November 9, 2001

TO: Governor's Council of Economic Advisors

FROM: Chang Mook Sohn, Executive Director
Office of the Forecast Council

SUBJECT: PRELIMINARY NOVEMBER ECONOMIC FORECAST

This preliminary forecast was based on DRI-WEFA's November Control forecast for the U.S. economy. This is our first opportunity to reflect the events of September 11 in the forecast. By now you should have received a summary of the DRI-WEFA forecast by email. If not, please contact our office.

A comparison of the preliminary U.S. forecast with the forecast adopted in September is shown in Table 2.

In September we assumed Washington aerospace employment would be flat in 2002 and 2003. This preliminary forecast assumes a decline of 23,500 Boeing workers including contract employees and additional 2,300 other aerospace workers in Washington. About 75 percent of the reductions are expected by the middle of 2002. Apart from the impact of September 11 on the aircraft manufacturing industry, the downward revision to Washington's employment and income growth would have been similar to the revision in the national forecast. Because of the severe impact on the aerospace industry, the downward revision to employment growth over the next year in Washington is more than twice the downward revision to U.S. employment growth.

This forecast also incorporates newly available ES202 data for the second quarter which indicates that both employment and wages were much lower than previously believed. The revision to employment was 18,100 for the quarter and the preliminary monthly data since June indicate that the employment shortfall has increased to 34,900 by October. The reduction in the estimate for wages was $1.879 billion. Software wages were $0.257 higher than previously believed but other wages were $2.135 billion lower. Nonwage income in the quarter was $1.246 billion lower due mainly to the annual personal income revision for 2000.

A comparison of the preliminary Washington forecast with the forecast adopted in September is shown in Table 3.

Review of the forecast by the Governor's Council of Economic Advisors is scheduled for ***Tuesday, November 13, 2001 at 1:30 p.m.***, at the Seattle REI, 222 Yale Ave N, Seattle (206-223-1944).

If you have any questions, please contact Bret Bertolin, Senior Economic and Revenue Forecast Specialist at (360) 570-6106.

PLEASE NOTE:

Enclosed is a worksheet summarizing the preliminary forecast. **Council members are strongly encouraged to complete and return this worksheet either in person at the Governor's Council meeting or, if unable to attend, by FAX to (360) 753-7022.** This worksheet is relied on by the Forecast Council members and staff to gauge the reasonableness of the preliminary economic forecast and also serves as the basis of an alternative economic and revenue forecast.

CMS: vj/bb
Enclosures

Table 1
U.S. Economic Forecast Comparison
November 2001

	2001:3	2001:4	2002:1	2002:2	2000	2001	2002	2003
Real GDP, Percent Change								
DRI-WEFA (September)	1.3	2.1	2.3	2.8	4.1	1.5	2.4	3.4
DRI-WEFA	-0.4	-2.1	-1.6	2.5	4.1	1.1	0.4	4.4
Merril Lynch	-0.4	-1.5	-1.0	3.0	4.1	1.1	0.9	
Blue Chip	-0.4	-1.9	0.5	2.6		1.1	1.1	
S&P	-0.4	-2.0			4.1	1.0	1.4	4.2
3 Month T-Bill Rate, Percent								
DRI-WEFA (September)	3.49	3.10	3.16	3.20	5.82	3.77	3.53	4.49
DRI-WEFA	3.17	1.95	1.80	2.00	5.82	3.40	2.28	4.19
Merril Lynch	3.17	1.85	1.50	1.55	5.82	3.40	2.10	
Blue Chip	3.2	2.1	1.9	2.0		3.4	2.3	
S&P								
Consumer Price Index, Percent Change								
DRI-WEFA (September)	1.3	2.5	2.6	2.5	3.4	3.1	2.4	2.6
DRI-WEFA	0.7	2.3	1.7	1.8	3.4	3.0	1.9	2.4
Merril Lynch	0.7	1.3	1.4	1.4	3.4	3.0	1.4	
Blue Chip	0.7	1.6	2.0	2.1		2.9	2.0	
S&P	2.2	2.0			3.4	3.1	2.1	2.5

Table 2

U.S. Forecast Comparison

	2001:1	2001:2	2001:3	2001:4	2002:1	2002:2	1999	2000	2001	2002	2003
Real GDP (Billions of Chained 1996 Dollars)											
November	9334.5	9341.7	9333.4	9284.3	9246.0	9303.5	8856.5	9224.0	9323.5	9362.8	9777.0
Percent Change	1.3	0.3	-0.4	-2.1	-1.6	2.5	4.1	4.1	1.1	0.4	4.4
September	9334.5	9338.4	9368.2	9417.3	9471.4	9537.6	8856.5	9224.0	9364.6	9588.5	9915.9
Percent Change	1.3	0.2	1.3	2.1	2.3	2.8	4.1	4.1	1.5	2.4	3.4
Implicit Price Deflator (1996=1.000)											
November	1.092	1.096	1.095	1.102	1.105	1.110	1.047	1.075	1.096	1.113	1.138
Percent Change	3.2	1.3	-0.4	2.7	1.2	1.7	1.6	2.7	2.0	1.5	2.2
September	1.092	1.096	1.099	1.105	1.111	1.118	1.047	1.075	1.098	1.121	1.149
Percent Change	3.2	1.6	0.9	2.2	2.3	2.3	1.6	2.7	2.1	2.1	2.5
Real Personal Income (Billions of Chained 1996 Dollars)											
November	7910.8	7952.0	8017.2	7993.7	8000.6	8019.7	7426.9	7737.3	7968.5	8052.8	8317.2
Percent Change	2.5	2.1	3.3	-1.2	0.3	1.0	3.0	4.2	3.0	1.1	3.3
September	7910.8	7950.8	8007.6	8052.8	8079.5	8124.7	7426.9	7737.3	7980.5	8158.3	8424.6
Percent Change	2.5	2.0	2.9	2.3	1.3	2.3	3.0	4.2	3.1	2.2	3.3
Wage and Salary Employment											
November	132.56	132.48	132.34	131.61	131.58	131.59	128.90	131.76	132.25	131.72	133.01
Percent Change	0.9	-0.2	-0.4	-2.2	-0.1	0.0	2.4	2.2	0.4	-0.4	1.0
September	132.56	132.49	132.40	132.47	132.60	132.82	128.90	131.76	132.48	133.07	135.03
Percent Change	0.9	-0.2	-0.3	0.2	0.4	0.7	2.4	2.2	0.5	0.4	1.5
Unemployment Rate											
November	4.23	4.47	4.77	5.66	5.96	6.28	4.23	4.01	4.78	6.20	5.72
September	4.23	4.47	4.83	5.09	5.27	5.36	4.23	4.01	4.65	5.31	5.16
Mortgage Rate											
November	7.01	7.13	6.97	6.46	6.25	6.29	7.43	8.06	6.89	6.47	7.78
September	7.01	7.13	6.96	6.74	6.80	6.82	7.43	8.06	6.96	7.04	7.69
3 Month T-Bill Rate											
November	4.82	3.66	3.17	1.95	1.80	2.00	4.64	5.82	3.40	2.28	4.19
September	4.82	3.66	3.49	3.10	3.16	3.20	4.64	5.82	3.77	3.53	4.49

Table 3

Washington Forecast Comparison

	2001:1	2001:2	2001:3	2001:4	2002:1	2002:2	1999	2000	2001	2002	2003
Real Personal Income (Billions of Chained 1996 Dollars)											
November	171.251	175.038	173.000	172.986	172.802	172.884	166.461	171.399	173.069	173.565	179.019
Percent Change	-3.6	9.1	-4.6	0.0	-0.4	0.2	5.0	3.0	1.0	0.3	3.1
September	172.289	177.792	177.645	178.402	179.080	180.219	166.984	172.894	176.532	181.018	187.287
Percent Change	-4.4	13.4	-0.3	1.7	1.5	2.6	5.8	3.5	2.1	2.5	3.5
Personal Income											
November	187.043	191.816	189.400	190.645	191.020	191.925	174.324	184.280	189.726	193.152	203.673
Percent Change	-0.5	10.6	-4.9	2.7	0.8	1.9	6.8	5.7	3.0	1.8	5.4
September	188.177	194.940	195.196	197.110	198.977	201.396	174.877	185.888	193.856	202.890	215.113
Percent Change	-1.3	15.2	0.5	4.0	3.8	5.0	7.6	6.3	4.3	4.7	6.0
Wage and Salary Employment											
November	2730.5	2709.0	2706.5	2695.5	2690.1	2686.7	2648.7	2709.2	2710.4	2689.3	2714.4
Percent Change	1.2	-3.1	-0.4	-1.6	-0.8	-0.5	2.1	2.3	0.0	-0.8	0.9
September	2731.2	2727.1	2734.9	2733.1	2740.7	2749.5	2648.7	2710.3	2731.6	2756.4	2810.9
Percent Change	1.0	-0.6	1.1	-0.3	1.1	1.3	2.1	2.3	0.8	0.9	2.0
Manufacturing Employment											
November	344.2	337.3	334.8	328.7	319.8	313.6	364.1	350.8	336.3	311.9	309.4
Percent Change	-4.1	-7.8	-2.9	-7.1	-10.4	-7.5	-4.1	-3.7	-4.1	-7.2	-0.8
September	345.5	339.6	339.0	338.3	339.6	340.7	364.1	350.9	340.6	341.1	346.8
Percent Change	-2.7	-6.6	-0.8	-0.8	1.6	1.2	-4.1	-3.6	-2.9	0.2	1.7
Construction Employment											
November	163.5	159.2	158.0	156.6	153.9	152.3	153.8	161.0	159.3	152.5	151.3
Percent Change	3.1	-10.2	-3.0	-3.3	-6.7	-4.2	7.1	4.7	-1.0	-4.3	-0.8
September	163.3	161.1	159.4	158.8	158.3	158.2	153.8	161.4	160.6	158.4	159.5
Percent Change	2.0	-5.4	-3.9	-1.6	-1.2	-0.3	7.1	4.9	-0.5	-1.4	0.7
Housing Permits											
November	43.390	40.955	39.568	34.525	36.602	37.492	42.752	39.021	39.610	36.868	35.522
Percent Change	18.7	-20.6	-12.9	-42.0	26.3	10.1	-6.5	-8.7	1.5	-6.9	-3.7
September	43.390	40.955	40.225	41.757	41.587	41.834	42.752	39.021	41.582	41.624	41.961
Percent Change	18.7	-20.6	-6.9	16.1	-1.6	2.4	-6.5	-8.7	6.6	0.1	0.8

Table 4.1
Monthly Nonfarm Employment Estimates
Seasonally Adjusted

Current Employment Statistics

	2000:10	2000:11	2000:12	2001:1	2001:2	2001:3	2001:4	2001:5	2001:6	2001:7	2001:8	2001:9	2001:10
Wage and Salary Employment	2729.5	2736.9	2736.3	2753.1	2747.3	2747.0	2746.7	2744.4	2741.6	2744.8	2744.4	2736.4	#N/A
Manufacturing	348.0	347.0	345.6	346.9	345.8	343.6	339.9	339.2	338.6	338.1	337.0	335.7	#N/A
Durable Manufacturing	242.6	241.1	240.2	241.2	239.9	238.2	236.6	235.9	235.4	234.6	233.9	233.1	#N/A
Lumber & Wood	32.8	32.7	32.5	32.6	32.3	32.4	31.9	31.8	31.5	31.4	31.0	31.1	#N/A
Furniture	5.0	4.9	4.9	5.0	4.8	4.8	4.8	4.7	4.7	4.6	4.6	4.6	#N/A
Stone-Clay-Glass	8.9	8.9	9.0	9.3	9.2	9.2	9.1	9.0	9.0	8.8	8.8	8.7	#N/A
Primary Metals	11.5	11.0	10.7	10.5	10.3	9.5	9.4	9.4	9.2	9.2	9.3	9.2	#N/A
Fabricated Metals	15.1	15.1	15.2	15.3	15.3	15.0	15.0	15.1	15.1	15.1	15.1	15.0	#N/A
Nonelectrical Machinery	25.7	25.7	25.5	25.6	25.4	25.4	25.2	25.1	25.1	24.9	24.7	24.5	#N/A
Electrical Machinery	20.2	20.3	20.3	20.2	20.2	19.7	19.2	18.8	18.3	18.2	17.8	17.5	#N/A
Aerospace	85.9	85.2	84.9	85.3	85.7	85.9	85.9	86.5	87.0	87.3	87.6	87.7	#N/A
Other Trans. Equipment	14.4	14.5	14.6	14.5	14.1	13.8	13.5	13.2	13.1	12.9	12.9	12.9	#N/A
Instruments	14.7	14.2	14.1	14.2	14.1	14.1	14.1	14.0	14.0	13.9	13.9	13.8	#N/A
Other Durables	8.4	8.5	8.5	8.7	8.5	8.5	8.4	8.4	8.4	8.2	8.2	8.1	#N/A
Nondurable Manufacturing	105.4	105.9	105.4	105.7	105.9	105.3	103.3	103.3	103.2	103.6	103.1	102.6	#N/A
Food and Kindred Products	39.4	39.9	40.3	40.1	40.2	40.1	38.4	38.4	38.4	39.3	39.1	38.8	#N/A
Apparel	7.9	7.8	7.8	7.9	7.8	7.7	7.6	7.8	7.7	7.5	7.4	7.4	#N/A
Pulp and Paper	15.5	15.5	15.4	15.3	15.3	15.2	14.9	15.0	15.0	14.7	14.7	14.7	#N/A
Printing	24.3	24.3	23.4	23.8	24.1	23.9	24.0	23.8	23.7	23.7	23.4	23.3	#N/A
Chemicals	6.2	6.3	6.4	6.4	6.3	6.4	6.2	6.2	6.2	6.2	6.2	6.3	#N/A
Other Nondurables	12.1	12.1	12.1	12.2	12.2	12.1	12.1	12.1	12.1	12.1	12.1	12.1	#N/A
Mining	3.5	3.5	3.5	3.6	3.7	3.7	3.7	3.7	3.6	3.7	3.7	3.7	#N/A
Construction	162.4	163.6	164.2	167.9	167.2	168.1	165.9	164.9	164.5	163.1	163.4	164.6	#N/A
Trans., Comm., and Utilities	148.2	148.8	149.3	149.8	149.7	149.3	149.0	149.1	148.7	148.3	147.7	147.7	#N/A
Wholesale Trade	156.1	157.6	158.2	158.4	157.6	156.4	155.9	156.2	153.8	154.3	154.4	153.7	#N/A
Retail Trade	500.3	500.3	498.5	503.3	502.4	503.4	504.7	501.5	501.5	499.8	498.7	497.3	#N/A
Finance-Insurance-Real Estate	137.2	137.6	137.7	138.7	138.7	138.7	139.3	139.8	139.8	139.2	139.0	139.5	#N/A
Services	791.3	793.3	796.5	799.4	797.7	798.1	800.6	801.1	802.4	801.6	801.0	803.0	#N/A
Federal Government	67.6	67.7	67.4	67.5	67.6	67.3	67.5	67.4	67.9	68.0	68.1	68.1	#N/A
State and Local Government	414.8	417.5	415.4	417.5	416.9	418.5	420.2	421.5	420.8	428.6	431.4	423.1	#N/A

Table 4.2
Monthly Nonfarm Employment Estimates
Seasonally Adjusted

Forecast Council Assumptions

	2000:10	2000:11	2000:12	2001:1	2001:2	2001:3	2001:4	2001:5	2001:6	2001:7	2001:8	2001:9	2001:10
Wage and Salary Employment	2717.2	2721.3	2728.7	2734.9	2728.0	2728.5	2711.2	2711.3	2704.5	2711.8	2710.1	2697.7	2697.5
Manufacturing	349.3	347.5	346.6	345.7	344.6	342.3	337.8	337.7	336.3	336.8	334.7	333.0	330.6
Durable Manufacturing	242.9	241.2	240.9	240.2	239.2	237.4	235.0	234.6	233.6	233.1	232.4	231.4	229.6
Lumber & Wood	31.9	31.7	31.7	31.7	31.4	30.9	30.7	30.6	30.7	30.5	30.1	30.2	30.0
Furniture	4.9	4.8	4.8	4.7	4.7	4.6	4.5	4.5	4.5	4.3	4.3	4.3	4.4
Stone-Clay-Glass	9.0	9.0	9.0	9.1	9.1	9.1	8.8	8.8	8.8	8.6	8.7	8.5	8.5
Primary Metals	11.4	10.9	10.9	10.2	9.7	9.6	9.5	9.4	9.3	9.2	9.3	9.2	8.8
Fabricated Metals	15.1	15.0	15.1	15.2	15.0	14.6	14.5	14.4	14.1	14.2	14.1	14.0	14.0
Nonelectrical Machinery	25.4	25.2	25.0	24.8	24.8	24.5	24.4	24.2	23.9	23.9	23.7	23.3	23.1
Electrical Machinery	20.6	20.6	20.8	21.2	21.1	20.3	19.7	19.3	18.7	18.4	18.1	17.8	17.5
Aerospace	86.8	86.2	85.8	86.2	86.7	87.0	87.0	87.6	88.0	88.3	88.7	88.8	88.6
Other Trans. Equipment	14.3	14.2	14.6	13.9	13.9	13.9	12.8	12.9	12.6	12.7	12.7	12.6	12.3
Instruments	14.9	14.7	14.8	14.6	14.6	14.6	14.8	14.9	15.0	14.9	14.9	14.8	14.6
Other Durables	8.7	8.7	8.4	8.4	8.4	8.3	8.1	8.0	8.0	8.0	7.8	7.8	7.6
Nondurable Manufacturing	106.5	106.3	105.7	105.5	105.4	104.9	102.9	103.1	102.8	103.7	102.2	101.6	101.1
Food and Kindred Products	40.8	40.7	40.4	40.7	40.8	40.7	40.0	40.2	40.3	41.3	40.2	40.0	39.5
Apparel	7.8	7.7	7.6	7.7	7.5	7.6	7.3	7.5	7.3	7.2	7.2	7.1	6.9
Pulp and Paper	15.5	15.4	15.4	15.0	15.1	14.8	14.9	14.8	14.7	14.4	14.3	14.2	14.4
Printing	24.1	24.2	24.0	23.9	23.9	24.0	23.2	23.1	22.8	22.9	22.7	22.5	22.5
Chemicals	6.2	6.2	6.2	6.1	6.0	6.0	5.9	6.0	5.9	6.0	6.0	6.0	5.9
Other Nondurables	12.1	12.1	12.1	12.0	12.0	11.8	11.6	11.5	11.8	11.8	11.8	11.7	11.8
Mining	3.5	3.4	3.5	3.3	3.3	3.4	3.5	3.4	3.5	3.5	3.4	3.4	3.6
Construction	161.0	163.1	162.8	164.5	162.2	163.8	159.4	159.3	158.8	157.6	157.9	158.3	157.3
Trans., Comm., and Utilities	148.7	149.3	148.7	149.6	148.8	148.2	148.1	148.1	147.8	147.4	146.8	146.4	146.5
Wholesale Trade	156.6	156.9	157.8	160.0	159.7	159.5	158.1	158.3	156.3	156.5	156.7	155.2	154.8
Retail Trade	493.3	494.4	494.2	498.5	498.5	498.8	498.5	495.8	494.7	493.3	492.6	489.8	491.8
Finance-Insurance-Real Estate	136.8	137.2	137.9	139.1	139.5	139.4	139.2	139.5	139.7	138.7	138.6	139.1	139.5
Services	785.7	788.3	792.9	792.0	789.8	788.5	781.7	782.8	781.6	781.3	781.7	783.7	784.1
Federal Government	67.9	68.1	67.8	67.1	67.4	67.3	67.4	67.3	68.0	68.1	68.5	68.5	69.5
State and Local Government	414.6	413.1	416.6	415.3	414.2	417.3	417.3	419.0	417.8	428.7	429.2	420.3	419.7

Table 4.3
Monthly Nonfarm Employment Estimates
Seasonally Adjusted

Difference

	2000:10	2000:11	2000:12	2001:1	2001:2	2001:3	2001:4	2001:5	2001:6	2001:7	2001:8	2001:9	2001:10
Wage and Salary Employment	-12.3	-15.6	-7.6	-18.2	-19.2	-18.5	-35.5	-33.1	-37.1	-32.9	-34.3	-38.7	#N/A
Manufacturing	1.4	0.5	1.1	-1.2	-1.2	-1.2	-2.0	-1.5	-2.3	-1.3	-2.3	-2.8	#N/A
Durable Manufacturing	0.3	0.1	0.7	-1.0	-0.7	-0.8	-1.6	-1.3	-1.9	-1.4	-1.5	-1.7	#N/A
Lumber & Wood	-1.0	-1.0	-0.8	-0.9	-0.9	-1.5	-1.2	-1.2	-0.8	-0.9	-0.9	-0.9	#N/A
Furniture	-0.1	-0.1	-0.1	-0.3	-0.2	-0.3	-0.3	-0.2	-0.3	-0.3	-0.2	-0.3	#N/A
Stone-Clay-Glass	0.1	0.1	0.0	-0.2	-0.1	-0.1	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	#N/A
Primary Metals	-0.1	-0.1	0.2	-0.3	-0.6	0.1	0.1	0.0	0.1	0.0	0.0	0.0	#N/A
Fabricated Metals	0.0	-0.1	-0.1	-0.1	-0.3	-0.4	-0.5	-0.7	-0.9	-0.9	-1.0	-1.0	#N/A
Nonelectrical Machinery	-0.3	-0.5	-0.5	-0.7	-0.6	-0.9	-0.8	-0.9	-1.2	-1.0	-1.1	-1.2	#N/A
Electrical Machinery	0.4	0.3	0.5	1.0	0.9	0.7	0.5	0.5	0.4	0.3	0.3	0.2	#N/A
Aerospace	0.9	1.0	0.9	0.9	1.0	1.1	1.1	1.1	1.0	1.0	1.1	1.1	#N/A
Other Trans. Equipment	-0.1	-0.3	0.0	-0.5	-0.2	0.2	-0.7	-0.3	-0.5	-0.2	-0.2	-0.3	#N/A
Instruments	0.2	0.5	0.7	0.3	0.4	0.5	0.7	0.8	0.9	1.0	0.9	1.0	#N/A
Other Durables	0.3	0.3	-0.1	-0.3	-0.2	-0.3	-0.3	-0.4	-0.4	-0.3	-0.3	-0.2	#N/A
Nondurable Manufacturing	1.1	0.4	0.4	-0.2	-0.5	-0.4	-0.4	-0.2	-0.4	0.1	-0.8	-1.0	#N/A
Food and Kindred Products	1.4	0.8	0.2	0.6	0.6	0.6	1.6	1.8	1.9	2.0	1.1	1.2	#N/A
Apparel	-0.1	-0.1	-0.2	-0.1	-0.3	-0.1	-0.3	-0.3	-0.4	-0.3	-0.3	-0.3	#N/A
Pulp and Paper	0.0	-0.1	0.0	-0.3	-0.2	-0.4	-0.1	-0.2	-0.3	-0.3	-0.4	-0.5	#N/A
Printing	-0.2	-0.1	0.6	0.1	-0.1	0.1	-0.7	-0.7	-0.9	-0.8	-0.8	-0.8	#N/A
Chemicals	0.0	-0.1	-0.2	-0.3	-0.3	-0.3	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3	#N/A
Other Nondurables	0.0	0.0	0.0	-0.2	-0.2	-0.3	-0.6	-0.6	-0.4	-0.4	-0.3	-0.4	#N/A
Mining	0.0	-0.1	0.0	-0.3	-0.3	-0.3	-0.2	-0.3	-0.1	-0.2	-0.3	-0.3	#N/A
Construction	-1.5	-0.5	-1.4	-3.5	-5.0	-4.2	-6.5	-5.5	-5.7	-5.5	-5.5	-6.3	#N/A
Trans., Comm., and Utilities	0.4	0.5	-0.7	-0.1	-0.8	-1.0	-0.9	-1.1	-0.9	-0.8	-0.9	-1.3	#N/A
Wholesale Trade	0.5	-0.7	-0.4	1.6	2.1	3.1	2.2	2.1	2.5	2.2	2.2	1.5	#N/A
Retail Trade	-7.0	-5.9	-4.3	-4.9	-3.9	-4.6	-6.1	-5.6	-6.8	-6.5	-6.1	-7.5	#N/A
Finance-Insurance-Real Estate	-0.5	-0.4	0.2	0.4	0.8	0.6	-0.1	-0.3	-0.2	-0.5	-0.4	-0.5	#N/A
Services	-5.6	-4.9	-3.7	-7.5	-7.9	-9.6	-18.8	-18.3	-20.8	-20.3	-19.4	-19.4	#N/A
Federal Government	0.3	0.4	0.4	-0.4	-0.2	0.0	-0.1	-0.1	0.1	0.1	0.4	0.4	#N/A
State and Local Government	-0.3	-4.4	1.2	-2.3	-2.7	-1.2	-2.9	-2.5	-3.0	0.1	-2.1	-2.7	#N/A

Advisor's Name:_____

Forecast Worksheet **Calendar Years**
November 9, 2001

	2001:Q4	2002	Average 2003:1,2
U.S.			
Real GDP, %Ch			
Baseline	-2.1	0.4	4.8
Your Opinion	_____	_____	_____
Implicit Price Deflator, % Ch			
Baseline	2.7	1.5	2.3
Your Opinion	_____	_____	_____
Mortgage Rate, Percent			
Baseline	6.5	6.5	7.6
Your Opinion	_____	_____	_____
Washington State			
Real Personal Income, % Ch			
Baseline	0.0	0.3	4.1
Your Opinion	_____	_____	_____
Wage and Salary Employment, % Ch			
Baseline	-1.6	-0.8	1.3
Your Opinion	_____	_____	_____
Manufacturing Employment, % Ch			
Baseline	-7.1	-7.2	1.2
Your Opinion	_____	_____	_____
Construction Employment, % Ch			
Baseline	-3.3	-4.3	-0.9
Your Opinion	_____	_____	_____
Housing Permits (Thousands)			
Baseline	34.5	36.9	35.1
Your Opinion	_____	_____	_____
Washington Average Annual Wage, % Ch			
Baseline	4.2	2.0	4.5
Your Opinion	_____	_____	_____