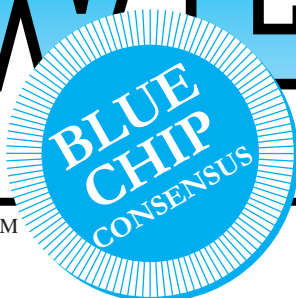


WESTERN



BLUE CHIP ECONOMIC FORECAST

TM

What Blue Chip economists are saying about the Western states

Volume 15 • Number 6 • July/August 2001

Western analysts project moderate job growth for '01

Despite reports of layoffs and a general economic malaise at the national level, most Western analysts have not changed their job growth forecasts much, if at all, since the beginning of the year.

Nevada, Colorado and Arizona are expected to record the fastest rate of employment gains in 2001 (see figure). Compared to forecasts made in January, projections for Nevada and Arizona are down slightly, along with those of most other states.

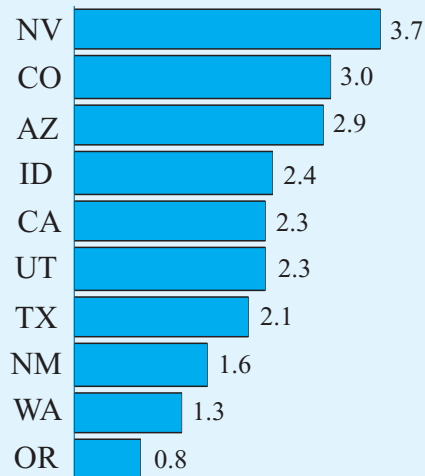
But in Colorado, economy watchers are now more optimistic than earlier, raising their job creation growth rate estimate to 3.0 percent from the 2.8 percent forecast of six months ago. During the first quarter of this year, monthly increases in Colorado employment averaged 4.0 percent on an over-the-year basis. Colorado's rate of job growth has ranked among the top five states for the past 12 consecutive months.

The most pessimism at midyear reigns in Oregon, where the economic prognosticators have taken the wood-chopper's ax to their employment forecasts and reduced the expected gain from 1.2 percent down to 0.8 percent. Based on available data, it is hard to fault the reduction in projected job gains. In April, employment in the Beaver State was up a scant 0.3 percent over the same month of the previous year.

Elsewhere in the Western region, most states seem to be riding out the slowdown quite well. In January, Nevada analysts expected employment growth of 3.9 percent for 2001. At midyear the forecast was dropped to 3.7 percent. But Nevada's employment gains so far this year put the Silver State on track to actually exceed the 4.7 percent job growth recorded last year.

— L.M.

JOB GROWTH FORECASTS (Percent Change: 2001)



Arizona led all states in GSP growth during expansion of 1990s

WESTERN GROWTH IN GSP (Annual Percent Change: 1992-99)

State	Growth	National Rank
Arizona.....	7.3%	1
Nevada	7.0	2
Oregon.....	6.8	3
Colorado.....	6.6	4
Idaho	6.6	4
Utah.....	6.3	6
New Mexico	6.2	8
Texas	5.4	10
Washington	4.7	12
California	3.9	20
United States.....	4.0	

Source: U.S. Bureau of Economic Analysis

Arizona and the Western states set a torrid pace for growth in Gross State Product during the decade of the 1990s. The Grand Canyon State topped the list of leading states with an average growth rate of 7.3 percent for the years 1992-1999 (see table).

Western states accounted for the top five positions in the growth rankings and recorded eight of the 10 fastest growth rates for the period.

Gross State Product is a measure of the market value of goods and services produced in a state. It is similar to Gross Domestic Product (GDP), the closely watched indicator of output at the national level. While GDP is reported quarterly, the Bureau of Economic Analysis releases annual data on GSP with a lag of about two years.

Arizona's fastest growing GSP sector was manufacturing, with an annual average increase of 13.2 percent. Even faster gains in manufacturing were recorded in

the western states of New Mexico (19.9 percent), Oregon (16.0 percent) and Idaho (15.5 percent).

Communications (telephone, satellite and multimedia services) was an important growth sector in Colorado and Texas, according to detailed figures reviewed by the U.S. Bureau of Economic Analysis. Hotels and other businesses serving the tourism industry were particularly significant in Nevada.

Although California accounts for the largest share (13 percent) of the nation's GSP, the average annual increase was only 3.9 percent, ranking 20th among all states. California's GSP growth was sluggish in the first part of the 1990s as the economy was slow to rebound from the recession. But GSP growth in 1999 was second only to Idaho (see 1999 rankings, page 2).

— L.M.

NATIONAL ROUNDUP

U.S. JOB GROWTH



Percent Change: Apr. 2001 vs Apr. 2000

Nonagricultural	0.5
Construction	2.6
Manufacturing	-2.9
Transportation, Communications and Public Utilities	1.8
Trade	0.6
Finance, Insurance and Real Estate	1.4
Services	1.6
Government	0.0

Source: U.S. Bureau of Labor Statistics.

U.S. REAL ESTATE



Residential Building Permits May 2001 vs May 2000

	Total Residential	Single- family	Multi- family
2001	155,786	121,728	34,058
2000	145,295	115,966	29,329
% Δ	7.2	5.0	16.1

Source: U.S. Department of Commerce.

U.S. FORECASTS

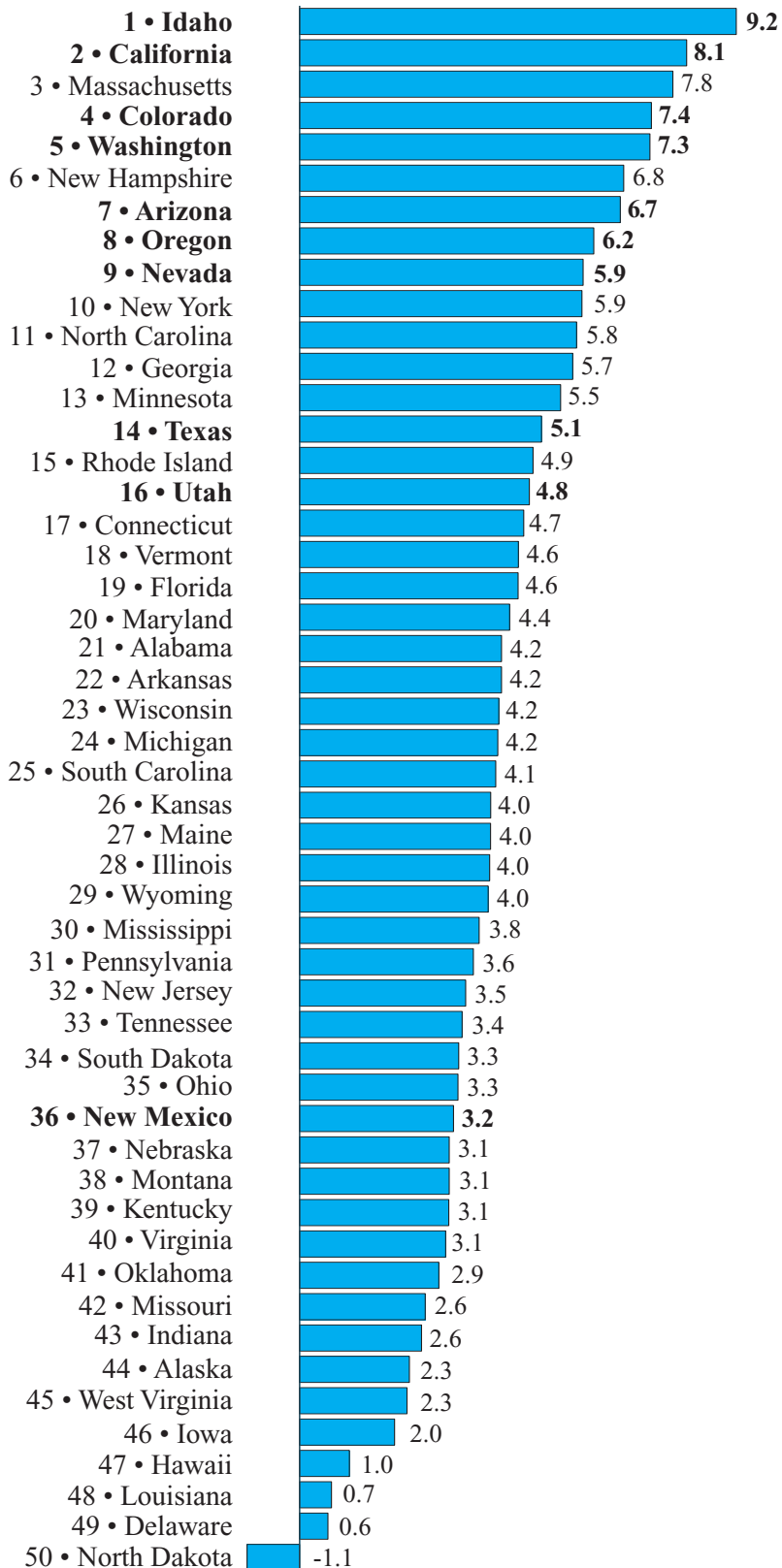


Percent Change

	2001	2002
Real GDP (Chain).....	1.8	2.6
CPI	3.2	2.6
GDP Deflator (Chain)...	2.4	2.1

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

REAL GROSS STATE PRODUCT (Percent Change, 1999 over 1998)



Source: U.S. Bureau of Economic Analysis

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

State:	2001 Annual Percent Change, 2001 from 2000					2002 Annual Percent Change, 2002 from 2001				
	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Arizona	6.2↓	5.6↓	2.9↓	2.7	(6.3)↑	6.2	5.8↑	3.0	2.6	(5.4)↓
California	4.1↓	1.7↓	2.3↓	1.7↑	2.3↓	5.6↓	3.4↓	2.2↑	1.7↑	(0.2)↑
Colorado	7.2	4.7↓	3.0↓	2.2↑	(1.1)↓	6.8↑	4.6↓	2.7↑	2.1↑	(1.7)↓
Idaho	5.6↓	3.2↓	2.4↓	1.4	(3.1)↑	5.7↓	3.5↓	2.5↓	1.4	(2.3)↓
Nevada	6.5↓	4.1↓	3.7↓	4.2↑	(0.1)↑	6.7↑	4.5↓	3.8↑	4.2↑	1.1↑
New Mexico	4.7↓	2.3↓	1.6↓	0.7	1.5↑	5.3↑	3.2↑	1.8↑	0.7	(2.0)↑
Oregon	4.9↓	2.5↓	0.8↓	1.1↑	7.9↑	5.6↓	3.4↓	1.7↑	1.1↑	4.3↑
Texas	6.1↓	3.7↓	2.1↓	1.7↓	(1.8)↓	6.5↓	4.3↓	2.3↑	1.8↓	1.5↑
Utah	5.7↓	3.3↓	2.3↓	1.7↓	(4.0)	5.6↑	3.5↓	2.2↑	1.6↑	0.8↑
Washington	4.2↓	1.8↓	1.3↓	1.0↓	1.3↑	5.3↓	3.2↓	1.8↑	1.1↑	1.2↓

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

Forecast notes from the western region...

After four years of drops in [**Oregon**] housing starts, this market rebounded in the last quarter of 2000 and the first quarter of 2001. The strength comes from strong high-tech growth and mild weather. The forecast looks like a huge amount, but we had a first-quarter increase of 32.1 percent on an annual basis. We have annualized quarter growths for the rest of the year below 1 percent. On top of that, we had large drops through the first three quarters of 2000. So when you project out on yearly averages, we have this huge jump for the yearly number, even though three of the four quarters of 2001 are expected to be positive but below 1 percent.

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

Growth in the **New Mexico** economy has been in the metro areas for the last two years, but the next two years' growth will be evenly divided between metro and non-metro economies. Currently strength is in mining (oil and gas) and construction. High-tech manufacturing is suffering from a weak market. Philips Semiconductor has laid off 250 and Intel is seeking volunteers to take three weeks vacation this summer.

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

One potential trend for [**New Mexico**] rural areas is the location of natural gas-

fired electric generating stations. Three are announced: Deming, Clovis and Las Cruces (officially not rural). Commercial development continues apace just north of the border crossing at Santa Teresa, about 10 miles west of El Paso as the crow flies, which it doesn't. Most of the state has had decent moisture so far and cattle prices are up.

— **Harold Morgan**
Progress Publishing
Albuquerque, New Mexico

While the focus is still on the **California** "energy crisis" (and increasingly on the potential state budget problem), there are many interesting trends in the state's economy. Employment is still growing, but tech sector jobs are trailing off. Imports through the state's three customs districts are creeping ahead, a reflection no doubt of the national inventory overhang. And business travel is down, reflected both by weak airline traffic and slumping hotel occupancy rates. Nonresidential developers in the south are exercising restraint, but in the Bay Area there may be some potential overbuilding.

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

Utah's tight labor availability of the past decade will continue to be a fact of life for the state's employers. Construction activity will continue at a solid clip. The electricity shortage in California provides Utah

companies with an opportunity to contribute to a long-term solution. The shortage is also a wake-up call for Utah's public and private sector leadership to ensure that a similar energy shortfall is not in the state's future.

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

Conditions in **Nevada** remain in a state of moderation. Nevadans, accustomed to rapid growth, now see less construction in hotel capacity since the last round of hotel expansion in Las Vegas, increased competition impacting Reno tourism, depressed gold and silver prices, and slower national growth. All in all, Nevada faces a more moderate growth path and greater vulnerability to adverse economic shocks than in the past. Until investment in the state's exporting sectors rebounds, sustained strong growth opportunities will remain limited.

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

Despite the dual problems of the energy crisis and the restructuring of the New Economy, **California** will manage modest economic growth in 2001 and 2002. Risks to the forecast include a national recession or worsening of the state's energy situation.

— **Tapan Munroe, PhD.**
Applied Development Economics, Inc.
Berkeley, 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 projec-

tions 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				
	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 Company	6.6	6.0	3.2	2.7	(7.8)	6.8	6.3	3.4	2.7	(3.0)
ASU – Bank One EOC	6.5	6.0	3.0	2.4	(10.0)	6.0	5.0	2.9	2.3	(10.0)
CH2M Hill	6.2	5.9	2.9	2.6	(7.0)	6.6	6.2	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	2.2	2.7	(10.0)	6.0	5.5	3.0	2.5	(5.0)
Eggert Economic Enterprises, Inc.	6.1	5.4	3.0	2.6	(7.1)	6.3	5.5	3.0	2.7	(4.5)
Elliott D. Pollack & Company	6.3	5.0	2.5	2.8	(5.0)	6.3	7.0	2.8	2.7	(10.0)
H. C. Reardon Economics	6.0	5.2	3.2	2.7	(8.0)	6.8	6.0	3.2	2.7	(6.0)
Joint Legislative Budget Committee	6.2	5.5	2.6	2.7	(5.0)	6.3	6.6	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	6.5	5.5	3.3	2.8	(5.0)	6.2	5.8	3.4	2.7	(5.0)
NAU - BBER	6.4	5.2	3.0	2.6	(10.0)	6.6	4.7	3.2	2.5	(5.0)
Office of the Treasurer	6.0	5.6	3.0	—	—	6.6	5.4	2.9	—	—
Salt River Project	6.5	6.0	3.1	3.0	(9.0)	6.7	6.5	3.5	3.0	(2.0)
Tucson Electric Power Company	6.3	5.6	3.1	2.6	(9.0)	5.8	5.2	2.8	2.6	(7.0)
UA – Eller College	6.3	5.8	3.2	2.8	(10.1)	5.9	5.7	2.7	2.8	(5.3)
VisionEcon	5.4	6.2	3.2	2.7	0.0	5.5	7.2	2.8	2.7	2.2
Wells Fargo & Company	6.0	5.0	2.8	2.6	5.0	5.5	5.0	2.5	2.5	(5.0)
Consensus Forecast – This Month	6.2	5.6	2.9	2.7	(6.3)	6.2	5.8	3.0	2.6	(5.4)
Consensus Forecast – Last Month	6.3	5.7	3.1	2.7	(7.1)	6.2	5.7	3.0	2.6	(5.1)

CALIFORNIA

	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
Source:										
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	5.5	5.0	2.4	1.6	2.1	6.1	5.8	2.5	1.6	(3.2)
Economic Development Corp. of L.A.	2.5	4.2	2.3	1.8	(1.0)	5.8	5.5	2.5	1.7	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 & Company	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	3.9	2.3	1.7	2.3	5.6	5.0	2.2	1.7	(0.2)
Consensus Forecast – Last Month	5.1	4.4	2.4	1.7	2.9	5.8	5.2	2.1	1.6	(0.7)

* 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
Center for Business & Economic Forecasting	8.3	7.4	3.3	2.1	2.3	7.4	7.2	2.7	1.9	(2.6)
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 & Budgeting	7.6	6.8	3.4	2.4	(0.9)	7.0	6.1	3.0	2.4	1.0
U.S. Bank	6.5	5.2	2.5	2.2	(4.8)	6.0	5.0	2.4	2.2	(2.0)
University of Colorado	8.0	9.0	2.9	2.1	1.0	7.0	7.5	2.8	2.0	(1.0)
Wells Fargo & Company	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	7.2	6.7	3.0	2.2	(1.1)	6.8	6.3	2.7	2.1	(1.7)
Consensus Forecast – Last Month	7.2	6.7	3.1	2.1	(0.8)	6.8	6.4	2.7	2.0	(1.2)

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	5.0	—	1.5	1.5	(3.1)	5.3	—	1.7	1.3	(5.2)
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 & Company	5.7	4.5	2.2	1.3	(5.0)	5.7	4.6	2.5	1.3	0.0
Consensus Forecast – This Month	5.6	4.3	2.4	1.4	(3.1)	5.7	4.3	2.5	1.4	(2.3)
Consensus Forecast – Last Month	5.8	4.3	2.5	1.4	(4.1)	5.7	4.4	2.6	1.4	(2.1)

NEVADA

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
Source:	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Dept. of Employment, Training & Rehab.	8.0	4.5	4.0	4.5	—	7.5	3.5	3.3	4.0	—
Legislative Counsel Bureau Fiscal Analysis	6.0	2.0	3.5	4.0	(6.0)	6.5	4.0	4.0	4.0	(2.0)
Restrepo Consulting Group, LLC	6.0	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 Corporation	6.9	4.8	4.0	4.9	2.5	7.1	5.5	4.3	5.1	2.3
University of Nevada at Las Vegas – CBER	7.2	2.9	4.2	4.3	0.7	7.4	3.3	4.5	4.0	4.0
Wells Fargo & Company	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	3.7	4.2	(0.1)	6.7	4.2	3.8	4.2	1.1
Consensus Forecast – Last Month	7.0	3.8	3.9	4.2	(0.1)	6.6	3.4	3.8	4.1	0.9
* Forecast for Las Vegas MSA only; excluded from consensus calculation.										

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
Source:	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
New Mexico Department of Labor	—	—	1.7	—	—	—	—	1.5	—	—
New Mexico State University – CEMAF	5.0	2.2	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 & Company	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)
Consensus Forecast – Last Month	5.0	1.9	1.8	0.7	(0.1)	5.0	2.5	1.7	0.7	(4.4)

OREGON

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
Source:	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Oregon Executive Department	5.0	(1.7)	0.9	1.1	15.7	5.3	0.0	1.7	1.2	2.5
Portland General Electric	5.1	(2.5)	1.3	1.2	10.0	5.5	2.0	2.0	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	5.0	(1.7)	0.5	1.1	8.0	5.5	1.0	1.0	1.1	5.0
Wells Fargo & Company	4.1	(0.6)	0.3	1.0	(0.2)	6.3	2.3	2.1	1.0	3.1
Consensus Forecast – This Month	4.9	(1.6)	0.8	1.1	7.9	5.6	1.1	1.7	1.1	4.3
Consensus Forecast – Last Month	5.3	(1.4)	0.9	1.0	1.6	5.7	0.3	1.4	1.1	3.8

TEXAS

2001 Annual Percent Change, 2001 from 2000						2002 Annual Percent Change, 2002 from 2001				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Econoclast	6.1	5.7	2.0	1.6	(2.5)	6.2	5.8	2.2	1.7	2.0
Federal Reserve Bank of Dallas	6.9	6.7	2.1	1.9	(3.0)	7.1	7.5	2.4	1.8	2.5
Ed McClelland	6.5	6.0	2.2	1.7	(2.0)	6.6	6.2	2.2	1.7	(1.0)
Perryman Group	6.8	6.5	2.4	1.8	(3.3)	6.8	6.6	2.4	1.8	0.6
TX State Comptroller of Public Accounts	5.9	4.3	2.5	1.6	0.0	6.2	6.5	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	6.4	6.1	2.0	1.7	0.7	6.7	7.2	2.1	1.7	1.0
Wells Fargo & Company	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	5.6	2.1	1.7	(1.8)	6.5	6.3	2.3	1.8	1.5
Consensus Forecast – Last Month	6.5	5.9	2.3	1.8	(1.1)	6.5	6.4	2.3	1.8	1.2

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

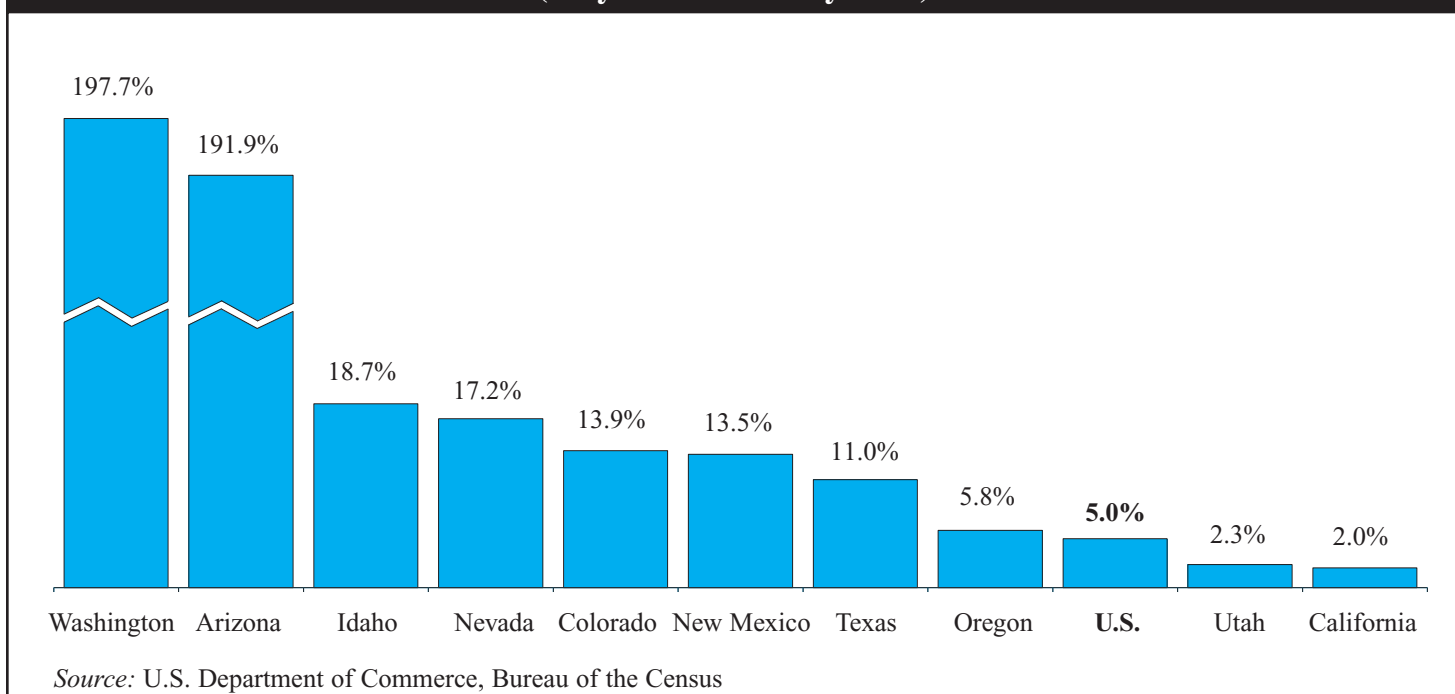
UTAH

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	6.0	—	2.3	1.7	—	5.2	—	1.8	1.6	—
Utah State Tax Commission	5.4	5.0	2.2	1.7	0.0	5.2	5.0	1.8	1.5	2.0
Wells Fargo & Company	5.6	5.0	2.2	1.6	(5.0)	5.7	5.2	2.2	1.6	0.0
Consensus Forecast – This Month	5.7	5.2	2.3	1.7	(4.0)	5.6	5.6	2.2	1.6	0.8
Consensus Forecast – Last Month	5.8	5.1	2.3	1.7	(4.0)	5.6	5.2	2.1	1.6	(0.7)

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	5.4	3.7	1.3	1.0	(5.0)	5.8	4.7	1.8	1.1	2.0
Doug Pedersen & Associates	4.0	3.5	1.5	1.0	6.5	5.5	4.5	1.8	1.2	2.0
Northwest Policy Center	5.3	3.8	1.6	1.0	(0.4)	5.5	4.2	1.9	1.1	1.5
Office of the Forecast Council	2.5	2.4	1.0	1.0	6.0	5.0	4.2	1.4	1.1	(1.7)
Wells Fargo & Company	3.8	2.7	1.1	1.0	(0.6)	4.8	3.2	2.1	1.0	2.1
Consensus Forecast – This Month	4.2	3.2	1.3	1.0	1.3	5.3	4.2	1.8	1.1	1.2
Consensus Forecast – Last Month	4.9	3.8	1.6	1.0	(0.4)	5.6	4.3	1.7	1.1	1.7

Single-family Housing Permits (May 2001 over May 2000)



HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

ARIZONA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$128,785††	\$120,360††	2,248.0††	\$43,568††	215.3††	47,778††	5,102	3.5††
Percent Change	7.0	4.8	3.9	6.8	1.8	(7.7)	2.8	
1999	120,360	114,847	2,163.1	40,794	211.4	51,764	4,963	4.1
Percent Change	6.9	5.2	4.3	10.0	(2.1)	1.5	2.6	
1998	112,635	109,142	2,074.7	37,094	216.0	50,997	4,837	3.8
Percent Change	8.6	7.2	4.5	7.3	4.1	18.6	2.8	
1997	103,704	101,770	1,984.7	34,584	207.4	42,993	4,703	4.3
Percent Change	8.3	6.2	4.9	7.0	3.8	6.5	2.9	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Arizona Department of Economic Security; Retail Sales – Arizona Department of Revenue; Manufacturing Employment – Arizona Department of Economic Security; Housing Permits – Arizona Real Estate Center; Population – Center for Business Research; Unemployment Rate – Arizona Department of Economic Security. †† Estimate								

CALIFORNIA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$1,085,563†	\$1,014,545††	14,518.6††	\$277,314†	1,923.0††	104,600††	34,615†	4.9††
Percent Change	9.5	7.2	3.8	8.5	0.0	1.8	1.7	
1999	991,382	945,975	13,991.8	255,589	1,923.8	102,750	34,036	5.2
Percent Change	7.3	5.6	2.9	11.4	(1.4)	10.0	1.6	
1998	924,253	875,594	13,596.1	229,406	1,951.2	93,414	33,494	5.9
Percent Change	7.2	5.9	3.6	5.6	1.9	11.0	1.6	
1997	862,114	846,039	13,129.7	217,249	1,914.5	84,149	32,957	6.3
Percent Change	6.1	4.1	3.0	5.6	3.4	14.4	1.8	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Bureau of Labor Statistics; Taxable Sales – California Board of Equalization; Manufacturing Employment – Bureau of Labor Statistics; Housing Permits – Construction Industry Research Board; Population – California Department of Finance; Unemployment Rate – California Department of Finance. † Consensus †† Estimate								

COLORADO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$138,447†	\$129,390††	2,214.8††	\$56,767†	204.0††	37,699††	4,145†	2.6††
Percent Change	8.2	6.0	3.9	8.4	(0.1)	(1.9)	2.2	
1999	127,955	122,094	2,131.8	\$52,368	204.1	38,410	4,056	2.9
Percent Change	8.0	6.3	3.6	8.7	(1.5)	6.4	2.2	
1998	118,514	114,839	2,057.0	48,173	207.3	36,107	3,969	3.8
Percent Change	9.0	7.6	3.9	6.7	1.8	13.0	2.0	
1997	108,763	106,735	1,979.5	45,142	203.6	31,941	3,891	3.3
Percent Change	8.7	6.7	4.1	5.9	3.6	5.2	2.1	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Colorado Department of Labor and Employment; Retail Trade Sales – Colorado Department of Revenue; Manufacturing Employment – Colorado Department of Labor and Employment; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Colorado Department of Labor and Employment. †Consensus †† Estimate								

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

IDAHO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$30,297†	\$28,315††	560.0††	\$13,755†	76.4††	10,098††	1,271†	4.5††
Percent Change	6.0	3.8	3.9	4.5	(0.2)	(3.8)	1.5	
1999	28,582	27,273	538.9	\$13,163	76.6	10,497	1,252	5.2
Percent Change	5.9	4.3	3.3	4.8	0.6	2.1	1.7	
1998	26,986	26,149	521.8	12,560	76.1	10,277	1,231	5.0
Percent Change	7.0	5.7	2.3	4.4	2.2	16.3	1.7	
1997	25,217	24,747	509.9	12,031	74.4	8,838	1,211	5.3
Percent Change	4.3	2.4	3.4	4.6	2.1	(3.7)	1.9	

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

NEVADA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Gaming Revenue (millions)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$60,449†	\$56,494††	1,028.7††	\$29,454††	\$9,499.7†	24,165††	1,892†	3.9††
Percent Change	7.7	5.5	4.7	6.1	5.3	(0.5)	4.6	
1999	56,127	53,556	982.9	27,761	9,021.6	24,283	1,809	4.4
Percent Change	8.0	6.3	6.2	6.5	11.9	(0.7)	3.8	
1998	51,976	50,364	925.9	26,068	8,065.1	24,445	1,744	4.3
Percent Change	10.0	8.6	3.9	4.6	3.4	4.2	4.1	
1997	47,254	46,373	890.7	24,922	7,802.4	23,462	1,676	4.1
Percent Change	9.1	7.0	5.7	6.3	5.1	(1.5)	5.0	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Nevada Employment Security Department; Retail Sales – Nevada Department of Taxation; Gross Gaming Revenue – Nevada State Gaming Control Board; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Nevada Employment Security Department. † Consensus †† Estimate

NEW MEXICO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$39,997†	\$37,380††	743.9††	\$12,525†	42.6††	8,037††	1,750†	5.5†
Percent Change	5.2	3.0	2.0	9.2	0.7	(6.5)	0.6	
1999	38,020	36,279	729.6	11,466	42.3	8,595	1,740	5.6
Percent Change	3.6	2.0	1.3	2.1	(5.4)	(6.7)	0.4	
1998	36,712	35,574	720.0	11,225	44.7	9,217	1,734	6.2
Percent Change	5.3	4.0	1.6	5.3	(3.2)	12.6	0.6	
1997	34,861	34,211	708.5	10,664	46.2	8,182	1,723	6.2
Percent Change	4.9	2.9	2.0	4.7	0.4	(7.5)	1.0	

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

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

OREGON

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Manufacturing Employment (thousands)	Single-family Permits (number)	Housing Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$95,170†	\$88,944††	1,603.3††	242.5††	15,532††	19,785††	3,337†	4.8††
Percent Change	6.2	4.0	1.8	0.7	(6.4)	(14.9)	1.1	
1999	89,614	85,510	1,575.0	241.2	16,595	23,249	3,301	5.7
Percent Change	5.2	3.6	1.5	(1.8)	(2.0)	(10.1)	1.0	
1998	85,197	82,555	1,551.8	245.7	16,936	25,854	3,268	5.6
Percent Change	5.7	4.4	1.7	0.8	4.2	(4.2)	1.6	
1997	80,578	79,076	1,526.4	243.8	16,250	26,999	3,217	5.8
Percent Change	6.6	4.7	3.5	3.8	(5.7)	(2.9)	1.1	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Oregon Employment Division; Manufacturing Employment – Oregon Employment Division; Single-family Permits – U.S. Bureau of the Census; Housing Permits – U.S. Bureau of the Census; Population – Portland State University; Unemployment Rate – Oregon Employment Division. † Consensus †† Estimate

TEXAS

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (billions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$575,491†	\$537,831††	9,443.3††	\$291.1†	1,083.9††	102,357†	20,405†	4.3††
Percent Change	6.9	4.7	3.1	7.0	(1.4)	0.5	1.8	
1999	538,345	513,688	9,159.2	272.1	1,098.9	101,848	20,044	4.6
Percent Change	5.8	4.2	2.5	11.1	(0.9)	2.0	1.7	
1998	508,636	492,864	8,940.1	244.9	1,109.1	99,831	19,712	4.8
Percent Change	8.4	7.0	3.9	4.7	2.3	21.5	1.8	
1997	469,205	460,456	8,608.0	233.9	1,084.5	82,180	19,355	5.4
Percent Change	9.4	7.4	4.2	8.0	2.8	(1.1)	1.8	

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

UTAH

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$52,576†	\$49,136††	1,077.1††	\$17,278†	130.9††	16,258††	2,166†	3.2††
Percent Change	6.0	3.8	2.7	4.8	(1.0)	(2.2)	1.7	
1999	49,600	47,328	1,048.6	16,490	132.2	16,624	2,130	3.7
Percent Change	5.9	4.3	2.5	5.3	(0.9)	2.1	1.4	
1998	46,831	45,379	1,023.3	15,655	133.4	16,287	2,101	3.8
Percent Change	7.2	5.8	3.0	5.3	0.4	9.9	1.7	
1997	43,696	42,881	993.8	14,866	132.9	14,818	2,065	3.1
Percent Change	8.3	6.3	4.1	3.3	2.8	(11.1)	2.1	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Utah Department of Workforce Services; Retail Sales – Utah State Tax Commission; Manufacturing Employment – Utah Department of Workforce Services; Housing Permits – University of Utah; Population – U.S. Bureau of the Census; Unemployment Rate – Utah Department of Workforce Services. † Consensus †† Estimate

HISTORICAL DATA

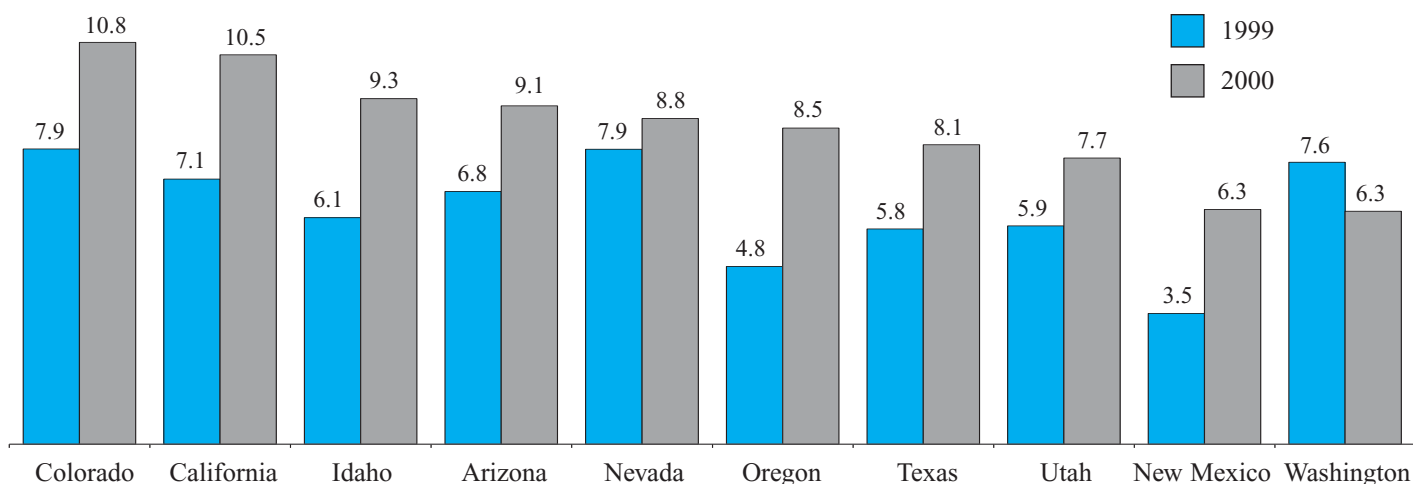
WESTERN BLUE CHIP ECONOMIC FORECAST

WASHINGTON

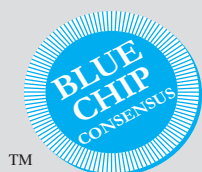
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2000	\$186,145†	\$173,967††	2,716.8††	\$84,704†	350.2††	27,283††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

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

PERSONAL INCOME (Percent Change from Previous Year)



Source: U.S. Bureau of Economic Analysis



WESTERN BLUE CHIP ECONOMIC FORECAST

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