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 “control total” 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.
The region is projected to grow by about **1.8 million people** between now and 2050.

Continued job growth combined with the dynamics of an aging population are key drivers of the population forecast.

The long range forecast is for continued growth.

- **2050 Population Forecast**
- **The region is projected to grow by about 1.8 million people between now and 2050.**
- Continued job growth combined with the dynamics of an aging population are key drivers of the population 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 numbers of population and job growth during both periods
- Larger base translates to lower annual growth rates over next period

<table>
<thead>
<tr>
<th></th>
<th>Previous 33 Years (1984-2017)</th>
<th>Next 33 Years (2017-2050)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
<td>1.7M</td>
<td>1.8M</td>
</tr>
<tr>
<td>Annual growth rate</td>
<td>1.6%</td>
<td>1.1%</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
<td>1.1M</td>
<td>1.2M</td>
</tr>
<tr>
<td>Annual growth rate</td>
<td>2.1%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>
Age Demographics

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

- Seniors as share of the region’s total population will nearly double between 2010 and 2050
- Forecast anticipates strong in-migration in the workforce age cohort to fill the needs of a growing economy
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 180,000 or 3.5% higher than OFM’s in 2040
- Both forecasts reflect an upward adjustment from the previous series
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%.
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 employment will be about 2.2 million, the average error rate has been 1.8%.

Prior Forecasts for 2020 Employment*

*All jobs except Construction/Resource
Next Steps

**Spring 2018:** Regional macroeconomic forecast finalized

**VISION 2050:** Forecast assumptions inform VISION 2050 planning work
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Thank you