

Draft 2050 Forecast of People and Jobs

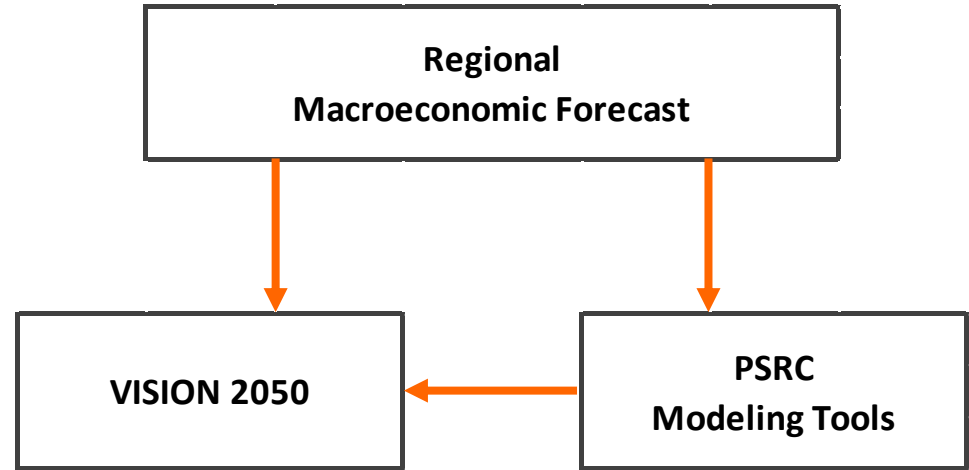
March 1, 2018



Puget Sound Regional Council

What is the Regional Macroeconomic Forecast?

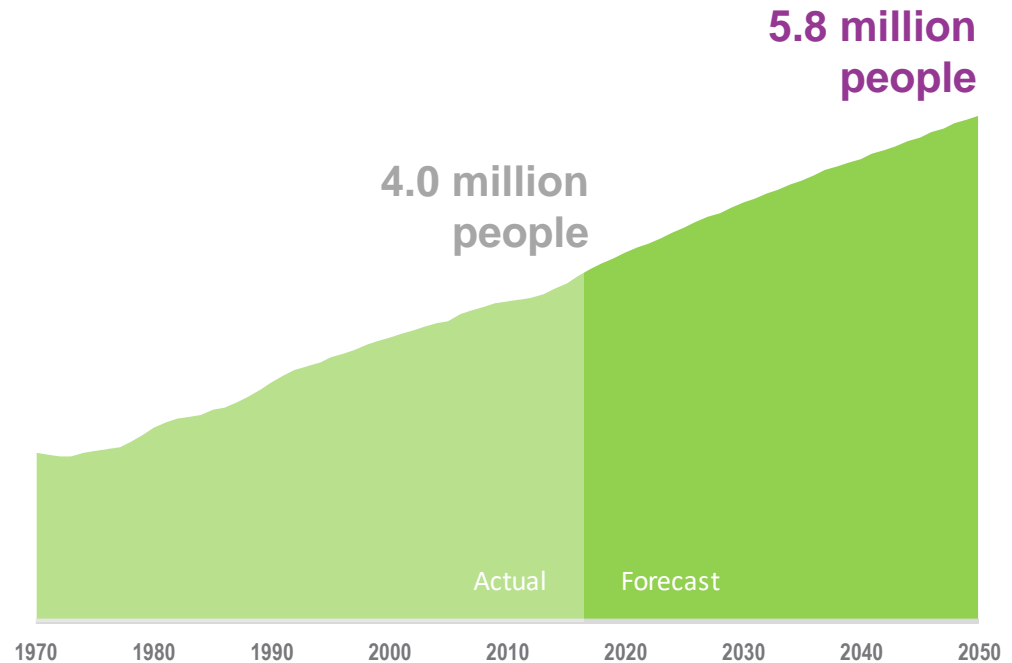
- The macro forecast is a long-range “big picture” forecast of jobs, population and households at the regional scale
- Provides regional summary inputs to PSRC’s suite of models and analytical tools
- Establishes growth assumptions for VISION 2050
- Is developed with input from local and state technical staff



2050 Population Forecast

The long range forecast is for continued growth

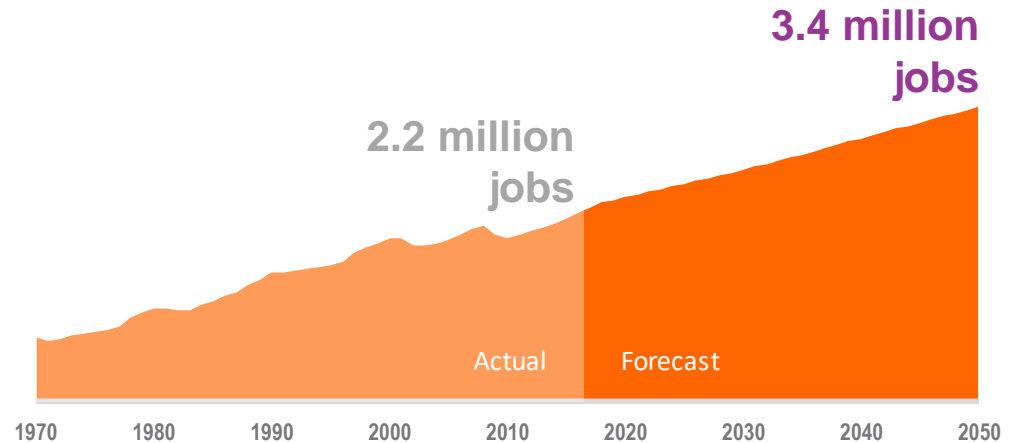
- The region is projected to grow by about **1.8 million people** between now and 2050
- Continued job growth combined with dynamics of an aging population are key drivers of the population forecast



2050 Employment Forecast

The long range forecast is for continued growth

- The region is projected to add about **1.2 million jobs** between now and 2050
- A robust, diversified regional economy that continues to outperform the national economy is the key driver for the jobs forecast



2050 Forecast in Perspective

How does the forecast for the next 33 years compare to the previous 33?

- Similar levels of population and job growth during both periods
- Larger base translates to lower annual growth rates over next period

	Previous 33 Years (1984-2017)	Next 33 Years (2017-2050)
Population	1.7M	1.8M
Annual growth rate	1.6%	1.1%
Employment	1.1M	1.2M
Annual growth rate	2.1%	1.3%



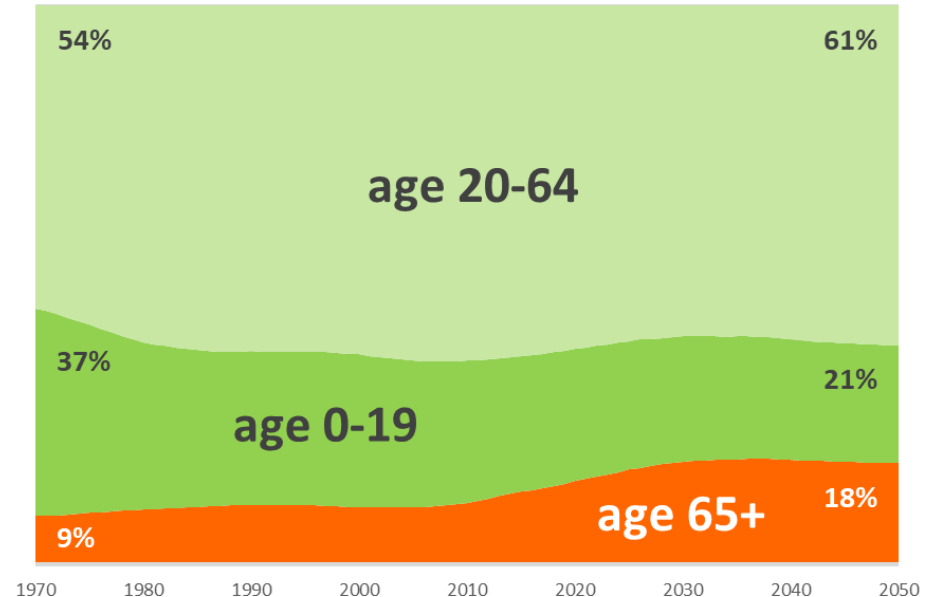
Age Demographics

Boomers will be retiring and the economy will continue to need workers

- Seniors as a share of region's total population grows from 11% in 2010 to 18% in 2050
- Forecast anticipates strong in-migration in the workforce age cohort to fill the needs of a growing economy



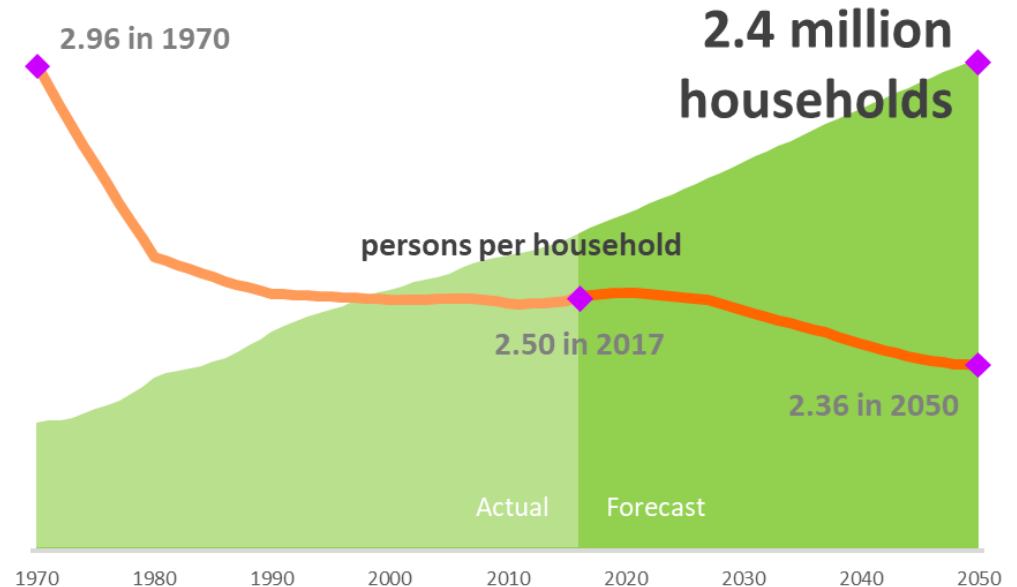
Population % Shares by Age Group



2050 Households and Household Size

Further decline in household size

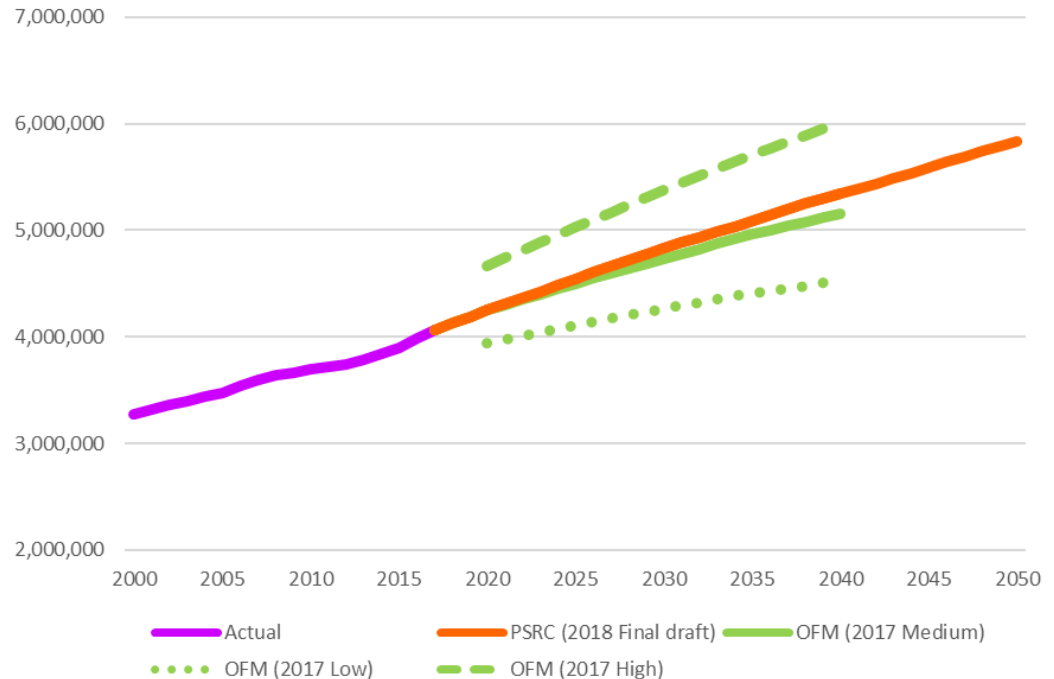
- The region is projected to add **830,000 households** between now and 2050
- Fewer persons per household means greater demand for housing



PSRC and OFM Population Forecasts

PSRC and OFM forecasts are within close range of one another

- PSRC's forecast is 3.5% higher than OFM's in 2040
- Both forecasts reflect an upward adjustment from the previous series



Forecast Accuracy

How close have previous population forecasts been to reality?

- Since the late 1980's, the 2020 forecast of regional population has ranged between 4.0 and 4.3 million people
- Assuming actual 2020 population will be about 4.2 million, the average error rate has been 2.7%

Prior Forecasts for 2020 Population

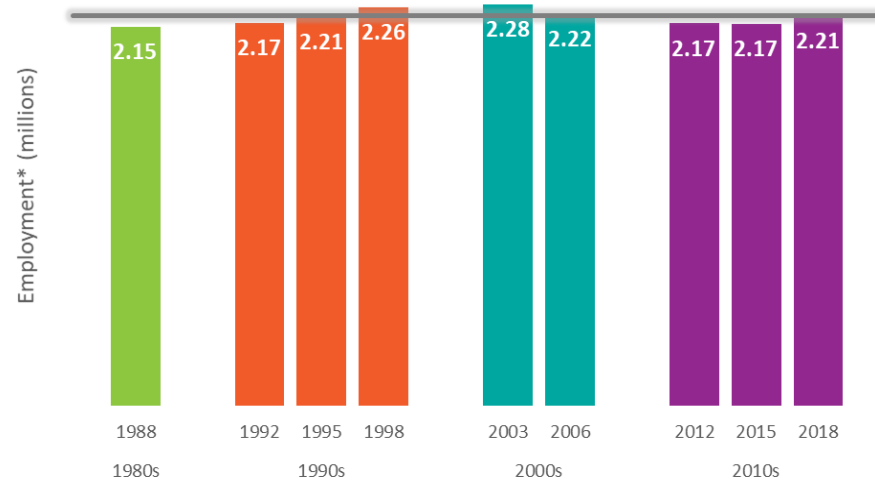


Forecast Accuracy

How close have previous employment forecasts been to reality?

- Since the late 1980's, the 2020 forecast of regional employment has ranged between 2.0 and 2.3 million jobs
- Assuming actual 2020 jobs will be about 2.2 million, the average error rate has been 1.8%

Prior Forecasts for 2020 Employment*



*All jobs except Construction/Resource



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Thank you

