

SEPTEMBER 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 Jobs¹				
June	3,672,000	3,675,500	3,500	0.1%
July	3,654,500	3,669,300	14,800	0.4%
August	3,650,300	3,644,900	-5,400	-0.1%
Unemployment Rate (%)²				
June	4.5%	4.5%	0.0%	
July	4.5%	4.5%	0.0%	
August	4.5%	4.5%	0.0%	
Revenue Collections (millions)				
June	\$2,429	\$2,551	\$122	5.0%
July	\$2,299	\$2,361	\$62	2.7%
August	\$2,156	\$2,243	\$87	4.0%

Nonfarm Jobs

↓5,400

Year-over-Year in August

Unemployment Change

~0%

Year-over-Year in August 2025

Nonfarm Jobs Growth

↓0.1%

Compared to August 2024

Total Revenue

↑4.0%

Compared to August 2024

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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

August Revenue Is Higher than Forecasted

- **From August 11 to September 10, 2025, major General Fund-State (GF-S) revenue collections increased by \$87 million year-over-year, representing a 4.0% increase compared to the same period in 2024.** Additionally, the revenue collections for this period came in \$14.5 million (0.7%) higher than forecasted in June 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 Was Negative in August

- **In August 2025, Washington's non-farm jobs decreased by 5,400 year-over-year (non-seasonally adjusted), representing an annual decline of 0.1%.** Non-farm employment reached 3,644,900 jobs (non-seasonally adjusted). Washington lost 13,600 jobs month-to-month (seasonally adjusted), including 500 in aerospace and 800 for software publishers. Government added 1,500 jobs. (*Source: Employment Security Department, quarterly benchmarked nonfarm series*).

Unemployment Rate Unchanged from Last Month and Last Year

- **The unemployment rate (seasonally adjusted) in August 2025 was at 4.5%.** The unemployment rate in August 2025 was unchanged from July 2025 and August 2024 (*Source: Employment Security Department Local Area Unemployment Statistics*).

Select Economic Indicators

U.S. Economic Indicators

	2024Q2	2024Q4	2025Q1	2025Q2
Gross Domestic Product (GDP)				
Change in Real GDP (annual rate)* (Adv Estimate)	3.0%	2.4%	-0.5%	3.3%
	Aug-24	Jun-25	Jul-25	Aug-25
U.S. Employment				
Change in Monthly Nonfarm Payrolls*(Preliminary)	71,000	-13,000	79,000	22,000
Unemployment Rate*	4.2%	4.1%	4.2%	4.3%
	Aug-24	Jun-25	Jul-25	Aug-25
Prices				
Change in CPI (year/year)	2.5%	2.7%	2.7%	2.9%
Exchange Rate (foreign currency per US\$)				
Trade Weighted Dollar (Jan 06 = 100)	122.88	120.97	120.53	120.98
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)	6.50	6.82	6.72	6.59
	Aug-24	Jun-25	Jul-25	Aug-25
US Average Retail Gasoline (Regular \$ per gallon)	\$3.39	\$3.15	\$3.125	\$3.133
West Texas Intermediate Crude (\$ per barrel)	\$76.68	\$68.17	\$68.39	\$64.86

Washington Economic Indicators

	Aug-24	Jun-25	Jul-25	Aug-25
Washington Employment				
Change in Monthly Nonfarm Payrolls*	-9,200	12,800	11,000	-13,600
Aerospace Employment (level)*	83,500	80,100	81,000	80,500
Construction Employment (level)*	224,400	224,400	223,800	223,800
Software Employment (level)*	83,000	81,900	79,500	78,700
Unemployment Rate*	4.5%	4.5%	4.5%	4.5%
	Aug-24	Jun-25	Jul-25	Aug-25
Energy Indicators				
WA Average Retail Gas (Regular, \$ per gallon)	\$4.05	\$4.24	\$4.26	\$4.30
	Aug-24	Apr-25	Jun-25	Aug-25
Seattle-Tacoma-Bremerton CPI (bi-monthly)				
Change in CPI (year/year)	3.1%	1.7%	2.7%	2.8%

Select Economic Indicators

Continued

Washington Economic Indicators

	2024Q2	2024Q4	2025Q1	2025Q2
Washington Real Estate Market				
Median Home Price Statewide	\$669,600	\$641,700	\$636,200	\$675,600
	Jul-24	May-25	Jun-25	Jul-25
Housing Permits (annual rate) *	35,400	30,300	40,100	30,500
	Jul-24	May-25	Jun-25	Jul-25
Exports from Washington³				
Total State Exports (\$ millions)	\$4,752.1	\$4,409.9	\$5,899.0	\$5,891.5
Total Imports to Washington				
Total Imports (\$ millions)	\$5,278.1	\$4,643.4	\$4,642.0	\$4,652.8

Washington Revenue

	Aug - Sept 2025 Actual	Aug - Sep 2025 Adjusted
"Variance in revenue from June 2025 forecast (\$ millions) Aug 11, 2025 - Sept 10, 2025)"	\$14.5	\$14.5

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

* Adjusted for seasonal variations

³ Include 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 went down by 2,276 in August 2025 month-to-month, and up by 2,075 year-over-year. Initial claims over the past three months were 4,988 higher than during the same period last year (Source: ESD).
 Year-over-Year Job Growth in Washington State		Washington's non-farm employment year-over-year growth went down by 0.1% in August. Job growth increased by 0.1% in June 2025 and 0.4 % in July.
 Housing Units Authorized in Washington State		In July 2025, 30,500 building permits were issued, down by 9,600 compared to the previous month, and down by 4,900 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 note in August 2025 is negative, meaning that it is more expensive to borrow in the short-term than in the long-term, reflecting abnormal conditions
 Standards on Consumer Loans in the U.S.		The net percentage of lenders willing to make consumer loans in Q3 2025 increased by 5.4 percentage points.
 Manufacturing Overtime Hours in the U.S.		In July 2025, manufacturing overtime increased at 3.8 hours per week, up by 0.1 hour compared to July 2025. Over the last three months, it remained at 3.6 hours.
 Pending Home Sales in the U.S vs the West		In July 2025, pending home sales decreased over the month 0.4% nationwide, but increased 3.7% in the West. Year-over-year, it increased 2.1% in U.S. and 0.2% in the West.
 Aruoba-Diebold-Scotti Business Conditions Index		The index in July 2025 increased by 0.01 over the month. In July 2025, the index was more negative. This indicates better economic conditions compared to July 2025 but the index remains negative.

[View leading indicator graphs](#)

Economic Highlights

U.S. Economy

General Economic Activity

- **No Interest Rate Cut in August, Followed by a Cut in September:** The Fed kept their rate at 4.33%, unchanged from July, as they anticipate inflation to rise this year. In September, the Fed cut interest rate by 25 bp as employment is slowing down unde(*Source: Federal Reserve*).
- **Real GDP Expanded in Q2:** The second estimate of U.S. GDP showed 3.3% growth seasonally adjusted, driven by lower imports and higher consumer spending, after a 0.5% decline in Q1 (*Source: Bureau of Economic Analysis*).
- **Inflation Rose in August:** Consumer prices increased 0.4% from July, bringing annual inflation to 2.9%, while core prices rose 3.1% year-over-year (*Source: Bureau of Labor Statistics*).
- **Manufacturing Activity Contracted in August:** The Institute of Supply Management (ISM) Manufacturing index rose to 48.7 but remained in contraction for the sixth straight month; the Services index increased to 52.0, marking expansion in 13 of the last 14 months (*Source: Institute for Supply Management*).
- **Consumer Confidence Weakened:** The University of Michigan index dropped 3.5 points to 58.2, and the Conference Board index fell 1.3 points to 97.4, with households citing weaker views on income and jobs (*Sources: University of Michigan; Conference Board*).
- **Oil Prices Declined in August:** WTI crude fell to \$64 per barrel, while U.S. gasoline prices rose \$0.08 to \$3.13 per gallon (*Sources: EIA*).

Employment

- **National Job Growth Slowed in August:** Payrolls rose by 22,000, with June and July revisions reducing prior estimates by 21,000 jobs (*Source: Bureau of Labor Statistics*).
- **Job Gains Concentrated in Services:** Healthcare (+30,600), social assistance (+16,200), and leisure/hospitality (+28,000) added the most jobs, while federal government (-15,000), professional and business services (-17,000), administrative support (-13,700), and manufacturing (-12,000) declined (*Source: Bureau of Labor Statistics*).
- **Unemployment Rate Increased:** The jobless rate rose 0.1 point to 4.3% in August, with average hourly earnings up 3.7% year-over-year and average weekly hours holding at 34.2 (*Source: Bureau of Labor Statistics*).
- **Initial Jobless Claims Rose and Layoffs Increased Sharply:** Claims climbed by 27,000 to 263,000 for the week ending September 6, with the four-week average up 9,750 to 240,500. Employers announced 85,979 job cuts in August, 39% higher than July and 13% above August 2024 levels (*Source: Challenger, Gray & Christmas; U.S. Department of Labor*).

Sectoral Trends

- **Motor Vehicle Sales Declined:** Light vehicle sales fell 2.9% in August to 16.1 million units seasonally adjusted, though sales remained 6.2% above August 2024 levels (*Source: Bureau of Economic Analysis*).
- **Residential Construction Mixed:** July housing starts rose 5.2% month-over-month, but building permits fell 2.8%; new home sales declined 0.6%, existing home sales rose 2.0%, and home prices were 1.9% higher year-over-year (*Sources: U.S. Census Bureau; National Association of Realtors; S&P/Case-Shiller*).
- **Transportation Activity Picked Up:** Truck tonnage increased 0.6% in July after a June decline, while rail carloads (+0.7%) and intermodal units (+0.5%) were both slightly higher year-over-year in August (*Sources: American Trucking Associations; Association of American Railroads*).

Economic Highlights

Washington's Economy

General Economic Activity

- **State Revenues Came in Higher Than Expected:** Major General Fund-State tax collections for August 11–September 10 were \$14.5 million (0.7%) above projections, bringing cumulative receipts \$142.8 million (2.0%) ahead of forecast (*Source: Washington ERFC*).
- **Inflation Rose in Seattle:** The Seattle Consumer Price Index (CPI) increased 2.8% year-over-year in August, with energy prices up 7.3% and shelter costs up 1.1%, while core inflation rose 2.6% compared to 3.1% nationally (*Source: Bureau of Labor Statistics*).
- **Imports declined but Exports Grew Year-over-Year:** Imports were down 11.8% from a year earlier but rose 0.2% compared to June. Exports slipped 0.1% from June but remained 24.0% higher than in July 2024 (*Source: US Census Trade, ERFC*).

Employment

- **Washington Lost Jobs in August:** Washington lost 13,600 jobs from July to August. Government added 1,500 jobs, aerospace and software publishers lost 500 and 800 jobs respectively (*Source: Washington ESD*).
- **Unemployment Held Steady:** The jobless rate stayed at 4.5% in August for the fourth straight month, while labor force participation was 62.0%, down from a peak of 64.2% in May 2023 (*Source: Washington ESD*).

Sectorial Trends

- **Housing Permits Increased in Q2 but Fell in July:** Permits rose to 35,200 units seasonally adjusted in Q2, led by multi-family gains, but fell back to 30,500 units in July (*Sources: U.S. Census Bureau; Washington ERFC*).
- **Seattle Home Prices Continued to Decline:** Prices fell 0.2% in June, the fifth consecutive monthly drop, but remained 0.9% above last year compared to a 2.1% increase in the national composite-20 index (*Sources: S&P/Case-Shiller*).
- **Vehicle Sales Dropped Sharply:** New registrations fell 5.9% in August to 260,100 seasonally adjusted, with passenger cars down 3.2% and light trucks down 21.9%, leaving total registrations 3.7% below last year (*Sources: Washington Department of Licensing*).

Economic Highlights

Layoffs Around Washington State

In September 2025, layoffs were relatively modest and concentrated in retail, technology, and hospitality. Retail lost 319 jobs due to closures at Fred Meyer and Quality Food Centers, while technology shed 230 positions from cuts at Indeed and FIS. Hospitality was smaller in scale, with 26 jobs lost from Jack in the Box closures in Seattle and Tukwila (*Source: Employment Security Department*).

Beyond September, the scale of layoffs will be much larger, with agriculture and food processing dominating at over 4,100 job losses across Yakima, Wenatchee, and Franklin counties. Retail will also be heavily affected with 1,217 layoffs from Fred Meyer and Car Toys, followed by technology with 1,025 job cuts across Microsoft, Oracle, Salesforce, and others. Healthcare will see 370 layoffs across major hospital systems, making the coming months far more disruptive than September (*Source: Employment Security Department*).

Layoffs in September 2025

Retail (+319 Layoffs)

- **Quality Food Centers (Mill Creek)** permanently closed on September 3, 2025, affecting 76 workers.
- **Fred Meyer** closed its Tacoma store on September 27, 2025, resulting in 226 layoffs.
- **RV Country Washington (Kelso)** permanently will close on September 30, 2025, eliminating 17 jobs.

Technology (+230 Layoffs)

- **Indeed (Seattle)** permanently laid off 92 employees on September 9, 2025.
- **FIS (Bellevue)** permanently laid off 138 workers on September 15, 2025.

Hospitality / Food Services (+26 Layoffs)

- **Jack in the Box** permanently closed two restaurants in Seattle and Tukwila on September 10, 2025, cutting 26 jobs in total.

Layoffs Beyond September 2025

Agriculture / Food Processing (+4,178 Layoffs)

- **Washington Orchard Management (various WA locations)** will temporarily lay off 336 employees on November 7, 2025.
- **Monson Ranches Snake River Orchards (Goose Ridge Vineyards, Benton City)** will permanently lay off 310 employees on November 7, 2025.
- **Columbia Orchard Management (Wenatchee)** will permanently lay off 898 employees on November 14, 2025.
- **Cascade View Fruit & Cold Storage (Selah)** will permanently cut 263 jobs on November 16, 2025.
- **AG Management Group (Yakima)** will permanently lay off 1,276 workers on November 19, 2025.
- **Sundquist Fruit (Yakima and Franklin Counties)** will permanently lay off 424 employees on November 20, 2025.

- **Gilbert Orchards (Yakima)** will permanently lay off 599 workers on November 22, 2025.
- **Darigold (Chehalis)** will permanently close on November 23, 2025, cutting 55 jobs.

Retail (+1,217 Layoffs)

- **Fred Meyer** will permanently close stores in Everett (189 layoffs) and Kent (172 layoffs) on October 17, 2025, and in Seattle (201 layoffs) and Redmond (194 layoffs) on October 18, 2025, following the Tacoma closure in September.
- **Car Toys (various WA locations)** will permanently close on October 20, 2025, cutting 177 jobs.
- **NWFM (various WA locations)** will permanently lay off 283 employees on November 15, 2025.

Technology (+1,025 Layoffs)

- **Microsoft** will permanently cut 40 jobs in Redmond on October 3, 2025, and another 42 jobs in Redmond on November 7, 2025.
- **Oracle America (Seattle)** will permanently lay off 161 workers on October 13, 2025, and 101 workers on November 3, 2025.
- **T-Mobile (King County)** will permanently lay off 131 employees on October 13, 2025.
- **Block (statewide)** will permanently cut 4 jobs on October 13, 2025.
- **F5 (Seattle and Liberty Lake)** will permanently lay off 106 employees on October 15, 2025.
- **Rec Room (Seattle)** will permanently lay off 141 employees on October 26, 2025.
- **Zeco Systems (various WA locations)** will permanently cut 6 jobs on October 31, 2025.
- **Salesforce (Seattle and Bellevue)** will permanently lay off 93 employees on November 3, 2025.

Healthcare (+370 Layoffs)

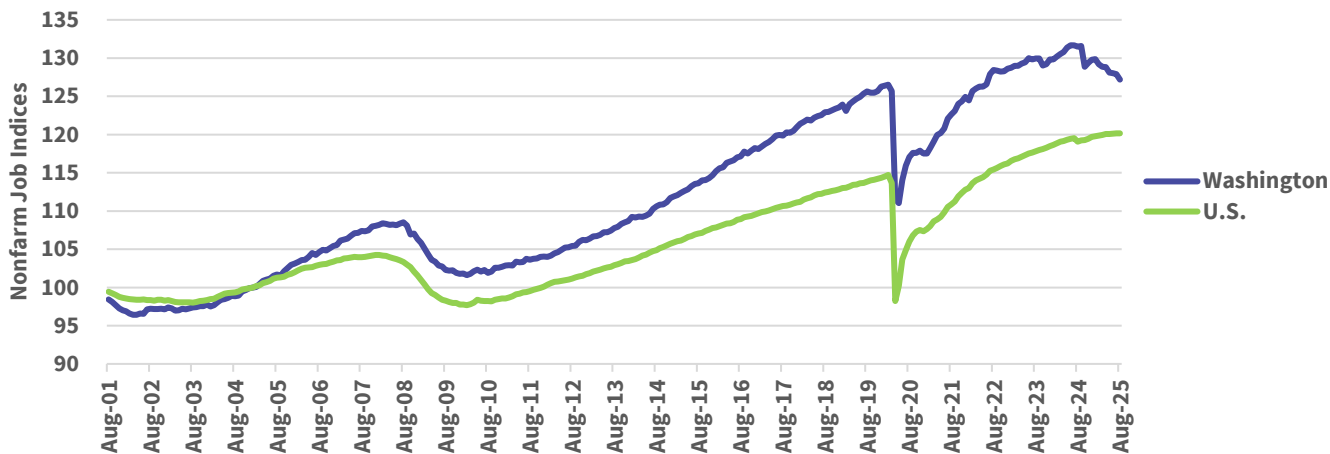
- **Providence Health & Services** will permanently lay off 126 employees across Washington on October 7, 2025, and an additional 5 employees in Seattle on October 25, 2025.
- **Virginia Mason Franciscan Health** will permanently lay off 6 workers in Insurance Verification and 24 workers in Virtual Health Services, both in Tacoma, on November 7 and November 10, 2025, respectively.
- **Seattle Children's Hospital (Seattle, Bellevue, Everett, Federal Way, Kennewick)** will permanently cut 154 jobs on November 15, 2025.
- **Overlake Medical Center & Clinics (Bellevue)** will permanently lay off 55 employees on November 23, 2025.

Sector Specific Highlights

Labor Market: Jobs

Nonfarm Job Indices: Washington and U.S.

Aug 2001 – Aug 2025 (March 2005=100), Source BLS



WA Nonfarm Jobs

↓13,600

Month-to-Month in August 2025

U.S. Nonfarm Jobs

↑22,000

Month-to-Month in August 2025

WA Nonfarm Jobs Growth

↓0.1%

Year-over-Year in August 2025

U.S. Nonfarm Jobs Growth

↑0.9%

Year-over-Year in August 2025

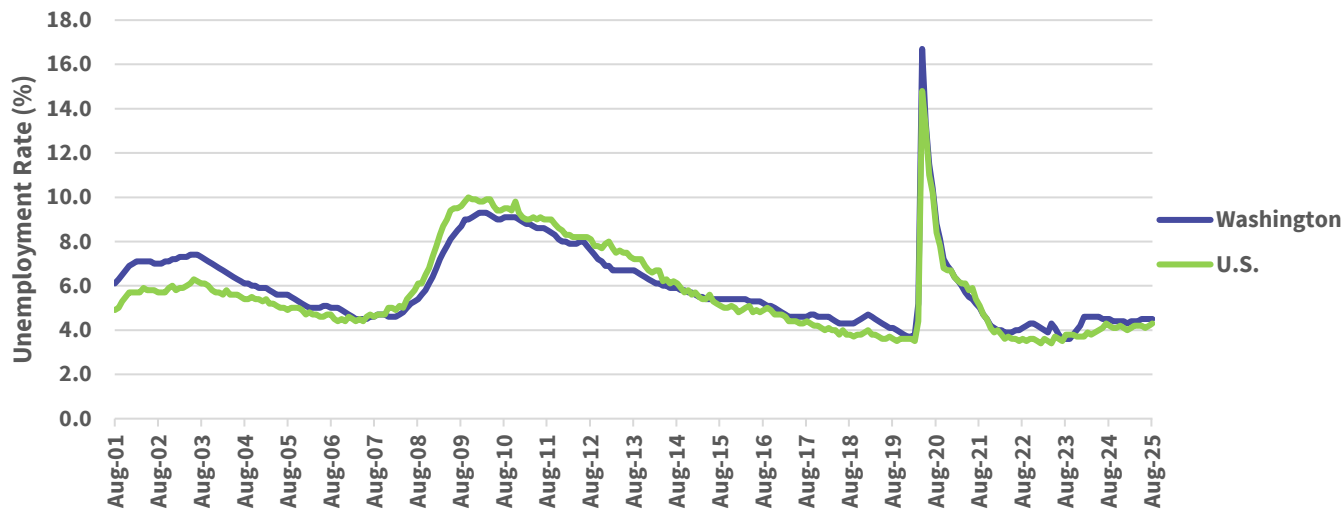
In August 2025, Washington total nonfarm job count decreased by 13,600 month-to-month (-0.1% year-over year), while the national job count rose by 22,000 month-to-month (0.9% year-over-year) in August 2025. August U.S. employment growth is slower than June and July.

Sector Specific Highlights

Labor Market (Continued): Unemployment

Unemployment Rates: Washington and U.S.

Aug 2001 - Aug 2025, Source BLS



WA Unemployment
4.5%
in August 2025

U.S. Unemployment
4.3%
in August 2025

WA Unemployment Trend
~0%
Month-to-Month in August 2025

U.S Unemployment Trend
↑0.1%
Month-to-Month in August 2025

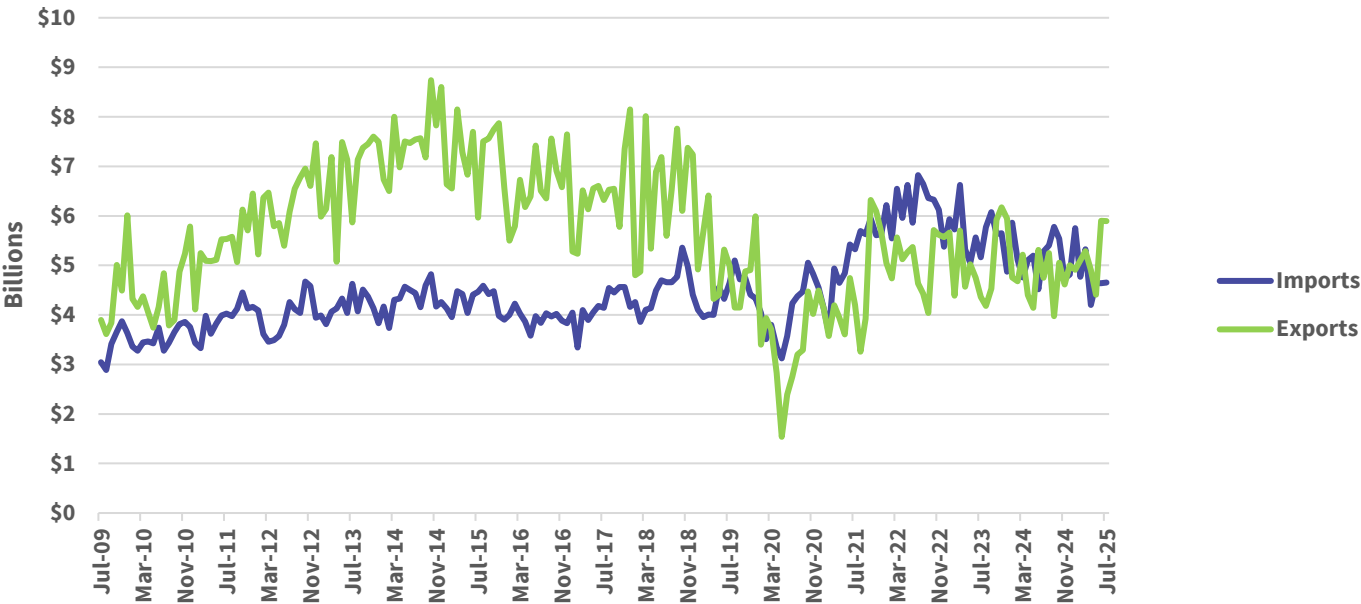
Washington’s unemployment rate remained unchanged at 4.5% in August 2025. The nation’s unemployment rate increased to 4.3% in August 2025.

Sector Specific Highlights

Washington Trade

Washington State Origin Exports and Destination Imports

July 2009 - July 2025, Source: BEA



WA Exports (Month-to-month)
↓0.1%
In July 2025

WA Exports (Year-over-Year)
↑24.0%
July 2024 to July 2025

WA Imports (Month-to-Month)
↑0.2%
in July 2025

WA Imports (Year-over-Year)
↓12.0%
July 2024 to July 2025

In July 2025, Washington's imports increased by 0.2% month-to-month (-12.0% year-over-year). Exports decreased 0.1% over the month in July and increased by 24.0% over the year.

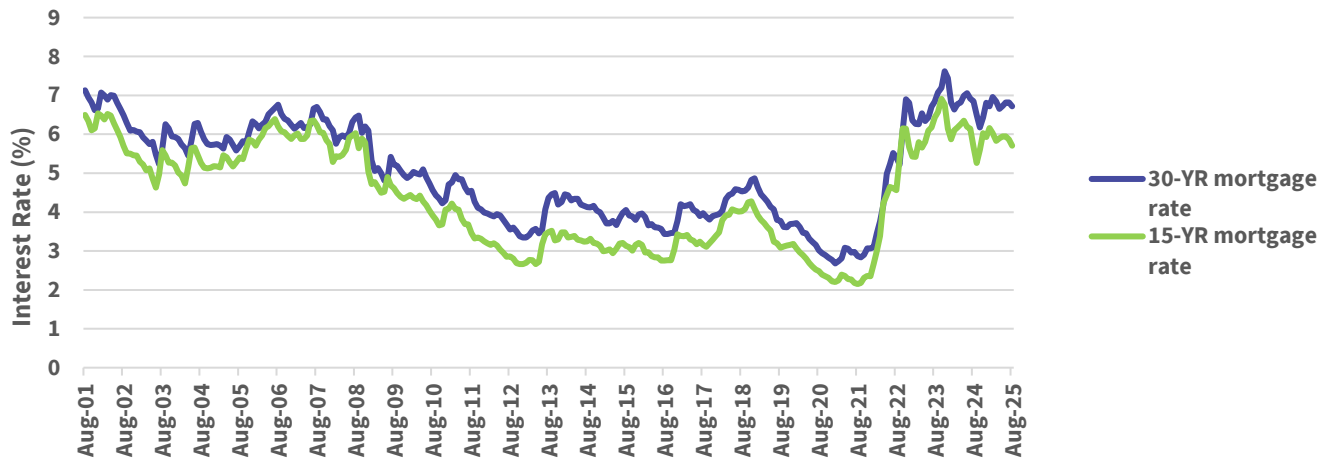
Sector Specific Highlights

Housing Market

United States

Mortgage Interest Rate: 30-Yr vs 15-Yr

Aug 2001 – Aug 2025, Source: Freddie Mac



- Mortgage Cost Was Lower Month-to-Month, but Higher Year-over-Year in August:** The 30-year fixed mortgage rate averaged 6.6%, up 0.09 points compared to last year, but 13 basis points lower month-to-month (*Source: Federal Reserve*).
- Median Price Grew in August:** Home prices rose 1.5% year-over-year to a median of \$439,419 (*Source: Redfin*).
- Fewer Sales:** 461,165 homes sold, down 2.5% year-over-year (vs. 473,022 last year) (*Source: Redfin*).
- Inventory Expanded:** 2,108,902 homes were for sale, a 10.1% increase year-over-year (*Source: Redfin*).
- Fewer New Listings:** 531,993 homes were newly listed; a 7.1% decline compared to last year (*Source: Redfin*).
- Months of Supply Stable:** The market remained steady at 3 months of supply, unchanged from last year (*Source: Redfin*).

Sector Specific Highlights

Housing Market (Continued)

Washington

Housing Prices

- **Modest Price Growth in August:** Median home price at \$646,400, up 0.3% year-over-year (*Source: Redfin*).
- **Fewer Transactions in August:** Home sales down 4.2% to 8,124 units compared to last year (*Source: Redfin*).
- **Slower Market Pace in August:** Median days on market rose to 30 days, up 8 days year-over-year (*Source: Redfin*).

Housing Supply

- **Inventory Expansion in August:** Total homes for sale jumped 16.6% to 34,319 listings (*Source: Redfin*).
- **Fewer Fresh Listings in August:** Newly listed homes fell 4.9% to 9,383 year-over-year (*Source: Redfin*).
- **Stable Balance in August:** Months of supply held steady at 3 months, showing a more balanced market (*Source: Redfin*).

Housing Demand

- **Cooling Competition in August:** Only 26.2% of homes sold above list price, down 2.5 points from last year (*Source: Redfin*).
- **More Price Cuts in August:** 35.1% of listings had price drops, up from 33.0% last year (*Source: Redfin*).