

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

Western states likely to benefit as exports continue to rise

U.S. exports recorded strong growth in 2006, and the current year is expected to bring more of the same.

Based on analysis of preliminary figures, net exports contributed more than a full percentage point to the 2.2 percent real growth posted for Gross Domestic Product in the fourth quarter of 2006.

Thanks to relatively good economic health in world markets and a falling dollar, the outlook for exports is rosy and Western states are well positioned to benefit.

Texas and California consistently rank first and second among all states in value of export goods shipped. New York is in third position, and Washington has now replaced Michigan in fourth place (see table).

The combined Western states accounted for 35 percent of total goods exported through the third quarter of last year, according to the U.S. Census Bureau and Global Trade Information Services (GTIS). The three-quarter total for 2006

goods exports was up 14.7 percent over the same period in 2005.

Among all states, Delaware posted the fastest rate of growth of export goods (see Roundup, page 2). All Western states had growth in the double digit range, and several increased exports by more than 20 percent (Nevada, Washington, Arizona, Oregon, New Mexico, and Wyoming).

COMPUTERS AND ELECTRONICS

The single largest export type was "computer and electronic product manufacturing," using North American Industry Classification System (NAICS) categories. However, it seems likely that "transportation equipment manufacturing" will move into first place if current growth trends continue.

California and Texas are the leading exporters of computers and electronic products, with California accounting for nearly one-fourth of the U.S. total. Other Western states among the top 10 exporters in this

category include Arizona (fourth), Oregon (seventh), and Colorado (tenth).

The importance of computers and electronics in the region is illustrated by the fact that the combined exports of Western states accounted for 57 percent of the total value of exports in this category through the first three quarters of 2006.

Western states also had some of the fastest growth in 2006. Oregon's exports of computers and electronics goods were up by more than 50 percent through the third quarter of last year, compared to 2005. Arizona's exports were up 30 percent (see the chart on page 6).

TRANSPORTATION EQUIPMENT

Washington is the leading state for transportation equipment exports, followed by Michigan. Texas and California are in third and fourth position, followed by Ohio. These five states account for more than half of total exports in this category.

Apart from Washington, Texas, and California, only Arizona and Oregon among Western states produce more than \$1 billion of transportation equipment for export.

In addition to ranking as the leading state for transportation equipment exporting, Washington is also among the fastest growth states in this category (see chart, page 8). The Evergreen State's transport exports were up by 58 percent through the first three quarters of 2006, and were more than double the value produced in 2004.

Montana, New Mexico, Nevada, and Utah also posted large percentage gains for 2006. One should keep in mind, however, that in these states the actual value of exports in the base year was small.

The combined exports of Western states accounted for 35 percent of exports in the transportation equipment category through the first three quarters of 2006, according to the U.S. Census Bureau.

Western States Exports to World
(Year-to-date September 2006)

State	Goods Exports	Share of U.S.	Rank
All States	\$764,249,321,927	100.0	
Texas	110,555,865,026	14.5	1
California	94,729,563,450	12.4	2
Washington.....	37,994,546,307	5.0	4
Arizona.....	13,602,684,802	1.8	17
Oregon.....	11,211,244,711	1.5	21
Colorado.....	5,924,427,776	0.8	29
Utah.....	5,130,577,779	0.7	31
Nevada	4,106,313,757	0.5	32
Idaho	2,692,260,368	0.4	39
New Mexico.....	2,202,585,949	0.3	42
Montana	650,101,150	0.1	48
Wyoming.....	608,985,070	0.1	49

Sources: Global Trade Information Services and U.S. Census Bureau, Origin of Movement

— Lee McPheters

NATIONAL ROUNDUP

U.S. JOB GROWTH



% Change: Dec. 2006 vs. Dec. 2005

Nonfarm	1.4
Goods-Producing	0.2
Construction	1.0
Manufacturing	-0.6
Service-Providing	1.7
Transportation, Warehousing & Utilities	2.6
Trade	0.2
Information	0.2
Financial Activities	1.9
Professional & Business Services ..	2.3
Educational & Health Services	2.7
Leisure & Hospitality	2.9
Government	1.3

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits Dec. 2006 vs. Dec. 2005

	Total Residential	Single- family	Multi- family
2006	113,085	75,231	37,854
2005	147,560	110,859	36,701
% Δ	-23.4	-32.1	3.1

Source: U.S. Department of Commerce

U.S. FORECASTS



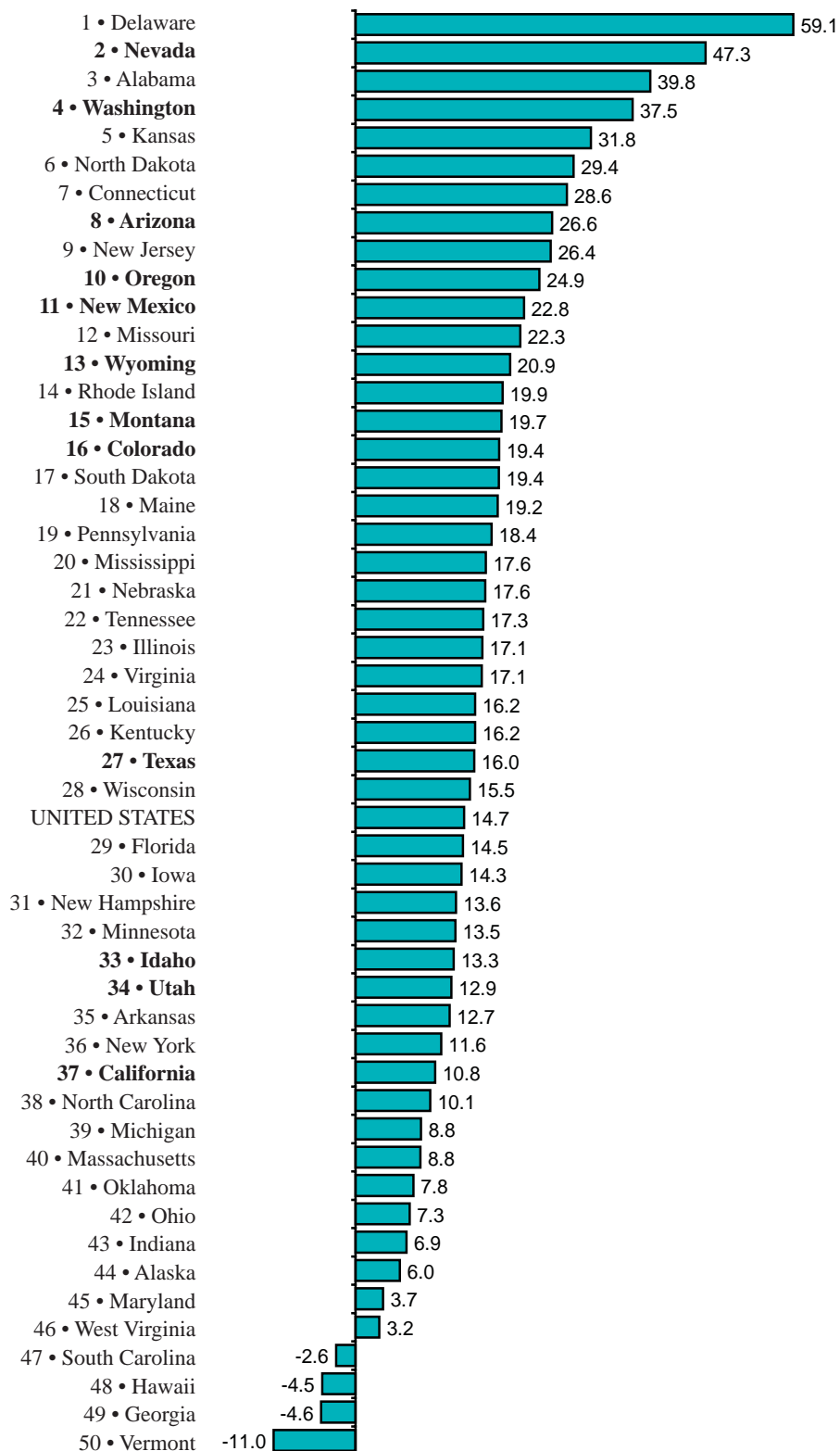
Percent Change

	2007	2008
Real GDP (Chain)	2.3	3.2
CPI	1.8	2.1
GDP Deflator (Chain) ...	2.0	1.9

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

U.S. Exports by Origin of Movement

Percent Change, First Three Quarters 2006 over First Three Quarters 2005



Source: Global Trade Information Services

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 ↓	6.5 ↑	3.6 ↓	3.0 ↑	-12.2 ↓	7.3 ↓	6.4 ↓	3.6 ↓	2.9 ↓	3.4 ↑
California	5.2 ↓	3.2 ↑	1.0 ↓	1.1 ↓	-11.6 ↓	5.5 ↓	3.5 ↓	1.3 ↑	1.1 ↓	3.4 ↑
Colorado	6.1 ↑	4.0 ↑	1.9 ↓	1.7 ↑	-8.2 ↓	6.3 ↑	4.3 ↑	2.1 ↓	1.8 ↑	-2.2 ↓
Idaho	6.8 ↓	4.7 ↑	3.4	2.2	-10.5	6.4 ↓	4.4 ↓	3.2 ↓	2.2 ↑	-2.5
Montana	6.6	4.5 ↑	2.3	1.0	-10.0	6.3 ↓	4.3 ↓	2.1 ↑	0.6 ↑	0.0
Nevada	7.3 ↓	5.2 ↑	4.6 ↓	4.1	-12.3 ↓	7.1 ↓	5.1 ↓	4.6 ↓	3.9	14.5 ↑
New Mexico	5.5 ↓	3.4 ↑	2.2 ↓	1.5 ↓	1.1 ↑	5.5 ↓	3.5 ↓	2.3 ↓	1.6 ↓	1.0 ↑
Oregon	5.6 ↓	3.5 ↑	1.9 ↓	1.4 ↑	-5.1 ↑	5.5 ↑	3.5 ↑	2.0 ↓	1.4 ↑	2.9 ↑
Texas	6.5 ↑	4.4 ↑	2.0 ↑	1.7 ↑	-4.2 ↑	6.3 ↑	4.3 ↑	2.0 ↑	1.7 ↑	-2.6 ↓
Utah	7.3 ↑	5.2 ↑	3.6 ↑	2.6 ↓	-4.1 ↓	6.9 ↑	4.9 ↑	3.3 ↓	2.5 ↓	3.1 ↓
Washington	6.6 ↑	4.5 ↑	2.3 ↑	1.8	-5.2 ↑	6.2 ↑	4.2 ↑	2.1 ↓	1.7 ↑	-0.1 ↓
Wyoming	8.0 ↑	5.8 ↑	3.4 ↑	1.2	3.0	7.2 ↑	5.2 ↑	2.8 ↑	1.1 ↑	3.2

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

Forecast notes from the Western region...

Currently meeting in their regular bi-annual session, the **Texas** Legislature is talking about tax cuts – despite demands for higher spending on public education, highways, prisons, and parks. The Governor has proposed selling the state lottery and using the proceeds to create a “superfund” that would provide financing for education and health insurance for the state’s working poor.

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

Utah’s economy is still humming along at a robust pace. Still, the rate of employment growth is beginning to slow, coming off a high of 5.3 percent last June to around 4.5 percent now. This moderation is not due to any weakening in consumer or business demand, but instead a lack of labor. With an unemployment rate of 2.6 percent, Utah’s labor force is fully employed. In many cases, employers are just hiring workers away from other employers. The rate of in-migration, being the source of new labor, will be the key to how fast Utah’s economy can continue to grow.

Utah Department of Workforce Services
Salt Lake City, Utah

California got off to an interesting start in 2007. There was the agricultural freeze, whose cost is north of \$1 billion. Some good news was that the citrus tree stock was not

damaged. Several high-profile office building portfolios have been sold for eye-popping prices. Tenants are uneasy as they will get a bump up in lease rates due to higher property tax values. Worse, the new buyers have been talking about increasing rents. The housing market continues to bump along, with analysts looking for the bottom. Beyond that, business around the state seems to be perking along nicely, with a lot of optimism in international trade, technology and tourism.

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

Housing starts really took a hit last month. It’s not just unusually cold weather at work. The western states had the steepest decline, though they are not usually as weather-affected as the northeast. The northeast actually increased on a seasonally adjusted basis. So what’s going on? Overblown housing market is caving in. This is not the year that housing recovers, but later this year, housing will stop getting worse.

— **Bill Conerly**
Conerly Consulting
Lake Oswego, Oregon

Job growth in **Nevada**, Las Vegas, and Reno has continued unabated while housing prices jumped significantly over the past three years. Since wages and incomes have not kept pace with the cost of housing,

new residents find living in Nevada less attractive than earlier arrivals. Housing has become less affordable. Moreover, housing affordability will erode the advantages that the Silver State has enjoyed for some time in attracting new businesses and residents. This disadvantage does not occur for new residents coming from other areas of the U.S. that have even higher housing prices than in Nevada, for example, the major urban centers of California. Only last year did Nevada fall from being the nation’s fastest-growing state and Las Vegas the fastest-growing regional economy. All in all, slower population growth in the years ahead might be expected.

— **R. Keith Schwer**
Ctr. for Business and Economic Research
University of Nevada Las Vegas
Las Vegas, Nevada

The **Colorado** Business Leaders Confidence Index® (BLCI) moved up from 49.9 to 53.5 for the first quarter of 2007, reflecting the view of a modestly expanding economy. The forward-looking index, which measures expectations for the upcoming quarter, is comprised of six components. Five of the six components registered above 50, in the range of 52.9 to 56.1, indicating that the economy continues to be in an expansionary mode.

Leeds School of Business
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 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	6.9	6.0	3.5	2.9	-10.0	6.8	5.5	3.5	2.9	5.0
Arizona Public Service	7.8	7.5	4.0	3.0	-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	7.4	6.5	4.0	3.0		7.5	6.8	4.7	3.2	
ECON-LINC	7.5	6.9	4.0	3.1	-10.0	7.2	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.	7.4	6.7	3.5	3.2	-7.2	7.1	6.3	3.4	3.3	-4.9
Elliott D. Pollack & Co.	7.4	5.8	4.0	3.5	-25.0	7.0	4.5	3.0	3.0	15.0
H. C. Reardon Economics	6.8	6.5	3.9	3.0	-10.0	7.9	7.0	4.9	3.2	15.0
Joint Legislative Budget Committee	7.3	6.7	3.7	3.0	-7.0	7.2	6.0	3.5	3.0	-5.0
The Maguire Company	7.4	6.9	4.0	3.2	-10.0	7.4	7.0	4.2	3.1	-10.0
Davidson Fixed Income Management	7.4	7.0	3.7			7.8	7.2	3.7		
NAU - BBER	7.7	6.4	3.5	2.7	-10.0	8.1	6.4	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	-9.0	7.8	6.9	3.7	2.7	0.0
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.	7.4	6.3	3.6	2.7	-9.0	7.0	6.0	3.2	2.6	-7.0
Consensus Forecast — This Month	7.2	6.5	3.6	3.0	-12.2	7.3	6.4	3.6	2.9	3.4
— Last Month	7.3	6.5	3.6	3.0	-9.8	7.4	6.4	3.6	3.0	1.6

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	5.7	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	0.9	1.3	-12.4	6.2	5.9	1.3	1.3	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	4.3	4.2	0.5	1.1	-16.8	4.6	4.7	1.0	1.1	4.4
University of the Pacific	4.8	3.2	1.4	1.1	-20.3	5.5	4.5	1.1	1.0	11.7
Wells Fargo Company	5.2	4.0	0.9	0.7	-8.0	5.4	4.1	1.3	0.9	-4.5
Consensus Forecast — This Month	5.2	4.2	1.0	1.1	-11.6	5.5	5.1	1.3	1.1	3.4
— Last Month	5.3	4.4	1.1	1.2	-9.3	5.6	5.0	1.2	1.1	-2.5

*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.	5.3	2.1	1.4	1.7	-11.2					
Ctr. for Business and Econ. Forecasting	5.9	5.0	2.0	1.9	-10.0	6.2	5.2	2.0	2.0	0.0
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	4.8	2.1	1.5	-2.3	6.1	5.3	2.4	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.	5.0	3.6	1.5	1.2	-5.8	4.9	3.4	1.4	1.2	-3.7
Xcel Energy	7.6	7.7	2.2	1.6	-10.0	7.8	8.0	2.5	1.7	-4.5
Consensus Forecast — This Month	6.1	5.0	1.9	1.7	-8.2	6.3	5.5	2.1	1.8	-2.2
— Last Month	5.9	5.1	1.9	1.7	-7.1	6.2	5.6	2.2	1.7	-1.6

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	6.2		4.3	1.9	-18.0	6.1		4.1	1.9	-6.0
Wells Fargo UT	7.0	6.0	3.2	2.3	-10.0	7.0	5.8	3.2	2.7	0.0
Consensus Forecast — This Month	6.8	6.0	3.4	2.2	-10.5	6.4	5.8	3.2	2.2	-2.5
— Last Month	6.9	6.0	3.4	2.2	-10.5	6.5	6.0	3.3	2.1	-2.5

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	6.5		2.5	1.0	-10.0	6.0		2.0	0.4	0.0
Consensus Forecast — This Month	6.6		2.3	1.0	-10.0	6.3		2.1	0.6	0.0
— Last Month	6.6		2.3	1.0	-10.0	6.5		1.6	0.4	

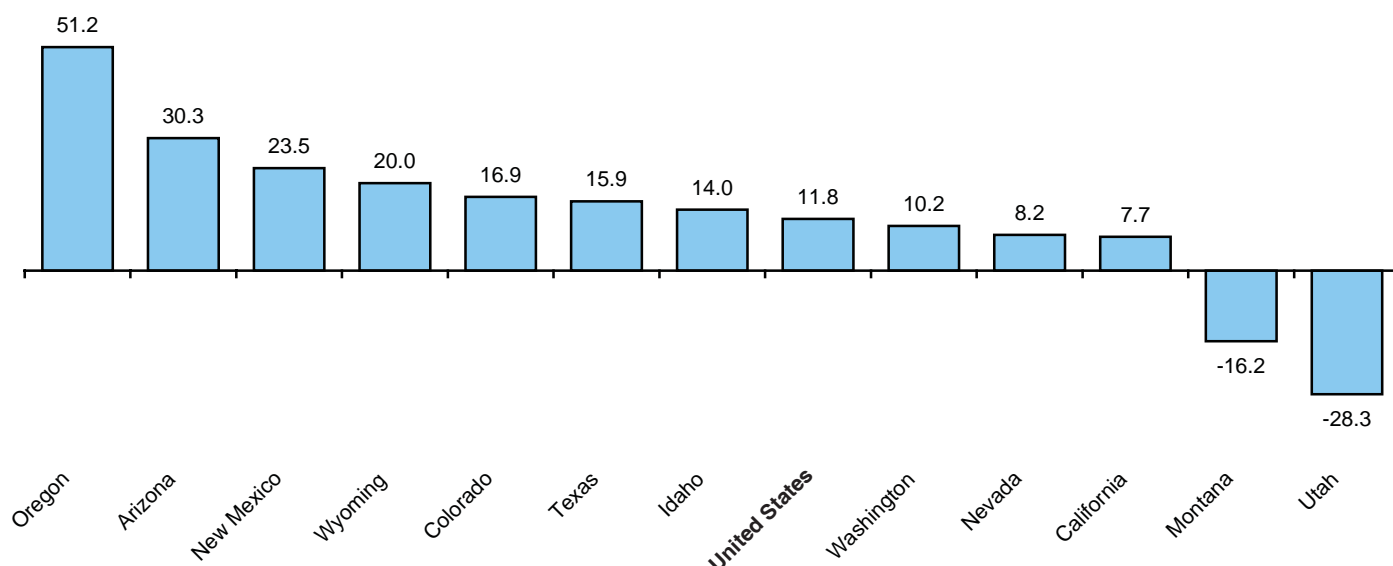
CONSENSUS FORECASTS

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.	8.0	5.0	5.0	4.0		7.9	4.9	4.9	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.	6.3	5.0	3.3	3.5	-4.0	6.3	5.0	3.0	3.0	0.0
Consensus Forecast — This Month	7.3	4.9	4.6	4.1	-12.3	7.1	4.9	4.6	3.9	14.5
— Last Month	7.3	5.0	4.6	4.1	-11.9	7.1	4.9	4.6	3.9	14.2

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	0.0
Public Service New Mexico	5.0	0.3	1.6	1.2	-1.0	5.2	0.6	1.9	1.5	2.0
University of New Mexico - BBER	5.9	6.3	2.6		7.3	5.6	2.8	2.3		2.3
Wells Fargo & Co.	5.7	1.7	2.5	1.8	-2.0	5.7	1.7	2.5	1.8	-0.3
Consensus Forecast — This Month	5.5	2.4	2.2	1.5	1.1	5.5	1.7	2.3	1.6	1.0
— Last Month	5.5	3.2	2.3	1.6	0.6	5.6	2.2	2.3	1.7	0.1

U.S. Exports of Computer and Electronic Product Manufacturing * Percent Change, First Three Quarters 2006 over First Three Quarters 2005



Source: Global Trade Information Services

*NAICS code 334

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	5.2	-2.1	1.2	1.7	-4.4	5.1	0.1	2.1	1.5	1.2
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	0.0	1.8	1.3	-5.0	6.0	2.0	2.0	1.3	7.0
Wells Fargo & Co.	5.0	1.6	2.1	1.5	-8.0	4.8	1.5	2.0	1.5	-4.0
Consensus Forecast — This Month	5.6	0.1	1.9	1.4	-5.1	5.5	1.0	2.0	1.4	2.9
— Last Month	5.6	0.3	2.0	1.4	-5.1	5.4	1.4	2.2	1.4	0.9

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	6.0	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	6.1	5.8	2.1	1.6	-0.4	6.1	5.5	1.9	1.4	-1.9
Perryman Group	7.3	7.4	1.7	1.7	-6.2	7.1	7.1	1.7	1.7	-2.1
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	5.8	5.6	1.8	1.6	-6.1	6.0	5.4	2.0	1.7	-7.9
University of North Texas	6.3	5.8	2.0	1.8	0.3	6.0	5.4	1.8	1.7	0.0
University of Texas at El Paso	6.2	6.1	2.0	1.7	-1.7	6.6	6.9	2.3	1.7	0.5
Wells Fargo & Co.	7.0	5.0	1.7	1.6	-3.5	6.6	4.8	1.8	1.5	-2.8
Consensus Forecast — This Month	6.5	5.7	2.0	1.7	-4.2	6.3	5.6	2.0	1.7	-2.6
— Last Month	6.4	5.6	1.9	1.6	-4.5	6.3	5.4	2.0	1.7	-2.3

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 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	7.0	7.3	4.0	2.7	-10.0	6.9	6.8	3.7	2.7	0.0
Consensus Forecast — This Month	7.3	5.8	3.6	2.6	-4.1	6.9	5.5	3.3	2.5	3.1
— Last Month	6.9	5.7	3.5	2.6	-3.5	6.8	5.8	3.5	2.6	3.7

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	7.1	6.1	2.2	1.9	-6.3	6.1	7.6	2.0	1.6	7.3
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	4.0	2.3	2.0	-7.0	6.8	5.8	2.2	2.0	-4.7
Wells Fargo & Co.	5.4	5.1	1.9	1.4	-5.0	5.3	5.0	1.9	1.4	-2.5
Consensus Forecast — This Month	6.6	5.6	2.3	1.8	-5.2	6.2	6.1	2.1	1.7	-0.1
— Last Month	6.6	5.7	2.3	1.8	-5.4	6.1	6.3	2.1	1.7	0.4

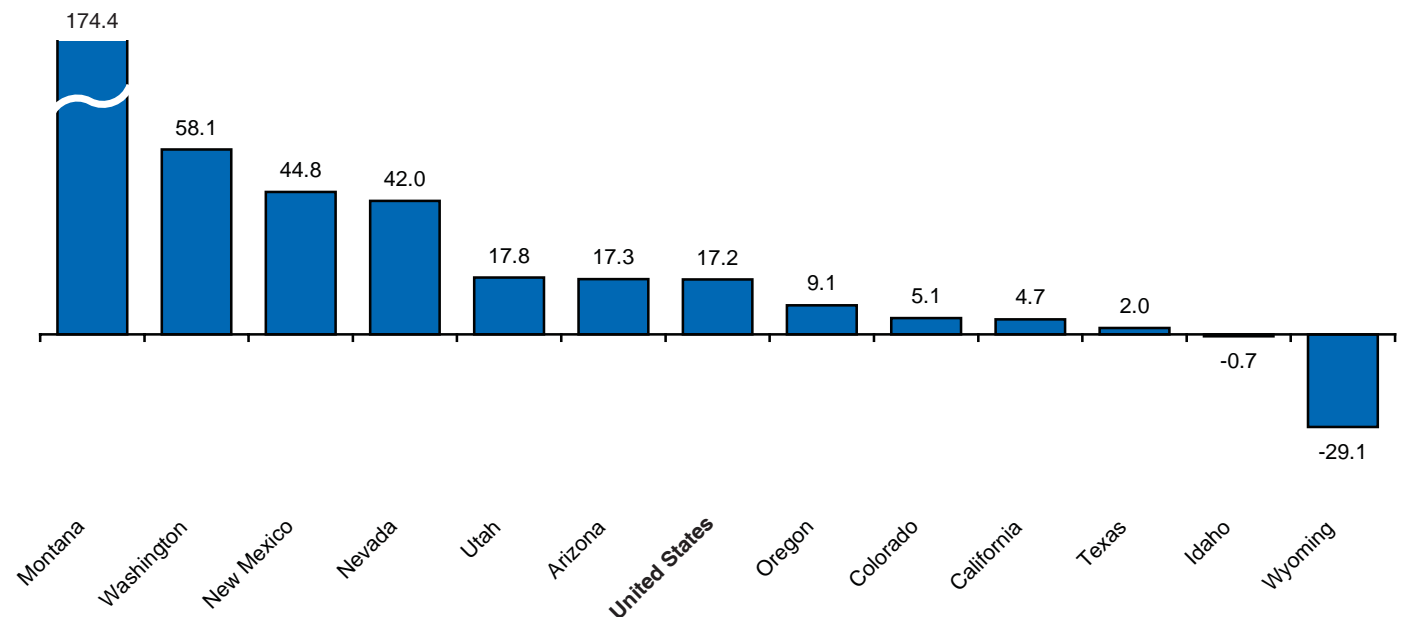
* Population forecast is from the Office of Financial Management.

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 & 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	1.0	5.0	7.3		3.0	1.1	10.0
Consensus Forecast — This Month	8.0	9.0	3.4	1.2	3.0	7.2	6.0	2.8	1.1	3.2
— Last Month	7.6	9.0	3.3	1.2	3.0	6.7	6.0	2.7	1.1	3.2

U.S Exports of Transportation Equipment Manufacturing*

Percent Change, First Three Quarters 2006 over First Three Quarters 2005



Source: Global Trade Information Services

* NAICS code 336

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	194,160 ††	167,100 ††	2,630.0	63,740 ††	183.1	72,491 ††	6,129	4.2
% change	8.4	5.4	4.9	8.1	1.0	-14.8	3.2	
2005	179,114	158,930	2,506.9	58,964	181.3	85,083	5,939	4.7
% change	8.9	5.8	5.3	13.2	2.4	2.0	3.5	
2004	164,413	150,286	2,381.3	52,098	177.1	83,411	5,740	5.0
% change	9.0	6.0	3.7	9.0	1.0	27.1	2.9	
2003	150,847	142,773	2,296.4	47,818	175.4	65,649	5,578	5.7
% change	4.6	2.5	1.4	5.3	-4.4	18.0	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	1,415,796 †	1,233,055 †	15,002.4	387,906 †	1,507.8	126,556 †	36,602 †	4.8
% change	5.8	3.1	1.5	5.3	-0.3	-16.2	1.3	
2005	1,338,181	1,195,979	14,785.2	368,382 †	1,512.7	151,022	36,132	5.4
% change	6.0	3.4	1.8	5.2	-1.3	0.2	0.8	
2004	1,262,306	1,157,113	14,530.4	350,173	1533.1	150,710	35,842	6.2
% change	6.6	3.9	1.0	9.4	-1.3	7.3	1.1	
2003	1,184,265	1,114,089	14,392.3	320,217	1,553.0	140,512	35,457	6.8
% change	3.2	1.1	-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	187,470 †	163,118 †	2,272.1	66,797 †	150.5	38,291 †	4,735 †	4.4
% change	5.9	3.1	2.1	5.4	-0.1	-5.4	1.5	
2005	177,025	158,214	2,225.5	63,375	150.6	40,477	4,665	5.0
% change	6.5	3.9	2.1	5.6	-0.8	6.1	1.4	
2004	166,188	152,339	2,179.6	60,014	151.8	38,164	4,602	5.6
% change	5.8	3.1	1.2	4.9	-1.4	14.2	1.2	
2003	157,035	147,730	2,152.8	57,192	153.9	33,428	4,548	6.1
% change	2.6	0.5	-1.4	8.1	-6.0	-5.9	1.1	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Colorado Department of Labor and Employment; Retail Trade Sales – Colorado Department of Revenue; Manufacturing Employment – Colorado Department of Labor and Employment; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Colorado Department of Labor and Employment. † Consensus †† Estimate								

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

IDAHO

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	42,977 †	37,403 †	640.6	20,334 †	64.2	18,140 †	1,453 †	3.4
% change	6.8	4.0	4.6	6.0	1.7	-6.8	1.7	
2005	40,241	35,965	612.6	19,183	63.1	19,464	1,429	3.8
% change	7.3	4.6	4.2	14.7	2.3	32.9	2.4	
2004	37,497	34,373	587.9	16,727	61.7	14,650	1,395	4.7
% change	8.2	5.4	2.8	4.2	-0.5	17.8	2.0	
2003	34,654	32,600	572.0	16,059	62.0	12,432	1,368	5.3
% change	2.4	0.3	0.7	2.1	-4.5	21.7	1.9	

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

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	29,421 †	25,607 †	433.4	29.9	19.9	3,458 †	945.0 †	3.5
% change	7.0	4.2	3.0	8.7	2.6	0.0	1.0	
2005	27,497	24,575	420.7	27.5	19.4	3,458	935.7	4.0
% change	7.3	4.6	2.3	10.4	1.0	1.0	0.9	
2004	25,635	23,499	411.3	24.9	19.2	3,425	926.9	4.3
% change	6.7	4.0	2.6	7.8	1.1	46.4	1.0	
2003	24,028	22,604	400.7	23.1	19.0	2,340	917.9	4.4
% change	5.3	3.2	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	93,582 †	81,469 †	1,288.6	N/A	12,359.6 †	36,989 †	2,507 †	4.1
% change	8.0	5.2	5.3		6.1	-1.2	3.8	
2005	86,650	77,442	1,224.2	46,190	11,649.0	37,438	2,415	4.1
% change	11.1	8.3	6.2	12.4	10.3	-3.6	3.5	
2004	78,022	71,520	1,152.7	41,087	10,562.2	38,817	2,333	4.6
% change	9.0	6.2	5.9	16.0	9.7	17.5	4.1	
2003	71,606	67,363	1,088.3	35,426	9,625.3	33,033	2,242	5.3
% change	7.5	5.3	3.5	9.3	1.9	21.1	3.4	

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	56,240 †	48,978 †	831.3	N/A	37.3	13,661 †	1,957 †	4.3
% change	5.5	2.8	2.7		3.3	0.8	1.5	
2005	53,308	47,644	809.2	12,900	36.1	13,553	1,928	5.3
% change	7.0	4.3	2.4	4.8	0.3	15.4	1.3	
2004	49,828	45,675	790.4	12,312	36.0	11,743	1,903	5.7
% change	6.5	3.8	1.9	5.2	-1.4	-0.7	1.3	
2003	46,779	44,007	775.6	11,702	36.5	11,829	1,879	5.9
% change	4.0	1.9	1.2	**	-4.9	14.3	1.3	

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	124,136 †	108,020 †	1,711.1	210.0	20,486	26,800	3,692 †	5.4
% change	6.2	3.4	3.2	2.7	-17.8	-15.9	1.4	
2005	116,889	104,468	1,658.3	204.5	24,925	31,864	3,641	6.1
% change	6.5	3.8	3.1	2.4	16.6	13.8	1.4	
2004	109,757	100,610	1,607.9	199.8	21,372	28,000	3,591	7.3
% change	5.6	2.9	2.1	2.5	13.7	7.3	0.8	
2003	103,890	97,734	1,575.6	194.9	18,799	26,103	3,563	8.1
% change	2.0	-0.1	-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	791,793 †	689,083 †	9,976.3	371.2 †	905.8	164,586 †	23,294 †	4.9
% change	6.7	3.9	2.5	6.8	0.8	-0.6	1.9	
2005	742,074	663,218	9,735.0	347.6	898.6	165,579	22,860	5.3
% change	7.5	4.8	2.5	6.1	0.9	16.8	1.7	
2004	690,588	633,038	9,497.1	327.6	891.0	141,810	22,472	6.0
% change	6.1	3.4	1.4	6.4	-1.0	6.6	1.7	
2003	650,875	612,305	9,370.0	307.9	900.0	133,077	22,099	6.7
% change	3.9	1.8	-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	74,220 †	64,598 †	1,202.0	22,801 †	120.7	25,089 †	2,529 †	3.2
% change	7.1	4.3	4.6	6.5	2.7	1.8	2.4	
2005	69,299	61,935	1,149.5	21,409	117.5	24,645	2,470	4.3
% change	7.6	4.9	4.1	5.2	2.6	23.9	2.0	
2004	64,399	59,032	1,104.3	20,351	114.5	19,899	2,421	5.0
% change	6.8	4.1	2.8	8.2	2.0	10.6	1.8	
2003	60,298	56,725	1,074.1	18,809	112.3	17,995	2,379	5.6
% change	3.7	1.6	0.1	2.1	-1.4	16.8	1.8	

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	238,673 †	207,739 †	2,865.6	109,509 †	283.5	36,508 †	6,395 †	4.9
% change	7.2	4.4	3.1	7.2	4.2	-10.8	1.7	
2005	222,643	198,983	2,779.1	102,154	272.0	40,928	6,288	5.5
% change	2.4	-0.2	2.9	9.3	3.2	11.2	1.3	
2004	217,503	199,378	2,701.0	93,441	263.6	36,815	6,207	6.3
% change	7.9	5.1	1.6	6.6	-1.3	6.8	1.2	
2003	201,607	189,660	2,657.5	87,664	267.1	34,480	6,131	7.4
% change	2.1	0.1	0.1	2.7	-6.3	4.2	1.1	

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

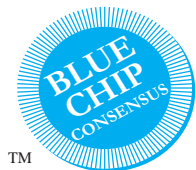
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Natural Resources & Mining Employ. (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	20,154 †	17,544 †	274	25.8	10.0	3,206 †	514.9 †	3.2
% change	7.6	4.8	4.2	13.5	3.1	1.5	1.1	
2005	18,731	16,740	263	22.7	9.7	3159	509.3	3.6
% change	8.0	5.3	3.0	12.4	3.2	12.3	0.7	
2004	17,341	15,896	255.4	20.2	9.4	2814	505.9	3.9
% change	7.0	4.3	2.2	10.4	1.1	24.2	0.8	
2003	16,202	15,242	250	18.3	9.3	2265	501.9	4.4
% change	4.8	2.7	0.8	2.2	-2.1	24.3	0.6	

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

WESTERN BLUE CHIP ECONOMIC FORECAST

The Adams Group Colorado Springs, Colorado Tucker Hart Adams	Eastern New Mexico University Portales, New Mexico David Hemley	New Mexico State University Las Cruces, New Mexico Chris Erickson	University of Colorado Boulder, Colorado Richard Wobbekind
Arizona Dept. of Commerce Phoenix, Arizona Kent Ennis	ECON-LINC Phoenix, Arizona John Lucking	Northern Arizona University Flagstaff, Arizona Dennis Foster, Ronald Gunderson & Max Jerrell	University of Houston Houston, Texas Barton Smith
Arizona Department of Economic Security Phoenix, Arizona Donald J. Wehbey	EconLit LLC Phoenix, Arizona Dwight Duncan	Office of Economic Analysis State of Oregon Dae Baek	University of Nevada at Las Vegas Las Vegas, Nevada Keith Schwer
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Arizona Public Service Co. Phoenix, Arizona Pete Ewen	Economic Development Corp. of Los Angeles County Los Angeles, California Jack Kyser	Pacificorp Salt Lake City, Utah Reed Davis	University of Texas El Paso, Texas Tom Fullerton
Arizona State University Tempe, Arizona Tracy Clark	Eggert Economic Enterprises, Inc. Sedona, Arizona Robert J. Eggert, Sr.	Perryman Group Waco, Texas M. Ray Perryman	University of New Mexico Albuquerque, New Mexico Larry Waldman
California Legislative Analyst's Office Sacramento, California Brad Williams	Elliott D. Pollack & Co. Scottsdale, Arizona Elliott Pollack	Portland General Electric Portland, Oregon Ham Nguyen	University of North Texas Center for Economic Development and Research Denton, Texas Bernard Weinstein
California State University Department of Economics Long Beach, California Joseph P. Magaddino	Federal Reserve Bank of Dallas Dallas, Texas Keith R. Phillips	Public Service Co. of New Mexico Albuquerque, N.M. Kevin Konetzni	University of the Pacific Stockton, California Sean Snaith
Capital Corporation of the West Moraga, California Tapan Munroe	Forefront Economics Beaverton, Oregon Mark Thompson	Restrepo Consulting Group, LLC Las Vegas, Nevada John Restrepo	Utah Department of Workforce Services Salt Lake City, Utah Mark Knold
Center for Business & Economic Forecasting Denver, Colorado Wilson D. Kendall	H. C. Reardon Economics Phoenix, Arizona H. C. Reardon	Salt River Project Phoenix, Arizona Arlyn Herrera, Rebecca Holmes & Karen Wolfe	VisionEcon Phoenix, Arizona Debra J. Roubik
Chapman University Orange, California Esmael Adibi	Idaho Division of Financial Management Boise, Idaho Michael Ferguson	Stellar Capital Management Phoenix, Arizona Stephen Taddie	Wells Fargo & Co. Minneapolis, Minnesota Ed Kashmarek & Scott Anderson
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Colorado Office of Planning & Budgeting Denver, Colorado Maria Coe	Legislative Counsel Bureau, Fiscal Analysis Carson City, Nevada Ted Zuend	Texas State Comptroller of Public Accounts Austin, Texas Tamara R. Plaut & Gary Preuss	Wyoming Center for Business and Economic Analysis Cheyenne, Wyoming Richard T. O'Gara
Conerly Consulting Portland, Oregon Bill Conerly	The Maguire Co. Phoenix, Arizona Alan Maguire	U.S. Bancorp Portland, Oregon John W. Mitchell	Wyoming Dept. of Administration & Information Cheyenne, Wyoming Wenlin Liu
Dick Conway & Associates Seattle, Washington Dick Conway	Metropolitan West Asset Management Phoenix, Arizona Neal Helm	UCLA Anderson Forecast Los Angeles, California Edward Leamer	Xcel Energy Denver, Colorado Tim Sheesley
Doug Pedersen & Associates Seattle, Washington Doug Pedersen	Nevada Dept. of Employment, Training & Rehabilitation Carson City, Nevada Peter Janson	University of Arizona, Eller College Tucson, Arizona Marshall Vest	



WESTERN BLUE CHIP ECONOMIC FORECAST

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