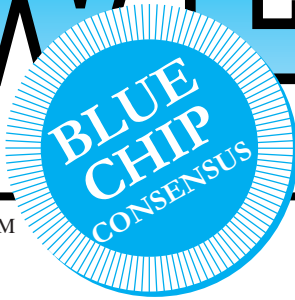


WESTERN



TM

BLUE CHIP ECONOMIC FORECAST

What Blue Chip economists are saying about the Western states

Volume 15 • Number 7 • September 2001

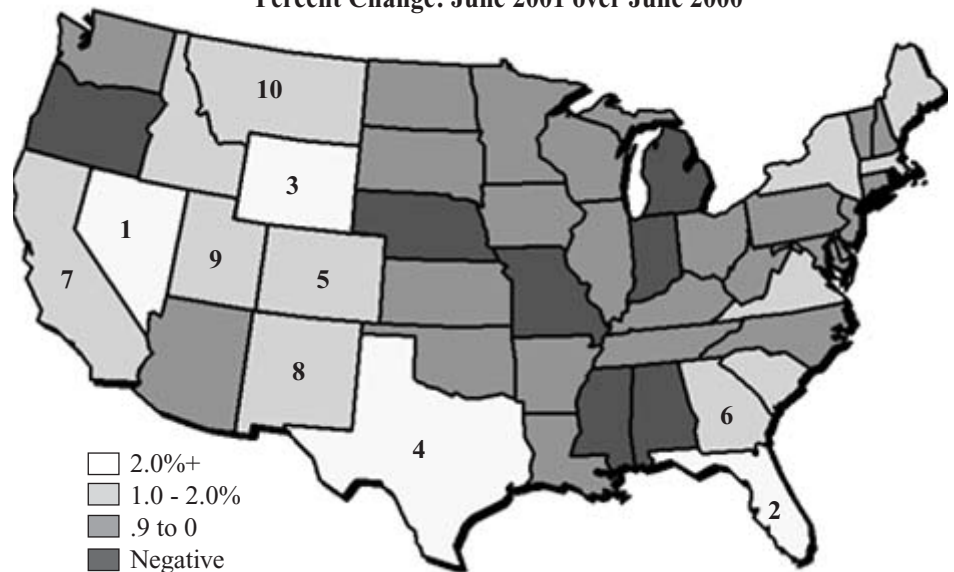
Hopes for a rebound fade; mood is cautious optimism

As the year wears on, the prospects for a quick turnaround in the economy have dimmed. Slowly, as the data have shown further deterioration on the employment front, optimism has faded and forecasts for growth have slipped downward. In the Midwest, job contraction that began in manufacturing has begun to spill over into other sectors. Those Western states involved in what may be referred to as a “sectoral recession” in manufacturing have not seen the ill effects move into other parts of the economy — but the full weight of the country’s slowdown may yet be borne.

Job growth is a most timely measure for the economic health of a region, as it is available monthly and is broken into industry sectors with just a two-month delay in the reporting of figures from the U.S. Bureau of Labor Statistics. While some adjustment to the figures is expected, job growth data are a good way of gauging the direction the economy has taken. Over the last few months, job growth across the United States has definitely slowed, with the U.S. average at a mere 0.3 percent of growth in nonagricultural jobs in June 2001 compared to June 2000. For the 12 months ending in June 2001 compared to the same period for the previous year, the U.S. average was 1.3 percent. The National Consensus Forecast of Labor Employment, Compensation and Productivity (which measures the level of nonagricultural employment nationally, the Employment Cost Index and productivity of all workers in the private sector) is calling for some growth in nonagricultural employment between 2001 and 2002.

Among the Western states, Nevada has seen the strongest continued growth in employment. Compared to 5.3 percent for the 12 months ending in June 2000, Nevada saw nonagricultural job growth of 4.7 percent for the 12 months ending in June 2001. Most of those jobs were added in the services sector, which boasts 17,100

NONFARM EMPLOYMENT
Percent Change: June 2001 over June 2000



Source: U.S. Bureau of Economic Analysis

jobs added in the 12 months ending June 2001. Nevada holds the top position in growth amongst the Western states in many sectors: manufacturing; transportation, communications and public utilities; trade; and finance, insurance and real estate. Comparing job growth in June 2001 to June 2000, Nevada is the only Western state to maintain positive growth in the manufacturing sector. In manufacturing, Washington has fared the worst, losing jobs at a rate of 4.1 percent when comparing June 2001 to June 2000.

On the whole, Western states fare better than the U.S. average in job growth for the industry sectors throughout the 12 months ending in June 2001, compared to the same period the previous year. In total nonagricultural employment, Oregon is the only Western state with employment growth less than the national average of 1.3 percent, reporting an average of 1.0 percent growth.

Another measure of economic growth

reported state-by-state is the quarterly Personal Income figures published by the U.S. Bureau of Economic Analysis. From this measure, Colorado fares the best, with 7.7 percent growth reported for the first quarter of 2001 compared to the first quarter of 2000. For the same period, Oregon saw growth of 2.8 percent, and Nevada 4.2 percent. This paints a slightly different picture than do the job growth figures. One difference is that Nevada does not hold the highest rank; another is that the Western states, with the exception of Colorado, report personal income growth levels below the national average of 6.1 percent.

So the picture is not as rosy as some may have foreseen a year ago, and the talk of recession has become serious — especially when looking at specific regions or industries — but the overall outlook remains for limited economic growth in the Western states.

— D.M.

NATIONAL ROUNDUP

U.S. JOB GROWTH



Percent Change: June 2001 vs June 2000

Nonagricultural	0.3
Construction	3.3
Manufacturing	-4.1
Transportation, Communications and Public Utilities	1.4
Trade	0.9
Finance, Insurance and Real Estate	1.3
Services	1.5
Government	-0.7

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits June 2001 vs June 2000

	Total Residential	Single- family	Multi- family
2001	151,077	116,653	34,424
2000	151,893	112,445	39,448
% Δ	-0.5	3.7	-12.7

Source: U.S. Department of Commerce

U.S. FORECASTS

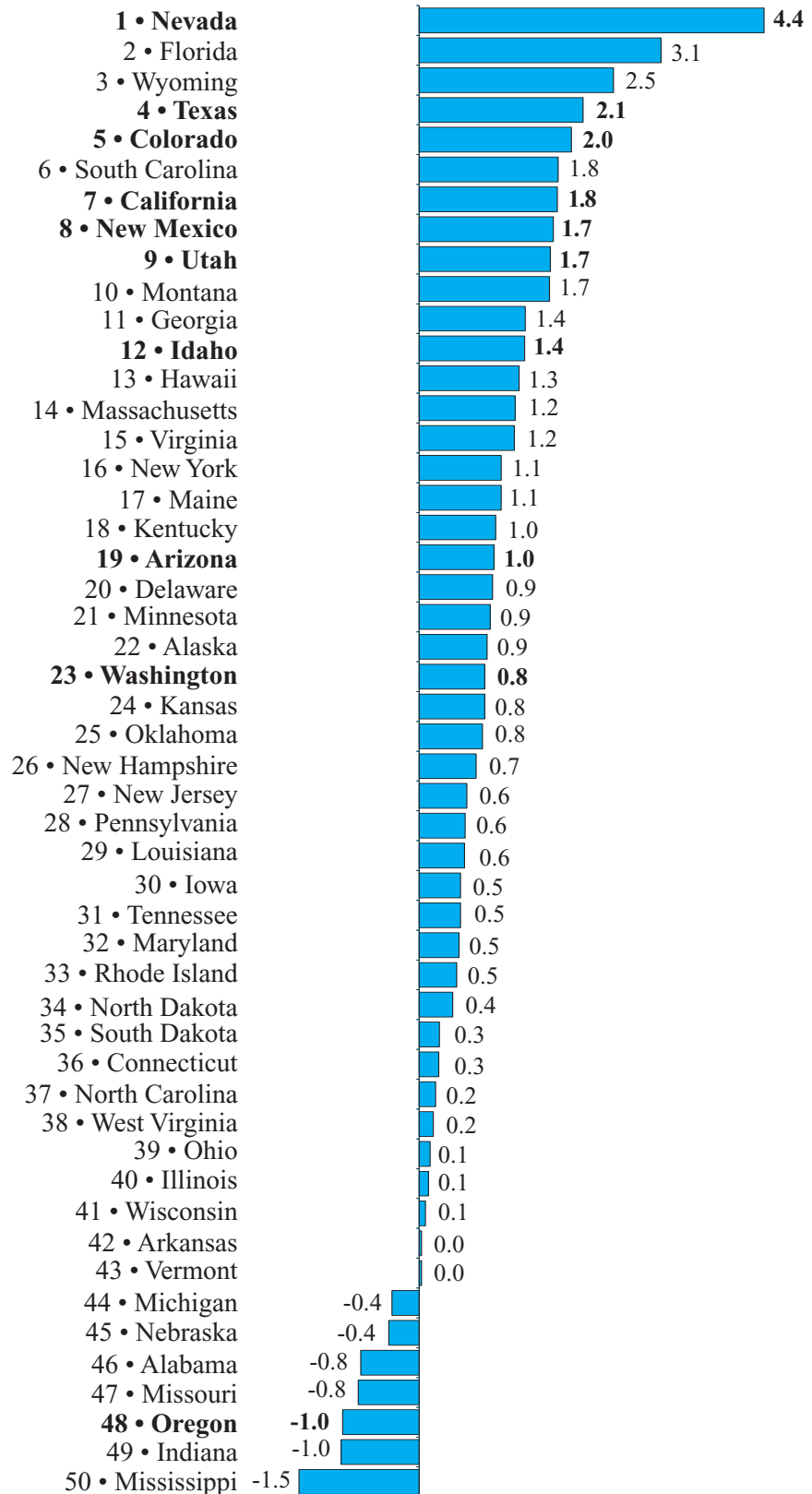


Percent Change

	2001	2002
Real GDP (Chain)	1.7	2.6
CPI	3.2	2.7
GDP Deflator (Chain)	2.7	2.7

Source: "U.S. Economic Outlook," DRI-WEFA, July 2001

NONAGRICULTURAL JOB GROWTH (Percent Change, June 2001 over June 2000)



Source: U.S. Bureau of Labor Statistics

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
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	6.1 ↓	5.5 ↓	2.7 ↓	2.7	(5.3) ↑	6.2 ↓	5.7 ↓	3.0 ↓	2.6 ↓	(5.7) ↓
California	4.1 ↓	1.3 ↓	2.2 ↓	1.7	2.3	5.5 ↓	2.7 ↓	2.2 ↓	1.7 ↓	(0.2)
Colorado	7.1 ↓	4.3 ↓	3.0 ↑	2.2	(0.7) ↑	7.1 ↑	4.2 ↓	2.8 ↑	2.1 ↓	(2.6) ↓
Idaho	5.5 ↓	2.7 ↓	2.4 ↓	1.4	(3.5) ↓	5.6 ↓	2.8 ↓	2.4 ↓	1.4 ↓	(2.1) ↑
Nevada	6.5 ↓	3.7 ↓	3.8 ↑	4.3 ↑	1.9 ↑	6.6 ↓	3.8 ↓	3.9 ↑	4.3 ↑	1.6 ↑
New Mexico	4.7	2.0 ↓	1.6	0.7	1.5	5.3	2.5 ↓	1.8	0.7	(2.0)
Oregon	4.5 ↓	1.8 ↓	0.3 ↓	1.1	5.7 ↓	5.7 ↑	2.9 ↓	1.8 ↑	1.1	4.0 ↓
Texas	6.1 ↓	3.3 ↓	2.0	1.7	(0.7) ↑	6.5 ↑	3.7 ↓	2.3 ↑	1.8	1.7 ↑
Utah	5.5 ↓	2.7 ↓	2.1 ↓	1.6 ↓	(2.5) ↑	5.6 ↓	2.8 ↓	2.1 ↓	1.6 ↑	0.3 ↓
Washington	3.6 ↓	0.8 ↓	1.2 ↓	1.0	2.4 ↑	5.1 ↓	2.3 ↓	1.7 ↓	1.1 ↓	1.6 ↑

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

Forecast notes from the Western region...

A record-breaking number of gubernatorial vetoes out of Austin has set the stage for medium-term legislative policy and political showdowns in the Lone Star Republic.

— **Tom Fullerton**

University of Texas at El Paso
El Paso, Texas

[Colorado's] forecast calls for growth to continue to slow through the remainder of 2001. The driving forces behind this will be continuation of very slow national growth, weakness in the tech sector and flat construction activity. Signs of softness began to appear in second quarter statistics.

— **Wilson D. Kendall**

Center for Business and Economic
Forecasting
Denver, Colorado

The Puget Sound economy is uncomfortably close to recession. The list of [Washington's] real and apparent problems is long: an aerospace downturn with the loss of 26,000 jobs between 1995 and 2000; turmoil in the high-tech sector; soaring energy costs; the abrupt slowdown of the U.S. economy; a 6.8 earthquake; and Boeing's stunning announcement to move its headquarters from Seattle to Chicago.

— **Dick Conway**

Dick Conway and Associates
Seattle, Washington

While California's overall economy is still inching ahead, thanks to new home construction and tourism, it is safe to say that the state's manufacturing sector and the San

Jose area are in recessions. All eyes are on international trade, as there is concern that the "peak" shipping season (July to October) could be weak, due to cautious U.S. retailers who are overstocked. Finally, the energy crisis has taken an unusual turn, due to cooler than normal weather and a vigorous conservation effort. The state has bought too much power and is selling it at a loss.

— **Jack Kyser**

Economic Development Corp. of Los
Angeles County
Los Angeles, California

July sales tax revenues [in Utah] gave us some pause — they fell 1 percent. Withholding taxes were up 4.4 percent, but profits taxes continued to decline in double-digits.

— **Douglas MacDonald**

Utah State Tax Commission
Salt Lake City, Utah

While the U.S. economy flirts with recession, the Oregon economy is engaged in a serious courtship. Signs of weakness have now spread into the non-manufacturing sector. Further slippage of the high-tech sector and slowing exports will push the economy down at rates not seen since the 1991 recession.

— **Tom Potiowsky**

Oregon Executive Department
Salem, Oregon

The reports from Utah's employers for First Quarter 2001 reflect a substantial slowdown in employment expansion.

Specifically, business services industries, not long ago the engine driving Utah's job growth, hit the brakes early this year. This and the ongoing economic doldrums in which the U.S. economy finds itself have caused us to scale back our forecasts of Utah's job growth for 2001 and 2001 to 1.7 and 1.6 percent respectively.

— **Ken Jensen**

Utah Department of Workforce Services
Salt Lake City, Utah

The state's economic growth pace has been solid this year, even as it has slowed. Colorado, the state with the nation's highest concentration of high-tech workers (as a percent of the total work force) will, as a result, be more impacted by sector weakness than most other states.

— **Jeff Thredgold**

Thredgold and Associates
Salt Lake City, Utah

In 2002 and beyond, the state-takes-charge scenario has much higher retail electricity prices because of the debt that is passed to future ratepayers, and because capacity formation is weakened by a cloudy investment climate. These higher rates create a -1 percent drag on the California economy over the next three years, compared to a full restoration of normal growth under the market-based solution.

— **Christopher Thornberg**

UCLA Anderson Forecast
— **Michael Zenker**
CERA
Los Angeles, California

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

Methodology

The consensus forecasting approach used in the Western Blue Chip was inspired by Robert J. Eggert of Sedona, Arizona. Eggert popularized consensus forecasting with the introduction of his widely cited newsletter on the national economy, Blue Chip Economic Indicators. This approach has been consistently shown to be more accurate than projections

from an individual forecaster.

Consensus panelists for the Western Blue Chip are drawn from leading firms, universities and state agencies across the West. Panelists are contacted during the final week of each month and forecast data are compiled by telephone and fax transmission until the last day of the month. Thus, data reported in the forecast tables for a given month are current as of the

first day of that month.

The consensus for each state is the mean of all forecasts shown in the table. Data are expressed as annual percentage changes relative to the annual average value for each indicator during the previous year. Since not all panelists revise their forecasts each month, changes in the consensus may result from revisions by an individual contributor.

ARIZONA										
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	6.4	5.8	3.1	2.7	(7.8)	6.6	6.1	3.3	2.7	(3.0)
ASU - Bank One EOC	6.5	6.0	3.0	2.4	(10.0)	6.0	5.0	2.9	2.3	(10.0)
CH2M HILL	5.9	5.1	2.3	2.6	(5.0)	6.3	5.5	3.2	2.6	(6.0)
Communities Southwest	6.6	6.0	2.7	2.7	(4.0)	6.2	5.3	3.0	2.7	(7.0)
Department of Economic Security	6.3	6.6	3.0	2.5		6.6	7.0	3.7	2.4	
ECON-LINC	6.3	5.2	2.4	2.7	(10.0)	6.0	5.5	3.0	2.5	(5.0)
Eggert Economic Enterprises Inc.	5.7	4.3	2.0	2.4	(6.9)	6.2	4.9	2.4	2.6	(1.9)
Elliott D. Pollack & Co.	6.2	5.0	2.0	2.8	(5.0)	6.3	7.0	2.5	2.7	(10.0)
H. C. Reardon Economics	5.8	5.0	2.5	2.8	(8.0)	6.7	6.0	3.6	2.7	(6.0)
Joint Legislative Budget Committee	6.0	5.5	2.6	2.7	(5.0)	6.2	6.0	2.9	2.6	(4.0)
Lancaster Consulting	6.1	5.0	3.0	2.6	(5.0)	5.9	4.5	2.6	2.6	(10.0)
The Maguire Company	6.4	5.5	3.1	2.8	(5.0)	6.2	5.8	3.3	2.7	(5.0)
NAU - BBER	6.4	5.2	2.9	2.6	(10.0)	6.6	4.7	3.2	2.5	(10.0)
Office of the Treasurer	6.0	5.6	3.0			6.6	5.4	2.9		
Salt River Project	5.7	6.0	2.5	3.0	(1.0)	6.0	6.5	3.5	3.0	0.0
Tucson Electric Power Co.	6.2	5.2	3.0	2.7	(9.0)	5.8	5.2	2.8	2.7	(7.0)
UA - Eller College	6.2	5.4	2.7	2.8	(2.7)	6.1	6.6	2.7	2.7	(8.9)
VisionEcon	5.4	6.2	2.2	2.7	0.0	5.5	7.2	2.8	2.7	2.2
Wells Fargo & Co.	6.0	5.0	2.8	2.6	5.0	5.5	5.0	2.5	2.5	(5.0)
Consensus Forecast - This Month	6.1	5.5	2.7	2.7	(5.3)	6.2	5.7	3.0	2.6	(5.7)
- Last Month	6.2	5.6	2.9	2.7	(6.3)	6.2	5.8	3.0	2.6	(5.4)

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)
Applied Development Economics, Inc.	4.8	4.3	2.3	1.7	2.9	5.0	4.4	2.4	1.7	3.0
California State University, Long Beach *	5.9	6.1	2.2	0.9	(7.5)	7.1	6.9	2.1	1.1	6.2
Chapman University	5.3	4.8	2.3	1.6	2.1	6.1	5.8	2.5	1.6	(3.2)
L.A. County Economic Development Corp.	2.5	1.5	2.2	1.8	(1.0)	5.0	2.0	2.4	1.6	2.0
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 & Co.	3.7	4.1	1.9	1.7	0.9	5.2	4.7	2.3	1.7	0.7
Consensus Forecast - This Month	4.1	3.5	2.2	1.7	2.3	5.5	4.5	2.2	1.7	(0.2)
- Last Month	4.1	3.9	2.3	1.7	2.3	5.6	5.0	2.2	1.7	(0.2)

* This forecast is for Southern California only

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
Ctr. for Business/Economic Forecasting	8.2	4.9	3.0	2.1	4.2	7.1	7.8	2.6	1.9	(2.3)
Colorado Legislative Council	8.0	7.4	3.3	2.2	2.8	7.7	7.2	3.0	2.1	(2.6)
Office of State Planning and Budgeting	7.1	7.2	3.5	2.3	(5.6)	6.6	6.6	3.4	2.3	(4.0)
U. S. Bank	7.8	6.5	3.1	2.3	6.1	8.2	7.9	2.9	2.1	(3.8)
University of Colorado	7.0	6.6	2.8	2.1	(4.0)	7.2	6.8	2.8	2.1	(1.0)
Wells Fargo & Co.	4.1	4.3	2.2	2.0	(0.3)	5.2	4.6	2.4	2.0	0.2
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	7.1	6.2	3.0	2.2	(0.7)	7.1	6.7	2.8	2.1	(2.6)
- Last Month	7.2	6.7	3.0	2.2	(1.1)	6.8	6.3	2.7	2.1	(1.7)

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	4.2		1.6	1.5	(5.0)	4.9		1.4	1.2	(4.0)
Idaho Economics	5.9		2.8	1.6	0.0	5.8		2.8	1.6	(2.0)
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	5.6	4.3	2.4	1.3		5.7	4.0	2.5	1.3	
Wells Fargo & Co.	5.6	4.5	2.0	1.3	(5.0)	5.6	4.5	2.3	1.3	0.0
Consensus Forecast - This Month	5.5	4.3	2.4	1.4	(3.5)	5.6	4.2	2.4	1.4	(2.1)
- Last Month	5.6	4.3	2.4	1.4	(3.1)	5.7	4.3	2.5	1.4	(2.3)

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 Empl., Training, and Rehab.	7.5	4.5	3.8	4.5		7.0	3.5	3.3	4.0	
Leg. 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	6.0	3.5	4.0	4.0	2.0	5.0	3.0	3.0	4.0	1.0
Thredgold Economic Associates	7.4	5.0	4.2	4.2	0.0	7.1	6.0	4.1	4.2	0.0
Southwest Gas	6.9	4.8	4.0	4.9	2.5	7.1	5.5	4.3	5.1	2.3
Univ. of Nevada at Las Vegas - CBER	7.6	2.5	4.9	4.9	12.8	7.1	2.8	4.7	4.4	6.9
Wells Fargo & Co.	4.3	0.6	2.1	3.7	0.3	6.4	3.9	3.6	4.1	1.2
Consensus Forecast - This Month	6.5	3.3	3.8	4.3	1.9	6.6	4.1	3.9	4.3	1.6
- Last Month	6.5	3.3	3.7	4.2	(0.1)	6.7	4.2	3.8	4.2	1.1

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

	2001					2002				
	Annual Percent Change, 2001 from 2000					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 Univ - CEMAF	5.0	2.2	2.0			5.5	2.5	2.0		
University of New Mexico - BBER	5.4	2.1	1.7		3.3	4.9	2.9	1.7		(4.3)
Wells Fargo & Co.	3.8	(0.3)	1.1	0.7	(0.3)	5.6	1.6	1.9	0.7	0.4
Consensus Forecast - This Month	4.7	1.3	1.6	0.7	1.5	5.3	2.3	1.8	0.7	(2.0)
- Last Month	4.7	1.3	1.6	0.7	1.5	5.3	2.3	1.8	0.7	(2.0)

OREGON

	2001					2002				
	Annual Percent Change, 2001 from 2000					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	4.0	(2.5)	0.0	1.1	7.5	5.6	(0.2)	1.5	1.2	1.1
Portland General Electric	4.5	(2.5)	0.5	1.1	7.0	5.9	1.5	2.1	1.3	5.0
Thredgold Economic Associates	5.2	(1.5)	0.8	1.0	6.0	5.4	0.0	1.7	1.1	6.0
U.S. Bancorp	4.8	(3.0)	0.1	1.1	8.0	5.5	1.5	1.4	1.1	5.0
Wells Fargo & Co.	4.1	(0.6)	0.3	1.0	(0.2)	6.3	2.3	2.1	1.0	3.1
Consensus Forecast - This Month	4.5	(2.0)	0.3	1.1	5.7	5.7	1.0	1.8	1.1	4.0
- Last Month	4.9	(1.6)	0.8	1.1	7.9	5.6	1.1	1.7	1.1	4.3

TEXAS

	2001					2002				
	Annual Percent Change, 2001 from 2000					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	6.4	6.1	2.1	1.8	(1.1)	6.6	6.3	2.3	1.8	0.6
TX State Comptroller of Public Accounts	5.9	4.3	2.5	1.6	2.7	6.2	6.6	2.4	1.8	3.9
University of Houston - CPP	6.0	5.7	2.1	1.7		6.5	6.4	2.5	1.9	
University of Texas at El Paso	6.2	5.8	2.0	1.7	1.1	6.8	7.2	2.2	1.7	2.2
Wells Fargo & Co.	4.5	3.5	1.2	1.8	(2.3)	5.8	4.1	2.3	1.8	1.6
Consensus Forecast - This Month	6.1	5.5	2.0	1.7	(0.7)	6.5	6.3	2.3	1.8	1.7
- Last Month	6.1	5.6	2.1	1.7	(1.8)	6.5	6.3	2.3	1.8	1.5

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

Source:	2001 Annual Percent Change, 2001 from 2000					2002 Annual Percent Change, 2002 from 2001				
	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	5.7	5.2	2.3	1.6	(5.0)	5.8	5.5	2.5	1.7	0.0
Utah Department of Workforce Services	5.4		1.7	1.7		5.5		1.6	1.7	
Utah State Tax Commission	5.1	4.5	1.9	1.6	6.0	5.0	4.4	1.7	1.5	0.0
Wells Fargo	5.5	4.5	2.2	1.6	(5.0)	5.5	5.0	2.2	1.6	0.0
Consensus Forecast - This Month	5.5	5.0	2.1	1.6	(2.5)	5.6	5.4	2.1	1.6	0.3
- Last Month	5.7	5.2	2.3	1.7	(4.0)	5.6	5.6	2.2	1.6	0.8

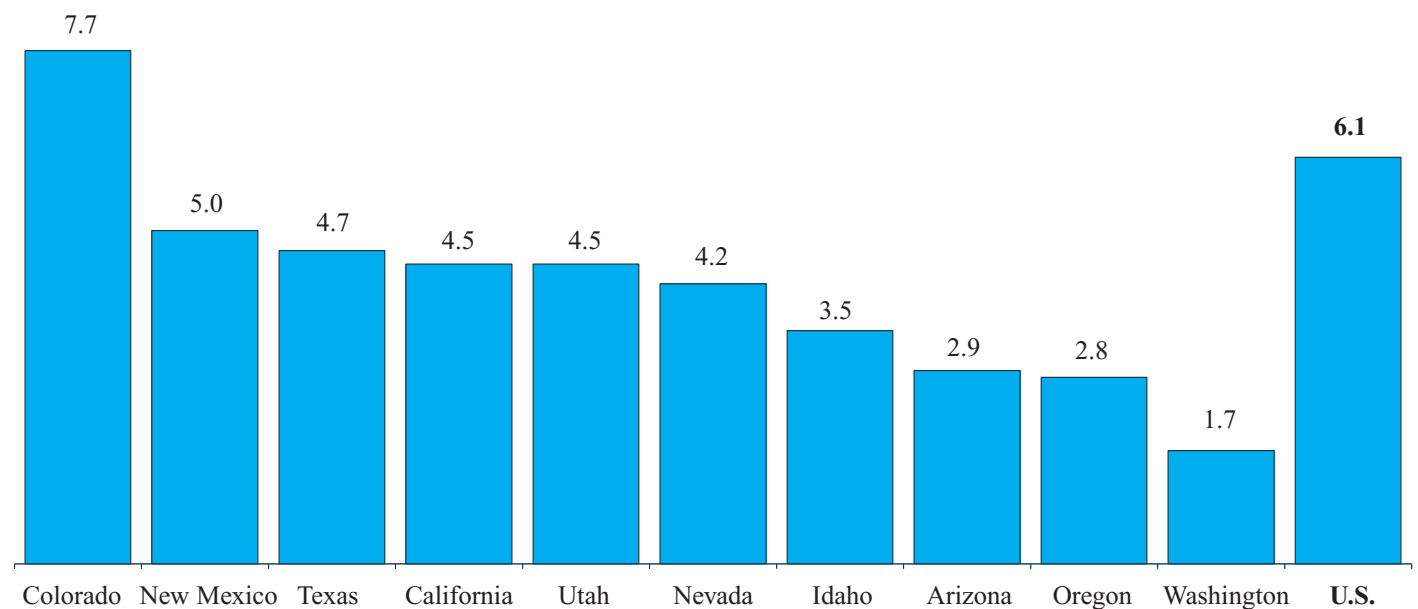
WASHINGTON

Source:	2001 Annual Percent Change, 2001 from 2000					2002 Annual Percent Change, 2002 from 2001				
	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	3.3	3.0	0.9	1.0	1.0	5.2	4.0	1.4	1.1	5.0
Doug Pedersen & Associates	3.0	2.8	1.2	1.0	6.0	5.0	3.5	1.6	1.1	1.0
Northwest Policy Center	5.3	3.8	1.6	1.0	(0.4)	5.5	4.2	1.9	1.1	1.7
Office of Forecast Council *	2.5	2.4	1.0	1.0	6.0	5.0	4.2	1.4	1.1	(1.7)
Wells Fargo & Co.	3.8	2.7	1.1	1.0	(0.6)	4.8	3.2	2.1	1.0	2.1
Consensus Forecast - This Month	3.6	2.9	1.2	1.0	2.4	5.1	3.8	1.7	1.1	1.6
- Last Month	4.2	3.2	1.3	1.0	1.3	5.3	4.2	1.8	1.1	1.2

* Population forecast is from the Office of Financial Management

PERSONAL INCOME

Percent Change, 1st Quarter 2001 over First Quarter 2000



Source: U.S. Bureau of Economic Analysis

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 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
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

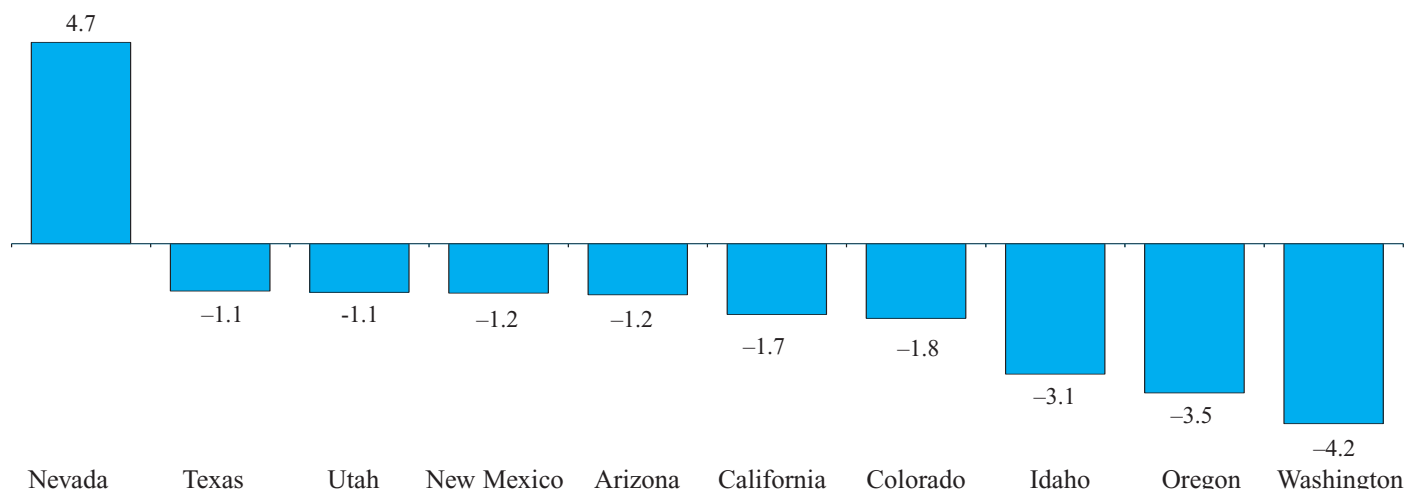
WESTERN BLUE CHIP ECONOMIC FORECAST

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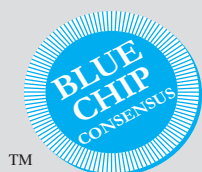
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$186,145†	\$173,967††	2,716.8††	\$84,704†	350.2††	27,283††	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

MANUFACTURING JOB GROWTH (Percent Change, June 2001 over June 2000)



Source: U.S. Bureau of Labor Statistics



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