

MAY 2025

Washington Monthly Economic Report



The Office of Financial Management's Forecasting and Research Division provides nonpartisan, data-driven research and analysis and supports decision-making by the Governor, the legislature, state agencies, and the public. Our work includes health care, education, demographics, criminal justice, traffic safety, and economic trends. Visit ofm.wa.gov to learn more.

Washington Jobs, Unemployment, and Revenue Summary

	2024	2025	Numeric Change	Percent Change
Total Nonfarm Jobs				
February	3,616,500	3,635,200	44,700	1.2%
March	3,625,300	3,634,700	9,400	0.3%
April	3,626,800	3,628,900	2,100	0.1%
Unemployment Rate (%)				
February	4.6%	4.4%	-0.2%	
March	4.6%	4.4%	-0.2%	
April	4.6%	4.4%	-0.2%	
Revenue Collections (millions)				
February	1,888	1,999	\$112	5.9%
March	1,933	1,929	-\$4	-0.2%
April	2,380	2,438	\$58	2.4%

Nonfarm Jobs¹

↑2,100

Year-over-Year in April 2025

Unemployment

↓0.2%

Year-over-Year in April 2025

Nonfarm Jobs Growth

↑0.1%

Compared to April 2024

Total Revenue

↑2.4%

Compared to April 2024

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Washington Jobs, Unemployment, and Revenue Summary

Continued

April Revenue Is Higher than Forecasted

- **From April 10 to May 11, 2025, major General Fund-State (GF-S) revenue collections increased by \$58 million year-over-year, representing a 2.4% increase compared to the same period in 2024.** Additionally, the revenue collections for this period came in \$41.7 million (1.7%) higher than forecasted in March 2025 (*Source: Economic and Revenue Forecast Council revenue series, removing the effects of amnesty collections, and large, one-time audit payments or tax refunds*).

Non-farm Job Growth Is Slowing Down

- **In April 2025, Washington's non-farm jobs increased by 2,100 year-over-year, representing a 0.1% growth, lower than the growth seen in March (0.3%) and February (1.2%).** In April 2025, non-farm employment reached 3,628,900 jobs seasonally adjusted. Washington lost 5,800 jobs month-to-month, including 1,900 in aerospace manufacturing, and 900 jobs among software publishers (*Source: Employment Security Department, quarterly benchmarked nonfarm series*).

Unemployment Rate Remained Unchanged in April

- **The unemployment rate (seasonally adjusted) in April 2025 remained unchanged at 4.4%. The unemployment rate is lower by 0.2% compared to April 2024** (*Source: Employment Security Department Local Area Unemployment Statistics*).

Select Economic Indicators

U.S. Economic Indicators

	2024Q1	2024Q2	2024Q3	2025Q1
Gross Domestic Product (GDP)				
Change in Real GDP (annual rate)* (Adv Estimate)	1.6%	3.1%	2.4%	-0.3%
	Apr-24	Feb-25	Mar-25	Apr-25
U.S. Employment				
Change in Monthly Nonfarm Payrolls*(Preliminary)	118,000	102,000	185,000	177,000
Unemployment Rate*	3.9%	4.1%	4.2%	4.2%
	Apr-24	Feb-25	Mar-25	Apr-25
Prices				
Change in CPI (year/year)	3.4%	2.8%	2.4%	2.3%
Exchange Rate (foreign currency per US\$)				
Trade Weighted Dollar (Jan 06 = 100)	122.51	128.07	126.49	124.46
Interest Rates				
Prime Rate (percent)	8.50	7.50	7.50	7.50
Fed's Fund Rate	5.33	4.33	4.33	4.33
30-Year Mortgage Rate (percent)	6.99	6.84	6.65	6.73
	Apr-24	Feb-25	Mar-25	Apr-25
US Average Retail Gasoline (Regular \$ per gallon)	\$3.61	\$3.12	\$3.10	\$3.17
West Texas Intermediate Crude (\$ per barrel)	\$85.35	\$71.53	\$68.24	\$63.54

Washington Economic Indicators

	Apr-24	Feb-25	Mar-25	Apr-25
Washington Employment				
Change in Monthly Nonfarm Payrolls*	1,500	-14,500	-500	-5,800
Aerospace Employment (level)*	81,900	80,200	79,300	77,400
Construction Employment (level)*	225,700	214,400	219,000	219,700
Software Employment (level)*	83,300	82,500	83,000	82,100
Unemployment Rate*	4.6%	4.4%	4.4%	4.4%
	Apr-24	Feb-25	Mar-25	Apr-25
Energy Indicators				
WA Average Retail Gas (Regular, \$ per gallon)	\$4.51	\$3.95	\$3.97	\$4.17
	Apr-24	Dec-24	Feb-25	Apr-25
Seattle-Tacoma-Bremerton CPI (bi-monthly)				
Change in CPI (year/year)	4.4%	2.7%	2.5%	1.7%

Select Economic Indicators

Continued

Washington Economic Indicators

	2023Q4	2024Q2	2024Q3	2024Q4
Washington Real Estate Market				
Median Home Price Statewide	\$583,200	\$695,100	\$652,700	\$641,700
	Mar-24	Jan-25	Feb-25	Mar-25
Housing Permits (annual rate) *	47,400	40,200	27,700	29,800
	Mar-24	Jan-25	Feb-25	Mar-25
Exports from Washington				
Total State Exports (\$ millions)	\$5,217.5	\$4,912.0	\$5,100.8	\$5,288.1
Total Imports to Washington				
Total Imports (\$ millions)	\$4,754.4	\$5,753.9	\$4,768.8	\$5,327.5

Washington Revenue

	Apr - May 2025 Actual	Apr - May 2025 Adjusted
"Variance in revenue from March 2025 forecast (\$ millions)(Apr 10, 2025 - May 11, 2025)"	\$41.7	\$41.7

"Adjusted variance" includes adjustments for special factors (e.g., one-time payments).

* Adjusted for seasonal variations

Select Leading Economic Indicators

Indicator	Impact on Outlook	Comment
 Initial Claims for Unemployment Insurance in Washington State		<p>The monthly count of initial claims for unemployment insurance went down by 1,500 in April 2025 month-to-month, but up 3,500 year-over-year. In March, claims decreased by 2,700 month-to-month, but rose 4,500 year-over-year.</p>
 Year-over-Year Job Growth in Washington State		<p>Washington's non-farm employment decreased by 5,800 jobs month-to-month in April 2025. Year-over-year, it increased by 2,100, with a slower year-over-year growth (0.3%) than February 2025 (0.1%).</p>
 Housing Units Authorized in Washington State		<p>In March 2025, 29,800 building permits were issued, up by 2,100 compared to the previous month and down by 17,600 from the previous year.</p>
 10-year Treasury Note, 3-Month Treasury Bill Interest Rate Spread		<p>The spread in April 2025 is negative (- 8 basis points) vs -6 basis points in March. The spread reverted to negative after three months of being positive.</p>
 Standards on Consumer Loans in the U.S.		<p>The net percentage of lenders willing to make consumer loans in Q2 2025 decreased by 5.1 percentage points.</p>
 Manufacturing Overtime Hours in the U.S.		<p>In April 2025, manufacturing overtime decreased by 0.1 hours per week.</p>
 Pending Home Sales in the U.S vs the West		<p>In March 2025, pending home sales increased over the month 6.3% nationwide, and 5.4% in the West. Year-over-year, it decreased 2.2% in U.S and 3.9% in the West.</p>
 Aruoba-Diebold-Scotti Business Conditions Index		<p>The index in April 2025 dropped to -0.25. In March 2025, the index was around -0.19. This indicate weaker future economic conditions.</p>

[View leading indicator graphs](#)

Economic Highlights

U.S. Economy

General Economic Activity

- **No Interest Rate Cut in March:** The Fed kept their rate at 4.33%, unchanged from March, as they anticipate inflation to rise this year (*Source: Federal Reserve*).
- **Economic Contraction in Q1 2025:** The U.S. economy contracted in the first quarter of 2025, with real GDP declining by 0.3% (Seasonally Adjusted), compared to a 2.4% increase in the Q4 2024 (*Source: Bureau of Economic Analysis*).
- **Inflation Ticked Up in April:** Consumer prices increased by 0.2% (seasonally adjusted) in April after a 0.1% decrease in March, bringing the year-over-year inflation rate to 2.3%, while core inflation, which excludes food and energy, rose by 2.8% (*Source: Bureau of Labor Statistics*).
- **Consumer Confidence Weakened in April:** Consumer confidence declined significantly in April, with the University of Michigan's sentiment index falling by 4.8 points to 52.2, and the Conference Board's index dropping by 7.9 points to 86.0, reflecting growing concerns about employment, income, and business conditions. (*Source: University of Michigan; The Conference Board*).

Employment

- **U.S. Nonfarm Employment Rose in April:** Employment rose by 177,000 in April, though February and March gains were revised down by 58,000; the unemployment rate held steady at 4.2% and the average workweek remained unchanged at 34.3 hours. Average hourly earnings increased by \$0.06, up 3.8% over the past year (*Source: Bureau of Labor Statistics*).
- **Initial Jobless Claims Declined in April:** Initial claims dropped to 228,000 in early May, while the four-week average rose slightly. Layoff announcements dropped 62% from March but were still 63% higher than in April 2024 (*Sources: U.S. Department of Labor; Challenger, Gray & Christmas*).

Sectoral Trends

- **Energy Prices Fell in April Year-over-Year:** In April 2025, U.S. gasoline prices rose 2.3% from March but were down 12.2% compared to April 2024, reflecting a modest monthly uptick amid a broader annual decline. West Texas Intermediate crude oil prices fell 6.9% month-over-month and dropped sharply by 25.6% year-over-year (*Source: U.S. Energy Information Administration*).
- **Healthcare Led Job Growth in April:** In April, job growth was led by healthcare (+50,600), trade/transportation/utilities (+32,000), and leisure/hospitality (+24,000). However, employment declined in federal government and key manufacturing sectors such as motor vehicles and electronics (*Source: Bureau of Labor Statistics*).
- **The Service Sector Expanded, while Manufacturing Contracted in April:** Manufacturing activity contracted in April with the PMI falling to 48.7, while the services sector remained in expansion at 51.6. Despite a 0.3% dip in industrial production in March, business investment showed modest growth, with core capital goods orders up 0.1% monthly and 1.0% year-over-year (*Sources: Institute for Supply Management; Federal Reserve; U.S. Census Bureau*).
- **The Housing Market Showed Mixed Trends:** The housing market showed mixed signals in March, with housing starts down 11.4%, permits up 1.6%, and new home sales rising 7.4% from February. Existing home sales fell 5.9%, while overall home prices continued to climb, increasing 0.3% monthly and 3.9% year-over-year (*Sources: U.S. Census Bureau; National Association of Realtors; S&P Dow Jones Indices*).

Economic Highlights

Washington's Economy

General Economic Activity

- **April Revenue Collections Are Above Forecast:** General Fund-State revenue collections from April 11 to May 10, 2025, came in \$41.7 million (1.7%) above forecast. However, cumulative collections remain \$34.9 million (0.8%) below expectations (*Source: Washington State Economic and Revenue Forecast Council*).
- **Inflation Rose in the Seattle Area in April 2025:** Consumer price inflation in Seattle rose by 1.7% year-over-year in April 2025. This is below the 2.3% increase in the national index and reflects a significant cooling since its 2022 peak (*Source: U.S. Bureau of Labor Statistics*).
- **Washington Exports and Imports Rose in March 2025:** In March 2025, Washington exports rose 3.7% from February and were up 1.4% year-over-year. Imports increased 11.7% month-over-month and 12.1% compared to March 2024 (*Source: U.S. Census Trade Data*).

Employment

- **Job growth in Washington is Slowing Down:** In April 2025, Washington's nonfarm employment increased by 2,100 jobs from March, reflecting a slight month-over-month growth of 0.1%. In February and March, the month-over-month growth was respectively at 1.2% and 0.3%. Compared to April 2024, nonfarm employment decreased by 5,800 jobs. (*Source: Employment Security Department*).
- **The Unemployment Rate Remained Steady in April:** Washington's unemployment rate held steady at 4.4% in April, down slightly from 4.6% a year earlier. The labor force participation rate continues to decline, reaching 62.7% in April (*Source: Employment Security Department*).
- **Initial Unemployment Claims Went Down in April Month-to Month:** Monthly count of initial claims for unemployment insurance went down by 1,500 in April 2025 month-to month, but up 3,500 year-over-year. In March, claims decreased by 2,700 month-to-month, but rose 4,500 year-over-year (*Source: Employment Security Department*).

Sectorial Trends

- **Government Employment in Education Declined between February and April:** Washington saw mixed sectoral trends, with construction adding 1,200 jobs while manufacturing lost 500, and government employment declined by 900 due to education job losses. In the private sector, social assistance added 4,700 jobs, while food and drinking places experienced the largest cut, losing 7,000 jobs (*Source: Employment Security Department*).
- **Housing Construction Remained Weak and Home Prices Rose in Q1 2025:** Housing construction remained weak in Q1 2025, with only 32,500 units permitted versus a forecast of 39,900. March marked the weakest two-month period for multi-family permits since 2014. Seattle home prices rose 0.1% in February for the second consecutive month. Compared to last year, prices are up 4.9%, slightly above the 4.5% national composite-20 index increase (*Sources: S&P CoreLogic Case-Shiller, U.S. Census Bureau*).
- **Vehicle sales in Washington Are At their Highest:** Vehicle sales reached their highest level since 2017 in April, rising 5.8% from March. Light truck registrations surged 18.2%, pushing total registrations 15.2% higher year-over-year (*Source: Washington State Department of Licensing*).

Economic Highlights

Layoffs Around Washington State

In May 2025, Washington experienced major layoffs across the tech, retail, education, and food service sectors, with over 2,300 job losses driven largely by Microsoft and Starbucks. Additional layoffs exceeding 600 positions are scheduled for June and beyond, reflecting continued cutbacks in transportation, telecom, healthcare, and distribution industries (*Source: Washington State Employment Security Department*).

Layoffs in May 2025

- **Starbucks** laid off 620 employees in Seattle on May 2 and May 5.
- **The Cheesecake Factory** closed its Seattle location, resulting in 119 job losses on May 4.
- **The Bartell Drug Company** (Rite Aid) closed its Des Moines location, cutting 131 jobs on May 7. The layoff will be finalized by June 4.
- **Cow Palace LLC** closed its operations in Granger, impacting 100 employees on May 9.
- **College Success Foundation** laid off 100 employees in Bellevue on May 12. The layoff will take effect by July 9.
- **Microsoft** announced on May 13 a major layoff of 1,985 workers in Redmond. The layoff will be finalized by July 12.

Layoffs in June 2025 and Beyond

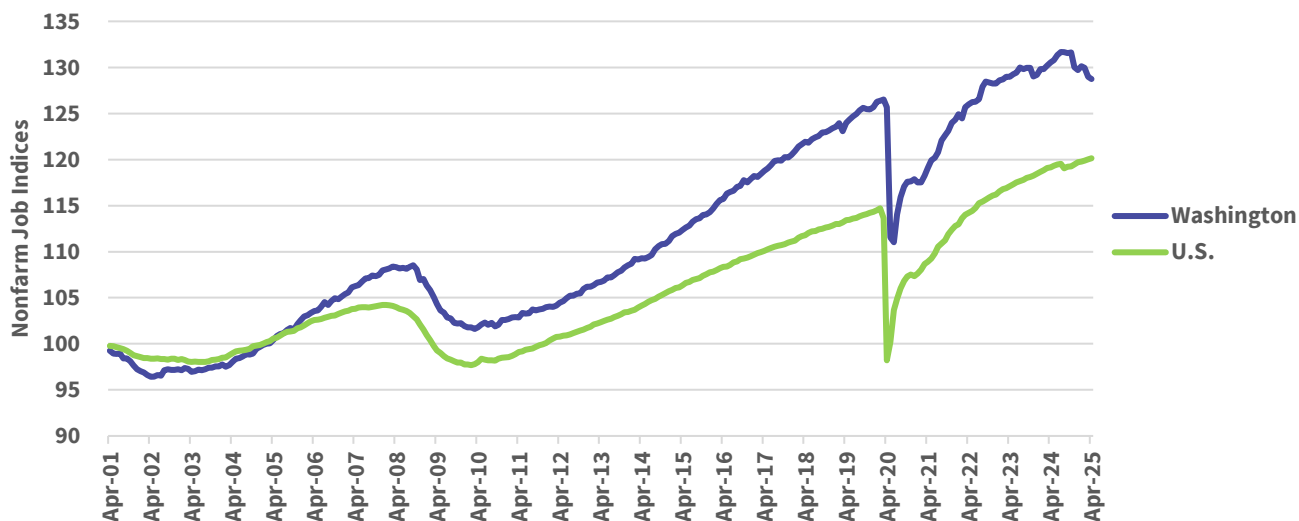
- **SDS Lumber LLC** will permanently close in Bingen, laying off 81 workers on June 2.
- **United States Cellular Corporation** will lay off 86 employees across multiple Washington locations by June 2.
- **TEKsystems, Inc.** will lay off 67 employees in Redmond by June 13.
- **AMT Medical, Inc. (Velocity Medtech)** will lay off 70 workers in Monroe by June 23.
- **Accelerate360 Distribution** will close operations across various locations, affecting 31 employees by June 28.
- **MV Transportation, Inc.** will lay off 287 employees in Redmond by June 30.
- **Starbucks** will complete an additional layoff of 8 employees in Seattle by July 4.

Sector Specific Highlights

Labor Market: Jobs

Nonfarm Job Indices: Washington and U.S.

April 2001 – April 2025 (March 2005=100)



WA Nonfarm Jobs

↓5,800

Month-to-Month in April 2025

U.S. Nonfarm Jobs

↑177,000

Month-to-Month in April 2025

WA Nonfarm Jobs Growth

↓0.24%

Year-over-Year in April 2025

U.S. Nonfarm Jobs Growth

↑1.2%

Year-over-Year in April 2025

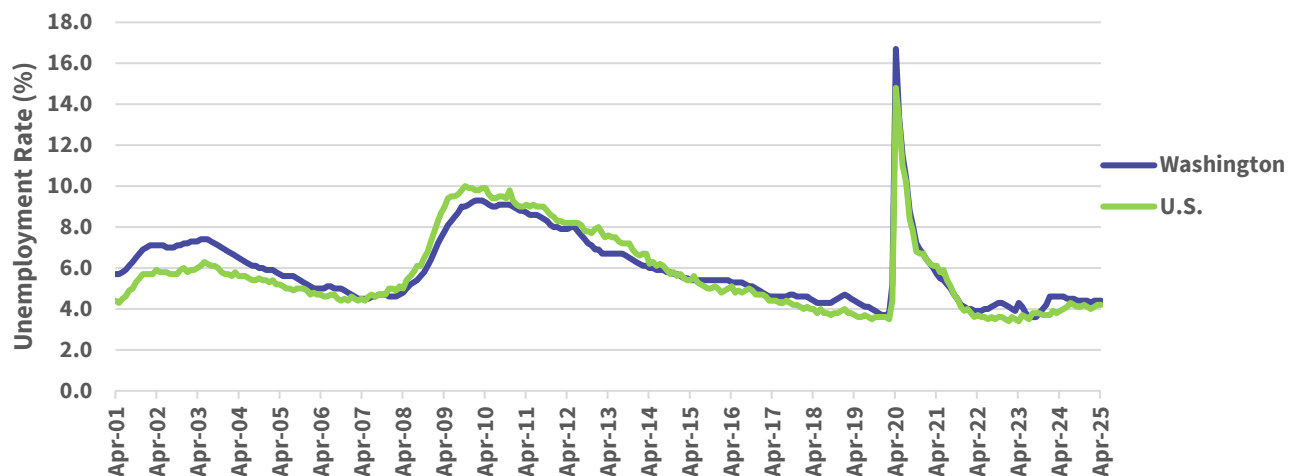
In April 2025, Washington total nonfarm job count decreased by 5,800 month-to-month (-0.24% year-over year), while the national job count rose by 177,000 in April 2025.

Sector Specific Highlights

Labor Market (Continued): Unemployment

Unemployment Rates: Washington and U.S.

April 2001 - April 2025



WA Unemployment

4.4%

in in April 2025

U.S. Unemployment

4.2%

in April 2025

WA Unemployment Trend

~0%

Month-to-Month in April 2025

U.S Unemployment Trend

~0%

Month-to-Month in April 2025

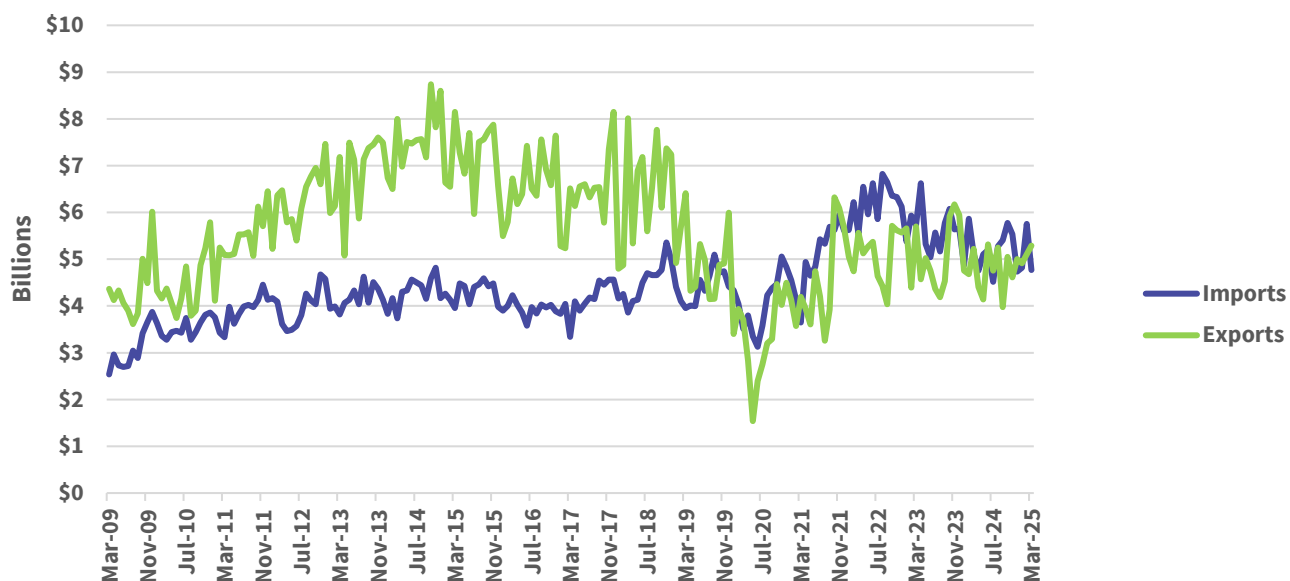
Washington's unemployment rate remained unchanged to 4.4% in April. The nation's unemployment rate remained unchanged to 4.2% in April 2025.

Sector Specific Highlights

Washington Trade

Washington State Origin Exports and Destination Imports

March 2009 - March 2025, Source: BEA



WA Exports (Month-to-month)

↑4%

In March 2025

WA Exports (Year-over-Year)

↑1%

March 2024 to March 2025

WA Imports (Month-to-Month)

↑12%

in March 2025

WA Imports (Year-over-Year)

↑12%

March 2024 to March 2025

In March 2025, Washington's imports increased by 12% month-to-month (12% year-over-year). Exports increased 4.0% over the month and increased by 1.0% over the year.

Sector Specific Highlights

Housing Market

United States

Mortgage Interest Rate: 30-Yr vs 15-Yr

April 2001 – April 2025, Source: Freddie Mac



- Mortgage Rates Have Decreased in March:** From January to March 2025, both 30-year and 15-year mortgage rates declined, but rates edged up in April to 6.73% and 5.94%, respectively (*Mortgage Bankers Application, Freddie Mac*).
- Increase in U.S Home Prices and Higher Housing Inventory in April:** In April, U.S. existing-home sales declined 0.5% from March and were down 2.0% year-over-year, while the median sales price rose 1.8% to a record \$414,000 for the month. Housing inventory increased 9.0% to 1.45 million units, representing a 4.4-month supply at the current sales pace (*Source: National Association of Realtors*).

Sector Specific Highlights

Housing Market (Continued)

Washington

Housing Prices

- **Increase in Median Home Prices:** In April 2025, home prices in Washington were up 1.4% compared to last year, selling for a median price of \$663,400. On average, the number of homes sold was down 1.0% year-over-year and there were 7,659 homes sold in April this year, down 7,737 homes sold in April last year. The median days on the market were 15 days, up 1 year-over-year (*Source: Redfin*).

Housing Supply

- **Housing Supply on The Rise in April:** In April 2025, there were 26,040 homes for sale in Washington, up 15.4% year over year. The number of newly listed homes was 11,759 and up 5.4% year over year. The average months of supply are 2 months, unchanged from last year (*Source: Redfin*).

Housing Demand

- **Competition Increased in the Washington Housing Market in April:** In April 2025, 38.5% of homes in Washington sold above list price, down 1.4 points year over year. There were 32.3% of homes that had price drops, up from 25.0% of homes in April last year. There was a 100.4% sale-to-list price, down 0.56 points year over year (*Source: Redfin*).