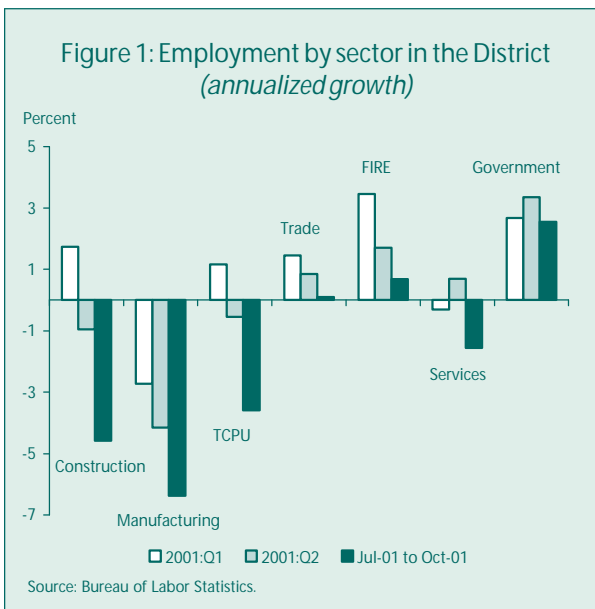


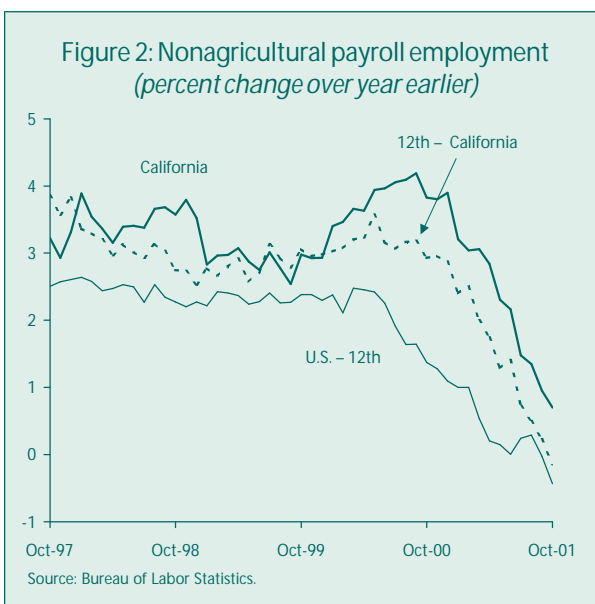
Western Economic Developments



Twelfth District growth slows in October, outpaces nation



The weakness of the economy in the West in the aftermath of the September 11 terrorist attacks resulted in additional employment losses. Nevertheless, data for October indicate less weakness in the Twelfth Federal Reserve District than elsewhere in the United States, despite the District's relatively high exposure to the industries most directly affected (see article on page 4). District employment fell 1.4% at an annual rate in October, compared to a decline of 4.2% for the rest of the nation. The relatively stronger District performance owed primarily to gains in the finance, insurance, and real estate (FIRE) and government sectors, which partially offset job losses in manufacturing and travel and tourism (Figure 1). As of October, job growth relative to a year earlier was higher in California, and somewhat higher in the District excluding California, than it was in the rest of the nation (Figure 2).

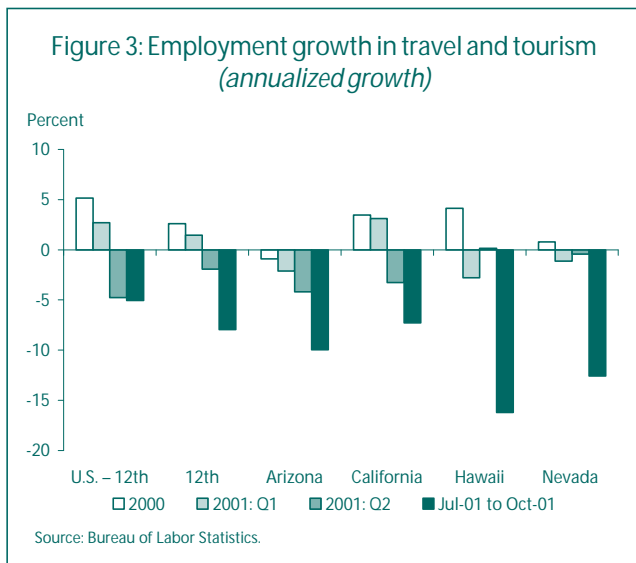


October employment numbers confirm that the events of September 11 had a negative impact on the travel and tourism sector (Figure 3). Conditions were especially weak in Nevada and Hawaii. In October the total job count fell at a 14% pace in Nevada and a 22% pace in Hawaii. The losses were most pronounced among provid-

DECEMBER 2001

IN THIS ISSUE

| | |
|--|----|
| Government engine of growth may stall | 2 |
| Travel, high-tech raise District unemployment | 3 |
| District exposure to key sectors affected by attacks | 4 |
| High-tech watch | 5 |
| STATE HIGHLIGHTS | |
| Alaska, Oregon, Washington | 6 |
| Arizona, California, Hawaii | 8 |
| Idaho, Nevada, Utah | 10 |



ers of travel-related services, with employment at hotels and lodging places (which is aggregated with amusement and recreation services in Nevada) shrinking at a 40-50% pace in the two states. Arizona and California also recorded declines in the travel and tourism sector. Utah recorded slight gains in October following solid gains during the third quarter as part of ongoing business preparations for the Winter Olympics in February.

Government engine of growth may stall

A large component of growth in some areas of the District this year has been the government sector, boosted by the favorable revenue conditions enjoyed by state and local governments in recent years. These favorable conditions, however, have soured rapidly in recent months, and the District's expansion in the near term will be held down by reduced state and local government spending.

State and local government payrolls have expanded rapidly in the District in the last few years, especially in California. Between October 1999 and October 2001, the average annual pace of growth in state and local government employment was 3.8% in California, 2.5% in the District excluding California, and 1.8% in the remainder of the nation. This was supported by strong growth in the state and local revenue base during most of the period from 1998 through mid-2000, especially from taxes on capital gains. Even during the four months ending in October of this year, when private sector payrolls shrank in most areas, growth in state and local government employment was solid in the District (at a rate of 3.1% in California and 2.8% in the rest of the District).

However, the revenue outlook for all District states (in fact, most states nationwide) has deteriorated substantially in recent months. Most District states have proposed or started to implement substantial spending cuts. The latest information on state revenues and planned spending cuts is as follows.

Arizona: Prior to September 11, the governor ordered spending cuts equal to 4% of the state budget, with universities and prisons hit hardest. Since then, the state revenue outlook has deteriorated further.

California: On November 14, the governor proposed widespread cuts of \$2.25 billion, equal to about 3% of planned expenditures in the state's current year budget. This came on the heels of the governor's earlier order for state agencies to freeze new hiring and prepare 15% budget reductions for the 2002-03 fiscal year.

Hawaii: The state faces a severe fiscal crisis and may need to use tobacco settlement money and deplete its hurricane relief fund to get through the current fiscal year.

Idaho: In August, the governor requested that state agencies reduce budgets by 2% in the current fiscal year.

Nevada: The state government has frozen hiring and new spending on programs and construction.

Oregon: State legislators have proposed a hiring freeze to deal with an expected \$600 million (1.7%) budget shortfall during the current two-year budget cycle.

Utah: The state expects a budget shortfall of \$200 million (3% of the planned budget) in the current fiscal year.

Washington: The state's estimate of its budget shortfall for the current two-year budget cycle recently increased from \$900 million to \$1.3 billion (2.6% of the budget); state agencies have been asked to submit plans for spending cuts of up to 15% of current operating budgets.

This latest information suggests that widespread hiring freezes are likely to be implemented at the state and local levels in the near term. In California, such cuts will undermine expansion in Southern California and the Central Valley, each of which exhibited moderate growth during most of this year. In Southern California, state and local government jobs have accounted for about 43% of the 52,000 jobs created this year. A hiring freeze will substantially undercut growth in the region. The downside is even more extreme in the Central Valley. Of the 15,300 nonagricultural jobs created there this year, 14,800 were state and local government jobs. So even without any further adverse economic

developments, the Central Valley's expansion may come to a halt due to cutbacks in state and local spending.

Travel, high-tech raise District unemployment

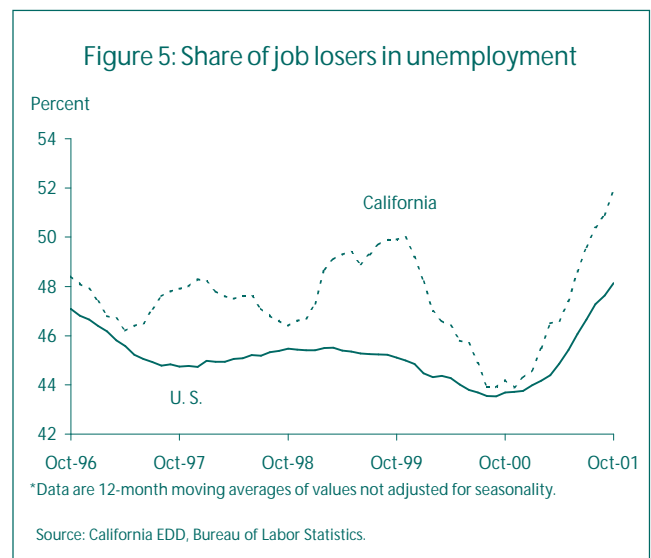
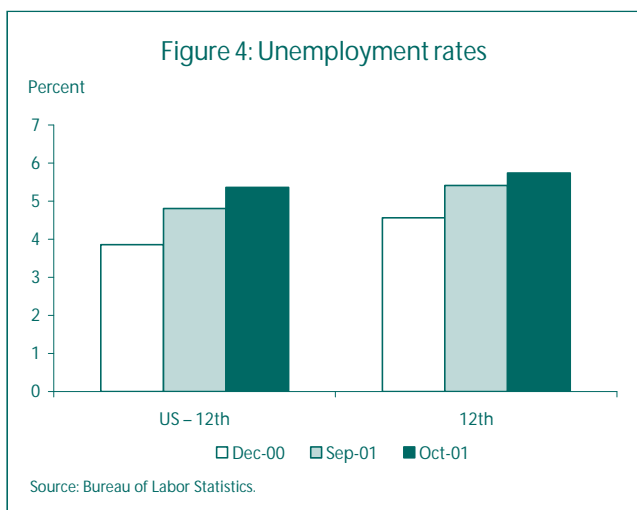
Slower economic growth has resulted in rising unemployment rates this year, with a sharp increase evident in several states in October due to the impacts of the travel slowdown. For the District as a whole, the unemployment rate rose about three-quarters of a point this year through September, and then rose another three-tenths in October (Figure 4). Although the October increase in the District is large, it is smaller than the half-point increase for the rest of the nation. Within the District, the October increase was most pronounced in states with extensive exposure to the travel slowdown, with increases of nine-tenths of a point in Hawaii and 1.5 points in Nevada.

The large increases in unemployment are confirmed by data on new claims for unemployment insurance (UI), which show increases of 225% and 135% (compared to a year earlier) in Hawaii and Nevada during the four weeks immediately following September 11. Since then, new UI claims have fallen substantially but remain well above year-earlier levels. For the District as a whole, the increase in UI claims in the weeks immediately following September 11, and the decline in subsequent weeks, was less pronounced than in the rest of the nation, suggesting that the District economy has suffered less direct impact of the terrorist attacks.

California's unemployment rate has increased a point since the end of last year, with an increase of three-tenths of a point in October. Within the state, the unemployment rate has been relatively constant in the Central Valley and has increased by about three-quarters of a point in most of South-

ern California. The largest increase this year has been in San Jose, where the unemployment rate increased from 1.6% in December 2000 to 6.4% in October 2001. For the Bay Area as a whole, the unemployment rate increased from 2.3% at the end of last year to 5.1% in October, which represents 112,000 additional unemployed individuals. The large increases in unemployment in the Bay Area and in Oregon (see page 6), two areas whose economies rely heavily on high-tech manufacturing, indicate the importance of the information technology slowdown for current economic conditions in the District.

Additional information on job loss and the structure of unemployment is available for California through a breakdown of total monthly unemployment into job losers, job leavers, and labor force entrants (available from the state Employment Development Department). The share of job losers in total unemployment has been rising since the middle of last year, but the increase this year has been steeper in California than in the nation as a whole (Figure 5). In California, this share increased from 44% to 52% of total unemployment between the end of last year and October of this year. Given that job losers face longer durations of unemployment than other categories of unemployed individuals, an increasing share of job losers represents more labor market weakness, through higher future unemployment rates, than is reflected in the current unemployment rate alone. In general, the increase in the job loser share has been offset by declining numbers of individuals who enter unemployment voluntarily through labor force entry and job leaving. This is a standard development during periods of rising unemployment and deteriorating labor market con-



ditions, since individuals' willingness to engage in job search is positively related to their prospects for finding a job.

District exposure to key sectors affected by attacks

District exposures to some of the sectors directly affected by the September 11 terrorist attacks can be gauged by their contributions to District payroll and personal income (Figure 6). About 6.3% of District nonagricultural payrolls are in the sectors potentially negatively affected by the terrorist attacks. This compares to 4.4% of payrolls outside of the District, making the District about 1.4 times as exposed to these sectors as the rest of the U.S. The District's direct negative exposure to the terrorist attacks primarily is associated with the travel and tourism sector, which accounts for 5.1% of District payroll. Aircraft and parts manufacturing payrolls (primarily commercial aircraft) make up about 1.2% of the District total, almost three times the share in the rest of the U.S.

The share of the District economy involved in the potentially positively affected industries is considerably lower than the share in the negatively affected sectors. Combined, defense contracts and national security payrolls account for about 2.4% of the economy, about 40% of the share in the negatively affected sectors. On a relative basis, defense contracts make up a slightly larger share of the District economy than the economy in rest of the U.S.—1.8% compared to 1.5%.

The impact of the terrorist attacks on employment at military bases is uncertain and depends largely on the extent and timing of troop deployment. However, overall military

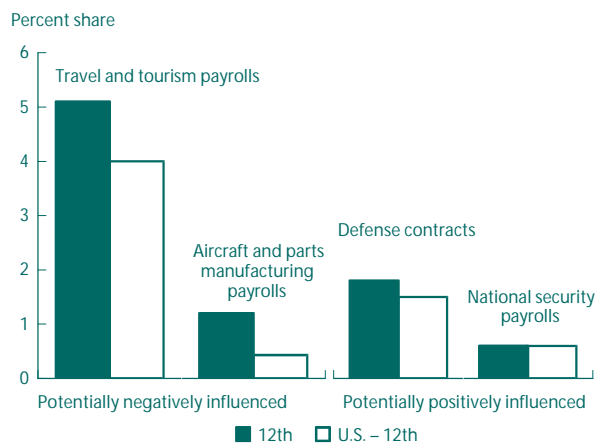
personnel are only slightly more concentrated in the District than in the rest of the U.S.

To put the potential economic aftermath of the attacks in context, it is useful to compare the shares of the District and rest of the U.S. economies accounted for by the information technology (IT) and international trade sectors, which were contracting prior to the September 11 attacks. Measured by payroll shares, IT accounts for nearly 15% of the District economy, about 2.5 times the amount contributed by the industry sectors with direct negative exposure to the attacks. Contraction among IT firms has been a primary driver of the District slowdown so far this year. Exports of manufactured goods and services, which includes many IT products, also make up a sizeable share of the District economy, about 13%, or 2.1 times the share accounted for by sectors negatively affected by the terrorist attacks. The value of District exports during the first eight months of this year was down 1.3% compared to the same period a year earlier. Given the prominence of these sectors and their recent declines, the District likely is more vulnerable to ongoing slowing in IT or international trade than it is to a downturn in travel and tourism and aircraft manufacturing due to the attacks.

Although the District as a whole is only moderately more exposed than the rest of the U.S. to the sectors most negatively affected by the terrorist attacks, specific states and metropolitan areas are extremely vulnerable to downturns in these sectors. Within the District, Hawaii and Nevada stand out as states with a high dependence on the travel and tourism sector. Nearly one-quarter of Nevada's payrolls are generated directly by the travel and tourism sector. Within Nevada, Las Vegas is most dependent on tourism, with 25% of its payroll in this sector; Reno is somewhat less dependent, with 14.1% of payroll coming from travel and tourism. Hawaii also is highly dependent on travel and tourism, which account for over 15% of the state's payroll and about 10% of Honolulu's payroll. These shares are substantially higher (around 35% for the state) when the calculation is based on expenditure shares. Other states and metropolitan areas in the District are considerably less dependent on the travel and tourism sectors, with shares for only a few (notably Alaska and the coastal areas of California) rising noticeably above the average for the U.S. outside of the District.

Contributions by Mary Daly, Rob Valletta, and Dan Wilson, Financial and Regional Studies, Economic Research Department, FRBSF

Figure 6: District exposure to sectors affected by the September 11 attacks



Source: Bureau of Labor Statistics.

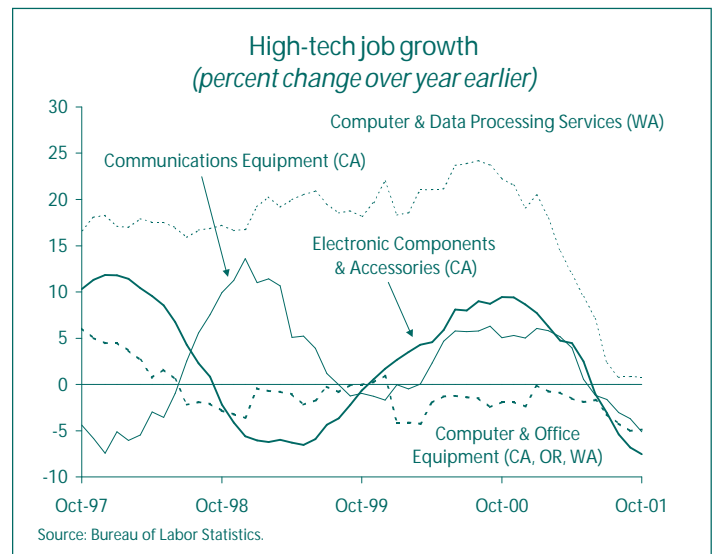
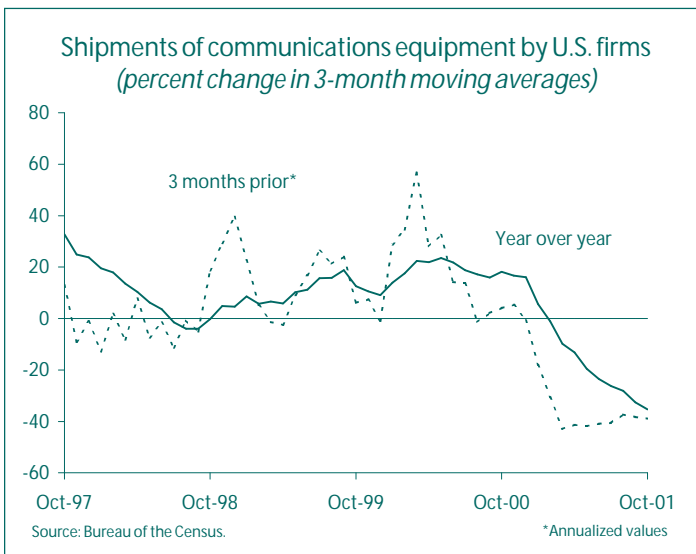
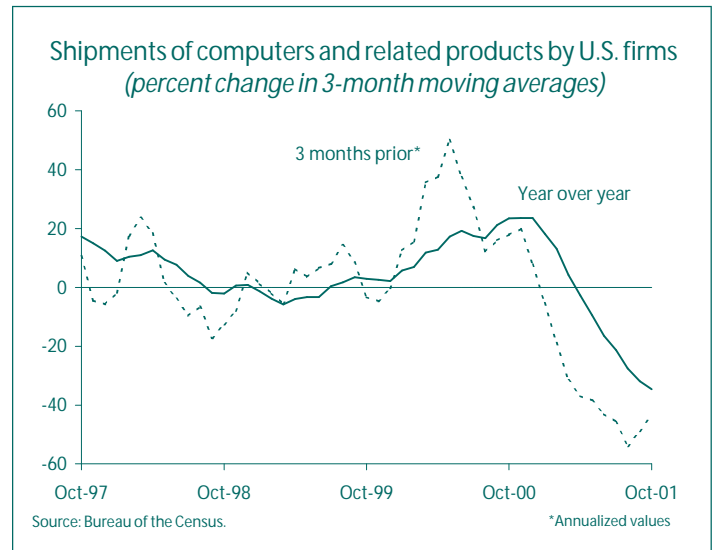
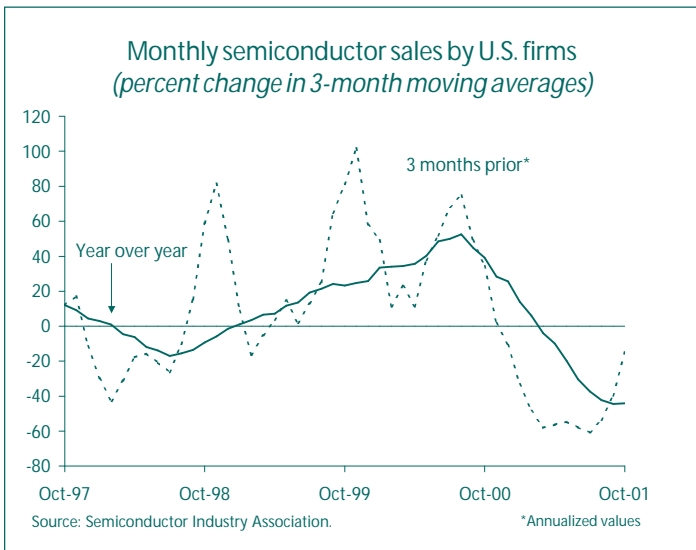
High-tech Watch

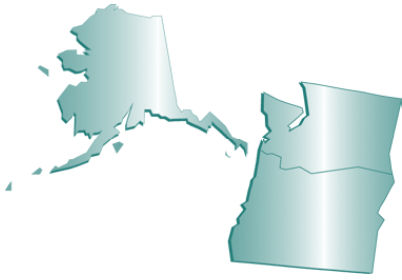
Conditions in the high-tech sector improved slightly in October, boosted by recent increases in defense spending and a seasonal pickup in consumer demand for household electronics and computers.

Data from the Census Bureau indicate a rise in orders (not shown) for computers and semiconductors in October, the first monthly increase since December 2000. Sales and shipments of these products continued to fall in October, but should increase in coming months as the new orders are filled. On a three-month basis, the pace of decline in sales and shipments of semiconductors, computers, and communications gear has slowed in recent months, providing some indication that the industry may be in the beginning of a recovery. However, with large unused inventories and

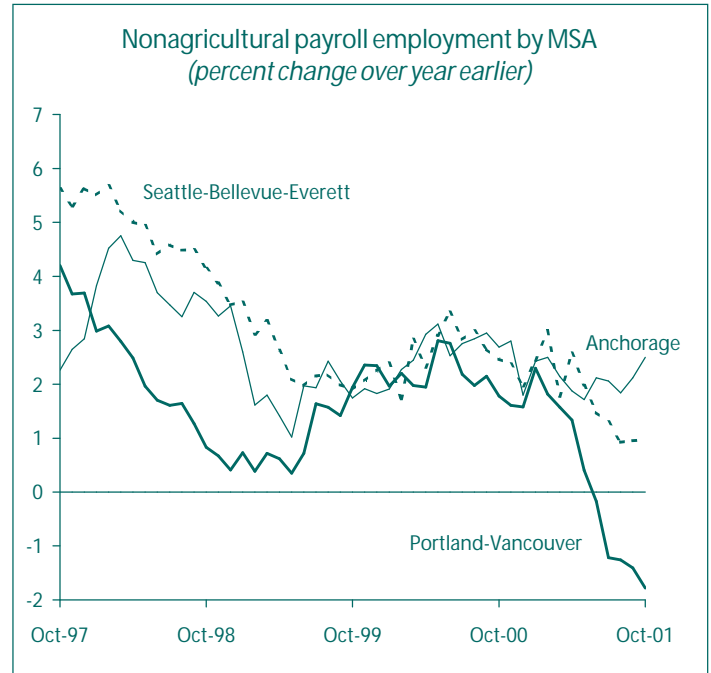
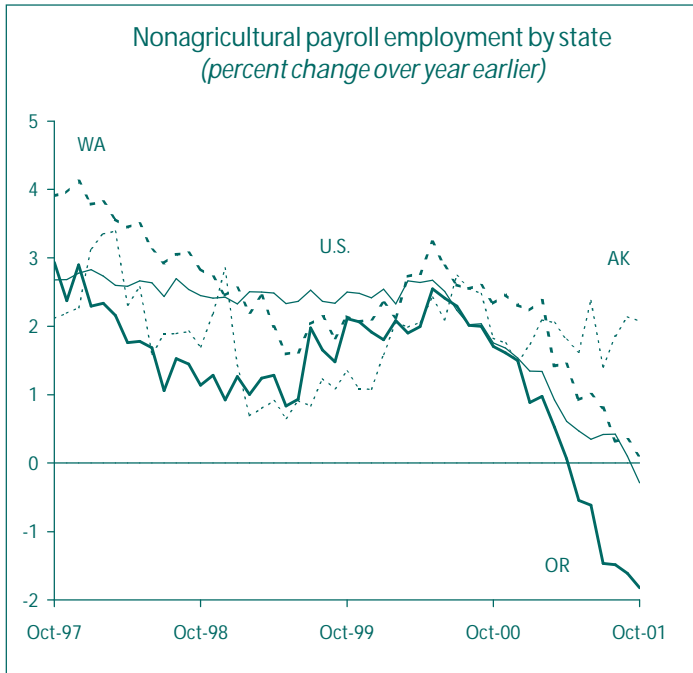
low capacity utilization among most high-tech manufacturers, it likely will be some time before improved orders and shipments translate into increased earnings and employment. In general, companies and industry analysts do not expect a rebound in the industry until the second or third quarter of 2002.

That being said, the pickup in demand has helped temper the free-fall in prices and employment that has characterized the industry over the past year. The average price of some memory chips increased in November, following more than 12 months of continuous declines. The pace of job cuts also has moderated in the high-tech sector, especially among makers of computer and office equipment and providers of computer and data processing services.





Alaska • Oregon • Washington



Employment by Industry

| | Total Employed (thousands) | Percent Change | | | |
|---------------|-------------------------------|----------------|--------------------|--------------------|------------------|
| | | Oct-01 | 1-mo. ^a | 3-mo. ^a | YTD ^a |
| Alaska | | | | | |
| Total | 289.9 | -5.6 | 1.1 | 2.2 | 2.1 |
| Mining | 11.3 | -10.0 | -6.8 | 1.1 | 1.8 |
| Construction | 15.1 | 0.0 | 5.5 | 5.9 | 4.9 |
| Manufacturing | 13.2 | -54.7 | 24.4 | 1.8 | 0.0 |
| T.C.P.U. | 27.1 | -8.4 | -2.9 | 0.4 | 1.1 |
| Trade | 58.6 | -5.9 | 3.5 | 0.6 | 0.9 |
| F.I.R.E. | 12.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Services | 76.4 | -9.0 | -0.5 | 4.4 | 4.4 |
| Government | 75.5 | 11.8 | -0.5 | 1.8 | 1.3 |
| Oregon | | | | | |
| Total | 1,583.0 | -0.2 | -1.9 | -2.2 | -1.8 |
| Mining | 1.7 | -49.6 | -20.4 | -12.5 | -10.5 |
| Construction | 78.5 | -20.3 | -19.6 | -12.8 | -10.8 |
| Manufacturing | 233.0 | 10.9 | 0.0 | -5.9 | -4.2 |
| T.C.P.U. | 78.7 | -1.5 | -5.4 | -3.1 | -2.6 |
| Trade | 388.6 | -1.2 | -1.4 | -1.6 | -1.9 |
| F.I.R.E. | 95.3 | -2.5 | 1.3 | 0.9 | 1.3 |
| Services | 438.3 | -6.6 | -1.4 | -1.6 | -1.4 |
| Government | 268.9 | 12.4 | 0.6 | 2.2 | 1.9 |

| | Total Employed (thousands) | Percent Change | | | |
|-------------------|-------------------------------|----------------|--------------------|--------------------|------------------|
| | | Oct-01 | 1-mo. ^a | 3-mo. ^a | YTD ^a |
| Washington | | | | | |
| Total | 2,733.8 | -0.1 | -1.3 | -0.3 | 0.1 |
| Mining | 3.7 | 38.9 | 0.0 | 6.9 | 5.7 |
| Construction | 163.4 | -8.4 | -1.7 | -0.7 | 0.4 |
| Manufacturing | 332.7 | -8.3 | -6.6 | -4.7 | -4.3 |
| T.C.P.U. | 146.9 | 2.5 | -2.7 | -2.6 | -1.3 |
| Trade | 652.4 | 1.9 | -2.5 | -1.2 | -0.7 |
| F.I.R.E. | 139.9 | 3.5 | 1.7 | 1.6 | 1.7 |
| Services | 802.8 | 0.3 | 0.9 | 1.0 | 1.5 |
| Government | 492.0 | 3.2 | 0.2 | 2.0 | 1.9 |

Unemployment Rates (%)

| | Oct-01 | Sep-01 | Aug-01 | Jul-01 | Oct-00 |
|------------|--------|--------|--------|--------|--------|
| Alaska | 6.0 | 6.5 | 6.7 | 6.2 | 6.3 |
| Oregon | 6.5 | 6.4 | 6.3 | 6.1 | 4.7 |
| Washington | 6.6 | 6.1 | 6.0 | 5.8 | 5.2 |
| U.S. | 5.4 | 4.9 | 4.9 | 4.5 | 3.9 |

Unemployment rates are from the household employment survey; all other data are for nonagricultural payroll employment. All data are seasonally adjusted.

^a Annualized.

Source: Bureau of Labor Statistics.

Residential permits—October 2001

| | 3-mo. average number | Moving average percent change | |
|------------|-------------------------|----------------------------------|---------------------|
| | | 3-mo. ^a | 12-mo. ^a |
| Alaska | 251.4 | 6.3 | 39.0 |
| Oregon | 1,913.7 | 20.2 | 12.3 |
| Washington | 3,234.5 | -0.8 | 2.8 |

Source: Bureau of the Census.

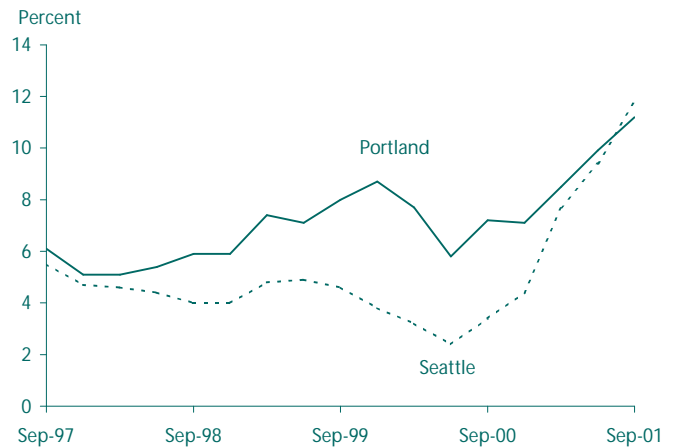
Non-residential construction awards—October 2001

| | 3-mo. average \$ millions | Moving average percent change | |
|------------|------------------------------|----------------------------------|---------------------|
| | | 3-mo. ^a | 12-mo. ^a |
| Alaska | 31.0 | -36.2 | 44.1 |
| Oregon | 157.8 | -12.2 | 3.4 |
| Washington | 309.4 | 32.2 | 7.9 |

^a Underlying data are seasonally adjusted moving averages.

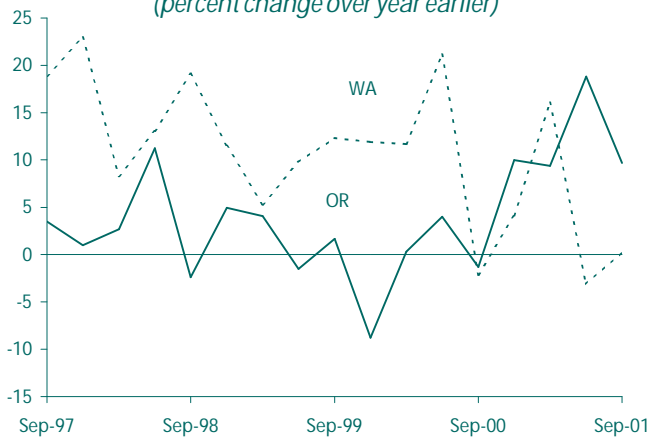
Source: F.W. Dodge.

Metro area office vacancy rates



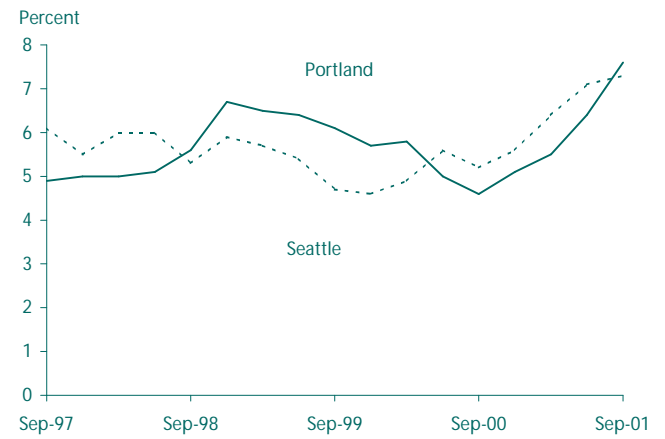
Source: Torto Wheaton Research.

Sales of existing homes (percent change over year earlier)



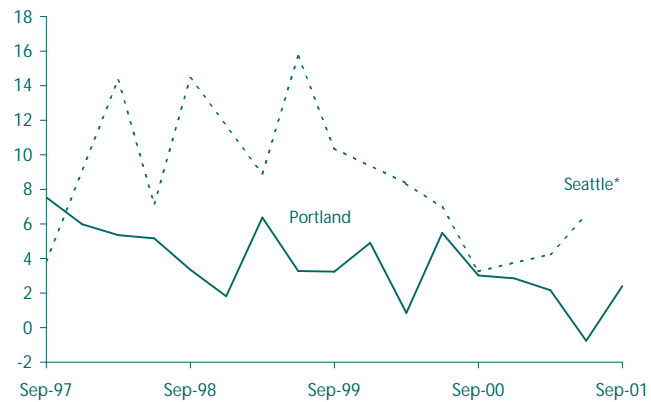
Source: National Association of Realtors.

Metro area industrial availability rates



Source: Torto Wheaton Research.

Median home price appreciation (percent change over year earlier)



Source: National Association of Realtors.

* September 2001 data not available

Export update—September 2001

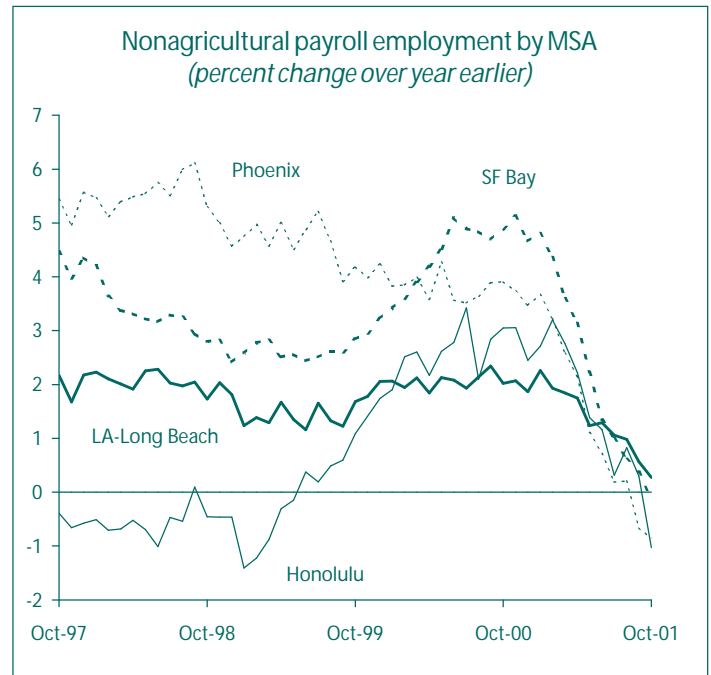
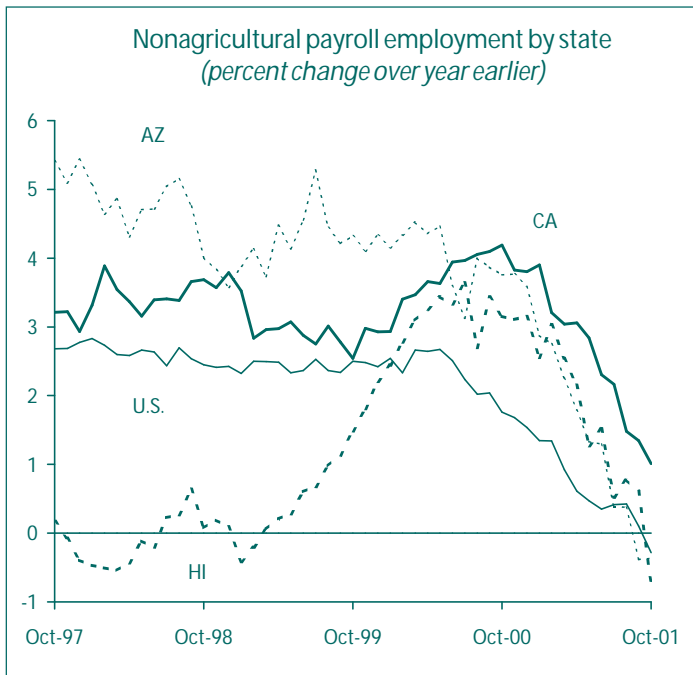
| | \$ billions | | Percent Change | | |
|------------|-------------|------|----------------|-------|------------------|
| | 2000 | YTD | 1999 | 2000 | YTD ^a |
| Alaska | 2.4 | 2.0 | 32.7 | -5.6 | 0.2 |
| Oregon | 10.5 | 6.0 | 15.3 | 6.6 | -24.1 |
| Washington | 31.2 | 25.6 | -4.1 | -13.1 | 11.0 |

^a Percent change from same period a year earlier.

Source: Census FT900 Supplement, Origin of Movement Series.



Arizona • California • Hawaii



Employment by Industry

| | Total Employed (thousands) | Percent Change | | | |
|----------------|-------------------------------|----------------|--------------------|--------------------|------------------|
| | | Oct-01 | 1-mo. ^a | 3-mo. ^a | YTD ^a |
| Arizona | | | | | |
| Total | 2,262.4 | 1.4 | -0.8 | -0.9 | -0.4 |
| Mining | 9.4 | 0.0 | 0.0 | -3.7 | -4.1 |
| Construction | 161.2 | -7.2 | -10.2 | -2.9 | -2.4 |
| Manufacturing | 207.3 | -5.6 | -7.2 | -5.2 | -4.2 |
| T.C.P.U. | 107.4 | -19.0 | -8.8 | -3.6 | -2.5 |
| Trade | 540.2 | 4.8 | 4.1 | 2.0 | 2.0 |
| F.I.R.E. | 147.3 | 4.2 | 1.1 | 1.4 | 1.5 |
| Services | 707.0 | -2.8 | -1.8 | -3.8 | -2.6 |
| Government | 382.6 | 19.7 | 3.9 | 4.0 | 3.7 |
| Hawaii | | | | | |
| Total | 552.0 | -22.3 | -4.0 | -1.6 | -0.7 |
| Mining | . | . | . | . | . |
| Construction | 23.6 | 5.2 | 8.9 | -2.0 | -1.7 |
| Manufacturing | 17.3 | -24.0 | -6.6 | 0.0 | -0.6 |
| T.C.P.U. | 41.0 | -38.6 | -15.8 | -6.3 | -4.4 |
| Trade | 137.0 | -17.4 | -7.5 | -2.0 | -0.8 |
| F.I.R.E. | 33.5 | 0.0 | -2.4 | 0.4 | 0.6 |
| Services | 182.9 | -21.9 | -5.9 | -2.8 | -1.6 |
| Government | 116.7 | -31.2 | 6.0 | 2.0 | 1.9 |

| | Total Employed (thousands) | Percent Change | | | |
|-------------------|-------------------------------|----------------|--------------------|--------------------|------------------|
| | | Oct-01 | 1-mo. ^a | 3-mo. ^a | YTD ^a |
| California | | | | | |
| Total | 14,779.1 | -0.3 | -0.4 | 0.2 | 0.7 |
| Mining | 23.0 | -5.1 | -3.4 | -2.0 | -2.1 |
| Construction | 758.3 | -0.2 | -2.4 | -0.5 | 1.0 |
| Manufacturing | 1,875.5 | -6.7 | -7.0 | -4.8 | -3.9 |
| T.C.P.U. | 755.7 | -7.2 | -2.2 | -0.6 | 0.4 |
| Trade | 3,373.6 | -0.5 | 1.3 | 1.4 | 1.3 |
| F.I.R.E. | 844.0 | 0.3 | 0.7 | 1.9 | 2.0 |
| Services | 4,747.7 | -1.0 | 0.0 | -0.1 | 0.9 |
| Government | 2,401.3 | 8.7 | 2.7 | 3.0 | 3.0 |

| | Unemployment Rates (%) | | | | |
|------------|------------------------|--------|--------|--------|--------|
| | Oct-01 | Sep-01 | Aug-01 | Jul-01 | Oct-00 |
| Arizona | 5.2 | 4.7 | 4.2 | 3.9 | 3.8 |
| Hawaii | 5.3 | 4.4 | 4.2 | 4.5 | 4.1 |
| U.S. | 5.4 | 4.9 | 4.9 | 4.5 | 3.9 |
| California | 5.7 | 5.4 | 5.3 | 5.0 | 4.9 |

Unemployment rates are from the household employment survey; all other data are for nonagricultural payroll employment. All data are seasonally adjusted.

^a Annualized.

Source: Bureau of Labor Statistics.

Residential permits—October 2001

| | 3-mo. average number | Moving average percent change | |
|------------|-------------------------|----------------------------------|---------------------|
| | | 3-mo. ^a | 12-mo. ^a |
| Arizona | 4,828.4 | 0.6 | -5.9 |
| California | 11,075.1 | 0.8 | 3.1 |
| Hawaii | 418.0 | 14.8 | 23.7 |

Source: Bureau of the Census.

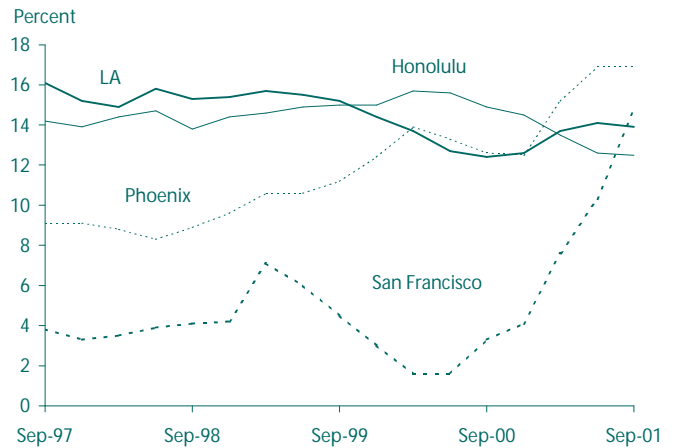
Non-residential construction awards—October 2001

| | 3-mo. average \$ millions | Moving average percent change | |
|------------|------------------------------|----------------------------------|---------------------|
| | | 3-mo. ^a | 12-mo. ^a |
| Arizona | 237.4 | -17.6 | -5.8 |
| California | 1,442.1 | -9.6 | 11.8 |
| Hawaii | 15.3 | -60.0 | 13.6 |

^a Underlying data are seasonally adjusted moving averages.

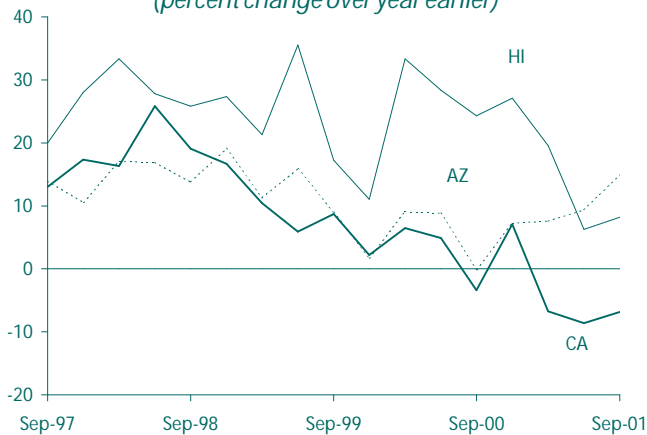
Source: F.W. Dodge.

Metro area office vacancy rates



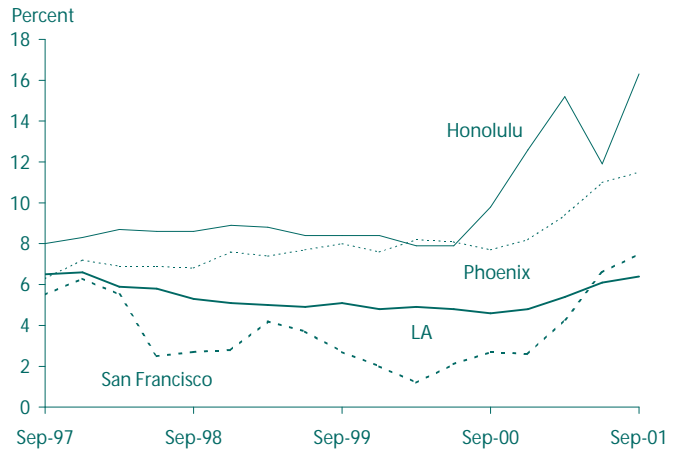
Source: Torto Wheaton Research.

Sales of existing homes (percent change over year earlier)



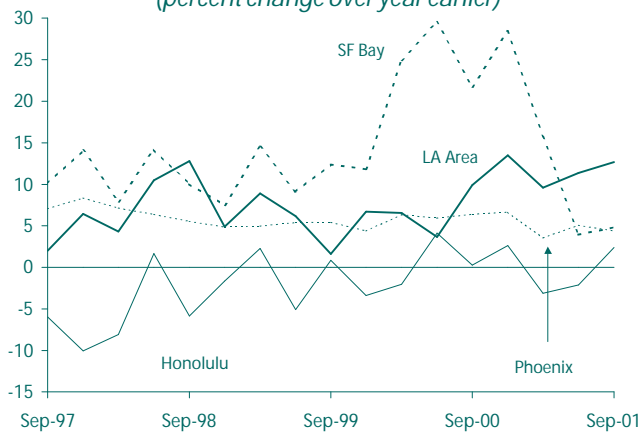
Source: National Association of Realtors.

Metro area industrial availability rates



Source: Torto Wheaton Research.

Median home price appreciation (percent change over year earlier)



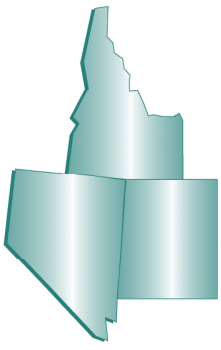
Source: National Association of Realtors.

Export update—September 2001

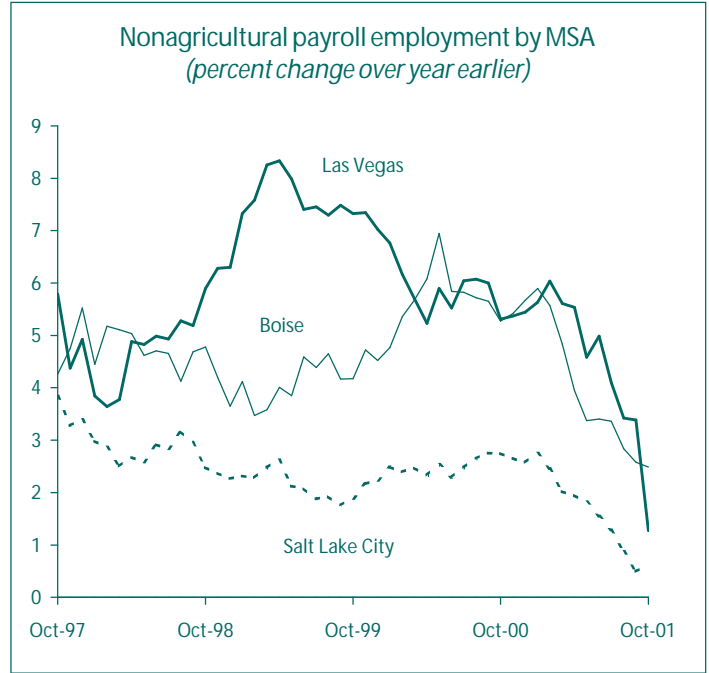
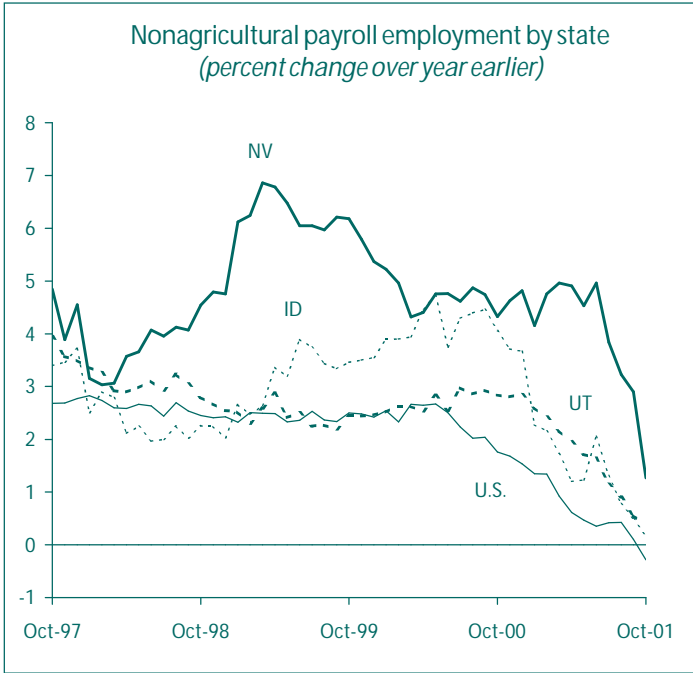
| | \$ billions | | Percent Change | | |
|------------|-------------|------|----------------|------|------------------|
| | 2000 | YTD | 1999 | 2000 | YTD ^a |
| Arizona | 13.2 | 8.6 | 3.8 | 19.0 | -12.1 |
| California | 100.9 | 70.0 | 0.1 | 19.5 | -4.1 |
| Hawaii | 0.3 | 0.3 | 0.0 | 33.4 | 4.5 |

^a Percent change from same period a year earlier.

Source: Census FT900 Supplement, Origin of Movement Series.



Idaho • Nevada • Utah



Employment by Industry

| | Total Employed (thousands) | Percent Change | | | |
|---------------|-------------------------------|----------------|--------------------|--------------------|------------------|
| | | Oct-01 | 1-mo. ^a | 3-mo. ^a | YTD ^a |
| Idaho | | | | | |
| Total | 567.3 | -3.7 | -2.4 | -0.2 | 0.2 |
| Mining | 2.1 | -42.8 | -30.5 | -18.9 | -16.0 |
| Construction | 37.5 | 13.7 | 3.3 | 2.3 | 2.2 |
| Manufacturing | 74.7 | -13.4 | -7.2 | -2.8 | -2.4 |
| T.C.P.U. | 29.3 | 0.0 | 4.2 | 5.1 | 3.5 |
| Trade | 141.2 | -6.6 | -7.6 | -3.2 | -2.7 |
| F.I.R.E. | 23.7 | -4.9 | 0.0 | -0.5 | 0.0 |
| Services | 148.6 | -8.5 | 0.3 | 1.6 | 2.6 |
| Government | 110.2 | 9.1 | 1.1 | 1.7 | 1.5 |
| Nevada | | | | | |
| Total | 1,055.5 | -13.5 | -4.8 | 0.3 | 1.3 |
| Mining | 10.3 | -10.9 | -3.8 | -6.6 | -5.5 |
| Construction | 90.1 | -6.4 | -2.6 | 1.5 | 2.9 |
| Manufacturing | 45.6 | -2.6 | -2.6 | 0.0 | 1.3 |
| T.C.P.U. | 57.2 | -23.6 | -8.6 | -1.9 | 0.0 |
| Trade | 230.2 | -1.6 | 0.2 | 3.7 | 4.5 |
| F.I.R.E. | 49.7 | -2.4 | 0.0 | 3.0 | 3.1 |
| Services | 446.7 | -25.5 | -9.2 | -1.9 | -1.0 |
| Government | 125.7 | 6.9 | 0.3 | 2.0 | 2.9 |

| | Total Employed (thousands) | Percent Change | | | |
|---------------|-------------------------------|----------------|--------------------|--------------------|------------------|
| | | Oct-01 | 1-mo. ^a | 3-mo. ^a | YTD ^a |
| Utah | | | | | |
| Total | 1,090.7 | 1.1 | -0.5 | 0.0 | 0.4 |
| Mining | 8.0 | 16.3 | 5.2 | -1.5 | -2.4 |
| Construction | 69.8 | 5.3 | 4.7 | -6.3 | -4.5 |
| Manufacturing | 128.3 | 1.9 | -5.1 | -3.1 | -2.7 |
| T.C.P.U. | 61.7 | -1.9 | 0.7 | 1.0 | 0.7 |
| Trade | 253.9 | 2.4 | 1.1 | -0.2 | 0.1 |
| F.I.R.E. | 60.3 | 10.5 | 7.6 | 5.2 | 5.1 |
| Services | 317.4 | -1.1 | -4.5 | 0.0 | 0.8 |
| Government | 191.3 | -1.2 | 2.3 | 3.1 | 3.0 |

| | Unemployment Rates (%) | | | | |
|--------|------------------------|--------|--------|--------|--------|
| | Oct-01 | Sep-01 | Aug-01 | Jul-01 | Oct-00 |
| Idaho | 4.9 | 4.9 | 4.6 | 5.0 | 4.8 |
| Nevada | 6.3 | 4.8 | 4.8 | 4.7 | 4.3 |
| Utah | 4.2 | 4.2 | 3.9 | 3.9 | 3.2 |
| U.S. | 5.4 | 4.9 | 4.9 | 4.5 | 3.9 |

Unemployment rates are from the household employment survey; all other data are for nonagricultural payroll employment. All data are seasonally adjusted.

^a Annualized.

Source: Bureau of Labor Statistics.

Residential permits—October 2001

| | 3-mo. average number | Moving average percent change | |
|--------|-------------------------|----------------------------------|---------------------|
| | | 3-mo. ^a | 12-mo. ^a |
| Idaho | 884.2 | -5.2 | 8.5 |
| Nevada | 2,922.5 | 8.1 | 14.0 |
| Utah | 1,353.2 | -13.3 | -0.1 |

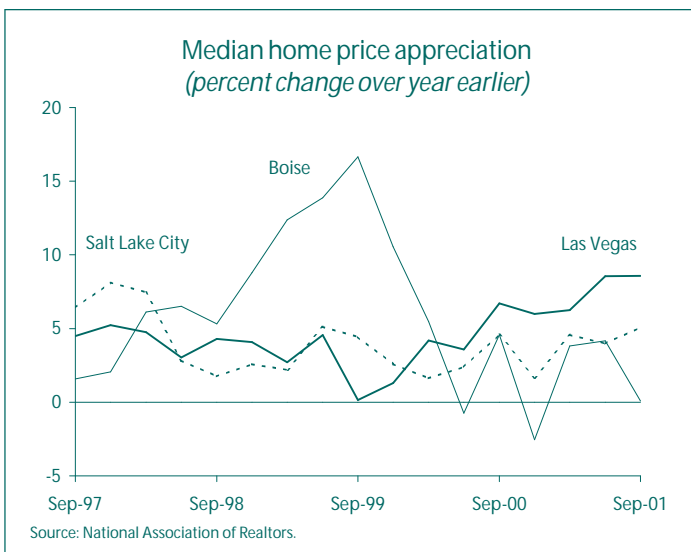
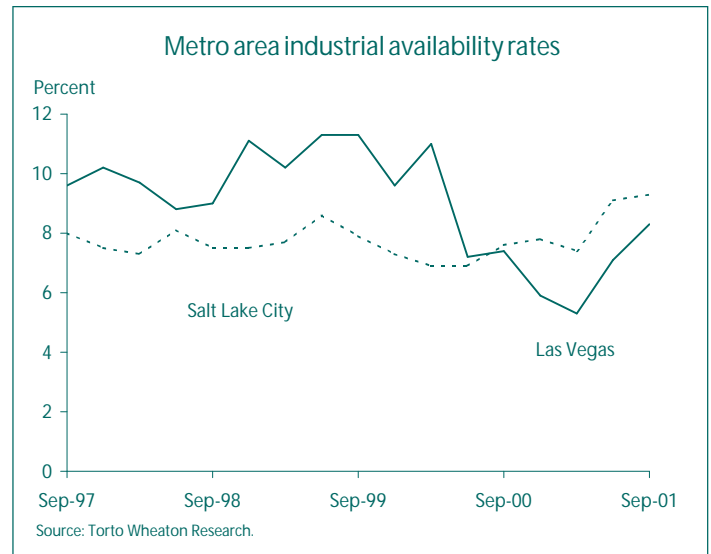
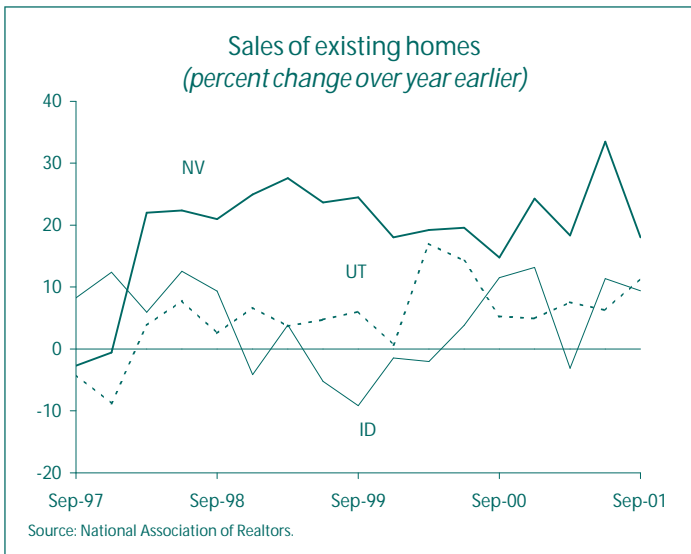
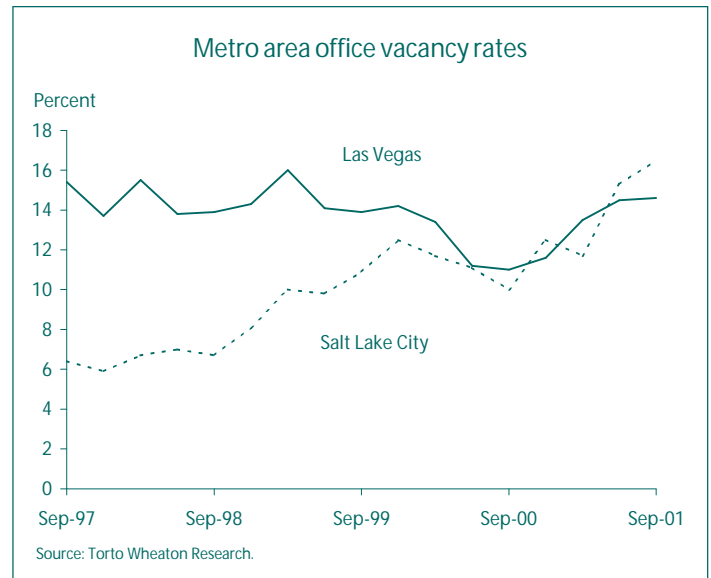
Source: Bureau of the Census.

Non-residential construction awards—October 2001

| | 3-mo. average \$ millions | Moving average percent change | |
|--------|------------------------------|----------------------------------|---------------------|
| | | 3-mo. ^a | 12-mo. ^a |
| Idaho | 32.4 | -59.3 | -24.3 |
| Nevada | 224.0 | 54.4 | -7.8 |
| Utah | 105.7 | -4.3 | -8.2 |

^a Underlying data are seasonally adjusted moving averages.

Source: F.W. Dodge.



Export update—September 2001

| | \$ billions | | Percent Change | | |
|--------|-------------|-----|----------------|------|------------------|
| | 2000 | YTD | 1999 | 2000 | YTD ^a |
| Idaho | 3.2 | 1.5 | 42.6 | 53.6 | -32.0 |
| Nevada | 1.0 | 0.8 | 41.5 | 21.8 | 18.0 |
| Utah | 3.1 | 2.5 | 5.1 | 1.7 | 4.3 |

^a Percent change from same period a year earlier.

Source: Census FT900 Supplement, Origin of Movement Series.

2001 Issues

Mailing Dates

March

March 30

June

July 3

October

October 9

December

December 18

Western Economic Developments is produced quarterly by the Financial and Regional Studies Section of the Economic Research Department of the Federal Reserve Bank of San Francisco. The publication is managed by Mary Daly and edited by Anita Todd with contributions by Fred Furlong, Howard Lin, Christel Magalong, Rob Valletta, Dan Wilson, and Jackie Yuen of the Economic Research Department. The analyses represent the views of the staff and do not reflect the official views of the senior bank management of the Federal Reserve Bank of San Francisco or the Federal Reserve System. *Western Economic Developments* is distributed by the Public Information Department, (415) 974-3230. This publication is available on our website, <http://www.frbsf.org>.

Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, California 94105

Address Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
PERMIT NO. 752
San Francisco, CA