

BLUE CHIP ECONOMIC FORECAST

WESTERN

ASU W. P. CAREY
SCHOOL of BUSINESS
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What Blue Chip Economists are Saying about the Western States

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Weak retail spending will hurt sales tax collections

Analysts sifting through first half figures on the economy continue to keep a watchful eye on the consumer and retail sales. It is reasonable to expect that tight credit, falling home values, plummeting consumer confidence and record gas prices would keep consumers out of stores and malls.

Retail sales for the first five months of 2008 were up 3.6 percent over the same period last year, according to the U.S. Census Bureau.

While this does not compare to the more than 6 percent growth posted in 2004 and 2005, it tops the 2.8 percent growth during the recession year 2001.

However, a closer look at the retail sales data reveals little real strength. It is important to note that retail sales figures are not inflation adjusted. The dollar value of gasoline sales was up 19.7 percent for the first five months, and we know that households are actually cutting back on their driving.

Grocery store sales were up by 7.0 percent, affected by global rises in commodity prices including agricultural and oil.

Clothing store sales were up only 1.7 percent compared to 2007, and auto sales were down by 4.6 percent. But households are still spending on food away from home, as restaurant sales were up 5.3 percent.

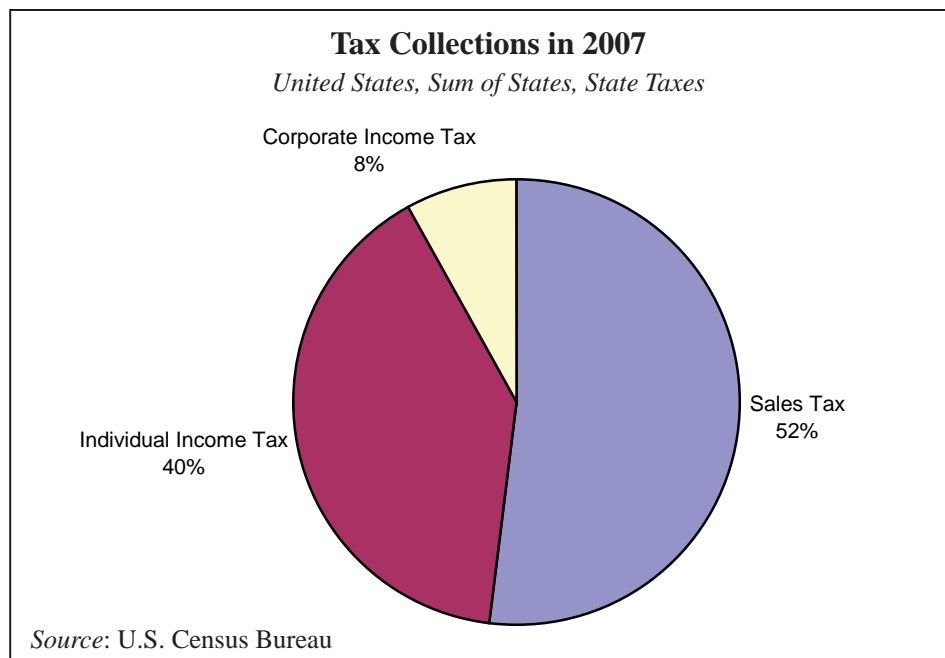
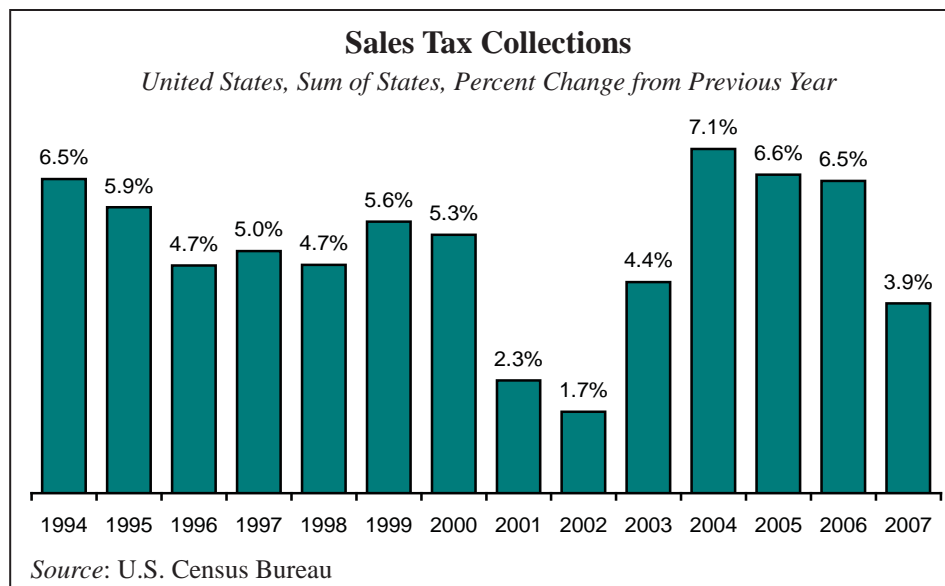
SALES TAXES

Analysts are also keeping a close watch on consumer spending because taxes on retail sales are a key source of state and local revenue (see pie chart).

Retail sales tax collections nationally grew slowly in 2007 (see figure) and according to the Rockefeller Institute, are negative for the first quarter of 2008 for all combined states.

Declining tax revenues spell trouble for government employment, which has continued to be one of the strongest sources of job creation in Western states in 2008.

For example, Arizona has added 17,800 government jobs between April 2007 and April 2008. The Grand Canyon State now has a hiring freeze at the state level.



California, facing a \$15 billion state budget deficit and local jurisdiction revenue shortfalls, has added 48,200 government jobs over the past 12 months.

Analysts are waiting to see the effects of the federal fiscal stimulus package on con-

sumer spending. It may not be enough. If unemployment rises and incomes weaken, then retail spending, sales tax revenues, and government employment may all begin to falter.

— Lee McPheters

NATIONAL ROUNDUP

U.S. JOB GROWTH



% Change: Mar. 2008 vs. Mar. 2007

Nonfarm	0.4
Goods-Producing	-3.0
Construction and Mining	-4.2
Manufacturing	-2.3
Service-Providing	1.0
Transportation, Warehousing & Utilities	0.0
Trade	-0.2
Information	-0.6
Financial Activities	-1.3
Professional & Business Services	0.8
Educational & Health Services	3.0
Leisure & Hospitality	2.4
Government	1.1

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits Mar. 2008 vs. Mar. 2007

	Total Residential	Single-family	Multi-family
2008	77,385	55,567	24,875
2007	139,222	103,185	37,606
% Δ	-44.6%	-48.1%	-33.8%

Source: U.S. Department of Commerce

U.S. FORECASTS



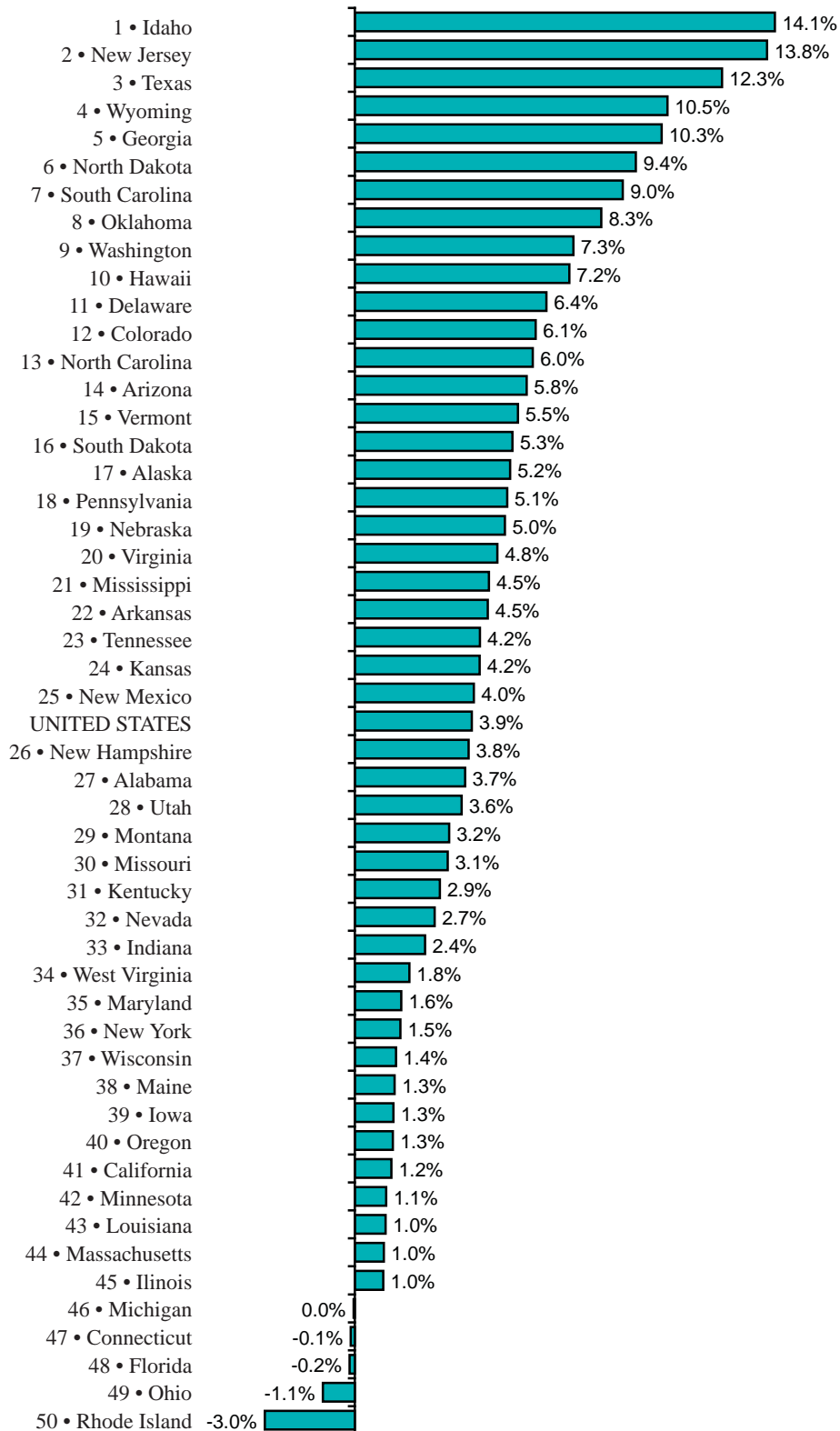
Percent Change

	2008	2009
Real GDP (Chain)	1.2	1.7
CPI	3.5	1.6
GDP Deflator (Chain)	2.0	2.0

Source: "U.S. Economic Outlook," *Global Insight*, April 2008

State Sales Tax Collections

Percent Change 2007 over 2006



Source: U.S. Census Bureau

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

State:	2008 Annual Percent Change, 2008 from 2007					2009 Annual Percent Change, 2009 from 2008				
	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Arizona	5.1	3.3	0.7	2.6	-18.9	5.5	3.6	1.9	2.5	2.5
California	3.9 ↓	2.1 ↓	0.0 ↓	1.1	-28.3 ↓	4.7 ↓	2.7 ↓	0.9 ↓	1.1	17.1 ↑
Colorado	5.6	3.8	1.5	1.8	-10.0	5.8	3.8	1.9	1.8	3.1
Idaho	5.7 ↓	3.9 ↓	1.8 ↓	2.1	-5.5	5.5 ↓	3.5 ↓	2.1 ↓	2.1	5.0
Montana	6.0	4.2	2.0 ↓	0.9	-5.0	6.0	4.0	2.0	1.0	5.0
Nevada	5.3 ↓	3.5 ↓	2.0 ↓	3.2 ↓	-9.3 ↓	5.1 ↑	3.1 ↑	2.5 ↑	3.9 ↑	4.2 ↑
New Mexico	4.8	3.1	1.3	1.6	-5.4	4.4	2.4	1.2	1.6	-1.3
Oregon	5.0	3.2	0.9	1.4	-12.9	5.4	3.4	1.4	1.4	3.6
Texas	6.1 ↑	4.4 ↑	1.8	1.7 ↑	-12.6 ↓	6.4 ↑	4.4 ↑	2.0 ↓	1.8 ↑	3.5 ↓
Utah	7.0 ↓	5.2 ↓	2.6	2.4	-7.6	6.8 ↓	4.8 ↓	2.3	2.4	5.2
Washington	5.8	4.0	1.6	1.6	-12.9	5.8	3.8	1.7	1.5	7.2
Wyoming	6.7	4.9	2.8	1.1	-4.2	6.8	4.8	2.8	1.0	4.5

↑= Increase in consensus forecast ↓= Decrease in consensus forecast

Forecast notes from the Western region...

In California, the economic outlook continues to mirror that of the nation, despite questions by some regarding the possibility of a state recession in the absence of a national recession. The Anderson Forecast concludes that California is too closely tied to the nation for such an occurrence, and the outlook appears much the same – slow growth as the fallout from the real estate sector slowly works its way out of the economy.

*UCLA Anderson Forecast
Los Angeles, California*

Housing starts are down almost 17.0 percent in 2007 following an 11.0 percent drop in 2006. Although housing foreclosures are up, Oregon has one of the lowest rates in the country. We also have one of the lowest proportions of subprime mortgages. On the other hand, Oregon is relatively high in the proportion of variable rate mortgages.

*Office of Economic Analysis
Salem, Oregon*

Nevada's job level is more optimistic than the national rate, at least for the level of jobs. Job growth has been positive, but only marginally so. Recent job growth is 0.5 percent, 0.5 percent and 0.7 percent for Nevada, Clark County (Las Vegas), and

Washoe County (Reno) respectively. On the other hand, the unemployment rates in the Silver State exceed the official national rate. Without state and regional broader measures of labor utilization, some of the difference between Nevada conditions and elsewhere may remain not as clear as we might wish. Still, the job picture suggests that the U.S. and Silver State economies are slouching toward mediocre economic performance for 2008.

*— Keith Schwer
University of Nevada at Las Vegas
Las Vegas, Nevada*

The Colorado economy seems to be in better shape in the current downturn than the last recession. The state's heavily populated Front Range did not experience the kind of housing boom that many other parts of the nation saw. This means that Colorado's housing downturn and its effects on the rest of the economy will be milder.

*— Wilson D. Kendall
Center for Business and
Economic Forecasting
Denver, Colorado*

California's budget problems are worsening and the housing market, for both new and resale units, continues to slide. Gas

and food prices are marching upward. Is there any good news out there? Well, international travel to the state remains robust and exports through the three major ports continue to boom. And some major infrastructure projects should soon be getting underway. But the mood of both business and consumers remains somber. Watch the state's retail sector because there could be some unpleasant surprises.

*— Jack Kyser
Los Angeles County
Economic Development Corporation
Los Angeles, California*

Texas is perhaps better positioned to weather the recession of 2008 than any other state. Defense-related manufacturing continues to expand; the information technology sector has rebounded from the "tech wreck" earlier in the decade; farmers in west and south Texas are reaping record incomes from exploding commodity prices; Texas' role as a major logistics center continues to increase with rising U.S. exports; and though high energy prices have hit the wallets of local businesses and households, on balance they've been a plus for the state's economy.

*— Bernard Weinstein
University of North Texas
Denton, Texas*

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

Methodology

The consensus forecasting approach used in the *Western Blue Chip* was inspired by Robert J. Eggert of Sedona, Arizona. Eggert popularized consensus forecasting with the introduction of his widely cited newsletter on the national economy, Blue Chip Economic Indicators. This approach has been consistently shown to be more accurate than projections

from an individual forecaster.

Consensus panelists for the *Western Blue Chip* are drawn from leading firms, universities and state agencies across the West. Panelists are contacted during the first week of the month and forecast data are compiled by telephone, fax, e-mail and online submission until the third week of the month. These data are then published during the first week of the subse-

quent month. Thus, the data are current for the month of publication. The consensus for each state is the mean of all forecasts shown in the table. Data are expressed as annual percentage changes relative to the annual average value for each indicator during the previous year. Since not all panelists revise their forecasts each month, changes in the consensus may result from revisions by an individual contributor.

ARIZONA										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Arizona Department of Commerce	4.6	1.4	0.3	2.6	-20.0	5.3	3.6	1.4	2.2	4.0
Arizona Public Service	3.2	1.1	-1.3	1.5	-30.0	3.2	3.7	0.5	1.5	4.0
ASU - Economic Outlook Center	4.5	1.2	1.5	2.7	-18.0	4.7	2.5	2.5	2.5	0.0
Davidson Fixed Income Management	5.7	3.3	1.5			7.9	6.6	3.9		
ECON-LINC	5.8	2.1	1.2	2.5	-20.0	6.4	4.6	2.2	2.4	-5.0
EconLit LLC	5.5	2.2	1.5	2.8	-20.0	6.0	3.0	1.8	2.8	5.0
Elliott D. Pollack & Co.	4.0	-1.5	-2.0	2.0	-25.0	5.0	2.5	1.0	2.5	0.0
H. C. Reardon Economics	4.5	1.0	0.0	2.8	-20.0	4.8	3.0	2.0	2.8	0.0
Joint Legislative Budget Committee	5.5	1.5	1.0	2.7	-15.0	5.7	3.5	2.2	2.8	1.0
The Maguire Company	6.4	5.0	2.2	3.0	-15.0	6.2	5.4	2.8	3.0	-5.0
NAU - BBER	5.7	-0.1	1.5	2.2	-21.0	7.5	2.4	2.7	2.1	2.3
Salt River Project	4.8	1.8	0.4	2.6	-22.0	5.9	4.3	2.2	2.5	10.0
Stellar Capital Management	6.1	4.5	2.2	2.5	-18.0	6.9	6.5	3.5	2.7	7.5
UA - Eller College	3.4	0.7	-0.4	2.7	-22.5	3.5	3.0	0.0	2.2	19.3
VisionEcon/Governing Star Group	5.6	4.0	1.2	3.0	0.0	3.9	1.3	0.7	2.8	5.0
Wells Fargo & Co.	5.7	2.6	0.2	2.8	-17.0	5.5	2.7	0.6	2.8	-10.0
Consensus Forecast — This Month	5.1	1.9	0.7	2.6	-18.9	5.5	3.7	1.9	2.5	2.5
— Last Month	5.1	1.9	0.7	2.6	-18.9	5.5	3.7	1.9	2.5	2.5

CALIFORNIA										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Anonymous	4.5	1.1	-0.2	1.2	-46.3	4.1	5.0	0.6	1.2	70.6
California State University, Long Beach *	5.9	6.5	1.8	1.7	-0.5					
Chapman University	2.5	1.9	-0.5	1.1	-14.9	4.5	4.3	1.2	1.1	3.5
L.A. County Economic Development Corp.	4.9	-1.6	0.2	1.1	-26.4	4.6	1.6	0.6	1.1	3.0
Legislative Analyst's Office	4.7	3.6	0.6	1.1	-18.2	5.1	3.8	0.9	1.1	5.6
UCLA - Business Forecasting Project	3.0	2.2	-0.1	1.1	-41.6	4.1	3.5	0.7	1.1	5.3
University of the Pacific	4.0	1.9	0.1	0.8	-26.4	5.4	4.2	1.4	0.9	37.1
Wells Fargo Company	3.6	2.6	0.1	1.0	-24.5	4.9	2.8	0.9	1.0	-5.4
Consensus Forecast — This Month	3.9	1.7	0.0	1.1	-28.3	4.7	3.6	0.9	1.1	17.1
— Last Month	3.9	2.0	0.2	1.1	-24.8	4.9	3.6	1.0	1.1	10.0

*This forecast is for Southern California only

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
The Adams Group, Inc.	5.0	3.9	0.5	2.1	-5.0					
Ctr. for Business and Econ. Forecasting	5.2	3.8	1.2	1.9	-15.0	5.6	5.0	1.8	1.9	5.0
Colorado Legislative Council	5.3	3.6	1.4	2.0	-3.2	6.0	4.4	1.8	2.0	10.5
David Hemley	6.0	5.2	2.0	1.7	-10.0	6.2	5.2	2.0	1.9	0.0
Office of State Planning and Budgeting	6.1	5.9	2.1	1.7	-0.1					
University of Colorado	6.1	3.9	1.5	1.9	-10.0	6.2	4.2	1.9	1.9	0.0
Wells Fargo & Co.	4.6	2.5	1.5	1.4	-18.6	4.2	2.4	1.7	1.3	-6.7
Xcel Energy	6.1	6.8	1.4	1.8	-18.0	6.6	5.8	1.9	1.7	10.0
Consensus Forecast — This Month	5.6	4.5	1.5	1.8	-10.0	5.8	4.5	1.9	1.8	3.1
— Last Month	5.6	4.5	1.5	1.8	-10.0	5.8	4.5	1.9	1.8	3.1

IDAHO										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Idaho Division of Financial Management	6.0		2.2	2.1	-1.5					
Idaho Economics	7.0		2.1	2.1	-10.0	6.4		2.3	2.1	0.0
Wells Fargo UT	4.0	3.5	1.2	2.0	-5.0	4.5	4.0	1.8	2.0	10.0
Consensus Forecast — This Month	5.7	3.5	1.8	2.1	-5.5	5.5	4.0	2.1	2.1	5.0
— Last Month	5.8	3.5	1.9	2.1	-5.5	5.7	4.0	2.2	2.1	5.0

MONTANA										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
University of Montana	6.5		2.1	0.8						
Wells Fargo UT	5.5		1.8	1.0	-5.0	6.0		2.0	1.0	5.0
Consensus Forecast — This Month	6.0		2.0	0.9	-5.0	6.0		2.0	1.0	5.0
— Last Month	6.0		2.1	0.9	-5.0	6.0		2.0	1.0	5.0

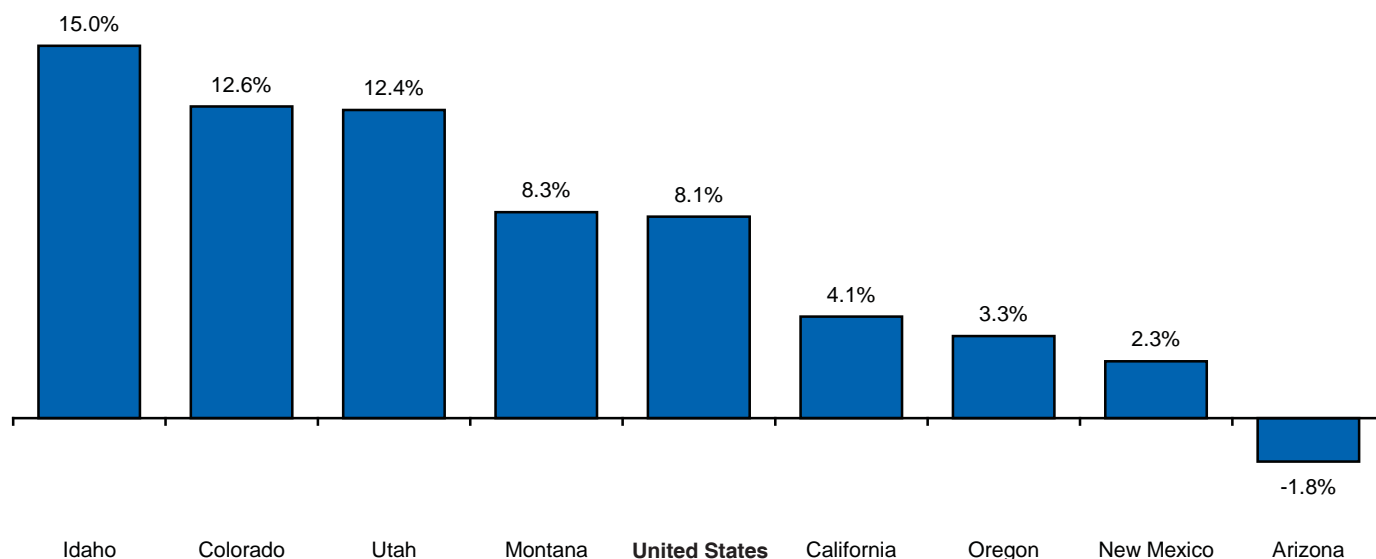
CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEVADA										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
Source:	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Dept. of Empl., Training, and Rehab.	3.1	1.8	1.8	3.5		5.4	3.2	3.2	4.0	
Restrepo Consulting Group, LLC	5.0	3.0	2.0	3.5	-7.0	3.0	4.0	3.0	3.5	1.0
Southwest Gas	8.0	5.3	4.8	3.9	2.0					
Univ. of Nevada at Las Vegas - CBER	5.5	1.6	2.1	2.1	-21.9	7.1	4.0	3.7	5.0	23.7
Wells Fargo & Co.	4.7	4.9	-0.7	3.0	-10.1	4.8	4.6	0.2	2.9	-12.2
Consensus Forecast — This Month	5.3	3.3	2.0	3.2	-9.3	5.1	4.0	2.5	3.9	4.2
— Last Month	5.4	3.9	2.7	3.7	-5.0	4.4	3.9	2.1	3.5	-5.6

NEW MEXICO										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
Source:	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Eastern New Mexico University	5.4	0.8	1.5	1.6	-2.5	5.2	0.7	1.5	1.6	-0.5
New Mexico State	6.0	1.0	1.9	1.5						
Public Service New Mexico	3.0	0.1	1.0	1.4	-10.0	3.2	0.2	1.2	1.5	-1.5
University of New Mexico - BBER	5.2	0.6	1.6		-3.4	4.8	-0.4	1.6		3.8
Wells Fargo & Co.	4.5	0.2	0.4	1.8	-5.7	4.3	0.3	0.5	1.7	-6.9
Consensus Forecast — This Month	4.8	0.5	1.3	1.6	-5.4	4.4	0.2	1.2	1.6	-1.3
— Last Month	4.8	0.5	1.3	1.6	-5.4	4.4	0.2	1.2	1.6	-1.3

State Individual Income Tax Collections Percent Change 2007 over 2006



Source: U.S. Census Bureau

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

OREGON

Source:	2008 Annual Percent Change, 2008 from 2007					2009 Annual Percent Change, 2009 from 2008				
	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Conerly Consulting	5.1	-1.1	0.8	1.3	-13.8	5.7	0.8	1.7	1.5	4.4
Forefront Economics	5.7	1.5	2.1	1.3	-3.0	5.3	1.2	1.8	1.3	3.0
John Mitchell	5.5	-0.5	0.8	1.4	-15.0	6.1	1.5	1.4	1.5	8.0
Oregon Executive Department	5.4	0.7	1.0	1.4	-24.5	5.6	0.2	1.7	1.4	10.4
Portland General Electric	3.4	-1.5	0.4	1.4	-15.0	5.0	0.5	1.0	1.4	5.0
Wells Fargo & Co.	4.6	0.5	0.4	1.5	-5.8	4.6	0.5	0.5	1.4	-9.2
Consensus Forecast — This Month	5.0	-0.1	0.9	1.4	-12.9	5.4	0.8	1.4	1.4	3.6
— Last Month	5.0	-0.1	0.9	1.4	-12.9	5.4	0.8	1.4	1.4	3.6

TEXAS

Source:	2008 Annual Percent Change, 2008 from 2007					2009 Annual Percent Change, 2009 from 2008				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Econoclast	5.9	5.2	1.9	1.7	-7.5	6.3	5.8	2.1	1.7	1.5
Federal Reserve Bank of Dallas	7.5	6.4	2.5	1.9	-10.0	7.3	6.5	2.8	1.9	4.5
David Hemley	6.4	5.9	2.1	1.7	-6.0	6.4	5.8	2.2	1.8	0.0
Perryman Group	6.4	5.9	1.5	1.8	-9.7	6.6	6.2	1.7	1.8	-5.4
TX State Comptroller of Public Accounts	6.0	5.5	1.9	1.8	-24.4	5.5	4.9	1.8	1.7	17.9
University of Houston - CPP	4.9	4.1	1.5	1.5	-18.1	5.9	5.2	1.9	1.9	4.4
University of North Texas	5.7	5.5	1.2	1.8	-25.0	6.5	6.0	1.7	1.9	9.0
University of Texas at El Paso	7.2	6.6	2.1	1.9	-7.5	7.1	6.7	1.9	1.8	2.5
Wells Fargo & Co.	5.2	4.2	1.8	1.4	-5.2	5.8	4.4	1.8	1.3	-2.8
Consensus Forecast — This Month	6.1	5.5	1.8	1.7	-12.6	6.4	5.7	2.0	1.8	3.5
— Last Month	6.1	5.5	1.8	1.2	-9.7	6.4	5.7	2.0	1.7	3.7

UTAH

Source:	2008 Annual Percent Change, 2008 from 2007					2009 Annual Percent Change, 2009 from 2008				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Pacificorp	6.6	4.6	3.1	2.2	7.3	7.0	6.1	2.9	1.4	2.5
Utah State Tax Commission	7.1	3.4	3.5	1.5	-10.7	6.9	4.4	2.0	2.7	3.0
Utah Department of Workforce Services	8.0	5.3	2.2	2.8	-30.0	6.4	5.5	2.0	3.0	10.0
Wells Fargo - UT	6.2	5.0	1.7	3.0	3.0	6.8	5.3	2.3	2.4	5.2
Consensus Forecast — This Month	7.0	4.6	2.6	2.4	-7.6	6.9	5.3	2.3	2.4	5.2
— Last Month	7.1	4.6	2.6	2.4	-7.6	6.9	5.3	2.3	2.4	5.2

WASHINGTON

2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Conerly Consulting	7.2	6.8	2.1	1.8	-10.6	7.6	7.7	2.6	1.8	6.0
Dick Conway & Associates	5.8	5.0	1.5	1.4	-2.1	5.7	5.5	1.4	1.2	10.1
Doug Pedersen & Associates	5.5	4.1	1.4	1.6	-20.0	5.4	4.5	1.3	1.4	2.5
Office of the Forecast Council *	5.3	2.4	1.2	1.7	-16.2	5.4	3.7	1.4	1.6	23.3
Wells Fargo & Co.	5.1	4.0	1.7	1.5	-15.7	5.0	3.9	1.8	1.5	-6.0
Consensus Forecast — This Month	5.8	4.5	1.6	1.6	-12.9	5.8	5.1	1.7	1.5	7.2
— Last Month	5.8	4.5	1.6	1.6	-12.9	5.8	5.1	1.7	1.5	7.2

* Population forecast is from the Office of Financial Management.

WYOMING

2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
Source:	Current \$ Personal Income	Mining Empl.	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Mining Empl.	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
WY Ctr. for Business and Econ. Analysis	6.1		2.9	1.0	-2.5	6.8		2.9	1.0	1.5
WY Dept. of Admin. & Information	7.0		2.6	1.2	-10.0	6.5		2.4	1.1	2.0
Wells Fargo UT	7.0		3.0	1.0	0.0	7.0		3.0	1.0	10.0
Consensus Forecast — This Month	6.7		2.8	1.1	-4.2	6.8		2.8	1.0	4.5
— Last Month	6.7		2.8	1.1	-4.2	6.8		2.8	1.0	4.5

State Corporate Income Tax Collections Percent Change 2007 over 2006



Source: U.S. Census Bureau

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

ARIZONA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	210,800 †	176,254 †	2,666.0	63,953	181.7	47,512 †	6,339	3.8
% change	7.0	4.3	1.2	0.5	-2.2	-20.9	2.8	
2006	197,009	168,961	2,634.5	63,641	185.7	60,066	6,166	4.1
% change	8.9	5.6	5.0	7.9	1.9	-29.4	3.6	
2005	180,878	160,069	2,508.8	58,964	182.3	85,083	5,952	4.6
% change	9.7	6.3	5.4	13.2	2.9	2.0	3.6	
2004	164,942	150,632	2,381.3	52,098	177.1	83,411	5,744	4.9
% change	9.5	6.4	3.7	9.0	1.0	27.1	3.0	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Arizona Department of Economic Security; Retail Sales – Arizona Department of Revenue; Manufacturing Employment – Arizona Department of Economic Security; Housing Permits – Arizona Real Estate Center; Population – Center for Business Research; Unemployment Rate – Arizona Department of Economic Security. † Consensus †† Estimate								

CALIFORNIA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	1,494,098 †	1,249,269 †	15,163.2	403,422 †	1,498.4	65,528	36,553	5.3
% change	5.2	2.5	0.7	4.0	-0.4	-36.8	0.8	
2006	1,420,245	1,218,394	15,060.3	387,906 ††	1,504.5	103,654	36,250	4.9
% change	6.4	3.1	1.7	5.3	-0.7	-31.4	0.7	
2005	1,335,386	1,181,758	14,801.3	368,382 ††	1,514.4	151,022	35,990	5.4
% change	5.3	2.0	1.8	5.2	-1.2	0.2	0.8	
2004	1,268,049	1,158,438	14,532.6	350,173	1533.1	150,710	35,722	6.2
% change	6.8	3.8	1.0	9.4	-1.4	7.3	1.0	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Bureau of Labor Statistics; Taxable Sales – California Board of Equalization; Manufacturing Employment – Bureau of Labor Statistics; Housing Permits – Construction Industry Research Board; Population – California Department of Finance; Unemployment Rate – California Department of Finance. † Consensus †† Estimate								

COLORADO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	197,814 †	165,400 †	2,330.2	70,604 †	145.8 ††	21,087	4,862	3.8
% change	6.2	3.5	2.2	5.7	-2.3	-32.7	1.8	
2006	186,266	159,793	2,279.1	66,797	149.3 ††	31,324	4,766	4.3
% change	6.5	3.2	2.4	5.4	-0.7	-22.6	2.0	
2005	174,919	154,796	2,226.0	63,375	150.4	40,477	4,674	5.1
% change	6.2	2.9	2.1	5.6	-0.9	6.1	1.4	
2004	164,673	150,439	2,179.6	60,014	151.8	38,164	4,609	5.6
% change	6.4	3.4	1.2	4.9	-1.4	14.2	1.2	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Colorado Department of Labor and Employment; Retail Trade Sales – Colorado Department of Revenue; Manufacturing Employment – Colorado Department of Labor and Employment; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Colorado Department of Labor and Employment. † Consensus †† Estimate								

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

IDAHO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	47,087 †	39,371 †	655.6	21,554 †	65.1	10,398	1,499	2.6
% change	7.2	4.5	2.7	6.0	-1.5	-33.5	2.4	
2006	43,924	37,681	638.4	20,334 ††	66.1	15,627	1,464	3.4
% change	7.9	4.6	4.4	6.0	3.9	-19.7	2.7	
2005	40,706	36,023	611.3	19,183	63.6	19,464	1,426	4.0
% change	6.5	3.1	4.0	14.7	2.3	32.9	2.5	
2004	38,229	34,925	587.9	16,727	62.2	14,650	1,392	4.7
% change	9.8	6.7	2.8	4.2	-0.3	17.8	2.0	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Idaho Department of Employment; Retail Sales – Idaho State Tax Commission; Manufacturing Employment – Idaho Department of Employment; Housing Permits – First Security Bank; Population – U.S. Bureau of the Census; Unemployment Rate – Idaho Department of Employment. † Consensus †† Estimate								

MONTANA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Construction Employment (thousands)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	29,008 †	24,254 †	443.0	32.8	20.7	3,496	957.9	2.7
% change	6.6	-2.5	2.4	8.7	2.5	-3.9	1.2	
2006	28,989	24,869	432.5	30.2	20.2	3,636	946.8	3.2
% change	6.9	3.6	2.8	9.4	3.1	5.1	1.2	
2005	27,122	24,002	420.9	27.6	19.6	3,458	935.8	3.9
% change	5.2	1.9	2.3	10.8	2.1	1.0	1.0	
2004	25,791	23,561	411.3	24.9	19.2	3,425	926.7	4.2
% change	6.7	3.7	2.6	7.8	1.1	46.4	1.0	
Basic data sources: Personal Income – U.S. Bureau of Economic Analysis; Employment – Bureau of Labor Statistics; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Bureau of Labor Statistics. † Consensus †† Estimate								

NEVADA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Gaming Revenue (millions)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	98,388 †	82,266 †	1,291.9	N/A	12,849.1	16,422	2,565	4.8
% change	6.3	3.6	1.0		1.8	-38.5	2.9	
2006	92,557	79,402	1,279.6	N/A	12,622.0	26,689	2,492	4.2
% change	7.3	4.1	4.6		8.4	-28.7	3.5	
2005	86,224	76,305	1,223.0	46,190	11,649.0	37,438	2,409	4.2
% change	8.7	5.3	6.1	12.4	10.3	-3.6	3.4	
2004	79,353	72,494	1,152.7	41,087	10,562.2	38,817	2,330	4.5
% change	11.5	8.4	5.9	16.0	9.7	17.5	4.1	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Nevada Department of Employment, Training and Rehabilitation; Retail Sales – Nevada Department of Taxation; Gross Gaming Revenue – Nevada State Gaming Control Board; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Nevada Department of Employment, Training and Rehabilitation. † Consensus †† Estimate N/A - not yet available								

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	61,188 †	51,162 †	843.2	12,553	37.4	8,247	1,970	3.5
% change	5.5	2.8	1.3	-10.3	-0.8	-32.8	1.4	
2006	57,998	49,755	832.2	13,999	37.7	12,268	1,942	4.2
% change	8.0	4.7	2.9	8.5	4.4	-9.5	1.4	
2005	53,714	47,535	808.7	12,900	36.1	13,553	1,916	5.3
% change	5.9	2.6	2.3	4.8	0.3	15.4	1.3	
2004	50,707	46,324	790.4	12,312	36.0	11,743	1,892	5.8
% change	8.7	5.7	1.9	5.2	-1.4	-0.7	1.2	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – New Mexico Department of Labor; Retail Sales – New Mexico Department of Taxation & Revenue; Manufacturing Employment – New Mexico Department of Labor; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – New Mexico Department of Labor. † Consensus †† Estimate

OREGON

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Manufacturing Employment (thousands)	Single-family Permits (number)	Housing Permits (number)	Population (thousands)	Unem- ployment Rate
2007	131,939 †	110,319 †	1731.6	202.4	16,101	21,773	3,747	5.3
% change	5.9	3.2	1.6	-2.1	-21.4	-18.8	1.5	
2006	124,589	106,882	1703.5	206.8	20,486	26,800	3,691	5.4
% change	6.0	2.8	3.0	1.4	-17.8	-15.9	1.7	
2005	117,497	103,980	1,654.5	203.9	24,925	31,864	3,630	6.2
% change	5.5	2.2	3.0	2.1	16.6	13.8	1.3	
2004	111,325	101,702	1,606.7	199.8	21,372	28,000	3,583	7.3
% change	5.9	2.9	2.1	2.5	13.7	7.3	0.7	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Oregon Employment Division; Manufacturing Employment – Oregon Employment Division; Single-family Permits – U.S. Bureau of the Census; Housing Permits – U.S. Bureau of the Census; Population – Portland State University; Unemployment Rate – Oregon Employment Division. † Consensus †† Estimate N/A – not yet available

TEXAS

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (billions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	860,873 †	719,807 †	10,359.0	375.5 †	927.4	116,850	23,904	4.3
% change	6.9	4.2	2.9	5.8	0.1	-28.1	2.1	
2006	805,307	690,853	10,066.2	355.0	926.3	162,480	23,408	4.9
% change	8.2	4.9	3.3	6.2	3.2	-1.9	2.5	
2005	744,270	658,646	9,740.5	334.3	897.4	165,579	22,844	5.3
% change	7.8	4.4	2.6	7.5	0.7	16.8	1.7	
2004	690,480	630,794	9,497.1	311.1	891.0	141,810	22,455	6.0
% change	6.3	3.4	1.4	8.7	-1.0	6.6	1.7	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Texas Employment Commission; Gross Retail Sales – Texas State Comptroller of Public Accounts; Manufacturing Employment – Texas Employment Commission; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Texas Employment Commission. † Consensus †† Estimate

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	79,870 †	66,782 †	1,251.5	47,708 †	128.0	17,117	2,645	2.6
% change	7.6	4.9	4.0	6.5	4.3	-26.0	2.6	
2006	74,229	63,679	1,203.7	44,796	122.7	23,126	2,580	2.9
% change	9.1	5.8	4.9	14.2	3.8	-6.2	3.0	
2005	68,039	60,211	1,148.0	39,241	118.2	24,645	2,505	4.1
% change	7.2	3.8	4.0	11.1	3.2	23.9	3.1	
2004	63,478	57,991	1,104.3	35,311	114.5	19,899	2,431	5.0
% change	6.8	3.9	2.8	NA	2.0	10.6	2.4	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Utah Department of Workforce Services; Retail Sales – Utah State Tax Commission; Manufacturing Employment – Utah Department of Workforce Services; Housing Permits – University of Utah; Population – U.S. Bureau of the Census; Unemployment Rate – Utah Department of Workforce Services. † Consensus †† Estimate NA = discontinuous series

WASHINGTON

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	255,624 †	213,736 †	2,932.0	116,627 †	293.1	29,107	6,468	4.7
% change	6.8	4.1	2.5	6.5	2.5	-16.9	1.5	
2006	239,348	205,331	2,859.2	109,509 †	286.0	35,020	6,375	5.0
% change	7.2	3.9	3.0	7.2	4.9	-14.4	1.7	
2005	223,232	197,551	2,777.1	102,154	272.6	40,928	6,271	5.5
% change	2.9	-0.3	2.8	9.3	3.4	11.2	1.3	
2004	216,921	198,170	2,701.0	93,441	263.6	36,815	6,190	6.3
% change	6.9	3.9	1.6	6.6	-1.3	6.8	1.2	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Washington State Employment Security; Taxable Retail Sales – Washington Department of Revenue; Manufacturing Employment – Washington State Employment Security; Housing Permits – U.S. Department of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Washington State Employment Security. † Consensus †† Estimate

WYOMING

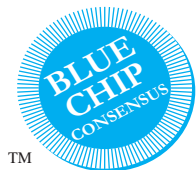
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Natural Resources & Mining Employ. (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	20,965 †	17,529 †	288.1	27.6	10.2	2,743	522.8	3.0
% change	8.0	-2.5	3.9	3.8	1.0	1.7	2.0	
2006	20,948	17,971	277.3	26.6	10.1	2,698	512.8	3.2
% change	10.4	7.0	5.1	17.2	4.1	-14.6	1.2	
2005	18,981	16,797	263.9	22.7	9.7	3,159	506.5	3.7
% change	7.1	3.7	3.3	12.4	3.2	12.3	0.7	
2004	17,723	16,191	255.4	20.2	9.4	2,814	503.3	3.9
% change	7.9	4.9	2.2	10.4	1.1	24.2	0.8	

Basic data sources: Personal Income – U.S. Bureau of Economic Analysis; Employment – Bureau of Labor Statistics; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Bureau of Labor Statistics. † Consensus †† Estimate

WESTERN BLUE CHIP PANEL

WESTERN BLUE CHIP ECONOMIC FORECAST

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WESTERN BLUE CHIP ECONOMIC FORECAST

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