

# Washington Economic Outlook

Presented to  
Pacific Northwest Regional Economic Conference

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Executive Director

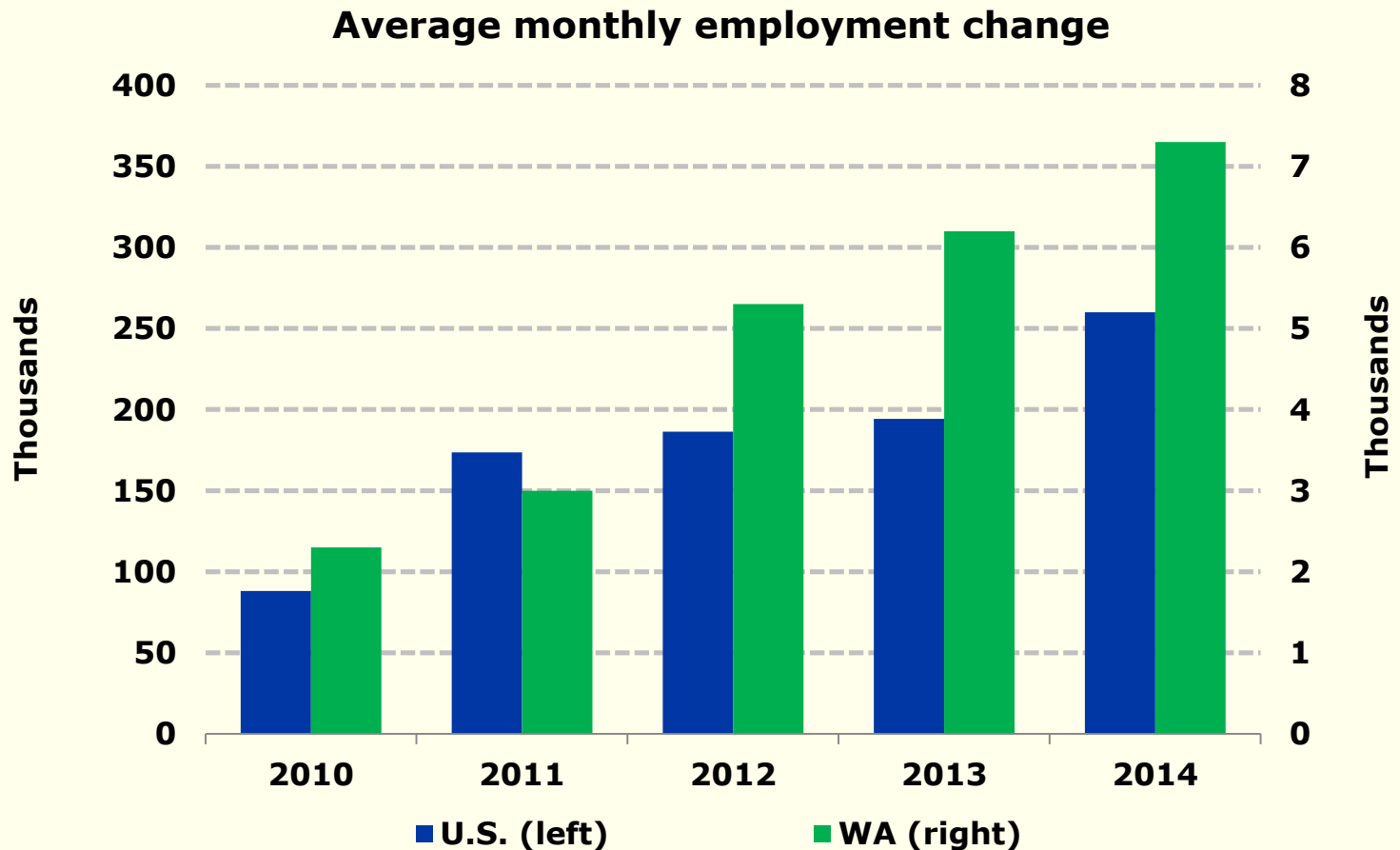
April 24, 2015  
Bellingham, WA



**WASHINGTON STATE  
ECONOMIC AND REVENUE FORECAST COUNCIL**



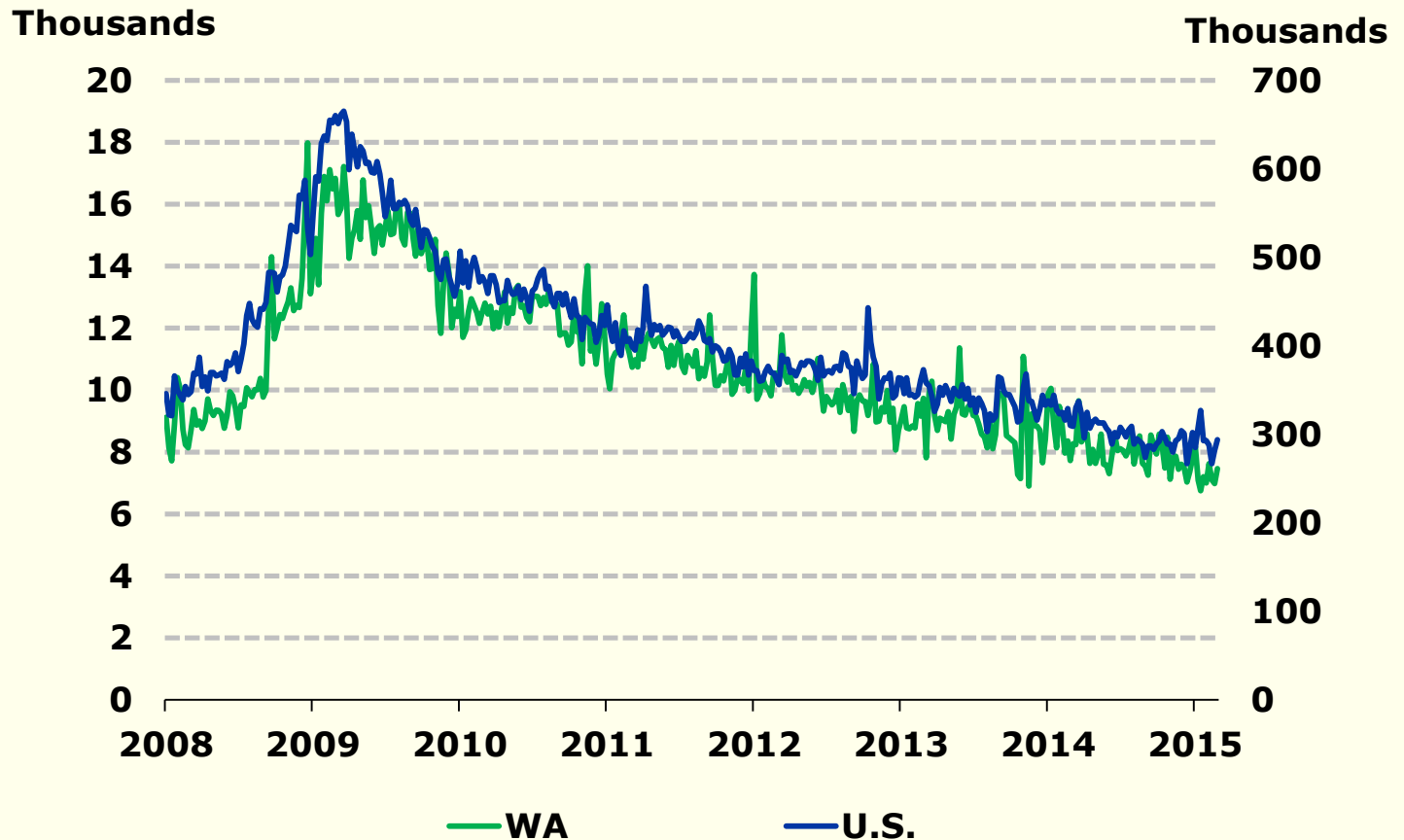
# Job creation continues to strengthen nationally and in Washington



Source: Bureau of Labor Statistics, ERFC; data through December 2014



# Trend of Washington initial UI claims similar to U.S.



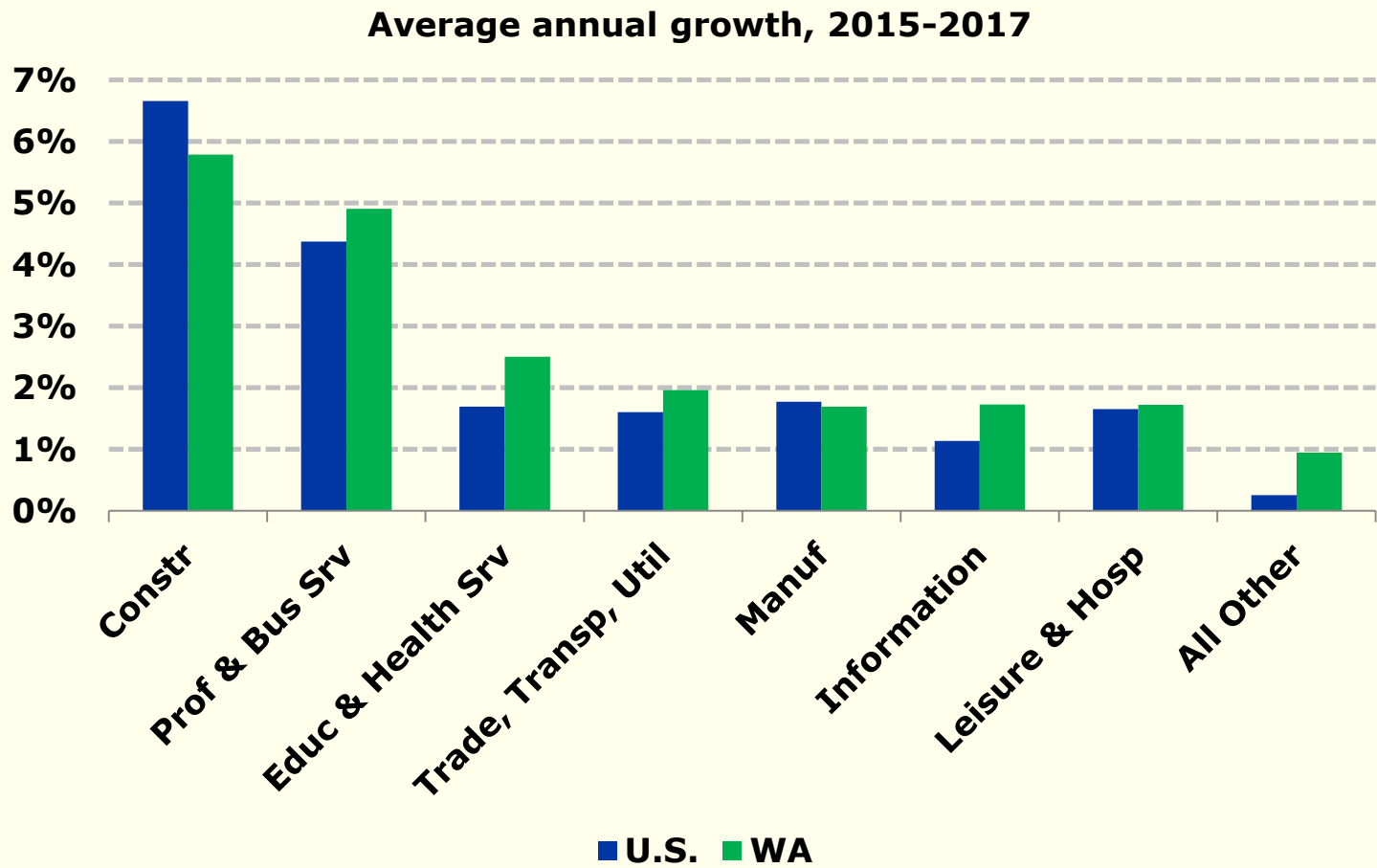
Source: BLS, WA Employment Security Dept., data through Apr. 11 2015



# Washington employment will grow slightly faster than the U.S. over the next few years

Avg. total nonfarm growth, 2015-17:

U.S. = 1.9%  
WA = 2.3%



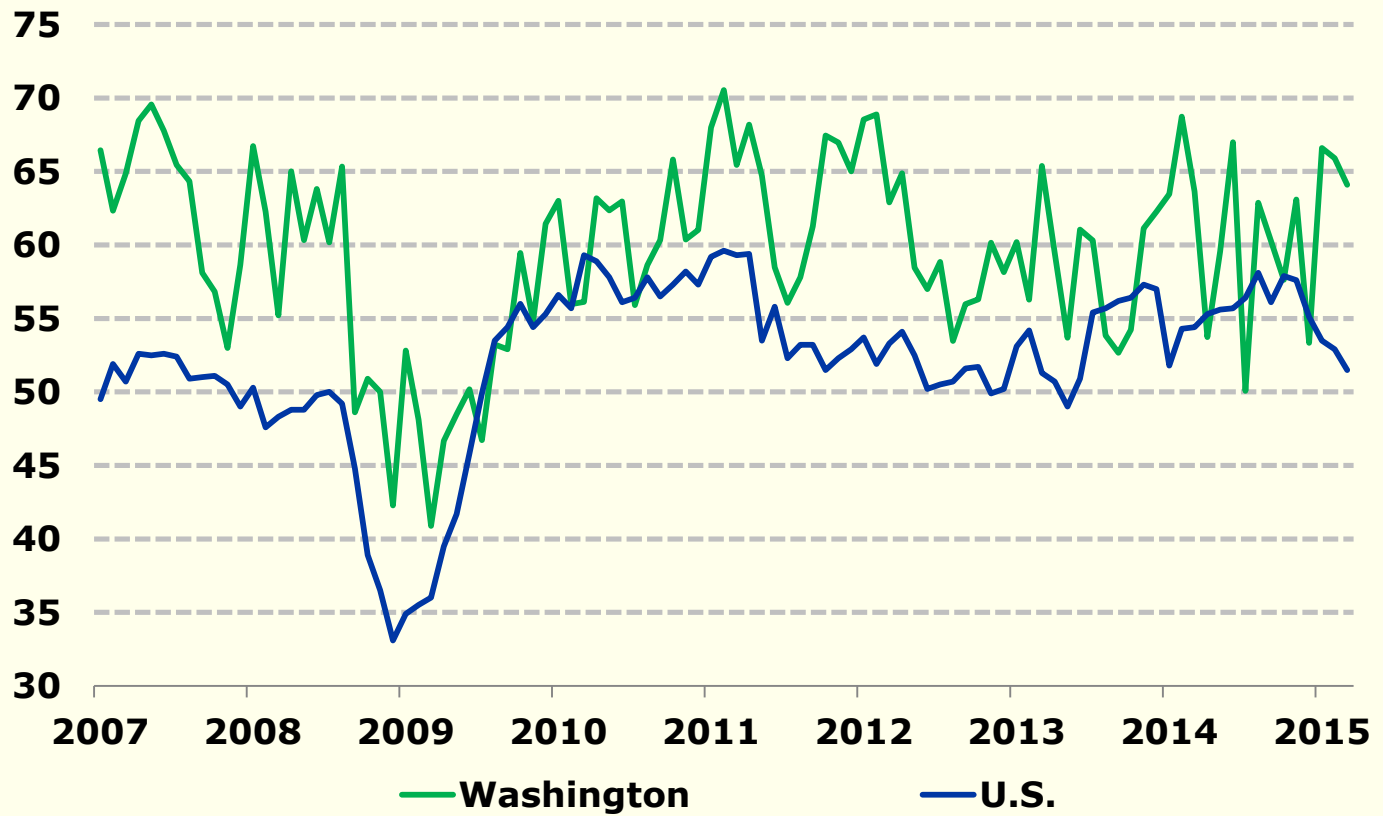
Source: ERFC Feb. 2015 forecast



# Manufacturing activity has been stronger in WA than the nation as a whole

An index greater than 50, implies growth

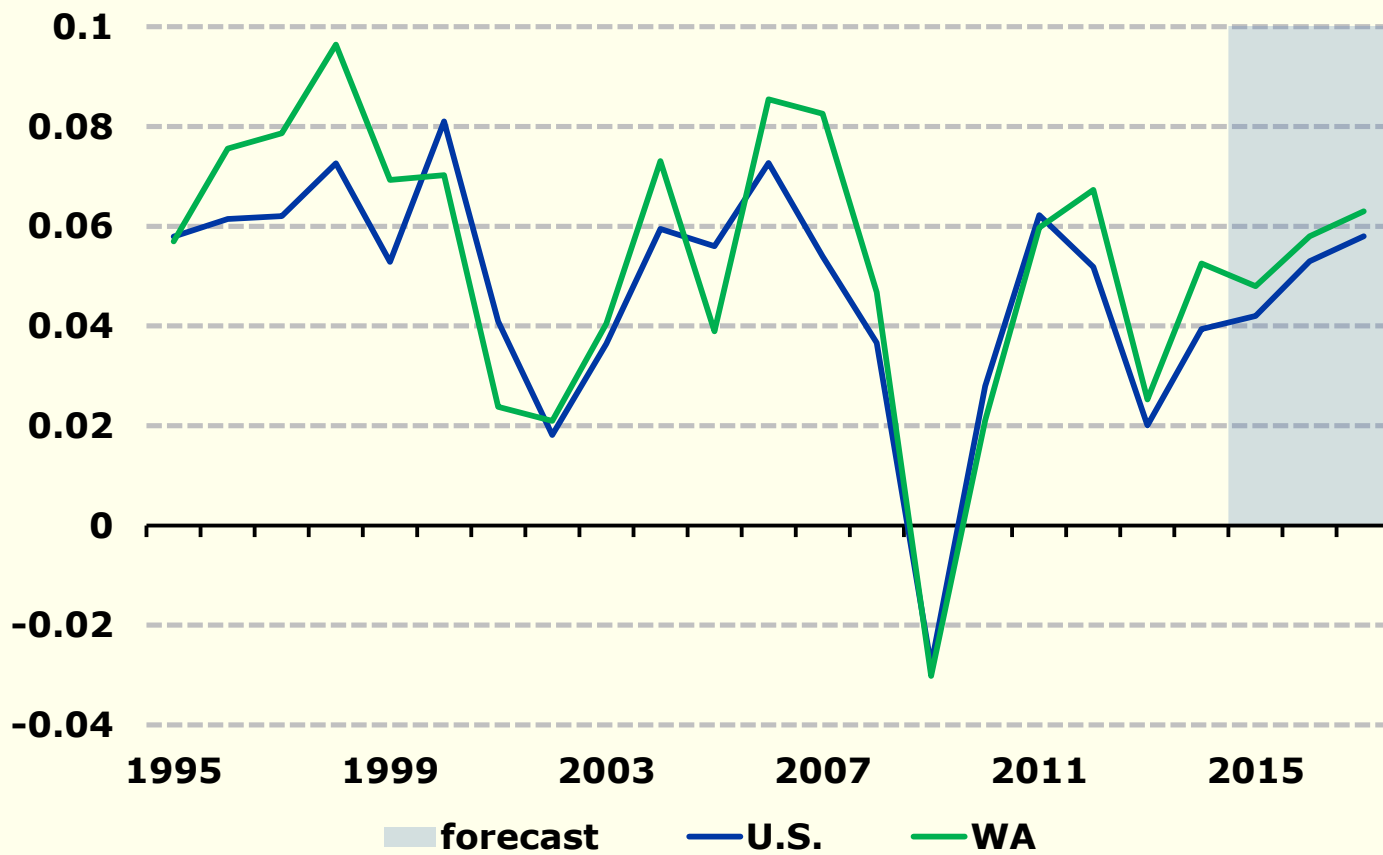
### Institute of Supply Management Index



Source: Institute of Supply Management; data through March 2015



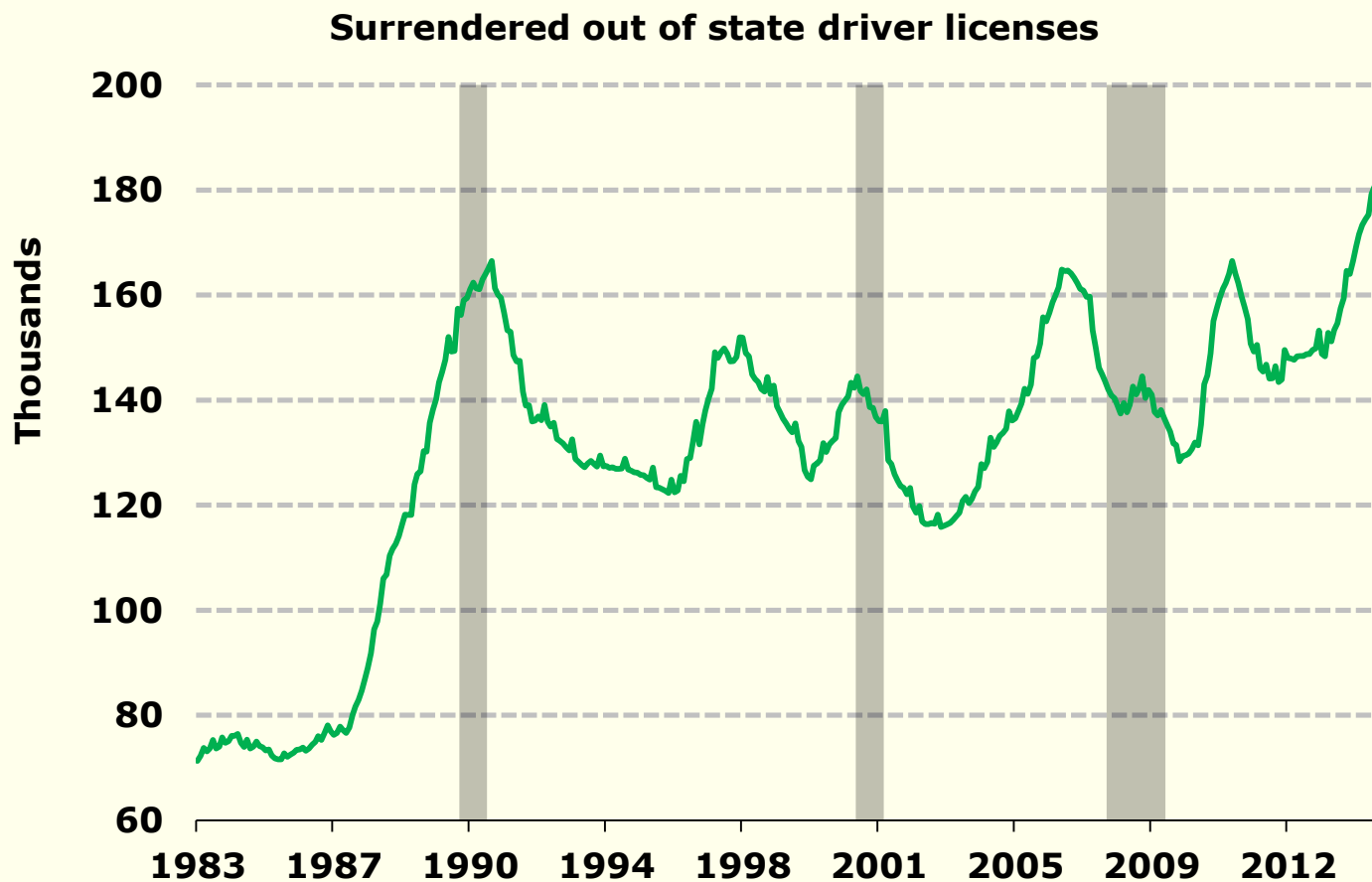
# Personal income will grow slightly faster in WA than in US



Source: BEA, ERFC Feb. 2015 forecast



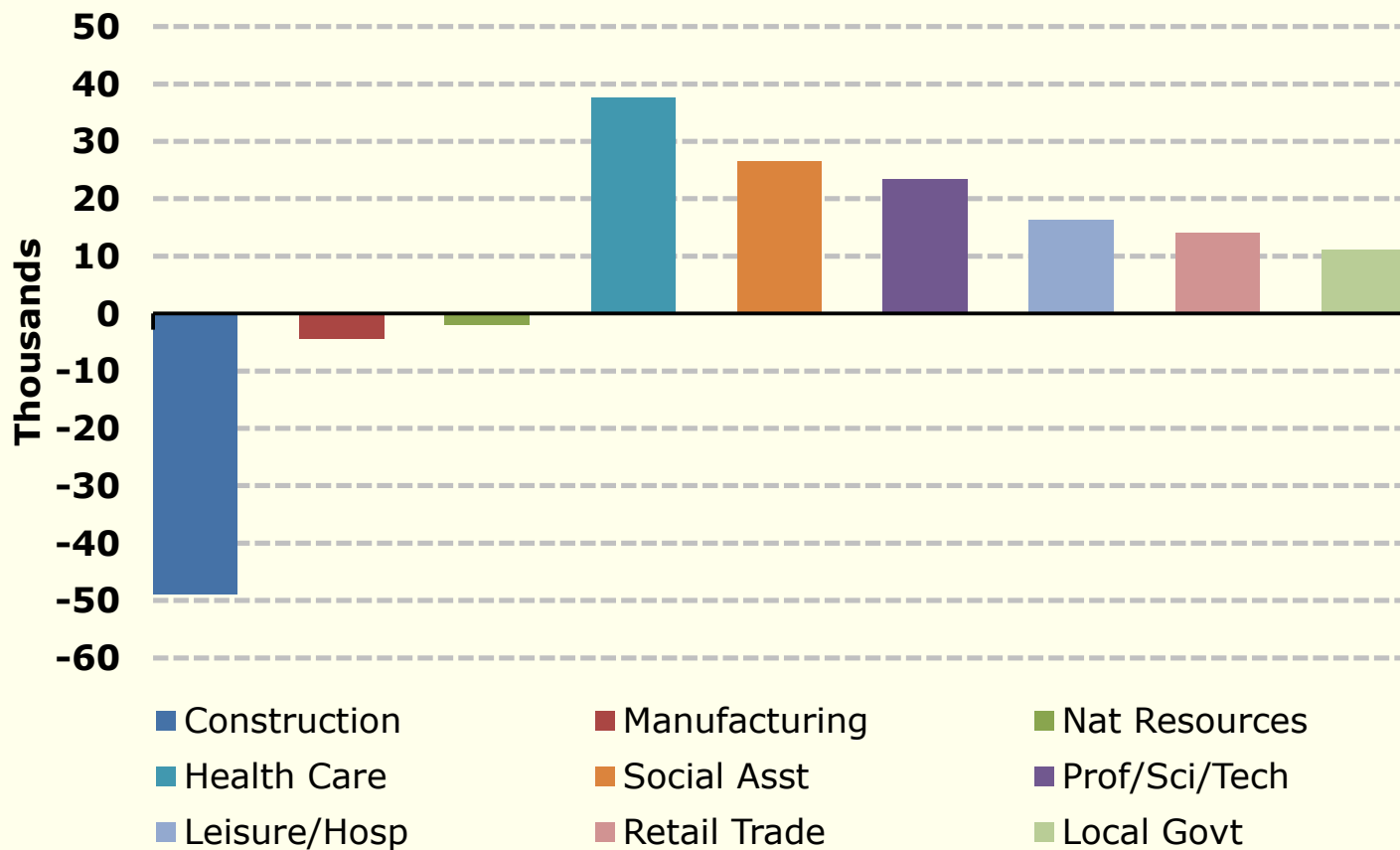
# WA in-migration above previous peak



Source: WA Dept. of Licensing, ERFC; data through March 2015



# Change in WA employment by industry, 2007 to 2014

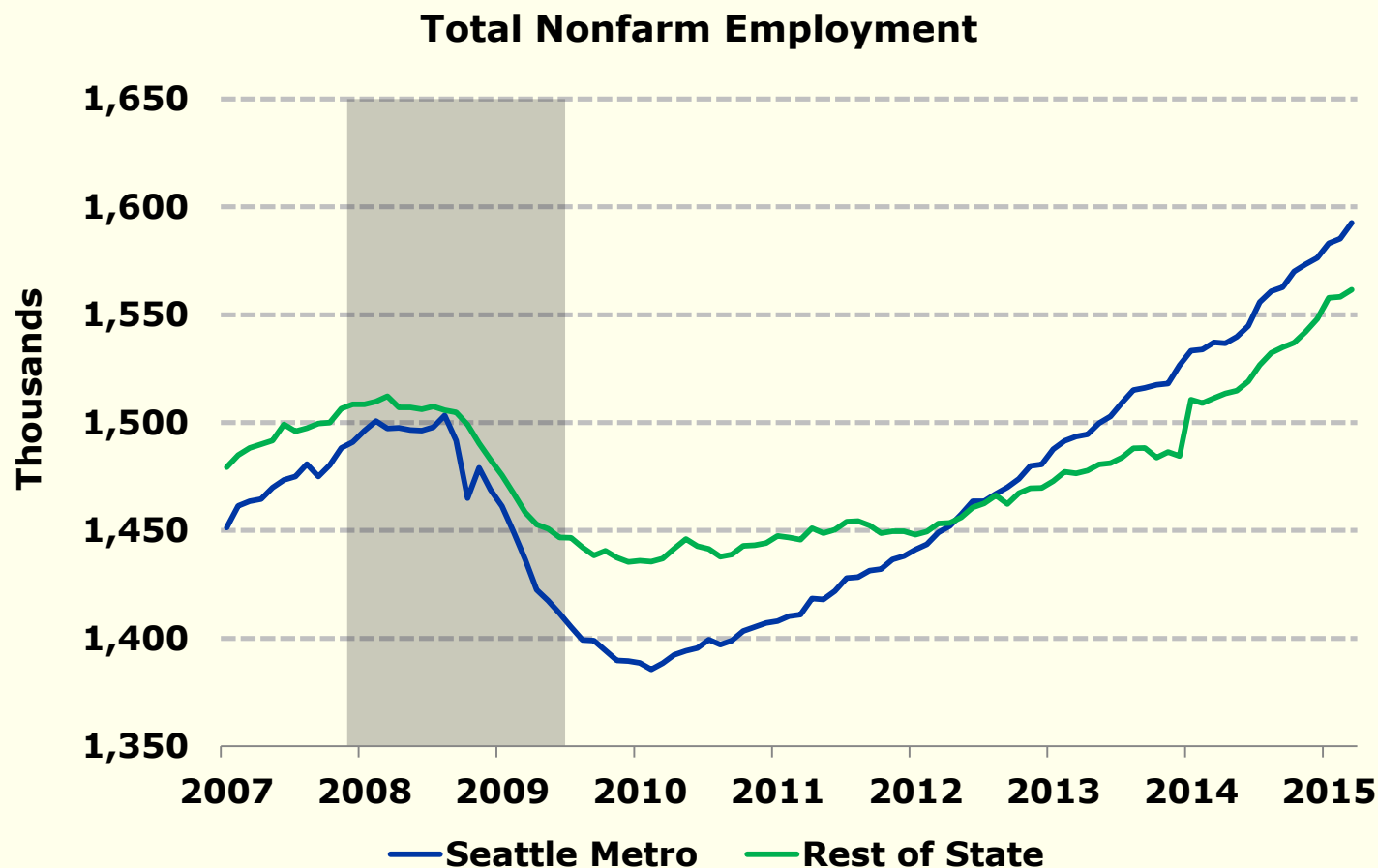


Source: Employment Security Dept, ERFC; data through 2014





# Seattle area employment is growing much faster than the rest of the state

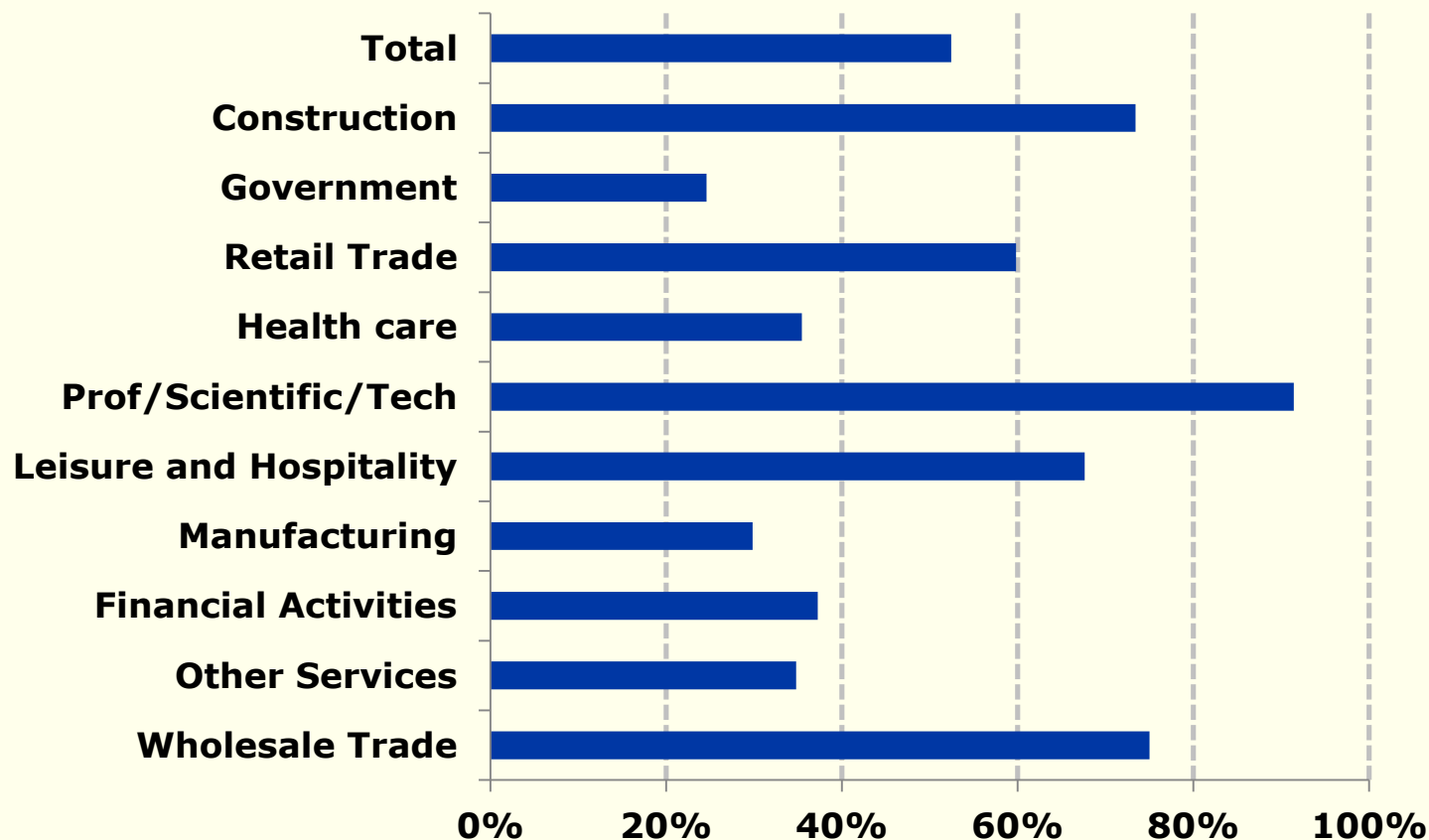




# Seattle metro area accounted for over 52% of state employment gains for year ending March 2015

Seattle metro area is 40% of the state's population

**Seattle metro share of state employment**

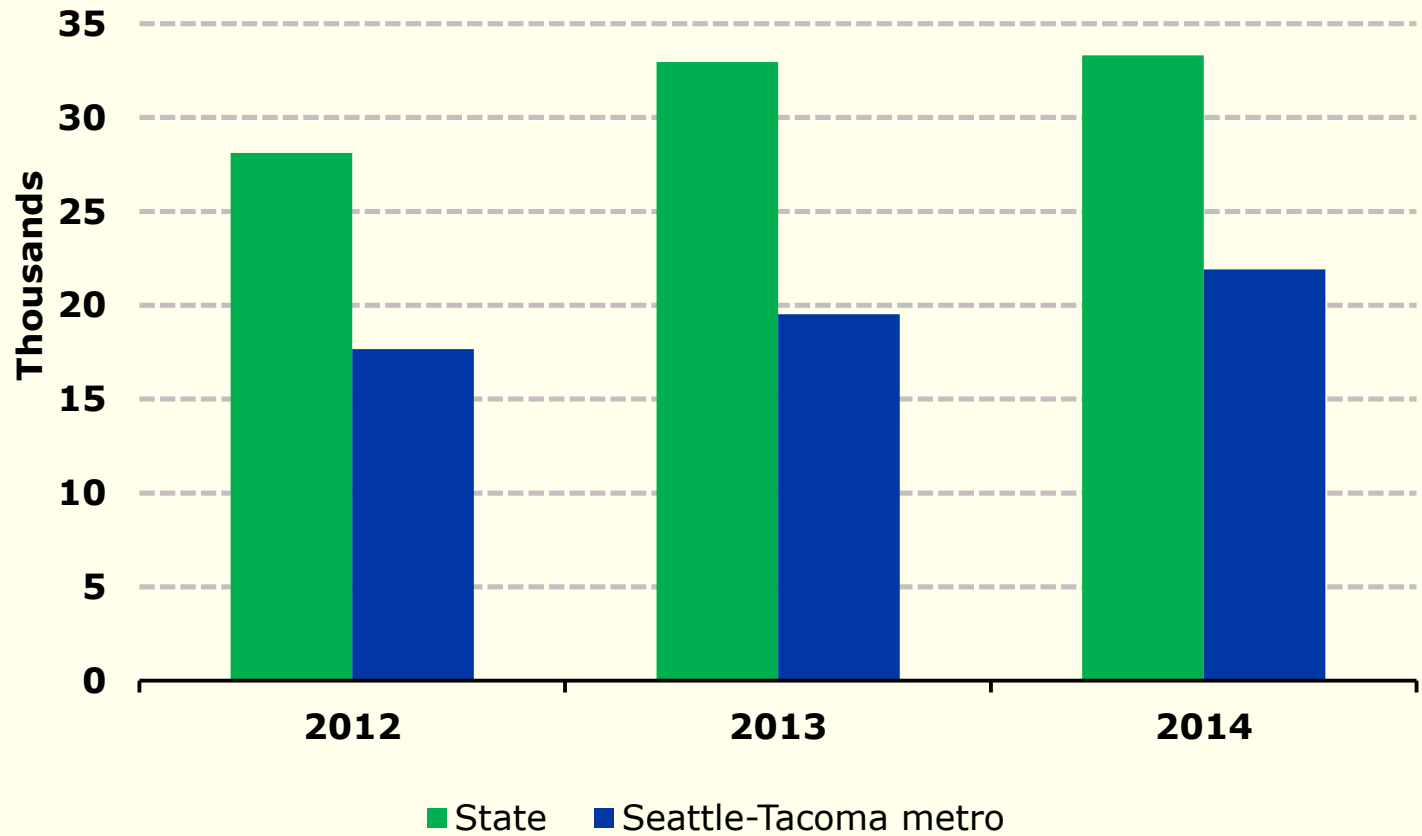


Sources: WA State Employment Security Dept, U.S. Census Bureau



# Seattle-Tacoma metro area has accounted for about 60% of state of residential building permits 2012-14

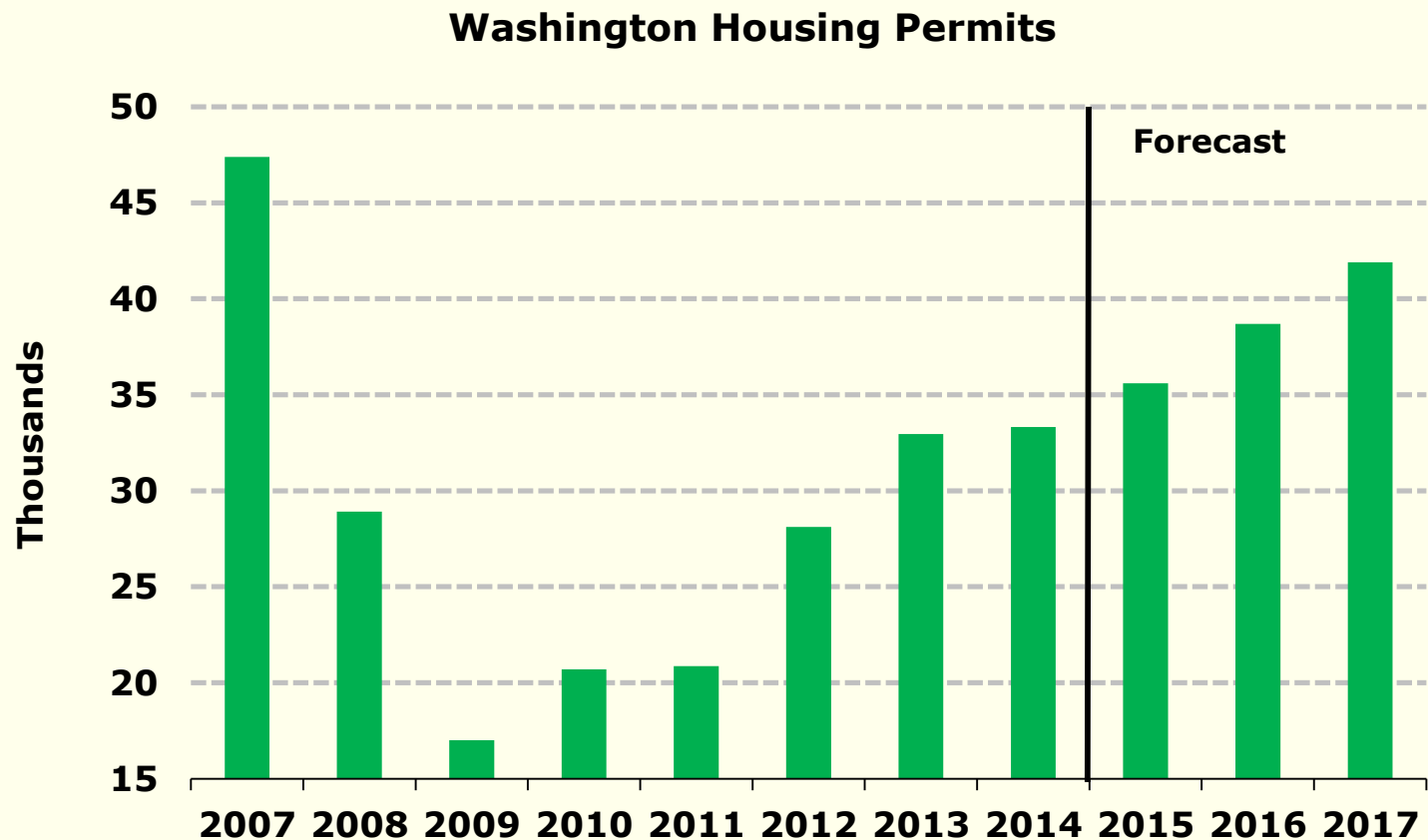
Seattle-Tacoma metro area is 52% of the state's population



Source: U.S. Census Bureau, data through 2014



# Growth in Washington residential construction activity is expected through 2017



Source: ERFC February 2015 forecast; historical data through 2014



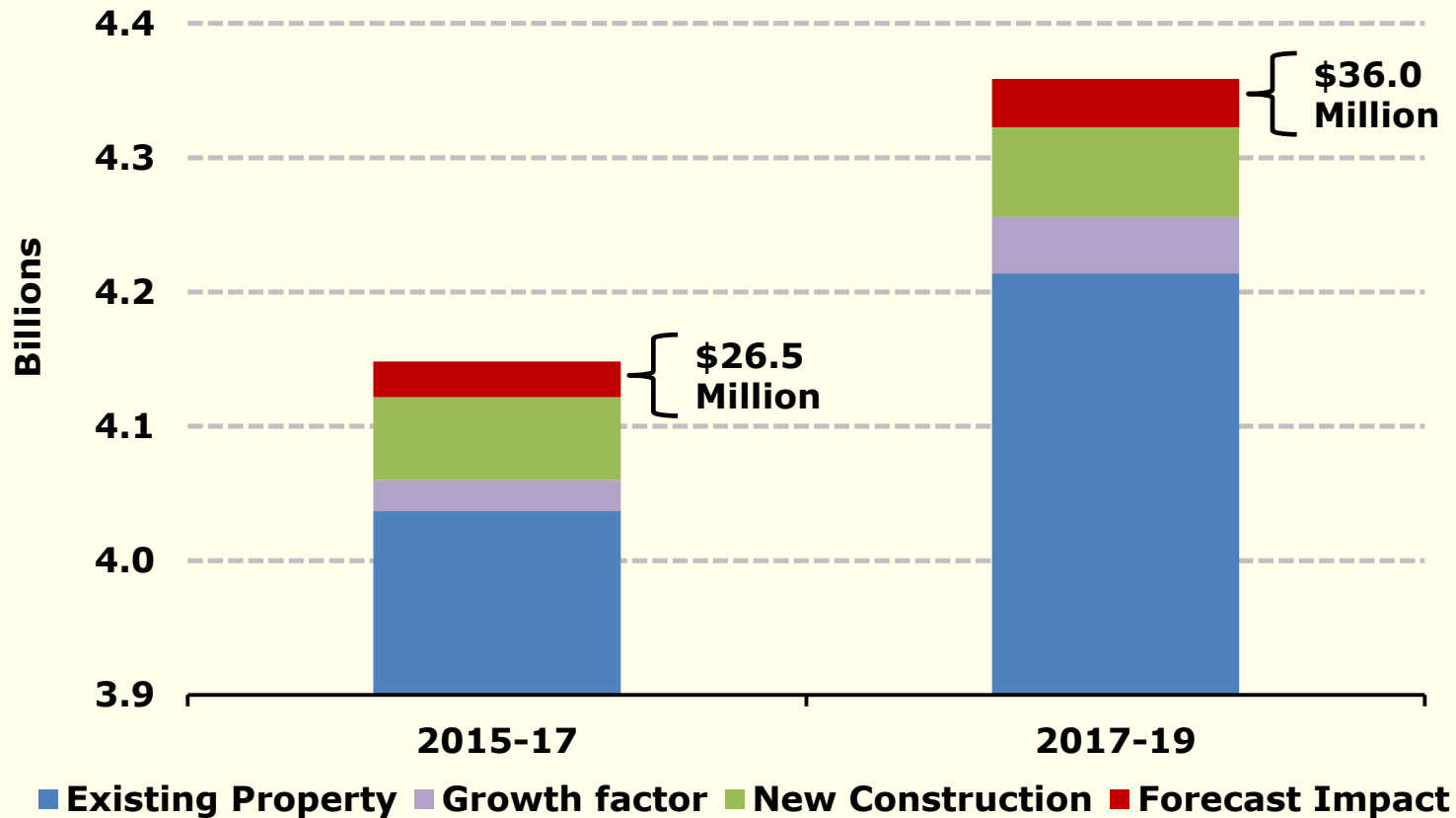
# Property tax growth limited to lesser of inflation or 1%

Property tax growth factor for 2015 = 0.1%;

Forecast impact =

2015-17: -\$26.5 M

2017-19: -\$36.0 M

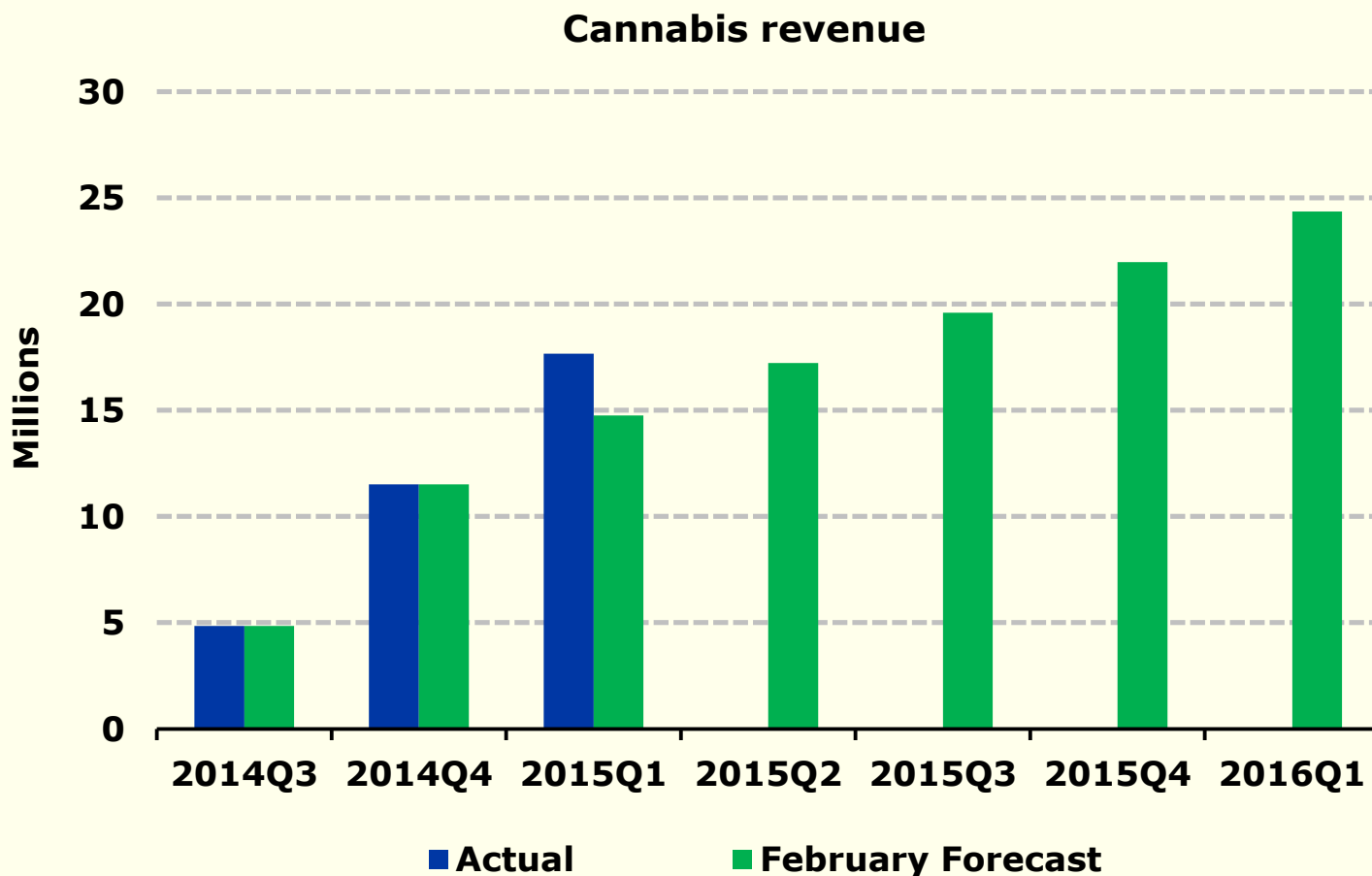


Source: DOR, ERFC February 2015 forecast; historical data through January 2015



# Cannabis revenue is above forecast, but still needs to pick up

Total cannabis revenue, 2015-17 biennium: \$221.6 million

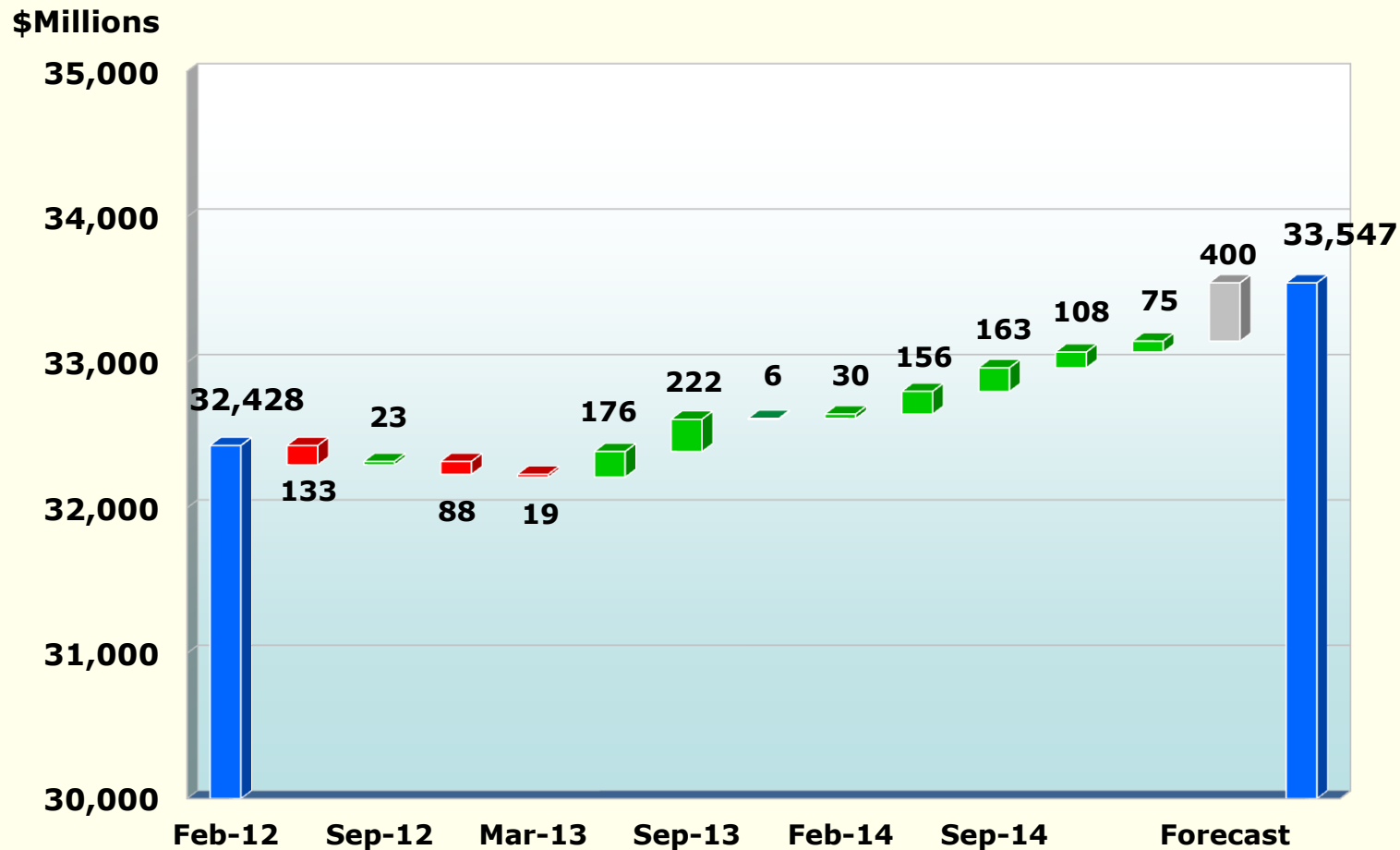


Source: LCB, ERFC February 2015 forecast; historical data through 2015 Q1

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# GF-S forecast revisions to the 2013-15 biennium



Source: ERFC February 2012 – February 2015 forecasts  
Gray area indicates total noneconomic change



# Questions



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