

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

	Years		Numeric Change	Percent Change
	2024	2025		
Total Nonfarm Jobs¹	2024	2025		
December	3,643,300	3,643,500	600	0.01%
	2025	2026		
January	3,589,600	3,598,700	9,100	0.25%
February	3,594,000	3,608,300	14,300	0.40%
Unemployment Rate (%)²	2024	2025		
December	4.3%	4.9%	0.6%	
	2025	2026		
January	4.4%	5.0%	0.6%	
February	4.4%	5.1%	0.7%	
Revenue Collections (\$ millions)	2025	2026	Numeric Change	Percent Change
January	\$2,375	\$2,614	\$239	10.1%
February	\$1,999	\$2,131	\$132	6.6%
March	\$1,929	\$2,065	\$137	7.1%

Nonfarm Jobs
↑14,300
 Compared to February 2025

Unemployment Change
↑0.7%
 Compared to February 2025

Nonfarm Jobs Growth
↑0.4%
 Compared to February 2025

Total Revenue
↑7.1%
 Compared to March 2025

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¹ Total nonfarm jobs are non-seasonally adjusted.

² Unemployment rate is seasonally adjusted.

Washington Jobs, Unemployment, and Revenue Summary Continued

March Revenue Is Lower than Forecasted

- **Major General Fund-State (GF-S) revenue collections for the period came in \$71.2 million (3.3%) lower than forecasted.** From March 11 to April 10, 2026, major General Fund-State (GF-S) revenue collections increased by \$137 million year-over-year, representing a 7.1% increase compared to the same period in 2025 (*Source: Economic Revenue Forecast Council revenue series, removing the effects of amnesty collections, and large, one-time audit payments or tax refunds*).

Non-farm Job Growth Increased in February Year-over-Year

- **In February 2026, Washington's non-farm jobs increased by 14,300 year-over-year (non-seasonally adjusted), representing an annual increase of 0.40%.** Non-farm employment reached 3,608,300 jobs (non-seasonally adjusted). Washington added 700 jobs month-to-month (seasonally adjusted), including 500 in aerospace and parts manufacturing, 500 in construction. No jobs were added for software publishers (*Source: Employment Security Department, quarterly benchmarked nonfarm series*).

Unemployment Rate Increased Month-Over-Month and Year-over-Year

- **The unemployment rate (seasonally adjusted) in February 2026 was at 5.1%.** The unemployment rate in February 2026 increased month-to-month by 0.1% (0.7% higher year-over-year) (*Source: Employment Security Department Local Area Unemployment Statistics*).

Select Economic Indicators

U.S. Economic Indicators

	2024Q4	2025Q2	2025Q3	2025Q4
Gross Domestic Product (GDP)				
Change in Real GDP (annual rate)* (Q4 2025 2nd.)	1.9%	3.8%	4.4%	0.5%
	Mar-25	Jan-26	Feb-26	Mar-26
U.S. Employment				
Change in Monthly Nonfarm Payrolls* (Preliminary)	67,000	160,000	-133,000	178,000
Unemployment Rate*	4.2%	4.3%	4.4%	4.3%
	Mar-25	Jan-26	Feb-26	Mar-26
Prices				
Change in CPI (year/year)	2.4%	2.4%	2.4%	3.3%
Exchange Rate (foreign currency per US\$)				
Trade Weighted Dollar (Jan 06 = 100)	126.24	119.23	117.91	119.92
Interest Rates				
Prime Rate (percent)	7.50	6.75	6.75	6.75
Fed's Fund Rate	4.33	3.64	3.64	3.64
30-Year Mortgage Rate (percent)	6.65	6.10	6.07	6.38
Fuel				
US Average Retail Gasoline (Regular \$ per gallon)	\$3.10	\$2.81	\$2.91	\$3.64
West Texas Intermediate Crude (\$ per barrel)	\$68.24	\$60.04	\$64.51	\$91.38

Washington Economic Indicators

	Feb-25	Dec-25	Jan-26	Feb-26
Washington Employment				
Change in Monthly Nonfarm Payrolls*	-5,600	18,000	2,800	700
Aerospace Employment (level)*	84,000	81,100	81,300	81,800
Construction Employment (level)*	217,900	212,200	217,100	217,600
Software Employment (level)*	82,700	80,000	80,900	80,900
Unemployment Rate*	4.4%	4.9%	5.0%	5.1%
	Feb-25	Dec-25	Jan-26	Feb-26
Energy Indicators				
WA Average Retail Gas (Regular, \$ per gallon)	\$3.95	\$3.89	\$3.67	\$3.95
	Feb-25	Oct-25	Dec-25	Feb-26
Seattle-Tacoma-Bremerton CPI (bi-monthly)				
Change in CPI (year/year)	2.5%	N/A	3.1%	3.9%

Select Economic Indicators Continued

Washington Economic Indicators

	2024Q4	2025Q2	2025Q3	2025Q4
Washington Real Estate Market				
Median Home Price Statewide	\$641,700	\$675,600	\$633,001	\$614,400
	Jan-25	Nov-25	Dec-25	Jan-26
Housing Permits (annual rate)*	40,200	33,700	35,300	38,500
	Feb-25	Dec-25	Jan-26	Feb-26
Exports from Washington³				
Total State Exports (\$ millions)	\$5,100.8	\$5,834.6	\$6,165.8	\$5,248.7
Total Imports to Washington				
Total Imports (\$ millions)	\$4,768.8	\$4,465.2	\$4,761.8	\$4,018.3

Washington Revenue











	Mar - Apr 2026 Actual	Mar - Apr 2026 Adjusted
Variance in revenue from February 2026 forecast (\$ millions) Mar 11, 2026 – Apr 10, 2026)	-\$71.2	-\$71.2

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

* Adjusted for seasonal variations

³ Includes passthrough

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 1672 in March 2026 month-to-month, and up 59 year-over-year (Source: ESD).</p>
 Year-over-Year Job Growth in Washington State		<p>Washington's non-farm employment year-over-year growth went up by 0.4% in February 2026 (non-seasonally adjusted).</p>
 Housing Units Authorized in Washington State		<p>In January 2026, 38,500 building permits were issued, up by 3,200 compared to the previous month, and down by 1,700 from the previous year.</p>
 10-year Treasury vs 3-month Treasury Bill Interest Rate Spread		<p>The spread between the 10-year treasury and 3-month treasury notes in March 2026 remains positive. The March spread is higher by 9 bps than the February spread because it is becoming less expensive to borrow in the short-term than in the long-term, reflecting better financing conditions.</p>
 Standards on Consumer Loans in the U.S.		<p>The net percentage of lenders willing to make consumer loans in Q1 2026 increased by 5.5 percentage points.</p>
 Manufacturing Overtime Hours in the U.S.		<p>In February 2026, manufacturing remained unchanged to 3.9 hours per week month-to-month. Year-over-year, manufacturing time increased by 0.2 hours.</p>
 Pending Home Sales in the U.S vs the West		<p>In March 2026, pending home sales increased over the month by 1.5% nationwide, and -2.6% in the West. Year-over-year, it decreased 1.1% in U.S. and 1.7% in the West.</p>
 Aruoba-Diebold-Scotti Business Conditions Index		<p>The index in March 2026 decreased by 0.13 over the month to -0.36. This indicates lower economic conditions compared to February 2026.</p>

[View leading indicator graphs](#)

Economic Highlights

U.S. Economy

General Economic Activity

- **Interest Rate Remained Unchanged in the Last Two Months:** As of March 2026, the Federal Reserve has held the benchmark federal funds rate steady at a range of 3.5% to 3.75%. Policymakers are maintaining this level to manage persistent inflation. *(Source: Federal Reserve).*
- **Growth slows as inflation reaccelerates:** Real GDP growth in Q4 2025 was modest at 0.5% (seasonally adjusted), down from 4.4% in Q3, reflecting slower expansion. Consumer Price Index (CPI) rose 0.9% in March and 3.3% year-over-year, signaling renewed price pressures *(Sources: BEA, BLS).*
- **Consumer confidence diverges between present conditions and future expectations:** The University of Michigan sentiment index fell 3.3 points to 53.3, while the Conference Board index rose 0.8 points to 91.8 in March. Households reported improved current conditions but weaker expectations for future income and labor market prospects *(Sources: University of Michigan, Conference Board).*
- **Business activity remains resilient despite mixed signals:** Manufacturing PMI increased to 52.7 while services PMI came in at 54.0, both indicating continued expansion, alongside a 0.2% increase in industrial production and a 0.6% rise in core capital goods orders in February *(Sources: ISM, Federal Reserve, U.S. Census Bureau).*
- **Energy prices surge, adding pressure on households and businesses:** West Texas Intermediate crude rose to \$106 per barrel (up \$27 over the month) and Brent reached \$124 (up \$39), while gasoline prices increased to \$4.12 per gallon (up \$0.62) *(Sources: EIA).*

Employment

- **Labor market expands but underlying softness emerges:** Employment increased by 178,000 jobs in March, but prior months were revised down by 7,000 jobs, while the unemployment rate declined slightly to 4.3% *(Sources: BLS, Challenger, Gray & Christmas).*
- **Job gains concentrated in services while losses spread across key sectors:** Health care added 76,400 jobs, leisure and hospitality 44,000, and trade, transportation, and utilities 33,000. Meanwhile, federal government employment fell 18,000, professional services 13,500, and financial activities 15,000 *(Sources: BLS)*
- **Layoff announcements increased sharply in March:** In the week ending April 4, the 4-week moving average was 209,500, an increase of 1,500 from the previous week's revised average. Layoff announcements increased to 60,620 (up 25% month-over-month but 78% below last year). This points to rising short-term stress but still relatively contained layoffs historically *(Source: Department of Labor, Challenger, Gray & Christmas).*

Sectoral Trends

- **Housing market weakens despite mixed construction activity:** Housing starts increased 7.2% month-over-month and were 9.5% above year-ago levels, but permits fell 5.4% and new home sales dropped 17.6% in January. Existing home sales also declined 3.6% in March and were 1.0% below last year, reflecting affordability constraints *(Sources: U.S. Census Bureau, National Association of Realtors).*
- **Auto sales rebound but remain below last year:** Light vehicle sales rose to 16.3 million units (SAAR) in March from 15.8 million in February, a 3.7% increase. However, sales remained 8.7% below March 2025 levels, indicating continued weakness in demand *(Sources: BEA, Wards Auto).*
- **Transportation and freight activity strengthen modestly:** Truck tonnage increased 2.6% in February and was 2.1% above year-ago levels, while rail carloads rose 1.7% and intermodal units increased 1.4% year-over-year in March. *(Source: American Trucking Association)*

Economic Highlights

Washington's Economy

General Economic Activity

- **GF-S revenue collections came in below forecast:** Revenues were \$71.2 million (-3.3%) lower than forecast for the March–April collection period. Cumulatively, they are now \$113.8 million (2.6%) lower than forecasted. (Source: *Economic and Revenue Forecast Council*).
- **Income growth moderates but supported by transfers:** Washington personal income rose 3.1% (seasonally adjusted) in Q4 2025 to \$727.0B, slightly below the 3.4% U.S. rate. Growth was driven by 10.0% increases in transfer receipts, while earnings growth lagged (Source: *BEA*).
- **Seattle inflation accelerated above the national average:** CPI rose 3.9% year-over-year in February versus 2.4% nationally, with energy (+9.1%) and food (+4.8%) driving increases while core inflation reached 3.4%. (Source: *Bureau of Labor Statistics*)

Employment

- **Initial unemployment claims declined in March:** The monthly count of initial claims for unemployment insurance went down by 1672 in March 2026 month-to-month, and up 59 year-over-year (Source: *Employment Security Department*)
- **Non-farm employment increased in February:** In February 2026, Washington's non-farm jobs increased by 14,300 year-over-year (non-seasonally adjusted), representing an annual increase of 0.40%. Non-farm employment reached 3,608,300 jobs (non-seasonally adjusted). Washington added 700 jobs month-to-month (seasonally adjusted), including 500 in aerospace and parts manufacturing, 500 in construction. No jobs were added for software publishers (Sources: *Employment Security Department, Bureau of Labor Statistics*).
- **Unemployment rises as participation declines:** The unemployment rate increased to 5.1% (Feb 2026) from 4.0% (June 2023), while participation fell to 62.6% from 64.2% (Sources: *BLS*).

Sectoral Trends

- **Housing construction gradually recovers:** Permits increased to 38,500 (seasonally adjusted) in January, above the 33,300 forecast for Q1, reflecting improving construction activity (Sources: *U.S. Census Bureau, ERFC*).
- **Seattle home prices decline while national prices rise:** Seattle prices fell 0.6% year-over-year, while the U.S. composite index rose 1.2% (Sources: *S&P CoreLogic Case-Shiller*).
- **Vehicle sales remain weak despite stabilization:** Registrations were flat at 237,400 (SAAR) in March but down 19.7% year-over-year from peak levels (Sources: *Washington Department of Licensing, ERFC*).

Economic Highlights

Layoffs Around Washington State

In April 2026, layoffs totaled about **3,587 workers** and were heavily driven by large-scale reductions in the technology and telecommunications sectors, particularly at Amazon and T-Mobile. Additional layoffs across healthcare, manufacturing, retail, and hospitality reflect broad-based workforce adjustments, with several closures contributing to job losses across the state.

Beyond April 2026, announced layoffs total roughly **1,271 workers** and are more concentrated in manufacturing, agriculture, and select technology and service firms, particularly in central and eastern Washington, alongside smaller reductions in biotech and digital health (*Source: Washington State Employment Security Department*).

Layoffs in April 2026 (3,587 workers)

1. Technology, E-Commerce & Telecommunications (2,892 workers)

April layoffs were dominated by large-scale reductions across major tech and telecom firms, primarily in the Puget Sound region and statewide.

- Amazon – Various locations in Washington (4/28) – **2,599 workers** (2,198 layoff; 401 closure)
- T-Mobile – Various locations in Washington (4/2) – **637 workers**
- Expedia, Inc. – Seattle (4/1) – **162 workers**
- Snap Inc. – Bellevue, Seattle, Vancouver (4/16) – **95 workers**

2. Manufacturing, Food Processing & Industrial (133 workers)

- International Paper Company – Union Gap (4/3) – **102 workers** (closure)
- Peshastin Pear Packers, LLC. – Peshastin (4/23) – **31 workers**

3. Healthcare (94 workers)

- PeaceHealth – Various locations in Washington (4/12) – **94 workers**

4. Retail, Hospitality & Consumer Services (217 workers)

- GMRI, Inc. dba Bahama Breeze – Tukwila (4/5) – **93 workers** (closure)
- IPIC Theaters, LLC – Redmond (4/28) – **64 workers** (closure)
- Eddie Bauer LLC – Seattle (4/15) – **60 workers** (closure)

5. Agriculture & Cooperative Services (49 workers)

- CHS Northwest – Various locations in Washington (4/19) – **38 workers**
- CHS Northwest – Lynden (4/1) – **11 workers**

Layoffs Occurring Beyond April 2026 (1,271 workers)

1. Manufacturing, Food Processing & Agriculture (847 workers)

Post-April layoffs are concentrated in plant closures and seasonal adjustments across central and eastern Washington.

- Agrimacs, Inc. – Chelan (5/8) – **145 workers** (closure)
- Blue Star Growers, Inc. – Cashmere (5/19) – **143 workers**
- Rise Baking Company, LLC – Kent (8/7) – **120 workers** (closure)
- Blue Bird, Inc. – Wenatchee (5/16) – **82 workers**
- Refresco Beverages US Inc – Walla Walla (5/2) – **58 workers** (closure)

- CHS Northwest – Whatcom County (5/5) – **57 workers** (closure)
- Congdon Packing Company – Yakima (4/15) – **102 workers**
- John I. Haas, Inc. – Yakima (5/15) – **12 workers** (temporary)

2. Technology & Digital Services (661 workers)

- Oracle America, Inc. – Seattle and Remote (6/1) – **475 workers**
- Meta Platforms, Inc. – Seattle, Bellevue, Redmond (5/8) – **168 workers**
- MicroVision, Inc. – Redmond (4/30) – **49 workers**
- Doosan GridTech – Bellevue (5/1) – **18 workers**

3. Healthcare & Services (86 workers)

- ZoomCare – Bellevue & Remote (6/15) – **36 workers**
- Astellas US Holding, Inc. – Seattle (7/1) – **50 workers** (closure)

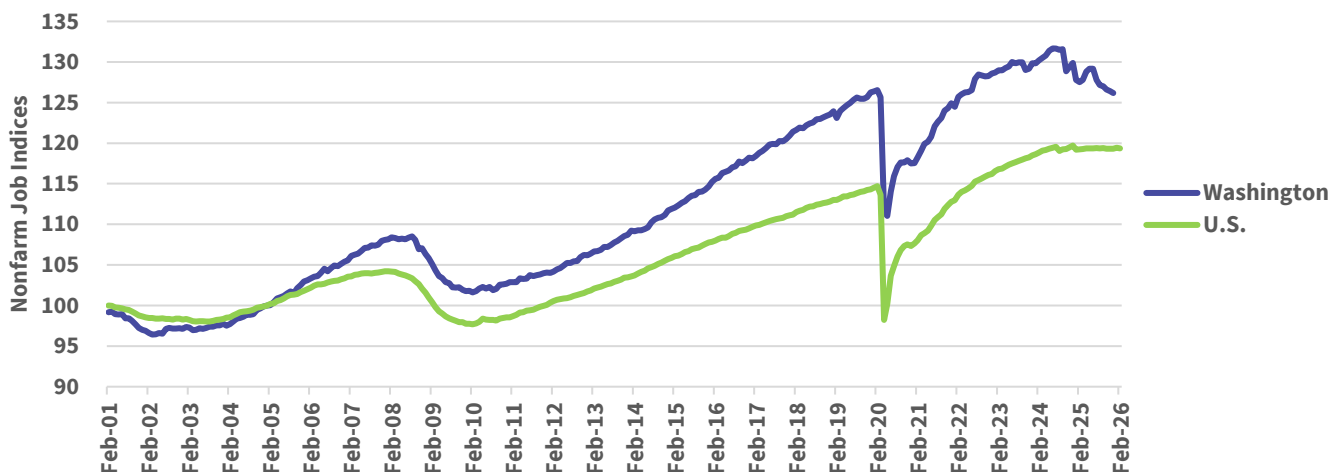
4. Hospitality & Entertainment (65 workers)

- Maverick Washington LLC / Silver Dollar SeaTac Casino – Seattle (6/30) – **65 workers** (closure)

Sector Specific Highlights Labor Market: Jobs

Nonfarm Job Indices: Washington and U.S.

February 2001 – February 2026 (March 2005=100), Source BLS



WA Nonfarm Jobs

↑700

Month-to-Month in February 2026

U.S. Nonfarm Jobs

↓133,000

Month-to-Month in February 2026

WA Nonfarm Jobs Growth

↑0.4%

Year-over-Year in February 2026

U.S. Nonfarm Jobs Growth

↑0.1%

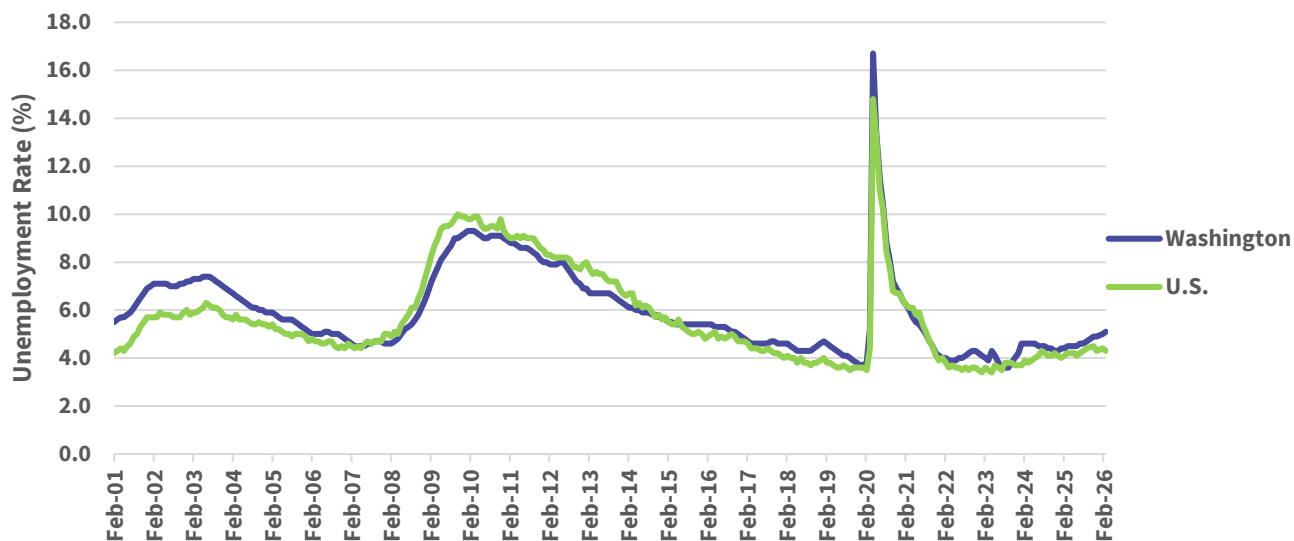
Year-over-Year in February 2026

In February 2026, Washington total nonfarm job count increased by 700 month-to-month (0.4% year-over year), while the national job count decreased by 133,000 month-to-month (0.4% year-over-year) in February 2026. In March, the national job count increased by 178,000 jobs.

Sector Specific Highlights Labor Market (Continued): Unemployment

Unemployment Rates: Washington and U.S.

February 2001 - February 2026, Source BLS



WA Unemployment

5.1%

in February 2026

U.S. Unemployment

4.4%

in February 2026

WA Unemployment Trend

↑0.1%

Month-to-Month in Feb 2026

U.S Unemployment Trend

↑0.1%

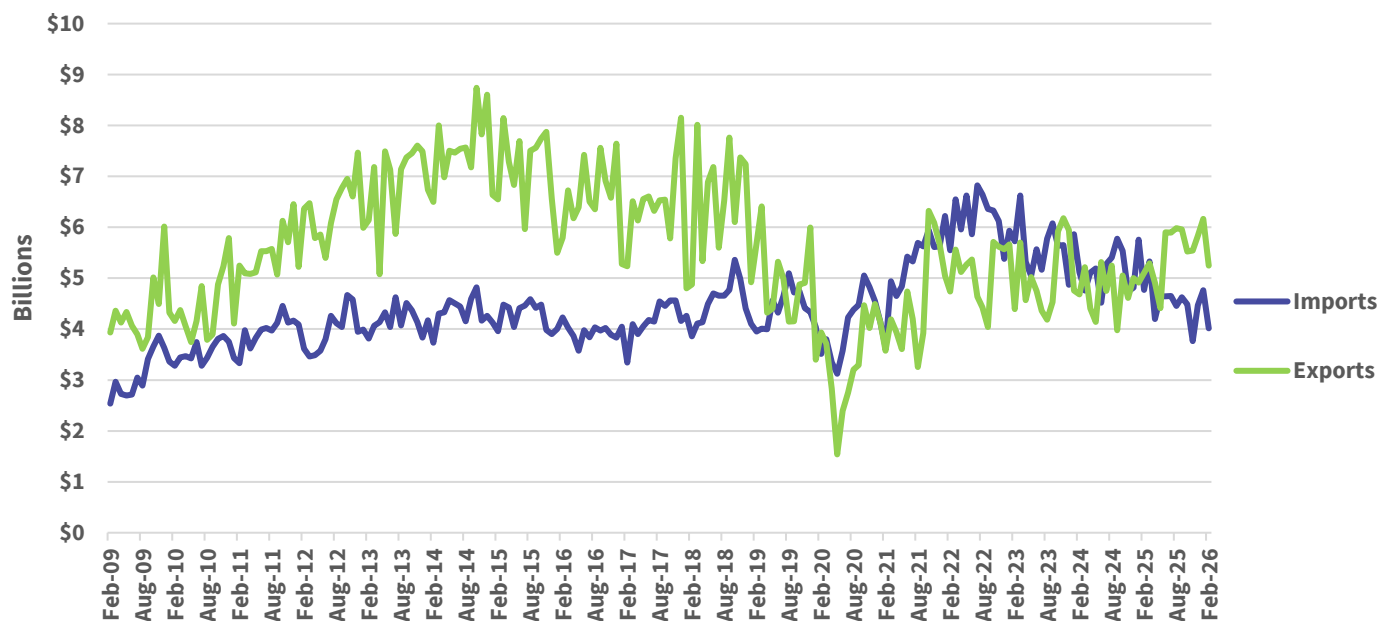
Month-to-Month in Feb 2026

Washington’s unemployment rate increased by 0.1% to 5.1% in February 2026. The nation’s unemployment rate increased by 0.1% to 4.4% in February 2026. In March, the national unemployment rate declined by 0.1% to 4.3%.

Sector Specific Highlights Washington Trade

Washington State Origin Exports and Destination Imports

February 2009 – February 2026, Source: BEA



WA Exports (Month-to-month)

↓15.0%

In Jan 2026

WA Exports (Year-over-Year)

↑2.90%

Jan 2025 to Jan 2026

WA Imports (Month-to-Month)

↓15.6%

in Jan 2026

WA Imports (Year-over-Year)

↓15.7%

Jan 2025 to Jan 2026

Washington’s trade activity weakened sharply in January, with imports falling 15.61% month-to-month and exports declining 14.87%. Over the year, imports were down 15.74% while exports increased 2.90%.

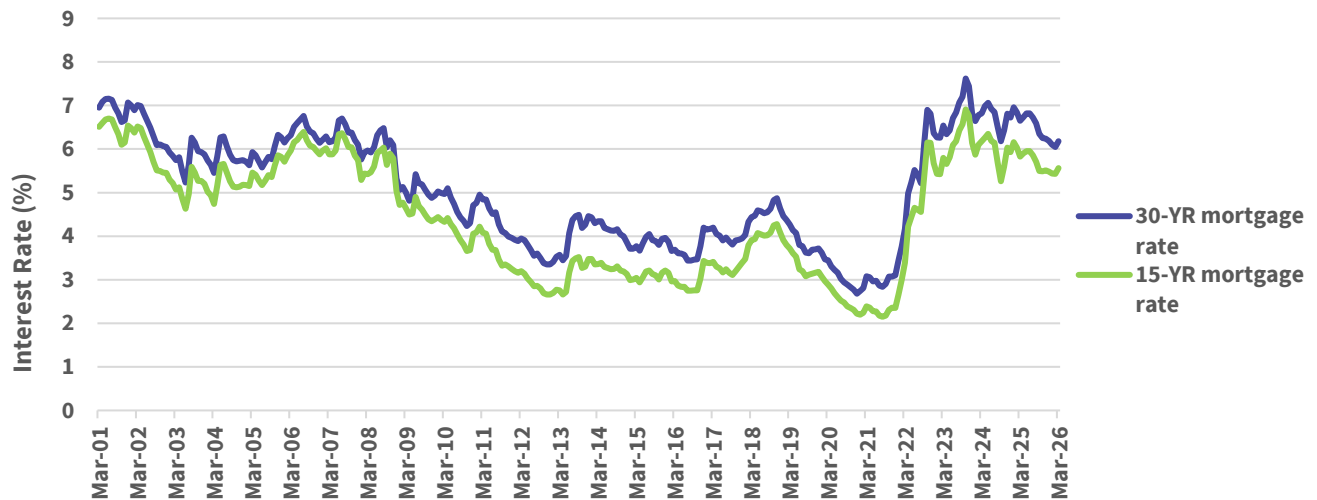
Sector Specific Highlights

Housing Market

United States

Mortgage Interest Rate: 30-Yr vs 15-Yr

March 2001 – March 2026, Source: Freddie Mac



- Mortgage costs further decreased in March:** The 30-year fixed mortgage rate averaged 6.18%, down 47 basis points (-0.47%) compared to last year, and up 13 basis points month-to-month (0.13%). The 15-year fixed mortgage rate averaged 5.6%, down 27 basis points (-0.27%) compared to last year, and 13 basis points higher (0.13%) month-to-month. (Source: Federal Reserve).
- Pending home sales decreased in the West in March:** Pending home sales increased 1.5% in March, driven by gains in the Northeast (+4.4%) and South (+3.9%), while the Midwest (-1.3%) and West (-2.6%) declined. Year-over-year, pending sales fell 1.1%, with continued strength in the South (+2.3%) offset by declines in the Northeast (-6.5%), Midwest (-3.1%), and West (-1.7%) (Source: National Association of Realtors).
- Existing home sales declines in March:** Existing home sales declined 3.6% in March to a 3.98 million (seasonally adjusted) pace, while inventory increased 3.0% to 1.36 million units, representing 4.1 months of supply, indicating easing supply constraints. Year-over-year, sales were down 1.0%, while the median home price rose 1.4% to \$408,800 (Source: National Association of Realtors).

Sector Specific Highlights

Housing Market (Continued)

Washington

- **Prices soften slightly despite elevated levels:** Median home prices declined 0.21% year-over-year to \$643,700, with a lower sale-to-list ratio (99.6%, -0.55 pts) and fewer homes selling above list (30.6%, -3.2 pts) (*Source: Redfin*).
- **Demand shows mixed signals with slight improvement in March:** Home sales increased 1.7% year-over-year (7,127 homes sold), but market pace slowed with median days on market rising to 31 days (+6 days). This indicates demand is stabilizing but less competitive than a year ago (*Source: Redfin*).
- **Supply expanded in March, easing market tightness:** Active listings rose 13.7% (27,862 homes) and new listings increased 5.2% (11,031 homes), while the share of homes with price cuts rose to 29.3%. Inventory gains are contributing to a more balanced market, though supply remains relatively tight at 3 months (*Source: Redfin*).