

## BLUE CHIP ECONOMIC FORECAST

## WESTERN

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What Blue Chip Economists are Saying about the Western States

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## Are the high-flying Western states headed for a fall?

For many years, the Western states have led the nation in job growth and overall economic vibrancy. Some of that shine has dulled over the last few months. As the real estate markets began to crumble

in areas where price increases had been rampant and both housing sales and construction had kept up a frenetic pace, job growth slowed.

Nevada and Arizona, two Western

states at the forefront of the construction craze, have also led the path downward. For December 2007 compared to December 2006, Nevada and Arizona lost 5.6 and 9.7 percent in construction jobs respectively. The spillover effect into other sectors has only just begun, but some areas of the economy, notably leisure and hospitality (see chart below) are providing some strength. The leisure and hospitality sector is benefiting from such influences as the weak dollar, which along with encouraging exports has stimulated foreign visitation, both in terms of cross-border shopping as well as tourism.

Will the Western states fare worse than most of the nation during this recession? The NBER announced that a business cycle peak occurred in November 2007, so it now a matter of time and depth to find the business cycle trough. Working towards the peak, some Western states experienced dramatic growth in housing prices. This pushed the price-to-income ratio — the ratio of house price to household income — upwards to the point that some Western states have well exceeded the U.S. average. The chart on page 7 provides information about median household incomes.

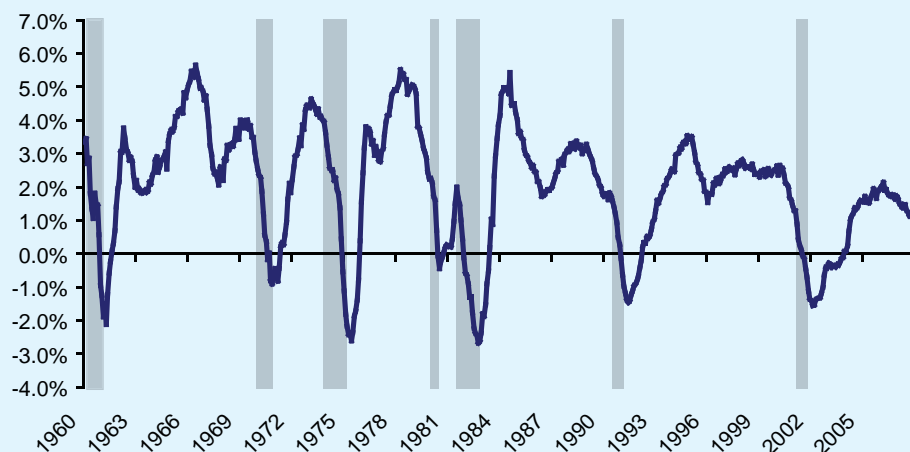
The data show that this expense ratio also corresponds to the rate of home ownership, measured by the percent of occupied housing units that are owner-occupied (see chart on page 2). Michigan, a state that has been losing jobs for many months, finds itself with the second-highest home-ownership rate in the country and Nevada, which held top ranking for job growth during that time, is ranked 47th for home ownership.

As the economy falters nationwide, some steps are being taken to try and soften the fall. The Federal Reserve Bank has lowered interest rates, banks are making sure their customers are creditworthy and incentives for consumers are being discussed. Only time will tell if these steps are enough to make the business cycle trough shallow.

— Dawn McLaren

### U.S. Total Nonfarm Job Growth

Not Seasonally Adjusted, Year-over-Year, January 1960 to December 2007

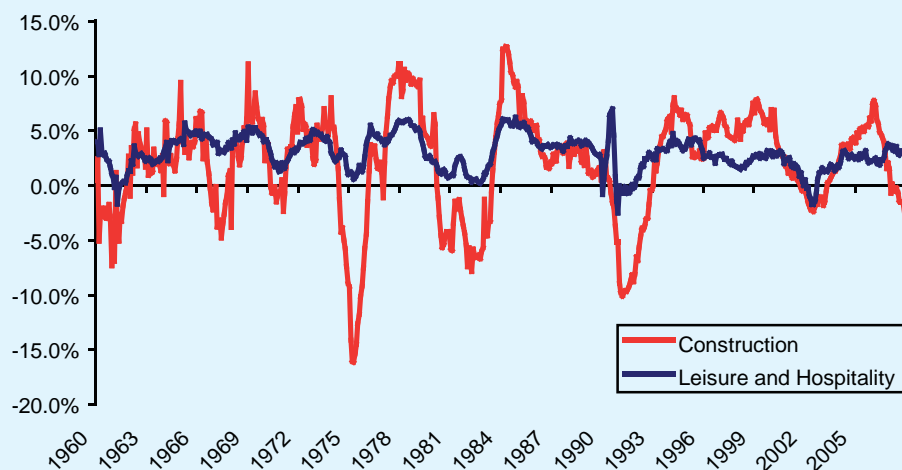


Source: U.S. Bureau of Labor Statistics

Gray bars indicate recession periods

### U.S. Construction and Leisure & Hospitality Job Growth

Not Seasonally Adjusted, Year-over-Year, January 1960 to December 2007



Source: U.S. Bureau of Labor Statistics

# NATIONAL ROUNDUP

## U.S. JOB GROWTH



### % Change: Dec. 2007 vs. Dec. 2006

Nonfarm .....	0.9
Goods-Producing .....	-1.8
Construction and Mining .....	-2.3
Manufacturing .....	-1.5
Service-Providing .....	1.4
Transportation, Warehousing & Utilities .....	0.9
Trade .....	0.6
Information .....	-0.2
Financial Activities .....	-0.3
Professional & Business Services .....	1.8
Educational & Health Services .....	3.1
Leisure & Hospitality .....	2.8
Government .....	1.2

Source: U.S. Bureau of Labor Statistics

## U.S. REAL ESTATE



### Residential Building Permits Nov. 2007 vs. Nov. 2006

	Total Residential	Single- family	Multi- family
2007	86,110	54,267	31,843
2006	110,370	81,807	28,563
% Δ	-22.0%	-33.7%	11.5%

Source: U.S. Department of Commerce

## U.S. FORECASTS



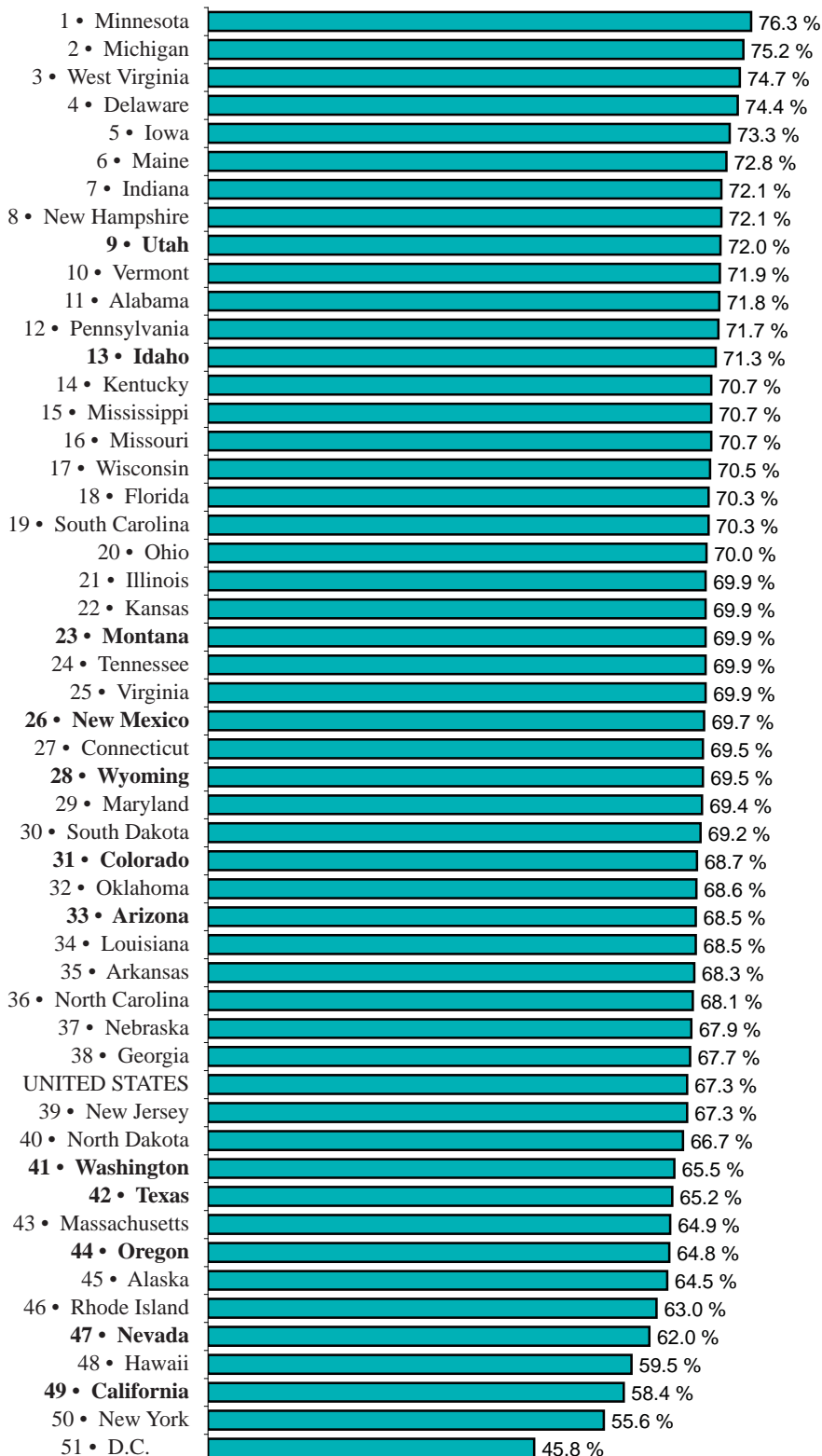
### Percent Change

	2008	2009
Real GDP (Chain) .....	1.9	2.9
CPI .....	2.1	1.6
GDP Deflator (Chain) .....	1.6	1.6

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

## Percent of Occupied Housing Units that are Owner-Occupied

2006



Source: U.S. Census Bureau, American Community Survey

# SUMMARY

## WESTERN BLUE CHIP ECONOMIC FORECAST

State:	2008 Annual Percent Change, 2008 from 2007					2009 Annual Percent Change, 2009 from 2008				
	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Real Personal Income	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Arizona	5.8 ↓	3.5 ↓	2.2 ↓	2.7 ↓	-13.6 ↓	6.1	3.8	2.6	2.7	3.1
California	4.3 ↓	2.5 ↓	0.6 ↓	1.1 ↑	-12.5 ↑	5.1	3.1	1.1	1.1	10.5
Colorado	5.9 ↓	4.1 ↑	1.7 ↓	1.8 ↑	-6.7 ↑	5.9	3.9	1.9	1.8	5.4
Idaho	6.3 ↓	4.6 ↓	2.3 ↓	2.1 ↓	-12.2 ↓	6.4	4.4	2.4	2.1	0.0
Montana	6.5 ↓	4.7 ↑	2.5 ↓	0.9 ↓	-5.0 ↑	6.5	4.5	3.0	1.0	0.0
Nevada	5.6 ↓	3.9 ↓	2.9 ↓	3.7 ↓	-4.2 ↓	4.7	2.8	2.3	3.5	-4.4
New Mexico	5.3 ↓	3.5 ↑	1.6 ↓	1.6 ↑	-3.7 ↑	4.7	2.7	1.4	1.6	-1.1
Oregon	5.4 ↓	3.7 ↓	1.4 ↓	1.4 ↓	-5.4 ↑	5.4	3.4	1.6	1.4	3.8
Texas	6.1 ↓	4.3 ↓	1.8 ↓	1.7 ↓	-7.6 ↓	6.3	4.3	2.0	1.7	2.9
Utah	7.2 ↓	5.4 ↓	3.0 ↓	2.6 ↑	-15.8 ↓	7.2	5.2	2.8	2.9	1.5
Washington	6.2 ↓	4.4 ↓	1.8 ↓	1.6 ↓	-8.3 ↑	6.1	4.2	1.8	1.6	4.7
Wyoming	7.2 ↓	5.4 ↓	3.0 ↓	1.1 ↓	-0.2 ↓	7.0	5.0	2.8	1.1	1.5

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

## Forecast notes from the Western region...

The **Washington** economy will slow significantly in 2008, as the recovery from the 2001-02 downturn loses steam, the national economy flirts with recession, and Boeing employment begins to top out. Nevertheless, Washington will continue to outpace most other states. Providing the additional boost are a strong demand for foreign exports and a high rate of in-migration in response to the state's robust economy.

— **Dick Conway**  
*Dick Conway and Associates*  
*Seattle, Washington*

The energy industry will continue to support a growing state economy albeit at a slower pace than 2007. Should the U.S. have a more prolonged slowdown than we are expecting, job growth in **Colorado** could slow to the 1 percent range.

— **Richard Wobbekind**  
*University of Colorado*  
*Boulder, Colorado*

Some analysts say that **California** is already in a recession. We are not yet ready to use the "R" word." The state currently has a "two track" economy, with housing and related activities, and financial services struggling. Other important sectors are growing slowly. Around the state, some metro areas will be in a recession during the first half of the year, but Los Angeles

County and the Bay Area should escape a downturn. As to housing, it may be 2010 before some areas see turnaround. One sector to watch: retailing, as there is overcapacity and chains are starting to whittle away at poor performing locations.

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

**Nevada's** economy continues to soften. We have again lowered our final employment estimates for 2007 and projections for 2008 and 2009. All employment sectors except Information, Health & Education, and Government are victims of the housing meltdown. Las Vegas Strip investment hasn't fueled our growth engine enough to counteract the macro business cycle. Rural Nevada is thriving on gold price and commodities-induced investment and looks to continue this trend into the future.

— **Peter Janson**  
*Nevada Department of Employment,*  
*Training & Rehabilitation*  
*Carson City, Nevada*

With a national recession all but assured in 2008, the **Texas** economy will slow in tandem. But a strong energy sector, coupled with rising commodity prices generally and growing exports stimulated

by the falling dollar, should insulate the state from the full force of the national downturn. Dallas-Fort Worth and Houston will post the highest job gains in the nation this year as they did in 2007.

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

When all the revisions come in, year-over-tear **Texas** job growth will likely be close to 3.5 percent. This surprisingly strong pace of growth occurred because of the strength in the energy and high-tech sectors and because home prices continued to appreciate. The Texas economy will slow in 2008 but remain significantly stronger than the nation due primarily to the same factors that stimulated is relative strength in 2007.

— **Keith Phillips**  
*Federal Reserve Bank of Dallas*  
*Dallas, Texas*

The pace of the **Texas** economy is slowing some in light of national concerns, but modest growth is being sustained. The energy sector and successful economic development initiatives are added catalysts to a generally favorable business climate.

— **M. Ray Perryman**  
*Perryman Group*  
*Waco, 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										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
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
Arizona Department of Commerce	5.5	5.1	2.8	2.8	-8.0	5.5	5.5	3.2	2.9	10.0
Arizona Public Service	6.2	5.5	2.3	2.6	-20.0	7.1	6.5	3.7	3.2	4.0
ASU - Economic Outlook Center	4.5	2.0	2.5	2.7	-18.0	4.7	3.0	2.8	2.5	0.0
Davidson Fixed Income Management	6.5	5.6	2.9			7.9	6.6	3.9		
ECON-LINC	6.4	4.2	2.5	2.7	-15.0	6.6	5.8	2.5	3.0	-5.0
EconLit LLC	6.2	2.2	1.5	2.8	-20.0	6.5	3.0	1.8	2.8	5.0
Elliott D. Pollack & Co.	5.5	1.0	1.0	2.5	-20.0	6.0	2.5	2.0	2.5	0.0
Grand Canyon University	5.6	4.0	1.2	3.0	0.0	3.9	1.3	0.7	2.8	5.0
H. C. Reardon Economics	5.6	5.0	3.0	2.8	-15.0	6.5	5.2	3.0	2.8	0.0
Joint Legislative Budget Committee	6.5	5.0	2.8	3.0	-10.0	6.2	5.0	2.7	2.8	-5.0
The Maguire Company	6.4	5.0	2.2	3.0	-15.0	6.2	5.4	2.8	3.0	-5.0
NAU - BBER	6.7	1.6	3.0	2.4	-5.0	7.5	2.7	4.0	2.3	2.3
Salt River Project	5.5	3.1	1.9	2.8	-15.0	6.2	4.5	2.4	2.6	12.0
Stellar Capital Management	6.5	5.5	3.0	2.6	-10.0	7.9	6.9	3.9	2.7	10.0
UA - Eller College	3.4	0.7	-0.4	2.7	-22.5	3.5	3.0	0.0	2.2	19.3
Wells Fargo & Co.	6.4	5.3	2.7	2.8	-10.3	6.1	5.0	2.5	2.8	-6.4
<b>Consensus Forecast — This Month</b>	<b>5.8</b>	<b>3.8</b>	<b>2.2</b>	<b>2.7</b>	<b>-13.6</b>	<b>6.1</b>	<b>4.5</b>	<b>2.6</b>	<b>2.7</b>	<b>3.1</b>
<b>— Last Month</b>	<b>6.3</b>	<b>4.4</b>	<b>2.5</b>	<b>2.8</b>	<b>-8.0</b>					

CALIFORNIA										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
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
Anonymous	4.8	3.4	0.7	1.2	-21.3	5.2	4.6	1.0	1.2	21.0
California State University, Long Beach *	5.9	6.5	1.8	1.7	-0.5					
Chapman University	3.1	2.6	0.1	1.1	-11.0	4.8	4.4	1.2	1.2	4.6
L.A. County Economic Development Corp.	4.9	-1.2	0.5	1.1	-26.4	5.2	1.6	1.0	1.1	3.0
Legislative Analyst's Office	4.9	3.8	1.0	1.2	3.3	5.3	4.7	1.3	1.3	19.2
UCLA - Business Forecasting Project	3.5	3.2	0.5	1.1	-8.8	4.6	4.0	0.9	1.0	18.2
University of the Pacific	4.7	4.1	0.8	1.0	-3.5					
Wells Fargo Company	4.0	3.1	0.5	1.0	-20.0	5.3	2.9	1.3	1.0	-3.0
<b>Consensus Forecast — This Month</b>	<b>4.3</b>	<b>2.7</b>	<b>0.6</b>	<b>1.1</b>	<b>-12.5</b>	<b>5.1</b>	<b>3.7</b>	<b>1.1</b>	<b>1.1</b>	<b>10.5</b>
<b>— Last Month</b>	<b>5.0</b>	<b>4.1</b>	<b>1.1</b>	<b>1.1</b>	<b>-1.0</b>					

\*This forecast is for Southern California only

# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
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.	5.0	3.9	0.5	2.1	-5.0					
Ctr. for Business and Econ. Forecasting	6.1	4.0	1.5	1.9	-20.0	6.0	5.5	2.0	1.9	10.0
Colorado Legislative Council	5.1	4.4	1.4	1.9	-1.7	6.9	5.6	2.0	2.0	17.2
David Hemley	6.2	4.5	2.2	1.8	-2.1					
Office of State Planning and Budgeting	6.1	5.9	2.1	1.7	-0.1					
University of Colorado	6.0	3.9	1.9	2.0	-5.0	6.2	4.2	2.1	2.0	0.0
Wells Fargo & Co.	4.9	3.0	1.6	1.4	-15.2	4.5	2.8	1.3	1.3	-5.7
Xcel Energy	7.8	8.0	2.5	1.7	-4.5					
<b>Consensus Forecast — This Month</b>	<b>5.9</b>	<b>4.7</b>	<b>1.7</b>	<b>1.8</b>	<b>-6.7</b>	<b>5.9</b>	<b>4.5</b>	<b>1.9</b>	<b>1.8</b>	<b>5.4</b>
— Last Month	6.0	4.9	1.8	1.8	-4.2					

IDAHO										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
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	6.0		2.2	2.1	-1.5					
Idaho Economics	7.0		2.7	1.8	-10.0	6.5		2.5	1.8	0.0
Wells Fargo UT	6.0	5.5	2.0	2.3	-25.0	6.2	5.5	2.2	2.3	0.0
<b>Consensus Forecast — This Month</b>	<b>6.3</b>	<b>5.5</b>	<b>2.3</b>	<b>2.1</b>	<b>-12.2</b>	<b>6.4</b>	<b>5.5</b>	<b>2.4</b>	<b>2.1</b>	<b>0.0</b>
— Last Month	6.4	5.5	2.4	2.2	-2.7					

MONTANA										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
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	6.5		2.1	0.8						
Wells Fargo UT	6.5		2.8	1.0	-5.0	6.5		3.0	1.0	0.0
<b>Consensus Forecast — This Month</b>	<b>6.5</b>		<b>2.5</b>	<b>0.9</b>	<b>-5.0</b>	<b>6.5</b>		<b>3.0</b>	<b>1.0</b>	<b>0.0</b>
— Last Month	6.5		2.5	0.9	0.0					

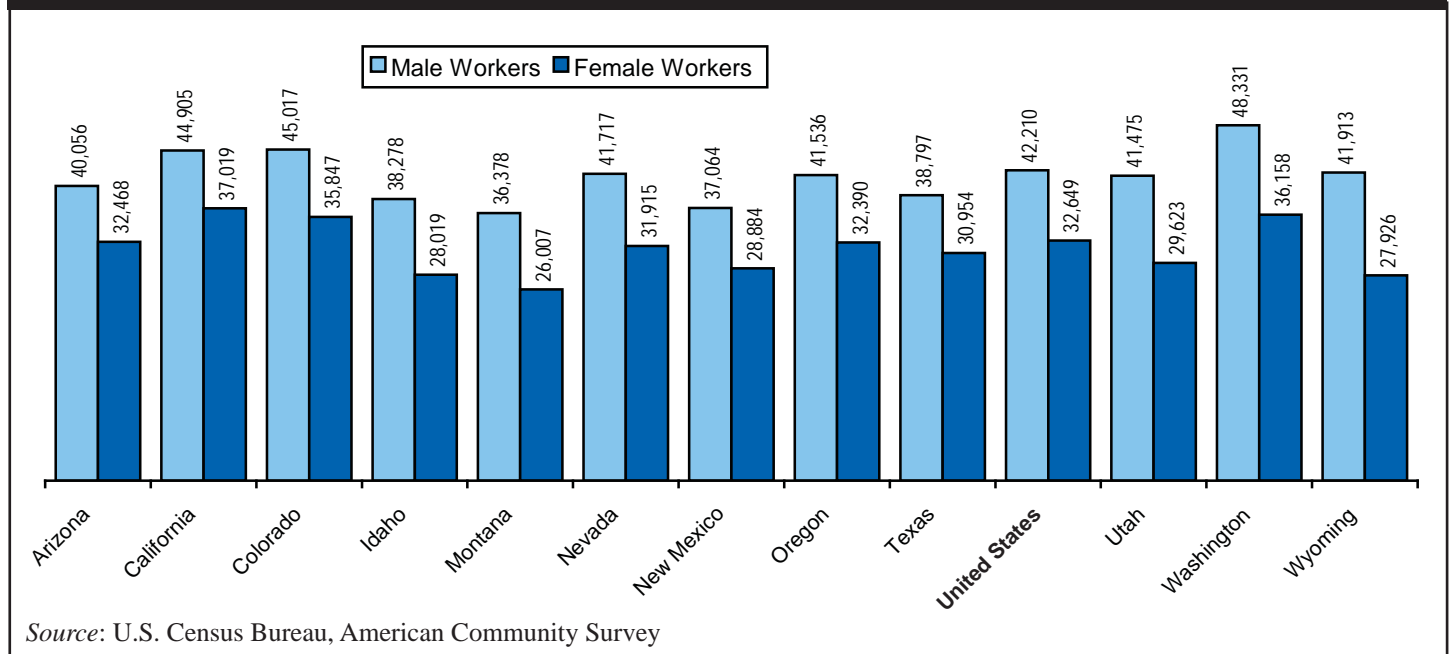
# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

NEVADA										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
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.	3.1	1.8	1.8	3.5		5.4	3.2	3.2	4.0	
Restrepo Consulting Group, LLC	5.0	3.0	2.0	3.5	-7.0	3.0	4.0	3.0	3.5	1.0
Southwest Gas	8.0	5.3	4.8	3.9	2.0					
Univ. of Nevada at Las Vegas - CBER	6.1	4.3	5.4	4.6						
Wells Fargo & Co.	5.9	5.3	0.7	3.0	-7.6	5.8	5.0	0.6	2.9	-9.8
<b>Consensus Forecast — This Month</b>	<b>5.6</b>	<b>3.9</b>	<b>2.9</b>	<b>3.7</b>	<b>-4.2</b>	<b>4.7</b>	<b>4.1</b>	<b>2.3</b>	<b>3.5</b>	<b>-4.4</b>
<b>— Last Month</b>	<b>6.1</b>	<b>4.4</b>	<b>3.6</b>	<b>3.9</b>	<b>12.7</b>					

NEW MEXICO										
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
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	5.5	1.2	1.9	1.7	0.0					
New Mexico State	6.0	1.0	1.9	1.5						
Public Service New Mexico	5.0	0.3	1.6	1.4	-7.0	4.7	0.5	1.6	1.5	-1.5
University of New Mexico - BBER	5.2	0.6	1.6		-3.4	4.8	-0.4	1.6		3.8
Wells Fargo & Co.	4.8	0.7	1.0	1.8	-4.2	4.6	0.6	1.0	1.7	-5.7
<b>Consensus Forecast — This Month</b>	<b>5.3</b>	<b>0.8</b>	<b>1.6</b>	<b>1.6</b>	<b>-3.7</b>	<b>4.7</b>	<b>0.2</b>	<b>1.4</b>	<b>1.6</b>	<b>-1.1</b>
<b>— Last Month</b>	<b>5.3</b>	<b>0.9</b>	<b>1.6</b>	<b>1.6</b>	<b>-2.0</b>					

## Median Earnings for Full-Time, Year-Round Workers 2006





# CONSENSUS FORECASTS

## WESTERN BLUE CHIP ECONOMIC FORECAST

### OREGON

Source:	2008 Annual Percent Change, 2008 from 2007					2009 Annual Percent Change, 2009 from 2008				
	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	-0.1	1.0	1.3	-12.1	5.7	0.8	1.7	1.5	3.4
Forefront Economics	5.7	1.5	2.1	1.3	-3.0	5.3	1.2	1.8	1.3	3.0
Office of Economic Analysis	5.4	-0.4	0.9	1.4	-13.0	5.8	0.5	1.8	1.4	15.8
Portland General Electric										
U.S. Bancorp	6.0	1.5	2.0	1.5	5.0					
Wells Fargo & Co.	4.9	0.8	1.2	1.5	-3.8	4.7	0.6	1.0	1.4	-7.2
<b>Consensus Forecast — This Month</b>	<b>5.4</b>	<b>0.7</b>	<b>1.4</b>	<b>1.4</b>	<b>-5.4</b>	<b>5.4</b>	<b>0.8</b>	<b>1.6</b>	<b>1.4</b>	<b>3.8</b>
<b>— Last Month</b>	<b>5.5</b>	<b>0.7</b>	<b>1.5</b>	<b>1.4</b>	<b>-1.6</b>					

### TEXAS

Source:	2008 Annual Percent Change, 2008 from 2007					2009 Annual Percent Change, 2009 from 2008				
	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	5.9	5.1	1.9	1.7	-7.5	6.1	5.4	2.0	1.7	-1.5
Federal Reserve Bank of Dallas	7.5	6.4	2.5	1.9	-10.0	7.3	6.5	2.8	1.9	4.5
David Hemley	6.2	5.2	2.0	1.6	-1.8					
Perryman Group	6.4	6.0	1.4	1.8	-7.5	6.7	6.3	1.8	1.8	4.8
TX State Comptroller of Public Accounts	5.8	5.7	2.0	1.6	-16.7					
University of Houston - CPP	5.1	5.2	1.8	1.6	-8.9					
University of North Texas	5.5	5.5	1.5	1.7	-20.0	6.0	6.0	1.9	1.7	9.0
University of Texas at El Paso	6.6	6.4	1.5	1.7	2.2					
Wells Fargo & Co.	5.6	4.3	1.8	1.4	1.7	5.4	4.2	1.6	1.3	-2.2
<b>Consensus Forecast — This Month</b>	<b>6.1</b>	<b>5.5</b>	<b>1.8</b>	<b>1.7</b>	<b>-7.6</b>	<b>6.3</b>	<b>5.7</b>	<b>2.0</b>	<b>1.7</b>	<b>2.9</b>
<b>— Last Month</b>	<b>6.0</b>	<b>5.3</b>	<b>1.9</b>	<b>1.6</b>	<b>-3.8</b>					

### UTAH

Source:	2008 Annual Percent Change, 2008 from 2007					2009 Annual Percent Change, 2009 from 2008				
	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	6.6	4.6	3.1	2.2	7.3					
Utah State Tax Commission	6.8	7.7	3.3	2.4	-10.4					
Utah Department of Workforce Services	8.0	5.3	2.2	2.8	-30.0	6.9	4.4	2.0	2.7	3.0
Wells Fargo - UT	7.5	7.0	3.4	3.0	-30.0	7.5	7.0	3.5	3.0	0.0
<b>Consensus Forecast — This Month</b>	<b>7.2</b>	<b>6.2</b>	<b>3.0</b>	<b>2.6</b>	<b>-15.8</b>	<b>7.2</b>	<b>5.7</b>	<b>2.8</b>	<b>2.9</b>	<b>1.5</b>
<b>— Last Month</b>	<b>7.0</b>	<b>6.1</b>	<b>3.4</b>	<b>2.5</b>	<b>-3.9</b>					

## WASHINGTON

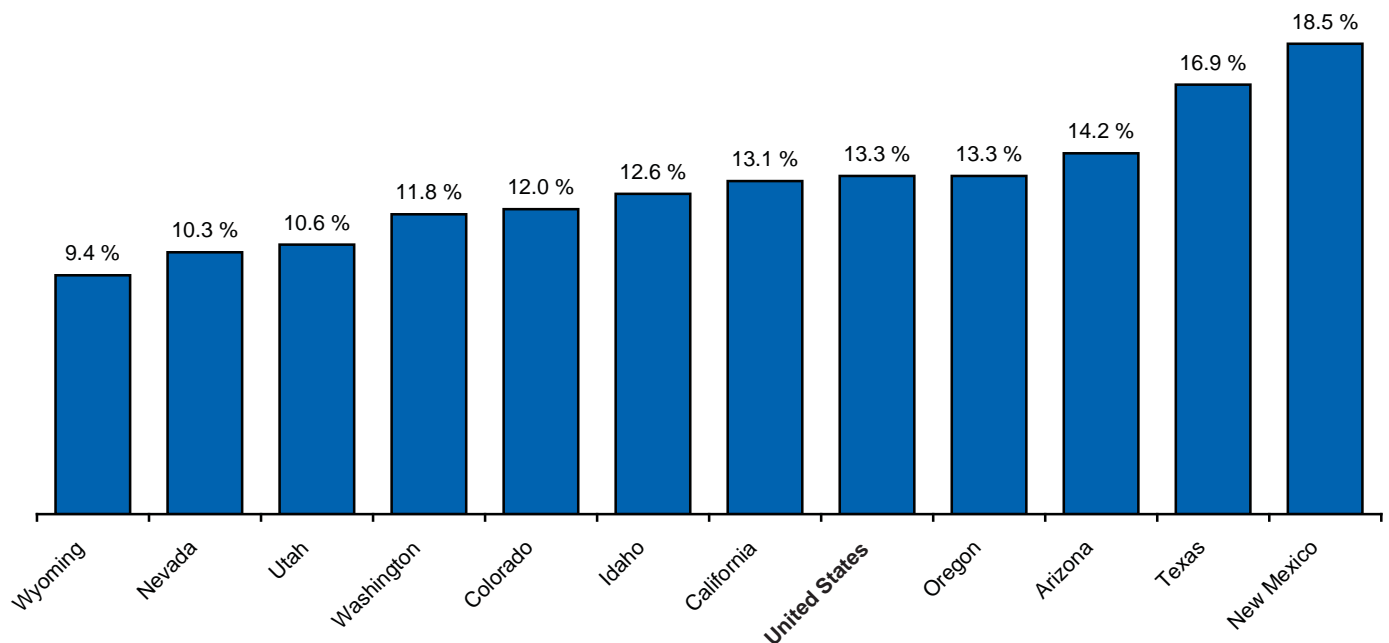
2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Conerly Consulting	7.2	6.8	2.0	1.8	-5.7	7.6	7.7	2.6	1.8	5.8
Dick Conway & Associates	5.8	5.0	1.5	1.4	-2.1	5.7	5.5	1.4	1.2	10.1
Doug Pedersen & Associates	6.2	5.0	1.9	1.8	-9.5	6.0	5.1	1.9	1.7	7.7
Office of the Forecast Council *	6.2	4.2	1.8	1.7	-10.9	6.1		1.8	1.6	4.4
Wells Fargo & Co.	5.4	4.5	1.6	1.5	-13.4	5.3	4.4	1.5	1.5	-4.6
<b>Consensus Forecast — This Month</b>	<b>6.2</b>	<b>5.1</b>	<b>1.8</b>	<b>1.6</b>	<b>-8.3</b>	<b>6.1</b>	<b>5.7</b>	<b>1.8</b>	<b>1.6</b>	<b>4.7</b>
— Last Month	6.1	5.6	2.0	1.8	-4.5					

\* Population forecast is from the Office of Financial Management.

## WYOMING

2008 Annual Percent Change, 2008 from 2007						2009 Annual Percent Change, 2009 from 2008				
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	7.0		2.9	1.0	2.5					
WY Dept. of Admin. & Information	7.0	6.0	2.8	1.3	-3.0	6.5	5.0	2.4	1.1	-2.0
Wells Fargo UT	7.5		3.2	1.0	0.0	7.5		3.2	1.0	5.0
<b>Consensus Forecast — This Month</b>	<b>7.2</b>	<b>6.0</b>	<b>3.0</b>	<b>1.1</b>	<b>-0.2</b>	<b>7.0</b>	<b>5.0</b>	<b>2.8</b>	<b>1.1</b>	<b>1.5</b>
— Last Month	7.3	4.0	3.0	1.1	1.5					

## Percent of People below Poverty Level 2006



Source: U.S. Census Bureau, American Community Survey



# 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
2007	210,800 †	176,254 †	2,719.6 ††	64,341 ††	186.5 ††	47,512 †	6,339	3.8 ††
% change	7.0	4.3	2.9	1.1	-0.4	-20.9	2.8	
2006	197,009	168,961	2,643.6	63,641	187.3	60,066	6,166	4.1
% change	8.9	5.6	5.4	7.9	2.7	-29.4	3.6	
2005	180,878	160,069	2,508.8	58,964	182.3	85,083	5,952	4.6
% change	9.7	6.3	5.4	13.2	2.9	2.0	3.6	
2004	164,942	150,632	2,381.3	52,098	177.1	83,411	5,744	4.9
% change	9.5	6.4	3.7	9.0	1.0	27.1	3.0	
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
2007	1,494,098 †	1,249,269 †	15,182.4 †	403,422 †	1,498.4	81,161 †	36,859 †	5.3
% change	5.2	2.5	1.2	4.0	-0.4	-21.7	1.1	
2006	1,420,245	1,218,394	15,002.4	387,906 ††	1,504.5	103,654	36,458	4.9
% change	6.4	3.1	1.5	5.3	-0.7	-31.4	0.6	
2005	1,335,386	1,181,758	14,785.2	368,382 ††	1,514.4	151,022	36,254	5.4
% change	5.3	2.0	1.8	5.2	-1.2	0.2	1.2	
2004	1,268,049	1,158,438	14,530.4	350,173	1533.1	150,710	35,841	6.2
% change	6.8	3.8	1.0	9.4	-1.4	7.3	1.1	
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
2007	197,814 †	165,400 †	2,317.5 †	70,604 †	145.8 ††	27,878 †	4,839 †	3.8
% change	6.2	3.5	2.0	5.7	-2.3	-11.0	1.8	
2006	186,266	159,793	2,272.1	66,797	149.3 ††	31,324	4,753	4.3
% change	6.5	3.2	2.1	5.4	-0.7	-22.6	1.9	
2005	174,919	154,796	2,225.5	63,375	150.4	40,477	4,663	5.1
% change	6.2	2.9	2.1	5.6	-0.9	6.1	1.4	
2004	164,673	150,439	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	
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
2007	47,087 †	39,371 †	658.5 †	21,554 †	65.1 ††	12,830 †	1,499 †	2.6
% change	7.2	4.5	2.8	6.0	-1.5	-17.9	2.2	
2006	43,924	37,681	640.6	20,334 ††	66.1	15,627	1,466	3.4
% change	7.9	4.6	4.6	6.0	3.9	-19.7	2.6	
2005	40,706	36,023	612.6	19,183	63.6	19,464	1,429	4.0
% change	6.5	3.1	4.2	14.7	2.3	32.9	2.5	
2004	38,229	34,925	587.9	16,727	62.2	14,650	1,395	4.7
% change	9.8	6.7	2.8	4.2	-0.3	17.8	2.0	

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
2007	29,008 †	24,254 †	433.5 †	32.8 ††	20.7 ††	3,632 †	945 †	2.7
% change	6.6	-2.5	2.6	8.6	2.5	-10.0	1.0	
2006	28,989	24,869	433.4	30.2	20.2	3,636	944.6	3.2
% change	6.9	3.6	3.0	9.4	3.1	5.1	1.1	
2005	27,122	24,002	420.7	27.6	19.6	3458	934.7	3.9
% change	5.2	1.9	2.3	10.8	2.1	1.0	0.9	
2004	25,791	23,561	411.3	24.9	19.2	3425	926.3	4.2
% change	6.7	3.7	2.6	7.8	1.1	46.4	1.0	

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
2007	98,388 †	82,266 †	1336.3 †	N/A	13,177.4 †	22,285 †	2,598 †	4.8
% change	6.3	3.6	3.7		4.4	-16.5	4.1	
2006	92,557	79,402	1,288.6	N/A	12,622.0	26,689	2,496	4.2
% change	7.3	4.1	5.3		8.4	-28.7	3.5	
2005	86,224	76,305	1,224.2	46,190	11,649.0	37,438	2,412	4.2
% change	8.7	5.3	6.2	12.4	10.3	-3.6	3.4	
2004	79,353	72,494	1,152.7	41,087	10,562.2	38,817	2,332	4.5
% change	11.5	8.4	5.9	16.0	9.7	17.5	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 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
2007	61,188 †	51,162 †	845.4 †	12,553	37.4 ††	13,397 †	1,984 †	3.5
% change	5.5	2.8	1.7	-10.3	-0.8	9.2	1.5	
2006	57,998	49,755	831.3	13,999	37.7	12,268	1,955	4.2
% change	8.0	4.7	2.7	8.5	4.4	-9.5	1.5	
2005	53,714	47,535	809.2	12,900	36.1	13,553	1,926	5.3
% change	5.9	2.6	2.4	4.8	0.3	15.4	1.3	
2004	50,707	46,324	790.4	12,312	36.0	11,743	1,901	5.8
% change	8.7	5.7	1.9	5.2	-1.4	-0.7	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

### 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
2007	131,939 †	110,319 †	1740.2 †	202.4 ††	18,950 †	N/A	3,756 †	5.3
% change	5.9	3.2	1.7	-2.1	-7.5		1.5	
2006	124,589	106,882	1711.1	206.8	20,486	26,800	3,701	5.4
% change	6.0	2.8	3.2	1.4	-17.8	-15.9	1.7	
2005	117,497	103,980	1,658.3	203.9	24,925	31,864	3,639	6.2
% change	5.5	2.2	3.1	2.1	16.6	13.8	1.4	
2004	111,325	101,702	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	

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 N/A - not yet available

### 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
2007	860,873 †	719,807 †	10195.8 †	392.7 †	927.4 ††	146,882 †	23,907†	4.3
% change	6.9	4.2	2.2	5.8	0.1	-9.6	1.7	
2006	805,307	690,853	9,976.3	371.2 ††	926.3	162,480	23,508	4.9
% change	8.2	4.9	2.5	6.8	3.2	-1.9	2.5	
2005	744,270	658,646	9,735.0	347.6	897.4	165,579	22,929	5.3
% change	7.8	4.4	2.5	6.1	0.7	16.8	1.8	
2004	690,480	630,794	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	

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
2007	79,870 †	66,782 †	1248.9 †	24,283 †	128.0 ††	19,195 †	2,614 †	2.6
% change	7.6	4.9	3.9	6.5	0.0	-17.0	2.5	
2006	74,229	63,679	1,202.0	22,801.1 ††	122.7	23,126	2,550	2.9
% change	9.1	5.8	4.6	6.5	3.8	-6.2	2.4	
2005	68,039	60,211	1,149.5	21,409	118.2	24,645	2,490	4.1
% change	7.2	3.8	4.1	5.2	3.2	23.9	2.8	
2004	63,478	57,991	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	

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
2007	255,624 †	213,736 †	2937.2 †	116,627 †	293.1 ††	31,938 †	6,511 †	4.7
% change	6.8	4.1	2.5	6.5	2.5	-8.8	1.8	
2006	239,348	205,331	2,865.6	109,509 ††	286.0	35,020	6,396	5.0
% change	7.2	3.9	3.1	7.2	4.9	-14.4	1.7	
2005	223,232	197,551	2,779.1	102,154	272.6	40,928	6,292	5.5
% change	2.9	-0.3	2.9	9.3	3.4	11.2	1.4	
2004	216,921	198,170	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	

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

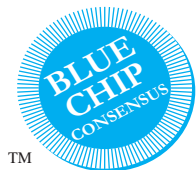
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Natural Resources & Mining Employ. (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2007	20,965 †	17,529 †	274.1 †	27.6 ††	10.2 ††	2,699 †	515.1 †	3.0
% change	8.0	-2.5	3.3	3.8	2.0	3.0	1.2	
2006	20,948	17,971	274.0	26.6	10.0	2,698	515.0	3.2
% change	10.4	7.0	4.2	17.2	3.1	-14.6	1.2	
2005	18,981	16,797	263.0	22.7	9.7	3159	508.8	3.7
% change	7.1	3.7	3.0	12.4	3.2	12.3	0.6	
2004	17,723	16,191	255.4	20.2	9.4	2814	505.5	3.9
% change	7.9	4.9	2.2	10.4	1.1	24.2	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

# WESTERN BLUE CHIP PANEL

## WESTERN BLUE CHIP ECONOMIC FORECAST

The Adams Group Colorado Springs, Colorado Tucker Hart Adams	Eastern New Mexico University Portales, New Mexico David Hemley	Nevada Dept. of Employment, Training & Rehabilitation Carson City, Nevada Peter Janson	University of Arizona Eller College Tucson, Arizona Marshall Vest
Arizona Dept. of Commerce Phoenix, Arizona Dennis Doby & Cheri Levenson	ECON-LINC Phoenix, Arizona John Lucking	New Mexico State University Las Cruces, New Mexico Chris Erickson	University of Colorado Boulder, Colorado Richard Wobbekind
Arizona Joint Legislative Budget Committee Phoenix, Arizona	EconLit LLC Phoenix, Arizona Dwight Duncan	Northern Arizona University Flagstaff, Arizona Dennis Foster, Ronald Gunderson & Max Jerrell	University of Houston Houston, Texas Barton Smith
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Arizona State University Tempe, Arizona Tracy Clark	Economic Development Corp. of Los Angeles County Los Angeles, California Jack Kyser	Office of the Forecast Council Olympia, Washington Chang Mook Sohn	University of Nevada at Las Vegas Las Vegas, Nevada Keith Schwer
California Legislative Analyst's Office Sacramento, California Jon David Vasche	Elliott D. Pollack & Co. Scottsdale, Arizona Elliott Pollack	Pacificorp Salt Lake City, Utah Reed Davis	University of New Mexico Albuquerque, New Mexico Larry Waldman
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Conerly Consulting Portland, Oregon Bill Conerly	John Mitchell Portland, Oregon	Stellar Capital Management Phoenix, Arizona Stephen Taddie	Wyoming Center for Business and Economic Analysis Cheyenne, Wyoming Richard T. O'Gara
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## WESTERN BLUE CHIP ECONOMIC FORECAST

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