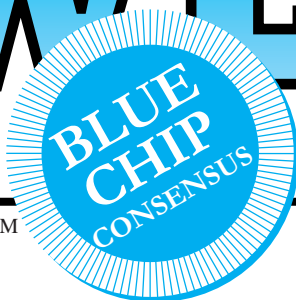


WESTERN



BLUE CHIP ECONOMIC FORECAST

TM

What Blue Chip economists are saying about the Western states

VOLUME 17 • NUMBER 6 • JULY/AUGUST 2003

New Mexico forecasters most accurate (again!) in '02

New Mexico economic analysts posted the most accurate forecasts of nonfarm employment growth for 2002. The forecasting panel from the Land of Enchantment was also the accuracy winner in 2001.

The winners were determined by calculating the difference between the projections made in January and the latest revised employment growth figures from the U.S. Bureau of Labor Statistics for 2002.

The New Mexico 2002 employment growth consensus forecast made in January called for an increase of 1.4 percent. The actual growth rate, based on recently available data revisions, was 1.2 percent.

The Washington panel captured second place in the accuracy listings. Although eight Western states lost jobs in 2002, the Washington forecasters were the only analysts that correctly projected a decrease in nonfarm employment for their state.

CONSENSUS FORECASTS AND ACTUAL NONFARM EMPLOYMENT GROWTH FOR WESTERN STATES: 2002

Rank	State	Forecast	Actual	Difference
1	New Mexico	1.4%	1.2%	0.2
2	Washington	-0.8	-1.5	0.7
3	Oregon	0.1	-1.3	1.2
4	California	0.6	-0.9	1.5
5	Idaho	1.6	-0.1	1.7
6	Arizona	1.9	0.0	1.9
7	Utah	1.5	-0.8	2.3
8	Nevada	2.5	-0.2	2.7
9	Texas	1.8	-1.0	2.8
10	Colorado	1.0	-1.9	2.9

Source: Forecasts from *Western Blue Chip Economic Forecast*, January/February 2002; actual employment growth from U.S. Bureau of Labor Statistics.

Gloomy state analysts had the best projections for 2002

MOST ACCURATE FORECASTERS BY STATE: 2002

State	Organization	Panelists
Arizona	University of Arizona	Marshall Vest
California	L.A. County Economic Development Corp.	Jack Kyser
California	Legislative Analysts Office	Brad Williams
Colorado	Center for Business & Economic Forecasting	Wilson Kendall
Colorado	University of Colorado	Richard Wobbekind
Idaho	Wells Fargo & Co.	Sung Won Sohn & Team*
Nevada	University of Nevada, Las Vegas	Keith Schwer
New Mexico	Eastern New Mexico University	Randy McFerrin***
Oregon	Connerly Consulting	Bill Connerly
Texas	Federal Reserve Bank, Dallas	Keith Phillips
Utah	Dept. of Workforce Services	Kent Jensen
Utah	Wells Fargo & Co.	Kelly Matthews**
Washington	Dick Conway & Associates	Dick Conway**

* Wells Fargo & Co. Team has included Michael Swanson and Scott Anderson with Sung Won Sohn.

** Second consecutive year of forecast accuracy listing

*** Perfect forecast

How low can you go? Those forecasters who were gloomiest about the economic outlook were most accurate in predicting job growth in their states for 2002.

The January consensus forecasts for every state overshot the actual employment increase for the year, based on revised data from the Bureau of Labor Statistics. The best individual forecasts for each state called for very slow or negative growth.

One panel member turned in a perfect 2002 forecast back in January. That person was Randy McFerrin of Eastern New Mexico University.

Forecast panel members with the best individual forecasts for each state are shown in the accompanying table. Repeat winners from last year include Kelly Matthews from Wells Fargo & Co. in Salt Lake City and Seattle's Dick Conway of Dick Conway & Associates.

— Lee McPheters

NATIONAL ROUNDUP

U.S. JOB GROWTH



% Change: April 2003 vs April 2002

Nonfarm	-0.3
Goods-Producing	-2.9
Construction	-0.9
Manufacturing	-3.8
Service-Providing	0.3
Transportation, Warehousing & Utilities	-1.8
Trade	-0.2
Information	-4.2
Financial Activities	0.7
Professional & Business Services ..	-0.7
Educational & Health Services	2.4
Leisure & Hospitality	0.2
Government	0.8

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE

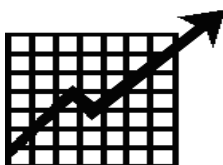


Residential Building Permits April 2003 vs April 2002

	Total Residential	Single- family	Multi- family
2003	161,789	130,190	31,599
2002	154,493	124,054	30,439
% Δ	4.7	4.9	3.8

Source: U.S. Department of Commerce

U.S. FORECASTS



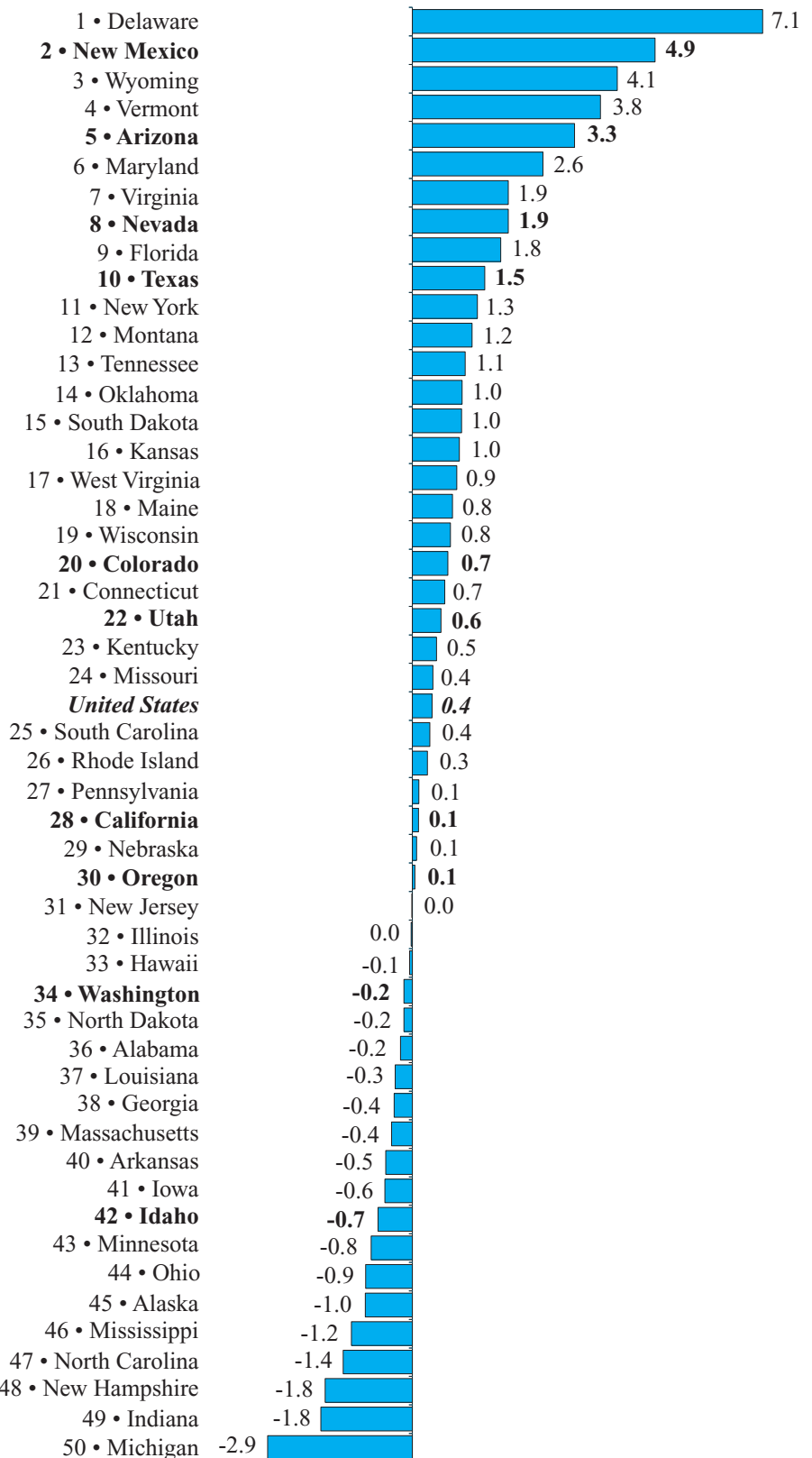
Percent Change

	2003	2004
Real GDP (Chain).....	2.4	4.3
CPI	2.2	1.5
GDP Deflator (Chain)...	1.6	1.9

Source: "U.S. Economic Outlook," *Global Insight*, June 2003

REAL GROSS STATE PRODUCT

Percent Change, 2001 vs. 2000



Source: Bureau of Economic Analysis

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
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	5.5 ↓	3.9 ↓	2.2 ↓	2.6 ↑	(4.8)↑	6.3 ↓	4.5 ↓	3.4 ↑	2.6 ↓	(2.4)↓
California	3.2 ↓	1.6 ↓	0.5 ↓	1.6 ↓	9.8 ↑	4.4 ↓	2.6 ↓	1.7 ↓	1.6 ↓	1.4 ↑
Colorado	3.6 ↓	2.0 ↓	0.6 ↓	1.2 ↓	(10.4)↓	5.2 ↓	3.4 ↓	2.1 ↓	1.4	(2.6)↑
Idaho	4.2 ↓	2.6 ↓	1.0 ↓	1.2 ↓	0.7 ↑	5.3 ↓	3.4 ↓	1.7 ↓	1.2 ↓	(1.4)↓
Nevada	5.6 ↓	3.9 ↓	2.9	3.7 ↓	1.2 ↑	6.2	4.3	3.5 ↓	3.9 ↓	1.9 ↓
New Mexico	5.0 ↑	3.4 ↑	1.2 ↑	1.2 ↓	0.2 ↑	4.9 ↓	3.0 ↓	1.6 ↑	1.2 ↓	(1.5)↓
Oregon	4.6 ↓	2.9 ↓	0.9 ↓	1.1 ↓	0.4 ↑	5.6 ↓	3.7 ↓	2.4 ↓	1.3 ↓	1.8↓
Texas	5.2 ↓	3.5 ↓	1.0 ↓	1.7 ↑	1.2 ↓	6.6 ↓	4.7 ↓	2.2 ↑	1.8 ↑	(0.7)↓
Utah	3.9	2.3	1.1	1.5	1.4	4.8	3.0	2.1 ↓	1.6	3.0
Washington	3.8 ↓	2.2 ↓	0.3 ↓	1.0 ↑	(0.4)↑	5.1 ↓	3.2 ↓	1.8 ↓	1.0	(7.2)↓
↑= Increase in consensus forecast ↓= Decrease in consensus forecast										

Forecast notes from the Western region...

The **New Mexico** economy remains one of the strongest in the country, due to exceptional growth in services, particularly health services, and state and local government. Manufacturing, mining and construction employment continue to decline, but the declines are shrinking.

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

California continues to be in a recession in 2003, with a lukewarm recovery in 2004. Job growth remains the key problem in the nation and the state. High productivity and structural changes underlie the jobs problem. The San Francisco Bay Area continues to be the lagging region in the state with the melt down in the tech industries that include telecommunications, computer and information services. The Silicon Valley economy has finally bottomed out and that is good news for the Bay Region as well as the state in terms of the recovery. The housing industry remains the anti gravity machine in the state economy.

— **Tapan Munroe**
Munroe Consulting
Moraga, California

Although the “Ardmore Escape” stone-walled congressional interference with **Texas** political redistricting, it did nothing to reduce the likelihood of a special legislative session in Austin this year. Dark rumors persist that the state budget

gap will exceed current official estimates. Stay tuned for more Lonestar policy gyrations in the months to come.

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

Momentum continues to build slowly. Technology sectors are beginning to show improvement. A successful economic development agenda during the legislative session will be a substantial catalyst for future activity.

— **M. Ray Perryman**
The Perryman Group
Waco, Texas

Oregon employment as of April 2003 is no better than January 2002. High tech continues to cut costs while the rest of manufacturing has yet to show signs of recovery. On the plus side, chip sales are slightly higher and corporate earnings have marginally improved. We are eagerly waiting for the month when we no longer say: “weaker than expected.”

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

While the news on the national economic front is getting a little more upbeat, **California's** overall economy remains bogged down. The budget drama continues to unfold (no awards for any of the players), while the worker's compensation insurance problem has caused business to become very hesitant about

increasing their work force. However, there are still some bright spots. New home construction is significantly ahead of last year, and international trade flows remain strong. Finally, the state's tourism industry is banking on a good summer “drive” market.

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

The worst may be over for the **Colorado** economy, but there are few signs of any strong recovery so far. The drought has broken in much of the state and job losses have abated. However, housing markets remain a concern and state and local governments are making significant cuts.

— **Bill Kendall**
Center for Business
and Economic Forecasting
Denver, Colorado

California has yet to generate any net new jobs. Average job and income growth this year should keep economic activity subdued. Population growth and migration trends could be worsening, cutting into California's potential growth rate longer-term. State budget problems and higher energy prices could stifle business expansion and new investment in the state.

— **Scott Anderson**
Wells Fargo & Co.
Minneapolis, Minnesota

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

Methodology

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

from an individual forecaster.

Consensus panelists for the Western Blue Chip are drawn from leading firms, universities and state agencies across the West. Panelists are contacted during the final week of each month and forecast data are compiled by telephone and fax transmission until the last day of the month. Thus, data reported in the forecast tables for a given month are current as of the

first day of that month.

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

ARIZONA

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Source:										
Arizona Public Service	5.6	4.7	2.4	2.6	(5.2)	6.4	5.6	3.4	2.6	1.5
ASU – Bank One EOC	5.3	4.0	2.0	2.3	(4.0)	6.0	5.8	3.1	2.4	(6.0)
CH2M HILL	5.8	4.8	2.4	2.6	(8.0)	6.3	5.6	3.4	2.6	(5.0)
Department of Economic Security	5.7	4.8	1.7	2.3		6.3	6.5	2.4	2.3	
ECON-LINC	5.4	4.9	2.2	2.5	(5.0)	6.4	5.5	3.8	2.6	1.0
Eggert Economic Enterprises Inc.	5.9	4.9	2.5	2.7	(6.0)	6.6	5.8	3.5	2.8	(2.0)
Elliott D. Pollack & Co.	5.8	5.0	2.5	2.7	(5.0)	6.5	5.5	4.0	2.6	(10.0)
H. C. Reardon Economics	5.7	5.0	2.4	2.7	(5.0)	6.7	5.8	3.9	2.7	(5.0)
Helm Financial	5.6	5.0	2.1			6.3	5.5	3.2		
Joint Legislative Budget Committee	5.0	3.5	1.8	2.6	(5.0)	6.0	4.5	3.3	2.6	(5.0)
Lancaster Consulting	5.8	5.0	2.6	2.5	(2.5)	6.2	5.3	2.9	2.6	5.0
The Maguire Company	5.9	5.0	2.7	2.7	(8.0)	6.3	6.0	3.7	2.7	0.0
NAU – BBER	5.7	4.8	2.5	2.5	(5.0)	6.4	5.8	3.7	2.5	0.0
Protitlement	5.8	5.2	2.5	2.7	(5.0)	6.6	5.9	3.8	2.6	(8.0)
Salt River Project	5.5	4.0	2.0	2.8	(3.0)	6.8	6.0	3.5	2.8	0.0
Stellar Capital Management	5.5	4.1	2.0	2.3	(2.5)	6.0	4.9	2.9	2.5	4.0
Tucson Electric Power Co.	4.8	3.3	1.3	2.5	(9.0)					
UA – Eller College	4.7	2.6	1.8	3.1	(9.0)	6.6	4.9	3.6	2.4	(6.9)
VisionEcon	6.0	6.0	3.0	3.1	0.0	5.9	6.1	3.2	2.8	1.0
Wells Fargo & Co.	5.4	4.3	2.0	2.7	0.0	6.0	5.1	3.1	2.6	(5.0)
Consensus Forecast — This Month	5.5	4.5	2.2	2.6	(4.8)	6.3	5.6	3.4	2.6	(2.4)
— Last Month	5.6	4.6	2.3	2.6	(5.5)	6.4	5.7	3.4	2.6	(2.1)

CALIFORNIA

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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	3.3	3.4	0.7	1.7	(0.1)	5.3	5.6	2.1	1.7	2.9
California State University, Long Beach *	7.5	5.8	0.6	1.6	2.3	6.2	6.4	1.8	1.4	(4.0)
Chapman University	3.5	3.2	0.8	1.6	7.1	4.3	4.4	1.8	1.7	(2.8)
L.A. County Economic Development Corp.	2.7	2.2	0.5	1.7	15.0	3.2	3.5	1.3	1.6	10.5
Legislative Analyst's Office	4.0	3.9	0.5	1.6	5.0	6.1	6.2	2.4	1.6	5.0
Monroe Consulting	3.0	3.1	0.5	1.7	6.0	3.5	5.1	1.0	1.7	5.0
UCLA – Business Forecasting Project	2.5	2.1	0.4	1.6	20.5	4.3	5.0	1.8	1.6	(1.0)
Wells Fargo & Co.	3.5	3.2	0.3	1.5	15.0	4.4	4.2	1.4	1.3	(10.0)
Consensus Forecast — This Month	3.2	3.0	0.5	1.6	9.8	4.4	4.9	1.7	1.6	1.4
— Last Month	3.6	3.5	0.8	1.7	5.2	5.3	5.4	2.0	1.7	0.6

*This forecast is for Southern California only

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
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.	4.1	1.4	0.9	1.3	(10.3)	3.5	4.0	2.5	1.4	(7.9)
Ctr. for Business and Econ. Forecasting	4.3	3.0	(0.2)	1.3	(12.0)	5.8	4.5	1.5	1.1	(5.0)
Colorado Legislative Council	2.7	1.7	0.1	1.2	(13.4)	5.4	4.0	2.0	1.5	(5.0)
Office of State Planning and Budgeting	3.3	2.7	0.7	1.3	(19.8)	5.7	3.3	2.1	1.4	(3.1)
University of Colorado	4.0	2.9	1.0	1.3	(8.0)	5.5	4.5	2.4	1.4	0.0
Wells Fargo & Co.	3.3	2.0	0.2	1.3	(7.0)	5.1	4.1	2.2	1.4	(2.5)
Xcel Energy	3.5	1.5	1.2	1.0	(2.0)	5.5	3.0	2.0	1.5	5.0
Consensus Forecast — This Month	3.6	2.2	0.6	1.2	(10.4)	5.2	3.9	2.1	1.4	(2.6)
— Last Month	3.7	2.4	0.7	1.3	(10.1)	5.3	4.1	2.1	1.4	(2.9)

IDAHO										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
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 Div. of Financial Management	4.3		0.1	1.0	4.9	5.3		1.5	1.0	(8.5)
Idaho Economics	4.1		1.0	1.2	(5.0)	5.3		1.2	1.2	(1.0)
Idaho State University	4.0	4.5	2.0	1.2						
Thredgold Economic Associates	4.8	3.7	1.0	1.2	(2.0)	5.5	4.5	2.2	1.1	(1.0)
University of Idaho	3.8	3.0	0.6	1.1		5.0	4.2	1.5	1.1	
Wells Fargo & Co.	4.3	3.8	1.0	1.4	5.0	5.2	4.3	2.0	1.4	5.0
Consensus Forecast — This Month	4.2	3.8	1.0	1.2	0.7	5.3	4.3	1.7	1.2	(1.4)
— Last Month	4.2	3.8	1.1	1.2	(1.8)	5.3	4.3	1.7	1.2	0.6

NEVADA										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
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.	5.0	4.0	2.5	3.5		6.0	4.0	3.3	3.3	
Legis. Counsel Bureau – Fiscal Analysis	5.0	4.9	2.6	3.5	(2.0)	5.5	2.6	3.3	3.5	0.0
Restrepo Consulting Group, LLC	5.0	4.0	3.0	3.3	2.5	5.3	4.0	3.5	3.5	2.8
Thredgold Economic Associates	6.5	2.5	3.2	4.2	3.0	7.0	5.0	4.3	4.8	4.5
Southwest Gas	6.6	3.3	2.8	4.2	2.2	6.9	4.6	3.1	4.7	3.0
Univ. of Nevada at Las Vegas – CBER	5.9	3.1	3.3	3.9	(3.5)					
Wells Fargo & Co.	5.0	3.7	3.0	3.4	5.0	6.4	4.3	3.2	3.3	(1.0)
Consensus Forecast — This Month	5.6	3.6	2.9	3.7	1.2	6.2	4.1	3.5	3.9	1.9
— Last Month	5.7	3.6	2.9	3.8	0.6	6.2	4.0	3.5	4.0	2.6

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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
Source:										
Eastern New Mexico University	4.4	(0.5)	0.8	1.3	2.5	4.5	0.0	1.2	1.2	1.2
New Mexico Department of Labor		(1.9)	0.9				(1.0)	1.5		
New Mexico State Univ. – CEMAF	5.5	(1.5)	1.2			5.2	(1.0)	1.5		
Public Service New Mexico	4.7	(1.4)	1.3	1.2	(1.8)	4.3	0.2	1.6	1.1	(2.1)
University of New Mexico – BBER	5.8	(0.9)	2.0		2.6	5.1	1.3	2.2		(1.2)
Wells Fargo & Co.	4.8	(0.2)	1.1	1.2	(2.5)	5.2	0.3	1.8	1.2	(4.0)
Consensus Forecast — This Month	5.0	(1.1)	1.2	1.2	0.2	4.9	(0.0)	1.6	1.2	(1.5)
— Last Month	5.0	(1.1)	1.2	1.3	(1.4)	4.9	(0.3)	1.5	1.3	(0.3)

OREGON

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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
Source:										
Conerly Consulting	4.8	(2.7)	(0.8)	1.1	0.0	6.1	3.6	2.3	1.1	(6.0)
Forefront Economics	5.3	1.8	2.4	1.1	3.5	5.6	2.0	2.8	1.3	5.0
Oregon Executive Department	4.8	0.8	1.0	1.0	1.4	5.6	1.5	2.4	1.3	3.3
Portland General Electric	4.5	0.0	1.0	1.2	3.0	6.0	1.0	2.0	1.3	5.0
Rhodes Econometrics	4.1	1.0	1.7	1.1	1.1	5.5	2.0	2.4	1.2	2.2
Thredgold Economic Associates	4.5	0.0	1.0	1.2	4.5	5.5	2.5	3.0	1.5	5.0
U.S. Bancorp	4.4	1.0	0.6	1.1	(5.0)	5.5	2.5	2.5	1.1	0.0
Wells Fargo & Co.	4.0	0.7	0.5	1.1	(5.0)	5.1	1.4	2.0	1.2	0.0
Consensus Forecast — This Month	4.6	0.3	0.9	1.1	0.4	5.6	2.1	2.4	1.3	1.8
— Last Month	4.6	0.9	1.4	1.2	0.4	5.7	2.2	2.7	1.3	2.1

TEXAS

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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:										
Econoclast	5.1	5.0	1.1	1.5	1.0	7.1	6.8	2.5	1.8	2.0
Federal Reserve Bank of Dallas	6.0	6.0	0.5	1.7	(1.5)	7.5	7.0	2.7	1.8	2.5
Ed McClelland	5.8	5.7	1.5	1.7	1.0	6.6	6.4	2.2	1.7	0.7
Perryman Group	5.7	5.9	1.6	1.7	3.2	6.5	6.7	2.1	1.8	(0.8)
TX State Comptroller of Public Accounts	4.2	1.1	0.6	1.9	(1.3)	5.9	7.9	1.9	1.8	(7.8)
University of Houston – CPP	5.1	4.9	0.9	1.4		6.8	6.9	2.2	1.8	
University of Texas at El Paso	4.6	3.8	0.8	1.6	2.2	5.7	5.8	1.8	1.7	(0.4)
Wells Fargo & Co.	5.0	5.0	0.8	1.7	4.0	6.4	6.3	2.4	1.7	(1.0)
Consensus Forecast — This Month	5.2	4.7	1.0	1.7	1.2	6.6	6.7	2.2	1.8	(0.7)
— Last Month	5.4	5.3	1.1	1.6	1.3	6.6	6.5	2.2	1.7	0.2

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

Source:	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Pacificorp	5.3	4.5	2.2	1.7	7.0	4.8	4.2	2.1	1.7	5.0
Thredgold Economic Associates	3.5	2.8	1.0	1.3	(1.0)	5.5	3.5	2.3	1.6	3.0
Utah Dept. of Workforce Services	3.1	2.2	0.7	1.5	(1.0)	4.3	3.5	2.0	1.7	1.5
Utah State Tax Commission	3.6	3.3	0.5	1.6	(3.0)	4.8	4.5	2.0	1.6	0.5
Wells Fargo & Co.	4.0	3.5	1.0	1.6	5.0	4.8	4.3	2.3	1.6	5.0
Consensus Forecast — This Month	3.9	3.3	1.1	1.5	1.4	4.8	4.0	2.1	1.6	3.0
— Last Month	3.9	3.3	1.1	1.5	1.4	4.8	4.0	2.2	1.6	3.0

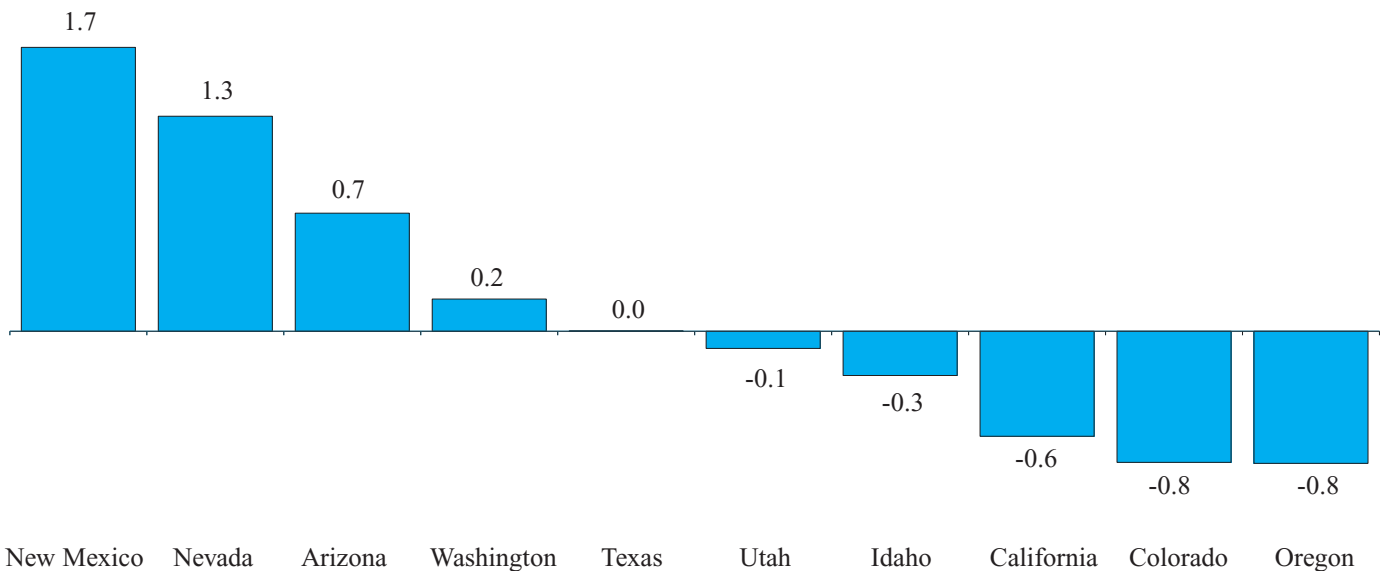
WASHINGTON

Source:	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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	4.2	3.3	0.1	1.4	4.9	5.4	5.5	1.7	1.3	(5.5)
Dick Conway & Associates	3.4	3.0	0.0	0.8	(1.0)	4.8	5.2	1.6	0.7	(8.0)
Doug Pedersen & Associates	3.5	3.0	0.3	0.9	11.5	4.8	5.0	1.7	1.0	(10.0)
Office of Forecast Council *	4.1	3.2	0.6	0.9	(13.1)	5.1	5.6	2.2	1.0	(9.3)
Wells Fargo & Co.	3.8	3.0	0.6	1.1	(4.2)	5.3	4.9	1.9	1.1	(3.0)
Consensus Forecast — This Month	3.8	3.1	0.3	1.0	(0.4)	5.1	5.2	1.8	1.0	(7.2)
— Last Month	4.0	3.2	0.5	1.0	(3.7)	5.2	5.2	2.0	1.0	(5.3)

* Population forecast is from the Office of Financial Management.

NONFARM JOB GROWTH

Percent Change, May 2003 vs. May 2002 (Not Seasonally Adjusted)



Source: U.S. Bureau of Labor Statistics

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
2002	142,868	128,938	2,264.9	45,425	183.9	55,649	5,468	6.2
% change	4.0	2.9	(0.0)	1.3	(8.8)	9.3	2.8	
2001	137,331	125,304	2,265.0	44,833	201.7	50,930	5,321	4.7
% change	4.8	2.3	1.0	2.0	(3.9)	4.3	2.9	
2000	131,046	122,510	2,242.7	43,940	209.9	48,846	5,169	4.0
% change	9.0	6.7	3.7	7.8	1.2	(5.6)	3.0	
1999	120,264	114,841	2,163.0	40,769	207.4	51,764	5,017	4.4
% change	6.5	5.0	4.3	10.0	(1.5)	1.5	3.2	
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
2002	1,158,679	1,045,698	14,476.5	298,366 †	1,641.2	120,783	35,301	6.7
% change	2.5	1.4	(0.9)	1.5	(8.1)	13.7	1.7	
2001	1,129,868	1,030,914	14,601.9	293,957	1,785.6	106,265	34,698	5.4
% change	2.7	0.2	0.8	2.4	(3.9)	1.6	1.9	
2000	1,100,679	1,028,977	14,488.2	287,068	1,857.5	104,600	34,036	4.9
% change	10.6	8.3	3.5	12.3	1.5	1.8	1.9	
1999	995,326	950,446	13,991.8	255,589	1,829.9	102,750	33,417	5.2
% change	6.8	5.3	2.9	11.4	(1.5)	10.0	1.7	
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
2002	149,958	135,336	2,183.7	52,777	166.3	35,522	4,507	5.7
% change	1.2	0.1	(1.9)	(10.6)	(8.6)	(2.6)	1.7	
2001	148,239	135,256	2,225.4	59,041	181.9	36,477	4,431	3.7
% change	3.6	1.1	0.6	1.8	(4.9)	(3.2)	2.4	
2000	143,043	133,725	2,212.6	58,018	191.3	37,699	4,327	2.8
% change	11.4	9.1	3.8	10.3	0.3	(1.9)	*	
1999	128,386	122,597	2,131.5	52,609	190.7	38,410	4,056	2.9
% change	8.4	6.9	3.6	9.2	(1.9)	6.4	2.2	
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								

* 2002, 2001 and 2000 based on 2000 Census; 1999 based on 1990 Census.

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
2002	33,605	30,329	567.2	15,736 ††	64.7	10,212	1,341	5.8
% change	3.8	2.7	(0.1)	8.3 **	(5.3)	7.7	1.6	
2001	32,363	29,528	567.7	14,525	68.3	9,483	1,321	5.0
% change	3.8	1.3	1.5	5.6	(2.3)	(6.1)	1.6	
2000	31,177	29,146	559.5	13,755	69.9	10,098	1,300	4.9
% change	7.9	5.6	3.8	4.5	1.5	(3.8)	*	
1999	28,901	27,598	538.8	13,163	68.9	10,497	1,252	5.2
% change	6.8	5.3	3.3	4.8	(0.4)	2.1	1.7	

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

NEVADA

	Current \$ 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
2002	65,596	59,199	1,049.6	32,003 †	9,611 †	27,284	2,173	5.5
% change	3.8	2.7	(0.2)	0.9	1.5	1.1	3.6	
2001	63,200	57,665	1,051.4	31,709 †	9,469	26,981	2,098	5.3
% change	5.1	2.6	2.4	7.7	(1.4)	4.8	3.9	
2000	60,149	56,230	1,026.9	29,454	9,600	25,749	2,019	4.0
% change	8.5	6.2	4.5	6.1	6.4	6.0	*	
1999	55,439	52,939	983.0	27,761	9,023	24,283	1,809	4.4
% change	6.6	5.1	6.2	6.5	11.9	(0.7)	3.8	

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

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
2002	44,412	40,081	766.0	12,212 ††	38.5	10,348	1,855	5.4
% change	5.1	3.9	1.2	(2.6)	(5.9)	15.9	1.3	
2001	42,260	38,559	757.2	12,540	40.9	8,929	1,831	4.8
% change	6.5	3.9	1.7	3.6	(1.9)	11.1	0.5	
2000	39,692	37,107	744.8	12,099	41.7	8,037	1,822	5.0
% change	5.2	3.0	2.1	5.5	1.2	(6.5)	*	
1999	37,725	36,024	729.7	11,466	41.2	8,595	1,740	5.6
% change	2.4	0.9	1.4	2.1	(3.1)	(6.7)	0.4	

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

* 2002, 2001 and 2000 based on 2000 Census; 1999 based on 1990 Census.

** Due to a change in the manner of calculation, it may not be appropriate to compare 2002 retail sales with previous years.

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

OREGON

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Manufacturing Employment (thousands)	Single-family Permits (number)	Housing Permits (number)	Population (thousands)	Unem- ployment Rate
2002	101,176	91,311	1,572.3	201.8	17,977	22,543	3,505	7.5
% change	3.2	2.1	(1.3)	(6.4)	10.9	7.1	1.0	
2001	98,026	89,441	1,593.6	215.7	16,217	21,049	3,472	6.3
% change	2.6	0.2	(0.8)	(4.1)	4.4	6.4	1.0	
2000	95,508	89,286	1,606.9	225.0	15,532	19,785	3,437	4.9
% change	7.2	5.0	2.0	0.1	(6.4)	(14.9)	1.3	
1999	89,080	85,063	1,575.0	224.7	16,595	23,249	3,393	5.7
% change	4.4	3.0	1.5	(1.8)	(2.0)	(10.1)	1.3	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Oregon Employment Division; Manufacturing Employment – Oregon Employment Division; Single-family Permits – U.S. Bureau of the Census; Housing Permits – U.S. Bureau of the Census; Population – Portland State University; Unemployment Rate – Oregon Employment Division. † Consensus †† Estimate								

TEXAS

	Current \$ 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
2002	621,832	561,198	9,426.9	314.8 †	951.2	120,644	21,780	6.3
% change	2.2	1.1	(1.0)	3.9	(7.4)	8.3	1.9	
2001	608,466	555,176	9,518.4	303.0	1,026.8	111,352	21,371	4.8
% change	3.7	1.2	0.9	1.5	(3.9)	4.5	2.0	
2000	586,587	548,374	9,433.4	298.6	1,068.0	106,601	20,955	4.2
% change	8.7	6.4	3.0	11.5	0.4	4.7	*	
1999	539,527	515,200	9,159.3	267.7	1,063.3	101,848	20,044	4.6
% change	5.4	3.9	2.5	9.5	(1.3)	2.0	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								

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
2002	56,299	50,809	1,072.6	18,356	113.7	15,406	2,316	6.1
% change	2.8	1.7	(0.8)	3.4	(6.8)	11.2	1.6	
2001	54,764	49,968	1,081.3	17,748	122.0	13,851	2,279	4.4
% change	4.3	1.8	0.5	2.7	(2.8)	2.9	1.6	
2000	52,518	49,097	1,075.4	17,278	125.5	13,463	2,243	3.3
% change	7.3	5.1	2.6	4.8	(0.4)	(7.5)	*	
1999	48,923	46,717	1,048.5	16,493	126.0	14,561	2,130	3.7
% change	4.6	3.1	2.5	5.3	(0.6)	0.6	1.4	
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								

* 2002, 2001 and 2000 based on 2000 Census; 1999 based on 1990 Census.

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

WASHINGTON

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2002	198,317	178,980	2,656.8	84,895	285.7	33,090	6,069	7.3
% change	3.5	2.4	(1.5)	0.5	(9.6)	17.6	1.3	
2001	191,645	174,860	2,697.0	84,470	316.1	28,137	5,993	6.4
% change	2.6	0.1	(0.5)	(0.3)	(4.7)	3.1	1.4	
2000	186,843	174,671	2,711.2	84,748	331.8	27,283	5,912	5.2
% change	7.3	5.0	2.4	6.4	(3.4)	(7.8)	*	
1999	174,148	166,295	2,648.6	79,684	343.4	29,598	5,756	4.7
% change	6.7	5.2	2.1	7.8	(4.7)	(3.3)	1.2	

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

* 2002, 2001 and 2000 based on 2000 Census; 1999 based on 1990 Census.

BUILDING PERMITS Percent Change, YTD April 2003 vs. April 2002



Source: Bureau of the Census



WESTERN BLUE CHIP ECONOMIC FORECAST

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WESTERN BLUE CHIP ECONOMIC FORECAST (ISSN 1042-6795) is published by the Bank One Economic Outlook Center, an affiliate of the L. William Seidman Research Institute, W. P. Carey School of Business, Arizona State University, P.O. Box 874011, Tempe, AZ 85287-4011. **Rates:** Print Copy – one year (10 issues), \$110; two years (20 issues), \$160. PDF file – one year, \$99; two years, \$145. Address all requests to the Bank One Economic Outlook Center, or call (800) 448-0432. Checks must be payable to ASU Foundation. Funds will be deposited with the ASU Foundation, a nonprofit organization which exists to support ASU. Your payment is not considered a charitable contribution.

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