2,752	\$24,950	(D)	(D)
Health care and social assistance	34,220	\$43,648	1,828	\$33,437	13,016	\$44,253	(D)	(D)
Arts, entertainment, and recreation	5,384	\$12,449	259	\$14,023	2,466	\$12,901	(D)	(D)
Accommodation and food services	18,384	\$19,395	769	\$12,717	7,747	\$18,329	(D)	(D)
Other services, except public administration	15,299	\$22,434	1,092	\$19,415	7,808	\$25,452	92	\$17,141
Government and government enterprises	38,241	\$54,478	3,123	\$44,628	37,217	\$56,476	290	\$42,317
Federal, civilian	4,600	\$84,759	349	\$80,713	970	\$91,016	16	\$58,688
Military	4,268	\$68,352	135	\$35,044	777	\$41,318	13	\$34,385
State and local	29,373	\$47,719	2,639	\$40,346	35,470	\$55,863	261	\$41,709
State government	10,201	\$47,949	334	\$52,341	23,988	\$60,485	(D)	(D)
Local government	19,172	\$47,597	2,305	\$38,607	11,482	\$46,206	(D)	(D)

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

Table 4.2
2006 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Walla Walla		Whatcom		Whitman		Yakima	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	34,106	\$34,142	111,468	\$37,167	23,300	\$34,109	125,212	\$35,033
Wage and salary employment	27,274	\$32,054	87,330	\$33,376	18,773	\$30,804	103,394	\$30,626
Proprietors employment	6,832	\$10,348	24,138	\$20,587	4,527	\$10,794	21,818	\$23,633
Farm proprietors employment	870	-\$38,585	1,417	\$4,127	1,065	\$1,307	3,872	\$38,407
Nonfarm proprietors employment ³	5,962	\$17,488	22,721	\$21,613	3,462	\$13,712	17,946	\$20,445
Farm employment	2,877	\$9,120	3,108	\$20,650	1,409	\$7,715	15,165	\$32,092
Nonfarm employment	31,229	\$36,447	108,360	\$37,641	21,891	\$35,808	110,047	\$35,439
Private employment	25,907	\$32,726	93,023	\$35,941	12,322	\$27,562	92,176	\$32,998
Forestry, fishing, related activities, and other ⁴	(D)	(D)	1,612	\$25,932	(D)	(D)	10,419	\$27,760
Mining	(D)	(D)	251	\$60,753	(D)	(D)	42	\$31,571
Utilities	113	\$107,177	233	\$75,536	(D)	(D)	210	\$91,448
Construction	1,757	\$36,080	10,839	\$48,625	718	\$36,390	5,475	\$40,298
Manufacturing	3,811	\$55,573	9,204	\$61,927	1,309	\$61,640	9,662	\$46,572
Wholesale trade	856	\$40,211	3,727	\$69,955	733	\$39,974	4,897	\$51,335
Retail Trade	3,545	\$22,005	13,345	\$28,655	1,689	\$20,229	12,764	\$24,936
Transportation and warehousing	452	\$41,496	2,485	\$38,994	(D)	(D)	3,732	\$40,511
Information	422	\$45,026	2,082	\$39,180	239	\$20,971	1,204	\$40,801
Finance and insurance	1,025	\$46,922	3,044	\$47,800	456	\$35,873	2,945	\$43,581
Real estate and rental and leasing	1,039	\$13,697	4,261	\$18,189	712	\$11,074	3,487	\$14,832
Professional and technical services	(D)	(D)	6,327	\$37,506	881	\$18,040	3,453	\$36,558
Management of companies and enterprises	(D)	(D)	548	\$57,945	28	\$13,607	542	\$61,054
Administrative and waste services	798	\$18,684	4,747	\$20,774	239	\$8,008	3,223	\$19,193
Educational services	1,618	\$32,061	1,450	\$12,881	196	\$7,474	1,557	\$20,137
Health care and social assistance	3,994	\$40,232	10,813	\$39,024	1,461	\$33,075	14,646	\$40,530
Arts, entertainment, and recreation	547	\$12,954	3,001	\$11,840	297	\$9,801	1,760	\$15,393
Accommodation and food services	1,750	\$15,062	8,631	\$16,663	1,590	\$12,671	6,319	\$17,679
Other services, except public administration	1,887	\$17,446	6,423	\$21,704	1,132	\$15,990	5,839	\$21,626
Government and government enterprises	5,322	\$54,560	15,337	\$47,953	9,569	\$46,427	17,871	\$48,027
Federal, civilian	903	\$101,483	1,134	\$101,515	279	\$74,341	1,341	\$80,236
Military	187	\$38,540	652	\$38,868	140	\$46,457	796	\$39,122
State and local	4,232	\$45,256	13,551	\$43,908	9,150	\$45,575	15,734	\$45,732
State government	1,766	\$48,301	4,266	\$44,596	(D)	(D)	2,985	\$49,954
Local government	2,466	\$43,075	9,285	\$43,592	(D)	(D)	12,749	\$44,744

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

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Income by Place of Residence					
Personal income (thousands of dollars)	243,597,024	362,220	603,867	5,017,697	2,179,496
Nonfarm personal income	242,129,634	376,296	610,660	4,930,376	2,044,885
Farm income ⁵	1,467,390	-14,076	-6,793	87,321	134,611
Population (persons) ⁶	6,374,910	16,614	21,049	157,549	70,023
Per capita personal income (dollars)	38,212	21,802	28,689	31,848	31,125
Derivation of Total Personal Income					
Earnings by place of work	189,127,666	232,511	268,387	4,076,046	1,803,655
less: Personal contributions for social insurance ⁷	23,053,875	34,162	35,132	520,559	214,905
plus: Adjustment for residence ⁸	2,830,685	-6,186	117,482	57,593	-185,806
equals: Net earnings by place of residence	168,904,476	192,163	350,737	3,613,080	1,402,944
plus: Dividends, interest, and rent ⁹	42,640,374	75,259	99,560	630,631	378,798
plus: Transfer payments	32,052,174	94,798	153,570	773,986	397,754
Earnings by Place of Work					
Wage and salary disbursements	136,336,423	204,077	172,405	3,164,300	1,309,544
Other labor income	33,450,348	48,534	41,711	659,081	277,187
Proprietors' income ¹⁰	19,340,895	-20,100	54,271	252,665	216,924
Farm proprietors' income	138,214	-48,415	-8,267	877	30,132
Nonfarm proprietors' income	19,202,681	28,315	62,538	251,788	186,792
Earnings by Industry					
Farm earnings	1,467,390	-14,076	-6,793	87,321	134,611
Nonfarm earnings	187,660,276	246,587	275,180	3,988,725	1,669,044
Private earnings	151,993,766	182,017	225,323	3,294,896	1,317,142
Forestry, fishing, related activities, and other ⁴	2,054,113	12,519	(D)	(D)	(D)
Forestry and logging	502,513	0	564	1,724	2,916
Fishing, hunting, and trapping	669,407	0	2,257	12,367	2,605
Agriculture and forestry support activities	882,193	12,519	(D)	(D)	(D)
Other ⁴	0	0	0	0	0
Mining	349,540	(L)	(D)	(D)	(D)
Oil and gas extraction	35,960	(L)	(L)	(L)	197
Mining (except oil and gas)	285,188	0	(D)	(D)	(D)
Support activities for mining	28,392	0	0	0	0
Utilities	689,088	(D)	(D)	10,634	1,429
Construction	13,934,517	8,649	33,689	284,241	132,415
Construction of buildings	4,256,488	1,283	7,929	90,650	55,879
Heavy and civil engineering construction	2,158,801	2,416	13,124	52,124	23,725
Specialty trade contractors	7,519,228	4,950	12,636	141,467	52,811
Manufacturing	23,934,151	46,638	25,589	252,430	118,659
Durable goods manufacturing	18,089,407	1,391	24,909	66,429	83,446
Wood product manufacturing	1,121,153	(D)	(D)	(L)	8,736
Nonmetallic mineral product manufacturing	614,086	(D)	(D)	1,662	12,102
Primary metal manufacturing	398,579	0	0	15,384	44,868
Fabricated metal product manufacturing	1,072,090	0	(D)	8,273	2,569
Machinery manufacturing	992,106	(D)	2,401	1,290	2,516
Computer and electronic product manufacturing	1,988,481	0	0	21,894	(D)
Electrical equipment and appliance manufacturing	345,796	0	0	(D)	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Motor vehicle manufacturing	(D)	0	(D)	(D)	(L)
Transportation equipment mfg. excl. motor vehicle	(D)	0	(D)	(D)	(D)
Furniture and related product manufacturing	429,489	0	1,410	1,181	1,117
Miscellaneous manufacturing	780,285	0	1,122	7,393	2,207
Nondurable goods manufacturing	5,844,744	45,247	680	186,001	35,213
Food manufacturing	1,768,043	44,366	(D)	70,198	14,001
Beverage and tobacco product manufacturing	270,664	0	0	27,059	2,693
Textile mills	29,361	0	0	0	(D)
Textile product mills	98,715	0	(D)	(D)	(D)
Apparel manufacturing	116,544	0	(D)	0	(D)
Leather and allied product manufacturing	17,809	0	0	(D)	(L)
Paper manufacturing	1,193,131	0	0	(D)	(D)
Printing and related support activities	471,437	(L)	61	2,230	902
Petroleum and coal products manufacturing	441,559	0	0	0	0
Chemical manufacturing	874,367	(D)	0	86,039	(D)
Plastics and rubber products manufacturing	563,114	(D)	(D)	(D)	10,829
Wholesale trade	9,468,454	18,847	(D)	61,239	77,012
Retail Trade	12,736,016	17,035	30,676	258,266	153,830
Motor vehicle and parts dealers	2,376,345	2,470	3,457	39,922	36,839
Furniture and home furnishings stores	574,131	(D)	(D)	7,146	6,263
Electronics and appliance stores	523,434	200	299	9,161	2,423
Building material and garden supply stores	1,137,862	2,197	2,628	27,289	21,867
Food and beverage stores	2,108,238	2,053	6,055	30,846	26,851
Health and personal care stores	627,191	(D)	3,310	12,952	3,728
Gasoline stations	497,522	2,155	(D)	18,478	11,018
Clothing and clothing accessories stores	883,311	200	993	14,679	4,332
Sporting goods, hobby, book and music stores	418,665	(D)	669	12,467	5,752
General merchandise stores	1,761,957	(D)	8,686	63,426	18,354
Miscellaneous store retailers	754,600	935	2,092	17,910	14,510
Nonstore retailers	1,072,760	(D)	411	3,990	1,893
Transportation and warehousing	6,017,655	(D)	5,498	38,295	37,897
Air transportation	917,031	0	292	(D)	(D)
Rail transportation	(D)	545	0	384	6,397
Water transportation	288,607	0	(D)	0	(D)
Truck transportation	1,708,622	11,105	1,361	5,620	11,198
Transit and ground passenger transportation	200,588	51	(L)	1,877	759
Pipeline transportation	19,973	0	0	0	0
Scenic and sightseeing transportation	44,975	0	(D)	(D)	(D)
Support activities for transportation	1,435,624	9,346	(D)	6,440	4,698
Couriers and messengers	(D)	(D)	(D)	(D)	4,750
Warehousing and storage	495,043	(D)	(L)	11,837	7,439
Information	12,787,966	1,020	1,817	38,780	25,816
Publishing industries, except Internet	8,214,397	(D)	(D)	14,320	(D)
Motion picture and sound recording industries	146,317	(D)	(D)	(D)	(D)
Broadcasting, except Internet	1,395,448	0	0	6,945	5,587

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Internet publishing and broadcasts	217,842	0	0	0	0
Telecommunications	2,275,849	(D)	1,662	16,529	9,858
ISPs, search portals, and data processing	478,567	(D)	(D)	(D)	(D)
Other information services	59,546	0	0	(L)	(L)
Finance and insurance	10,538,195	4,607	15,894	105,548	50,238
Monetary authorities - central bank	(D)	0	0	0	0
Credit intermediation and related activities	4,943,688	2,924	11,419	58,259	29,552
Securities, commodity contracts, investments	1,858,755	215	1,216	(D)	6,022
Insurance carriers and related activities	3,447,721	1,468	3,259	37,508	14,664
Funds, trusts, and other financial vehicles	(D)	0	0	(D)	0
Real estate and rental and leasing	4,104,287	1,831	4,865	47,266	45,899
Real estate	3,448,062	(D)	1,416	35,793	37,238
Rental and leasing services	596,363	(D)	3,449	11,473	8,661
Lessors of nonfinancial intangible assets	59,862	0	0	0	0
Professional and technical services	15,270,481	3,542	9,509	807,297	64,069
Management of companies and enterprises	3,495,884	0	(D)	30,703	3,517
Administrative and waste services	6,679,092	2,601	(D)	727,005	19,833
Administrative and support services	5,615,933	(D)	4,455	57,025	16,137
Waste management and remediation services	1,063,159	(D)	(D)	669,980	3,696
Educational services	1,426,057	(D)	626	12,482	5,401
Health care and social assistance	16,358,430	(D)	36,072	335,406	285,318
Ambulatory health care services	8,630,865	15,224	14,124	200,062	149,398
Hospitals	4,215,475	0	(D)	(D)	(D)
Nursing and residential care facilities	1,873,089	3,527	5,759	32,841	31,824
Social assistance	1,639,001	(D)	(D)	(D)	(D)
Arts, entertainment, and recreation	1,846,603	(D)	3,885	33,337	11,581
Performing arts and spectator sports	840,708	0	(D)	2,470	(D)
Museums, historical sites, zoos, and parks	94,820	0	(D)	619	(D)
Amusement, gambling, and recreation	911,075	(D)	3,427	30,248	9,941
Accommodation and food services	5,097,204	(D)	10,814	99,406	70,654
Accommodation	1,001,930	(D)	2,487	14,655	28,879
Food services and drinking places	4,095,274	6,208	8,327	84,751	41,775
Other services, except public administration	5,206,033	7,726	28,632	93,994	53,177
Repair and maintenance	1,619,952	3,308	(D)	28,043	11,885
Personal and laundry services	998,911	(D)	(D)	19,464	5,221
Membership associations and organizations	2,020,286	3,766	5,376	(D)	21,579
Private households	566,884	(D)	(D)	(D)	14,492
Government and government enterprises	35,666,510	64,570	49,857	693,829	351,902
Federal, civilian	6,281,318	3,309	4,498	88,671	56,814
Military	5,889,334	1,872	2,357	18,527	7,966
State and local	23,495,858	59,389	43,002	586,631	287,122
State government	7,500,965	3,049	6,670	60,955	58,151
Local government	15,994,893	56,340	36,332	525,676	228,971

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Income by Place of Residence					
Personal income (thousands of dollars)	2,155,251	13,492,375	110,352	2,646,769	902,031
Nonfarm personal income	2,154,106	13,479,512	106,262	2,639,659	858,019
Farm income ⁵	1,145	12,863	4,090	7,110	44,012
Population (persons) ⁶	69,716	409,230	3,964	98,831	35,266
Per capita personal income (dollars)	30,915	32,970	27,839	26,781	25,578
Derivation of Total Personal Income					
Earnings by place of work	1,195,121	7,601,107	56,602	1,951,820	387,681
less: Personal contributions for social insurance ⁷	156,270	959,908	7,280	261,284	53,617
plus: Adjustment for residence ⁸	31,498	2,641,327	11,812	-30,808	230,788
equals: Net earnings by place of residence	1,070,349	9,282,526	61,134	1,659,728	564,852
plus: Dividends, interest, and rent ⁹	554,642	2,362,508	19,522	355,948	139,244
plus: Transfer payments	530,260	1,847,341	29,696	631,093	197,935
Earnings by Place of Work					
Wage and salary disbursements	797,319	5,457,463	40,908	1,435,528	298,477
Other labor income	193,357	1,269,653	10,936	350,379	67,552
Proprietors' income ¹⁰	204,445	873,991	4,758	165,913	21,652
Farm proprietors' income	-801	3,551	1,044	1,383	610
Nonfarm proprietors' income	205,246	870,440	3,714	164,530	21,042
Earnings by Industry					
Farm earnings	1,145	12,863	4,090	7,110	44,012
Nonfarm earnings	1,193,976	7,588,244	52,512	1,944,710	343,669
Private earnings	823,650	6,294,315	29,742	1,663,368	228,519
Forestry, fishing, related activities, and other ⁴	73,960	23,987	(D)	(D)	23,574
Forestry and logging	57,285	10,671	(D)	53,654	(D)
Fishing, hunting, and trapping	13,166	(D)	(D)	(D)	2,648
Agriculture and forestry support activities	3,509	(D)	(D)	13,745	(D)
Other ⁴	0	0	0	0	0
Mining	3,184	49,809	(D)	(D)	211
Oil and gas extraction	(L)	19,195	(L)	(L)	0
Mining (except oil and gas)	3,059	30,614	(D)	(D)	195
Support activities for mining	94	0	0	(D)	(L)
Utilities	752	11,439	(D)	(D)	191
Construction	113,980	865,502	(D)	231,671	35,947
Construction of buildings	42,875	309,630	638	61,136	11,714
Heavy and civil engineering construction	18,961	138,359	3,208	27,385	7,732
Specialty trade contractors	52,144	417,513	(D)	143,150	16,501
Manufacturing	94,414	871,145	3,539	505,560	12,983
Durable goods manufacturing	53,130	564,157	(D)	179,142	(D)
Wood product manufacturing	36,415	42,882	(D)	71,768	(D)
Nonmetallic mineral product manufacturing	2,298	21,571	(D)	7,389	(D)
Primary metal manufacturing	92	(D)	0	(D)	0
Fabricated metal product manufacturing	1,799	69,287	0	14,113	(D)
Machinery manufacturing	58	106,474	0	26,348	(D)
Computer and electronic product manufacturing	(D)	210,818	0	(D)	0
Electrical equipment and appliance manufacturing	(D)	10,878	0	(L)	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Motor vehicle manufacturing	(D)	(D)	0	(D)	0
Transportation equipment mfg. excl. motor vehicle	(D)	(D)	(D)	(D)	(D)
Furniture and related product manufacturing	1,370	19,612	(L)	6,293	(D)
Miscellaneous manufacturing	2,846	29,288	0	8,690	(D)
Nondurable goods manufacturing	41,284	306,988	(D)	326,418	(D)
Food manufacturing	1,981	53,168	(D)	(D)	68
Beverage and tobacco product manufacturing	(D)	538	(D)	0	257
Textile mills	0	(D)	0	0	0
Textile product mills	(D)	1,580	0	(D)	0
Apparel manufacturing	(L)	2,328	0	0	(L)
Leather and allied product manufacturing	80	(D)	0	(L)	0
Paper manufacturing	(D)	152,452	0	263,659	0
Printing and related support activities	1,273	6,370	0	2,991	(D)
Petroleum and coal products manufacturing	0	(D)	0	(D)	0
Chemical manufacturing	(D)	30,788	0	19,592	0
Plastics and rubber products manufacturing	(D)	31,930	0	6,039	(L)
Wholesale trade	25,699	413,761	3,734	(D)	16,502
Retail Trade	133,378	538,112	2,549	148,376	38,325
Motor vehicle and parts dealers	18,713	94,424	116	36,980	4,691
Furniture and home furnishings stores	6,791	21,013	(D)	3,483	(D)
Electronics and appliance stores	1,991	13,986	(D)	2,025	(D)
Building material and garden supply stores	15,175	57,025	(D)	17,683	323
Food and beverage stores	25,195	76,273	(D)	26,263	5,086
Health and personal care stores	9,542	29,648	(D)	6,948	1,094
Gasoline stations	10,246	25,595	389	11,241	2,149
Clothing and clothing accessories stores	3,461	32,810	0	4,069	1,760
Sporting goods, hobby, book and music stores	2,258	11,973	(D)	2,593	681
General merchandise stores	28,155	109,274	(D)	28,277	16,145
Miscellaneous store retailers	8,463	27,678	100	6,896	1,575
Nonstore retailers	3,388	38,413	(L)	1,918	1,508
Transportation and warehousing	27,992	261,080	(D)	95,001	13,696
Air transportation	(D)	(D)	0	202	(D)
Rail transportation	0	48,662	0	12,099	0
Water transportation	2,645	(D)	0	138	0
Truck transportation	17,270	123,789	(D)	31,726	3,443
Transit and ground passenger transportation	(D)	6,785	(D)	683	(L)
Pipeline transportation	0	0	0	(D)	0
Scenic and sightseeing transportation	(D)	635	0	(D)	94
Support activities for transportation	1,837	40,066	0	33,818	1,190
Couriers and messengers	(D)	(D)	0	5,152	(D)
Warehousing and storage	0	10,502	0	10,590	(D)
Information	14,469	209,479	192	22,666	2,008
Publishing industries, except Internet	7,689	45,517	(D)	7,468	(D)
Motion picture and sound recording industries	(D)	2,425	(D)	844	(D)
Broadcasting, except Internet	(D)	(D)	0	1,517	59

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Internet publishing and broadcasts	(D)	(D)	0	(L)	0
Telecommunications	3,414	134,209	(D)	10,967	(D)
ISPs, search portals, and data processing	(D)	24,257	0	(D)	0
Other information services	(L)	(L)	0	(D)	0
Finance and insurance	32,739	328,011	1,258	54,174	7,471
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	16,970	240,170	(D)	38,239	5,468
Securities, commodity contracts, investments	6,892	(D)	93	(D)	123
Insurance carriers and related activities	8,877	65,734	(D)	12,275	1,880
Funds, trusts, and other financial vehicles	0	(D)	0	(D)	0
Real estate and rental and leasing	20,870	189,583	254	17,132	2,642
Real estate	16,567	112,124	200	12,746	1,701
Rental and leasing services	(D)	76,963	54	(D)	941
Lessors of nonfinancial intangible assets	(D)	496	0	(D)	0
Professional and technical services	50,403	681,781	1,437	46,018	11,404
Management of companies and enterprises	11,971	76,016	(D)	1,478	(D)
Administrative and waste services	13,962	249,550	(D)	25,223	(D)
Administrative and support services	10,640	231,936	(D)	21,249	3,544
Waste management and remediation services	3,322	17,614	(L)	3,974	(D)
Educational services	3,844	30,697	(D)	6,459	1,403
Health care and social assistance	104,682	936,157	(D)	221,031	26,074
Amulatory health care services	72,558	508,331	1,073	100,988	14,430
Hospitals	0	(D)	0	(D)	0
Nursing and residential care facilities	20,799	125,555	(D)	24,977	7,959
Social assistance	11,325	(D)	(D)	(D)	3,685
Arts, entertainment, and recreation	6,500	75,804	(D)	15,338	9,483
Performing arts and spectator sports	709	(D)	(L)	(D)	(D)
Museums, historical sites, zoos, and parks	109	(D)	(D)	(D)	(D)
Amusement, gambling, and recreation	5,682	71,219	(D)	14,362	8,796
Accommodation and food services	44,382	230,438	(D)	55,272	9,542
Accommodation	11,598	42,535	(D)	6,387	661
Food services and drinking places	32,784	187,903	592	48,885	8,881
Other services, except public administration	46,469	251,964	3,411	56,756	12,258
Repair and maintenance	19,294	73,597	724	16,327	1,789
Personal and laundry services	4,590	47,834	(D)	(D)	1,273
Membership associations and organizations	17,219	103,185	(D)	27,873	(D)
Private households	5,366	27,348	1,693	(D)	(D)
Government and government enterprises	370,326	1,293,929	22,770	281,342	115,150
Federal, civilian	33,937	289,441	6,101	18,747	20,141
Military	32,386	46,468	453	11,154	4,383
State and local	304,003	958,020	16,216	251,441	90,626
State government	60,994	167,849	2,028	50,265	6,686
Local government	243,009	790,171	14,188	201,176	83,940

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Income by Place of Residence					
Personal income (thousands of dollars)	153,227	1,409,840	47,286	1,908,845	1,836,623
Nonfarm personal income	152,884	1,313,622	61,222	1,742,082	1,826,420
Farm income ⁵	343	96,218	-13,936	166,763	10,203
Population (persons) ⁶	7,495	66,138	2,118	81,348	70,836
Per capita personal income (dollars)	20,444	21,317	22,326	23,465	25,928
Derivation of Total Personal Income					
Earnings by place of work	77,878	1,138,620	22,977	1,361,503	1,210,679
less: Personal contributions for social insurance ⁷	9,829	142,329	4,758	169,211	162,835
plus: Adjustment for residence ⁸	11,805	-54,125	597	-31,233	31,040
equals: Net earnings by place of residence	79,854	942,166	18,816	1,161,059	1,078,884
plus: Dividends, interest, and rent ⁹	24,152	166,267	13,169	299,853	258,173
plus: Transfer payments	49,221	301,407	15,301	447,933	499,566
Earnings by Place of Work					
Wage and salary disbursements	51,877	834,168	27,315	1,008,551	894,642
Other labor income	15,965	195,553	9,017	239,803	219,707
Proprietors' income ¹⁰	10,036	108,899	-13,355	113,149	96,330
Farm proprietors' income	316	4,275	-15,244	15,117	3,697
Nonfarm proprietors' income	9,720	104,624	1,889	98,032	92,633
Earnings by Industry					
Farm earnings	343	96,218	-13,936	166,763	10,203
Nonfarm earnings	77,535	1,042,402	36,913	1,194,740	1,200,476
Private earnings	34,758	799,154	11,326	809,058	893,960
Forestry, fishing, related activities, and other ⁴	(D)	(D)	(D)	(D)	(D)
Forestry and logging	4,581	3,644	0	1,459	57,468
Fishing, hunting, and trapping	3,315	26,138	52	(D)	13,516
Agriculture and forestry support activities	(D)	(D)	(D)	46,966	(D)
Other ⁴	0	0	0	0	0
Mining	(D)	(D)	0	(D)	(D)
Oil and gas extraction	(L)	(L)	0	(L)	0
Mining (except oil and gas)	(D)	(D)	0	(D)	(D)
Support activities for mining	(D)	0	0	(D)	0
Utilities	(L)	(D)	(D)	265	(D)
Construction	(D)	85,524	804	63,056	84,477
Construction of buildings	808	8,577	(D)	13,914	31,697
Heavy and civil engineering construction	(D)	9,978	0	17,073	23,726
Specialty trade contractors	2,366	66,969	(D)	32,069	29,054
Manufacturing	(D)	102,428	(L)	198,763	245,181
Durable goods manufacturing	(D)	33,358	(L)	68,520	164,566
Wood product manufacturing	(D)	6,718	0	1,247	93,012
Nonmetallic mineral product manufacturing	(L)	(D)	0	26,374	(D)
Primary metal manufacturing	0	0	0	(D)	(D)
Fabricated metal product manufacturing	(L)	2,596	(L)	4,115	4,029
Machinery manufacturing	0	(D)	0	(D)	11,345
Computer and electronic product manufacturing	0	0	0	71	0
Electrical equipment and appliance manufacturing	0	(D)	0	3,004	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Motor vehicle manufacturing	0	945	0	(D)	(D)
Transportation equipment mfg. excl. motor vehicle	0	(D)	0	(D)	(D)
Furniture and related product manufacturing	(L)	(D)	0	(D)	618
Miscellaneous manufacturing	(L)	(D)	(L)	(D)	399
Nondurable goods manufacturing	(D)	69,070	0	130,243	80,615
Food manufacturing	0	64,496	0	100,707	19,493
Beverage and tobacco product manufacturing	0	1,662	0	4,011	(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	493	(L)
Paper manufacturing	0	0	0	(D)	(D)
Printing and related support activities	(D)	(D)	0	846	500
Petroleum and coal products manufacturing	0	0	0	0	0
Chemical manufacturing	260	(D)	0	17,499	12,286
Plastics and rubber products manufacturing	0	(D)	0	0	330
Wholesale trade	(D)	73,774	5,190	49,860	49,228
Retail Trade	4,632	97,172	2,100	97,556	95,451
Motor vehicle and parts dealers	(D)	35,224	(D)	16,875	20,931
Furniture and home furnishings stores	(D)	1,131	0	2,574	3,565
Electronics and appliance stores	0	693	0	1,380	772
Building material and garden supply stores	(D)	7,260	554	18,656	10,133
Food and beverage stores	(D)	12,187	(D)	14,678	21,563
Health and personal care stores	(D)	11,154	(D)	6,309	6,521
Gasoline stations	1,392	4,694	0	11,537	6,188
Clothing and clothing accessories stores	(D)	811	0	1,918	3,029
Sporting goods, hobby, book and music stores	(L)	(D)	(D)	1,166	1,724
General merchandise stores	(D)	(D)	(D)	(D)	14,733
Miscellaneous store retailers	(D)	2,810	(D)	4,189	3,405
Nonstore retailers	(D)	(D)	(L)	(D)	2,887
Transportation and warehousing	(D)	(D)	(D)	49,643	(D)
Air transportation	0	(D)	0	224	193
Rail transportation	0	31,787	0	2,215	1,830
Water transportation	0	0	0	0	(D)
Truck transportation	1,165	25,200	(D)	23,531	23,172
Transit and ground passenger transportation	0	(D)	0	(D)	(D)
Pipeline transportation	0	(D)	0	(D)	0
Scenic and sightseeing transportation	0	0	0	0	1,259
Support activities for transportation	0	6,390	(D)	2,016	6,362
Couriers and messengers	(D)	(D)	0	3,692	(D)
Warehousing and storage	(L)	(D)	0	13,450	(D)
Information	341	3,797	(D)	7,993	10,078
Publishing industries, except Internet	(D)	290	(D)	3,132	(D)
Motion picture and sound recording industries	0	(D)	0	(D)	(D)
Broadcasting, except Internet	59	(D)	0	933	1,537

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Internet publishing and broadcasts	0	0	0	0	0
Telecommunications	(D)	2,516	0	3,466	5,422
ISPs, search portals, and data processing	0	(D)	0	(D)	(D)
Other information services	0	(L)	0	0	0
Finance and insurance	673	12,884	823	29,233	33,308
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	(D)	10,166	(D)	15,146	24,316
Securities, commodity contracts, investments	112	(D)	0	936	2,101
Insurance carriers and related activities	(D)	(D)	(D)	13,151	6,891
Funds, trusts, and other financial vehicles	0	0	0	0	0
Real estate and rental and leasing	667	24,687	52	13,993	11,867
Real estate	(D)	5,114	(L)	9,855	9,588
Rental and leasing services	(D)	19,573	(L)	4,138	2,279
Lessors of nonfinancial intangible assets	0	0	0	0	0
Professional and technical services	1,261	38,153	(D)	26,815	39,466
Management of companies and enterprises	(D)	0	0	3,015	5,515
Administrative and waste services	(D)	21,689	(D)	23,105	11,505
Administrative and support services	(D)	18,143	(D)	21,060	7,423
Waste management and remediation services	(D)	3,546	0	2,045	4,082
Educational services	(D)	7,780	0	2,513	(D)
Health care and social assistance	(D)	97,889	(D)	99,533	(D)
Amulatory health care services	(D)	42,620	(D)	48,162	49,059
Hospitals	0	(D)	0	0	(D)
Nursing and residential care facilities	344	13,097	0	11,876	14,222
Social assistance	151	(D)	(D)	39,495	8,242
Arts, entertainment, and recreation	(D)	10,779	(D)	6,676	5,841
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	74	8,045	(D)	6,398	4,963
Accommodation and food services	(D)	24,559	(D)	35,166	43,117
Accommodation	(D)	6,436	(D)	9,121	12,584
Food services and drinking places	854	18,123	(D)	26,045	30,533
Other services, except public administration	2,619	40,464	811	37,169	39,793
Repair and maintenance	(D)	16,476	(D)	11,653	10,687
Personal and laundry services	(D)	(D)	(L)	(D)	(D)
Membership associations and organizations	1,546	16,425	(D)	19,570	21,414
Private households	(D)	(D)	(D)	(D)	(D)
Government and government enterprises	42,777	243,248	25,587	385,682	306,516
Federal, civilian	12,487	47,937	11,113	56,042	15,107
Military	839	7,388	247	9,216	10,439
State and local	29,451	187,923	14,227	320,424	280,970
State government	1,574	45,455	(D)	35,686	62,263
Local government	27,877	142,468	(D)	284,738	218,707

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Income by Place of Residence					
Personal income (thousands of dollars)	2,728,937	1,103,211	96,579,228	9,398,583	995,590
Nonfarm personal income	2,725,808	1,100,236	96,547,333	9,391,187	973,017
Farm income ⁵	3,129	2,975	31,895	7,396	22,573
Population (persons) ⁶	80,857	29,029	1,834,194	238,827	37,981
Per capita personal income (dollars)	33,750	38,004	52,655	39,353	26,213
Derivation of Total Personal Income					
Earnings by place of work	1,598,285	443,808	92,411,734	5,955,987	625,038
less: Personal contributions for social insurance ⁷	164,206	58,845	11,080,522	661,671	78,092
plus: Adjustment for residence ⁸	262,617	149,793	-13,059,878	1,159,693	98,884
equals: Net earnings by place of residence	1,696,696	534,756	68,271,334	6,454,009	645,830
plus: Dividends, interest, and rent ⁹	627,618	352,933	20,158,767	1,757,838	170,170
plus: Transfer payments	404,623	215,522	8,149,127	1,186,736	179,590
Earnings by Place of Work					
Wage and salary disbursements	1,001,207	306,996	66,768,466	4,071,139	435,139
Other labor income	452,409	72,791	15,335,137	1,430,338	107,008
Proprietors' income ¹⁰	144,669	64,021	10,308,131	454,510	82,891
Farm proprietors' income	-375	1,660	1,770	5,053	7,996
Nonfarm proprietors' income	145,044	62,361	10,306,361	449,457	74,895
Earnings by Industry					
Farm earnings	3,129	2,975	31,895	7,396	22,573
Nonfarm earnings	1,595,156	440,833	92,379,839	5,948,591	602,465
Private earnings	563,521	330,907	82,097,019	2,782,453	391,118
Forestry, fishing, related activities, and other ⁴	(D)	6,939	474,911	39,232	(D)
Forestry and logging	(D)	(D)	48,146	(D)	(D)
Fishing, hunting, and trapping	4,007	5,186	340,919	(D)	3,896
Agriculture and forestry support activities	(D)	(D)	85,846	4,869	9,212
Other ⁴	0	0	0	0	0
Mining	(D)	3,514	59,980	5,075	(D)
Oil and gas extraction	150	(L)	11,016	83	0
Mining (except oil and gas)	(D)	3,472	46,521	4,844	(D)
Support activities for mining	196	0	2,443	148	(L)
Utilities	5,032	5,937	304,960	13,703	2,947
Construction	99,832	42,004	5,677,908	351,453	84,519
Construction of buildings	44,642	15,798	1,820,548	115,870	24,280
Heavy and civil engineering construction	7,635	8,894	714,245	55,575	33,695
Specialty trade contractors	47,555	17,312	3,143,115	180,008	26,544
Manufacturing	39,280	40,648	11,758,439	125,799	30,420
Durable goods manufacturing	37,000	(D)	9,343,609	114,755	18,037
Wood product manufacturing	(D)	(D)	145,785	1,698	(D)
Nonmetallic mineral product manufacturing	1,961	(D)	236,751	9,760	(D)
Primary metal manufacturing	(L)	(D)	77,316	0	(L)
Fabricated metal product manufacturing	844	2,129	418,642	9,997	9,820
Machinery manufacturing	(D)	1,328	471,433	1,441	(D)
Computer and electronic product manufacturing	(D)	(D)	834,874	1,284	0
Electrical equipment and appliance manufacturing	(D)	0	165,265	(D)	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Motor vehicle manufacturing	(L)	0	(D)	0	0
Transportation equipment mfg. excl. motor vehicle	(D)	(D)	(D)	(D)	(D)
Furniture and related product manufacturing	1,563	482	141,429	15,870	1,459
Miscellaneous manufacturing	(D)	500	487,370	15,831	(D)
Nondurable goods manufacturing	2,280	(D)	2,414,830	11,044	12,383
Food manufacturing	1,359	569	773,769	1,884	11,625
Beverage and tobacco product manufacturing	(D)	321	141,459	154	(D)
Textile mills	0	(D)	3,867	1,206	0
Textile product mills	(D)	(D)	55,354	(D)	(L)
Apparel manufacturing	0	0	83,112	97	(D)
Leather and allied product manufacturing	(D)	0	6,530	(L)	(L)
Paper manufacturing	(D)	(D)	288,623	53	0
Printing and related support activities	335	1,199	338,051	1,698	409
Petroleum and coal products manufacturing	0	0	22,837	(D)	0
Chemical manufacturing	(D)	(L)	543,271	(D)	(D)
Plastics and rubber products manufacturing	(D)	(D)	157,957	(D)	0
Wholesale trade	13,773	8,116	5,702,169	95,893	28,554
Retail Trade	91,644	32,795	5,386,249	406,533	53,565
Motor vehicle and parts dealers	12,311	3,920	773,557	86,272	12,471
Furniture and home furnishings stores	6,646	1,770	301,009	13,807	3,775
Electronics and appliance stores	1,189	385	321,008	9,560	911
Building material and garden supply stores	16,152	5,809	372,259	49,548	6,297
Food and beverage stores	19,663	12,393	865,489	71,905	9,912
Health and personal care stores	5,874	(D)	237,569	20,186	2,123
Gasoline stations	3,371	805	93,563	14,141	4,411
Clothing and clothing accessories stores	1,697	1,041	491,613	14,292	520
Sporting goods, hobby, book and music stores	1,904	934	177,299	13,387	858
General merchandise stores	10,454	(D)	553,178	80,341	7,024
Miscellaneous store retailers	9,423	2,263	328,666	25,398	3,742
Nonstore retailers	2,960	1,956	871,039	7,696	1,521
Transportation and warehousing	9,543	5,242	3,446,021	65,921	15,851
Air transportation	270	(D)	862,735	706	260
Rail transportation	0	295	(D)	0	305
Water transportation	184	(D)	256,785	4,409	0
Truck transportation	3,857	1,065	650,262	23,858	12,728
Transit and ground passenger transportation	(D)	(D)	109,170	4,347	(L)
Pipeline transportation	0	0	(D)	0	0
Scenic and sightseeing transportation	715	(D)	23,007	(D)	0
Support activities for transportation	3,969	(D)	870,994	22,120	(D)
Couriers and messengers	(D)	(D)	284,806	(D)	(D)
Warehousing and storage	0	(D)	247,072	577	(L)
Information	14,030	12,700	11,287,560	87,188	18,215
Publishing industries, except Internet	1,167	10,927	7,756,901	37,180	9,586
Motion picture and sound recording industries	326	587	100,660	3,492	1,498
Broadcasting, except Internet	(D)	0	1,275,865	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Internet publishing and broadcasts	0	0	186,055	4,291	0
Telecommunications	11,552	(D)	1,554,369	18,587	(D)
ISPs, search portals, and data processing	(D)	(D)	355,691	20,440	0
Other information services	(D)	0	58,019	(D)	427
Finance and insurance	25,826	27,563	6,309,497	177,476	10,432
Monetary authorities - central bank	0	0	(D)	0	0
Credit intermediation and related activities	14,234	13,042	2,892,558	95,670	6,002
Securities, commodity contracts, investments	799	(D)	1,184,672	(D)	(D)
Insurance carriers and related activities	10,793	5,908	2,018,698	54,739	(D)
Funds, trusts, and other financial vehicles	0	(D)	(D)	(D)	0
Real estate and rental and leasing	25,496	9,871	2,436,522	81,716	8,417
Real estate	21,758	8,317	2,125,019	(D)	4,714
Rental and leasing services	3,738	1,186	260,813	(D)	(D)
Lessors of nonfinancial intangible assets	0	368	50,690	464	(D)
Professional and technical services	45,622	24,438	10,039,643	309,149	(D)
Management of companies and enterprises	8,574	0	2,785,421	17,042	(D)
Administrative and waste services	25,772	6,501	3,609,735	142,407	6,471
Administrative and support services	22,975	(D)	3,446,183	128,217	(D)
Waste management and remediation services	2,797	(D)	163,552	14,190	(D)
Educational services	12,078	3,912	682,848	29,363	3,120
Health care and social assistance	59,054	53,798	6,429,781	510,099	31,894
Ambulatory health care services	40,884	14,639	3,265,463	266,551	18,060
Hospitals	0	0	1,834,513	(D)	0
Nursing and residential care facilities	7,267	5,706	652,368	83,477	10,616
Social assistance	10,903	33,453	677,437	(D)	3,218
Arts, entertainment, and recreation	9,165	3,859	1,165,916	39,885	8,679
Performing arts and spectator sports	1,487	(D)	733,212	10,190	238
Museums, historical sites, zoos, and parks	1,105	(D)	62,717	2,858	597
Amusement, gambling, and recreation	6,573	2,539	369,987	26,837	7,844
Accommodation and food services	30,448	23,386	2,347,828	136,653	31,633
Accommodation	4,947	7,515	519,210	12,733	4,781
Food services and drinking places	25,501	15,871	1,828,618	123,920	26,852
Other services, except public administration	39,636	19,684	2,191,631	147,866	22,449
Repair and maintenance	13,007	6,045	640,449	51,550	7,749
Personal and laundry services	4,078	1,796	497,107	24,350	2,401
Membership associations and organizations	17,001	9,979	811,727	55,165	9,256
Private households	5,550	1,864	242,348	16,801	3,043
Government and government enterprises	1,031,635	109,926	10,282,820	3,166,138	211,347
Federal, civilian	82,824	13,832	2,009,226	1,533,315	12,377
Military	792,047	4,124	330,330	998,350	5,548
State and local	156,764	91,970	7,943,264	634,473	193,422
State government	16,215	16,918	2,918,659	104,141	109,837
Local government	140,549	75,052	5,024,605	530,332	83,585

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Income by Place of Residence					
Personal income (thousands of dollars)	551,401	1,938,136	243,402	1,527,013	1,092,243
Nonfarm personal income	532,730	1,922,551	261,289	1,515,176	984,965
Farm income ⁵	18,671	15,585	-17,887	11,837	107,278
Population (persons) ⁶	19,815	72,759	10,217	54,915	39,231
Per capita personal income (dollars)	27,827	26,638	23,823	27,807	27,841
Derivation of Total Personal Income					
Earnings by place of work	303,808	1,282,340	105,248	698,445	717,540
less: Personal contributions for social insurance ⁷	38,543	174,745	17,164	93,064	79,500
plus: Adjustment for residence ⁸	45,193	63,240	27,245	281,103	28,491
equals: Net earnings by place of residence	310,458	1,170,835	115,329	886,484	666,531
plus: Dividends, interest, and rent ⁹	107,943	262,188	58,424	262,811	154,835
plus: Transfer payments	133,000	505,113	69,649	377,718	270,877
Earnings by Place of Work					
Wage and salary disbursements	209,347	951,092	90,606	481,236	447,144
Other labor income	48,056	231,083	24,124	116,269	108,942
Proprietors' income ¹⁰	46,405	100,165	-9,482	100,940	161,454
Farm proprietors' income	-1,693	6,342	-23,890	2,348	39,073
Nonfarm proprietors' income	48,098	93,823	14,408	98,592	122,381
Earnings by Industry					
Farm earnings	18,671	15,585	-17,887	11,837	107,278
Nonfarm earnings	285,137	1,266,755	123,135	686,608	610,262
Private earnings	204,711	1,034,567	66,012	447,228	366,563
Forestry, fishing, related activities, and other ⁴	(D)	68,628	(D)	(D)	35,436
Forestry and logging	8,453	(D)	189	20,884	3,998
Fishing, hunting, and trapping	(D)	(D)	1,357	1,830	3,146
Agriculture and forestry support activities	(D)	17,170	(D)	(D)	28,292
Other ⁴	0	0	0	0	0
Mining	(D)	76,522	(D)	(D)	3,174
Oil and gas extraction	0	(L)	0	0	(L)
Mining (except oil and gas)	(D)	(D)	(D)	(D)	3,145
Support activities for mining	(L)	(D)	0	0	0
Utilities	4,636	33,518	(D)	1,138	3,582
Construction	20,421	104,370	9,369	53,903	36,766
Construction of buildings	9,551	49,611	(D)	10,593	15,127
Heavy and civil engineering construction	5,086	18,688	(D)	5,529	7,247
Specialty trade contractors	5,784	36,071	2,498	37,781	14,392
Manufacturing	18,200	202,558	(D)	116,784	7,760
Durable goods manufacturing	14,547	170,580	(D)	84,749	(D)
Wood product manufacturing	(D)	121,586	(D)	65,639	2,761
Nonmetallic mineral product manufacturing	665	1,757	(L)	(D)	1,469
Primary metal manufacturing	(D)	(D)	0	(D)	0
Fabricated metal product manufacturing	(D)	17,530	(L)	904	474
Machinery manufacturing	(D)	1,071	0	64	(L)
Computer and electronic product manufacturing	(D)	(D)	0	(D)	0
Electrical equipment and appliance manufacturing	0	(D)	0	0	0

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Motor vehicle manufacturing	0	(D)	0	(D)	0
Transportation equipment mfg. excl. motor vehicle	(D)	(D)	0	(D)	0
Furniture and related product manufacturing	79	3,879	(L)	992	235
Miscellaneous manufacturing	409	2,219	(L)	6,839	(D)
Nondurable goods manufacturing	3,653	31,978	(D)	32,035	(D)
Food manufacturing	(D)	19,215	(D)	9,599	1,284
Beverage and tobacco product manufacturing	(D)	(D)	(D)	(D)	592
Textile mills	0	(D)	0	124	0
Textile product mills	0	(D)	(D)	0	0
Apparel manufacturing	(L)	1,983	(L)	(D)	0
Leather and allied product manufacturing	(L)	(D)	0	0	(L)
Paper manufacturing	0	160	0	13,499	218
Printing and related support activities	(L)	1,209	(D)	266	(D)
Petroleum and coal products manufacturing	0	0	(D)	0	0
Chemical manufacturing	619	(D)	0	(D)	50
Plastics and rubber products manufacturing	(D)	4,745	0	(D)	0
Wholesale trade	6,110	29,773	9,800	22,157	26,976
Retail Trade	32,152	118,026	7,693	53,163	90,730
Motor vehicle and parts dealers	2,569	26,383	888	8,332	10,715
Furniture and home furnishings stores	(D)	3,465	165	1,692	(D)
Electronics and appliance stores	331	1,782	(L)	(D)	1,349
Building material and garden supply stores	1,652	12,437	651	6,409	6,667
Food and beverage stores	5,211	20,022	2,678	6,949	18,699
Health and personal care stores	(D)	5,683	1,062	1,216	2,757
Gasoline stations	16,785	11,346	1,779	6,340	27,004
Clothing and clothing accessories stores	433	3,169	(D)	(D)	1,562
Sporting goods, hobby, book and music stores	(D)	1,798	(D)	644	1,400
General merchandise stores	947	20,128	0	(D)	(D)
Miscellaneous store retailers	1,034	9,412	(D)	2,516	4,792
Nonstore retailers	(D)	2,401	(D)	1,798	1,971
Transportation and warehousing	11,061	65,546	(D)	12,982	10,661
Air transportation	156	(D)	0	(D)	141
Rail transportation	6,901	4,604	1,025	440	728
Water transportation	0	0	0	(D)	96
Truck transportation	2,818	36,523	1,626	4,814	3,602
Transit and ground passenger transportation	(L)	919	(L)	(D)	(D)
Pipeline transportation	0	0	0	0	0
Scenic and sightseeing transportation	0	(D)	0	(D)	373
Support activities for transportation	821	8,250	(D)	2,793	3,873
Couriers and messengers	(D)	(D)	(D)	(D)	(D)
Warehousing and storage	(D)	(D)	(D)	(D)	(D)
Information	1,715	13,998	1,122	3,951	7,691
Publishing industries, except Internet	503	6,005	(D)	(D)	1,040
Motion picture and sound recording industries	0	(D)	0	(D)	610
Broadcasting, except Internet	(D)	(D)	0	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Internet publishing and broadcasts	0	0	0	0	(D)
Telecommunications	(D)	4,605	(D)	(D)	1,799
ISPs, search portals, and data processing	0	(D)	0	(D)	1,020
Other information services	0	(L)	0	0	0
Finance and insurance	4,664	24,931	5,131	22,227	13,064
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	2,795	15,622	3,381	16,135	8,385
Securities, commodity contracts, investments	(D)	(D)	194	(D)	(D)
Insurance carriers and related activities	(D)	7,657	1,556	4,458	3,614
Funds, trusts, and other financial vehicles	0	(D)	0	(D)	(D)
Real estate and rental and leasing	2,590	11,677	316	8,499	8,044
Real estate	(D)	8,654	(D)	7,179	6,123
Rental and leasing services	(D)	3,023	(D)	1,320	1,527
Lessors of nonfinancial intangible assets	0	0	0	0	394
Professional and technical services	29,681	30,521	5,772	(D)	15,650
Management of companies and enterprises	(D)	4,124	0	(D)	(D)
Administrative and waste services	(D)	23,627	614	7,298	(D)
Administrative and support services	(D)	18,537	(D)	4,624	6,820
Waste management and remediation services	11,102	5,090	(D)	2,674	(D)
Educational services	639	3,963	(D)	4,452	1,568
Health care and social assistance	9,309	130,529	(D)	38,832	48,305
Ambulatory health care services	6,378	67,026	1,707	20,515	36,752
Hospitals	0	(D)	0	0	0
Nursing and residential care facilities	1,369	17,403	(D)	13,522	6,103
Social assistance	1,562	(D)	(D)	4,795	5,450
Arts, entertainment, and recreation	1,924	5,615	764	6,737	2,856
Performing arts and spectator sports	(D)	(D)	(D)	(D)	417
Museums, historical sites, zoos, and parks	(D)	(D)	0	(D)	0
Amusement, gambling, and recreation	1,270	5,137	(D)	6,515	2,439
Accommodation and food services	4,639	40,269	1,454	21,455	24,136
Accommodation	1,018	5,490	(D)	6,573	11,115
Food services and drinking places	3,621	34,779	(D)	14,882	13,021
Other services, except public administration	13,694	46,372	4,517	29,295	20,355
Repair and maintenance	6,722	17,139	1,191	7,523	7,774
Personal and laundry services	(D)	4,238	(D)	(D)	1,297
Membership associations and organizations	4,983	(D)	2,235	14,588	8,949
Private households	(D)	(D)	(D)	(D)	2,335
Government and government enterprises	80,426	232,188	57,123	239,380	243,699
Federal, civilian	7,216	16,439	4,390	5,403	40,782
Military	2,256	8,166	1,152	6,208	4,444
State and local	70,954	207,583	51,581	227,769	198,473
State government	8,823	54,445	3,125	49,601	14,427
Local government	62,131	153,138	48,456	178,168	184,046

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Income by Place of Residence					
Personal income (thousands of dollars)	547,945	297,856	26,769,608	779,258	3,872,842
Nonfarm personal income	536,977	298,042	26,741,046	778,252	3,798,172
Farm income ⁵	10,968	-186	28,562	1,006	74,670
Population (persons) ⁶	21,401	12,664	763,670	15,144	114,495
Per capita personal income (dollars)	25,604	23,520	35,054	51,457	33,825
Derivation of Total Personal Income					
Earnings by place of work	276,996	153,467	17,856,538	275,985	2,654,435
less: Personal contributions for social insurance ⁷	37,832	20,033	2,126,907	34,792	321,102
plus: Adjustment for residence ⁸	29,489	39,908	3,965,924	45,056	132,633
equals: Net earnings by place of residence	268,653	173,342	19,695,555	286,249	2,465,966
plus: Dividends, interest, and rent ⁹	105,515	40,239	3,243,455	406,370	732,104
plus: Transfer payments	173,777	84,275	3,830,598	86,639	674,772
Earnings by Place of Work					
Wage and salary disbursements	196,175	101,369	12,553,464	178,604	1,751,378
Other labor income	48,093	27,796	3,626,137	40,736	441,721
Proprietors' income ¹⁰	32,728	24,302	1,676,937	56,645	461,336
Farm proprietors' income	7,454	-241	5,726	-392	4,577
Nonfarm proprietors' income	25,274	24,543	1,671,211	57,037	456,759
Earnings by Industry					
Farm earnings	10,968	-186	28,562	1,006	74,670
Nonfarm earnings	266,028	153,653	17,827,976	274,979	2,579,765
Private earnings	166,813	88,619	12,031,030	227,100	2,074,588
Forestry, fishing, related activities, and other ⁴	25,394	5,762	45,672	(D)	68,424
Forestry and logging	(D)	(D)	25,370	(L)	11,727
Fishing, hunting, and trapping	15,398	2,226	13,452	2,482	29,551
Agriculture and forestry support activities	(D)	(D)	6,850	(D)	27,146
Other ⁴	0	0	0	0	0
Mining	1,836	1,509	26,853	(D)	4,975
Oil and gas extraction	(L)	(L)	2,227	(L)	86
Mining (except oil and gas)	1,791	1,464	24,080	(D)	4,889
Support activities for mining	0	0	546	0	0
Utilities	(D)	191	78,960	7,776	17,334
Construction	11,268	5,822	1,666,675	50,403	288,006
Construction of buildings	3,903	1,955	411,477	21,903	89,462
Heavy and civil engineering construction	1,993	1,473	386,436	10,310	59,846
Specialty trade contractors	5,372	2,394	868,762	18,190	138,698
Manufacturing	37,913	43,771	1,340,702	11,876	494,461
Durable goods manufacturing	18,700	(D)	896,942	9,360	185,384
Wood product manufacturing	16,955	(D)	142,961	2,327	21,426
Nonmetallic mineral product manufacturing	625	(D)	98,000	1,213	11,906
Primary metal manufacturing	0	0	(D)	0	733
Fabricated metal product manufacturing	(D)	(D)	98,150	(D)	17,135
Machinery manufacturing	0	0	39,131	(D)	43,198
Computer and electronic product manufacturing	(L)	0	153,696	(L)	6,037
Electrical equipment and appliance manufacturing	0	(D)	(D)	0	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Motor vehicle manufacturing	0	0	(D)	0	(D)
Transportation equipment mfg. excl. motor vehicle	(D)	0	(D)	0	(D)
Furniture and related product manufacturing	(L)	57	58,676	198	4,976
Miscellaneous manufacturing	(D)	209	35,083	(D)	12,331
Nondurable goods manufacturing	19,213	(D)	443,760	2,516	309,077
Food manufacturing	17,615	(D)	80,147	989	46,665
Beverage and tobacco product manufacturing	0	0	(D)	(D)	9,680
Textile mills	217	0	(D)	(L)	(D)
Textile product mills	0	277	5,332	(D)	3,414
Apparel manufacturing	(L)	0	15,715	(L)	(D)
Leather and allied product manufacturing	0	320	757	(L)	644
Paper manufacturing	0	(D)	77,336	0	32,418
Printing and related support activities	(D)	0	30,325	(D)	1,911
Petroleum and coal products manufacturing	0	0	53,148	0	(D)
Chemical manufacturing	(D)	11,160	47,919	(D)	(D)
Plastics and rubber products manufacturing	0	(D)	123,787	(L)	5,456
Wholesale trade	(D)	653	656,133	3,830	57,456
Retail Trade	18,703	6,726	1,188,211	30,528	336,659
Motor vehicle and parts dealers	1,035	(D)	318,995	3,023	91,019
Furniture and home furnishings stores	533	525	53,087	(D)	10,917
Electronics and appliance stores	(D)	(D)	36,362	390	9,175
Building material and garden supply stores	1,812	(D)	106,597	8,524	29,922
Food and beverage stores	7,544	3,438	177,851	10,982	51,310
Health and personal care stores	1,875	412	66,687	1,513	12,979
Gasoline stations	1,001	446	31,964	1,870	33,361
Clothing and clothing accessories stores	205	(D)	81,962	516	13,765
Sporting goods, hobby, book and music stores	278	(L)	40,281	870	9,728
General merchandise stores	(D)	0	188,179	193	40,822
Miscellaneous store retailers	1,793	167	58,656	1,589	23,560
Nonstore retailers	(D)	(D)	27,590	(D)	10,101
Transportation and warehousing	2,497	2,359	688,940	3,464	62,304
Air transportation	124	(L)	(D)	(D)	(D)
Rail transportation	178	383	36,518	0	3,403
Water transportation	84	0	5,679	(L)	971
Truck transportation	1,535	(D)	270,152	596	29,706
Transit and ground passenger transportation	0	(L)	22,299	(D)	562
Pipeline transportation	0	0	805	0	0
Scenic and sightseeing transportation	535	119	783	620	1,389
Support activities for transportation	(D)	(D)	228,198	543	15,546
Couriers and messengers	(D)	0	(D)	(D)	8,929
Warehousing and storage	(L)	(L)	77,758	(L)	(D)
Information	1,930	1,890	222,348	3,710	24,734
Publishing industries, except Internet	785	(D)	63,906	(D)	11,910
Motion picture and sound recording industries	(D)	(D)	5,376	296	790
Broadcasting, except Internet	133	0	3,655	543	1,806

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Internet publishing and broadcasts	0	0	(D)	(D)	(D)
Telecommunications	(D)	1,070	111,927	1,538	9,154
ISPs, search portals, and data processing	0	(D)	20,680	734	790
Other information services	0	(L)	(D)	0	(D)
Finance and insurance	10,098	2,418	917,089	8,042	105,952
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	7,529	1,554	336,857	4,290	52,417
Securities, commodity contracts, investments	408	(L)	311,078	(D)	12,003
Insurance carriers and related activities	2,161	847	263,636	(D)	41,532
Funds, trusts, and other financial vehicles	0	0	5,518	0	0
Real estate and rental and leasing	2,460	957	378,156	10,982	41,698
Real estate	1,060	(D)	333,943	(D)	30,223
Rental and leasing services	(D)	(D)	(D)	(D)	11,475
Lessors of nonfinancial intangible assets	(D)	0	(D)	0	0
Professional and technical services	(D)	3,508	741,174	(D)	105,754
Management of companies and enterprises	(D)	0	92,297	(D)	10,156
Administrative and waste services	2,674	935	601,700	6,968	36,097
Administrative and support services	(D)	(D)	547,809	6,262	29,151
Waste management and remediation services	(D)	(D)	53,891	706	6,946
Educational services	61	558	172,234	3,513	9,940
Health care and social assistance	15,357	3,171	2,072,498	13,008	215,371
Amulatory health care services	6,457	1,478	1,136,623	8,229	148,905
Hospitals	0	0	548,832	0	0
Nursing and residential care facilities	6,107	(D)	208,377	2,900	38,603
Social assistance	2,793	(D)	178,666	1,879	27,863
Arts, entertainment, and recreation	1,951	(D)	119,843	5,111	16,158
Performing arts and spectator sports	(D)	(D)	19,090	976	1,505
Museums, historical sites, zoos, and parks	(D)	0	7,923	1,437	1,885
Amusement, gambling, and recreation	1,712	(D)	92,830	2,698	12,768
Accommodation and food services	14,517	(D)	457,736	29,196	85,428
Accommodation	5,837	(D)	40,763	18,740	17,850
Food services and drinking places	8,680	2,391	416,973	10,456	67,578
Other services, except public administration	12,196	5,081	563,809	13,272	93,681
Repair and maintenance	2,728	(D)	211,966	1,296	47,871
Personal and laundry services	(D)	392	108,497	2,212	9,475
Membership associations and organizations	6,446	(D)	202,714	4,788	30,548
Private households	(D)	(D)	40,632	4,976	5,787
Government and government enterprises	99,215	65,034	5,796,946	47,879	505,177
Federal, civilian	4,309	9,424	807,065	4,619	31,240
Military	9,760	1,438	2,630,380	1,697	12,839
State and local	85,146	54,172	2,359,501	41,563	461,098
State government	14,127	1,678	567,169	5,877	72,560
Local government	71,019	52,494	1,792,332	35,686	388,538

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Income by Place of Residence					
Personal income (thousands of dollars)	297,460	24,666,204	13,540,693	985,638	8,371,312
Nonfarm personal income	297,265	24,653,182	13,541,825	986,523	8,350,976
Farm income ⁵	195	13,022	-1,132	-885	20,336
Population (persons) ⁶	10,524	664,581	447,392	41,293	233,167
Per capita personal income (dollars)	28,265	37,115	30,266	23,869	35,903
Derivation of Total Personal Income					
Earnings by place of work	91,987	15,267,800	10,712,928	489,138	5,292,587
less: Personal contributions for social insurance ⁷	12,013	1,911,453	1,376,078	63,783	677,230
plus: Adjustment for residence ⁸	118,142	5,624,670	-454,893	140,157	1,310,357
equals: Net earnings by place of residence	198,116	18,981,017	8,881,957	565,512	5,925,714
plus: Dividends, interest, and rent ⁹	50,131	2,892,271	2,095,644	151,208	1,206,670
plus: Transfer payments	49,213	2,792,916	2,563,092	268,918	1,238,928
Earnings by Place of Work					
Wage and salary disbursements	66,142	11,149,084	7,998,096	335,886	3,985,051
Other labor income	18,869	2,992,468	1,922,201	87,668	890,925
Proprietors' income ¹⁰	6,976	1,126,248	792,631	65,584	416,611
Farm proprietors' income	-203	-11,239	-9,133	-2,280	-4,489
Nonfarm proprietors' income	7,179	1,137,487	801,764	67,864	421,100
Earnings by Industry					
Farm earnings	195	13,022	-1,132	-885	20,336
Nonfarm earnings	91,792	15,254,778	10,714,060	490,023	5,272,251
Private earnings	53,140	12,708,496	8,630,779	350,651	3,170,393
Forestry, fishing, related activities, and other ⁴	(D)	85,690	11,406	26,905	63,046
Forestry and logging	1,276	17,466	(D)	19,623	42,508
Fishing, hunting, and trapping	241	61,810	(D)	3,402	6,704
Agriculture and forestry support activities	(D)	6,414	3,304	3,880	13,834
Other ⁴	0	0	0	0	0
Mining	(D)	23,160	21,907	3,840	5,265
Oil and gas extraction	0	1,770	(L)	(L)	(L)
Mining (except oil and gas)	(D)	20,882	3,474	3,797	5,188
Support activities for mining	0	508	18,423	(L)	63
Utilities	0	9,358	64,356	(D)	24,488
Construction	4,341	1,447,732	783,253	30,714	378,481
Construction of buildings	(D)	336,602	223,532	11,635	107,761
Heavy and civil engineering construction	(D)	194,150	95,205	6,152	69,068
Specialty trade contractors	2,328	916,980	464,516	12,927	201,652
Manufacturing	10,641	4,522,689	1,072,833	79,328	184,536
Durable goods manufacturing	(D)	4,276,670	849,205	77,758	97,053
Wood product manufacturing	(D)	117,975	23,376	42,864	10,780
Nonmetallic mineral product manufacturing	(D)	39,286	64,767	(D)	23,197
Primary metal manufacturing	0	11,837	124,048	(D)	(D)
Fabricated metal product manufacturing	(D)	183,834	113,856	(D)	19,407
Machinery manufacturing	0	42,099	103,154	24,418	3,757
Computer and electronic product manufacturing	(D)	530,365	194,624	0	2,308
Electrical equipment and appliance manufacturing	(D)	15,008	51,572	592	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Motor vehicle manufacturing	(D)	(D)	47,046	(D)	(D)
Transportation equipment mfg. excl. motor vehicle	0	(D)	35,213	(D)	(D)
Furniture and related product manufacturing	0	76,688	62,143	1,240	13,066
Miscellaneous manufacturing	(D)	67,590	29,406	294	15,877
Nondurable goods manufacturing	(D)	246,019	223,628	1,570	87,483
Food manufacturing	(L)	55,065	61,579	(D)	7,345
Beverage and tobacco product manufacturing	(D)	7,096	10,246	(D)	15,544
Textile mills	0	(D)	0	0	(D)
Textile product mills	0	3,573	5,247	0	548
Apparel manufacturing	0	5,780	(D)	(L)	0
Leather and allied product manufacturing	0	(D)	(D)	98	(L)
Paper manufacturing	0	(D)	23,273	0	(D)
Printing and related support activities	0	30,437	26,839	339	8,029
Petroleum and coal products manufacturing	0	1,301	(L)	0	0
Chemical manufacturing	(L)	13,017	40,475	0	5,277
Plastics and rubber products manufacturing	0	44,261	46,643	84	27,560
Wholesale trade	1,182	486,877	596,370	(D)	261,809
Retail Trade	3,498	1,089,845	936,584	46,221	374,640
Motor vehicle and parts dealers	(D)	265,295	215,986	7,807	74,139
Furniture and home furnishings stores	(D)	36,197	38,021	1,116	12,487
Electronics and appliance stores	0	37,238	30,043	512	13,971
Building material and garden supply stores	281	117,248	82,975	2,728	44,795
Food and beverage stores	1,618	190,273	142,179	8,531	62,756
Health and personal care stores	(D)	62,572	54,184	1,861	16,623
Gasoline stations	490	32,677	31,359	8,278	16,040
Clothing and clothing accessories stores	(D)	93,841	61,403	414	14,820
Sporting goods, hobby, book and music stores	(L)	38,815	47,372	1,282	15,492
General merchandise stores	110	148,730	134,964	9,001	70,706
Miscellaneous store retailers	(D)	53,065	55,912	2,617	26,410
Nonstore retailers	(L)	13,894	42,186	2,074	6,401
Transportation and warehousing	2,169	214,483	341,876	16,577	90,196
Air transportation	103	6,684	16,227	217	(D)
Rail transportation	0	20,640	79,898	537	1,543
Water transportation	0	(D)	86	0	124
Truck transportation	(D)	84,585	134,610	11,114	34,075
Transit and ground passenger transportation	(L)	17,404	14,568	(D)	3,481
Pipeline transportation	0	618	(D)	0	851
Scenic and sightseeing transportation	271	(D)	334	0	482
Support activities for transportation	(D)	54,872	45,537	1,019	10,332
Couriers and messengers	0	(D)	(D)	(D)	(D)
Warehousing and storage	(L)	8,448	8,029	1,162	21,799
Information	355	320,126	186,153	2,796	80,790
Publishing industries, except Internet	(D)	83,772	59,033	(D)	18,012
Motion picture and sound recording industries	(L)	10,578	8,860	(D)	1,406
Broadcasting, except Internet	0	(D)	43,515	(D)	5,887

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Internet publishing and broadcasts	(L)	(D)	2,399	(D)	(D)
Telecommunications	(D)	212,847	62,842	1,148	27,150
ISPs, search portals, and data processing	(D)	6,178	9,502	549	27,796
Other information services	0	(L)	(L)	(L)	(D)
Finance and insurance	1,259	873,570	771,319	9,625	202,155
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	(D)	394,019	321,209	5,111	109,476
Securities, commodity contracts, investments	(D)	61,513	125,919	(D)	18,891
Insurance carriers and related activities	(D)	380,377	315,889	(D)	61,231
Funds, trusts, and other financial vehicles	0	37,661	8,302	0	12,557
Real estate and rental and leasing	(D)	272,329	186,774	4,831	79,429
Real estate	(D)	231,065	153,652	3,016	67,506
Rental and leasing services	(D)	39,960	29,846	1,815	(D)
Lessors of nonfinancial intangible assets	0	1,304	3,276	0	(D)
Professional and technical services	4,902	765,609	638,075	11,018	249,450
Management of companies and enterprises	(D)	109,972	216,205	(D)	39,422
Administrative and waste services	(D)	403,264	372,939	(D)	119,480
Administrative and support services	502	375,447	357,290	2,706	108,002
Waste management and remediation services	(D)	27,817	15,649	(D)	11,478
Educational services	(D)	79,920	170,298	1,215	68,663
Health care and social assistance	(D)	1,094,711	1,493,642	61,122	576,002
Amulatory health care services	415	633,971	782,836	27,656	318,254
Hospitals	0	(D)	422,768	(D)	(D)
Nursing and residential care facilities	(D)	(D)	163,116	6,710	(D)
Social assistance	445	(D)	124,922	(D)	53,952
Arts, entertainment, and recreation	417	101,618	67,026	3,632	31,814
Performing arts and spectator sports	(L)	22,577	18,203	(D)	7,257
Museums, historical sites, zoos, and parks	(D)	2,614	1,225	(D)	2,867
Amusement, gambling, and recreation	(D)	76,427	47,598	3,194	21,690
Accommodation and food services	14,992	385,249	356,552	9,779	141,996
Accommodation	13,383	31,234	84,480	1,894	16,054
Food services and drinking places	1,609	354,015	272,072	7,885	125,942
Other services, except public administration	3,538	422,294	343,211	21,201	198,731
Repair and maintenance	598	130,318	101,970	7,371	62,142
Personal and laundry services	(D)	90,715	72,001	1,557	22,972
Membership associations and organizations	2,486	158,092	128,438	(D)	98,454
Private households	(D)	43,169	40,802	(D)	15,163
Government and government enterprises	38,652	2,546,282	2,083,281	139,372	2,101,858
Federal, civilian	12,231	179,901	389,892	28,169	88,286
Military	1,202	526,497	291,725	4,731	32,104
State and local	25,219	1,839,884	1,401,664	106,472	1,981,468
State government	1,815	259,285	489,127	17,482	1,450,925
Local government	23,404	1,580,599	912,537	88,990	530,543

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Income by Place of Residence					
Personal income (thousands of dollars)	102,991	1,508,674	5,793,133	960,141	6,119,646
Nonfarm personal income	103,447	1,482,435	5,728,954	949,270	5,632,971
Farm income ⁵	-456	26,239	64,179	10,871	486,675
Population (persons) ⁶	3,949	57,609	188,775	41,404	230,840
Per capita personal income (dollars)	26,080	26,188	30,688	23,190	26,510
Derivation of Total Personal Income					
Earnings by place of work	40,219	1,164,433	4,142,981	794,743	4,386,609
less: Personal contributions for social insurance ⁷	5,603	148,726	518,028	96,679	525,185
plus: Adjustment for residence ⁸	19,524	-102,868	145,506	-79,140	14,055
equals: Net earnings by place of residence	54,140	912,839	3,770,459	618,924	3,875,479
plus: Dividends, interest, and rent ⁹	20,322	276,702	1,100,075	174,066	854,349
plus: Transfer payments	28,529	319,133	922,599	167,151	1,389,818
Earnings by Place of Work					
Wage and salary disbursements	28,377	874,251	2,914,748	578,291	3,166,561
Other labor income	6,327	219,485	731,307	167,589	704,434
Proprietors' income ¹⁰	5,515	70,697	496,926	48,863	515,614
Farm proprietors' income	-509	-33,569	5,848	1,392	148,713
Nonfarm proprietors' income	6,024	104,266	491,078	47,471	366,901
Earnings by Industry					
Farm earnings	-456	26,239	64,179	10,871	486,675
Nonfarm earnings	40,675	1,138,194	4,078,802	783,872	3,899,934
Private earnings	28,403	847,826	3,343,343	339,614	3,041,644
Forestry, fishing, related activities, and other ⁴	13,587	(D)	41,802	(D)	289,231
Forestry and logging	6,819	(D)	15,266	1,244	9,351
Fishing, hunting, and trapping	(D)	1,452	16,519	8,924	10,858
Agriculture and forestry support activities	(D)	17,965	10,017	(D)	269,022
Other ⁴	0	0	0	0	0
Mining	(L)	(D)	15,249	(D)	1,326
Oil and gas extraction	(L)	0	661	(L)	(L)
Mining (except oil and gas)	0	(D)	14,228	(D)	1,250
Support activities for mining	0	0	360	0	63
Utilities	0	12,111	17,600	(D)	19,204
Construction	1,680	63,392	527,050	26,128	220,631
Construction of buildings	596	18,833	198,753	10,496	72,865
Heavy and civil engineering construction	299	5,307	102,943	3,607	21,294
Specialty trade contractors	785	39,252	225,354	12,025	126,472
Manufacturing	2,548	211,790	569,977	80,687	449,981
Durable goods manufacturing	2,548	57,361	281,555	(D)	(D)
Wood product manufacturing	(D)	2,197	66,613	(D)	36,669
Nonmetallic mineral product manufacturing	(D)	(D)	15,432	(D)	8,110
Primary metal manufacturing	0	677	(D)	0	(D)
Fabricated metal product manufacturing	(D)	3,656	22,772	(D)	42,812
Machinery manufacturing	(D)	43,208	21,851	(D)	28,380
Computer and electronic product manufacturing	0	0	8,591	6,454	(D)
Electrical equipment and appliance manufacturing	0	0	11,024	(D)	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Motor vehicle manufacturing	0	0	(D)	0	16,365
Transportation equipment mfg. excl. motor vehicle	(D)	(D)	(D)	(D)	32,908
Furniture and related product manufacturing	(L)	284	7,605	(D)	4,633
Miscellaneous manufacturing	(L)	3,502	22,715	(D)	13,783
Nondurable goods manufacturing	0	154,429	288,422	(D)	(D)
Food manufacturing	0	(D)	74,798	(D)	122,747
Beverage and tobacco product manufacturing	0	20,294	1,047	(D)	12,713
Textile mills	0	0	(D)	(L)	(L)
Textile product mills	0	0	13,084	0	1,643
Apparel manufacturing	0	(D)	887	0	(L)
Leather and allied product manufacturing	0	595	(D)	(D)	0
Paper manufacturing	0	(D)	(D)	0	32,451
Printing and related support activities	0	4,894	4,853	(D)	4,203
Petroleum and coal products manufacturing	0	0	144,726	(D)	(D)
Chemical manufacturing	0	2,464	7,279	(D)	6,567
Plastics and rubber products manufacturing	0	(D)	16,572	0	76,198
Wholesale trade	(D)	34,421	260,722	29,301	251,389
Retail Trade	1,538	78,006	382,395	34,167	318,287
Motor vehicle and parts dealers	(D)	14,014	59,701	6,958	67,941
Furniture and home furnishings stores	(D)	2,648	13,795	(D)	11,594
Electronics and appliance stores	0	638	13,768	576	7,699
Building material and garden supply stores	(D)	7,441	40,266	5,888	29,910
Food and beverage stores	(D)	15,298	74,872	6,794	71,335
Health and personal care stores	(D)	3,417	20,499	2,314	10,718
Gasoline stations	(D)	5,516	26,898	4,123	18,307
Clothing and clothing accessories stores	(L)	5,617	18,065	413	9,514
Sporting goods, hobby, book and music stores	(L)	1,847	13,402	2,767	7,669
General merchandise stores	0	15,653	56,066	2,155	62,936
Miscellaneous store retailers	(D)	3,205	31,152	1,306	16,920
Nonstore retailers	(L)	2,712	13,911	(D)	3,744
Transportation and warehousing	(D)	18,756	96,899	(D)	151,187
Air transportation	0	(D)	1,699	(D)	(D)
Rail transportation	0	1,432	5,458	666	5,996
Water transportation	0	0	839	0	167
Truck transportation	(D)	9,091	34,936	2,847	72,039
Transit and ground passenger transportation	0	(D)	5,898	(D)	(D)
Pipeline transportation	0	(D)	(D)	(D)	0
Scenic and sightseeing transportation	0	(D)	(D)	0	649
Support activities for transportation	0	2,467	25,245	(D)	20,406
Couriers and messengers	(D)	(D)	(D)	(D)	8,454
Warehousing and storage	0	2,189	11,880	1,162	38,249
Information	(D)	19,001	81,573	5,012	49,124
Publishing industries, except Internet	(D)	12,254	35,787	553	11,562
Motion picture and sound recording industries	0	(L)	(D)	(D)	(D)
Broadcasting, except Internet	0	(D)	9,152	950	14,139

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2006

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Internet publishing and broadcasts	0	0	(D)	(D)	(D)
Telecommunications	(D)	3,364	31,675	2,597	15,463
ISPs, search portals, and data processing	0	1,019	2,310	(D)	239
Other information services	0	(D)	(L)	0	(L)
Finance and insurance	696	48,095	145,502	16,358	128,345
Monetary authorities - central bank	0	0	0	0	0
Credit intermediation and related activities	(D)	34,596	76,415	12,580	64,264
Securities, commodity contracts, investments	(D)	(D)	(D)	(D)	(D)
Insurance carriers and related activities	210	9,838	36,577	(D)	44,007
Funds, trusts, and other financial vehicles	0	(D)	(D)	0	(D)
Real estate and rental and leasing	(D)	14,231	77,504	7,885	51,719
Real estate	(D)	10,811	66,475	6,256	36,310
Rental and leasing services	236	2,959	10,596	1,629	15,409
Lessors of nonfinancial intangible assets	0	461	433	0	0
Professional and technical services	446	(D)	237,298	15,893	126,234
Management of companies and enterprises	0	(D)	31,754	381	33,091
Administrative and waste services	666	14,910	98,614	1,914	61,859
Administrative and support services	(D)	(D)	78,460	(D)	54,590
Waste management and remediation services	(D)	(D)	20,154	(D)	7,269
Educational services	(D)	51,874	18,677	1,465	31,354
Health care and social assistance	(D)	160,687	421,969	48,322	593,604
Amulatory health care services	(D)	63,353	215,994	25,480	304,783
Hospitals	0	(D)	(D)	(D)	155,209
Nursing and residential care facilities	(D)	21,846	49,959	9,051	67,815
Social assistance	(L)	(D)	(D)	(D)	65,797
Arts, entertainment, and recreation	(D)	7,086	35,533	2,911	27,092
Performing arts and spectator sports	(L)	(D)	3,388	(D)	5,922
Museums, historical sites, zoos, and parks	(D)	(D)	1,335	(D)	2,498
Amusement, gambling, and recreation	186	5,755	30,810	2,076	18,672
Accommodation and food services	(D)	26,359	143,821	20,147	111,712
Accommodation	(D)	4,615	28,942	3,939	21,848
Food services and drinking places	865	21,744	114,879	16,208	89,864
Other services, except public administration	1,577	32,921	139,404	18,101	126,274
Repair and maintenance	(D)	7,361	49,487	3,141	35,967
Personal and laundry services	(D)	3,447	18,501	2,171	23,501
Membership associations and organizations	1,040	15,420	57,367	8,712	(D)
Private households	(D)	6,693	14,049	4,077	(D)
Government and government enterprises	12,272	290,368	735,459	444,258	858,290
Federal, civilian	939	91,639	115,118	20,741	107,596
Military	447	7,207	25,342	6,504	31,141
State and local	10,886	191,522	594,999	417,013	719,553
State government	(D)	85,300	190,246	(D)	149,113
Local government	(D)	106,222	404,753	(D)	570,440

Table 4.4
Per Capita Personal Income

	2002	2003	2004	2005	2006	Change 2002-06
U.S.	30,821	31,504	33,123	34,757	36,714	19.1%
Washington	32,573	33,166	35,289	35,838	38,212	17.3%
Bellingham, WA (MSA)	25,343	26,600	28,036	29,214	30,688	21.1%
Bremerton-Silverdale, WA (MSA)	31,571	32,652	34,746	36,308	39,353	24.6%
Kennewick-Pasco-Richland, WA (MSA)	26,853	27,356	27,945	28,387	28,735	7.0%
Olympia, WA (MSA)	30,700	31,372	32,955	34,204	35,903	16.9%
Portland-Vancouver-Beaverton, OR-WA (MSA)	32,228	32,650	33,657	34,921	36,845	14.3%
Seattle-Tacoma-Bellevue, WA (MSA)	38,189	38,699	42,030	42,356	45,369	18.8%
Seattle-Bellevue-Everett, WA Met. Div.	40,843	41,319	45,242	45,126	48,522	18.8%
Spokane, WA (MSA)	26,493	27,038	28,002	28,544	30,266	14.2%
Tacoma, WA Metropolitan Division	29,475	30,152	31,542	33,285	35,054	18.9%
Yakima, WA (MSA)	23,146	24,291	24,587	25,141	26,510	14.5%
Washington (Urban Counties)*	35,425	35,947	38,575	39,120	41,856	18.2%
Washington (Rural Counties)	24,698	25,518	26,286	26,849	28,215	14.2%
Adams	21,982	22,563	23,032	21,286	21,802	-0.8%
Asotin	25,853	26,703	26,742	27,288	28,689	11.0%
Benton#	28,998	29,707	30,815	31,329	31,848	9.8%
Chelan	27,030	27,823	28,807	29,453	31,125	15.1%
Clallam	26,648	28,112	28,727	29,065	30,915	16.0%
Clark*	29,060	29,457	29,565	30,922	32,970	13.5%
Columbia	26,808	27,150	27,618	25,751	27,839	3.8%
Cowlitz	24,644	24,996	25,154	25,914	26,781	8.7%
Douglas	22,588	23,339	23,768	24,096	25,578	13.2%
Ferry	18,697	18,766	19,304	19,594	20,444	9.3%
Franklin#	20,771	20,965	20,452	21,048	21,317	2.6%
Garfield	22,966	25,424	25,233	19,424	22,326	-2.8%
Grant	21,382	22,059	22,181	22,548	23,465	9.7%
Grays Harbor	23,001	23,736	24,148	24,707	25,928	12.7%
Island*	28,293	28,592	30,227	31,139	33,750	19.3%
Jefferson	30,654	31,799	34,657	35,610	38,004	24.0%
King*	44,153	44,704	49,533	48,789	52,655	19.3%
Kitsap*	31,571	32,652	34,746	36,308	39,353	24.6%
Kittitas	23,493	23,633	24,153	24,626	26,213	11.6%
Klickitat	24,300	24,570	25,163	26,037	27,827	14.5%
Lewis	23,360	23,667	24,533	25,002	26,638	14.0%
Lincoln	23,443	24,718	24,145	22,444	23,823	1.6%
Mason	24,297	24,913	26,235	26,531	27,807	14.4%
Okanogan	22,620	24,261	25,578	26,145	27,841	23.1%
Pacific	22,765	22,897	23,837	24,036	25,604	12.5%
Pend Oreille	21,286	22,318	22,381	22,288	23,520	10.5%
Pierce*	29,475	30,152	31,542	33,285	35,054	18.9%
San Juan	38,348	40,061	44,209	46,483	51,457	34.2%
Skagit	29,517	29,612	30,711	31,962	33,825	14.6%
Skamania	22,812	24,045	25,105	26,552	28,265	23.9%
Snohomish*	31,571	31,856	33,285	34,963	37,115	17.6%
Spokane*	26,493	27,038	28,002	28,544	30,266	14.2%
Stevens	20,328	21,032	21,769	22,456	23,869	17.4%
Thurston*	30,700	31,372	32,955	34,204	35,903	16.9%
Wahkiakum	23,163	25,340	24,927	25,058	26,080	12.6%
Walla Walla	23,022	24,220	24,867	24,658	26,188	13.8%
Whatcom#	25,343	26,600	28,036	29,214	30,688	21.1%
Whitman	19,212	20,356	21,479	20,885	23,190	20.7%
Yakima#	23,146	24,291	24,587	25,141	26,510	14.5%

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

Table 4.5
2006 Per Capita Personal Income and Median Home Prices
 Ordered by 2006 Per Capita Personal Income Rank

	Per Capita Personal Income	Rank	Median Home Price	Rank
King*	\$52,655	1	\$425,000	2
San Juan	\$51,457	2	\$539,500	1
Kitsap*	\$39,353	3	\$275,000	7
Jefferson	\$38,004	4	\$326,300	4
Snohomish*	\$37,115	5	\$345,400	3
Thurston*	\$35,903	6	\$252,200	11
Pierce*	\$35,054	7	\$270,000	8
Skagit	\$33,825	8	\$260,000	10
Island*	\$33,750	9	\$300,000	5
Clark*	\$32,970	10	\$269,400	9
Benton#	\$31,848	11	\$157,200	23
Chelan	\$31,125	12	\$202,000	15
Clallam	\$30,915	13	\$231,500	13
Whatcom#	\$30,688	14	\$282,300	6
Spokane*	\$30,266	15	\$181,600	19
Asotin	\$28,689	16	\$142,900	30
Skamania	\$28,265	17	N/A	N/A
Okanogan	\$27,841	18	\$145,600	26
Columbia	\$27,839	19	\$100,000	35
Klickitat	\$27,827	20	N/A	N/A
Mason	\$27,807	21	\$191,700	17
Cowlitz	\$26,781	22	\$174,500	21
Lewis	\$26,638	23	\$170,000	22
Yakima#	\$26,510	24	\$134,900	33
Kittitas	\$26,213	25	\$248,000	12
Walla Walla	\$26,188	26	\$175,800	20
Wahkiakum	\$26,080	27	\$205,000	14
Grays Harbor	\$25,928	28	\$148,000	25
Pacific	\$25,604	29	\$135,000	32
Douglas	\$25,578	30	\$202,000	15
Stevens	\$23,869	31	\$143,700	27
Lincoln	\$23,823	32	N/A	N/A
Pend Oreille	\$23,520	33	\$143,700	27
Grant	\$23,465	34	\$133,500	34
Whitman	\$23,190	35	\$188,200	18
Garfield	\$22,326	36	\$142,900	30
Adams	\$21,802	37	\$89,800	36
Franklin#	\$21,317	38	\$157,200	23
Ferry	\$20,444	39	\$143,700	27
Washington	\$38,212		\$293,800	

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 (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. 2002-2006 estimates of employment and earnings by industry are based on the 2002 North American Industry Classification System (NAICS).

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. Census Bureau midyear population estimates as of March 2007.

6. Personal contributions for social insurance are included in earnings by type and industry but they are excluded from personal income.

7. 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.

8. Rental income of persons includes the capital consumption adjustment.

9. 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 2008 to 2011

	2004	2005	2006	2007	2008	2009	2010	2011
Real National Income Accounts (Billions of Chained 2000 Dollars)								
Real Gross Domestic Product	10,675.7	11,003.5	11,319.4	11,566.8	11,726.7	11,876.4	12,263.6	12,671.3
% Ch	3.6	3.1	2.9	2.2	1.4	1.3	3.3	3.3
Real Consumption	7,561.3	7,803.6	8,044.1	8,277.8	8,395.6	8,464.5	8,702.9	8,997.3
% Ch	3.6	3.2	3.1	2.9	1.4	0.8	2.8	3.4
Real Nonresidential Fixed Investment	1,144.3	1,225.8	1,306.8	1,368.4	1,402.8	1,375.9	1,415.1	1,509.4
% Ch	5.8	7.1	6.6	4.7	2.5	-1.9	2.9	6.7
Real Residential Fixed Investment	560.1	597.1	569.5	472.8	366.0	349.3	412.3	464.2
% Ch	10.0	6.6	-4.6	-17.0	-22.6	-4.6	18.0	12.6
Real Personal Income	8,973.3	9,230.7	9,577.6	9,920.1	9,993.2	10,095.2	10,448.0	10,864.5
% Ch	3.4	2.9	3.8	3.6	0.7	1.0	3.5	4.0
Real Per Capita Income (\$/Person)	30,473	31,044	31,911	32,757	32,710	32,756	33,610	34,653
% Ch	2.4	1.9	2.8	2.7	-0.1	0.1	2.6	3.1
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.084	1.116	1.147	1.176	1.221	1.250	1.270	1.291
% Ch	2.6	2.9	2.8	2.5	3.8	2.4	1.6	1.7
U.S. Consumer Price Index (1982-84=1.0)	1.889	1.953	2.016	2.073	2.173	2.223	2.252	2.290
% Ch	2.7	3.4	3.2	2.9	4.8	2.3	1.3	1.7
Employment Cost Index (June 1989=1.0)	0.968	0.992	1.021	1.055	1.088	1.118	1.147	1.179
% Ch	2.7	2.5	2.9	3.4	3.1	2.8	2.5	2.8
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	11,685.9	12,433.9	13,194.7	13,841.3	14,327.2	14,817.6	15,612.7	16,467.2
% Ch	6.6	6.4	6.1	4.9	3.5	3.4	5.4	5.5
Personal Income	9,727.2	10,301.1	10,983.4	11,665.6	12,197.4	12,619.9	13,264.8	14,032.0
% Ch	6.2	5.9	6.6	6.2	4.6	3.5	5.1	5.8
Employment (Millions)								
U.S. Civilian Labor Force	147.4	149.3	151.4	153.1	154.1	155.1	156.4	157.9
Total U.S. Employment	139.2	141.7	144.4	146.0	146.1	146.0	147.5	149.7
Unemployment Rate (%)	5.54	5.07	4.61	4.64	5.22	5.86	5.70	5.22
Nonfarm Payroll Employment	131.42	133.69	136.09	137.62	137.74	137.80	139.47	141.82
% Ch	1.1	1.7	1.8	1.1	0.1	0.0	1.2	1.7
Manufacturing	14.32	14.23	14.16	13.88	13.52	13.13	12.97	13.13
% Ch	-1.3	-0.6	-0.5	-1.9	-2.6	-3.0	-1.2	1.2
Durable Manufacturing	8.92	8.96	8.98	8.82	8.55	8.26	8.18	8.36
% Ch	-0.4	0.3	0.3	-1.9	-3.0	-3.4	-0.9	2.1
Nondurable Manufacturing	5.39	5.27	5.17	5.07	4.97	4.87	4.79	4.77
% Ch	-2.8	-2.2	-1.8	-2.1	-1.9	-2.2	-1.6	-0.4
Construction	6.97	7.33	7.69	7.62	7.16	6.81	6.91	7.19
% Ch	3.5	5.2	4.9	-1.0	-6.0	-4.9	1.5	4.1
Service-Producing	109.54	111.51	113.56	115.40	116.29	117.09	118.84	120.78
% Ch	1.3	1.8	1.8	1.6	0.8	0.7	1.5	1.6
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	41.5	56.6	66.1	72.2	119.0	116.5	106.9	101.4
Personal Saving/Disposable Income (%)	2.1	0.5	0.4	0.5	0.9	0.7	1.0	1.4
Auto Sales (Millions)	7.5	7.7	7.8	7.6	7.4	7.6	8.1	8.4
% Ch	-1.4	2.2	1.5	-2.4	-3.2	3.2	6.8	3.7
Housing Starts (Millions)	1.950	2.073	1.812	1.341	0.932	1.064	1.431	1.674
% Ch	5.2	6.3	-12.6	-26.0	-30.5	14.2	34.5	17.0
Federal Budget Surplus (Billions)	-370.6	-318.3	-220.1	-218.5	-470.0	-449.0	-407.8	-375.7
Net Exports (Billions)	-615.4	-714.6	-762.0	-708.0	-788.8	-724.8	-661.8	-664.6
3-Month Treasury Bill Rate (%)	1.36	3.13	4.72	4.38	1.85	2.43	4.24	4.59
10-Year Treasury Note Yield (%)	4.27	4.29	4.79	4.63	3.78	4.00	5.21	5.44
Bond Index of 20 G.O. Munis. (%)	4.68	4.40	4.40	4.39	4.47	4.43	5.42	5.60
30-Year Fixed Mortgage Rate (%)	5.84	5.86	6.42	6.33	5.86	5.87	6.90	7.12

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2008 to 2011

	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	11,238.7	11,306.7	11,336.7	11,395.5	11,412.6	11,520.1	11,658.9	11,675.7
% Ch , Annual Rate	4.8	2.4	1.1	2.1	0.6	3.8	4.9	0.6
Real Consumption	7,961.9	8,009.3	8,063.8	8,141.2	8,215.7	8,244.3	8,302.2	8,349.1
% Ch , Annual Rate	4.4	2.4	2.8	3.9	3.7	1.4	2.8	2.3
Real Nonresidential Fixed Investment	1,289.7	1,303.2	1,319.4	1,314.8	1,321.7	1,356.6	1,387.3	1,407.8
% Ch , Annual Rate	13.3	4.3	5.1	-1.4	2.1	11.0	9.4	6.0
Real Residential Fixed Investment	606.1	587.5	555.0	529.4	506.3	490.7	463.3	430.9
% Ch , Annual Rate	-0.7	-11.7	-20.4	-17.2	-16.3	-11.8	-20.5	-25.2
Real Personal Income	9,505.7	9,519.1	9,558.3	9,727.2	9,876.3	9,866.0	9,955.6	9,982.4
% Ch , Annual Rate	6.7	0.6	1.7	7.3	6.3	-0.4	3.7	1.1
Real Per Capita Income (\$/Person)	31,783	31,751	31,811	32,300	32,722	32,615	32,839	32,854
% Ch , Annual Rate	5.8	-0.4	0.8	6.3	5.3	-1.3	2.8	0.2
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.135	1.147	1.154	1.151	1.161	1.173	1.179	1.190
% Ch , Annual Rate	1.8	4.3	2.6	-0.9	3.5	4.3	1.8	3.9
U.S. Consumer Price Index (1982-84=1.0)	1.994	2.013	2.032	2.024	2.043	2.066	2.080	2.106
% Ch , Annual Rate	1.8	3.7	3.9	-1.5	3.7	4.6	2.8	5.0
Employment Cost Index (June 1989=1.0)	1.008	1.016	1.025	1.033	1.043	1.051	1.059	1.067
% Ch , Annual Rate	2.8	3.2	3.6	3.2	3.9	3.1	3.1	3.1
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	12,964.6	13,155.0	13,266.9	13,392.3	13,551.9	13,768.8	13,970.5	14,074.2
% Ch , Annual Rate	8.4	6.0	3.4	3.8	4.9	6.6	6.0	3.0
Personal Income	10,787.1	10,915.5	11,030.9	11,200.2	11,469.2	11,577.3	11,735.0	11,880.9
% Ch , Annual Rate	8.6	4.8	4.3	6.3	10.0	3.8	5.6	5.1
Employment (Millions)								
U.S. Civilian Labor Force	150.4	151.1	151.7	152.4	152.9	152.8	153.2	153.7
Total U.S. Employment	143.4	144.1	144.6	145.6	146.0	145.9	146.0	146.3
Unemployment Rate (%)	4.70	4.67	4.63	4.43	4.50	4.53	4.70	4.83
Nonfarm Payroll Employment	135.38	135.84	136.35	136.79	137.18	137.50	137.76	138.03
% Ch , Annual Rate	2.2	1.4	1.5	1.3	1.2	0.9	0.8	0.8
Manufacturing	14.21	14.20	14.16	14.06	13.99	13.91	13.85	13.79
% Ch , Annual Rate	0.3	-0.2	-1.2	-2.8	-2.1	-2.2	-1.6	-1.8
Durable Manufacturing	8.99	9.01	8.99	8.94	8.88	8.83	8.80	8.75
% Ch , Annual Rate	1.0	1.0	-0.9	-2.4	-2.5	-2.2	-1.6	-1.9
Nondurable Manufacturing	5.22	5.19	5.17	5.12	5.10	5.08	5.05	5.03
% Ch , Annual Rate	-1.0	-2.3	-1.8	-3.4	-1.3	-2.2	-1.7	-1.7
Construction	7.66	7.70	7.72	7.70	7.68	7.65	7.61	7.52
% Ch , Annual Rate	7.3	2.0	1.1	-1.0	-0.9	-1.5	-2.3	-4.5
Service-Producing	112.85	113.26	113.79	114.33	114.81	115.22	115.57	115.99
% Ch , Annual Rate	2.0	1.5	1.9	1.9	1.7	1.4	1.2	1.4
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	63.4	70.6	70.5	60.1	58.1	65.0	75.2	90.5
Personal Saving/Disposable Income (%)	0.9	0.3	0.0	0.4	1.0	0.3	0.4	0.2
Auto Sales (Millions)	7.8	7.9	7.8	7.6	7.6	7.7	7.3	7.8
% Ch , Annual Rate	14.3	1.6	-2.5	-8.0	-3.4	5.6	-16.4	26.0
Housing Starts (Millions)	2.120	1.855	1.702	1.570	1.453	1.460	1.298	1.151
% Ch , Annual Rate	10.4	-41.4	-29.1	-27.7	-26.6	1.9	-37.6	-38.0
Federal Budget Surplus (Billions)	-219.6	-239.9	-239.2	-181.5	-218.5	-206.8	-230.3	-218.5
Net Exports (Billions)	-763.3	-780.4	-799.1	-705.3	-714.2	-714.2	-694.7	-708.9
3-Month Treasury Bill Rate (%)	4.38	4.68	4.91	4.91	4.98	4.75	4.35	3.44
10-Year Treasury Note Yield (%)	4.57	5.07	4.90	4.63	4.68	4.85	4.73	4.26
Bond Index of 20 G.O. Munis. (%)	4.42	4.59	4.44	4.18	4.20	4.37	4.58	4.43
30-Year Fixed Mortgage Rate (%)	6.24	6.60	6.57	6.25	6.22	6.34	6.55	6.23

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2008 to 2011

	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	11,701.9	11,706.9	11,755.3	11,742.9	11,751.3	11,823.4	11,915.8	12,015.1
% Ch , Annual Rate	0.9	0.2	1.7	-0.4	0.3	2.5	3.2	3.4
Real Consumption	8,369.7	8,384.5	8,430.7	8,397.4	8,394.6	8,438.1	8,483.5	8,542.0
% Ch , Annual Rate	1.0	0.7	2.2	-1.6	-0.1	2.1	2.2	2.8
Real Nonresidential Fixed Investment	1,406.9	1,406.2	1,393.3	1,404.7	1,380.1	1,370.4	1,371.1	1,381.8
% Ch , Annual Rate	-0.3	-0.2	-3.6	3.3	-6.8	-2.8	0.2	3.2
Real Residential Fixed Investment	400.3	374.1	353.4	336.2	330.1	339.7	355.4	372.1
% Ch , Annual Rate	-25.5	-23.7	-20.4	-18.1	-7.0	12.1	19.7	20.2
Real Personal Income	10,012.4	10,081.5	9,941.2	9,937.9	9,993.5	10,057.8	10,123.5	10,205.9
% Ch , Annual Rate	1.2	2.8	-5.4	-0.1	2.3	2.6	2.6	3.3
Real Per Capita Income (\$/Person)	32,880	33,034	32,503	32,422	32,532	32,671	32,813	33,008
% Ch , Annual Rate	0.3	1.9	-6.3	-1.0	1.4	1.7	1.8	2.4
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.200	1.213	1.230	1.239	1.244	1.247	1.252	1.257
% Ch , Annual Rate	3.5	4.2	6.0	2.9	1.6	0.8	1.8	1.5
U.S. Consumer Price Index (1982-84=1.0)	2.128	2.154	2.197	2.213	2.218	2.217	2.225	2.231
% Ch , Annual Rate	4.3	5.1	8.1	3.0	1.0	-0.2	1.4	1.3
Employment Cost Index (June 1989=1.0)	1.076	1.083	1.092	1.100	1.107	1.115	1.122	1.129
% Ch , Annual Rate	3.4	2.8	3.2	3.0	2.6	2.7	2.7	2.5
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	14,195.6	14,243.0	14,395.5	14,474.4	14,569.6	14,705.5	14,897.8	15,097.6
% Ch , Annual Rate	3.5	1.3	4.4	2.2	2.7	3.8	5.3	5.5
Personal Income	12,018.4	12,225.2	12,230.8	12,315.2	12,434.2	12,539.9	12,677.0	12,828.7
% Ch , Annual Rate	4.7	7.1	0.2	2.8	3.9	3.4	4.4	4.9
Employment (Millions)								
U.S. Civilian Labor Force	153.7	154.0	154.3	154.5	154.8	155.0	155.2	155.5
Total U.S. Employment	146.1	146.1	146.1	146.0	145.9	145.9	146.1	146.3
Unemployment Rate (%)	4.93	5.13	5.29	5.52	5.76	5.88	5.90	5.89
Nonfarm Payroll Employment	137.92	137.77	137.70	137.57	137.48	137.61	137.87	138.24
% Ch , Annual Rate	-0.3	-0.4	-0.2	-0.4	-0.3	0.4	0.8	1.1
Manufacturing	13.69	13.56	13.46	13.39	13.33	13.18	13.03	12.96
% Ch , Annual Rate	-2.8	-3.9	-2.7	-2.1	-1.8	-4.4	-4.4	-2.2
Durable Manufacturing	8.68	8.58	8.50	8.45	8.40	8.30	8.19	8.15
% Ch , Annual Rate	-3.1	-4.9	-3.5	-2.5	-2.0	-4.9	-5.1	-2.2
Nondurable Manufacturing	5.00	4.98	4.96	4.95	4.93	4.88	4.84	4.81
% Ch , Annual Rate	-2.2	-2.0	-1.4	-1.3	-1.5	-3.6	-3.2	-2.2
Construction	7.38	7.23	7.10	6.94	6.82	6.79	6.80	6.83
% Ch , Annual Rate	-7.2	-8.0	-7.1	-8.7	-6.5	-2.0	0.5	2.3
Service-Producing	116.10	116.23	116.38	116.47	116.55	116.86	117.27	117.69
% Ch , Annual Rate	0.4	0.4	0.5	0.3	0.3	1.1	1.4	1.4
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	97.9	121.0	131.3	126.0	121.0	118.0	115.0	112.0
Personal Saving/Disposable Income (%)	0.6	3.5	-0.2	-0.2	0.6	0.7	0.7	0.8
Auto Sales (Millions)	7.4	7.3	7.3	7.4	7.4	7.6	7.6	7.7
% Ch , Annual Rate	-19.1	-2.3	0.5	0.5	3.5	9.7	2.5	3.6
Housing Starts (Millions)	1.042	0.972	0.866	0.846	0.907	1.012	1.120	1.217
% Ch , Annual Rate	-33.0	-24.2	-36.9	-9.1	32.2	54.7	50.3	39.4
Federal Budget Surplus (Billions)	-311.9	-692.8	-440.2	-435.0	-446.4	-460.5	-453.1	-435.8
Net Exports (Billions)	-716.6	-767.4	-834.3	-837.0	-782.9	-732.0	-699.0	-685.2
3-Month Treasury Bill Rate (%)	2.15	1.52	1.86	1.88	1.89	2.03	2.58	3.22
10-Year Treasury Note Yield (%)	3.66	3.81	3.88	3.76	3.70	3.76	4.06	4.48
Bond Index of 20 G.O. Munis. (%)	4.59	4.57	4.43	4.30	4.21	4.22	4.46	4.82
30-Year Fixed Mortgage Rate (%)	5.87	5.94	5.87	5.73	5.65	5.66	5.90	6.26

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2008 to 2011

	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4
Real National Income Accounts (Billions of Chained 2000 Dollars)								
Real Gross Domestic Product	12,111.2	12,213.1	12,317.3	12,412.9	12,519.9	12,621.9	12,728.5	12,815.0
% Ch , Annual Rate	3.2	3.4	3.5	3.1	3.5	3.3	3.4	2.7
Real Consumption	8,601.1	8,662.1	8,739.7	8,808.6	8,882.1	8,950.9	9,040.6	9,115.8
% Ch , Annual Rate	2.8	2.9	3.6	3.2	3.4	3.1	4.1	3.4
Real Nonresidential Fixed Investment	1,386.9	1,403.4	1,423.6	1,446.5	1,472.6	1,497.4	1,522.5	1,545.0
% Ch , Annual Rate	1.5	4.8	5.9	6.6	7.4	6.9	6.9	6.1
Real Residential Fixed Investment	390.0	405.2	419.4	434.5	452.1	463.4	469.4	471.8
% Ch , Annual Rate	20.7	16.6	14.8	15.3	17.2	10.3	5.4	2.0
Real Personal Income	10,301.7	10,399.2	10,496.3	10,595.0	10,704.4	10,809.2	10,919.9	11,024.6
% Ch , Annual Rate	3.8	3.8	3.8	3.8	4.2	4.0	4.2	3.9
Real Per Capita Income (\$/Person)	33,247	33,490	33,730	33,975	34,252	34,514	34,793	35,052
% Ch , Annual Rate	2.9	2.9	2.9	2.9	3.3	3.1	3.3	3.0
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.262	1.267	1.272	1.278	1.283	1.289	1.294	1.300
% Ch , Annual Rate	1.5	1.6	1.8	1.7	1.7	1.7	1.8	1.8
U.S. Consumer Price Index (1982-84=1.0)	2.238	2.247	2.257	2.266	2.275	2.285	2.294	2.304
% Ch , Annual Rate	1.3	1.5	1.7	1.7	1.6	1.6	1.6	1.8
Employment Cost Index (June 1989=1.0)	1.136	1.143	1.150	1.158	1.166	1.174	1.183	1.192
% Ch , Annual Rate	2.3	2.5	2.6	2.8	2.7	2.9	3.0	3.0
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	15,301.6	15,510.7	15,719.3	15,919.4	16,146.3	16,359.5	16,582.1	16,780.7
% Ch , Annual Rate	5.5	5.6	5.5	5.2	5.8	5.4	5.6	4.9
Personal Income	12,997.4	13,172.0	13,353.4	13,536.5	13,734.0	13,928.0	14,132.6	14,333.4
% Ch , Annual Rate	5.4	5.5	5.6	5.6	6.0	5.8	6.0	5.8
Employment (Millions)								
U.S. Civilian Labor Force	155.8	156.2	156.6	157.0	157.4	157.8	158.1	158.5
Total U.S. Employment	146.7	147.2	147.7	148.2	148.8	149.4	150.0	150.5
Unemployment Rate (%)	5.84	5.76	5.66	5.55	5.42	5.28	5.15	5.05
Nonfarm Payroll Employment	138.67	139.20	139.72	140.27	140.90	141.52	142.15	142.70
% Ch, Annual Rate	1.2	1.5	1.5	1.6	1.8	1.8	1.8	1.5
Manufacturing	12.94	12.95	12.98	13.02	13.07	13.11	13.16	13.18
% Ch, Annual Rate	-0.7	0.5	0.8	1.4	1.4	1.2	1.5	0.8
Durable Manufacturing	8.13	8.16	8.19	8.24	8.29	8.33	8.39	8.42
% Ch, Annual Rate	-0.5	1.2	1.8	2.4	2.4	2.0	2.7	1.5
Nondurable Manufacturing	4.80	4.79	4.78	4.78	4.77	4.77	4.77	4.76
% Ch, Annual Rate	-0.9	-0.8	-0.9	-0.4	-0.3	-0.1	-0.5	-0.4
Construction	6.84	6.88	6.93	6.99	7.08	7.16	7.24	7.30
% Ch, Annual Rate	0.3	2.6	2.7	3.6	5.1	4.6	4.5	3.3
Service-Producing	118.14	118.62	119.08	119.53	120.03	120.54	121.05	121.52
% Ch, Annual Rate	1.6	1.6	1.6	1.5	1.7	1.7	1.7	1.6
Miscellaneous Indicators								
Oil-WTI (\$ per barrel)	109.0	107.3	106.3	105.0	103.3	102.3	100.7	99.3
Personal Saving/Disposable Income (%)	0.7	1.0	1.1	1.3	1.2	1.4	1.5	1.6
Auto Sales (Millions)	7.9	8.1	8.2	8.2	8.1	8.4	8.5	8.6
% Ch, Annual Rate	10.2	11.6	4.9	-0.3	-5.6	14.2	8.8	5.1
Housing Starts (Millions)	1.293	1.386	1.477	1.567	1.621	1.659	1.696	1.720
% Ch, Annual Rate	27.2	32.2	28.8	27.0	14.4	9.6	9.3	5.8
Federal Budget Surplus (Billions)	-407.3	-410.5	-409.8	-403.4	-379.3	-381.6	-372.1	-369.8
Net Exports (Billions)	-672.2	-651.4	-657.6	-666.0	-665.2	-656.8	-663.1	-673.1
3-Month Treasury Bill Rate (%)	3.71	4.15	4.52	4.59	4.59	4.59	4.59	4.59
10-Year Treasury Note Yield (%)	4.84	5.16	5.41	5.44	5.44	5.44	5.44	5.44
Bond Index of 20 G.O. Munis. (%)	5.12	5.38	5.57	5.60	5.60	5.60	5.60	5.60
30-Year Fixed Mortgage Rate (%)	6.56	6.84	7.09	7.12	7.12	7.12	7.12	7.12

Table A1.3
Washington Economic Forecast Summary
 Forecast 2008 to 2011

	2004	2005	2006	2007	2008	2009	2010	2011
Real Income (Billions of Chained 2000 Dollars)								
Real Personal Income	201.462	201.399	212.424	222.522	225.876	230.866	241.126	251.957
% Ch	4.8	-0.0	5.5	4.8	1.5	2.2	4.4	4.5
Real Wage and Salary Disb.	109.983	112.778	118.891	125.220	126.547	129.476	134.775	140.119
% Ch	1.8	2.5	5.4	5.3	1.1	2.3	4.1	4.0
Real Nonwage Income	91.479	88.621	93.533	97.302	99.329	101.390	106.350	111.837
% Ch	8.7	-3.1	5.5	4.0	2.1	2.1	4.9	5.2
Real Per Capita Income (\$/Person)	32,483	31,962	33,098	34,077	34,006	34,159	35,088	36,106
% Ch	3.5	-1.6	3.6	3.0	-0.2	0.4	2.7	2.9
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.084	1.116	1.147	1.176	1.221	1.250	1.270	1.291
% Ch	2.6	2.9	2.8	2.5	3.8	2.4	1.6	1.7
Seattle Cons. Price Index (1982-84=1.0)	1.947	2.002	2.076	2.157	2.259	2.324	2.371	2.419
% Ch	1.2	2.8	3.7	3.9	4.7	2.9	2.0	2.0
Average Nonfarm Annual Wage	42,234	43,258	45,576	48,066	49,732	51,610	53,635	55,755
% Ch	2.7	2.4	5.4	5.5	3.5	3.8	3.9	4.0
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.28	18.81	19.91	20.51	21.04	21.42	21.75	22.16
% Ch	1.4	2.9	5.8	3.0	2.6	1.8	1.5	1.9
Current Dollar Income (Billions of Dollars)								
Personal Income	218.432	224.736	243.597	261.682	275.709	288.608	306.136	325.414
% Ch	7.6	2.9	8.4	7.4	5.4	4.7	6.1	6.3
Disposable Personal Income	194.929	198.357	213.559	228.400	242.972	253.279	267.711	284.087
% Ch	7.8	1.8	7.7	6.9	6.4	4.2	5.7	6.1
Per Capita Income (\$/Person)	35,218	35,664	37,955	40,073	41,506	42,702	44,547	46,632
% Ch	6.3	1.3	6.4	5.6	3.6	2.9	4.3	4.7
Employment (Thousands)								
Washington Civilian Labor Force	3,208.3	3,270.9	3,333.6	3,408.2	3,484.9	3,543.1	3,608.5	3,668.0
Total Washington Employment	3,008.2	3,091.1	3,170.5	3,253.5	3,310.4	3,343.1	3,400.4	3,459.0
Unemployment Rate (%)	6.24	5.50	4.89	4.54	5.01	5.65	5.77	5.70
Nonfarm Payroll Employment	2,701.0	2,777.0	2,859.1	2,931.7	2,969.8	2,998.7	3,052.6	3,107.8
% Ch	1.6	2.8	3.0	2.5	1.3	1.0	1.8	1.8
Manufacturing	263.7	272.6	285.9	293.2	296.5	293.3	293.0	295.8
% Ch	-1.3	3.4	4.9	2.5	1.1	-1.1	-0.1	0.9
Durable Manufacturing	182.4	191.5	204.0	211.6	215.5	212.7	212.4	214.5
% Ch	-0.7	5.0	6.6	3.7	1.8	-1.3	-0.2	1.0
Aerospace	61.5	65.6	73.4	80.1	85.3	86.6	86.6	86.6
% Ch	-5.8	6.8	11.9	9.1	6.5	1.5	0.0	0.0
Nondurable Manufacturing	81.3	81.1	81.9	81.6	80.9	80.6	80.6	81.3
% Ch	-2.4	-0.2	0.9	-0.4	-0.8	-0.5	0.0	0.9
Construction	164.2	177.4	194.9	207.4	205.0	200.7	201.9	202.4
% Ch	5.1	8.0	9.9	6.4	-1.1	-2.1	0.6	0.2
Service-Producing	2,264.0	2,318.1	2,369.6	2,422.9	2,460.5	2,497.1	2,550.2	2,601.7
% Ch	1.7	2.4	2.2	2.2	1.6	1.5	2.1	2.0
Software Publishers	39.3	41.3	44.7	47.7	49.8	52.1	54.5	57.1
% Ch	5.1	5.1	8.4	6.7	4.4	4.5	4.7	4.8
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	50.089	52.988	50.033	47.397	32.947	44.593	49.202	49.792
% Ch	17.0	5.8	-5.6	-5.3	-30.5	35.3	10.3	1.2
Single-Family	36.489	41.407	35.611	30.390	21.241	30.590	33.007	33.161
% Ch	10.3	13.5	-14.0	-14.7	-30.1	44.0	7.9	0.5
Multi-Family	13.600	11.581	14.422	17.007	11.706	14.003	16.195	16.631
% Ch	39.7	-14.8	24.5	17.9	-31.2	19.6	15.7	2.7
30-Year Fixed Mortgage Rate (%)	5.84	5.86	6.42	6.33	5.86	5.87	6.90	7.12

Table A1.4
Washington Economic Forecast Summary
 Forecast 2008 to 2011

	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	210.338	210.457	211.834	217.066	219.329	220.681	224.373	225.705
% Ch, Annual Rate	11.9	0.2	2.6	10.3	4.2	2.5	6.9	2.4
Real Wage and Salary Disb.	118.231	117.114	118.036	122.182	123.250	123.834	126.354	127.440
% Ch, Annual Rate	12.8	-3.7	3.2	14.8	3.5	1.9	8.4	3.5
Real Nonwage Income	92.107	93.344	93.799	94.883	96.078	96.846	98.019	98.264
% Ch, Annual Rate	10.8	5.5	2.0	4.7	5.1	3.2	4.9	1.0
Real Per Capita Income (\$/Person)	32,991	32,865	32,935	33,602	33,805	33,869	34,289	34,347
% Ch, Annual Rate	9.8	-1.5	0.9	8.3	2.4	0.7	5.1	0.7
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.135	1.147	1.154	1.151	1.161	1.173	1.179	1.190
% Ch, Annual Rate	1.8	4.3	2.6	-0.9	3.5	4.3	1.8	3.9
Seattle Cons. Price Index (1982-84=1.0)	2.043	2.068	2.091	2.104	2.125	2.145	2.160	2.196
% Ch, Annual Rate	2.9	5.0	4.6	2.4	4.2	3.8	2.9	6.7
Average Nonfarm Annual Wage	45,229	45,005	45,382	46,691	47,077	47,581	48,493	49,111
% Ch, Annual Rate	11.1	-2.0	3.4	12.0	3.4	4.3	7.9	5.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	19.57	19.86	20.23	19.97	20.20	20.46	20.69	20.66
% Ch, Annual Rate	2.1	6.0	7.6	-5.0	4.8	5.2	4.6	-0.6
Current Dollar Income (Billions of Dollars)								
Personal Income	238.679	241.322	244.459	249.928	254.695	258.948	264.465	268.621
% Ch, Annual Rate	13.9	4.5	5.3	9.3	7.9	6.8	8.8	6.4
Disposable Personal Income	209.503	211.640	214.428	218.665	222.391	225.899	230.890	234.420
% Ch, Annual Rate	11.9	4.1	5.4	8.1	7.0	6.5	9.1	6.3
Per Capita Income (\$/Person)	37,436	37,685	38,008	38,689	39,256	39,742	40,416	40,877
% Ch, Annual Rate	11.8	2.7	3.5	7.4	6.0	5.0	7.0	4.6
Employment (Thousands)								
Washington Civilian Labor Force	3,315.7	3,330.3	3,336.9	3,351.5	3,371.3	3,396.8	3,422.1	3,442.5
Total Washington Employment	3,155.9	3,165.8	3,171.3	3,188.8	3,219.7	3,244.1	3,265.9	3,284.3
Unemployment Rate (%)	4.82	4.94	4.96	4.86	4.50	4.50	4.57	4.60
Nonfarm Payroll Employment	2,835.2	2,850.7	2,867.0	2,883.7	2,909.5	2,923.2	2,938.2	2,955.8
% Ch, Annual Rate	3.4	2.2	2.3	2.4	3.6	1.9	2.1	2.4
Manufacturing	283.1	284.5	287.0	289.1	290.9	291.7	294.3	295.9
% Ch, Annual Rate	6.6	2.1	3.5	3.0	2.5	1.0	3.6	2.3
Durable Manufacturing	201.0	202.7	205.0	207.5	209.1	210.6	212.7	214.1
% Ch, Annual Rate	7.3	3.6	4.5	5.0	3.1	3.0	4.0	2.5
Aerospace	71.4	72.2	74.0	76.1	77.8	78.9	81.0	82.7
% Ch, Annual Rate	10.3	4.4	10.5	12.0	9.0	5.9	11.2	8.3
Nondurable Manufacturing	82.1	81.8	82.0	81.7	81.8	81.0	81.5	81.9
% Ch, Annual Rate	4.9	-1.3	0.9	-1.6	0.8	-3.9	2.5	1.6
Construction	189.7	193.5	196.8	199.5	205.3	208.0	208.0	208.2
% Ch, Annual Rate	12.8	8.4	7.0	5.6	12.0	5.5	-0.1	0.4
Service-Producing	2,353.6	2,363.8	2,374.6	2,386.5	2,405.1	2,415.3	2,427.8	2,443.6
% Ch, Annual Rate	2.4	1.8	1.8	2.0	3.1	1.7	2.1	2.6
Software Publishers	43.0	44.3	45.4	46.1	47.1	47.5	47.8	48.4
% Ch, Annual Rate	8.1	12.8	10.2	6.3	9.0	3.6	2.5	4.5
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	49.680	53.377	53.276	43.800	59.237	45.744	46.160	38.446
% Ch, Annual Rate	-52.2	33.3	-0.8	-54.3	234.6	-64.4	3.7	-51.9
Single-Family	38.459	36.656	35.501	31.829	35.289	33.667	29.616	22.988
% Ch, Annual Rate	-46.0	-17.5	-12.0	-35.4	51.1	-17.2	-40.1	-63.7
Multi-Family	11.221	16.720	17.775	11.971	23.948	12.077	16.545	15.457
% Ch, Annual Rate	-67.8	392.9	27.7	-79.4	1,501.8	-93.5	252.2	-23.8
30-Year Fixed Mortgage Rate (%)	6.24	6.60	6.57	6.25	6.22	6.34	6.55	6.23

Table A1.4
Washington Economic Forecast Summary
 Forecast 2008 to 2011

	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	225.186	226.810	226.078	225.431	227.727	229.133	232.846	233.757
% Ch, Annual Rate	-0.9	2.9	-1.3	-1.1	4.1	2.5	6.6	1.6
Real Wage and Salary Disb.	126.566	125.962	127.193	126.467	127.766	128.289	131.049	130.801
% Ch, Annual Rate	-2.7	-1.9	4.0	-2.3	4.2	1.6	8.9	-0.8
Real Nonwage Income	98.620	100.848	98.885	98.963	99.961	100.845	101.797	102.956
% Ch, Annual Rate	1.5	9.3	-7.6	0.3	4.1	3.6	3.8	4.6
Real Per Capita Income (\$/Person)	34,123	34,221	33,963	33,718	33,914	33,976	34,378	34,367
% Ch, Annual Rate	-2.6	1.2	-3.0	-2.8	2.3	0.7	4.8	-0.1
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.200	1.213	1.230	1.239	1.244	1.247	1.252	1.257
% Ch, Annual Rate	3.5	4.2	6.0	2.9	1.6	0.8	1.8	1.5
Seattle Cons. Price Index (1982-84=1.0)	2.221	2.233	2.280	2.301	2.312	2.315	2.328	2.340
% Ch, Annual Rate	4.7	2.1	8.8	3.7	1.8	0.6	2.2	2.0
Average Nonfarm Annual Wage	48,938	49,237	50,386	50,366	50,951	51,095	52,261	52,133
% Ch, Annual Rate	-1.4	2.5	9.7	-0.2	4.7	1.1	9.4	-1.0
Avg. Hourly Earnings-Mfg. (\$/Hour)	20.95	20.95	21.08	21.19	21.28	21.37	21.47	21.55
% Ch, Annual Rate	5.6	0.1	2.4	2.2	1.6	1.7	1.8	1.5
Current Dollar Income (Billions of Dollars)								
Personal Income	270.291	275.040	278.147	279.358	283.344	285.678	291.578	293.831
% Ch, Annual Rate	2.5	7.2	4.6	1.8	5.8	3.3	8.5	3.1
Disposable Personal Income	236.194	246.185	244.643	244.865	248.851	250.875	255.823	257.567
% Ch, Annual Rate	3.1	18.0	-2.5	0.4	6.7	3.3	8.1	2.8
Per Capita Income (\$/Person)	40,958	41,498	41,785	41,785	42,197	42,360	43,050	43,199
% Ch, Annual Rate	0.8	5.4	2.8	-0.0	4.0	1.6	6.7	1.4
Employment (Thousands)								
Washington Civilian Labor Force	3,460.8	3,476.1	3,495.4	3,507.3	3,520.3	3,534.9	3,550.6	3,566.6
Total Washington Employment	3,302.1	3,307.4	3,313.5	3,318.5	3,325.6	3,336.1	3,348.6	3,361.9
Unemployment Rate (%)	4.58	4.85	5.21	5.38	5.53	5.63	5.69	5.74
Nonfarm Payroll Employment	2,967.6	2,965.2	2,970.9	2,975.6	2,982.3	2,992.1	3,003.9	3,016.5
% Ch, Annual Rate	1.6	-0.3	0.8	0.6	0.9	1.3	1.6	1.7
Manufacturing	296.8	296.4	296.6	296.1	296.1	293.9	292.0	291.3
% Ch, Annual Rate	1.2	-0.5	0.2	-0.6	-0.0	-3.0	-2.6	-0.9
Durable Manufacturing	215.4	215.9	215.8	215.0	214.8	213.2	211.7	211.2
% Ch, Annual Rate	2.5	1.0	-0.3	-1.4	-0.4	-3.0	-2.7	-1.0
Aerospace	84.0	85.1	85.8	86.4	86.6	86.6	86.6	86.6
% Ch, Annual Rate	6.4	5.6	3.3	2.8	0.9	0.0	0.0	0.0
Nondurable Manufacturing	81.4	80.5	80.8	81.1	81.3	80.7	80.2	80.0
% Ch, Annual Rate	-2.2	-4.4	1.4	1.5	0.9	-2.8	-2.4	-0.9
Construction	208.0	206.8	203.8	201.7	200.7	200.6	200.8	200.9
% Ch, Annual Rate	-0.5	-2.3	-5.6	-4.1	-1.8	-0.3	0.5	0.2
Service-Producing	2,454.9	2,454.0	2,462.8	2,470.3	2,477.9	2,490.2	2,503.6	2,516.9
% Ch, Annual Rate	1.9	-0.1	1.4	1.2	1.2	2.0	2.2	2.1
Software Publishers	48.9	49.3	50.1	50.8	51.4	51.7	52.3	52.9
% Ch, Annual Rate	4.6	3.6	6.6	5.6	4.2	3.1	4.0	5.3
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	31.613	31.868	31.639	36.668	39.957	43.794	46.311	48.312
% Ch, Annual Rate	-54.3	3.3	-2.8	80.4	41.0	44.3	25.1	18.4
Single-Family	19.037	19.008	21.744	25.174	27.691	30.138	31.702	32.830
% Ch, Annual Rate	-53.0	-0.6	71.2	79.7	46.4	40.3	22.4	15.0
Multi-Family	12.576	12.860	9.895	11.494	12.266	13.656	14.609	15.482
% Ch, Annual Rate	-56.2	9.3	-64.9	82.1	29.7	53.6	31.0	26.1
30-Year Fixed Mortgage Rate (%)	5.87	5.94	5.87	5.73	5.65	5.66	5.90	6.26

Table A1.4
Washington Economic Forecast Summary
 Forecast 2008 to 2011

	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4
Real Income (Billions of Chained 2000 Dollars)								
Real Personal Income	237.203	239.178	243.580	244.541	248.006	249.875	254.500	255.446
% Ch, Annual Rate	6.0	3.4	7.6	1.6	5.8	3.0	7.6	1.5
Real Wage and Salary Disb.	132.962	133.500	136.510	136.130	138.263	138.766	141.946	141.503
% Ch, Annual Rate	6.8	1.6	9.3	-1.1	6.4	1.5	9.5	-1.2
Real Nonwage Income	104.241	105.678	107.070	108.411	109.742	111.109	112.554	113.944
% Ch, Annual Rate	5.1	5.6	5.4	5.1	5.0	5.1	5.3	5.0
Real Per Capita Income (\$/Person)	34,729	34,875	35,374	35,374	35,738	35,872	36,404	36,411
% Ch, Annual Rate	4.3	1.7	5.9	0.0	4.2	1.5	6.1	0.1
Price and Wage Indexes								
U.S. Implicit Price Deflator, PCE (2000=1.0)	1.262	1.267	1.272	1.278	1.283	1.289	1.294	1.300
% Ch, Annual Rate	1.5	1.6	1.8	1.7	1.7	1.7	1.8	1.8
Seattle Cons. Price Index (1982-84=1.0)	2.351	2.364	2.377	2.390	2.402	2.413	2.424	2.435
% Ch, Annual Rate	2.0	2.2	2.3	2.1	2.0	1.9	1.8	1.9
Average Nonfarm Annual Wage	52,933	53,098	54,342	54,165	54,994	55,187	56,500	56,338
% Ch, Annual Rate	6.3	1.3	9.7	-1.3	6.3	1.4	9.9	-1.1
Avg. Hourly Earnings-Mfg. (\$/Hour)	21.62	21.70	21.79	21.89	21.99	22.10	22.22	22.34
% Ch, Annual Rate	1.3	1.5	1.7	1.9	1.8	2.0	2.2	2.2
Current Dollar Income (Billions of Dollars)								
Personal Income	299.273	302.954	309.883	312.433	318.199	321.970	329.376	332.111
% Ch, Annual Rate	7.6	5.0	9.5	3.3	7.6	4.8	9.5	3.4
Disposable Personal Income	261.578	264.819	271.107	273.339	277.716	281.069	287.575	289.989
% Ch, Annual Rate	6.4	5.1	9.8	3.3	6.6	4.9	9.6	3.4
Per Capita Income (\$/Person)	43,816	44,174	45,003	45,195	45,852	46,222	47,114	47,338
% Ch, Annual Rate	5.8	3.3	7.7	1.7	5.9	3.3	7.9	1.9
Employment (Thousands)								
Washington Civilian Labor Force	3,583.6	3,600.7	3,616.9	3,633.0	3,649.0	3,661.9	3,674.7	3,686.5
Total Washington Employment	3,377.4	3,393.5	3,408.0	3,422.7	3,437.6	3,452.1	3,466.6	3,479.9
Unemployment Rate (%)	5.75	5.76	5.78	5.79	5.79	5.73	5.66	5.60
Nonfarm Payroll Employment	3,031.0	3,046.1	3,059.7	3,073.6	3,087.6	3,101.2	3,114.9	3,127.4
% Ch, Annual Rate	1.9	2.0	1.8	1.8	1.8	1.8	1.8	1.6
Manufacturing	291.8	292.7	293.4	294.2	294.9	295.5	296.2	296.5
% Ch, Annual Rate	0.7	1.3	0.9	1.1	1.0	0.8	0.9	0.4
Durable Manufacturing	211.4	212.1	212.8	213.4	213.9	214.2	214.8	214.9
% Ch, Annual Rate	0.4	1.3	1.2	1.2	1.0	0.6	1.0	0.3
Aerospace	86.6	86.6	86.6	86.6	86.6	86.6	86.6	86.6
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nondurable Manufacturing	80.3	80.6	80.6	80.8	81.0	81.3	81.4	81.6
% Ch, Annual Rate	1.6	1.1	0.3	0.9	1.0	1.5	0.7	0.7
Construction	201.5	201.9	202.1	202.2	202.3	202.4	202.5	202.5
% Ch, Annual Rate	1.2	0.9	0.4	0.1	0.2	0.2	0.2	-0.0
Service-Producing	2,530.4	2,544.0	2,556.7	2,569.6	2,582.7	2,595.5	2,608.3	2,620.5
% Ch, Annual Rate	2.2	2.2	2.0	2.0	2.0	2.0	2.0	1.9
Software Publishers	53.5	54.2	54.9	55.5	56.2	56.8	57.5	58.1
% Ch, Annual Rate	4.6	5.0	5.0	4.9	4.8	4.7	4.7	4.5
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	49.103	48.886	48.965	49.855	49.963	49.929	49.906	49.372
% Ch, Annual Rate	6.7	-1.8	0.6	7.5	0.9	-0.3	-0.2	-4.2
Single-Family	32.988	32.787	32.789	33.462	33.291	33.214	33.167	32.972
% Ch, Annual Rate	1.9	-2.4	0.0	8.5	-2.0	-0.9	-0.6	-2.3
Multi-Family	16.115	16.098	16.175	16.392	16.672	16.714	16.739	16.400
% Ch, Annual Rate	17.4	-0.4	1.9	5.5	7.0	1.0	0.6	-7.9
30-Year Fixed Mortgage Rate (%)	6.56	6.84	7.09	7.12	7.12	7.12	7.12	7.12

Table A2.1
U.S. Nonagricultural Employment by Industry (Millions)
 Forecast 2008 to 2011

	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Payroll Employment	131.42	133.69	136.09	137.62	137.74	137.80	139.47	141.82
% Ch	1.1	1.7	1.8	1.1	0.1	0.0	1.2	1.7
Manufacturing	14.32	14.23	14.16	13.88	13.52	13.13	12.97	13.13
% Ch	-1.3	-0.6	-0.5	-1.9	-2.6	-3.0	-1.2	1.2
Durable Manufacturing	8.92	8.96	8.98	8.82	8.55	8.26	8.18	8.36
% Ch	-0.4	0.3	0.3	-1.9	-3.0	-3.4	-0.9	2.1
Wood Products	0.55	0.56	0.56	0.52	0.48	0.45	0.49	0.53
% Ch	2.3	1.7	-0.0	-7.0	-7.6	-7.0	9.1	8.7
Primary and Fabricated Metals	1.96	1.99	2.02	2.02	1.99	1.92	1.83	1.85
% Ch	0.4	1.2	1.5	0.1	-1.3	-3.8	-4.7	1.0
Computer and Electronic Products	1.32	1.32	1.31	1.27	1.24	1.16	1.14	1.11
% Ch	-2.4	-0.5	-0.6	-2.7	-2.5	-6.5	-1.4	-2.8
Machinery and Electrical Equipment	1.59	1.60	1.62	1.62	1.61	1.58	1.55	1.57
% Ch	-1.3	0.5	1.1	-0.1	-0.5	-1.5	-2.2	1.3
Transportation Equipment	1.77	1.77	1.77	1.71	1.62	1.58	1.61	1.70
% Ch	-0.5	0.3	-0.2	-3.3	-5.6	-2.2	2.0	5.5
Other Durables	1.73	1.72	1.71	1.68	1.62	1.57	1.56	1.60
% Ch	0.2	-0.6	-0.4	-2.1	-3.8	-2.7	-0.5	2.5
Nondurable Manufacturing	5.39	5.27	5.17	5.07	4.97	4.87	4.79	4.77
% Ch	-2.8	-2.2	-1.8	-2.1	-1.9	-2.2	-1.6	-0.4
Food Manufacturing	1.49	1.48	1.48	1.48	1.49	1.50	1.51	1.52
% Ch	-1.5	-1.1	0.1	0.1	0.4	1.0	0.6	0.7
Paper and Paper Products	0.50	0.48	0.47	0.46	0.45	0.44	0.43	0.43
% Ch	-4.0	-2.3	-2.8	-2.1	-1.5	-3.2	-1.4	0.3
Other Nondurables	3.40	3.31	3.22	3.13	3.03	2.92	2.85	2.81
% Ch	-3.2	-2.7	-2.6	-3.1	-3.0	-3.5	-2.7	-1.2
Natural Resources and Mining	0.59	0.63	0.68	0.72	0.76	0.78	0.74	0.71
% Ch	3.3	6.2	9.1	5.6	5.1	2.2	-4.8	-3.5
Construction	6.97	7.33	7.69	7.62	7.16	6.81	6.91	7.19
% Ch	3.5	5.2	4.9	-1.0	-6.0	-4.9	1.5	4.1
Trade, Transportation, and Utilities	25.53	25.96	26.28	26.60	26.44	26.31	26.67	26.87
% Ch	1.0	1.7	1.2	1.2	-0.6	-0.5	1.4	0.7
Wholesale Trade	5.66	5.76	5.90	6.03	6.01	5.92	6.00	6.10
% Ch	1.0	1.8	2.5	2.1	-0.3	-1.6	1.3	1.7
Retail Trade	15.06	15.28	15.36	15.49	15.34	15.31	15.46	15.39
% Ch	0.9	1.5	0.5	0.9	-1.0	-0.2	1.0	-0.4
Trans., Warehousing, and Utilities	4.81	4.92	5.02	5.09	5.09	5.08	5.21	5.37
% Ch	1.1	2.2	2.1	1.4	-0.1	-0.2	2.6	3.1
Information	3.12	3.06	3.04	3.03	3.00	2.93	2.89	2.88
% Ch	-2.3	-1.8	-0.8	-0.3	-0.9	-2.3	-1.5	-0.5
Publishing Industries	0.91	0.90	0.90	0.90	0.88	0.85	0.84	0.85
% Ch	-1.7	-0.6	-0.2	-0.4	-1.9	-3.0	-1.4	0.7
Other Information	2.21	2.16	2.14	2.13	2.12	2.08	2.05	2.03
% Ch	-2.5	-2.3	-1.0	-0.2	-0.4	-2.1	-1.5	-0.9
Financial Activities	8.03	8.15	8.33	8.31	8.20	8.25	8.42	8.62
% Ch	0.7	1.5	2.2	-0.2	-1.3	0.6	2.0	2.3
Professional and Business Services	16.39	16.95	17.57	17.97	18.10	18.31	19.23	20.22
% Ch	2.5	3.4	3.7	2.2	0.7	1.2	5.0	5.2
Education and Health Services	16.95	17.37	17.83	18.33	18.87	19.42	19.72	19.94
% Ch	2.2	2.5	2.6	2.8	3.0	2.9	1.5	1.1
Leisure and Hospitality	12.49	12.81	13.11	13.47	13.74	13.80	13.80	14.04
% Ch	2.6	2.6	2.3	2.8	2.0	0.4	0.0	1.8
Other Services	5.41	5.39	5.44	5.49	5.54	5.52	5.38	5.35
% Ch	0.2	-0.3	0.8	1.0	0.9	-0.4	-2.5	-0.6
Federal Government	2.73	2.73	2.73	2.73	2.73	2.73	2.78	2.72
% Ch	-1.1	0.0	-0.0	-0.2	0.1	0.1	1.7	-2.2
State and Local Government	18.89	19.07	19.24	19.47	19.68	19.82	19.96	20.16
% Ch	0.4	1.0	0.9	1.2	1.0	0.7	0.7	1.0

Table A2.2

U.S. Nonagricultural Employment by Industry (Millions)

Forecast 2008 to 2011

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Nonfarm Payroll Employment	135.38	135.84	136.35	136.79	137.18	137.50	137.76	138.03
% Ch, Annual Rate	2.2	1.4	1.5	1.3	1.2	0.9	0.8	0.8
Manufacturing	14.21	14.20	14.16	14.06	13.99	13.91	13.85	13.79
% Ch, Annual Rate	0.3	-0.2	-1.2	-2.8	-2.1	-2.2	-1.6	-1.8
Durable Manufacturing	8.99	9.01	8.99	8.94	8.88	8.83	8.80	8.75
% Ch, Annual Rate	1.0	1.0	-0.9	-2.4	-2.5	-2.2	-1.6	-1.9
Wood Products	0.57	0.57	0.56	0.54	0.53	0.52	0.52	0.51
% Ch, Annual Rate	4.6	-3.6	-6.8	-11.3	-7.6	-5.7	-2.8	-6.8
Primary and Fabricated Metals	2.00	2.01	2.03	2.02	2.02	2.02	2.02	2.02
% Ch, Annual Rate	1.7	2.1	2.7	-1.0	-0.1	-0.7	-0.3	-0.0
Computer and Electronic Products	1.31	1.31	1.31	1.30	1.29	1.27	1.26	1.26
% Ch, Annual Rate	-1.7	1.7	-1.7	-2.3	-3.1	-4.9	-3.0	-2.1
Machinery and Electrical Equipment	1.61	1.62	1.62	1.62	1.62	1.61	1.62	1.62
% Ch, Annual Rate	1.1	2.0	1.6	-0.5	-1.2	-0.2	0.2	0.1
Transportation Equipment	1.77	1.78	1.77	1.75	1.73	1.72	1.71	1.69
% Ch, Annual Rate	0.6	2.1	-3.3	-3.4	-4.9	-2.9	-2.8	-3.8
Other Durables	1.72	1.72	1.71	1.70	1.69	1.68	1.67	1.66
% Ch, Annual Rate	1.3	-1.2	-2.1	-1.8	-2.2	-2.0	-2.4	-2.3
Nondurable Manufacturing	5.22	5.19	5.17	5.12	5.10	5.08	5.05	5.03
% Ch, Annual Rate	-1.0	-2.3	-1.8	-3.4	-1.3	-2.2	-1.7	-1.7
Food Manufacturing	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
% Ch, Annual Rate	1.2	0.4	0.3	-0.7	0.5	0.1	0.5	-0.2
Paper and Paper Products	0.48	0.47	0.47	0.47	0.46	0.46	0.46	0.46
% Ch, Annual Rate	-1.7	-3.2	-2.6	-3.0	-1.7	-2.2	-1.4	0.1
Other Nondurables	3.27	3.24	3.22	3.18	3.16	3.13	3.11	3.09
% Ch, Annual Rate	-1.9	-3.4	-2.6	-4.7	-2.1	-3.3	-2.7	-2.6
Natural Resources and Mining	0.66	0.68	0.69	0.70	0.71	0.72	0.73	0.73
% Ch, Annual Rate	10.1	12.0	6.2	6.3	5.0	5.0	4.1	3.9
Construction	7.66	7.70	7.72	7.70	7.68	7.65	7.61	7.52
% Ch, Annual Rate	7.3	2.0	1.1	-1.0	-0.9	-1.5	-2.3	-4.5
Trade, Transportation, and Utilities	26.19	26.22	26.29	26.41	26.53	26.59	26.64	26.66
% Ch, Annual Rate	1.3	0.5	1.1	1.8	1.8	0.9	0.7	0.4
Wholesale Trade	5.86	5.89	5.92	5.95	5.98	6.01	6.05	6.07
% Ch, Annual Rate	3.2	2.4	1.9	2.1	1.9	2.5	2.3	1.6
Retail Trade	15.36	15.32	15.34	15.40	15.48	15.49	15.49	15.49
% Ch, Annual Rate	0.3	-0.9	0.4	1.5	2.0	0.4	0.1	-0.1
Trans., Warehousing, and Utilities	4.97	5.00	5.03	5.06	5.08	5.08	5.09	5.10
% Ch, Annual Rate	2.3	2.4	2.2	2.5	1.2	0.5	0.8	0.6
Information	3.05	3.04	3.03	3.03	3.03	3.03	3.03	3.02
% Ch, Annual Rate	-0.3	-1.9	-1.4	0.0	0.4	0.4	-1.0	-0.7
Publishing Industries	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.89
% Ch, Annual Rate	-0.3	-0.1	-1.2	0.5	0.7	-1.2	-1.8	-1.9
Other Information	2.15	2.14	2.13	2.13	2.13	2.13	2.13	2.13
% Ch, Annual Rate	-0.3	-2.7	-1.5	-0.2	0.3	1.1	-0.6	-0.1
Financial Activities	8.29	8.33	8.34	8.35	8.34	8.32	8.31	8.27
% Ch, Annual Rate	2.7	1.8	0.4	0.7	-0.5	-1.2	-0.3	-2.3
Professional and Business Services	17.37	17.51	17.65	17.76	17.87	17.93	17.98	18.09
% Ch, Annual Rate	3.6	3.3	3.2	2.5	2.4	1.4	1.2	2.6
Education and Health Services	17.67	17.76	17.87	18.00	18.11	18.26	18.41	18.53
% Ch, Annual Rate	3.1	2.1	2.4	2.9	2.6	3.2	3.4	2.5
Leisure and Hospitality	12.98	13.05	13.15	13.25	13.33	13.42	13.51	13.62
% Ch, Annual Rate	3.0	2.3	3.0	2.9	2.6	2.8	2.6	3.4
Other Services	5.42	5.43	5.44	5.46	5.47	5.49	5.50	5.50
% Ch, Annual Rate	2.1	0.5	0.7	1.7	0.6	1.6	0.4	0.4
Federal Government	2.73	2.73	2.74	2.73	2.73	2.73	2.72	2.73
% Ch, Annual Rate	-1.0	0.6	0.7	-1.4	0.1	-0.5	-0.2	0.7
State and Local Government	19.15	19.18	19.28	19.34	19.40	19.46	19.48	19.56
% Ch, Annual Rate	0.5	0.7	2.1	1.3	1.1	1.3	0.4	1.7

Table A2.2

U.S. Nonagricultural Employment by Industry (Millions)

Forecast 2008 to 2011

	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4
Nonfarm Payroll Employment	137.92	137.77	137.70	137.57	137.48	137.61	137.87	138.24
% Ch, Annual Rate	-0.3	-0.4	-0.2	-0.4	-0.3	0.4	0.8	1.1
Manufacturing	13.69	13.56	13.46	13.39	13.33	13.18	13.03	12.96
% Ch, Annual Rate	-2.8	-3.9	-2.7	-2.1	-1.8	-4.4	-4.4	-2.2
Durable Manufacturing	8.68	8.58	8.50	8.45	8.40	8.30	8.19	8.15
% Ch, Annual Rate	-3.1	-4.9	-3.5	-2.5	-2.0	-4.9	-5.1	-2.2
Wood Products	0.50	0.49	0.48	0.45	0.44	0.44	0.45	0.46
% Ch, Annual Rate	-8.2	-4.2	-13.6	-16.5	-11.1	-1.1	6.6	10.9
Primary and Fabricated Metals	2.01	1.99	1.98	1.99	1.97	1.94	1.89	1.86
% Ch, Annual Rate	-1.6	-3.6	-1.4	0.7	-2.9	-6.1	-9.6	-6.6
Computer and Electronic Products	1.25	1.25	1.25	1.21	1.22	1.17	1.13	1.12
% Ch, Annual Rate	-1.2	-1.5	-1.4	-10.3	1.1	-14.6	-11.2	-4.1
Machinery and Electrical Equipment	1.61	1.61	1.60	1.61	1.60	1.59	1.58	1.56
% Ch, Annual Rate	-0.3	-1.5	-2.2	1.4	-0.9	-2.0	-4.1	-3.7
Transportation Equipment	1.67	1.62	1.59	1.59	1.58	1.58	1.58	1.58
% Ch, Annual Rate	-5.4	-11.5	-6.5	0.1	-1.7	-1.7	0.2	1.9
Other Durables	1.64	1.62	1.61	1.60	1.59	1.58	1.56	1.56
% Ch, Annual Rate	-5.4	-5.8	-2.7	-2.2	-2.1	-2.5	-4.1	-1.6
Nondurable Manufacturing	5.00	4.98	4.96	4.95	4.93	4.88	4.84	4.81
% Ch, Annual Rate	-2.2	-2.0	-1.4	-1.3	-1.5	-3.6	-3.2	-2.2
Food Manufacturing	1.48	1.48	1.49	1.50	1.50	1.50	1.50	1.50
% Ch, Annual Rate	0.1	-0.4	2.5	2.5	1.6	-0.6	-0.5	0.2
Paper and Paper Products	0.46	0.46	0.45	0.45	0.45	0.44	0.44	0.43
% Ch, Annual Rate	-1.0	-0.8	-4.3	-4.6	-1.7	-3.9	-3.4	-2.3
Other Nondurables	3.07	3.04	3.02	3.00	2.98	2.94	2.90	2.88
% Ch, Annual Rate	-3.5	-3.0	-2.9	-2.7	-3.0	-5.1	-4.5	-3.4
Natural Resources and Mining	0.75	0.75	0.77	0.77	0.78	0.78	0.77	0.76
% Ch, Annual Rate	6.9	4.2	6.3	4.4	5.4	0.4	-4.8	-6.5
Construction	7.38	7.23	7.10	6.94	6.82	6.79	6.80	6.83
% Ch, Annual Rate	-7.2	-8.0	-7.1	-8.7	-6.5	-2.0	0.5	2.3
Trade, Transportation, and Utilities	26.59	26.50	26.40	26.25	26.11	26.24	26.38	26.51
% Ch, Annual Rate	-1.1	-1.3	-1.5	-2.4	-2.1	1.9	2.2	2.0
Wholesale Trade	6.06	6.04	6.01	5.94	5.87	5.90	5.94	5.96
% Ch, Annual Rate	-0.8	-1.0	-2.5	-4.5	-4.2	1.5	3.0	1.2
Retail Trade	15.44	15.35	15.31	15.25	15.20	15.28	15.35	15.43
% Ch, Annual Rate	-1.4	-2.1	-1.1	-1.7	-1.3	2.2	1.8	2.2
Trans., Warehousing, and Utilities	5.09	5.10	5.09	5.06	5.04	5.06	5.09	5.12
% Ch, Annual Rate	-0.7	0.8	-1.3	-1.9	-1.9	1.5	2.8	2.6
Information	3.01	3.00	2.99	3.01	2.98	2.93	2.92	2.90
% Ch, Annual Rate	-1.1	-2.1	-1.0	2.3	-4.0	-5.6	-2.6	-1.7
Publishing Industries	0.89	0.88	0.88	0.88	0.87	0.86	0.85	0.84
% Ch, Annual Rate	-2.5	-2.2	-0.9	-1.0	-2.8	-6.5	-4.2	-1.5
Other Information	2.13	2.12	2.11	2.13	2.11	2.08	2.07	2.06
% Ch, Annual Rate	-0.4	-2.1	-1.1	3.7	-4.6	-5.2	-1.9	-1.8
Financial Activities	8.23	8.23	8.20	8.15	8.19	8.24	8.28	8.31
% Ch, Annual Rate	-1.5	-0.4	-1.2	-2.6	2.2	2.5	1.7	1.7
Professional and Business Services	18.07	18.05	18.11	18.16	18.15	18.17	18.35	18.59
% Ch, Annual Rate	-0.6	-0.3	1.1	1.2	-0.3	0.5	4.0	5.5
Education and Health Services	18.66	18.82	18.97	19.04	19.20	19.39	19.52	19.54
% Ch, Annual Rate	3.0	3.4	3.2	1.5	3.5	4.0	2.7	0.4
Leisure and Hospitality	13.66	13.72	13.75	13.82	13.84	13.82	13.77	13.76
% Ch, Annual Rate	1.1	1.6	1.0	2.2	0.4	-0.5	-1.5	-0.1
Other Services	5.51	5.52	5.54	5.58	5.59	5.54	5.49	5.45
% Ch, Annual Rate	0.9	0.7	1.2	3.2	0.2	-3.4	-3.1	-3.2
Federal Government	2.72	2.73	2.73	2.73	2.73	2.73	2.73	2.74
% Ch, Annual Rate	-0.8	1.2	0.4	-0.3	-0.3	-0.0	0.1	1.2
State and Local Government	19.64	19.66	19.69	19.73	19.77	19.81	19.84	19.87
% Ch, Annual Rate	1.5	0.5	0.5	0.9	0.8	0.7	0.7	0.6

Table A2.2

U.S. Nonagricultural Employment by Industry (Millions)

Forecast 2008 to 2011

	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4
Nonfarm Payroll Employment	138.67	139.20	139.72	140.27	140.90	141.52	142.15	142.70
% Ch, Annual Rate	1.2	1.5	1.5	1.6	1.8	1.8	1.8	1.5
Manufacturing	12.94	12.95	12.98	13.02	13.07	13.11	13.16	13.18
% Ch, Annual Rate	-0.7	0.5	0.8	1.4	1.4	1.2	1.5	0.8
Durable Manufacturing	8.13	8.16	8.19	8.24	8.29	8.33	8.39	8.42
% Ch, Annual Rate	-0.5	1.2	1.8	2.4	2.4	2.0	2.7	1.5
Wood Products	0.47	0.48	0.49	0.50	0.52	0.53	0.54	0.54
% Ch, Annual Rate	10.3	10.4	9.8	9.5	8.9	8.0	7.8	5.3
Primary and Fabricated Metals	1.84	1.82	1.82	1.82	1.83	1.84	1.85	1.86
% Ch, Annual Rate	-4.9	-2.9	-0.8	0.7	1.4	1.4	3.0	2.8
Computer and Electronic Products	1.13	1.15	1.15	1.15	1.13	1.12	1.11	1.09
% Ch, Annual Rate	3.2	5.8	1.3	-1.9	-3.8	-5.5	-4.3	-7.3
Machinery and Electrical Equipment	1.55	1.55	1.55	1.55	1.56	1.56	1.57	1.58
% Ch, Annual Rate	-3.2	-1.1	0.3	1.6	1.7	1.3	2.0	1.5
Transportation Equipment	1.59	1.60	1.62	1.64	1.67	1.69	1.71	1.73
% Ch, Annual Rate	1.6	2.6	4.1	6.1	6.8	6.0	5.3	3.7
Other Durables	1.55	1.56	1.56	1.57	1.58	1.59	1.61	1.62
% Ch, Annual Rate	-0.4	0.9	1.8	2.5	2.5	2.6	3.5	2.6
Nondurable Manufacturing	4.80	4.79	4.78	4.78	4.77	4.77	4.77	4.76
% Ch, Annual Rate	-0.9	-0.8	-0.9	-0.4	-0.3	-0.1	-0.5	-0.4
Food Manufacturing	1.51	1.51	1.51	1.51	1.52	1.52	1.52	1.53
% Ch, Annual Rate	1.7	1.1	0.4	0.7	0.8	1.0	0.6	0.5
Paper and Paper Products	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43
% Ch, Annual Rate	-0.7	-0.3	-0.3	0.2	0.5	0.7	0.2	0.2
Other Nondurables	2.86	2.85	2.84	2.83	2.82	2.82	2.81	2.80
% Ch, Annual Rate	-2.2	-1.8	-1.7	-1.1	-1.1	-0.8	-1.1	-0.9
Natural Resources and Mining	0.75	0.74	0.74	0.73	0.72	0.72	0.71	0.70
% Ch, Annual Rate	-6.2	-4.4	-3.3	-3.0	-2.8	-3.5	-4.6	-4.7
Construction	6.84	6.88	6.93	6.99	7.08	7.16	7.24	7.30
% Ch, Annual Rate	0.3	2.6	2.7	3.6	5.1	4.6	4.5	3.3
Trade, Transportation, and Utilities	26.56	26.66	26.72	26.74	26.78	26.83	26.89	26.96
% Ch, Annual Rate	0.7	1.6	0.9	0.2	0.7	0.8	0.9	1.1
Wholesale Trade	5.96	5.99	6.01	6.03	6.05	6.09	6.12	6.15
% Ch, Annual Rate	0.1	2.2	1.3	1.0	1.7	2.3	2.4	1.8
Retail Trade	15.45	15.48	15.48	15.44	15.43	15.40	15.37	15.37
% Ch, Annual Rate	0.5	0.8	0.0	-0.9	-0.4	-0.8	-0.6	-0.1
Trans., Warehousing, and Utilities	5.15	5.19	5.23	5.26	5.30	5.35	5.40	5.44
% Ch, Annual Rate	2.1	3.3	2.8	2.7	3.0	3.6	3.5	3.4
Information	2.91	2.90	2.88	2.87	2.87	2.87	2.87	2.88
% Ch, Annual Rate	0.7	-1.0	-3.3	-0.7	0.4	-0.1	0.3	1.0
Publishing Industries	0.84	0.84	0.84	0.84	0.85	0.85	0.85	0.85
% Ch, Annual Rate	-1.3	0.0	0.9	0.7	0.7	0.6	0.7	0.8
Other Information	2.07	2.06	2.03	2.03	2.03	2.02	2.03	2.03
% Ch, Annual Rate	1.5	-1.4	-4.9	-1.4	0.2	-0.4	0.1	1.1
Financial Activities	8.35	8.39	8.44	8.51	8.57	8.60	8.63	8.66
% Ch, Annual Rate	1.8	2.0	2.7	3.1	3.0	1.3	1.4	1.5
Professional and Business Services	18.83	19.10	19.37	19.62	19.87	20.15	20.37	20.51
% Ch, Annual Rate	5.2	5.9	5.9	5.2	5.2	5.7	4.5	2.8
Education and Health Services	19.60	19.68	19.77	19.81	19.86	19.89	19.98	20.03
% Ch, Annual Rate	1.2	1.6	1.8	0.9	0.9	0.7	1.7	1.0
Leisure and Hospitality	13.76	13.76	13.81	13.87	13.93	14.01	14.07	14.17
% Ch, Annual Rate	-0.0	0.0	1.3	1.9	1.8	2.1	2.0	2.7
Other Services	5.41	5.38	5.37	5.36	5.35	5.34	5.34	5.35
% Ch, Annual Rate	-3.1	-2.1	-0.9	-0.5	-0.8	-0.4	-0.3	0.7
Federal Government	2.83	2.81	2.75	2.73	2.72	2.72	2.72	2.71
% Ch, Annual Rate	14.0	-2.9	-8.3	-3.2	-0.8	-0.3	-0.3	-0.2
State and Local Government	19.90	19.94	19.97	20.02	20.07	20.13	20.18	20.25
% Ch, Annual Rate	0.6	0.7	0.8	1.0	1.0	1.0	1.1	1.2

Table A2.3
Washington Nonagricultural Employment by Industry (Thousands)
 Forecast 2008 to 2011

	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Payroll Employment	2,701.0	2,777.0	2,859.1	2,931.7	2,969.8	2,998.7	3,052.6	3,107.8
% Ch	1.6	2.8	3.0	2.5	1.3	1.0	1.8	1.8
Manufacturing	263.7	272.6	285.9	293.2	296.5	293.3	293.0	295.8
% Ch	-1.3	3.4	4.9	2.5	1.1	-1.1	-0.1	0.9
Durable Manufacturing	182.4	191.5	204.0	211.6	215.5	212.7	212.4	214.5
% Ch	-0.7	5.0	6.6	3.7	1.8	-1.3	-0.2	1.0
Wood Products	18.8	20.0	20.3	19.1	17.7	16.5	17.2	17.8
% Ch	5.4	6.9	1.1	-5.9	-7.0	-7.0	4.2	3.9
Primary and Fabricated Metals	22.3	23.1	24.3	25.9	26.4	25.6	24.5	24.8
% Ch	0.9	3.8	4.9	6.7	1.9	-3.0	-4.1	0.9
Computer and Electronic Products	22.1	22.2	22.4	22.8	22.7	20.9	20.8	20.2
% Ch	-5.3	0.2	1.2	1.6	-0.3	-8.0	-0.6	-2.6
Machinery and Electrical Equipment	17.0	17.8	19.0	19.4	19.8	20.2	20.4	21.6
% Ch	4.3	4.8	6.6	2.4	1.7	2.2	1.2	5.7
Aerospace	61.5	65.6	73.4	80.1	85.3	86.6	86.6	86.6
% Ch	-5.8	6.8	11.9	9.1	6.5	1.5	0.0	0.0
Other Transportation Equip.	12.1	13.2	13.7	13.0	12.5	12.5	12.3	12.3
% Ch	9.2	8.7	4.1	-5.0	-3.8	-0.6	-1.3	0.2
Other Durables	28.6	29.5	30.9	31.3	31.1	30.5	30.6	31.1
% Ch	2.7	3.1	4.9	1.2	-0.7	-1.8	0.2	1.6
Nondurable Manufacturing	81.3	81.1	81.9	81.6	80.9	80.6	80.6	81.3
% Ch	-2.4	-0.2	0.9	-0.4	-0.8	-0.5	0.0	0.9
Food Manufacturing	34.1	33.8	33.9	34.1	34.3	35.0	35.5	36.0
% Ch	-2.0	-1.0	0.3	0.6	0.6	2.2	1.2	1.6
Paper and Paper Products	12.7	12.2	11.9	11.2	10.7	10.4	10.2	10.2
% Ch	-4.6	-3.6	-2.1	-6.1	-4.2	-3.6	-1.5	0.3
Other Nondurables	34.5	35.2	36.1	36.3	35.9	35.1	34.9	35.1
% Ch	-1.9	1.8	2.7	0.5	-1.0	-2.1	-0.7	0.5
Natural Resources and Mining	9.1	9.0	8.7	8.2	7.8	7.5	7.5	7.8
% Ch	5.7	-1.9	-3.0	-5.9	-4.5	-3.7	-0.3	4.3
Construction	164.2	177.4	194.9	207.4	205.0	200.7	201.9	202.4
% Ch	5.1	8.0	9.9	6.4	-1.1	-2.1	0.6	0.2
Trade, Transportation, and Utilities	518.4	530.4	541.6	552.9	553.8	556.4	566.8	571.7
% Ch	1.7	2.3	2.1	2.1	0.2	0.5	1.9	0.9
Wholesale Trade	119.3	122.2	126.6	129.2	129.9	129.0	130.8	132.2
% Ch	2.8	2.4	3.6	2.1	0.6	-0.7	1.4	1.1
Retail Trade	309.4	316.1	321.1	327.7	328.0	331.2	337.5	338.5
% Ch	1.1	2.2	1.6	2.1	0.1	1.0	1.9	0.3
Trans., Warehousing, and Utilities	89.8	92.2	94.0	96.0	95.9	96.2	98.5	101.0
% Ch	2.1	2.7	2.0	2.2	-0.1	0.3	2.4	2.4
Information	92.8	94.7	98.4	102.6	104.9	105.7	107.2	109.4
% Ch	0.6	2.0	3.9	4.3	2.2	0.8	1.4	2.0
Software Publishers	39.3	41.3	44.7	47.7	49.8	52.1	54.5	57.1
% Ch	5.1	5.1	8.4	6.7	4.4	4.5	4.7	4.8
Other Publishing Industries	11.3	11.2	11.0	10.8	10.6	10.0	9.8	9.7
% Ch	-6.7	-0.6	-2.0	-2.2	-2.1	-5.1	-2.4	-0.5
Other Information	42.3	42.2	42.7	44.1	44.6	43.7	42.9	42.5
% Ch	-1.2	-0.1	1.1	3.4	1.0	-2.0	-1.6	-1.0
Financial Activities	151.8	154.5	156.2	155.2	153.0	154.9	159.1	163.5
% Ch	-0.1	1.8	1.1	-0.7	-1.4	1.2	2.7	2.8
Professional and Business Services	301.7	316.1	330.5	345.2	354.2	362.9	381.5	400.4
% Ch	3.9	4.8	4.6	4.4	2.6	2.5	5.1	5.0
Education and Health Services	319.7	329.3	337.2	347.9	358.9	370.5	378.9	385.6
% Ch	2.2	3.0	2.4	3.2	3.2	3.2	2.3	1.8
Leisure and Hospitality	255.6	263.5	271.7	280.1	287.0	290.4	293.1	299.0
% Ch	2.7	3.1	3.1	3.1	2.4	1.2	0.9	2.0
Other Services	100.3	102.7	104.0	105.4	107.8	108.8	108.6	109.1
% Ch	1.4	2.4	1.2	1.4	2.3	0.9	-0.2	0.5
Federal Government	69.8	69.6	69.3	68.6	67.9	68.4	69.2	68.9
% Ch	-0.6	-0.3	-0.4	-0.9	-1.0	0.6	1.2	-0.4
State and Local Government	454.0	457.2	460.7	464.9	472.9	479.1	485.8	494.2
% Ch	0.8	0.7	0.8	0.9	1.7	1.3	1.4	1.7

Table A2.4

Washington Nonagricultural Employment by Industry (Thousands)

Forecast 2008 to 2011

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Nonfarm Payroll Employment	2,835.2	2,850.7	2,867.0	2,883.7	2,909.5	2,923.2	2,938.2	2,955.8
% Ch, Annual Rate	3.4	2.2	2.3	2.4	3.6	1.9	2.1	2.4
Manufacturing	283.1	284.5	287.0	289.1	290.9	291.7	294.3	295.9
% Ch, Annual Rate	6.6	2.1	3.5	3.0	2.5	1.0	3.6	2.3
Durable Manufacturing	201.0	202.7	205.0	207.5	209.1	210.6	212.7	214.1
% Ch, Annual Rate	7.3	3.6	4.5	5.0	3.1	3.0	4.0	2.5
Wood Products	20.6	20.4	20.3	19.8	19.4	19.2	19.0	18.7
% Ch, Annual Rate	3.8	-3.0	-2.7	-8.5	-7.9	-3.5	-5.7	-6.2
Primary and Fabricated Metals	23.8	24.1	24.4	24.7	25.3	26.3	26.0	26.1
% Ch, Annual Rate	5.6	4.7	4.9	5.8	9.1	16.3	-4.6	1.8
Computer and Electronic Products	22.2	22.5	22.6	22.6	22.6	22.7	23.0	22.9
% Ch, Annual Rate	0.0	4.5	1.6	0.2	-0.1	2.9	5.3	-1.1
Machinery and Electrical Equipment	18.6	18.9	19.1	19.3	19.3	19.3	19.6	19.6
% Ch, Annual Rate	8.9	6.7	4.1	3.8	0.0	-0.3	6.4	0.9
Aerospace	71.4	72.2	74.0	76.1	77.8	78.9	81.0	82.7
% Ch, Annual Rate	10.3	4.4	10.5	12.0	9.0	5.9	11.2	8.3
Other Transportation Equip.	13.8	13.8	13.6	13.6	13.3	13.0	12.9	12.9
% Ch, Annual Rate	12.3	1.1	-5.8	0.4	-10.5	-6.5	-3.1	-1.6
Other Durables	30.5	30.8	31.0	31.3	31.5	31.2	31.3	31.2
% Ch, Annual Rate	6.3	3.8	2.6	3.3	2.5	-3.5	1.0	-0.7
Nondurable Manufacturing	82.1	81.8	82.0	81.7	81.8	81.0	81.5	81.9
% Ch, Annual Rate	4.9	-1.3	0.9	-1.6	0.8	-3.9	2.5	1.6
Food Manufacturing	34.0	33.6	33.9	34.0	34.3	33.6	34.1	34.3
% Ch, Annual Rate	6.1	-3.9	3.7	0.6	3.7	-7.9	6.6	2.6
Paper and Paper Products	12.1	12.1	11.9	11.6	11.6	11.3	11.0	11.0
% Ch, Annual Rate	3.0	-1.1	-6.2	-10.7	-1.0	-10.0	-8.2	0.4
Other Nondurables	36.0	36.1	36.2	36.1	36.0	36.2	36.4	36.5
% Ch, Annual Rate	4.4	1.1	0.8	-0.6	-1.3	2.2	2.1	1.1
Natural Resources and Mining	8.8	8.8	8.6	8.6	8.3	8.2	8.2	8.0
% Ch, Annual Rate	2.7	-3.2	-6.0	-3.3	-11.0	-4.4	-1.7	-6.9
Construction	189.7	193.5	196.8	199.5	205.3	208.0	208.0	208.2
% Ch, Annual Rate	12.8	8.4	7.0	5.6	12.0	5.5	-0.1	0.4
Trade, Transportation, and Utilities	538.8	540.6	542.7	544.3	550.1	552.0	553.6	555.9
% Ch, Annual Rate	2.9	1.3	1.5	1.2	4.3	1.4	1.1	1.7
Wholesale Trade	125.8	126.1	127.0	127.4	128.1	128.9	129.3	130.4
% Ch, Annual Rate	6.5	0.9	2.8	1.4	2.2	2.4	1.3	3.4
Retail Trade	319.8	320.5	321.2	322.7	326.6	327.0	327.9	329.3
% Ch, Annual Rate	1.4	0.9	0.9	1.8	5.0	0.5	1.1	1.6
Trans., Warehousing, and Utilities	93.2	94.0	94.5	94.3	95.4	96.1	96.3	96.3
% Ch, Annual Rate	3.4	3.4	2.1	-0.9	4.8	3.1	0.9	-0.3
Information	96.2	97.6	99.4	100.5	101.8	102.6	102.9	103.1
% Ch, Annual Rate	3.4	5.8	7.9	4.2	5.5	3.0	1.1	1.0
Software Publishers	43.0	44.3	45.4	46.1	47.1	47.5	47.8	48.4
% Ch, Annual Rate	8.1	12.8	10.2	6.3	9.0	3.6	2.5	4.5
Other Publishing Industries	11.1	11.0	11.0	11.0	10.9	10.8	10.7	10.7
% Ch, Annual Rate	-3.4	-2.4	1.4	-1.7	-3.6	-2.9	-2.5	-2.2
Other Information	42.1	42.2	43.0	43.4	43.8	44.3	44.3	44.1
% Ch, Annual Rate	0.6	1.2	7.4	3.5	4.3	3.9	0.5	-2.0
Financial Activities	156.8	156.5	156.1	155.5	155.9	155.7	154.7	154.3
% Ch, Annual Rate	0.6	-0.8	-1.2	-1.5	1.0	-0.4	-2.6	-1.1
Professional and Business Services	323.8	328.5	333.1	336.8	341.7	343.3	346.5	349.4
% Ch, Annual Rate	3.6	5.9	5.7	4.6	5.9	1.8	3.8	3.4
Education and Health Services	334.6	336.1	337.7	340.3	343.2	345.8	349.1	353.6
% Ch, Annual Rate	2.0	1.8	1.9	3.2	3.4	3.1	4.0	5.2
Leisure and Hospitality	270.0	270.6	272.2	273.8	277.3	279.1	281.0	283.1
% Ch, Annual Rate	3.3	0.9	2.3	2.3	5.3	2.6	2.6	3.1
Other Services	103.5	103.9	104.1	104.4	104.6	105.1	105.4	106.6
% Ch, Annual Rate	0.1	1.7	1.0	1.0	0.9	1.6	1.1	4.8
Federal Government	69.6	69.5	69.0	68.9	69.1	68.6	68.6	68.3
% Ch, Annual Rate	0.7	-0.5	-2.9	-0.9	1.1	-2.4	-0.2	-2.0
State and Local Government	460.2	460.4	460.3	462.0	461.3	463.1	466.0	469.4
% Ch, Annual Rate	1.7	0.2	-0.1	1.5	-0.6	1.5	2.6	2.9

Table A2.4

Washington Nonagricultural Employment by Industry (Thousands)

Forecast 2008 to 2011

	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4
Nonfarm Payroll Employment	2,967.6	2,965.2	2,970.9	2,975.6	2,982.3	2,992.1	3,003.9	3,016.5
% Ch, Annual Rate	1.6	-0.3	0.8	0.6	0.9	1.3	1.6	1.7
Manufacturing	296.8	296.4	296.6	296.1	296.1	293.9	292.0	291.3
% Ch, Annual Rate	1.2	-0.5	0.2	-0.6	-0.0	-3.0	-2.6	-0.9
Durable Manufacturing	215.4	215.9	215.8	215.0	214.8	213.2	211.7	211.2
% Ch, Annual Rate	2.5	1.0	-0.3	-1.4	-0.4	-3.0	-2.7	-1.0
Wood Products	18.4	18.1	17.5	16.9	16.5	16.4	16.5	16.7
% Ch, Annual Rate	-6.0	-5.9	-11.9	-13.8	-9.8	-2.8	2.4	5.3
Primary and Fabricated Metals	26.4	26.4	26.4	26.4	26.2	25.9	25.3	24.9
% Ch, Annual Rate	4.3	1.3	-1.2	0.6	-2.6	-5.4	-8.4	-5.8
Computer and Electronic Products	23.0	22.9	22.9	22.1	22.3	21.1	20.3	20.0
% Ch, Annual Rate	1.3	-1.7	-0.6	-13.4	3.3	-19.5	-14.6	-4.5
Machinery and Electrical Equipment	19.6	19.7	19.7	20.0	20.2	20.2	20.2	20.2
% Ch, Annual Rate	0.4	0.8	1.4	6.0	2.9	1.6	-1.1	-0.6
Aerospace	84.0	85.1	85.8	86.4	86.6	86.6	86.6	86.6
% Ch, Annual Rate	6.4	5.6	3.3	2.8	0.9	0.0	0.0	0.0
Other Transportation Equip.	12.8	12.5	12.4	12.4	12.5	12.5	12.5	12.4
% Ch, Annual Rate	-2.1	-10.0	-1.8	-0.0	0.7	0.6	0.7	-1.7
Other Durables	31.2	31.2	31.0	30.8	30.6	30.6	30.4	30.4
% Ch, Annual Rate	0.3	-0.3	-2.5	-3.0	-1.8	-1.2	-1.7	-0.4
Nondurable Manufacturing	81.4	80.5	80.8	81.1	81.3	80.7	80.2	80.0
% Ch, Annual Rate	-2.2	-4.4	1.4	1.5	0.9	-2.8	-2.4	-0.9
Food Manufacturing	34.3	33.7	34.3	34.9	35.3	35.1	34.9	34.9
% Ch, Annual Rate	-1.1	-5.9	6.7	6.9	4.5	-1.8	-1.8	-0.3
Paper and Paper Products	10.9	10.8	10.7	10.6	10.5	10.4	10.3	10.2
% Ch, Annual Rate	-4.8	-2.4	-4.8	-5.1	-1.9	-4.3	-3.7	-2.6
Other Nondurables	36.2	35.9	35.8	35.7	35.5	35.2	35.0	34.9
% Ch, Annual Rate	-2.5	-3.5	-1.5	-1.4	-1.7	-3.3	-2.5	-1.1
Natural Resources and Mining	8.0	8.0	7.7	7.6	7.6	7.6	7.5	7.4
% Ch, Annual Rate	-1.5	-2.1	-12.2	-6.1	0.0	-1.6	-1.8	-5.0
Construction	208.0	206.8	203.8	201.7	200.7	200.6	200.8	200.9
% Ch, Annual Rate	-0.5	-2.3	-5.6	-4.1	-1.8	-0.3	0.5	0.2
Trade, Transportation, and Utilities	555.9	554.0	553.6	552.0	550.8	554.5	558.4	561.9
% Ch, Annual Rate	-0.0	-1.4	-0.3	-1.2	-0.8	2.7	2.8	2.5
Wholesale Trade	131.0	130.2	129.7	128.8	127.9	128.6	129.6	129.9
% Ch, Annual Rate	2.0	-2.4	-1.6	-2.8	-2.6	2.1	3.1	1.0
Retail Trade	328.5	327.9	328.0	327.6	327.4	330.1	332.3	334.9
% Ch, Annual Rate	-1.0	-0.7	0.2	-0.6	-0.1	3.2	2.8	3.1
Trans., Warehousing, and Utilities	96.4	95.9	95.8	95.6	95.4	95.9	96.5	97.1
% Ch, Annual Rate	0.4	-2.1	-0.2	-0.8	-0.7	1.8	2.7	2.4
Information	104.4	104.3	104.9	106.0	105.9	105.5	105.6	106.0
% Ch, Annual Rate	5.1	-0.4	2.4	4.1	-0.5	-1.6	0.6	1.5
Software Publishers	48.9	49.3	50.1	50.8	51.4	51.7	52.3	52.9
% Ch, Annual Rate	4.6	3.6	6.6	5.6	4.2	3.1	4.0	5.3
Other Publishing Industries	11.1	10.4	10.4	10.3	10.2	10.1	9.9	9.9
% Ch, Annual Rate	15.1	-20.8	-1.9	-1.9	-3.6	-7.1	-5.0	-2.5
Other Information	44.5	44.5	44.4	44.8	44.3	43.7	43.4	43.2
% Ch, Annual Rate	3.4	0.7	-1.1	4.0	-4.9	-5.6	-2.0	-1.9
Financial Activities	154.0	153.0	152.9	152.2	153.3	154.5	155.5	156.4
% Ch, Annual Rate	-0.8	-2.5	-0.3	-1.8	2.9	3.2	2.4	2.3
Professional and Business Services	352.3	352.6	354.9	357.1	358.4	360.1	364.1	369.0
% Ch, Annual Rate	3.3	0.4	2.6	2.5	1.5	2.0	4.5	5.5
Education and Health Services	356.1	357.0	360.2	362.3	365.8	369.7	372.7	373.9
% Ch, Annual Rate	2.9	1.0	3.7	2.3	3.9	4.3	3.3	1.4
Leisure and Hospitality	285.9	285.8	287.2	289.1	290.0	290.4	290.3	290.9
% Ch, Annual Rate	4.0	-0.1	1.9	2.6	1.3	0.6	-0.2	0.9
Other Services	107.1	107.5	108.0	108.7	109.0	108.8	108.7	108.6
% Ch, Annual Rate	2.0	1.5	1.7	2.6	1.2	-0.6	-0.4	-0.5
Federal Government	67.8	67.9	68.0	68.1	68.2	68.3	68.4	68.6
% Ch, Annual Rate	-2.9	0.5	0.9	0.4	0.4	0.6	0.7	1.5
State and Local Government	471.4	472.0	473.2	475.0	476.6	478.3	480.0	481.6
% Ch, Annual Rate	1.8	0.4	1.1	1.5	1.4	1.4	1.4	1.3

Table A2.4

Washington Nonagricultural Employment by Industry (Thousands)

Forecast 2008 to 2011

	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4
Nonfarm Payroll Employment	3,031.0	3,046.1	3,059.7	3,073.6	3,087.6	3,101.2	3,114.9	3,127.4
% Ch, Annual Rate	1.9	2.0	1.8	1.8	1.8	1.8	1.8	1.6
Manufacturing	291.8	292.7	293.4	294.2	294.9	295.5	296.2	296.5
% Ch, Annual Rate	0.7	1.3	0.9	1.1	1.0	0.8	0.9	0.4
Durable Manufacturing	211.4	212.1	212.8	213.4	213.9	214.2	214.8	214.9
% Ch, Annual Rate	0.4	1.3	1.2	1.2	1.0	0.6	1.0	0.3
Wood Products	16.9	17.1	17.3	17.5	17.6	17.8	17.9	18.0
% Ch, Annual Rate	5.0	5.0	4.7	4.5	4.1	3.4	3.3	1.6
Primary and Fabricated Metals	24.7	24.5	24.5	24.5	24.6	24.7	24.8	25.0
% Ch, Annual Rate	-4.2	-2.5	-0.7	0.6	1.2	1.2	2.7	2.5
Computer and Electronic Products	20.3	20.8	21.0	21.0	20.7	20.4	20.2	19.7
% Ch, Annual Rate	6.4	10.2	3.5	-1.3	-4.0	-6.5	-4.8	-9.0
Machinery and Electrical Equipment	20.2	20.3	20.5	20.8	21.1	21.4	21.8	22.1
% Ch, Annual Rate	-0.0	2.6	4.4	6.1	6.2	5.7	6.5	5.9
Aerospace	86.6	86.6	86.6	86.6	86.6	86.6	86.6	86.6
% Ch, Annual Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Transportation Equip.	12.4	12.3	12.3	12.3	12.3	12.4	12.3	12.3
% Ch, Annual Rate	-2.4	-2.0	-1.1	0.8	1.5	0.7	-0.7	-1.1
Other Durables	30.4	30.5	30.6	30.7	30.9	31.0	31.1	31.3
% Ch, Annual Rate	0.4	1.1	1.4	1.6	1.7	1.6	1.9	1.5
Nondurable Manufacturing	80.3	80.6	80.6	80.8	81.0	81.3	81.4	81.6
% Ch, Annual Rate	1.6	1.1	0.3	0.9	1.0	1.5	0.7	0.7
Food Manufacturing	35.3	35.5	35.5	35.7	35.8	36.0	36.1	36.2
% Ch, Annual Rate	4.0	2.4	0.6	1.6	1.5	2.5	1.2	1.1
Paper and Paper Products	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
% Ch, Annual Rate	-0.8	-0.4	-0.4	0.3	0.5	0.7	0.2	0.2
Other Nondurables	34.9	34.9	34.9	35.0	35.0	35.1	35.1	35.1
% Ch, Annual Rate	-0.0	0.2	0.1	0.5	0.6	0.7	0.4	0.4
Natural Resources and Mining	7.4	7.4	7.5	7.6	7.7	7.8	7.9	7.9
% Ch, Annual Rate	-1.7	2.6	5.1	5.4	4.5	4.0	3.7	2.4
Construction	201.5	201.9	202.1	202.2	202.3	202.4	202.5	202.5
% Ch, Annual Rate	1.2	0.9	0.4	0.1	0.2	0.2	0.2	-0.0
Trade, Transportation, and Utilities	563.8	566.5	568.2	568.8	569.9	571.0	572.2	573.7
% Ch, Annual Rate	1.4	2.0	1.2	0.4	0.8	0.8	0.8	1.0
Wholesale Trade	130.1	130.7	131.1	131.2	131.5	132.0	132.5	132.9
% Ch, Annual Rate	0.6	2.0	1.1	0.5	0.9	1.5	1.6	1.2
Retail Trade	336.1	337.5	338.3	338.2	338.5	338.4	338.4	338.8
% Ch, Annual Rate	1.5	1.7	0.9	-0.1	0.3	-0.1	0.0	0.5
Trans., Warehousing, and Utilities	97.6	98.3	98.9	99.4	100.0	100.6	101.3	101.9
% Ch, Annual Rate	2.2	2.9	2.3	2.2	2.2	2.7	2.6	2.6
Information	106.7	107.2	107.3	107.8	108.4	109.0	109.7	110.4
% Ch, Annual Rate	2.7	1.8	0.3	1.9	2.5	2.2	2.4	2.7
Software Publishers	53.5	54.2	54.9	55.5	56.2	56.8	57.5	58.1
% Ch, Annual Rate	4.6	5.0	5.0	4.9	4.8	4.7	4.7	4.5
Other Publishing Industries	9.8	9.8	9.8	9.8	9.8	9.7	9.7	9.7
% Ch, Annual Rate	-2.3	-1.1	-0.3	-0.4	-0.4	-0.5	-0.5	-0.4
Other Information	43.4	43.2	42.7	42.5	42.5	42.5	42.5	42.6
% Ch, Annual Rate	1.6	-1.5	-5.3	-1.4	0.2	-0.5	0.1	1.2
Financial Activities	157.3	158.3	159.6	161.0	162.4	163.1	163.9	164.6
% Ch, Annual Rate	2.5	2.6	3.2	3.6	3.5	1.8	1.8	1.9
Professional and Business Services	373.8	379.0	384.2	388.9	393.7	398.8	403.0	406.1
% Ch, Annual Rate	5.3	5.7	5.6	5.0	4.9	5.3	4.3	3.1
Education and Health Services	375.8	377.9	380.2	381.7	383.2	384.6	386.6	388.1
% Ch, Annual Rate	2.0	2.3	2.4	1.6	1.6	1.4	2.2	1.6
Leisure and Hospitality	291.6	292.2	293.5	295.1	296.5	298.1	299.6	301.5
% Ch, Annual Rate	0.9	0.9	1.8	2.1	2.0	2.2	2.0	2.5
Other Services	108.5	108.5	108.6	108.8	108.9	109.0	109.2	109.4
% Ch, Annual Rate	-0.5	-0.0	0.5	0.6	0.4	0.5	0.6	1.0
Federal Government	69.8	69.5	68.5	68.8	68.8	68.9	68.9	69.0
% Ch, Annual Rate	7.0	-1.6	-5.8	1.9	-0.1	0.3	0.2	0.3
State and Local Government	483.1	484.8	486.7	488.7	490.8	493.0	495.3	497.7
% Ch, Annual Rate	1.3	1.4	1.5	1.7	1.7	1.8	1.9	2.0

Table A3.1

U.S. Personal Income by Component (Billions of Dollars)

Forecast 2008 to 2011

	2004	2005	2006	2007	2008	2009	2010	2011
Personal Income	9,727.2	10,301.1	10,983.4	11,665.6	12,197.4	12,619.9	13,264.8	14,032.0
% Ch	6.2	5.9	6.6	6.2	4.6	3.5	5.1	5.8
Total Wage and Salary Disbursements	5,394.5	5,667.9	6,018.2	6,366.1	6,626.9	6,852.3	7,166.5	7,546.0
% Ch	5.5	5.1	6.2	5.8	4.1	3.4	4.6	5.3
Nonwage Personal Income	4,332.7	4,633.2	4,965.2	5,299.5	5,570.5	5,767.6	6,098.3	6,486.0
% Ch	7.0	6.9	7.2	6.7	5.1	3.5	5.7	6.4
Supplements to Wages and Salaries	1,276.9	1,356.8	1,422.5	1,492.5	1,560.0	1,614.7	1,682.0	1,763.9
% Ch	6.6	6.3	4.8	4.9	4.5	3.5	4.2	4.9
Proprietor's Income	911.7	969.9	1,006.7	1,042.6	1,055.7	1,106.7	1,165.8	1,233.2
% Ch	12.4	6.4	3.8	3.6	1.3	4.8	5.3	5.8
Farm	37.4	30.8	19.4	36.2	30.0	23.2	23.7	24.9
% Ch	27.8	-17.5	-37.2	86.8	-17.1	-22.6	2.1	5.2
Nonfarm	874.3	939.1	987.4	1,006.4	1,025.8	1,083.5	1,142.2	1,208.3
% Ch	11.8	7.4	5.1	1.9	1.9	5.6	5.4	5.8
Less: Contribution For Govt. Soc. Ins.	828.8	874.8	927.6	979.9	1,025.0	1,058.4	1,106.5	1,169.2
% Ch	6.4	5.5	6.0	5.6	4.6	3.3	4.5	5.7
Dividends/Int./Rent	1,550.5	1,660.7	1,851.0	2,012.6	2,113.4	2,139.8	2,283.4	2,473.6
% Ch	5.5	7.1	11.5	8.7	5.0	1.2	6.7	8.3
Transfer Payments	1,422.5	1,520.6	1,612.5	1,731.7	1,866.3	1,964.9	2,073.6	2,184.5
% Ch	5.3	6.9	6.0	7.4	7.8	5.3	5.5	5.3

Table A3.2

U.S. Personal Income by Component (Billions of Dollars)

Forecast 2008 to 2011

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Personal Income	10,787.1	10,915.5	11,030.9	11,200.2	11,469.2	11,577.3	11,735.0	11,880.9
% Ch, Annual Rate	8.6	4.8	4.3	6.3	10.0	3.8	5.6	5.1
Total Wage and Salary Disbursements	5,945.6	5,958.4	6,015.8	6,153.0	6,294.4	6,318.9	6,382.7	6,468.4
% Ch, Annual Rate	12.1	0.9	3.9	9.4	9.5	1.6	4.1	5.5
Nonwage Personal Income	4,841.5	4,957.1	5,015.1	5,047.2	5,174.8	5,258.4	5,352.3	5,412.5
% Ch, Annual Rate	4.4	9.9	4.8	2.6	10.5	6.6	7.3	4.6
Supplements to Wages and Salaries	1,403.1	1,413.5	1,426.7	1,446.9	1,470.5	1,483.0	1,500.0	1,516.7
% Ch, Annual Rate	6.8	3.0	3.8	5.8	6.7	3.5	4.6	4.5
Proprietor's Income	1,000.1	1,013.5	1,003.6	1,009.7	1,027.4	1,038.4	1,048.6	1,055.9
% Ch, Annual Rate	3.1	5.5	-3.9	2.5	7.2	4.4	4.0	2.8
Farm	20.8	14.6	18.1	23.9	29.1	33.1	38.6	43.8
% Ch, Annual Rate	-70.4	-75.7	136.2	204.0	119.8	67.4	84.9	65.8
Nonfarm	979.3	998.9	985.5	985.8	998.3	1,005.3	1,010.0	1,012.1
% Ch, Annual Rate	6.3	8.2	-5.3	0.1	5.2	2.8	1.9	0.8
Less: Contribution For Govt. Soc. Ins.	918.8	920.1	926.8	944.6	969.8	972.2	983.2	994.1
% Ch, Annual Rate	14.4	0.6	3.0	7.9	11.1	1.0	4.6	4.5
Dividends/Int./Rent	1,784.6	1,851.0	1,881.0	1,887.5	1,936.1	1,992.1	2,044.5	2,077.6
% Ch, Annual Rate	3.6	15.7	6.6	1.4	10.7	12.1	10.9	6.6
Transfer Payments	1,572.5	1,599.1	1,630.6	1,647.7	1,710.7	1,717.1	1,742.3	1,756.5
% Ch, Annual Rate	9.8	6.9	8.1	4.3	16.2	1.5	6.0	3.3

Table A3.2

U.S. Personal Income by Component (Billions of Dollars)

Forecast 2008 to 2011

	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4
Personal Income	12,018.4	12,225.2	12,230.8	12,315.2	12,434.2	12,539.9	12,677.0	12,828.7
% Ch, Annual Rate	4.7	7.1	0.2	2.8	3.9	3.4	4.4	4.9
Total Wage and Salary Disbursements	6,560.3	6,589.1	6,652.0	6,706.2	6,757.8	6,812.8	6,881.7	6,956.9
% Ch, Annual Rate	5.8	1.8	3.9	3.3	3.1	3.3	4.1	4.4
Nonwage Personal Income	5,458.1	5,636.2	5,578.8	5,609.1	5,676.3	5,727.1	5,795.2	5,871.7
% Ch, Annual Rate	3.4	13.7	-4.0	2.2	4.9	3.6	4.8	5.4
Supplements to Wages and Salaries	1,540.5	1,555.3	1,566.7	1,577.5	1,595.7	1,606.7	1,621.5	1,634.7
% Ch, Annual Rate	6.4	3.9	2.9	2.8	4.7	2.8	3.7	3.3
Proprietor's Income	1,055.8	1,045.2	1,054.9	1,067.1	1,079.7	1,097.2	1,117.3	1,132.6
% Ch, Annual Rate	-0.0	-4.0	3.8	4.7	4.8	6.6	7.6	5.6
Farm	37.4	32.8	25.2	24.4	21.7	22.7	24.1	24.3
% Ch, Annual Rate	-46.8	-40.7	-65.2	-11.8	-37.2	18.2	26.8	3.5
Nonfarm	1,018.4	1,012.4	1,029.7	1,042.6	1,058.0	1,074.5	1,093.3	1,108.4
% Ch, Annual Rate	2.5	-2.4	7.0	5.1	6.0	6.4	7.2	5.6
Less: Contribution For Govt. Soc. Ins.	1,015.9	1,020.5	1,029.2	1,034.3	1,051.0	1,056.2	1,060.6	1,065.9
% Ch, Annual Rate	9.1	1.8	3.5	2.0	6.6	2.0	1.7	2.0
Dividends/Int./Rent	2,091.5	2,117.6	2,120.1	2,124.5	2,127.5	2,128.1	2,137.0	2,166.5
% Ch, Annual Rate	2.7	5.1	0.5	0.8	0.6	0.1	1.7	5.6
Transfer Payments	1,786.1	1,938.5	1,866.3	1,874.3	1,924.4	1,951.4	1,980.1	2,003.9
% Ch, Annual Rate	6.9	38.8	-14.1	1.7	11.1	5.7	6.0	4.9

Table A3.2

U.S. Personal Income by Component (Billions of Dollars)

Forecast 2008 to 2011

	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4
Personal Income	12,997.4	13,172.0	13,353.4	13,536.5	13,734.0	13,928.0	14,132.6	14,333.4
% Ch, Annual Rate	5.4	5.5	5.6	5.6	6.0	5.8	6.0	5.8
Total Wage and Salary Disbursements	7,040.6	7,121.2	7,207.2	7,297.0	7,399.1	7,495.3	7,595.9	7,693.7
% Ch, Annual Rate	4.9	4.7	4.9	5.1	5.7	5.3	5.5	5.3
Nonwage Personal Income	5,956.8	6,050.8	6,146.2	6,239.5	6,334.9	6,432.6	6,536.8	6,639.6
% Ch, Annual Rate	5.9	6.5	6.5	6.2	6.3	6.3	6.6	6.4
Supplements to Wages and Salaries	1,657.3	1,671.7	1,691.1	1,708.0	1,732.9	1,752.6	1,774.7	1,795.6
% Ch, Annual Rate	5.6	3.5	4.7	4.1	5.9	4.6	5.1	4.8
Proprietor's Income	1,145.5	1,160.2	1,172.4	1,185.3	1,203.6	1,223.9	1,243.7	1,261.8
% Ch, Annual Rate	4.6	5.2	4.3	4.5	6.3	6.9	6.6	6.0
Farm	24.3	23.9	23.3	23.2	23.5	24.5	25.5	26.0
% Ch, Annual Rate	0.7	-6.1	-10.6	-1.5	6.3	18.4	16.2	9.1
Nonfarm	1,121.2	1,136.3	1,149.1	1,162.1	1,180.1	1,199.3	1,218.2	1,235.8
% Ch, Annual Rate	4.7	5.5	4.6	4.6	6.3	6.7	6.4	5.9
Less: Contribution For Govt. Soc. Ins.	1,092.7	1,099.4	1,110.5	1,123.3	1,150.8	1,164.1	1,175.0	1,187.1
% Ch, Annual Rate	10.4	2.5	4.1	4.7	10.1	4.7	3.8	4.2
Dividends/Int./Rent	2,209.1	2,257.3	2,307.6	2,359.4	2,403.6	2,449.8	2,496.0	2,545.0
% Ch, Annual Rate	8.1	9.0	9.2	9.3	7.7	7.9	7.8	8.1
Transfer Payments	2,037.7	2,061.1	2,085.6	2,110.1	2,145.5	2,170.5	2,197.4	2,224.4
% Ch, Annual Rate	6.9	4.7	4.8	4.8	6.9	4.7	5.0	5.0

Table A3.3
Washington Personal Income by Component (Billions of Dollars)
 Forecast 2008 to 2011

	2004	2005	2006	2007	2008	2009	2010	2011
Personal Income	218.432	224.736	243.597	261.682	275.709	288.608	306.136	325.414
% Ch	7.6	2.9	8.4	7.4	5.4	4.7	6.1	6.3
Total Wage and Salary Disbursements	119.217	125.845	136.336	147.259	154.468	161.859	171.111	180.969
% Ch	4.5	5.6	8.3	8.0	4.9	4.8	5.7	5.8
Manufacturing	13.903	15.150	16.844	17.976	18.813	19.310	20.015	20.966
% Ch	2.2	9.0	11.2	6.7	4.7	2.6	3.6	4.8
Durable Manufacturing	10.410	11.546	13.088	14.019	14.730	15.092	15.637	16.381
% Ch	3.0	10.9	13.4	7.1	5.1	2.5	3.6	4.8
Nondurable Manufacturing	3.493	3.604	3.756	3.957	4.083	4.218	4.378	4.586
% Ch	-0.1	3.2	4.2	5.4	3.2	3.3	3.8	4.7
Nonmanufacturing	100.184	104.986	113.475	122.949	128.884	135.460	143.721	152.314
% Ch	4.8	4.8	8.1	8.3	4.8	5.1	6.1	6.0
Other Private Wages	1.183	1.233	1.328	1.409	1.447	1.523	1.635	1.759
% Ch	4.7	4.2	7.7	6.1	2.7	5.3	7.4	7.6
Farm Wages	0.985	1.128	1.146	1.177	1.231	1.285	1.358	1.438
% Ch	3.8	14.6	1.6	2.7	4.6	4.4	5.7	5.9
Military Wages	2.963	3.349	3.544	3.747	4.094	4.281	4.382	4.491
% Ch	6.1	13.0	5.8	5.7	9.3	4.6	2.4	2.5
Nonwage Personal Income	99.215	98.890	107.261	114.423	121.241	126.749	135.025	144.445
% Ch	11.7	-0.3	8.5	6.7	6.0	4.5	6.5	7.0
Supplements to Wages and Salaries	29.208	31.330	33.451	35.663	37.842	39.540	41.578	43.793
% Ch	8.8	7.3	6.8	6.6	6.1	4.5	5.2	5.3
Proprietor's Income	17.812	18.421	19.341	19.791	20.387	21.847	23.198	24.634
% Ch	8.9	3.4	5.0	2.3	3.0	7.2	6.2	6.2
Farm	0.540	0.226	0.138	0.183	0.365	0.478	0.537	0.564
% Ch	-25.8	-58.2	-38.8	32.2	99.5	31.1	12.4	5.1
Nonfarm	17.271	18.194	19.203	19.609	20.022	21.370	22.662	24.070
% Ch	10.5	5.3	5.5	2.1	2.1	6.7	6.0	6.2
Less: Contribution For Govt. Soc. Ins.	20.290	21.584	23.054	24.708	26.100	27.140	28.581	30.256
% Ch	7.1	6.4	6.8	7.2	5.6	4.0	5.3	5.9
Plus: Residence Adjustment	2.436	2.525	2.831	2.980	3.098	3.198	3.350	3.571
% Ch	1.4	3.7	12.1	5.3	4.0	3.2	4.7	6.6
Dividends/Int./Rent	41.866	38.456	42.641	46.460	48.846	49.776	53.376	58.010
% Ch	22.2	-8.1	10.9	9.0	5.1	1.9	7.2	8.7
Transfer Payments	28.183	29.743	32.052	34.236	37.167	39.527	42.104	44.693
% Ch	0.9	5.5	7.8	6.8	8.6	6.3	6.5	6.1
State U.I. Benefits	1.183	0.782	0.734	0.720	0.907	1.033	1.163	1.179
% Ch	-47.1	-33.9	-6.2	-1.9	26.0	13.9	12.5	1.4
Other Transfers	27.000	28.960	31.318	33.516	36.260	38.494	40.941	43.514
% Ch	5.1	7.3	8.1	7.0	8.2	6.2	6.4	6.3

Table A3.4
Washington Personal Income by Component (Billions of Dollars)
 Forecast 2008 to 2011

	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Personal Income	238.679	241.322	244.459	249.928	254.695	258.948	264.465	268.621
% Ch, Annual Rate	13.9	4.5	5.3	9.3	7.9	6.8	8.8	6.4
Total Wage and Salary Disbursements	134.162	134.289	136.215	140.679	143.124	145.308	148.931	151.672
% Ch, Annual Rate	14.7	0.4	5.9	13.8	7.1	6.2	10.4	7.6
Manufacturing	16.944	16.718	16.214	17.500	17.733	18.019	17.872	18.282
% Ch, Annual Rate	35.1	-5.2	-11.5	35.7	5.4	6.6	-3.2	9.5
Durable Manufacturing	13.160	13.058	12.475	13.659	13.782	14.084	13.954	14.258
% Ch, Annual Rate	39.6	-3.1	-16.7	43.7	3.7	9.1	-3.6	9.0
Nondurable Manufacturing	3.784	3.660	3.739	3.841	3.951	3.935	3.918	4.024
% Ch, Annual Rate	21.0	-12.5	8.9	11.4	12.0	-1.6	-1.7	11.3
Nonmanufacturing	111.287	111.575	113.894	117.143	119.240	121.066	124.612	126.880
% Ch, Annual Rate	12.1	1.0	8.6	11.9	7.4	6.3	12.2	7.5
Other Private Wages	1.266	1.314	1.386	1.346	1.395	1.397	1.440	1.404
% Ch, Annual Rate	13.7	16.1	23.8	-11.1	15.4	0.6	12.9	-9.6
Farm Wages	1.137	1.145	1.150	1.151	1.161	1.172	1.182	1.193
% Ch, Annual Rate	1.4	2.8	1.8	0.3	3.5	3.8	3.5	3.8
Military Wages	3.528	3.537	3.571	3.539	3.595	3.654	3.825	3.914
% Ch, Annual Rate	14.7	1.0	3.9	-3.5	6.5	6.7	20.1	9.6
Nonwage Personal Income	104.518	107.033	108.245	109.248	111.570	113.640	115.534	116.949
% Ch, Annual Rate	12.8	10.0	4.6	3.8	8.8	7.6	6.8	5.0
Supplements to Wages and Salaries	33.015	33.107	33.427	34.253	34.634	35.251	36.146	36.620
% Ch, Annual Rate	10.7	1.1	3.9	10.3	4.5	7.3	10.5	5.3
Proprietor's Income	19.102	19.559	19.315	19.388	19.581	19.911	19.794	19.879
% Ch, Annual Rate	9.3	9.9	-4.9	1.5	4.0	6.9	-2.3	1.7
Farm	0.057	0.150	0.153	0.193	0.133	0.301	0.123	0.174
% Ch, Annual Rate	#####	4,695.9	8.2	153.2	-77.4	3.E+03	-97.2	300.5
Nonfarm	19.046	19.409	19.162	19.195	19.448	19.611	19.672	19.705
% Ch, Annual Rate	11.2	7.8	-5.0	0.7	5.4	3.4	1.3	0.7
Less: Contribution For Govt. Soc. Ins.	22.883	22.788	22.955	23.590	24.111	24.428	25.035	25.257
% Ch, Annual Rate	14.9	-1.7	3.0	11.5	9.1	5.4	10.3	3.6
Plus: Residence Adjustment	2.797	2.802	2.833	2.890	2.954	2.981	2.976	3.010
% Ch, Annual Rate	48.2	0.7	4.5	8.3	9.2	3.7	-0.7	4.6
Dividends/Int./Rent	41.179	42.538	43.268	43.577	44.672	45.988	47.199	47.982
% Ch, Annual Rate	11.7	13.9	7.0	2.9	10.4	12.3	11.0	6.8
Transfer Payments	31.307	31.815	32.357	32.730	33.840	33.936	34.453	34.715
% Ch, Annual Rate	17.5	6.7	7.0	4.7	14.3	1.1	6.2	3.1
State U.I. Benefits	0.760	0.732	0.691	0.752	0.711	0.684	0.734	0.751
% Ch, Annual Rate	11.9	-13.9	-20.6	40.3	-20.1	-14.3	32.6	9.6
Other Transfers	30.547	31.083	31.665	31.979	33.129	33.252	33.720	33.964
% Ch, Annual Rate	17.7	7.2	7.7	4.0	15.2	1.5	5.7	2.9

Table A3.4
Washington Personal Income by Component (Billions of Dollars)
 Forecast 2008 to 2011

	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4
Personal Income	270.291	275.040	278.147	279.358	283.344	285.678	291.578	293.831
% Ch, Annual Rate	2.5	7.2	4.6	1.8	5.8	3.3	8.5	3.1
Total Wage and Salary Disbursements	151.917	152.747	156.488	156.721	158.970	159.947	164.104	164.416
% Ch, Annual Rate	0.6	2.2	10.2	0.6	5.9	2.5	10.8	0.8
Manufacturing	18.530	18.714	18.925	19.083	19.238	19.251	19.306	19.445
% Ch, Annual Rate	5.5	4.0	4.6	3.4	3.3	0.3	1.2	2.9
Durable Manufacturing	14.489	14.676	14.828	14.928	15.039	15.047	15.088	15.196
% Ch, Annual Rate	6.6	5.3	4.2	2.7	3.0	0.2	1.1	2.9
Non-durable Manufacturing	4.041	4.038	4.097	4.155	4.199	4.204	4.219	4.249
% Ch, Annual Rate	1.7	-0.3	6.0	5.8	4.3	0.5	1.4	2.9
Nonmanufacturing	126.698	127.284	130.766	130.787	132.716	133.631	137.681	137.813
% Ch, Annual Rate	-0.6	1.9	11.4	0.1	6.0	2.8	12.7	0.4
Other Private Wages	1.425	1.446	1.450	1.466	1.489	1.509	1.534	1.560
% Ch, Annual Rate	6.0	6.0	1.3	4.5	6.3	5.6	6.7	7.1
Farm Wages	1.211	1.228	1.236	1.248	1.263	1.276	1.292	1.310
% Ch, Annual Rate	6.0	6.0	2.6	4.0	4.9	4.1	5.2	5.4
Military Wages	4.054	4.075	4.110	4.136	4.264	4.279	4.291	4.288
% Ch, Annual Rate	15.1	2.1	3.5	2.5	13.0	1.5	1.1	-0.3
Nonwage Personal Income	118.374	122.293	121.659	122.637	124.375	125.731	127.474	129.415
% Ch, Annual Rate	5.0	13.9	-2.1	3.3	5.8	4.4	5.7	6.2
Supplements to Wages and Salaries	37.361	37.643	38.008	38.356	38.937	39.301	39.760	40.162
% Ch, Annual Rate	8.3	3.1	3.9	3.7	6.2	3.8	4.8	4.1
Proprietor's Income	20.152	20.091	20.480	20.824	21.213	21.634	22.094	22.448
% Ch, Annual Rate	5.6	-1.2	8.0	6.9	7.7	8.2	8.8	6.6
Farm	0.302	0.364	0.378	0.414	0.430	0.466	0.498	0.517
% Ch, Annual Rate	804.5	111.1	16.9	44.2	16.2	37.3	30.7	16.5
Nonfarm	19.850	19.727	20.102	20.410	20.783	21.169	21.596	21.930
% Ch, Annual Rate	3.0	-2.5	7.8	6.3	7.5	7.6	8.3	6.3
Less: Contribution For Govt. Soc. Ins.	25.911	25.926	26.194	26.369	26.866	27.052	27.229	27.411
% Ch, Annual Rate	10.8	0.2	4.2	2.7	7.8	2.8	2.6	2.7
Plus: Residence Adjustment	3.044	3.077	3.124	3.149	3.164	3.179	3.208	3.241
% Ch, Annual Rate	4.6	4.4	6.2	3.2	2.0	1.9	3.7	4.2
Dividends/Int./Rent	48.388	48.829	48.985	49.182	49.351	49.466	49.765	50.520
% Ch, Annual Rate	3.4	3.7	1.3	1.6	1.4	0.9	2.4	6.2
Transfer Payments	35.340	38.579	37.255	37.495	38.575	39.203	39.876	40.455
% Ch, Annual Rate	7.4	42.0	-13.0	2.6	12.0	6.7	7.1	5.9
State U.I. Benefits	0.857	0.884	0.932	0.957	0.976	1.010	1.052	1.095
% Ch, Annual Rate	69.7	12.9	24.0	10.8	8.3	14.7	17.9	17.0
Other Transfers	34.483	37.696	36.323	36.538	37.599	38.193	38.824	39.360
% Ch, Annual Rate	6.3	42.8	-13.8	2.4	12.1	6.5	6.8	5.6

Table A3.4
Washington Personal Income by Component (Billions of Dollars)
 Forecast 2008 to 2011

	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4
Personal Income	299.273	302.954	309.883	312.433	318.199	321.970	329.376	332.111
% Ch, Annual Rate	7.6	5.0	9.5	3.3	7.6	4.8	9.5	3.4
Total Wage and Salary Disbursements	167.754	169.097	173.668	173.924	177.396	178.803	183.707	183.971
% Ch, Annual Rate	8.4	3.2	11.3	0.6	8.2	3.2	11.4	0.6
Manufacturing	19.665	19.897	20.124	20.373	20.612	20.844	21.093	21.315
% Ch, Annual Rate	4.6	4.8	4.6	5.0	4.8	4.6	4.9	4.3
Durable Manufacturing	15.358	15.541	15.726	15.922	16.109	16.283	16.480	16.650
% Ch, Annual Rate	4.3	4.9	4.8	5.1	4.8	4.4	4.9	4.2
Non-durable Manufacturing	4.308	4.356	4.398	4.450	4.503	4.561	4.613	4.665
% Ch, Annual Rate	5.6	4.6	3.9	4.9	4.8	5.3	4.6	4.6
Nonmanufacturing	140.777	141.847	146.150	146.110	149.184	150.301	154.897	154.873
% Ch, Annual Rate	8.9	3.1	12.7	-0.1	8.7	3.0	12.8	-0.1
Other Private Wages	1.590	1.620	1.650	1.681	1.712	1.743	1.775	1.807
% Ch, Annual Rate	7.9	7.8	7.6	7.5	7.7	7.5	7.6	7.3
Farm Wages	1.329	1.348	1.368	1.387	1.408	1.428	1.449	1.469
% Ch, Annual Rate	6.0	6.0	5.9	5.8	6.0	5.8	6.0	5.8
Military Wages	4.393	4.384	4.376	4.373	4.479	4.486	4.493	4.506
% Ch, Annual Rate	10.1	-0.8	-0.8	-0.2	10.1	0.6	0.6	1.1
Nonwage Personal Income	131.519	133.857	136.215	138.510	140.803	143.167	145.668	148.141
% Ch, Annual Rate	6.7	7.3	7.2	6.9	6.8	6.9	7.2	7.0
Supplements to Wages and Salaries	40.863	41.301	41.836	42.312	42.986	43.510	44.073	44.602
% Ch, Annual Rate	7.2	4.4	5.3	4.6	6.5	5.0	5.3	4.9
Proprietor's Income	22.744	23.080	23.348	23.622	24.006	24.433	24.852	25.246
% Ch, Annual Rate	5.4	6.0	4.7	4.8	6.7	7.3	7.0	6.5
Farm	0.530	0.537	0.539	0.543	0.550	0.560	0.570	0.577
% Ch, Annual Rate	10.1	5.1	1.6	2.9	5.4	7.6	7.7	5.1
Nonfarm	22.214	22.543	22.810	23.079	23.456	23.873	24.282	24.668
% Ch, Annual Rate	5.3	6.1	4.8	4.8	6.7	7.3	7.0	6.5
Less: Contribution For Govt. Soc. Ins.	28.171	28.393	28.702	29.058	29.774	30.128	30.408	30.715
% Ch, Annual Rate	11.6	3.2	4.4	5.1	10.2	4.8	3.8	4.1
Plus: Residence Adjustment	3.279	3.323	3.372	3.425	3.480	3.539	3.601	3.663
% Ch, Annual Rate	4.8	5.4	6.1	6.3	6.7	6.9	7.2	7.1
Dividends/Int./Rent	51.570	52.744	53.966	55.222	56.307	57.433	58.558	59.742
% Ch, Annual Rate	8.6	9.4	9.6	9.6	8.1	8.2	8.1	8.3
Transfer Payments	41.233	41.801	42.394	42.986	43.798	44.379	44.993	45.601
% Ch, Annual Rate	7.9	5.6	5.8	5.7	7.8	5.4	5.6	5.5
State U.I. Benefits	1.127	1.152	1.176	1.195	1.214	1.193	1.169	1.138
% Ch, Annual Rate	12.5	9.1	8.5	6.8	6.3	-6.6	-7.8	-10.3
Other Transfers	40.105	40.649	41.218	41.791	42.583	43.186	43.823	44.464
% Ch, Annual Rate	7.8	5.5	5.7	5.7	7.8	5.8	6.0	6.0

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
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	1.056	2.0	1.840	2.3	1.924	1.6
2004	1.084	2.6	1.889	2.7	1.947	1.2
2005	1.116	2.9	1.953	3.4	2.002	2.8
2006	1.147	2.8	2.016	3.2	2.076	3.7
2007	1.176	2.5	2.073	2.9	2.157	3.9
Forecast						
2008	1.221	3.8	2.173	4.8	2.259	4.7
2009	1.250	2.4	2.223	2.3	2.324	2.9
2010	1.270	1.6	2.252	1.3	2.371	2.0
2011	1.291	1.7	2.290	1.7	2.419	2.0

* 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
1971	22.340	5.5	27.384	3.1	14.418	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	82.043	-1.2	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	-3.2	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	91.688	-9.9	90.433	-6.1
2003	109.379	3.2	106.986	1.9	109.653	19.6	105.213	16.3
2004	112.929	3.2	110.269	3.1	125.389	14.4	123.991	17.8
2005	116.726	3.4	112.749	2.2	159.612	27.3	150.842	21.7
2006	120.725	3.4	115.340	2.3	180.349	13.0	170.501	13.0
2007	124.556	3.2	119.642	3.7	192.617	6.8	185.455	8.8
Forecast								
2008	128.567	3.2	125.681	5.0	254.192	32.0	240.847	29.9
2009	132.240	2.9	130.297	3.7	240.482	-5.4	234.751	-2.5
2010	135.370	2.4	132.266	1.5	231.011	-3.9	218.193	-7.1
2011	138.515	2.3	134.538	1.7	227.493	-1.5	211.845	-2.9

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	22.3
2004	6167.8	69.5	1.1	81.0	46.0	34.6
2005	6256.4	88.6	1.4	81.8	45.6	52.4
2006	6375.6	119.2	1.9	83.2	45.3	81.3
2007	6488.0	112.4	1.8	88.0	46.1	70.4
Forecast						
2008	6599.2	111.2	1.7	89.7	49.0	70.5
2009	6706.9	107.7	1.6	90.8	49.8	66.7
2010	6811.2	104.2	1.6	91.9	50.5	62.9
2011	6912.0	100.8	1.5	93.0	51.3	59.2

* As of April 1 of Each Year

Source: Office of Financial Management

Table A5.2
Washington Population*
 (Thousands)

	Actual		2008	Forecast		
	2006	2007		2009	2010	2011
Total Population	6375.6	6488.0	6599.2	6706.9	6811.2	6912.0
Percent Change	1.9	1.8	1.7	1.6	1.6	1.5
Age 17 and Under	1549.0	1566.4	1581.1	1595.0	1608.8	1623.4
Percent of Total	24.3	24.1	24.0	23.8	23.6	23.5
Age 6-18	1142.9	1151.8	1158.6	1160.9	1164.2	1167.7
Percent of Total	17.9	17.8	17.6	17.3	17.1	16.9
Age 18 and Over	4826.6	4921.6	5018.1	5112.0	5202.4	5288.6
Percent of Total	75.7	75.9	76.0	76.2	76.4	76.5
Age 21 and Over	4552.8	4644.9	4733.6	4821.5	4907.6	4994.8
Percent of Total	71.4	71.6	71.7	71.9	72.1	72.3
Age 20-34	1309.0	1335.5	1369.5	1404.8	1437.9	1471.7
Percent of Total	20.5	20.6	20.8	20.9	21.1	21.3
Age 18-64	4099.4	4174.7	4246.3	4314.5	4379.0	4441.0
Percent of Total	64.3	64.3	64.3	64.3	64.3	64.3
Age 65 and Over	727.3	746.9	771.8	797.5	823.3	847.6
Percent of Total	11.4	11.5	11.7	11.9	12.1	12.3

* 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 2007-2009 biennium started July 1, 2007 and ends June 30, 2009.

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.