

Labor Markets Continue Downward Spiral

by Lee McPheters



The prevailing consensus among economy-watchers is that the economic contraction will worsen in the current quarter, with Gross Domestic Product, consumer spending and employment all slipping to new lows for this year.

The first wave of labor market information for the fourth quarter is now available, with seasonally adjusted employment down by 240,000 jobs in October, according to the Bureau of Labor Statistics (<http://stats.bls.gov/news.release/empsit.nr0.htm>). The October job losses mark the 10th consecutive month of declining employment for the nation.

Employment conditions vary by individual states. As of October, 31 states were losing jobs, a new high for the current cycle. Seven of these were Western states. Idaho (47) and Arizona (49) ranked in the bottom five of all states in labor market performance in October. The Grand Canyon State was particularly weak, with employment down by 2.7 percent over the year, and 70,900 fewer jobs

(see table).

At the opposite end of the rankings were Wyoming, still at the top of the leader board in percentage employment increase, and Texas, in second place. If states were ranked by number of new jobs created, the Lone Star State would be the winner by far, with gains of 231,400. Montana, Colorado and New Mexico are the remaining Western states adding jobs, as of October.

Unemployment up again

California has the highest unemployment rate in the West, with an October figure of 8.2 percent, the most recorded in the Golden State since the early months of 1984. Nevada has the second highest unemployment rate (7.6) in the West. Nationally, other states with October unemployment rates of 8 percent or more include South Carolina (8.0), Michigan (9.2) and Rhode Island (9.3). Wyoming reported the lowest unemployment rate (3.3) in the country. Other Western states with unemployment below 5 percent in October include Utah (3.5), New Mexico (4.4) and Montana (4.8).

Western states outlook

In times like these, it is perilous to attempt to project economic conditions very far ahead. Based on the current trajectory of the Western states, a few observations may be made. First, Wyoming seems to be in a league of its own. Over-the-year monthly job creation has actually accelerated in recent months, after slowing a bit in the summer of this year. Four states (Arizona, California, Idaho and Oregon) are losing jobs and seem on a course that will bring even greater job losses and higher unemployment in the months ahead. Nevada also is losing jobs but, for now, appears to be bottoming out. Utah and Washington have just this month recorded over-the-year job losses, after positive gains during the first three quarters. Four states (Colorado, Montana, New Mexico and Texas) have not yet experienced any job loss at all. Of these, Texas has healthiest labor markets.

Nonfarm Job Creation/Losses in Western States
(Percent Change Oct. 2008 over Oct. 2007)

National Rank	State	Percent Change	Employment Change
1	Wyoming	3.3	9,500
2	Texas	2.2	231,400
5	Montana	1.2	5,300
14	Colorado	0.5	11,700
18	New Mexico	0.1	1,000
20	Utah	--	-200
32	Nevada	-0.5	-6,700
35	Washington	-0.6	18,400
37	California	-0.7	-100,900
44	Oregon	-1.4	-24,500
47	Idaho	-1.8	-11,800
49	Arizona	-2.7	-70,900

Source: U. S. Bureau of Labor Statistics



Consensus Summary



Forecast Released December 1,
2008

2008 Forecast				
	Current \$ Personal Income	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Arizona	3.6	-1.2	2.0	-37.3
California	3.8	-0.3	1.1	-33.5
Colorado	5.2	1.6	1.9	-24.8
Idaho	5.7	1.4	2.0	-17.2
Montana	6.0	1.8	0.9	-35.0
Nevada	5.8	0.8	2.7	-12.5
New Mexico	4.7	1.1	1.6	-16.4
Oregon	4.8	0.6	1.4	-21.8
Texas	6.6	2.0	1.7	-14.9
Utah	6.4	2.1	2.3	-23.4
Washington	4.8	1.2	1.5	-32.8
Wyoming	6.6	2.8	1.1	-10.8

2009 Forecast				
	Current \$ Personal Income	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Arizona	3.5	0.0	2.0	-0.1
California	3.5	0.1	1.1	14.7
Colorado	4.9	1.4	1.8	1.7
Idaho	5.5	2.1	2.1	5.0
Montana	5.0	2.0	1.0	10.0
Nevada	5.6	1.6	3.2	7.2
New Mexico	2.6	0.5	1.6	-8.4
Oregon	4.8	0.7	1.4	-1.6
Texas	5.8	1.6	1.6	-2.1
Utah	6.5	2.0	2.2	14.2
Washington	4.2	0.3	1.5	0.9
Wyoming	6.6	2.7	1.0	4.5

BLUE CHIP ECONOMIC FORECAST

WESTERN

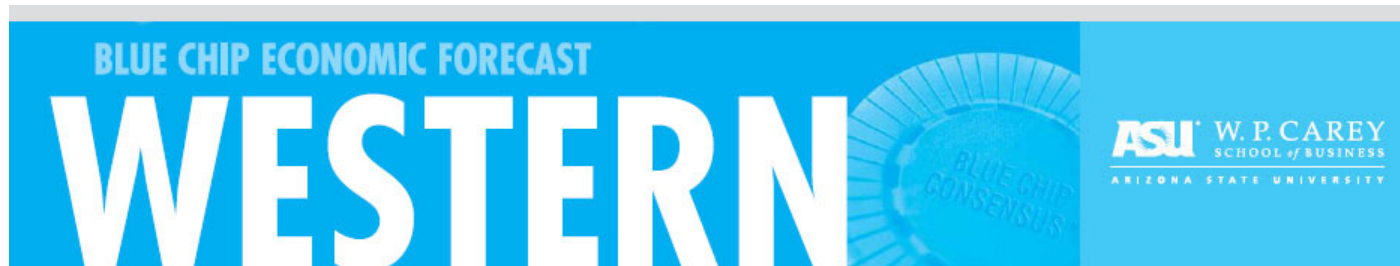




Arizona

Forecast for December 2008

2008 Forecast					
	Annual Percent Change 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Arizona Department of Commerce	3.2	-5.0	-1.3	1.5	-35.0
Arizona Public Service	2.3	-6.8	-1.5	1.5	-50.0
ASU - Economic Outlook Center	4.0	-5.0	-1.5	2.2	-45.0
Davidson Fixed Income Management	3.3	-2.9	-1.8		
ECON-LINC	2.9	-4.8	-1.8	1.1	-45.0
EconLit LLC	3.9	0.0	-1.0	2.3	-30.0
Elliott D. Pollack & Co.	3.0	-5.0	-2.0	2.0	-50.0
Joint Legislative Budget Committee	4.0	-3.0	-1.5	2.2	-30.0
The Maguire Company	3.3	-6.0	-1.4	2.0	-40.0
NAU - BBER	4.3	-3.5	-1.5	1.7	-30.0
Salt River Project	3.6	-1.8	-1.2	1.2	-35.0
Southwest Growth Partners	2.6	-5.2	-1.6	2.2	-46.0
Stellar Capital Management	3.7	-2.0	-0.5	2.1	-35.0
UA - Eller College	3.8	-0.5	-0.3	2.3	-46.9
VisionEcon/Governing Star Group	4.5	0.5	0.3	2.5	-25.0
Wells Fargo & Co.	5.7	2.6	0.2	2.8	-17.0
Consensus - This Month	3.6	-3.0	-1.2	2.0	-37.3
Consensus - Last Month	3.8	-1.8	-1.0	2.1	-31.3

2009 Forecast					
	Annual Percent Change 2009 from 2008				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Arizona Department of Commerce	3.7	1.9	-0.5	2.1	2.5
Arizona Public Service	0.5	-5.0	-2.5	1.0	-15.0
ASU - Economic Outlook Center	3.0	-3.0	-1.0	2.0	5.0
Davidson Fixed Income Management	1.1	1.5	-1.3		
ECON-LINC	2.8	1.0	-0.5	1.4	-10.0
EconLit LLC	4.5	1.8	1.0	2.5	2.5
Elliott D. Pollack & Co.	2.5	0.0	-1.0	2.0	0.0
Joint Legislative Budget Committee	4.1	2.0	1.0	2.2	5.0
The Maguire Company	2.6	1.0	-1.0	1.8	0.0
NAU - BBER	7.5	1.0	3.5	1.5	10.0
Salt River Project	4.2	2.4	1.1	2.0	5.0
Southwest Growth Partners	3.2	1.2	0.5	2.4	-15.0
Stellar Capital Management	3.8	2.1	1.0	2.2	2.0
UA - Eller College	1.5	1.2	-1.5	2.0	14.6
VisionEcon/Governing Star Group	5.3	4.4	1.3	2.4	2.0
Wells Fargo & Co.	5.5	2.7	0.6	2.8	-10.0
Consensus - This Month	3.5	1.0	0.0	2.0	-0.1
Consensus - Last Month	4.0	2.0	0.8	2.2	1.5



California

Forecast for December 2008

2008 Forecast					
	Annual Percent Change 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Anonymous	4.5	1.1	-0.2	1.2	-46.3
California State University, Long Beach *	3.8	3.0	-0.3	1.5	-2.9
Chapman University	3.2	-1.4	-0.6	1.0	-32.5
Economic Development Corp. of L.A.	4.5	-1.2	-0.2	1.2	-47.4
Legislative Analyst's Office	3.9	-3.5	-0.5	1.0	-38.1
UCLA - Business Forecasting Project	3.0	-1.9	-0.4	1.1	-50.1
University of the Pacific	4.0	1.9	0.1	0.8	-26.4
Wells Fargo & Company - MN	3.6	2.6	0.1	1.0	-24.5
Consensus - This Month	3.8	0.1	-0.3	1.1	-33.5
Consensus - Last Month	4.1	0.9	-0.2	1.1	-30.0

2009 Forecast					
	Annual Percent Change 2009 from 2008				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Anonymous	4.1	5.0	0.6	1.2	70.6
California State University, Long Beach *	3.3	2.1	0.9	1.3	20.7
Chapman University	2.7	-1.3	-0.5	1.1	-3.2
Economic Development Corp. of L.A.	5.2	1.8	0.6	1.2	-10.4
Legislative Analyst's Office	2.1	-0.4	-1.3	1.0	5.7
UCLA - Business Forecasting Project	-0.1	-2.5	-1.6	1.0	2.7
University of the Pacific	5.4	4.2	1.4	0.9	37.1
Wells Fargo & Company - MN	4.9	2.8	0.9	1.0	-5.4
Consensus - This Month	3.5	1.5	0.1	1.1	14.7
Consensus - Last Month	4.3	3.4	0.7	1.1	18.6

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ASU W. P. CAREY
SCHOOL of BUSINESS
ARIZONA STATE UNIVERSITY



Colorado

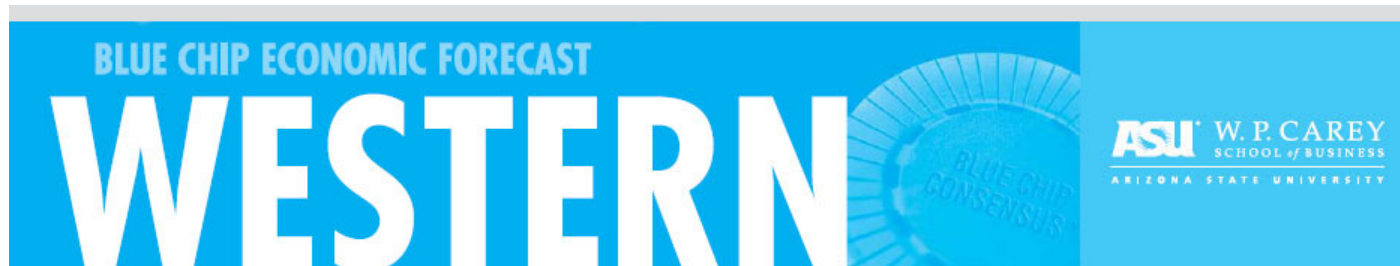
Forecast for December 2008

2008 Forecast

	Annual Percent Change 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
The Adams Group, Inc.	5.0	3.9	0.9	1.9	-35.0
Center for Business & Economic Forecasting	4.5	3.0	1.0	1.9	-29.0
Colorado Legislative Council	6.0	3.8	1.6	2.0	-32.1
Eastern New Mexico University	6.0	4.3	2.2	1.8	-8.1
Office of State Planning & Budgeting	4.6	2.6	4.2	2.0	-22.4
University of Colorado - Leeds	5.0	2.0	0.0	1.9	-10.0
Wells Fargo & Co.	4.6	2.5	1.5	1.4	-18.6
Xcel Energy	5.8	5.0	1.5	1.9	-43.0
Consensus - This Month	5.2	3.4	1.6	1.9	-24.8
Consensus - Last Month	5.5	3.6	1.4	1.9	-21.3

2009 Forecast

	Annual Percent Change 2009 from 2008				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
The Adams Group, Inc.	4.1	2.9	0.0	1.8	0.0
Center for Business & Economic Forecasting	3.8	-1.0	-0.3	1.8	-5.0
Colorado Legislative Council	6.2	4.5	1.9	1.8	18.8
Eastern New Mexico University	6.0	4.2	2.1	1.7	-3.1
Office of State Planning & Budgeting	3.9	2.1	3.3	2.0	-0.1
University of Colorado - Leeds	6.0	4.0	1.6	1.9	5.0
Wells Fargo & Co.	4.2	2.4	1.7	1.3	-6.7
Xcel Energy	4.8	4.3	0.7	1.9	5.0
Consensus - This Month	4.9	2.9	1.4	1.8	1.7
Consensus - Last Month	4.9	3.0	1.2	1.8	2.5

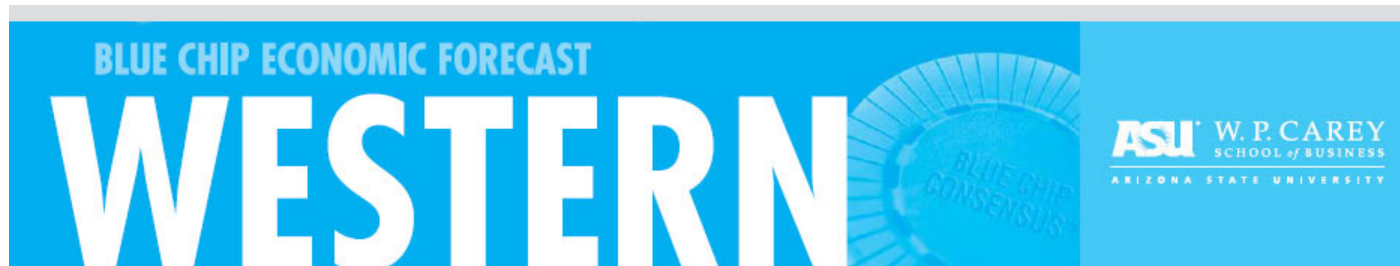


Idaho

Forecast for December 2008

2008 Forecast					
	Annual Percent Change 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population 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
Wells Fargo & Company - UT	4.0	3.5	0.0	1.8	-40.0
Consensus - This Month	5.7	3.5	1.4	2.0	-17.2
Consensus - Last Month	5.7	3.5	1.4	2.0	-17.2

2009 Forecast					
	Annual Percent Change 2009 from 2008				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Idaho Division of Financial Management					
Idaho Economics	6.4		2.3	2.1	0.0
Wells Fargo & Company - UT	4.5	4.0	1.8	2.0	10.0
Consensus - This Month	5.5	4.0	2.1	2.1	5.0
Consensus - Last Month	5.5	4.0	2.1	2.1	5.0



Montana

Forecast for December 2008

2008 Forecast				
	Annual Percent Change 2008 from 2007			
	Current \$ Personal Income	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
University of Montana	6.5	2.1	0.8	
Wells Fargo & Company - UT	5.5	1.5	1.0	-35.0
Consensus - This Month	6.0	1.8	0.9	-35.0
Consensus - Last Month	6.0	1.8	0.9	-35.0

2009 Forecast				
	Annual Percent Change 2009 from 2008			
	Current \$ Personal Income	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
University of Montana				
Wells Fargo & Company - UT	5.0	2.0	1.0	10.0
Consensus - This Month	5.0	2.0	1.0	10.0
Consensus - Last Month	5.0	2.0	1.0	10.0



Nevada

Forecast for December 2008

2008 Forecast					
	Annual Percent Change 2008 from 2007				
	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Dept. of Employment, Training & Rehab.		-5.0	-1.1	2.0	
Restrepo Consulting Group, LLC	5.0	-5.5	-1.0	2.5	-20.0
Southwest Gas Corporation	8.0	5.3	4.8	3.9	2.0
University of Nevada at Las Vegas - CBER	5.5	1.6	2.1	2.1	-21.9
Wells Fargo & Company - MN	4.7	4.9	-0.7	3.0	-10.1
Consensus - This Month	5.8	0.3	0.8	2.7	-12.5
Consensus - Last Month	5.8	0.5	1.4	3.1	-11.8

2009 Forecast					
	Annual Percent Change 2009 from 2008				
	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Dept. of Employment, Training & Rehab.		2.0	0.3	2.0	
Restrepo Consulting Group, LLC	5.0		2.0	3.0	10.0
Southwest Gas Corporation					
University of Nevada at Las Vegas - CBER	7.1	4.0	3.7	5.0	23.7
Wells Fargo & Company - MN	4.8	4.6	0.2	2.9	-12.2
Consensus - This Month	5.6	3.5	1.6	3.2	7.2
Consensus - Last Month	5.6	3.2	1.8	3.7	1.2

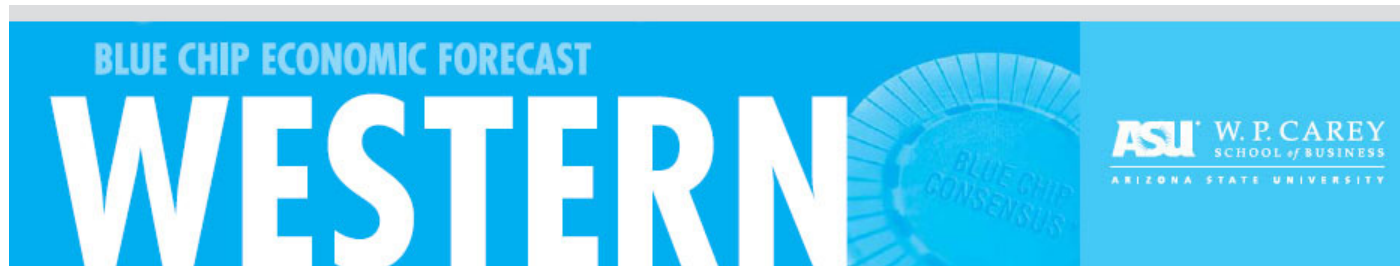


New Mexico

Forecast for December 2008

2008 Forecast					
	Annual Percent Change 2008 from 2007				
	Current \$ Personal Income	Mfg. Employ.	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Eastern New Mexico University	5.4	0.6	1.7	1.4	-4.7
New Mexico State University - CEMAF	6.0	1.0	1.9	1.5	
PNM Resources	2.1	0.1	1.0	1.2	-15.0
University of New Mexico - BBER	5.4	-6.4	0.6	1.9	-40.0
Wells Fargo & Company - MN	4.5	0.2	0.4	1.8	-5.7
Consensus - This Month	4.7	-0.9	1.1	1.6	-16.4
Consensus - Last Month	4.6	0.0	1.2	1.5	-9.1

2009 Forecast					
	Annual Percent Change 2009 from 2008				
	Current \$ Personal Income	Mfg. Employ.	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Eastern New Mexico University	5.5	0.7	1.6	1.6	-3.0
New Mexico State University - CEMAF					
PNM Resources	-1.5	2.6	0.1	1.2	-2.0
University of New Mexico - BBER	1.9	-7.6	-0.2	1.7	-21.8
Wells Fargo & Company - MN	4.3	0.3	0.5	1.7	-6.9
Consensus - This Month	2.6	-1.0	0.5	1.6	-8.4
Consensus - Last Month	4.4	0.3	1.2	1.5	-1.6

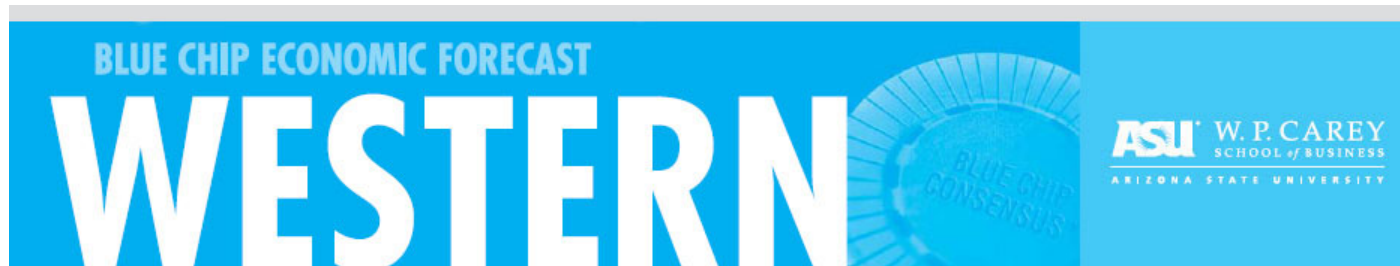


Oregon

Forecast for December 2008

2008 Forecast					
	Annual Percent Change 2008 from 2007				
	Current \$ Personal Income	Mfg. Employ.	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Conerly Consulting	5.0	-3.7	0.3	1.3	-36.5
Forefront Economics	5.7	1.5	2.1	1.3	-3.0
John Mitchell	5.5	-0.5	0.8	1.4	-15.0
Oregon Executive Department	4.0	-3.9	0.0	1.2	-40.2
Portland General Electric	3.9	-2.2	0.2	1.4	-30.0
Wells Fargo & Company - MN	4.6	0.5	0.4	1.5	-5.8
Consensus - This Month	4.8	-1.4	0.6	1.4	-21.8
Consensus - Last Month	4.7	-1.5	0.6	1.4	-23.0

2009 Forecast					
	Annual Percent Change 2009 from 2008				
	Current \$ Personal Income	Mfg. Employ.	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Conerly Consulting	5.3	-1.2	1.2	1.4	1.0
Forefront Economics	5.3	1.2	1.8	1.3	3.0
John Mitchell	6.1	1.5	1.4	1.5	8.0
Oregon Executive Department	2.4	-4.4	-1.5	1.1	-17.4
Portland General Electric	4.9	0.5	0.9	1.5	5.0
Wells Fargo & Company - MN	4.6	0.5	0.5	1.4	-9.2
Consensus - This Month	4.8	-0.3	0.7	1.4	-1.6
Consensus - Last Month	4.4	-0.6	0.4	1.4	-1.9

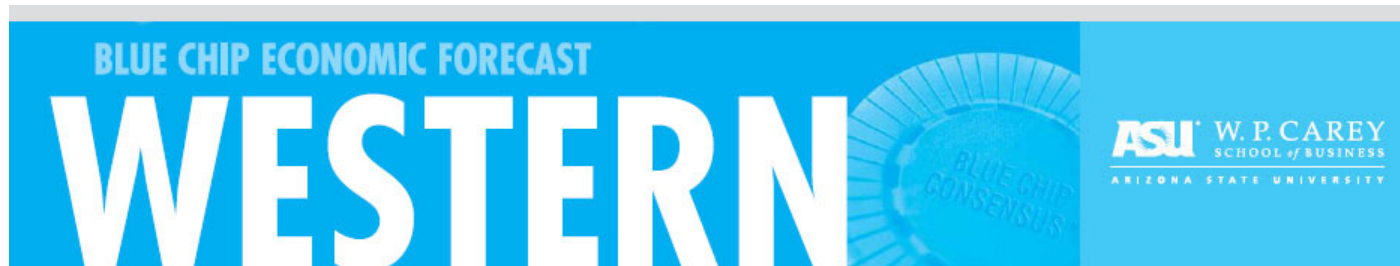


Texas

Forecast for December 2008

2008 Forecast					
	Annual Percent Change 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Eastern New Mexico University	6.7	5.3	2.1	1.8	-7.4
Econoclast	5.9	5.2	1.8	1.7	-10.5
Federal Reserve Bank of Dallas	7.5	6.4	2.5	1.9	-10.0
Perryman Group	6.5	5.9	2.0	1.8	-10.1
TX State Comptroller of Public Accounts	6.7	3.8	2.1	1.7	-17.3
University of Houston - CPP	5.5	4.4	1.6	1.6	-19.4
University of North Texas	6.7	5.5	1.4	1.5	-25.0
University of Texas at El Paso	7.1	6.5	2.1	1.9	-9.6
Wells Fargo & Company - MN	7.0	5.5	2.0	1.8	-25.2
Consensus - This Month	6.6	5.4	2.0	1.7	-14.9
Consensus - Last Month	6.2	5.2	2.0	1.7	-13.3

2009 Forecast					
	Annual Percent Change 2009 from 2008				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Eastern New Mexico University	6.2	5.1	1.8	1.7	-2.8
Econoclast	6.2	5.8	1.9	1.7	2.9
Federal Reserve Bank of Dallas	7.3	6.5	2.8	1.9	4.5
Perryman Group	6.7	6.0	1.9	1.0	-4.9
TX State Comptroller of Public Accounts	2.2	1.5	-0.5	1.9	-31.0
University of Houston - CPP	5.9	5.1	1.8	1.7	3.3
University of North Texas	6.6	5.0	1.6	1.5	8.0
University of Texas at El Paso	6.2	5.7	1.9	1.8	3.3
Wells Fargo & Company - MN	4.8	4.0	1.2	1.6	-2.2
Consensus - This Month	5.8	5.0	1.6	1.6	-2.1
Consensus - Last Month	6.1	5.2	1.8	1.6	-0.7

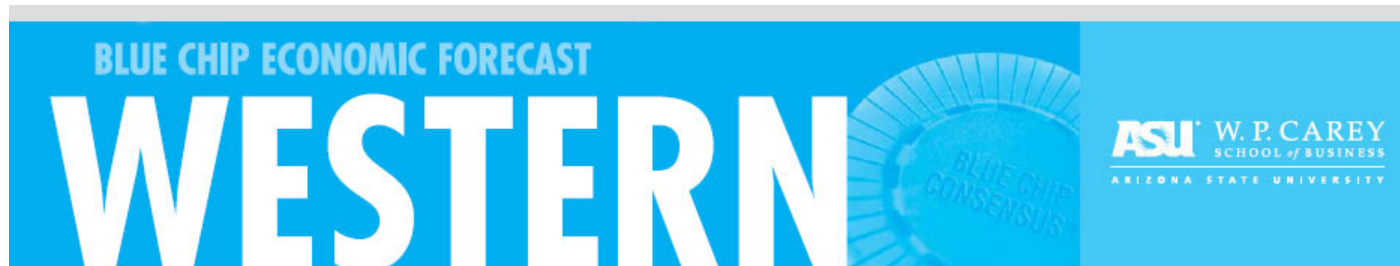


Utah

Forecast for December 2008

2008 Forecast					
	Annual Percent Change 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Pacificorp	6.6	4.6	3.1	2.2	7.3
Utah Department of Workforce Services	6.0	4.1	0.3	2.8	-50.0
Utah State Tax Commission	7.1	3.4	3.5	1.5	-10.7
Wells Fargo & Company - UT	6.0	4.5	1.5	2.8	-40.0
Consensus - This Month	6.4	4.2	2.1	2.3	-23.4
Consensus - Last Month	6.4	4.2	2.1	2.3	-23.4

2009 Forecast					
	Annual Percent Change 2009 from 2008				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Pacificorp					
Utah Department of Workforce Services	6.9	3.7	1.0	2.4	30.0
Utah State Tax Commission	7.0	6.1	2.9	1.4	2.5
Wells Fargo & Company - UT	5.5	4.5	2.0	2.8	10.0
Consensus - This Month	6.5	4.8	2.0	2.2	14.2
Consensus - Last Month	6.5	4.8	2.0	2.2	14.2

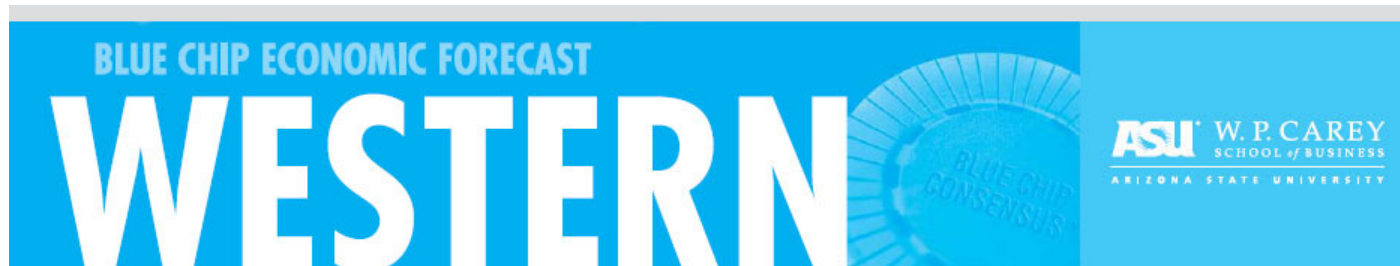


Washington

Forecast for December 2008

2008 Forecast					
	Annual Percent Change 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Conerly Consulting	5.9	3.4	1.2	1.5	-29.7
Dick Conway & Associates	4.4	-4.0	1.0	1.5	-36.9
Doug Pedersen & Associates	4.7	-5.8	1.1	1.5	-38.5
Office of the Forecast Council	4.0	-2.2	0.9		-43.0
Wells Fargo & Company - MN	5.1	4.0	1.7	1.5	-15.7
Consensus - This Month	4.8	-0.9	1.2	1.5	-32.8
Consensus - Last Month	5.3	0.5	1.4	1.5	-25.9

2009 Forecast					
	Annual Percent Change 2009 from 2008				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
Conerly Consulting	6.6	5.0	1.7	1.7	0.3
Dick Conway & Associates	2.9	-3.5	-0.9	1.4	8.8
Doug Pedersen & Associates	3.6	-0.5	-0.5	1.4	2.6
Office of the Forecast Council	3.0	-0.3	-0.7		-1.1
Wells Fargo & Company - MN	5.0	3.9	1.8	1.5	-6.0
Consensus - This Month	4.2	0.9	0.3	1.5	0.9
Consensus - Last Month	4.9	3.1	0.8	1.5	10.0



Wyoming

Forecast for December 2008

2008 Forecast				
	Annual Percent Change 2008 from 2007			
	Current \$ Personal Income	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
WY Ctr. for Business & Economic Analysis	6.1	2.9	1.0	-2.5
WY Dept. of Administration & Information	7.0	2.6	1.2	-10.0
Wells Fargo & Company - UT	6.7	2.8	1.0	-20.0
Consensus - This Month	6.6	2.8	1.1	-10.8
Consensus - Last Month	7.2	2.7	1.1	-16.0

2009 Forecast				
	Annual Percent Change 2009 from 2008			
	Current \$ Personal Income	Wage & Salary Empl.	Population Growth	Single-family Housing Permits
WY Ctr. for Business & Economic Analysis	6.8	2.9	1.0	1.5
WY Dept. of Administration & Information	6.5	2.4	1.1	2.0
Wells Fargo & Company - UT	6.5	2.7	1.0	10.0
Consensus - This Month	6.6	2.7	1.0	4.5
Consensus - Last Month	6.3	2.3	0.9	1.3