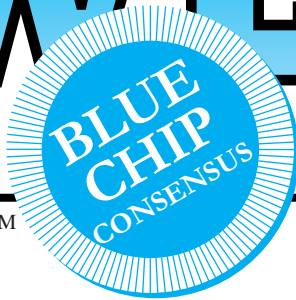


WESTERN



BLUE CHIP ECONOMIC FORECAST

TM

What Blue Chip economists are saying about the Western states

VOLUME 16 • NUMBER 10 • DECEMBER 2002

West hopes to regain ground with recovery in 2003

Economic analysts in the Western states will be happy to see 2002 drawing to a close. Last year at this time, the consensus was that 2002 would bring slow economic growth with recovery in the second half of the year.

But now it appears the final figures for key performance indicators such as unemployment, job growth, and personal income in 2002 will be weaker than expected throughout the Western region.

Analysts are looking to 2003 to bring a reversal in job losses and rising unemployment rates.

Flying Trip

Let's take a quick flying trip around the West. Be alert — random readers may be asked to remove their shoes!

The first stop is Nevada. The Silver State will finish 2002 as the top ranked state for job creation, for the fourth consecutive year. Although residential building is down compared to last year, consumers are spending in Nevada and the trade sector has added over 5,000 jobs for the year.

Hopping over to the Four Corners — Arizona, New Mexico, Utah and Colorado — we find Arizona is still reeling from the double whammy of the tech downturn and reduced tourism and business travel. Yearlong job losses in traditional growth

sectors such as services and manufacturing have hurt. But population growth is still strong and the residential housing market is red hot.

Colorado now has one of the weakest economies in the country, after having one of the best only two years ago. Along with Utah, Colorado will lose jobs this year, while New Mexico will add about 5,500, with half of these in services. Colorado personal income growth is below the national average so far this year [see page 2].

Moving on to the Golden State, employment will be down for the year in California for the first time since 1993, but some areas are doing quite well. Riverside and San Diego are the two strongest large labor markets in the nation at this time. Meanwhile, San Jose and San Francisco are among the five weakest metropolitan areas, each having lost some 35,000 jobs in the past 12 months.

In the Northwest, Oregon and Washington are experiencing the second consecutive year of high unemployment and job losses. Idaho led the nation with its service sector growth rate in 2001, but began losing jobs in summer of 2002. Northwest population growth is the slowest in the region.

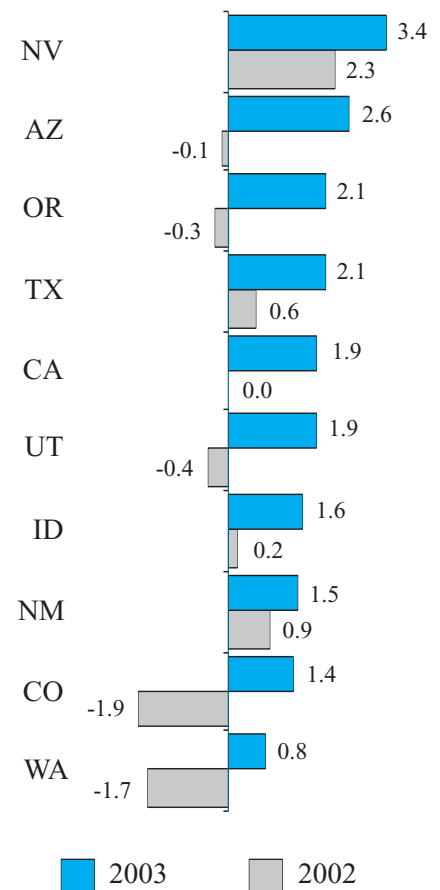
Traveling nonstop to Texas, the unemployment rate is over 6.0 percent and the state has been losing jobs in trade, services and manufacturing all year. Houston is marginally healthier than Dallas. Unemployment is low in Bryan, Lubbock and Abilene, but above the national average in McAllen, El Paso and Dallas.

2003 Outlook

Western economy-watchers project Nevada and Arizona will be stronger in 2003, and Oregon will begin to create jobs again. Washington will continue to be sub par, but all Western states will return to positive growth.

The Western outlook assumes the nation-

JOB GROWTH FORECASTS FOR WESTERN STATES (Percent Change vs Prior Year)



al economy gets back on track next year with increased business spending, restoration of consumer confidence, and no external shocks such as terrorist attacks or oil shortages. While the U.S. recovery still seems fragile, when it does come we can expect the West to outperform the nation.

— Lee McPheters

WHAT'S INSIDE

State-by-state ranking
of personal income growth — Page 2

Forecasts on key indicators
in Western states for 2002
and 2003 — Page 3

Western metro employment
comparisons— Page 7

Telecommunications industry
salaries by state— Page 11

NATIONAL ROUNDUP

U.S. JOB GROWTH



% Change: Sept. 2002 vs Sept. 2001

Nonfarm	-0.7
Construction	-1.9
Manufacturing	-4.5
Transportation, Communications and Public Utilities	-4.4
Trade	-1.0
Finance, Insurance and Real Estate	0.3
Services	0.8
Government	1.2

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits
Sept. 2002 vs Sept. 2001

	Total Residential	Single- family	Multi- family
2002	143,526	107,435	36,091
2001	123,000	90,326	32,674
% Δ	16.7	18.9	10.5

Source: U.S. Department of Commerce

U.S. FORECASTS



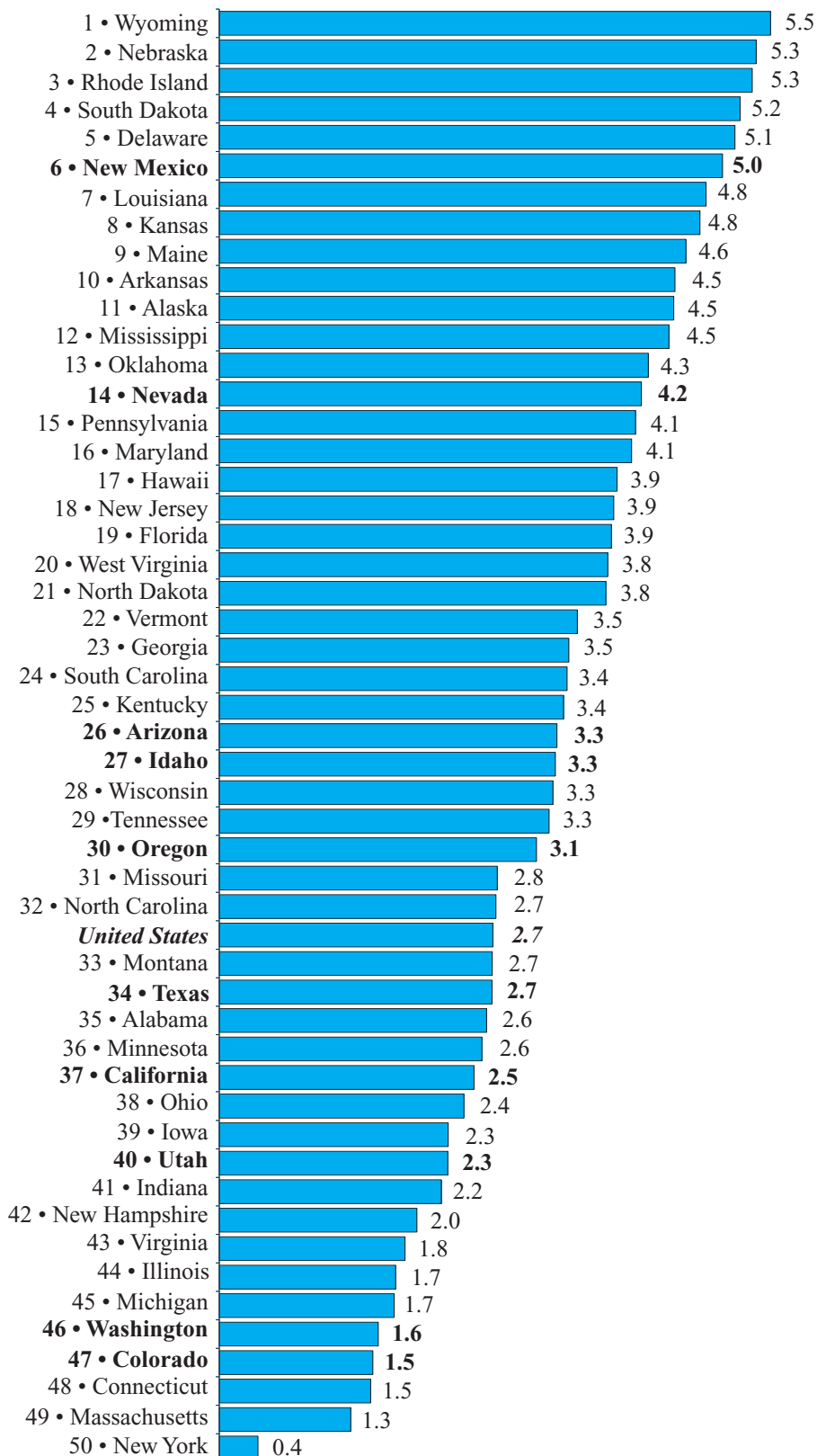
Percent Change

	2002	2003
Real GDP (Chain).....	2.4	3.0
CPI	1.7	2.9
GDP Deflator (Chain)...	1.3	2.6

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

PERSONAL INCOME

Percent Change, Second Quarter 2002 vs Second Quarter 2001



Source: U.S. Bureau of Economic Analysis

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	4.2 ↓	3.0 ↓	(0.1)↓	2.6 ↑	(7.2)↑	5.8 ↓	3.3 ↓	2.6 ↓	2.6 ↑	(3.6)↓
California	1.9	0.7	0.0	1.6	3.2 ↑	5.4	2.9	1.9 ↓	1.6	0.5 ↓
Colorado	1.9	0.7	(1.9)↓	1.6 ↓	(12.9)↓	4.5 ↓	2.1 ↓	1.4 ↓	1.4 ↓	(5.8)↓
Idaho	3.7 ↑	2.5 ↑	0.2 ↓	1.2 ↓	(3.9)↑	4.5 ↓	2.1 ↓	1.6 ↓	1.3 ↑	(2.2)↓
Nevada	5.1 ↓	3.8 ↓	2.3 ↓	3.8	(0.3)	5.9 ↓	3.4 ↓	3.4 ↓	3.9 ↓	1.3 ↓
New Mexico	4.7	3.5	0.9	1.3	2.2	4.6	2.2	1.5	1.3	(2.8)
Oregon	3.3 ↑	2.0 ↑	(0.3)↓	1.1 ↑	2.9 ↑	5.0 ↓	2.6 ↓	2.1 ↓	1.3 ↑	2.4 ↓
Texas	4.7	3.4	0.6 ↑	1.7 ↓	2.4 ↑	6.1 ↓	3.6 ↓	2.1 ↓	1.7 ↓	1.0 ↑
Utah	3.1 ↓	1.9 ↓	(0.4) ↓	1.5	(3.0)↑	4.7 ↓	2.3 ↓	1.9 ↓	1.6	2.0 ↑
Washington	2.7 ↑	1.5 ↑	(1.7)↓	1.0 ↑	9.4 ↑	3.9 ↓	1.4 ↓	0.8 ↓	0.9 ↓	(4.2)↓
↑= Increase in consensus forecast ↓= Decrease in consensus forecast										

Forecast notes from the Western region...

Everything is dependent upon the U.S. economy. We still see the national economy struggling for another two quarters, even in the absence of any serious new exogenous event. War, new terrorist action (not threats), etc, will affect **Texas** as much as the rest of the country. In the absence of such major disturbances both energy and non-energy in Texas will start a rebound by second quarter 2003.

— **Barton Smith**
University of Houston
Houston, Texas

The **Colorado** economy continues to slow. Commercial contractors tell me their new motto is "survive 'til '05". I am becoming increasingly convinced that we are entering a consumer-led decline in economic activity.

— **Tucker Adams**
The Adams Group, Inc.
Colorado Springs, Colorado

The regional economy slowed significantly in 2002. Growth in the outlying counties masks the softness in employment growth in **Los Angeles** and **Orange County**. Manufacturing and an underperforming tourism sector continue to be a drag on the economy. As the national recovery takes hold, expect improvement in the region.

— **Joseph P. Magaddino**
California State University
Long Beach, California

California's economy continues to move sideways, reflecting continued pain in both technology and tourism. While 2003 forecasts for the former are rather positive, lurking in the background is an ongoing stream of layoff announcements, so the year may not be as good as expected. Looking at 2003, the entertainment industry should perform well, there will be job impacts from recent defense contracts and there should be some thrust from all the bond issues approved in the November elections.

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

[**Colorado's**] housing sector has struggled somewhat over the past year from a combination of U.S. and Colorado recessions, weaker net state net in-migration, and the substantial rise of home prices in recent years. One offsetting factor has been extremely attractive mortgage rates.

Building permits in metro Denver have fallen sharply versus a year ago, with much of the weakness in the multi-family area. Higher apartment vacancy rates need to be reduced before significant new construction can take place. Commercial real estate activity has also been weak, in line with similar U.S. performance.

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

Texas continues to show modest job gains. Urban markets are beginning to gain strength. Substantial increases should occur in 2003.

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

The **Oregon** economy hit bottom at the start of this year. It's still there. If Oregon is in recovery, then it is very much a jobless recovery.

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

California faces twin challenges as 2003 begins. The low levels of housing construction in California together with the ambivalence of many communities about providing more housing are creating a growing threat to economic prosperity, quality of life and equity in California's regions. And the large, unresolved state budget deficits will force Californians in 2003 to consider whether large spending cuts or temporary tax increases are the best approach to building the state's long-term economic competitiveness and quality of life.

— **Issues and Challenges Report**
Center for the Continuing Study of the
California Economy
Palo Alto, California

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

Methodology

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

from an individual forecaster.

Consensus panelists for the Western Blue Chip are drawn from leading firms, universities and state agencies across the West. Panelists are contacted during the 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	4.5	2.3	0.2	2.6	(2.5)	5.7	4.9	2.3	2.6	(5.0)
ASU – Bank One EOC	4.0	2.0	0.1	2.7	4.3	5.3	4.0	2.0	2.3	(4.0)
CH2M HILL	4.0	3.1	(0.2)	2.6	(3.5)	6.1	5.6	3.3	2.5	(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	2.8	(0.6)	2.3	(5.0)	5.4	3.8	2.2	2.5	(10.0)
Eggert Economic Enterprises Inc.	3.9	2.9	0.5	2.3	(11.0)	5.8	5.4	3.1	2.7	(4.0)
Elliott D. Pollack & Co.	4.1	2.5	(1.0)	2.7	(2.0)	6.5	5.0	2.8	2.7	(10.0)
H. C. Reardon Economics	4.1	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)	5.5	4.0	2.0	2.5	(2.0)
Lancaster Consulting	4.6	3.0	0.5	2.6	(10.0)	6.1	5.3	2.8	2.5	0.0
The Maguire Company	4.2	2.6	0.0	2.7	(12.0)	5.7	5.5	3.0	2.7	(8.0)
NAU – BBER	4.5	3.2	0.0	2.4	(15.0)	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	4.5	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	2.3	1.0
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.	4.0	2.9	(0.3)	2.6	(1.0)	5.8	5.0	2.6	2.6	0.0
Consensus Forecast — This Month	4.2	2.5	(0.1)	2.6	(7.2)	5.8	5.0	2.6	2.6	(3.6)
— Last Month	4.3	2.6	0.0	2.6	(8.5)	5.9	5.2	2.6	2.6	(3.6)

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*	3.2	2.3	0.2	1.8	(0.4)	7.3	6.6	1.3	1.6	5.9
Chapman University	2.9	2.6	(0.2)	1.6	3.9	5.2	5.0	2.1	1.6	2.8
L.A. County Economic Development Corp.	1.5	1.9	(0.1)	1.7	9.5	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	3.2	5.4	5.2	1.9	1.6	0.5
— Last Month	1.9	1.5	0.0	1.6	1.5	5.4	5.2	1.9	1.6	0.6

*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
The Adams Group, Inc.	1.3	(2.0)	(2.5)	1.6	(9.7)	4.1	1.4	0.9	1.3	(10.3)
Ctr. for Business & Econ. Forecasting	2.2	(1.0)	(2.2)	1.7	(12.0)	4.3	4.2	1.5	1.3	(5.0)
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	(18.7)	4.6	1.1	0.8	1.4	(15.4)
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	0.0	(1.9)	1.6	(12.9)	4.5	3.4	1.4	1.4	(5.8)
— Last Month	1.9	0.4	(1.7)	1.6	(9.2)	4.7	4.0	1.6	1.4	(4.1)

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	4.6		(1.0)	1.2	(1.2)	5.1		1.5	1.1	(3.6)
Idaho Economics	3.5		0.0	1.2	(8.5)	4.2		1.4	1.3	0.0
Idaho State University	3.4	3.0	1.2	1.4		4.0	4.5	2.0	1.2	
Thredgold Economic Associates	3.8	2.9	0.5	1.3	(6.0)	4.9	4.2	1.7	1.3	0.0
University of Idaho	3.7	3.0	0.6	1.1		5.0	4.0	1.4	1.1	
Wells Fargo & Co.	3.3	2.3	(0.3)	1.2	0.0	3.8	3.5	1.6	1.6	(5.0)
Consensus Forecast — This Month	3.7	2.8	0.2	1.2	(3.9)	4.5	4.1	1.6	1.3	(2.2)
— Last Month	3.3	3.1	0.7	1.3	(6.4)	4.8	4.2	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	5.0	1.5	2.0	3.5	3.0	5.5	3.0	2.5	3.0	3.0
Thredgold Economic Associates	6.0	3.5	2.0	3.6	3.5	5.3	1.5	2.0	3.9	0.0
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	1.5	2.3	3.8	(0.3)	5.9	3.5	3.4	3.9	1.3
— Last Month	5.1	1.7	2.4	3.8	(0.3)	6.3	4.2	3.8	4.2	2.5

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

	2002					2003				
	Annual Percent Change, 2002 from 2001					Annual Percent Change, 2003 from 2002				
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	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					2003				
	Annual Percent Change, 2002 from 2001					Annual Percent Change, 2003 from 2002				
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	3.5	(4.3)	(0.9)	1.0	3.1	5.2	3.6	2.4	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	3.4	(4.2)	(0.9)	1.0	6.5	4.7	1.0	1.3	1.2	2.0
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	2.8	(3.5)	(0.8)	1.1	2.5	4.8	1.0	1.5	1.3	3.0
U.S. Bancorp	2.7	(4.5)	(0.8)	1.0	2.0	4.5	1.5	1.5	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	3.3	(2.6)	(0.3)	1.1	2.9	5.0	2.1	2.1	1.3	2.4
— Last Month	3.1	(2.3)	(0.2)	1.1	2.1	5.2	2.1	2.2	1.3	3.0

TEXAS

	2002					2003				
	Annual Percent Change, 2002 from 2001					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
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	5.2	4.6	1.2	1.8	3.9	6.5	6.7	2.1	1.8	1.0
TX State Comptroller of Public Accounts	3.3	(0.9)	(0.6)	1.8	6.0	5.2	5.5	1.2	1.7	0.3
University of Houston - CPP	4.4	4.2	0.3	1.2		5.6	5.7	1.7	1.5	
University of Texas at El Paso	3.4	3.6	0.2	1.6	6.6	5.1	5.8	1.5	1.6	0.9
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	3.9	0.6	1.7	2.4	6.1	6.1	2.1	1.7	1.0
— Last Month	4.7	4.5	0.5	1.7	1.6	6.4	6.3	2.2	1.7	0.6

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

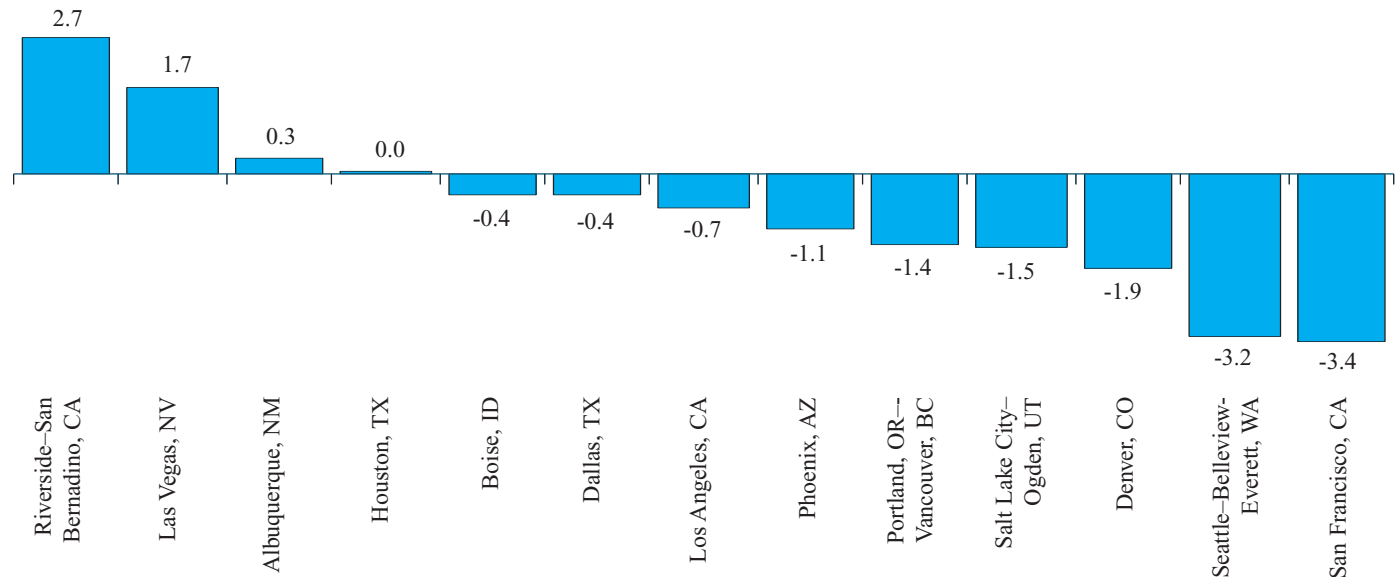
Source:	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Pacificorp	3.8	3.9	0.8	1.5	1.0	5.3	4.5	2.2	1.7	7.0
Thredgold Economic Associates	3.4	2.8	(1.0)	1.5	(2.5)	4.7	3.5	1.3	1.6	2.0
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.	3.0	1.7	(1.0)	1.5	(10.0)	3.8	2.8	1.8	1.6	0.0
Consensus Forecast — This Month	3.1	3.1	(0.4)	1.5	(3.0)	4.7	2.9	1.9	1.6	2.0
— Last Month	3.5	3.0	0.2	1.5	(3.1)	5.0	2.9	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	3.2	(1.1)	(1.9)	1.1	7.3	3.4	3.6	0.0	1.1	0.0
Dick Conway & Associates	2.5	(1.0)	(1.7)	1.0	10.0	4.2	3.2	0.8	0.9	(7.0)
Doug Pedersen & Associates	2.5	(0.5)	(1.8)	1.0	9.8	4.0	3.5	1.0	0.8	(4.5)
Office of Forecast Council *	3.6	0.3	(1.9)	1.1	14.8	3.6	3.5	0.7	0.9	(10.6)
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	2.7	(0.4)	(1.7)	1.0	9.4	3.9	3.4	0.8	0.9	(4.2)
— Last Month	1.8	(0.5)	(1.5)	1.0	2.7	4.0	3.5	1.1	1.0	(0.2)

* Population forecast is from the Office of Financial Management.

METRO AREA NONFARM EMPLOYMENT Percent Change, September 2002 vs September 2001



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
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

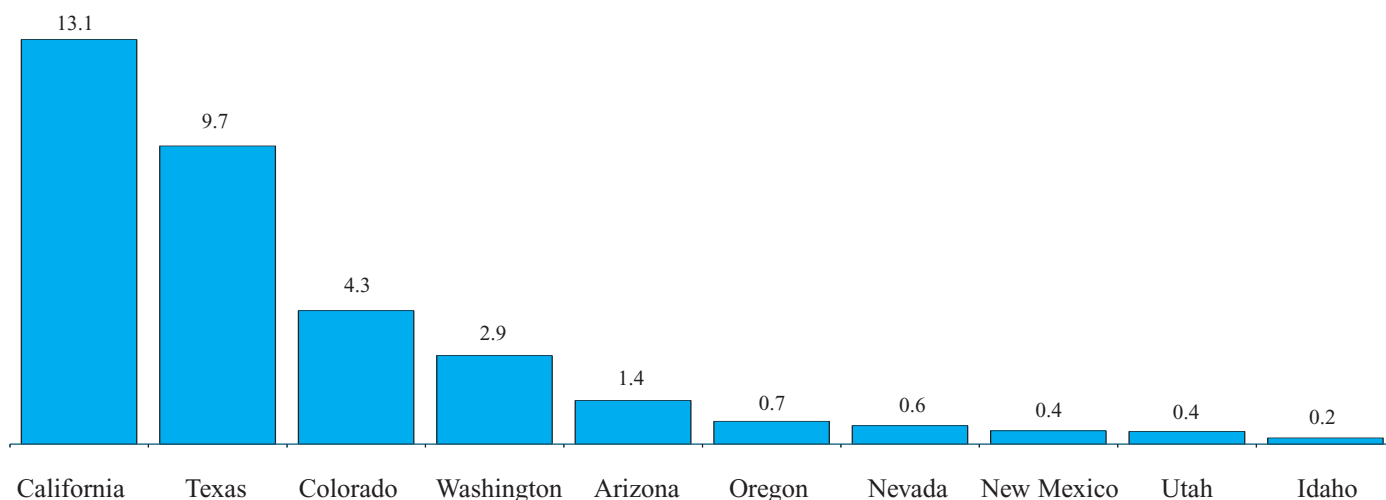
WASHINGTON

	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	

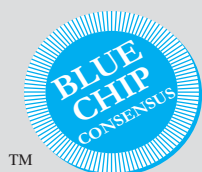
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Washington State Employment Security; Taxable Retail Sales – Washington Department of Revenue; Manufacturing Employment – Washington State Employment Security; Housing Permits – U.S. Department of the Census;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

TELECOMMUNICATIONS WAGE & SALARY DISBURSEMENTS (Percent of U.S. Total, 2001)



Source: U.S. Bureau of Economic Analysis



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, College of Business, Arizona State University, P.O. Box 874011, Tempe, AZ 85287-4011. **Rates:** Print Copy – one year (10 issues), \$110.00; two years (20 issues), \$160.00. PDF file – one year, \$99.00; two years, \$115.00. 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 non-profit organization which exists to support ASU. Your payment is not considered a charitable contribution.

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WESTERN BLUE CHIP ECONOMIC FORECAST

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