



# Economic and Revenue Forecast Council

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## **Final November 2011 Economic Forecast Released**

We have updated the preliminary November economic forecast, which was released on October 26, 2011. The new forecast reflects a more recent national forecast and more up-to-date state employment data. This updated economic forecast is consistent with the November 2011 revenue forecast released today, November 17, 2011.

The following tables compare the updated economic forecast with the preliminary forecast released on October 26th as well as with the forecast adopted in September, 2011

For more information, please see the June 16th revenue forecast presentation at:

<http://www.ercf.wa.gov/forecast/documents/rev20111117color.pdf> (Color, best for viewing)

<http://www.ercf.wa.gov/forecast/documents/rev20111117bw.pdf> (Grayscale, best for printing)

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### ***About the ERFC:***

***The ERFC was established under RCW 82.33 to provide the Governor and the Legislature with official independent and professional forecasts of the state economy and revenues.***

**U.S. Forecast Comparison**

	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2009	2010	2011	2012	2013
<b>Real GDP (2005 USD billions)</b>											
November Forecast, Final	13,353	13,429	13,491	13,563	13,643	13,729	12,703	13,088	13,320	13,606	13,987
Percent Change	2.5%	2.3%	1.9%	2.2%	2.4%	2.6%	-3.5%	3.0%	1.8%	2.1%	2.8%
November Forecast, Preliminary	13,334	13,397	13,460	13,534	13,618	13,709	12,703	13,088	13,308	13,580	13,960
Percent Change	1.9%	1.9%	1.9%	2.2%	2.5%	2.7%	-3.5%	3.0%	1.7%	2.0%	2.8%
<b>Real Consumption (2005 USD billions)</b>											
November Forecast, Final	9,450	9,510	9,554	9,614	9,671	9,726	9,037	9,221	9,432	9,641	9,857
Percent Change	2.4%	2.6%	1.9%	2.5%	2.4%	2.3%	-1.9%	2.0%	2.3%	2.2%	2.2%
November Forecast, Preliminary	9,414	9,475	9,516	9,572	9,633	9,695	9,037	9,221	9,415	9,604	9,829
Percent Change	0.9%	2.6%	1.8%	2.4%	2.5%	2.6%	-1.9%	2.0%	2.1%	2.0%	2.3%
<b>Implicit Price Deflator, PCE (2005=1.00)</b>											
November Forecast, Final	1.143	1.148	1.151	1.153	1.158	1.162	1.092	1.111	1.139	1.156	1.175
Percent Change	2.4%	1.7%	1.2%	0.5%	1.7%	1.5%	0.2%	1.8%	2.5%	1.5%	1.6%
November Forecast, Preliminary	1.144	1.146	1.149	1.150	1.153	1.157	1.092	1.111	1.138	1.152	1.169
Percent Change	2.4%	0.8%	1.1%	0.3%	1.1%	1.4%	0.2%	1.8%	2.5%	1.2%	1.5%
<b>Real Personal Income (2005 USD billions)</b>											
November Forecast, Final	11,390	11,446	11,421	11,514	11,577	11,648	10,929	11,136	11,415	11,540	11,847
Percent Change	-1.4%	2.0%	-0.9%	3.3%	2.2%	2.5%	-4.4%	1.9%	2.5%	1.1%	2.7%
November Forecast, Preliminary	11,402	11,477	11,446	11,543	11,617	11,687	10,929	11,136	11,426	11,573	11,861
Percent Change	-1.0%	2.7%	-1.1%	3.4%	2.6%	2.4%	-4.4%	1.9%	2.6%	1.3%	2.5%
<b>Nonfarm Payroll Employment (Millions)</b>											
November Forecast, Final	131.2	131.6	131.9	132.4	132.8	133.2	130.8	129.8	131.1	132.6	134.7
Percent Change	0.7%	1.1%	1.0%	1.3%	1.4%	1.2%	-4.4%	-0.7%	1.0%	1.1%	1.6%
November Forecast, Preliminary	131.1	131.2	131.4	131.9	132.4	132.9	130.8	129.8	131.0	132.1	134.4
Percent Change	0.2%	0.4%	0.6%	1.4%	1.5%	1.6%	-4.4%	-0.7%	0.9%	0.9%	1.7%
<b>Unemployment Rate (Percent of Labor Force)</b>											
November Forecast, Final	9.1	9.0	9.0	8.9	8.9	8.8	9.3	9.6	9.0	8.9	8.5
November Forecast, Preliminary	9.2	9.3	9.2	9.2	9.1	9.0	9.3	9.6	9.1	9.1	8.7
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>											
November Forecast, Final	4.3	4.0	4.1	4.5	4.8	4.9	5.0	4.7	4.5	4.6	5.0
November Forecast, Preliminary	4.3	4.0	4.1	4.5	4.8	4.9	5.0	4.7	4.5	4.6	5.0
<b>3 Month T-Bill Rate (Percent, average)</b>											
November Forecast, Final	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1
November Forecast, Preliminary	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1

## U.S. Forecast Comparison

	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2009	2010	2011	2012	2013
<b>Real GDP (2005 USD billions)</b>											
November Forecast, Final	13,353	13,429	13,491	13,563	13,643	13,729	12,703	13,088	13,320	13,606	13,987
Percent Change	2.5%	2.3%	1.9%	2.2%	2.4%	2.6%	-3.5%	3.0%	1.8%	2.1%	2.8%
September Forecast	13,323	13,392	13,462	13,542	13,629	13,724	12,703	13,088	13,301	13,589	14,024
Percent Change	1.9%	2.1%	2.1%	2.4%	2.6%	2.8%	-3.5%	3.0%	1.6%	2.2%	3.2%
<b>Real Consumption (2005 USD billions)</b>											
November Forecast, Final	9,450	9,510	9,554	9,614	9,671	9,726	9,037	9,221	9,432	9,641	9,857
Percent Change	2.4%	2.6%	1.9%	2.5%	2.4%	2.3%	-1.9%	2.0%	2.3%	2.2%	2.2%
September Forecast	9,433	9,478	9,522	9,586	9,651	9,723	9,037	9,221	9,419	9,621	9,860
Percent Change	2.0%	1.9%	1.9%	2.7%	2.8%	3.0%	-1.9%	2.0%	2.1%	2.1%	2.5%
<b>Implicit Price Deflator, PCE (2005=1.00)</b>											
November Forecast, Final	1.143	1.148	1.151	1.153	1.158	1.162	1.092	1.111	1.139	1.156	1.175
Percent Change	2.4%	1.7%	1.2%	0.5%	1.7%	1.5%	0.2%	1.8%	2.5%	1.5%	1.6%
September Forecast	1.142	1.143	1.146	1.147	1.152	1.155	1.092	1.111	1.137	1.150	1.166
Percent Change	1.9%	0.4%	0.9%	0.6%	1.5%	1.3%	0.2%	1.8%	2.3%	1.1%	1.4%
<b>Real Personal Income (2005 USD billions)</b>											
November Forecast, Final	11,390	11,446	11,421	11,514	11,577	11,648	10,929	11,136	11,415	11,540	11,847
Percent Change	-1.4%	2.0%	-0.9%	3.3%	2.2%	2.5%	-4.4%	1.9%	2.5%	1.1%	2.7%
September Forecast	11,454	11,547	11,530	11,621	11,692	11,771	10,929	11,136	11,457	11,654	11,963
Percent Change	0.7%	3.3%	-0.6%	3.2%	2.5%	2.7%	-4.4%	1.9%	2.9%	1.7%	2.7%
<b>Nonfarm Payroll Employment (Millions)</b>											
November Forecast, Final	131.2	131.6	131.9	132.4	132.8	133.2	130.8	129.8	131.1	132.6	134.7
Percent Change	0.7%	1.1%	1.0%	1.3%	1.4%	1.2%	-4.4%	-0.7%	1.0%	1.1%	1.6%
September Forecast	131.2	131.5	131.9	132.4	132.9	133.4	130.8	129.8	131.1	132.6	135.0
Percent Change	0.7%	0.9%	1.1%	1.6%	1.6%	1.5%	-4.4%	-0.7%	1.0%	1.2%	1.8%
<b>Unemployment Rate (Percent of Labor Force)</b>											
November Forecast, Final	9.1	9.0	9.0	8.9	8.9	8.8	9.3	9.6	9.0	8.9	8.5
September Forecast	9.1	9.2	9.1	9.1	9.0	8.9	9.3	9.6	9.1	9.0	8.3
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>											
November Forecast, Final	4.3	4.0	4.1	4.5	4.8	4.9	5.0	4.7	4.5	4.6	5.0
September Forecast	4.3	4.0	4.2	4.6	4.9	5.0	5.0	4.7	4.5	4.7	5.0
<b>3 Month T-Bill Rate (Percent, average)</b>											
November Forecast, Final	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1
September Forecast	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1

## Washington Forecast Comparison

	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2009	2010	2011	2012	2013
<b>Real Personal Income (2005 USD billions)</b>											
November Forecast, Final	264.5	264.7	264.6	267.0	269.4	270.1	255.3	258.4	264.5	267.8	275.9
Percent Change	1.4%	0.3%	-0.2%	3.7%	3.6%	1.1%	-3.9%	1.2%	2.4%	1.2%	3.0%
November Forecast, Preliminary	264.7	265.4	265.2	267.7	270.3	270.8	255.3	258.4	264.7	268.5	276.1
Percent Change	1.7%	1.0%	-0.3%	3.8%	4.0%	0.7%	-3.9%	1.2%	2.4%	1.4%	2.8%
<b>Personal Income (USD billions)</b>											
November Forecast, Final	302.4	303.9	304.7	307.8	311.8	313.8	278.7	287.1	301.2	309.5	324.2
Percent Change	3.7%	2.0%	1.0%	4.2%	5.3%	2.6%	-3.7%	3.0%	4.9%	2.8%	4.7%
November Forecast, Preliminary	302.7	304.1	304.7	307.7	311.7	313.4	278.7	287.1	301.3	309.4	322.9
Percent Change	4.2%	1.8%	0.8%	4.0%	5.2%	2.2%	-3.7%	3.0%	4.9%	2.7%	4.4%
<b>Nonfarm Payroll Employment (Thousands)</b>											
November Forecast, Final	2823	2828	2835	2845	2857	2867	2822	2784	2817	2851	2906
Percent Change	1.1%	0.7%	1.0%	1.5%	1.6%	1.5%	-4.6%	-1.4%	1.2%	1.2%	1.9%
November Forecast, Preliminary	2821	2823	2829	2840	2852	2865	2822	2784	2815	2847	2902
Percent Change	0.9%	0.3%	0.9%	1.6%	1.7%	1.8%	-4.6%	-1.4%	1.1%	1.1%	2.0%
<b>Unemployment Rate (Percent of Labor Force)</b>											
November Forecast, Final	9.3	9.1	9.1	9.1	9.1	9.0	9.3	9.6	9.2	9.1	8.7
November Forecast, Preliminary	9.3	9.2	9.2	9.1	9.0	8.9	9.3	9.6	9.2	9.1	8.6
<b>Manufacturing Employment (Thousands)</b>											
November Forecast, Final	270.0	272.7	273.7	275.1	276.2	277.7	265.5	257.9	267.9	275.7	281.2
Percent Change	5.8%	4.0%	1.5%	2.2%	1.6%	2.2%	-8.8%	-2.8%	3.8%	2.9%	2.0%
November Forecast, Preliminary	269.9	273.8	274.7	276.5	277.8	279.2	265.5	257.9	268.1	277.1	282.8
Percent Change	5.5%	5.9%	1.4%	2.5%	1.9%	2.1%	-8.8%	-2.8%	3.9%	3.3%	2.1%
<b>Construction Employment (Thousands)</b>											
November Forecast, Final	138.5	138.6	138.5	139.2	140.0	140.6	159.7	141.1	137.9	139.6	144.5
Percent Change	2.3%	0.3%	-0.3%	2.0%	2.2%	1.7%	-20.4%	-11.6%	-2.2%	1.2%	3.5%
November Forecast, Preliminary	138.5	138.2	138.1	138.7	139.2	139.4	159.7	141.1	137.8	138.9	143.5
Percent Change	2.1%	-0.7%	-0.2%	1.6%	1.3%	0.8%	-20.4%	-11.6%	-2.3%	0.8%	3.4%
<b>Housing Permits (Thousands)</b>											
November Forecast, Final	21.2	19.4	19.5	20.1	20.9	21.8	17.0	20.7	20.9	20.5	26.2
Percent Change	-55.1%	-30.1%	0.7%	12.9%	16.9%	19.5%	-41.2%	21.6%	0.9%	-1.6%	27.6%
November Forecast, Preliminary	21.0	19.4	20.0	20.7	21.3	22.4	17.0	20.7	20.8	21.1	27.4
Percent Change	-57.4%	-26.3%	13.6%	12.8%	13.9%	22.2%	-41.2%	21.6%	0.5%	1.6%	29.8%

## Washington Forecast Comparison

	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2009	2010	2011	2012	2013
<b>Real Personal Income (2005 USD billions)</b>											
November Forecast, Final	264.5	264.7	264.6	267.0	269.4	270.1	255.3	258.4	264.5	267.8	275.9
Percent Change	1.4%	0.3%	-0.2%	3.7%	3.6%	1.1%	-3.9%	1.2%	2.4%	1.2%	3.0%
September Forecast	266.3	268.2	267.9	270.2	272.5	274.1	257.6	259.7	266.1	271.2	279.4
Percent Change	1.8%	3.0%	-0.6%	3.5%	3.4%	2.5%	-2.9%	0.8%	2.5%	1.9%	3.1%
<b>Personal Income (USD billions)</b>											
November Forecast, Final	302.4	303.9	304.7	307.8	311.8	313.8	278.7	287.1	301.2	309.5	324.2
Percent Change	3.7%	2.0%	1.0%	4.2%	5.3%	2.6%	-3.7%	3.0%	4.9%	2.8%	4.7%
September Forecast	304.0	306.6	306.9	310.0	313.8	316.7	281.2	288.6	302.6	311.8	326.0
Percent Change	3.8%	3.4%	0.4%	4.1%	5.0%	3.9%	-2.7%	2.6%	4.9%	3.0%	4.5%
<b>Nonfarm Payroll Employment (Thousands)</b>											
November Forecast, Final	2823	2828	2835	2845	2857	2867	2822	2784	2817	2851	2906
Percent Change	1.1%	0.7%	1.0%	1.5%	1.6%	1.5%	-4.6%	-1.4%	1.2%	1.2%	1.9%
September Forecast	2819	2825	2835	2848	2861	2874	2822	2783	2815	2855	2915
Percent Change	1.2%	0.8%	1.4%	1.9%	1.9%	1.8%	-4.6%	-1.4%	1.1%	1.4%	2.1%
<b>Unemployment Rate (Percent of Labor Force)</b>											
November Forecast, Final	9.3	9.1	9.1	9.1	9.1	9.0	9.3	9.6	9.2	9.1	8.7
September Forecast	9.3	9.4	9.3	9.3	9.2	9.0	9.3	9.6	9.3	9.2	8.5
<b>Manufacturing Employment (Thousands)</b>											
November Forecast, Final	270.0	272.7	273.7	275.1	276.2	277.7	265.5	257.9	267.9	275.7	281.2
Percent Change	5.8%	4.0%	1.5%	2.2%	1.6%	2.2%	-8.8%	-2.8%	3.8%	2.9%	2.0%
September Forecast	270.4	271.6	273.1	276.2	278.3	279.9	265.5	257.9	267.8	276.9	284.4
Percent Change	5.9%	1.9%	2.2%	4.5%	3.1%	2.4%	-8.8%	-2.8%	3.8%	3.4%	2.7%
<b>Construction Employment (Thousands)</b>											
November Forecast, Final	138.5	138.6	138.5	139.2	140.0	140.6	159.7	141.1	137.9	139.6	144.5
Percent Change	2.3%	0.3%	-0.3%	2.0%	2.2%	1.7%	-20.4%	-11.6%	-2.2%	1.2%	3.5%
September Forecast	138.3	137.7	138.0	138.4	139.1	139.4	159.7	141.1	137.8	138.7	143.9
Percent Change	1.8%	-1.5%	0.7%	1.3%	1.8%	0.9%	-20.4%	-11.6%	-2.3%	0.7%	3.7%
<b>Housing Permits (Thousands)</b>											
November Forecast, Final	21.2	19.4	19.5	20.1	20.9	21.8	17.0	20.7	20.9	20.5	26.2
Percent Change	-55.1%	-30.1%	0.7%	12.9%	16.9%	19.5%	-41.2%	21.6%	0.9%	-1.6%	27.6%
September Forecast	20.1	19.4	20.0	20.9	21.7	22.5	17.0	20.7	20.6	21.3	27.6
Percent Change	-63.8%	-13.2%	13.3%	18.1%	15.9%	16.0%	-41.2%	21.6%	-0.5%	3.3%	29.6%