

## BLUE CHIP ECONOMIC FORECAST

## WESTERN

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What Blue Chip Economists are Saying about the Western States

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## U.S. economic growth continues downward trend

In many areas of the country, dampened spirits seem to have plagued the economy of late ... or is it just that the comparison to the heady days of the housing market boom is making it seem that way? The numbers tell the story.

Consumer confidence tends to rise when

jobs are plentiful. This is logical, as one component of a recession is a decline in jobs. When one has an income, life is rosier than when one does not. In turn, income fuels spending and spending fuels job growth. This continues until something reverses the cycle. This time

around, that something seems to have been the changes in the housing market, a weak dollar and continued troubles with fuel prices.

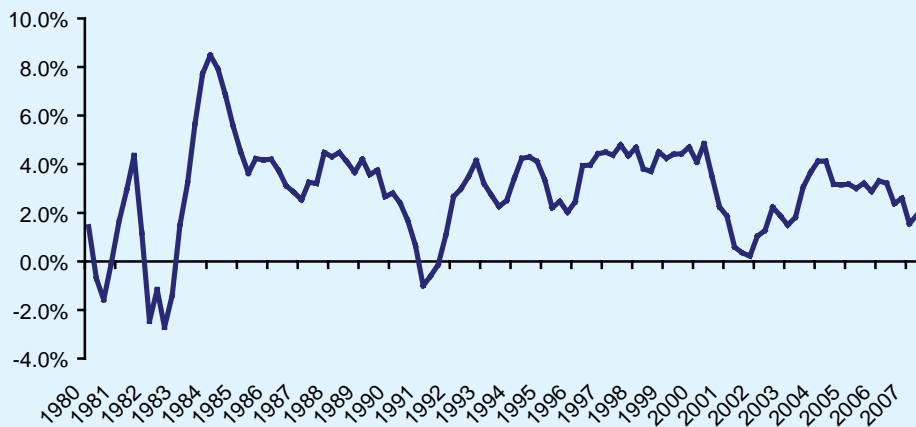
So the economy is looking at meager growth and the situation appears to be worsening. Does this mean the nation is in a recession? Parts of the country certainly are experiencing localized recessions. Michigan has been experiencing overall nonagricultural job declines rather than job growth since June 2005, after only a brief respite from previous declines. On the other hand, Utah has seen job growth above 4.5 percent on a year-over-year basis since August 2005. Thus, whether the country is in a recession or not becomes a matter of perspective.

Looking at the definition of a recession – a decline in jobs and output – and at the measures of both (employment from the Bureau of Labor Statistics and Gross Domestic Product (GDP) from the Bureau of Economic Analysis) the picture becomes clearer. The U.S. experienced a period of economic growth that peaked in March 2006 in terms of jobs, and in the second quarter of 2004 in terms of output (see charts below). The downward trend that was established since that time has yet to breach the zero level into negative territory. While both of these indicators are headed towards the zero percent growth mark, a recession does not become a foregone conclusion.

The business cycle is just that – a cycle. With its peaks and troughs come times of growth and decline. Currently, economic growth across the nation has slowed because of the housing market correction in some areas and overall economic malaise in other areas. Any decline, however, appears more precipitous when viewed from the peak.

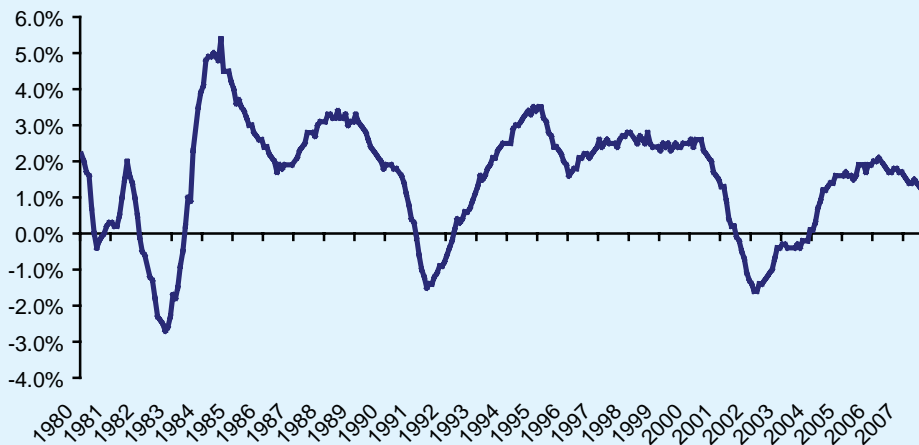
— Dawn McLaren

**Real Gross Domestic Product, U.S.**  
*Year-over-Year Percent Change, Chained Dollars*



Source: Bureau of Economic Analysis

**Employment Growth, U.S.**  
*Year-over-Year Percent Change, Seasonally Adjusted*



Source: Bureau of Labor Statistics

# NATIONAL ROUNDUP

## U.S. JOB GROWTH



### % Change: July 2007 vs. July 2006

Nonfarm	1.3
Goods-Producing	-0.9
Construction	-0.3
Manufacturing	-0.2
Service-Providing	1.8
Transportation, Warehousing & Utilities	1.3
Trade	0.9
Information	1.4
Financial Activities	1.4
Professional & Business Services	1.8
Educational & Health Services	3.2
Leisure & Hospitality	3.2
Government	1.1

Source: U.S. Bureau of Labor Statistics

## U.S. REAL ESTATE



### Residential Building Permits July 2007 vs. July 2006

	Total Residential	Single- family	Multi- family
2007	120,126	88,995	31,131
2006	145,463	111,149	34,314
% Δ	-17.4%	-19.9%	-9.3%

Source: U.S. Department of Commerce

## U.S. FORECASTS



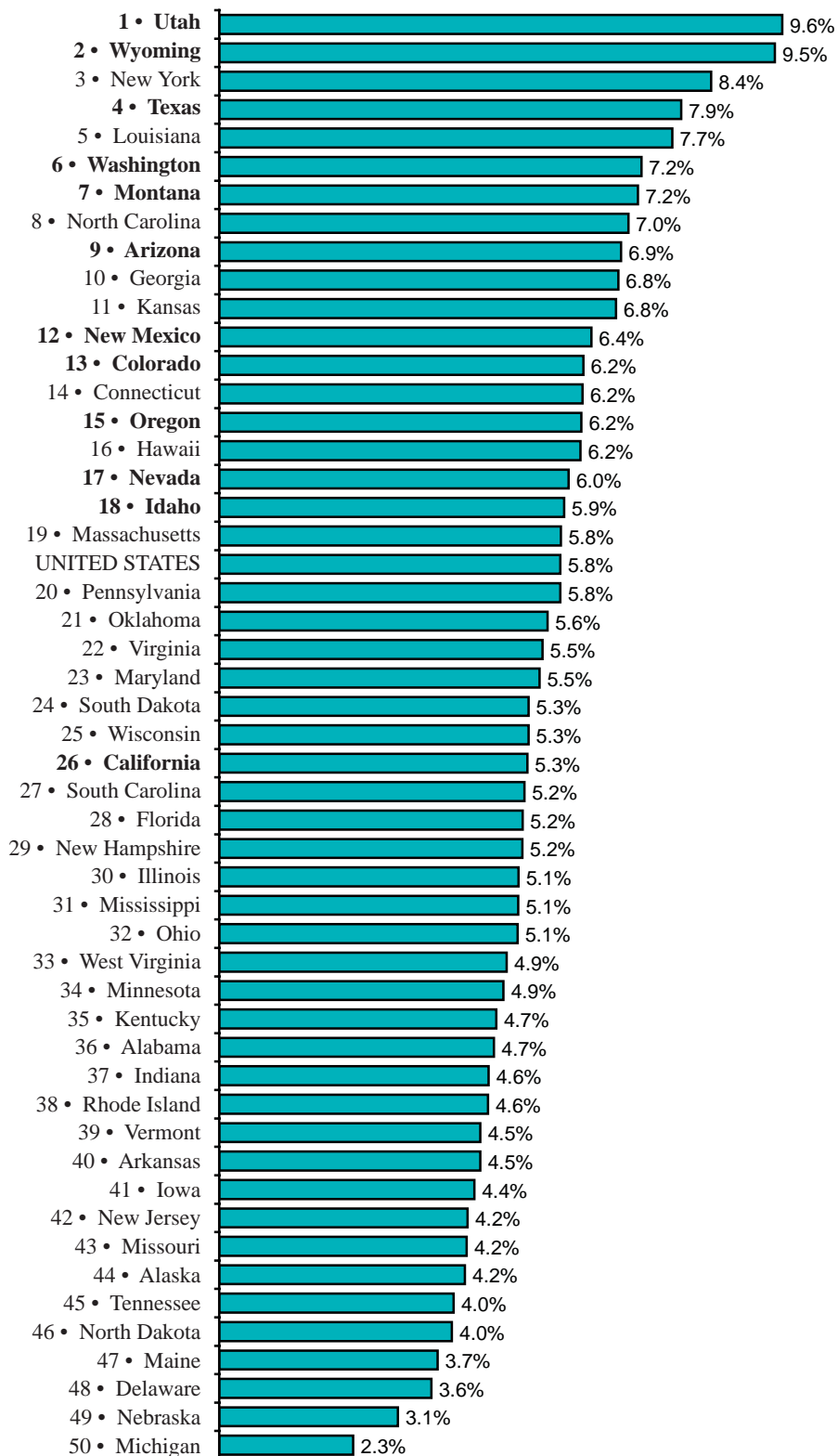
### Percent Change

	2007	2008
Real GDP (Chain)	1.9	2.5
CPI	2.6	2.0
GDP Deflator (Chain)	2.6	2.0

Source: "U.S. Economic Outlook," *Global Insight*, August 2007

## Nonfarm Earnings

Percent Change, 2nd Quarter 2007 over 2nd Quarter 2006, Seasonally Adjusted



Source: Bureau of Economic Analysis

# SUMMARY

## WESTERN BLUE CHIP ECONOMIC FORECAST

2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
State:	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	7.2 ↑	5.1 ↑	3.4 ↓	3.1 ↓	-15.8 ↑	7.0 ↓	5.0 ↓	3.1 ↓	3.0 ↓	-2.7 ↓
California	5.4 ↑	3.3 ↑	1.3 ↓	1.0 ↓	-19.1 ↓	5.2 ↓	3.2 ↓	1.2 ↓	1.1 ↓	1.8 ↓
Colorado	6.2 ↑	4.1 ↑	1.9 ↑	1.8 ↑	-11.2 ↓	6.0 ↓	4.0 ↓	1.8 ↓	1.7 ↓	-4.1 ↓
Idaho	7.2 ↓	5.1 ↓	3.0 ↓	2.2 ↑	-11.2 ↓	6.5 ↓	4.5 ↓	2.6 ↓	2.2	-2.7 ↓
Montana	6.8 ↓	4.7 ↓	2.6	1.0	-15.0 ↓	6.5 ↓	4.5 ↓	2.5	0.9	-5.0 ↓
Nevada	7.0 ↓	4.9 ↓	4.2 ↑	4.1	-15.8 ↓	6.7 ↓	4.7 ↓	4.1 ↓	3.9	13.2 ↓
New Mexico	5.6 ↓	3.5 ↓	1.8 ↓	1.6	-7.5 ↓	5.4 ↓	3.5 ↓	1.7 ↓	1.7 ↑	-1.2 ↑
Oregon	5.9 ↑	3.8 ↑	1.8 ↓	1.5	-6.8 ↓	5.5 ↓	3.5 ↓	1.7 ↓	1.4	0.3 ↓
Texas	6.6 ↑	4.5 ↑	2.2 ↑	1.7 ↓	-5.5 ↓	6.2 ↓	4.2 ↓	2.0 ↓	1.7	-3.0 ↓
Utah	7.6 ↓	5.5 ↓	3.9 ↑	2.6	-9.5 ↓	6.9 ↓	4.9 ↓	3.4 ↑	2.5	-1.5 ↓
Washington	6.8 ↑	4.7 ↑	2.4 ↑	1.8 ↓	-8.5 ↓	6.1 ↓	4.2 ↓	2.0	1.8 ↑	-2.0 ↓
Wyoming	7.9 ↓	5.8 ↓	3.4 ↓	1.2	1.3 ↓	7.2 ↓	5.2 ↓	3.0 ↓	1.1 ↓	1.5 ↓

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

## Forecast notes from the Western region...

Growth in the **New Mexico** economy slowed dramatically during the first two quarters of 2007. The major culprit was the construction sector, where employment growth fell from double-digit gains a year ago to a negative half percent in the first half of this year.

— **Larry Waldman**  
*University of New Mexico  
Albuquerque, New Mexico*

The mild performance of Southern **Nevada's** economy will remain throughout this year, possibly picking up in 2008 as more hotel rooms are brought on line and the housing market continues its correction process.

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

The national "housing meltdown" will cause substantial layoffs in wood products manufacturing this year and next. However, **Oregon** is seeing fewer problems than most states with home foreclosures and delinquent mortgage payments.

Oregon's housing prices haven't risen as high as prices in other hot markets.

— **Dae Baek**  
*Office of Economic Analysis  
Salem, Oregon*

El Paso [**Texas**] unemployment is at a historic low. One reason is that the size of the civilian labor force has fallen slightly from a year ago, which may be a "harbinger of economic weakness."

— **Tom Fullerton**  
*University of Texas  
El Paso, Texas*

In September 2007 we increased our General Fund state revenue forecast by \$281.5 million for the combined 2005-07 and 2007-09 biennia. The national economic forecast now appears weaker than expected in June due to the deteriorating housing outlook and turmoil in the financial markets. On the other hand, recent employment and income data indicate that the **Washington** economy is outperforming the U.S. economy by a greater margin than previously assumed. Stronger than

previously expected revenue collections during the last three months also support the less than one percent increase in the revenue forecast.

— **Chang Mook Sohn**  
*Office of the Forecast Council  
Olympia, Washington*

The Inland [**California**] economy is doing much better than nationally, but it will be showing slower job growth by the end of the year and will do so well into 2008.

— **Esmael Adibi**  
*Chapman University  
Orange, California*

A drop in new home construction [in **Utah**] this year is only the first sign that affordability is becoming a big issue for home buyers, particularly those buying their first home. At some point, [the decline in home sales] will be accompanied by a decline in prices.

— **Kelly K. Matthews**  
*Wells Fargo & Co.  
Salt Lake City, Utah*

# 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

	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	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
Source:										
Arizona Department of Commerce	6.9	5.1	3.3	2.9	-17.0	6.5	5.7	1.5	2.9	-8.0
Arizona Public Service	7.8	5.0	3.5	3.1	-15.0	7.9	6.0	4.0	3.0	5.0
ASU - Economic Outlook Center	7.2	5.6	2.9	3.0	-10.0	7.0	5.3	3.4	2.8	-5.0
Davidson Fixed Income Management	7.4	6.8	3.7			7.5	6.8	3.5		
Department of Economic Security	7.2	6.6	3.7	3.1		6.4	6.1	3.0	3.0	
ECON-LINC	7.5	6.6	3.4	3.0	-17.0	7.5	6.7	3.8	3.0	-5.0
EconLit LLC	7.3	6.5	3.6	2.9	-15.0	7.2	6.0	3.3	3.0	-5.0
Eggert Economic Enterprises Inc.	7.2	6.2	3.5	3.2	-11.4	6.9	5.9	3.6	3.2	-6.7
Elliott D. Pollack & Co.	7.2	5.0	3.5	3.2	-15.0	6.8	4.0	3.0	3.0	-10.0
Grand Canyon University	6.3	6.5	3.2	3.0	-15.0	6.9	6.0	3.8	3.2	0.0
H. C. Reardon Economics	6.9	5.8	3.0	3.0	-20.0	6.9	5.9	3.0	3.1	10.0
Joint Legislative Budget Committee	7.2	5.5	3.5	3.1	-15.0	7.0	5.5	3.4	3.0	0.0
The Maguire Company	7.3	5.8	3.6	3.3	-15.0	7.1	5.8	3.1	3.1	-5.0
NAU - BBER	7.3	5.8	3.5	2.7	-15.0	7.7	5.3	3.5	2.6	0.0
Salt River Project	7.0	6.0	3.5	3.3	-15.0	7.0	6.0	3.4	3.1	0.0
Stellar Capital Management	7.1	6.5	3.6	2.7	-25.0	7.5	6.6	3.7	2.7	4.0
UA - Eller College	7.7	5.5	3.2	3.6	-19.6	4.8	2.4	0.7	2.8	-9.1
Wells Fargo & Co.	6.9	5.9	3.2	2.8	-13.0	6.5	5.4	2.8	2.8	-9.0
<b>Consensus Forecast — This Month</b>	<b>7.2</b>	<b>5.9</b>	<b>3.4</b>	<b>3.1</b>	<b>-15.8</b>	<b>7.0</b>	<b>5.6</b>	<b>3.1</b>	<b>3.0</b>	<b>-2.7</b>
<b>— Last Month</b>	<b>7.2</b>	<b>6.0</b>	<b>3.4</b>	<b>3.1</b>	<b>-15.9</b>	<b>7.0</b>	<b>5.9</b>	<b>3.2</b>	<b>3.0</b>	<b>-0.5</b>

### CALIFORNIA

	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	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
Source:										
Anonymous	5.3	4.1	1.3	1.3	-9.6	5.5	3.9	1.5	1.3	10.4
California State University, Long Beach *	5.3	6.1	1.6	1.6	2.7	5.9	6.5	1.8	1.7	-0.5
Chapman University	5.2	4.8	1.1	1.0	-20.1	4.8	4.3	0.9	1.0	-3.5
L.A. County Economic Development Corp.	5.6	4.6	1.5	1.2	-29.9	5.8	5.2	1.7	1.2	-3.7
Legislative Analyst's Office	5.4	3.2	1.2	1.2	-2.1	5.5	4.5	1.7	1.2	14.4
UCLA - Business Forecasting Project	5.8	4.3	1.3	1.2	-32.6	4.7	4.4	0.6	1.1	-3.2
University of the Pacific	5.6	3.8	1.4	0.8	-28.2	5.1	3.7	0.9	0.8	2.4
Wells Fargo Company	4.8	3.7	1.1	0.6	-11.0	4.7	3.9	1.0	0.8	-4.0
<b>Consensus Forecast — This Month</b>	<b>5.4</b>	<b>4.1</b>	<b>1.3</b>	<b>1.0</b>	<b>-19.1</b>	<b>5.2</b>	<b>4.3</b>	<b>1.2</b>	<b>1.1</b>	<b>1.8</b>
<b>— Last Month</b>	<b>5.1</b>	<b>4.1</b>	<b>1.3</b>	<b>1.1</b>	<b>-16.3</b>	<b>5.2</b>	<b>4.5</b>	<b>1.3</b>	<b>1.1</b>	<b>4.2</b>

\*This forecast is for Southern California only

# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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.	6.1	7.6	1.5	2.0	-18.3	5.0	3.9	0.5	2.1	-5.0
Ctr. for Business and Econ. Forecasting	5.8	5.2	1.8	1.8	-20.0	5.2	3.8	1.4	1.8	-10.0
Colorado Legislative Council	6.6	6.3	2.2	1.9	-20.3	6.5	5.2	2.1	1.8	-5.7
David Hemley	5.9	4.2	2.1	1.5	-5.0	6.2	4.5	2.2	1.8	-2.1
Office of State Planning and Budgeting	6.2	5.6	2.0	1.7	-2.0	6.1	5.9	2.1	1.7	-0.1
University of Colorado	6.0	5.6	1.9	2.0	-3.0	6.2	5.2	2.2	1.9	-1.0
Wells Fargo & Co.	5.3	3.5	1.5	1.5	-11.0	4.7	3.9	1.0	0.8	-4.0
Xcel Energy	7.6	7.7	2.2	1.6	-10.0	7.8	8.0	2.5	1.7	-4.5
<b>Consensus Forecast — This Month</b>	<b>6.2</b>	<b>5.7</b>	<b>1.9</b>	<b>1.8</b>	<b>-11.2</b>	<b>6.0</b>	<b>5.1</b>	<b>1.8</b>	<b>1.7</b>	<b>-4.1</b>
— Last Month	6.1	5.4	1.8	1.7	-10.7	6.1	5.0	1.8	1.7	-1.6

IDAHO										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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	7.3		2.6	2.3	-3.6	6.0		2.2	2.1	-1.5
Idaho Economics	7.1		3.3	2.1	-10.0	6.7		2.8	2.1	-1.5
Wells Fargo UT	7.3	6.0	3.1	2.3	-20.0	6.8	5.8	2.9	2.3	-5.0
<b>Consensus Forecast — This Month</b>	<b>7.2</b>	<b>6.0</b>	<b>3.0</b>	<b>2.2</b>	<b>-11.2</b>	<b>6.5</b>	<b>5.8</b>	<b>2.6</b>	<b>2.2</b>	<b>-2.7</b>
— Last Month	7.3	6.0	3.1	2.2	-6.2	6.6	5.8	2.7	2.2	-1.2

MONTANA										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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	6.7		2.1	1.0		6.5		2.1	0.8	
Wells Fargo UT	6.8		3.0	1.0	-15.0	6.5		2.8	1.0	-5.0
<b>Consensus Forecast — This Month</b>	<b>6.8</b>		<b>2.6</b>	<b>1.0</b>	<b>-15.0</b>	<b>6.5</b>		<b>2.5</b>	<b>0.9</b>	<b>-5.0</b>
— Last Month	6.8		2.6	1.0	-10.0	6.6		2.5	0.9	

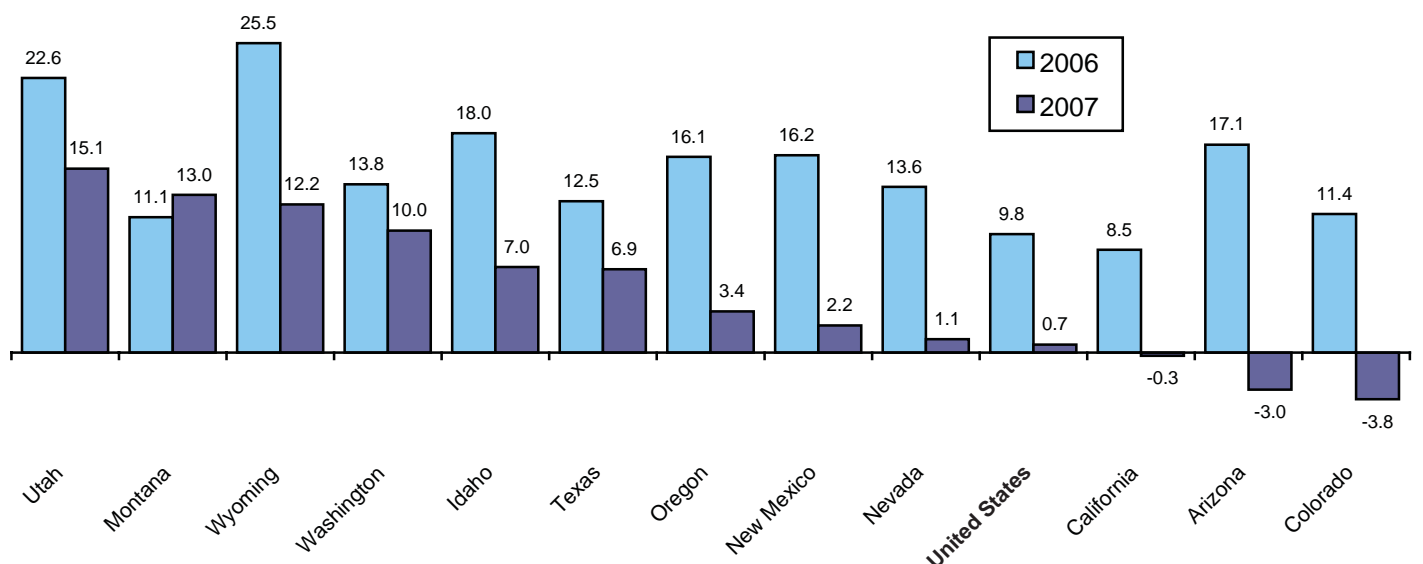
# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

NEVADA										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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.	6.3	3.7	3.7	4.0		6.0	3.5	3.5	4.2	
Restrepo Consulting Group, LLC	7.5	5.0	4.0	4.0	1.5	7.0	5.0	5.0	4.0	1.5
Southwest Gas	8.2	5.5	4.9	4.0	-5.0	8.0	5.3	4.8	3.9	2.0
Univ. of Nevada at Las Vegas - CBER	6.3	4.1	5.6	4.8	-41.8	6.1	4.3	5.4	4.6	54.4
Wells Fargo & Co.	6.7	6.0	2.7	3.5	-18.0	6.3	5.6	1.8	3.0	-5.0
<b>Consensus Forecast — This Month</b>	<b>7.0</b>	<b>4.9</b>	<b>4.2</b>	<b>4.1</b>	<b>-15.8</b>	<b>6.7</b>	<b>4.7</b>	<b>4.1</b>	<b>3.9</b>	<b>13.2</b>
<b>— Last Month</b>	<b>7.0</b>	<b>4.9</b>	<b>4.1</b>	<b>4.1</b>	<b>-15.3</b>	<b>6.7</b>	<b>4.8</b>	<b>4.2</b>	<b>3.9</b>	<b>14.2</b>

NEW MEXICO										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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	5.5	1.3	2.0	1.5	0.0	5.5	1.5	2.0	1.7	0.0
New Mexico State	6.2	0.5	2.0	1.5		6.0	1.0	1.9	1.5	
Public Service New Mexico	5.1	0.3	1.4	1.4	-4.5	5.2	0.5	1.2	1.6	-1.5
University of New Mexico - BBER	5.9	0.7	1.7		-22.4	5.3	1.0	1.7		-1.1
Wells Fargo & Co.	5.3	1.1	1.7	1.8	-3.0	5.2	1.0	1.6	1.8	-2.0
<b>Consensus Forecast — This Month</b>	<b>5.6</b>	<b>0.8</b>	<b>1.8</b>	<b>1.6</b>	<b>-7.5</b>	<b>5.4</b>	<b>1.0</b>	<b>1.7</b>	<b>1.7</b>	<b>-1.2</b>
<b>— Last Month</b>	<b>5.8</b>	<b>0.9</b>	<b>1.9</b>	<b>1.6</b>	<b>-1.1</b>	<b>5.7</b>	<b>1.0</b>	<b>1.9</b>	<b>1.6</b>	<b>-1.2</b>

### Private Earnings from Construction Percent Change, 2nd Quarter over 2nd Quarter of Previous Year, Seasonally Adjusted



Source: Bureau of Economic Analysis



# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

### OREGON

Source:	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	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	6.3	-2.5	1.3	1.7	-14.5	5.2	0.2	1.9	1.5	0.0
Forefront Economics	6.4	2.2	3.1	1.3	4.5	5.7	1.5	2.2	1.2	3.5
Office of Economic Analysis	5.9	-2.1	1.3	1.5	-14.7	5.4	-0.4	1.3	1.4	-4.9
Portland General Electric	5.7	0.5	1.9	1.3	-5.0					
U.S. Bancorp	5.7	-2.5	1.7	1.5	-8.0	6.0	1.5	2.0	1.5	5.0
Wells Fargo & Co.	5.4	1.2	1.3	1.5	-3.0	5.2	1.1	1.2	1.5	-2.0
<b>Consensus Forecast — This Month</b>	<b>5.9</b>	<b>-0.5</b>	<b>1.8</b>	<b>1.5</b>	<b>-6.8</b>	<b>5.5</b>	<b>0.8</b>	<b>1.7</b>	<b>1.4</b>	<b>0.3</b>
<b>— Last Month</b>	<b>5.8</b>	<b>-0.4</b>	<b>1.8</b>	<b>1.5</b>	<b>-5.8</b>	<b>5.5</b>	<b>0.9</b>	<b>1.8</b>	<b>1.4</b>	<b>0.5</b>

### TEXAS

Source:	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	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	6.2	5.7	1.9	1.6	-4.0	6.0	5.5	2.0	1.7	-2.0
Federal Reserve Bank of Dallas	7.0	4.5	2.6	1.8	-3.0	6.0	4.0	2.2	1.8	1.0
David Hemley	6.2	5.0	2.1	1.7	-2.0	6.2	5.2	2.0	1.6	-1.8
Perryman Group	6.7	6.2	2.0	1.8	-7.8	6.7	6.0	2.0	1.7	-4.1
TX State Comptroller of Public Accounts	6.5	5.8	2.4	1.8	-15.1	6.4	5.4	2.2	1.9	-8.5
University of Houston - CPP	6.0	5.7	2.1	2.0	-8.1	6.0	5.6	2.0	1.7	-4.9
University of North Texas	6.4	5.8	2.0	1.6	1.0	6.0	5.4	1.8	1.6	-5.2
University of Texas at El Paso	6.8	6.4	2.1	1.7	-5.9	6.3	5.9	1.9	1.7	0.8
Wells Fargo & Co.	7.3	4.8	2.3	1.4	-4.3	5.9	4.6	1.9	1.4	-2.0
<b>Consensus Forecast — This Month</b>	<b>6.6</b>	<b>5.5</b>	<b>2.2</b>	<b>1.7</b>	<b>-5.5</b>	<b>6.2</b>	<b>5.3</b>	<b>2.0</b>	<b>1.7</b>	<b>-3.0</b>
<b>— Last Month</b>	<b>6.5</b>	<b>5.7</b>	<b>2.1</b>	<b>1.7</b>	<b>-5.3</b>	<b>6.2</b>	<b>5.4</b>	<b>2.1</b>	<b>1.7</b>	<b>-2.6</b>

### UTAH

Source:	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	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	6.2	4.1	2.9	2.2	-4.2	6.6	4.6	3.1	2.2	7.3
Utah State Tax Commission	7.6	7.5	3.9	2.6	-8.8	6.8	7.7	3.3	2.4	-10.4
Utah Department of Workforce Services	8.6	6.0	4.5	2.8	-6.0	7.2	5.2	3.2	2.7	2.1
Wells Fargo - UT	7.9	7.5	4.2	2.7	-19.0	7.1	7.0	3.8	2.7	-5.0
<b>Consensus Forecast — This Month</b>	<b>7.6</b>	<b>6.3</b>	<b>3.9</b>	<b>2.6</b>	<b>-9.5</b>	<b>6.9</b>	<b>6.1</b>	<b>3.4</b>	<b>2.5</b>	<b>-1.5</b>
<b>— Last Month</b>	<b>7.6</b>	<b>6.2</b>	<b>3.7</b>	<b>2.6</b>	<b>-5.3</b>	<b>7.0</b>	<b>6.1</b>	<b>3.3</b>	<b>2.5</b>	<b>-0.3</b>

## WASHINGTON

2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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	6.2	6.3	2.1	1.8	-10.0	6.2	7.6	2.2	1.8	0.0
Dick Conway & Associates	7.0	6.8	2.6	1.8	-3.0	6.3	6.3	2.1	1.7	1.0
Doug Pedersen & Associates	7.1	7.4	2.4	1.9	-12.5	6.3	6.0	2.0	1.8	-5.0
Office of the Forecast Council *	7.5	7.7	2.9	2.0	-10.0	6.3	4.5	2.1	2.0	-3.1
Wells Fargo & Co.	6.1	4.8	1.9	1.5	-7.0	5.6	4.7	1.7	1.5	-3.0
<b>Consensus Forecast — This Month</b>	<b>6.8</b>	<b>6.6</b>	<b>2.4</b>	<b>1.8</b>	<b>-8.5</b>	<b>6.1</b>	<b>5.8</b>	<b>2.0</b>	<b>1.8</b>	<b>-2.0</b>
<b>— Last Month</b>	<b>6.7</b>	<b>6.5</b>	<b>2.2</b>	<b>1.8</b>	<b>-7.6</b>	<b>6.3</b>	<b>5.9</b>	<b>2.0</b>	<b>1.7</b>	<b>-1.7</b>

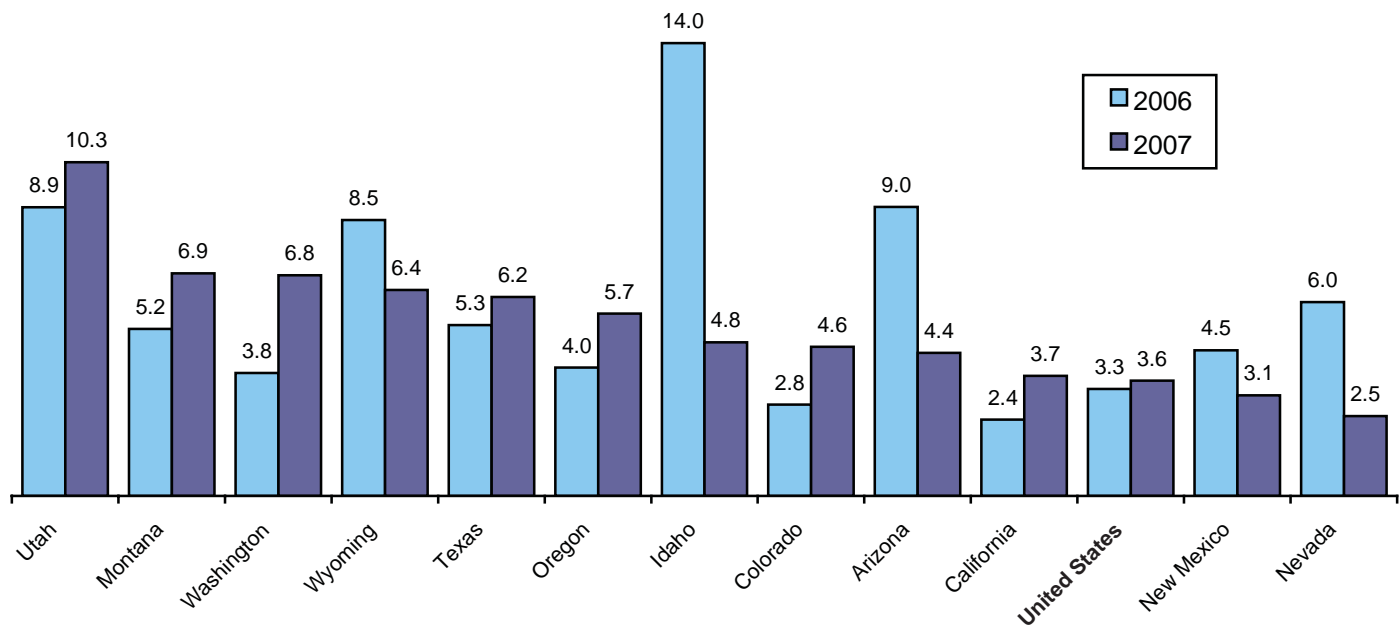
\* Population forecast is from the Office of Financial Management.

## WYOMING

2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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	7.9		3.0	1.1	6.0	7.0		2.9	1.0	2.5
WY Dept. of Admin. & Information	8.0	6.0	3.4	1.4	-2.0	7.2	4.0	2.8	1.2	-3.0
Wells Fargo UT	7.8		3.7	1.2	0.0	7.4		3.2	1.0	5.0
<b>Consensus Forecast — This Month</b>	<b>7.9</b>	<b>6.0</b>	<b>3.4</b>	<b>1.2</b>	<b>1.3</b>	<b>7.2</b>	<b>4.0</b>	<b>3.0</b>	<b>1.1</b>	<b>1.5</b>
<b>— Last Month</b>	<b>8.0</b>	<b>6.0</b>	<b>3.4</b>	<b>1.2</b>	<b>3.0</b>	<b>7.2</b>	<b>4.0</b>	<b>3.0</b>	<b>1.1</b>	<b>3.2</b>

## Private Earnings from Retail Trade

Percent Change 2nd Quarter over 2nd Quarter Previous Year, Seasonally Adjusted



Source: Bureau of Economic Analysis



# 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
2006	193,983	167,165	2,643.6	63,641	187.3	60,066	6,129	4.2
% change	8.5	5.5	5.4	7.9	2.7	-29.4	3.2	
2005	178,706	158,516	2,471.3	58,964	176.2	80,804	5,939	4.7
% change	8.8	5.6	4.1	13.2	0.2	0.0	3.4	
2004	164,222	150,076	2,373.5	52,098	175.8	80,778	5,744	5.0
% change	9.1	6.0	3.4	9.0	0.3	25.9	3.0	
2003	150,582	141,519	2,296.3	47,818	175.3	64,143	5,579	5.7
% change	4.5	2.3	1.4	5.3	-4.5	15.3	2.6	
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
2006	1,420,245	1,223,896	15,002.4	387,906 †	1,507.8	103,654	36,458	4.8
% change	6.4	3.3	1.5	5.3	-0.3	-31.4	0.6	
2005	1,335,386	1,184,515	14,785.2	368,382 †	1,512.7	151,022	36,254	5.4
% change	5.3	2.2	1.8	5.2	-1.3	0.2	1.2	
2004	1,268,049	1,158,819	14,530.4	350,173	1533.1	150,710	35,841	6.2
% change	6.8	3.9	1.0	9.4	-1.3	7.3	1.1	
2003	1,187,040	1,115,597	14,392.3	320,217	1,553.0	140,512	35,466	6.8
% change	3.4	1.3	-0.5	6.2	-5.5	16.3	1.3	
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
2006	186,266	160,514	2,272.1	66,797 †	150.5	31,324	4,753	4.4
% change	6.5	3.5	2.1	5.4	-0.1	-22.6	1.9	
2005	174,919	155,157	2,225.5	63,375 †	150.6	40,477	4,663	5.0
% change	6.2	3.1	2.1	5.6	-0.8	6.1	1.4	
2004	164,673	150,488	2,179.6	60,014	151.8	38,164	4,599	5.6
% change	6.4	3.4	1.2	4.9	-1.4	14.2	1.2	
2003	154,829	145,511	2,152.8	57,192	153.9	33,428	4,546	6.1
% change	1.2	-1.0	-1.4	8.1	-6.0	-5.9	1.0	
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
2006	43,924	37,851	640.6	20,334 †	64.2	15,627	1,466	3.4
% change	7.9	4.8	4.6	6.0	1.7	-19.7	2.6	
2005	40,706	36,107	612.6	19,183	63.1	19,464	1,429	3.8
% change	6.5	3.4	4.2	14.7	2.3	32.9	2.5	
2004	38,229	34,936	587.9	16,727	61.7	14,650	1,395	4.7
% change	9.8	6.8	2.8	4.2	-0.5	17.8	2.0	
2003	34,816	32,721	572.0	16,059	62.0	12,432	1,367	5.3
% change	2.9	0.7	0.7	2.1	-4.5	21.7	1.7	

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
2006	28,989	24,981	433.4	29.9	19.9	3,636	944.6	3.5
% change	6.9	3.8	3.0	8.7	2.6	5.1	1.1	
2005	27,122	24,058	420.7	27.5	19.4	3458	934.7	4.0
% change	5.2	2.1	2.3	10.4	1.0	1.0	0.9	
2004	25,791	23,569	411.3	24.9	19.2	3425	926.3	4.3
% change	6.7	3.7	2.6	7.8	1.1	46.4	1.0	
2003	24,177	22,722	400.7	23.1	19.0	2340	917.2	4.4
% change	6.0	3.7	1.2	6.5	-5.0	14.1	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

### 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
2006	92,557	79,761	1,288.6	N/A	12,622.0	26,689	2,496	4.1
% change	7.3	4.3	5.3		8.4	-28.7	3.5	
2005	86,224	76,483	1,224.2	46,190	11,649.0	37,438	2,412	4.1
% change	8.7	5.5	6.2	12.4	10.3	-3.6	3.4	
2004	79,353	72,518	1,152.7	41,087	10,562.2	38,817	2,332	4.6
% change	11.5	8.4	5.9	16.0	9.7	17.5	4.1	
2003	71,183	66,899	1,088.3	35,426	9,625.3	33,033	2,241	5.3
% change	6.8	4.6	3.5	9.3	1.9	21.1	3.3	

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
2006	57,998	49,980	831.3	N/A	37.3	12,268	1,955	4.3
% change	8.0	4.9	2.7		3.3	-9.5	1.5	
2005	53,714	47,646	809.2	12,900	36.1	13,553	1,926	5.3
% change	5.9	2.8	2.4	4.8	0.3	15.4	1.3	
2004	50,707	46,339	790.4	12,312	36.0	11,743	1,901	5.7
% change	8.7	5.7	1.9	5.2	-1.4	-0.7	1.2	
2003	46,650	43,843	775.6	11,702	36.5	11,829	1,878	5.9
% change	3.7	1.5	1.2	**	-4.9	14.3	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 N/A - not yet available

\*\* Due to a change in the manner of calculation, it may not be appropriate to compare 2003 retail sales with previous years.

### 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
2006	124,589	107,364	1711.1	210.0	20,486	26,800	3,701	5.4
% change	6.0	3.0	3.2	2.7	-17.8	-15.9	1.7	
2005	117,497	104,222	1,658.3	204.5	24,925	31,864	3,639	6.1
% change	5.5	2.4	3.1	2.4	16.6	13.8	1.4	
2004	111,325	101,735	1,607.9	199.8	21,372	28,000	3,589	7.3
% change	5.9	2.9	2.1	2.5	13.7	7.3	0.8	
2003	105,161	98,832	1,575.6	194.9	18,799	26,103	3,561	8.1
% change	3.2	1.1	-0.7	-3.3	4.6	15.8	1.1	

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

### 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
2006	805,307	693,973	9,976.3	371.2 †	905.8	162,480	23,508	4.9
% change	8.2	5.1	2.5	6.8	0.8	-1.9	2.5	
2005	744,270	660,183	9,735.0	347.6 †	898.6	165,579	22,929	5.3
% change	7.8	4.6	2.5	6.1	0.9	16.8	1.8	
2004	690,480	631,002	9,497.1	327.6	891.0	141,810	22,518	6.0
% change	6.3	3.4	1.4	6.4	-1.0	6.6	1.7	
2003	649,419	610,333	9,370.0	307.9	900.0	133,077	22,134	6.7
% change	3.6	1.5	-0.5	3.9	-5.1	10.3	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
2006	74,229	63,966	1,202.0	22,801 †	120.7	23,126	2,550	3.2
% change	9.1	6.0	4.6	6.5	2.7	-6.2	2.4	
2005	68,039	60,352	1,149.5	21,409 †	117.5	24,645	2,490	4.3
% change	7.2	4.0	4.1	5.2	2.6	23.9	2.8	
2004	63,478	58,010	1,104.3	20,351	114.5	19,899	2,422	5.0
% change	6.8	3.9	2.8	8.2	2.0	10.6	2.8	
2003	59,412	55,836	1,074.1	18,809	112.3	17,995	2,356	5.6
% change	2.1	0.0	0.1	2.1	-1.4	16.8	1.3	

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

### 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
2006	239,348	206,258	2,865.6	109,509 †	283.5	35,020	6,396	4.9
% change	7.2	4.2	3.1	7.2	4.2	-14.4	1.7	
2005	223,232	198,011	2,779.1	102,154 †	272.0	40,928	6,292	5.5
% change	2.9	-0.1	2.9	9.3	3.2	11.2	1.4	
2004	216,921	198,236	2,701.0	93,441	263.6	36,815	6,206	6.3
% change	6.9	3.9	1.6	6.6	-1.3	6.8	1.2	
2003	202,942	190,728	2,657.5	87,664	267.1	34,480	6,130	7.4
% change	2.8	0.6	0.1	2.7	-6.3	4.2	1.0	

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

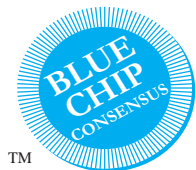
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Natural Resources & Mining Employ. (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	20,948	18,052	274.0	26.6	10.0	2,698	515.0	3.2
% change	10.4	7.2	4.2	17.2	3.1	-14.6	1.2	
2005	18,981	16,836	263.0	22.7	9.7	3159	508.8	3.6
% change	7.1	4.0	3.0	12.4	3.2	12.3	0.6	
2004	17,723	16,196	255.4	20.2	9.4	2814	505.5	3.9
% change	7.9	5.0	2.2	10.4	1.1	24.2	0.8	
2003	16,420	15,432	250.0	18.3	9.3	2265	501.5	4.4
% change	6.2	4.0	0.8	2.2	-2.1	24.3	0.5	

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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