

# BLUE CHIP ECONOMIC FORECAST WESTERN

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SCHOOL of BUSINESS

What Blue Chip Economists are Saying about the Western States

ASU ARIZONA STATE UNIVERSITY

## Personal income and spending: what the measures mean

Increased fuel prices and higher housing costs are now a larger part of Americans' budgets. This puts statistics about personal income and consumption expenditures in the spotlight, because if earnings are covering expenditures, the increased prices are less of a problem. However, available data can be difficult to interpret, especially in states that are experiencing high levels of economic growth, as is the case with the Western states.

State personal income, or its growth rate (such as in this month's National Roundup on page 2), is based on the aggregate income of the state's residents. Five components of income are taken into account: 1) wages and salaries; 2) employer contributions to pension, insurance funds and government social insurance; 3) transfer payments such as disability, medical, and income maintenance payments; 4) proprietor's income; and 5) dividends,

interest, rent and royalties. Contributions to government social insurance programs are used as a deduction against the above. The final figure for the state is an aggregate of personal income of all residents of the state, including foreigners as well as American citizens. Growth rates in personal income also reflect such factors as population growth, even when adjusted for inflation. Because of this, it is useful to look at per capita personal income growth in addition to overall personal income growth (see the chart on page 6). It should be noted that national personal income figures include certain American citizens living overseas, such as those serving in the military. Disposable income, depicted in the top chart on this page, reflects national personal income minus taxes.

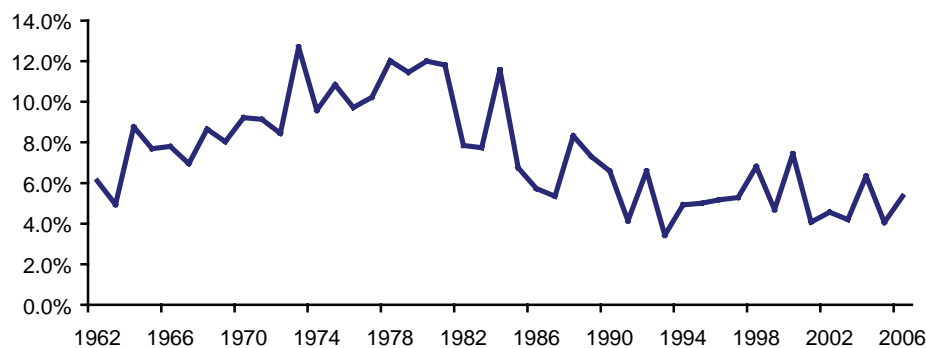
The Personal Consumption Expenditures (PCE) figure (see the chart below left) is a measurement of the goods and services purchased by people living in the United States, some Americans located overseas such as military personnel, and certain non-profit institutions that serve individuals such as trade unions and welfare organizations. As debt service levels have reached long-term highs, it is important to note that finance charges are not included in the measurement of PCE. Included are purchases from businesses of automobiles, food, clothing, medical care including insurance, utilities and housing. For the housing component, rent is included as well as an imputed amount for owner-occupied housing.

For both personal income and PCE, the source data comes from various federal and state agencies through which receipts pass, surveys are done or transactions are recorded. The aggregation of these data is a complicated process, but the methodology is available in documents on the internet for those who are interested in the intricacies of the compilation.

— Dawn McLaren

### U.S. Disposable Personal Income

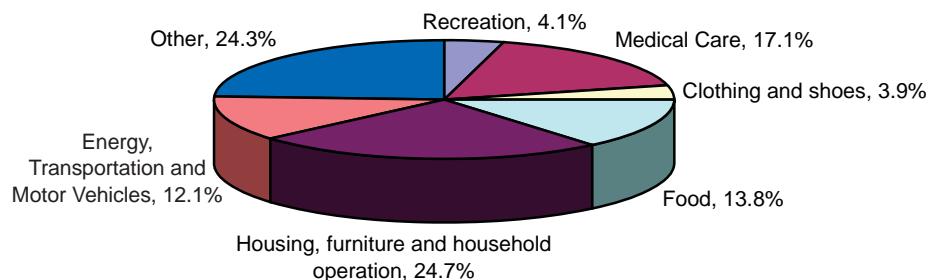
Annual Percent Change, 1962–2006



Source: Bureau of Economic Analysis

### Personal Consumption Expenditures

Category Percent of Total, 2006



Source: Bureau of Economic Analysis

# NATIONAL ROUNDUP

## U.S. JOB GROWTH



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

Nonfarm .....	1.5
Goods-Producing .....	-0.4
Construction .....	0.1
Manufacturing .....	-0.7
Service-Providing .....	1.9
Transportation, Warehousing & Utilities .....	2.1
Trade .....	0.5
Information .....	1.1
Financial Activities .....	1.8
Professional & Business Services ..	2.8
Educational & Health Services .....	2.6
Leisure & Hospitality .....	3.6
Government .....	1.3

Source: U.S. Bureau of Labor Statistics

## U.S. REAL ESTATE



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

	Total Residential	Single- family	Multi- family
2007	109,891	78,382	31,509
2006	151,950	114,629	37,321
% Δ	-27.7	-31.6	-15.6

Source: U.S. Department of Commerce

## U.S. FORECASTS



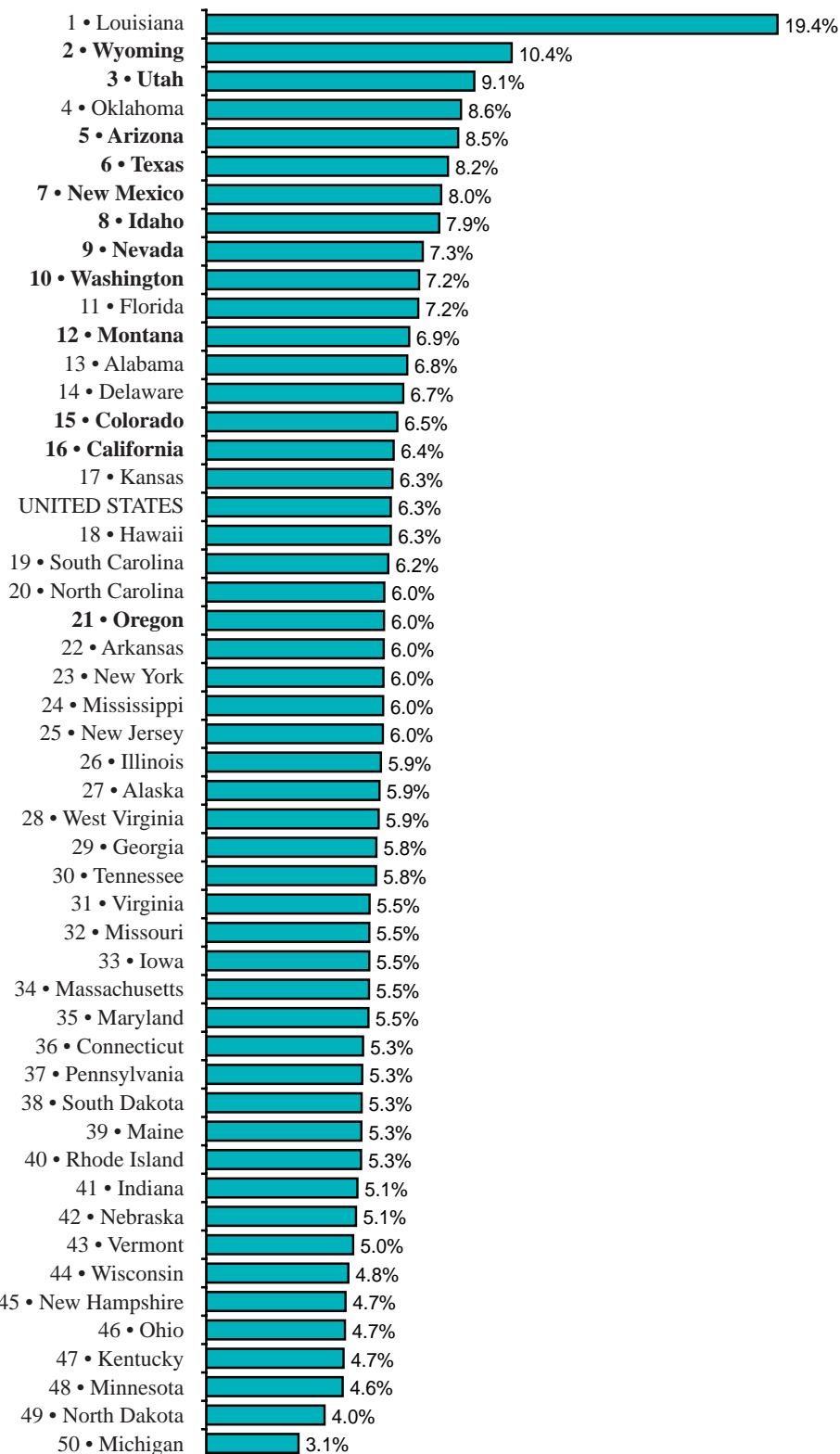
### Percent Change

	2007	2008
Real GDP (Chain) .....	2.4	3.0
CPI .....	1.9	2.0
GDP Deflator (Chain) ...	2.4	1.8

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

## Annual Personal Income

### Percent Change, 2006 over 2005



Source: Bureau of Economic Analysis

# SUMMARY

## WESTERN BLUE CHIP ECONOMIC FORECAST

2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
State:	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Arizona	7.1 ↑	5.0 ↑	3.5 ↓	3.0	-13.8 ↓	7.2 ↓	5.2 ↓	3.5 ↓	2.9 ↑	3.5 ↑
California	5.2 ↑	3.2 ↑	1.2 ↑	1.1 ↓	-13.4 ↓	5.4 ↓	3.4 ↓	1.2 ↑	1.1	3.2 ↓
Colorado	6.1 ↓	4.0 ↓	2.0 ↓	1.7	-8.1 ↓	6.2 ↓	4.3 ↓	2.0 ↓	1.8	-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	6.9 ↓	4.8 ↓	4.3 ↓	4.1	-12.3 ↑	6.6 ↓	4.7 ↓	4.3 ↓	3.9	14.4 ↑
New Mexico	5.9 ↑	3.8 ↑	2.3	1.5	-2.2 ↓	5.7 ↑	3.7 ↑	2.3 ↓	1.6	0.9 ↓
Oregon	5.5 ↓	3.4 ↓	1.8 ↓	1.4 ↓	-6.2 ↓	5.4 ↓	3.5 ↓	1.8 ↓	1.4 ↑	2.6 ↓
Texas	6.5 ↓	4.4 ↓	2.0 ↑	1.7	-5.1 ↓	6.3 ↓	4.3 ↓	2.0 ↑	1.7	-2.5 ↑
Utah	7.6 ↑	5.5 ↑	3.7 ↑	2.6 ↑	-5.3 ↓	7.0 ↑	5.0 ↑	3.3 ↓	2.5 ↓	-0.3 ↓
Washington	6.5 ↓	4.4 ↓	2.5 ↑	1.7 ↓	-2.6 ↑	6.2	4.2 ↑	2.1 ↓	1.7	-0.5 ↓
Wyoming *	8.0	5.8	3.4	1.2 ↑	3.0	7.2 ↑	5.2 ↑	2.9 ↑	1.1	3.2

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

## Forecast notes from the Western region...

Although foreclosures have risen, the Texas housing market is in better shape than that of the nation as a whole. Given that, 2007 financial problems should be less pronounced in the Lone Star economy than elsewhere, even though household indebtedness is still problematic.

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

The big news in Texas is the proposed \$45 billion leveraged buyout of the state's largest electric utility, TXU. The new owners have pledged they will cancel 8 of 11 planned coal-fired generating plants, thereby making the utility more environmentally friendly. In addition, the state legislature is considering a moratorium on new coal plants. The result is likely to be even higher power prices in Texas, as utilities add more natural-gas fired generation to the fuel mix. Gas currently accounts for 72 percent of the state's generating capacity--which is why power costs in Texas are 10th highest in the nation and highest among the western states.

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

Revised employment data dramatically reflected the slowdown in Nevada's housing market. For 31 of 33 months from

October 2003 through June 2006, Nevada's construction industry reported year-over-year job growth of at least 10 percent. By December, construction employment was below the year-ago level. The revised data shaved one-half percentage point off last year's statewide job growth (5.3 percent to 4.8 percent). The construction industry accounted for more than 70 percent of the downward revision.

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

The construction boom in New Mexico is coming to an end, as several large projects are finishing up and housing remains weak. The economy remains in good shape, however, thanks to strong growth in manufacturing and mining (oil & gas). The film industry is also having an impact in New Mexico, with one major film studio partially completed, two more in the pipeline, and others in the inquiry stage. Dozens of movies have been filmed on location in New Mexico during the last year.

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

Oregon employment growth has diminished with weakness in portions of manufacturing related to housing and truck

production and portions of the tech sector. Housing activity has cooled, but prices have continued to increase at well above the national pace according to both OFHEO and NAR. The state now has a Rainy Day Fund created by keeping the corporate kicker (the rebate to corporations if corporate tax collections come in more than 2 percent above the forecast) on a one-time basis and putting a portion of the General Fund Revenues into the pot.

— **John Mitchell**  
*U.S. Bancorp*  
*Portland, Oregon*

Housing will continue to be a significant drag on California's economy, with new housing permits down sharply. There has also been a lot of uproar over the sub-prime lending "meltdown" (media language, not ours), but the bark will be worse than the bite. Nonresidential construction, however, is doing well with lots of large office buildings underway. International trade, tourism, and technology continue to chug forward. The entertainment industry is off to a good start at the box office, both domestically and internationally. Negotiations between the writer's guild and the studios will start in July.

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

# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

### Methodology

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

from an individual forecaster.

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

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

ARIZONA										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
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
Arizona Department of Commerce	6.7	6.5	3.4	2.8	-15.0	6.9	6.2	3.5	2.9	-5.0
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.	7.2	6.4	3.6	3.3	-12.1	6.9	5.8	3.7	2.8	-6.4
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	7.1	6.5	3.9	3.0	-10.0	7.6	7.0	4.9	3.2	15.0
Joint Legislative Budget Committee	7.2	6.6	3.7	3.0	-10.0	7.2	6.0	3.5	3.0	0.0
The Maguire Company	7.4	6.7	4.0	3.4	-15.0	7.4	7.0	4.2	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	8.0	7.0	4.0	3.0	0.0
Stellar Capital Management	7.1	6.5	3.6	2.7	-15.0	7.7	6.9	3.7	2.7	4.0
UA - Eller College	5.6	6.5	1.7	3.4	-44.4	5.4	5.1	1.5	2.7	37.3
VisionEcon	7.2	6.9	3.5	2.9	-2.0	6.8	7.0	2.2	2.9	
Wells Fargo & Co.	7.3	6.1	3.4	2.7	-10.0	6.8	5.8	3.1	2.6	-8.0
<b>Consensus Forecast — This 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>
<b>— Last Month</b>	<b>7.1</b>	<b>6.5</b>	<b>3.5</b>	<b>3.0</b>	<b>-13.0</b>	<b>7.2</b>	<b>6.4</b>	<b>3.6</b>	<b>2.9</b>	<b>3.3</b>

CALIFORNIA										
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
Anonymous	5.7	3.1	1.2	1.3	0.1	5.4	5.4	1.6	1.3	10.1
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	1.1	-13.9	5.9	5.2	1.2	1.1	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	4.8	4.0	0.8	0.7	-8.5	4.6	4.1	0.8	0.9	-5.0
<b>Consensus Forecast — This 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>
<b>— Last Month</b>	<b>5.2</b>	<b>4.2</b>	<b>1.1</b>	<b>1.1</b>	<b>-13.3</b>	<b>5.4</b>	<b>5.1</b>	<b>1.2</b>	<b>1.1</b>	<b>3.9</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	5.9	5.0	1.9	1.9	-15.0	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	4.5	1.9	2.1	-3.9	6.3	5.5	2.1	2.2	0.0
Wells Fargo & Co.	4.8	3.4	1.3	1.2	-5.8	4.7	3.2	1.2	1.2	-3.8
Xcel Energy	7.6	7.7	2.2	1.6	-10.0	7.8	8.0	2.5	1.7	-4.5
<b>Consensus Forecast — This Month</b>	<b>6.1</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>
<b>— Last Month</b>	<b>6.1</b>	<b>5.1</b>	<b>2.0</b>	<b>1.7</b>	<b>-7.5</b>	<b>6.3</b>	<b>5.4</b>	<b>2.0</b>	<b>1.8</b>	<b>-2.3</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>7.2</b>	<b>6.0</b>	<b>3.1</b>	<b>2.1</b>	<b>-6.2</b>	<b>6.5</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>6.6</b>		<b>2.3</b>	<b>1.0</b>	<b>-10.0</b>	<b>6.3</b>		<b>2.1</b>	<b>0.6</b>	<b>0.0</b>

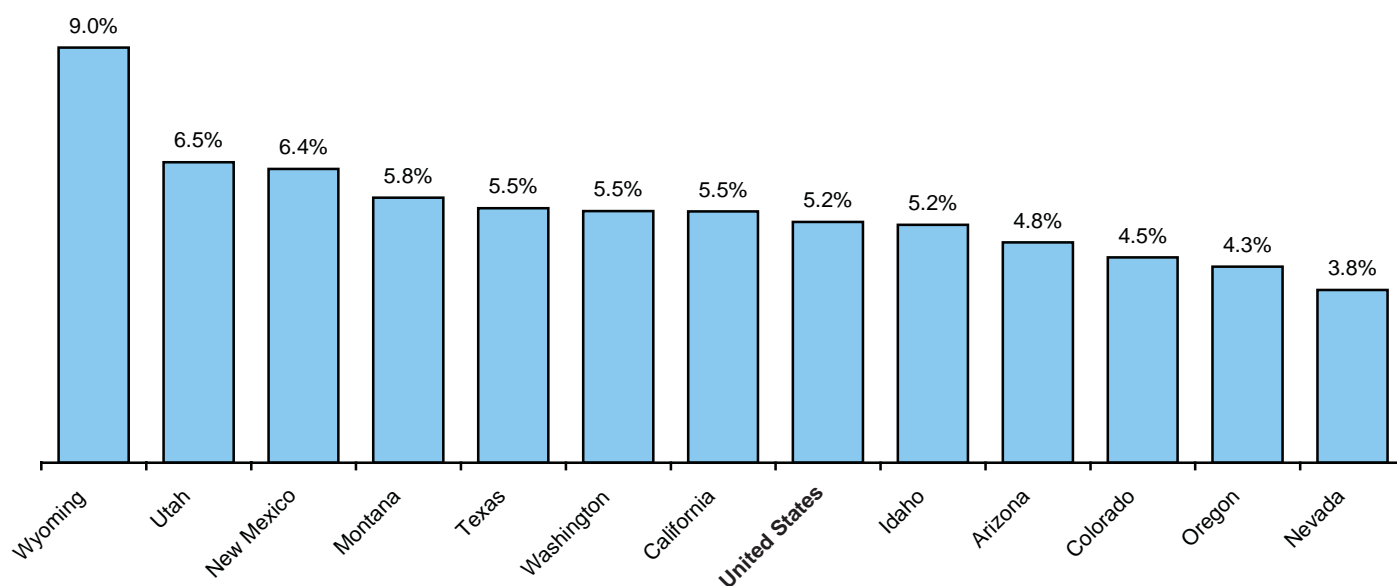
# CONSENSUS FORECASTS

## 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.	6.1	6.4	3.1	3.5	-4.0	6.1	5.9	2.8	3.0	-0.3
<b>Consensus Forecast — This 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>
<b>— Last Month</b>	<b>7.2</b>	<b>5.2</b>	<b>4.5</b>	<b>4.1</b>	<b>-12.4</b>	<b>7.0</b>	<b>5.1</b>	<b>4.6</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
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	-2.0	5.5	1.5	2.3	1.8	-0.4
<b>Consensus Forecast — This 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>
<b>— Last Month</b>	<b>5.5</b>	<b>2.4</b>	<b>2.3</b>	<b>1.5</b>	<b>1.2</b>	<b>5.5</b>	<b>1.6</b>	<b>2.3</b>	<b>1.6</b>	<b>1.0</b>

### Per Capita Personal Income Percent Change, 2006 over 2005



Source: Bureau of Economic Analysis



# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

### OREGON

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
Conerly Consulting	5.1	-2.9	1.4	1.3	-8.5	5.1	0.0	2.1	1.5	1.5
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	5.4	-1.5	1.2	1.5	-12.4	5.8	-0.1	1.7	1.4	6.9
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.	4.8	1.4	1.3	1.5	-8.0	4.6	1.3	1.2	1.5	-4.0
<b>Consensus Forecast — This 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>
<b>— Last Month</b>	<b>5.6</b>	<b>0.1</b>	<b>1.9</b>	<b>1.4</b>	<b>-5.1</b>	<b>5.5</b>	<b>1.0</b>	<b>2.0</b>	<b>1.4</b>	<b>2.9</b>

### TEXAS

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
Econoclast	6.0	5.7	1.8	1.6	-2.0	5.9	5.5	1.8	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	7.0	7.1	2.1	1.8	-7.2	7.1	7.1	2.0	1.8	-3.2
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	5.9	5.6	1.8	1.6	-6.3	6.0	5.5	2.0	1.6	-7.4
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	6.1	1.9	1.7	-1.7	6.6	6.5	2.1	1.7	0.5
Wells Fargo & Co.	7.0	4.9	1.7	1.6	-3.8	6.6	4.7	1.8	1.5	-3.0
<b>Consensus Forecast — This 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>
<b>— Last Month</b>	<b>6.5</b>	<b>5.7</b>	<b>2.0</b>	<b>1.7</b>	<b>-4.3</b>	<b>6.3</b>	<b>5.6</b>	<b>2.0</b>	<b>1.7</b>	<b>-2.6</b>

### UTAH

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
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>7.3</b>	<b>5.8</b>	<b>3.6</b>	<b>2.6</b>	<b>-4.1</b>	<b>6.9</b>	<b>5.5</b>	<b>3.3</b>	<b>2.5</b>	<b>3.1</b>

## WASHINGTON

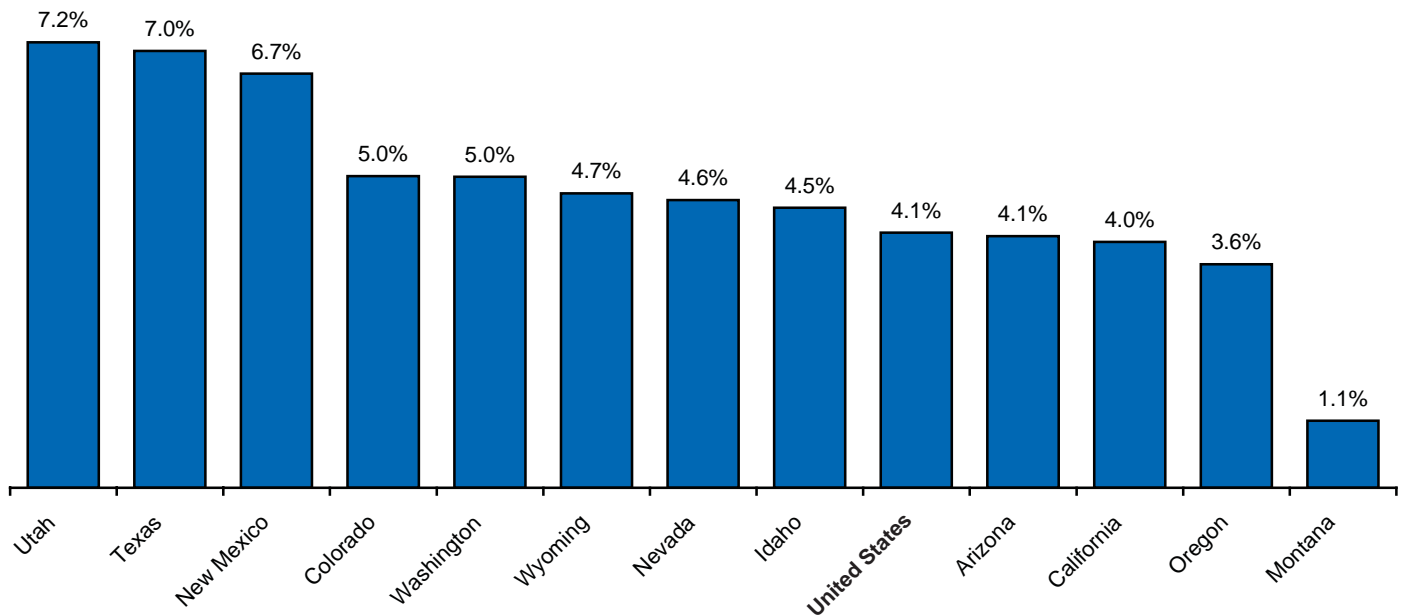
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Conerly Consulting	6.6	6.1	2.8	1.4	12.5	6.2	7.6	2.0	1.6	2.3
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.	5.2	4.9	2.0	1.4	-5.0	5.1	4.8	1.7	1.4	-2.6
<b>Consensus Forecast — This 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>
<b>— Last Month</b>	<b>6.6</b>	<b>5.6</b>	<b>2.3</b>	<b>1.8</b>	<b>-6.4</b>	<b>6.2</b>	<b>6.1</b>	<b>2.1</b>	<b>1.7</b>	<b>0.4</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	3.3	1.4	-2.0	7.2	6.0	2.5	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>2.9</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>2.8</b>	<b>1.1</b>	<b>3.2</b>

## Proprietor's Income Percent Change, 2006 over 2005



Source: Bureau of Economic Analysis



# 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

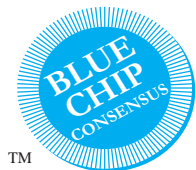
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Natural Resources & Mining Employ. (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	20,948	18,052	274.0	26.6	10.0	2,698	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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