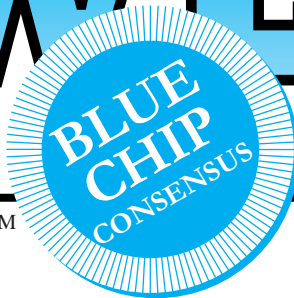


WESTERN



BLUE CHIP ECONOMIC FORECAST

TM

What Blue Chip economists are saying about the Western states

VOLUME 16 • NUMBER 3 • APRIL 2002

Air travel slump impacts Western states

Travel and tourism are very important to the Western states. Utah has its ski season and enjoyed the added bonus of the Olympics this year. Arizona has the Grand Canyon. California has its beaches and surfing. Nevada has Las Vegas and glitzy gambling. This year, however, travel and tourism have suffered from both the national recession, which began in March 2001 according to the National Bureau of Economic Research, and fears of terrorism sparked by the Sept. 11 terrorist attacks.

Fortunately, both of those influences are subsiding. The economy appears to be pulling itself slowly out of the doldrums, and higher levels of security at airports are making travelers feel safer — but something is still amiss. Hotels and motels, while showing improved conditions, are not matching last year's mark when it comes to occupancy and revenue. Revenue per available room fell by 7 percent nationally for 2001, according to a survey done by Smith Travel Research. The survey also shows that lodging near airports is showing a steeper decline in occupancy rates than lodging along highways, something that is to be expected with what appears to be a move away from air travel.

Airport statistics from the FAA show a substantial decline in the number of planes landing in the Western states and these declines were already evident in December 2000 (see graph), when the current recession began to loom large on the horizon. This drop not only represents fewer passengers, but also less cargo, fewer airplane services such as food and fuel provided, and fewer landing fees collected, spelling trouble for some sectors of the Western states' economies.

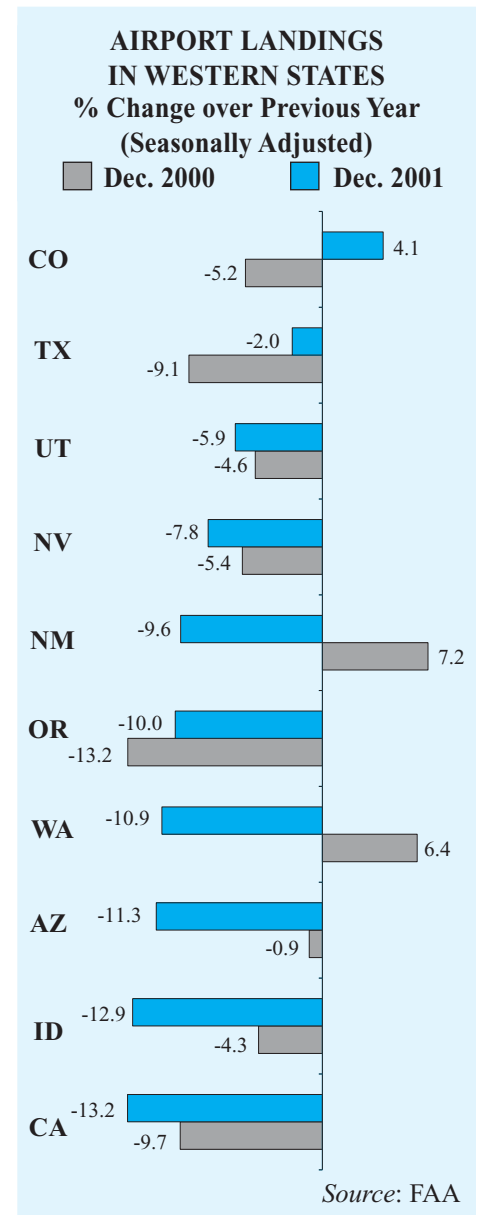
Nevada saw its unemployment rate jump from 4.4 percent in December

2000 to 6.6 percent in December 2001. For the same period, air traffic landings, seasonally adjusted, for all of Nevada's airports combined dropped 7.8 percent, with losses in general aviation and air carrier landings being offset by slight gains in military activity. Nevada's hotel occupancy rate for the 12 months ending in December 2001 compared to the previous year fell by 7.8 percent (see page 11). There is evidence that the decline may be more than an anomaly resulting from the multiple shocks of late 2001: Nevada already had experienced a drop of 5.4 percent in air traffic landings in December 2000 compared to December 1999.

Arizona also shows a high correlation between employment losses and decreases in air traffic landings: Job growth plummeted since September 2001 after a stellar start in the beginning of the year, leaving Arizona with employment contraction of 1.2 percent in December 2001 compared to December 2000. Meanwhile, the state saw an 11.3 percent drop in landings in December 2001 compared to December 2000.

Washington and Oregon saw air traffic landings fall by 10.9 percent and 10.0 percent respectively in December 2001. For Oregon, this followed a 13.2 percent drop in landings the previous year. Both states have suffered recently, with Washington registering 2.9 percent job contraction in December 2001 compared to December 2000 and Oregon reporting 2.6 percent in job losses for the same period. Most of the loss in air traffic landings has occurred in the arena of air carrier landings and air taxi activity.

While increased security is making travelers feel better, the increased time and hassle of check-in at the airport is keeping some business and short-distance travelers away. With budgets in a



bind, it will be important to watch the fallout from what could be a fundamental change in the pattern of travel.

— D.M.

NATIONAL ROUNDUP

U.S. JOB GROWTH



Percent Change: Jan. 2002 vs Jan. 2001

Nonfarm	-0.9
Construction	-0.4
Manufacturing	-7.3
Transportation, Communications and Public Utilities	-2.9
Trade	-0.5
Finance, Insurance and Real Estate	0.6
Services	0.0
Government	2.1

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits December 2002 vs December 2001

	Total Residential	Single- family	Multi- family
2002	115,139	87,884	27,255
2001	114,849	84,168	30,681
% Δ	0.3	4.4	-11.2

Source: U.S. Department of Commerce

U.S. FORECASTS



Percent Change

	2002	2003
Real GDP (Chain).....	1.0	4.0
CPI	1.4	2.4
GDP Deflator (Chain)...	1.2	1.9

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

STATE PERSONAL INCOME

Percent Change, 3rd Quarter 2001 over 3rd Quarter 2000

1 • Virginia	7.2
2 • Vermont	7.2
3 • Maine	6.7
4 • Maryland	6.6
5 • Wyoming	6.6
6 • New Mexico	6.6
7 • Utah	6.2
8 • Florida	6.2
9 • Alaska	6.0
10 • Nevada	5.9
11 • Arizona	5.8
12 • New Hampshire	5.8
13 • Idaho	5.6
14 • Texas	5.5
15 • Washington	5.4
16 • North Carolina	5.3
17 • Montana	5.3
18 • Alabama	5.2
19 • West Virginia	5.2
20 • Wisconsin	5.1
21 • Oklahoma	5.1
22 • Tennessee	5.1
23 • Georgia	4.9
24 • Kentucky	4.8
25 • Delaware	4.8
26 • Connecticut	4.7
UNITED STATES	4.6
27 • Pennsylvania	4.6
28 • Louisiana	4.5
29 • Minnesota	4.4
30 • Rhode Island	4.4
31 • Iowa	4.3
32 • North Dakota	4.2
33 • Massachusetts	4.2
34 • Ohio	4.2
35 • New York	4.2
36 • South Carolina	4.1
37 • Hawaii	4.1
38 • Arkansas	4.1
39 • Mississippi	4.0
40 • California	3.9
41 • New Jersey	3.9
42 • Colorado	3.8
43 • Missouri	3.8
44 • Illinois	3.5
45 • South Dakota	3.4
46 • Kansas	3.1
47 • Michigan	3.0
48 • Indiana	3.0
49 • Oregon	3.0
50 • Nebraska	3.0

Source: U.S. Bureau of Labor Statistics

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

State:	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	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	4.9 ↓	6.9 ↓	1.4 ↓	2.6 ↓	(9.5)↓	6.1 ↓	3.9 ↓	3.0 ↑	2.6 ↑	(0.2)↑
California	3.0 ↓	1.6 ↓	0.6	1.6	(1.5)	6.6 ↑	4.3 ↑	2.4	1.5	2.5
Colorado	4.2 ↓	2.8 ↓	(0.6)↓	1.7 ↑	(13.5)↓	6.9 ↓	4.6 ↓	2.7 ↑	1.7 ↓	5.2 ↑
Idaho	4.1 ↓	2.7 ↓	1.5 ↓	1.4 ↓	(6.3)↓	5.3 ↓	3.1 ↓	1.9 ↓	1.3 ↓	(0.4)↑
Nevada	5.3 ↓	3.9 ↓	2.4 ↓	3.8 ↑	(1.4)	6.7 ↓	4.4 ↓	4.1 ↓	4.3 ↑	3.6
New Mexico	4.3	2.9	1.2 ↓	1.3	(3.6)	5.0 ↓	2.7 ↓	1.8 ↓	1.3	(0.6)
Oregon	3.6 ↓	2.2 ↓	(0.0)↓	1.1 ↑	0.5 ↑	5.4 ↓	3.1 ↓	2.3 ↑	1.3	5.1 ↑
Texas	5.6 ↓	4.2 ↓	1.7 ↓	1.7	(0.9)↑	6.8 ↓	4.5 ↓	2.5 ↓	1.8 ↓	0.6 ↑
Utah	3.7 ↓	2.3 ↓	0.7 ↓	1.6 ↑	(4.1)↓	5.2 ↓	3.0 ↓	2.2 ↓	1.7 ↓	2.5
Washington	2.3 ↓	1.0 ↓	(1.1)↓	1.0	(7.9)↓	5.7 ↑	3.4 ↑	1.5 ↓	1.1 ↓	1.6 ↓
↑= Increase in consensus forecast ↓= Decrease in consensus forecast										

Forecast notes from the Western region...

During the 1990-91 recession, **Oregon** fared much better than the U.S. This recession is just the opposite, with Oregon experiencing the highest unemployment rate and largest percentage of job losses in the nation. State government revenues have fallen significantly during this recession. The outlook is for a bottoming out midyear with mild growth in the second half of 2002.

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

Financing for the new Las Vegas mega-resorts does not appear to be on the table. The wait-and-see approach of Wall Street may continue awhile for the state's gaming properties. However, there is probably enough inertia in the economy, due to population in-migration and a relatively resilient tourism sector, to result in respectable growth rates of gaming revenues and employment. A few more months of data are needed to adequately project the potential magnitude of economic growth in **Nevada**.

— **Peter Janson**
Dept. of Employment, Training and Rehab.
Carson City, Nevada

February was probably **Oregon's** bottom. After a few flat months, growth will resume at a brisk pace. More weakness is in store for **Washington**.

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

The severity of the recession in **Texas** is underscored by recent employment estimates released by the Texas Workforce Commission. Among service-producing segments of the state economy, the fastest rate of jobs growth in 2001 was exhibited by the government sector.

— **Tom Fullerton**
University of Texas at El Paso
El Paso, Texas

Texas is showing definitive signs of gaining momentum, though the technology sector continues to lag. New initiatives in transportation and economic development also are enhancing long-range prospects.

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

Based on zero employment growth, which began in September 2001 and lasted up until the Olympics, **Utah's** Council of Economic Advisors recently revised its employment outlook for 2002 down to zero growth. This dampened prospects for personal income and retail sales. On the plus side, the Olympics probably will prove to be a shot in the arm, especially in the long run.

— **Doug MacDonald**
Utah State Tax Commission
Salt Lake City, Utah

Employment losses in manufacturing as plants scale back operations or close,

layoffs and closures in the copper mining industry, and scheduled completion of two major construction projects are expected to bring continued weakness to **New Mexico's** goods-producing sector this year. Employment growth is expected to recover in the latter quarters of this year and to pick up steam in early 2003 as segments of the manufacturing industry get back on their feet.

— **Dan Hall**
New Mexico Department of Labor
Albuquerque, New Mexico

Retail sales continued to be weak in **Arizona** in November. Losses were recorded in Maricopa County and only a small gain was realized in Pima County. In the balance of the state, however, advances were strong for the second consecutive month. For the first 11 months of the calendar year compared to the same period of the prior year, the statewide increase was only 2.2 percent.

— **Tom Rex**
Arizona Business
Arizona State University
Tempe, Arizona

Colorado's recovery will lag that of the U.S. due to a slump in the telecom sector and weakness in most segments of the state's real estate markets.

— **Wilson Kendall**
Ctr. for Business and Econ. Forecasting
Denver, Colorado

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				
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 Public Service	5.4	3.2	1.1	2.6	(12.5)	6.1	4.9	2.7	2.6	10.0
ASU – Bank One EOC	5.4	3.2	1.5	2.7	(10.0)	6.0	5.0	3.0	2.4	(2.0)
CH2M HILL	5.0	4.6	1.9	2.5	(12.0)	6.0	5.7	3.1	2.4	(5.0)
Department of Economic Security	5.2	4.0	(0.8)	2.5		6.0	5.6	2.5	2.4	
ECON-LINC	4.0	3.2	0.6	2.5	(5.0)	6.4	5.6	2.8	2.5	(10.0)
Eggert Economic Enterprises Inc.	5.3	4.3	1.9	2.4	(5.0)	6.0	5.3	3.1	2.8	(1.0)
Elliott D. Pollack & Co.	5.6	3.0	1.2	2.5	(15.0)	6.5	6.5	4.0	2.7	(10.0)
H. C. Reardon Economics	4.9	4.2	2.0	2.6	(10.0)	7.3	6.6	3.5	2.8	3.0
Joint Legislative Budget Committee	4.0	3.0	1.5	2.6	(15.0)	6.0	5.5	2.6	2.6	0.0
Lancaster Consulting	5.6	4.2	2.1	2.6	(5.0)	6.3	5.3	3.0	2.5	0.0
The Maguire Company	5.4	3.8	1.8	2.7	(5.0)	6.1	5.5	3.0	2.7	0.0
NAU – BBER	4.9	4.2	1.8	2.5	(10.0)	5.9	5.2	3.0	2.6	0.0
Office of the Treasurer	5.2	4.1	1.8			6.1	5.2	2.6		
Protitlement	5.4	3.8	1.8	2.7	(8.0)	5.8	4.2	2.8	2.6	(5.0)
Salt River Project	5.2	3.1	2.0	2.8	(5.0)	6.0	5.3	3.0	2.6	(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	2.7	(0.6)	0.0	2.4	(21.2)	6.3	6.7	2.6	2.2	20.2
VisionEcon	5.8	5.2	2.3	2.7	0.8	6.8	7.7	4.0	3.1	2.0
Wells Fargo & Co.	5.2	4.3	1.9	2.5	(5.0)	6.1	5.0	3.6	2.6	5.0
Consensus Forecast - This Month	4.9	3.4	1.4	2.6	(9.5)	6.1	5.5	3.0	2.6	(0.2)
- Last Month	5.2	3.8	1.7	2.6	(8.3)	6.1	5.4	2.9	2.6	(1.2)

CALIFORNIA										
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
Anonymous	2.6	0.8	0.3	1.7	0.3	7.5	7.5	2.4	1.7	3.4
Applied Development Economics, Inc.	5.0	4.4	2.4	1.7	3.0					
California State Univ., Long Beach *	5.6	4.4	1.2	1.6	(3.8)	5.6	4.4	1.3		(3.1)
Chapman University	3.5	2.6	0.4	1.5	(4.2)	5.9	5.8	2.4	1.6	3.1
L.A. County Econ. Development Corp.	2.4	1.9	(0.2)	1.7	(5.3)	6.9	5.9	2.1	1.3	1.5
Legislative Analyst's Office	2.8	3.5	(0.3)	1.7	0.0	7.4	7.8	2.4	1.6	10.0
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.	3.4	3.1	0.8	1.6	(2.0)	6.2	5.1	2.8	1.6	6.0
Consensus Forecast - This Month	3.0	2.8	0.6	1.6	(1.5)	6.6	6.3	2.4	1.5	2.5
- Last Month	3.0	2.8	0.6	1.6	(1.5)	6.6	6.3	2.4	1.5	2.5

* 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
Cntr. for Bus. and Econ. Forecasting	2.0	2.3	(8.0)	1.6	(21.0)	6.5	7.4	2.8	1.4	2.7
Colorado Legislative Council	3.8	3.0	(0.2)	1.8	(11.5)	6.3	6.7	2.7	1.7	3.5
Office of State Planning and Budgeting	4.7	3.3	1.0	1.9	(10.2)	7.5	4.0	2.4	1.8	0.7
U. S. Bank	3.7	3.5	0.4	1.8	(16.9)	7.5	6.8	2.9	1.7	18.3
University of Colorado	5.4	4.0	0.5	1.8	(10.0)	6.9	6.0	2.4	1.8	1.0
Wells Fargo & Co.	5.0	3.4	1.2	1.6	(10.0)	6.4	5.0	3.0	1.8	5.0
Xcel Energy	5.0	4.0	1.0	1.7	(15.0)	7.0	6.0	3.0	2.0	5.0
Consensus Forecast - This Month	4.2	3.4	(0.6)	1.7	(13.5)	6.9	6.0	2.7	1.7	5.2
- Last Month	4.7	3.5	0.8	1.7	(13.0)	7.0	5.6	2.6	1.8	1.1

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	3.7		1.9	1.2	(5.7)	6.3		2.0	1.1	(2.9)
Idaho Economics	4.9		1.7	1.6	(5.0)	5.6		2.1	1.6	(2.0)
Idaho State University	3.4	3.0	1.4	1.4	(12.0)	4.0	4.5	1.0	1.0	0.0
Thredgold Economic Associates	4.2	3.5	1.2	1.4	1.0	5.5	4.5	2.2	1.4	3.0
University of Idaho	4.6	3.6	1.7	1.1		5.4	4.4	2.1	1.1	
Wells Fargo & Co.	3.8	3.5	0.9	1.4	(10.0)	5.0	4.6	1.7	1.4	0.0
Consensus Forecast - This Month	4.1	3.4	1.5	1.4	(6.3)	5.3	4.5	1.9	1.3	(0.4)
- Last Month	4.4	3.6	1.7	1.4	(4.1)	5.5	4.5	2.0	1.3	(0.5)

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.	6.0	3.0	2.8	4.0		6.5	4.0	3.9	4.0	
Legis. Counsel Bureau - Fiscal Analysis	4.0	0.5	3.0	3.0	(8.0)	5.5	4.0	4.5	4.0	2.0
Restrepo Consulting Group, LLC	5.5	3.0	3.0	3.5	3.0	7.0	4.0	4.0	4.5	4.0
Thredgold Economic Associates	6.0	3.5	2.0	3.6	3.5	7.0	6.0	3.5	4.2	6.0
Southwest Gas	6.7	3.4	4.1	4.9	2.2	7.2	4.6	4.5	5.2	2.4
Univ. of Nevada at Las Vegas - CBER	3.7	(0.3)	(0.6)	4.0	(5.8)					
Wells Fargo & Co.	5.2	3.8	2.4	3.3	(3.0)	6.9	5.9	4.2	3.9	3.5
Consensus Forecast - This Month	5.3	2.4	2.4	3.8	(1.4)	6.7	4.8	4.1	4.3	3.6
- Last Month	5.4	2.5	2.4	3.7	(1.4)	6.7	4.8	4.1	4.3	3.6

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		0.0	1.2				1.0	1.5		
New Mexico State Univ – CEMAF	5.0	0.0	1.5			5.5	1.5	2.0		
University of New Mexico – BBER	3.1	(0.4)	0.9		(7.2)	5.1	0.9	1.5		0.9
Wells Fargo & Co.	4.5	0.1	1.4	1.2	(1.0)	5.3	1.0	2.5	1.3	1.0
Consensus Forecast - This Month	4.3	(0.1)	1.2	1.3	(3.6)	5.0	1.1	1.8	1.3	(0.6)
- Last Month	4.3	(0.1)	1.3	1.3	(3.6)	5.0	1.1	2.0	1.3	(0.6)

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	2.8	(4.8)	(0.8)	1.0	(8.0)	5.9	3.2	3.4	1.3	5.0
Forefront Economics	3.6	(2.9)	(0.4)	1.0	1.0	5.3	1.8	2.4	1.1	5.5
Oregon Executive Department	2.7	(4.5)	(0.7)	1.0	0.4	6.5	1.9	2.2	1.2	4.7
Portland General Electric	3.7	(3.0)	0.2	1.1	5.0	6.5	3.0	2.5	1.3	7.0
Rhodes Econometrics	4.2	2.8	1.4	1.3	1.7	4.5	3.9	3.1	2.1	2.2
Thredgold Economic Associates	3.8	(1.0)	(0.5)	1.1	2.2	4.5	0.0	1.0	1.2	5.0
U.S. Bancorp	4.0	(2.0)	0.0	1.1	0.0	4.5	1.5	1.5	1.1	5.0
Wells Fargo & Co.	3.6	0.8	0.5	1.1	2.0	5.4	1.4	2.6	1.2	6.0
Consensus Forecast - This Month	3.6	(1.8)	0.0	1.1	0.5	5.4	2.1	2.3	1.3	5.1
- Last Month	3.7	(1.4)	0.0	1.1	0.2	5.4	2.1	2.3	1.3	4.9

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	6.2	5.9	2.1	1.7	1.0	6.7	6.8	2.2	1.8	2.0
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	6.2	5.8	2.1	1.7	(1.0)	6.8	6.6	2.6	1.7	1.0
Perryman Group	4.8	4.2	1.6	1.8	(3.6)	6.3	6.3	2.2	1.8	(1.5)
State Comptroller of Public Accounts	5.4	3.7	1.6	1.8	1.2	7.3	8.5	2.3	1.7	(1.6)
University of Houston – CPP	6.1	5.8	2.2	1.7		6.9	7.1	2.6	2.0	
University of Texas at El Paso	5.0	4.7	1.3	1.7	0.4	6.6	7.3	2.2	1.7	1.5
Wells Fargo & Co.	5.8	4.4	1.9	1.8	(2.0)	6.4	5.2	2.8	1.8	0.5
Consensus Forecast - This Month	5.6	5.0	1.7	1.7	(0.9)	6.8	6.9	2.5	1.8	0.6
- Last Month	5.7	5.1	1.7	1.7	(0.9)	6.8	6.9	2.5	1.8	0.4

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

Source:	2002 Annual Percent Change, 2002 from 2001					2003 Annual Percent Change, 2003 from 2002				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Pacificorp	4.5	3.9	1.5	1.4	(4.5)	5.3	4.5	2.2	1.7	5.0
Thredgold Economic Associates	4.8	2.5	1.3	1.6	2.5	6.0	3.5	2.3	1.6	3.0
Utah Dept. of Workforce Services	3.0	2.9	0.0	1.7	(3.0)	4.5	0.5	2.1	1.9	2.0
Utah State Tax Commission	2.5	2.2	0.0	1.7	(1.5)	5.3	4.5	2.1	1.7	2.5
Wells Fargo & Co.	3.5	3.0	0.8	1.7	(14.0)	5.0	4.5	2.2	1.8	0.0
Consensus Forecast - This Month	3.7	2.9	0.7	1.6	(4.1)	5.2	3.5	2.2	1.7	2.5
- Last Month	4.1	3.9	1.3	1.6	(2.2)	5.3	3.5	2.2	1.8	2.5

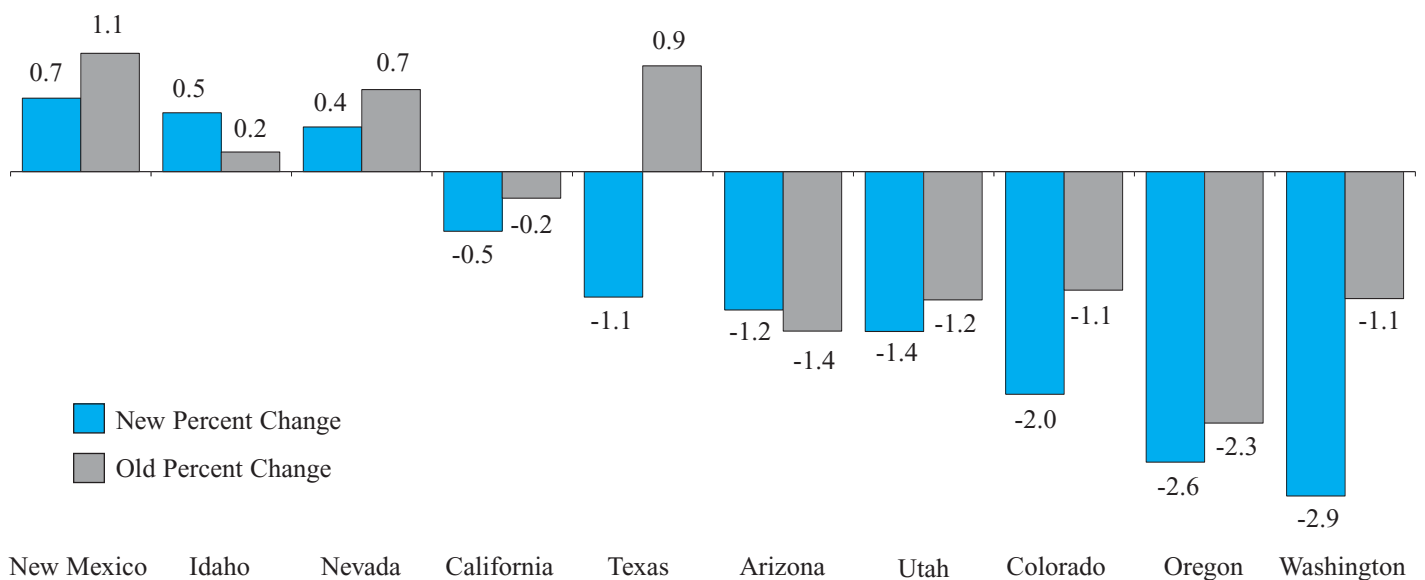
WASHINGTON

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	3.8	0.0	(1.7)	0.9	(10.0)	7.0	5.0	1.5	1.3	0.0
Dick Conway & Associates	2.0	(1.0)	(1.2)	0.9	(8.0)	5.3	3.5	1.0	0.9	5.0
Doug Pedersen & Associates	2.0	(0.5)	(1.0)	1.1	(5.0)	5.5	4.3	1.3	1.1	5.0
Office of Forecast Council *	1.3	(0.2)	(1.3)	1.1	(11.3)	5.0	5.6	1.4	1.0	(3.8)
Wells Fargo & Co.	2.6	0.8	(0.5)	1.0	(5.0)	5.6	3.8	2.1	1.2	2.0
Consensus Forecast - This Month	2.3	(0.2)	(1.1)	1.0	(7.9)	5.7	4.4	1.5	1.1	1.6
- Last Month	2.4	0.4	(0.9)	1.0	(7.5)	5.5	4.1	1.5	1.1	2.0

* Population forecast is from the Office of Financial Management.

NONFARM JOB GROWTH

Percent Change, December 2001 over December 2000*



* New percent change is after March 2002 benchmark; old percent change is growth reported during 2001 before data revisions.

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	\$136,106†	\$124,354†	2,267††	\$45,610†	211††	46,111†	5,323.5	4.5††
Percent Change	5.4	3.1	0.9	3.8	(1.6)	(5.6)	2.6	
2000	129,133	120,650	2,248.0	43,940	214.9	48,846	5,187	3.9
Percent Change	8.2	5.8	3.9	7.8	1.5	(5.6)	3.4	
1999	119,354	114,053	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	3.2	
1998	112,910	109,409	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	\$1,129,803†	\$1,032,247†	14,776††	\$282,028†	1,911††	105,855†	35,203†	5.2††
Percent Change	3.2	0.9	1.8	1.7	(0.6)	1.2	1.7	
2000	1,094,770	1,022,855	14,518.6	277,314	1,923.0	104,600	34,615	4.9
Percent Change	9.8	7.3	3.8	8.5	0.0	1.8	1.7	
1999	997,293	953,004	13,991.8	255,589	1,923.8	102,750	34,036	5.2
Percent Change	7.0	5.6	2.9	11.4	(1.4)	10.0	1.6	
1998	931,627	902,739	13,596.1	229,406	1,951.2	93,414	33,494	5.9
Percent Change	8.1	6.8	3.6	5.6	1.9	11.0	1.6	
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	\$150,598†	\$137,595†	\$2,253††	\$59,626†	202.0††	36,477†	4,418††	3.5††
Percent Change	7.3	4.9	1.7	2.7	(1.1)	(3.2)	2.2	
2000	140,353	131,133	2,214.8	\$58,058	204.0	37,699	4,323	2.6
Percent Change	10.0	7.5	3.9	10.9	(0.1)	(1.9)	*	
1999	127,638	121,969	2,131.8	52,368	204.1	38,410	4,056	2.9
Percent Change	7.8	6.3	3.6	8.7	(1.5)	6.4	2.2	
1998	118,407	114,735	2,057.0	48,173	207.3	36,107	3,969	3.8
Percent Change	8.9	7.5	3.9	6.7	1.8	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	\$32,226†	\$29,480†	567††	\$14,278†	76††	9,926†	1,321†	4.8††
Percent Change	4.9	2.6	1.3	3.8	(1.2)	(1.7)	1.7	
2000	30,759	28,738	560	\$13,755	76.4	10,098	1,299	4.5
Percent Change	7.7	5.3	3.9	4.5	(0.2)	(3.8)	*	
1999	28,572	27,303	538.9	13,163	76.6	10,497	1,252	5.2
Percent Change	5.5	4.1	3.3	4.8	0.6	2.1	1.7	
1998	27,079	26,240	521.8	12,560	76.1	10,277	1,231	5.0
Percent Change	7.3	6.0	2.3	4.4	2.2	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	\$63,456†	\$57,977†	1,064††	\$31,709††	\$9,794†	26,981†	2,106††	5.1††
Percent Change	6.4	4.0	3.4	7.7	3.1	4.8	4.3	
2000	59,640	55,722	1,028.7	29,454	9,499.7	25,749	2,019	3.9
Percent Change	7.1	4.7	4.7	6.1	5.3	6.0	*	
1999	55,706	53,232	982.9	27,761	9,021.6	24,283	1,809	4.4
Percent Change	7.1	5.6	6.2	6.5	11.9	(0.7)	3.8	
1998	52,032	50,418	925.9	26,068	8,065.1	24,445	1,744	4.3
Percent Change	10.1	8.8	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	\$42,091†	\$38,457†	755††	\$12,540††	42.3††	8,929††	1,829†	5.7††
Percent Change	5.3	3.0	1.5	3.6	(0.7)	11.1	0.4	
2000	39,973	37,347	743.9	12,099	42.6	8,037	1,821	5.5
Percent Change	5.5	3.1	2.0	5.5	0.7	(6.5)	*	
1999	37,890	36,208	729.6	11,466	42.3	8,595	1,740	5.6
Percent Change	2.8	1.4	1.3	2.1	(5.4)	(6.7)	0.4	
1998	36,867	35,723	720	11,225	44.7	9,217	1,734	6.2
Percent Change	5.8	4.5	1.6	5.3	(3.2)	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	\$98,609†	\$90,095†	1,592††	234.6††	16,217.0†	21,049.0††	3,374†	5.9††
Percent Change	3.8	1.5	(0.7)	(3.4)	4.4	6.4	1.1	
2000	94,999	88,759	1,603.3	242.9	15,532	19,785	3,337	4.8
Percent Change	6.7	4.3	1.8	0.7	(6.4)	(14.9)	1.1	
1999	89,058	85,103	1,575	241.2	16,595	23,249	3,301	5.7
Percent Change	4.5	3.0	1.5	(1.8)	(2.0)	(10.1)	1.0	
1998	85,262	82,618	1,551.8	245.7	16,936	25,854	3,268	5.6
Percent Change	5.8	4.5	1.7	0.8	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	\$615,580†	\$562,426†	9,639††	\$306†	1,075††	111,352†	21,325††	4.7††
Percent Change	6.0	3.7	2.1	5.2	(0.8)	4.5	1.8	
2000	580,736	542,588	9,443.3	291	1,083.9	106,601	20,947	4.3
Percent Change	7.7	5.3	3.1	7.0	(1.4)	4.7	*	
1999	539,347	515,396	9,159.2	272.1	1,098.9	101,848	20,044	4.6
Percent Change	5.3	3.9	2.5	11.1	(0.9)	2.0	1.7	
1998	512,089	496,210	8,940.1	244.9	1,109.1	99,831	19,712	4.8
Percent Change	9.2	7.9	3.9	4.7	2.3	(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	\$55,202†	\$50,436†	1,089††	\$17,935†	128.9††	15,868†	2,270††	4.0††
Percent Change	5.2	2.9	1.1	3.8	(1.5)	(2.4)	1.3	
2000	52,474	49,027	1,077.1	17,278	130.9	16,258	2,242	3.2
Percent Change	6.7	4.3	2.7	4.8	(1.0)	(2.2)	*	
1999	47,172	46,988	1,048.6	16,490	132.2	16,624	2,130	3.7
Percent Change	5.1	3.7	2.5	5.3	(0.9)	2.1	1.4	
1998	46,781	45,330	1,023.3	15,655	133.4	16,287	2,101	3.8
Percent Change	7.1	5.8	3.0	5.3	0.4	9.9	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

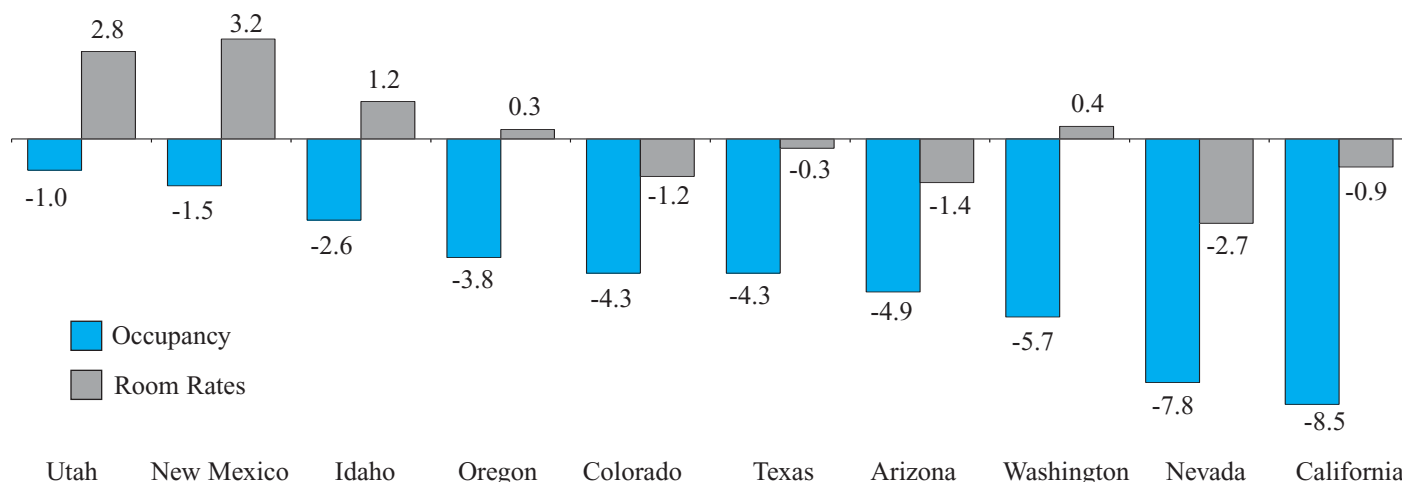
	Current \$ Personal Income (millions)	Real Personal Income (millions)	Wage & Salary Employment (thousands)	Retail Sales (millions)	Manufacturing Employment (thousands)	Single-family Permits (number)	Population (thousands)	Unem- ployment Rate
2001	\$191,099†	\$174,598†	2,738††	\$85,975†	337.5††	28,137†	5,988††	6.0††
Percent Change	3.7	1.4	0.8	1.5	(3.6)	3.1	1.3	
2000	184,280	172,175†	2,716.8	84,704	350.2	27,283	5,908	4.8
Percent Change	5.7	3.4	2.6	6.3	(3.7)	(7.8)	*	
1999	174,324	166,582	2,648.7	79,684	363.7	29,598	5,756	4.7
Percent Change	6.8	5.3	2.1	7.8	(4.2)	(3.3)	1.2	
1998	163,291	158,228	2,594.9	73,934	379.5	30,610	5,688	4.8
Percent Change	8.7	7.4	3.2	6.6	2.6	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

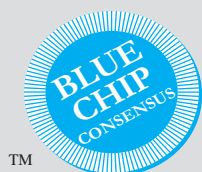
* 2000 and 2001 based on 2000 Census; 1999 and 1998 based on 1990 Census.

HOTEL OCCUPANCY AND ROOM RATES

Percent Change, 12 Mos. Ending Dec. 2001 over 12 Mos. Ending Dec. 2000



Source: Smith Travel Research



WESTERN BLUE CHIP ECONOMIC FORECAST

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WESTERN BLUE CHIP ECONOMIC FORECAST

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