

## BLUE CHIP ECONOMIC FORECAST

## WESTERN


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What Blue Chip Economists are Saying about the Western States

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## Utah reigns as leading job growth state for 2007

Economic performance among the Western states is cooling, in line with a weakening national economy. Last year at this time, Arizona was the leading state for nonagricultural job growth, with an over-the-year increase for September of 4.8 percent.

Twelve months later, Arizona job creation has slipped to 2.6 percent. The nation's leading growth state is now Utah, recording an over-the-year employment increase of 4.4 percent.

One year ago, eight of the top 10 fastest growing states (based on employment) were in the West. That ratio still holds today, but the relative positions have changed (see table).

### MOVING UP

Three Western states moved up in placement among the leading job growth states, based on percentage change in September 2007 vs. September 2006.

Montana made the greatest gains of any state, moving up 13 places in the rankings to take third place. Montana is one of a very few states where the pace of job creation has increased compared to last year (3.4 percent now compared to 2.4 percent in 2006).

Colorado moved up eight places and is now among the top 10 growth states. Job growth is in the 2 percent range and employment is up by 45,000 jobs in the past 12 months.

Although Utah's movement was only two places, the Beehive state claims the crown as the top ranked job growth state. Utah has been ranked in first place since February and appears certain to finish out the year as leader.

Utah's growth is diversified across sectors. The state currently ranks first in the rate of job growth in construction, manufacturing, trade, and financial services.

### SUSTAINERS

Two states (Wyoming and Texas) have a solid hold on the same positions as one year ago. Both are propelled by strong energy demand. Both produce oil and natural gas, and Wyoming has massive coal deposits.

Both Wyoming and Texas are experiencing appreciation in home prices. Dallas and Houston combined to produce more than 130,000 new jobs in the past 12 months, and the 4.1 unemployment rate for Texas in October was an all-time low.

### STILL TOP 10

Three additional Western states retained their top 10 rankings, but slipped a few places compared to last year. Washington still benefits from rising home prices and gains in construction. Thanks to exports, Washington added 6,500 new manufacturing jobs in the past 12 months, more than any other state.

Arizona finished 2006 as the leading job growth state, but has slowed month-by-month in 2007. However, the state has been ranked among the top ten job growth states for five consecutive years, a longer run than any other state. If the employment growth forecast of 2.9 percent for 2008 holds, Arizona will stay in the top 10.

Idaho slipped three places, from fourth to seventh. Idaho has the lowest unemployment rate in the nation, and the 2.3 percent in September was its record low ever.

Four Western states slipped 10 or more places in the national job growth rankings. California dipped from 22nd to 32nd as surging export-import activity could not offset the housing slowdown and general economic malaise affecting the economy. By sector, California job growth currently ranks in the bottom 10 in construction, trade, and financial activities.

Nevada now ranks 20th, the lowest ranking for the state since the summer of 2002.

New Mexico and Oregon took the biggest hits in the ranking, down more than 20 places.

### National Job Growth Rankings For Western States

Year-over-Year Job Growth Rankings			
	Change	September 2007	September 2006
<b>Gained in Rank</b>			
Montana.....	+13	3	16
Colorado.....	+8	10	18
Utah.....	+2	1	3
<b>Sustained Rank</b>			
Wyoming.....	NA	2	2
Texas.....	NA	9	9
<b>Lost in Rank</b>			
Washington.....	-2	8	6
Arizona.....	-3	4	1
Idaho.....	-3	7	4
California.....	-10	32	22
Nevada.....	-15	20	5
New Mexico.....	-22	29	7
Oregon.....	-23	34	11

Source: Derived from U. S. Bureau of Labor Statistics data

— Lee McPheters

# NATIONAL ROUNDUP

## U.S. JOB GROWTH



### % Change: Sept. 2007 vs. Sept. 2006

Nonfarm.....	1.2
Goods-Producing.....	-1.2
Construction and Mining.....	-0.9
Manufacturing.....	-1.4
Service-Providing.....	1.7
Transportation, Warehousing & Utilities.....	1.2
Trade.....	1.0
Information.....	1.2
Financial Activities.....	0.3
Professional & Business Services...	1.8
Educational & Health Services.....	3.3
Leisure & Hospitality.....	2.9
Government.....	1.0

Source: U.S. Bureau of Labor Statistics

## U.S. REAL ESTATE



### Residential Building Permits Sept. 2007 vs. Sept. 2006

	Total Residential	Single- family	Multi- family
2007	97,722	66,219	31,503
2006	133,636	97,462	36,174
% Δ	-26.9%	-32.1%	-12.9%

Source: U.S. Department of Commerce

## U.S. FORECASTS



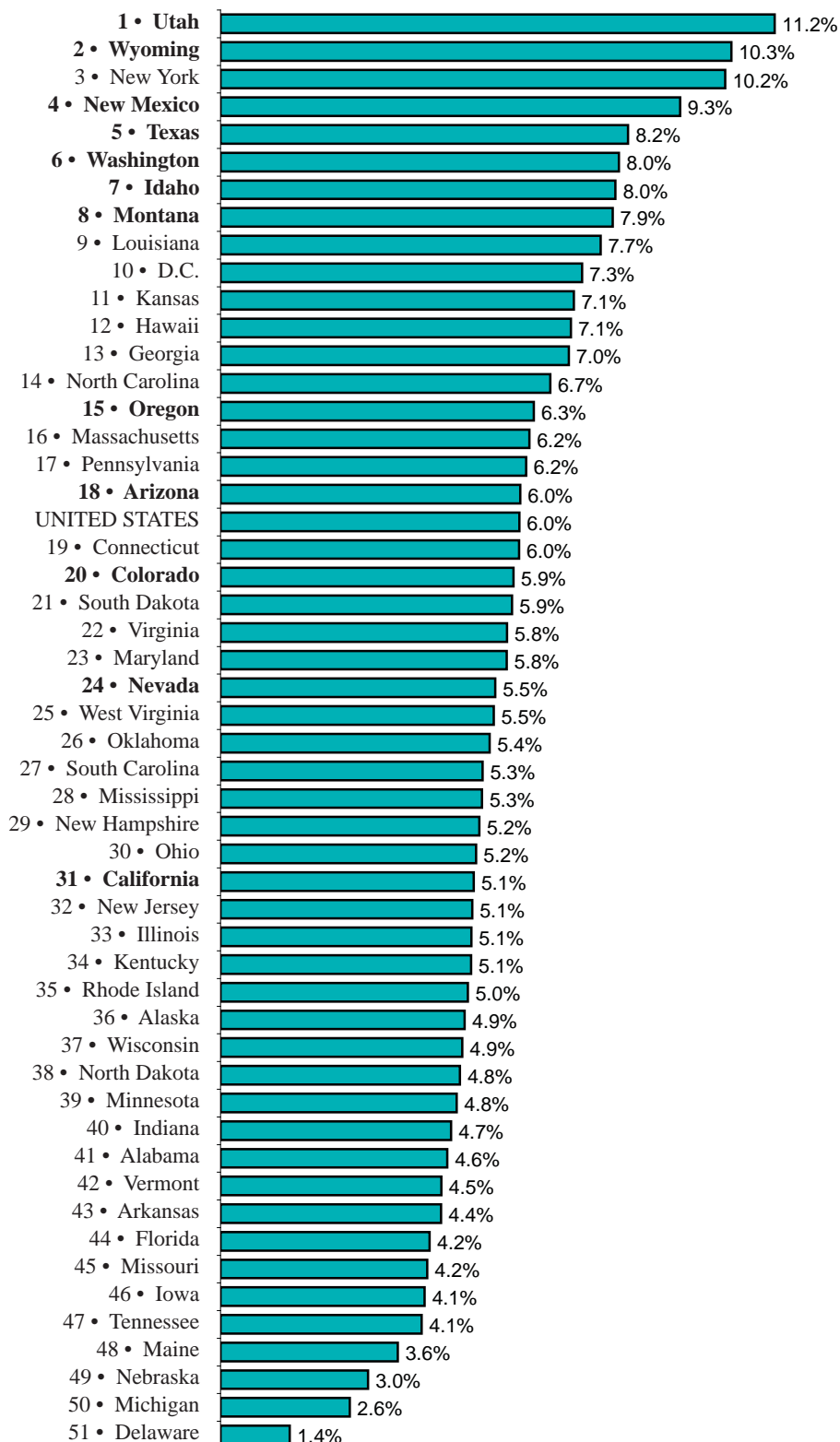
### Percent Change

	2007	2008
Real GDP (Chain).....	2.0	2.0
CPI.....	2.7	1.8
GDP Deflator (Chain)...	2.6	1.7

Source: "U.S. Economic Outlook," *Global Insight*, October 2007

## Total Private Earnings

Percent Change, 2nd Quarter 2007 Over 2nd Quarter 2006



Source: Bureau of Economic Analysis

# SUMMARY

## WESTERN BLUE CHIP ECONOMIC FORECAST

2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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	7.1 ↓	5.0 ↓	3.2 ↓	3.0 ↓	-17.7 ↓	6.8 ↓	4.8 ↓	2.9 ↓	2.9 ↓	-4.8 ↓
California	5.2 ↓	3.2 ↓	1.2	1.1 ↑	-21.7 ↓	5.0 ↓	3.0 ↓	1.1 ↓	1.1	-1.0 ↓
Colorado	6.2 ↓	4.1 ↓	2.0	1.8	-11.0 ↓	6.0 ↓	4.0 ↓	1.8	1.8	-4.2 ↓
Idaho	7.2 ↓	5.1 ↓	2.8 ↓	2.2	-17.9 ↓	6.4 ↓	4.4 ↓	2.4 ↓	2.2	-2.7
Montana	6.6 ↓	4.5 ↓	2.6	1.0	-10.0 ↑	6.5	4.5 ↑	2.5	0.9	0.0 ↑
Nevada	6.3 ↓	4.2 ↓	3.7 ↓	4.1	-16.5 ↓	6.1 ↓	4.1 ↓	3.6 ↓	3.9	12.7 ↓
New Mexico	5.5 ↓	3.4 ↓	1.7 ↓	1.5 ↓	-9.2 ↓	5.3 ↓	3.4 ↓	1.6 ↓	1.6 ↓	-2.0 ↓
Oregon	5.9 ↑	3.8 ↑	1.7 ↓	1.5	-7.5 ↓	5.5 ↓	3.5 ↓	1.5 ↓	1.4	-1.6 ↓
Texas	6.9 ↑	4.8 ↑	2.2 ↑	1.7 ↓	-9.6 ↓	6.0 ↓	4.1 ↓	1.9 ↓	1.6 ↓	-3.8 ↓
Utah	7.6	5.5	3.9 ↑	2.5 ↓	-17.0 ↓	7.0 ↑	5.0 ↑	3.4 ↑	2.5	-3.9 ↓
Washington	6.8 ↑	4.7 ↑	2.5 ↑	1.8	-8.8 ↓	6.1 ↓	4.1 ↓	2.0 ↓	1.8	-3.0 ↓
Wyoming	8.0 ↑	5.8 ↑	3.3 ↓	1.2	3.0 ↑	7.3 ↑	5.3 ↑	3.0	1.1	1.5

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

## Forecast notes from the Western region...

**Texas** again gained more than 20,000 jobs in October and achieved its lowest unemployment rate in more than three decades. The housing market is slowing substantially, although nonresidential construction remains robust.

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

Though the risks of recession are higher than they have been for some time and the unknown fallout from further housing market problems remain, the Silver State [**Nevada**] continues attracting new investments; a vote of confidence in the state's future economic prospects.

— **R. Keith Schwer**  
*University of Nevada at Las Vegas*  
*Las Vegas, Nevada*

The **Texas** economy is slowing down, but employment growth for the first two quarters of 2007 will be revised upward substantially. This will change the overall picture of 2007 and disguise to some extent the slowdown that has just started to occur. Upstream energy will continue to grow,

but at a somewhat slower pace. Still, it will help Texas weather much of the storm to hit the nation in 2008.

— **Barton Smith**  
*University of Houston*  
*Houston, Texas*

The [**Washington**] General Fund-State revenue forecast has been reduced by \$132.4 million for the combined 2005-07 and 2007-09 biennia. The new national and state economic forecasts are similar to the forecasts adopted in September and the forecasts for most of the state's major revenue sources are little changed. However, the value of transactions subject to the real estate excise tax has dropped more precipitously than expected in September. The decline in the forecast for the real estate excise tax accounts for nearly all the overall forecast revision.

*Office of the Forecast Council*  
*Olympia, Washington*

Even **Nevada** economic inertia can't fight the headwinds of the housing bust. House prices and income will have to reconcile. Until the credit cycle plays out,

employment growth will struggle. The mega-resort pipeline is rich with projects and Las Vegas Strip investment is keeping us buoyant. Prospects for 2008 are uncertain with ubiquitous credit-related anxiety.

*Department of Employment,*  
*Training & Rehabilitation*  
*Carson City, Nevada*

The UCLA Anderson Forecast says that the end of 2007 will mark the peak of subprime, adjustable rate mortgage resets, and expects to see mortgage defaults peaking sometime in the first half of 2008. The real estate markets will continue to be a drag on **California** growth for at least a year to come. With no other sectors picking up the slack, the Forecast expects to see overall job growth of less than 1 percent through this time next year, with unemployment reaching a peak of 5.9 percent at the end of next year, with corresponding weakness in personal income and gross state product.

— **UCLA Anderson Forecast**  
*University of California, Los Angeles*  
*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 first week of the month and forecast data are compiled by telephone, fax, e-mail and online submission until the third week of the month. These data are then published during the first week of the subse-

quent month. Thus, the data are current for the month of publication. 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

	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Source:										
Arizona Department of Commerce	7.0	5.1	3.3	2.9	-17.0	6.7	5.7	2.8	2.9	-8.0
Arizona Public Service	5.8	5.5	3.0	3.0	-16.1	6.2	5.5	2.3	2.6	-5.0
ASU - Economic Outlook Center	7.2	3.0	2.4	2.9	-25.0	7.0	5.3	3.4	2.7	-5.0
Davidson Fixed Income Management	7.4	6.8	3.7			7.4	6.1	3.5		
Department of Economic Security	7.1	6.5	2.5	3.1		6.6	6.1	1.7	3.0	
ECON-LINC	7.5	6.6	3.4	3.0	-17.0	7.5	6.7	3.8	3.0	-5.0
EconLit LLC	7.3	6.5	3.6	2.9	-15.0	7.2	6.0	3.3	3.0	-5.0
Eggert Economic Enterprises Inc.	7.2	6.2	3.5	3.2	-11.4	6.9	5.9	3.6	3.2	-6.7
Elliott D. Pollack & Co.	7.2	2.5	3.0	3.2	-20.0	6.0	1.5	2.0	2.7	-10.0
Grand Canyon University	6.3	6.5	3.2	3.0	-15.0	6.9	6.0	3.8	3.2	0.0
H. C. Reardon Economics	6.9	5.8	3.0	3.0	-20.0	6.9	5.9	3.0	3.1	10.0
Joint Legislative Budget Committee	7.2	5.5	3.4	3.1	-17.0	7.0	5.5	3.3	3.0	0.0
The Maguire Company	7.3	5.6	3.6	3.2	-15.0	7.1	5.6	3.1	3.1	-5.0
NAU - BBER	7.7	5.5	3.5	2.7	-15.0	8.2	4.9	3.5	2.6	0.0
Salt River Project	7.0	6.0	3.5	3.3	-15.0	7.0	6.0	3.4	3.1	0.0
Stellar Capital Management	7.1	6.5	3.4	2.7	-22.5	7.4	6.2	3.5	2.7	-5.0
UA - Eller College	7.7	2.7	2.4	3.5	-29.1	3.4	0.7	-0.4	2.7	-22.5
Wells Fargo & Co.	6.9	5.9	3.2	2.8	-13.0	6.5	5.4	2.8	2.8	-9.0
<b>Consensus Forecast — This Month</b>	<b>7.1</b>	<b>5.5</b>	<b>3.2</b>	<b>3.0</b>	<b>-17.7</b>	<b>6.8</b>	<b>5.3</b>	<b>2.9</b>	<b>2.9</b>	<b>-4.8</b>
<b>— Last Month</b>	<b>7.2</b>	<b>5.9</b>	<b>3.4</b>	<b>3.1</b>	<b>-15.8</b>	<b>7.0</b>	<b>5.6</b>	<b>3.1</b>	<b>3.0</b>	<b>-2.7</b>

### CALIFORNIA

	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Source:										
Anonymous	5.3	4.1	1.3	1.3	-9.6	5.5	3.9	1.5	1.3	10.4
California State University, Long Beach *	5.3	6.1	1.6	1.6	2.7	5.9	6.5	1.8	1.7	-0.5
Chapman University	5.0	4.1	1.1	1.1	-20.1	4.7	4.1	0.8	1.0	-3.5
L.A. County Economic Development Corp.	5.6	4.6	1.5	1.2	-29.9	5.8	5.2	1.7	1.2	-3.7
Legislative Analyst's Office	5.3	3.2	1.1	1.2	-25.9	4.9	3.8	1.0	1.2	3.3
UCLA - Business Forecasting Project	5.8	4.3	1.3	1.2	-32.6	4.7	4.4	0.6	1.1	-3.2
University of the Pacific	5.1	4.3	1.1	1.0	-20.1	4.7	4.1	0.8	1.0	-3.5
Wells Fargo Company	4.6	3.4	1.3	0.6	-13.5	4.5	3.3	1.0	0.8	-6.5
<b>Consensus Forecast — This Month</b>	<b>5.2</b>	<b>4.0</b>	<b>1.2</b>	<b>1.1</b>	<b>-21.7</b>	<b>5.0</b>	<b>4.1</b>	<b>1.1</b>	<b>1.1</b>	<b>-1.0</b>
<b>— Last Month</b>	<b>5.3</b>	<b>4.0</b>	<b>1.2</b>	<b>1.1</b>	<b>-18.2</b>	<b>5.1</b>	<b>4.2</b>	<b>1.2</b>	<b>1.1</b>	<b>0.7</b>

\*This forecast is for Southern California only

# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
The Adams Group, Inc.	6.1	7.6	1.5	2.0	-18.3	5.0	3.9	0.5	2.1	-5.0
Ctr. for Business and Econ. Forecasting	5.8	5.0	1.9	1.8	-20.0	5.2	3.6	1.4	1.8	-10.0
Colorado Legislative Council	6.6	6.3	2.2	1.9	-20.3	6.5	5.2	2.1	1.8	-5.7
David Hemley	6.0	4.3	2.1	1.5	-5.0	6.2	4.5	2.2	1.8	-2.1
Office of State Planning and Budgeting	6.2	5.6	2.0	1.7	-2.0	6.1	5.9	2.1	1.7	-0.1
University of Colorado	6.0	5.6	1.9	2.0	-3.0	6.2	5.2	2.2	1.9	-1.0
Wells Fargo & Co.	5.1	3.3	1.9	1.5	-9.5	4.8	3.1	1.7	1.4	-4.8
Xcel Energy	7.6	7.7	2.2	1.6	-10.0	7.8	8.0	2.5	1.7	-4.5
<b>Consensus Forecast — This Month</b>	<b>6.2</b>	<b>5.7</b>	<b>2.0</b>	<b>1.8</b>	<b>-11.0</b>	<b>6.0</b>	<b>4.9</b>	<b>1.8</b>	<b>1.8</b>	<b>-4.2</b>
<b>— Last Month</b>	<b>6.2</b>	<b>5.7</b>	<b>2.0</b>	<b>1.8</b>	<b>-11.0</b>	<b>6.0</b>	<b>4.9</b>	<b>1.8</b>	<b>1.8</b>	<b>-4.1</b>

IDAHO										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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	7.3		2.6	2.3	-3.6	6.0		2.2	2.1	-1.5
Idaho Economics	7.1		3.3	2.1	-10.0	6.7		2.8	2.1	-1.5
Wells Fargo UT	7.2	6.0	2.5	2.3	-40.0	6.6	5.5	2.3	2.3	-5.0
<b>Consensus Forecast — This Month</b>	<b>7.2</b>	<b>6.0</b>	<b>2.8</b>	<b>2.2</b>	<b>-17.9</b>	<b>6.4</b>	<b>5.5</b>	<b>2.4</b>	<b>2.2</b>	<b>-2.7</b>
<b>— Last Month</b>	<b>7.2</b>	<b>6.0</b>	<b>3.0</b>	<b>2.2</b>	<b>-11.2</b>	<b>6.5</b>	<b>5.8</b>	<b>2.6</b>	<b>2.2</b>	<b>-2.7</b>

MONTANA										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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
University of Montana	6.7		2.1	1.0		6.5		2.1	0.8	
Wells Fargo UT	6.5		3.0	1.0	-10.0	6.5		2.8	1.0	0.0
<b>Consensus Forecast — This Month</b>	<b>6.6</b>		<b>2.6</b>	<b>1.0</b>	<b>-10.0</b>	<b>6.5</b>		<b>2.5</b>	<b>0.9</b>	<b>0.0</b>
<b>— Last Month</b>	<b>6.8</b>		<b>2.6</b>	<b>1.0</b>	<b>-15.0</b>	<b>6.5</b>		<b>2.5</b>	<b>0.9</b>	<b>-5.0</b>

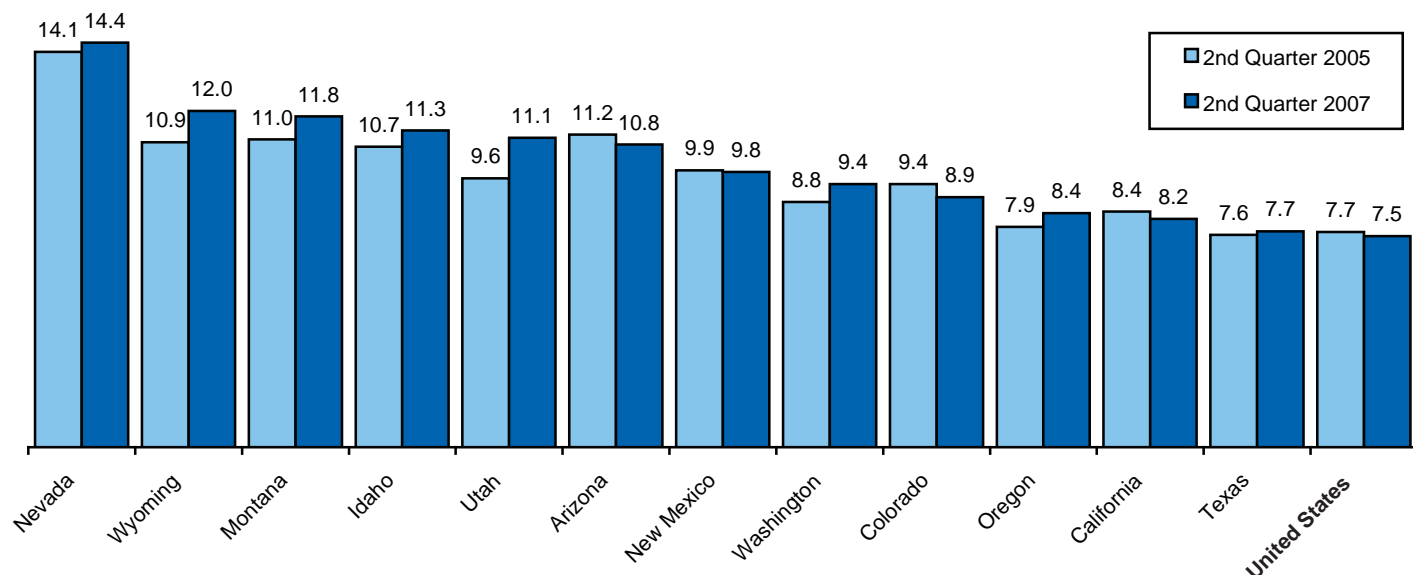
# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

NEVADA										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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.	2.9	1.7	1.7	4.0		3.2	1.9	1.9	4.2	
Restrepo Consulting Group, LLC	7.5	5.0	4.0	4.0	1.5	7.0	5.0	5.0	4.0	1.5
Southwest Gas	8.2	5.5	4.9	4.0	-5.0	8.0	5.3	4.8	3.9	2.0
Univ. of Nevada at Las Vegas - CBER	6.3	4.1	5.6	4.8	-41.8	6.1	4.3	5.4	4.6	54.4
Wells Fargo & Co.	6.5	5.9	2.2	3.5	-20.6	6.0	5.4	1.0	3.0	-7.1
<b>Consensus Forecast — This Month</b>	<b>6.3</b>	<b>4.4</b>	<b>3.7</b>	<b>4.1</b>	<b>-16.5</b>	<b>6.1</b>	<b>4.4</b>	<b>3.6</b>	<b>3.9</b>	<b>12.7</b>
<b>— Last Month</b>	<b>7.0</b>	<b>4.9</b>	<b>4.1</b>	<b>4.1</b>	<b>-16.3</b>	<b>6.7</b>	<b>4.7</b>	<b>4.1</b>	<b>3.9</b>	<b>12.9</b>

NEW MEXICO										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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	5.5	1.1	2.0	1.5	0.0	5.5	1.2	1.9	1.7	0.0
New Mexico State	6.2	0.5	2.0	1.5		6.0	1.0	1.9	1.5	
Public Service New Mexico	4.6	0.2	1.3	1.0	-9.0	5.0	0.3	1.4	1.2	-3.5
University of New Mexico - BBER	5.9	0.7	1.7		-22.4	5.3	1.0	1.7		-1.1
Wells Fargo & Co.	5.1	1.0	1.6	1.8	-5.5	4.9	0.8	1.2	1.8	-3.3
<b>Consensus Forecast — This Month</b>	<b>5.5</b>	<b>0.7</b>	<b>1.7</b>	<b>1.5</b>	<b>-9.2</b>	<b>5.3</b>	<b>0.9</b>	<b>1.6</b>	<b>1.6</b>	<b>-2.0</b>
<b>— Last Month</b>	<b>5.6</b>	<b>0.7</b>	<b>1.8</b>	<b>1.6</b>	<b>-8.4</b>	<b>5.4</b>	<b>0.9</b>	<b>5.1</b>	<b>1.7</b>	<b>-1.3</b>

## Construction Earnings as a Percent of Total Private Earnings Second Quarter 2005 and Second Quarter 2007



Source: Data from Bureau of Economic Analysis; Calculations by JPMorgan Chase Economic Outlook Center



# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

### OREGON

Source:	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	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	6.3	-2.5	1.3	1.7	-14.5	5.2	0.2	1.9	1.5	0.0
Forefront Economics	6.4	2.2	3.1	1.3	4.5	5.7	1.5	2.2	1.2	3.5
Office of Economic Analysis	6.2	-2.4	1.2	1.5	-16.8	5.4	-0.4	0.9	1.4	-13.0
Portland General Electric	5.7	0.5	1.9	1.3	-5.0					
U.S. Bancorp	5.7	-2.5	1.7	1.5	-8.0	6.0	1.5	2.0	1.5	5.0
Wells Fargo & Co.	5.1	0.9	1.0	1.5	-5.3	5.0	0.9	0.6	1.5	-3.4
<b>Consensus Forecast — This Month</b>	<b>5.9</b>	<b>-0.6</b>	<b>1.7</b>	<b>1.5</b>	<b>-7.5</b>	<b>5.5</b>	<b>0.7</b>	<b>1.5</b>	<b>1.4</b>	<b>-1.6</b>
<b>— Last Month</b>	<b>5.9</b>	<b>-0.6</b>	<b>1.7</b>	<b>1.5</b>	<b>-7.1</b>	<b>5.5</b>	<b>0.8</b>	<b>1.6</b>	<b>1.4</b>	<b>0.2</b>

### TEXAS

Source:	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	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	6.4	5.4	2.0	1.6	-5.5	6.0	5.3	2.0	1.7	-2.5
Federal Reserve Bank of Dallas	7.0	4.5	2.6	1.8	-3.0	6.0	4.0	2.2	1.8	1.0
David Hemley	6.2	5.0	2.0	1.6	-2.0	6.2	5.2	2.0	1.6	-1.8
Perryman Group	6.7	6.2	2.2	1.8	-17.7	6.7	6.0	1.8	1.7	-4.5
TX State Comptroller of Public Accounts	7.9	7.5	2.2	1.5	-23.1	5.8	5.7	2.0	1.6	-16.7
University of Houston - CPP	6.8	5.8	2.5	1.9	-12.2	5.1	5.2	1.8	1.6	-8.9
University of North Texas	6.4	5.8	2.0	1.6	1.0	6.0	5.4	1.8	1.6	-5.2
University of Texas at El Paso	7.4	7.2	2.0	1.9	-18.0	6.9	6.6	1.8	1.8	2.5
Wells Fargo & Co.	7.1	4.6	2.3	1.4	-5.7	5.7	4.4	1.9	1.4	2.3
<b>Consensus Forecast — This Month</b>	<b>6.9</b>	<b>5.8</b>	<b>2.2</b>	<b>1.7</b>	<b>-9.6</b>	<b>6.0</b>	<b>5.3</b>	<b>1.9</b>	<b>1.6</b>	<b>-3.8</b>
<b>— Last Month</b>	<b>6.6</b>	<b>5.6</b>	<b>2.1</b>	<b>1.7</b>	<b>-6.8</b>	<b>6.2</b>	<b>5.3</b>	<b>2.0</b>	<b>1.7</b>	<b>-2.9</b>

### UTAH

Source:	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	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	6.2	4.1	2.9	2.2	-4.2	6.6	4.6	3.1	2.2	7.3
Utah State Tax Commission	7.6	7.5	3.9	2.6	-8.8	6.8	7.7	3.3	2.4	-10.4
Utah Department of Workforce Services	8.6	6.0	4.5	2.8	-30.0	7.2	5.2	3.6	2.9	-2.5
Wells Fargo - UT	7.9	8.5	4.3	2.5	-25.0	7.2	7.0	3.6	2.5	-10.0
<b>Consensus Forecast — This Month</b>	<b>7.6</b>	<b>6.5</b>	<b>3.9</b>	<b>2.5</b>	<b>-17.0</b>	<b>7.0</b>	<b>6.1</b>	<b>3.4</b>	<b>2.5</b>	<b>-3.9</b>
<b>— Last Month</b>	<b>7.6</b>	<b>6.3</b>	<b>3.9</b>	<b>2.6</b>	<b>-9.5</b>	<b>6.9</b>	<b>6.1</b>	<b>3.4</b>	<b>2.5</b>	<b>-1.5</b>

## WASHINGTON

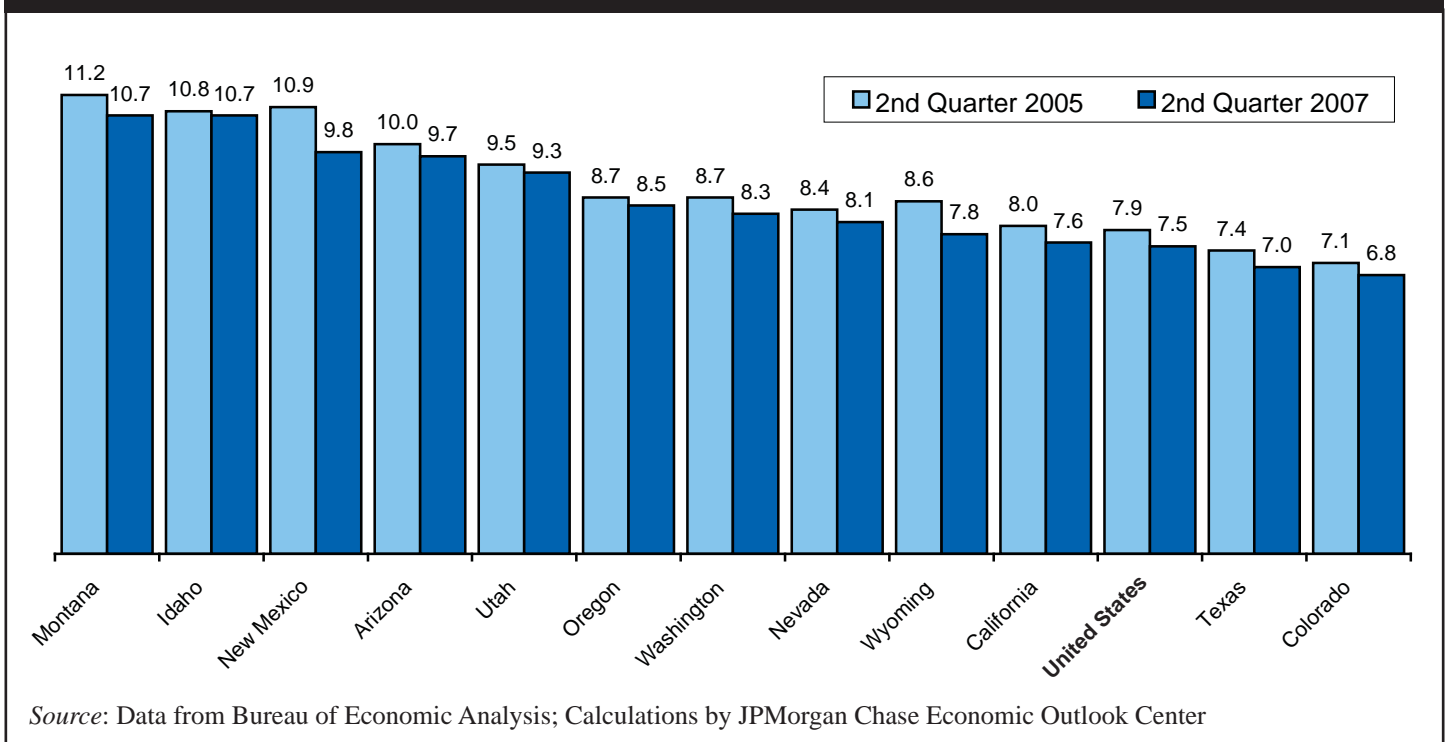
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Conerly Consulting	6.2	6.3	2.1	1.8	-10.0	6.2	7.6	2.2	1.8	0.0
Dick Conway & Associates	7.0	6.8	2.6	1.8	-3.0	6.3	6.3	2.1	1.7	1.0
Doug Pedersen & Associates	7.5	7.1	2.9	1.9	-13.5	6.3	5.2	1.9	1.8	-8.5
Office of the Forecast Council *	7.3	7.7	2.8	1.8	-15.9	6.2	4.2	1.8	1.7	-10.9
Wells Fargo & Co.	6.0	4.7	2.0	1.5	-7.6	5.5	4.6	1.8	1.5	-4.2
<b>Consensus Forecast — This Month</b>	<b>6.8</b>	<b>6.5</b>	<b>2.5</b>	<b>1.8</b>	<b>-10.0</b>	<b>6.1</b>	<b>5.6</b>	<b>2.0</b>	<b>1.8</b>	<b>-4.5</b>
<b>— Last Month</b>	<b>6.8</b>	<b>6.6</b>	<b>2.5</b>	<b>1.8</b>	<b>-8.6</b>	<b>6.1</b>	<b>5.7</b>	<b>2.1</b>	<b>1.8</b>	<b>-2.2</b>

\* Population forecast is from the Office of Financial Management.

## WYOMING

2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Mining Empl.	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Mining Empl.	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
WY Ctr. for Business and Econ. Analysis	7.9		3.0	1.1	6.0	7.0		2.9	1.0	2.5
WY Dept. of Admin. & Information	8.0	6.0	3.4	1.4	-2.0	7.2	4.0	2.8	1.2	-3.0
Wells Fargo UT	8.0		3.4	1.2	5.0	7.6		3.2	1.0	5.0
<b>Consensus Forecast — This Month</b>	<b>8.0</b>	<b>6.0</b>	<b>3.3</b>	<b>1.2</b>	<b>3.0</b>	<b>7.3</b>	<b>4.0</b>	<b>3.0</b>	<b>1.1</b>	<b>1.5</b>
<b>— Last Month</b>	<b>7.9</b>	<b>6.0</b>	<b>3.4</b>	<b>1.2</b>	<b>1.3</b>	<b>7.2</b>	<b>4.0</b>	<b>3.0</b>	<b>1.1</b>	<b>1.5</b>

## Retail Earnings as a Percent of Total Private Earnings Second Quarter 2005 and Second Quarter 2007





# 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
2006	193,983	167,165	2,643.6	63,641	187.3	60,066	6,129	4.2
% change	8.5	5.5	5.4	7.9	2.7	-29.4	3.2	
2005	178,706	158,516	2,471.3	58,964	176.2	80,804	5,939	4.7
% change	8.8	5.6	4.1	13.2	0.2	0.0	3.4	
2004	164,222	150,076	2,373.5	52,098	175.8	80,778	5,744	5.0
% change	9.1	6.0	3.4	9.0	0.3	25.9	3.0	
2003	150,582	141,519	2,296.3	47,818	175.3	64,143	5,579	5.7
% change	4.5	2.3	1.4	5.3	-4.5	15.3	2.6	
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
2006	1,420,245	1,223,896	15,002.4	387,906 †	1,507.8	103,654	36,458	4.8
% change	6.4	3.3	1.5	5.3	-0.3	-31.4	0.6	
2005	1,335,386	1,184,515	14,785.2	368,382 †	1,512.7	151,022	36,254	5.4
% change	5.3	2.2	1.8	5.2	-1.3	0.2	1.2	
2004	1,268,049	1,158,819	14,530.4	350,173	1533.1	150,710	35,841	6.2
% change	6.8	3.9	1.0	9.4	-1.3	7.3	1.1	
2003	1,187,040	1,115,597	14,392.3	320,217	1,553.0	140,512	35,466	6.8
% change	3.4	1.3	-0.5	6.2	-5.5	16.3	1.3	
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
2006	186,266	160,514	2,272.1	66,797 †	150.5	31,324	4,753	4.4
% change	6.5	3.5	2.1	5.4	-0.1	-22.6	1.9	
2005	174,919	155,157	2,225.5	63,375 †	150.6	40,477	4,663	5.0
% change	6.2	3.1	2.1	5.6	-0.8	6.1	1.4	
2004	164,673	150,488	2,179.6	60,014	151.8	38,164	4,599	5.6
% change	6.4	3.4	1.2	4.9	-1.4	14.2	1.2	
2003	154,829	145,511	2,152.8	57,192	153.9	33,428	4,546	6.1
% change	1.2	-1.0	-1.4	8.1	-6.0	-5.9	1.0	
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								

# 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
2006	43,924	37,851	640.6	20,334 †	64.2	15,627	1,466	3.4
% change	7.9	4.8	4.6	6.0	1.7	-19.7	2.6	
2005	40,706	36,107	612.6	19,183	63.1	19,464	1,429	3.8
% change	6.5	3.4	4.2	14.7	2.3	32.9	2.5	
2004	38,229	34,936	587.9	16,727	61.7	14,650	1,395	4.7
% change	9.8	6.8	2.8	4.2	-0.5	17.8	2.0	
2003	34,816	32,721	572.0	16,059	62.0	12,432	1,367	5.3
% change	2.9	0.7	0.7	2.1	-4.5	21.7	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								

### MONTANA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Construction Employment (thousands)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	28,989	24,981	433.4	29.9	19.9	3,636	944.6	3.5
% change	6.9	3.8	3.0	8.7	2.6	5.1	1.1	
2005	27,122	24,058	420.7	27.5	19.4	3458	934.7	4.0
% change	5.2	2.1	2.3	10.4	1.0	1.0	0.9	
2004	25,791	23,569	411.3	24.9	19.2	3425	926.3	4.3
% change	6.7	3.7	2.6	7.8	1.1	46.4	1.0	
2003	24,177	22,722	400.7	23.1	19.0	2340	917.2	4.4
% change	6.0	3.7	1.2	6.5	-5.0	14.1	0.8	
Basic data sources: Personal Income – U.S. Bureau of Economic Analysis; Employment – Bureau of Labor Statistics; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Bureau of Labor Statistics. † 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
2006	92,557	79,761	1,288.6	N/A	12,622.0	26,689	2,496	4.1
% change	7.3	4.3	5.3		8.4	-28.7	3.5	
2005	86,224	76,483	1,224.2	46,190	11,649.0	37,438	2,412	4.1
% change	8.7	5.5	6.2	12.4	10.3	-3.6	3.4	
2004	79,353	72,518	1,152.7	41,087	10,562.2	38,817	2,332	4.6
% change	11.5	8.4	5.9	16.0	9.7	17.5	4.1	
2003	71,183	66,899	1,088.3	35,426	9,625.3	33,033	2,241	5.3
% change	6.8	4.6	3.5	9.3	1.9	21.1	3.3	
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 N/A - not yet available								

# HISTORICAL DATA

## WESTERN BLUE CHIP ECONOMIC FORECAST

### 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
2006	57,998	49,980	831.3	N/A	37.3	12,268	1,955	4.3
% change	8.0	4.9	2.7		3.3	-9.5	1.5	
2005	53,714	47,646	809.2	12,900	36.1	13,553	1,926	5.3
% change	5.9	2.8	2.4	4.8	0.3	15.4	1.3	
2004	50,707	46,339	790.4	12,312	36.0	11,743	1,901	5.7
% change	8.7	5.7	1.9	5.2	-1.4	-0.7	1.2	
2003	46,650	43,843	775.6	11,702	36.5	11,829	1,878	5.9
% change	3.7	1.5	1.2	**	-4.9	14.3	1.2	

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 N/A - not yet available

\*\* Due to a change in the manner of calculation, it may not be appropriate to compare 2003 retail sales with previous years.

### 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
2006	124,589	107,364	1711.1	210.0	20,486	26,800	3,701	5.4
% change	6.0	3.0	3.2	2.7	-17.8	-15.9	1.7	
2005	117,497	104,222	1,658.3	204.5	24,925	31,864	3,639	6.1
% change	5.5	2.4	3.1	2.4	16.6	13.8	1.4	
2004	111,325	101,735	1,607.9	199.8	21,372	28,000	3,589	7.3
% change	5.9	2.9	2.1	2.5	13.7	7.3	0.8	
2003	105,161	98,832	1,575.6	194.9	18,799	26,103	3,561	8.1
% change	3.2	1.1	-0.7	-3.3	4.6	15.8	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
2006	805,307	693,973	9,976.3	371.2 †	905.8	162,480	23,508	4.9
% change	8.2	5.1	2.5	6.8	0.8	-1.9	2.5	
2005	744,270	660,183	9,735.0	347.6 †	898.6	165,579	22,929	5.3
% change	7.8	4.6	2.5	6.1	0.9	16.8	1.8	
2004	690,480	631,002	9,497.1	327.6	891.0	141,810	22,518	6.0
% change	6.3	3.4	1.4	6.4	-1.0	6.6	1.7	
2003	649,419	610,333	9,370.0	307.9	900.0	133,077	22,134	6.7
% change	3.6	1.5	-0.5	3.9	-5.1	10.3	1.7	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Texas Employment Commission; Gross Retail Sales – Texas State Comptroller of Public Accounts; Manufacturing Employment – Texas Employment Commission; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Texas Employment Commission. † Consensus †† Estimate

# HISTORICAL DATA

## WESTERN BLUE CHIP ECONOMIC FORECAST

### 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
2006	74,229	63,966	1,202.0	22,801 †	120.7	23,126	2,550	3.2
% change	9.1	6.0	4.6	6.5	2.7	-6.2	2.4	
2005	68,039	60,352	1,149.5	21,409 †	117.5	24,645	2,490	4.3
% change	7.2	4.0	4.1	5.2	2.6	23.9	2.8	
2004	63,478	58,010	1,104.3	20,351	114.5	19,899	2,422	5.0
% change	6.8	3.9	2.8	8.2	2.0	10.6	2.8	
2003	59,412	55,836	1,074.1	18,809	112.3	17,995	2,356	5.6
% change	2.1	0.0	0.1	2.1	-1.4	16.8	1.3	

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

### 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
2006	239,348	206,258	2,865.6	109,509 †	283.5	35,020	6,396	4.9
% change	7.2	4.2	3.1	7.2	4.2	-14.4	1.7	
2005	223,232	198,011	2,779.1	102,154 †	272.0	40,928	6,292	5.5
% change	2.9	-0.1	2.9	9.3	3.2	11.2	1.4	
2004	216,921	198,236	2,701.0	93,441	263.6	36,815	6,206	6.3
% change	6.9	3.9	1.6	6.6	-1.3	6.8	1.2	
2003	202,942	190,728	2,657.5	87,664	267.1	34,480	6,130	7.4
% change	2.8	0.6	0.1	2.7	-6.3	4.2	1.0	

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

### WYOMING

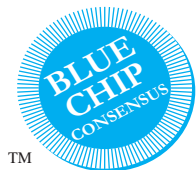
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Natural Resources & Mining Employ. (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	20,948	18,052	274.0	26.6	10.0	2,698	515.0	3.2
% change	10.4	7.2	4.2	17.2	3.1	-14.6	1.2	
2005	18,981	16,836	263.0	22.7	9.7	3159	508.8	3.6
% change	7.1	4.0	3.0	12.4	3.2	12.3	0.6	
2004	17,723	16,196	255.4	20.2	9.4	2814	505.5	3.9
% change	7.9	5.0	2.2	10.4	1.1	24.2	0.8	
2003	16,420	15,432	250.0	18.3	9.3	2265	501.5	4.4
% change	6.2	4.0	0.8	2.2	-2.1	24.3	0.5	

Basic data sources: Personal Income – U.S. Bureau of Economic Analysis; Employment – Bureau of Labor Statistics; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Bureau of Labor Statistics. † Consensus †† Estimate

# WESTERN BLUE CHIP PANEL

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