

JULY 2025

# Washington Monthly Economic Report



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## Washington Jobs, Unemployment, and Revenue Summary

	2024	2025	Numeric Change	Percent Change
<b>Total Nonfarm Jobs</b>				
April	3,626,800	3,631,600	4,800	0.1%
May	3,635,700	3,632,400	-3,300	-0.1%
June	3,641,400	3,643,300	1,900	0.1%
<b>Unemployment Rate (%)</b>				
April	4.6%	4.4%	-0.2%	
May	4.6%	4.5%	-0.1%	
June	4.5%	4.5%	0.0%	
<b>Revenue Collections (millions)</b>				
April	2,384	2,443	\$59	2.5%
May	3,829	3,961	\$132	3.4%
June	2,429	2,551	\$122	5.0%

### Nonfarm Jobs

**↑1,900**

Year-over-Year in June 2025

### Unemployment

**~0%**

Year-over-Year in June 2025

### Nonfarm Jobs Growth

**↑0.1%**

Compared to June 2024

### Total Revenue

**↑5.0%**

Compared to June 2024

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# Washington Jobs, Unemployment, and Revenue Summary

## Continued

### June Revenue Is Higher than Forecasted

- **From June 10 to July 11, 2025, major General Fund-State (GF-S) revenue collections increased by \$122 million year-over-year, representing a 5% increase compared to the same period in 2024.** Additionally, the revenue collections for this period came in \$90.1 million (3.7%) 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 Positive in June

- **In June 2025, Washington's non-farm jobs increased by 1,900 year-over-year, representing an annual rise of 0.1%.** Non-farm employment reached 3,643,300 jobs seasonally adjusted. Washington gained 10,900 jobs month-to-month, including 1,000 jobs in construction, and 1,700 jobs in software companies. The aerospace industry lost 100 jobs in June (Source: *Employment Security Department, quarterly benchmarked nonfarm series*).

### Unemployment Rate Unchanged from Last Month and Last Year

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

# Select Economic Indicators

## U.S. Economic Indicators

	2024Q1	2024Q2	2024Q3	2025Q1
<b>Gross Domestic Product (GDP)</b>				
Change in Real GDP (annual rate)* (Adv Estimate)	1.6%	3.1%	2.4%	-0.5%
	Jun-24	Apr-25	May-25	Jun-25
<b>U.S. Employment</b>				
Change in Monthly Nonfarm Payrolls*(Preliminary)	87,000	158,000	144,000	147,000
Unemployment Rate*	4.1%	4.2%	4.2%	4.1%
	Jun-24	Apr-25	May-25	Jun-25
<b>Prices</b>				
Change in CPI (year/year)	3.0%	2.3%	2.4%	2.7%
<b>Exchange Rate (foreign currency per US\$)</b>				
Trade Weighted Dollar (Jan 06 = 100)	124.03	124.46	122.69	120.97
<b>Interest Rates</b>				
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)	6.92	6.73	6.82	6.82
	Jun-24	Apr-25	May-25	Jun-25
US Average Retail Gasoline (Regular \$ per gallon)	\$3.46	\$3.17	\$3.15	\$3.15
West Texas Intermediate Crude (\$ per barrel)	\$79.77	\$63.54	\$62.17	\$68.17

## Washington Economic Indicators

	Jun-24	Apr-25	May-25	Jun-25
<b>Washington Employment</b>				
Change in Monthly Nonfarm Payrolls*	5,700	-9,400	800	10,900
Aerospace Employment (level)*	83,000	76,800	77,800	77,700
Construction Employment (level)*	224,700	211,800	214,000	215,000
Software Employment (level)*	83,200	82,300	82,300	84,000
Unemployment Rate*	4.5%	4.4%	4.5%	4.5%
	Jun-24	Apr-25	May-25	Jun-25
<b>Energy Indicators</b>				
WA Average Retail Gas (Regular, \$ per gallon)	\$4.25	\$4.17	\$4.16	\$4.24
	Jun-24	Feb-25	Apr-25	Jun-25
<b>Seattle-Tacoma-Bremerton CPI (bi-monthly)</b>				
Change in CPI (year/year)	3.8%	2.5%	1.7%	2.7%

## Select Economic Indicators

### Continued

#### Washington Economic Indicators

	2024Q1	2024Q3	2024Q4	2025Q1
<b>Washington Real Estate Market</b>				
Median Home Price Statewide	\$626,100	\$652,700	\$641,700	\$636,200
	May-24	Mar-25	Apr-25	May-25
Housing Permits (annual rate) *	34,000	29,800	35,100	30,300
	May-24	Mar-25	Apr-25	May-25
<b>Exports from Washington</b>				
Total State Exports (\$ millions)	\$4,142.5	\$5,288.1	\$4,906.2	\$4,409.9
<b>Total Imports to Washington</b>				
Total Imports (\$ millions)	\$5,193.3	\$5,327.5	\$4,199.7	\$4,643.4

#### Washington Revenue

	June - July 2025 Actual	June - July 2025 Adjusted
"Variance in revenue from June 2025 forecast (\$ millions) June 10, 2025 - July 11, 2025)"	\$90.1	\$90.1

“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
 <p><b>Initial Claims for Unemployment Insurance in Washington State</b></p>		<p>The monthly count of initial claims for unemployment insurance went down by 581 in June 2025 month-to-month, and down by 261 year-over-year (ESD).</p>
 <p><b>Year-over-Year Job Growth in Washington State</b></p>		<p>Washington's non-farm employment year-over-year growth went up by 0.1% in June. Job growth declined by 0.1% in May 2025</p>
 <p><b>Housing Units Authorized in Washington State</b></p>		<p>In April 2025, 30,100 building permits were issued, down by 4,800 compared to the previous month and down by 3,700 from the previous year</p>
 <p><b>10-year Treasury vs 3-month Treasury Bill Interest Rate Spread</b></p>		<p>The spread between the 10-year treasury and 3-month treasury note June 2025 turned back to negative in June 2025, meaning that it is more expensive to borrow in the short-term than in the long-term, reflecting abnormal market conditions.</p>
 <p><b>Standards on Consumer Loans in the U.S.</b></p>		<p>The net percentage of lenders willing to make consumer loans in Q2 2025 decreased by 5.1 percentage points.</p>
 <p><b>Manufacturing Overtime Hours in the U.S.</b></p>		<p>In June 2025, manufacturing overtime remained at 3.7 hours per week, similar to May 2025.</p>
 <p><b>Pending Home Sales in the U.S vs the West</b></p>		<p>In May 2025, pending home sales increased over the month 1.8% nationwide, and 6.0% in the West. Year-over-year, it increased 2.4% in U.S. and 0% in the West.</p>
 <p><b>Aruoba-Diebold-Scotti Business Conditions Index</b></p>		<p>The index in June 2025 dropped to -0.02. In May 2025, the index was around -0.02. This indicates better economic conditions over the months.</p>

[View leading indicator graphs](#)

# Economic Highlights

## U.S. Economy

### General Economic Activity

- **No Interest Rate Cut in June:** The Fed kept their rate at 4.33%, unchanged from May, as they anticipate inflation to rise this year, and employment growth is slowing down (*Source: Federal Reserve*).
- **GDP Contracts in Q1:** Real U.S. GDP declined by 0.5% in Q1 2025, primarily due to higher imports and reduced government spending (*U.S. Bureau of Economic Analysis*).
- **Consumer Inflation Picks Up:** Consumer prices rose 0.3% in June, pushing the year-over-year inflation rate to 2.7% (*U.S. Bureau of Labor Statistics*).
- **Mixed Consumer Sentiment:** In June, consumer confidence diverged as Michigan sentiment rose while the Conference Board index fell (*University of Michigan & The Conference Board*).
- **Oil and Gas Prices Climb:** As of July 4th, WTI crude oil was \$67/barrel and gasoline prices rose to \$3.13/gallon (*U.S. Energy Information Administration*).

### Employment

- **National Job Gains Continue:** U.S. employment grew by 147,000 in June with upward revisions to April and May (*U.S. Bureau of Labor Statistics*).
- **Unemployment Indicators Improve:** Initial claims fell to 227,000 and June layoff announcements dropped 49% from May. The jobless rate fell to 4.1% in June, down 0.1 percentage point from May (*U.S. Department of Labor & Challenger, Gray & Christmas, U.S. Bureau of Labor Statistics*).
- **Wages Rise Moderately:** Average hourly earnings increased by \$0.08 in June, marking a 3.7% annual gain (*U.S. Bureau of Labor Statistics*).
- **Job Changes by Sector:** Healthcare, state and local government led job gains, while federal jobs, education, and manufacturing declined in June (*U.S. Bureau of Labor Statistics*).

### Sectoral Trends

- **Manufacturing and Services Show Contraction:** Manufacturing PMI fell to 48.5, and Services PMI dropped below 50 for the first time since June 2024 (*Source: Institute for Supply Management*).
- **Manufacturing Shows Ongoing Weakness:** The ISM Manufacturing PMI remained in contraction at 49.0 in June, while services PMI indicated modest growth at 50.8 (*Institute for Supply Management*).
- **Industrial Production Dips Slightly:** Industrial production fell 0.2% in May but remained 0.6% above year-ago levels (*Federal Reserve*).
- **Business Investment Rebounds:** Core capital goods orders rose 1.7% in May, recovering from a 1.4% drop in April (*U.S. Census Bureau*).
- **Vehicle Sales Slip in June:** Light motor vehicle sales fell 1.7% from May to 15.3 million units but remained 2.3% above last year (*U.S. Bureau of Economic Analysis*).
- **Housing Market Weakens:** Residential construction and new home sales declined in May, while existing home sales posted a modest monthly gain (*U.S. Census Bureau & S&P CoreLogic Case-Shiller*).
- **Trucking Softens While Rail Mixed:** Truck tonnage fell 0.1% in May and intermodal rail traffic dropped, but total rail carloads rose 2.1% year-over-year in June (*American Trucking Association & Association of American Railroads*).

# Economic Highlights

## Washington's Economy

### General Economic Activity

- **State Revenue Beat Forecast:** General Fund-State revenues for mid-June to mid-July 2025 exceeded projections by \$90.1 million, reaching \$2.55 billion. The excess was led by strong Revenue Act collections (*Washington State Economic and Revenue Forecast Council*).
- **Personal Income Growth Lagged the U.S.:** Washington's personal income rose 3.2% in Q1 2025, the slowest growth rate among states and well below the 6.7% U.S. average (*U.S. Bureau of Economic Analysis*).
- **Seattle Inflation Accelerated:** Seattle-area CPI rose 2.7% year-over-year in June, with notable increases in food (4.8%) and energy (5.0%) prices (*U.S. Bureau of Labor Statistics*).

### Employment

- **Employment Grew in June:** Washington added 10,900 jobs in June—far above forecast—and now exceeds prior employment expectations by 9,200 jobs. Government added 4,600 jobs in June, including 300 in local government education (*Washington State Employment Security Department*).
- **Unemployment Rate Held but Participation Fell:** Washington's unemployment rate stayed at 4.5% in June, but labor force participation declined to 62.3%, continuing a downward trend (*Washington State Employment Security Department*).
- **Initial Jobless Claims Ticked Up:** Seasonally adjusted initial unemployment claims in Washington went down by 561 in June 2025 month-to-month, and 261 year-over-year. Last two quarters initial claims were higher by 3,657 than last year. (*Washington State Employment Security Department*).

### Sectorial Trends

- **Homebuilding Activity Is Stabilizing:** Washington permitted 32,700 housing units seasonally adjusted in April and May, close to forecast but well below the 2021 peak (*U.S. Census Bureau*).
- **Seattle Home Prices Continued to Decline:** The Case-Shiller index showed Seattle home prices declined 0.9% in April, the second consecutive monthly drop (*S&P CoreLogic Case-Shiller*).
- **Auto Sales Declined Again:** Washington new vehicle registrations fell 6.2% in June, marking the second consecutive monthly drop (*Washington State Department of Licensing*).

# Economic Highlights

## Layoffs Around Washington State

Overall, tech, transportation, and healthcare-related industries are driving the bulk of workforce reductions, signaling broader contractions in Washington's key employment sectors (*Source: Washington State Employment Security Department*).

In June and July 2025, the technology sector led layoffs with 2,117 job cuts, followed by the transportation and logistics sector with 396 layoffs, healthcare and education with 415, retail and food services with 171, manufacturing and forestry with 193, and nonprofit and social services with 298.

Looking beyond July 2025, the technology sector will again account for the largest share with 1,227 projected layoffs, followed by healthcare diagnostics and financial services with 443, retail and food services with 278, manufacturing and packaging with 162, and printing and logistics with 68.

### Layoffs in June and July 2025

- **United States Cellular Corporation** laid off **86 employees** across various Washington locations on June 2, 2025.
- **SDS Lumber LLC** permanently closed its Bingen facility, laying off **81 workers** on June 2, 2025.
- **The Bartell Drug Company (Rite Aid)** permanently closed its Des Moines location, resulting in **131 layoffs** on June 4, 2025.
- **TEKsystems, Inc.** laid off **67 employees** in Redmond on June 13, 2025.
- **AMT Medical, Inc. (Velocity Medtech)** laid off **70 workers** in Monroe on June 23, 2025.
- **Accelerate360 Distribution, LLC – Dakota Merchandising Work Unit** closed operations across Washington and laid off **31 workers** on June 28, 2025.
- **MV Transportation, Inc.** laid off **287 employees** in Redmond on June 30, 2025.
- **Enterprise for Progress in the Community (EPIC)** laid off **198 workers** in Yakima on June 30, 2025.
- **LifeSkills Connection Inc.** closed its Sedro Woolley facility, resulting in **119 permanent layoffs** on June 30, 2025.
- **Quality Built, LLC** laid off **1 employee** due to closure on July 3, 2025.
- **Starbucks** laid off **8 employees** in Seattle on July 4, 2025.
- **Western Forest Products Inc.** temporarily closed operations in Vancouver, affecting **112 workers** on July 8, 2025.
- **College Success Foundation** laid off **100 employees** in Bellevue on July 9, 2025.
- **MacMillan-Piper, LLC.** permanently closed its Seattle and Tacoma operations, laying off **92 workers** on July 10, 2025.
- **GSC Transport, Inc.** laid off **10 workers** in Tacoma on July 10, 2025.
- **GSC Solutions, Inc.** laid off **7 employees** in Tacoma on July 10, 2025.
- **Microsoft** laid off **1,985 employees** in Redmond on July 12, 2025.
- **TikTok, Inc.** will lay off **38 employees** in Bellevue on July 28, 2025.
- **ByteDance, Inc.** will lay off **27 employees** in Bellevue on July 28, 2025.
- **Virginia Mason Franciscan Health Virtual Health Services** closed its Tacoma facility, will lay off **116 employees** on July 28, 2025.

## Layoffs Beyond July 2025

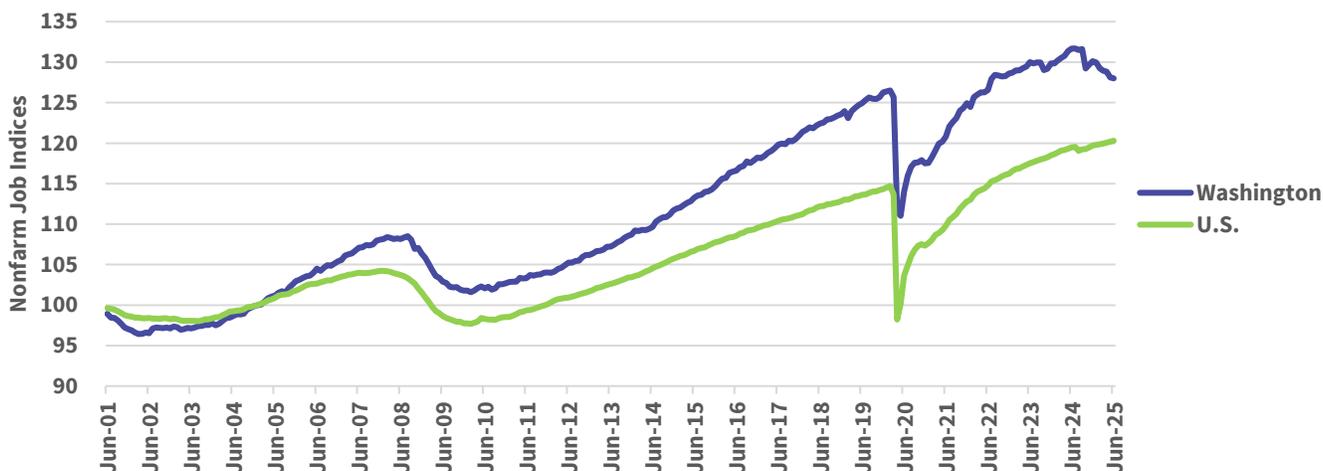
- **Microsoft** will lay off **1135 employees** in Redmond and Bellevue on August 1, 2025, and August 31, 2025.
- **Hood Packaging Corporation** will permanently close its Vancouver site, affecting **94 workers** on August 1, 2025.
- **Incyte Diagnostics** will lay off **310 employees** in Spokane Valley on August 4, 2025.
- **Del Monte Foods, Inc.** will permanently close its Yakima and Wapato operations, resulting in **51 layoffs** on August 8, 2025.
- **KIRA Services, LLC** will lay off **7 employees** in Pacific Beach on August 11, 2025.
- **Amazon Fresh** will permanently close its Federal Way location, laying off **125 employees** on August 19, 2025.
- **Northwest Offset Printing, Inc.** will permanently close its Spokane Valley operations, affecting **68 employees** on August 31, 2025.
- **Quality Food Centers, Inc.** will permanently close its Mill Creek store, laying off **76 employees** on September 3, 2025.
- **Indeed, Inc.** will lay off **92 employees** in Seattle on September 9, 2025.
- **Jack in the Box** will permanently close its Seattle location and lay off **12 employees** on September 10, 2025.
- **Jack in the Box** will also close its Tukwila location and lay off **14 employees** on September 10, 2025.
- **FIS** will lay off **133 employees** in Bellevue on September 15, 2025.

# Sector Specific Highlights

## Labor Market: Jobs

### Nonfarm Job Indices: Washington and U.S.

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



#### WA Nonfarm Jobs

**↑10,900**

Month-to-Month in June 2025

#### U.S. Nonfarm Jobs

**↑147,000**

Month-to-Month in June 2025

#### WA Nonfarm Jobs Growth

**↑0.1%**

Year-over-Year in June 2025

#### U.S. Nonfarm Jobs Growth

**↑1.1%**

Year-over-Year in June 2025

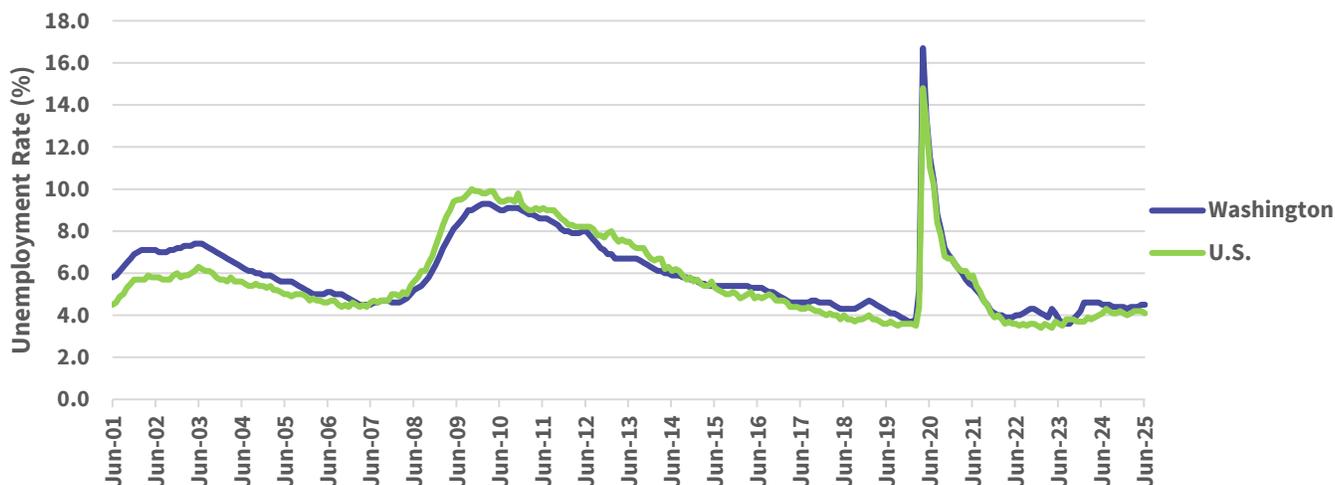
In June 2025, Washington total nonfarm job count increased by 10,900 month-to-month (0.1% year-over year), while the national job count rose by 147,000 month-to-month (1.1% year-over-year) in June 2025.

# Sector Specific Highlights

## Labor Market (Continued): Unemployment

### Unemployment Rates: Washington and U.S.

June 2001 - June 2025, Source BLS



#### WA Unemployment

**4.5%**

in June 2025

#### U.S. Unemployment

**4.1%**

in June 2025

#### WA Unemployment Trend

**~0%**

Month-to-Month in June 2025

#### U.S Unemployment Trend

**↓0.1%**

Month-to-Month in June 2025

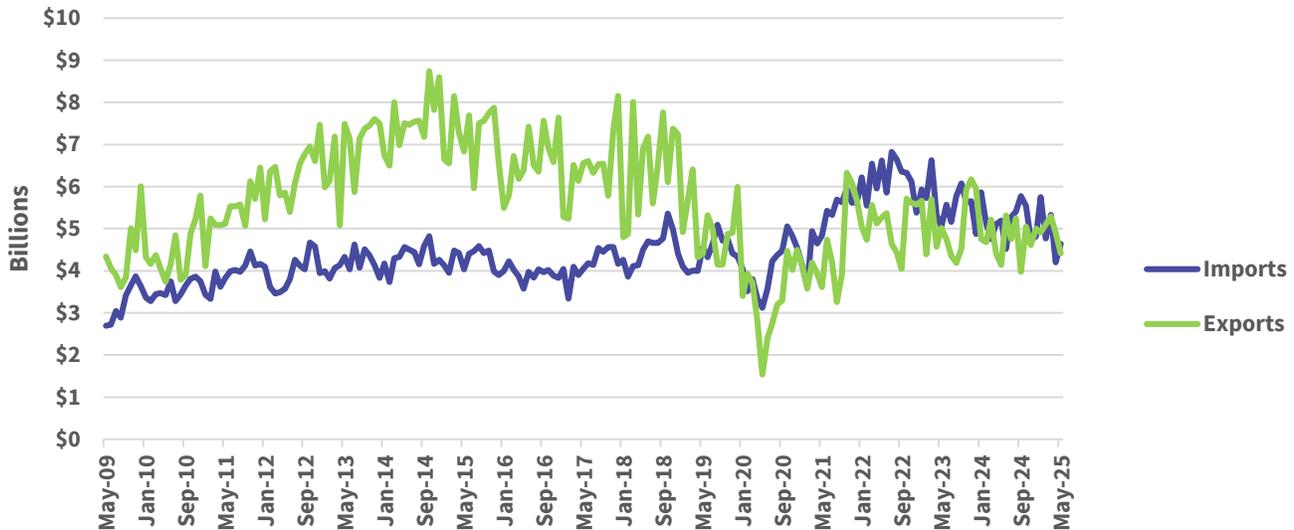
Washington’s unemployment rate remained unchanged at 4.5% in June 2025. The nation’s unemployment rate decreased to 4.1% in June 2025.

# Sector Specific Highlights

## Washington Trade

### Washington State Origin Exports and Destination Imports

May 2009 - May 2025, Source: BEA



#### WA Exports (Month-to-month)

**↓10%**

In May 2025

#### WA Exports (Year-over-Year)

**↑6.0%**

May 2024 to May 2025

#### WA Imports (Month-to-Month)

**↑11%**

in May 2025

#### WA Imports (Year-over-Year)

**↓11%**

May 2024 to May 2025

In May 2025, Washington's imports increased by 11% month-to-month (- 11% year-over-year). Exports decreased 10% over the month in May, but increased by 6.0% over the year.

# Sector Specific Highlights

## Housing Market

### United States

#### Mortgage Interest Rate: 30-Yr vs 15-Yr

June 2001 – June 2025, Source: Freddie Mac



- Mortgage Rates Remained Unchanged Month-to-Month:** Both 30-year and 15-year mortgage rates remained unchanged month-to-month, reaching 6.82% and 5.95% respectively (*Mortgage Bankers Application, Freddie Mac*).
- Increase in U.S. Home Prices:** In June 2025, U.S. home prices were up 1.0% compared to last year, selling for a median price of \$447,054. On average, the number of homes sold was up 3.8% year-over-year and there were 487,806 homes sold in June this year, up 470,044 homes sold in June last year. The national average 30-year fixed rate mortgage rate is at 6.8% and down 0.1 points year-over-year (*Source: Redfin*).
- Increase in the U.S. Housing Inventory in June:** In June 2025, there were 1,970,285 homes for sale in the United States, up 7.8% year over year. The number of newly listed homes was 558,890 and down 7.5% year-over-year. The median days on the market was 39 days, up 6 year-over-year. The average months of supply is 3 months, down year-over-year (*Source: Redfin*).

## Sector Specific Highlights

### Housing Market (Continued)

#### Washington

- **Prices Edged Upward in June:** In June 2025, home prices in Washington were up 2.3% compared to last year, selling for a median price of \$664,200. On average, the number of homes sold was up 5.0% year-over-year and there were 8,741 homes sold in June this year, up 8,317 homes sold in June last year. The median days on the market was 17 days, up 3 year-over-year (*Source: Redfin*).
- **Home Inventory Went Up in June:** In June 2025, there were 33,422 homes for sale in Washington, up 19.4% year-over-year. The number of newly listed homes was 11,539 and up 2.9% year-over-year. The average months of supply is 3 months, unchanged from last year (*Source: Redfin*).
- **Home Sales Fell in June:** In June 2025, 31.8% of homes in Washington sold above list price, down 2.6 points year over year, showing lower competition. There were only 35.9% of homes that had price drops, up from 31.0% of homes in June last year, meaning more sellers are lowering their process to attract sellers (*Source: Redfin*).