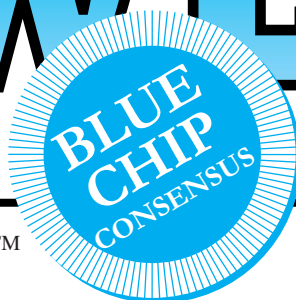


WESTERN



BLUE CHIP ECONOMIC FORECAST

TM

What Blue Chip economists are saying about the Western states

VOLUME 17 • NUMBER 4 • MAY 2003

Western growth forecasts remain weak for 2003 and 2004

Economy watchers in the Western states remain pessimistic about prospects for the rest of 2003, and are far from bullish on 2004.

By now analysts have had a chance to incorporate the revised employment figures for 2002 [see below] into their forecasts and to contemplate the winding down of war activity in Iraq.

A few weeks ago, there were several observers who believed the fall of Baghdad would bring not only a recovery in the stock market, but could lead to upturns in other indicators of real economic growth.

Now, the consensus view among the data-crunching class seems to be that the combined evidence portends slow growth at best for the rest of the year, and perhaps a flirtation with the dreaded "double dip" recession.

On the consumer front, there are growing concerns about the staying-power of "cash-out" refinancing based on low interest rates and rising home prices. Comparisons with the tech bubble of 2000

are more frequently heard. Meanwhile, profit reports and business spending give little reason for optimism.

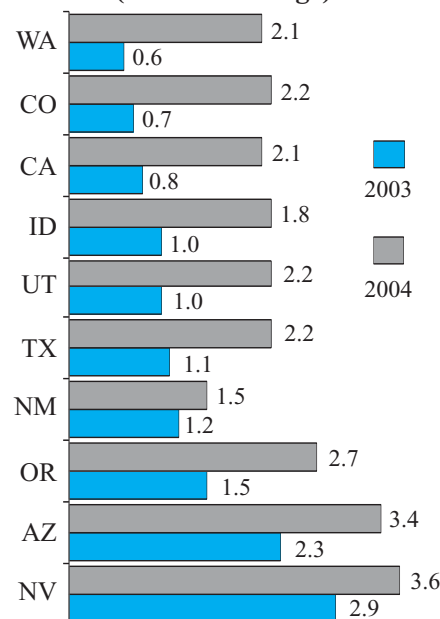
The slow pace of Western job creation recorded all through last year is expected to continue as part of the economic environment throughout 2003. Only a couple of Western states, Nevada and Arizona, are slated to top 2 percent in job growth for the year [see figure]. California and Washington are forecast to have employment gains of less than 1 percent.

Going forward in 2004, all Western states are projected to see some modest improvement in labor markets, but Idaho and New Mexico will see the weakest employment increases, somewhat less than 2 percent.

Forecasters in Arizona and Nevada are looking for job gains of more than 3 percent for 2004. If realized, these increases will be the best in the West, but still below long-term annual averages for each state.

— Lee McPheters

WESTERN JOB GROWTH FORECASTS
(Percent Change)



Revised 2002 employment growth figures show job losses for most states

WESTERN JOB GROWTH: 2002

State	Percent Growth	National Rank
New Mexico	1.2	2
Arizona	0.0	9
Idaho	-0.1	12
Nevada	-0.2	14
Utah	-0.8	25
California	-0.9	28
Texas	-1.0	30
Oregon	-1.3	37
Washington	-1.5	41
Colorado	-1.9	49

Source: U.S. Bureau of Labor Statistics

Labor markets in the Western states were sluggish in 2002, according to recently revised figures from the U. S. Bureau of Labor Statistics.

At the national level, the economy lost more than one and a quarter million jobs. Among Western states, only New Mexico recorded employment gains for the year as a whole [see table].

In percentage terms, employment in the U. S. economy fell by 1 percent. Three states in the West, Oregon, Washington and Colorado, saw employment dip by more than 1 percent.

Normally, analysts in the region expect to see Western states account for more than half of the top 10 fastest-growing states in

the country. But for all of 2002, only New Mexico and Arizona were ranked among the leading job growth states. Washington and Colorado finished out the year among the bottom 10.

The latest available preliminary job growth figures (based on January 2003) show Nevada's employment up by 2.5 percent compared to January of 2002. New Mexico and Arizona both reported gains of more than 1.0 percent in new jobs.

In January, only Utah among the Western states reported job losses. The nation as a whole recorded modest gains of fewer than 200,000 new jobs.

— Lee McPheters

NATIONAL ROUNDUP

U.S. JOB GROWTH



% Change: Jan. 2003 vs Jan. 2002

Nonfarm	0.2
Goods-Producing	-3.5
Construction	-0.9
Manufacturing	-3.5
Service-Providing	
Transportation, Warehousing & Utilities	-1.3
Trade	-0.8
Information	-5.5
Financial Activities	0.7
Professional & Business Services	0.3
Educational & Health Services	2.6
Leisure & Hospitality	2.1
Government	1.0

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits February 2003 vs February 2002

	Total Residential	Single- family	Multi- family
2003	124,159	91,186	32,973
2002	120,964	94,556	26,408
% Δ	2.6	-3.6	24.9

Source: U.S. Department of Commerce

U.S. FORECASTS

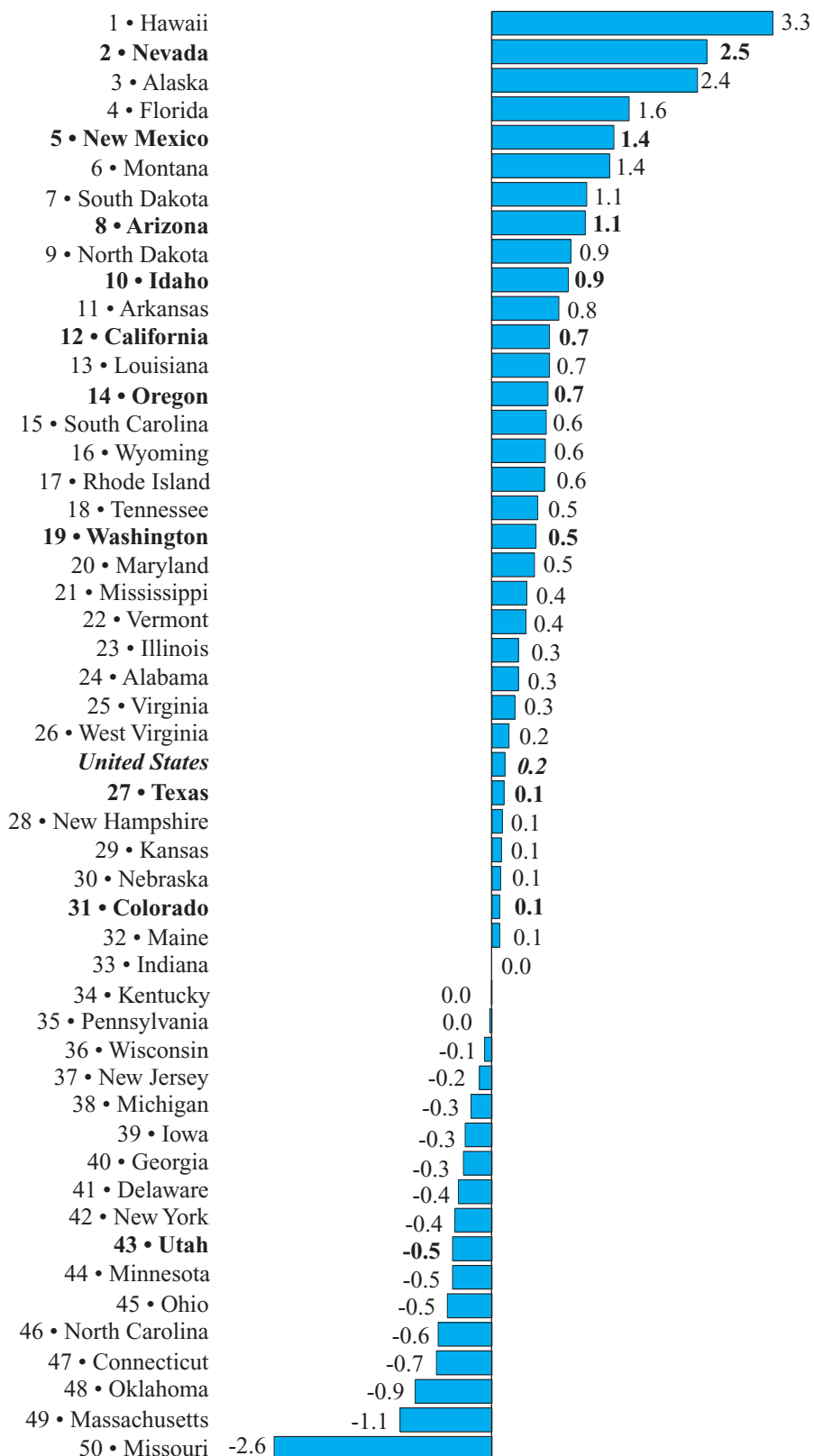


Percent Change

	2003	2004
Real GDP (Chain)	2.7	4.3
CPI	2.3	1.6
GDP Deflator (Chain)	1.7	1.9

Source: "U.S. Economic Outlook," DRI-WEFA, March 2003

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



Source: Bureau of Labor Statistics

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

State:	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Arizona	5.6 ↑	3.9 ↑	2.3 ↓	2.6 ↓	(5.0)↓	6.4	4.4 ↑	3.4 ↓	2.6 ↓	(2.0)↑
California	3.6 ↓	1.9 ↓	0.8 ↓	1.7 ↑	3.8 ↑	5.3 ↓	3.3 ↑	2.1 ↓	1.7 ↓	0.6 ↓
Colorado	3.9 ↓	2.2 ↑	0.7 ↓	1.3 ↑	(9.2)↓	5.2 ↑	3.2 ↑	2.2 ↓	1.4 ↓	(3.4)
Idaho	4.2 ↓	2.4 ↑	1.0 ↑	1.2 ↓	(5.5)↑	5.3 ↑	3.3 ↑	1.8 ↓	1.2 ↓	0.6
Nevada	5.8 ↓	4.0 ↑	2.9 ↓	3.8	0.7	6.3 ↓	4.3 ↑	3.6 ↓	4.0 ↓	2.6
New Mexico	5.0 ↑	3.2 ↑	1.2 ↑	1.3 ↑	(1.8)↑	4.9	2.9 ↑	1.5 ↑	1.3 ↑	0.1 ↓
Oregon	4.7 ↓	2.9 ↑	1.5 ↓	1.2	0.7 ↓	5.8 ↓	3.8 ↑	2.7 ↓	1.3	2.4
Texas	5.4 ↓	3.7 ↓	1.1 ↓	1.6 ↓	1.3 ↑	6.5 ↓	4.6 ↑	2.2 ↓	1.7 ↓	0.3 ↓
Utah	3.8	2.1 ↑	1.0	1.5	(1.6)↑	4.8	2.9 ↑	2.2	1.6	3.0
Washington	4.0 ↓	2.3 ↓	0.6 ↓	1.1	(4.4)↓	5.3 ↓	3.3 ↑	2.1 ↓	1.1	(5.3)↓

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

Forecast notes from the Western region...

More manufacturers are saying that the present job situation is the norm rather than a business cycle downturn. As the economy improves, jobs will barely increase. The yearlong jobless recovery may be producing this perception. In any event, when the job-gaining recovery starts, most believe that hiring will be much slower compared to past recoveries.

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

The **California** economy is a tale of two cities. The Bay Area continues to struggle from the impact of "tech wreck" and a weakened hospitality industry, with recovery not in sight till the end of 2004. The Southern California economy, including San Diego, continues to lead the state with a more diversified economy. The problems of the economy are fundamental and go beyond war-induced anxiety and reluctance to spend and invest.

— **Tapan Munroe**
Munroe Consulting
Berkeley, California

While the [**Oregon**] economy along the northern I-5 corridor has struggled with recession during much of the past 24 months, such weakness has not generally been found statewide. Solid immigration, primarily from California, has kept the central and southwestern Oregon economy humming. In addition, ongoing

anxiety of many North American residents regarding global travel should boost Oregon visitation in coming years. The state's economy is expected to return to positive job gains this year following dismal performance during the prior two years.

— **Jeff Thredgold**
Thredgold Economic Associates
Salt Lake City, Utah

The **New Mexico** economy ended the year with a strong performance, posting a 1.7 percent employment gain. While employment in mining, manufacturing, and construction continued to shrink, services employment increased 4.4 percent. A large portion of that gain came in health services, particularly in home health care. A change in Medicaid in 2002 allowed receivers to opt for home visits from health care professionals, rather than having to be transported to a facility.

— **Larry Waldman**
University of New Mexico
Albuquerque, New Mexico

War with Iraq, SARS, and rising business costs have nearly put **California's** economy in the deep freeze. However, there are a few signs of life around the state, including a surprisingly strong performance in new housing, still-sturdy import flows, and a pickup in motion picture/TV production (offshore locations

don't look so secure). ... An eye has to be kept on Sacramento, where there is little progress on the state budget crisis and proposed legislation that would further increase the costs of doing business.

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

TWC/BLS revisions reveal a somewhat weaker state of the current economy which will ultimately affect year-end totals. In addition, the Iraqi war continues to keep the state recovery on hold. While prospects will look more encouraging in the fall, it won't come soon enough to save the state from another anemic year.

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

A weakened national economy continues to cast a shadow over **Nevada's** economic future. In addition, general weakness in airline travel adds special factors facing the Nevada economy. Still, Nevada has not experienced declines in key economic indicators proportionate to what a major economic downturn might look like. Visitor volume continues to remain at or near levels of a year ago.

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

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

Methodology

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

from an individual forecaster.

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

first day of that month.

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

ARIZONA

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Source:										
Arizona Public Service	5.6	4.8	2.2	2.7	(5.0)	6.6	5.7	3.3	2.7	5.0
ASU - Bank One EOC	5.3	4.0	2.0	2.3	(4.0)	6.0	5.8	3.1	2.4	(6.0)
CH2M HILL	5.8	4.8	2.4	2.6	(8.0)	6.1	5.6	3.3	2.6	(5.0)
Department of Economic Security	5.7	4.8	1.7	2.3		6.3	6.5	2.4	2.3	
ECON-LINC	5.4	4.0	2.2	2.5	(5.0)	6.4	5.5	3.8	2.6	5.0
Eggert Economic Enterprises Inc.	5.9	4.9	2.6	2.7	(6.2)	6.3	5.6	3.2	2.9	(2.2)
Elliott D. Pollack & Co.	5.8	5.0	2.5	2.7	(10.0)	6.8	5.5	4.0	2.6	(10.0)
H. C. Reardon Economics	5.8	5.0	2.7	2.7	(5.0)	6.7	5.8	3.7	2.7	(5.0)
Helm Financial	5.6	5.0	2.4			6.3	5.5	3.2		
Joint Legislative Budget Committee	5.2	3.0	2.0	2.5	(5.0)	6.0	3.5	3.0	2.5	(5.0)
Lancaster Consulting	5.8	5.0	2.6	2.5	(2.5)	6.2	5.3	2.9	2.6	5.0
The Maguire Company	5.9	5.0	2.7	2.7	(8.0)	6.3	6.0	3.7	2.7	0.0
NAU - BBER	5.7	4.9	3.0	2.4	0.0		6.0		2.5	
Protitlement	5.8	5.2	2.5	2.7	(6.0)	6.6	5.9	3.8	2.6	(8.0)
Salt River Project	5.9	5.0	2.5	2.8	(3.0)	6.8	6.0	3.5	2.8	0.0
Stellar Capital Management	5.5	4.3	2.1	2.3	(3.5)	6.0	4.9	2.9	2.5	4.0
Tucson Electric Power Co.	4.8	3.3	1.3	2.5	(9.0)					
UA - Eller College	5.7	5.0	1.8	1.9	(6.1)	7.7	6.2	4.1	2.2	(11.6)
VisionEcon	6.0	6.0	3.0	3.1	0.0	5.9	6.1	3.2	2.8	1.0
Wells Fargo & Co.	5.6	4.3	2.3	2.7	(4.2)	6.4	5.1	3.3	2.7	0.5
Consensus Forecast - This Month	5.6	4.7	2.3	2.6	(5.0)	6.4	5.6	3.4	2.6	(2.0)
- Last Month	5.6	4.7	2.4	2.6	(4.8)	6.4	5.6	3.4	2.6	(2.2)

CALIFORNIA

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Source:										
Anonymous	3.3	3.4	0.7	1.7	(0.1)	5.3	5.6	2.1	1.7	2.9
California State University, Long Beach *	7.3	6.6	1.3	1.6	5.9	6.0	5.8	1.8	1.6	(1.7)
Chapman University	3.6	3.3	1.3	1.6	(1.8)	5.2	5.1	2.2	1.6	(6.3)
L.A. County Economic Development Corp.	3.5	2.5	0.7	1.7	10.0	4.8	4.5	1.4	1.7	9.5
Legislative Analyst's Office	4.0	3.9	0.5	1.6	5.0	6.1	6.2	2.4	1.6	5.0
Monroe Consulting	3.6	3.7	0.9	1.7	5.0	5.0	5.5	2.0	1.7	1.0
UCLA - Business Forecasting Project	3.0	3.8	0.7	1.8	8.7	5.3	5.8	2.2	1.6	(10.2)
Wells Fargo & Co.	4.4	3.9	1.0	1.7	0.1	5.4	5.2	2.1	1.8	2.0
Consensus Forecast - This Month	3.6	3.5	0.8	1.7	3.8	5.3	5.4	2.1	1.7	0.6
- Last Month	3.8	3.8	1.0	1.7	2.1	5.4	5.6	2.1	1.7	0.9

*This forecast is for Southern California only

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
The Adams Group, Inc.	4.1	1.4	0.9	1.3	(10.3)	3.5	4.0	2.5	1.4	(7.9)
Ctr. for Business and Econ. Forecasting	4.3	3.0	(0.2)	1.3	(12.0)	5.8	4.5	1.5	1.1	(5.0)
Colorado Legislative Council	3.0	2.8	0.5	1.4	(11.3)	5.9	5.2	2.3	1.5	(6.6)
Office of State Planning and Budgeting	4.0	3.1	0.8	1.3	(15.9)	5.3	3.8	2.2	1.5	(5.0)
University of Colorado	4.5	3.9	1.0	1.3	(6.7)	5.0	4.5	2.5	1.6	(3.0)
Wells Fargo & Co.	4.0	2.2	0.7	1.4	(6.0)	5.1	4.1	2.3	1.5	(1.0)
Xcel Energy	3.5	1.5	1.2	1.0	(2.0)	5.5	3.0	2.0	1.5	5.0
Consensus Forecast - This Month	3.9	2.6	0.7	1.3	(9.2)	5.2	4.2	2.2	1.4	(3.4)
- Last Month	3.7	2.6	0.8	1.3	(5.3)	4.9	4.3	2.3	1.5	(3.4)

IDAHO										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Idaho Division of Financial Management	4.4		0.9	1.1	(5.0)	5.8		1.9	1.1	(0.8)
Idaho Economics	4.1		0.5	1.2	(5.0)	5.2		1.1	1.2	(1.0)
Idaho State University	4.0	4.5	2.0	1.2						
Thredgold Economic Associates	4.8	3.7	1.0	1.2	(2.0)	5.5	4.5	2.2	1.1	(1.0)
University of Idaho	3.5	2.8	0.6	1.1		5.0	4.2	1.5	1.1	
Wells Fargo & Co.	4.3	3.8	1.0	1.4	(10.0)	5.0	4.3	2.4	1.5	5.0
Consensus Forecast - This Month	4.2	3.7	1.0	1.2	(5.5)	5.3	4.3	1.8	1.2	0.6
- Last Month	4.3	3.9	0.9	1.2	(5.8)	5.3	4.3	1.9	1.2	0.6

NEVADA										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
Source:	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Dept. of Empl., Training, and Rehab.	5.0	4.0	2.5	3.5		6.0	4.0	3.3	3.3	
Legis. Counsel Bureau - Fiscal Analysis	5.0	4.9	2.6	3.5	(2.0)	5.5	2.6	3.3	3.5	0.0
Restrepo Consulting Group, LLC	5.5	3.5	3.0	3.5	3.0	6.0	3.5	3.5	4.0	3.0
Thredgold Economic Associates	6.5	2.5	3.2	4.2	3.0	7.0	5.0	4.3	4.8	4.5
Southwest Gas	6.6	3.3	2.8	4.2	2.2	6.9	4.6	3.1	4.7	3.0
Univ. of Nevada at Las Vegas - CBER	5.9	3.1	3.3	3.9	(3.5)					
Wells Fargo & Co.	5.8	3.2	3.0	3.7	1.5	6.4	4.0	3.8	3.9	2.4
Consensus Forecast - This Month	5.8	3.5	2.9	3.8	0.7	6.3	4.0	3.6	4.0	2.6
- Last Month	5.8	3.5	2.9	3.8	0.7	6.4	4.0	3.6	4.2	2.6

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

	2003					2004				
	Annual Percent Change, 2003 from 2002					Annual Percent Change, 2004 from 2003				
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	4.3	-0.4	0.7	1.3	2.5	4.4	0.0	1.1	1.2	1.3
New Mexico Department of Labor		(1.9)	0.9				(1.0)	1.5		
New Mexico State Univ - CEMAF	5.5	(1.5)	1.2			5.2	(1.0)	1.5		
University of New Mexico - BBER	5.4	(1.4)	1.9	1.5	(4.1)	5.1	0.4	1.9	1.5	(3.3)
Wells Fargo & Co.	4.6	0.4	1.1	1.2	(3.8)	4.7	1.0	1.7	1.2	2.3
Consensus Forecast - This Month	5.0	(1.0)	1.2	1.3	(1.8)	4.9	(0.1)	1.5	1.3	0.1
- Last Month	4.8	(0.7)	1.1	1.3	(3.6)	4.9	0.2	1.5	1.2	2.0

OREGON

	2003					2004				
	Annual Percent Change, 2003 from 2002					Annual Percent Change, 2004 from 2003				
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	5.2	0.8	1.0	1.2	(7.1)	6.2	4.2	3.5	1.2	(6.2)
Forefront Economics	5.3	1.8	2.4	1.1	3.5	5.6	2.0	2.8	1.3	5.0
Oregon Executive Department	4.8	0.8	1.0	1.0	1.4	5.6	1.5	2.4	1.3	3.3
Portland General Electric	5.3	2.0	1.6	1.2	5.0	7.0	2.5	2.5	1.3	7.0
Rhodes Econometrics	3.4	1.3	2.2	1.2	2.0	5.3	1.8	2.6	1.3	2.3
Thredgold Economic Associates	4.5	0.0	1.0	1.2	4.5	5.5	2.5	3.0	1.5	5.0
U.S. Bancorp	4.4	1.0	0.6	1.1	(5.0)	5.5	2.5	2.5	1.1	0.0
Wells Fargo & Co.	4.6	1.2	1.8	1.3	1.3	5.5	1.7	2.5	1.2	2.5
Consensus Forecast - This Month	4.7	1.1	1.5	1.2	0.7	5.8	2.3	2.7	1.3	2.4
- Last Month	4.7	1.2	1.6	1.2	1.1	5.8	2.4	2.7	1.3	2.4

TEXAS

	2003					2004				
	Annual Percent Change, 2003 from 2002					Annual Percent Change, 2004 from 2003				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Econoclast	5.1	5.0	1.1	1.5	1.0	7.1	6.8	2.5	1.8	2.0
Federal Reserve Bank of Dallas	6.0	6.0	0.5	1.7	(1.5)	7.5	7.0	2.7	1.8	2.5
Ed McClelland	5.8	5.7	1.5	1.7	1.0	6.6	6.4	2.2	1.7	0.7
Perryman Group	5.7	5.8	1.6	1.7	3.7	6.5	6.7	2.1	1.8	(1.1)
TX State Comptroller of Public Accounts	5.2	5.5	1.2	1.7	1.5	6.0	6.2	2.1	1.5	(2.4)
University of Houston - CPP	5.1	4.9	0.9	1.4		6.8	6.9	2.2	1.8	
University of Texas at El Paso	4.6	3.9	0.8	1.6	2.4	5.4	5.8	1.6	1.6	(0.4)
Wells Fargo & Co.	5.8	5.6	1.5	1.7	1.2	6.4	6.2	2.1	1.8	0.6
Consensus Forecast - This Month	5.4	5.3	1.1	1.6	1.3	6.5	6.5	2.2	1.7	0.3
- Last Month	5.6	5.6	1.4	1.7	0.9	6.6	6.5	2.2	1.7	0.3

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

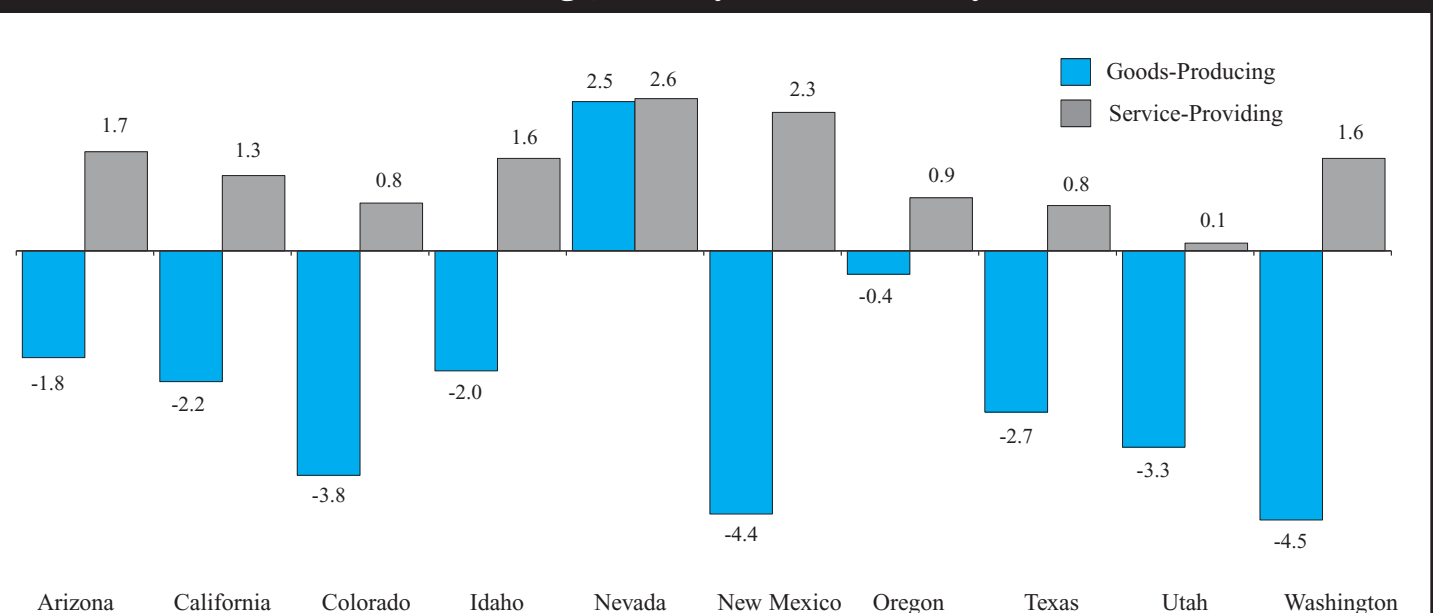
Source:	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Pacificorp	5.3	4.5	2.2	1.7	7.0	4.8	4.2	2.1	1.7	5.0
Thredgold Economic Associates	3.5	2.8	1.0	1.3	(1.0)	5.5	3.5	2.3	1.6	3.0
Utah Department of Workforce Services	3.1	2.2	0.7	1.5	(1.0)	4.3	3.5	2.0	1.7	1.5
Utah State Tax Commission	3.6	3.3	0.5	1.6	(3.0)	4.8	4.5	2.0	1.6	0.5
Wells Fargo & Co.	3.6	3.7	0.7	1.6	(10.0)	4.8	4.3	2.5	1.6	5.0
Consensus Forecast - This Month	3.8	3.3	1.0	1.5	(1.6)	4.8	4.0	2.2	1.6	3.0
- Last Month	3.8	3.3	1.0	1.5	(1.8)	4.8	4.0	2.2	1.6	3.0

WASHINGTON

Source:	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Conerly Consulting	4.0	3.6	0.3	1.1	6.8	5.6	5.5	2.4	1.2	(5.0)
Dick Conway & Associates	4.2	3.2	0.8	0.9	(7.0)	5.4	5.1	1.8	0.9	(5.0)
Doug Pedersen & Associates	4.0	3.5	0.8	1.0	(5.0)	5.0	5.2	2.0	1.0	(7.0)
Office of Forecast Council *	4.1	3.2	0.6	0.9	(13.1)	5.1	5.6	2.2	1.0	(9.3)
Wells Fargo & Co.	3.7	3.2	0.6	1.4	(3.8)	5.2	4.7	2.1	1.2	(0.4)
Consensus Forecast - This Month	4.0	3.3	0.6	1.1	(4.4)	5.3	5.2	2.1	1.1	(5.3)
- Last Month	4.1	3.4	0.7	1.1	(4.1)	5.3	5.3	2.2	1.1	(4.9)

* Population forecast is from the Office of Financial Management.

JOB GROWTH BY SECTOR Percent Change, January 2003 vs. January 2002



Source: U.S. Bureau of Labor Statistics

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

ARIZONA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2002	140,904†	127,039†	2,247.8	45,954†	194.3	54,729	5,481.2†	5.8
% change	4.2	3.0	(0.8)	2.5	(7.3)	7.5	2.6	
2001	135,224	123,381	2,265.7	44,833	209.6	50,930	5,342.3	4.7
% change	4.8	2.3	1.0	2.0	(2.7)	4.3	3.0	
2000	129,069	120,660	2,242.8	43,940	215.4	48,846	5,188	3.9
% change	8.2	5.9	3.7	7.8	1.7	(5.6)	3.4	
1999	119,339	113,958	2,163.1	40,769	211.7	51,764	5,017	4.4
% change	5.7	4.2	4.3	10.0	(2.0)	1.5	3.2	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Arizona Department of Economic Security; Retail Sales – Arizona Department of Revenue; Manufacturing Employment – Arizona Department of Economic Security; Housing Permits – Arizona Real Estate Center; Population – Center for Business Research; Unemployment Rate – Arizona Department of Economic Security. † Consensus †† Estimate								

CALIFORNIA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2002	1,148,847†	1,035,801†	14,658.1	298,366†	1,816.0	120,783	35,301	6.4
% change	1.9	0.7	(0.3)	1.5	(4.6)	13.7	1.7	
2001	1,127,426	1,028,685	14,697.0	293,957	1,904.4	106,265	34,698	5.3
% change	3.1	0.7	1.4	2.4	(2.2)	1.6	1.9	
2000	1,093,065	1,021,859	14,488.1	287,068	1,947.8	104,600	34,036	4.9
% change	9.6	7.3	3.5	12.3	1.3	1.8	1.9	
1999	997,351	952,379	13,991.8	255,589	1,923.0	102,750	33,417	5.2
% change	7.1	5.6	2.9	11.4	(1.4)	10.0	1.7	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Bureau of Labor Statistics; Taxable Sales – California Board of Equalization; Manufacturing Employment – Bureau of Labor Statistics; Housing Permits – Construction Industry Research Board; Population – California Department of Finance; Unemployment Rate – California Department of Finance. † Consensus †† Estimate								

COLORADO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2002	148,359†	133,760†	2,189.0	59,018†	185.6	35,522	4,507	5.3
% change	1.9	0.7	(1.9)	0.0	(6.8)	(2.6)	1.7	
2001	145,593	132,841	2,231.9	59,018	199.2	36,477	4,431	3.7
% change	3.8	1.3	0.9	1.7	(3.3)	(3.2)	2.4	
2000	140,225	131,090	2,213.0	58,058	205.9	37,699	4,327	2.7
% change	9.8	7.5	3.8	10.9	0.6	(1.9)	*	
1999	127,653	121,897	2,131.8	52,368	204.6	38,410	4,056	2.9
% change	7.8	6.3	3.6	8.7	(1.4)	6.4	2.2	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Colorado Department of Labor and Employment; Retail Trade Sales – Colorado Department of Revenue; Manufacturing Employment – Colorado Department of Labor and Employment; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Colorado Department of Labor and Employment. † Consensus †† Estimate								

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

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

IDAHO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2002	33,230†	29,960†	566.0	14,932†	71.1	10,212	1,341	5.4
% change	3.7	2.5	(0.6)	2.8	(5.9)	7.7	1.6	
2001	32,044	29,238	569.4	14,525	75.5	9,483	1,321	5.0
% change	3.9	1.5	1.8	5.6	(2.2)	(6.1)	1.6	
2000	30,827	28,819	559.6	13,755	77.2	10,098	1,300	4.9
% change	8.0	5.8	3.8	4.5	1.2	(3.8)	*	
1999	28,538	27,251	538.9	13,163	76.3	10,497	1,252	5.2
% change	5.4	4.0	3.3	4.8	0.3	2.1	1.7	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Idaho Department of Employment; Retail Sales – Idaho State Tax Commission; Manufacturing Employment – Idaho Department of Employment; Housing Permits – First Security Bank; Population – U.S. Bureau of the Census; Unemployment Rate – Idaho Department of Employment. † Consensus †† Estimate								

NEVADA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Gaming Revenue (millions)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2002	66,093†	59,590†	1,069.3	32,003††	9,610.6††	27,284	2,174	5.4
% change	5.1	3.9	1.5	0.9	1.5	1.1	3.6	
2001	62,886	57,379	1,053.9	31,709††	9,469	26,981	2,098	5.3
% change	5.6	3.0	2.6	7.7	(1.4)	4.8	3.9	
2000	59,565	55,685	1,026.9	29,454	9,600.3	25,749	2,019	4.1
% change	7.0	4.7	4.5	6.1	6.4	6.0		
1999	55,694	53,182	982.9	27,761	9,023.4	24,283	1,809	4.4
% change	7.1	5.6	6.2	6.5	11.9	(0.7)	3.8	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Nevada Department of Employment, Training and Rehabilitation; Retail Sales – Nevada Department of Taxation; Gross Gaming Revenue – Nevada State Gaming Control Board; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Nevada Department of Employment, Training and Rehabilitation. † Consensus †† Estimate								

NEW MEXICO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2002	44,357†	39,992†	762.2	12,212††	41.3	10,348	1,855	6.0
% change	4.7	3.5	0.7	(2.6)	(4.1)	15.9	1.3	
2001	42,366	38,656	756.8	12,540	43.1	8,929	1,831	4.8
% change	6.1	3.5	1.6	3.6	(0.4)	11.1	0.5	
2000	39,943	37,341	744.9	12,099	43.2	8,037	1,822	4.9
% change	5.5	3.2	2.1	5.5	1.9	(6.5)	*	
1999	37,877	36,169	729.6	11,466	42.4	8,595	1,740	5.6
% change	2.8	1.3	1.3	2.1	(5.1)	(6.7)	0.4	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – New Mexico Department of Labor; Retail Sales – New Mexico Department of Taxation & Revenue; Manufacturing Employment – New Mexico Department of Labor; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – New Mexico Department of Labor. † Consensus †† Estimate								

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

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

OREGON

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Manufacturing Employment (thousands)	Single-family Permits (number)	Housing Permits (number)	Population (thousands)	Unem- ployment Rate
2002	100,449†	90,565†	1,581.0	226.3	17,977	22,543	3,410.8†	7.4
% change	3.3	2.1	(0.9)	(4.2)	10.9	7.1	1.1	
2001	97,240	88,724	1,596.1	236.2	16,217	21,049	3,374††	6.3
% change	2.5	0.1	(0.7)	(3.0)	4.4	6.4	1.1	
2000	94,854	88,674	1,606.8	243.6	15,532	19,785	3,337	4.9
% change	6.4	4.2	2.0	0.6	(6.4)	(14.9)	1.1	
1999	89,128	85,109	1,575.0	242.2	16,595	23,249	3,301	5.7
% change	4.5	3.0	1.5	(1.6)	(2.0)	(10.1)	1.0	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Oregon Employment Division; Manufacturing Employment – Oregon Employment Division; Single-family Permits – U.S. Bureau of the Census; Housing Permits – U.S. Bureau of the Census; Population – Portland State University; Unemployment Rate – Oregon Employment Division. † Consensus †† Estimate								

TEXAS

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (billions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2002	636,017†	573,433†	9,435.4	315†	1,005.9	120,644	21,780	6.1
% change	4.7	3.5	(0.8)	3.9	(4.9)	8.3	1.9	
2001	607,467	554,264	9,513.1	303.0	1,057.6	111,352	21,371	4.9
% change	4.5	2.0	0.8	1.5	(2.8)	4.5	2.0	
2000	581,312	543,443	9,433.0	298.6	1,088.1	106,601	20,955	4.2
% change	7.8	5.6	3.0	11.5	0.3	4.7	*	
1999	539,129	514,819	9,159.2	267.7	1,084.4	101,848	20,044	4.6
% change	5.3	3.8	2.5	9.5	(2.1)	2.0	1.7	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Texas Employment Commission; Gross Retail Sales – Texas State Comptroller of Public Accounts; Manufacturing Employment – Texas Employment Commission; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Texas Employment Commission. † Consensus †† Estimate								

UTAH

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2002	56,636†	51,063†	1,068.5	18,258†	120.1	15,406	2,316	5.2
% change	3.1	1.9	(1.3)	3.1	(5.4)	11.2	1.6	
2001	54,934	50,122	1,082.1	17,709	127.0	13,851	2,279	4.4
% change	4.6	2.1	0.6	2.5	(3.1)	2.9	1.6	
2000	52,532	49,110	1,075.4	17,278	131.1	13,463	2,243	3.2
% change	6.9	4.6	2.6	4.8	(0.7)	(7.5)	*	
1999	49,149	46,932	1,048.6	16,493	132.0	14,561	2,130	3.7
% change	5.1	3.6	2.5	5.3	(0.4)	0.6	1.4	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Utah Department of Workforce Services; Retail Sales – Utah State Tax Commission; Manufacturing Employment – Utah Department of Workforce Services; Housing Permits – University of Utah; Population – U.S. Bureau of the Census; Unemployment Rate – Utah Department of Workforce Services. † Consensus †† Estimate								

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

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

WASHINGTON

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2002	194,217†	175,106†	2,646.9	84,020†	309.1	33,090	6,069	7.0
% change	2.7	1.5	(1.9)	(0.4)	(8.7)	17.6	1.3	
2001	189,111	172,549	2,697.8	84,357	338.4	28,137	5,993	6.4
% change	2.5	0.0	(0.5)	(0.5)	(4.2)	3.1	1.4	
2000	184,518	172,498	2,711.3	84,748	353.1	27,283	5,912	5.2
% change	5.9	3.7	2.4	6.4	(3.0)	(7.8)	*	
1999	174,221	166,365	2,648.7	79,684	364.2	29,598	5,756	4.7
% change	6.8	5.3	2.1	7.8	(4.0)	(3.3)	1.2	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Washington State Employment Security; Taxable Retail Sales – Washington Department of Revenue; Manufacturing Employment – Washington State Employment Security; Housing Permits – U.S. Department of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Washington State Employment Security. † Consensus †† Estimate

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

TOTAL NONFARM JOB GROWTH BY METRO AREA January 2003 vs. January 2002

Percent Change		Percent Change	
Las Cruces, New Mexico	3.3	Albuquerque, New Mexico	0.8
Las Vegas, Nevada	3.0	Boise City, Idaho	0.4
Riverside-San Bernardino, California....	2.6	Los Angeles-Long Beach, California....	0.2
Eugene-Springfield, Oregon	2.4	Houston, Texas	-0.3
Denver, Colorado	1.5	Portland-Vancouver, Oregon	-0.6
Tacoma, Washington	1.4	Salt Lake City-Ogden, Utah	-0.8
Salem, Oregon	1.4	Seattle-Bellevue-Everett, Washington ...	-1.1
San Diego, California	1.1	San Francisco, California	-2.3
Phoenix-Mesa, Arizona	1.0	Boulder-Longmont, Colorado	-13.4

Source: Bureau of Labor Statistics



WESTERN BLUE CHIP ECONOMIC FORECAST

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WESTERN BLUE CHIP PANEL

WESTERN BLUE CHIP ECONOMIC FORECAST

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