OCTOBER 2026

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	
Total Nonfarm Jobs[1]	**2024**	**2025**	**2026**	**2024-2025**	**2025-2026**	**2024-2025**	**2025-2026**
July	3,637,500	3,652,200	3,668,700	14,700	16,500	0.40%	0.45%
August	3,631,800	3,640,100	3,655,100	8,300	15,000	0.23%	0.41%
September	3,649,400	3,644,100	3,653,300	-5,300	9,200	-0.15%	0.25%
Unemployment Rate (%)[2]							
July	4.5%	4.6%	5.0%	0.1%	0.4%		
August	4.5%	4.6%	4.9%	0.1%	0.3%		
September	4.4%	4.7%	4.8%	0.3%	0.1%		
Revenue ($ millions)							
July	$2,300	$2,362	$2,663	$62	$301	2.7%	12.7%
August	$2,156	$2,243	$2,569	$87	$326	4.0%	14.5%
September	$2,182	$2,246	$2,412	$64	$166	2.9%	7.4%

Nonfarm Jobs
↑9,200
Compared to September 2025

Unemployment Change
↑0.1%
Compared to September 2025

Nonfarm Jobs Growth
↑0.25%
Compared to September 2025

Total Revenue
↑7.4%
Compared to September 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

September Revenue is Higher than Forecasted, and Higher than a Year Ago

- **Major General Fund-State (GF-S) revenue collections for September 11 - October 10, 2026, collection period were $10.4 million (0.4%) higher than forecasted in September**. From September 11 - October 10, 2026, major General Fund-State (GF-S) revenue collections increased by $166 million year-over-year, representing a 7.4% 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 September Year-over-Year, but Decreased Month-to-Month

- **In September 2026, Washington's non-farm jobs increased by 9,200 year-over-year (non-seasonally adjusted), representing an annual increase of 0.25%.** Non-farm employment reached 3,653,300 jobs (non-seasonally adjusted).
- **Washington's labor market decreased by an estimated 15,400 jobs (seasonally adjusted) in September 2026.** Private sector jobs collectively decreased by 5,000, while the public sector decreased by an estimated 10,400 jobs. The largest one-month sector-level gains in private industry occurred in professional and business services (up 1,800), construction (up 1,500), and information (up 1,400). *(Source: Employment Security Department, quarterly benchmarked nonfarm series).*

Unemployment Rate Decreased Month-Over-Month in September but Remained above Last Year

- **The unemployment rate (seasonally adjusted) decreased, for the third consecutive month, to 4.8%.** The unemployment rate in September 2026 decreased by 0.1% month-to-month (0.1% higher year-over-year) *(Source: Employment Security Department Local Area Unemployment Statistics).*

Select Economic Indicators

U.S. Economic Indicators

	2025Q2	2025Q4	2026Q1	2026Q2
Gross Domestic Product (GDP)				
Change in Real GDP (annual rate)* (3rd estimate)	3.8%	0.5%	2.5%	2.2%
	Sep-25	**Jul-26**	**Aug-26**	**Sep-26**
U.S. Employment				
Change in Monthly Nonfarm Payrolls* (Preliminary)	76,000	-10,000	133,000	29,000
Unemployment Rate*	4.4%	4.1%	4.1%	4.2%
	Sep-25	**Jul-26**	**Aug-26**	**Sep-26**
Prices				
Change in CPI (year/year)	3.0%	3.4%	3.4%	3.7%
Exchange Rate (foreign currency per US$)				
Trade Weighted Dollar (Jan 06 = 100)	120.03	120.60	118.85	119.22
Interest Rates				
Prime Rate (percent)	7.38	6.75	6.75	6.87
Fed's Fund Rate	4.22	3.63	3.63	3.75
30-Year Mortgage Rate (percent)	6.35	6.54	6.67	6.86
Fuel				
US Average Retail Gasoline (Regular $ per gallon)	$3.17	$3.93	$4.058	$4.355
West Texas Intermediate Crude ($ per barrel)	$63.96	$80.46	$83.90	$97.31

Washington Economic Indicators

	Sep-25	Jul-26	Aug-26	Sep-26
Washington Employment				
Change in Monthly Nonfarm Payrolls*	-8,600	21,000	-1,200	-15,400
Aerospace Employment (level)*	78,700	84,700	84,800	84,800
Construction Employment (level)*	217,200	215,500	215,900	217,400
Software Employment (level)*	81,500	80,200	80,100	80,100
Unemployment Rate*	4.7%	5.0%	4.9%	4.8%
	Sep-25	**Jul-26**	**Aug-26**	**Sep-26**
Energy Indicators				
WA Average Retail Gas (Regular, $ per gallon)	$4.43	$4.91	$5.14	$5.49
	Aug-25	**Apr-26**	**Jun-26**	**Aug-26**
Seattle-Tacoma-Bremerton CPI (bi-monthly)				
Change in CPI (year/year)	2.8%	4.9%	4.5%	4.4%

Select Economic Indicators
Continued

Washington Economic Indicators

	2025Q2	2025Q4	2026Q1	2026Q2
Washington Real Estate Market				
Median Home Price Statewide	$675,600	$614,400	$613,200	$645,200
	Aug-25	**Jun-26**	**Jul-26**	**Aug-26**
Housing Permits (annualized rate)*	34,900	43,500	44,500	25,400
	Aug-25	**Jun-26**	**Jul-26**	**Aug-26**
Exports from Washington[3]				
Total State Exports ($ millions)	$5,983.5	$7,255.0	$6,185.0	$5,581.6
Total Imports to Washington				
Total Imports ($ millions)	$4,437.2	$4,683.9	$5,326.3	$5,115.0

Washington Revenue

	Sep - Oct 2026 Actual	Sep – Oct 2026 Adjusted
"Variance in revenue from Sept 2026 forecast ($ millions) (Sept 11, 2026 - Oct 10, 2026)"	$10.3	$10.3

“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		The monthly count of initial claims for unemployment insurance barely changed (+76) in September 2026 month-to-month and was down by 2085 year-over-year (Source: ESD).
	Year-over-Year Job Growth in Washington State		Washington's non-farm employment growth went up by 0.25% year-over-year in September 2026 (non-seasonally adjusted).
	Housing Units Authorized in Washington State (monthly rate)		In August 2026, 2,117 building permits were issued, lower by 1,592 compared to the previous month, and down by 792 from the previous year.
	10-year Treasury vs 3-month Treasury Bill Interest Rate Spread		The spread between the 10-year treasury and 3-month treasury notes in September 2026 remains positive at 26 basis points (0.26%).
	Standards on Consumer Loans in the U.S.		The net percentage of lenders willing to make consumer loans in Q3 2026 decreased by 2.0 percentage points.
	Manufacturing Overtime Hours in the U.S.		In September 2026, manufacturing overtime decreased by 0.1 hours per week month-to-month. Year-over-year, manufacturing overtime increased by 0.2 hours per week.
	Pending Home Sales in the U.S vs the West		In September 2026, pending home sales decreased over the month by 7.3% nationwide, and 9.2% in the West. Year-over-year, it decreased by 11.3% in U.S. and 15.0% in the West.
	Aruoba-Diebold-Scotti Business Conditions Index		The index in September 2026 increased by 0.1 over the month. This indicates higher economic conditions compared to August 2026. Also, the index became positive for the first time since February 2026

View leading indicator graphs

Economic Highlights

U.S. Economy

General Economic Activity

- **Economic growth slowed:** Real U.S. GDP increased 2.2% in the second quarter of 2026, revised up 0.7 percentage point from the second estimate but below the 2.5% growth recorded in the first quarter. The upward revision reflected stronger investment, consumer spending, and government spending. *(Source: U.S. Bureau of Economic Analysis)*
- **Inflation increased:** Consumer prices rose 0.6% in September following a 0.4% increase in August. Prices were 3.7% higher than a year earlier, while core inflation was 2.6%. *(Source: U.S. Bureau of Labor Statistics)*
- **Manufacturing and services remained expansionary:** The manufacturing PMI declined slightly to 54.5 in September, marking the ninth consecutive month of expansion. The services PMI declined 0.5 points to 54.9 but remained in expansion for the 27th consecutive month. *(Source: Institute for Supply Management)*
- **Consumer confidence declined:** University of Michigan consumer sentiment fell 3.6 points to 48.1 in September, while the Conference Board Consumer Confidence Index declined 6.7 points to 81.9. Consumers reported more pessimistic views of current and future business, income, and labor market conditions. *(Sources: University of Michigan; The Conference Board)*
- **Fuel prices increased sharply:** The U.S. average retail price for regular gasoline increased 7.3% in September to $4.36 per gallon and was 37.4% above its September 2025 level. WTI crude oil prices increased 16.0% in September to $97.31 per barrel and were 52.1% higher than a year earlier.

Employment

- **Employment increased but prior months were revised down:** The economy added 29,000 jobs in September, while July and August employment was revised down by a combined 60,000 jobs. Health care and social assistance (+23,000), trade, transportation and utilities (+18,000), and construction (+11,000) recorded the largest gains, while government (-17,000), information (-10,000), and professional and business services (-9,000) declined. *(Source: U.S. Bureau of Labor Statistics)*
- **Unemployment increased while layoffs:** The unemployment rate increased to 4.2% in September. The unemployment rate in September 2026 decreased by 0.1% month-to-month (0.1% higher year-over-year) *(Sources: U.S. Bureau of Labor Statistics; U.S. Department of Labor; Challenger, Gray & Christmas)*

Sectoral Trends

- **Housing construction declined while home sales increased:** Housing starts fell 2.6% in August and were 1.2% below their year-earlier level, while building permits declined 2.7% but remained 3.5% above August 2025. New home sales increased 6.4% in August, while existing home sales rose 1.5% in September but remained 2.2% below a year earlier. *(Sources: U.S. Census Bureau; National Association of Realtors)*
- **Home prices continued to increase:** The seasonally adjusted Case-Shiller national home price index increased 0.3% in July and was 1.9% above its year-earlier level. *(Source: S&P CoreLogic Case-Shiller)*
- **Vehicle sales declined:** Light vehicle sales decreased 3.5% in September to an annualized 16.0 million units from 16.6 million in August. Sales were 3.6% below their September 2025 level.
- **Freight activity remained mixed:** Truck tonnage declined 0.5% in August following a 1.2% decrease in July and was 1.6% below its year-earlier level. Rail carloads and intermodal units in early October were 5.1% and 7.4% above their year-earlier levels, respectively. *(Sources: American Trucking Associations; Association of American Railroads).*

Economic Highlights
Washington's Economy

General Economic Activity

- **GF-S revenue collections came in slightly above forecast:** Major General Fund-State revenue collections for the September 11–October 10 period were $10.4 million, or 0.4%, above forecast. Revenue Act collections were $11.8 million, or 0.5%, below forecast, while other tracked revenues were $22.1 million, or 11.4%, above forecast. *(Source: Economic and Revenue Forecast Council)*
- **Washington personal income increased but lagged the nation:** Personal income rose from $729.0 billion in the first quarter to $735.2 billion in the second quarter of 2026, a 3.4% annualized increase compared with 4.7% nationally. Washington ranked 36th among states for personal income growth. *(Source: U.S. Bureau of Economic Analysis)*

Employment

- **Washington employment declined in September but remained slightly above last year:** Seasonally adjusted nonfarm employment fell by 15,400 jobs in September, with private-sector employment down 5,000 and public-sector employment down 10,400; the largest private-sector gains were in professional and business services (+1,800), construction (+1,500), and information (+1,400). On a non-seasonally adjusted basis, employment was 9,200 jobs, or 0.25%, above September 2025 at 3,653,300 jobs.
- **Washington's unemployment rate continued to decline:** The unemployment rate fell to 4.8% in September, down from 5.2% in May and June. Labor force participation remained at 62.0%, below 62.6% in January and February and well below its recent peak of 64.2% in May 2023.

Sectoral Trends

- **Housing permits slowed in the third quarter:** Building permits averaged 34,900 units at a seasonally adjusted annual rate in July and August, down from 49,800 units in the second quarter and below the September forecast of 42,700 units for the third quarter. July–August permits consisted of 17,000 single-family units and 18,000 multifamily units at annualized rates.
- **Seattle-area home prices edged higher but remained below last year:** Seattle home prices increased 0.2% in July after six consecutive monthly declines but were still 1.6% below their July 2025 level. In comparison, the 20-city composite index increased 0.3% in July and was 2.5% higher year-over-year. *(Source: S&P CoreLogic Case-Shiller)*
- **Washington vehicle registrations increased but remained on a downward trend:** Seasonally adjusted new vehicle registrations increased 3.3% in September to an annualized 231,700 units. Passenger car registrations rose 1.9% and light-truck registrations increased 12.6%, although total registrations remained 13.3% below September 2025.

Economic Highlights

Layoffs Around Washington State

Announced layoffs and closures scheduled for **October 2026 totaled 1,555 workers**. Job losses were concentrated in technology, financial and professional services, with additional reductions in food service, agriculture, manufacturing, health care and hospitality.

Beyond October 2026, announced layoffs and closures totaled **14,770 workers**. These reductions are heavily concentrated in agriculture and food production, with additional layoffs and closures in hospitality and gaming, technology, health care and manufacturing.

Overall, announced layoffs and closures scheduled for **October 2026 and beyond total approximately 16,325 workers**. *(Source: Washington State Employment Security Department).*

Note: Announced layoffs are not actual layoffs.

Layoffs in October 2026 (1,555 workers)

1. Technology, Financial and Professional Services — 634 Workers

- Qualtrics LLC – Seattle – 10/18 – 117 workers – layoff, permanent
- Amazon – Seattle, Bellevue and Sumner – 10/1 – 121 workers – layoff, permanent
- I.Q. Data International, Inc. – Bothell – 10/1 – 101 workers – layoff, permanent
- Zillow Group – Seattle – 10/5 – 91 workers – layoff, permanent
- TT Commerce & Global Services – Bellevue – 10/19 – 75 workers – layoff, permanent
- Visa – Bellevue – 10/1 – 70 workers – layoff, permanent
- Salesforce, Inc. – Seattle and Bellevue – 10/5 – 59 workers – layoff, permanent

2. Agriculture and Food Service — 523 Workers

- Manson Growers LLC – Manson – 10/1 – 275 workers – layoff, permanent
- Starbucks – Seattle – 10/19 – 224 workers – layoff, permanent
- Jack in the Box – Everett – 10/10 – 24 workers – closure, permanent

3. Manufacturing and Industrial — 174 Workers

- Georgia-Pacific Gypsum LLC – Tacoma – 10/30 – 120 workers – closure, permanent
- Norwesco – Fife – 10/16 – 54 workers – closure, permanent

4. Health Care — 138 Workers

- MultiCare Health System – Statewide – 10/27 – 138 workers – layoff, permanent

5. Hospitality — 86 Workers

- Columbia Hospitality, Inc. – Kenmore – 10/30 – 86 workers – layoff, permanent

Layoffs Occurring Beyond October 2026 (14,770 workers)

1. Agriculture, Food Production and Food Service — 12,443 Workers

- Gebbers Farms, Etal – Brewster – 11/25 – 3,445 workers – layoff, permanent
- Legendary Fruit Co – Yakima and Wapato – 11/10 – 1,220 workers – layoff, temporary
- FirstFruits, LLC – Prescott – 11/18 – 1,200 workers – layoff, temporary

Economic Highlights

Layoffs Around Washington State Continued

- Borton & Sons, Inc. – Various Central and Eastern Washington locations – 11/8 – 928 workers – layoff, permanent
- Blue Cascade Orchards – Various Washington counties – 11/20 – 792 workers – layoff, permanent
- Columbia Reach Chiawana Orchards – Yakima, Kittitas and Grant Counties – 11/14 – 570 workers – layoff, permanent
- Pacific Ag Services LLC – Grant and Franklin Counties – 11/15 – 530 workers – layoff, permanent
- Gilbert Orchards, Inc. – Yakima, Franklin and Grant Counties – 11/22 – 518 workers – layoff, temporary
- Sagemoor Group Management Services Inc. – Yakima, Franklin and Adams Counties – 11/14 – 443 workers – layoff, permanent
- National Frozen Foods Corporation – Moses Lake and Chehalis – 11/15 – 439 workers – layoff, permanent
- Loftus Administrative Services LLC – Yakima County – 11/15 – 376 workers – layoff, permanent
- BM Administrative Services – Yakima County – 11/30 – 321 workers – layoff, permanent
- King Fuji Ranch, Inc. – Mattawa – 11/27 – 286 workers – layoff, permanent
- Cascade View Fruit & Cold Storage, LLC – Selah – 11/15 – 259 workers – layoff, permanent
- Sundquist Fruit, LLC – Yakima and Franklin Counties – 11/15 – 243 workers – layoff, temporary
- Greenridge Farming Inc. – Pasco – 11/15 – 193 workers – layoff, permanent
- Monson Ranches Snake River Orchards LLC – Benton City and Burbank – 11/18 – 172 workers – layoff, permanent
- TLC Orchards LLC – Wapato – 11/7 – 125 workers – layoff, permanent
- Haak Administrative Services LLC – Yakima County – 11/30 – 110 workers – layoff, permanent
- Twin City Foods, Inc. – Ellensburg – 11/2 – 109 workers – layoff, permanent
- Quincy Foods – Quincy – 11/15 – 65 workers – layoff, permanent
- Starbucks – Seattle, Redmond, Vancouver and Spokane – 11/14 – 51 workers – closure, permanent
- Young's Market Company of Washington LLC – Auburn – 11/7 – 33 workers – layoff, permanent
- Jack in the Box – Kent – 12/2 – 15 workers – closure, permanent

2. Hospitality and Gaming — 1,171 Workers

- Maverick Washington LLC – Tukwila, Silverdale, Pasco, Everett, Lakewood, Yakima and Kennewick – 11/1–11/30 – 1,088 workers – closures, permanent
- DSquared Hospitality Company dba Sidekicks Pub – Bellevue – 12/20 – 83 workers – closure, permanent

3. Technology and Professional Services — 787 Workers

- Oracle America, Inc. – Seattle – 11/13 – 359 workers – layoff, permanent
- Microsoft – Redmond – 11/21 – 277 workers – layoff, permanent
- Uber Technologies Inc. – Seattle – 11/2 – 93 workers – layoff, permanent
- Expedia, Inc. – Seattle – 11/21 – 58 workers – layoff, permanent

4. Health Care and Social Services — 245 Workers

- PeaceHealth – Clark, Skagit and Whatcom Counties – 11/20 – 150 workers – layoff, permanent
- Comprehensive Life Resources – Tacoma – 11/21 – 92 workers – layoff, permanent
- Providence Health & Services – Olympia – 11/18 – 3 workers – layoff, permanent

5. Manufacturing and Industrial — 124 Workers

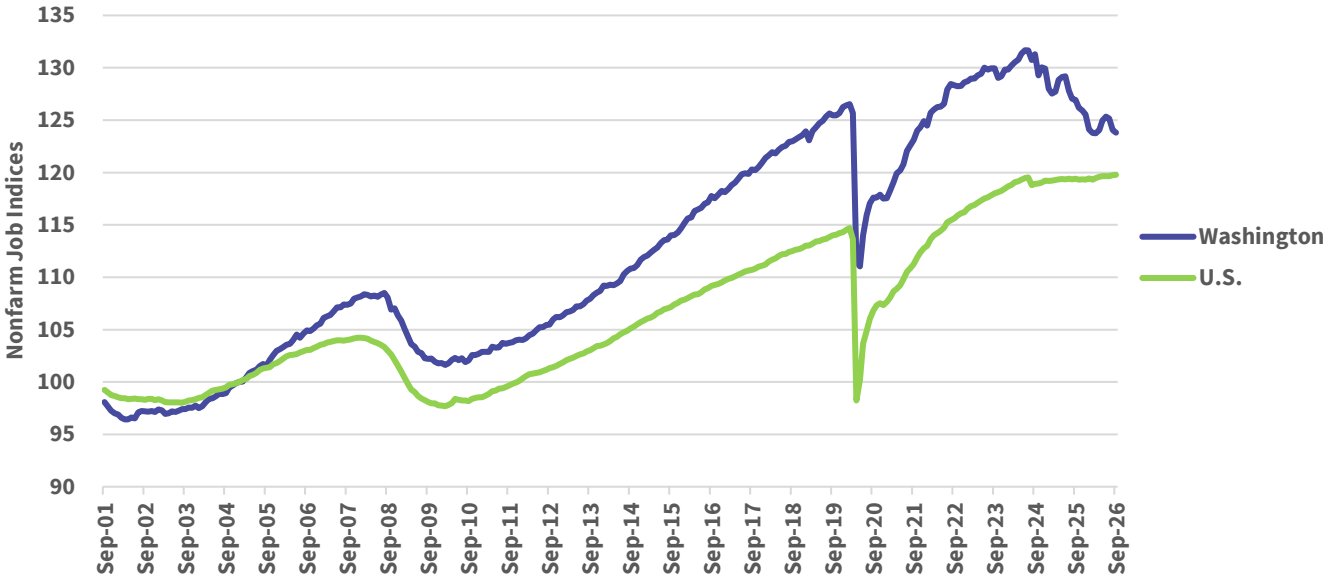
- Servatron, Inc. – Spokane Valley – 12/31 – 124 workers – closure, permanent

Sector Specific Highlights

Labor Market: Jobs

Nonfarm Job Indices: Washington and U.S.

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



WA Nonfarm Jobs

↓15,400

Month-to-Month in September 2026

U.S. Nonfarm Jobs

↑29,000

Month-to-Month in September 2026

WA Nonfarm Jobs Growth

↑0.25%

Year-over-Year in September 2026

U.S. Nonfarm Jobs Growth

↑0.31%

Year-over- Year in September 2026

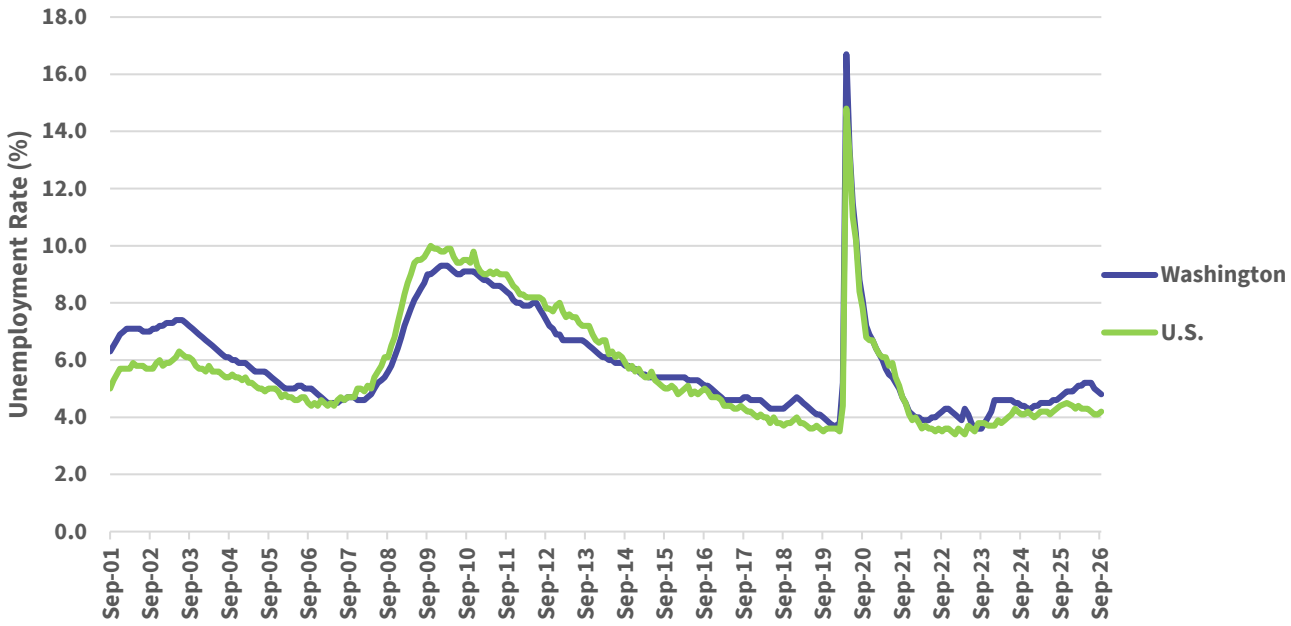
Washington lost 15,400 nonfarm jobs in September 2026, and year-over-year nonfarm job growth increased by 0.25% compared to September 2025. Nationally, the U.S. gained 29,000 nonfarm jobs in September 2026, with year-over-year job growth of 0.31%.

Sector Specific Highlights

Labor Market (Continued): Unemployment

Unemployment Rates: Washington and U.S.

September 2001 – September 2026, Source BLS



WA Unemployment

4.8%

In September 2026

U.S. Unemployment

4.2%

In September 2026

WA Unemployment Trend

↓0.1%

Month-to-Month in September 2026

U.S. Unemployment Trend

↑0.1%

Month-to-Month in September 2026

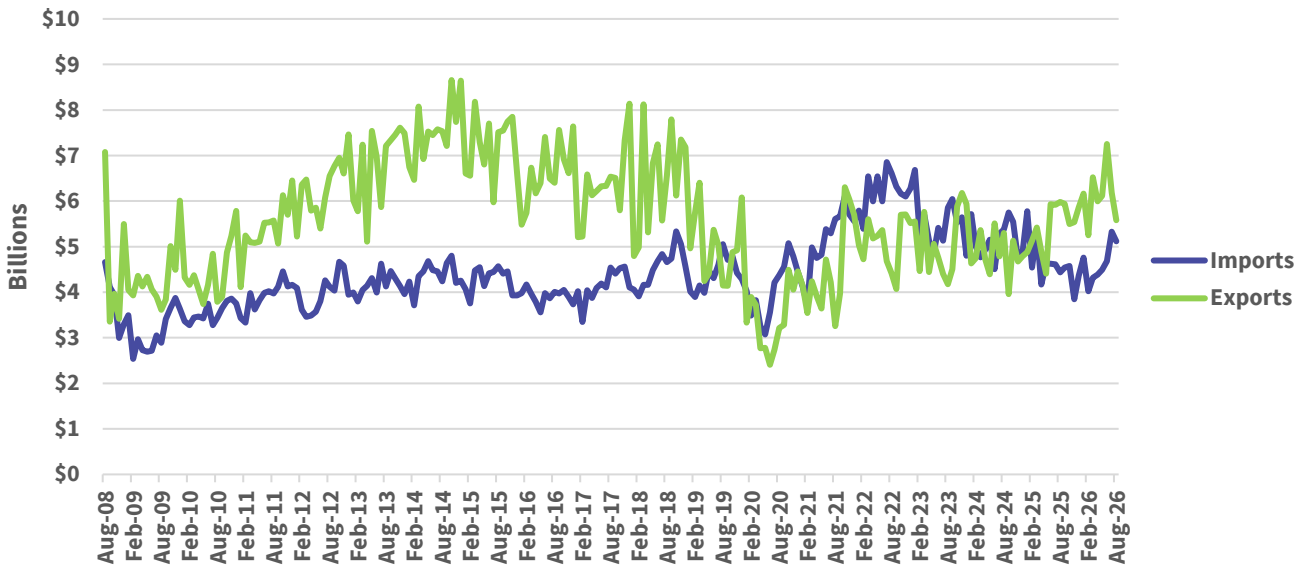
Washington's unemployment rate decreased by 0.1% to 4.8% in September 2026. The nation's unemployment rate increased to 4.2% in September 2026.

Sector Specific Highlights

Washington Trade

Washington State Origin Exports and Destination Imports

August 2008 – August 2026, Source: BEA



WA Exports (Month-to-month)

↓9.8%

In August 2026

WA Exports (Year-over-Year)

↓6.7%

August 2025 to August 2026

WA Imports (Month-to-Month)

↓4.0%

In August 2026

WA Imports (Year-over-Year)

↑15.30%

August 2025 to August 2026

In September 2026, exports decreased 9.8% month-to-month from $6.18 billion to $5.58 billion and were 6.7% lower year-over-year compared with September 2025. Imports decreased 4.0% month-to-month from $5.32 billion to $5.11 billion (+15.3% higher year-over-year).

Sector Specific Highlights

Housing Market

United States

Mortgage Interest Rate: 30-Yr vs 15-Yr

September 2001 – September 2026, Source: Freddie Mac

- **Mortgage costs rose month-to-month:** The 30-year fixed mortgage rate averaged 6.86%, up 51 basis points (0.51%) compared to last year, and up 19 basis points month-to-month (0.19%). The 15-year fixed mortgage rate averaged 6.2%, up 22 basis points (0.22%) compared to last year, and 70 basis points higher (0.70%) month-to-month *(Source: Federal Reserve).*
- **Pending home sales declined sharply, led by weakness in the West:** U.S. pending home sales fell 7.3% in September and were 11.3% below a year earlier. The West recorded the largest regional decline, falling 9.2% month-over-month and 15.0% year-over-year. *(Source: National Association of Realtors)*
- **Existing-home sales increased nationally and, in the West, but remained below last year:** U.S. existing-home sales rose 1.5% in September but were 2.2% lower than a year earlier. In the West, sales increased 2.8% month-over-month to an annual rate of 730,000 but remained 5.2% below September 2025, while the median price declined 0.3% to $613,600. *(Source: National Association of Realtors)*

Sector Specific Highlights
Housing Market
Continued

Washington

- **Washington housing inventory increased while sales weakened:** Active listings rose 24.5% year-over-year in September to 24,965, while pending sales declined 15.1% and closed sales fell 8.9%. New listings increased 8.7%, giving buyers more choices across the market. *(Source: Northwest Multiple Listing Service)*
- **Housing supply increased and market conditions continued to ease:** Months of inventory rose to 4.44 in September from 3.25 a year earlier, reflecting a growing supply of homes relative to sales. Inventory growth was particularly strong in Snohomish, Thurston, King, and Pierce counties. *(Source: Northwest Multiple Listing Service)*
- **Washington home prices edged down:** The median sales price for residential homes and condominiums declined 0.9% year-over-year to $625,000 in September. King County's median price was unchanged at $850,000, while the statewide condo market weakened more sharply, with median prices down 4.7%. *(Source: Northwest Multiple Listing Service)*