

Washington Economic Outlook

Presented to
Northwest Energy Efficiency Council

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**WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL**



Forecast overview

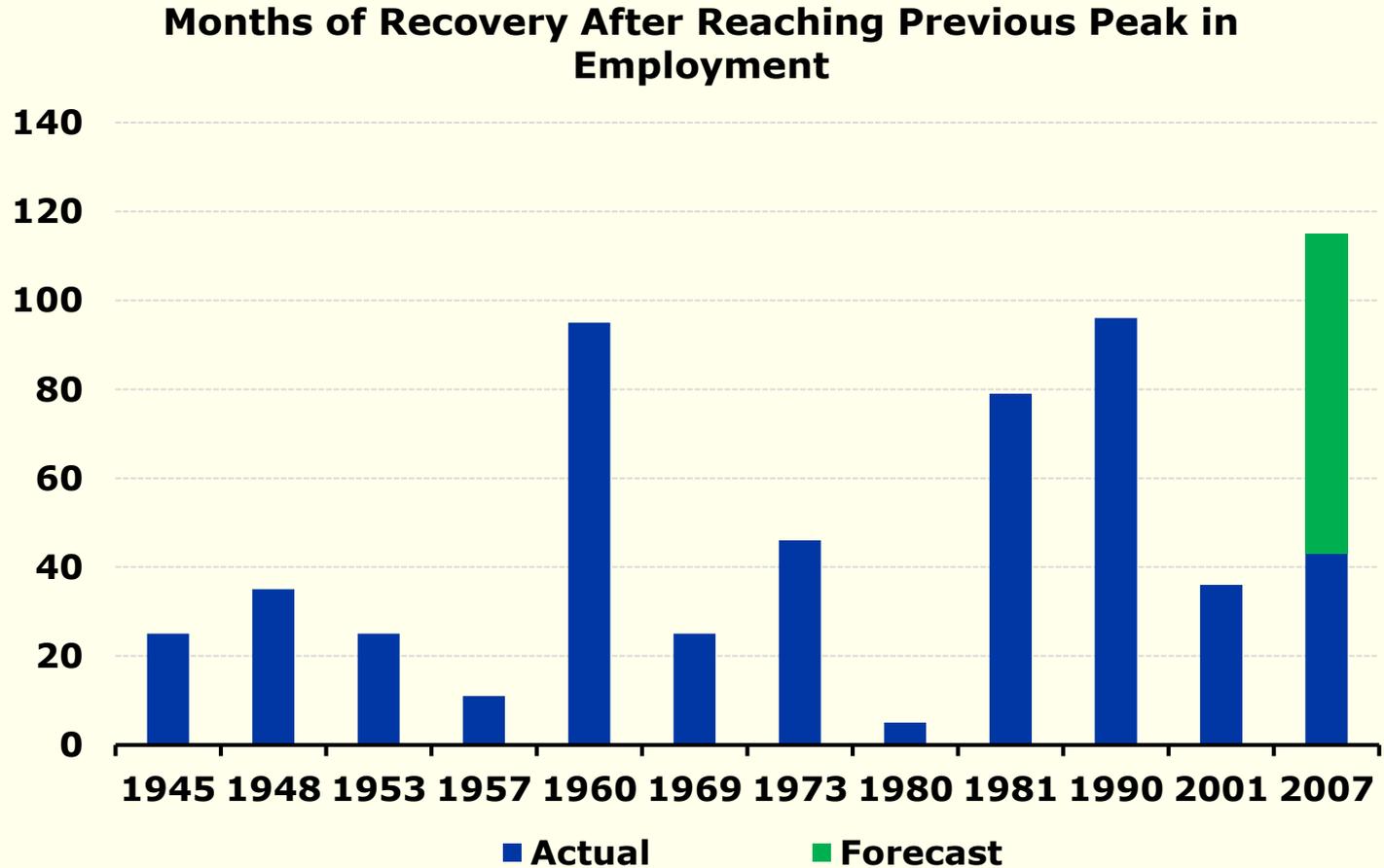
- Washington's economy has been outperforming the U.S. and is expected to continue doing so
- We are not calling for a recession in our baseline forecast but there are downside risks, such as:
 - Impact of international trade policies
 - Impact of stock market volatility on household consumption
 - Federal Reserve raises interest rates too quickly or too much



This recovery is forecasted to be the longest on record

In February, Governor's Council of Economic Advisors were asked the probability of recession by 2023.

Average probability of those who responded = 88%

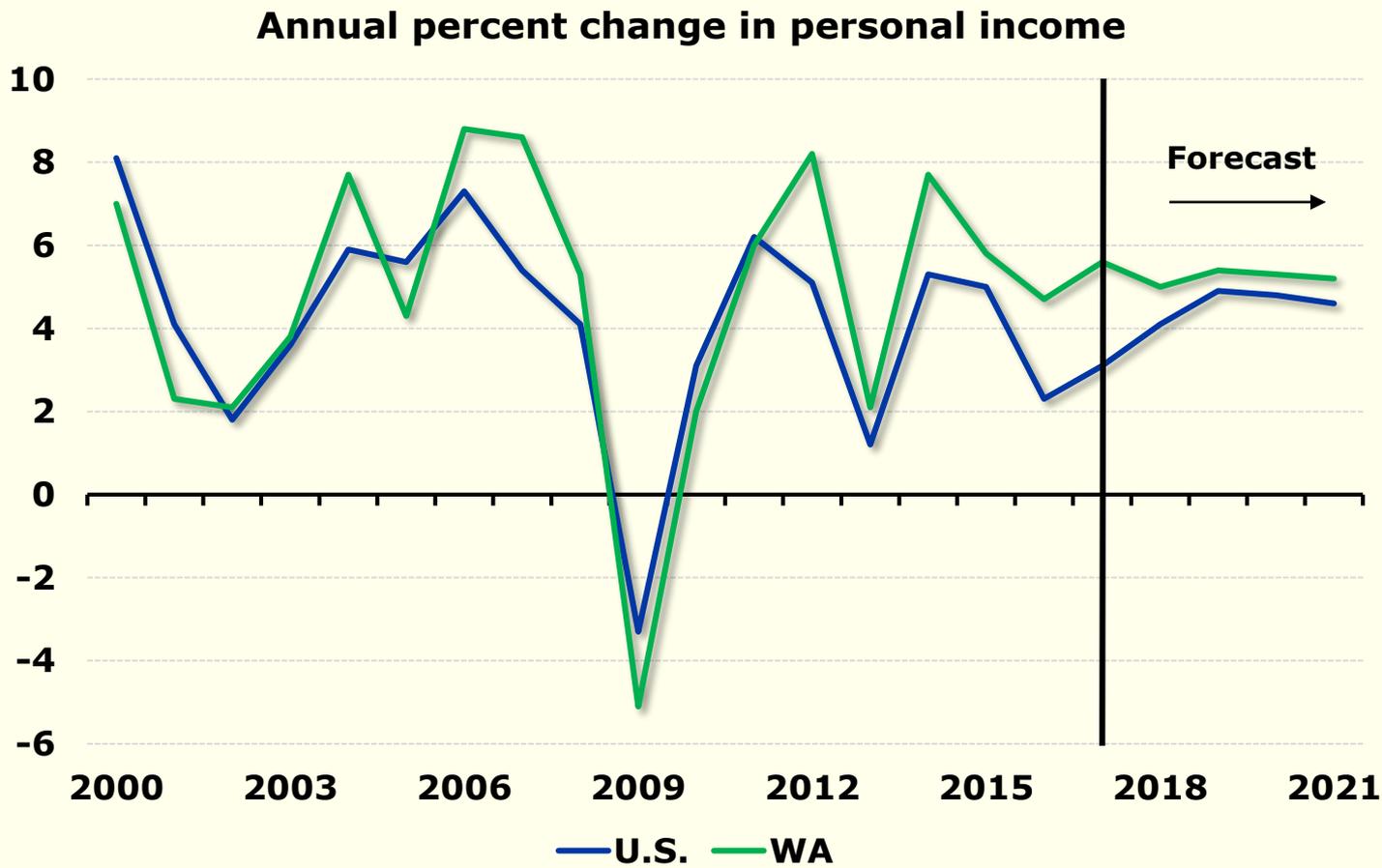


Source: BLS; ERFC February 2018 forecast

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Since 2011, personal income has grown faster in WA than nationally



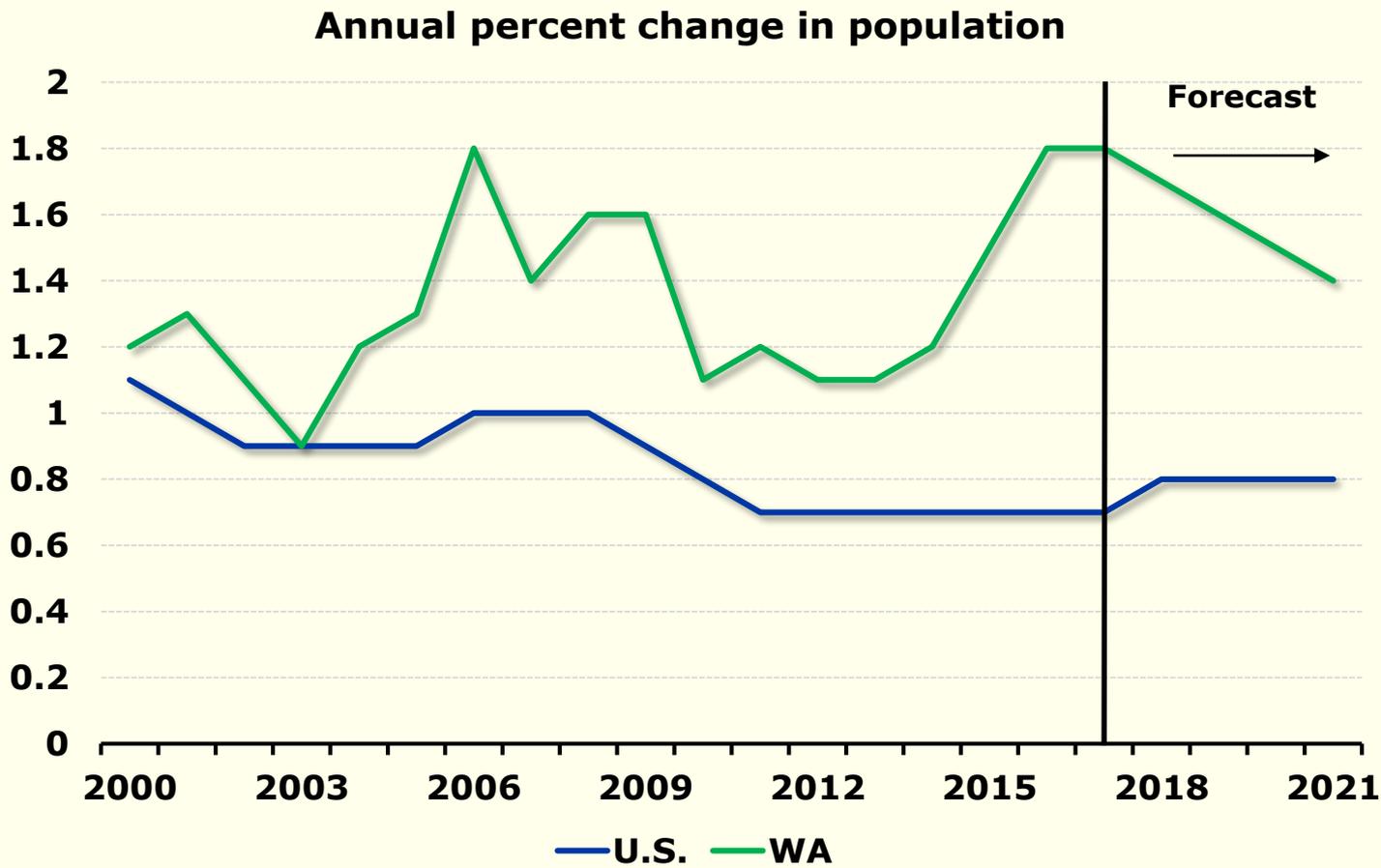
Source: U.S. Bureau of Economic Analysis, ERFC Feb. 2018 forecast

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WA population consistently grows faster than U.S. as a whole

Washington's population has grown from 5.9 million in 2000 to an expected 7.9 million in 2021



Source: U.S. Bureau of Economic Analysis, ERFC Feb. 2018 forecast

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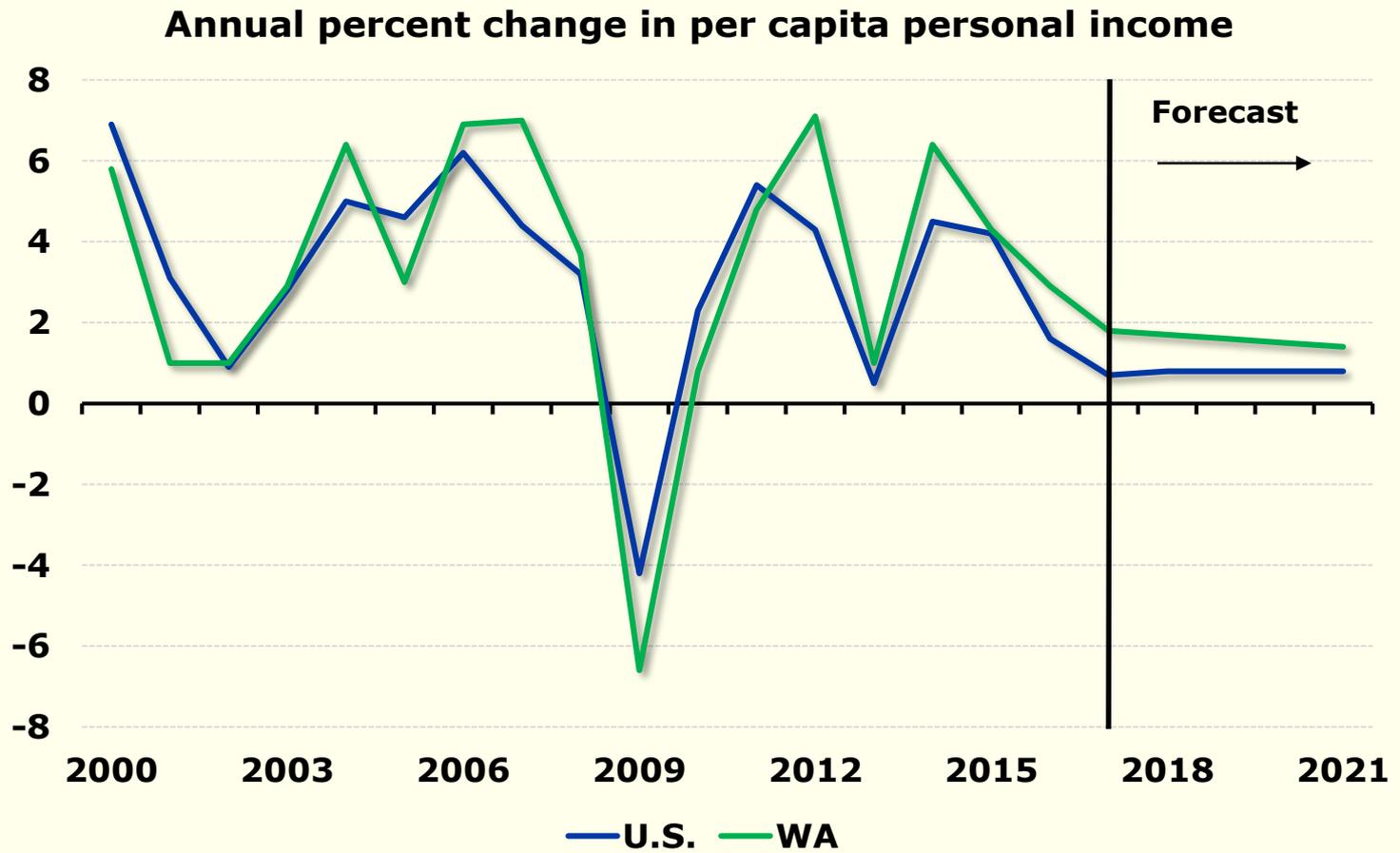


On a per capita basis, WA personal income has grown as fast or faster than U.S. as a whole

Per capita personal income, 2016

U.S.:
\$49,246

WA:
\$54,579

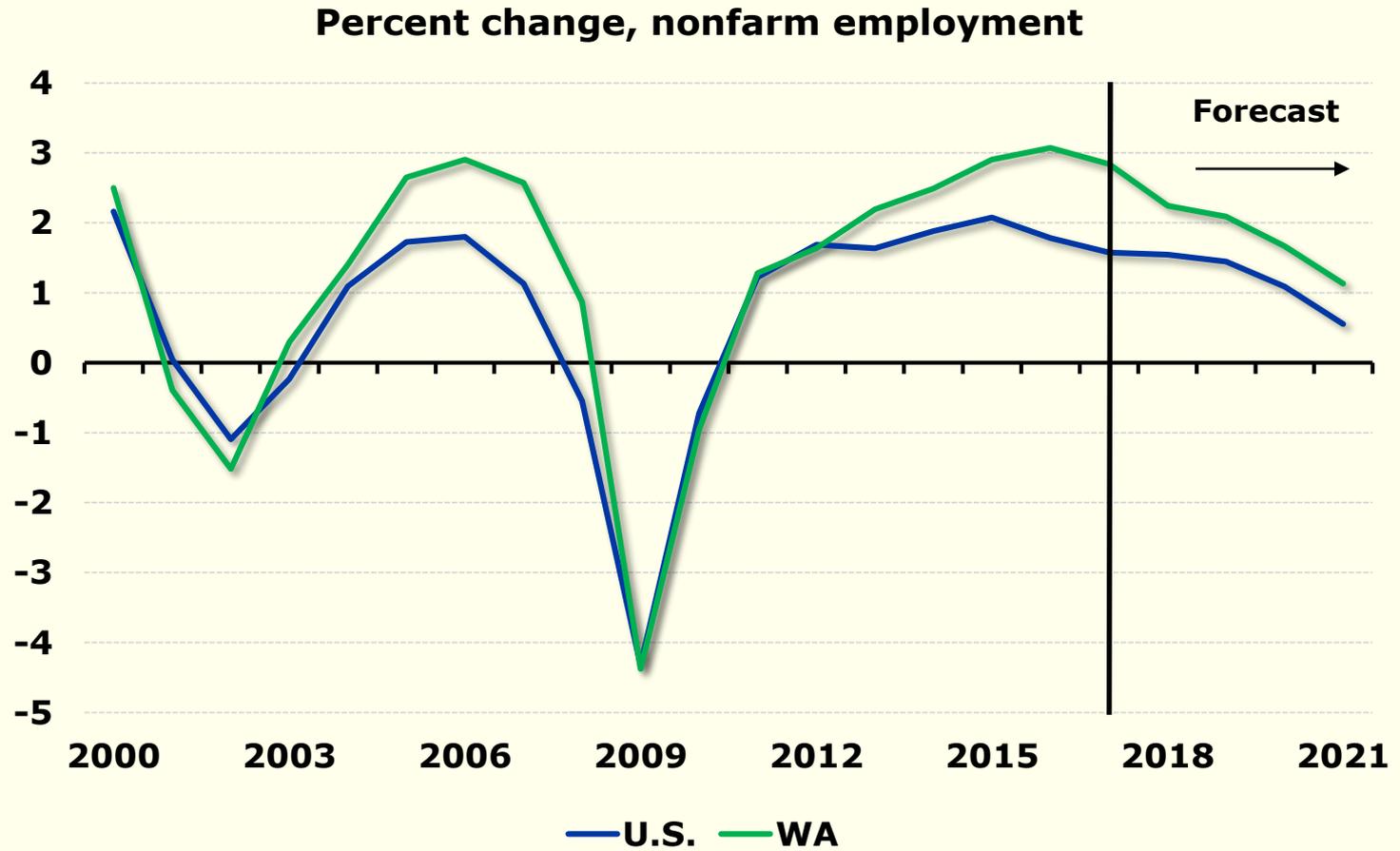


Source: U.S. Bureau of Economic Analysis, ERFC Feb. 2018 forecast

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WA employment growth is expected to remain faster than the U.S.



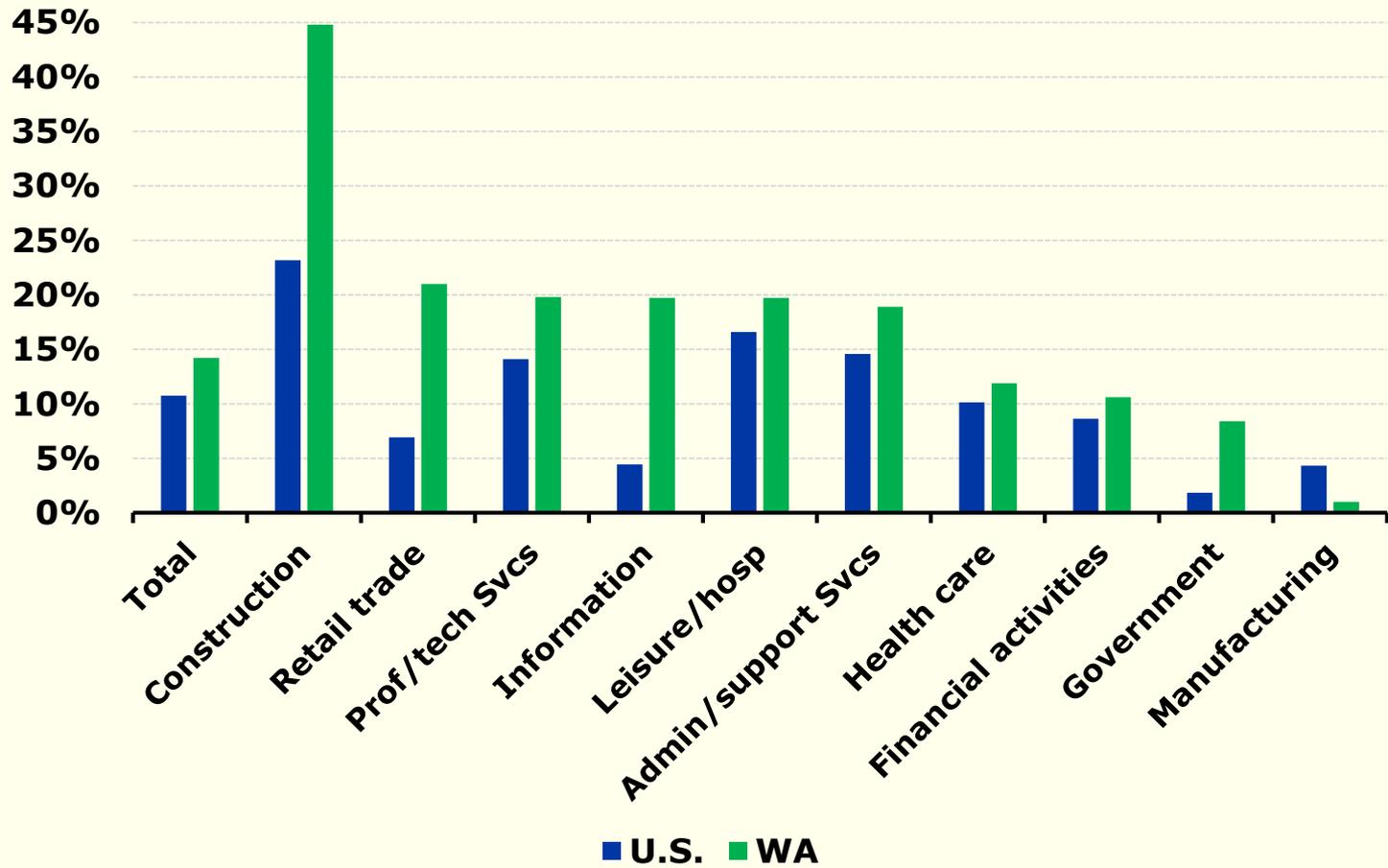


U.S. and WA: percentage change in employment by sector, 2012-2017

2012 - 2017
employment
change:

U.S.:
+12.1 M
jobs

WA:
+416,000
jobs



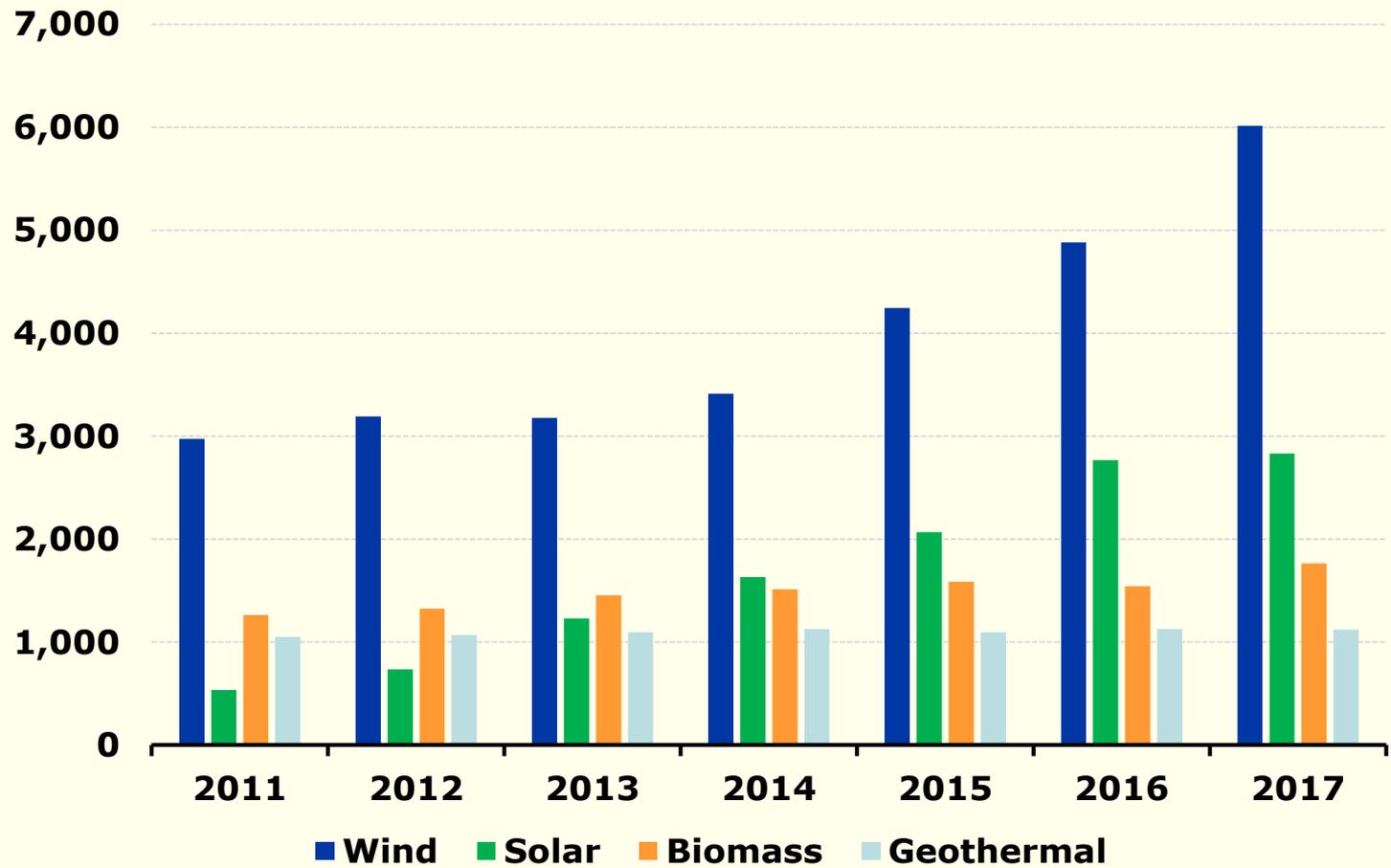
Source: BLS, WA Employment Security Dept., ERFC

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Renewable energy employment, U.S.

In 2017, WA had 61 employees in wind electric power; data from other renewable sectors were not disclosable

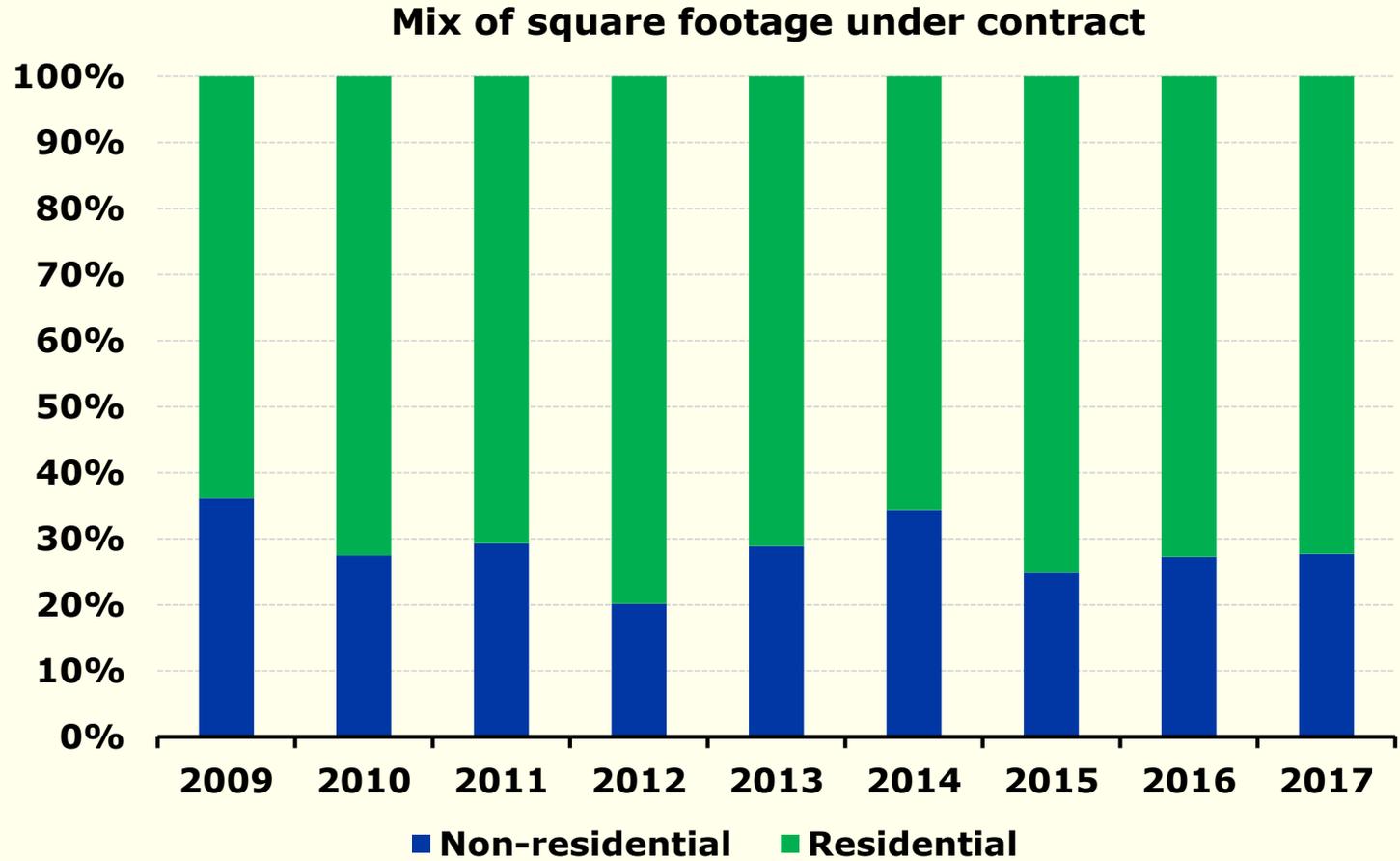


Source: U.S Bureau of Labor Statistics; 2017 data through September

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Non-residential construction has accounted for 28% of WA building square footage since 2009

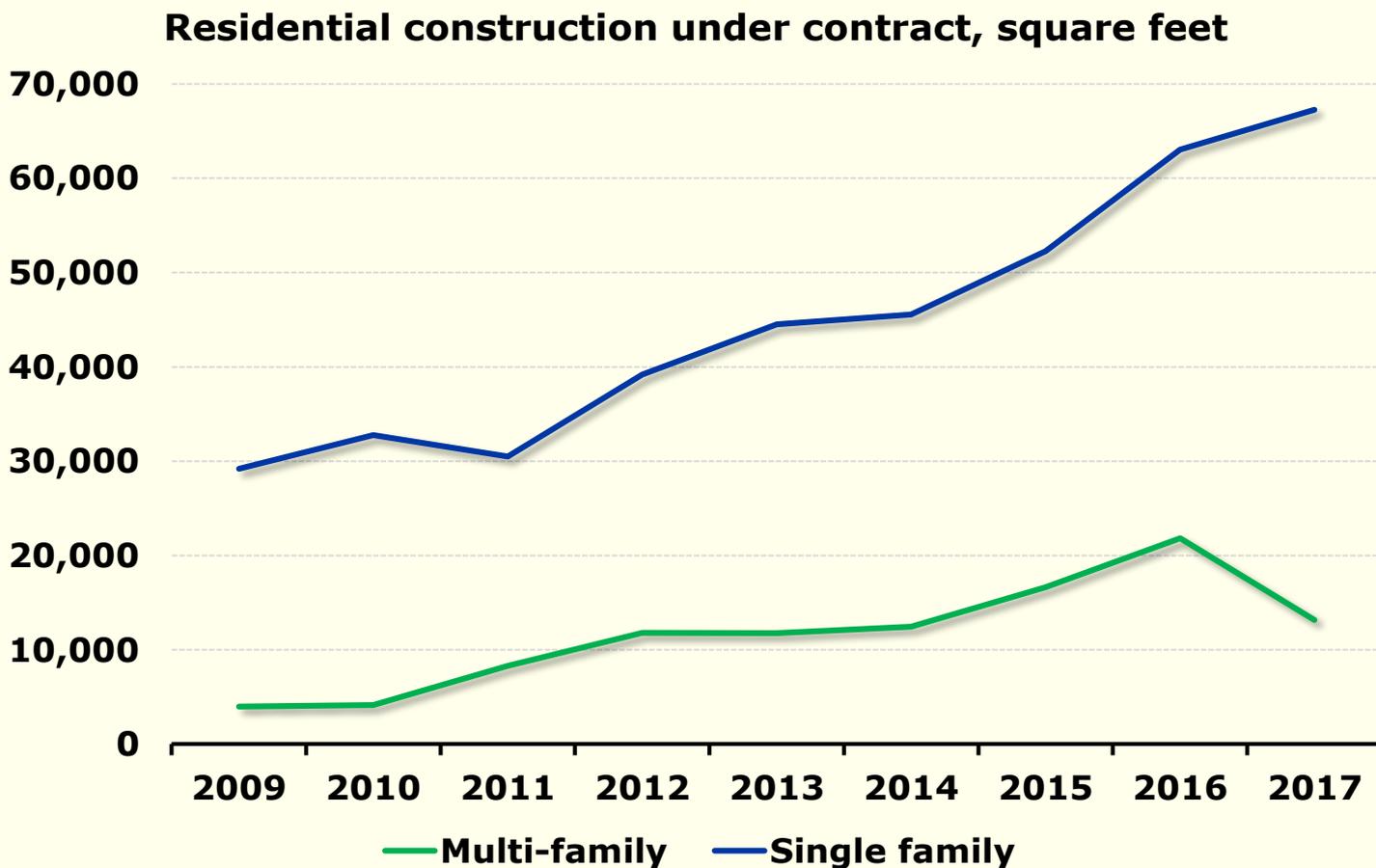


Source: Dodge Data and Analytics, data through 2017

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Multi-family construction in WA peaked in 2016



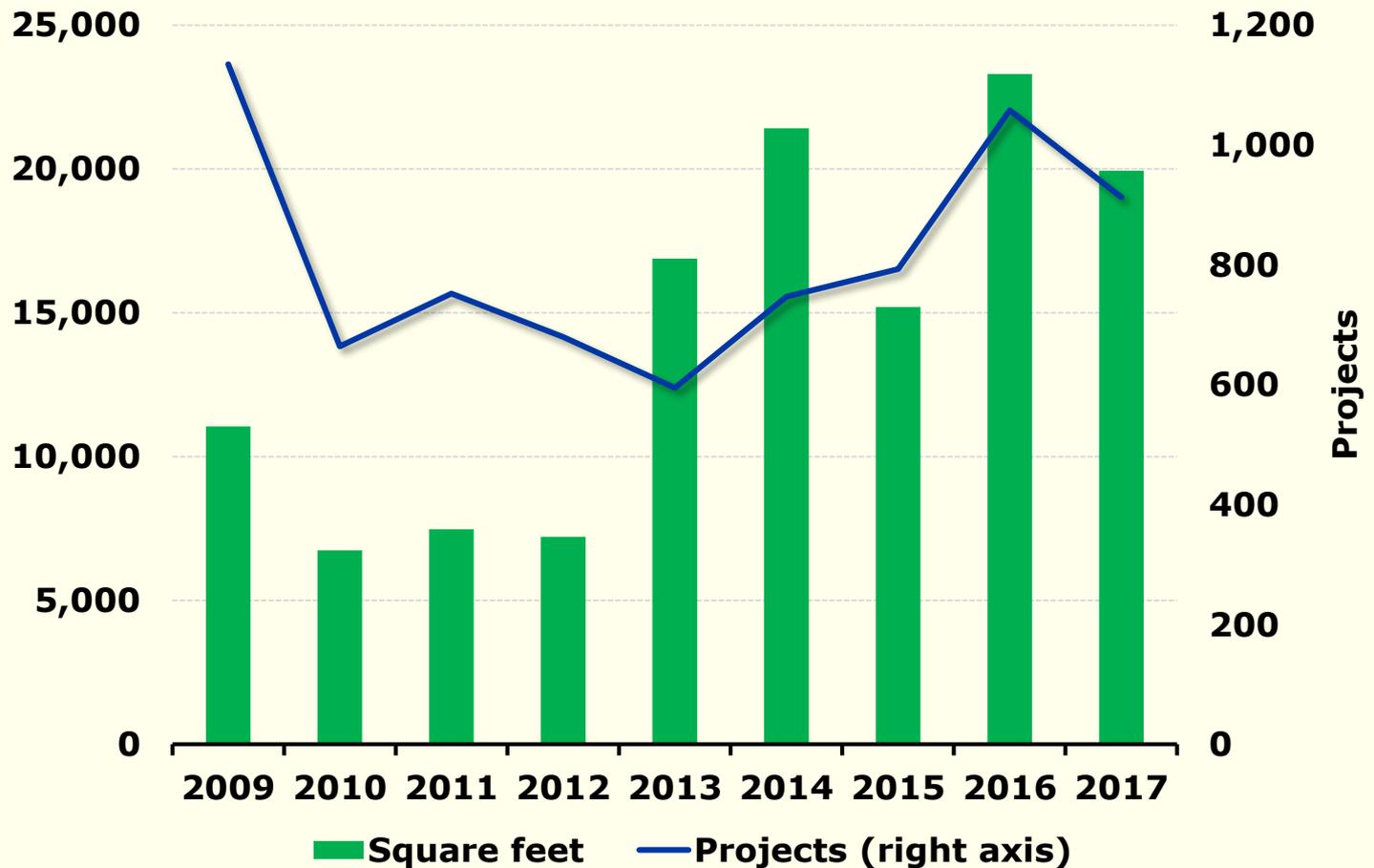
Source: Dodge Data and Analytics, data through 2017

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WA commercial construction activity has been trending up

Includes retail, office, food service, hotel/motel

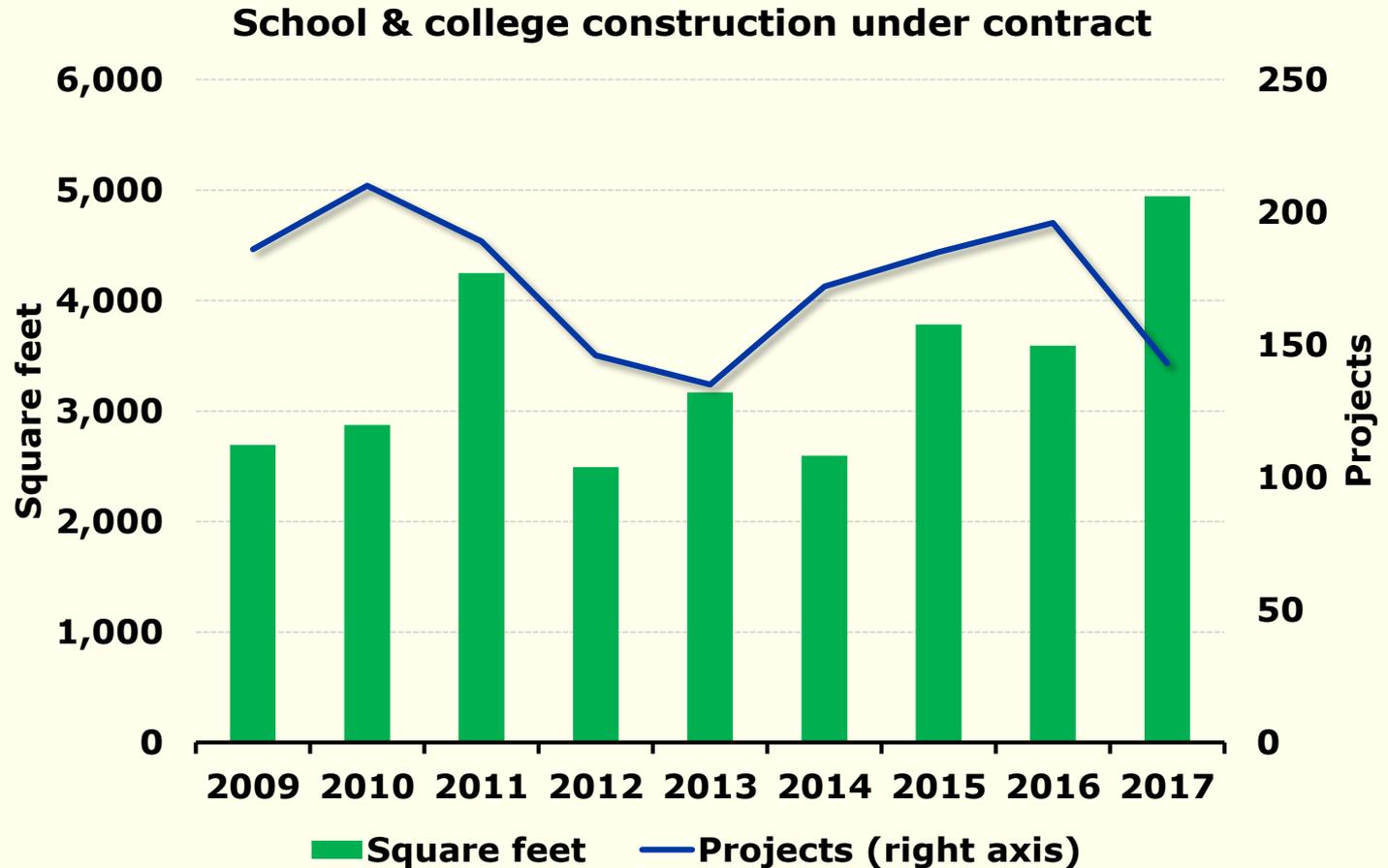


Source: Dodge Data and Analytics, data through 2017

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WA school and college construction activity hit recent highs in 2017



Source: Dodge Data and Analytics, data through 2017

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