

## BLUE CHIP ECONOMIC FORECAST

## WESTERN

W. P. CAREY  
SCHOOL of BUSINESS

What Blue Chip Economists are Saying about the Western States

ASU ARIZONA STATE  
UNIVERSITY

## Analysts expect Western region to outperform nation in 2007

Although June marks the mid-year point for 2007, Western analysts have to base their current forecasts for the next few months on data still coming in from the first quarter, mixing the statistical figures with hunches and a dash of intuition.

While the national economy is expected to remain sluggish through 2007, it looks like most Western analysts have a hunch their own states are going to do better than average. The evidence for this is in their 2007 growth forecasts (page 3).

## EMPLOYMENT OUTLOOK

The available economic statistics indicate that Western states are outperforming the nation, and there is no reason to think this will change for the remainder of the year.

In March, the 1.9 million jobs created over-the-year for the U.S. translated into a 1.5 percent increase (see table). All 12

of the Western Blue Chip states exceeded this pace, albeit New Mexico, Oregon and California just barely did so. Western states accounted for six of the top 10 growth spots, and 12 of the top 20 positions.

For 2007, forecasting firm Global Insight projects U.S. employment gains of 1.3 percent, down from 1.9 percent in 2006. Current forecasts for job growth in the West are much stronger, with five states expected to show increases of more than 3 percent, and only California (at 1.2 percent growth) below the national figure for 2007.

## HOUSING SLUMP

Large inventories of resale and new homes have impacted home builder optimism, causing building permits to decline.

But the strength of construction employment continues to surprise economy watchers nationally and in the West. For the U.S., construction in March was es-

entially unchanged from March of 2006 (at 7.6 million jobs). Through March, only Nevada had registered an over-the-year decline in construction employment, among Western states.

## EFFECTS VARY

Although the housing slump is affecting resales and home building, the effects vary from state to state.

Numbers of single-family resales for the first quarter were down more than the national average of -6.6 percent in Utah, Arizona, Nevada, Washington, New Mexico and California (see chart page 6), while resales in Wyoming and Texas were up over last year.

New single-family permits, often interpreted as a measure of builder confidence in the future, were down 29.9 percent in the U.S. in the first quarter.

In the West, Nevada permits were off by a whopping 46.3 percent and Colorado permits were down by 40.7 percent. Permits were down by less than 20 percent in Utah, Washington, Montana, and Oregon (see also chart page 8).

## FORECLOSURES MOUNT

The dark side of the recent housing boom is the surge in subprime lending and, in some cases, the associated outright fraud. Subprime loans made home ownership possible for many, but current data show that delinquencies and defaults are higher for the subprime group (no surprise).

Nevada and Colorado rank at the top for foreclosure growth in the first quarter. California, Arizona and Texas are also among the top 10, while Wyoming and Montana are among the bottom 10.

Many analysts would argue that foreclosures are less likely to portend crisis when job growth is strong and unemployment rates are low. For now, the West is watching and waiting to see how 2007 unfolds.

— Lee McPheters

## WESTERN JOB GROWTH AND HOUSING INDICATORS

	Job Growth*		Single-family Homes**		
	Rank	% Change	Resales % Change	Permits % Change	Foreclosures Rank
Utah.....	1	4.5	-11.5	-13.3	15
Wyoming.....	2	4.0	19.9	2.7	44
Arizona.....	3	3.8	-14.3	-28.2	7
Idaho .....	5	3.3	NA	-33.4	22
Nevada .....	6	3.2	-27.4	-46.3	1
Texas .....	8	2.3	2.7	-23.3	9
Washington.....	12	2.1	-10.1	-8.2	21
Montana .....	13	2.1	0.0	-9.0	40
Colorado.....	15	1.9	0.8	-40.7	2
New Mexico.....	17	1.7	-16.3	-33.7	24
Oregon.....	18	1.7	-4.5	-19.1	27
California .....	19	1.7	-13.6	-27.5	5
United States .....		1.5	-6.6	-29.9	

\* March 2007 over March 2006

\*\* Q1 2007 over Q1 2006

Sources: U. S. Bureau of Labor Statistics; National Association of Realtors; U. S. Census Bureau; RealtyTrac

# NATIONAL ROUNDUP

## U.S. JOB GROWTH



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

Nonfarm .....	1.5
Goods-Producing .....	-0.2
Construction .....	0.8
Manufacturing .....	-0.7
Service-Providing .....	1.8
Transportation, Warehousing & Utilities .....	2.0
Trade .....	0.7
Information .....	0.8
Financial Activities .....	1.6
Professional & Business Services ..	2.2
Educational & Health Services .....	2.7
Leisure & Hospitality .....	3.3
Government .....	1.3

Source: U.S. Bureau of Labor Statistics

## U.S. REAL ESTATE



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

	Total Residential	Single- family	Multi- family
2007	139,222	103,185	36,037
2006	191,266	145,369	45,897
% Δ	-27.2	-29.0	-21.5

Source: U.S. Department of Commerce

## U.S. FORECASTS



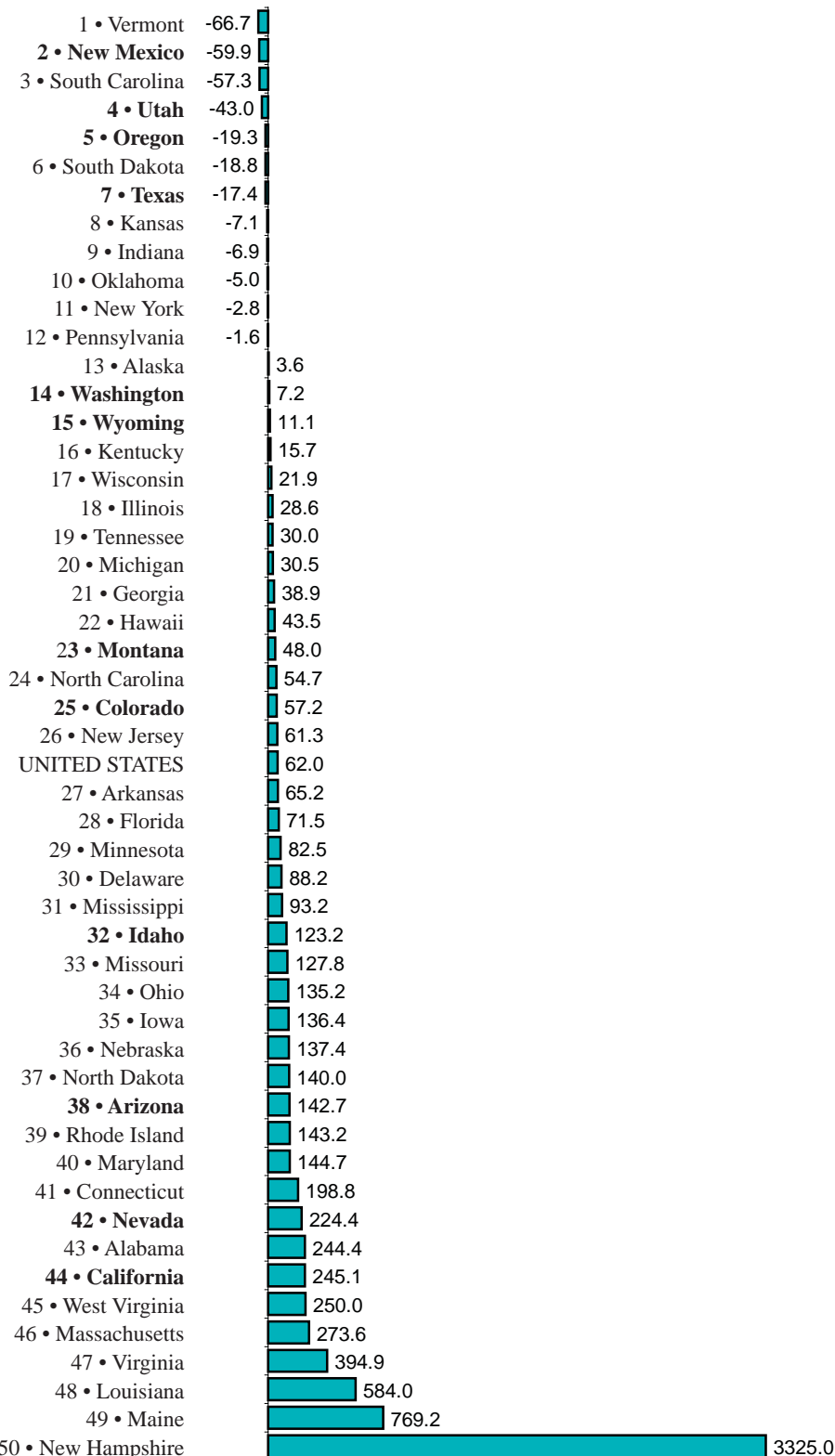
### Percent Change

	2007	2008
Real GDP (Chain) .....	2.1	2.8
CPI .....	2.1	1.9
GDP Deflator (Chain) ..	2.5	1.9

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

## Percent Change in Foreclosures

April 2007 over April 2006



Source: RealtyTrac

# SUMMARY

## WESTERN BLUE CHIP ECONOMIC FORECAST

2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
State:	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Arizona	7.2 ↑	5.1 ↑	3.5 ↑	3.0 ↑	-13.5 ↑	7.1 ↓	5.1 ↓	3.4 ↓	2.9 ↑	1.7 ↓
California	5.2 ↓	3.1 ↓	1.2 ↑	1.1 ↓	-15.5 ↓	5.4 ↑	3.4 ↑	1.2 ↑	1.1 ↓	4.3 ↑
Colorado	6.1 ↓	4.0 ↓	2.0 ↓	1.7 ↓	-8.7 ↓	6.2 ↓	4.2 ↓	2.0 ↓	1.7 ↓	-3.0 ↓
Idaho	7.3	5.2	3.1	2.2	-6.2	6.6	4.6	2.7	2.2	-1.2
Montana	6.8	4.7	2.6	1.0	-10.0	6.6	4.6	2.5	0.9	0.0
Nevada	7.1 ↑	5.0 ↑	4.3	4.1	-15.1 ↓	6.7 ↑	4.7 ↑	4.3	3.9	15.0 ↑
New Mexico	5.9 ↑	3.9 ↑	2.2 ↓	1.5	-2.3 ↓	5.8 ↑	3.8 ↑	2.1 ↓	1.6 ↓	1.5 ↑
Oregon	5.6 ↑	3.5 ↑	1.8 ↑	1.5 ↑	-4.7 ↑	5.5 ↑	3.5 ↑	1.9 ↑	1.4	0.6 ↓
Texas	6.4 ↓	4.3 ↓	2.1 ↑	1.7 ↑	-5.5 ↓	6.2 ↓	4.3 ↓	2.1 ↑	1.7 ↑	-1.8 ↑
Utah	7.6	5.5	3.7	2.6	-5.3	7.0	5.0	3.3	2.5	-0.3
Washington	6.6 ↑	4.5 ↑	2.3 ↓	1.8 ↑	-7.1 ↓	6.2 ↓	4.2 ↓	2.0 ↓	1.7	-0.7 ↓
Wyoming	8.0	5.8	3.4 ↑	1.2	3.0	7.2	5.2	3.0 ↑	1.1	3.2

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

## Forecast notes from the Western region...

Since **Texas** has ranked dead last in residential real estate appreciation over the past seven years, there has been little talk of a housing “bubble” here as there has been in California, Florida and other states. However, a glut of new luxury condos in Dallas and Houston has prompted several developers to start auctioning some of their unsold units. Because many condo investors finance their purchases with “Alt-A” loans, some defaults are expected.

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

The essential logic of the no-recession forecast remains: while there’s some wiggle room on how weak **[California]** real estate will be and how much other sectors will offset this weakness, there is still no other sector that looks poised to combine with real estate to generate enough job loss to cause a recession.

— **Ryan Ratcliff**  
*UCLA Anderson Forecast*  
*Los Angeles, California*

The mining industry has been and will continue to be the driving force for **Wyoming’s** economy as it contributes

approximately one-third of total employment growth and earnings growth. Other industry sectors, such as construction, trade, and transportation, also benefit greatly from the energy boom. With the unemployment rate below 3 percent, Wyoming has been facing severe labor force shortages.

— **Wenlin Liu**  
*Wyoming Department of*  
*Administration and Information*  
*Cheyenne, Wyoming*

**New Mexico** continues to experience rapid growth thanks at least in part to continuing high energy prices. The main concern going forward is low unemployment rates putting upward pressure on wages, thereby stifling further employment growth. I image this is a problem everyone would like to have.

— **Chris Erickson**  
*New Mexico State — CEMAF*  
*Las Cruces, New Mexico*

Moving into 2007, **California’s** economic growth has eased somewhat but people are still nervous about further fallout from housing. Currently, the most visible pain is in Orange and San Diego counties. The good news for construction

is that nonresidential activity continues strong. The court challenges to the stem cell bond have played out, so research money should start to flow. As to other possible problems, the state budget is again in deficit, so where will cuts be made? Also, container activity at the state’s three main ports has softened – does this reflect inventory paring, or nervousness about the nation’s economy?

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

Among the key sectors acting as a counterweight to the decline in housing, two merit comment. First, gaming revenue growth is now at small rates, at least for the state of **Nevada** and Las Vegas. These rates follow a period of exceptional growth. For February 2007, the state gaming revenue is up 2.9 percent and Las Vegas, the state’s major tourism metro, is up 3.6 percent. Second, taxable sales, a major state revenue source, was flat, up 0.9 percent for January 2007 compared with the same month a year ago.

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

# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

### Methodology

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

from an individual forecaster.

Consensus panelists for the *Western Blue Chip* are drawn from leading firms, universities and state agencies across the West. Panelists are contacted during the first week of the month and forecast data are compiled by telephone, fax, e-mail and online submission until the third week of the month. These data are then published during the first week of the subse-

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

### ARIZONA

	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Source:										
Arizona Department of Commerce	6.7	6.0	3.4	2.8	-15.0	6.0	5.7	3.2	2.9	10.0
Arizona Public Service	7.8	7.5	4.0	3.1	-7.0	7.9	8.0	4.3	3.0	5.0
ASU - Economic Outlook Center	7.2	5.6	2.9	3.0	-10.0	7.0	5.3	3.4	2.8	-5.0
Department of Economic Security	6.7	6.1	3.7	3.0		7.0	6.8	3.0	3.0	
ECON-LINC	7.5	6.9	3.8	3.0	-10.0	7.5	6.7	3.8	3.0	5.0
EconLit LLC	7.5	6.9	3.8	2.9	-10.0	7.6	7.2	3.9	3.0	0.0
Eggert Economic Enterprises Inc.	7.0	6.3	3.5	3.2	-12.6	7.0	6.0	3.7	2.9	-7.0
Elliott D. Pollack & Co.	7.2	5.8	3.7	3.2	-25.0	6.8	4.5	3.0	3.0	15.0
H. C. Reardon Economics	6.8	6.5	3.5	3.0	-15.0	6.9	6.0	3.8	3.2	0.0
Joint Legislative Budget Committee	7.2	6.5	3.7	3.0	-10.0	7.0	6.0	3.5	3.0	2.0
The Maguire Company	7.3	6.5	3.8	3.3	-15.0	7.2	6.6	4.0	3.1	-5.0
Davidson Fixed Income Management	7.4	6.8	3.7			7.5	6.8	3.7		
NAU - BBER	7.4	6.2	3.5	2.7	-10.0	7.9	6.0	3.5	2.7	0.0
Salt River Project	7.0	6.0	3.5	3.0	-15.0	7.5	6.5	3.5	3.0	0.0
Stellar Capital Management	7.1	6.5	3.6	2.7	-28.0	7.7	6.9	3.7	2.7	4.0
UA - Eller College	6.9	5.6	2.8	3.8	-21.7	5.6	5.2	1.7	3.1	9.2
VisionEcon	7.2	6.9	3.5	2.9	-2.0	6.8	7.0	2.2	2.9	
Wells Fargo & Co.	7.1	6.0	3.3	2.7	-10.0	6.7	5.7	3.0	2.6	-8.0
<b>Consensus Forecast — This Month</b>	<b>7.2</b>	<b>6.4</b>	<b>3.5</b>	<b>3.0</b>	<b>-13.5</b>	<b>7.1</b>	<b>6.3</b>	<b>3.4</b>	<b>2.9</b>	<b>1.7</b>
<b>— Last Month</b>	<b>7.1</b>	<b>6.5</b>	<b>3.5</b>	<b>3.0</b>	<b>-13.8</b>	<b>7.2</b>	<b>6.4</b>	<b>3.5</b>	<b>2.9</b>	<b>3.5</b>

### CALIFORNIA

	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Source:										
Anonymous	5.3	4.1	1.3	1.3	-9.6	5.5	3.9	1.5	1.3	10.4
California State University, Long Beach *	4.9	6.4	1.8	2.0	-0.7	6.3	6.6	1.8	1.9	-1.9
Chapman University	5.5	4.6	1.1	1.0	-18.3	5.7	5.0	1.2	1.0	0.0
L.A. County Economic Development Corp.	5.8	5.9	1.1	1.2	-15.1	5.9	6.1	1.3	1.2	-1.5
Legislative Analyst's Office	5.4	4.7	1.3	1.1	-8.7					
UCLA - Business Forecasting Project	4.4	4.2	1.3	1.1	-28.3	4.7	4.8	0.9	1.1	8.0
University of the Pacific	4.9	3.4	1.3	1.1	-19.7	5.6	4.6	1.3	1.1	7.7
Wells Fargo Company	4.9	4.0	1.3	0.7	-8.5	4.8	4.1	1.1	0.9	1.0
<b>Consensus Forecast — This Month</b>	<b>5.2</b>	<b>4.4</b>	<b>1.2</b>	<b>1.1</b>	<b>-15.5</b>	<b>5.4</b>	<b>4.8</b>	<b>1.2</b>	<b>1.1</b>	<b>4.3</b>
<b>— Last Month</b>	<b>5.2</b>	<b>4.3</b>	<b>1.2</b>	<b>1.1</b>	<b>-13.4</b>	<b>5.4</b>	<b>5.0</b>	<b>1.2</b>	<b>1.1</b>	<b>3.2</b>

\*This forecast is for Southern California only

# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
The Adams Group, Inc.	5.8	4.1	2.1	2.0	-5.0					
Ctr. for Business and Econ. Forecasting	5.8	5.0	1.8	1.8	-20.0	6.2	5.2	2.0	2.0	-5.0
Colorado Legislative Council	6.6	6.3	2.2	1.9	-20.3	6.5	5.2	2.1	1.8	-5.7
David Hemley	5.9	4.2	2.1	1.5	-3.0	6.1	4.8	2.2	1.8	-1.7
Office of State Planning and Budgeting	6.2	5.6	2.0	1.7	-2.0	6.1	5.9	2.1	1.7	-0.1
University of Colorado	6.0	5.6	1.9	2.0	-3.0	6.2	5.2	2.2	1.9	-1.0
Wells Fargo & Co.	4.8	3.3	1.3	1.2	-6.0	4.7	3.1	1.0	1.2	-3.0
Xcel Energy	7.6	7.7	2.2	1.6	-10.0	7.8	8.0	2.5	1.7	-4.5
<b>Consensus Forecast — This Month</b>	<b>6.1</b>	<b>5.2</b>	<b>2.0</b>	<b>1.7</b>	<b>-8.7</b>	<b>6.2</b>	<b>5.3</b>	<b>2.0</b>	<b>1.7</b>	<b>-3.0</b>
<b>— Last Month</b>	<b>6.1</b>	<b>5.1</b>	<b>2.0</b>	<b>1.7</b>	<b>-8.1</b>	<b>6.2</b>	<b>5.4</b>	<b>2.0</b>	<b>1.8</b>	<b>-3.0</b>

IDAHO										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Idaho Division of Financial Management	7.3		2.6	2.3	-3.6	6.0		2.2	2.1	-1.5
Idaho Economics	7.2		3.4	2.0	-5.0	6.7		2.7	2.0	-2.0
Wells Fargo UT	7.5	6.0	3.3	2.3	-10.0	7.0	5.8	3.2	2.5	0.0
<b>Consensus Forecast — This Month</b>	<b>7.3</b>	<b>6.0</b>	<b>3.1</b>	<b>2.2</b>	<b>-6.2</b>	<b>6.6</b>	<b>5.8</b>	<b>2.7</b>	<b>2.2</b>	<b>-1.2</b>
<b>— Last Month</b>	<b>7.3</b>	<b>6.0</b>	<b>3.1</b>	<b>2.2</b>	<b>-6.2</b>	<b>6.6</b>	<b>5.8</b>	<b>2.7</b>	<b>2.2</b>	<b>-1.2</b>

MONTANA										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
University of Montana	6.7		2.1	1.0		6.5		2.1	0.8	
Wells Fargo UT	6.9		3.0	1.0	-10.0	6.7		2.8	1.0	0.0
<b>Consensus Forecast — This Month</b>	<b>6.8</b>		<b>2.6</b>	<b>1.0</b>	<b>-10.0</b>	<b>6.6</b>		<b>2.5</b>	<b>0.9</b>	<b>0.0</b>
<b>— Last Month</b>	<b>6.8</b>		<b>2.6</b>	<b>1.0</b>	<b>-10.0</b>	<b>6.6</b>		<b>2.5</b>	<b>0.9</b>	<b>0.0</b>

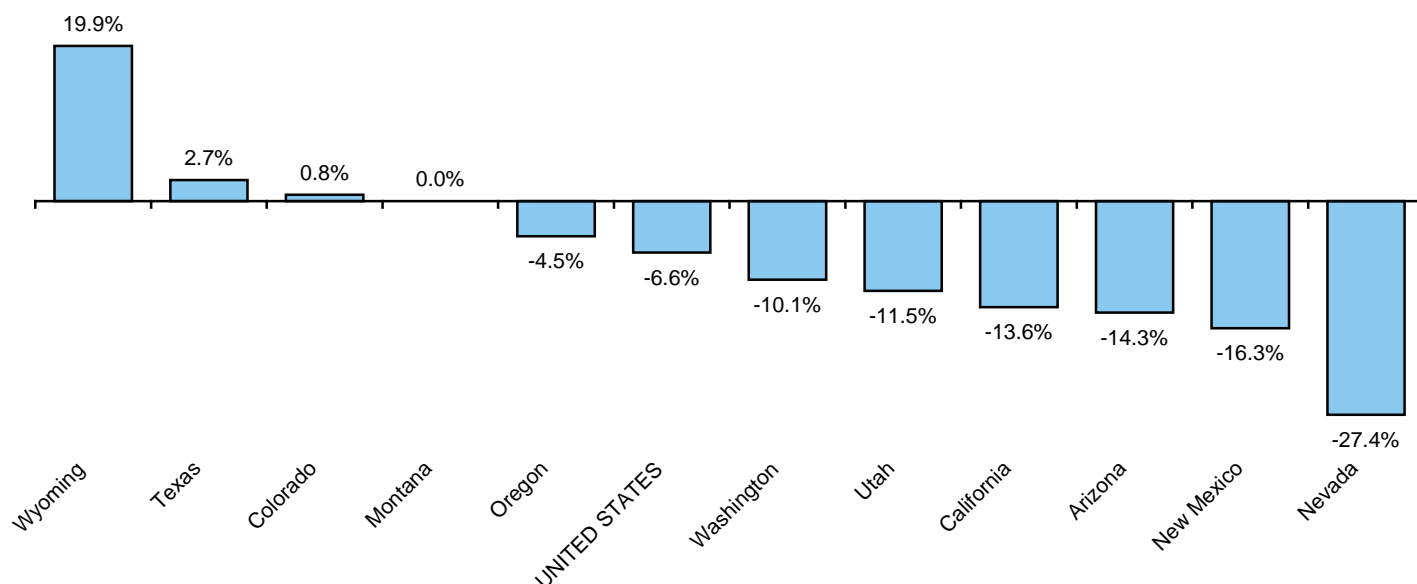
# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

NEVADA										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Dept. of Empl., Training, and Rehab.	6.3	3.7	3.7	4.0		6.0	3.5	3.5	4.2	
Restrepo Consulting Group, LLC	7.5	5.0	4.0	4.0	1.5	7.0	5.0	5.0	4.0	1.5
Southwest Gas	8.2	5.5	4.9	4.0	-5.0	8.0	5.3	4.8	3.9	2.0
Univ. of Nevada at Las Vegas - CBER	6.3	4.1	5.6	4.8	-41.8	6.1	4.3	5.4	4.6	54.4
Wells Fargo & Co.	7.0	6.4	3.1	3.5	-15.0	6.5	5.9	2.8	3.0	2.0
<b>Consensus Forecast — This Month</b>	<b>7.1</b>	<b>4.9</b>	<b>4.3</b>	<b>4.1</b>	<b>-15.1</b>	<b>6.7</b>	<b>4.8</b>	<b>4.3</b>	<b>3.9</b>	<b>15.0</b>
<b>— Last Month</b>	<b>6.9</b>	<b>4.9</b>	<b>4.3</b>	<b>4.1</b>	<b>-12.3</b>	<b>6.6</b>	<b>4.8</b>	<b>4.3</b>	<b>3.9</b>	<b>14.4</b>

NEW MEXICO										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Eastern New Mexico University	5.4	1.3	2.2	1.5	0.0	5.5	1.5	2.4	1.6	-0.5
New Mexico State	6.2	0.5	2.0	1.5		6.0	1.0	1.5	1.5	
Public Service New Mexico	5.0	0.4	2.0	1.2	-0.5	5.2	0.6	2.1	1.5	2.0
University of New Mexico - BBER	7.6	4.6	2.7		-6.2	6.6	3.3	2.2		2.6
Wells Fargo & Co.	5.5	1.5	2.3	1.8	-2.3	5.5	1.5	2.3	1.8	2.0
<b>Consensus Forecast — This Month</b>	<b>5.9</b>	<b>1.7</b>	<b>2.2</b>	<b>1.5</b>	<b>-2.3</b>	<b>5.8</b>	<b>1.6</b>	<b>2.1</b>	<b>1.6</b>	<b>1.5</b>
<b>— Last Month</b>	<b>5.9</b>	<b>2.0</b>	<b>2.3</b>	<b>1.5</b>	<b>-2.2</b>	<b>5.7</b>	<b>1.7</b>	<b>2.3</b>	<b>1.6</b>	<b>0.9</b>

### Single-family Home Resales Percent Change, 1st Quarter 2007 over 1st Quarter 2006



Source: National Association of Realtors



# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

### OREGON

Source:	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Conerly Consulting	5.1	-2.6	1.4	1.7	-9.1	5.1	0.0	2.2	1.5	0.0
Forefront Economics	6.4	2.2	3.1	1.3	4.5	5.7	1.5	2.2	1.2	3.5
Office of Economic Analysis	5.3	-1.4	1.3	1.5	-9.3	5.5	0.1	1.5	1.4	-2.5
Portland General Electric	5.7	0.5	1.9	1.3	-5.0					
U.S. Bancorp	5.7	-2.5	1.7	1.5	-8.0	6.0	1.5	2.0	1.5	5.0
Wells Fargo & Co.	5.3	1.4	1.5	1.5	-1.0	5.0	1.3	1.4	1.5	-3.0
<b>Consensus Forecast — This Month</b>	<b>5.6</b>	<b>-0.4</b>	<b>1.8</b>	<b>1.5</b>	<b>-4.7</b>	<b>5.5</b>	<b>0.9</b>	<b>1.9</b>	<b>1.4</b>	<b>0.6</b>
<b>— Last Month</b>	<b>5.5</b>	<b>-0.5</b>	<b>1.8</b>	<b>1.4</b>	<b>-6.2</b>	<b>5.4</b>	<b>0.8</b>	<b>1.8</b>	<b>1.4</b>	<b>2.6</b>

### TEXAS

Source:	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Econoclast	6.1	5.7	1.8	1.6	-3.0	6.0	5.5	2.0	1.7	-2.0
Federal Reserve Bank of Dallas	7.0	4.5	2.6	1.8	-3.0	6.0	4.0	2.2	1.8	1.0
David Hemley	6.2	5.8	2.0	1.6	-0.8	6.2	5.8	1.9	1.5	-1.9
Perryman Group	6.9	7.0	2.1	1.8	-7.2	7.1	7.0	2.0	1.8	-3.1
TX State Comptroller of Public Accounts	6.5	5.8	2.0	1.8	-15.1	6.4	5.4	2.2	1.9	-8.5
University of Houston - CPP	6.0	5.7	2.1	2.0	-8.1	6.0	5.6	2.0	1.7	-4.9
University of North Texas	6.3	5.8	2.0	1.7	-6.2	6.0	5.4	1.8	1.6	2.0
University of Texas at El Paso	6.2	5.8	1.9	1.7	-1.7	6.5	5.9	2.1	1.7	0.5
Wells Fargo & Co.	6.5	4.8	2.5	1.6	-4.0	6.0	4.6	2.7	1.5	1.0
<b>Consensus Forecast — This Month</b>	<b>6.4</b>	<b>5.7</b>	<b>2.1</b>	<b>1.7</b>	<b>-5.5</b>	<b>6.2</b>	<b>5.5</b>	<b>2.1</b>	<b>1.7</b>	<b>-1.8</b>
<b>— Last Month</b>	<b>6.5</b>	<b>5.7</b>	<b>2.0</b>	<b>1.7</b>	<b>-5.1</b>	<b>6.3</b>	<b>5.5</b>	<b>2.0</b>	<b>1.7</b>	<b>-2.5</b>

### UTAH

Source:	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Pacificorp	6.2	4.1	2.9	2.2	-4.2	6.6	4.6	3.1	2.2	7.3
Utah State Tax Commission	7.6	7.5	3.9	2.6	-8.8	6.8	7.7	3.3	2.4	-10.4
Utah Department of Workforce Services	8.6	6.0	3.9	2.8	2.0	7.2	5.2	3.2	2.7	2.1
Wells Fargo - UT	8.0	7.3	4.0	2.7	-10.0	7.3	7.0	3.7	2.7	0.0
<b>Consensus Forecast — This Month</b>	<b>7.6</b>	<b>6.2</b>	<b>3.7</b>	<b>2.6</b>	<b>-5.3</b>	<b>7.0</b>	<b>6.1</b>	<b>3.3</b>	<b>2.5</b>	<b>-0.3</b>
<b>— Last Month</b>	<b>7.6</b>	<b>6.2</b>	<b>3.7</b>	<b>2.6</b>	<b>-5.3</b>	<b>7.0</b>	<b>6.1</b>	<b>3.3</b>	<b>2.5</b>	<b>-0.3</b>

## WASHINGTON

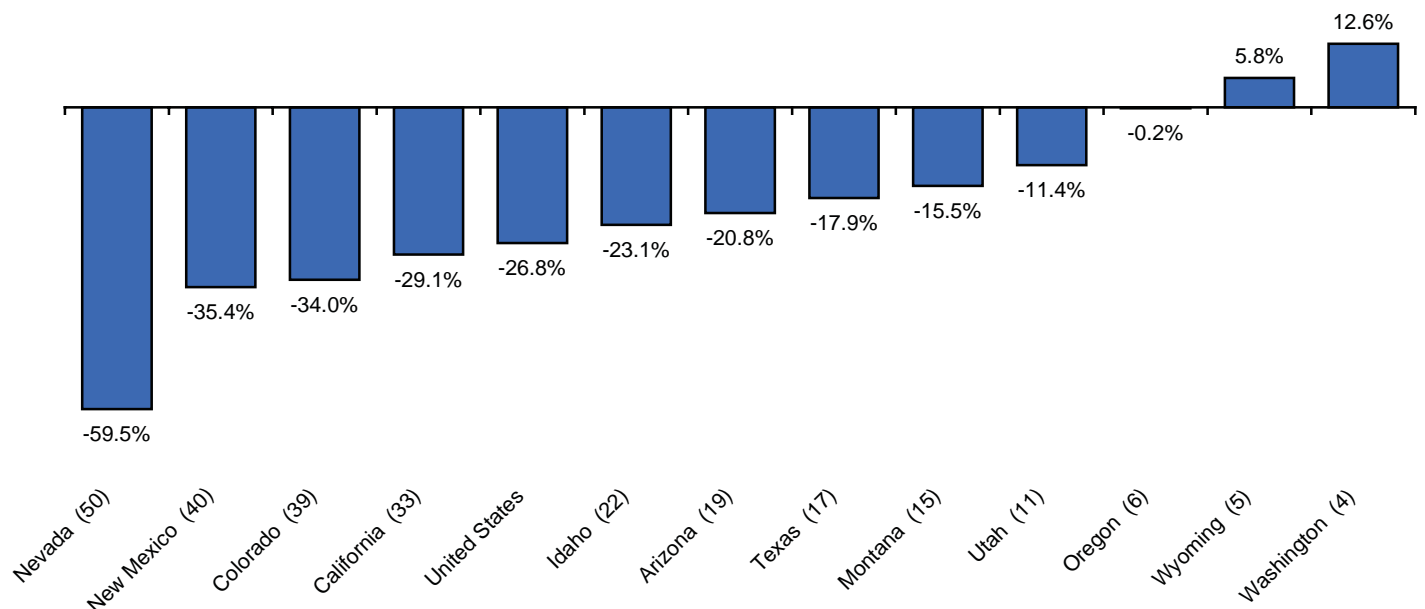
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Conerly Consulting	6.6	6.1	2.0	1.9	-9.6	6.2	7.6	2.0	1.6	0.0
Dick Conway & Associates	7.0	6.8	2.6	1.8	-3.0	6.3	6.3	2.1	1.7	1.0
Doug Pedersen & Associates	7.0	6.2	2.4	2.0	-4.5	6.5	5.9	2.2	1.9	-1.5
Office of the Forecast Council *	6.5	3.9	2.5	2.0	-13.1	6.9	6.0	2.3	2.0	-1.9
Wells Fargo & Co.	5.7	4.8	2.0	1.4	-5.2	5.0	4.7	1.6	1.4	-1.0
<b>Consensus Forecast — This Month</b>	<b>6.6</b>	<b>5.6</b>	<b>2.3</b>	<b>1.8</b>	<b>-7.1</b>	<b>6.2</b>	<b>6.1</b>	<b>2.0</b>	<b>1.7</b>	<b>-0.7</b>
<b>— Last Month</b>	<b>6.5</b>	<b>5.6</b>	<b>2.5</b>	<b>1.7</b>	<b>-2.6</b>	<b>6.2</b>	<b>6.1</b>	<b>2.1</b>	<b>1.7</b>	<b>-0.5</b>

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

## WYOMING

2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Mining Empl.	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Mining Empl.	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
WY Ctr. for Business and Econ. Analysis	7.9		3.0	1.1	6.0	7.0		2.9	1.0	2.5
WY Dept. of Admin. & Information	8.0	9.0	3.5	1.4	-2.0	7.2	6.0	2.8	1.2	-3.0
Wells Fargo UT	8.0		3.8	1.2	5.0	7.5		3.3	1.1	10.0
<b>Consensus Forecast — This Month</b>	<b>8.0</b>	<b>9.0</b>	<b>3.4</b>	<b>1.2</b>	<b>3.0</b>	<b>7.2</b>	<b>6.0</b>	<b>3.0</b>	<b>1.1</b>	<b>3.2</b>
<b>— Last Month</b>	<b>8.0</b>	<b>9.0</b>	<b>3.4</b>	<b>1.2</b>	<b>3.0</b>	<b>7.2</b>	<b>6.0</b>	<b>2.9</b>	<b>1.1</b>	<b>3.2</b>

## Single and Multifamily Housing Units Authorized Percent Change, March 2007 YTD over March 2006 YTD



Source: U.S. Census Bureau

Note: Number in parentheses after state name is state's rank in the nation



# HISTORICAL DATA

## WESTERN BLUE CHIP ECONOMIC FORECAST

### ARIZONA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	193,983	167,165	2,643.6	63,641	187.3	60,066	6,129	4.2
% change	8.5	5.5	5.4	7.9	2.7	-29.4	3.2	
2005	178,706	158,516	2,471.3	58,964	176.2	80,804	5,939	4.7
% change	8.8	5.6	4.1	13.2	0.2	0.0	3.4	
2004	164,222	150,076	2,373.5	52,098	175.8	80,778	5,744	5.0
% change	9.1	6.0	3.4	9.0	0.3	25.9	3.0	
2003	150,582	141,519	2,296.3	47,818	175.3	64,143	5,579	5.7
% change	4.5	2.3	1.4	5.3	-4.5	15.3	2.6	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Arizona Department of Economic Security; Retail Sales – Arizona Department of Revenue; Manufacturing Employment – Arizona Department of Economic Security; Housing Permits – Arizona Real Estate Center; Population – Center for Business Research; Unemployment Rate – Arizona Department of Economic Security. † Consensus †† Estimate								

### CALIFORNIA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	1,420,245	1,223,896	15,002.4	387,906 †	1,507.8	103,654	36,458	4.8
% change	6.4	3.3	1.5	5.3	-0.3	-31.4	0.6	
2005	1,335,386	1,184,515	14,785.2	368,382 †	1,512.7	151,022	36,254	5.4
% change	5.3	2.2	1.8	5.2	-1.3	0.2	1.2	
2004	1,268,049	1,158,819	14,530.4	350,173	1533.1	150,710	35,841	6.2
% change	6.8	3.9	1.0	9.4	-1.3	7.3	1.1	
2003	1,187,040	1,115,597	14,392.3	320,217	1,553.0	140,512	35,466	6.8
% change	3.4	1.3	-0.5	6.2	-5.5	16.3	1.3	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Bureau of Labor Statistics; Taxable Sales – California Board of Equalization; Manufacturing Employment – Bureau of Labor Statistics; Housing Permits – Construction Industry Research Board; Population – California Department of Finance; Unemployment Rate – California Department of Finance. † Consensus †† Estimate								

### COLORADO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	186,266	160,514	2,272.1	66,797 †	150.5	31,324	4,753	4.4
% change	6.5	3.5	2.1	5.4	-0.1	-22.6	1.9	
2005	174,919	155,157	2,225.5	63,375 †	150.6	40,477	4,663	5.0
% change	6.2	3.1	2.1	5.6	-0.8	6.1	1.4	
2004	164,673	150,488	2,179.6	60,014	151.8	38,164	4,599	5.6
% change	6.4	3.4	1.2	4.9	-1.4	14.2	1.2	
2003	154,829	145,511	2,152.8	57,192	153.9	33,428	4,546	6.1
% change	1.2	-1.0	-1.4	8.1	-6.0	-5.9	1.0	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Colorado Department of Labor and Employment; Retail Trade Sales – Colorado Department of Revenue; Manufacturing Employment – Colorado Department of Labor and Employment; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Colorado Department of Labor and Employment. † Consensus †† Estimate								

# HISTORICAL DATA

## WESTERN BLUE CHIP ECONOMIC FORECAST

### IDAHO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	43,924	37,851	640.6	20,334 †	64.2	15,627	1,466	3.4
% change	7.9	4.8	4.6	6.0	1.7	-19.7	2.6	
2005	40,706	36,107	612.6	19,183	63.1	19,464	1,429	3.8
% change	6.5	3.4	4.2	14.7	2.3	32.9	2.5	
2004	38,229	34,936	587.9	16,727	61.7	14,650	1,395	4.7
% change	9.8	6.8	2.8	4.2	-0.5	17.8	2.0	
2003	34,816	32,721	572.0	16,059	62.0	12,432	1,367	5.3
% change	2.9	0.7	0.7	2.1	-4.5	21.7	1.7	

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

### MONTANA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Construction Employment (thousands)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	28,989	24,981	433.4	29.9	19.9	3,636	944.6	3.5
% change	6.9	3.8	3.0	8.7	2.6	5.1	1.1	
2005	27,122	24,058	420.7	27.5	19.4	3458	934.7	4.0
% change	5.2	2.1	2.3	10.4	1.0	1.0	0.9	
2004	25,791	23,569	411.3	24.9	19.2	3425	926.3	4.3
% change	6.7	3.7	2.6	7.8	1.1	46.4	1.0	
2003	24,177	22,722	400.7	23.1	19.0	2340	917.2	4.4
% change	6.0	3.7	1.2	6.5	-5.0	14.1	0.8	

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

### NEVADA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Gaming Revenue (millions)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	92,557	79,761	1,288.6	N/A	12,622.0	26,689	2,496	4.1
% change	7.3	4.3	5.3		8.4	-28.7	3.5	
2005	86,224	76,483	1,224.2	46,190	11,649.0	37,438	2,412	4.1
% change	8.7	5.5	6.2	12.4	10.3	-3.6	3.4	
2004	79,353	72,518	1,152.7	41,087	10,562.2	38,817	2,332	4.6
% change	11.5	8.4	5.9	16.0	9.7	17.5	4.1	
2003	71,183	66,899	1,088.3	35,426	9,625.3	33,033	2,241	5.3
% change	6.8	4.6	3.5	9.3	1.9	21.1	3.3	

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

† Consensus †† Estimate N/A - not yet available

# HISTORICAL DATA

## WESTERN BLUE CHIP ECONOMIC FORECAST

### NEW MEXICO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	57,998	49,980	831.3	N/A	37.3	12,268	1,955	4.3
% change	8.0	4.9	2.7		3.3	-9.5	1.5	
2005	53,714	47,646	809.2	12,900	36.1	13,553	1,926	5.3
% change	5.9	2.8	2.4	4.8	0.3	15.4	1.3	
2004	50,707	46,339	790.4	12,312	36.0	11,743	1,901	5.7
% change	8.7	5.7	1.9	5.2	-1.4	-0.7	1.2	
2003	46,650	43,843	775.6	11,702	36.5	11,829	1,878	5.9
% change	3.7	1.5	1.2	**	-4.9	14.3	1.2	

Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – New Mexico Department of Labor; Retail Sales – New Mexico Department of Taxation & Revenue; Manufacturing Employment – New Mexico Department of Labor; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – New Mexico Department of Labor. † Consensus †† Estimate N/A - not yet available

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

### OREGON

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Manufacturing Employment (thousands)	Single-family Permits (number)	Housing Permits (number)	Population (thousands)	Unem- ployment Rate
2006	124,589	107,364	1711.1	210.0	20,486	26,800	3,701	5.4
% change	6.0	3.0	3.2	2.7	-17.8	-15.9	1.7	
2005	117,497	104,222	1,658.3	204.5	24,925	31,864	3,639	6.1
% change	5.5	2.4	3.1	2.4	16.6	13.8	1.4	
2004	111,325	101,735	1,607.9	199.8	21,372	28,000	3,589	7.3
% change	5.9	2.9	2.1	2.5	13.7	7.3	0.8	
2003	105,161	98,832	1,575.6	194.9	18,799	26,103	3,561	8.1
% change	3.2	1.1	-0.7	-3.3	4.6	15.8	1.1	

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

### TEXAS

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (billions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	805,307	693,973	9,976.3	371.2 †	905.8	162,480	23,508	4.9
% change	8.2	5.1	2.5	6.8	0.8	-1.9	2.5	
2005	744,270	660,183	9,735.0	347.6 †	898.6	165,579	22,929	5.3
% change	7.8	4.6	2.5	6.1	0.9	16.8	1.8	
2004	690,480	631,002	9,497.1	327.6	891.0	141,810	22,518	6.0
% change	6.3	3.4	1.4	6.4	-1.0	6.6	1.7	
2003	649,419	610,333	9,370.0	307.9	900.0	133,077	22,134	6.7
% change	3.6	1.5	-0.5	3.9	-5.1	10.3	1.7	

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

# HISTORICAL DATA

## WESTERN BLUE CHIP ECONOMIC FORECAST

### UTAH

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	74,229	63,966	1,202.0	22,801 †	120.7	23,126	2,550	3.2
% change	9.1	6.0	4.6	6.5	2.7	-6.2	2.4	
2005	68,039	60,352	1,149.5	21,409 †	117.5	24,645	2,490	4.3
% change	7.2	4.0	4.1	5.2	2.6	23.9	2.8	
2004	63,478	58,010	1,104.3	20,351	114.5	19,899	2,422	5.0
% change	6.8	3.9	2.8	8.2	2.0	10.6	2.8	
2003	59,412	55,836	1,074.1	18,809	112.3	17,995	2,356	5.6
% change	2.1	0.0	0.1	2.1	-1.4	16.8	1.3	

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

### WASHINGTON

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	239,348	206,258	2,865.6	109,509 †	283.5	35,020	6,396	4.9
% change	7.2	4.2	3.1	7.2	4.2	-14.4	1.7	
2005	223,232	198,011	2,779.1	102,154 †	272.0	40,928	6,292	5.5
% change	2.9	-0.1	2.9	9.3	3.2	11.2	1.4	
2004	216,921	198,236	2,701.0	93,441	263.6	36,815	6,206	6.3
% change	6.9	3.9	1.6	6.6	-1.3	6.8	1.2	
2003	202,942	190,728	2,657.5	87,664	267.1	34,480	6,130	7.4
% change	2.8	0.6	0.1	2.7	-6.3	4.2	1.0	

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

### WYOMING

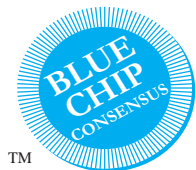
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Natural Resources & Mining Employ. (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	20,948	18,052	274.0	26.6	10.0	2,698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

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

# WESTERN BLUE CHIP PANEL

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