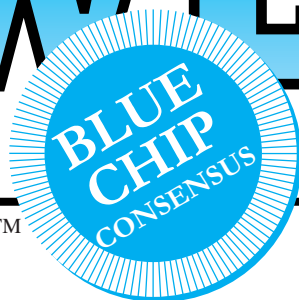


WESTERN



BLUE CHIP ECONOMIC FORECAST

TM

What Blue Chip economists are saying about the Western states

VOLUME 17 • NUMBER 3 • APRIL 2003

Clouds of uncertainty threaten U.S. economy

Uncertainty has again become the word of the day. The war in Iraq is constantly in the headlines and fears about its consequences have driven up prices at gasoline pumps across the nation. The airline industry is struggling and there have been fears on the stock market that more companies, airline and otherwise, will be forced to declare bankruptcy in the near future. The federal government's budget is not balanced and it appears that the situation applies on a deeper level in the economy. Tax cuts are supposed to be doing some good for consumer confidence, but the Conference Board's Consumer Confidence Index stands at 64.0, with a 15-point drop registered in February. The Index had been above 100 before July 2002, but was already in a steady decline.

Consumer spending has remained stalwart through the recession and stagnant recovery, but threatens at any moment to lose its power. Federal tax refunds were heralded as possibly helping to sustain consumer spending and the amount of refunds did go up considerably [see Page 11], but it is hard to place any credit to the refunds because consumer spending still fell by 2 percentage points on a year-over-year change basis.

There are many areas of concern regarding the economic recovery in addition to the state of consumer confidence. The employment situation is one such concern. Among the Western states, only two, Nevada and New Mexico, managed to register job growth in 2002 compared to 2001. The rest of the Western states saw contraction in employment to the tune of 0.3 percent to 1.9 percent [see page 7]. The term "jobless recovery" has become ubiquitous in any discussion of the current rate of economic growth. The National Consensus Forecast of Labor Employment, Compensation and Productivity forecasts that employment growth will continue to

be dismal, about 1 percent in both 2003 and 2004. Without a return of growth to the job markets, consumer confidence can be expected to wither even more.

Another concern has been about an overheated real estate market. When the stock market proved unstable, many investors looked to real estate as a safe haven for their investments. With interest rates low, people who had been renting began to move into home ownership. Low interest rates also have helped consumer spending in that homeowners could bridge any shortage of income with home equity loans. Some areas of the country have found home prices jumping significantly, adding to the worry that a bubble might be forming in certain localities.

Existing home sales continue to be strong, however, indicating that the demand for homeownership has not shrunk. According to the National Association of Realtors, in the fourth quarter of 2002 compared to same period in 2001, existing home sales increased by 8.6 percent for the United States [see Page 2, National Roundup]. Nevada ranks second in the nation, with an increase of 32 percent in

existing home sales. New Mexico ranks fourth with an increase of 19.5 percent. Colorado ranked the lowest out of the Western states, but still managed to record an increase of 2.1 percent for the same period.

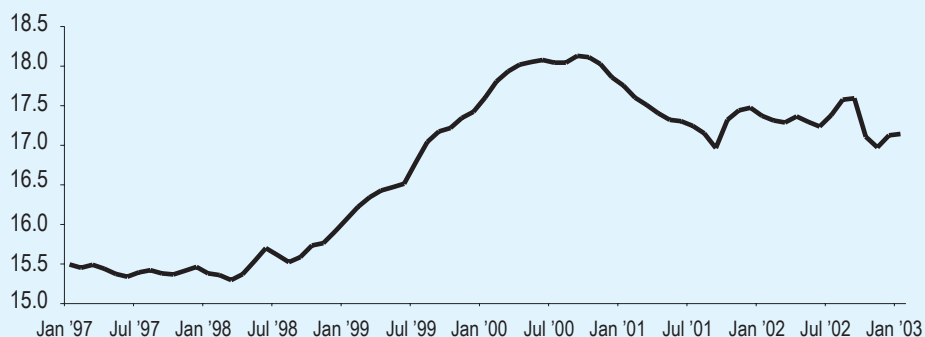
Automobile sales have begun to slump lately [see chart below] after helping retail sales to avoid a typical severe downturn during the recession. Dealer incentives and low interest rates helped stimulate automobile sales, but the market may have reached its saturation point when it comes to new cars. Also, there are a lot of used cars on the market now as people replace their older vehicles with new ones, or as leases end.

Businesses must feel more confident about the future before they can be expected to make the investments in both physical and human capital that are needed to begin a solid economic recovery.

Business surveys in the Western states have shown that, although there is some room for optimism, the recovery has been sluggish.

— Dawn McLaren

AUTO AND LIGHT TRUCK SALES (MILLIONS)
Seasonally Adjusted, 12-Month Moving Average



Source: U.S. Census Bureau

NATIONAL ROUNDUP

U.S. JOB GROWTH



% Change: Dec. 2002 vs Dec. 2001

Nonfarm	-0.2
Construction	-1.3
Manufacturing	-3.5
Transportation, Communications and Public Utilities	-2.6
Trade	-0.8
Finance, Insurance and Real Estate	1.0
Services	1.4
Government	1.3

Source: U.S. Bureau of Labor Statistics

U.S. REAL ESTATE



Residential Building Permits
January 2003 vs January 2002

	Total Residential	Single- family	Multi- family
2003	121,584	95,334	26,250
2002	115,139	87,884	27,255
% Δ	5.6	8.5	-3.7

Source: U.S. Department of Commerce

U.S. FORECASTS



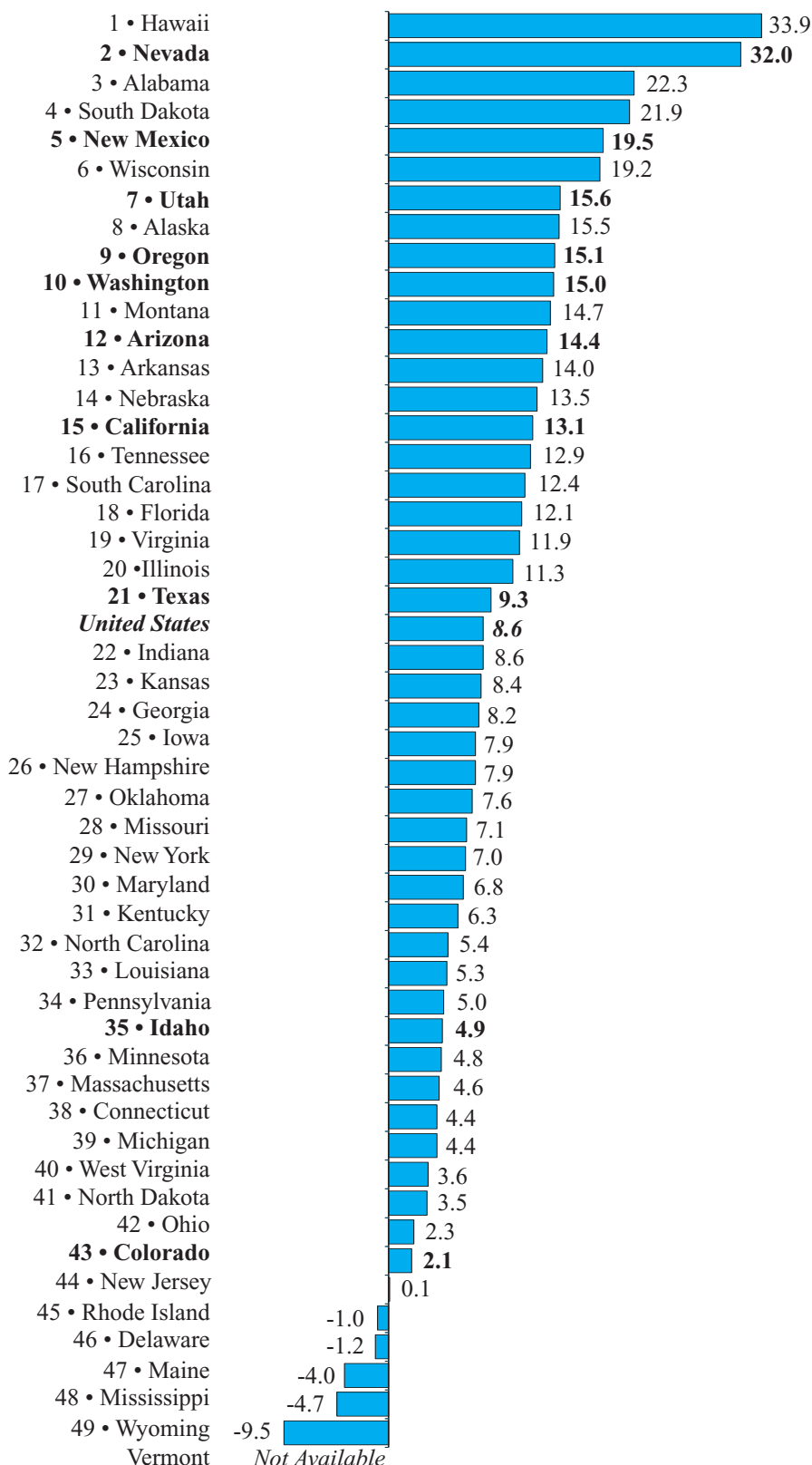
Percent Change

	2003	2004
Real GDP (Chain)	3.0	4.6
CPI	2.1	1.9
GDP Deflator (Chain) . .	1.8	2.0

Source: "U.S. Economic Outlook," DRI-WEFA, February 2003

EXISTING HOME SALES

Percent Change, Fourth Quarter 2002 vs Fourth Quarter 2001



Source: National Association of Realtors

SUMMARY

WESTERN BLUE CHIP ECONOMIC FORECAST

2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
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	5.6 ↓	3.8 ↑	2.4 ↓	2.6	(4.8)↑	6.4 ↑	4.3 ↑	3.4 ↓	2.6 ↑	(2.2)↓
California	3.8 ↓	2.0 ↑	1.0	1.7 ↑	2.1 ↑	5.4 ↓	3.3 ↑	2.1 ↓	1.7 ↑	0.9 ↓
Colorado	3.7 ↓	1.9 ↑	0.8 ↓	1.3 ↓	(5.3)↑	4.9 ↓	2.9 ↑	2.3 ↓	1.5 ↓	(3.4)↓
Idaho	4.3 ↓	2.4 ↑	0.9 ↓	1.2 ↓	(5.8)↓	5.3 ↑	3.2 ↑	1.9 ↓	1.2 ↓	0.6 ↓
Nevada	5.8 ↓	3.9 ↑	2.9 ↓	3.8 ↑	0.7 ↓	6.4 ↓	4.3 ↑	3.6 ↓	4.2 ↑	2.6 ↓
New Mexico	4.8	2.9 ↑	1.1 ↓	1.3 ↑	(3.6)↑	4.9 ↓	2.8 ↑	1.5 ↓	1.2	2.0 ↓
Oregon	4.7 ↓	2.9 ↑	1.6 ↓	1.2 ↓	1.1 ↓	5.8 ↓	3.7 ↑	2.7 ↓	1.3 ↑	2.4 ↓
Texas	5.6 ↓	3.8 ↑	1.4 ↓	1.7 ↑	0.9	6.6 ↑	4.5 ↑	2.2 ↓	1.7 ↓	0.3 ↑↓
Utah	3.8 ↓	2.0 ↓	1.0 ↓	1.5 ↑	(1.8)↓	4.8 ↓	2.8 ↑	2.2 ↓	1.6 ↓	3.0 ↓
Washington	4.1 ↑	2.2 ↑	0.7 ↓	1.1 ↓	(4.1)↑	5.3 ↓	3.3 ↑	2.2 ↓	1.1 ↓	(4.9)↓
↑= Increase in consensus forecast ↓= Decrease in consensus forecast										

Forecast notes from the Western region...

Winning the Toyota site is important for state competitiveness. Economic development and judicial reforms appear likely to emerge from the [Texas] legislative session. Momentum is slowly building, but not enough to solve state budget problems...

...Momentum in sales continues to lag; some key measures showing signs of recovery. Uncertainty over war continues to be a drag on business activity. Stronger performance is anticipated by mid-year.

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

[Utah] state tax receipts improved a bit in early February, indicating that Christmas retail sales did fairly well. Withholding taxes have been up two months in a row, 5 percent and 7 percent respectively, indicating an improved job picture. Seasonally adjusted unemployment claims, though still high, have been receding for the past four months too. Corporate taxes jumped 44 percent compared to last year's post-9/11 slump. But when sales were tabulated it appears that Christmas sales did not do as well as first thought. Business investment purchases continued to fall (off 10 percent), while Retail Trade sales dropped 1 percent.

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

The headline grabber in **California** is the downward revision in the nonfarm employment data for 2001 and 2002. These numbers indicate that the state got hit much harder than first reported, especially in the Bay Area. The state's economy is essentially flat, due to uncertainty over Iraq, the worker's comp insurance debacle, and rising gas prices. There are a few bits of positive news, including some job increases in the defense sector, and still strong international trade activity. And all eyes are trained on Sacramento to see how the budget deficit is resolved.

— **Jack Kyser**
Los Angeles County Economic
Development Corp.
Los Angeles, California

Recent layoffs at Micron Technology and the announced closure of the Zilog Electronics plant in Nampa, **Idaho** have turned the prospects for modest economic growth in 2003 to an outlook of further weakening for the year.

— **John Church**
Idaho Economics
Boise, Idaho

Idaho, like many states, has experienced severe budget pressures over the past 18 months. The state's 2003 spending will need to be fine-tuned in order to remain in balance. Idaho is not alone. The majority of states have experienced similar budget woes.

The state's recession is expected to give way to modest growth this year and next. The Intermountain region should also experience similar improvement. Many in **Idaho** have voiced the question, "What went wrong with the economy?" The answer is that Idaho's economy is part of larger regional, national, and global economies that all struggled severely. Stronger U.S. and global growth will help Idaho this year and next. Idaho's inherent strengths will provide dividends for years to come.

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

Compared with year-ago activity, **Nevada's** unemployment rate declined and the other six data series posted positive growth rates. To be sure, Nevada's tourist-based economy has suffered from 9-11 and the national recession; but key sectors have rebounded. Other than commercial permits, the same positive assessment holds for the nine data series for Clark County (Las Vegas). Also, Washoe County (Reno) shows a decline in only one series and a 3.5 percent unemployment rate is unquestionably very good. All in all, Nevada's status is good, but growth is weak.

— **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

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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	5.8	4.8	2.3	2.6	(5.0)	6.7	5.7	3.3	2.7	5.0
ASU – Bank One EOC	5.3	4.0	2.0	2.3	(4.0)	6.0	5.8	3.1	2.4	(6.0)
CH2M HILL	5.6	5.3	2.6	2.6	(8.0)	6.0	5.9	3.1	2.6	(5.0)
Department of Economic Security	5.7	5.0	1.8	2.4		6.3	6.4	3.1	2.3	
ECON-LINC	5.4	4.0	2.2	2.5	(5.0)	6.4	5.5	3.8	2.6	5.0
Eggert Economic Enterprises Inc.	5.8	5.0	2.7	2.8	(6.0)	6.2	5.5	3.0	3.0	(2.3)
Elliott D. Pollack & Co.	5.8	5.0	2.5	2.7	(10.0)	6.8	5.5	4.0	2.6	(10.0)
H. C. Reardon Economics	6.0	5.0	2.7	2.7	(5.0)	6.7	5.8	3.6	2.7	(5.0)
Helm Financial	5.6	5.0	2.4			6.3	5.5	3.2		
Joint Legislative Budget Committee	5.2	2.5	2.0	2.5	(5.0)	5.9	3.0	3.0	2.5	(7.0)
Lancaster Consulting	5.8	5.3	2.6	2.5	(2.5)	6.2	5.3	2.9	2.6	5.0
The Maguire Company	6.0	5.2	2.9	2.7	(8.0)	6.3	6.0	3.7	2.7	0.0
NAU – BBER	5.7	4.9	3.0	2.4	0.0		6.0		2.5	
Protitlement	5.8	5.2	2.5	2.7	(6.0)	6.6	5.9	3.8	2.6	(8.0)
Salt River Project	5.9	5.3	2.5	2.8	(2.0)	6.8	6.0	3.5	2.8	0.0
Stellar Capital Management	5.5	4.3	2.1	2.3	(2.5)	5.9	4.9	2.8	2.5	3.5
Tucson Electric Power Co.	4.8	3.3	1.3	2.5	(9.0)					
UA – Eller College	5.7	5.0	1.8	1.9	(6.1)	7.7	6.2	4.1	2.2	(11.6)
VisionEcon	5.7	5.9	3.2	3.1	2.0	6.2	6.1	3.7	2.8	0.0
Wells Fargo & Co.	5.6	4.1	2.2	2.7	(4.0)	6.4	5.0	3.2	2.8	1.5
Consensus Forecast — This Month	5.6	4.7	2.4	2.6	(4.8)	6.4	5.6	3.4	2.6	(2.2)
— Last Month	5.6	4.8	2.4	2.6	(4.9)	6.4	5.6	3.4	2.6	(1.2)

CALIFORNIA

	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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	3.3	3.4	0.7	1.7	(0.1)	5.3	5.6	2.1	1.7	2.9
California State University, Long Beach *	7.3	6.6	1.3	1.6	5.9	6.0	5.8	1.8	1.6	(1.7)
Chapman University	3.6	3.3	1.3	1.6	(1.8)	5.2	5.1	2.2	1.6	(6.3)
L.A. County Economic Development Corp.	3.2	3.4	0.7	1.8	2.3	4.8	5.2	1.5	1.8	2.5
Legislative Analyst's Office	4.0	3.9	0.5	1.6	5.0	6.1	6.2	2.4	1.6	5.0
Monroe Consulting	5.0	4.5	2.0	1.6	1.0					
UCLA – Business Forecasting Project	3.0	3.8	0.7	1.6	8.3	5.3	5.8	2.2	1.6	(0.9)
Wells Fargo & Co.	4.5	4.0	1.2	1.7	0.1	5.5	5.4	2.3	1.8	2.3
Consensus Forecast - This Month	3.8	3.8	1.0	1.7	2.1	5.4	5.6	2.1	1.7	0.9
- Last Month	3.9	3.9	1.0	1.6	1.4	5.4	5.7	2.2	1.6	1.0

*This forecast is for Southern California only

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

COLORADO										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
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.	4.1	1.4	0.9	1.3	(10.3)	3.5	4.0	2.5	1.4	(7.9)
Ctr. for Business & Econ. Forecasting	3.0	3.0	0.3	1.2	15.0	4.2	5.0	2.0	1.4	(5.0)
Colorado Legislative Council	3.0	2.8	0.5	1.4	(11.3)	5.9	5.2	2.3	1.5	(6.6)
Office of State Planning and Budgeting	4.0	3.1	0.8	1.3	(15.9)	5.3	3.8	2.2	1.5	(5.0)
University of Colorado	4.5	3.9	1.0	1.3	(6.7)	5.0	4.5	2.5	1.6	(3.0)
Wells Fargo & Co.	4.1	2.3	0.8	1.4	(6.0)	5.2	4.3	2.5	1.5	(1.0)
Xcel Energy	3.5	1.5	1.2	1.0	(2.0)	5.5	3.0	2.0	1.5	5.0
Consensus Forecast — This Month	3.7	2.6	0.8	1.3	(5.3)	4.9	4.3	2.3	1.5	(3.4)
— Last Month	3.9	2.4	0.9	1.3	(8.0)	5.0	4.3	2.5	1.5	(1.7)

IDAHO										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
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	4.4		0.9	1.1	(5.0)	5.8		1.9	1.1	(0.8)
Idaho Economics	4.0		(0.2)	1.2	(5.0)	5.1		0.9	1.2	(1.0)
Idaho State University	4.0	4.5	2.0	1.2						
Thredgold Economic Associates	4.8	3.7	1.0	1.2	(2.0)	5.5	4.5	2.2	1.1	(1.0)
University of Idaho	4.2	3.7	0.8	1.1		5.0	4.2	1.7	1.1	
Wells Fargo & Co.	4.3	3.8	1.0	1.5	(11.0)	5.0	4.3	2.8	1.6	5.0
Consensus Forecast — This Month	4.3	3.9	0.9	1.2	(5.8)	5.3	4.3	1.9	1.2	0.6
— Last Month	4.4	4.0	1.3	1.3	(4.5)	5.2	4.4	2.1	1.3	0.9

NEVADA										
2003 Annual Percent Change, 2003 from 2002						2004 Annual Percent Change, 2004 from 2003				
Source:	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Dept. of Empl., Training, and Rehab.	5.0	4.0	2.5	3.5						
Legis. Counsel Bureau – Fiscal Analysis	5.0	4.9	2.6	3.5	(2.0)	5.5	2.6	3.3	3.5	0.0
Restrepo Consulting Group, LLC	5.5	3.5	3.0	3.5	3.0	6.0	3.5	3.5	4.0	3.0
Thredgold Economic Associates	6.5	2.5	3.2	4.2	3.0	7.0	5.0	4.3	4.8	4.5
Southwest Gas	6.6	3.3	2.8	4.2	2.2	6.9	4.6	3.1	4.7	3.0
Univ. of Nevada at Las Vegas – CBER	5.9	3.1	3.3	3.9	(3.5)					
Wells Fargo & Co.	5.9	3.4	3.2	3.7	1.5	6.5	4.1	4.0	3.9	2.4
Consensus Forecast — This Month	5.8	3.5	2.9	3.8	0.7	6.4	4.0	3.6	4.2	2.6
— Last Month	5.8	3.6	3.0	3.8	0.8	6.4	4.0	3.7	4.1	2.8

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

NEW MEXICO

	2003					2004				
	Annual Percent Change, 2003 from 2002					Annual Percent Change, 2004 from 2003				
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	4.3	(0.3)	0.7	1.3	2.0	4.4	0.0	1.0	1.2	1.3
New Mexico Department of Labor		(0.8)	1.2							
New Mexico State Univ. – CEMAF	5.5	(1.5)	1.2			5.2	(1.0)	1.5		
University of New Mexico – BBER	4.7	(1.6)	1.3		(9.1)	5.0	0.6	1.6		2.5
Wells Fargo & Co.	4.7	0.6	1.3	1.2	(3.8)	4.8	1.2	1.9	1.2	2.3
Consensus Forecast — This Month	4.8	(0.7)	1.1	1.3	(3.6)	4.9	0.2	1.5	1.2	2.0
— Last Month	4.8	(0.7)	1.2	1.2	(3.7)	4.9	0.3	1.6	1.2	2.2

OREGON

	2003					2004				
	Annual Percent Change, 2003 from 2002					Annual Percent Change, 2004 from 2003				
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	5.2	0.8	1.0	1.2	(7.1)	6.2	4.2	3.5	1.2	(6.2)
Forefront Economics	5.3	1.8	2.4	1.1	3.5	5.6	2.0	2.8	1.3	5.0
Oregon Executive Department	4.8	0.8	1.0	1.0	1.4	5.6	1.5	2.4	1.3	3.3
Portland General Electric	5.3	2.0	1.6	1.2	5.0	7.0	2.5	2.5	1.3	7.0
Rhodes Econometrics	3.4	1.3	2.2	1.2	2.0	5.3	1.8	2.6	1.3	2.3
Thredgold Economic Associates	4.5	0.0	1.0	1.2	4.5	5.5	2.5	3.0	1.5	5.0
U.S. Bancorp	4.5	1.5	1.5	1.1	(2.0)	5.5	3.0	2.5	1.1	0.0
Wells Fargo & Co.	4.7	1.4	1.9	1.3	1.3	5.6	1.8	2.6	1.2	2.5
Consensus Forecast — This Month	4.7	1.2	1.6	1.2	1.1	5.8	2.4	2.7	1.3	2.4
— Last Month	4.8	1.8	1.8	1.3	1.1	5.8	2.4	2.8	1.3	2.4

TEXAS

	2003					2004				
	Annual Percent Change, 2003 from 2002					Annual Percent Change, 2004 from 2003				
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	6.3	6.4	2.1	1.8	1.0	7.2	6.8	2.5	1.8	2.0
Federal Reserve Bank of Dallas	6.0	6.0	0.5	1.7	(1.5)	7.5	7.0	2.7	1.8	2.5
Ed McClelland	5.8	5.7	1.5	1.7	1.0	6.6	6.4	2.2	1.7	0.7
Perryman Group	5.7	5.8	1.6	1.7	3.7	6.5	6.7	2.1	1.8	(1.1)
TX State Comptroller of Public Accounts	5.2	5.5	1.2	1.7	0.5	6.0	6.2	2.1	1.5	(2.4)
University of Houston – CPP	5.6	5.7	1.7	1.5		6.7	6.9	2.3	1.9	
University of Texas at El Paso	4.6	3.9	0.8	1.6	0.4	5.4	5.8	1.6	1.6	0.0
Wells Fargo & Co.	5.9	5.8	1.7	1.7	1.2	6.5	6.4	2.2	1.8	0.6
Consensus Forecast — This Month	5.6	5.6	1.4	1.7	0.9	6.6	6.5	2.2	1.7	0.3
— Last Month	5.7	5.6	1.5	1.7	0.9	6.5	6.5	2.2	1.7	0.2

CONSENSUS FORECASTS

WESTERN BLUE CHIP ECONOMIC FORECAST

UTAH

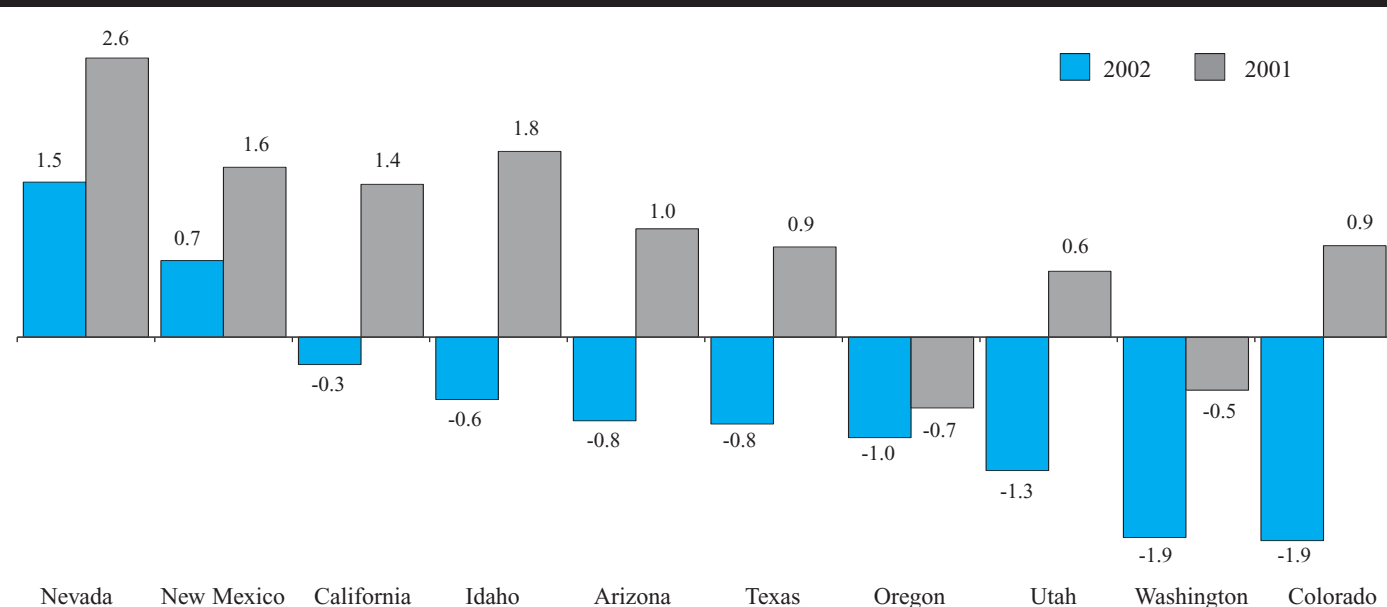
Source:	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Popu- lation Growth	Single-family Housing Permits
Pacificorp	5.3	4.5	2.2	1.7	7.0	4.8	4.2	2.1	1.7	5.0
Thredgold Economic Associates	3.5	2.8	1.0	1.3	(1.0)	5.5	3.5	2.3	1.6	3.0
Utah Dept. of Workforce Services	3.1	2.2	0.7	1.5	(1.0)	4.3	3.5	2.0	1.7	1.5
Utah State Tax Commission	3.6	3.3	0.5	1.6	(3.0)	4.8	4.5	2.0	1.6	0.5
Wells Fargo & Co.	3.6	3.7	0.7	1.6	(11.0)	4.8	4.3	2.5	1.6	5.0
Consensus Forecast — This Month	3.8	3.3	1.0	1.5	(1.8)	4.8	4.0	2.2	1.6	3.0
— Last Month	4.2	3.3	1.3	1.5	(1.4)	4.9	3.9	2.3	1.7	3.6

WASHINGTON

Source:	2003 Annual Percent Change, 2003 from 2002					2004 Annual Percent Change, 2004 from 2003				
	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	4.0	3.6	0.3	1.1	6.8	5.6	5.5	2.4	1.2	(5.0)
Dick Conway & Associates	4.2	3.2	0.8	0.9	(7.0)	5.4	5.1	1.8	0.9	(5.0)
Doug Pedersen & Associates	4.2	3.5	0.8	1.0	(3.5)	5.3	4.6	2.3	1.0	(5.0)
Office of Forecast Council *	4.1	3.5	0.6	0.9	(13.1)	5.1	6.2	2.2	1.0	(9.3)
Wells Fargo & Co.	3.8	3.3	0.8	1.4	(3.8)	5.3	4.9	2.3	1.2	(0.4)
Consensus Forecast — This Month	4.1	3.4	0.7	1.1	(4.1)	5.3	5.3	2.2	1.1	(4.9)
— Last Month	3.9	3.3	0.7	1.1	(5.7)	5.4	5.2	2.3	1.1	(1.3)

* Population forecast is from the Office of Financial Management.

TOTAL NONFARM EMPLOYMENT Year over Year Percent Change



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
2002	140,904†	127,039†	2,247.8	45,954†	194.3	54,729	5,481.2†	5.8
% change	4.2	3.0	(0.8)	2.5	(7.3)	7.5	2.6	
2001	135,224	123,381	2,265.7	44,833	209.6	50,930	5,342.3	4.7
% change	4.8	2.3	1.0	2.0	(2.7)	4.3	3.0	
2000	129,069	120,660	2,242.8	43,940	215.4	48,846	5,188	3.9
% change	8.2	5.9	3.7	7.8	1.7	(5.6)	3.4	
1999	119,339	113,958	2,163.1	40,769	211.7	51,764	5,017	4.4
% change	5.7	4.2	4.3	10.0	(2.0)	1.5	3.2	
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
2002	1,148,847†	1,035,801†	14,658.1	298,366†	1,816.0	120,783	35,301	6.4
% change	1.9	0.7	(0.3)	1.5	(4.6)	13.7	1.7	
2001	1,127,426	1,028,685	14,697.0	293,957	1,904.4	106,265	34,698	5.3
% change	3.1	0.7	1.4	2.4	(2.2)	1.6	1.9	
2000	1,093,065	1,021,859	14,488.1	287,068	1,947.8	104,600	34,036	4.9
% change	9.6	7.3	3.5	12.3	1.3	1.8	1.9	
1999	997,351	952,379	13,991.8	255,589	1,923.0	102,750	33,417	5.2
% change	7.1	5.6	2.9	11.4	(1.4)	10.0	1.7	
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
2002	148,359†	133,760†	2,189.0	59,018†	185.6	35,522	4,507	5.3
% change	1.9	0.7	(1.9)	0.0	(6.8)	(2.6)	1.7	
2001	145,593	132,841	2,231.9	59,018	199.2	36,477	4,431	3.7
% change	3.8	1.3	0.9	1.7	(3.3)	(3.2)	2.4	
2000	140,225	131,090	2,213.0	58,058	205.9	37,699	4,327	2.7
% change	9.8	7.5	3.8	10.9	0.6	(1.9)	*	
1999	127,653	121,897	2,131.8	52,368	204.6	38,410	4,056	2.9
% change	7.8	6.3	3.6	8.7	(1.4)	6.4	2.2	
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								

* 2002, 2001 and 2000 based on 2000 Census; 1999 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
2002	33,230†	29,960†	566.0	14,932†	71.1	10,212	1,341	5.4
% change	3.7	2.5	(0.6)	2.8	(5.9)	7.7	1.6	
2001	32,044	29,238	569.4	14,525	75.5	9,483	1,321	5.0
% change	3.9	1.5	1.8	5.6	(2.2)	(6.1)	1.6	
2000	30,827	28,819	559.6	13,755	77.2	10,098	1,300	4.9
% change	8.0	5.8	3.8	4.5	1.2	(3.8)	*	
1999	28,538	27,251	538.9	13,163	76.3	10,497	1,252	5.2
% change	5.4	4.0	3.3	4.8	0.3	2.1	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
2002	66,093†	59,590†	1,069.3	32,003††	9,610.6††	27,284	2,174	5.4
% change	5.1	3.9	1.5	0.9	1.5	1.1	3.6	
2001	62,886	57,379	1,053.9	31,709††	9,469	26,981	2,098	5.3
% change	5.6	3.0	2.6	7.7	(1.4)	4.8	3.9	
2000	59,565	55,685	1,026.9	29,454	9,600.3	25,749	2,019	4.1
% change	7.0	4.7	4.5	6.1	6.4	6.0		
1999	55,694	53,182	982.9	27,761	9,023.4	24,283	1,809	4.4
% change	7.1	5.6	6.2	6.5	11.9	(0.7)	3.8	
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
2002	44,357†	39,992†	762.2	12,212††	41.3	10,348	1,855	6.0
% change	4.7	3.5	0.7	(2.6)	(4.1)	15.9	1.3	
2001	42,366	38,656	756.8	12,540	43.1	8,929	1,831	4.8
% change	6.1	3.5	1.6	3.6	(0.4)	11.1	0.5	
2000	39,943	37,341	744.9	12,099	43.2	8,037	1,822	4.9
% change	5.5	3.2	2.1	5.5	1.9	(6.5)	*	
1999	37,877	36,169	729.6	11,466	42.4	8,595	1,740	5.6
% change	2.8	1.3	1.3	2.1	(5.1)	(6.7)	0.4	
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								

* 2002, 2001 and 2000 based on 2000 Census; 1999 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
2002	100,449†	90,565†	1,581.0	226.3	17,977	22,543	3,410.8†	7.4
% change	3.3	2.1	(0.9)	(4.2)	10.9	7.1	1.1	
2001	97,240	88,724	1,596.1	236.2	16,217	21,049	3,374††	6.3
% change	2.5	0.1	(0.7)	(3.0)	4.4	6.4	1.1	
2000	94,854	88,674	1,606.8	243.6	15,532	19,785	3,337	4.9
% change	6.4	4.2	2.0	0.6	(6.4)	(14.9)	1.1	
1999	89,128	85,109	1,575.0	242.2	16,595	23,249	3,301	5.7
% change	4.5	3.0	1.5	(1.6)	(2.0)	(10.1)	1.0	
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
2002	636,017†	573,433†	9,435.4	315†	1,005.9	120,644	21,780	6.1
% change	4.7	3.5	(0.8)	3.9	(4.9)	8.3	1.9	
2001	607,467	554,264	9,513.1	303.0	1,057.6	111,352	21,371	4.9
% change	4.5	2.0	0.8	1.5	(2.8)	4.5	2.0	
2000	581,312	543,443	9,433.0	298.6	1,088.1	106,601	20,955	4.2
% change	7.8	5.6	3.0	11.5	0.3	4.7	*	
1999	539,129	514,819	9,159.2	267.7	1,084.4	101,848	20,044	4.6
% change	5.3	3.8	2.5	9.5	(2.1)	2.0	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								

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
2002	56,636†	51,063†	1,068.5	18,258†	120.1	15,406	2,316	5.2
% change	3.1	1.9	(1.3)	3.1	(5.4)	11.2	1.6	
2001	54,934	50,122	1,082.1	17,709	127.0	13,851	2,279	4.4
% change	4.6	2.1	0.6	2.5	(3.1)	2.9	1.6	
2000	52,532	49,110	1,075.4	17,278	131.1	13,463	2,243	3.2
% change	6.9	4.6	2.6	4.8	(0.7)	(7.5)	*	
1999	49,149	46,932	1,048.6	16,493	132.0	14,561	2,130	3.7
% change	5.1	3.6	2.5	5.3	(0.4)	0.6	1.4	
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								

* 2002, 2001 and 2000 based on 2000 Census; 1999 based on 1990 Census.

HISTORICAL DATA

WESTERN BLUE CHIP ECONOMIC FORECAST

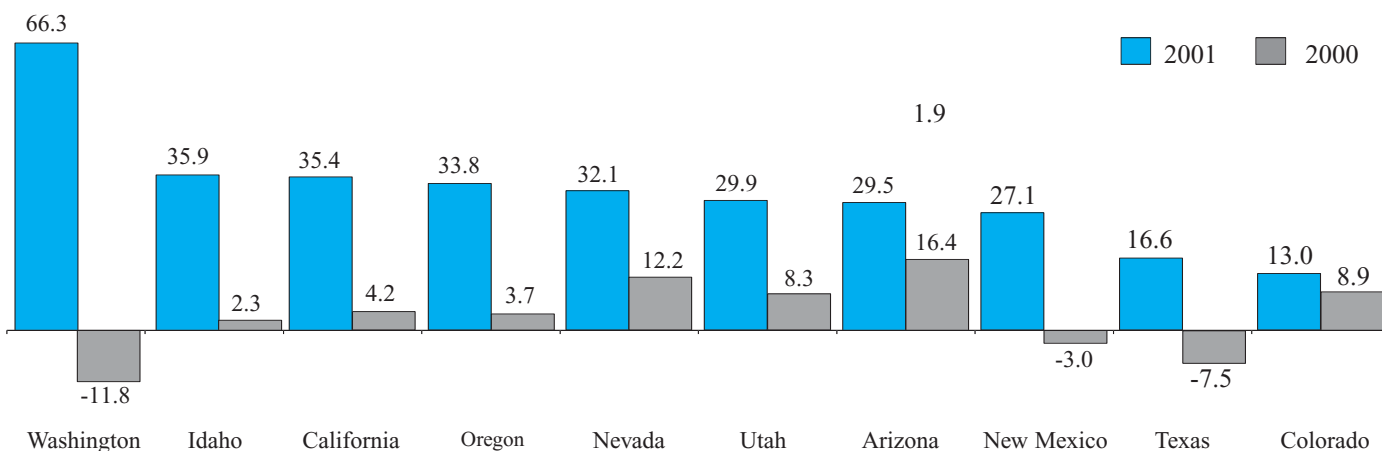
WASHINGTON

	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
2002	194,217†	175,106†	2,646.9	84,020†	309.1	33,090	6,069	7.0
% change	2.7	1.5	(1.9)	(0.4)	(8.7)	17.6	1.3	
2001	189,111	172,549	2,697.8	84,357	338.4	28,137	5,993	6.4
% change	2.5	0.0	(0.5)	(0.5)	(4.2)	3.1	1.4	
2000	184,518	172,498	2,711.3	84,748	353.1	27,283	5,912	5.2
% change	5.9	3.7	2.4	6.4	(3.0)	(7.8)	*	
1999	174,221	166,365	2,648.7	79,684	364.2	29,598	5,756	4.7
% change	6.8	5.3	2.1	7.8	(4.0)	(3.3)	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

* 2002, 2001 and 2000 based on 2000 Census; 1999 based on 1990 Census.

INTERNAL REVENUE SERVICE REFUNDS Percent Change from Previous Year



Source: Internal Revenue Service



WESTERN BLUE CHIP ECONOMIC FORECAST

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WESTERN BLUE CHIP PANEL

WESTERN BLUE CHIP ECONOMIC FORECAST

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