

# Washington State Economic Outlook

Presented to  
Mid-Columbia Economic Development District Economic  
Symposium

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November 6, 2020  
Olympia, Washington



**WASHINGTON STATE  
ECONOMIC AND REVENUE FORECAST COUNCIL**

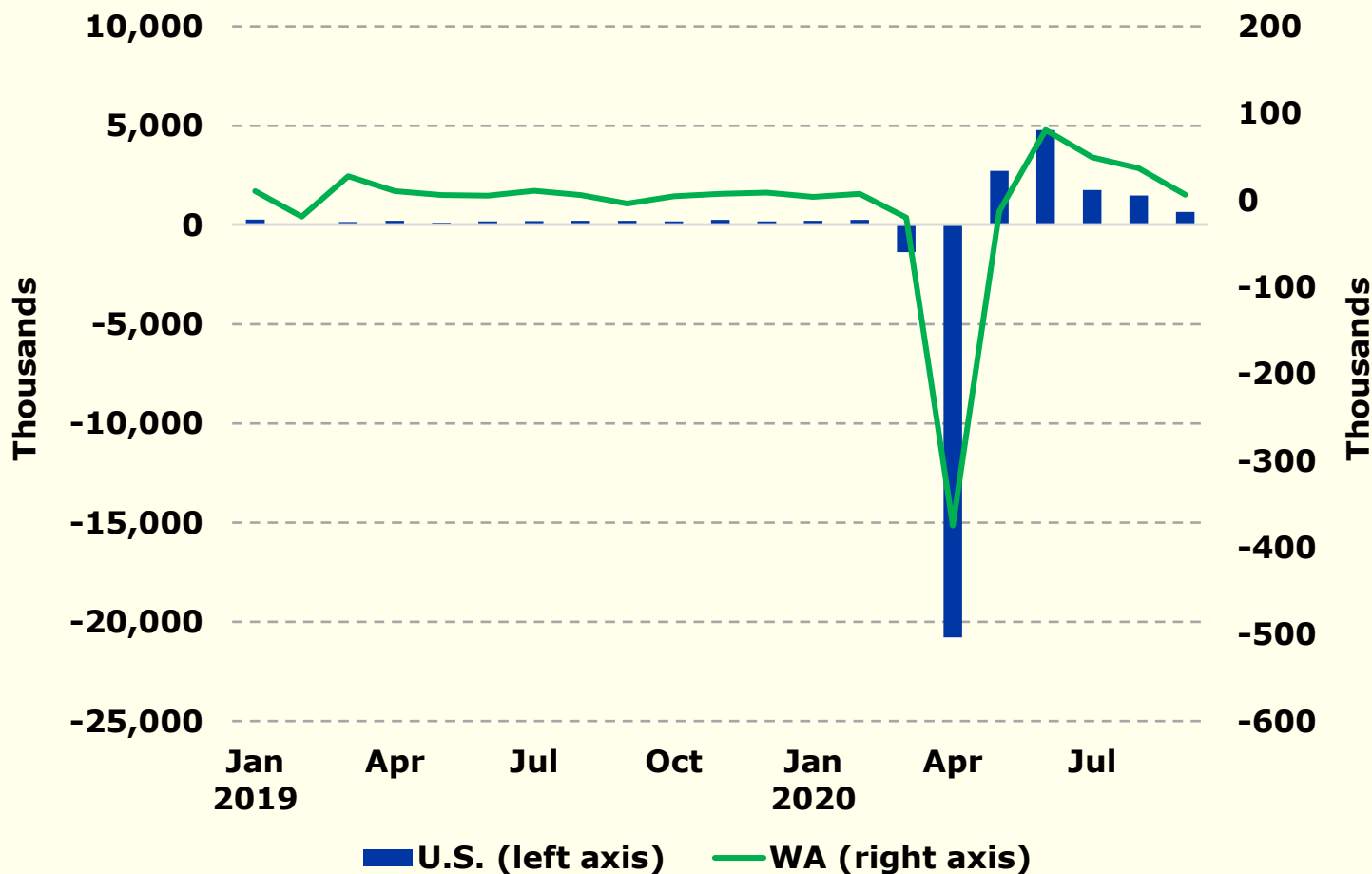


# U.S., WA employment have increased in the last five months

September employment compared to February:

U.S. = -10.7 million

WA = -235,000



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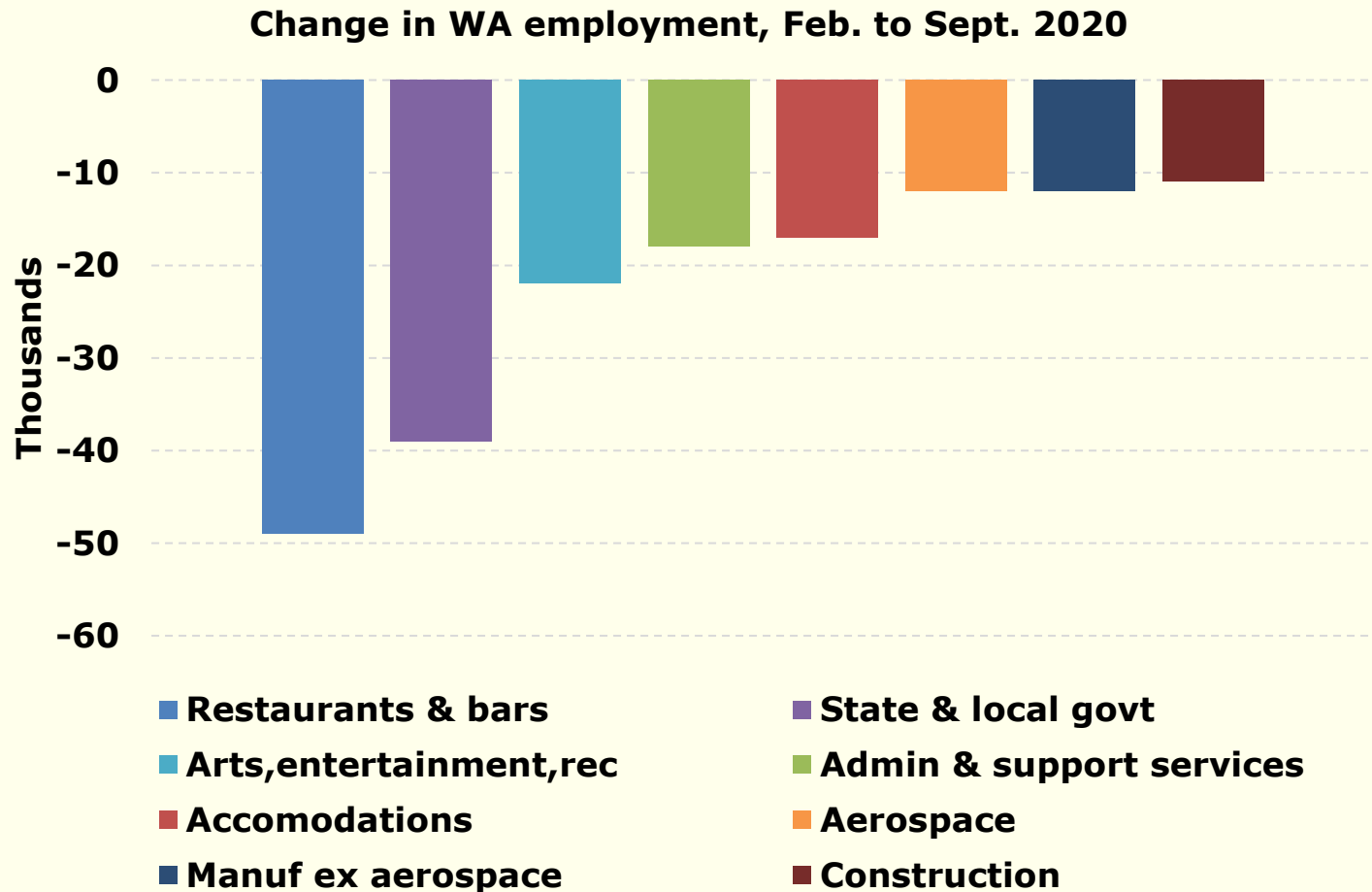
Slide 1

Source: Bureau of Labor Statistics, Employment Security Dept.; data Jan.2019 – Sept. 2020

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# Many sectors of the WA economy remain below pre-pandemic levels of employment



Source: WA Employment Security Dept., ERFC; data Feb. – Sept. 2020



# But some WA sectors have actually added employment during the pandemic

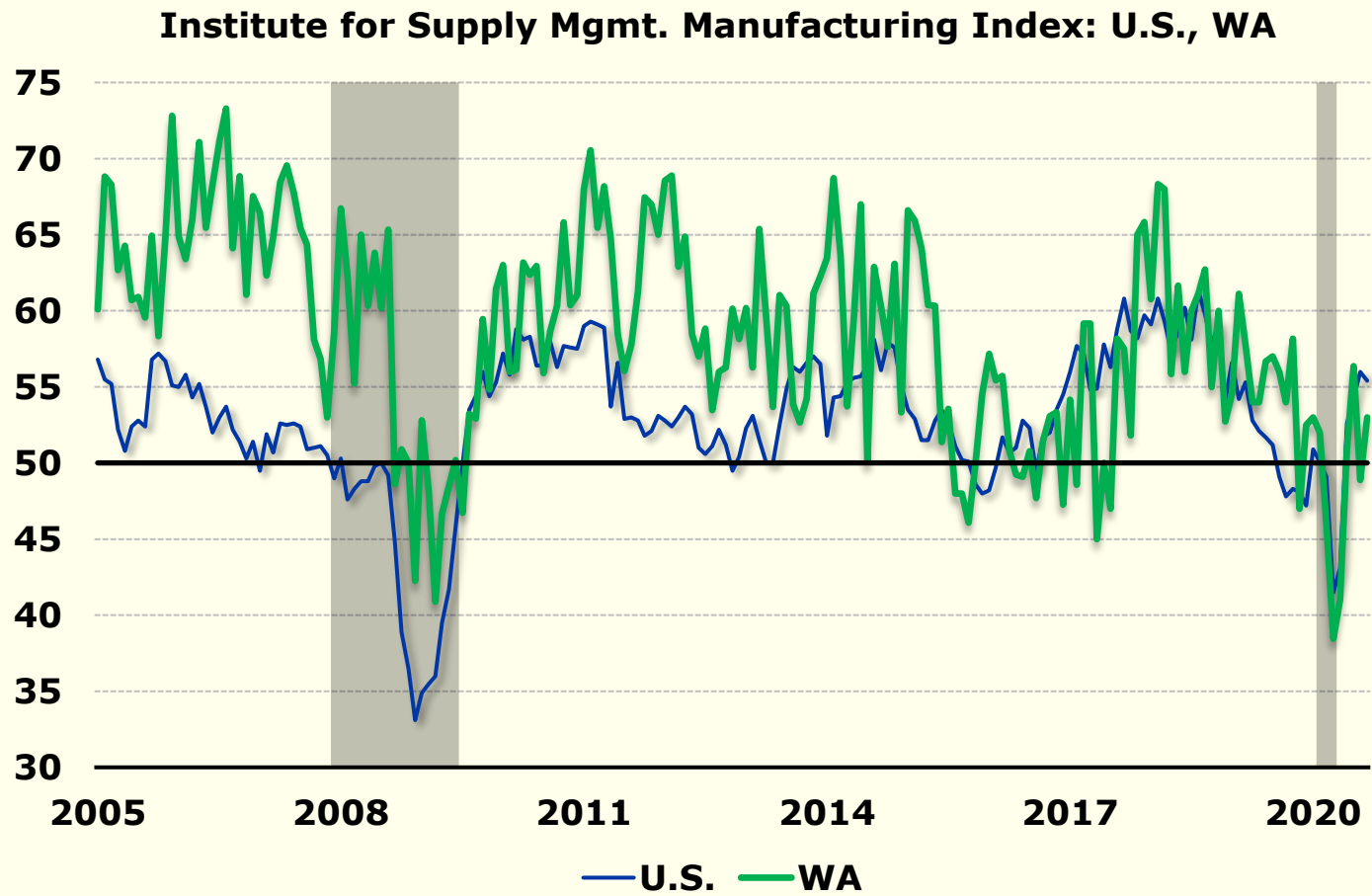


Source: WA Employment Security Dept., ERFC; data Feb. – Sept. 2020



# U.S. manufacturing activity expanded in past four months; WA dipped in August, bounced back in September

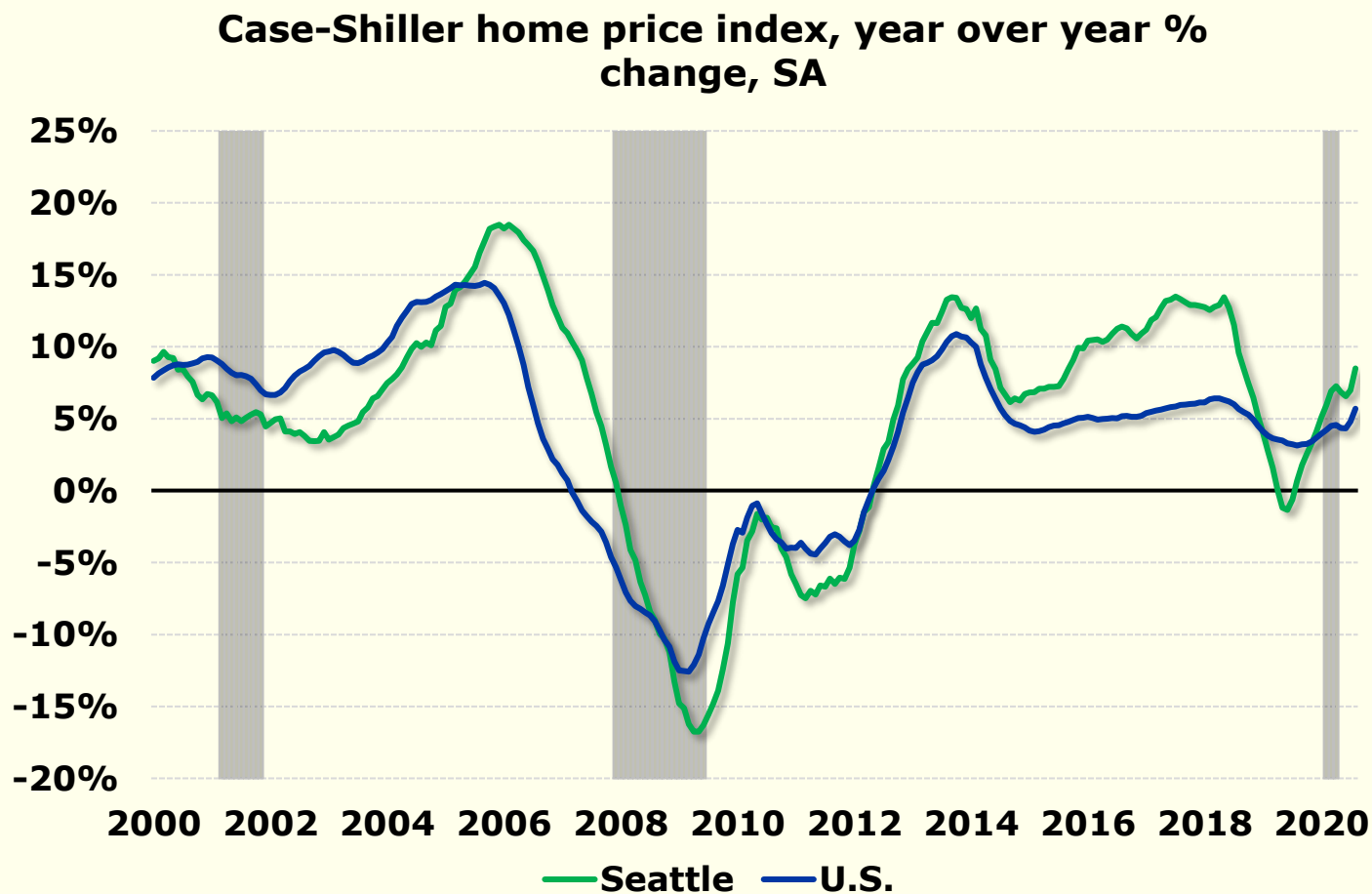
Values above 50 indicate expansion, below 50 indicate contraction.



Source: ISM; data through September 2020



# After slowing in 2019, home price growth has picked up nationally and in Seattle

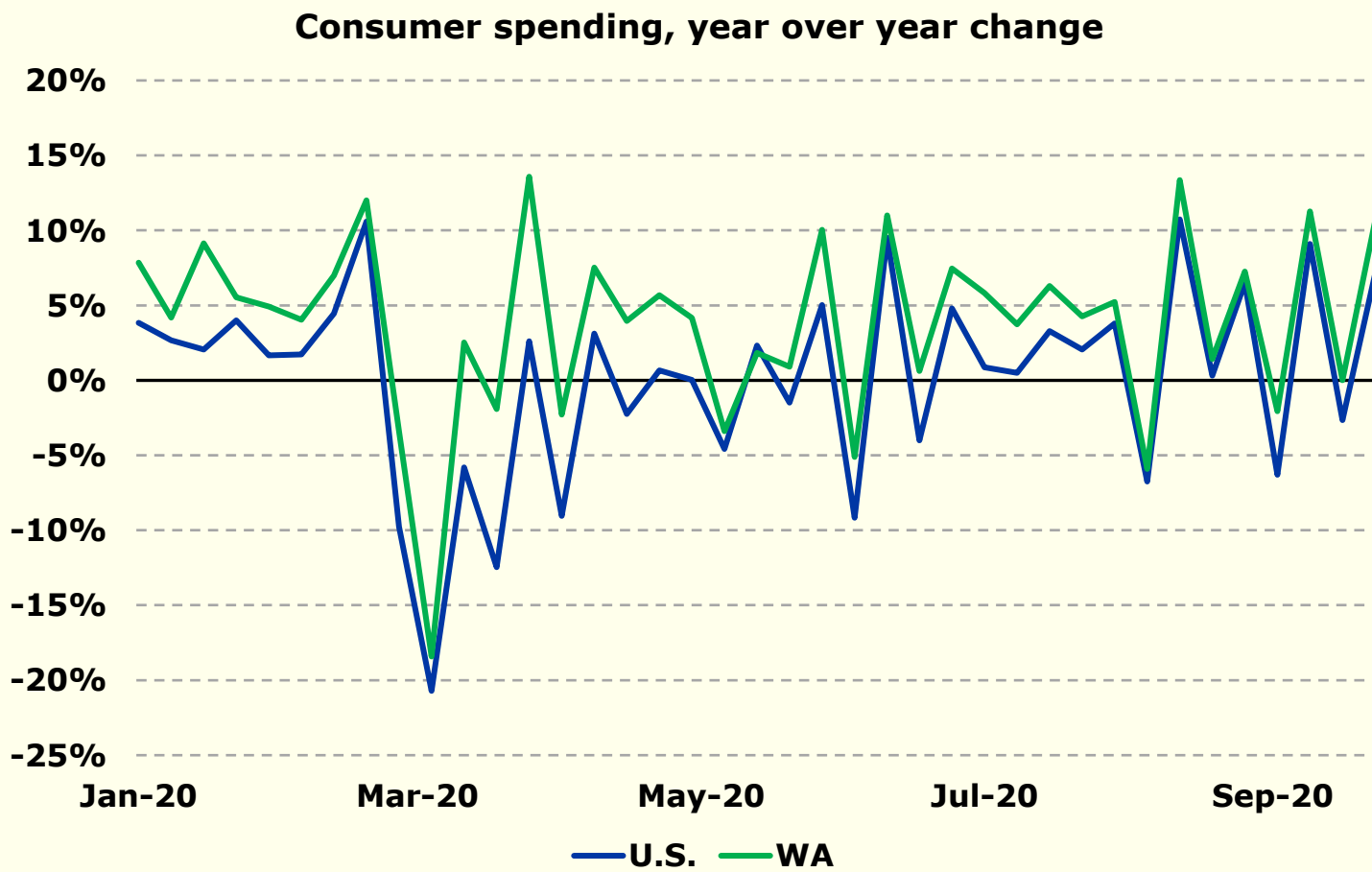


Source: Case-Shiller, data through August 2020



# Since May, WA consumer spending has grown in all but four weeks on a year over year basis

Earnest Research tracks a subset of credit and debit card transactions for large national chain stores and businesses; does not include construction or auto sales.



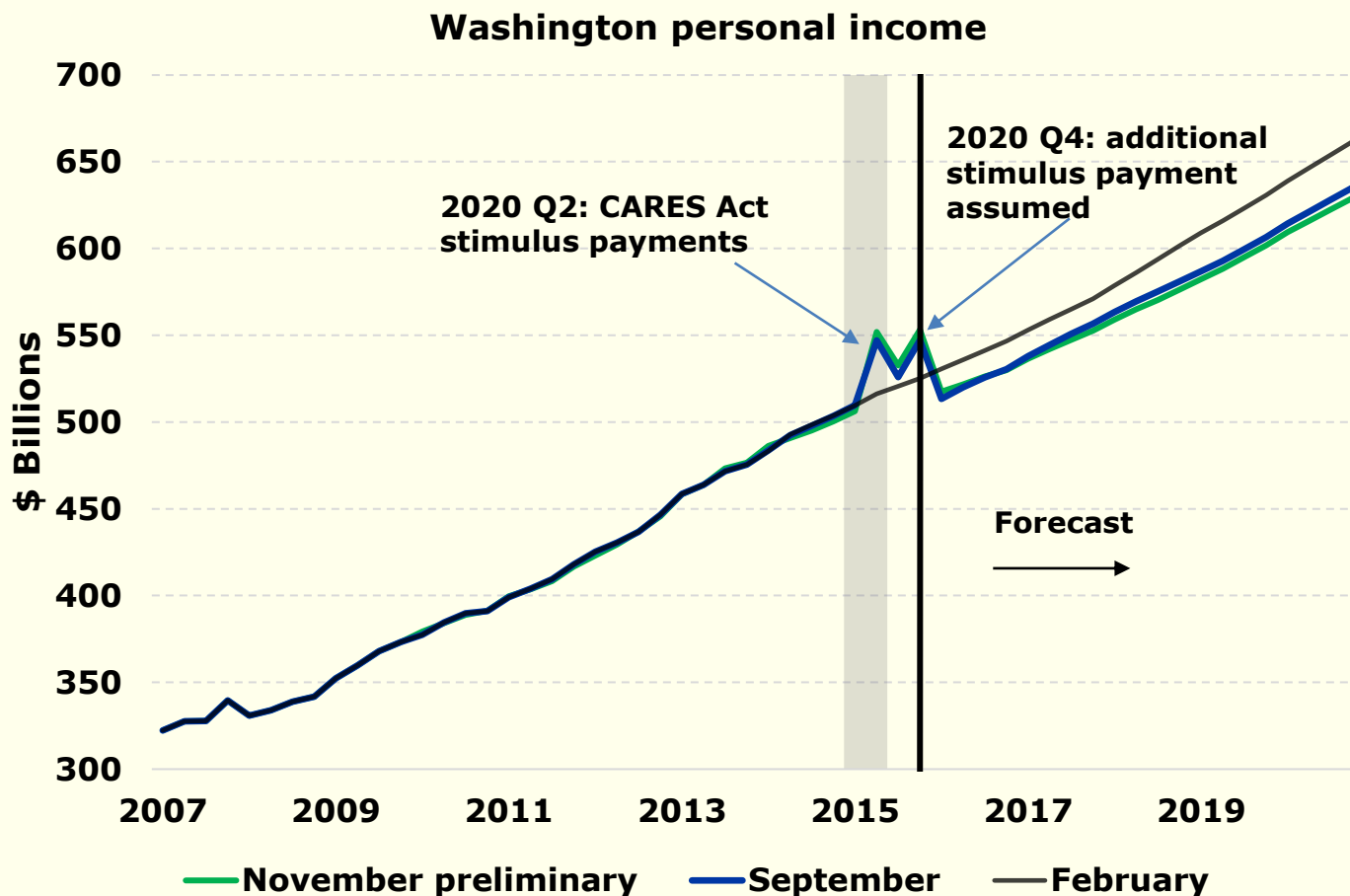
Source: Earnest Research COVID-19 tracker, data through week ending Oct. 11 2020

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# Stimulus payments raised 2020 WA personal income above levels expected before the pandemic

The preliminary forecast assumes a second stimulus bill which has not passed to date. The final economic forecast will reflect Congressional action as of early November.

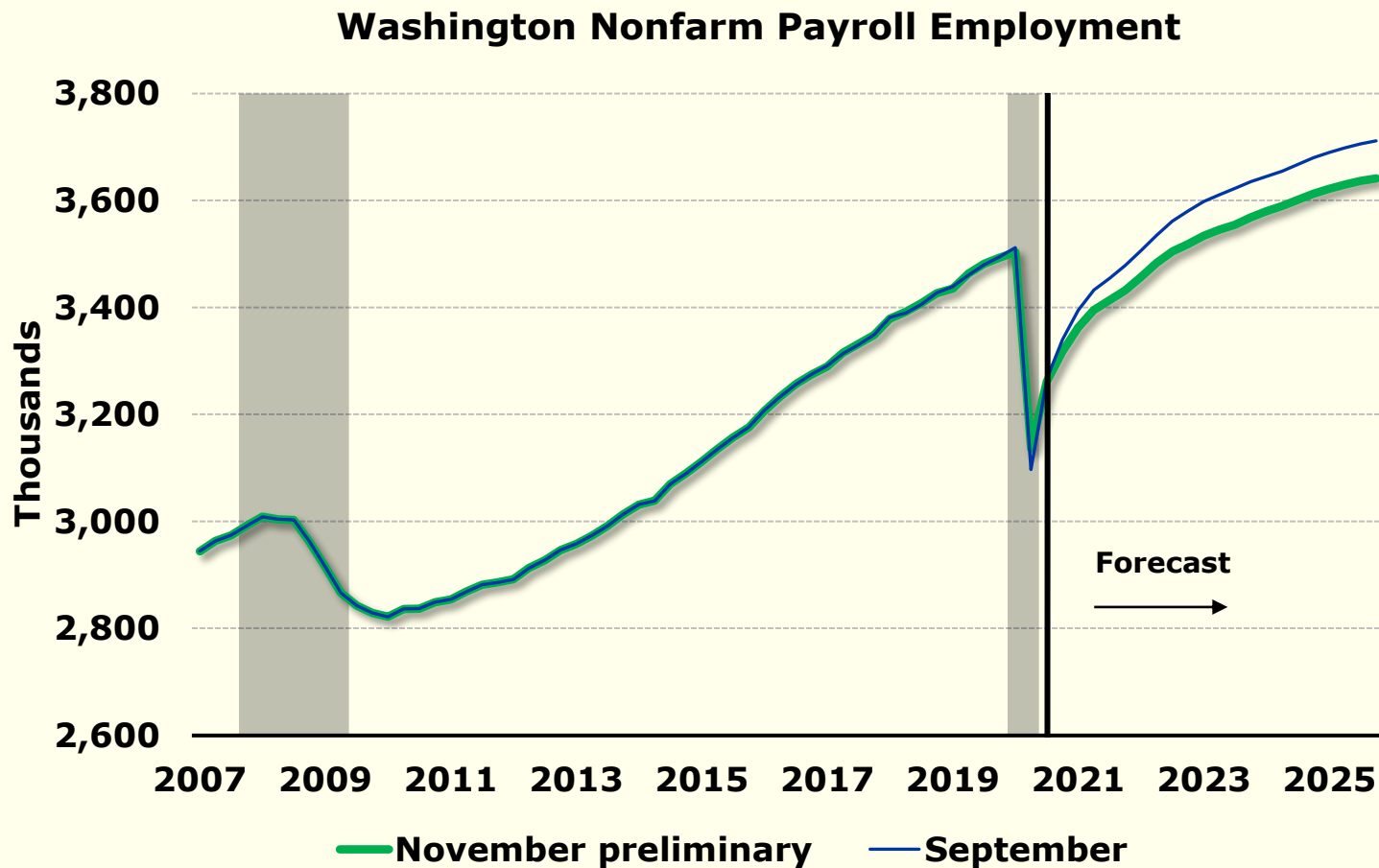


Source: ERFC November 2020 preliminary forecast; historical data through 2020 Q2





# WA employment growth for 2020–25 expected to average 1.9% compared to 2.3% in the September forecast

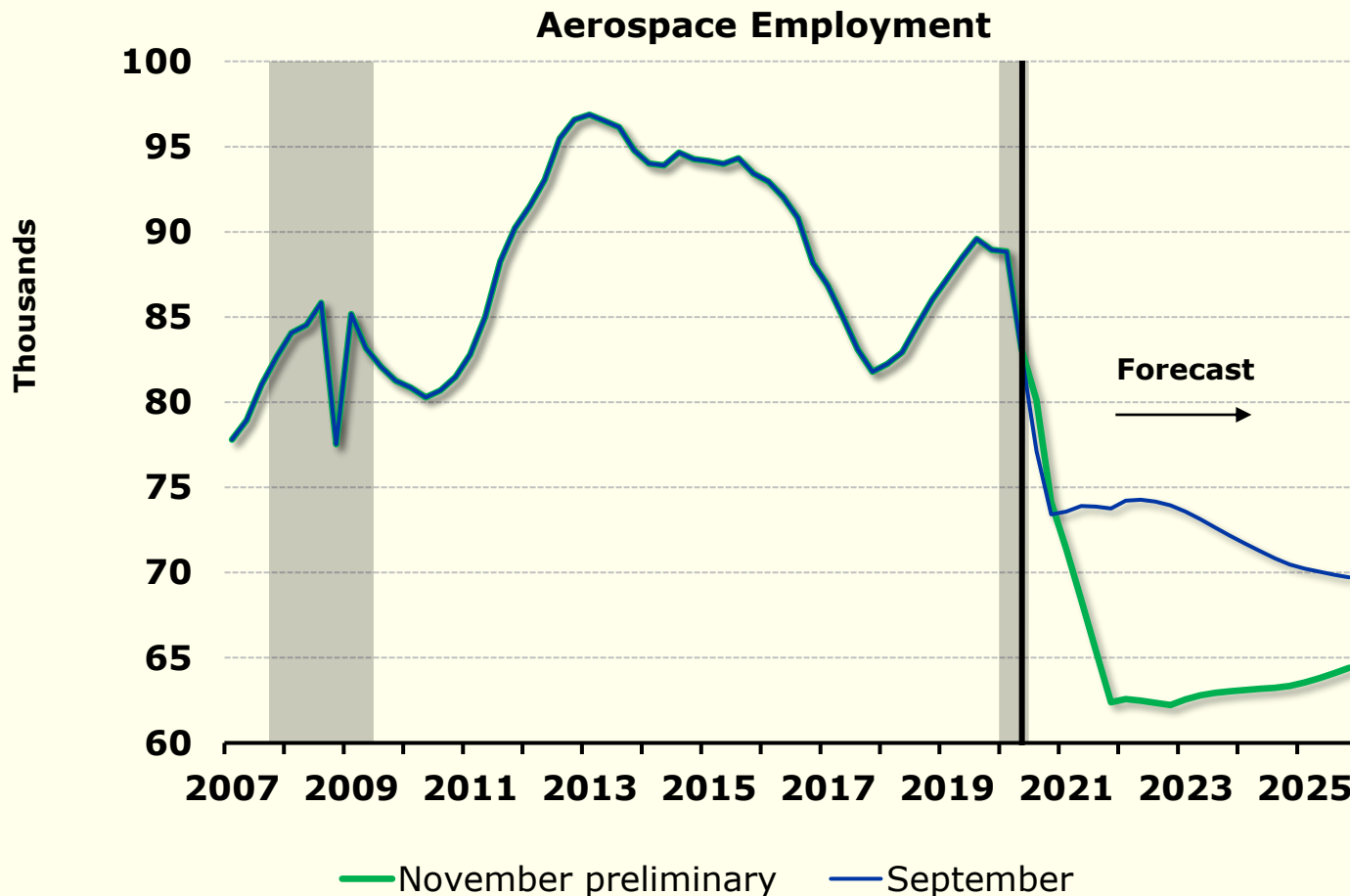


Source: ERFC November 2020 Preliminary forecast; historical data through Q3 2020



# The forecast incorporates Boeing announcement of additional job cuts

On Oct. 28, the Boeing Co. announced that it will employ 19% fewer workers by the end of 2021 compared to Jan. 2020. It had previously announced employment would be cut by 10%.

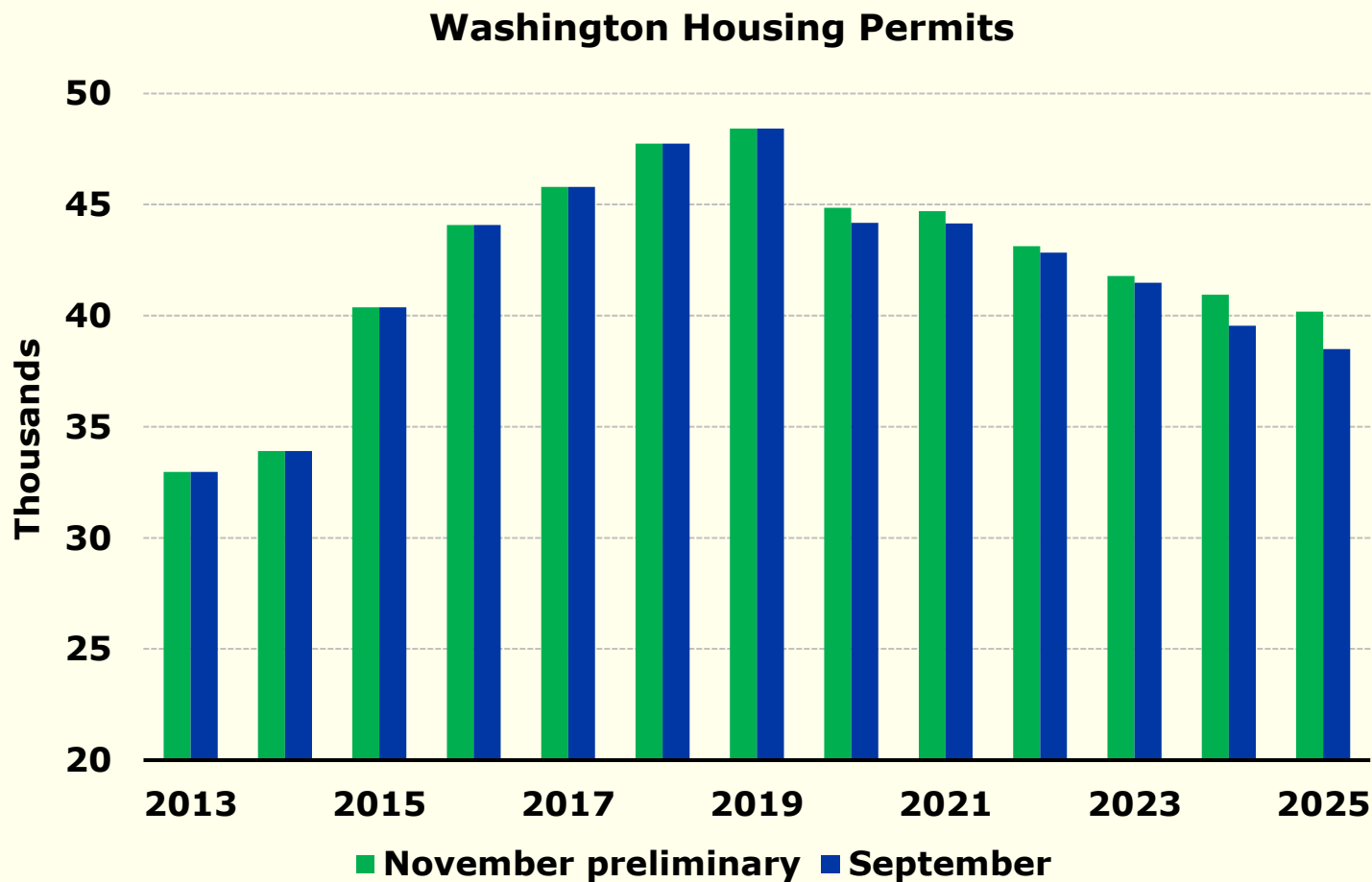


Source: WA State Employment Security Department, ERFC Nov. 2020 preliminary forecast; data through Q3 2020



# Washington housing permits forecast has been revised up compared to September

Housing permits for 2020 Q3 averaged 43,700 at an annualized rate, up from the 41,000 expected in the September forecast.



Source: ERFC November 2020 Preliminary forecast; historical data through 2019

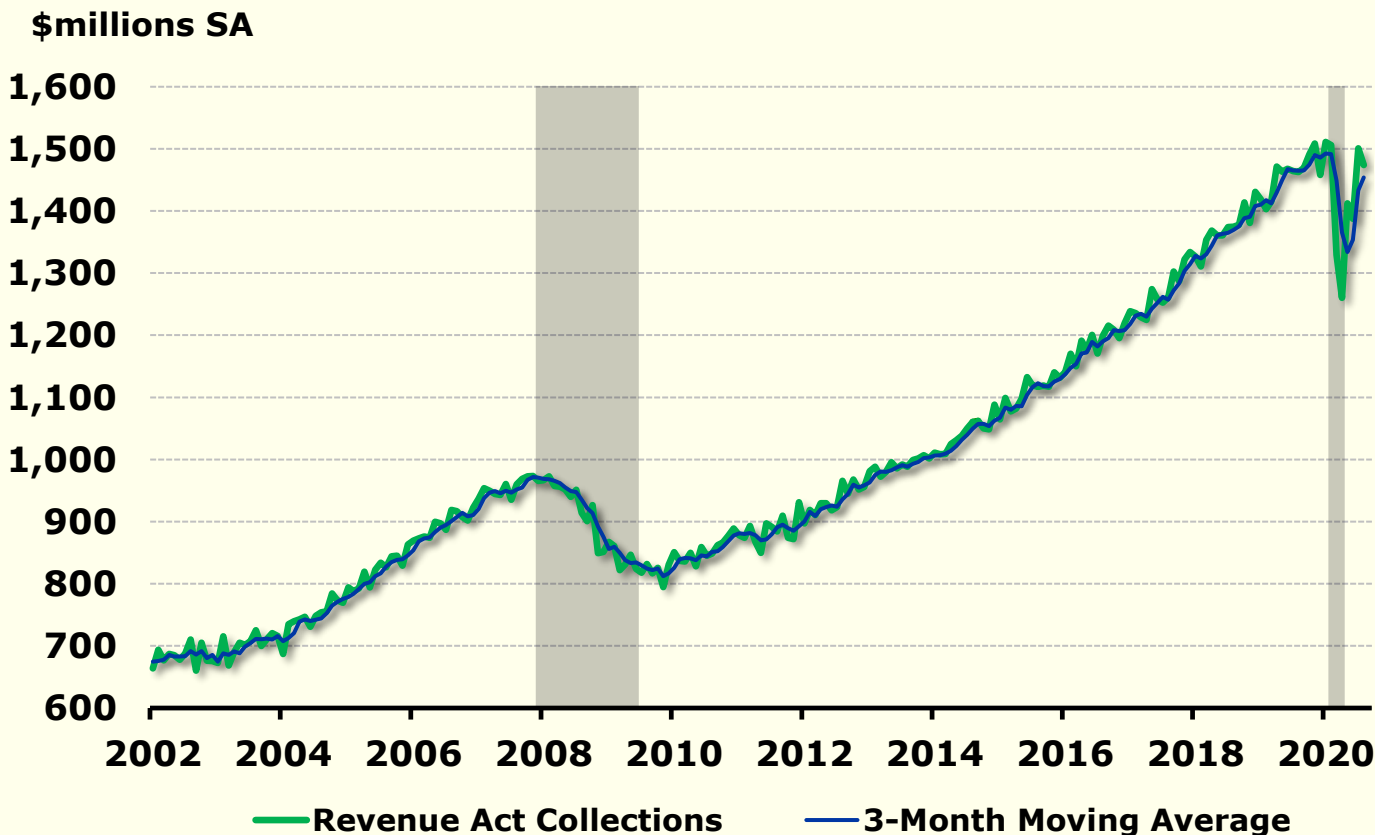
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# Seasonally adjusted Revenue Act receipts for August activity down from that of July

Adjusted Revenue Act receipts for August activity were down 1.6% YOY after being up 3.6% YOY for July activity.

Seasonally adjusted receipts decreased 1.8% from July to August reporting periods.



\* Adjusted for large one-time transactions, amnesty payments, reporting frequency change and deferred payments, current definition of Revenue Act

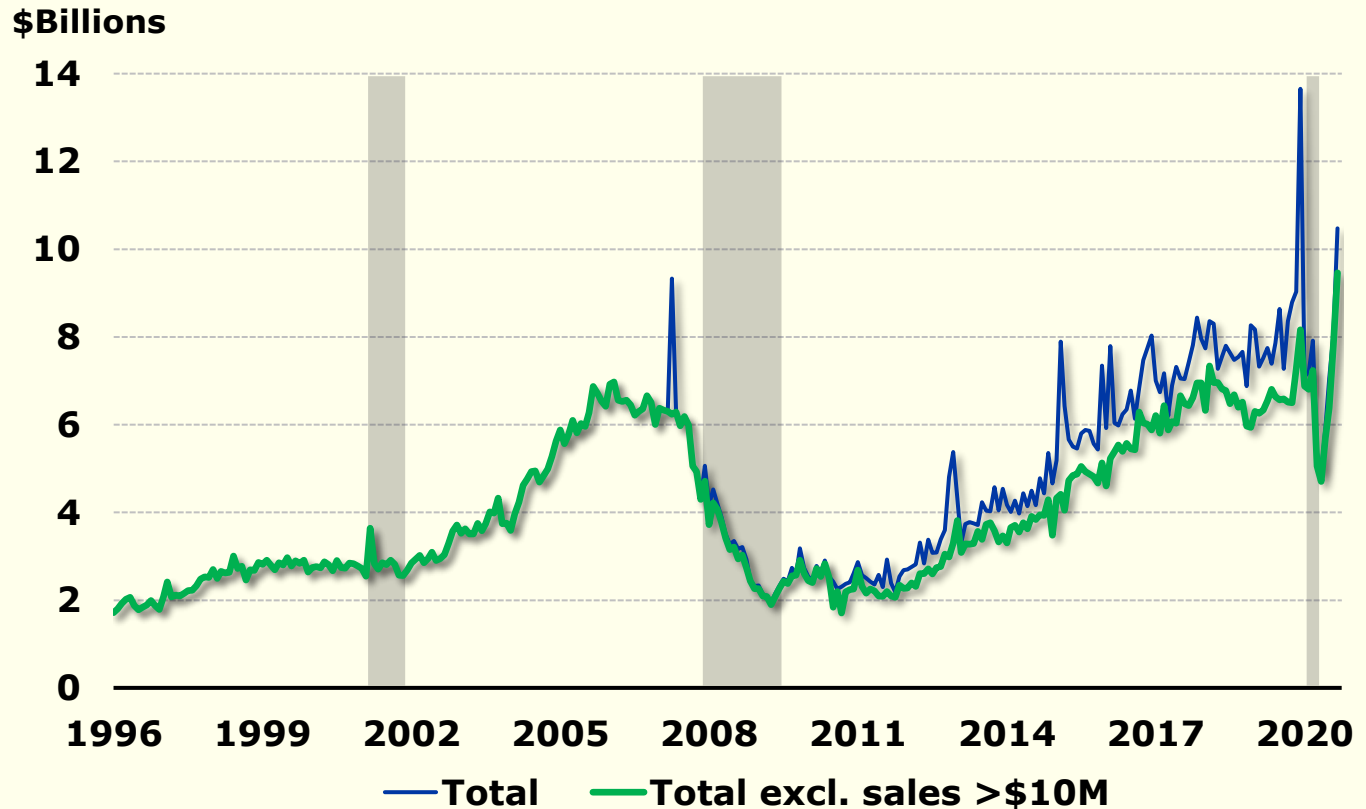
Source: DOR and ERFC; monthly data through August 2020 activity



# Taxable REET activity jumped to a near-record high in September

September sales spiked due to record low mortgage rates and people seeking new living arrangements to better accommodate working from home.

### Seasonally Adjusted Taxable Real Estate Excise Activity

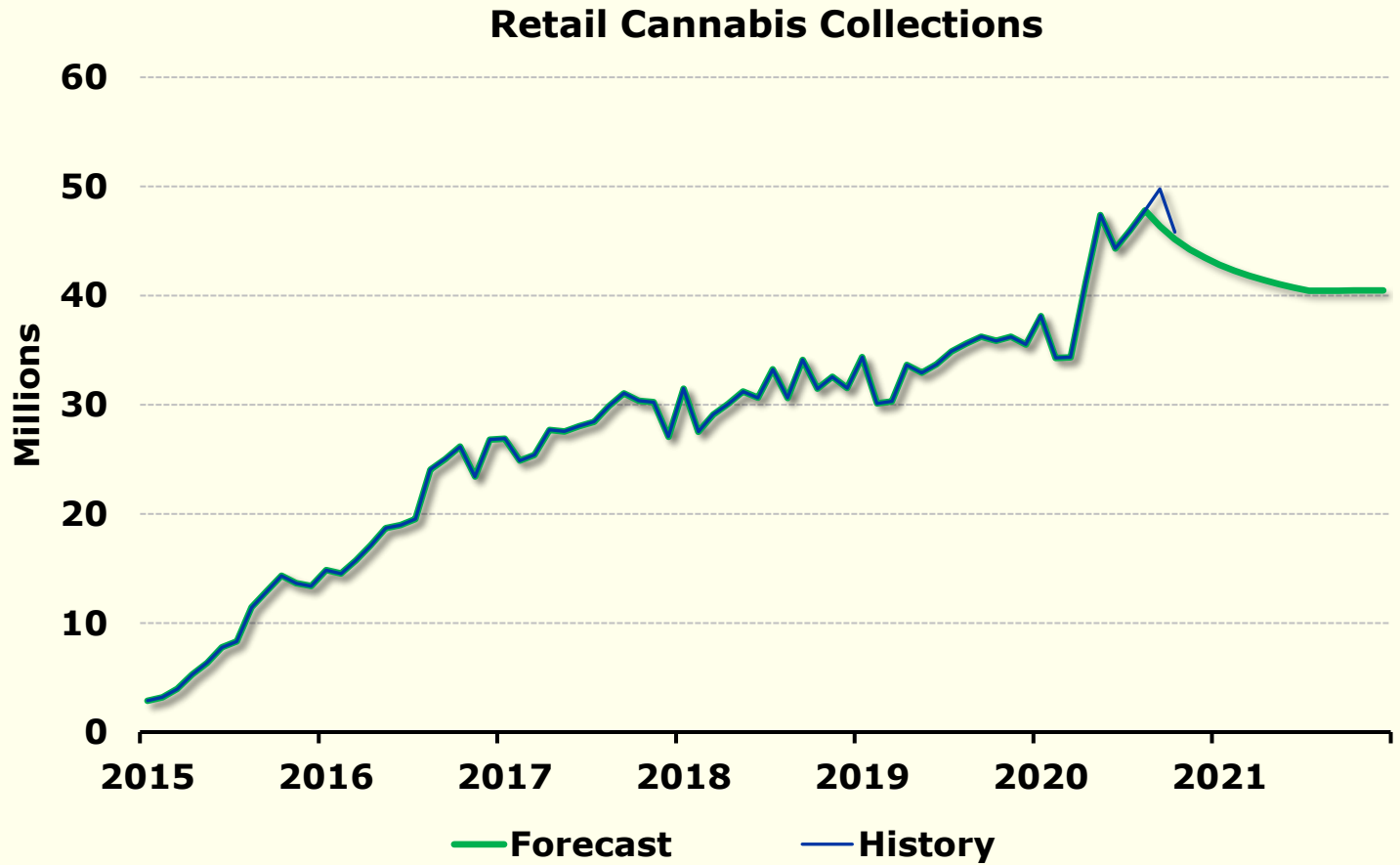


Source: ERFC; Monthly data through September 2020 estimate

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# Cannabis revenues have spiked since April



Source: ERFC September 2020 forecast; historical data through September 2020



# Questions



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