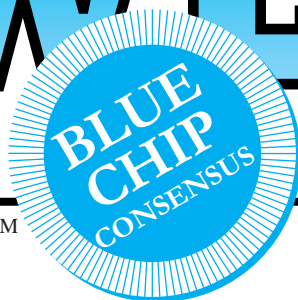


WESTERN



BLUE CHIP ECONOMIC FORECAST

TM

What Blue Chip economists are saying about the Western states

VOLUME 16 • NUMBER 2 • MARCH 2002

Western states began to feel recession's chill at year-end

Most of us won't remember 2001 with much fondness. The economic downturn in the spring was compounded by the horrific events in September, followed by a war of still uncertain duration against an evasive enemy.

Housing Holds Up

Yet, as consumer confidence sagged and then plummeted, the housing market held its course. Now it appears that 2001 was the best year ever for home sales, nationwide. Those hoping to sell their homes were pleasantly surprised at how quickly the markets were moving.

Analysts cite several reasons for the strength of housing. Steady interest rate decreases throughout the year were one important factor. In addition, as the stock market slump continued, investment in real property became an attractive alternative for those looking to conserve — and

build — wealth. And, here in the West, population continued to increase at a faster pace than in the nation as a whole.

Finally, unemployment rates did not begin to drift upward in many areas until near the end of the year, bolstering home buyers' perspectives on prospects for the longer term outlook for most of 2001. Looked at over the term of the whole 12 months, the past year showed job growth in most Western states better than the nation. Only Oregon lost jobs on average for the year (see the Roundup, page 2).

Winter Chill Sets In

But by December, the recession took hold, along with the winter chill. Construction job growth began to slow. Comparing December 2000 and December 2001, the nation added only 66,000 new construction jobs. Western states that lost construction jobs in December compared to December of the year before included California, Washington, Colorado, Utah, Arizona and Oregon.

Of course, construction was not the only sector showing weakness by the end of the year. By December, only 14 states had employment increases compared to the same month of the previous year. New Mexico, Texas, and Idaho were the only Western states among those showing positive gains over the 12-month period.

In December, unemployment rates in Oregon and Washington were over 7 percent (see table above). Compared to December of 2000, unemployment rates had jumped by 2 points in Colorado, Nevada, Oregon, Texas, Utah, and Washington.

Oregon registered one of the largest increases in unemployment in the nation over the 12-month period. At 4.2 percent unemployment in December of 2000, the

UNEMPLOYMENT RATES IN WESTERN STATES (Seasonally Adjusted)

States	Dec. 2001	Dec. 2000
Arizona	5.6	3.7
California	6.0	4.7
Colorado	5.2	2.5
Idaho	5.5	4.8
Nevada	6.6	4.4
New Mexico	5.9	5.3
Oregon	7.5	4.2
Texas	5.7	3.7
Utah	5.3	3.2
Washington	7.1	5.0
United States	5.8	4.0

Source: U. S. Bureau of Labor Statistics

EMPLOYMENT CHANGES IN METRO AREAS (Dec. 2001 over Dec. 2000)

Area	Change in Jobs
San Jose	-45,000
Phoenix	-35,000
Seattle	-20,700
Portland	-23,700
San Francisco	-22,500
Dallas	+33,700
Riverside	+24,300
San Diego	+22,900
Houston	+22,700
Orange County	+21,400

Source: US Bureau of Labor Statistics

Beaver State was already above the national average of 4.0 percent, but then in the next 12 months the Oregon jobless rate surged by 3.3 percentage points.

Metropolitan areas in the Western states had the highest and lowest unemployment rates in the nation in December. In California, the Visalia-Tulare-Porterville area had 16.3 percent unemployment and Merced had 15.5 percent.

The lowest unemployment rate, 1.4 percent, was posted in Bryan-College Station, Texas, home of Texas A&M University. Although Oregon had high statewide unemployment, rates were also low in another university city, Corvallis, Oregon (3.4).

San Jose lost more jobs (45,000) than any other Western metropolitan area in the past 12 months. Phoenix has lost some 35,000 jobs. At the other end of the spectrum, Dallas has added more than 33,000 during the recession. Analysts are now waiting for the recovery that will bring other Western areas back into the positive job growth listings.

— L.M.

NATIONAL ROUNDUP

U.S. JOB GROWTH



Percent Change: Dec. 2001 vs Dec. 2000

Nonfarm	-0.8
Construction	1.0
Manufacturing	-7.2
Transportation, Communications and Public Utilities	-2.8
Trade	-0.8
Finance, Insurance and Real Estate	0.7
Services	0.1
Government	2.2

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits December 2001 vs December 2000

	Total Residential	Single- family	Multi- family
2001	109,792	78,156	31,636
2000	100,607	72,207	28,400
% Δ	9.1	8.2	11.4

Source: U.S. Department of Commerce

U.S. FORECASTS



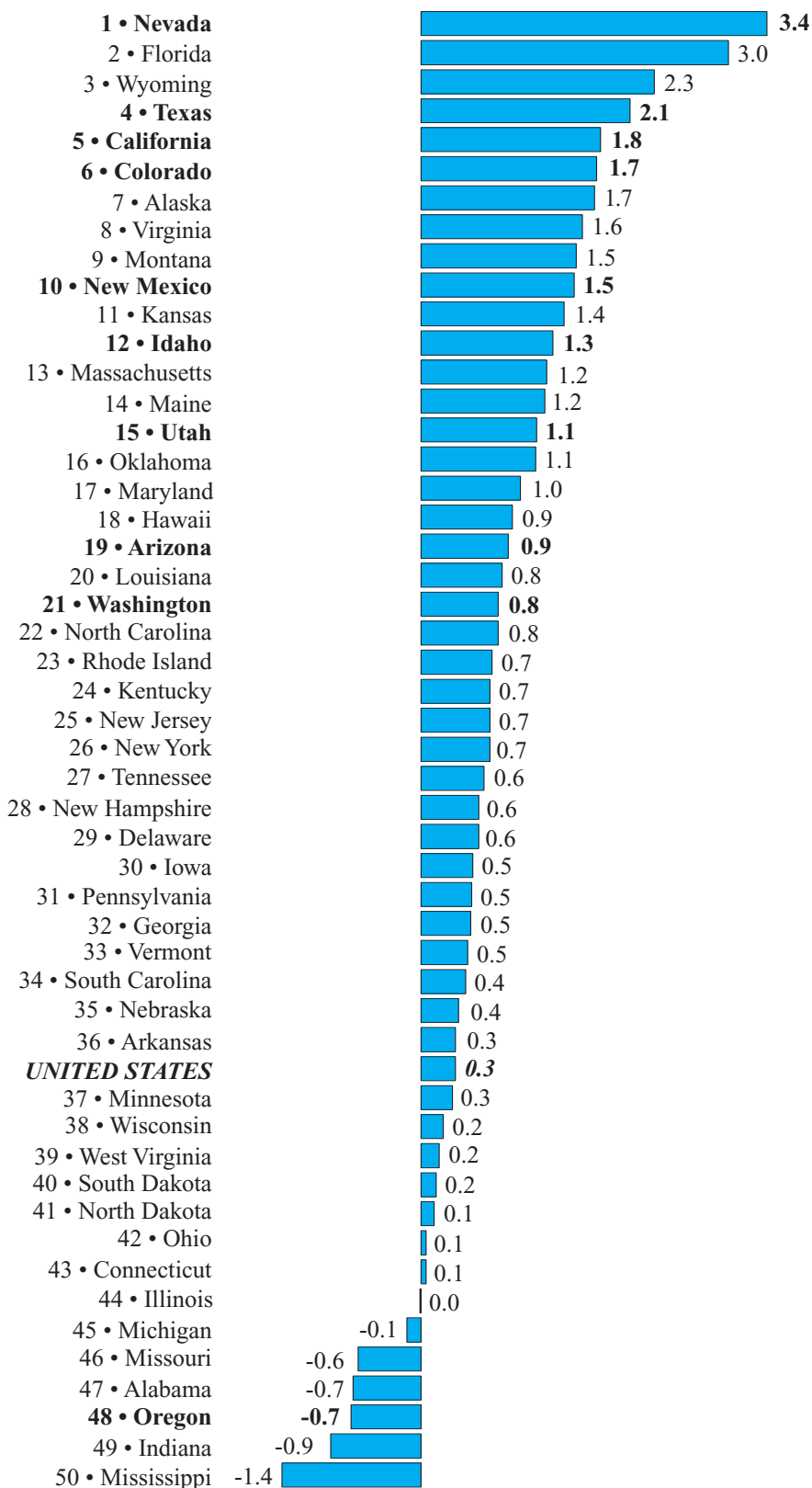
Percent Change

	2002	2003
Real GDP (Chain)	0.6	3.7
CPI	1.9	2.6
GDP Deflator (Chain) . .	1.3	2.2

Source: "U.S. Economic Outlook," DRI-WEFA, January 2002

NONFARM JOB GROWTH

YTD December 2001 over YTD December 2000



Source: U.S. Bureau of Labor Statistics

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

2002 Annual Percent Change, 2002 from 2001						2003 Annual Percent Change, 2003 from 2002				
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	5.2 ↓	7.2 ↓	1.7 ↓	2.6 ↑	(8.3)↓	6.1 ↑	3.9 ↑	2.9 ↓	2.6 ↑	(1.2)↑
California	3.0 ↑	1.6 ↑	0.6 ↓	1.6 ↑	(1.5)↓	6.6 ↑	4.3 ↑	2.4 ↓	1.5 ↓	2.5 ↓
Colorado	4.7 ↓	3.3 ↓	0.8 ↓	1.7	(13.0)↓	7.0 ↑	4.7 ↑	2.6 ↓	1.8 ↓	1.1 ↑
Idaho	4.4 ↓	3.0 ↓	1.7 ↑	1.4 ↓	(4.1)↓	5.5 ↑	3.2 ↑	2.0 ↓	1.3 ↓	(0.5)↓
Nevada	5.4 ↓	3.9 ↓	2.4 ↓	3.7 ↑	(1.4)↓	6.7	4.4 ↑	4.1	4.3 ↑	3.6
New Mexico	4.3 ↓	2.9 ↓	1.3 ↓	1.3	(3.6)↓	5.0 ↓	2.8 ↓	2.0 ↓	1.3 ↑	(0.6)↑
Oregon	3.7 ↓	2.3 ↓	0.0 ↓	1.1	0.2 ↑	5.4 ↓	3.2 ↓	2.3 ↓	1.3 ↑	4.9 ↓
Texas	5.7 ↓	4.3 ↓	1.7 ↓	1.7 ↑	(0.9)↑	6.8 ↓	4.5 ↓	2.5 ↓	1.8 ↑	0.4 ↑
Utah	4.1 ↓	2.7 ↓	1.3 ↓	1.6	(2.2)↓	5.3 ↑	3.0 ↑	2.2 ↑	1.8	2.5 ↓
Washington	2.4 ↓	1.0 ↓	(0.9)↓	1.0 ↓	(7.5)↓	5.5 ↑	3.2 ↑	1.5 ↑	1.1	2.0↑
↑= Increase in consensus forecast ↓= Decrease in consensus forecast										

Forecast notes from the Western region...

The diversity of Texas is going to serve it well. A comeback in technology will fuel additional growth beginning in late 2002.

— **M. Ray Perryman**
Perryman Group
Waco, Texas

The Colorado economy is in recession for the first time in 15 years. The downturn was caused by the U.S. recession, but was exacerbated by declining travel and tourism, the collapse in the telecom industry and the end of the decade-long construction boom. Recovery is expected by mid-2002, but it will likely be a weak one.

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

The New Mexico construction sector will lose several thousand jobs this year as two major projects are completed (Intel expansion, I-25/I-40 intersection renovation). Mining employment growth will drop off sharply in 2002 before recovering slightly in 2003. The weakness in mining is a result of sharply declining oil and natural gas prices, and layoffs in several mining operations in 2002.

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

The reports from Utah's employers for calendar year 2001 reflect a substantial slowdown in employment expansion impacting most private-sector industries. Growth for 2001 is only about 0.7 percent, Utah's slowest job growth since 1982. Moreover, for October-December 2001, Utah actually had fewer jobs than the year-ago levels. Fortunately, the employment and enthusiasm impacts of the 2002 Olympic Winter Games are a timely boost to a stagnant economy. Even so, a recovery will not be evident until at least mid-2002.

— **Ken Jensen**
Utah Dept. of Workforce Services
Salt Lake City, Utah

Nevada's economy shows resilience from the events of Sept. 11th. A national recession and markedly changed behavior for travel and entertainment, to be sure, leave the Silver State on a more measured pace than in the past. Though adversity from the disruptions continues, signs of change are appearing. The movement of monthly employment levels, for one, shows that the sharp drops in employment have ceased. Nevada's employment level stabilized for December and November.

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

Businesses have cut capital spending dramatically in response to very disappointing profits. Although business investment will surely bottom out, investment is not likely to return rapidly to its Internet Rush levels unless someone can figure out where on the Internet that the profits are hidden. Furthermore, absent very rapid GDP growth during the recovery, there will be a continuing excess capacity problem in tech and telecom and autos and airlines and hotels — virtually every capacity dependent sector.

— **Edward Leamer**
UCLA Anderson Forecast
Los Angeles, California

There are mixed signals coming out of California's economy. The agricultural and technology industries continue to struggle, although the latter is excited by a modest uptick in orders. However, office vacancy rates in some markets are moving ominously upward.

On the international trade front, business is still down, and to make matters worse there is concern about looming labor negotiations. The ILWU contract (Pacific Coast wide) expires in July and the UPS contract with the Teamsters expires July 31. In both cases, the mood is not conciliatory.

— **Jack Kyser**
Economic Development Corp. of Los
Angeles County
Los Angeles, California

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 final week of each month and forecast data are compiled by telephone and fax transmission until the last day of the month. Thus, data reported in the forecast tables for a given month are current as of the

first day of that month.

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										
2002 Annual Percent Change, 2002 from 2001						2003 Annual Percent Change, 2003 from 2002				
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 Public Service	5.4	3.2	1.4	2.6	(7.8)	5.7	4.6	2.3	2.6	(9.5)
ASU - Bank One EOC	5.4	3.2	1.5	2.4	(10.0)	6.0	5.0	3.0	2.3	(2.0)
CH2M HILL	5.4	4.7	2.8	2.5	(12.0)	6.5	6.3	3.1	2.4	(5.0)
Department of Economic Security	5.8	4.6	1.6	2.5		6.4	5.1	2.8	2.4	
ECON-LINC	5.4	4.6	1.4	2.6	(5.0)	6.4	5.6	2.8	2.5	(5.0)
Eggert Economic Enterprises Inc.	5.5	4.5	2.0	2.5	(4.5)	5.9	5.2	3.1	2.7	(0.5)
Elliott D. Pollack & Co.	5.6	3.0	1.2	2.5	(15.0)	7.1	6.5	4.0	2.7	(10.0)
H. C. Reardon Economics	4.8	4.0	2.0	2.6	(10.0)	7.0	6.0	3.3	2.8	1.0
Joint Legislative Budget Committee	4.5	3.0	1.5	2.6	(10.0)	6.0	5.5	2.6	2.6	(2.0)
Lancaster Consulting	5.8	4.2	2.1	2.6	(5.0)	5.9	5.1	2.8	2.4	(5.0)
The Maguire Company	5.4	3.8	2.0	2.7	(5.0)	6.1	5.0	3.0	2.7	0.0
NAU - BBER	4.9	4.2	2.0	2.5	(10.0)	5.7	5.0	2.7	2.5	0.0
Office of the Treasurer	5.2	4.1	1.8			6.1	5.2	2.6		
Protitlement	5.4	3.8	1.6	2.7	(8.0)	5.8	4.2	2.2	2.6	(5.0)
Salt River Project	5.5	4.5	2.5	2.8	(5.0)	6.0	5.2	3.0	2.5	(1.0)
Tucson Electric Power Co.	5.0	3.6	1.6	2.6	(7.5)	4.8	3.3	1.3	2.5	(9.0)
UA - Eller College	2.7	(0.6)	0.0	2.4	(21.2)	6.3	6.7	2.6	2.2	20.2
VisionEcon	6.4	6.1	2.3	2.7	0.0	7.0	8.2	4.0	3.1	7.0
Wells Fargo & Co.	5.2	4.3	1.9	2.5	(5.0)	6.1	5.0	3.6	2.6	5.0
Consensus Forecast - This Month	5.2	3.8	1.7	2.6	(8.3)	6.1	5.4	2.9	2.6	(1.2)
- Last Month	5.4	4.0	1.9	2.6	(7.0)	6.1	5.3	3.0	2.5	(1.3)

CALIFORNIA										
2002 Annual Percent Change, 2002 from 2001						2003 Annual Percent Change, 2003 from 2002				
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	2.6	0.8	0.3	1.7	0.3	7.5	7.5	2.4	1.7	3.4
Applied Development Economics, Inc.	5.0	4.4	2.4	1.7	3.0					
California State University, Long Beach *	5.6	4.4	1.2	1.6	(3.8)	5.6	4.4	1.3		(3.1)
Chapman University	3.5	2.6	0.4	1.5	(4.2)	5.9	5.8	2.4	1.6	3.1
L.A. County Economic Development Corp.	2.4	1.9	(0.2)	1.7	(5.3)	6.9	5.9	2.1	1.3	1.5
Legislative Analyst's Office	2.8	3.5	(0.3)	1.7	0.0	7.4	7.8	2.4	1.6	10.0
UCLA - Business Forecasting Project	1.3	3.5	0.7	1.5	(2.3)	5.6	5.7	2.2	1.4	(8.8)
Wells Fargo Company	3.6	3.2	0.8	1.6	(2.0)	6.1	4.8	2.8	1.6	6.0
Consensus Forecast - This Month	3.0	2.8	0.6	1.6	(1.5)	6.6	6.3	2.4	1.5	2.5
- Last Month	3.0	2.9	0.6	1.6	(1.1)	6.5	5.6	2.4	1.6	2.9

* This forecast is for Southern California only

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2002 Annual Percent Change, 2002 from 2001						2003 Annual Percent Change, 2003 from 2002				
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
Cntr. for Business & Econ. Forecasting	3.7	2.3	(0.1)	1.6	(17.2)	7.4	7.1	2.6	1.5	5.3
Colorado Legislative Council	4.3	3.8	0.9	1.7	(15.5)	7.0	6.7	2.4	1.7	(8.5)
Office of State Planning and Budgeting	4.7	3.3	1.0	1.9	(10.2)	7.5	4.0	2.4	1.8	0.7
U. S. Bank	4.8	3.5	1.3	1.6	(12.9)	7.1	5.2	2.8	1.7	0.0
University of Colorado	5.6	3.9	0.5	1.8	(10.0)	6.9	6.0	2.0	1.9	0.0
Wells Fargo & Co.	5.0	3.4	1.3	1.6	(10.0)	6.3	4.0	3.0	1.8	5.0
Xcel Energy	5.0	4.0	1.0	1.7	(15.0)	7.0	6.0	3.0	2.0	5.0
Consensus Forecast - This Month	4.7	3.5	0.8	1.7	(13.0)	7.0	5.6	2.6	1.8	1.1
- Last Month	4.8	3.5	1.0	1.7	(11.9)	7.0	5.5	2.6	1.8	0.4

IDAHO										
2002 Annual Percent Change, 2002 from 2001						2003 Annual Percent Change, 2003 from 2002				
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	3.7		1.9	1.2	(5.7)	6.3		2.0	1.1	(2.9)
Idaho Economics	4.8		1.6	1.7	(4.0)	5.4		2.1	1.7	(2.0)
Idaho State University	5.2	3.6	2.7	1.4	(2.0)					
Thredgold Economic Associates	4.2	3.5	1.2	1.4	1.0	5.5	4.5	2.2	1.4	3.0
University of Idaho	4.6	3.6	1.6	1.1		5.3	4.2	2.1	1.1	
Wells Fargo	3.8	3.5	0.9	1.4	(10.0)	5.0	4.8	1.5	1.4	0.0
Consensus Forecast - This Month	4.4	3.6	1.7	1.4	(4.1)	5.5	4.5	2.0	1.3	(0.5)
- Last Month	4.5	3.6	1.6	1.4	(3.7)	5.5	4.6	2.0	1.4	(0.2)

NEVADA										
2002 Annual Percent Change, 2002 from 2001						2003 Annual Percent Change, 2003 from 2002				
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.	6.0	3.0	2.8	4.0		6.5	4.0	3.9	4.0	
Legis. Counsel Bureau - Fiscal Analysis	4.0	0.5	3.0	3.0	(8.0)	5.5	4.0	4.5	4.0	2.0
Restrepo Consulting Group, LLC	5.5	3.0	3.0	3.5	3.0	7.0	4.0	4.0	4.5	4.0
Thredgold Economic Associates	6.0	3.5	2.0	3.6	3.5	7.0	6.0	3.5	4.2	6.0
Southwest Gas	6.7	3.4	4.1	4.9	2.2	7.2	4.6	4.5	5.2	2.4
Univ. of Nevada at Las Vegas - CBER	3.7	(0.3)	(0.6)	4.0	(5.8)					
Wells Fargo & Co.	5.6	4.7	2.8	3.2	(3.0)	7.0	6.0	4.3	3.8	3.5
Consensus Forecast - This Month	5.4	2.5	2.4	3.7	(1.4)	6.7	4.8	4.1	4.3	3.6
-Last Month	5.4	2.6	2.5	3.7	(1.3)	6.7	4.8	4.1	4.2	3.6

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

	2002					2003				
	Annual Percent Change, 2002 from 2001					Annual Percent Change, 2003 from 2002				
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	4.5		1.2	1.4	-2.5	3.9		1.4	1.3	(3.6)
New Mexico Department of Labor			1.5							
New Mexico State Univ - CEMAF	5.0	0.0	1.5			5.5	1.5	2.0		
University of New Mexico - BBER	3.1	(0.4)	0.9		(7.2)	5.1	0.9	1.5		0.9
Wells Fargo & Co.	4.5	0.1	1.4	1.2	(1.0)	5.5	1.0	3.0	1.3	1.0
Consensus Forecast - This Month	4.3	(0.1)	1.3	1.3	(3.6)	5.0	1.1	2.0	1.3	(0.6)
- Last Month	4.5	0.3	1.4	1.3	0.0	5.1	1.2	2.0	1.3	(1.4)

OREGON

	2002					2003				
	Annual Percent Change, 2002 from 2001					Annual Percent Change, 2003 from 2002				
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
Conerly Consulting	3.5	(3.8)	(0.8)	0.8	(10.0)	5.9	3.2	2.9	1.3	6.0
Forefront Economics	3.6	(2.9)	(0.4)	1.0	1.0	5.3	1.8	2.4	1.1	5.5
Oregon Executive Department	2.7	(4.5)	(0.7)	1.0	0.4	6.5	1.9	2.2	1.2	4.7
Portland General Electric	3.7	(3.0)	0.2	1.1	5.0	6.5	3.0	2.5	1.3	7.0
Rhodes Econometrics	4.2	2.8	1.4	1.3	1.7	4.5	3.9	3.1	2.1	2.2
Thredgold Economic Associates	3.8	(1.0)	(0.5)	1.1	2.2	4.5	0.0	1.0	1.2	5.0
U.S. Bancorp	4.0	0.5	0.2	1.1	0.0	4.5	1.5	1.5	1.1	5.0
Wells Fargo & Co.	4.2	0.8	0.7	1.1	1.0	5.6	1.4	2.8	1.2	4.0
Consensus Forecast - This Month	3.7	(1.4)	0.0	1.1	0.2	5.4	2.1	2.3	1.3	4.9
- Last Month	4.1	(1.0)	0.1	1.1	(0.3)	5.6	2.2	2.3	1.3	5.1

TEXAS

	2002					2003				
	Annual Percent Change, 2002 from 2001					Annual Percent Change, 2003 from 2002				
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
Econoclast	6.2	5.9	2.1	1.7	1.0	6.7	6.8	2.2	1.8	2.0
Federal Reserve Bank of Dallas	5.5	5.2	0.5	1.7	(2.0)	7.5	7.0	3.1	1.8	2.0
Ed McClelland	6.2	5.8	2.1	1.7	(1.0)					
Perryman Group	4.3	4.2	1.5	1.8	(3.6)	6.4	6.3	2.2	1.8	(1.5)
TX State Comptroller of Public Accounts	5.4	3.7	1.6	1.8	0.6	7.3	8.5	2.3	1.7	(1.6)
University of Houston - CPP	6.1	5.8	2.2	1.7		6.9	7.1	2.6	2.0	
University of Texas at El Paso	5.9	5.4	1.9	1.7	0.5	6.6	7.3	2.2	1.7	1.5
Wells Fargo & Co.	5.8	4.4	1.9	1.8	(2.0)	6.4	5.0	2.9	1.8	0.0
Consensus Forecast - This Month	5.7	5.1	1.7	1.7	(0.9)	6.8	6.9	2.5	1.8	0.4
- Last Month	5.8	5.2	1.8	1.7	(1.0)	6.8	6.7	2.5	1.8	0.1

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

	2002					2003				
	Annual Percent Change, 2002 from 2001					Annual Percent Change, 2003 from 2002				
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
Pacificorp	6.3	6.8	2.7	1.7	1.0					
Thredgold Economic Associates	4.8	2.5	1.3	1.6	2.5	6.0	3.5	2.3	1.6	3.0
Utah Department of Workforce Services	3.0	2.9	0.0	1.7	(3.0)	4.5	0.5	2.1	1.9	2.0
Utah State Tax Commission	3.1	4.5	1.5	1.2	2.4	5.6	5.0	2.3	1.9	5.0
Wells Fargo	3.5	3.0	0.9	1.7	(14.0)	5.0	4.8	2.2	1.8	0.0
Consensus Forecast - This Month	4.1	3.9	1.3	1.6	(2.2)	5.3	3.5	2.2	1.8	2.5
- Last Month	4.2	3.9	1.5	1.6	(2.1)	4.8	4.6	2.2	1.8	2.7

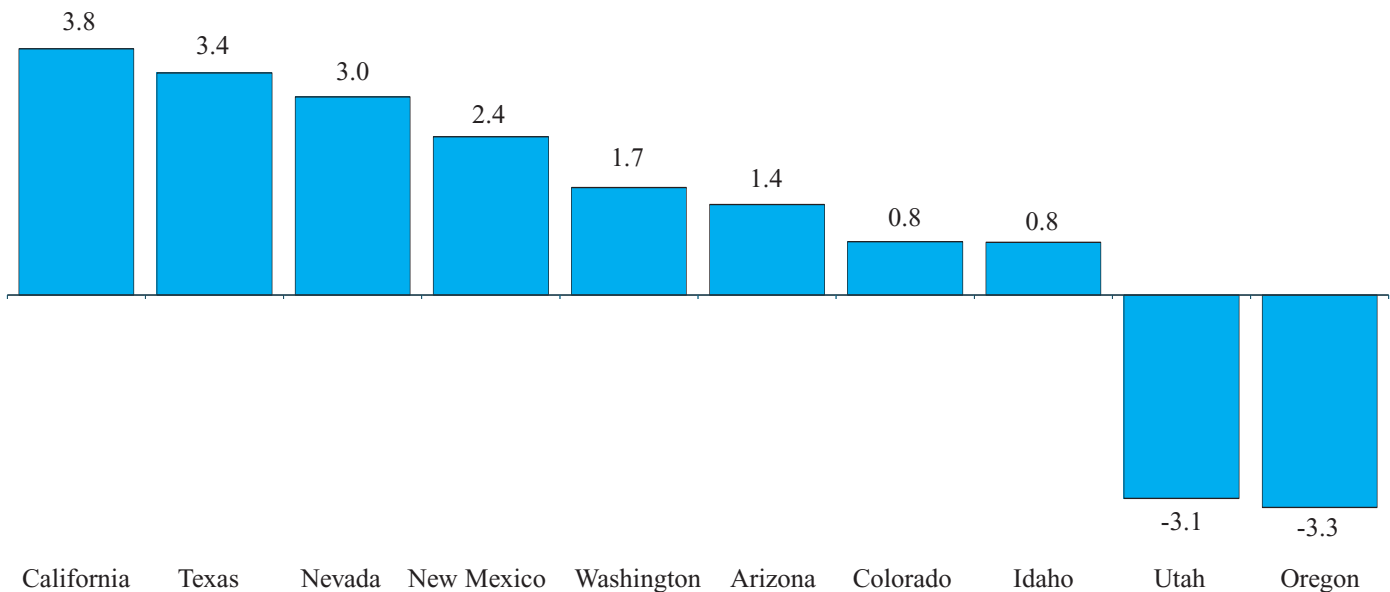
WASHINGTON

	2002					2003				
	Annual Percent Change, 2002 from 2001					Annual Percent Change, 2003 from 2002				
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	4.0	0.5	(0.7)	0.9	(8.0)	6.0	5.0	1.5	1.5	2.0
Dick Conway & Associates	2.0	(1.0)	(1.2)	0.9	(8.0)	5.3	3.5	1.0	0.9	5.0
Doug Pedersen & Associates	2.0	(0.5)	(1.0)	1.1	(5.0)	5.5	4.3	1.3	1.1	5.0
Office of Forecast Council *	1.3	2.4	(1.3)	1.1	(11.3)	5.0		1.4	1.0	(3.8)
Wells Fargo & Co.	2.6	0.8	(0.5)	1.0	(5.0)	5.6	3.6	2.3	1.2	2.0
Consensus Forecast - This Month	2.4	0.4	(0.9)	1.0	(7.5)	5.5	4.1	1.5	1.1	2.0
- Last Month	2.7	0.3	(0.8)	1.0	(6.0)	5.4	3.9	1.4	1.1	0.6

* Population forecast is from the Office of Financial Management.

CONSTRUCTION JOB GROWTH

Percent Change, YTD December 2001 over YTD December 2000



Source: U.S. Bureau of Labor Statistics

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
2001	\$136,106†	\$124,354†	2,267††	\$45,610†	211††	46,111†	5,323.5	4.5††
Percent Change	5.4	3.1	0.9	3.8	(1.6)	(5.6)	2.6	
2000	129,133	120,650	2,248.0	43,940	214.9	48,846	5,187	3.9
Percent Change	8.2	5.8	3.9	7.8	1.5	(5.6)	3.4	
1999	119,354	114,053	2,163.1	40,769	211.7	51,764	5,017	4.4
Percent Change	5.7	4.2	4.3	10.0	(2.0)	1.5	3.2	
1998	112,910	109,409	2,074.7	37,071	216.0	50,997	4,864	3.8
Percent Change	8.9	7.6	4.5	7.2	4.1	18.6	3.3	
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
2001	\$1,129,803†	\$1,032,247†	14,776††	\$282,028†	1,911††	105,855†	35,203†	5.2††
Percent Change	3.2	0.9	1.8	1.7	(0.6)	1.2	1.7	
2000	1,094,770	1,022,855	14,518.6	277,314	1,923.0	104,600	34,615	4.9
Percent Change	9.8	7.3	3.8	8.5	0.0	1.8	1.7	
1999	997,293	953,004	13,991.8	255,589	1,923.8	102,750	34,036	5.2
Percent Change	7.0	5.6	2.9	11.4	(1.4)	10.0	1.6	
1998	931,627	902,739	13,596.1	229,406	1,951.2	93,414	33,494	5.9
Percent Change	8.1	6.8	3.6	5.6	1.9	11.0	1.6	
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
2001	\$150,598†	\$137,595†	\$2,253††	\$59,626†	202.0††	36,477†	4,418††	3.5††
Percent Change	7.3	4.9	1.7	2.7	(1.1)	(3.2)	2.2	
2000	140,353	131,133	2,214.8	\$58,058	204.0	37,699	4,323	2.6
Percent Change	10.0	7.5	3.9	10.9	(0.1)	(1.9)	*	
1999	127,638	121,969	2,131.8	52,368	204.1	38,410	4,056	2.9
Percent Change	7.8	6.3	3.6	8.7	(1.5)	6.4	2.2	
1998	118,407	114,735	2,057.0	48,173	207.3	36,107	3,969	3.8
Percent Change	8.9	7.5	3.9	6.7	1.8	13.0	2.0	
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								

* 2000 and 2001 based on 2000 Census; 1999 and 1998 based on 1990 Census.

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
2001	\$32,226†	\$29,480†	567††	\$14,278†	76††	9,926†	1,321†	4.8††
Percent Change	4.9	2.6	1.3	3.8	(1.2)	(1.7)	1.7	
2000	30,759	28,738	560	\$13,755	76.4	10,098	1,299	4.5
Percent Change	7.7	5.3	3.9	4.5	(0.2)	(3.8)	*	
1999	28,572	27,303	538.9	13,163	76.6	10,497	1,252	5.2
Percent Change	5.5	4.1	3.3	4.8	0.6	2.1	1.7	
1998	27,079	26,240	521.8	12,560	76.1	10,277	1,231	5.0
Percent Change	7.3	6.0	2.3	4.4	2.2	16.3	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

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
2001	\$63,456†	\$57,977†	1,064††	\$31,709††	\$9,794†	26,981†	2,106††	5.1††
Percent Change	6.4	4.0	3.4	7.7	3.1	4.8	4.3	
2000	59,640	55,722	1,028.7	29,454	9,499.7	25,749	2,019	3.9
Percent Change	7.1	4.7	4.7	6.1	5.3	6.0	*	
1999	55,706	53,232	982.9	27,761	9,021.6	24,283	1,809	4.4
Percent Change	7.1	5.6	6.2	6.5	11.9	(0.7)	3.8	
1998	52,032	50,418	925.9	26,068	8,065.1	24,445	1,744	4.3
Percent Change	10.1	8.8	3.9	4.6	3.4	4.2	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

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
2001	\$42,091†	\$38,457†	755††	\$12,540††	42.3††	8,929††	1,829†	5.7††
Percent Change	5.3	3.0	1.5	3.6	(0.7)	11.1	0.4	
2000	39,973	37,347	743.9	12,099	42.6	8,037	1,821	5.5
Percent Change	5.5	3.1	2.0	5.5	0.7	(6.5)	*	
1999	37,890	36,208	729.6	11,466	42.3	8,595	1,740	5.6
Percent Change	2.8	1.4	1.3	2.1	(5.4)	(6.7)	0.4	
1998	36,867	35,723	720	11,225	44.7	9,217	1,734	6.2
Percent Change	5.8	4.5	1.6	5.3	(3.2)	12.6	0.6	

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

* 2000 and 2001 based on 2000 Census; 1999 and 1998 based on 1990 Census.

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

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
2001	\$98,609†	\$90,095†	1,592††	234.6††	16,217.0†	21,049.0††	3,374†	5.9††
Percent Change	3.8	1.5	(0.7)	(3.4)	4.4	6.4	1.1	
2000	94,999	88,759	1,603.3	242.9	15,532	19,785	3,337	4.8
Percent Change	6.7	4.3	1.8	0.7	(6.4)	(14.9)	1.1	
1999	89,058	85,103	1,575	241.2	16,595	23,249	3,301	5.7
Percent Change	4.5	3.0	1.5	(1.8)	(2.0)	(10.1)	1.0	
1998	85,262	82,618	1,551.8	245.7	16,936	25,854	3,268	5.6
Percent Change	5.8	4.5	1.7	0.8	4.2	(4.2)	1.6	

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
2001	\$615,580†	\$562,426†	9,639††	\$306†	1,075††	111,352†	21,325††	4.7††
Percent Change	6.0	3.7	2.1	5.2	(0.8)	4.5	1.8	
2000	580,736	542,588	9,443.3	291	1,083.9	106,601	20,947	4.3
Percent Change	7.7	5.3	3.1	7.0	(1.4)	4.7	*	
1999	539,347	515,396	9,159.2	272.1	1,098.9	101,848	20,044	4.6
Percent Change	5.3	3.9	2.5	11.1	(0.9)	2.0	1.7	
1998	512,089	496,210	8,940.1	244.9	1,109.1	99,831	19,712	4.8
Percent Change	9.2	7.9	3.9	4.7	2.3	(21.5)	1.8	

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

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
2001	\$55,202†	\$50,436†	1,089††	\$17,935†	128.9††	15,868†	2,270††	4.0††
Percent Change	5.2	2.9	1.1	3.8	(1.5)	(2.4)	1.3	
2000	52,474	49,027	1,077.1	17,278	130.9	16,258	2,242	3.2
Percent Change	6.7	4.3	2.7	4.8	(1.0)	(2.2)	*	
1999	47,172	46,988	1,048.6	16,490	132.2	16,624	2,130	3.7
Percent Change	5.1	3.7	2.5	5.3	(0.9)	2.1	1.4	
1998	46,781	45,330	1,023.3	15,655	133.4	16,287	2,101	3.8
Percent Change	7.1	5.8	3.0	5.3	0.4	9.9	1.7	

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

* 2000 and 2001 based on 2000 Census; 1999 and 1998 based on 1990 Census.

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

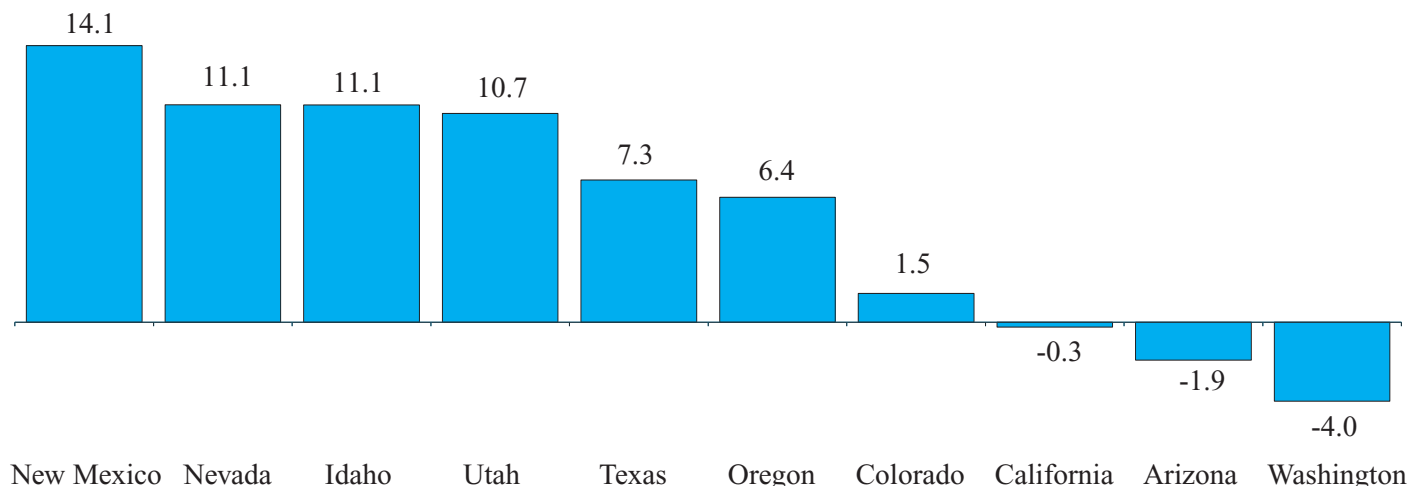
WASHINGTON

	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
2001	\$191,099†	\$174,598†	2,738††	\$85,975†	337.5††	28,137†	5,988††	6.0††
Percent Change	3.7	1.4	0.8	1.5	(3.6)	3.1	1.3	
2000	184,280	172,175†	2,716.8	84,704	350.2	27,283	5,908	4.8
Percent Change	5.7	3.4	2.6	6.3	(3.7)	(7.8)	*	
1999	174,324	166,582	2,648.7	79,684	363.7	29,598	5,756	4.7
Percent Change	6.8	5.3	2.1	7.8	(4.2)	(3.3)	1.2	
1998	163,291	158,228	2,594.9	73,934	379.5	30,610	5,688	4.8
Percent Change	8.7	7.4	3.2	6.6	2.6	2.4	1.5	

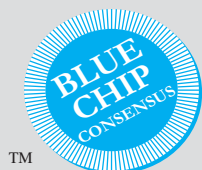
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Washington State Employment Security; Taxable Retail Sales – Washington Department of Revenue; Manufacturing Employment – Washington State Employment Security; Housing Permits – U.S. Department of the Census;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

* 2000 and 2001 based on 2000 Census; 1999 and 1998 based on 1990 Census.

NEW PRIVATELY OWNED HOUSING UNITS AUTHORIZED Percent Change, YTD December 2001 over YTD December 2000



Source: U.S. Census Bureau



WESTERN BLUE CHIP ECONOMIC FORECAST

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