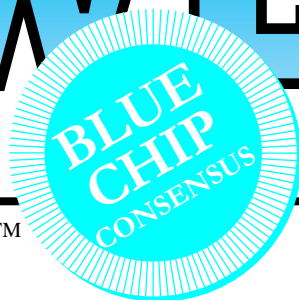


WESTERN



BLUE CHIP ECONOMIC FORECAST

TM

What Blue Chip economists are saying about the Western states

Volume 15 • Number 5 • June 2001

Summer brings energy concerns for western states

Summer has arrived, and with it will come answers to questions about the power situation in the West. California is again experiencing rolling blackouts; the price of regular unleaded gasoline has hit \$2.14 in San Francisco (see page 11). So what are the western states facing when it comes to conditions in the market for energy?

California's troubles came to the fore when wholesale prices of electricity began to rise. State laws passed in 1996 assumed low wholesale prices and so a cap on retail electricity prices had been instituted. Long-term contracts were disallowed as they were seen to be a hindrance to competition and similar to the vertical integration that existed before the utilities were required to divest themselves of their power generating facilities. California relies on natural gas and hydroelectric generation to produce power, and is also a net importer of power. This places the Golden State in a precarious position for the summer of 2001. Natural gas prices are high, water levels are low and the usual energy exporters are less willing to supply power due to their own constraints. The Northwest, usually a net exporter, is reporting water levels needed for hydroelectric power well below normal.

The Bonneville Power Administration, which operates in the Northwest, has stated that it is already short on power and that rates may rise by 250 percent this fall in order to make up that shortfall in an already expensive electricity market. Aluminum smelters have been asked to shut down for the next two years, to ease the demand pressure on the supply of electricity. Washington, Oregon, Idaho and Utah rely mostly on hydroelectricity (64.4 percent conventional hydroelectricity in 1998) and drought conditions in the region have greatly reduced generation capacity. Rainfall predictions are dismal at best; the delicate balance between ecology and electricity will be tested.

The Glen Canyon Dam, which serves Colorado, is also weighing the balance of

the ecology. There are environmental impact restrictions in place, but these can be relaxed as necessary to meet short-term emergency situations. Colorado relies mostly on coal for power generation, but hydroelectricity is also an important component of the system.

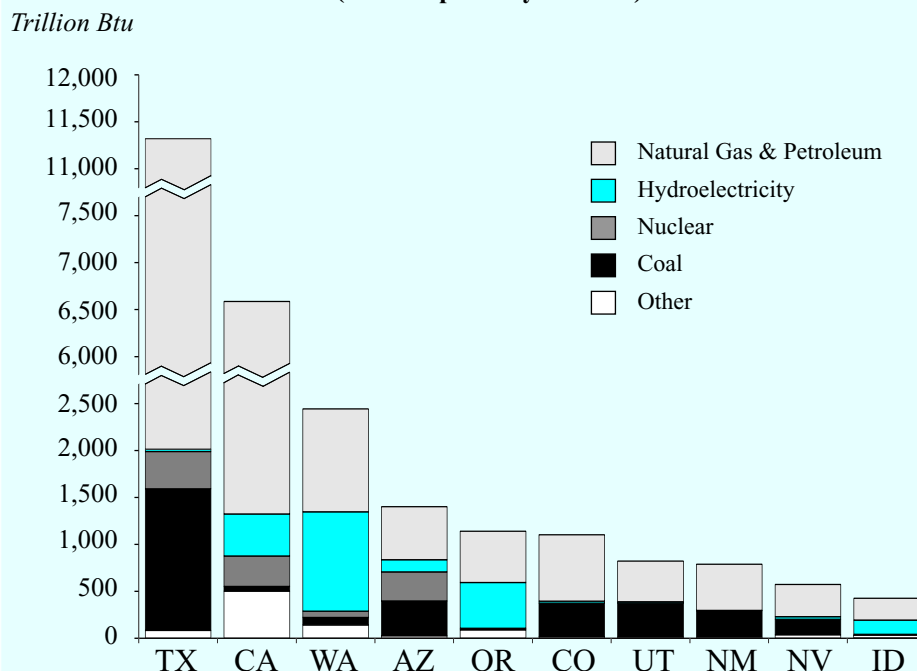
Arizona, New Mexico and southern Nevada generate their power from diversified sources. If the summer is long and hot, these states will not export electricity, as is the norm. Technology used in the region helps to schedule the flow of electricity and should help to avoid rolling blackouts such as those in California. Also an advantage is the fact these utilities can buy electricity under long-term contracts, alleviating the need to enter into the wholesale market at a time when prices are so high.

Price increases in the wholesale market

will translate into higher consumer prices, whether directly from higher utility bills or indirectly from other sources. The West enjoyed strong growth in personal income during fourth quarter 2000, and California ranked first with a 9.8 percent increase compared to fourth quarter 1999 (see page 2). This substantial growth has contributed to the state's recent woes, as power generation did not keep up the same pace. Colorado was a close second to California in personal income growth, with a 9.6 percent increase for fourth quarter 2000 compared to fourth quarter 1999. Employment and personal income figures will be interesting to watch in the coming months as the effects of the national slowdown and the western energy situation play out.

— D.M.

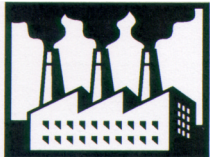
WESTERN STATES RELIANCE ON ENERGY
(Consumption By Source*)



* Based on 1997 data from the EIA, U.S. Department of Energy; may include net imports

NATIONAL ROUNDUP

U.S. JOB GROWTH



Percent Change: Mar. 2001 vs Mar. 2000

Nonagricultural	0.9
Construction	2.9
Manufacturing	-2.4
Transportation, Communications and Public Utilities	2.3
Trade	1.1
Finance, Insurance and Real Estate	1.2
Services	2.2
Government	0.2

Source: U.S. Bureau of Labor Statistics.

U.S. REAL ESTATE



Residential Building Permits Mar. 2001 vs Mar. 2000

	Total Residential	Single- family	Multi- family
2001	144,685	110,559	34,126
2000	146,983	116,308	30,675
% Δ	-1.6	-4.9	11.3

Source: U.S. Department of Commerce.

U.S. FORECASTS



Percent Change

	2001	2002
Real GDP (Chain)	1.8	2.9
CPI	3.1	2.5
GDP Deflator (Chain) . .	1.7	1.8

Source: "U.S. Economic Outlook," WEFA, April 2001.

STATE PERSONAL INCOME

Percent Change, 4th Quarter 2000 over 4th Quarter 1999

1 • California	9.8
2 • Colorado	9.6
3 • Massachusetts	8.7
4 • Nevada	8.5
5 • Arizona	7.9
6 • New Hampshire	7.9
7 • Oregon	7.7
8 • Florida	7.6
9 • North Carolina	7.6
10 • Virginia	7.5
11 • Texas	7.4
12 • Utah	7.2
13 • Idaho	7.0
14 • New Jersey	6.9
15 • New York	6.9
16 • Georgia	6.9
17 • Maryland	6.6
18 • Rhode Island	6.6
19 • Kentucky	6.6
20 • Tennessee	6.3
21 • Maine	6.3
22 • South Carolina	6.2
23 • Minnesota	6.2
24 • Alaska	6.1
25 • Michigan	6.1
26 • Connecticut	6.0
27 • Vermont	6.0
28 • New Mexico	5.7
29 • Missouri	5.6
30 • Wyoming	5.5
31 • Pennsylvania	5.4
32 • Illinois	5.4
33 • Delaware	5.2
34 • Ohio	4.9
35 • Hawaii	4.7
36 • Indiana	4.6
37 • Oklahoma	4.5
38 • West Virginia	4.5
39 • Wisconsin	4.4
40 • Louisiana	3.9
41 • Alabama	3.5
42 • Iowa	3.4
43 • Washington	2.8
44 • Mississippi	2.7
45 • South Dakota	2.5
46 • Arkansas	2.5
47 • Kansas	2.4
48 • Montana	2.1
49 • North Dakota	1.6
50 • Nebraska	1.2

Source: U.S. Bureau of Labor Statistics

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

State:	2001 Annual Percent Change, 2001 from 2000					2002 Annual Percent Change, 2002 from 2001				
	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	6.3	5.7	3.1	2.7	(7.1)↑	6.2	5.7	3.0	2.6	(5.1)↑
California	5.1↓	3.4↓	2.4↓	1.7↑	2.9↓	5.8↓	3.9↓	2.1↓	1.6↑	(0.7)↓
Colorado	7.2↓	5.4↓	3.1↓	2.1↓	(0.8)↑	6.8↓	4.9↓	2.7↓	2.0↓	(1.2)↓
Idaho	5.8↓	4.0↓	2.5↓	1.4	(4.1)	5.7↓	3.8↓	2.6↓	1.4	(2.1)
Nevada	7.0↑	5.3↑	3.9↓	4.2↓	(0.1)↓	6.6↓	4.7↓	3.8↓	4.1↓	0.9
New Mexico	5.0↓	3.3↓	1.8↓	0.7	(0.1)↑	5.0↓	3.1↓	1.7↓	0.7	(4.4)↓
Oregon	5.3	3.5↑	0.9	1.0	1.6	5.7	3.8↓	1.4	1.1	3.8
Texas	6.5↓	4.7↑	2.3↑	1.8↓	(1.1)↑	6.5↑	4.6↑	2.3↑	1.8↑	1.2↑
Utah	5.8↓	4.0↑	2.3↓	1.7	(4.0)↑	5.6	3.7↓	2.1↑	1.6	(0.7)↑
Washington	4.9↓	3.1↑	1.6↑	1.0↓	(0.4)↑	5.6↓	3.7↓	1.7↑	1.1↑	1.7↑

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

Forecast notes from fax and phone...

The [Idaho] manufacturing slowdown became more extensive than expected during the first part of this year, has impacted technology industries, and caused a downward revision of economic growth estimates.

— **Michael DiNoto**
University of Idaho

The business-led economic deceleration of 2001 has placed Silicon Gulch at risk, but has helped alleviate skilled labor shortages throughout much of the high-tech corridor of Central Texas.

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

Currently, such factors as failing dot-coms and the declining flow of Microsoft stock-option money into the local [Washington] economy have created a "mild-to-serious slowdown in the region, say economists. [Dick] Conway also warns of two additional looming economic threats: a possible national recession and soaring regional energy prices.

— **Seattle Weekly**
March 29, 2001

First quarter 2001 employment data show the New Mexico economy to be weaker than anticipated, hence the less optimistic forecast.

— **Larry Waldman**
University of New Mexico

There is a lot on California's economic plate. Attention remains focused on the energy crisis, which now includes electric power, natural gas, and gasoline prices at the pump. The latter looks to extract around \$500 more per year from the average household's budget. There is also growing concern over the health of the state's budget, given the costs of buying energy as well as the tech "crash." The latter seems concentrated in the Bay Area, but pain has also been felt in Orange and San Diego counties. The state's economy is slowing down, the question now is by how much?

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

Dr. Tom Lieser, author of the California forecast, expects to see a "high-tech" recession in California that will have a disproportionate impact on the San Francisco Bay Area. "We will most likely see not only a slowing of demand for electronics, communications equipment and related products, but also a weeding out of the less well-capitalized firms in these industries," said Dr. Lieser.

— **UCLA Anderson Business Forecast**
April 4, 2001

Electricity woes in California provide opportunities within the Utah economy. Utah is currently a substantial energy exporter, using only about 60 percent of the electrical power generated within the

state. While many states have focused on cleaner natural gas-fired electric generation facilities, Utah's "ace in the hole" is also its abundance of low sulfur coal for coal-fired power generation.

— **Jeff Thredgold**
Thredgold Economic Associates

In the [Utah] retail trade sector, taxable retail sales slowed down from two years at 5.3 percent growth to 4.8 percent in 2000. Nondurable goods sales rose almost twice as fast as durables in 2000. The biggest drag on retail trade was the building, garden and furniture stores sectors, where sales fell 1.1 percent. The fastest growing sector was the miscellaneous shopping goods stores, where sales rose almost 8.5 percent in 2000.

— **Doug MacDonald**
Utah State Tax Commission

In Nevada, the gaming sector in southern Nevada has no string of new property openings to market. And tourism in Reno has been typecast as likely to be adversely affected by increased competition from new venues. As such, the outlook for gaming revenue growth in 2001 is for modest growth. The outlook for slower U.S. growth in 2001 and the possibility of disruptions in the California economy have rightfully increased concern about future conditions in Nevada.

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

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

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
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 Company	6.6	6.0	3.2	2.7	(7.8)	6.8	6.3	3.4	2.7	(3.0)
ASU – Bank One EOC	6.5	6.0	3.3	2.4	(15.0)	6.0	5.0	2.9	2.3	(10.0)
CH2M Hill	6.4	6.2	3.1	2.7	(10.0)	6.5	6.5	3.0	2.7	(3.0)
Communities Southwest	6.6	6.0	3.1	2.7	(4.0)	6.4	5.3	3.0	2.7	(5.0)
Department of Economic Security	6.5	6.7	3.5	2.5	—	6.4	7.0	3.7	2.4	—
ECON-LINC	6.3	5.6	3.2	2.7	(10.0)	6.0	5.5	3.0	2.5	(5.0)
Eggert Economic Enterprises, Inc.	6.0	5.0	2.9	2.6	(7.0)	6.2	4.9	3.3	2.5	(4.8)
Elliott D. Pollack & Company	6.5	5.0	3.0	2.8	(5.0)	6.0	7.0	3.0	2.7	(10.0)
H. C. Reardon Economics	6.1	5.2	3.2	2.7	(10.0)	6.8	5.4	3.2	2.7	(6.0)
Joint Legislative Budget Committee	6.4	6.2	3.1	2.7	(5.0)	6.5	6.6	2.9	2.6	(4.0)
Lancaster Consulting	6.1	5.0	3.0	2.6	(5.0)	5.8	4.5	2.6	2.6	(10.0)
The Maguire Company	6.3	5.2	3.0	2.7	(5.0)	6.1	5.2	3.0	2.7	(5.0)
NAU - BBER	6.2	5.2	3.0	2.6	(10.0)	6.6	4.6	3.2	2.5	(5.0)
Office of the Treasurer	6.0	5.6	3.0	—	—	6.6	5.4	2.9	—	—
Salt River Project	6.3	6.0	3.4	3.1	(9.0)	6.8	6.5	3.7	3.0	(2.0)
Tucson Electric Power Company	6.3	5.3	3.2	2.6	(10.0)	5.8	4.8	2.6	2.6	(7.0)
UA – Eller College	6.5	6.2	3.2	2.7	(13.1)	5.9	5.3	2.8	2.4	(10.3)
VisionEcon	5.9	6.9	2.8	2.7	0.0	5.2	7.2	2.8	2.8	8.4
Wells Fargo & Company	6.0	5.0	2.8	2.6	5.0	5.5	5.0	2.5	2.5	(5.0)
Consensus Forecast – This Month	6.3	5.7	3.1	2.7	(7.1)	6.2	5.7	3.0	2.6	(5.1)
Consensus Forecast – Last Month	6.3	5.7	3.1	2.7	(7.3)	6.2	5.7	3.0	2.6	(5.5)

CALIFORNIA

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
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	2.0	1.4	2.3	1.8	4.9	5.6	4.6	1.7	1.9	(2.9)
Chapman University	5.8	5.1	2.6	1.6	2.1	6.1	5.8	2.4	1.5	(3.2)
Economic Development Corp. of L.A.	6.0	5.7	2.3	1.8	(1.0)	6.1	5.5	2.5	1.7	2.5
Legislative Analyst's Office	5.2	4.5	2.2	1.7	0.0	6.3	5.8	2.4	1.6	5.0
UCLA – Business Forecasting Project	4.9	3.7	2.4	1.5	6.1	5.1	4.4	1.6	1.6	(5.8)
Wells Fargo & Company	6.8	5.8	2.8	1.6	5.0	5.8	4.8	1.8	1.5	0.0
Consensus Forecast – This Month	5.1	4.4	2.4	1.7	2.9	5.8	5.2	2.1	1.6	(0.7)
Consensus Forecast – Last Month	5.9	5.1	2.6	1.6	2.9	6.1	5.5	2.3	1.6	0.7

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
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
Center for Business & Economic Forecasting	7.4	6.9	3.3	2.1	1.0	7.1	6.4	2.6	2.0	(5.0)
Colorado Legislative Council	7.9	7.7	3.1	2.2	(0.7)	7.4	7.4	2.9	2.0	0.9
Office of State Planning & Budgeting	5.5	6.4	3.3	2.0	3.6	5.7	7.1	3.1	2.0	2.7
U.S. Bank	6.5	5.2	2.5	2.2	(4.8)	6.0	5.0	2.4	2.2	(2.0)
University of Colorado	7.2	7.0	2.9	2.1	1.0	7.0	6.8	2.7	2.0	0.0
Wells Fargo & Company	8.0	7.0	3.5	2.0	2.0	7.0	6.0	2.5	1.9	0.0
Xcel Energy	7.8	6.5	3.2	2.1	(8.0)	7.4	6.2	2.8	1.9	(5.0)
Consensus Forecast – This Month	7.2	6.7	3.1	2.1	(0.8)	6.8	6.4	2.7	2.0	(1.2)
Consensus Forecast – Last Month	7.5	6.7	3.1	2.2	(1.5)	7.0	6.3	3.3	2.1	(0.7)

IDAHO

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Idaho Division of Financial Management	6.3	—	2.3	1.5	(3.8)	6.1	—	2.4	1.3	(3.0)
Idaho Economics	5.8	—	2.5	1.6	(4.0)	5.6	—	2.5	1.6	(3.0)
Idaho State University	5.2	3.6	2.7	1.4	(5.0)	5.2	3.6	2.7	1.4	(2.0)
Thredgold Economic Associates	6.3	4.8	2.8	1.5	(2.5)	6.2	4.8	2.8	1.5	(2.5)
University of Idaho	5.2	4.3	2.1	1.3	—	5.3	4.4	2.2	1.3	—
Wells Fargo & Company	5.8	4.5	2.5	1.3	(5.0)	5.9	4.8	2.7	1.3	0.0
Consensus Forecast – This Month	5.8	4.3	2.5	1.4	(4.1)	5.7	4.4	2.6	1.4	(2.1)
Consensus Forecast – Last Month	5.9	4.5	2.6	1.4	(4.1)	5.8	4.6	2.6	1.4	(2.1)

NEVADA

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
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 Employment, Training & Rehab.	8.0	4.5	4.0	4.5	—	7.5	3.5	3.3	4.0	—
Legislative Counsel Bureau Fiscal Analysis	6.0	2.0	3.5	4.0	(6.0)	6.5	4.0	4.0	4.0	(2.0)
Restrepo Consulting Group, LLC	6.5	3.5	3.5	3.5	1.5	4.5	2.5	3.0	3.5	1.0
Thredgold Economic Associates	7.7	5.0	4.1	4.0	(1.5)	7.0	3.2	3.7	4.0	0.0
Southwest Gas Corporation	6.9	4.8	4.0	4.9	2.5	7.1	5.5	4.3	5.1	2.3
University of Nevada at Las Vegas – CBER	7.2	2.9	4.2	4.3	0.7	7.4	3.3	4.5	4.0	4.0
Wells Fargo & Company	7.0	4.0	4.0	4.2	2.0	6.4	2.0	3.5	4.2	0.0
Consensus Forecast – This Month	7.0	3.8	3.9	4.2	(0.1)	6.6	3.4	3.8	4.1	0.9
Consensus Forecast – Last Month	7.0	3.9	4.0	4.3	(0.1)	6.7	3.5	3.8	4.2	0.9
* Forecast for Las Vegas MSA only; excluded from consensus calculation.										

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
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
New Mexico Department of Labor	—	—	1.7	—	—	—	—	1.5	—	—
New Mexico State University – CEMAF	5.0	2.0	2.0	—	—	5.5	2.5	2.0	—	—
University of New Mexico – BBER	5.0	1.5	1.5	—	(0.2)	5.1	4.0	1.9	—	(3.8)
Wells Fargo & Company	5.0	2.0	2.0	0.7	0.0	4.5	1.0	1.5	0.7	(5.0)
Consensus Forecast – This Month	5.0	1.9	1.8	0.7	(0.1)	5.0	2.5	1.7	0.7	(4.4)
Consensus Forecast – Last Month	5.1	2.2	2.1	0.7	(2.1)	5.1	2.3	1.8	0.7	(2.4)

OREGON

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
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
Oregon Executive Department	4.8	(2.0)	0.7	1.1	1.3	6.0	(0.5)	1.8	1.2	5.8
Thredgold Economic Associates	5.8	(1.5)	0.9	1.0	0.0	5.5	0.5	1.5	1.1	4.5
U.S. Bancorp	5.0	(1.5)	0.8	1.1	0.0	5.5	1.0	1.2	1.1	5.0
Wells Fargo & Company	5.5	(0.5)	1.0	0.9	5.0	5.8	0.0	1.0	1.0	0.0
Consensus Forecast – This Month	5.3	(1.4)	0.9	1.0	1.6	5.7	0.3	1.4	1.1	3.8
Consensus Forecast – Last Month	5.3	(1.4)	0.9	1.0	1.6	5.7	0.3	1.4	1.1	3.8

TEXAS

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
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	6.1	5.7	2.0	1.6	(2.5)	6.2	5.8	2.2	1.7	2.0
Federal Reserve Bank of Dallas	6.9	6.7	2.1	1.9	(3.0)	7.1	7.5	2.4	1.8	2.5
Ed McClelland	6.5	6.0	2.2	1.7	(2.0)	6.6	6.2	2.2	1.7	(1.0)
Perryman Group	6.8	6.5	2.4	1.8	(3.3)	6.8	6.6	2.4	1.8	0.6
TX State Comptroller of Public Accounts	5.9	4.3	2.5	1.6	(1.0)	6.2	6.5	2.4	1.8	3.9
University of Houston – CPP	6.3	6.0	2.4	1.8	—	6.5	6.5	2.7	2.0	—
University of Texas at El Paso	6.4	6.1	2.0	1.7	(0.6)	6.7	7.2	2.1	1.7	0.3
Wells Fargo & Company	6.8	5.7	2.6	1.9	5.0	6.0	5.0	2.0	1.9	0.0
Consensus Forecast – This Month	6.5	5.9	2.3	1.8	(1.1)	6.5	6.4	2.3	1.8	1.2
Consensus Forecast – Last Month	6.5	6.1	2.3	1.8	(1.2)	6.4	6.4	2.3	1.8	0.7

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

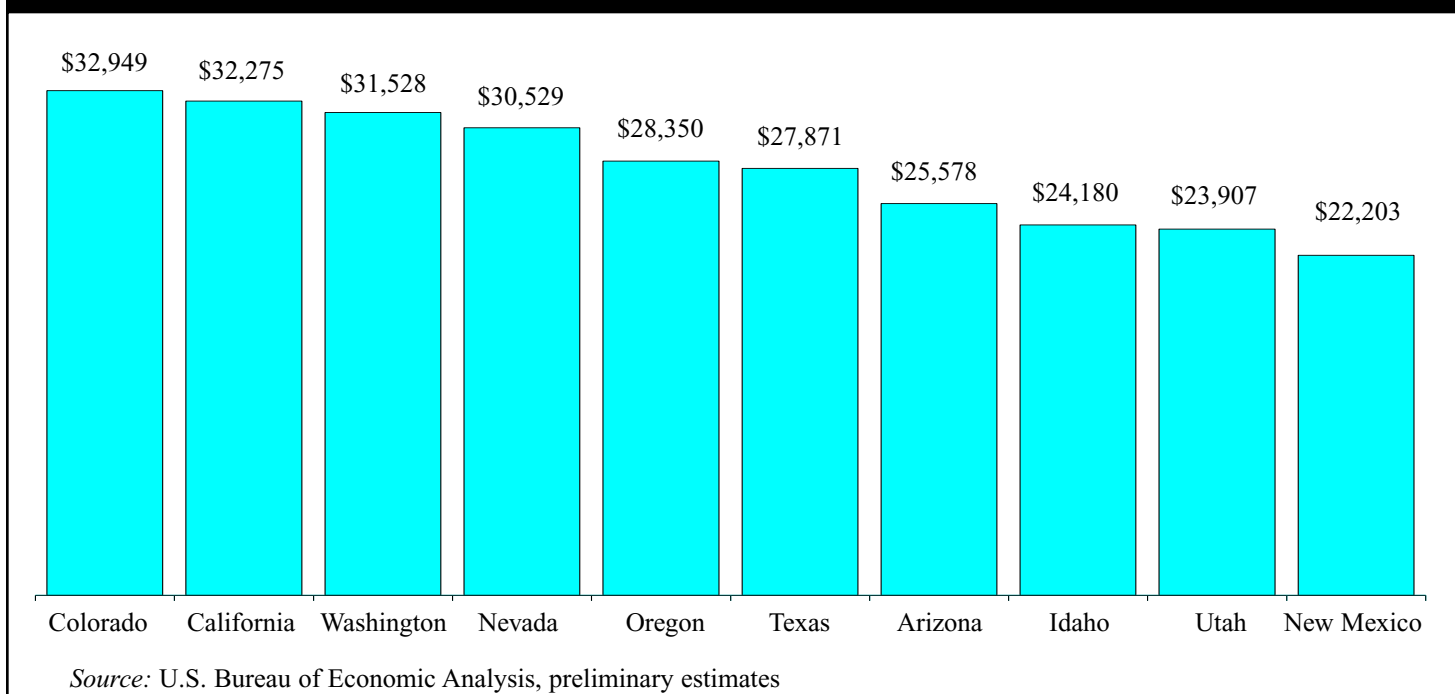
UTAH

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
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	5.7	5.6	2.6	1.7	(6.0)	6.3	6.8	2.7	1.7	1.0
Thredgold Economic Associates	6.0	5.3	2.6	1.7	(7.0)	6.1	5.3	2.4	1.6	(4.0)
Utah Department of Workforce Services	6.0	—	2.3	1.7	—	5.2	—	1.8	1.6	—
Utah State Tax Commission	5.4	5.0	2.2	1.7	0.0	5.2	5.0	1.8	1.5	2.0
Wells Fargo & Company	5.7	5.0	2.2	1.6	(5.0)	5.8	5.4	2.4	1.6	0.0
Consensus Forecast – This Month	5.8	5.1	2.3	1.7	(4.0)	5.6	5.2	2.1	1.6	(0.7)
Consensus Forecast – Last Month	5.9	5.3	2.4	1.7	(5.5)	5.6	5.2	2.1	1.6	(1.3)

WASHINGTON

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
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
Dick Conway & Associates	5.4	3.7	1.3	1.0	(5.0)	5.8	4.7	1.8	1.1	2.0
Doug Pedersen & Associates	4.5	3.7	1.8	1.0	2.0	5.7	4.0	1.9	1.1	4.0
Northwest Policy Center	5.3	3.5	1.6	1.0	(1.0)	5.5	4.5	1.7	1.1	1.0
Office of the Forecast Council	3.2	3.3	1.7	1.0	(2.8)	5.4	3.9	1.4	1.1	1.7
Wells Fargo & Company	6.0	4.9	1.8	1.1	5.0	5.6	4.5	1.5	1.0	0.0
Consensus Forecast – This Month	4.9	3.8	1.6	1.0	(0.4)	5.6	4.3	1.7	1.1	1.7
Consensus Forecast – Last Month	4.9	3.8	1.6	1.0	(0.6)	5.7	4.4	1.7	1.1	1.7

Per Capita Personal Income 2000



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
2000	\$128,785††	\$120,360††	2,248.0††	\$43,568††	215.3††	47,778††	5,102	3.5††
Percent Change	7.0	4.8	3.9	6.8	1.8	(7.7)	2.8	
1999	120,360	114,847	2,163.1	40,794	211.4	51,764	4,963	4.1
Percent Change	6.9	5.2	4.3	10.0	(2.1)	1.5	2.6	
1998	112,635	109,142	2,074.7	37,094	216.0	50,997	4,837	3.8
Percent Change	8.6	7.2	4.5	7.3	4.1	18.6	2.8	
1997	103,704	101,770	1,984.7	34,584	207.4	42,993	4,703	4.3
Percent Change	8.3	6.2	4.9	7.0	3.8	6.5	2.9	
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. †† 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
2000	\$1,085,563†	\$1,014,545††	14,518.6††	\$277,314†	1,923.0††	104,600††	34,615†	4.9††
Percent Change	9.5	7.2	3.8	8.5	0.0	1.8	1.7	
1999	991,382	945,975	13,991.8	255,589	1,923.8	102,750	34,036	5.2
Percent Change	7.3	5.6	2.9	11.4	(1.4)	10.0	1.6	
1998	924,253	875,594	13,596.1	229,406	1,951.2	93,414	33,494	5.9
Percent Change	7.2	5.9	3.6	5.6	1.9	11.0	1.6	
1997	862,114	846,039	13,129.7	217,249	1,914.5	84,149	32,957	6.3
Percent Change	6.1	4.1	3.0	5.6	3.4	14.4	1.8	
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
2000	\$138,447†	\$129,390††	2,214.8††	\$56,767†	204.0††	37,699††	4,145†	2.6††
Percent Change	8.2	6.0	3.9	8.4	(0.1)	(1.9)	2.2	
1999	127,955	122,094	2,131.8	\$52,368	204.1	38,410	4,056	2.9
Percent Change	8.0	6.3	3.6	8.7	(1.5)	6.4	2.2	
1998	118,514	114,839	2,057.0	48,173	207.3	36,107	3,969	3.8
Percent Change	9.0	7.6	3.9	6.7	1.8	13.0	2.0	
1997	108,763	106,735	1,979.5	45,142	203.6	31,941	3,891	3.3
Percent Change	8.7	6.7	4.1	5.9	3.6	5.2	2.1	
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
2000	\$30,297†	\$28,315††	560.0††	\$13,755†	76.4††	10,098††	1,271†	4.5††
Percent Change	6.0	3.8	3.9	4.5	(0.2)	(3.8)	1.5	
1999	28,582	27,273	538.9	\$13,163	76.6	10,497	1,252	5.2
Percent Change	5.9	4.3	3.3	4.8	0.6	2.1	1.7	
1998	26,986	26,149	521.8	12,560	76.1	10,277	1,231	5.0
Percent Change	7.0	5.7	2.3	4.4	2.2	16.3	1.7	
1997	25,217	24,747	509.9	12,031	74.4	8,838	1,211	5.3
Percent Change	4.3	2.4	3.4	4.6	2.1	(3.7)	1.9	

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
2000	\$60,449†	\$56,494††	1,028.7††	\$29,454††	\$9,499.7†	24,165††	1,892†	3.9††
Percent Change	7.7	5.5	4.7	6.1	5.3	(0.5)	4.6	
1999	56,127	53,556	982.9	27,761	9,021.6	24,283	1,809	4.4
Percent Change	8.0	6.3	6.2	6.5	11.9	(0.7)	3.8	
1998	51,976	50,364	925.9	26,068	8,065.1	24,445	1,744	4.3
Percent Change	10.0	8.6	3.9	4.6	3.4	4.2	4.1	
1997	47,254	46,373	890.7	24,922	7,802.4	23,462	1,676	4.1
Percent Change	9.1	7.0	5.7	6.3	5.1	(1.5)	5.0	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Nevada Employment Security Department; 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 Employment Security Department. † 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
2000	\$39,997†	\$37,380††	743.9††	\$12,525†	42.6††	8,037††	1,750†	5.5†
Percent Change	5.2	3.0	2.0	9.2	0.7	(6.5)	0.6	
1999	38,020	36,279	729.6	11,466	42.3	8,595	1,740	5.6
Percent Change	3.6	2.0	1.3	2.1	(5.4)	(6.7)	0.4	
1998	36,712	35,574	720.0	11,225	44.7	9,217	1,734	6.2
Percent Change	5.3	4.0	1.6	5.3	(3.2)	12.6	0.6	
1997	34,861	34,211	708.5	10,664	46.2	8,182	1,723	6.2
Percent Change	4.9	2.9	2.0	4.7	0.4	(7.5)	1.0	

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

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
2000	\$95,170†	\$88,944††	1,603.3††	242.5††	15,532††	19,785††	3,337†	4.8††
Percent Change	6.2	4.0	1.8	0.7	(6.4)	(14.9)	1.1	
1999	89,614	85,510	1,575.0	241.2	16,595	23,249	3,301	5.7
Percent Change	5.2	3.6	1.5	(1.8)	(2.0)	(10.1)	1.0	
1998	85,197	82,555	1,551.8	245.7	16,936	25,854	3,268	5.6
Percent Change	5.7	4.4	1.7	0.8	4.2	(4.2)	1.6	
1997	80,578	79,076	1,526.4	243.8	16,250	26,999	3,217	5.8
Percent Change	6.6	4.7	3.5	3.8	(5.7)	(2.9)	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
2000	\$575,491†	\$537,831††	9,443.3††	\$291.1†	1,083.9††	102,357†	20,405†	4.3††
Percent Change	6.9	4.7	3.1	7.0	(1.4)	0.5	1.8	
1999	538,345	513,688	9,159.2	272.1	1,098.9	101,848	20,044	4.6
Percent Change	5.8	4.2	2.5	11.1	(0.9)	2.0	1.7	
1998	508,636	492,864	8,940.1	244.9	1,109.1	99,831	19,712	4.8
Percent Change	8.4	7.0	3.9	4.7	2.3	21.5	1.8	
1997	469,205	460,456	8,608.0	233.9	1,084.5	82,180	19,355	5.4
Percent Change	9.4	7.4	4.2	8.0	2.8	(1.1)	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
2000	\$52,576†	\$49,136††	1,077.1††	\$17,278†	130.9††	16,258††	2,166†	3.2††
Percent Change	6.0	3.8	2.7	4.8	(1.0)	(2.2)	1.7	
1999	49,600	47,328	1,048.6	16,490	132.2	16,624	2,130	3.7
Percent Change	5.9	4.3	2.5	5.3	(0.9)	2.1	1.4	
1998	46,831	45,379	1,023.3	15,655	133.4	16,287	2,101	3.8
Percent Change	7.2	5.8	3.0	5.3	0.4	9.9	1.7	
1997	43,696	42,881	993.8	14,866	132.9	14,818	2,065	3.1
Percent Change	8.3	6.3	4.1	3.3	2.8	(11.1)	2.1	

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

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

WASHINGTON

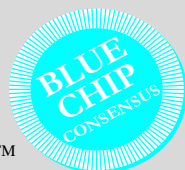
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$186,145†	\$173,967††	2,716.8††	\$84,704†	350.2††	27,283††	5,819†	4.8††
Percent Change	6.4	4.2	2.6	6.3	(3.7)	(7.8)	1.1	
1999	174,948	166,935†	2,648.7	79,684	363.7	29,598	5,756	4.7
Percent Change	7.4	5.8	2.1	7.8	(4.2)	(3.3)	1.2	
1998	162,855	157,805	2,594.9	73,934	379.5	30,610	5,688	4.8
Percent Change	8.4	7.0	3.2	6.6	2.6	2.4	1.5	
1997	150,283	147,481	2,514.2	69,353	370.0	29,903	5,604	4.8
Percent Change	7.9	5.9	4.1	8.7	7.3	(0.4)	1.7	

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

REGULAR UNLEADED GASOLINE Price Per Gallon

		<i>As Of</i> 5/11/2001	<i>Prev. Month</i> 4/13/2001	<i>Percent</i> Change	<i>Last Year</i> 5/12/00	<i>Percent</i> Change
Denver	CO	\$1.75	\$1.50	16.7%	\$1.44	21.5%
Los Angeles-Long Beach	CA	2.02	1.75	15.4	1.60	26.3
Boulder-Longmont	CO	1.78	1.58	12.7	1.50	18.7
Salt Lake City-Ogden	UT	1.60	1.45	10.3	1.48	8.1
Albuquerque	NM	1.58	1.45	9.0	1.47	7.5
Phoenix-Mesa	AZ	1.62	1.50	8.0	1.48	9.5
Dallas	TX	1.76	1.67	5.4	1.58	11.4
Las Vegas	NV	1.76	1.68	4.8	1.59	10.7
Portland-Vancouver	OR	1.69	1.62	4.3	1.65	2.4
Boise	ID	1.62	1.57	3.2	1.59	1.9
Houston	TX	1.64	1.59	3.1	1.49	10.1
San Antonio	TX	1.49	1.46	2.1	1.37	8.8
Seattle-Bellevue-Everett	WA	1.57	1.54	1.9	1.65	-4.8
San Francisco	CA	2.14	2.11	1.4	1.91	12.0

Source: OPIS, "The Dismal Scientist"



WESTERN BLUE CHIP ECONOMIC FORECAST

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