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Hard to Beat

The Economist, the highly respected British magazine, has written many favorable words about the greater Seattle area over the years. But rarely has such praise been more deserving than now: the economy is simply hard to beat. The list of achievements includes 16 straight years of expansion, current growth at double the U.S. rate, 3 percent unemployment, and a per capita income 17 percent above the national average.

In spite of the accolades, prosperity cannot be taken for granted. Indeed, there are some disquieting matters: an over-inflated stock market, turmoil in Asia, Microsoft's legal battles, an impending national slowdown, and cutbacks in Boeing employment.

The last two developments pose the most immediate threat to regional business conditions. After climbing 30,000 in two years, aerospace employment has apparently leveled off. The anticipated decline in Boeing jobs, coupled with a decelerating national economy, will trim the regional growth rate by more than one-half over the next year or so.

Accordingly, Puget Sound employment growth will slow from 5.1 percent in 1997 to 4.2 percent in 1998 and 2.4 in 1999. Following a 9.1 percent increase last year, current-dollar personal income will rise 7.5 percent this year and 6.0 percent next. The inflation rate, as measured by the Seattle consumer price index, will hover around 3 percent.

The regional economy may lose some its current glow, but the numbers will still look good. For example, in 1999, regional employment will be expanding at nearly twice the national rate, while the unemployment rate will remain near the 3 percent mark.

Regional Outlook

Golden touch.

The Economist, the British journal that has commented on American affairs for 150 years, likes Seattle. In an article that harkened back to the Klondike gold rush, it said that "today, the Seattle area is remarkable for its golden touch. Not only is it home to Bill Gates, America's richest man,...it is also home to a cluster of companies which, like Microsoft, are standard-setters in their businesses, influencing the lives and life-styles of millions of people." Boeing, Nordstrom, and Starbucks were mentioned by name.

High praise from such a venerated source. And they had not even seen our latest numbers. Granted, there are still some 50,000 people looking for jobs as well as dozens of failing businesses. But, by and large, times have rarely been better for labor and industry in the Puget Sound region (King, Pierce, Snohomish, and Kitsap counties).

Consider this. The region is now in its sixteenth year of expansion. Regional employment increased 5.1 percent in 1997, more than twice the national growth rate. The unemployment rate fell to 3.2 percent in the first quarter of

Summary Forecast

Annual Percent Change	1996	1997	1998	1999
Puget Sound Region				
Employment	3.2	5.1	4.2	2.4
Personal income (cur. \$)	6.9	9.1	7.5	6.0
Consumer price index	3.4	3.5	3.0	2.6
Housing permits	10.6	9.0	12.7	-5.6
Population	1.5	1.8	2.0	2.0
United States*				
GDP (\$92)	2.8	3.8	2.9	2.3
Employment	2.0	2.3	2.6	1.4
Personal income (cur. \$)	5.6	5.8	5.1	4.6
Consumer price index	2.9	2.3	1.6	2.4
Housing starts	8.0	0.6	1.5	-4.7

*Source: Blue Chip Economic Indicators

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INSIDE

Regional Outlook

this year, placing it 2 percentage points below what economists call the full employment mark.

Last year, Puget Sound businesses and government created 76,000 jobs, the largest absolute employment gain in twenty years. This included 22,800 jobs in manufacturing, 12,500 in wholesale and retail trade, and 26,600 in services (including 4,500 in computer services).

In 1997, personal income increased 9.1 percent in current dollars and, more importantly, 6.9 percent in constant dollars, that being the highest growth rate since 1979. Current-dollar per capita income rose to \$30,052, 17.3 percent above the national mean. This meant that Puget Sound households earned on average \$11,000 more than U.S. households.

Retail sales jumped 11.3 percent last year, more than matching income growth. Taxable retail sales, the largest tax base for state and local government, climbed 10.4 percent. Making life easier for government officials, at least for

now, per capita taxable retail sales adjusted for inflation increased 6.3 percent, the largest gain in two decades.

Puget Sound households bought and sold 48,600 homes in 1997, 5,200 more than the previous record set in 1989. Home prices are currently up about 10 percent over the year as a result of the buying frenzy. Nevertheless, thanks to escalating household incomes and falling mortgage rates, housing is still more affordable today than anytime since 1977.

If there is a blemish on the record, it is the region's inflation rate, which is running one percentage point higher than the national average. We think that the local inflation rate has been over-estimated. In any event, at roughly 3 percent, it is still low by historical standards.

Signs of change.

Just as the Klondike gold finally played out, the region's good fortune will eventually wane. In fact, there are already signs of change.

But, as the numbers reveal, there is no reason to fold the tents.

Admittedly, one could be discouraged by the list of potential difficulties: a stock market bubble,

Forecast Probabilities

Boom	15 percent
Baseline	50 percent
Slowdown	25 percent
Recession	10 percent

the southeast Asia crisis, an anti-trust suit against Microsoft, a national slowdown, and the end of the Boeing upturn.

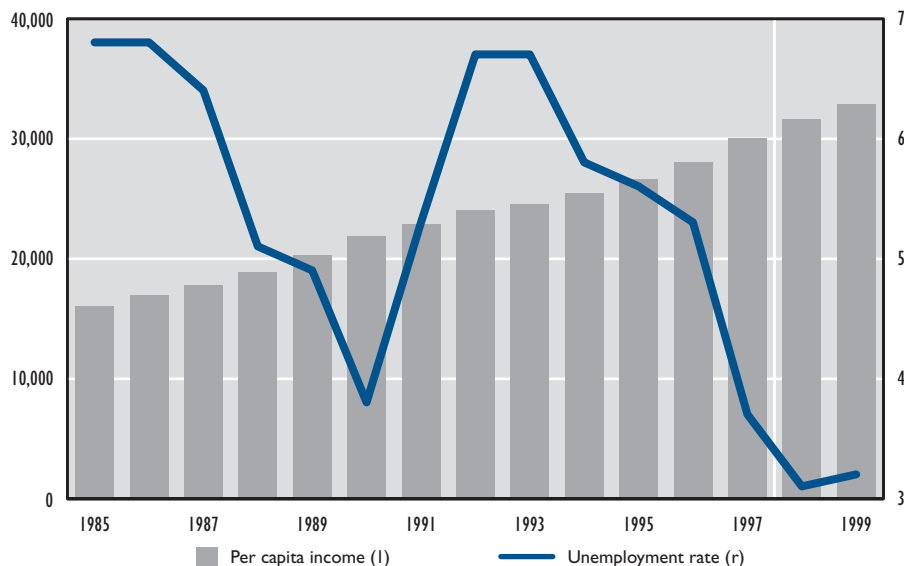
While the first three issues cause some concern, they are not yet real problems. A stock market correction is probably just down the road, but unless the loss exceeds 25 percent, which if it occurred today would take us back to last year's level, there should be little damage to the real economy. Southeast Asia will undoubtedly take a toll on U.S. business, but national forecasters continue to revise their forecasts up, rather than down. As of this writing, the Justice Department has not filed suit against Microsoft, blocking release of Windows 98. Even if it does, the legal fight will be long, mitigating any short-run impact on company operations.

On the other hand, deceleration of the national economy looks certain, since for two years real Gross Domestic Product has been expanding faster (an average of 3.3 percent per year) than its potential long-run growth rate (2.4 percent). All else being equal (namely, the state of Boeing and the world economy), a 0.9 percentage point drop in the U.S. employment growth rate (the expected decline between 1997 and 1999) would result in a similar change in the Puget Sound employment growth

Puget Sound Per Capita Income and Unemployment Rate

Current Dollars

Percent



rate, according to simulations with our forecasting model.

Despite rising production rates as well as delivery problems with the new 737, Boeing employment leveled off in the first quarter. This would warrant little attention were it not for the fact that Boeing has been hiring at the rate of 15,000 workers per year since 1996. As noted in the February newsletter, if Boeing simply holds

According to our forecast, employment will increase 4.2 percent in 1998 and 2.4 percent in 1999, down from 5.1 percent in 1997. The growth rate for current-dollar personal income will follow a similar path, declining from 9.1 percent in 1997 to 7.5 percent in 1998 and 6.0 percent in 1999. The inflation rate, as measured by the Seattle consumer price index, will remain around 3 percent. Housing

gin. And, with just 1.2 percent of U.S. population, Puget Sound will be building 1.8 percent of the nation's housing.

Chance of recession.

Whenever the economy loses speed, the probability of a recession goes up. While the chances of having a downturn within the next year or two look slim, it is not out of the question.

Here is what it would take: a deep recession in southeast Asia and Japan; a sell-off in the stock market large enough to shatter investor and consumer confidence and trigger a national recession; and a sharp decline in air travel, leading to cancellations of airplane orders and a reduction in aircraft production.

Under those conditions, by the end of 1999, the region would be suffering the symptoms of its first recession in 17 years: employment losses, a steeply rising unemployment rate, little or no gain in real income, plunging housing starts, and difficulties in balancing government budgets.

In the event of a near-term recession (bear in mind that we give it only a 10 percent chance), the downturn would be short and shallow. Borrowing a phrase from Federal Reserve chairman Alan Greenspan, it would be caused by the "over-exuberance" of the economy and not by any fundamental problem.

Puget Sound and U.S. Performance

1997

	Puget Sound	United States
Employment change (%)	5.1	2.3
Unemployment rate (%)	3.7	5.0
Personal income change* (%)	9.1	5.8
Per capita income* (\$)	30,052	25,630
Consumer price index change (%)	3.5	2.3
Housing permits/starts change (%)	9.0	0.6
Population change (%)	1.8	0.9

*Current dollars

the line on jobs, the regional employment growth rate will gradually decline about two percentage points. Boeing officials anticipate that company employment will contract at the rate of attrition (roughly 6 percent annually or about 1,500 employees per quarter locally). With 1,750 airplanes on order, constituting more than three years of work, the assumption of an orderly decline in aerospace employment looks reasonable.

Still good numbers.

As the national economy decelerates and Boeing pares down employment, the regional economy will slow. In fact, there is evidence that this phase of the cycle is already underway. Employment growth dropped from an annualized rate of 6.0 percent in the last quarter of 1997 to 3.9 percent in the first quarter of 1998.

permits will increase 12.7 percent this year, due largely to the rebound in multi-family construction, but will decrease 5.6 percent next.

While the regional economy may lose some of its luster, the numbers for 1999 will continue to look good. With a 2.4 percent employment growth rate, the region will still be expanding nearly twice as fast as the nation. Per capita income will exceed the national average by 18.8 percent, even greater than the current mar-

Recession Scenario 10 Percent Probability

Annual Percent Change	1997	1998	1999
Employment	5.1	2.5	-0.1
Personal income (current \$)	9.1	5.6	3.0
Consumer price index	3.5	2.6	2.2
Housing permits	9.0	-5.0	-35.4
Population	1.8	1.9	1.5

Retail Sales

Income slower, sales slower.

In recent quarters, economists have closely monitored consumer spending, the biggest component of Gross Domestic Product, in an effort to figure out when the fast-growing US economy will slow down. So far, however, the consumer's signals have been mixed. For example, national retail sales advanced at a double-digit annual rate in the first quarter last year, declined in the second quarter, rebounded strongly in the third quarter, and weakened again in the fourth quarter. In the opening quarter of this year, led by purchases of durable goods, retail spending accelerated to an annual rate of 7.4 percent.

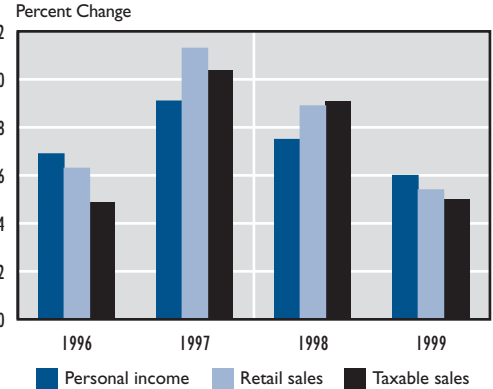
Puget Sound retail sales have been steadier and stronger and show little indication of slowing down, at least so far. Total retail spending rose 10.3 percent during 1997 and 10.1 percent on an annu-

alized basis in the first quarter of 1998. Durable goods purchases jumped at a 14.7 percent annual rate in the first quarter.

It is doubtful, however, that this pace can be maintained considering the expected slowing in personal income growth. Granted, the mortgage rate and the unemployment rate, two other important determinants of retail spending will remain low. And residential construction, which drives sales of building materials and furniture, will continue at a high level. But these supports will not be strong enough to fully offset the effect of weaker income growth.

Accordingly, the forecast calls for the growth rate of total retail sales to ease to 8.9 percent this year and 5.4 percent in 1999. Durable goods sales will rise 12.0

Puget Sound Personal Income and Retail Sales



percent this year, but only 5.2 percent next year, a dramatic change from the 18.5 percent pace in 1997. Sales of nondurable goods, which are less volatile, are projected to rise 6.5 percent in 1998 and 5.3 percent in 1999.

The forecast for taxable retail sales follows roughly the same pattern as the forecast for total retail spending. Over the two-year period, the growth rate will be cut in half as total taxable sales rise 5.0 percent in 1999.

PUGET SOUND RETAIL SALES

	1997	1998				Years			
	4	1	2	3	4	1996	1997	1998	1999
Retail sales (bils. \$)	35.545	36.445	37.125	37.792	38.356	30.870	34.373	37.430	39.454
Building materials	2.272	2.373	2.419	2.464	2.498	1.842	2.170	2.438	2.538
Automotive dealers	9.420	9.734	9.935	10.137	10.285	7.496	9.010	10.023	10.527
Furniture and appliances	2.173	2.267	2.337	2.398	2.447	1.834	2.060	2.362	2.524
General merchandise	4.156	4.236	4.317	4.402	4.476	3.756	4.038	4.358	4.639
Food	5.661	5.744	5.824	5.901	5.976	5.263	5.541	5.861	6.145
Gasoline service stations	2.054	2.083	2.110	2.135	2.159	1.888	2.014	2.122	2.215
Apparel and accessories	1.652	1.677	1.699	1.724	1.746	1.499	1.611	1.711	1.798
Eating and drinking	3.261	3.320	3.368	3.417	3.466	2.956	3.182	3.393	3.577
Other retail sales	4.895	5.012	5.116	5.214	5.303	4.337	4.747	5.161	5.490
Taxable retail sales (bils. \$)	45.071	46.640	47.530	48.480	49.225	39.851	43.987	47.969	50.350
Retail trade	22.662	23.375	23.726	24.142	24.457	20.142	22.065	23.925	25.044
Other taxable sales	22.409	23.265	23.804	24.338	24.768	19.709	21.922	24.044	25.305
Annual growth (% change)									
Retail sales	8.0	10.1	7.5	7.2	6.0	6.3	11.3	8.9	5.4
Taxable retail sales	4.3	13.9	7.6	8.0	6.1	4.9	10.4	9.1	5.0

Quarterly data are seasonally adjusted and expressed on an annual basis.

Construction and Real Estate

Into balance.

With the possible exception of airplane manufacturing, no economic activity is more volatile than homebuilding. Not only is it subject to the vagaries of financial markets, it is also very sensitive to changes in income and population. For example, in reaction to soaring mortgage rates and a deep recession, housing permits in the Puget Sound region plummeted 67 percent between 1978 and 1982.

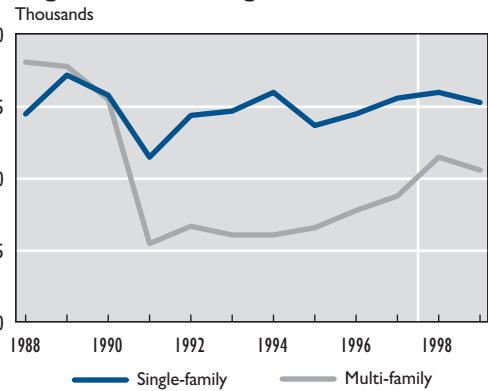
However, housing construction, especially on the single-family side, has been uncharacteristically stable in recent years. Single-family permits dropped 35 percent between 1989 and 1991, as the regional economy decelerated, and then rebounded 25 percent in 1992, as mortgage rates continued their long-term decline. But, apart from this relatively minor disturbance, single-family construction has not ventured far from 15,000

units per year. And there is no reason to expect an immediate change. The short duration of the current economic growth spurt should keep homebuilding from overheating. Indeed, this year is likely to be the cyclical peak for both single-family permits (16,000) and home price inflation (9.6 percent).

Multi-family construction has traveled a bumpier road. Overbuilding in the 1980s, the increased affordability of single-family dwellings, and a sluggish economy cut multi-family permits by two-thirds at the start of the decade. From 1991 to 1995 the construction rate languished around 6,000 units per year, precipitating a sharp drop in the apartment vacancy rate. But matters have been improving of late. Our forecast calls for 11,500 multi-family permits in 1998, up 30.7 per-

cent from last year. This should help bring the multi-family market into balance, stabilizing the vacancy rate and moderating rent hikes. At the current population growth rate, the region is forming 28,000

Puget Sound Housing Permits



households per year. Based on historical patterns, two-fifths will choose to live in apartments or condominiums, implying an annual demand for 11,000 new multi-family units.

PUGET SOUND CONSTRUCTION AND REAL ESTATE

	1997	1998				Years			
	4	1	2	3	4	1996	1997	1998	1999
Housing permits (thous.)	25.2	27.4	27.5	27.5	27.4	22.4	24.4	27.5	25.9
Single-family	17.2	15.5	16.0	16.1	16.2	14.5	15.6	16.0	15.3
Multi-family	8.0	11.9	11.5	11.3	11.2	7.8	8.8	11.5	10.6
Housing permits (mils. \$)	2809.7	2832.7	2860.9	2886.6	2907.0	2249.4	2559.9	2871.8	2799.9
Single-family	2199.6	1949.6	2023.9	2053.5	2073.2	1734.5	1935.9	2025.0	1994.1
Multi-family	610.1	883.1	837.0	833.2	833.8	514.9	624.0	846.8	805.7
Average home price (thous. \$)	200.9	208.4	209.6	218.7	222.6	185.5	196.0	214.8	230.8
Active home listings (thous.)	14.8	14.1	14.6	15.0	15.7	16.0	14.4	14.8	16.9
Home sales (thous.)	52.0	49.7	48.7	48.0	47.6	39.0	48.6	48.5	45.8
Apartment vacancy rate (%)	3.7	3.9	4.0	4.0	4.1	4.6	3.6	4.0	4.1
Average apartment rent (\$)	657	669	679	687	694	602	638	682	708
Annual growth (% change)									
Housing permits (value)	1.5	3.3	4.0	3.6	2.8	11.0	13.8	12.2	-2.5
Average home price	1.3	14.8	2.4	17.3	7.2	2.4	5.6	9.6	7.4
Average apartment rent	7.4	7.3	6.0	4.7	4.1	2.8	6.0	7.0	3.7

Quarterly data are seasonally adjusted and expressed on an annual basis.

Special Topic: Regional Cycles

Not simply up and down.

The term “business cycle” conjures up an image of a wave, something that rises and falls with regularity. But that analogy is misleading, since economies mainly go up. The Puget Sound region has experi-

ences only six annual declines in total employment since 1959 and only one (1982) since the Boeing Bust of the early 1970s. During the six down years, the economy lost a total of 104,300 jobs, while during the thirty-two up years, it created a total of 1,212,900 jobs.

provides some interesting insights into the workings of the regional economy:

- Business cycles in the region have been approximately ten years long. The current cycle is now in its seventh year.

- Since 1959 the number of slow-growth years (17) and the number of rapid-growth years (21) have been nearly equal.

- Virtually all of the region’s growth takes place during rapid phases. For example, 93.2 percent of the job gain since 1959 occurred during years of rapid growth.

- Employment advanced at a 5.7 percent annual rate during rapid phases, compared to only a 0.3 percent rate during slow phases.

- Only one period of slow growth, the Boeing Bust (1969-71), resulted in a net job loss (-55,600 jobs).

- Every slow phase has coincided with a national recession (1960, 1969-70, 1980, 1981-82, and 1990-91), illustrating our dependence

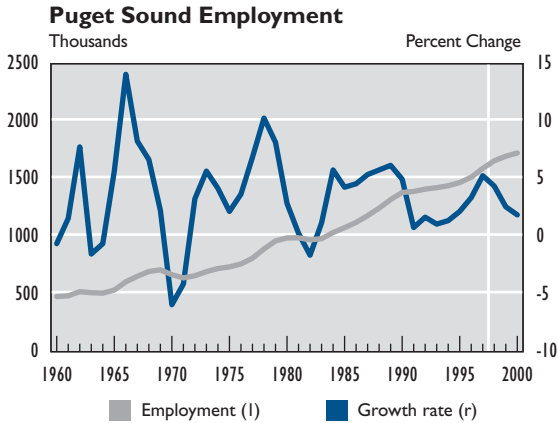
percent rate during rapid phases of the regional cycle and a 1.2 percent rate during slow phases.

- Not surprisingly, Boeing employment expanded during every rapid phase and contracted during every slow phase.

- On average, Boeing added 40,000 jobs during each rapid phase, while it cut 30,900 jobs during each slow phase.

- Periods of rapid growth (e.g., 1972-79) have not always lowered the unemployment rate; nor have periods of slow growth (e.g., 1991-95) always raised it. Migration and the national unemployment rate have also been factors determining the regional unemployment rate.

There are other regularities to our regional economic cycles that are not evident in the employment numbers. During rapid phases, there is typically a doubling of the population growth rate, a 50 percent boost in housing starts, and the re-emergence of sizable government surpluses. During slow phases, not only do business conditions deteriorate, but there are subtle changes in people’s political



Nevertheless, economies do fluctuate, but such “cycles” are only apparent when measured in terms of growth rates (please see the chart and table). A business cycle might best be defined as a period of slow growth (defined here as two consecutive years with less than 3 percent employment growth) followed by a period of rapid growth. Accordingly, the Puget Sound region has experienced four business cycles since 1960, though the last one is still in progress. The first cycle lasted from 1960 to 1968. During the slow phase (1960-64), employment crept up at a 1.1 percent average annual rate, while during the rapid phase (1965-68), it surged at an 8.4 percent rate.

An analysis of these four cycles upon the U.S. economy. There have been three regional recessions (1963-64, 1970-71, and 1982).

- One U.S. recession (1973-75) happened during a rapid phase.
- U.S. employment rose at a 3.0

Puget Sound Business Cycles

	Length of Phase (yrs.)	Employment Growth Rate (%)	Total Employment Change (%)	Unemployment Rate (%)
1960-64	5	1.1	5.5	6.0
1965-68	4	8.4	38.3	3.7
1969-71	3	-2.8	-8.2	8.4
1972-79	8	5.3	51.6	8.0
1980-83	4	0.5	2.0	8.9
1984-90	7	5.1	41.7	6.0
1991-95	5	1.2	6.3	6.0
1996-97*	2	4.1	8.4	4.5

*Incomplete phase.

and social behavior. When times are bad, for example, people are more likely to reject school levies. But they are also more inclined to give to charities.

FORECAST DETAIL 50 Percent Probability

	1997	1998				Years			
	4	1	2	3	4	1996	1997	1998	1999
Employment (thous.)	1604.5	1620.1	1633.9	1648.3	1659.1	1497.8	1573.8	1640.4	1679.9
Manufacturing	251.2	251.2	252.4	252.9	252.7	220.6	243.4	252.3	251.5
Food products	17.9	18.7	18.8	18.9	19.0	19.8	19.0	18.9	19.1
Forest products	18.1	18.0	18.0	18.0	18.0	18.1	18.0	18.0	17.8
Printing and publishing	17.5	17.5	17.7	18.0	18.2	17.1	17.2	17.8	18.6
Metals	11.2	11.7	11.8	11.9	12.0	10.1	10.9	11.8	12.1
Machinery	23.8	24.5	25.1	25.6	26.1	20.3	23.1	25.3	27.0
Aerospace	110.0	108.7	108.2	107.3	106.0	85.2	103.0	107.6	102.9
Other manufacturing	52.6	52.2	52.7	53.2	53.5	50.0	52.2	52.9	54.0
Nonmanufacturing	1103.7	1119.7	1131.3	1143.4	1153.0	1032.9	1083.3	1136.9	1172.0
Construction	81.2	83.4	85.1	86.7	87.6	74.8	80.1	85.7	88.6
Transportation and public utilities	88.6	91.5	91.8	92.5	93.0	85.6	88.1	92.2	94.1
Wholesale and retail trade	378.3	383.4	387.2	390.8	393.3	361.8	374.3	388.7	397.5
Finance, insurance, and real estate	93.4	94.4	95.2	96.1	97.1	87.6	91.0	95.7	99.1
Services	462.3	467.0	472.1	477.2	481.9	423.2	449.8	474.6	492.7
Government	249.6	249.1	250.2	252.1	253.4	244.3	247.2	251.2	256.3
State and local	201.4	201.2	202.3	204.0	205.2	195.7	199.2	203.2	208.0
Federal	48.2	47.9	48.0	48.1	48.2	48.6	48.0	48.0	48.4
Unemployment rate (%)	3.4	3.2	3.1	3.1	3.1	5.3	3.7	3.1	3.2
Personal income (bils. \$92)	85.2	86.5	87.5	88.5	89.4	77.6	83.0	88.0	91.2
Personal income (bils. \$)	96.4	98.1	99.6	101.4	102.9	85.7	93.5	100.5	106.5
Wage and salary disbursements	58.2	59.3	60.1	61.1	61.9	51.6	56.5	60.6	63.8
Other income	38.2	38.9	39.5	40.3	41.0	34.1	37.0	39.9	42.7
Per capita personal income (\$)	30780	31164	31466	31849	32168	28044	30052	31662	32909
Consumer price index (82-84=1.000)	1.647	1.665	1.674	1.683	1.693	1.575	1.630	1.679	1.723
Housing permits (thous.)	25.2	27.4	27.5	27.5	27.4	22.4	24.4	27.5	25.9
Population (thous.)	3133.3	3149.3	3166.0	3182.8	3198.9	3056.4	3111.4	3174.2	3236.5
Net migration (thous.)	45.3	46.3	47.8	47.2	44.5	28.2	42.1	46.5	39.4
Three-month treasury bill rate (%)	5.1	5.1	5.1	5.1	5.1	5.0	5.1	5.1	5.2
Conventional mortgage rate (%)	7.2	7.1	7.0	7.0	7.0	7.8	7.6	7.0	7.1
Annual growth (% change)									
Employment	6.0	3.9	3.4	3.5	2.6	3.2	5.1	4.2	2.4
Personal income (current \$)	9.8	7.1	6.0	7.0	6.0	6.9	9.1	7.5	6.0
Consumer price index	2.9	4.4	2.1	2.3	2.4	3.4	3.5	3.0	2.6
Housing permits	-38.5	34.6	1.6	-0.6	-0.6	10.6	9.0	12.7	-5.6
Population	1.9	2.0	2.1	2.1	2.0	1.5	1.8	2.0	2.0
Quarterly data are seasonally adjusted and expressed on an annual basis.									

Leading Index

Slight slip.

The Puget Sound Index of Leading Economic Indicators slipped last quarter, the first decline in more than two years. Although the drop was modest, 1.0 percent on an annual basis, it was broadly based and followed an abrupt slowing of the index during the fourth quarter of last year.

Five components (manufacturing hours, help-wanted ads, initial claims for unemployment insurance, the spread between long- and short-term interest rates, and the Boeing backlog-delivery ratio)

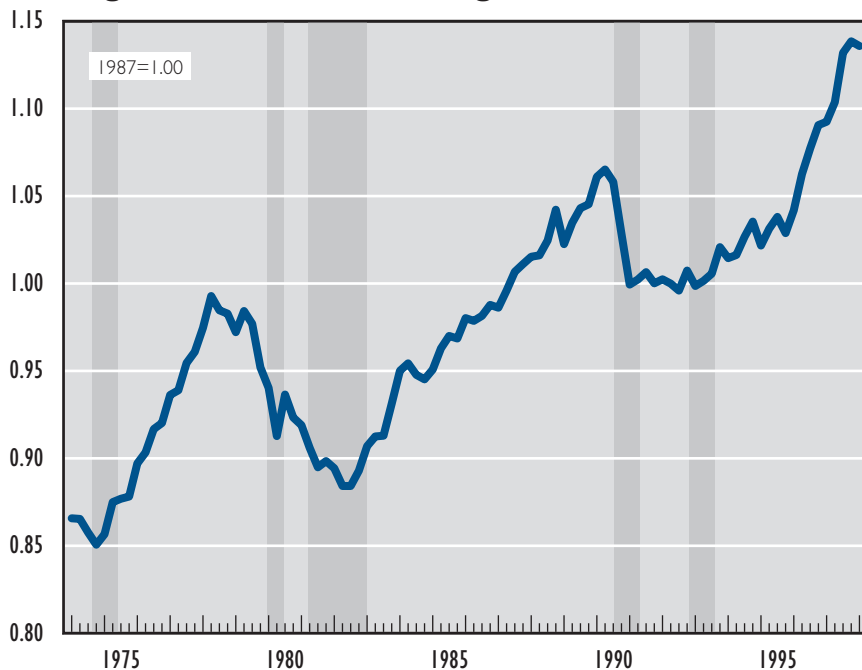
contributed to the decline. Only two components (durable goods spending and residential building) showed improvement.

The greatest drag came from a cut in the manufacturing work-week to 40.6 hours, down from a record 41.4 hours in the previous quarter. Combined with a slight decline in help-wanted ads and increasing first-time claims for unemployment insurance, these labor market indicators suggest a loosening of the extremely tight labor market that has gripped the Puget Sound economy.

The Boeing backlog-delivery ratio has trended down since the second quarter of 1996, as deliveries over time have caught up with planned production. This indicator is expected to move lower again in the second quarter.

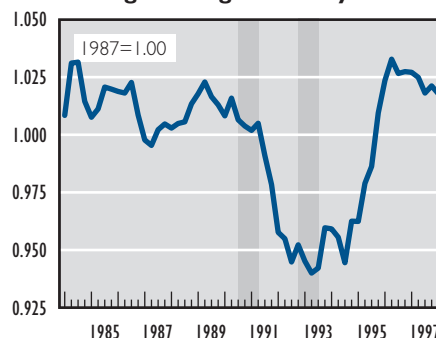
The tepid performance of the composite index over the last two quarters is signaling that the regional economy is slowing down. By the fourth quarter this year, we expect payroll employment to be rising at a 2.6 percent annual rate, about one-half the pace of the last two years.

Puget Sound Index of Leading Economic Indicators

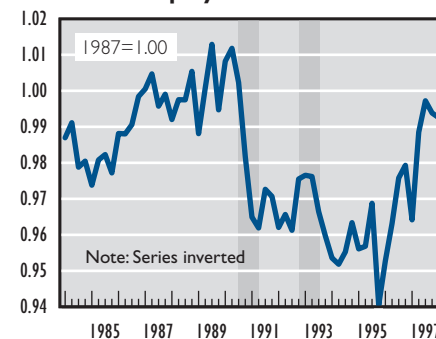


Shaded areas show recessions or periods of economic stagnation.

Boeing Backlog—Delivery Ratio



Puget Sound Initial Claims for Unemployment Insurance



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The Puget Sound Economic Forecaster is produced with the aid of a regional econometric model. The newsletter is published four times a year. A one-year subscription is \$295 and includes periodic, between-quarter updates, as well as access to data. Discounts are available for multiple copies. For comment, subscription information, or change of address, please contact **Dick Conway or Doug Pedersen at Conway Pedersen Economics, Inc., P. O. Box 2241, Seattle, WA 98111-2241. Telephone (206) 329-1707; FAX (206) 324-8886.**

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