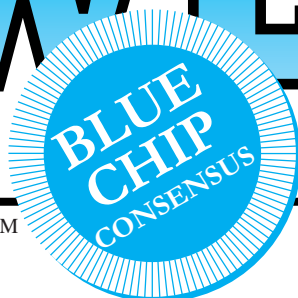


WESTERN



BLUE CHIP ECONOMIC FORECAST

TM

What Blue Chip economists are saying about the Western states

VOLUME 16 • NUMBER 6 • JULY/AUGUST 2002

New Mexico consensus panel most accurate for 2001

Economy watchers from New Mexico had the most accurate forecasts of non-farm employment growth in 2001.

The winning forecasters were determined by calculating the percentage errors for projections made in January compared with the final revised employment growth figures from the U.S. Bureau of Labor Statistics.

The New Mexico 2001 employment growth consensus forecast made in January was an increase in jobs of 1.8 percent. The actual growth rate, based on latest available data revisions, was 1.6 percent, a difference of 12.5 percent.

The actual 1.6 percent employment gains for the Land of Enchantment added a total of 11,900 new jobs in 2001. The January consensus was a scant 1,500 jobs too optimistic.

— Lee McPheters

CONSENSUS FORECASTS AND FORECAST ERRORS: 2001 (Nonfarm Employment Growth)

Rank	State	Forecast	Actual	Error
1	New Mexico	1.8	1.6	12.5%
2	Idaho	2.7	1.8	50.0
3	Nevada	3.9	2.6	50.0
4	California	2.4	1.4	71.4
5	Texas	2.2	0.9	144.4
6	Colorado	2.8	0.9	211.1
7	Arizona	3.3	1.0	230.0
8	Oregon	1.2	-0.7	271.4
9	Utah	2.6	0.6	333.3
10	Washington	1.4	-0.5	380.0

Source: Forecasts from *Western Blue Chip Economic Forecast*, January/February 2001; actual employment growth from U.S. Bureau of Labor Statistics.

Pessimistic projections were key to predicting job growth

MOST ACCURATE FORECASTERS BY STATE: 2001 (Nonfarm Employment Growth)

State	Organization	Panelists
Arizona	The Maguire Company	Alan Maguire
California	UCLA	Tom Lieser
Colorado	Wells Fargo & Co.	Sung Won Sohn & Team*
Idaho	Idaho Division of Financial Management	Michael Ferguson
Nevada	Wells Fargo & Co.	Sung Won Sohn & Team*
New Mexico	Wells Fargo & Co.	Sung Won Sohn & Team*
Oregon	Wells Fargo & Co.	Sung Won Sohn & Team*
Texas	Econoclast	Michael Cosgrove
Texas	U. Texas El Paso	Tom Fullerton
Texas	Wells Fargo & Co.	Sung Won Sohn & Team*
Utah	Wells Fargo & Co.	Kelly K. Matthews
Washington	Dick Conway & Associates	Dick Conway

* Wells Fargo & Co. Team for these states has included Don Hilber, Michael Swanson and Scott Anderson with Sung Won Sohn.

Feeling rather grim and dour about the economy? That's what it took back in January 2001 to produce an accurate outlook for employment growth in the Western states for the year.

Without exception, the best forecasts turned out to be those that were well below the consensus for each state.

Unlike in the past, there were no individual forecasters with a perfect bull's-eye for the rate of job growth for their state for the year. The Wells Fargo Team, led by Sung Won Sohn, produced the best state forecast, with its projection of 1.5 percent for New Mexico.

Forecast panel members with the best individual forecasts for each state are shown in the accompanying table. Repeat winners from last year include Kelly Matthews and Sung Won Sohn and Team, all from Wells Fargo & Co.

— Lee McPheters

NATIONAL ROUNDUP

U.S. JOB GROWTH



% Change: April 2002 vs April 2001

Nonfarm	-0.9
Construction	-2.3
Manufacturing	-6.6
Transportation, Communications and Public Utilities	-3.2
Trade	-0.6
Finance, Insurance and Real Estate	0.1
Services	0.3
Government	1.7

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits
April 2002 vs April 2001

	Total Residential	Single- family	Multi- family
2002	154,493	124,054	30,459
2001	142,963	113,629	29,334
% Δ	-8.1	-9.2	-3.8

Source: U.S. Department of Commerce

U.S. FORECASTS



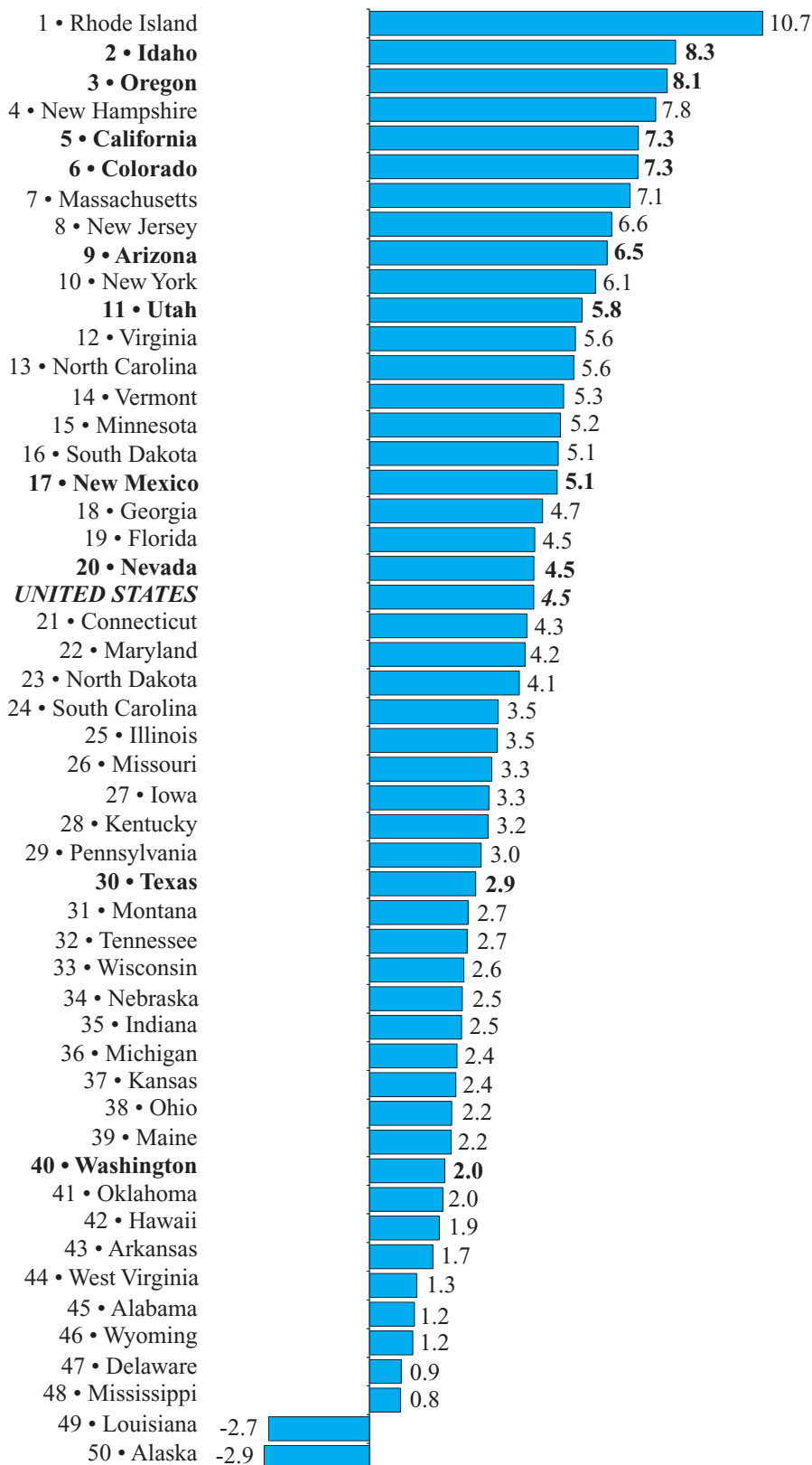
Percent Change

	2002	2003
Real GDP (Chain)	2.5	3.6
CPI	1.7	2.6
GDP Deflator (Chain) . .	1.2	2.3

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

GROSS STATE PRODUCT

Percent Change, 2000 vs 1999



Source: U.S. Bureau of Economic Analysis

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

State:	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	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	4.8 ↓	3.2 ↓	1.0 ↓	2.6 ↓	(11.1)↓	6.1	3.8 ↓	3.0 ↓	2.6 ↓	0.2 ↑
California	2.7 ↓	1.1 ↓	0.5	1.6	(0.2)↑	6.1 ↓	3.7 ↓	2.3	1.6 ↑	1.1 ↓
Colorado	3.0 ↓	1.4 ↓	(0.1)↓	1.6 ↓	(14.4)↑	5.8 ↓	3.5 ↓	2.6 ↓	1.6 ↓	3.5 ↓
Idaho	4.1 ↓	2.5 ↓	1.2 ↓	1.3 ↓	(7.7)↓	5.1 ↓	2.8 ↓	1.7 ↓	1.3 ↓	(0.4)
Nevada	5.4	3.7	2.5	3.8	(1.4)	6.7	4.3	4.1	4.3	3.7
New Mexico	4.9 ↑	3.2 ↑	1.3 ↓	1.3	(1.3)↓	5.2 ↓	2.8 ↓	1.8 ↓	1.3	(1.3)↓
Oregon	3.3 ↓	1.6 ↓	(0.1)	1.1	0.9 ↑	5.4 ↑	3.0 ↑	2.4 ↑	1.3	4.8 ↓
Texas	5.2 ↓	3.6 ↓	1.2 ↓	1.7 ↓	0.1 ↑	6.7	4.3 ↓	2.4 ↓	1.8	0.9 ↑
Utah	3.7	2.0	0.7	1.6	(4.1)	5.2	2.9	2.2	1.7	2.5
Washington	2.1 ↓	0.5 ↓	(1.4)↓	1.0 ↓	(4.7)↑	5.7 ↑	3.4 ↑	1.5 ↑	1.1 ↓	(1.7)↓
↑= Increase in consensus forecast ↓= Decrease in consensus forecast										

Forecast notes from the Western region...

The April state employment report, which showed the first monthly job gain in 16 months and a drop in the unemployment rate, raised hopes for a recovery. But this report may mean less than first appearance suggests. The unemployment rate fell because the labor force declined; the number of persons working also dropped. Most of the job gain was in construction, which benefited from good weather. It is likely that the **Colorado** economy has quit declining, but no strong recovery is on the horizon.

— **Bill Kendall**

*Center for Business and Economic
Forecasting
Denver, Colorado*

The **Oregon** Legislature is now in the third special session to deal with the revenue shortfall of about \$880 million. The usual suspects of tobacco funds, cigarette taxes, payment delays, spending cuts are being considered along with an income tax surcharge and a disconnect from the new federal tax code. The employment decline is about over with glimmers of rebound in chips, recreational vehicles and trucks. Economic Development is back on the political agenda.

— **John Mitchell**

*US Bancorp
Portland, Oregon*

California's economy is in the early stages of a recovery, but there are a lot of speed bumps in its path. While the resale

housing market is red-hot, new home construction is moving sideways. And nonresidential construction is quite soft. International trade activity is picking up, but some of this reflects concerns over possible labor disruptions at U.S. west coast ports in July. Tourism is slowly recovering, but "drive" markets are faring best. And tourist destinations are being very promotional, which is not good news for the bottom line. Finally, the state budget deficit has everyone's attention, as many programs are being cut. Counties and cities are also on edge because the deficit will trickle down to them.

— **Jack Kyser**

*Los Angeles County Economic
Development Corporation
Los Angeles, California*

Current unemployment rates remain higher than year-ago levels. Though down from earlier highs, **Nevada's** latest unemployment rate is at 5.5 percent compared with 6.0 percent for the U.S. The outlook is for no quick return to rates in the 4 percent range. Prospects for a weakened U.S. dollar, sluggish corporate profits, and no near-term return to past levels of business spending have many talking about slow growth without improvement in employment, a situation reminiscent of the early phase of the last expansion in the early 1990's.

— **Keith Schwer**

*University of Nevada at Las Vegas
Las Vegas, Nevada*

Momentum is building in the **Texas** economy. Early signs of recovery in the technology sector are emerging, with other key industries already doing well. Job growth has been positive for several months.

— **Ray Perryman**

*Perryman Group
Waco, Texas*

Idaho's small businesses have experienced tightening labor markets during the past few years and have found it increasingly difficult to attract and retain employees. This has been particularly true in the Boise area (a 4.6 percent unemployment rate in the most recent month, up from 3.8 percent a year ago).

— **Jeff Thredgold**

*Thredgold Economic Associates
Salt Lake City, Utah*

Looking ahead, hiring appears likely in finance, insurance, real estate and services [in **New Mexico**]. Cutbacks are predicted in construction, wholesale/retail trade, education and public administration. On a national level, hiring activity is expected to improve slightly over the coming months, as 21 percent of employers surveyed foresee personnel gains, 10 percent project cutbacks and 63 percent are satisfied with current levels. The remaining six percent are unsure of their staffing needs.

— **New Mexico Business Journal**

Albuquerque, New Mexico

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	5.1	3.1	0.9	2.6	(12.5)	6.0	4.8	2.7	2.6	10.0
ASU - Bank One EOC	5.4	3.2	1.5	2.7	(10.0)	6.0	5.0	3.0	2.4	(2.0)
CH2M HILL	5.1	4.3	0.9	2.6	(12.0)	6.1	5.9	2.9	2.6	1.0
Department of Economic Security	5.2	4.0	(0.8)	2.5		6.0	5.6	2.5	2.4	
ECON-LINC	4.0	3.2	0.6	2.5	(10.0)	6.4	5.6	2.8	2.5	(10.0)
Eggert Economic Enterprises Inc.	4.5	3.9	1.3	2.5	(11.0)	6.1	5.6	3.1	2.7	(0.5)
Elliott D. Pollack & Co.	5.3	3.5	1.0	2.7	(15.0)	6.5	6.5	4.0	2.7	(10.0)
H. C. Reardon Economics	3.9	3.1	0.5	2.4	(12.0)	7.0	6.5	3.5	2.6	0.0
Joint Legislative Budget Committee	4.5	2.5	0.5	2.5	(12.0)	6.0	5.0	2.6	2.6	0.0
Lancaster Consulting	5.4	3.8	1.7	2.6	(5.0)	6.3	5.3	3.0	2.5	0.0
The Maguire Company	5.4	3.5	1.0	2.7	(10.0)	6.2	5.8	2.8	2.7	(5.0)
NAU - BBER	4.9	4.1	1.6	2.5	(10.0)	6.3	5.3	3.0	2.6	0.0
Office of the Treasurer	5.0	3.9	1.6			6.1	5.2	2.6		
Protitlement	5.2	3.5	1.5	2.7	(12.0)	5.8	5.8	3.2	2.7	(5.0)
Salt River Project	5.2	3.5	1.0	2.8	(7.0)	6.0	5.5	3.0	2.8	0.0
Tucson Electric Power Co.	3.0	(0.1)	0.0	2.4	(18.0)	4.8	3.3	1.3	2.5	(9.0)
UA - Eller College	3.8	1.1	(0.1)	2.2	(21.2)	6.3	6.5	3.0	2.0	27.3
VisionEcon	5.8	5.2	2.3	2.7	0.8	6.8	7.7	4.0	3.1	2.0
Wells Fargo & Co.	5.0	3.6	1.2	2.5	(12.0)	6.1	5.1	3.4	2.6	5.0
Consensus Forecast - This Month	4.8	3.3	1.0	2.6	(11.1)	6.1	5.6	3.0	2.6	0.2
- Last Month	4.9	3.3	1.1	2.6	(10.6)	6.1	5.6	3.0	2.6	0.2

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	1.5	0.0	(0.5)	1.7	3.6	6.0	6.0	2.1	1.7	(4.7)
Applied Development Economics, Inc.	5.0	4.4	2.4	1.7	3.0					
California State University, Long Beach *	3.7	2.4	0.8	1.6	(1.4)	5.3	5.1	1.8	1.5	(5.8)
Chapman University	3.9	3.6	0.5	1.6	(4.2)	5.9	5.8	2.4	1.6	3.1
L.A. County Economic Development Corp.	1.5	1.9	(0.4)	1.7	0.3	5.6	5.2	1.6	1.6	1.1
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 & Co.	3.0	2.9	0.8	1.6	(2.0)	6.2	5.1	2.8	1.5	6.0
Consensus Forecast - This Month	2.7	2.8	0.5	1.6	(0.2)	6.1	5.9	2.3	1.6	1.1
- Last Month	2.9	2.9	0.5	1.6	(1.1)	6.2	5.9	2.3	1.5	1.2

* 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
Ctr. for Business & Econ. Forecasting	0.7	2.6	(1.5)	1.7	(16.9)	6.5	7.0	2.8	1.4	1.9
Colorado Legislative Council	2.7	1.7	(1.3)	1.4	(9.0)	6.1	5.5	1.9	1.5	2.1
Office of State Planning and Budgeting	2.3	1.6	0.9	1.7	(18.1)	3.8	3.9	3.8	1.5	(1.9)
U. S. Bank	3.7	3.5	0.4	1.8	(16.9)	7.5	6.8	2.9	1.7	18.3
University of Colorado	4.9	3.9	0.5	1.8	(15.0)	6.5	6.2	2.6	1.8	4.0
Wells Fargo & Co.	5.0	3.4	1.2	1.6	(10.0)	6.4	5.0	3.0	1.8	5.0
Xcel Energy	2.0	3.0	(1.2)	1.5	(15.0)	4.0	5.0	1.2	1.3	(5.0)
Consensus Forecast - This Month	3.0	2.8	(0.1)	1.6	(14.4)	5.8	5.6	2.6	1.6	3.5
- Last Month	4.1	3.5	0.3	1.7	(14.5)	6.6	6.2	2.8	1.7	5.5

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 Div. of Financial Management	4.8		0.7	1.2	(8.6)	5.9		1.7	1.1	(3.0)
Idaho Economics	4.7		1.6	1.5	(9.0)	5.6		2.0	1.5	(2.0)
Idaho State University	3.4	3.0	1.4	1.4	(12.0)	4.0	4.5	1.0	1.0	0.0
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	4.1	3.2	1.1	1.1		5.3	4.2	1.7	1.1	
Wells Fargo & Co.	3.5	3.3	0.9	1.4	(10.0)	4.5	4.5	1.7	1.4	0.0
Consensus Forecast - This Month	4.1	3.3	1.2	1.3	(7.7)	5.1	4.4	1.7	1.3	(0.4)
- Last Month	4.2	3.3	1.2	1.4	(6.9)	5.2	4.5	1.8	1.3	(0.4)

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	3.0	3.0	3.3	(3.0)	6.9	5.5	4.2	3.9	4.0
Consensus Forecast - This Month	5.4	2.3	2.5	3.8	(1.4)	6.7	4.7	4.1	4.3	3.7
- Last Month	5.4	2.4	2.5	3.8	(1.4)	6.7	4.7	4.1	4.3	3.7

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		0.0	1.2				1.0	1.5		
New Mexico State Univ. - CEMAF	5.0	0.0	1.5			5.5	1.5	2.0		
University of New Mexico - BBER	5.2	(1.9)	1.2		(0.5)	6.1	1.9	2.0		(1.2)
Wells Fargo & Co.	4.7	0.1	1.4	1.2	(1.0)	5.3	1.0	2.3	1.3	1.0
Consensus Forecast - This Month	4.9	(0.5)	1.3	1.3	(1.3)	5.2	1.4	1.8	1.3	(1.3)
- Last Month	4.8	(0.7)	1.3	1.3	(0.8)	5.2	1.1	1.9	1.3	(0.6)

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	2.2	(4.9)	(0.6)	1.0	(2.0)	5.8	3.6	3.4	1.3	3.0
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	2.6	(5.3)	(0.6)	1.0	0.1	6.3	1.4	2.1	1.2	4.6
Portland General Electric	3.1	(4.2)	(0.1)	1.1	3.0	6.5	2.2	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	3.5	(3.0)	(0.4)	1.0	0.0	5.3	2.0	2.3	1.1	5.0
Wells Fargo & Co.	3.1	(1.0)	0.3	1.1	1.0	5.1	1.6	2.6	1.2	6.0
Consensus Forecast - This Month	3.3	(2.4)	(0.1)	1.1	0.9	5.4	2.1	2.4	1.3	4.8
- Last Month	3.3	(2.4)	(0.1)	1.1	0.7	5.4	2.1	2.4	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	5.7	5.3	1.8	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)	6.8	6.6	2.6	1.7	1.0
Perryman Group	5.1	4.6	1.4	1.8	(1.7)	6.6	6.4	2.4	1.8	1.0
TX State Comptroller of Public Accounts	4.2	4.3	0.0	1.8	3.1	6.5	6.9	2.0	1.7	(2.9)
University of Houston - CPP	5.2	4.8	1.2	1.4		6.9	7.1	2.4	1.8	
University of Texas at El Paso	4.2	4.0	0.9	1.7	0.4	5.9	6.4	2.1	1.7	1.5
Wells Fargo & Co.	5.5	4.6	1.9	1.8	1.0	6.4	5.8	2.6	1.8	2.0
Consensus Forecast - This Month	5.2	4.8	1.2	1.7	0.1	6.7	6.6	2.4	1.8	0.9
- Last Month	5.4	5.2	1.4	1.7	(0.6)	6.7	6.6	2.5	1.8	0.5

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

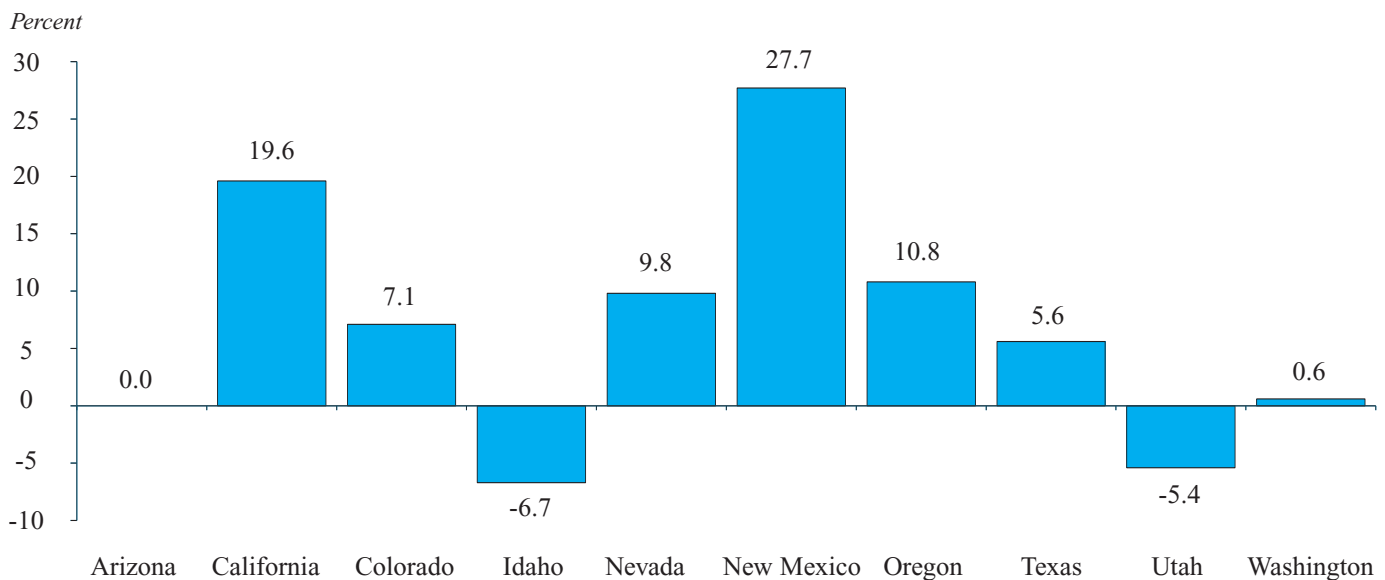
Source:	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Pacificorp	4.5	3.9	1.5	1.4	(4.5)	5.3	4.5	2.2	1.7	5.0
Thredgold Economic Associates	4.8	2.5	1.3	1.6	2.5	6.0	3.5	2.3	1.6	3.0
Utah Dept. 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	2.5	2.2	0.0	1.7	(1.5)	5.3	4.5	2.1	1.7	2.5
Wells Fargo & Co.	3.5	2.6	0.5	1.7	(14.0)	5.0	3.5	2.2	1.8	0.0
Consensus Forecast - This Month	3.7	2.8	0.7	1.6	(4.1)	5.2	3.3	2.2	1.7	2.5
- Last Month	3.7	2.8	0.7	1.6	(4.1)	5.2	3.3	2.2	1.7	2.5

WASHINGTON

Source:	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	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	3.5	1.6	(1.7)	0.9	(7.8)	7.0	5.3	1.4	1.3	(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	1.9	(1.0)	(1.5)	1.0	(1.5)	5.2	3.7	1.4	0.9	(2.5)
Office of Forecast Council *	0.7	0.3	(1.8)	1.1	(1.3)	5.5	4.6	1.4	1.0	(11.0)
Wells Fargo & Co.	2.6	0.5	(0.8)	1.0	(5.0)	5.6	4.0	2.1	1.2	2.0
Consensus Forecast - This Month	2.1	0.1	(1.4)	1.0	(4.7)	5.7	4.2	1.5	1.1	(1.7)
- Last Month	2.3	0.0	(1.3)	1.0	(7.8)	5.6	4.6	1.4	1.1	(0.7)

* Population forecast is from the Office of Financial Management.

SINGLE FAMILY CONDO AND CO-OP SALES Percent Change, First Quarter 2002 over First Quarter 2001



Source: National Association of Realtors

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	\$135,224	\$123,548	2,267	\$44,833†	211.0†	50,930	5,342.3	4.5
Percent Change	4.8	2.5	0.9	2.0	(1.6)	4.3	3.0	
2000	129,069	120,590	2,248.0	43,940	214.9	48,846	5,188	3.9
Percent Change	8.2	5.7	3.9	7.8	1.5	(5.6)	3.4	
1999	112,895	114,039	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	109,394	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	\$1,127,426	\$1,030,076	14,700	\$282,028†	1,905	106,265	33,872	5.2
Percent Change	3.1	0.9	1.5	1.7	(2.2)	1.6	0.4	
2000	1,093,065	1,021,263	14,485.6	277,314	1,948.0	104,600	33,753	4.9
Percent Change	9.6	7.2	3.6	8.5	1.3	1.8	1.8	
1999	997,351	953,059	13,988.6	255,589	1,923.4	102,750	33,140	5.2
Percent Change	7.1	5.6	2.9	11.4	(1.4)	10.0	1.5	
1998	931,565	902,679	13,594.9	229,406	1,951.2	93,414	32,657	5.9
Percent Change	8.1	6.8	3.5	5.6	2.0	11.0	1.4	
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	\$145,593	\$133,021	\$2,233	\$59,626†	199.0	36,477	4,418	3.5
Percent Change	3.8	1.5	0.9	2.7	(3.2)	(3.2)	2.2	
2000	140,225	131,013	2,213.0	\$58,058	205.9	37,699	4,323	2.6
Percent Change	9.8	7.4	3.8	10.9	0.7	(1.9)	*	
1999	127,653	121,984	2,131.1	52,368	204.6	38,410	4,056	2.9
Percent Change	7.8	6.3	3.6	8.7	(1.3)	6.4	2.2	
1998	118,413	114,741	2,056.1	48,173	207.3	36,107	3,969	3.8
Percent Change	8.9	7.5	3.9	6.7	1.6	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	\$32,044	\$29,277	570.0	\$14,278†	75.0	9,483	1,321	4.8
Percent Change	3.9	1.6	1.8	3.8	(2.2)	(6.1)	1.7	
2000	30,827	28,802	559.3	\$13,755	77.1	10,098	1,299	4.5
Percent Change	8.0	5.6	3.8	4.5	1.1	(3.8)	*	
1999	28,538	27,271	538.7	13,163	76.3	10,497	1,252	5.2
Percent Change	5.4	4.0	3.3	4.8	0.2	2.1	1.7	
1998	27,066	26,227	521.6	12,560	76.1	10,277	1,231	5.0
Percent Change	7.3	6.0	2.3	4.4	2.0	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	\$62,886	\$57,456	1,054	\$31,709††	\$9,794†	26,981	2,106	5.1
Percent Change	5.6	3.2	2.6	7.7	3.1	4.8	4.3	
2000	59,565	55,652	1,027.5	29,454	9,499.7	25,749	2,019	3.9
Percent Change	7.0	4.6	4.5	6.1	5.3	6.0	*	
1999	55,694	53,220	982.8	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	52,017	50,404	925.7	26,068	8,065.1	24,445	1,744	4.3
Percent Change	10.1	8.7	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	\$42,366	\$38,708	757.0	\$12,540	43.1	8,929	1,829	5.7
Percent Change	6.1	3.7	1.6	3.6	(0.4)	11.1	0.4	
2000	39,943	37,319	744.7	12,099	43.2	8,037	1,821	5.5
Percent Change	5.5	3.1	2.1	5.5	1.8	(6.5)	*	
1999	37,877	36,195	729.7	11,466	42.5	8,595	1,740	5.6
Percent Change	2.8	1.3	1.3	2.1	(5.0)	(6.7)	0.4	
1998	36,858	35,715	720.1	11,225	44.7	9,217	1,734	6.2
Percent Change	5.7	4.4	1.6	5.3	(3.3)	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	\$97,240	\$88,844	1,598	236.3	16,217.0	21,049.0	3,374	5.9
Percent Change	2.5	0.2	(0.6)	(3.0)	4.4	6.4	1.1	
2000	94,854	88,623	1,607.1	243.5	15,532	19,785	3,337	4.8
Percent Change	6.4	4.1	2.1	0.5	(6.4)	(14.9)	1.1	
1999	89,128	85,170	1,574.6	242.4	16,595	23,249	3,301	5.7
Percent Change	4.5	3.0	1.5	(1.6)	(2.0)	(10.1)	1.0	
1998	85,305	82,660	1,551.5	246.3	16,936	25,854	3,268	5.6
Percent Change	5.9	4.6	1.6	1.1	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	\$607,467	\$555,014	9,514	\$306†	1,058	111,352	21,325	4.7
Percent Change	4.5	2.2	0.9	5.2	(2.8)	4.5	1.8	
2000	581,312	543,126	9,432.3	291	1,088.0	106,601	20,947	4.3
Percent Change	7.8	5.4	3.0	7.0	(0.3)	4.7	*	
1999	539,129	515,187	9,159.0	272.1	1,084.5	101,848	20,044	4.6
Percent Change	5.3	3.8	2.4	11.1	(2.1)	2.0	1.7	
1998	511,964	496,089	8,941.4	244.9	1,107.4	99,831	19,712	4.8
Percent Change	9.2	7.8	3.9	4.7	2.2	(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	\$54,934	\$50,190	1,082	\$17,935†	126.9	13,851	2,270	4.0
Percent Change	4.6	2.3	0.6	3.8	(3.2)	2.9	1.3	
2000	52,532	49,081	1,075.4	17,278	131.1	13,463	2,242	3.2
Percent Change	6.9	4.5	2.6	4.8	(0.7)	(7.5)	*	
1999	49,149	46,966	1,048.6	16,490	132.1	14,561	2,130	3.7
Percent Change	5.1	3.6	2.5	5.3	(0.3)	0.6	1.4	
1998	46,772	45,322	1,023.5	15,655	132.5	14,476	2,101	3.8
Percent Change	7.0	5.7	3.0	5.3	(0.3)	2.8	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	\$189,111	\$172,782	2,698	\$85,975†	338.5	28,137	5,988	6.0
Percent Change	2.5	0.2	(0.5)	1.5	(4.2)	3.1	1.3	
2000	184,518	172,397†	2,711.2	84,704	353.5	27,283	5,908	4.8
Percent Change	5.9	3.6	2.4	6.3	(2.9)	(7.8)	*	
1999	174,221	166,484	2,648.2	79,684	364.1	29,598	5,756	4.7
Percent Change	6.8	5.3	2.1	7.8	(4.1)	(3.3)	1.2	
1998	163,192	158,132	2,594.9	73,934	379.6	30,610	5,688	4.8
Percent Change	8.6	7.3	3.2	6.6	2.5	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.

MEDIAN SINGLE FAMILY HOUSE PRICES (In Thousands)

	2000	2001	Q1 2002	% Change Q1 2002 over Q1 2001
Phoenix, AZ	134.4	139.4	141.7	4.6
Los Angeles Area, CA.....	215.9	241.4	265.0	17.7
San Diego, CA	269.4	298.6	325.5	14.3
San Francisco Bay Area, CA	454.6	475.9	482.3	-0.4
Denver, CO.....	196.8	218.3	223.8	6.6
Boise City, ID.....	126	130.0	130.0	-0.2
Albuquerque, NM	130.4	133.3	128.0	-2.6
Las Vegas, NV	137.4	149.1	153.1	7.3
Portland, OR	170.1	172.3	175.7	3.2
Houston, TX.....	116.1	122.4	126.5	6.9
San Antonio, TX	96.0	103.8	104.0	6.1
Salt Lake City/Ogden, UT	141.5	147.6	143.0	-0.7
Seattle, WA.....	230.1	245.4	247.6	5.0

Source: National Association of Realtors



WESTERN BLUE CHIP ECONOMIC FORECAST

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WESTERN BLUE CHIP ECONOMIC FORECAST

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