

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

GDP of the Western states: a mixed performance

Gross Domestic Product (GDP) is one of the most watched indicators of the U.S. economy. It is a measure of the market value of final goods and services produced domestically, as such a measure of output. Until recently, the comparable state indicator of output was woefully stale by the time it was released. This has changed and it may be worth taking a second look at GDP by State (formerly Gross State Product).

MEASURING GDP BY STATE

GDP by State can be difficult to measure as surveys of companies with questionnaires about business activity and direct observation are costly and inefficient. The Bureau of Economic Analysis (BEA), therefore, relies on third-party sources of data, which they then compile

into the GDP by State estimate. These sources include government agencies at the federal, state and local levels, private companies and some information from other BEA measures such as the personal income figure. Harmonization of the data can be a problem, so the BEA takes steps to ensure that the data comply with proper economic accounting procedures. All data are reported in North American Industry Classification System (NAICS) categories.

The components of GDP by State include wages, salaries and benefits earned by workers; business taxes such as federal excise tax, sales tax, and property tax; and capital income that includes income earned by sole proprietorships, partnerships and corporations as well as rents (income earned by capital) such as depreciation.

THE GOOD NEWS ...

In 2006, the continental Western states fared well in terms of GDP by State. Idaho led the way with growth of 7.4 percent and was followed closely by Utah at 7.2 percent growth over 2005. This is in stark contrast to the Rust Belt states, where Michigan saw a 0.5 percent decline in GDP by State, and Alaska, which experienced growth of just 0.7 percent in 2006 compared to 2005. With the exception of Alaska, none of the Western states faced growth of less than 4.1 percent.

... AND THE BAD NEWS

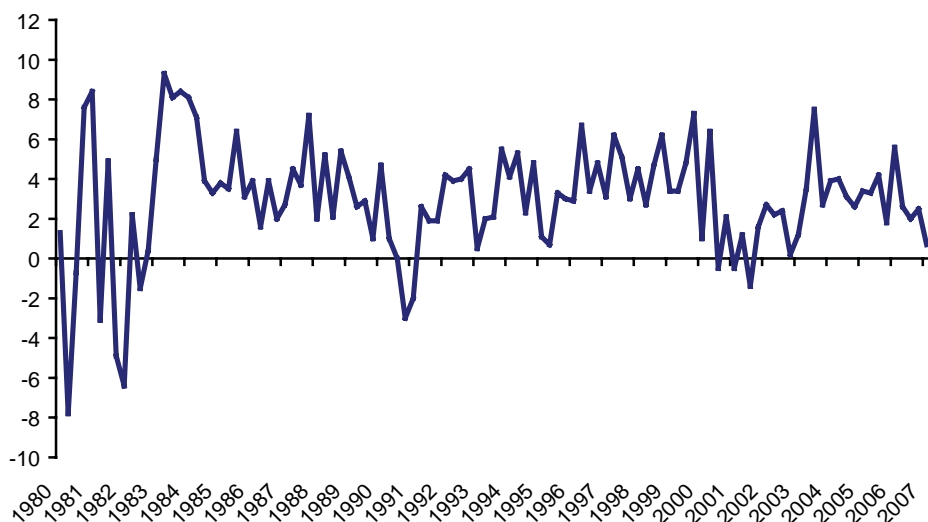
The Western states have seen significant population growth which has continued to date. When ranked by GDP by State per capita, however, the Western states drop in the rankings. Utah, for example, ranks 2nd in the nation for real GDP by State growth in 2006 over 2005 (7.2 percent growth). For the same period, however, Utah ranks as 39th in terms of per capita growth (4.7 percent). Similarly, Idaho, ranking 1st in the nation for real GDP by State growth (7.4 percent) drops to 41st when ranked per capita (4.7 percent).

REVISING HISTORY

Economic growth in the Western states, therefore, can be tricky. Luckily, the economic forecaster has an advantage over a weather forecaster: the ability to revise the historical data. Quite often, economic indicators are revised and sometimes these revisions can span decades. Therefore it should be kept in mind that, when it comes to economic indicators such as GDP by State, it is a good idea to update historical data as current information is released.

— Dawn McLaren

Percent Change in Real Gross Domestic Product

Quarterly Data Seasonally Adjusted at Annual Rates

Source: Bureau of Economic Analysis

NATIONAL ROUNDUP

U.S. JOB GROWTH



% Change: May 2007 vs. May 2006

Nonfarm	1.4
Goods-Producing	-0.7
Construction	0.0
Manufacturing	-1.2
Service-Providing	1.8
Transportation, Warehousing & Utilities	1.6
Trade	0.8
Information	1.7
Financial Activities	1.0
Professional & Business Services ..	2.2
Educational & Health Services	3.0
Leisure & Hospitality	3.3
Government	1.3

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits May 2007 vs. May 2006

	Total Residential	Single- family	Multi- family
2007	144,440	105,295	39,145
2006	184,470	145,063	39,407
% Δ	-21.7	-27.4	-0.7

Source: U.S. Department of Commerce

U.S. FORECASTS



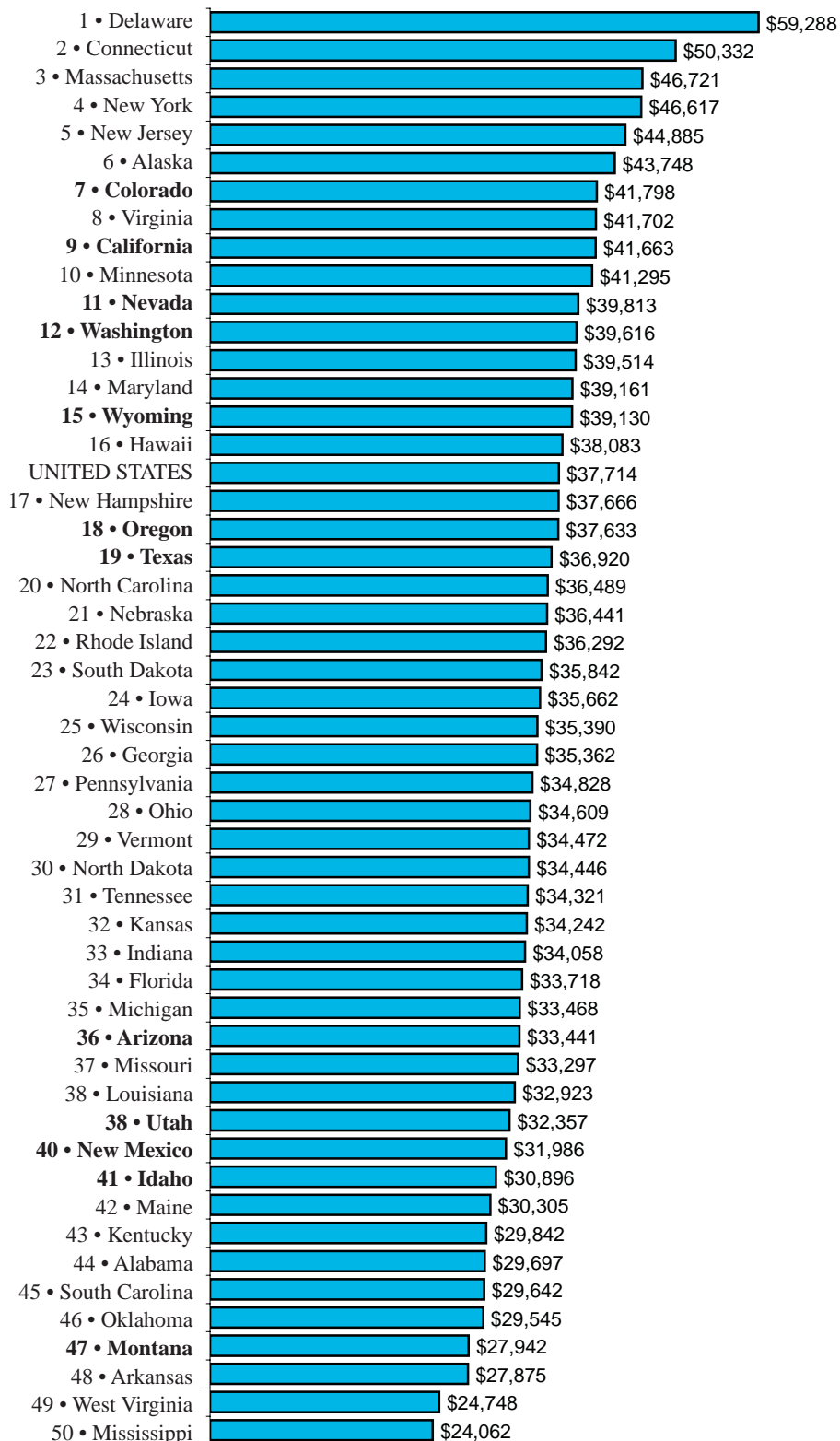
Percent Change

	2007	2008
Real GDP (Chain)	2.1	2.8
CPI	2.2	1.7
GDP Deflator (Chain) ..	2.5	1.9

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

Real Gross Domestic Product Per Capita

2006



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	7.2 ↑	5.1 ↑	3.5 ↓	3.0 ↑	-14.7 ↓	7.0 ↓	5.0 ↓	3.4 ↑	3.0 ↑	-0.4 ↓
California	5.1 ↓	3.0 ↓	1.3 ↑	1.1	-17.3 ↓	5.2 ↓	3.2 ↓	1.2 ↑	1.1	2.5 ↓
Colorado	6.1 ↑	4.0 ↑	2.0	1.7 ↓	-9.0 ↓	6.2 ↑	4.3 ↑	2.0 ↑	1.7 ↓	-2.6 ↑
Idaho	7.3 ↓	5.2 ↓	3.1 ↓	2.2	-6.2	6.6	4.6 ↑	2.7	2.2 ↓	-1.2
Montana	6.8	4.7	2.6	1.0	-10.0	6.6	4.6	2.5	0.9	0.0
Nevada	7.0 ↓	4.9 ↓	4.1 ↓	4.1	-15.3 ↓	6.7	4.7 ↓	4.2 ↓	3.9	14.2 ↓
New Mexico	5.7 ↓	3.7 ↓	2.0 ↓	1.5	-0.5 ↑	5.6 ↓	3.7 ↓	1.9 ↓	1.6	-0.5 ↓
Oregon	5.6 ↑	3.5 ↑	1.8 ↓	1.5	-4.7 ↓	5.5 ↑	3.6 ↑	1.8 ↓	1.4	0.5 ↓
Texas	6.4	4.3	2.1	1.7	-4.6 ↑	6.2 ↓	4.3 ↓	2.1	1.7 ↓	-1.8
Utah	7.6	5.5	3.7	2.6	-5.3	7.0	5.0	3.3	2.5	-0.3
Washington	6.8 ↑	4.7 ↑	2.2 ↓	1.8 ↑	-6.4 ↑	6.3 ↑	4.3 ↑	2.0 ↓	1.7 ↑	-1.5 ↓
Wyoming	8.0	5.8	3.4	1.2	3.0	7.2	5.2	3.0	1.1	3.2

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

Forecast notes from the Western region...

New Mexico economic growth slowed markedly during the first quarter of 2007, from 2.8 percent in the final quarter of 2006 to only 2.0 percent in the first quarter. The major factor in the slowdown came from the construction sector, where employment growth fell to -0.8 percent, following an 8.9 percent gain in 2006. A very weak housing sector, a somewhat severe winter, and the completion of several large projects, each contributed to the decline. There were several other weak sectors, but the construction drop was the telling statistic.

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

Texas continues to show momentum in investment and a sustainable pace of job growth. Infrastructure spending and commercial development are dampening the effects of a housing slowdown.

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

Nevada indicators continue to soften, a reflection of rebalancing in housing construction and slower spending for consumer durables. Nevada April taxable sales are down in the short run (compared with the previous month) and the trend (same

month year ago). Still, job growth continues to trend up, suggesting expansion at slower rates.

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

The housing slowdown will negatively impact the region's economy this year and next. Particularly hard hit are the counties of Riverside/San Bernardino and Orange.

— **Joseph Magaddino**
California State University,
Department of Economics
Long Beach, California

The most recent data from BEA on gross domestic state product show that the ten fastest-growing states are all in the West. In 2006, real GDP rose 4.3 percent in Texas, making the state the 10th fastest-growing by the output measure. Still, on a per capita basis Texas' GDP remains two percent below the national average.

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

First quarter retail sales were slower than projected primarily because of weaker job growth and abnormal winter weather, particularly in Colorado. Looking ahead

to the second quarter, improved weather conditions should boost the potential for increased retail spending; however, some of this growth may be offset by higher energy prices.

— **Business Leaders Confidence Index**
University of Colorado at Boulder,
Business Research Division
and Compass Bank
Boulder, Colorado

Falling sales, weak prices and rising foreclosures have ruled the housing market while both national and state measures of construction activity suggest that real estate has been a drag on growth for close to a year. But the wider California economy is mostly unfazed: job growth has only slowed slightly, for example, and there has been only a slight uptick in unemployment.

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

State sales tax net collections deposited to general revenue totaled \$1,786.2 million in May 2007. Compared with the \$1,543.5 million collected in May 2006, this represents an increase of 15.7 percent.

— **Susan Combs**
Texas Comptroller of Public Accounts
Austin, Texas

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

Methodology

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

from an individual forecaster.

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

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

ARIZONA

	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Source:										
Arizona Department of Commerce	6.7	6.0	3.4	3.0	-15.0	6.2	5.7	3.2	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	7.3	6.6	3.7	3.1		6.4	6.1	3.0	3.0	
ECON-LINC	7.5	6.6	3.8	3.0	-20.0	7.5	6.7	3.8	3.0	5.0
EconLit LLC	7.3	6.5	3.6	2.9	-10.0	7.2	6.8	3.5	3.0	0.0
Eggert Economic Enterprises Inc.	7.1	6.4	3.4	3.1	-13.8	6.8	5.8	3.5	3.0	-8.1
Elliott D. Pollack & Co.	7.2	5.0	3.7	3.2	-10.0	6.8	4.0	3.0	3.0	-10.0
Grand Canyon University	6.8	6.5	3.5	3.0	-15.0	6.9	6.0	3.8	3.2	0.0
H. C. Reardon Economics	6.9	6.5	3.5	3.0	-20.0	6.9	6.5	3.6	3.1	10.0
Joint Legislative Budget Committee	7.2	6.3	3.7	3.1	-15.0	7.0	6.0	3.5	3.0	2.0
The Maguire Company	7.3	6.5	3.8	3.3	-15.0	7.2	6.6	4.0	3.1	-5.0
Davidson Fixed Income Management	7.4	6.8	3.7			7.5	6.8	3.7		
NAU - BBER	7.4	6.2	3.5	2.7	-10.0	7.9	6.0	3.5	2.7	0.0
Salt River Project	7.0	6.0	3.5	3.0	-15.0	7.5	6.5	3.5	3.0	0.0
Stellar Capital Management	7.1	6.5	3.6	2.7	-28.0	7.7	6.9	3.7	2.7	4.0
UA - Eller College	6.9	5.6	2.8	3.8	-21.7	5.6	5.2	1.7	3.1	9.2
Wells Fargo & Co.	7.1	6.0	3.3	2.7	-10.0	6.7	5.7	3.0	2.6	-8.0
Consensus Forecast — This Month	7.2	6.3	3.5	3.0	-14.7	7.0	6.1	3.4	3.0	-0.4
— Last Month	7.2	6.4	3.5	3.0	-13.5	7.1	6.3	3.4	2.9	1.7

CALIFORNIA

	2007 Annual Percent Change, 2007 from 2006					2008 Annual Percent Change, 2008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Source:										
Anonymous	5.3	4.1	1.3	1.3	-9.6	5.5	3.9	1.5	1.3	10.4
California State University, Long Beach *	5.3	6.1	1.6	1.6	2.7	5.9	6.5	1.8	1.7	-0.5
Chapman University	5.2	4.8	1.1	1.0	-20.1	4.8	4.3	0.9	1.0	-3.5
L.A. County Economic Development Corp.	5.6	4.6	1.5	1.2	-29.9	5.8	5.2	1.7	1.2	-3.7
Legislative Analyst's Office	5.4	4.7	1.3	1.1	-8.7					
UCLA - Business Forecasting Project	4.2	4.4	1.4	1.1	-24.0	4.7	4.8	0.9	1.1	4.1
University of the Pacific	4.9	3.4	1.3	1.1	-19.7	5.6	4.6	1.3	1.1	7.7
Wells Fargo Company	4.9	3.9	1.3	0.7	-9.0	4.8	4.0	1.1	0.9	0.0
Consensus Forecast — This Month	5.1	4.3	1.3	1.1	-17.3	5.2	4.5	1.2	1.1	2.5
— Last Month	5.2	4.4	1.2	1.1	-15.5	5.4	4.8	1.2	1.1	4.3

*This forecast is for Southern California only

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
The Adams Group, Inc.	5.8	4.1	2.1	2.0	-5.0					
Ctr. for Business and Econ. Forecasting	5.8	5.0	1.8	1.8	-20.0	6.2	5.2	2.0	2.0	-5.0
Colorado Legislative Council	6.6	6.3	2.2	1.9	-20.3	6.5	5.2	2.1	1.8	-5.7
David Hemley	5.9	4.2	2.1	1.5	-3.0	6.1	4.8	2.2	1.8	-1.7
Office of State Planning and Budgeting	6.2	5.6	2.0	1.7	-2.0	6.1	5.9	2.1	1.7	-0.1
University of Colorado	6.0	5.6	1.9	2.0	-3.0	6.2	5.2	2.2	1.9	-1.0
Wells Fargo & Co.	4.9	3.9	1.3	0.7	-9.0	4.8	4.0	1.1	0.9	0.0
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	5.3	2.0	1.7	-9.0	6.2	5.5	2.0	1.7	-2.6
— Last Month	6.1	5.2	2.0	1.7	-8.7	6.2	5.3	2.0	1.7	-3.0

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	7.0		3.3	2.0	-5.0	6.7		2.7	1.9	-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
Consensus Forecast — This Month	7.3	6.0	3.1	2.2	-6.2	6.6	5.8	2.7	2.2	-1.2
— Last Month	7.3	6.0	3.1	2.2	-6.2	6.6	5.8	2.7	2.2	-1.2

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
Consensus Forecast — This Month	6.8		2.6	1.0	-10.0	6.6		2.5	0.9	0.0
— Last Month	6.8		2.6	1.0	-10.0	6.6		2.5	0.9	0.0

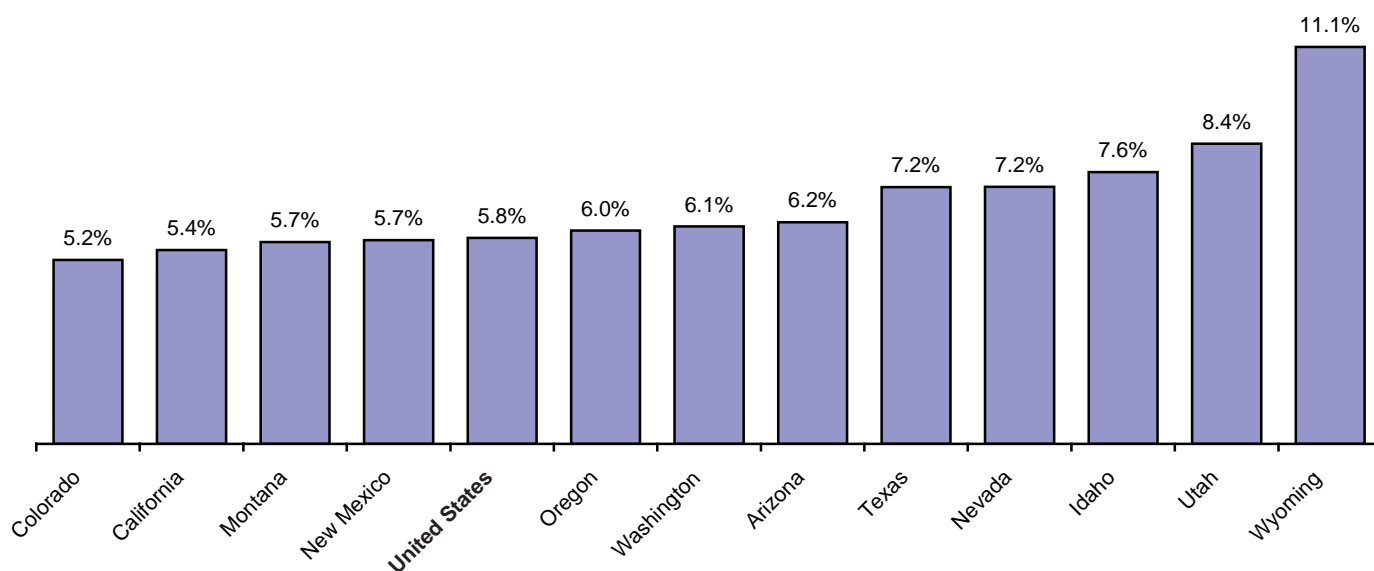
CONSENSUS FORECASTS

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.	6.9	6.2	2.5	3.5	-16.0	6.5	5.7	2.3	3.0	-1.0
Consensus Forecast — This Month	7.0	4.9	4.1	4.1	-15.3	6.7	4.8	4.2	3.9	14.2
— Last Month	7.1	4.9	4.3	4.1	-15.1	6.7	4.8	4.3	3.9	15.0

NEW MEXICO										
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Mfg. Employ- ment	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Eastern New Mexico University	5.4	1.3	2.2	1.5	0.0	5.5	1.5	2.4	1.6	-0.5
New Mexico State	6.2	0.5	2.0	1.5		6.0	1.0	1.5	1.5	
Public Service New Mexico	5.0	0.4	2.0	1.2	-0.5	5.2	0.6	2.1	1.5	2.0
University of New Mexico - BBER	6.7	1.4	2.0		1.1	6.2	0.6	1.9		-3.4
Wells Fargo & Co.	5.4	1.2	1.8	1.8	-2.5	5.3	1.1	1.7	1.8	0.0
Consensus Forecast — This Month	5.7	1.0	2.0	1.5	-0.5	5.6	1.0	1.9	1.6	-0.5
— Last Month	5.9	1.7	2.2	1.5	-2.3	5.8	1.6	2.1	1.6	1.5

Percent Growth in State Personal Income 1st Quarter 2007 over 1st Quarter 2006



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	-2.6	1.4	1.7	-9.1	5.1	0.0	2.2	1.5	0.0
Forefront Economics	6.4	2.2	3.1	1.3	4.5	5.7	1.5	2.2	1.2	3.5
Office of Economic Analysis	5.3	-1.4	1.3	1.5	-9.3	5.5	0.1	1.5	1.4	-2.5
Portland General Electric	5.7	0.5	1.9	1.3	-5.0					
U.S. Bancorp	5.7	-2.5	1.7	1.5	-8.0	6.0	1.5	2.0	1.5	5.0
Wells Fargo & Co.	5.5	1.3	1.4	1.5	-1.5	5.3	1.2	1.3	1.5	-3.3
Consensus Forecast — This Month	5.6	-0.4	1.8	1.5	-4.7	5.5	0.9	1.8	1.4	0.5
— Last Month	5.6	-0.4	1.8	1.5	-4.7	5.5	0.9	1.9	1.4	0.6

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	6.1	5.7	1.8	1.6	-3.0	6.0	5.5	2.0	1.7	-2.0
Federal Reserve Bank of Dallas	7.0	4.5	2.6	1.8	-3.0	6.0	4.0	2.2	1.8	1.0
David Hemley	6.2	5.8	2.0	1.6	-0.8	6.2	5.8	1.9	1.5	-1.9
Perryman Group	6.9	6.8	2.1	1.8	-7.8	7.0	6.9	2.0	1.7	-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	6.0	5.7	2.1	2.0	-8.1	6.0	5.6	2.0	1.7	-4.9
University of North Texas	6.3	5.8	2.0	1.7	5.2	6.0	5.4	1.8	1.6	2.0
University of Texas at El Paso	6.2	5.8	1.9	1.7	-5.4	6.5	5.9	2.1	1.7	0.8
Wells Fargo & Co.	6.5	4.9	2.5	1.6	-3.8	6.0	4.7	2.7	1.5	0.8
Consensus Forecast — This Month	6.4	5.6	2.1	1.7	-4.6	6.2	5.5	2.1	1.7	-1.8
— Last Month	6.4	5.7	2.1	1.7	-5.5	6.2	5.5	2.1	1.7	-1.8

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
Consensus Forecast — This Month	7.6	6.2	3.7	2.6	-5.3	7.0	6.1	3.3	2.5	-0.3
— Last Month	7.6	6.2	3.7	2.6	-5.3	7.0	6.1	3.3	2.5	-0.3

WASHINGTON

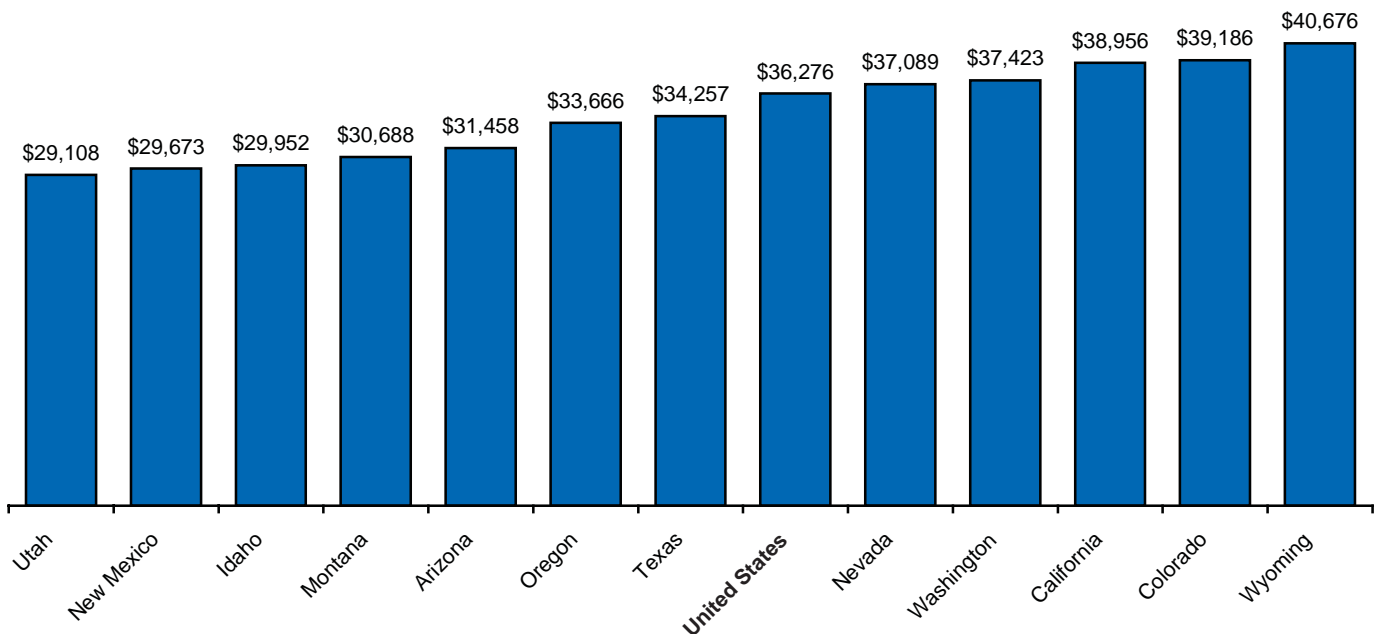
2007 Annual Percent Change, 2007 from 2006						2008 Annual Percent Change, 2008 from 2007				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Conerly Consulting	6.6	6.1	2.0	1.9	-9.6	6.2	7.6	2.0	1.6	0.0
Dick Conway & Associates	7.0	6.8	2.6	1.8	-3.0	6.3	6.3	2.1	1.7	1.0
Doug Pedersen & Associates	7.0	6.2	2.4	2.0	-4.5	6.5	5.9	2.2	1.9	-1.5
Office of the Forecast Council *	7.0	6.8	2.1	2.0	-10.1	6.6	4.8	2.0	2.0	-6.3
Wells Fargo & Co.	6.2	4.9	2.0	1.5	-5.0	5.7	4.8	1.8	1.5	-0.6
Consensus Forecast — This Month	6.8	6.2	2.2	1.8	-6.4	6.3	5.9	2.0	1.7	-1.5
— Last Month	6.6	5.6	2.3	1.8	-7.1	6.2	6.1	2.0	1.7	-0.7

* Population forecast is from the Office of Financial Management.

WYOMING

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

Per Capita Personal Income 2006



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

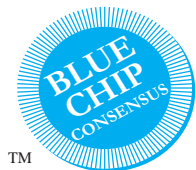
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Natural Resources & Mining Employ. (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2006	20,948	18,052	274.0	26.6	10.0	2,698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