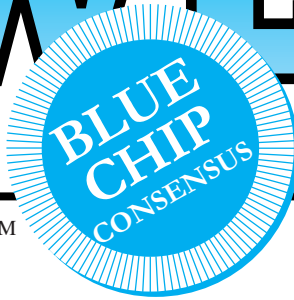


WESTERN



BLUE CHIP ECONOMIC FORECAST

TM

What Blue Chip economists are saying about the Western states

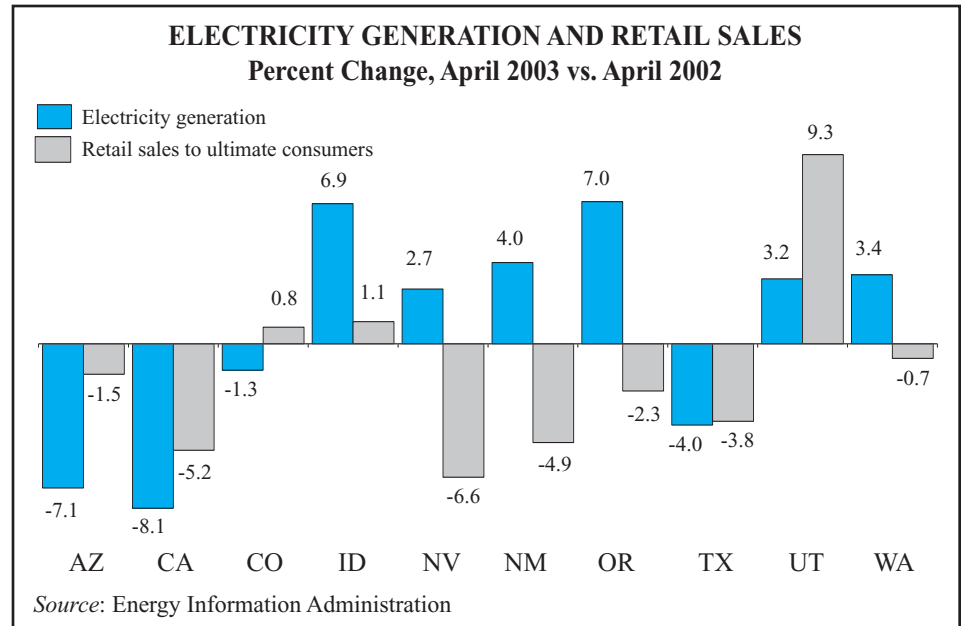
VOLUME 17 • NUMBER 7 • SEPTEMBER 2003

Energy, housing markets concern economy watchers

The energy industry is again at the forefront of economic news. While the blackout in the Northeast has stolen headlines worldwide, there are vulnerabilities in the Western states as well.

Continued drought conditions have put pressure on the production of hydroelectricity, and California still has not resolved many of the issues that brought the state into crisis a couple of years ago. Arizona found itself vulnerable in the area of gasoline distribution when a pipeline break, although only slightly disrupting supply, caused panic buying and a subsequent gas shortage in Phoenix.

The electricity generation industry suffered a major shock because of the events in California. The functioning of the energy markets, however, hasn't changed much, meaning that the system remains vulnerable. In April 2003, generation in California was down by 8.1 percent compared to the previous April. In Nevada, generation fell by 6.6 percent and retail sales rose by 4 percent, but the amount generated was similar to the amount sold (see chart on page 7). California, however, remains a net



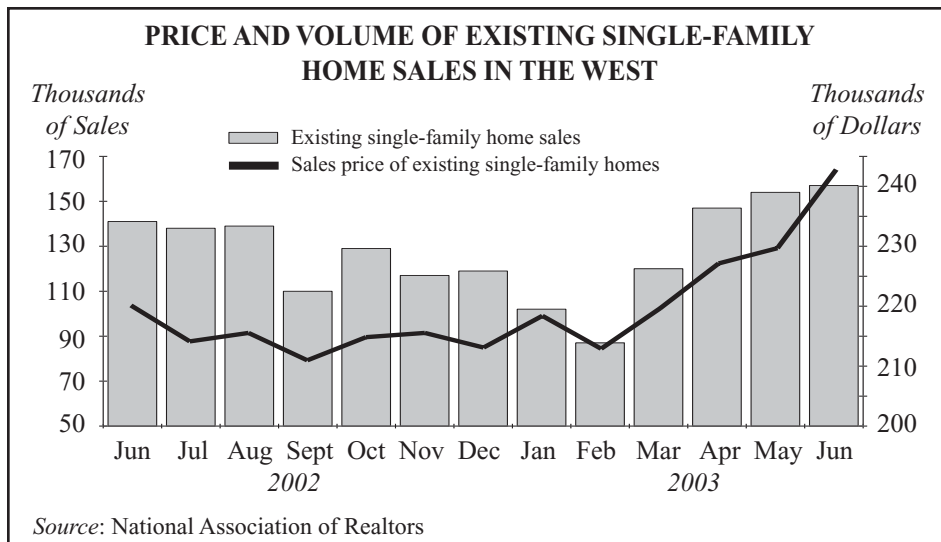
importer of electricity.

As the economy struggles to gain some ground toward solid growth, there are growing concerns about an overheated housing market. While the stock market reacted

favorably to ever-increasing housing starts and sales, there is some uneasiness in that mortgage rates cannot continue to drop. The chart at left shows the sharp increase in the purchase of existing single-family homes. This is concurrent with a sharp increase in the price of the homes. At some point, sellers will have to lower their prices as rates rise. Consequently any bubble in the market will either burst or fizzle.

The biggest concern in the economic recovery is the lack of job growth. The National Roundup on Page 2 shows that the nation is still losing jobs. For June 2003 compared to June 2002, five of the Western states showed positive growth, putting them in the top third of the nation. Unfortunately, the growth rates that earned them that title are slim. In order for the recovery to gain a strong hold, business spending on both human and physical capital must resume.

— Dawn McLaren
Research Economist



NATIONAL ROUNDUP

U.S. JOB GROWTH



% Change: June 2003 vs June 2002

Nonfarm	-0.4
Goods-Producing	-2.6
Construction	-0.1
Manufacturing	-3.9
Service-Providing	0.1
Transportation, Warehousing & Utilities	-2.0
Trade	-0.4
Information	-4.0
Financial Activities	0.7
Professional & Business Services	-0.6
Educational & Health Services	2.0
Leisure & Hospitality	0.3
Government	0.4

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE

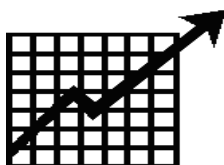


Residential Building Permits June 2003 vs June 2002

	Total Residential	Single- family	Multi- family
2003	172,066	135,521	36,545
2002	156,025	118,175	37,850
% Δ	10.3	14.7	-3.4

Source: U.S. Department of Commerce

U.S. FORECASTS

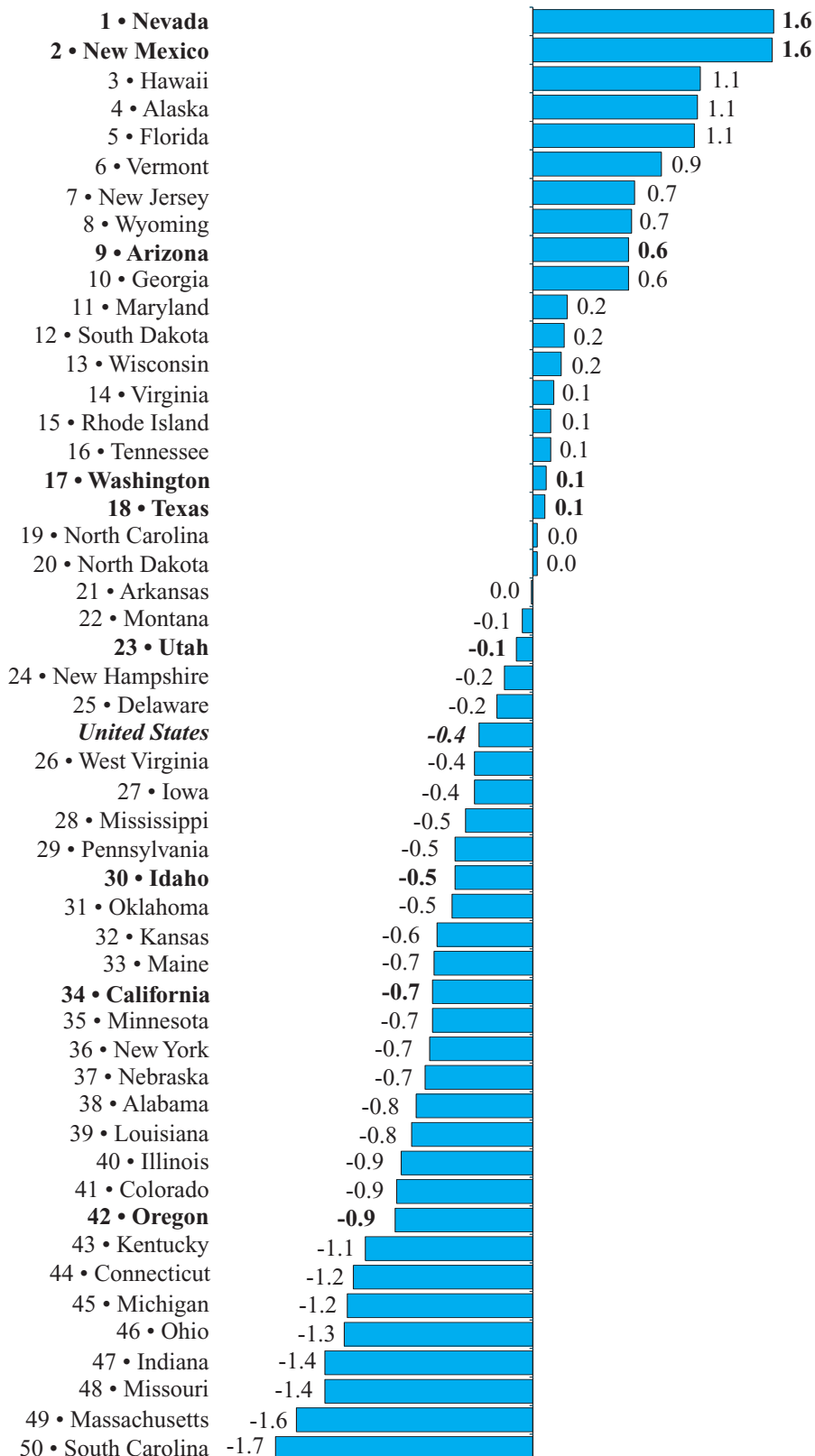


Percent Change

	2003	2004
Real GDP (Chain)	2.0	3.8
CPI	2.2	1.5
GDP Deflator (Chain)	1.6	1.6

Source: "U.S. Economic Outlook," *Global Insight*, July 2003

TOTAL NONFARM JOB GROWTH Percent Change, June 2003 vs. June 2002



Source: Bureau of Labor Statistics

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
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	5.4 ↓	3.8 ↓	2.0 ↓	2.6	(3.0)↑	6.4 ↑	4.5 ↑	3.4 ↓	2.6	(3.3)↓
California	3.4 ↑	1.7 ↑	0.5 ↓	1.6	9.3 ↓	4.6 ↑	2.8 ↑	1.7 ↑	1.6 ↑	2.1 ↑
Colorado	3.3 ↓	1.7 ↓	0.2 ↓	1.2 ↓	(10.5)↓	5.0 ↓	3.1 ↓	2.0 ↓	1.4 ↓	(2.4)↑
Idaho	4.2 ↓	2.5 ↓	1.0	1.2 ↓	0.7	5.2 ↓	3.3 ↓	1.7 ↓	1.2	(2.4)↓
Nevada	5.6 ↑	4.0 ↑	2.9	3.7 ↑	1.0 ↓	6.2 ↓	4.3 ↓	3.5 ↑	3.9 ↑	2.1 ↑
New Mexico	5.0	3.4	1.2	1.2	0.5 ↑	4.8 ↓	3.0 ↓	1.6	1.2	(1.1)↑
Oregon	4.2 ↓	2.5 ↓	0.7 ↓	1.1 ↑	2.8 ↑	5.4 ↓	3.5 ↓	2.3 ↓	1.3	0.2 ↓
Texas	5.2	3.5	0.9 ↓	1.6 ↓	1.4 ↑	6.6 ↑	4.7 ↑	2.2 ↓	1.8	(0.8)↓
Utah	3.9 ↓	2.2 ↓	0.9 ↓	1.5 ↓	3.2 ↑	4.9 ↑	3.0 ↑	1.9 ↓	1.7 ↑	2.3 ↓
Washington	3.5 ↓	1.9 ↓	0.3 ↓	1.0 ↓	(1.1)↓	5.0 ↓	3.1 ↓	1.8 ↓	1.0 ↓	(6.6)↑

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

Forecast notes from the Western region...

The **Texas** Comptroller's econometric model foresees some growth in nonfarm employment and income during the rest of 2003, but a substantial boost will not happen overnight. With improving economic fundamentals on the horizon, such as federal income tax cuts, a stronger global economy, and rebounding investments in business equipment and software, 2004 will outshine 2003. Rising mortgage and interest rates could be a bit of drag, however.

— **Gary Preuss**
*Texas State Comptroller
of Public Accounts
Austin, Texas*

Texas has enjoyed modest job growth in the first half of the year. New locations and a rejuvenated economic development plan bode well for the future.

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

The anticipated slowdown in automobile sales has depressed the retail sales numbers to date. The second half of the year should be substantially stronger for both employment and retail sales growth.

— **Richard Wobbekind**
*University of Colorado
Boulder, Colorado*

Preliminary numbers for June sales indicate a softening occurred following the near 6 percent jumpstart in May. Preliminary withholding taxes indicate a fairly solid gain is in the making, however. May business investment purchases firmed up on the positive side (+1.9 percent) for the first time in many moons, so this was good news. Taxable services still languished behind however, dropping 9 percent compared to a year earlier.

— **Doug MacDonald**
*Utah State Tax Commission
Salt Lake City, Utah*

When it comes to **California**, the recall drama is front and center. Given the cast of characters, we will all see more than we want to know about it on the evening news. However, the recall will provide a little unexpected business for the state's advertising industry and as we get closer to the date, pundits will stream into the state, helping hotels. In the meantime, international trade and new home building continue to rumble forward, while the news about the motion picture/TV production industry is more encouraging. Tourist venues are also seeing modest improvement, although travelers continue to focus on value.

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

Oregon continues to bounce along or slightly above the bottom. May and June saw slight increases in wage and salary employment, but this was overshadowed by the increase in the unemployment rate to a 17-year high. As of Aug. 7, we remain the only state in the nation without a budget for the current fiscal period. Complacency has faded to embarrassment and serious concern.

— **John Mitchell**
*US Bancorp
Portland, Oregon*

For the first time in many years, businesses appear to be cautiously optimistic. Hopefully this subdued euphoria signals the end of the painful jobless recovery. If 2003 turns out to be a job loss year, **Oregon** will have three consecutive years of employment declines. The last time this happened was 1980-82.

— **Tom Potiowsky**
*Oregon Executive Department
Salem, Oregon*

The long-anticipated recovery in the **Colorado** economy may be under way. Job numbers in the spring quarter were encouraging. But we have seen "false dawns" before.

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

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

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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 Public Service	5.6	4.8	2.1	2.6	(5.2)	6.4	5.6	3.3	2.6	1.0
ASU – Bank One EOC	5.3	3.8	1.1	2.5	(1.5)	6.0	5.5	2.7	2.3	(5.0)
CH2M HILL	5.5	4.5	2.2	2.6	(8.0)	6.3	5.6	3.4	2.7	(6.0)
Department of Economic Security	5.7	4.8	1.7	2.3		6.3	6.5	2.4	2.3	
ECON-LINC	5.4	4.9	1.0	2.5	0.0	6.4	5.5	3.8	2.6	(10.0)
Eggert Economic Enterprises Inc.	5.7	4.7	2.3	2.7	(4.0)	6.4	5.6	3.3	2.8	(2.0)
Elliott D. Pollack & Co.	5.3	5.0	1.8	2.7	5.0	6.5	5.5	4.0	2.6	(10.0)
H. C. Reardon Economics	5.0	5.0	1.7	2.7	(5.0)	6.6	5.8	3.6	2.7	(5.0)
Joint Legislative Budget Committee	5.0	4.0	1.8	2.6	(5.0)	6.0	4.5	3.3	2.6	(5.0)
Lancaster Consulting	5.8	4.8	2.4	2.5	(2.5)	6.2	5.3	2.9	2.6	0.0
The Maguire Company	5.6	4.8	2.4	2.7	(8.0)	6.3	5.6	3.4	2.7	0.0
Metropolitan West Asset Management	5.6	5.0	2.1			6.3	5.5	3.2		
NAU – BBER	5.7	4.7	2.5	2.5	(5.0)	6.4	5.8	3.7	2.5	0.0
Protitlement	5.8	5.2	2.5	2.6	1.5	6.6	5.9	3.8	2.6	(5.0)
Salt River Project	5.5	4.0	2.0	2.8	(3.0)	6.8	6.0	3.5	2.8	0.0
Stellar Capital Management	5.5	4.2	2.1	2.3	(3.0)	6.2	4.9	3.1	2.5	2.0
Tucson Electric Power Co.	4.8	3.3	1.3	2.5	(9.0)					
UA – Eller College	4.7	2.6	1.8	3.1	(9.0)	6.6	4.9	3.6	2.4	(6.9)
VisionEcon	6.0	6.0	3.0	3.1	0.0	6.7	7.0	4.0	2.8	1.0
Wells Fargo & Co.	5.3	4.3	2.0	2.6	8.0	6.0	5.1	3.1	2.6	(5.0)
Consensus Forecast — This Month	5.4	4.5	2.0	2.6	(3.0)	6.4	5.6	3.4	2.6	(3.3)
— Last Month	5.5	4.5	2.2	2.6	(4.8)	6.3	5.6	3.4	2.6	(2.4)

CALIFORNIA

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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	3.3	3.4	0.7	1.7	(0.1)	5.3	5.6	2.1	1.7	2.9
California State University, Long Beach *	7.5	5.8	0.6	1.6	2.3	6.2	6.4	1.8	1.4	(4.0)
Chapman University	3.5	3.2	0.6	1.6	7.1	4.3	4.4	1.8	1.7	(2.8)
L.A. County Economic Development Corp.	3.8	2.5	0.5	1.7	14.5	4.5	3.5	1.3	1.6	10.5
Legislative Analyst's Office	4.0	3.9	0.5	1.6	5.0	6.1	6.2	2.4	1.6	5.0
Monroe Consulting	3.0	3.1	0.5	1.7	6.0	3.5	5.1	1.0	1.7	5.0
UCLA – Business Forecasting Project	2.5	2.1	0.4	1.6	20.5	4.3	5.0	1.8	1.6	(1.0)
Wells Fargo & Co.	3.4	3.1	0.4	1.5	12.0	4.4	4.7	1.6	1.4	(5.0)
Consensus Forecast — This Month	3.4	3.0	0.5	1.6	9.3	4.6	4.9	1.7	1.6	2.1
— Last Month	3.2	3.0	0.5	1.6	9.8	4.4	4.9	1.7	1.6	1.4

*This forecast is for Southern California only

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
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.	3.1	1.8	(0.3)	1.2	(7.9)	3.9	4.6	1.7	1.3	(2.5)
Ctr. for Business and Econ. Forecasting	3.1	3.0	(0.2)	1.3	(15.0)	5.8	4.5	1.5	1.1	(5.0)
Colorado Legislative Council	2.7	1.7	0.1	1.2	(13.4)	5.4	4.0	2.0	1.5	(5.0)
Office of State Planning and Budgeting	3.1	2.9	(0.1)	1.2	(16.7)	3.9	3.3	1.8	1.3	(3.7)
University of Colorado	4.3	2.9	0.6	0.9	(10.0)	5.0	4.5	2.5	1.5	(3.0)
Wells Fargo & Co.	3.4	2.1	0.4	1.3	(8.5)	5.2	4.0	2.2	1.4	(2.6)
Xcel Energy	3.5	1.5	1.2	1.0	(2.0)	5.5	3.0	2.0	1.5	5.0
Consensus Forecast — This Month	3.3	2.3	0.2	1.2	(10.5)	5.0	4.0	2.0	1.4	(2.4)
— Last Month	3.6	2.2	0.6	1.2	(10.4)	5.2	3.9	2.1	1.4	(2.6)

IDAHO										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
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 Div. of Financial Management	4.3		0.1	1.0	4.9	5.3		1.5	1.0	(8.5)
Idaho Economics	4.2		1.1	1.2	(5.0)	5.3		1.5	1.3	0.0
Idaho State University	4.0	4.5	2.0	1.2						
Thredgold Economic Associates	4.8	3.7	1.0	1.2	(2.0)	5.5	4.5	2.2	1.1	(1.0)
University of Idaho	3.7	3.0	0.5	1.1		4.8	4.0	1.4	1.1	
Wells Fargo & Co.	4.0	3.5	1.0	1.2	5.0	5.0	4.0	1.7	1.3	0.0
Consensus Forecast — This Month	4.2	3.7	1.0	1.2	0.7	5.2	4.2	1.7	1.2	(2.4)
— Last Month	4.2	3.8	1.0	1.2	0.7	5.3	4.3	1.7	1.2	(1.4)

NEVADA										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
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.	5.0	4.0	2.5	3.5		6.0	4.0	3.3	3.3	
Legis. Counsel Bureau – Fiscal Analysis	5.0	4.9	2.6	3.5	(2.0)	5.5	2.6	3.3	3.5	0.0
Restrepo Consulting Group, LLC	5.0	4.0	3.0	3.3	2.5	5.3	4.0	3.5	3.5	2.8
Thredgold Economic Associates	6.5	2.5	3.2	4.2	3.0	7.0	5.0	4.3	4.8	4.5
Southwest Gas	6.6	3.3	2.8	4.2	2.2	6.9	4.6	3.1	4.7	3.0
Univ. of Nevada at Las Vegas – CBER	5.9	3.1	3.3	3.9	(3.5)					
Wells Fargo & Co.	5.3	3.7	3.0	3.5	3.7	6.3	4.2	3.3	3.6	0.0
Consensus Forecast — This Month	5.6	3.6	2.9	3.7	1.0	6.2	4.1	3.5	3.9	2.1
— Last Month	5.6	3.6	2.9	3.7	1.2	6.2	4.1	3.5	3.9	1.9

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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
Source:										
Eastern New Mexico University	4.4	(0.5)	0.8	1.3	2.5	4.5	0.0	1.2	1.2	1.2
New Mexico Department of Labor		(1.9)	0.9				(1.0)	1.5		
New Mexico State Univ. – CEMAF	5.5	(1.5)	1.2			5.2	(1.0)	1.5		
Public Service New Mexico	4.6	(1.4)	1.2	1.2	(2.0)	4.3	0.2	1.7	1.1	(1.8)
University of New Mexico – BBER	5.8	(0.9)	2.0		2.6	5.1	1.3	2.2		(1.2)
Wells Fargo & Co.	4.9	(0.5)	1.2	1.2	(1.0)	5.1	0.2	1.7	1.2	(2.7)
Consensus Forecast — This Month	5.0	(1.1)	1.2	1.2	0.5	4.8	(0.1)	1.6	1.2	(1.1)
— Last Month	5.0	(1.1)	1.2	1.2	0.2	4.9	(0.0)	1.6	1.2	(1.5)

OREGON

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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
Source:										
Conerly Consulting	4.1	(3.5)	(0.3)	1.2	3.8	5.9	1.5	2.4	1.1	(6.0)
Forefront Economics	5.3	1.8	2.4	1.1	3.5	5.6	2.0	2.8	1.3	5.0
Oregon Executive Department	2.9	(3.5)	(0.5)	1.0	4.9	4.3	(1.7)	1.0	1.2	(2.3)
Portland General Electric	4.1	(3.0)	0.6	1.3	3.0	5.7	0.0	1.7	1.3	0.0
Rhodes Econometrics	4.1	1.0	1.7	1.1	1.1	5.5	2.0	2.4	1.2	2.2
Thredgold Economic Associates	4.5	0.0	1.0	1.2	4.5	5.5	2.5	3.0	1.5	5.0
U.S. Bancorp	4.0	(3.0)	(0.4)	1.1	4.0	5.5	2.5	2.5	1.2	(3.0)
Wells Fargo & Co.	4.3	0.5	0.7	1.1	(2.5)	5.3	1.7	2.2	1.2	0.5
Consensus Forecast — This Month	4.2	(1.2)	0.7	1.1	2.8	5.4	1.3	2.3	1.3	0.2
— Last Month	4.6	0.3	0.9	1.1	0.4	5.6	2.1	2.4	1.3	1.8

TEXAS

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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:										
Econoclast	5.1	5.0	1.1	1.5	1.0	7.1	6.8	2.5	1.8	2.0
Federal Reserve Bank of Dallas	6.0	6.0	0.5	1.7	(1.5)	7.5	7.0	2.7	1.8	2.5
Ed McClelland	5.8	5.7	1.5	1.7	1.0	6.6	6.4	2.2	1.7	0.7
Perryman Group	5.6	5.9	1.2	1.6	3.2	6.5	6.7	2.1	1.7	(1.4)
TX State Comptroller of Public Accounts	4.2	1.1	0.6	1.9	1.7	5.9	7.9	1.9	1.8	(7.8)
University of Houston – CPP	5.1	4.9	0.9	1.4		6.8	6.9	2.2	1.8	
University of Texas at El Paso	4.6	3.8	0.8	1.6	2.2	5.7	5.8	1.8	1.7	(0.4)
Wells Fargo & Co.	5.1	4.9	0.9	1.7	2.0	6.5	6.5	2.3	1.8	(0.9)
Consensus Forecast — This Month	5.2	4.7	0.9	1.6	1.4	6.6	6.8	2.2	1.8	(0.8)
— Last Month	5.2	4.7	1.0	1.7	1.2	6.6	6.7	2.2	1.8	(0.7)

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

Source:	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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	5.3	4.5	2.2	1.7	7.0	4.8	4.2	2.1	1.7	5.0
Thredgold Economic Associates	3.5	2.8	1.0	1.3	(1.0)	5.5	3.5	2.3	1.6	3.0
Utah Dept. of Workforce Services	3.1	2.2	0.7	1.5	(1.0)	4.3	3.5	2.0	1.7	1.5
Utah State Tax Commission	3.6	3.4	0.0	1.6	6.0	5.1	3.7	1.3	1.7	2.0
Wells Fargo & Co.	3.8	3.0	0.8	1.5	5.0	4.7	3.8	2.0	1.6	0.0
Consensus Forecast — This Month	3.9	3.2	0.9	1.5	3.2	4.9	3.7	1.9	1.7	2.3
— Last Month	3.9	3.3	1.1	1.5	1.4	4.8	4.0	2.1	1.6	3.0

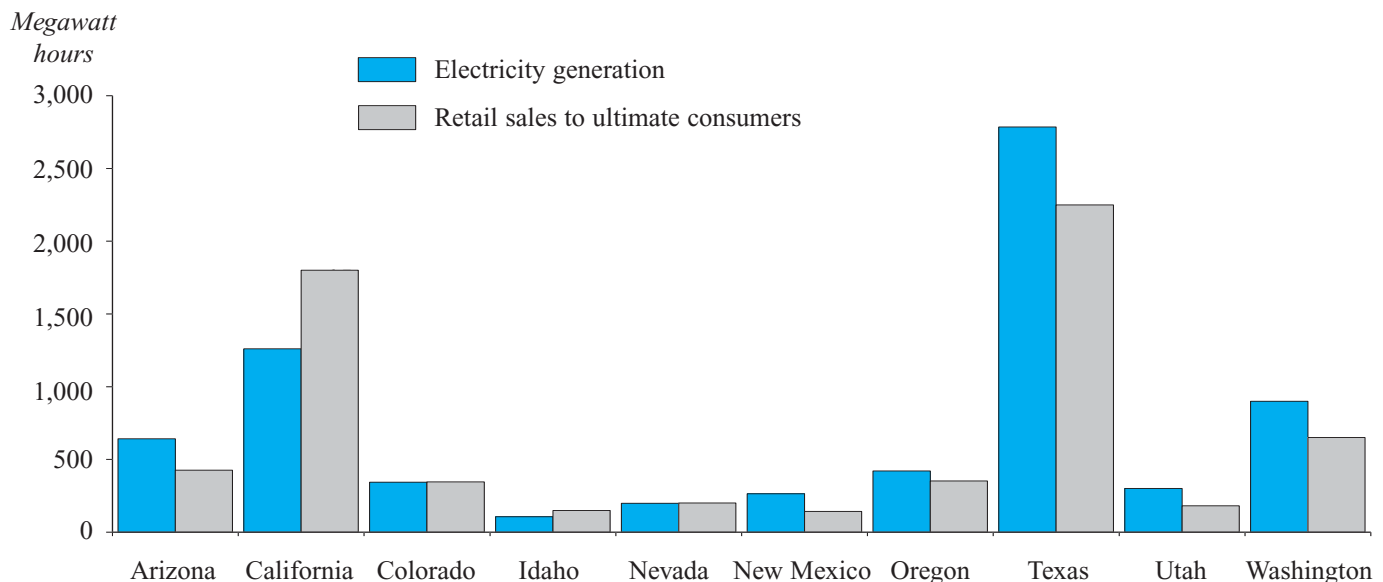
WASHINGTON

Source:	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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	3.1	2.7	0.1	1.4	3.7	5.4	5.5	1.7	1.3	(5.5)
Dick Conway & Associates	3.4	3.0	0.0	0.8	(1.0)	4.8	5.2	1.6	0.7	(8.0)
Doug Pedersen & Associates	3.1	2.0	0.1	0.8	7.0	4.4	4.0	1.5	0.9	(5.0)
Office of Forecast Council *	4.1	3.2	0.6	0.9	(13.1)	5.1	5.6	2.2	1.0	(9.3)
Wells Fargo & Co.	3.8	3.1	0.5	1.0	(2.0)	5.2	5.1	1.9	1.0	(5.0)
Consensus Forecast — This Month	3.5	2.8	0.3	1.0	(1.1)	5.0	5.1	1.8	1.0	(6.6)
— Last Month	3.8	3.1	0.3	1.0	(0.4)	5.1	5.2	1.8	1.0	(7.2)

* Population forecast is from the Office of Financial Management.

ELECTRICITY GENERATION AND RETAIL SALES

April 2003



Source: Energy Information Administration

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
2002	142,868	128,938	2,264.9	45,425	183.9	55,649	5,468	6.2
% change	4.0	2.9	(0.0)	1.3	(8.8)	9.3	2.8	
2001	137,331	125,304	2,265.0	44,833	201.7	50,930	5,321	4.7
% change	4.8	2.3	1.0	2.0	(3.9)	4.3	2.9	
2000	131,046	122,510	2,242.7	43,940	209.9	48,846	5,169	4.0
% change	9.0	6.7	3.7	7.8	1.2	(5.6)	3.0	
1999	120,264	114,841	2,163.0	40,769	207.4	51,764	5,017	4.4
% change	6.5	5.0	4.3	10.0	(1.5)	1.5	3.2	
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
2002	1,158,679	1,045,698	14,476.5	298,366 †	1,641.2	120,783	35,301	6.7
% change	2.5	1.4	(0.9)	1.5	(8.1)	13.7	1.7	
2001	1,129,868	1,030,914	14,601.9	293,957	1,785.6	106,265	34,698	5.4
% change	2.7	0.2	0.8	2.4	(3.9)	1.6	1.9	
2000	1,100,679	1,028,977	14,488.2	287,068	1,857.5	104,600	34,036	4.9
% change	10.6	8.3	3.5	12.3	1.5	1.8	1.9	
1999	995,326	950,446	13,991.8	255,589	1,829.9	102,750	33,417	5.2
% change	6.8	5.3	2.9	11.4	(1.5)	10.0	1.7	
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
2002	149,958	135,336	2,183.7	52,777	166.3	35,522	4,507	5.7
% change	1.2	0.1	(1.9)	(10.6)	(8.6)	(2.6)	1.7	
2001	148,239	135,256	2,225.4	59,041	181.9	36,477	4,431	3.7
% change	3.6	1.1	0.6	1.8	(4.9)	(3.2)	2.4	
2000	143,043	133,725	2,212.6	58,018	191.3	37,699	4,327	2.8
% change	11.4	9.1	3.8	10.3	0.3	(1.9)	*	
1999	128,386	122,597	2,131.5	52,609	190.7	38,410	4,056	2.9
% change	8.4	6.9	3.6	9.2	(1.9)	6.4	2.2	
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								

* 2002, 2001 and 2000 based on 2000 Census; 1999 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
2002	33,605	30,329	567.2	15,736 ††	64.7	10,212	1,341	5.8
% change	3.8	2.7	(0.1)	8.3 **	(5.3)	7.7	1.6	
2001	32,363	29,528	567.7	14,525	68.3	9,483	1,321	5.0
% change	3.8	1.3	1.5	5.6	(2.3)	(6.1)	1.6	
2000	31,177	29,146	559.5	13,755	69.9	10,098	1,300	4.9
% change	7.9	5.6	3.8	4.5	1.5	(3.8)	*	
1999	28,901	27,598	538.8	13,163	68.9	10,497	1,252	5.2
% change	6.8	5.3	3.3	4.8	(0.4)	2.1	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
2002	65,596	59,199	1,049.6	32,003 †	9,611 †	27,284	2,173	5.5
% change	3.8	2.7	(0.2)	0.9	1.5	1.1	3.6	
2001	63,200	57,665	1,051.4	31,709 †	9,469	26,981	2,098	5.3
% change	5.1	2.6	2.4	7.7	(1.4)	4.8	3.9	
2000	60,149	56,230	1,026.9	29,454	9,600	25,749	2,019	4.0
% change	8.5	6.2	4.5	6.1	6.4	6.0	*	
1999	55,439	52,939	983.0	27,761	9,023	24,283	1,809	4.4
% change	6.6	5.1	6.2	6.5	11.9	(0.7)	3.8	

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
2002	44,412	40,081	766.0	12,212 ††	38.5	10,348	1,855	5.4
% change	5.1	3.9	1.2	(2.6)	(5.9)	15.9	1.3	
2001	42,260	38,559	757.2	12,540	40.9	8,929	1,831	4.8
% change	6.5	3.9	1.7	3.6	(1.9)	11.1	0.5	
2000	39,692	37,107	744.8	12,099	41.7	8,037	1,822	5.0
% change	5.2	3.0	2.1	5.5	1.2	(6.5)	*	
1999	37,725	36,024	729.7	11,466	41.2	8,595	1,740	5.6
% change	2.4	0.9	1.4	2.1	(3.1)	(6.7)	0.4	

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

* 2002, 2001 and 2000 based on 2000 Census; 1999 based on 1990 Census.

** Due to a change in the manner of calculation, it may not be appropriate to compare 2002 retail sales with previous years.

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
2002	101,176	91,311	1,572.3	201.8	17,977	22,543	3,505	7.5
% change	3.2	2.1	(1.3)	(6.4)	10.9	7.1	1.0	
2001	98,026	89,441	1,593.6	215.7	16,217	21,049	3,472	6.3
% change	2.6	0.2	(0.8)	(4.1)	4.4	6.4	1.0	
2000	95,508	89,286	1,606.9	225.0	15,532	19,785	3,437	4.9
% change	7.2	5.0	2.0	0.1	(6.4)	(14.9)	1.3	
1999	89,080	85,063	1,575.0	224.7	16,595	23,249	3,393	5.7
% change	4.4	3.0	1.5	(1.8)	(2.0)	(10.1)	1.3	
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
2002	621,832	561,198	9,426.9	314.8 †	951.2	120,644	21,780	6.3
% change	2.2	1.1	(1.0)	3.9	(7.4)	8.3	1.9	
2001	608,466	555,176	9,518.4	303.0	1,026.8	111,352	21,371	4.8
% change	3.7	1.2	0.9	1.5	(3.9)	4.5	2.0	
2000	586,587	548,374	9,433.4	298.6	1,068.0	106,601	20,955	4.2
% change	8.7	6.4	3.0	11.5	0.4	4.7	*	
1999	539,527	515,200	9,159.3	267.7	1,063.3	101,848	20,044	4.6
% change	5.4	3.9	2.5	9.5	(1.3)	2.0	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								

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
2002	56,299	50,809	1,072.6	18,356	113.7	15,406	2,316	6.1
% change	2.8	1.7	(0.8)	3.4	(6.8)	11.2	1.6	
2001	54,764	49,968	1,081.3	17,748	122.0	13,851	2,279	4.4
% change	4.3	1.8	0.5	2.7	(2.8)	2.9	1.6	
2000	52,518	49,097	1,075.4	17,278	125.5	13,463	2,243	3.3
% change	7.3	5.1	2.6	4.8	(0.4)	(7.5)	*	
1999	48,923	46,717	1,048.5	16,493	126.0	14,561	2,130	3.7
% change	4.6	3.1	2.5	5.3	(0.6)	0.6	1.4	
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								

* 2002, 2001 and 2000 based on 2000 Census; 1999 based on 1990 Census.

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

WASHINGTON

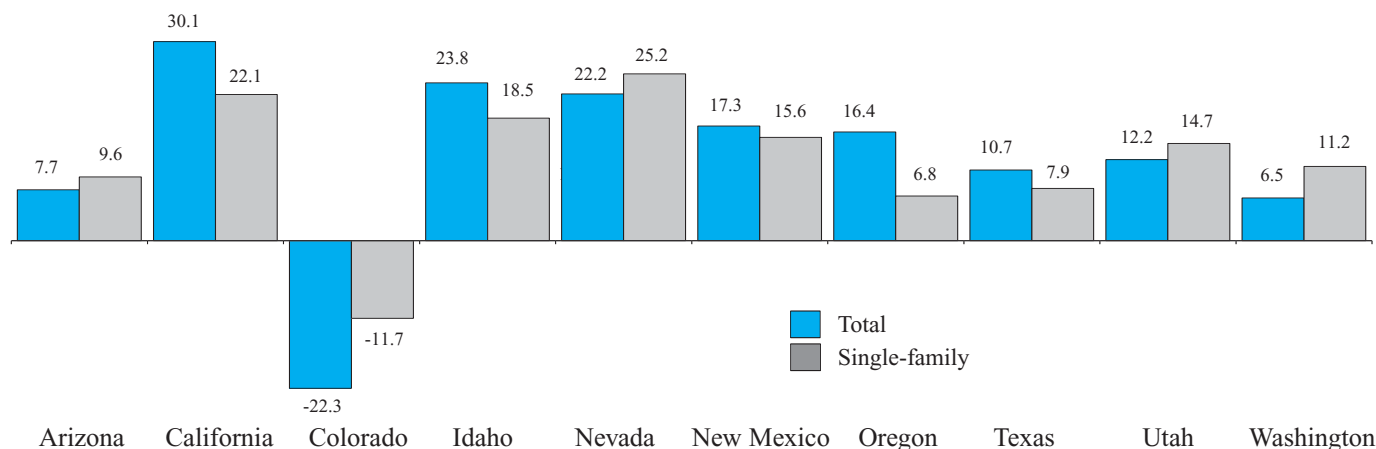
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2002	198,317	178,980	2,656.8	84,895	285.7	33,090	6,069	7.3
% change	3.5	2.4	(1.5)	0.5	(9.6)	17.6	1.3	
2001	191,645	174,860	2,697.0	84,470	316.1	28,137	5,993	6.4
% change	2.6	0.1	(0.5)	(0.3)	(4.7)	3.1	1.4	
2000	186,843	174,671	2,711.2	84,748	331.8	27,283	5,912	5.2
% change	7.3	5.0	2.4	6.4	(3.4)	(7.8)	*	
1999	174,148	166,295	2,648.6	79,684	343.4	29,598	5,756	4.7
% change	6.7	5.2	2.1	7.8	(4.7)	(3.3)	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

* 2002, 2001 and 2000 based on 2000 Census; 1999 based on 1990 Census.

BUILDING PERMITS

Percent Change, June 2003 YTD vs. June 2002 YTD



Source: Bureau of the Census



WESTERN BLUE CHIP ECONOMIC FORECAST

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