

# BLUE CHIP ECONOMIC FORECAST WESTERN



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What Blue Chip Economists are Saying about the Western States

ASU ARIZONA STATE  
UNIVERSITY

## Forecasters watch for storm clouds to spread west

Analysts in the West and elsewhere are watching economic indicators with keen interest, looking for signs that the effects of this season's hurricanes will spread beyond the Gulf region.

So far, *Western Blue Chip* forecasters are not expecting the effects of hurricanes Katrina and Rita to substantially change the generally favorable economic outlook for the Western region. Like most economists, they reserve the right to revise their forecasts as new information becomes available. But for now, job growth and incomes are expected to continue their upward trend. Energy prices are the greatest source of economic uncertainty nationally and here in the West.

### JOB GROWTH: 2005

The latest employment growth projections for the Western states are shown in the accompanying chart.

Nevada's job creation for 2005 is now expected to average 5 percent for the year, and it is likely this forecast will be adjusted upward yet again in coming months.

Nevada tops the nation in the pace of overall job creation, and as of midyear the Silver State was leading all others in the rate of increase in employment in financial activities, professional and business services, health care, and government.

With employment gains of more than 60,000 so far this year, Las Vegas has created more jobs than 42 states. Among metropolitan areas, more jobs have been added in only Washington-Arlington (84,600), Los Angeles-Long Beach (66,600) and Phoenix-Mesa-Scottsdale (71,100).

Arizona ranks second nationally in the rate of job creation. The 4.1 percent increase in nonfarm employment projected for 2005 will be the best year for the Grand Canyon State since 1999.

Driven by strong increases in population, Arizona ranks first in the nation in the rate of increase of new jobs in retailing and is second behind Nevada in health sector growth.

On the national level, the U.S. economy is expected to add some 2 million new jobs this year, an increase of about 1.5 percent.

All Western states are projected to exceed 1.5 percent job growth for 2005, with Utah recording an increase of 3 percent, followed by Idaho, Oregon, and Washington at 2.5 percent and Wyoming at 2.4 percent.

The Colorado employment growth consensus is 2.2 percent, somewhat lower than neighboring states but a vast improvement over the 1.3 percent recorded last year, and the two negative years before that.

### OUTLOOK: 2006

The prevailing consensus at the national level is that Katrina will create only a blip in the macro indicators. As of now, forecasters believe inflation-adjusted growth will be lower in the next couple of quarters, followed by a moderate rebound. Overall, however, the national tea leaves seem to suggest that Gross Domestic Product will be weaker in 2006.

The consensus view is that consumer spending will slow in response to higher interest rates and a winding down of home equity credit as a source of buying power.

Slower job growth for the country as a whole will be reflected in the Western states for 2006. Labor markets in only three states — Colorado, Texas, and Wyoming — are expected to perform better in 2006 than in the current year, and it is no coincidence that all three are involved in production of fuels and energy products.

### KATRINA RISKS

Energy has to be at the top of the list of "what to worry about" in the wake of Katrina. Even before the hurricane struck, strong demand placed strains on supply, resulting in upward trends in gasoline prices and fuel oil, as well as natural gas.

Higher energy prices act as a tax on firms and consumers, increasing costs of doing business and affecting household budgets.

Moreover, Federal Reserve policy makers, ever watchful for inflationary pressures, may react to higher energy prices with more aggressive interest rate hikes.

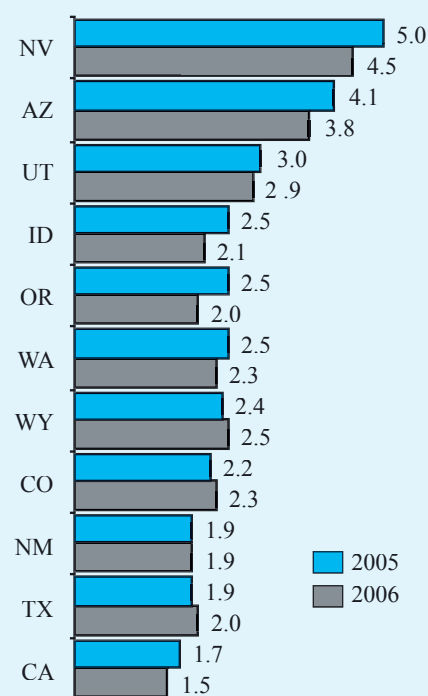
Although economists are often characterized as prone to disagreement, most would likely concur that higher energy prices contain the seeds of the longer-term solution to the situation.

High gasoline prices will encourage fuel-efficient behavior and, over time, may lead to higher gas mileage in the fleet of U.S. vehicles.

Meanwhile, those states that produce coal, gas and oil will see increased investment, more exploration and higher utilization rates for existing sites and facilities.

— Lee McPheters

**JOB GROWTH FORECASTS  
FOR WESTERN STATES**  
(Percent Change, 2005 and 2006)



# NATIONAL ROUNDUP

## U.S. JOB GROWTH



### % Change: July 2005 vs. July 2004

|  |      |
|--|------|
| Nonfarm                                    | 1.6  |
| Goods-Producing                            | 1.0  |
| Construction                               | 3.8  |
| Manufacturing                              | -0.5 |
| Service-Providing                          | 1.8  |
| Transportation, Warehousing<br>& Utilities | 2.4  |
| Trade                                      | 1.3  |
| Information                                | 0.1  |
| Financial Activities                       | 2.3  |
| Professional & Business Services           | 2.8  |
| Educational & Health Services              | 2.2  |
| Leisure & Hospitality                      | 2.4  |
| Government                                 | 0.8  |

Source: U.S. Bureau of Labor Statistics

## U.S. REAL ESTATE



### Residential Building Permits July 2005 vs. July 2004

|      | Total<br>Residential | Single-<br>family | Multi-<br>family |
|------|----------------------|-------------------|------------------|
| 2005 | 182,916              | 143,651           | 39,265           |
| 2004 | 184,715              | 144,767           | 39,948           |
| % Δ  | -1.0                 | -0.8              | -1.7             |

Source: U.S. Department of Commerce

## U.S. FORECASTS



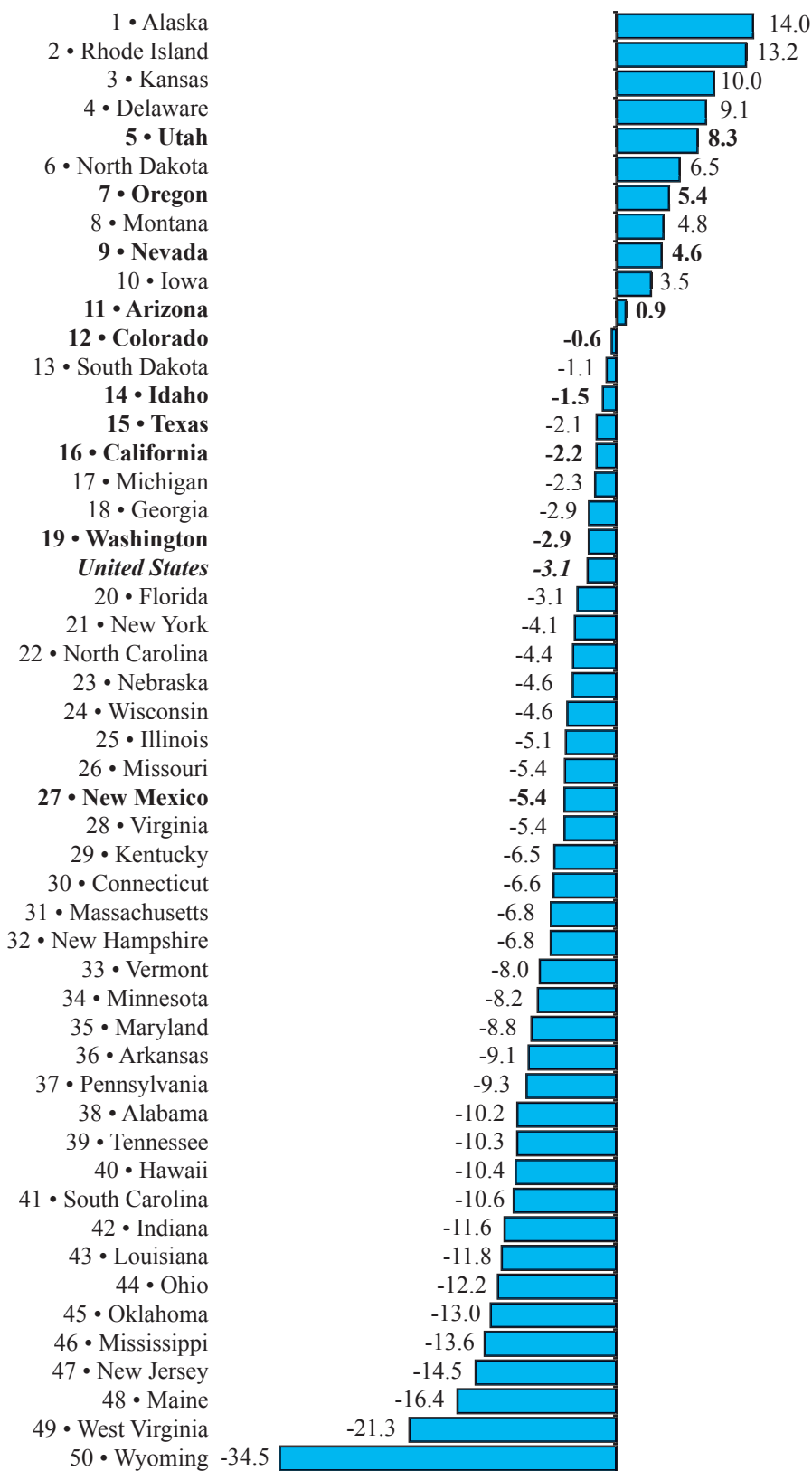
### Percent Change

|                      | 2005 | 2006 |
|----------------------|------|------|
| Real GDP (Chain)     | 3.7  | 3.2  |
| CPI                  | 3.1  | 2.2  |
| GDP Deflator (Chain) | 2.5  | 2.1  |

Source: "U.S. Economic Outlook," *Global Insight*, August 2005

## PATENTS GRANTED BY STATE OF ORIGIN

### Percent Change, 2004 vs. 2003



Source: U.S. Patent and Trademark Office

# SUMMARY

## WESTERN BLUE CHIP ECONOMIC FORECAST

| 2005<br>Annual Percent Change, 2005 from 2004 |                                  |                            |                           |                           |                                     | 2006<br>Annual Percent Change, 2006 from 2005 |                            |                           |                           |                                     |
|---|----------------------------------|----------------------------|---------------------------|---------------------------|-------------------------------------|---|----------------------------|---------------------------|---------------------------|-------------------------------------|
| State:  | Current \$<br>Personal<br>Income | Real<br>Personal<br>Income | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits | Current \$<br>Personal<br>Income              | Real<br>Personal<br>Income | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits |
| Arizona                                       | 7.9 ↑                            | 6.0 ↑                      | 4.2 ↑                     | 3.1 ↑                     | 1.0 ↑                               | 7.5 ↑   | 5.7 ↑                      | 3.8 ↑                     | 3.0                       | (4.2)↓                              |
| California                                    | 5.8 ↑                            | 3.9 ↑                      | 1.7 ↓                     | 1.5                       | (4.0)↑                              | 5.4 ↑   | 3.7 ↑                      | 1.5 ↓                     | 1.5                       | (7.6)↑                              |
| Colorado                                      | 5.7 ↓                            | 3.8 ↓                      | 2.2 ↓                     | 1.3 ↓                     | (2.4)↓                              | 5.8 ↓   | 4.1 ↓                      | 2.3 ↓                     | 1.4 ↓                     | (4.6)↓                              |
| Idaho   | 6.1 ↑                            | 4.2 ↑                      | 2.5 ↑                     | 1.5                       | 9.5 ↑                               | 5.5 ↑   | 3.7 ↑                      | 2.1 ↑                     | 1.5                       | (3.2)↑                              |
| Nevada  | 8.1 ↑                            | 6.2 ↑                      | 5.0 ↑                     | 3.9 ↓                     | (4.2)↓                              | 7.6 ↓   | 5.8 ↓                      | 4.5 ↑                     | 3.8 ↑                     | 2.2 ↑                               |
| New Mexico                                    | 5.4                              | 3.5                        | 1.9 ↓                     | 1.5 ↓                     | 5.6 ↑                               | 5.4 ↑   | 3.6 ↑                      | 1.9 ↓                     | 1.5                       | (3.4)↓                              |
| Oregon  | 5.8 ↑                            | 4.0 ↑                      | 2.5 ↑                     | 1.3 ↓                     | 6.8 ↑                               | 5.7 ↓   | 3.9 ↓                      | 2.0 ↑                     | 1.1 ↓                     | (3.3)↑                              |
| Texas   | 6.2 ↑                            | 4.3 ↑                      | 1.9 ↓                     | 1.8 ↑                     | 0.7 ↑                               | 6.0 ↑   | 4.3 ↑                      | 2.0 ↓                     | 1.8 ↓                     | (2.3)↑                              |
| Utah  | 6.4 ↑                            | 4.5 ↑                      | 3.0 ↑                     | 2.0 ↑                     | 6.3 ↑                               | 5.6 ↓   | 3.8 ↓                      | 2.9 ↑                     | 2.0 ↑                     | 0.4 ↑                               |
| Washington                                    | 4.6 ↑                            | 2.7 ↑                      | 2.5 ↓                     | 1.4                       | (0.6)↑                              | 6.0 ↑   | 4.3 ↑                      | 2.3 ↑                     | 1.4                       | (7.1)↓                              |

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

## Forecast notes from the Western region...

**California's** economy continues to rumble upward, due to positive results in several key business sectors, including aerospace/high-tech, international trade and tourism. In the entertainment industry, television production activity is strong, but the feature film segment continues to see "run-away" production to other states and Canada. A disappointment here was the failure to obtain a state incentive package. As to impacts from Katrina, gasoline and diesel prices continue to run at high levels, and the retail industry is fretting about the impact on Christmas sales. Another worry for the state's retail industry is the fallout from the Federated/May department stores merger, which will result in the divestiture of nearly 30 stores.

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

Energy mining regions and areas of **Texas** that house refineries will benefit from the disruptions caused by Hurricane Katrina. The state economy as a whole will potentially falter depending on the severity of the general economic impacts associated with the aftermath of the storm.

— **Tom Fullerton**  
*University of Texas at El Paso  
El Paso, Texas*

Hurricane Katrina, on balance, should have a positive impact on the **Texas** econ-

omy. Already, the 50,000-plus evacuees are filling up hotel rooms and rental units in Houston, Dallas and San Antonio. Over the next year, Texas-based companies will be spending billions to maintain and repair facilities along the Gulf Coast, pumping new spending into that region as well as Texas itself.

— **Bernard Weinstein**  
*University of North Texas  
Denton, Texas*

Hurricane Katrina's effect on **Nevada's** economy in the near term is unpredictable. Competition from the Gulf Coast for building materials and labor could increase costs and slow the Nevada construction sector's red-hot growth pace. Tourism could be hampered by the rising cost of gasoline and jet fuel, but Las Vegas could attract both gamblers and conventions diverted from the Biloxi-Gulfport and New Orleans areas.

— **Peter Janson**  
*Nevada Department of Employment,  
Training and Rehabilitation  
Carson City, Nevada*

San Jose's economy, battered by the tech bust, seems to have finally started to achieve some new growth. After seeing jobs begin to fall again at the end of '04, the recovery that started at the beginning of '05 seems to have finally picked up some steam. The region added 4,300 jobs in July, bringing the quarterly gains up to

6,600, a 3.1 percent annualized growth rates. Big drivers of the gains include manufacturing, trade, professional services and education, and health care.

— **Christopher Thornberg**  
*UCLA Anderson Forecast  
Los Angeles, California*

**Arizona's** economy continues to grow at a pace that has consistently (for the first seven months of 2005) kept the state ranked as the second-fastest in the nation in terms of nonfarm job growth. Overall employment expansion continues to look generally favorable in most industries in 2005 and 2006. Information services remains an industry of concern, with this forecast update calling for accelerated losses in 2005.

— **Don Wehbey**  
*Arizona Dept. of Economic Security  
Phoenix, Arizona*

Because of **Colorado's** links to the national economy, the growth in U.S. employment and business investments should bode well for the state. Colorado is on track to meet or slightly exceed the 2005 employment forecast prepared by the Business Research Division, which projected an increase of 43,100 jobs in 2005.

— **Business Research Division**  
*University of Colorado  
Boulder, Colorado*

# 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                                       |                                  |                 |                           |                           |                                     |   |                 |                           |                           |                                     |
|---|----------------------------------|-----------------|---------------------------|---------------------------|-------------------------------------|---|-----------------|---------------------------|---------------------------|-------------------------------------|
| 2005<br>Annual Percent Change, 2005 from 2004 |                                  |                 |                           |                           |                                     | 2006<br>Annual Percent Change, 2006 from 2005 |                 |                           |                           |                                     |
| Source:                                       | Current \$<br>Personal<br>Income | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits | Current \$<br>Personal<br>Income              | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits |
| Arizona Public Service                        | 8.2                              | 8.5             | 3.9                       | 3.1                       | 0.0                                 | 7.3   | 7.0             | 3.0                       | 2.9                       | (5.0)                               |
| ASU – Bank One EOC                            | 7.7                              | 9.0             | 4.1                       | 2.7                       | 2.0                                 | 6.8   | 7.2             | 3.5                       | 2.9                       | (8.0)                               |
| CH2M HILL                                     | 7.7                              | 7.4             | 4.0                       | 3.1                       | 1.0                                 | 7.5   | 6.9             | 3.8                       | 3.0                       | (5.0)                               |
| Department of Economic Security               | 8.1                              | 8.0             | 4.6                       | 3.0                       |                                     | 7.3   | 6.7             | 3.7                       | 2.9                       |                                     |
| ECON-LINC                                     | 7.6                              | 7.5             | 4.0                       | 3.1                       | 5.0                                 | 7.6   | 7.0             | 4.0                       | 2.9                       | (5.0)                               |
| EconLit LLC                                   | 7.6                              | 7.5             | 3.9                       | 2.8                       | 5.0                                 | 7.5   | 7.0             | 4.2                       | 3.0                       | (5.0)                               |
| Eggert Economic Enterprises Inc.              | 7.1                              | 7.8             | 4.2                       | 3.3                       | 1.1                                 | 7.3   | 7.1             | 3.9                       | 3.2                       | (3.8)                               |
| Elliott D. Pollack & Co.                      | 7.8                              | 9.0             | 4.2                       | 3.2                       | 0.0                                 | 7.6   | 7.5             | 4.0                       | 3.0                       | 0.0                                 |
| H. C. Reardon Economics                       | 7.9                              | 9.0             | 4.2                       | 3.2                       | 0.0                                 | 7.3   | 7.0             | 3.8                       | 3.2                       | 0.0                                 |
| Joint Legislative Budget Committee            | 7.8                              | 8.0             | 4.0                       | 3.0                       | 0.0                                 | 7.3   | 7.0             | 3.8                       | 2.9                       | (5.0)                               |
| The Maguire Company                           | 7.8                              | 7.9             | 4.2                       | 3.2                       | 0.0                                 | 7.6   | 7.1             | 3.9                       | 3.1                       | 0.0                                 |
| Metropolitan West Asset Management            | 7.8                              | 7.2             | 4.0                       |                           |                                     | 7.9   | 7.2             | 4.1                       |                           |                                     |
| NAU – BBER                                    | 7.9                              | 7.5             | 3.9                       | 3.1                       | 0.0                                 | 7.9   | 6.9             | 3.8                       | 2.9                       | 0.0                                 |
| Salt River Project                            | 9.0                              | 9.0             | 4.2                       | 3.4                       | 0.0                                 | 7.8   | 7.0             | 4.3                       | 3.0                       | (13.0)                              |
| Stellar Capital Management                    | 7.4                              | 7.4             | 4.1                       | 2.9                       | (2.0)                               | 7.0   | 7.0             | 3.6                       | 2.7                       | (7.5)                               |
| UA – Eller College                            | 9.2                              | 9.0             | 4.9                       | 3.4                       | 2.0                                 | 8.7   | 6.5             | 4.4                       | 3.3                       | (7.6)                               |
| VisionEcon                                    | 8.1                              | 8.8             | 5.3                       | 3.4                       | 2.0                                 | 7.7   | 7.4             | 3.7                       | 3.4                       | 0.0                                 |
| Wells Fargo & Co.                             | 7.5                              | 7.5             | 3.4                       | 2.8                       | (0.6)                               | 7.3   | 6.7             | 3.3                       | 2.8                       | (2.0)                               |
| <b>Consensus Forecast — This Month</b>        | <b>7.9</b>                       | <b>8.1</b>      | <b>4.2</b>                | <b>3.1</b>                | <b>1.0</b>                          | <b>7.5</b>                                    | <b>7.0</b>      | <b>3.8</b>                | <b>3.0</b>                | <b>(4.2)</b>                        |
| <b>— Last Month</b>                           | <b>7.7</b>                       | <b>8.0</b>      | <b>4.1</b>                | <b>3.1</b>                | <b>0.5</b>                          | <b>7.4</b>                                    | <b>7.0</b>      | <b>3.8</b>                | <b>3.0</b>                | <b>(4.0)</b>                        |

| CALIFORNIA                                    |                                  |                 |                           |                           |                                     |   |                 |                           |                           |                                     |
|---|----------------------------------|-----------------|---------------------------|---------------------------|-------------------------------------|---|-----------------|---------------------------|---------------------------|-------------------------------------|
| 2005<br>Annual Percent Change, 2005 from 2004 |                                  |                 |                           |                           |                                     | 2006<br>Annual Percent Change, 2006 from 2005 |                 |                           |                           |                                     |
| Source:                                       | Current \$<br>Personal<br>Income | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits | Current \$<br>Personal<br>Income              | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits |
| Anonymous                                     | 5.7                              | 3.2             | 1.7                       | 1.7                       | (6.6)                               | 5.8   | 5.2             | 1.7                       | 1.7                       | (0.8)                               |
| California State University, Long Beach *     | 6.1                              | 7.4             | 1.9                       | 2.1                       | (4.7)                               | 4.9   | 6.7             | 2.4                       | 1.9                       | (6.3)                               |
| Capital Corporation of the West               | 5.5                              | 5.3             | 1.9                       | 1.5                       | (1.8)                               |   |                 |                           |                           |                                     |
| Chapman University                            | 5.8                              | 5.9             | 1.5                       | 1.5                       | (8.9)                               | 5.1   | 4.2             | 1.1                       | 1.4                       | (9.1)                               |
| L.A. County Economic Development Corp.        | 6.2                              | 6.1             | 1.8                       | 1.5                       | (1.2)                               | 5.9   | 5.8             | 1.7                       | 1.4                       | (3.5)                               |
| Legislative Analyst's Office                  | 5.5                              | 5.6             | 1.3                       | 1.4                       | (3.5)                               | 5.6   | 5.4             | 1.4                       | 1.4                       | (5.0)                               |
| UCLA – Business Forecasting Project           | 5.7                              | 3.8             | 1.6                       | 1.6                       | (7.2)                               | 4.1   | 4.6             | 1.3                       | 1.5                       | (27.4)                              |
| University of the Pacific                     | 5.8                              | 5.7             | 1.6                       | 1.6                       | 1.5                                 | 5.8   | 4.2             | 1.4                       | 1.6                       | (2.2)                               |
| Wells Fargo & Co.                             | 5.9                              | 5.1             | 1.8                       | 1.3                       | (4.1)                               | 5.6   | 4.9             | 1.9                       | 1.3                       | (5.0)                               |
| <b>Consensus Forecast — This Month</b>        | <b>5.8</b>                       | <b>5.1</b>      | <b>1.7</b>                | <b>1.5</b>                | <b>(4.0)</b>                        | <b>5.4</b>                                    | <b>4.9</b>      | <b>1.5</b>                | <b>1.5</b>                | <b>(7.6)</b>                        |
| <b>— Last Month</b>                           | <b>5.7</b>                       | <b>4.9</b>      | <b>1.7</b>                | <b>1.5</b>                | <b>(4.0)</b>                        | <b>5.3</b>                                    | <b>4.8</b>      | <b>1.5</b>                | <b>1.5</b>                | <b>(7.9)</b>                        |

\*This forecast is for Southern California only

# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

| COLORADO                                      |                                  |                 |                           |                           |                                     |   |                 |                           |                           |                                     |
|---|----------------------------------|-----------------|---------------------------|---------------------------|-------------------------------------|---|-----------------|---------------------------|---------------------------|-------------------------------------|
| 2005<br>Annual Percent Change, 2005 from 2004 |                                  |                 |                           |                           |                                     | 2006<br>Annual Percent Change, 2006 from 2005 |                 |                           |                           |                                     |
| Source:                                       | Current \$<br>Personal<br>Income | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits | Current \$<br>Personal<br>Income              | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits |
| The Adams Group, Inc.                         | 5.7                              | 8.1             | 2.3                       | 1.4                       | (2.5)                               | 5.9   | 5.9             | 2.1                       | 1.5                       | (4.8)                               |
| Ctr. for Business and Econ. Forecasting       | 6.3                              | 6.3             | 2.3                       | 1.2                       | (5.0)                               | 6.2   | 6.2             | 2.5                       | 1.4                       | (10.0)                              |
| Colorado Legislative Council                  | 5.9                              | 6.2             | 2.1                       | 1.6                       | (3.5)                               | 6.1   | 6.0             | 2.6                       | 1.7                       | (9.2)                               |
| David Hemley                                  | 4.7                              | 4.2             | 1.8                       | 1.1                       | (0.5)                               | 4.8   | 4.4             | 1.7                       | 1.5                       | 0.0                                 |
| Office of State Planning and Budgeting        | 6.0                              | 6.0             | 2.4                       | 1.2                       | (7.0)                               | 7.0   | 5.5             | 3.0                       | 1.3                       | (1.0)                               |
| University of Colorado                        | 5.2                              | 5.7             | 2.0                       | 1.1                       | (5.0)                               | 5.5   | 5.8             | 2.3                       | 1.2                       | (5.0)                               |
| Wells Fargo & Co.                             | 5.5                              | 5.0             | 2.1                       | 1.4                       | (3.0)                               | 5.4   | 4.8             | 2.1                       | 1.3                       | (2.0)                               |
| Xcel Energy                                   | 6.0                              | 4.5             | 2.8                       | 1.5                       | 7.0                                 |   |                 |                           |                           |                                     |
| <b>Consensus Forecast — This Month</b>        | <b>5.7</b>                       | <b>5.8</b>      | <b>2.2</b>                | <b>1.3</b>                | <b>(2.4)</b>                        | <b>5.8</b>                                    | <b>5.5</b>      | <b>2.3</b>                | <b>1.4</b>                | <b>(4.6)</b>                        |
| <b>— Last Month</b>                           | <b>5.7</b>                       | <b>5.8</b>      | <b>2.3</b>                | <b>1.3</b>                | <b>(2.2)</b>                        | <b>5.9</b>                                    | <b>5.6</b>      | <b>2.4</b>                | <b>1.4</b>                | <b>(2.4)</b>                        |

| IDAHO   |                                  |                 |                           |                           |                                     |   |                 |                           |                           |                                     |
|---|----------------------------------|-----------------|---------------------------|---------------------------|-------------------------------------|---|-----------------|---------------------------|---------------------------|-------------------------------------|
| 2005<br>Annual Percent Change, 2005 from 2004 |                                  |                 |                           |                           |                                     | 2006<br>Annual Percent Change, 2006 from 2005 |                 |                           |                           |                                     |
| Source:                                       | Current \$<br>Personal<br>Income | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits | Current \$<br>Personal<br>Income              | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits |
| Idaho Div. of Financial Management            | 6.5                              |                 | 2.5                       | 1.7                       | 14.6                                | 5.6   |                 | 1.7                       | 1.6                       | (12.0)                              |
| Idaho Economics                               | 5.7                              |                 | 2.1                       | 1.6                       | 0.0                                 | 5.8   |                 | 2.2                       | 1.6                       | (8.0)                               |
| Idaho State University                        | 5.4                              | 4.2             | 1.8                       | 1.3                       | 0.0                                 | 4.5   | 3.8             | 1.4                       | 1.4                       | 2.0                                 |
| Thredgold Economic Associates                 | 7.0                              | 5.5             | 3.3                       | 1.4                       | 18.0                                | 5.8   | 4.5             | 2.4                       | 1.5                       | 2.0                                 |
| Wells Fargo & Co.                             | 5.8                              | 5.3             | 2.9                       | 1.3                       | 15.0                                | 5.6   | 5.0             | 2.6                       | 1.3                       | 0.0                                 |
| <b>Consensus Forecast — This Month</b>        | <b>6.1</b>                       | <b>5.0</b>      | <b>2.5</b>                | <b>1.5</b>                | <b>9.5</b>                          | <b>5.5</b>                                    | <b>4.4</b>      | <b>2.1</b>                | <b>1.5</b>                | <b>(3.2)</b>                        |
| <b>— Last Month</b>                           | <b>5.8</b>                       | <b>4.8</b>      | <b>2.3</b>                | <b>1.5</b>                | <b>5.9</b>                          | <b>5.4</b>                                    | <b>4.5</b>      | <b>2.0</b>                | <b>1.5</b>                | <b>(4.3)</b>                        |

| NEVADA  |                                  |                             |                           |                           |                                     |   |                             |                           |                           |                                     |
|---|----------------------------------|-----------------------------|---------------------------|---------------------------|-------------------------------------|---|-----------------------------|---------------------------|---------------------------|-------------------------------------|
| 2005<br>Annual Percent Change, 2005 from 2004 |                                  |                             |                           |                           |                                     | 2006<br>Annual Percent Change, 2006 from 2005 |                             |                           |                           |                                     |
| Source:                                       | Current \$<br>Personal<br>Income | Gross<br>Gaming<br>Revenues | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits | Current \$<br>Personal<br>Income              | Gross<br>Gaming<br>Revenues | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits |
| Dept. of Empl., Training, and Rehab.          | 9.9                              | 5.8                         | 5.8                       | 3.2                       |                                     | 9.0   | 5.3                         | 5.3                       | 3.0                       |                                     |
| Legis. Counsel Bureau – Fiscal Analysis       | 7.2                              | 4.5                         | 3.7                       | 3.5                       | (2.5)                               |   |                             |                           |                           |                                     |
| Restrepo Consulting Group, LLC                | 7.5                              | 5.0                         | 5.0                       | 4.0                       | (10.0)                              | 7.5   | 4.0                         | 4.5                       | 4.0                       | 4.0                                 |
| Thredgold Economic Associates                 | 8.6                              | 5.7                         | 6.1                       | 3.9                       | 1.0                                 | 6.6   | 5.2                         | 4.2                       | 3.8                       | 1.0                                 |
| Southwest Gas                                 | 8.7                              | 9.2                         | 4.6                       | 4.5                       | (2.1)                               | 8.5   | 8.1                         | 4.4                       | 4.3                       | 1.1                                 |
| Univ. of Nevada at Las Vegas – CBER           | 7.3                              | 3.9                         | 4.7                       | 4.1                       | (11.1)                              | 7.2   | 3.7                         | 4.1                       | 3.8                       | 4.5                                 |
| Wells Fargo & Co.                             | 7.3                              | 6.5                         | 5.2                       | 4.0                       | (0.7)                               | 7.0   | 5.8                         | 4.2                       | 3.8                       | 0.3                                 |
| <b>Consensus Forecast — This Month</b>        | <b>8.1</b>                       | <b>5.8</b>                  | <b>5.0</b>                | <b>3.9</b>                | <b>(4.2)</b>                        | <b>7.6</b>                                    | <b>5.4</b>                  | <b>4.5</b>                | <b>3.8</b>                | <b>2.2</b>                          |
| <b>— Last Month</b>                           | <b>8.0</b>                       | <b>5.8</b>                  | <b>4.7</b>                | <b>3.9</b>                | <b>(3.9)</b>                        | <b>7.8</b>                                    | <b>5.4</b>                  | <b>4.4</b>                | <b>3.8</b>                | <b>2.1</b>                          |



# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

### NEW MEXICO

|  | 2005                                  |                         |                           |                           |                                     | 2006                                  |                         |                           |                           |                                     |
|--|---------------------------------------|-------------------------|---------------------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|---------------------------|---------------------------|-------------------------------------|
|  | Annual Percent Change, 2005 from 2004 |                         |                           |                           |                                     | Annual Percent Change, 2006 from 2005 |                         |                           |                           |                                     |
| Source:                                | Current \$<br>Personal<br>Income      | Mfg.<br>Employ-<br>ment | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits | Current \$<br>Personal<br>Income      | Mfg.<br>Employ-<br>ment | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits |
| Eastern New Mexico University          | 4.5                                   | 0.6                     | 1.6                       | 1.2                       | 0.0                                 | 5.1                                   | 0.9                     | 1.7                       | 1.3                       | 0.0                                 |
| New Mexico Department of Labor         |                                       | 0.5                     | 1.9                       |                           |                                     |                                       | 1.3                     | 2.0                       |                           |                                     |
| New Mexico State Univ. – CEMAF         | 5.0                                   | 0.5                     | 1.4                       |                           |                                     | 5.2                                   | 1.0                     | 1.6                       |                           |                                     |
| Public Service New Mexico              | 5.3                                   | 1.0                     | 2.1                       | 1.5                       | 0.5                                 |                                       |                         |                           |                           |                                     |
| University of New Mexico – BBER        | 6.3                                   | 0.2                     | 2.1                       |                           | 22.5                                | 5.9                                   | 4.8                     | 2.3                       |                           | (8.2)                               |
| Wells Fargo & Co.                      | 5.7                                   | 1.7                     | 2.4                       | 1.7                       | (0.5)                               | 5.2                                   | 1.5                     | 2.1                       | 1.7                       | (2.0)                               |
| <b>Consensus Forecast — This Month</b> | <b>5.4</b>                            | <b>0.8</b>              | <b>1.9</b>                | <b>1.5</b>                | <b>5.6</b>                          | <b>5.4</b>                            | <b>1.9</b>              | <b>1.9</b>                | <b>1.5</b>                | <b>(3.4)</b>                        |
| <b>— Last Month</b>                    | <b>5.4</b>                            | <b>0.8</b>              | <b>1.9</b>                | <b>1.5</b>                | <b>2.8</b>                          | <b>5.3</b>                            | <b>1.7</b>              | <b>2.0</b>                | <b>1.5</b>                | <b>(2.5)</b>                        |

### OREGON

|  | 2005                                  |                         |                           |                           |                                     | 2006                                  |                         |                           |                           |                                     |
|--|---------------------------------------|-------------------------|---------------------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|---------------------------|---------------------------|-------------------------------------|
|  | Annual Percent Change, 2005 from 2004 |                         |                           |                           |                                     | Annual Percent Change, 2006 from 2005 |                         |                           |                           |                                     |
| Source:                                | Current \$<br>Personal<br>Income      | Mfg.<br>Employ-<br>ment | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits | Current \$<br>Personal<br>Income      | Mfg.<br>Employ-<br>ment | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits |
| Conerly Consulting                     | 5.8                                   | 3.0                     | 3.4                       | 1.3                       | 6.8                                 | 5.7                                   | 0.9                     | 2.6                       | 1.4                       | (14.3)                              |
| Forefront Economics                    | 5.7                                   | 2.2                     | 1.9                       | 1.2                       | 4.5                                 | 5.7                                   | 1.5                     | 2.0                       | 1.2                       | 4.1                                 |
| Oregon Executive Department            | 5.9                                   | 2.5                     | 3.0                       | 1.2                       | 9.8                                 | 6.2                                   | (0.2)                   | 1.5                       | 1.2                       | (7.3)                               |
| Portland General Electric              | 6.2                                   | 2.0                     | 2.5                       | 1.4                       | 10.0                                | 5.7                                   | 1.0                     | 2.0                       | 1.3                       | 0.0                                 |
| Rhodes Econometrics                    | 5.3                                   | 2.4                     | 1.6                       | 1.2                       | 2.2                                 | 5.1                                   | 1.9                     | 1.6                       | 0.2                       | 2.0                                 |
| Thredgold Economic Associates          | 6.0                                   | 1.6                     | 2.8                       | 1.3                       | 8.0                                 | 5.6                                   | 1.2                     | 2.0                       | 1.1                       | 1.0                                 |
| U.S. Bancorp                           | 6.2                                   | 3.0                     | 3.0                       | 1.2                       | 12.0                                | 6.2                                   | 2.0                     | 2.6                       | 1.3                       | (10.0)                              |
| Wells Fargo & Co.                      | 5.6                                   | 0.8                     | 2.1                       | 1.4                       | 1.3                                 | 5.4                                   | 0.6                     | 1.6                       | 1.3                       | (1.7)                               |
| <b>Consensus Forecast — This Month</b> | <b>5.8</b>                            | <b>2.2</b>              | <b>2.5</b>                | <b>1.3</b>                | <b>6.8</b>                          | <b>5.7</b>                            | <b>1.1</b>              | <b>2.0</b>                | <b>1.1</b>                | <b>(3.3)</b>                        |
| <b>— Last Month</b>                    | <b>5.8</b>                            | <b>2.2</b>              | <b>2.5</b>                | <b>1.3</b>                | <b>5.8</b>                          | <b>5.7</b>                            | <b>1.2</b>              | <b>2.0</b>                | <b>1.1</b>                | <b>(3.8)</b>                        |

### TEXAS

|   | 2005                                  |                 |                           |                           |                                     | 2006                                  |                 |                           |                           |                                     |
|---|---------------------------------------|-----------------|---------------------------|---------------------------|-------------------------------------|---------------------------------------|-----------------|---------------------------|---------------------------|-------------------------------------|
|   | Annual Percent Change, 2005 from 2004 |                 |                           |                           |                                     | Annual Percent Change, 2006 from 2005 |                 |                           |                           |                                     |
| Source:                                 | Current \$<br>Personal<br>Income      | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits | Current \$<br>Personal<br>Income      | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits |
| Econoclast                              | 6.3                                   | 6.3             | 2.0                       | 1.8                       | 1.1                                 | 5.7                                   | 5.5             | 1.7                       | 1.7                       | (3.8)                               |
| Federal Reserve Bank of Dallas          | 6.6                                   | 6.0             | 1.8                       | 1.8                       | (2.0)                               | 6.4                                   | 6.4             | 2.2                       | 1.9                       | 2.0                                 |
| David Hemley                            | 5.8                                   | 5.7             | 2.1                       | 1.6                       | 0.3                                 | 5.8                                   | 5.6             | 2.1                       | 1.6                       | (0.5)                               |
| Perryman Group                          | 6.5                                   | 6.6             | 2.2                       | 1.8                       | 1.3                                 |                                       |                 |                           |                           |                                     |
| TX State Comptroller of Public Accounts | 6.4                                   | 5.9             | 1.4                       | 1.7                       | 8.5                                 | 6.1                                   | 5.7             | 1.8                       | 1.6                       | (6.7)                               |
| University of Houston – CPP             | 6.4                                   | 6.5             | 2.1                       | 1.9                       | (5.9)                               | 6.7                                   | 6.6             | 2.3                       | 2.1                       | (6.5)                               |
| University of North Texas               | 5.7                                   | 5.3             | 2.1                       | 1.7                       | 1.0                                 | 5.8                                   | 5.4             | 2.1                       | 1.7                       | 0.9                                 |
| University of Texas at El Paso          | 6.0                                   | 6.0             | 1.5                       | 1.8                       | 2.8                                 | 6.0                                   | 6.0             | 1.7                       | 1.8                       | (2.0)                               |
| Wells Fargo & Co.                       | 6.1                                   | 6.1             | 2.1                       | 1.9                       | (1.2)                               | 5.8                                   | 5.8             | 2.0                       | 1.9                       | (2.1)                               |
| <b>Consensus Forecast — This Month</b>  | <b>6.2</b>                            | <b>6.0</b>      | <b>1.9</b>                | <b>1.8</b>                | <b>0.7</b>                          | <b>6.0</b>                            | <b>5.9</b>      | <b>2.0</b>                | <b>1.8</b>                | <b>(2.3)</b>                        |
| <b>— Last Month</b>                     | <b>6.1</b>                            | <b>6.0</b>      | <b>2.0</b>                | <b>1.8</b>                | <b>(0.2)</b>                        | <b>6.0</b>                            | <b>5.8</b>      | <b>2.0</b>                | <b>1.8</b>                | <b>(2.6)</b>                        |

# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

### UTAH

| Source:                                | 2005<br>Annual Percent Change, 2005 from 2004 |                 |                           |                           |                                     | 2006<br>Annual Percent Change, 2006 from 2005 |                 |                           |                           |                                     |
|--|---|-----------------|---------------------------|---------------------------|-------------------------------------|---|-----------------|---------------------------|---------------------------|-------------------------------------|
|  | Current \$<br>Personal<br>Income              | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits | Current \$<br>Personal<br>Income              | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits |
| Pacificorp                             | 7.0   | 5.5             | 2.2                       | 1.8                       | 5.0                                 |   |                 |                           |                           |                                     |
| Thredgold Economic Associates          | 7.0   | 7.2             | 3.4                       | 1.9                       | 13.0                                | 5.2   | 5.0             | 2.5                       | 1.9                       | 2.0                                 |
| Utah Dept. of Workforce Services       | 5.8   | 2.5             | 3.4                       | 1.7                       | 1.7                                 | 5.2   | 2.3             | 3.0                       | 1.6                       | 1.5                                 |
| Utah State Tax Commission              | 6.0   | 5.6             | 3.2                       | 2.5                       | 0.0                                 | 6.0   | 4.2             | 3.0                       | 2.3                       | (2.0)                               |
| Wells Fargo & Co.                      | 6.0   | 6.0             | 3.0                       | 2.0                       | 12.0                                | 5.8   | 5.7             | 2.9                       | 2.0                       | 0.0                                 |
| <b>Consensus Forecast — This Month</b> | <b>6.4</b>                                    | <b>5.4</b>      | <b>3.0</b>                | <b>2.0</b>                | <b>6.3</b>                          | <b>5.6</b>                                    | <b>4.3</b>      | <b>2.9</b>                | <b>2.0</b>                | <b>0.4</b>                          |
| <b>— Last Month</b>                    | <b>6.1</b>                                    | <b>4.9</b>      | <b>2.9</b>                | <b>2.0</b>                | <b>4.4</b>                          | <b>5.7</b>                                    | <b>4.4</b>      | <b>2.8</b>                | <b>1.9</b>                | <b>(0.1)</b>                        |

### WASHINGTON

| Source:                                | 2005<br>Annual Percent Change, 2005 from 2004 |                 |                           |                           |                                     | 2006<br>Annual Percent Change, 2006 from 2005 |                 |                           |                           |                                     |
|--|---|-----------------|---------------------------|---------------------------|-------------------------------------|---|-----------------|---------------------------|---------------------------|-------------------------------------|
|  | Current \$<br>Personal<br>Income              | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits | Current \$<br>Personal<br>Income              | Retail<br>Sales | Wage &<br>Salary<br>Empl. | Popu-<br>lation<br>Growth | Single-family<br>Housing<br>Permits |
| Conerly Consulting                     | 3.7   | 6.4             | 2.5                       | 1.3                       | 1.8                                 | 5.7   | 4.8             | 3.1                       | 1.4                       | (13.7)                              |
| Dick Conway & Associates               | 5.7   | 6.0             | 2.3                       | 1.3                       | (3.0)                               | 5.5   | 5.0             | 1.8                       | 1.4                       | (5.0)                               |
| Doug Pedersen & Associates             | 4.0   | 7.0             | 2.9                       | 1.4                       | 2.5                                 | 6.3   | 5.8             | 2.5                       | 1.5                       | 1.0                                 |
| Office of Forecast Council *           | 3.9   | 8.1             | 2.8                       |                           | (1.1)                               | 7.5   | 5.1             | 2.2                       |                           | (12.2)                              |
| Wells Fargo & Co.                      | 5.6   | 5.7             | 2.0                       | 1.4                       | (3.3)                               | 5.2   | 5.2             | 1.9                       | 1.3                       | (5.5)                               |
| <b>Consensus Forecast — This Month</b> | <b>4.6</b>                                    | <b>6.6</b>      | <b>2.5</b>                | <b>1.4</b>                | <b>(0.6)</b>                        | <b>6.0</b>                                    | <b>5.2</b>      | <b>2.3</b>                | <b>1.4</b>                | <b>(7.1)</b>                        |
| <b>— Last Month</b>                    | <b>4.3</b>                                    | <b>6.4</b>      | <b>2.5</b>                | <b>1.4</b>                | <b>(1.7)</b>                        | <b>5.9</b>                                    | <b>5.3</b>      | <b>2.3</b>                | <b>1.4</b>                | <b>(6.9)</b>                        |

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

### MERCHANDISE EXPORTS

#### Percent Change, First Half 2005 vs. First Half 2004 (Origin of Movement)



Source: OTTI

# HISTORICAL DATA

## WESTERN BLUE CHIP ECONOMIC FORECAST

### ARIZONA

|  | Current \$<br>Personal Income<br>(millions) | Real<br>Personal Income<br>(millions) | Wage & Salary<br>Employment<br>(thousands) | Retail Sales<br>(millions) | Manufacturing<br>Employment<br>(thousands) | Single-family<br>Permits<br>(number) | Population<br>(thousands) | Unem-<br>ployment<br>Rate |
|--|---|---------------------------------------|--|----------------------------|--|--------------------------------------|---------------------------|---------------------------|
| 2004   | 163,365                                     | 150,359                               | 2,373.5                                    | 51,357                     | 175.8                                      | 69,339 †                             | 5,744                     | 4.8                       |
| % change   | 7.5   | 4.9                                   | 3.4  | 7.4                        | 0.3  | 8.1                                  | 3.0                       |                           |
| 2003   | 151,933                                     | 143,333                               | 2,296.3                                    | 47,818                     | 175.3                                      | 64,143                               | 5,579                     | 5.6                       |
| % change   | 4.7   | 2.8                                   | 1.4  | 5.3                        | (4.5)                                      | 15.3                                 | 2.6                       |                           |
| 2002   | 145,114                                     | 139,399                               | 2,265.1                                    | 45,425                     | 183.5                                      | 55,649                               | 5,439                     | 6.2                       |
| % change   | 4.5   | 2.8                                   | 0.0  | 1.3                        | (9.0)                                      | 9.3                                  | 2.7                       |                           |
| 2001   | 138,854                                     | 135,599                               | 2,265.0                                    | 44,833                     | 201.7                                      | 50,930                               | 5,297                     | 4.7                       |
| % change   | 4.7   | 2.3                                   | 1.0  | 2.0                        | (3.9)                                      | 4.3                                  | 2.5                       |                           |
| 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 \$<br>Personal Income<br>(millions) | Real<br>Personal Income<br>(millions) | Wage & Salary<br>Employment<br>(thousands) | Retail Sales<br>(millions) | Manufacturing<br>Employment<br>(thousands) | Single-family<br>Permits<br>(number) | Population<br>(thousands) | Unem-<br>ployment<br>Rate |
|---|---|---------------------------------------|--|----------------------------|--|--------------------------------------|---------------------------|---------------------------|
| 2004  | 1,256,959                                   | 1,156,888                             | 14,538.8                                   | 328,084 †                  | 1532.7                                     | 150,710                              | 35,894                    | 6.1                       |
| % change  | 6.1   | 3.5                                   | 1.0  | 5.2                        | (1.0)                                      | 7.3                                  | 1.2                       |                           |
| 2003  | 1,184,997                                   | 1,117,922                             | 14,392.3                                   | 311,867 †                  | 1,547.9                                    | 140,512                              | 35,463                    | 6.7                       |
| % change  | 3.1   | 1.3                                   | (0.5)                                      | 3.4                        | (5.5)                                      | 16.3                                 | 1.4                       |                           |
| 2002  | 1,149,183                                   | 1,103,922                             | 14,457.8                                   | 301,612                    | 1,638.2                                    | 120,783                              | 34,988                    | 6.7                       |
| % change  | 1.2   | (0.4)                                 | (1.0)                                      | 2.6                        | (8.3)                                      | 13.7                                 | 1.3                       |                           |
| 2001  | 1,135,304                                   | 1,108,695                             | 14,601.9                                   | 293,957                    | 1,785.6                                    | 106,265                              | 34,532                    | 5.4                       |
| % change  | 2.9   | 0.4                                   | 0.8  | 2.4                        | (3.9)                                      | 1.6                                  | 1.6                       |                           |
| 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 \$<br>Personal Income<br>(millions) | Real<br>Personal Income<br>(millions) | Wage & Salary<br>Employment<br>(thousands) | Retail Sales<br>(millions) | Manufacturing<br>Employment<br>(thousands) | Single-family<br>Permits<br>(number) | Population<br>(thousands) | Unem-<br>ployment<br>Rate |
|---|---|---------------------------------------|--|----------------------------|--|--------------------------------------|---------------------------|---------------------------|
| 2004  | 165,943                                     | 152,731                               | 2,178.9                                    | 54,858 †                   | 154.6                                      | 38,164                               | 4,601                     | 5.1                       |
| % change  | 5.6   | 3.0                                   | 1.3  | 4.0                        | (0.9)                                      | 14.2                                 | 1.2                       |                           |
| 2003  | 157,171                                     | 148,275                               | 2,151.3                                    | 52,748                     | 156.0                                      | 33,428                               | 4,548                     | 6.0                       |
| % change  | 2.1   | 0.3                                   | (1.4)                                      | (0.3)                      | (6.1)                                      | (5.9)                                | 1.1                       |                           |
| 2002  | 153,962                                     | 147,898                               | 2,182.5                                    | 52,888                     | 166.1                                      | 35,522                               | 4,498                     | 5.7                       |
| % change  | 0.8   | (0.8)                                 | (1.9)                                      | (10.4)                     | (8.7)                                      | (2.6)                                | 1.6                       |                           |
| 2001  | 152,700                                     | 149,121                               | 2,225.4                                    | 59,041                     | 181.9                                      | 36,477                               | 4,427                     | 3.7                       |
| % change  | 5.8   | 3.3                                   | 0.6  | 1.8                        | (4.9)                                      | (3.2)                                | 2.3                       |                           |
| 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 \$<br>Personal Income<br>(millions) | Real<br>Personal Income<br>(millions) | Wage & Salary<br>Employment<br>(thousands) | Retail Sales<br>(millions) | Manufacturing<br>Employment<br>(thousands) | Single-family<br>Permits<br>(number) | Population<br>(thousands) | Unem-<br>ployment<br>Rate |
|----------|---|---------------------------------------|--|----------------------------|--|--------------------------------------|---------------------------|---------------------------|
| 2004     | 37,755                                      | 34,749                                | 586.9                                      | 16,797 †                   | 61.5                                       | 14,650                               | 1,393                     | 4.8                       |
| % change | 6.6   | 4.0                                   | 2.6  | 4.6                        | (0.8)                                      | 17.8                                 | 1.9                       |                           |
| 2003     | 35,409                                      | 33,405                                | 572.0                                      | 16,059                     | 62.0                                       | 12,432                               | 1,367                     | 5.4                       |
| % change | 3.0   | 1.1                                   | 0.7  | 2.1                        | (4.5)                                      | 21.7                                 | 1.8                       |                           |
| 2002     | 34,381                                      | 33,027                                | 568.2                                      | 15,736                     | 64.9                                       | 10,212                               | 1,343                     | 5.8                       |
| % change | 4.0   | 2.3                                   | 0.1  | 8.3                        | (5.0)                                      | 7.7                                  | 1.7                       |                           |
| 2001     | 33,054                                      | 32,279                                | 567.7                                      | 14,525                     | 68.3                                       | 9,483                                | 1,321                     | 5.0                       |
| % change | 5.6   | 3.2                                   | 1.5  | 5.6                        | (2.3)                                      | (6.1)                                | 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 \$<br>Personal Income<br>(millions) | Real<br>Personal Income<br>(millions) | Wage & Salary<br>Employment<br>(thousands) | Retail Sales<br>(millions) | Gaming<br>Revenue<br>(millions) | Single-family<br>Permits<br>(number) | Population<br>(thousands) | Unem-<br>ployment<br>Rate |
|----------|---|---------------------------------------|--|----------------------------|---------------------------------|--------------------------------------|---------------------------|---------------------------|
| 2004     | 77,994                                      | 71,785                                | 1,152.4                                    | 41,087                     | 10,058.4 †                      | 38,817                               | 2,335                     | 4.1                       |
| % change | 9.0   | 6.3                                   | 5.9  | 16.0                       | 4.5                             | 17.5                                 | 4.1                       |                           |
| 2003     | 71,549                                      | 67,499                                | 1,088.3                                    | 35,426                     | 9,625.3                         | 33,033                               | 2,242                     | 5.2                       |
| % change | 6.9   | 5.0                                   | 3.5  | 9.3                        | 1.9                             | 21.1                                 | 3.4                       |                           |
| 2002     | 66,904                                      | 64,269                                | 1,052.0                                    | 32,410                     | 9,447.4                         | 27,284                               | 2,168                     | 5.5                       |
| % change | 3.9   | 2.2                                   | 0.1  | 3.0                        | (0.3)                           | 1.1                                  | 3.5                       |                           |
| 2001     | 64,367                                      | 62,859                                | 1,051.4                                    | 31,469                     | 9,471.6                         | 26,981                               | 2,095                     | 5.3                       |
| % change | 4.8   | 2.3                                   | 2.4  | 2.8                        | (1.3)                           | 4.8                                  | 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 N/A - not yet available

### NEW MEXICO

|          | Current \$<br>Personal Income<br>(millions) | Real<br>Personal Income<br>(millions) | Wage & Salary<br>Employment<br>(thousands) | Retail Sales<br>(millions) | Manufacturing<br>Employment<br>(thousands) | Single-family<br>Permits<br>(number) | Population<br>(thousands) | Unem-<br>ployment<br>Rate |
|----------|---|---------------------------------------|--|----------------------------|--|--------------------------------------|---------------------------|---------------------------|
| 2004     | 49,849                                      | 45,881                                | 790.7                                      | 12,312                     | 35.9                                       | 11,743                               | 1,903                     | 5.4                       |
| % change | 6.2   | 3.6                                   | 1.9  |                            | (1.6)                                      | (0.7)                                | 1.3                       |                           |
| 2003     | 46,955                                      | 44,298                                | 775.6                                      | 11,702                     | 36.5                                       | 11,829                               | 1,879                     | 6.4                       |
| % change | 4.5   | 2.6                                   | 1.2  | **                         | (4.9)                                      | 14.3                                 | 1.3                       |                           |
| 2002     | 44,946                                      | 43,175                                | 766.1                                      | 12,708                     | 38.4                                       | 10,348                               | 1,855                     | 5.4                       |
| % change | 1.8   | 0.2                                   | 1.2  | 1.3                        | (6.1)                                      | 15.9                                 | 1.2                       |                           |
| 2001     | 44,138                                      | 43,104                                | 757.2                                      | 12,540                     | 40.9                                       | 8,929                                | 1,832                     | 4.8                       |
| % change | 9.5   | 6.9                                   | 1.7  | 3.6                        | (1.9)                                      | 11.1                                 | 0.6                       |                           |

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

# HISTORICAL DATA

## WESTERN BLUE CHIP ECONOMIC FORECAST

### OREGON

|  | Current \$<br>Personal Income<br>(millions) | Real<br>Personal Income<br>(millions) | Wage & Salary<br>Employment<br>(thousands) | Manufacturing<br>Employment<br>(thousands) | Single-family<br>Permits<br>(number) | Housing<br>Permits<br>(number) | Population<br>(thousands) | Unem-<br>ployment<br>Rate |
|--|---|---------------------------------------|--|--|--------------------------------------|--------------------------------|---------------------------|---------------------------|
| 2004   | 107,732                                     | 99,155                                | 1,593.7                                    | 199.5                                      | 21,372                               | 28,000                         | 3,595                     | 7.1                       |
| % change   | 5.2   | 2.6                                   | 2.0  | 2.3  | 13.7                                 | 7.3                            | 0.8                       |                           |
| 2003   | 102,419                                     | 96,622                                | 1,562.2                                    | 194.9                                      | 18,799                               | 26,103                         | 3,564                     | 8.2                       |
| % change   | 2.1   | 0.3                                   | (0.7)                                      | (3.3)                                      | 4.6                                  | 15.8                           | 1.2                       |                           |
| 2002   | 100,286                                     | 96,336                                | 1,572.5                                    | 201.6                                      | 17,977                               | 22,543                         | 3,523                     | 7.5                       |
| % change   | 1.3   | (0.4)                                 | (1.3)                                      | (6.5)                                      | 10.9                                 | 7.1                            | 1.4                       |                           |
| 2001   | 99,020                                      | 96,699                                | 1,593.6                                    | 215.7                                      | 16,217                               | 21,049                         | 3,474                     | 6.3                       |
| % change   | 2.7   | 0.3                                   | (0.8)                                      | (4.1)                                      | 4.4                                  | 6.4                            | 1.3                       |                           |
| 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 \$<br>Personal Income<br>(millions) | Real<br>Personal Income<br>(millions) | Wage & Salary<br>Employment<br>(thousands) | Retail Sales<br>(billions) | Manufacturing<br>Employment<br>(thousands) | Single-family<br>Permits<br>(number) | Population<br>(thousands) | Unem-<br>ployment<br>Rate |
|---|---|---------------------------------------|--|----------------------------|--|--------------------------------------|---------------------------|---------------------------|
| 2004  | 679,683                                     | 625,571                               | 9,478.3                                    | 339.7 †                    | 889.5                                      | 141,810                              | 22,490                    | 5.9                       |
| % change  | 5.8   | 3.2                                   | 1.2  | 5.9                        | (1.2)                                      | 6.6                                  | 1.7                       |                           |
| 2003  | 642,630                                     | 606,255                               | 9,370.0                                    | 320.7                      | 900.0                                      | 133,077                              | 22,103                    | 6.8                       |
| % change  | 3.0   | 1.2                                   | (0.6)                                      | 3.9                        | (5.1)                                      | 10.3                                 | 1.7                       |                           |
| 2002  | 623,914                                     | 599,341                               | 9,422.9                                    | 296.0                      | 948.7                                      | 120,644                              | 21,723                    | 6.3                       |
| % change  | 0.7   | (1.0)                                 | (1.0)                                      | 3.9                        | (7.6)                                      | 8.3                                  | 1.8                       |                           |
| 2001  | 619,642                                     | 605,119                               | 9,518.4                                    | 305.8                      | 1,026.8                                    | 111,352                              | 21,335                    | 4.8                       |
| % change  | 4.5   | 2.0                                   | 0.9  | 2.4                        | (3.9)                                      | 4.5                                  | 1.8                       |                           |
| Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Texas Employment Commission; Gross Retail Sales – Texas State Comptroller of Public Accounts; Manufacturing Employment – Texas Employment Commission; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Texas Employment Commission. † Consensus †† Estimate |   |                                       |  |                            |  |                                      |                           |                           |

### UTAH

|   | Current \$<br>Personal Income<br>(millions) | Real<br>Personal Income<br>(millions) | Wage & Salary<br>Employment<br>(thousands) | Retail Sales<br>(millions) | Manufacturing<br>Employment<br>(thousands) | Single-family<br>Permits<br>(number) | Population<br>(thousands) | Unem-<br>ployment<br>Rate |
|---|---|---------------------------------------|--|----------------------------|--|--------------------------------------|---------------------------|---------------------------|
| 2004  | 63,562                                      | 58,502                                | 1,103.2                                    | 19,697 †                   | 114.9                                      | 19,899                               | 2,389                     | 4.7                       |
| % change  | 6.4   | 3.8                                   | 2.7  | 5.1                        | 2.3  | 10.6                                 | 1.6                       |                           |
| 2003  | 59,761                                      | 56,378                                | 1,074.1                                    | 18,741                     | 112.3                                      | 17,995                               | 2,352                     | 5.6                       |
| % change  | 2.9   | 1.0                                   | 0.1  | 2.1                        | (1.4)                                      | 16.8                                 | 1.4                       |                           |
| 2002  | 58,089                                      | 55,802                                | 1,073.4                                    | 18,356                     | 113.9                                      | 15,406                               | 2,320                     | 6.1                       |
| % change  | 2.6   | 1.0                                   | (0.7)                                      | 3.4                        | (6.6)                                      | 11.2                                 | 1.7                       |                           |
| 2001  | 56,594                                      | 55,267                                | 1,081.3                                    | 17,748                     | 122.0                                      | 13,851                               | 2,281                     | 4.4                       |
| % change  | 5.7   | 3.2                                   | 0.5  | 2.7                        | (2.8)                                      | 2.9                                  | 1.7                       |                           |
| Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Utah Department of Workforce Services; Retail Sales – Utah State Tax Commission; Manufacturing Employment – Utah Department of Workforce Services; Housing Permits – University of Utah; Population – U.S. Bureau of the Census; Unemployment Rate – Utah Department of Workforce Services. † Consensus †† Estimate |   |                                       |  |                            |  |                                      |                           |                           |

# HISTORICAL DATA

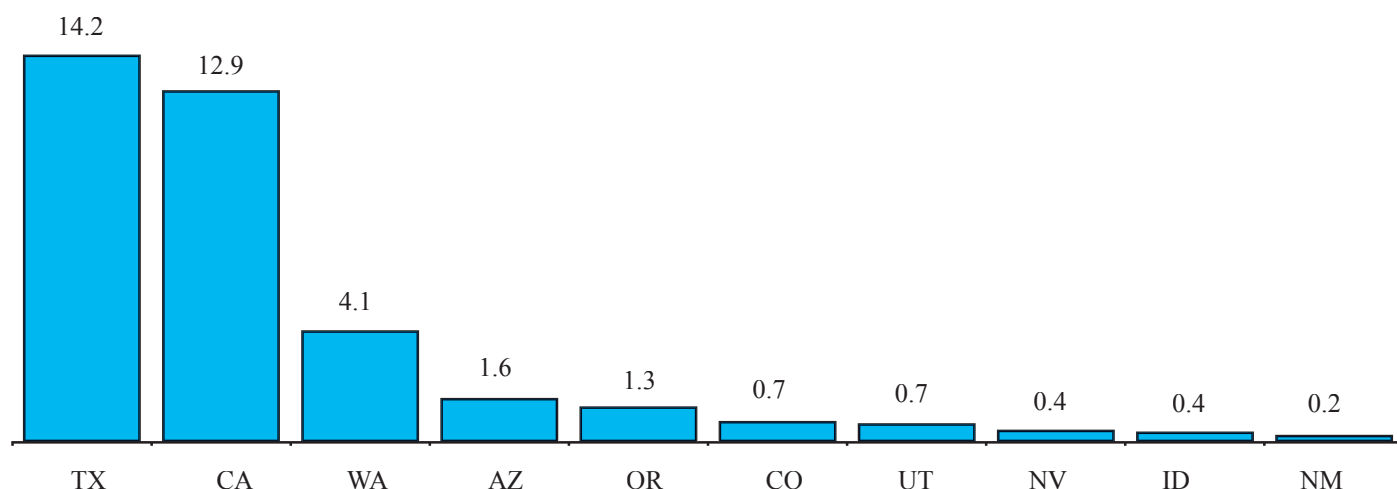
## WESTERN BLUE CHIP ECONOMIC FORECAST

### WASHINGTON

|          | Current \$<br>Personal Income<br>(millions) | Real<br>Personal Income<br>(millions) | Wage & Salary<br>Employment<br>(thousands) | Retail Sales<br>(millions) | Manufacturing<br>Employment<br>(thousands) | Single-family<br>Permits<br>(number) | Population<br>(thousands) | Unem-<br>ployment<br>Rate |
|----------|---|---------------------------------------|--|----------------------------|--|--------------------------------------|---------------------------|---------------------------|
| 2004     | 218,987                                     | 201,553                               | 2,698.2                                    | 92,661 †                   | 263.5                                      | 36,815                               | 6,204                     | 6.1                       |
| % change | 7.4   | 4.8                                   | 1.5  | 5.7                        | (1.3)                                      | 6.8                                  | 1.2                       |                           |
| 2003     | 203,890                                     | 192,349                               | 2,657.8                                    | 87,664                     | 267.1                                      | 34,480                               | 6,131                     | 7.5                       |
| % change | 2.8   | 0.9                                   | 0.1  | 2.8                        | (6.3)                                      | 4.2                                  | 1.1                       |                           |
| 2002     | 198,371                                     | 190,558                               | 2,654.1                                    | 85,284                     | 285.0                                      | 33,090                               | 6,067                     | 7.3                       |
| % change | 2.5   | 0.8                                   | (1.6)                                      | 0.6                        | (9.8)                                      | 17.6                                 | 1.2                       |                           |
| 2001     | 193,498                                     | 188,963                               | 2,697.0                                    | 84,785                     | 316.1                                      | 28,137                               | 5,993                     | 6.4                       |
| % change | 3.0   | 0.6                                   | (0.5)                                      | (0.5)                      | (4.7)                                      | 3.1                                  | 1.4                       |                           |

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

## TOTAL U.S. EXPORTS BY STATE By Percent, First Half 2005 (Origin of Movement)



Source: World Trade Atlas



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# WESTERN BLUE CHIP PANEL

## WESTERN BLUE CHIP ECONOMIC FORECAST

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