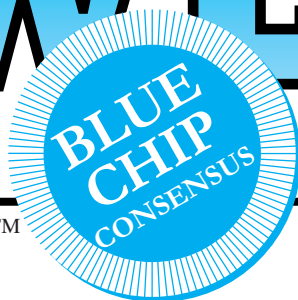


WESTERN



BLUE CHIP ECONOMIC FORECAST

TM

What Blue Chip economists are saying about the Western states

VOLUME 16 • NUMBER 9 • NOVEMBER 2002

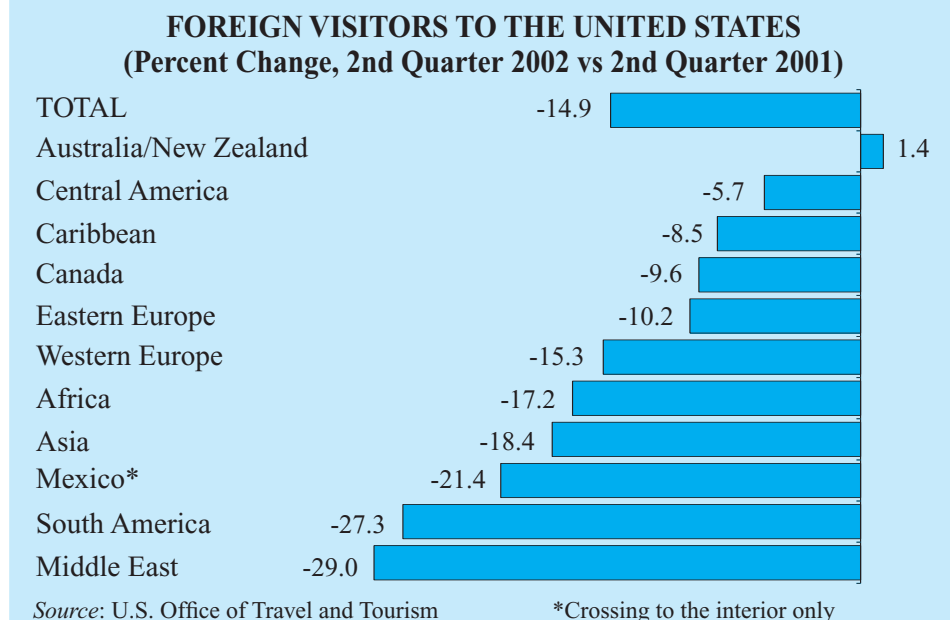
Restive conditions affecting tourism industry

“How long?” is a key question these days. How long will economic recovery evade us? How long can the consumer continue spending? How long can job losses continue without a significant deterioration in already dismal economic conditions? How long can stock market prices continue on their downward course? Uncertainty — about corporate ethics, war in the Middle East, consumer spending and the stock market — is a major force affecting the economy today.

Consumer debt rose as spending continued throughout this recession, with sales of automobiles making up a large part of that spending. The current low interest rates and other incentives encourage this behavior to continue, but in order to keep the momentum, the incentives have become larger and larger.

Recently, the consumer mood has fallen into very pessimistic territory. The Michigan Consumer Sentiment Index dropped to 80.4 in October, a figure that is well below the sharp drop that occurred after the Sept. 11 terrorist attacks and is the lowest seen since late 1993. This, along with the longshoremen’s strike that has held up imports and exports on the West Coast, does not bode well for retailers’ holiday season.

Shaken consumer confidence and the weak job market also threaten recovery in the travel and tourism industry, which is especially important to Western states. Contrary to what one would expect, Nevada, a state heavily dependent on tourism, has fared better than the rest of the nation, possibly because of the nature of tourist the state attracts. Family-oriented tourists, unlike the less risk-averse types that frequent casinos, have curtailed their plans over the last year. National park visitation in Nevada fell by 19.4 percent in July 2002 compared to July 2001 on a seasonally adjusted basis



(see page 2), but job growth remained in positive territory, at 1.3 percent for the same period. The same is not true for neighboring Arizona, where national park visitation dropped by 10.7 percent in July 2002 compared to July 2001 and total nonfarm employment fell by 1.1 percent for the same period. Three of the Western states, Washington, Oregon and Idaho, have shown growth in national park visitation as especially dry weather has attracted more tourism. Washington and Oregon, however, are states in which tourism represents a smaller part of their employment base, but where the drought has had a significant effect. Employment for July 2002 compared to July 2001 fell by 1.9 and 0.7 percent in Washington and Oregon respectively.

An obvious decline in tourism from overseas is visible over the last year. For the second quarter of 2002 compared to the same period in 2001, non-resident arrivals to the United States declined by

14.9 percent, with the majority of that decline being arrivals from the Middle East and South America (see chart). Although a state-by-state breakdown of visitation is not available for last year, it is clear that overseas tourism is important to the Western states, especially California and Nevada (see page 11). Air carrier landings, both domestic and international, fell by 11.9 percent in California and by 1.1 percent in Nevada in July 2002 compared to July 2001 (see page 7).

As uncertainty continues to pervade global politics and corporate finances, hopes for a healthy economic recovery have dimmed. This is evident as the Western Blue Chip panelists have scaled back their forecasts for employment growth, responding to the question “How long will it take for the job market to recover?” with the answer: “Wait until next year.”

— Dawn McLaren

NATIONAL ROUNDUP

U.S. JOB GROWTH



% Change: August 2002 vs August 2001

Nonfarm	-0.9
Construction	-2.0
Manufacturing	-4.8
Transportation, Communications and Public Utilities	-4.5
Trade	-1.2
Finance, Insurance and Real Estate	0.2
Services	0.5
Government	1.4

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits
August 2002 vs August 2001

	Total Residential	Single- family	Multi- family
2002	150,447	117,514	32,933
2001	148,486	113,786	34,700
% Δ	1.3	3.3	-5.1

Source: U.S. Department of Commerce

U.S. FORECASTS



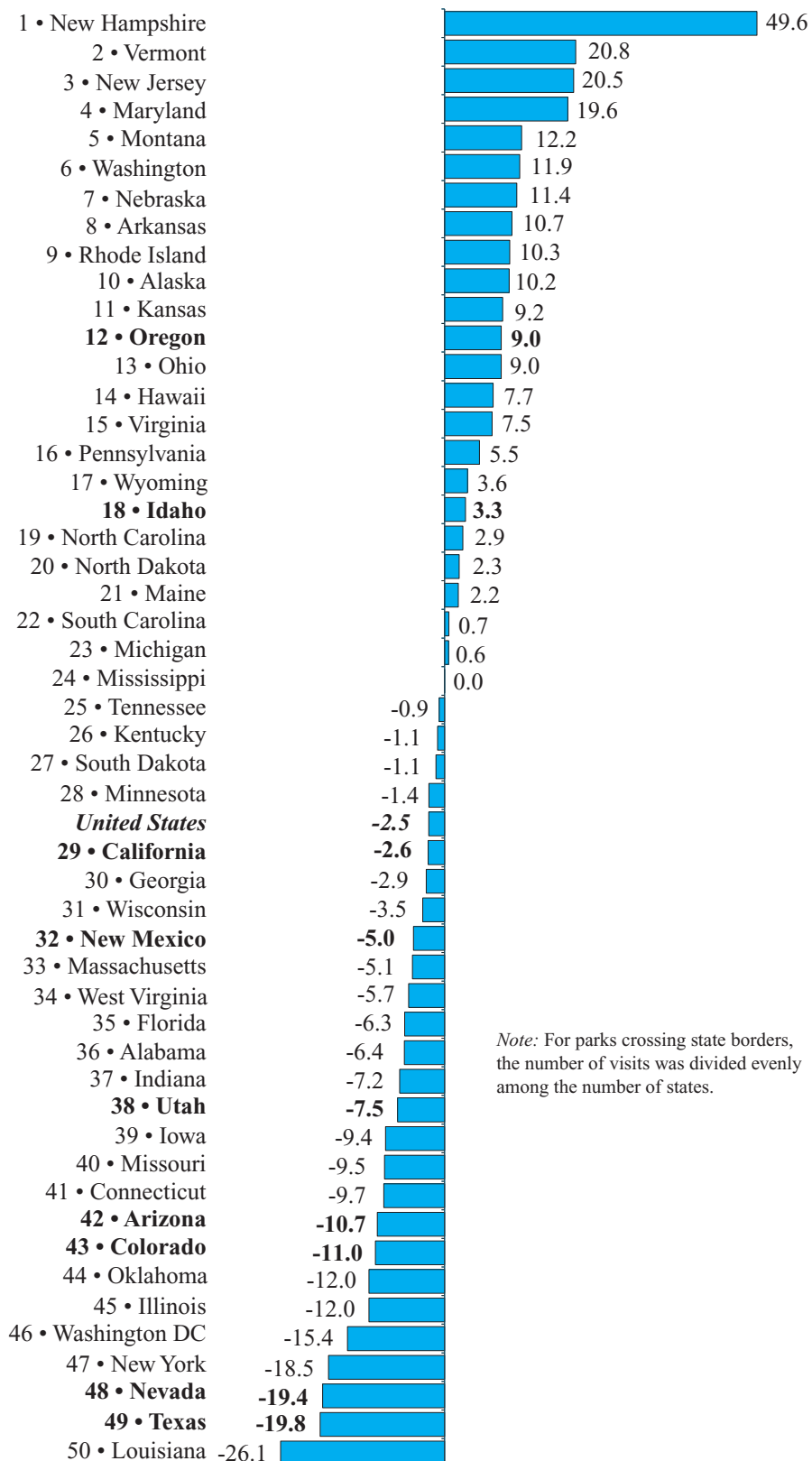
Percent Change

	2002	2003
Real GDP (Chain)	2.3	3.2
CPI	1.6	2.8
GDP Deflator (Chain) . .	1.2	2.4

Source: "U.S. Economic Outlook," DRI-WEFA, September 2002

NATIONAL PARK RECREATIONAL VISITS*

Percent Change, July 2002 vs July 2001



Note: For parks crossing state borders, the number of visits was divided evenly among the number of states.

Source: National Park Service

*Seasonal adjustment by the Bank One Economic Outlook Center

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

2002 Annual Percent Change, 2002 from 2001						2003 Annual Percent Change, 2003 from 2002				
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	4.3 ↓	3.1 ↓	0.0 ↓	2.6 ↓	(8.5)↑	5.9 ↓	3.4 ↑	2.6 ↓	2.6 ↓	(3.6)↓
California	1.9 ↓	0.7 ↓	0.0 ↓	1.6	1.5 ↑	5.4 ↓	2.9 ↓	1.9 ↓	1.6	0.6 ↑
Colorado	1.9 ↓	0.7 ↓	(1.7)↓	1.6 ↓	(9.2)↑	4.7 ↑	2.3 ↑	1.6 ↓	1.4 ↓	(4.1)↓
Idaho	3.3 ↓	2.1 ↓	0.7 ↓	1.3 ↓	(6.4)↑	4.8 ↓	2.3 ↑	1.7 ↓	1.2	(1.4)↑
Nevada	5.1 ↑	3.9 ↑	2.4 ↑	3.8	(0.3)↑	6.3 ↓	3.8 ↑	3.8 ↓	4.2 ↓	2.5 ↓
New Mexico	4.7	3.5 ↑	0.9	1.3	2.2	4.6	2.2 ↑	1.5	1.3	(2.8)
Oregon	3.1 ↓	1.9 ↓	(0.2)↓	1.1	2.1 ↑	5.2 ↓	2.7 ↑	2.2 ↓	1.3	3.0 ↓
Texas	4.7 ↓	3.4 ↓	0.5 ↓	1.7 ↓	1.6 ↑	6.4 ↓	3.9 ↑	2.2 ↓	1.7 ↓	0.6 ↓
Utah	3.5	2.3 ↑	0.2	1.5	(3.1)	5.0	2.6 ↑	2.1	1.6	1.8
Washington	1.8 ↓	0.6 ↑	(1.5)↓	1.0	2.7 ↑	4.0 ↓	1.5 ↑	1.1 ↓	1.0	(0.2)

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

Forecast notes from the Western region...

Modest job growth continues [in **Texas**], although prior levels have not yet been re-established. Momentum is beginning to develop in several key sectors, and 2003 should see relatively strong performance.

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

California's economy is continuing to struggle to get some traction. And the news from the Bay Area continues to be grim. While people are focusing on the tech crash there, this event is also taking a toll on Orange County. The disruptions at West Coast ports will result in some unwelcome losses for the state's agricultural industry, and will also cause headaches for importers of both apparel and toys. Emotions in this dispute are high, and it may be with us for a while, even with Taft Hartley.

— **Jack Kyser**
L.A. County Econ. Development Corp.
Los Angeles, California

Oregon has seemingly bottomed out, but additional weakness in technology and transportation equipment and the state fiscal crunch imply a modest rebound. Residents will be voting on a temporary three-year boost in income taxes in January. The perils of increased reliance on income tax revenues without a rainy day fund have come home to roost. In November, voters will be considering a single-payer health care system and

requirements for labeling of genetically modified food products sold in the state.

— **John Mitchell**
US Bancorp
Portland, Oregon

We're assuming (and hoping) that the longshoremen's lockout ends soon. If not, there will probably be a double-dip recession nationally, with worst impact on the West Coast, but negative effects across the nation as well. With a rapid end to the labor dispute, recovery will come, but gradually in the Pacific Northwest.

— **Bill Conerly**
Conerly Consulting
Portland, Oregon

The **Colorado** economy has struggled with recession over the past year, suffering a higher jobless rate and a substantial loss of employment. Some good news? Most of the economic pain appears to have passed. Current Colorado economic weakness is expected to give way to modest growth next year.

— **Jeff Thredgold**
Thredgold Economic Associates
Salt Lake City, Utah

[**California**] nonfarm employment has shown no evidence of recovery through August. (Though the fourth quarter of this year is expected to be a growth quarter, 2002 will still be negative for the year.) To this point, the majority of gains made in the state economy have come in the public sector, fueled by class-size

reductions that led to the hiring of many new teachers. The private sector has had two bright spots: a robust housing sector driven primarily by low interest rates and growth in international trade.

— **Tom Lieser**
UCLA Anderson Forecast
Los Angeles, California

Nevada's longer-term economic outlook, though clouded with uncertainties, does point to expansion. Following a sustained period of growth in its major industries, recent construction and investment expenditures have been more restrained. Generally, people find more to fret about. As a result, spending needed to rekindle and sustain a stronger recovery has been not been forthcoming.

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

Each of the three primary industries in the state [**New Mexico**] — mining, manufacturing and construction — are in dire straits. Mining employment was 8.2 percent lower than a year ago, with a loss of more than 1,300 jobs. Manufacturing employment was down 3.2 percent, a reflection of numerous layoffs and plant closings during the last year. Overall, construction employment dropped 5.5 percent in the second quarter of 2002.

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

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

	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	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	4.6	2.4	0.2	2.6	(1.0)	5.6	4.8	2.2	2.6	(5.0)
ASU – Bank One EOC	4.8	2.5	0.3	2.6	(10.0)	5.6	5.0	2.7	2.3	(1.0)
CH2M HILL	4.0	3.1	(0.1)	2.5	(8.0)	6.1	5.5	2.5	2.6	(7.0)
Department of Economic Security	4.9	3.6	(0.9)	2.5		5.7	5.2	1.8	2.4	
ECON-LINC	4.0	3.2	(0.6)	2.3	(5.0)	6.4	5.6	2.8	2.5	(10.0)
Eggert Economic Enterprises Inc.	3.8	2.7	0.4	2.2	(12.0)	5.7	5.3	3.0	2.5	(5.0)
Elliott D. Pollack & Co.	4.1	2.5	(1.0)	2.7	(5.0)	6.5	6.0	3.0	2.7	(10.0)
H. C. Reardon Economics	4.0	2.7	0.0	2.7	(12.0)	6.4	5.8	3.4	2.7	(5.0)
Joint Legislative Budget Committee	4.0	1.2	(1.0)	2.5	(10.0)	6.0	4.0	2.0	2.5	(2.0)
Lancaster Consulting	4.6	3.4	0.7	2.6	(10.0)	6.1	5.3	2.8	2.5	0.0
The Maguire Company	4.2	2.8	0.0	2.7	(12.0)	5.7	5.3	3.0	2.7	(8.0)
NAU – BBER	4.5	3.3	1.0	2.4	(10.0)	5.7	5.4	3.0	2.5	0.0
Office of the Treasurer	4.5	2.9	0.6			5.6	5.0	2.4		
Protitlement	4.3	3.0	(0.5)	2.7	(12.0)	6.2	5.8	2.7	2.7	(5.0)
Salt River Project	5.0	2.0	(0.5)	2.8	(7.0)	6.0	5.5	2.5	2.8	0.0
Stellar Capital Management	4.3	2.4	0.0	2.5	(10.0)	5.5	4.3	2.1	2.2	1.5
Tucson Electric Power Co.	3.0	(0.1)	0.0	2.4	(18.0)	4.8	3.3	1.3	2.5	(9.0)
UA – Eller College	4.0	1.2	(0.1)	2.5	(3.0)	6.1	4.4	2.8	2.2	(7.8)
VisionEcon	5.4	3.7	2.0	2.7	0.0	5.5	7.7	4.0	3.1	11.7
Wells Fargo & Co.	4.5	2.9	0.3	2.6	(1.0)	5.9	5.1	2.9	2.6	0.0
Consensus Forecast – This Month	4.3	2.6	0.0	2.6	(8.5)	5.9	5.2	2.6	2.6	(3.6)
– Last Month	4.4	2.7	0.1	2.6	(9.3)	5.9	5.3	2.6	2.6	(3.4)

CALIFORNIA

	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	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	1.5	0.0	(0.5)	1.7	3.6	6.0	6.0	2.1	1.7	(4.7)
California State University, Long Beach *	3.7	2.4	0.8	1.6	(1.4)	5.3	5.1	1.8	1.5	(5.8)
Chapman University	2.9	2.6	(0.2)	1.6	(4.2)	5.2	5.0	2.2	1.6	3.1
L.A. County Economic Development Corp.	1.5	1.9	(0.1)	1.7	6.0	5.8	5.9	1.8	1.6	7.0
Legislative Analyst's Office	1.3	(2.5)	(0.9)	1.7	5.0	4.5	4.2	1.0	1.6	5.5
Monroe Consulting	2.0	2.5	0.3	1.6	0.5	5.0	4.5	2.0	1.6	1.0
UCLA – Business Forecasting Project	1.3	3.5	0.7	1.5	(2.3)	5.6	5.7	2.2	1.4	(8.8)
Wells Fargo & Co.	2.7	2.7	0.6	1.6	2.0	5.6	4.8	1.8	1.5	1.0
Consensus Forecast – This Month	1.9	1.5	(0.0)	1.6	1.5	5.4	5.2	1.9	1.6	0.6
– Last Month	2.1	2.5	0.2	1.6	0.0	5.8	5.7	2.1	1.6	0.4

* This forecast is for Southern California only

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2002 Annual Percent Change, 2002 from 2001						2003 Annual Percent Change, 2003 from 2002				
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
Ctr. for Business & Econ. Forecasting	2.2	(2.4)	(2.2)	1.7	(2.0)	4.3	4.2	1.5	1.3	(8.0)
Colorado Legislative Council	1.4	(2.5)	(2.2)	1.4	(9.9)	4.4	3.2	1.6	1.5	5.0
Office of State Planning and Budgeting	1.4	(0.9)	(2.4)	1.5	(4.3)	4.6	1.1	0.8	1.4	(13.1)
U. S. Bank	1.3	1.9	(1.3)	1.7	(8.0)	5.4	6.0	2.5	1.4	2.5
University of Colorado	2.5	1.0	(2.0)	1.6	(17.0)	5.0	4.0	1.5	1.5	(13.0)
Wells Fargo & Co.	2.3	2.7	(0.6)	1.6	(8.0)	5.3	4.7	2.0	1.6	3.0
Xcel Energy	2.0	3.0	(1.2)	1.5	(15.0)	4.0	5.0	1.2	1.3	(5.0)
Consensus Forecast – This Month	1.9	0.4	(1.7)	1.6	(9.2)	4.7	4.0	1.6	1.4	(4.1)
– Last Month	2.0	1.3	(1.4)	1.6	(11.1)	4.6	4.5	1.8	1.4	(2.5)

IDAHO										
2002 Annual Percent Change, 2002 from 2001						2003 Annual Percent Change, 2003 from 2002				
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	4.2		0.0	1.2	(8.4)	5.4		1.5	1.1	(4.7)
Idaho Economics	0.5		0.6	1.2	(8.0)	4.5		1.5	1.4	(3.8)
Idaho State University	3.4	3.0	1.2	1.4		4.0	4.5	2.0	1.2	
Thredgold Economic Associates	4.2	3.5	1.2	1.4	1.0	5.5	4.5	2.2	1.4	3.0
University of Idaho	3.9	3.2	0.9	1.1		5.1	4.2	1.5	1.1	
Wells Fargo & Co.	3.5	2.5	0.0	1.2	(10.0)	4.0	3.5	1.5	1.2	0.0
Consensus Forecast – This Month	3.3	3.1	0.7	1.3	(6.4)	4.8	4.2	1.7	1.2	(1.4)
– Last Month	4.0	3.2	0.8	1.3	(6.7)	5.0	4.4	1.7	1.2	(1.4)

NEVADA										
2002 Annual Percent Change, 2002 from 2001						2003 Annual Percent Change, 2003 from 2002				
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.	5.5	0.5	0.0	4.0		5.0	4.0	2.5	3.5	
Legis. Counsel Bureau – Fiscal Analysis	4.0	0.5	3.0	3.0	(8.0)	5.5	4.0	4.5	4.0	2.0
Restrepo Consulting Group, LLC	5.5	3.0	3.0	3.5	3.0	7.0	4.0	4.0	4.5	4.0
Thredgold Economic Associates	6.0	3.5	2.0	3.6	3.5	7.0	6.0	3.5	4.2	6.0
Southwest Gas	6.7	3.4	4.1	4.9	2.2	7.2	4.6	4.5	5.2	2.4
Univ. of Nevada at Las Vegas – CBER	4.3	0.3	2.6	4.0	2.8	5.9	3.1	3.3	3.9	(3.5)
Wells Fargo & Co.	4.0	0.5	2.3	3.8	(5.0)	6.6	4.0	4.2	3.9	4.0
Consensus Forecast – This Month	5.1	1.7	2.4	3.8	(0.3)	6.3	4.2	3.8	4.2	2.5
– Last Month	5.1	1.6	2.0	3.8	(1.7)	6.4	4.4	3.9	4.2	3.7

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	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	4.5		1.2	1.4	-2.5	3.9		1.4	1.3	(3.6)
New Mexico Department of Labor		(1.5)	0.5				(0.8)	1.2		
New Mexico State Univ. – CEMAF	5.0	0.0	1.5			5.5	1.5	2.0		
University of New Mexico – BBER	4.6	(2.7)	0.6		6.1	4.3	(0.4)	0.8		(5.2)
Wells Fargo & Co.	4.7	0.3	0.6	1.2	3.0	4.8	1.0	1.9	1.3	0.5
Consensus Forecast – This Month	4.7	(1.0)	0.9	1.3	2.2	4.6	0.3	1.5	1.3	(2.8)
– Last Month	4.7	(1.0)	0.9	1.3	2.2	4.6	0.3	1.5	1.3	(2.8)

OREGON

	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	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	2.0	(4.3)	(0.8)	0.9	3.1	4.6	3.6	2.5	1.2	(2.4)
Forefront Economics	3.6	(2.9)	(0.4)	1.0	2.5	5.3	1.8	2.4	1.1	5.5
Oregon Executive Department	2.6	(5.3)	(0.6)	1.0	0.1	6.3	1.4	2.1	1.2	4.6
Portland General Electric	2.9	(4.2)	(0.2)	1.1	3.0	6.5	2.2	2.5	1.3	7.0
Rhodes Econometrics	4.2	2.8	1.4	1.3	1.7	4.5	3.9	3.1	2.1	2.2
Thredgold Economic Associates	3.8	(1.0)	(0.5)	1.1	2.2	4.5	0.0	1.0	1.2	5.0
U.S. Bancorp	2.6	(3.5)	(0.7)	1.0	2.0	5.0	2.0	2.0	1.1	(2.0)
Wells Fargo & Co.	2.9	0.4	0.5	1.1	2.0	4.7	1.9	2.1	1.2	4.0
Consensus Forecast – This Month	3.1	(2.3)	(0.2)	1.1	2.1	5.2	2.1	2.2	1.3	3.0
– Last Month	3.2	(2.1)	(0.2)	1.1	1.6	5.3	2.2	2.3	1.3	4.2

TEXAS

	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	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	4.8	1.0	1.7	1.0	6.5	6.6	2.1	1.8	1.0
Federal Reserve Bank of Dallas	5.5	5.2	0.5	1.7	(2.0)	7.5	7.0	3.1	1.8	2.0
Ed McClelland	5.6	5.2	1.4	1.7	(1.0)	6.2	5.3	2.4	1.3	0.0
Perryman Group	3.6	3.4	(0.7)	1.8	3.6	5.8	5.9	1.6	1.8	0.5
TX State Comptroller of Public Accounts	4.2	4.3	0.0	1.8	5.4	6.5	6.9	2.0	1.7	(2.9)
University of Houston – CPP	4.9	4.3	0.9	1.2		6.4	6.6	2.1	1.8	
University of Texas at El Paso	3.6	4.0	0.4	1.7	2.2	5.7	6.0	1.8	1.6	1.8
Wells Fargo & Co.	5.0	4.6	0.7	1.7	2.0	6.4	5.8	2.5	1.8	1.5
Consensus Forecast – This Month	4.7	4.5	0.5	1.7	1.6	6.4	6.3	2.2	1.7	0.6
– Last Month	5.0	4.7	0.9	1.7	0.9	6.6	6.5	2.4	1.8	0.8

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

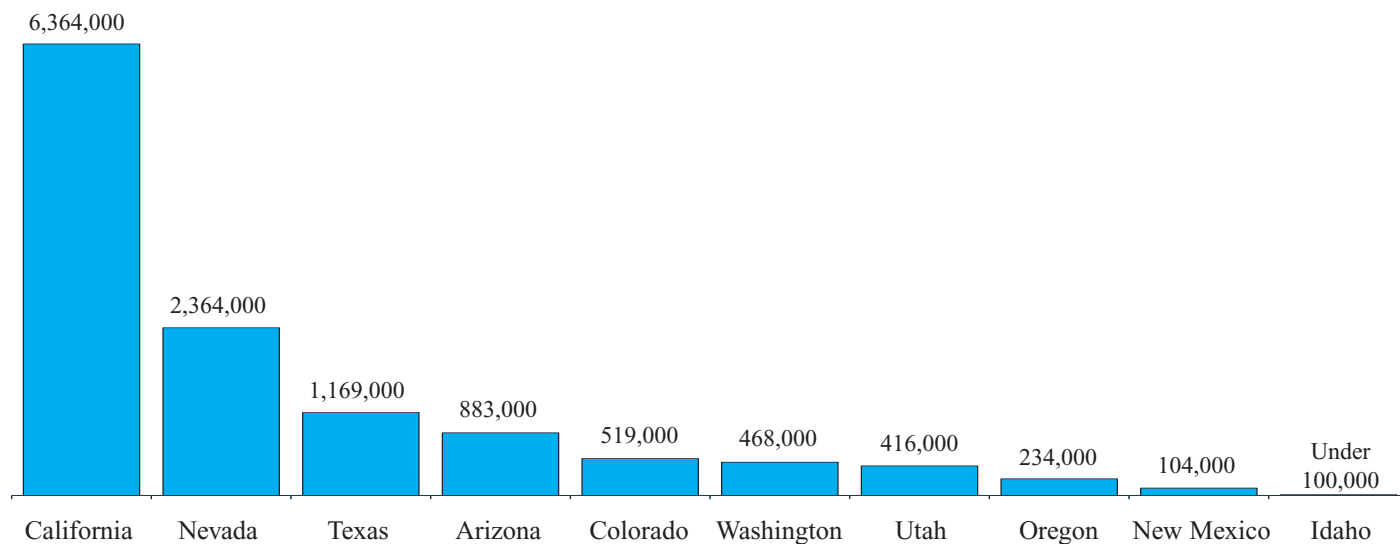
Source:	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Pacificorp	4.5	3.9	1.5	1.4	(4.5)	5.3	4.5	2.2	1.7	5.0
Thredgold Economic Associates	4.8	2.5	1.3	1.6	2.5	6.0	3.5	2.3	1.6	3.0
Utah Dept. of Workforce Services	3.0	2.9	0.0	1.7	(3.0)	4.5	0.5	2.1	1.9	2.0
Utah State Tax Commission	2.5	4.0	(1.0)	1.5	(0.5)	5.3	3.0	2.0	1.4	(0.8)
Wells Fargo & Co.	2.7	1.7	(1.0)	1.5	(10.0)	4.0	3.0	2.0	1.6	0.0
Consensus Forecast – This Month	3.5	3.0	0.2	1.5	(3.1)	5.0	2.9	2.1	1.6	1.8
– Last Month	3.5	3.1	0.2	1.5	(3.1)	5.0	3.0	2.1	1.6	1.8

WASHINGTON

Source:	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	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	0.8	(1.1)	(1.8)	1.1	7.3	2.1	3.6	0.7	1.1	0.0
Dick Conway & Associates	2.0	(1.0)	(1.2)	0.9	(8.0)	5.3	3.5	1.0	0.9	5.0
Doug Pedersen & Associates	2.2	(1.0)	(1.6)	1.0	6.5	4.5	3.5	1.1	0.9	(3.0)
Office of Forecast Council *	2.4	0.3	(2.1)	1.1	2.9	3.9	3.7	1.1	1.0	(3.9)
Wells Fargo & Co.	1.8	0.3	(1.0)	1.0	5.0	4.1	3.4	1.6	1.0	1.0
Consensus Forecast – This Month	1.8	(0.5)	(1.5)	1.0	2.7	4.0	3.5	1.1	1.0	(0.2)
– Last Month	1.9	(0.4)	(1.5)	1.0	2.3	4.2	3.5	1.1	1.0	(0.2)

* Population forecast is from the Office of Financial Management.

OVERSEAS VISITORS 2000



Source: Department of Commerce, Office of Travel and Tourism Industries

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
2001	\$135,224	\$123,605	2,265.7	\$44,833	209.6	50,930	5,342	4.5
Percent Change	4.8	2.5	1.0	2.0	(2.7)	4.3	3.0	
2000	129,069	120,625	2,242.8	43,940	215.4	48,846	5,169	3.9
Percent Change	8.2	5.8	3.7	7.8	1.7	(5.6)	3.0	
1999	119,339	113,982	2,163.1	40,769	211.7	51,764	5,017	4.4
Percent Change	5.7	4.2	4.3	10.0	(2.0)	1.5	3.1	
1998	112,895	109,394	2,074.7	37,071	216.0	50,997	4,864	3.8
Percent Change	8.9	7.6	4.5	7.2	4.1	18.6	3.3	
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
2001	\$1,127,426	\$1,030,076	14,700.7	\$282,028††	1,905	106,265	33,872	5.2
Percent Change	3.1	0.9	1.5	1.7	(2.2)	1.6	0.4	
2000	1,093,065	1,021,263	14,485.6	277,314	1,948.0	104,600	33,753	4.9
Percent Change	9.6	7.2	3.6	8.5	1.3	1.8	1.8	
1999	997,351	953,059	13,988.6	255,589	1,923.4	102,750	33,140	5.2
Percent Change	7.1	5.6	2.9	11.4	(1.4)	10.0	1.5	
1998	931,565	902,679	13,594.9	229,406	1,951.2	93,414	32,657	5.9
Percent Change	8.1	6.8	3.5	5.6	2.0	11.0	1.4	
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
2001	\$145,593	\$133,021	\$2,232.5	\$59,018	199.4	36,477	4,418	3.5
Percent Change	3.8	1.5	0.9	1.7	(3.2)	(3.2)	2.2	
2000	140,225	131,013	2,213.0	\$58,058	205.9	37,699	4,323	2.6
Percent Change	9.8	7.4	3.8	10.9	0.7	(1.9)	*	
1999	127,653	121,984	2,131.1	52,368	204.6	38,410	4,056	2.9
Percent Change	7.8	6.3	3.6	8.7	(1.3)	6.4	2.2	
1998	118,413	114,741	2,056.1	48,173	207.3	36,107	3,969	3.8
Percent Change	8.9	7.5	3.9	6.7	1.6	13.0	2.0	
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								

* 2000 and 2001 based on 2000 Census; 1999 and 1998 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
2001	\$32,044	\$29,277	569.7	\$14,525	75.4	9,483	1,321	4.8
Percent Change	3.9	1.6	1.8	5.6	(2.2)	(6.1)	1.7	
2000	30,827	28,802	559.3	13,755	77.1	10,098	1,299	4.5
Percent Change	8.0	5.6	3.8	4.5	1.1	(3.8)	*	
1999	28,538	27,271	538.7	13,163	76.3	10,497	1,252	5.2
Percent Change	5.4	4.0	3.3	4.8	0.2	2.1	1.7	
1998	27,066	26,227	521.6	12,560	76.1	10,277	1,231	5.0
Percent Change	7.3	6.0	2.3	4.4	2.0	16.3	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
2001	\$62,886	\$57,456	1,053.9	\$31,709	\$9,468.6	26,981	2,106	5.1
Percent Change	5.6	3.2	2.6	7.7	(1.4)	4.8	4.3	
2000	59,565	55,652	1,027.5	29,454	9,600.3	25,749	2,019	3.9
Percent Change	7.0	4.6	4.5	6.1	6.4	6.0	*	
1999	55,694	53,220	982.8	27,761	9,023.4	24,283	1,809	4.4
Percent Change	7.1	5.6	6.2	6.5	11.9	(0.7)	3.8	
1998	52,017	50,404	925.7	26,068	8,065.1	24,445	1,744	4.3
Percent Change	10.1	8.7	3.9	4.6	3.4	4.2	4.1	
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
2001	\$42,366	\$38,708	756.7	\$12,540	43.1	8,929	1,829	5.7
Percent Change	6.1	3.7	1.6	3.6	(0.4)	11.1	0.4	
2000	39,943	37,319	744.7	12,099	43.2	8,037	1,821	5.5
Percent Change	5.5	3.1	2.1	5.5	1.8	(6.5)	*	
1999	37,877	36,195	729.7	11,466	42.5	8,595	1,740	5.6
Percent Change	2.8	1.3	1.3	2.1	(5.0)	(6.7)	0.4	
1998	36,858	35,715	720.1	11,225	44.7	9,217	1,734	6.2
Percent Change	5.7	4.4	1.6	5.3	(3.3)	12.6	0.6	
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								

* 2000 and 2001 based on 2000 Census; 1999 and 1998 based on 1990 Census.

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
2001	\$97,240	\$88,844	1,597.7	236.3	16,217	21,049	3,374	5.9
Percent Change	2.5	0.2	(0.6)	(3.0)	4.4	6.4	1.1	
2000	94,854	88,623	1,607.1	243.5	15,532	19,785	3,337	4.8
Percent Change	6.4	4.1	2.1	0.5	(6.4)	(14.9)	1.1	
1999	89,128	85,170	1,574.6	242.4	16,595	23,249	3,301	5.7
Percent Change	4.5	3.0	1.5	(1.6)	(2.0)	(10.1)	1.0	
1998	85,305	82,660	1,551.5	246.3	16,936	25,854	3,268	5.6
Percent Change	5.9	4.6	1.6	1.1	4.2	(4.2)	1.6	
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
2001	\$607,467	\$555,014	9,513.7	\$303.0	1,057.7	111,352	21,325	4.7
Percent Change	4.5	2.2	0.9	1.5	(2.8)	4.5	1.8	
2000	581,312	543,126	9,432.3	298.6	1,088.0	106,601	20,947	4.3
Percent Change	7.8	5.4	3.0	11.5	(0.3)	4.7	*	
1999	539,129	515,187	9,159.0	267.7	1,084.5	101,848	20,044	4.6
Percent Change	5.3	3.8	2.4	9.5	(2.1)	2.0	1.7	
1998	511,964	496,089	8,941.4	244.5	1,107.4	99,831	19,712	4.8
Percent Change	9.2	7.8	3.9	4.8	2.2	21.5	1.8	
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
2001	\$54,934	\$50,190	1,082.1	\$17,709	126.9	13,851	2,270	4.0
Percent Change	4.6	2.3	0.6	2.5	(3.2)	2.9	1.3	
2000	52,532	49,081	1,075.4	17,278	131.1	13,463	2,242	3.2
Percent Change	6.9	4.5	2.6	4.8	(0.7)	(7.5)	*	
1999	49,149	46,966	1,048.6	16,493	132.1	14,561	2,130	3.7
Percent Change	5.1	3.6	2.5	5.3	(0.3)	0.6	1.4	
1998	46,772	45,322	1,023.5	15,657	132.5	14,476	2,101	3.8
Percent Change	7.0	5.7	3.0	5.3	(0.3)	2.8	1.7	
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								

* 2000 and 2001 based on 2000 Census; 1999 and 1998 based on 1990 Census.

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

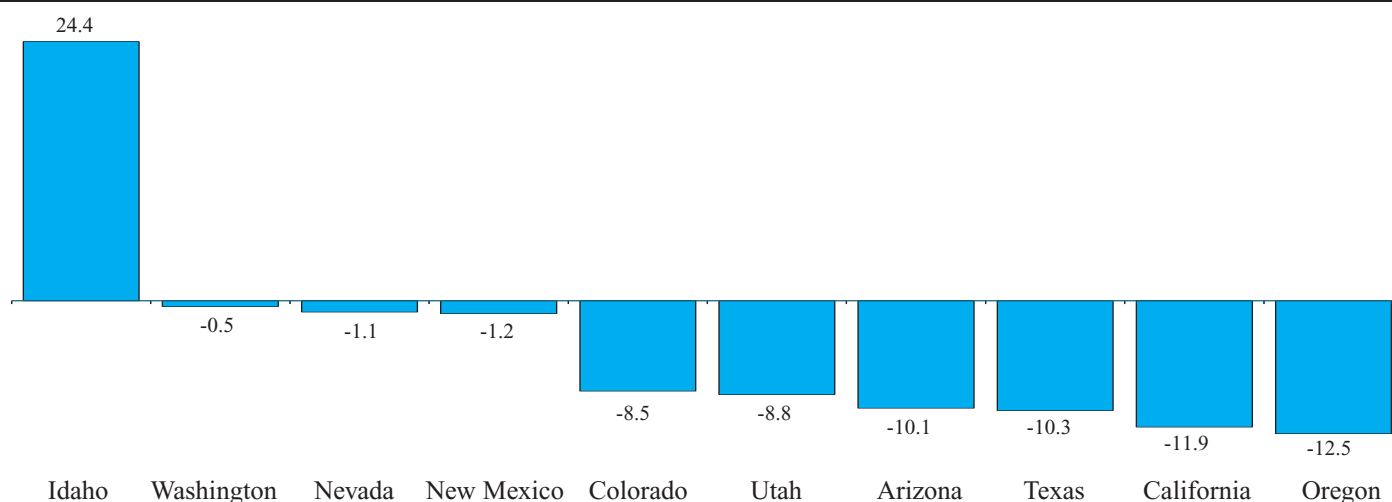
WASHINGTON

	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
2001	\$189,111	\$172,782	2,698.4	\$84,357	338.5	28,137	5,988	6.0
Percent Change	2.5	0.2	(0.5)	(0.5)	(4.2)	3.1	1.3	
2000	184,518	172,397	2,711.2	84,748	353.5	27,283	5,908	4.8
Percent Change	5.9	3.6	2.4	6.4	(2.9)	(7.8)	*	
1999	174,221	166,484	2,648.2	79,684	364.1	29,598	5,756	4.7
Percent Change	6.8	5.3	2.1	7.8	(4.1)	(3.3)	1.2	
1998	163,192	158,132	2,594.9	73,934	379.6	30,610	5,688	4.8
Percent Change	8.6	7.3	3.2	6.6	2.5	2.4	1.5	

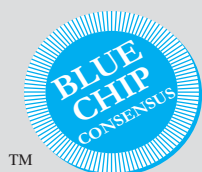
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Washington State Employment Security; Taxable Retail Sales – Washington Department of Revenue; Manufacturing Employment – Washington State Employment Security; Housing Permits – U.S. Department of the Census;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

* 2000 and 2001 based on 2000 Census; 1999 and 1998 based on 1990 Census.

AIR CARRIER LANDINGS, SEASONALLY ADJUSTED (Percent Change, July 2002 vs July 2001)



Source: FAA, seasonal adjustment by Bank One Economic Outlook Center



WESTERN BLUE CHIP ECONOMIC FORECAST

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WESTERN BLUE CHIP ECONOMIC FORECAST

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