

BLUE CHIP ECONOMIC FORECAST

WESTERN

W. P. CAREY
SCHOOL of BUSINESS

What Blue Chip Economists are Saying about the Western States

ASU ARIZONA STATE
UNIVERSITY

Hat trick for NM economic forecasters in 2003

CONSENSUS FORECASTS AND ACTUAL NONFARM
EMPLOYMENT GROWTH FOR WESTERN STATES: 2003

Rank	State	Forecast	Actual	Difference
1	New Mexico	1.3%	1.2%	0.1
2	Nevada	3.1	3.4	0.3
3	Washington	0.7	0.2	0.5
4	Idaho	1.6	0.6	1.0
5	Arizona	2.4	1.1	1.3
6	California	1.1	-0.3	1.4
7	Utah	1.6	0.0	1.6
8	Colorado	0.5	-1.5	2.0
9	Texas	1.6	-0.5	2.1
10	Oregon	1.9	-0.7	2.6

Source: Forecasts from *Western Blue Chip Economic Forecast*, January/February 2003; actual employment growth from U.S. Bureau of Labor Statistics.

For the third consecutive year, economic forecasters from New Mexico were most accurate in their projections of nonfarm employment growth, based on 2003 data.

The winning forecasters were determined by calculating the difference between the projections made in January and the latest revised employment growth figures from the Bureau of Labor Statistics for 2003.

The 2003 consensus forecast for New Mexico job growth prepared by the analysts in January anticipated an increase in employment of 1.3 percent. The actual growth rate, based on recently available data revisions, was 1.2 percent.

Nevada panelists were in second place, with a 0.3 percent difference between forecast and actual employment growth.

The persistence of weak labor markets (except in Nevada) was a surprise to most analysts as the past year unfolded.

2 Western analysts post perfect projections for job gains

Among the approximately 75 analysts that contribute to the *Western Blue Chip Economic Forecast*, two hit the bull's-eye with perfect projections for nonfarm employment growth in 2003.

The two top individual forecasters were Dan Hall of the New Mexico Department of Labor and Bill Conerly of Conerly Consulting, for Washington.

Panel members with the best individual 2003 forecasts for each state are shown in the accompanying table. Seven of the top individuals were two-time winners who were also most accurate in the 2002 tally.

For the first time, there was a three-time winner, Kelly Matthews from Wells Fargo & Co. in Salt Lake City, whose job growth forecast was the best in the Beehive State for the third consecutive year.

The best individual forecasts were those calling for very slow rates of employment growth. Two-time winner Bill Kendall of the Center for Business & Economic Forecast had the distinction of being the only forecaster in January projecting job losses for his state (Colorado) in 2003.

MOST ACCURATE FORECASTERS BY STATE: 2003

State	Organization	Panelists
Arizona	Tucson Electric Power Co.	Julie Adams
California	Legislative Analysts Office	Brad Williams**
Colorado	Center for Business & Economic Forecasting	Wilson Kendall**
Idaho	Wells Fargo & Co.	Ed Kashmarek & Sung Won Sohn**
Nevada	University of Nevada, Las Vegas	Keith Schwer**
Nevada	Thredgold Economic Associates	Jeff Thredgold
New Mexico	New Mexico Dept. of Labor	Dan Hall*
Oregon	Thredgold Economic Associates	Jeff Thredgold
Texas	Federal Reserve Bank, Dallas	Keith Phillips**
Utah	Dept. of Workforce Services	Kent Jensen**
Utah	Wells Fargo & Co.	Kelly Matthews***
Washington	Conerly Consulting	Bill Conerly*

* Perfect forecast

** Second consecutive year of forecast accuracy listing

*** Third consecutive year of forecast accuracy listing

NATIONAL ROUNDUP

U.S. JOB GROWTH



% Change: April 2004 vs. April 2003

Nonfarm.....	0.9
Goods-Producing.....	-0.1
Construction.....	3.2
Manufacturing.....	-1.8
Service-Providing.....	1.1
Transportation, Warehousing & Utilities.....	-0.3
Trade.....	0.7
Information.....	-1.3
Financial Activities.....	0.5
Professional & Business Services...	3.2
Educational & Health Services.....	1.9
Leisure & Hospitality.....	2.1
Government.....	-0.2

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits May 2004 vs. May 2003

	Total Residential	Single- family	Multi- family
2004	184,844	145,026	39,818
2003	167,081	129,498	37,583
% Δ	10.6	12.0	5.9

Source: U.S. Department of Commerce

U.S. FORECASTS



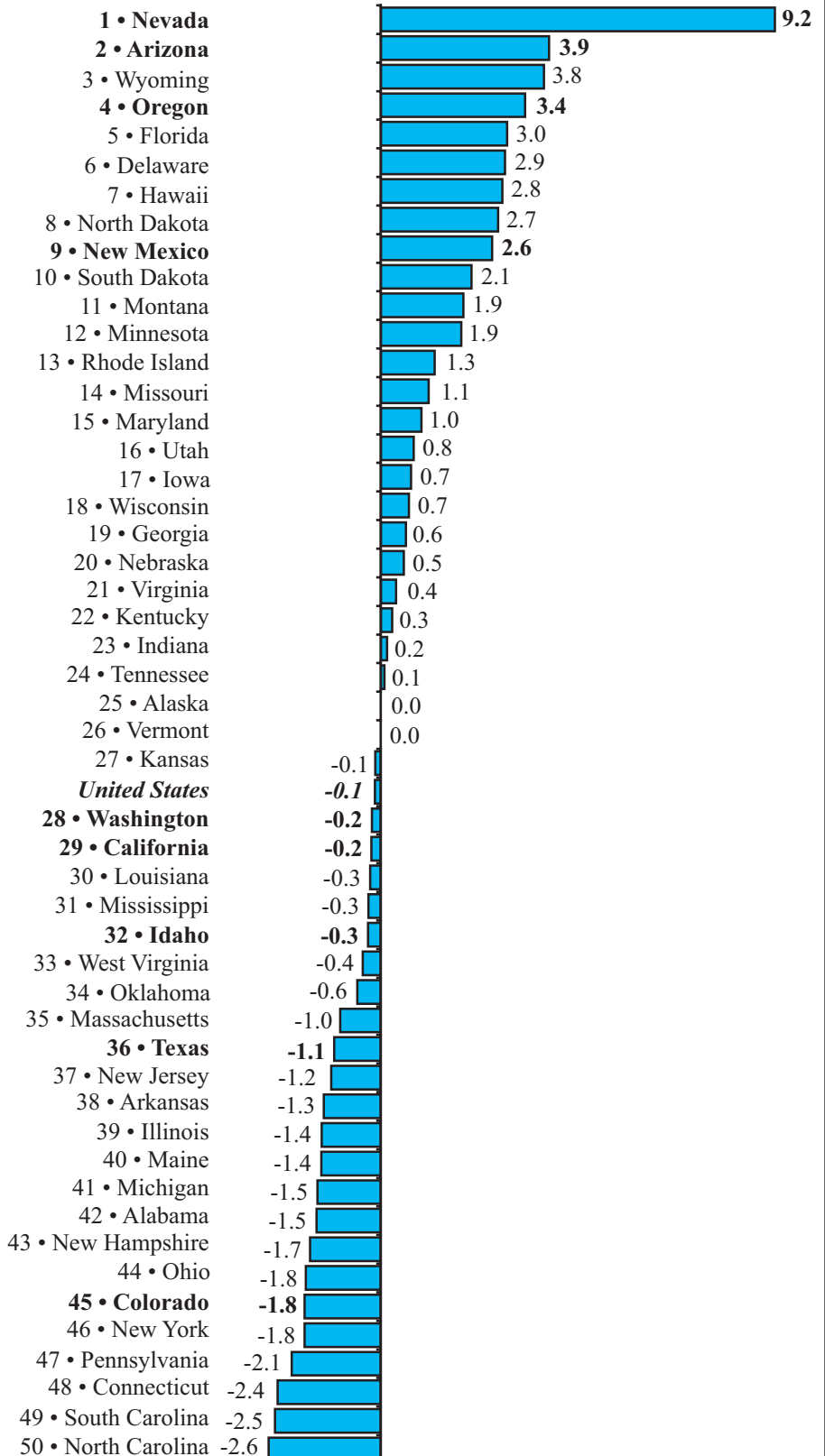
Percent Change

	2004	2005
Real GDP (Chain).....	4.8	3.6
CPI.....	2.2	1.5
GDP Deflator (Chain)...	1.9	1.6

Source: "U.S. Economic Outlook," *Global Insight*, May 2004

JOB GROWTH IN GOODS-PRODUCING INDUSTRIES*

Percent Change, April 2004 vs. April 2003



Source: Bureau of Labor Statistics

*Includes Construction, Mining and Manufacturing

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

2004 Annual Percent Change, 2004 from 2003						2005 Annual Percent Change, 2005 from 2004				
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	6.9 ↑	4.9 ↓	3.6 ↑	2.8	0.4 ↑	7.2 ↑	5.5 ↓	3.9 ↑	2.9 ↑	(0.9)↓
California	5.0 ↑	3.1 ↓	1.1 ↓	1.5	1.4 ↑	5.5 ↑	3.8 ↓	2.0 ↓	1.5	(2.3)↓
Colorado	3.9 ↓	2.0 ↓	1.0 ↓	1.2	(1.0)↓	5.3 ↓	3.7 ↓	2.4 ↓	1.3	1.6 ↓
Idaho	5.2	3.2 ↓	1.5	1.3	(5.6)↑	5.5	3.8 ↓	2.0 ↑	1.4	0.4
Nevada	6.6	4.6	3.8 ↑	4.0 ↑	1.4 ↑	6.6	4.9 ↓	3.8 ↑	3.9 ↑	1.8 ↑
New Mexico	5.2 ↑	3.2 ↓	1.7 ↓	1.4 ↑	1.6 ↑	5.4 ↑	3.7 ↑	2.2 ↑	1.5 ↑	(1.0)↓
Oregon	5.3 ↑	3.3 ↓	1.8	1.3	(1.3)	5.6	4.0 ↓	2.6	1.3	(0.9)
Texas	5.9	3.9 ↓	1.7	1.8	(0.4)↑	6.4 ↓	4.7 ↓	2.3	1.8	(1.1)↓
Utah	4.5	2.6 ↓	1.6	1.7	0.1 ↑	5.4 ↓	3.8 ↓	2.3	1.8	0.5
Washington	5.1 ↑	3.2 ↓	1.8 ↑	1.1 ↑	(6.3)↑	5.5 ↓	3.8 ↓	2.6 ↓	1.2 ↑	(3.8)↑
↑= Increase in consensus forecast ↓= Decrease in consensus forecast										

Forecast notes from the Western region...

The “job-loss” recovery in **Oregon** appears to have bottomed out in June 2003. A “job-gaining” recovery is under way with strong gains in April and May. Oregon lost 65,400 seasonally adjusted jobs during the recession. Since June 2003, slightly more than half have been regained.

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

The **New Mexico** economy is currently being led by health care and social assistance, and by government. Construction, and oil and gas are also doing well. Manufacturing is on the brink of a strong recovery. Indian enterprise (gaming and resorts, mostly) is strong force, adding hundreds of jobs during the last year. The Indian gaming handle (net win) is approaching \$500 million annually.

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

California's economy is definitely looking better. International trade, tourism and new home building continue to provide support, but now manufacturing is starting to show signs of life. However, it's still nail-biting time in the entertainment industry, as the guilds are restless, and the next 12 months will bring a lot of contract talks. Providing a touch of good news for the entertainment industry are the plans by the broadcast networks to do more year-round

programming, while the cable networks are stepping up production of their own series. However, the state legislature continues to crank out costly regulations, so the business community is investing in plant and equipment but being careful about adding to the work force. The November ballot will be filled with initiatives, which means a burst of work for the advertising industry.

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

The hallmark of the recovery in the Southern **California** economy has been sluggish employment growth, much like the nation. As the nation has posted impressive gains in job formation and begins its sustainable expansion, employment growth will improve in the regional economy. Durable goods manufacturing has been a drag on the region's employment growth and we expect that situation to improve in 2005.

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

Oregon employment bottomed out one year ago and has been steadily increasing, with the May data showing a 2.1 percent annual gain. A planned legislative session to focus on altering the state's fiscal system failed to materialize and any action will be deferred to the next legislature or

to initiatives. Portland, which had been hit harder than the rest of the state, has shown slight annual job gains for the last two months. The state's unemployment rate is no longer the highest in the nation.

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

Job growth continues to gain momentum across a broad spectrum of [**Texas**] industries. Corporate locations and investment are also contributing to future growth.

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

A brighter employment picture for **Nevada** suggests overall economic conditions in the Silver State are likely to be performing better than the U.S. Indeed, that has been the case. Nevada taxable sales, gaming revenue, passengers, and visitor volume posted double-digit rates. The increases reflect factors that include the oil price runup to more than \$40 per barrel. Nationally, energy and commodity prices have pushed prices up. The strength of the current indicators for Nevada and the U.S. points to continued economic growth in 2004. The evolving geopolitical environment, however, casts a shadow of risk.

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

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

	2004 Annual Percent Change, 2004 from 2003					2005 Annual Percent Change, 2005 from 2004				
	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	7.1	6.6	3.2	3.0	1.5	7.7	7.4	4.2	3.0	1.4
ASU – Bank One EOC	6.4	5.8	2.7	2.7	(5.0)	6.8	6.3	3.5	2.7	(2.0)
CH2M HILL	6.8	6.2	3.7	2.8	1.0	7.1	6.4	3.9	2.8	1.5
Department of Economic Security	6.7	6.2	2.5	2.7		7.0	6.7	3.1	2.6	
ECON-LINC	6.8	6.2	4.0	2.6	(3.0)	7.0	6.4	4.2	2.8	(2.0)
Eggert Economic Enterprises Inc.	7.1	6.4	3.7	2.9	(1.4)	7.0	6.5	4.0	3.1	(1.7)
Elliott D. Pollack & Co.	6.8	7.0	3.5	2.6	0.0	7.8	7.0	4.0	3.0	(10.0)
H. C. Reardon Economics	7.0	6.4	3.6	2.9	0.0	7.4	6.6	4.0	3.0	0.0
Joint Legislative Budget Committee	6.8	6.2	3.7	2.7	(1.5)	6.9	6.4	4.0	2.7	(1.0)
Lancaster Consulting	6.6	6.0	3.8	2.8	1.0	7.2	6.5	3.9	2.8	5.0
The Maguire Company	6.8	6.1	3.7	2.7	0.0	7.1	6.6	3.8	2.7	2.0
Metropolitan West Asset Management	6.8	6.0	4.2			7.5	6.5	4.0		
NAU – BBER	6.8	6.4	3.8	2.7	0.0	7.3	6.9	4.0	2.9	5.0
Protitlement	6.9	5.9	3.8	2.9	5.0	7.5	6.4	4.0	2.8	(7.5)
Salt River Project	6.6	6.0	3.2	2.9	0.0	7.8	7.8	4.0	2.8	0.0
Stellar Capital Management	6.5	5.9	3.8	2.7	3.0	6.8	6.4	3.9	2.9	1.0
UA – Eller College	7.6	8.0	4.3	2.9	2.7	6.9	5.7	4.2	3.4	(7.3)
VisionEcon	7.9	7.2	4.0	3.1	1.0	7.4	7.9	3.9	3.0	3.0
Wells Fargo & Co.	6.8	6.5	3.6	3.0	3.0	7.1	6.4	4.0	3.2	(3.0)
Consensus Forecast — This Month	6.9	6.4	3.6	2.8	0.4	7.2	6.7	3.9	2.9	(0.9)
— Last Month	6.8	6.3	3.6	2.8	(0.3)	7.2	6.6	3.9	2.9	(0.9)

CALIFORNIA

	2004 Annual Percent Change, 2004 from 2003					2005 Annual Percent Change, 2005 from 2004				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Source:										
Anonymous	5.4	4.1	0.8	1.7	7.9	5.6	5.2	2.1	1.7	(0.2)
California State University, Long Beach *	5.6	4.8	1.2	1.7	(8.9)	7.0	6.2	2.3	1.8	(2.9)
Capital Corporation of the West	4.9	5.3	1.2	1.5	(3.0)	5.5	5.7	2.0	1.5	(1.5)
Chapman University	4.9	4.9	1.2	1.6	0.0	5.2	4.6	1.6	1.5	(5.4)
L.A. County Economic Development Corp.	4.8	4.7	1.1	1.6	4.2	5.5	5.8	1.6	1.6	0.5
Legislative Analyst's Office	5.6	5.5	1.0	1.3	(5.0)	6.1	5.8	2.3	1.3	0.0
UCLA – Business Forecasting Project	4.5	4.0	0.8	1.5	10.4	5.2	5.0	1.9	1.5	(6.1)
Wells Fargo & Co.	5.0	4.9	1.5	1.4	(5.0)	5.1	5.3	2.3	1.3	(3.2)
Consensus Forecast — This Month	5.0	4.8	1.1	1.5	1.4	5.5	5.3	2.0	1.5	(2.3)
— Last Month	4.9	4.9	1.1	1.5	(2.3)	5.4	5.4	2.0	1.5	(1.7)

*This forecast is for Southern California only

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2004 Annual Percent Change, 2004 from 2003						2005 Annual Percent Change, 2005 from 2004				
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.	3.9	4.6	1.7	1.3	(0.7)	4.9	5.5	2.5	1.4	1.0
Center for Bus. and Econ. Forecasting	4.3	4.0	0.4	1.1	(6.3)	6.3	4.8	3.1	1.2	(5.7)
Colorado Legislative Council	3.3	2.5	(0.3)	1.3	(5.0)	4.5	4.4	1.2	1.4	0.0
David Hemley	1.8	1.5	(0.9)	1.3	(6.7)	4.4	3.9	1.9	1.3	1.2
Office of State Planning and Budgeting	3.1	3.3	1.6	1.2	(0.6)	4.6	4.6	2.5	1.4	3.2
University of Colorado	5.0	4.0	1.5	1.3	5.0	6.5	5.0	2.5	1.4	5.0
Wells Fargo & Co.	4.3	3.8	1.7	1.0	1.0	5.4	4.6	2.7	1.2	1.2
Xcel Energy	5.5	3.8	2.3	1.5	5.5	6.0	4.5	2.8	1.5	7.0
Consensus Forecast — This Month	3.9	3.4	1.0	1.2	(1.0)	5.3	4.7	2.4	1.3	1.6
— Last Month	3.9	3.4	1.0	1.2	(0.8)	5.3	4.7	2.4	1.3	1.6

IDAHO										
2004 Annual Percent Change, 2004 from 2003						2005 Annual Percent Change, 2005 from 2004				
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	4.5		1.2	1.5	(7.8)	5.0		1.6	1.5	(2.8)
Idaho Economics	5.3		1.6	1.3	(4.0)	5.3		1.8	1.5	(3.0)
Idaho State University	5.1	4.3	1.2	1.1	(12.0)	5.3	4.0	1.5	1.1	7.0
Thredgold Economic Associates	5.8	4.6	2.1	1.2	1.0	6.2	5.0	2.7	1.3	1.0
Wells Fargo & Co.	5.2	3.5	1.6	1.3	(5.0)	5.5	4.0	2.2	1.4	0.0
Consensus Forecast — This Month	5.2	4.1	1.5	1.3	(5.6)	5.5	4.3	2.0	1.4	0.4
— Last Month	5.2	4.2	1.5	1.3	(6.9)	5.5	4.3	1.9	1.4	0.4

NEVADA										
2004 Annual Percent Change, 2004 from 2003						2005 Annual Percent Change, 2005 from 2004				
Source:	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Dept. of Empl., Training, and Rehab.	6.7	4.0	4.0	3.3		6.1	3.6	3.6	3.2	
Legis. Counsel Bureau – Fiscal Analysis	6.5	4.0	3.3	3.5	0.0	7.2	4.5	3.7	3.5	(2.5)
Restrepo Consulting Group, LLC	6.0	3.5	4.0	4.0	4.0	5.0	3.0	3.5	3.5	3.0
Thredgold Economic Associates	6.4	4.0	3.9	4.0	4.0	6.7	4.4	4.0	4.2	4.0
Southwest Gas	7.0	2.7	2.8	4.3	(1.0)	7.2	3.1	3.0	4.4	1.3
Univ. of Nevada at Las Vegas – CBER	6.1	3.3	4.1	4.1	(0.4)	6.3	3.8	4.3	4.2	2.4
Wells Fargo & Co.	7.2	5.6	4.5	4.7	1.6	7.6	6.0	4.7	4.1	2.3
Consensus Forecast — This Month	6.6	3.9	3.8	4.0	1.4	6.6	4.1	3.8	3.9	1.8
— Last Month	6.6	3.8	3.8	4.0	1.4	6.6	4.0	3.8	3.9	1.7

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

	2004					2005				
	Annual Percent Change, 2004 from 2003					Annual Percent Change, 2005 from 2004				
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	4.9	(0.1)	1.1	1.1	3.1	4.8	0.0	1.7	1.2	0.4
New Mexico Department of Labor		(0.2)	1.7				1.2	1.9		
New Mexico State Univ – CEMAF	5.2	(1.0)	1.5							
Public Service New Mexico	5.1	0.4	1.9	1.4	(2.0)	5.3	1.0	2.1	1.5	0.5
University of New Mexico – BBER	4.9	(0.1)	1.6		5.9	5.7	4.0	2.5		(5.9)
Wells Fargo & Co.	5.8	1.0	2.5	1.6	(0.6)	5.8	1.3	2.7	1.7	1.0
Consensus Forecast — This Month	5.2	0.0	1.7	1.4	1.6	5.4	1.5	2.2	1.5	(1.0)
— Last Month	5.2	0.1	1.8	1.4	0.2	5.3	1.1	2.1	1.4	(0.7)

OREGON

	2004					2005				
	Annual Percent Change, 2004 from 2003					Annual Percent Change, 2005 from 2004				
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	6.0	2.0	2.2	1.2	(2.0)	5.1	1.9	3.8	1.3	(5.8)
Forefront Economics	4.8	1.0	1.5	1.1	3.5	5.3	1.4	2.2	1.2	4.0
Oregon Executive Department	5.2	0.8	1.5	1.1	(6.2)	5.6	0.4	2.1	1.1	(0.1)
Portland General Electric	5.9	1.5	2.1	1.3	1.0	6.7	2.5	2.6	1.4	1.0
Rhodes Econometrics	4.8	1.1	1.4	1.3	(2.8)	5.0	1.3	2.7	1.4	(1.8)
Thredgold Economic Associates	4.8	0.8	1.9	1.4	1.0	5.4	1.2	2.4	1.5	1.5
U.S. Bancorp	5.1	1.2	1.7	1.2	(3.0)	5.8	1.8	2.4	1.2	(5.0)
Wells Fargo & Co.	5.9	0.9	2.2	1.4	(1.8)	6.1	1.4	2.8	1.5	(0.7)
Consensus Forecast — This Month	5.3	1.2	1.8	1.3	(1.3)	5.6	1.5	2.6	1.3	(0.9)
— Last Month	5.3	1.1	1.7	1.3	(2.2)	5.6	1.4	2.6	1.3	(1.0)

TEXAS

	2004					2005				
	Annual Percent Change, 2004 from 2003					Annual Percent Change, 2005 from 2004				
Source:	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Econoclast	6.4	7.0	2.3	1.8	1.0	6.5	6.7	2.3	1.9	1.4
Federal Reserve Bank of Dallas	6.3	7.0	1.7	1.9	2.0	7.2	7.5	2.5	1.9	2.5
David Hemley	4.5	3.9	0.4	1.8	1.4	5.9	6.0	2.0	1.8	0.6
Perryman Group	6.1	6.2	1.7	1.7	(3.2)	6.5	6.6	2.2	1.8	1.4
TX State Comptroller of Public Accounts	5.5	4.4	1.8	1.8	3.5	5.7	4.7	2.1	1.8	(2.3)
University of Houston – CPP	6.2	6.2	1.6	1.7	(3.8)	6.6	6.8	2.3	2.0	(8.5)
University of North Texas	5.0	6.2	1.9	1.5	0.0	6.0	6.0	2.1	1.6	(3.0)
University of Texas at El Paso	6.5	6.9	2.0	1.8	(1.1)	6.6	6.7	2.2	1.8	(0.4)
Wells Fargo & Co.	6.2	6.8	2.0	1.9	(3.5)	6.6	6.9	2.6	2.0	(1.7)
Consensus Forecast — This Month	5.9	6.1	1.7	1.8	(0.4)	6.4	6.4	2.3	1.8	(1.1)
— Last Month	5.9	6.1	1.7	1.8	(0.9)	6.4	6.4	2.3	1.8	(1.1)

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

Source:	2004 Annual Percent Change, 2004 from 2003					2005 Annual Percent Change, 2005 from 2004				
	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	6.7	4.8	2.1	1.7	3.0	7.0	5.5	2.2	1.8	5.0
Thredgold Economic Associates	4.6	4.0	1.5	1.7	2.3	5.6	4.8	2.4	1.8	1.5
Utah Dept. of Workforce Services	2.8	2.3	1.7	1.5	(2.0)	4.3	2.6	2.5	1.7	1.5
Utah State Tax Commission	4.2	3.5	1.2	2.0	2.4	5.2	4.0	2.0	1.9	(5.3)
Wells Fargo & Co.	4.2	3.7	1.5	1.6	(5.0)	5.0	4.0	2.3	1.8	0.0
Consensus Forecast — This Month	4.5	3.7	1.6	1.7	0.1	5.4	4.2	2.3	1.8	0.5
— Last Month	4.5	3.7	1.6	1.7	(0.3)	5.4	4.2	2.3	1.8	0.5

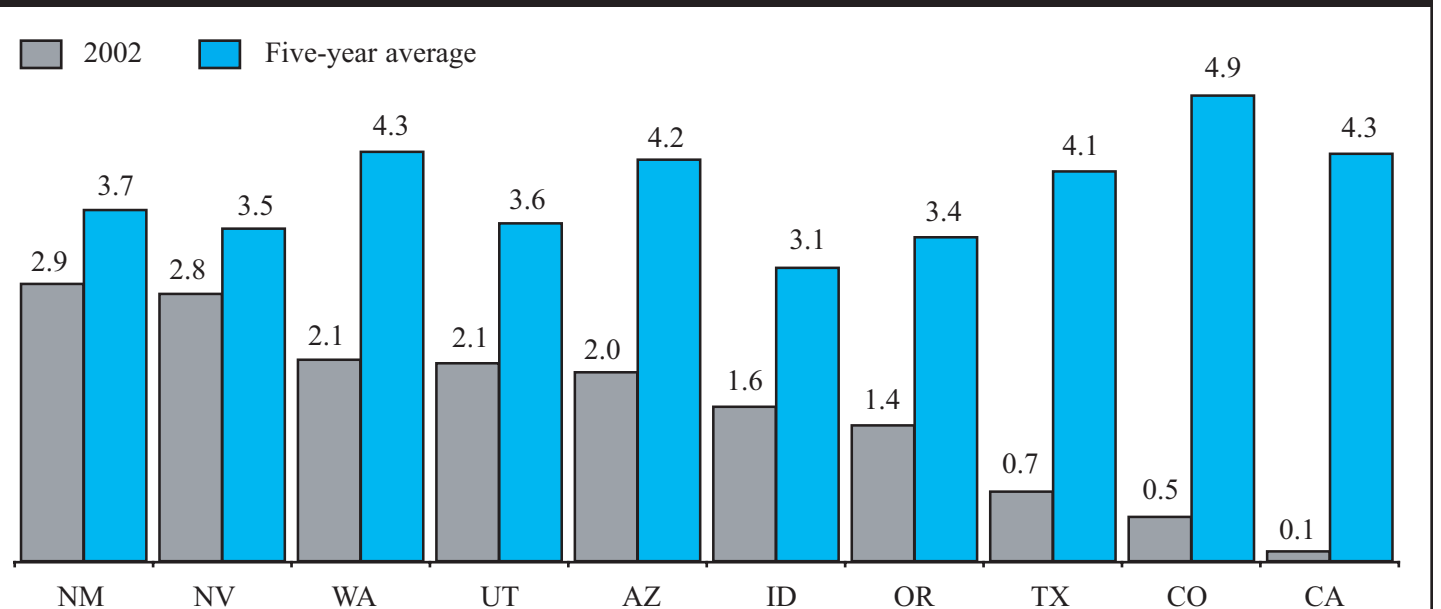
WASHINGTON

Source:	2004 Annual Percent Change, 2004 from 2003					2005 Annual Percent Change, 2005 from 2004				
	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	5.3	4.7	1.8	1.2	(9.4)	5.4	6.0	3.3	1.3	(7.2)
Dick Conway & Associates	5.1	5.2	1.7	0.7	(6.0)	5.3	5.6	2.3	1.0	(2.0)
Doug Pedersen & Associates	5.2	5.8	2.0	1.1	(3.5)	5.5	6.0	2.5	1.2	(1.5)
Office of Forecast Council *	4.8	5.6	1.9	1.2	(7.4)	5.5	4.7	2.2	1.3	(5.2)
Wells Fargo & Co.	5.3	5.5	1.6	1.1	(5.0)	5.6	5.9	2.5	1.3	(3.0)
Consensus Forecast — This Month	5.1	5.4	1.8	1.1	(6.3)	5.5	5.6	2.6	1.2	(3.8)
— Last Month	5.1	5.3	1.7	1.0	(8.7)	5.5	5.9	2.6	1.2	(4.7)

* Population forecast is from the Office of Financial Management.

AVERAGE WAGE PER JOB

Percent Change vs. Previous Year and Five-Year Average



Source: Bureau of Economic Analysis

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

ARIZONA

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2003	150,575	133,095	2,289.3	47,818	175.4	64,143	5,615	5.6
% change	5.5	3.7	1.1	5.3	(4.6)	15.3	2.7	
2002	142,725	128,301	2,265.1	45,425	183.9	55,649	5,468	6.2
% change	3.9	2.4	0.0	1.3	(8.8)	9.3	2.8	
2001	137,331	125,303	2,265.0	44,833	201.7	50,930	5,321	4.7
% change	4.8	2.3	1.0	2.0	(3.9)	4.3	2.9	
2000	131,046	122,509	2,242.7	43,940	209.9	48,846	5,169	4.0
% change	8.4	6.0	3.7	7.8	1.2	(5.6)	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
2003	1,197,550	1,058,526	14,410.2	311,867 †	1,544.9	140,512	35,934 ††	6.7
% change	3.7	2.0	(0.3)	3.4	(5.7)	16.3	1.7	
2002	1,154,685	1,037,987	14,457.8	301,612	1,638.2	120,783	35,336	6.7
% change	1.7	0.2	(1.0)	2.6	(8.3)	13.7	1.8	
2001	1,135,848	1,036,370	14,601.9	293,957	1,785.6	106,265	34,698	5.4
% change	2.9	0.4	0.8	2.4	(3.9)	1.6	1.9	
2000	1,103,842	1,031,933	14,488.2	287,068	1,857.5	104,600	34,036	4.9
% change	10.5	8.0	3.5	12.3	1.5	1.8	1.9	

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
2003	156,010	137,898	2,150.4	52,748	156.2	33,428	4,551	5.7
% change	2.8	1.1	(1.5)	(0.3)	(6.0)	(5.9)	1.1	
2002	151,790	136,449	2,182.5	52,888	166.1	35,522	4,501	5.7
% change	0.8	(0.7)	(1.9)	(10.4)	(8.7)	(2.6)	1.6	
2001	150,594	137,405	2,225.4	59,041	181.9	36,477	4,429	3.7
% change	4.3	1.8	0.6	1.8	(4.9)	(3.2)	2.4	
2000	144,394	134,987	2,212.6	58,018	191.3	37,699	4,327	2.8
% change	12.1	9.6	3.8	10.3	0.3	(1.9)		

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
2003	35,403	31,293	571.8	16,059	62.0	12,432	1,366	5.3
% change	3.5	1.7	0.6	2.1	(4.5)	21.7	1.7	
2002	34,217	30,759	568.2	15,736	64.9	10,212	1,343	5.8
% change	3.8	2.3	0.1	8.3	(5.0)	7.7	1.7	
2001	32,963	30,076	567.7	14,525	68.3	9,483	1,321	5.0
% change	5.3	2.8	1.5	5.6	(2.3)	(6.1)	1.7	
2000	31,290	29,251	559.5	13,755	69.9	10,098	1,300	4.9
% change	7.6	5.3	3.8	4.5	1.5	(3.8)		
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
2003	70,073	61,938	1,087.4	35,426	9,625.3	33,033	2,241	5.1
% change	5.8	4.0	3.4	9.3	1.9	21.1	3.4	
2002	66,235	59,541	1,052.0	32,410	9,447.4	27,284	2,167	5.5
% change	4.2	2.7	0.1	3.0	(0.3)	1.1	3.5	
2001	63,565	57,998	1,051.4	31,469	9,471.6	26,981	2,095	5.3
% change	3.5	1.0	2.4	2.8	(1.3)	4.8	3.8	
2000	61,428	57,426	1,026.9	30,604	9,600.3	25,749	2,018	4.0
% change	8.8	6.4	4.5	10.2	6.4	6.0		
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								

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
2003	47,880	42,321	775.5	11,702	36.3	11,829	1,875	5.9
% change	4.1	2.4	1.2	**	(5.5)	14.3	1.2	
2002	45,974	41,328	766.1	12,708	38.4	10,348	1,852	5.4
% change	5.0	3.5	1.2	1.3	(6.1)	15.9	1.3	
2001	43,767	39,934	757.2	12,540	40.9	8,929	1,829	4.8
% change	8.6	5.9	1.7	3.6	(1.9)	11.1	0.4	
2000	40,318	37,692	744.8	12,099	41.7	8,037	1,822	5.0
% change	6.0	3.6	2.1	5.5	1.2	(6.5)		
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – New Mexico Department of Labor; Retail Sales – New Mexico Department of Taxation & Revenue; Manufacturing Employment – New Mexico Department of Labor; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – New Mexico Department of Labor. † Consensus †† Estimate N/A - not yet available								

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

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

OREGON

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Manufacturing Employment (thousands)	Single-family Permits (number)	Housing Permits (number)	Population (thousands)	Unem- ployment Rate
2003	104,439	92,315	1,562.0	195.9	18,799	26,103	3,542	7.8
% change	3.0	1.3	(0.7)	(2.8)	4.6	15.8	1.1	
2002	101,359	91,115	1,572.5	201.6	17,977	22,543	3,505	7.5
% change	2.4	0.9	(1.3)	(6.5)	10.9	7.1	1.0	
2001	99,012	90,341	1,593.6	215.7	16,217	21,049	3,472	6.3
% change	2.7	0.2	(0.8)	(4.1)	4.4	6.4	1.0	
2000	96,402	90,122	1,606.9	225.0	15,532	19,785	3,437	4.9
% change	7.3	4.9	2.0	0.1	(6.4)	(14.9)	1.3	
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Oregon Employment Division; Manufacturing Employment – Oregon Employment Division; Single-family Permits – U.S. Bureau of the Census; Housing Permits – U.S. Bureau of the Census; Population – Portland State University; Unemployment Rate – Oregon Employment Division. † Consensus †† Estimate								

TEXAS

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (billions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2003	649,670	574,249	9,373.1	320.7	900.9	133,077	22,119	6.6
% change	2.9	1.2	(0.5)	3.9	(5.0)	10.3	1.8	
2002	631,208	567,416	9,422.9	296.0	948.7	120,644	21,737	6.3
% change	2.2	0.7	(1.0)	3.9	(7.6)	8.3	1.9	
2001	617,655	563,561	9,518.4	305.8	1,026.8	111,352	21,341	4.8
% change	4.1	1.6	0.9	2.4	(3.9)	4.5	1.9	
2000	593,139	554,500	9,433.4	298.6	1,068.0	106,601	20,949	4.2
% change	9.9	7.5	3.0	11.5	0.4	4.7		
Basic data sources: Personal Income – U.S. Department of Commerce; Wage & Salary Employment – Texas Employment Commission; Gross Retail Sales – Texas State Comptroller of Public Accounts; Manufacturing Employment – Texas Employment Commission; Housing Permits – U.S. Bureau of the Census; Population – U.S. Bureau of the Census; Unemployment Rate – Texas Employment Commission. † Consensus †† Estimate								

UTAH

	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2003	58,732	51,914	1,073.8	18,741	112.1	17,995	2,351	5.2
% change	2.8	1.1	0.0	2.1	(1.6)	16.8	1.4	
2002	57,134	51,359	1,073.4	18,356	113.9	15,406	2,319	6.1
% change	2.8	1.2	(0.7)	3.4	(6.6)	11.2	1.7	
2001	55,594	50,725	1,081.3	17,748	122.0	13,851	2,280	4.4
% change	3.8	1.3	0.5	2.7	(2.8)	2.9	1.6	
2000	53,561	50,072	1,075.4	17,278	125.5	13,463	2,243	3.3
% change	8.5	6.2	2.6	4.8	(0.4)	(7.5)		
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								

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
2003	204,373	180,647	2,659.4	87,664	266.5	34,480	6,131	7.2
% change	3.2	1.5	0.2	2.8	(6.5)	4.2	1.1	
2002	198,018	178,005	2,654.1	85,284	285.0	33,090	6,067	7.3
% change	2.4	0.9	(1.6)	0.6	(9.8)	17.6	1.2	
2001	193,395	176,458	2,697.0	84,785	316.1	28,137	5,993	6.4
% change	3.0	0.5	(0.5)	(0.5)	(4.7)	3.1	1.4	
2000	187,853	175,616	2,711.2	85,212	331.8	27,283	5,911	5.2
% change	7.0	4.7	2.4	6.4	(3.4)	(7.8)		

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

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES First Quarter 2004 vs. First Quarter 2003

	Price	Percent Change		Price	Percent Change
Riverside/San Bernardino, CA.....	\$258,900	32.9	Phoenix, AZ	\$155,800	5.8
Las Vegas, NV.....	\$224,900	31.3	Boise City, ID.....	\$128,000	5.6
Los Angeles Area, CA.....	\$387,700	25.8	Portland, OR	\$195,100	5.5
San Francisco Bay Area, CA	\$597,300	17.3	San Antonio, TX	\$113,800	4.7
Beaumont/Port Arthur, TX.....	\$96,300	15.5	Houston, TX.....	\$130,700	1.2
Seattle, WA.....	\$282,500	13.0	Denver, CO	\$231,800	1.1
			Albuquerque, NM	\$134,700	0.3
			Salt Lake City/Ogden, UT	\$148,000	-0.1
			Dallas, TX	\$132,800	-1.6

Source: National Association of Realtors



WESTERN BLUE CHIP ECONOMIC FORECAST

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