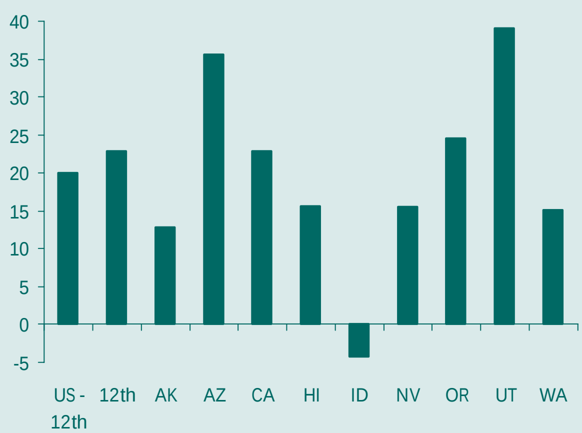
FEDERAL RESERVE BANK OF SAN FRANCISCO

Western Economic Developments

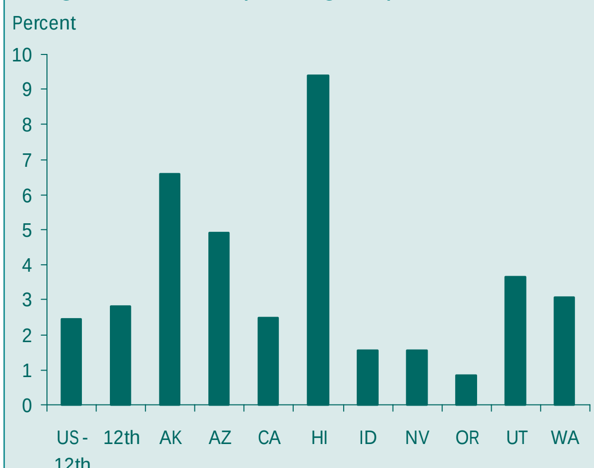
Federal defense spending boosts District state economies

Figure 1: Percentage increases in defense spending between 2000 and 2002



Source: Department of Defense.

Figure 2: Defense spending as a percent of GSP*



Sources: Department of Defense; Bureau of Economic Analysis.
*Calculations based on data for 2001 and 2002.

Over the past several years, spending by the Department of Defense (DOD) has risen considerably, which has helped the economies of several states in the Twelfth Federal Reserve District. The District received a little over $64 billion in 2002, according to DOD estimates of its spending on payrolls and contracts. Of this amount, California received a little over $36 billion, the largest amount of defense spending received by any state in the U.S. Within the District, the second largest recipient of DOD dollars was Arizona, which saw almost $9 billion.

Between 2000 and 2002, defense spending in states increased 20.7% for the nation overall. The District enjoyed gains of 22.9% (Figure 1), slightly above the national average; outside the District, the gains averaged 20.1%. There is quite a bit of variation across states in the size of DOD spending changes. For instance, DOD spending in Utah increased 39.0% over the two-year period, followed closely by Arizona with 35.6%, while Idaho actually saw a small decrease in DOD spending. About three-quarters of the jump in DOD spending in the District came from an increase in contracts to large de-

SEPTEMBER 2003

IN THIS ISSUE

fense suppliers such as Boeing, Raytheon, Lockheed Martin, Honeywell, and Northrop Grumman, while the remaining portion came from an increase in payroll costs.

There also is a sizeable variation across the District states in the importance of DOD spending relative to the state's economy, also known as gross state product (GSP) (see Figure 2). Again, the District ranks slightly above the rest of the country in terms of DOD spending relative to GSP. Among District states, Hawaii realizes the largest effect from defense, with DOD spending totaling 9.4% of the state's GSP. This reflects the large number of military personnel stationed in Hawaii relative to its total population. For California, DOD spending relative to GSP is very near the national average, in contrast to the early 1990s when California enjoyed a greater share of defense spending. A main reason for this decline is that a number of large military bases were closed in the state during the past decade.

Looking beyond fiscal year 2002, it is difficult to determine how much DOD spending will land in the District. First, about half of the projected increase in fiscal 2003 is the result of the war in Iraq and continuing operations in the war on terrorism. A share of these expenditures will not be allocated to individual states; instead, the money will be spent overseas. A second complication is that a large number of defense programs are seeking increased funding, but no single program dominates. For instance, there are programs to upgrade a variety of weapons systems within each branch of the military (ground transport, fighter aircraft, ships, and missile defense), and it is difficult to pin down where that money will be spent. With that said, defense contractors within the District have been successful in landing contracts in recent years, and that trend may continue.

District tourism on the rise

The District's travel and tourism industry has been buffeted by economic weakness, the events of September 11, anxiety over the war in Iraq, and the fear of SARS. However, since April, employment in the leisure and hospitality industry has been growing more strongly in the District than in the rest of the nation. Additionally, statistics support the view that several popular vacation spots in the District have been seeing increases in business.

As of late August and early September, daily visitor counts in Hawaii reached 110% of their year-earlier values. In fact, Hawaii's travel industry has essentially rebounded to activity levels close to those recorded prior to September 11, 2001. Data through the latter part of August show that strength in domestic tourism has more than offset weak international tourist traffic. Also, visitors are staying longer in the islands; the average length of stay was 10.43 days, up 5.3% over last year's average length of stay. Hawaii's statewide hotel occupancy rate has risen in recent weeks; according to contacts, the statewide hotel occupancy rate in August reached 80%.

Tourism in Nevada also appears to be on the mend. Visitor counts in the Las Vegas area generally have moved up since March and April, the height of the war in Iraq. Passenger traffic (total number of inbound and outbound passengers) at Las Vegas's McCarran International Airport rose 6.4% in July relative to a year ago. Similar to Hawaii, hotel occupancy rates averaged around 80% in Las Vegas during recent months.

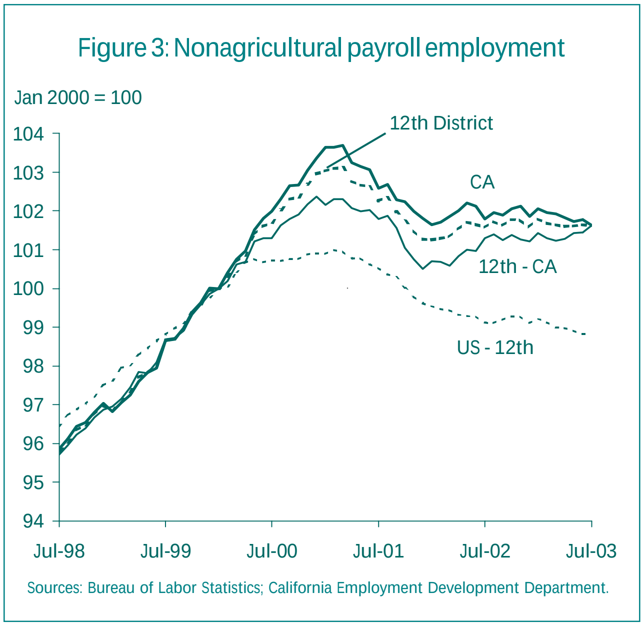
Consistent with an overall pickup in travel activity, hotel occupancy rates in Southern California reportedly also were in the low 80s, with San Diego registering an 83.1% rate in August. Data for California show that air travel is picking up; passenger traffic at Los Angeles International Airport through July 2003 has been increasing and has reached levels of a year ago. Earlier in the year, international passenger traffic was severely depressed in large part because of the war and SARS.

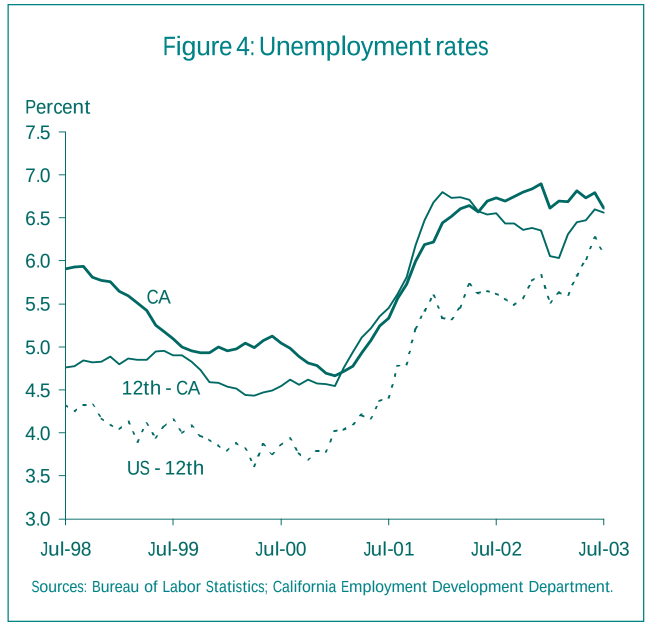
Job markets remain weak in District

Total nonfarm employment in the Twelfth District continues to be flat: data through July show that employment in the District has fluctuated within a very narrow band for over a year (see Figure 3). In contrast, employment in the rest of the country has slowly and steadily declined in 2003, falling at an average annual rate of 0.6% since December.

Looking at state conditions, mild declines in California employment have been largely offset by pickups elsewhere, especially in Nevada, Washington, Hawaii, and Arizona. In California, employment has been falling especially rapidly in the manufacturing and the professional and business services sectors. The brightest spot has been in the leisure and hospitality industry, where employment increased by an average annualized rate of 2.8% during the late spring and early summer.

Elsewhere in the District, employment has been increasing, albeit very modestly on the whole. The stories behind the growth vary by state, but there are some common threads, such as strength in the construction industry, reflecting the continued widespread strength in housing markets. Addi-





tionally, based on the growth in tourism, employment in the leisure and hospitality industry has increased in many District states, especially in Hawaii, Utah, Idaho, and Nevada. In fact, over the past twelve months in percent terms, Hawaii has sported the largest percentage employment growth in the country (2.5%).

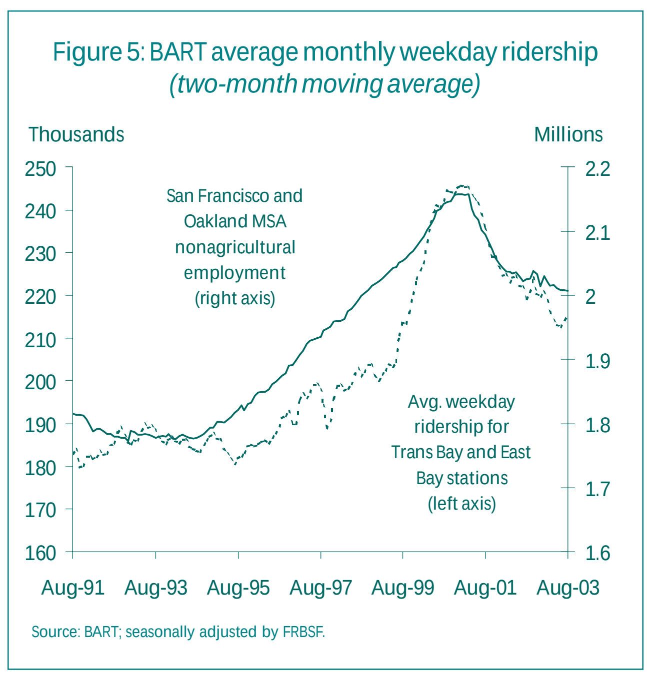
Based on data from the household survey, the civilian unemployment rate for the District was 6.6% in July, one-half percentage point higher than elsewhere in the nation (Figure 4).[1] In part reflecting past weakness in the Pacific Northwest, Alaska, Oregon, and Washington still claim the highest unemployment rates in the country at 7.9%, 8.1%, and 7.5%, respectively.

Can public transit data shed light on employment trends?

Obtaining timely data on employment for metropolitan statistical areas (MSAs) is difficult for several reasons. For one, data from the Department of Labor for most MSAs are available several weeks after the national data are released. Further, employment data are often subject to substantial revisions. Therefore, there is a need to come up with supplemental measures of economic activity at the MSA level.

One potential measure is the number of people taking public transportation during weekdays. Although not everyone takes public transportation and although other factors can affect ridership, changes in the number of riders may well correlate to changes in the local economy. These data have some advantages in that they are available in a timely manner and are not subject to large revisions. For the San Francisco Bay Area, data are available on the number of riders on the region's subway system, known as BART.

Figure 5 shows the average weekday ridership along with employment in the San Francisco and Oakland MSAs (which include San Mateo, San Francisco, Contra Costa, and Alameda counties). The two seasonally adjusted series track



1 In 2002, the Twelfth District averaged a 1.0 percentage point higher unemployment rate than the rest of the nation. This gap has narrowed because unemployment has grown faster in the rest of the nation than in the District. Based on the household survey, District employment growth has increased at about the same rate as elsewhere in the country.

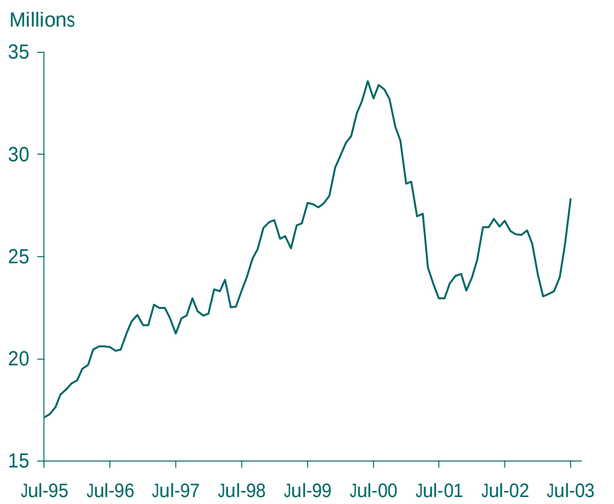
each other fairly well, especially during the large decline in employment that began in 2001. More recently, BART ridership fell rather quickly this year through the spring and early summer, but has picked up some through August. In contrast, the reported employment figures did not show as sharp of a decline. Therefore, it may be the case that employment fell a bit faster than originally reported but that employment has ticked up some recently.

IT sector showing signs of improvement

Although employment in the information technology (IT) sector continues to fall, there are several indicators that production and sales for some District firms have been increasing. For instance, the latest data from the semiconductor industry has been generally positive, especially for firms based in the District. Production of microprocessors—many of which are fabricated within the District—increased 20.6% from February to July, reaching its highest level in 2½ years (Figure 6).

Although demand for semiconductors appears to be rising, semiconductor firms have yet to increase their orders for new equipment (see High-tech Watch, page 5). Orders and shipments of semiconductor equipment have been flat for almost two years.

Figure 6: Worldwide shipments of microprocessor units



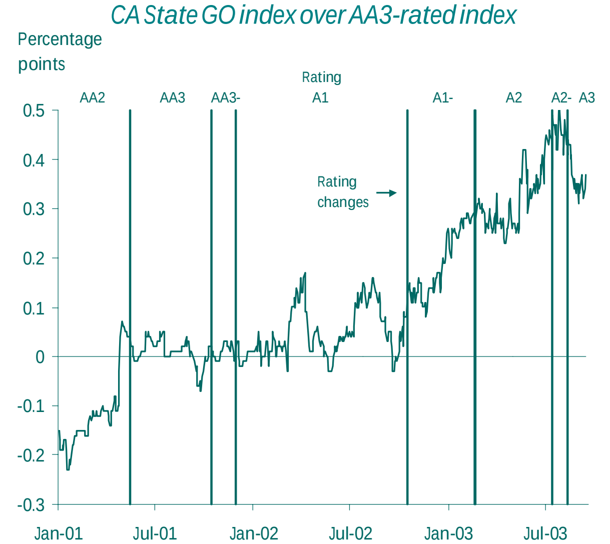
Source: Semiconductor Industry Association (SIA); seasonally adjusted by FRBSF.

Update on state budget issues

There have been a few budget developments during the past month for states in the District. On August 20, Oregon passed a budget. In order to fill a budget gap, the state assembly passed a tax increase that will raise about $800 million from higher corporate taxes and a temporary three-year income-tax surcharge.

One issue facing California is the yield on its general obligation bonds. Over the year, California's general obligation bonds have been downgraded repeatedly (Figure 7). As a result, the spread between California general obligation bonds and other bond yields have increased. In fact, the difference between the yields on California general obligation bonds and the Bloomberg Fair Value AA3 index grew to almost 50 basis points this summer. The spread has retreated some recently, but still remains high, reflecting concern investors have regarding how California will deal with future budgets.

Figure 7: Municipal bond yield spread
CA State GO index over AA3-rated index

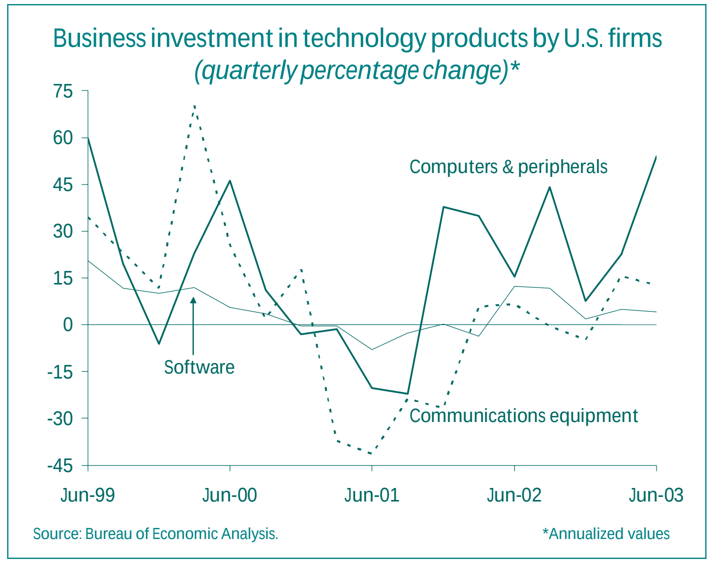


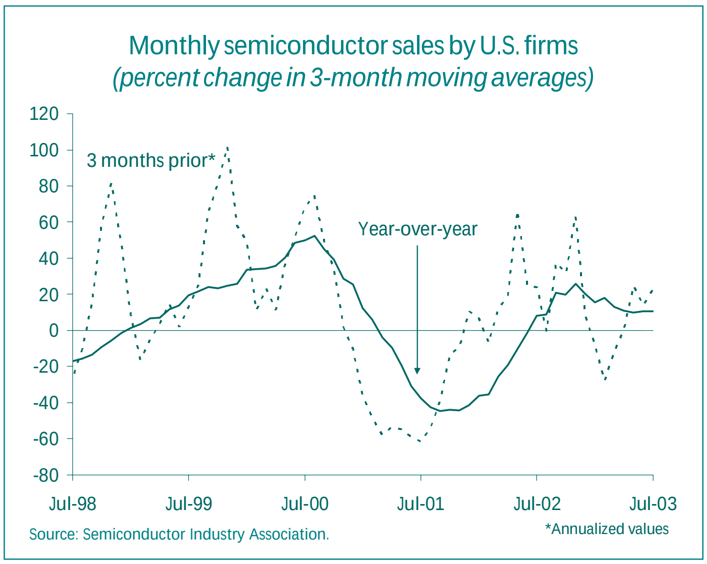
Source: Bloomberg.

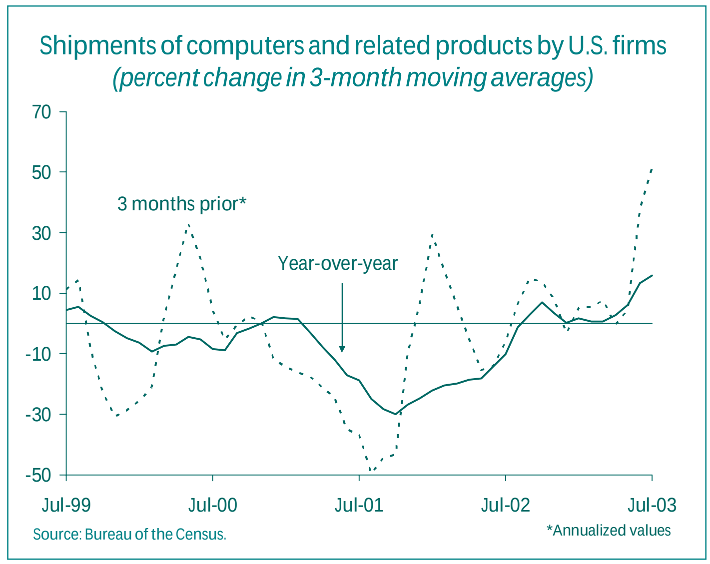
Contributions by Mark Doms, Lily Hsueh, and Ashley Maurier, Financial and Regional Research, FRBSF.

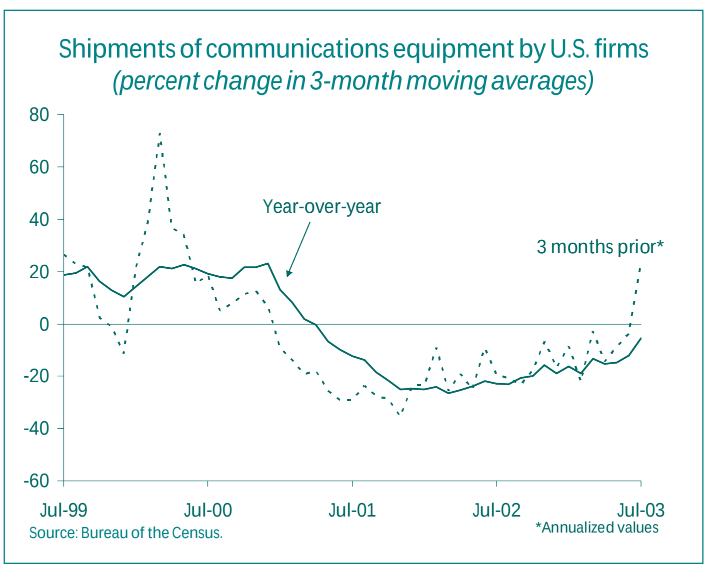
Interim updates to the statistical charts are available only online at http://www.frbsf.org/publications/economics/wed/index.html

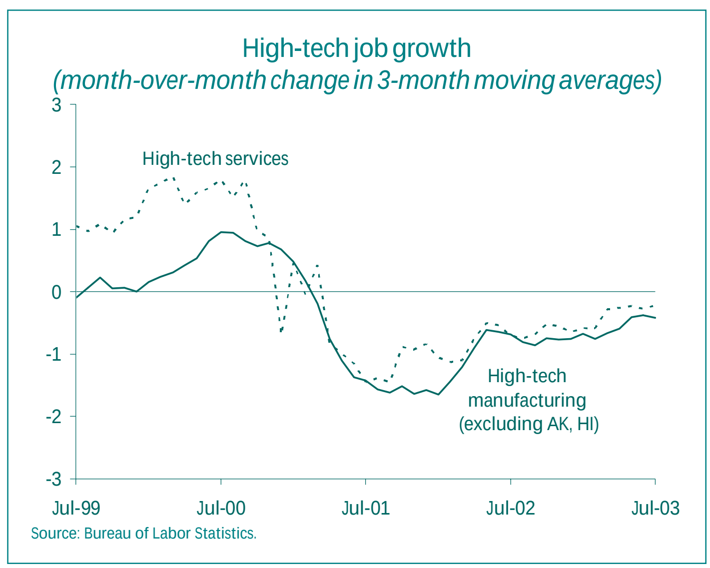
High-tech Watch

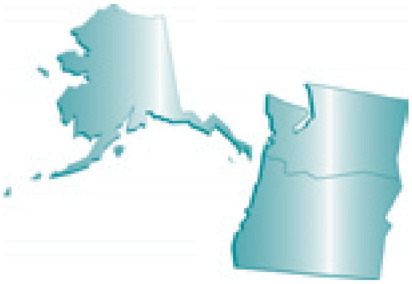








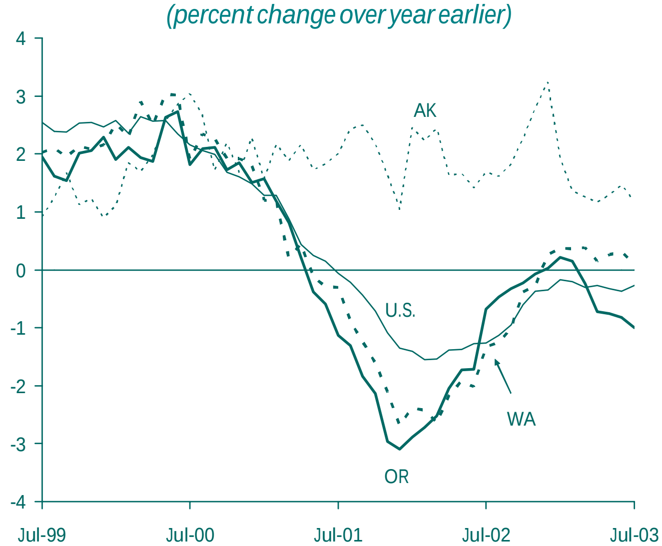




STATE HIGHLIGHTS

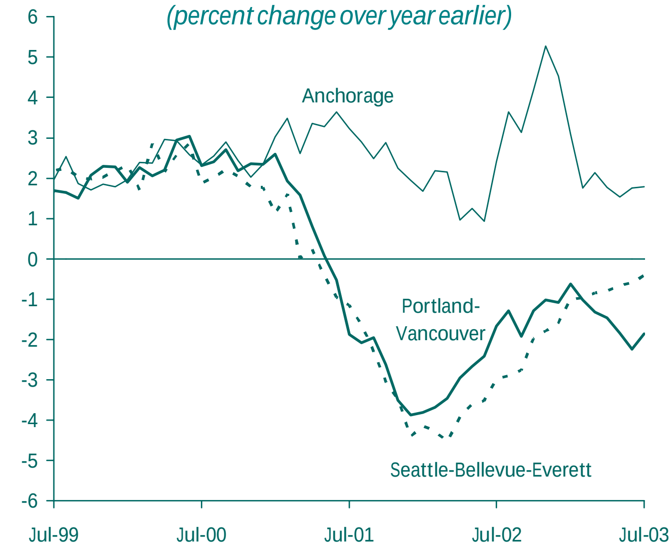
Alaska • Oregon • Washington

Nonagricultural payroll employment by state
(percent change over year earlier)



Source: Bureau of Labor Statistics.

Nonagricultural payroll employment by MSA
(percent change over year earlier)



Source: Bureau of Labor Statistics.

Employment by Industry

	Total Employed (thousands) Jul-03	Percent Change 1-mo.[a]	3-mo.[a]	YTD[a]	12-mo.
Alaska					
Total	298.9	3.3	3.0	-0.3	1.2
Natural Resources & Mining	10.2	-11.0	8.2	1.7	-5.6
Construction	16.5	0.0	18.9	3.2	3.1
Manufacturing	10.6	-14.6	-9.5	-13.4	-4.2
Trade, Transportation & Utilities	60.9	4.0	5.4	-1.1	-0.5
Information	7.0	9.9	1.3	-4.3	-4.0
Financial Activities	13.9	36.6	8.6	3.5	2.9
Professional & Business Svcs.	24.3	42.0	29.0	9.1	5.2
Educational & Health Svcs.	32.1	-3.7	6.5	7.3	4.9
Leisure & Hospitality	29.9	-3.9	-1.3	2.9	3.1
Other Services	12.7	51.0	8.2	3.4	2.4
Government	82.8	7.5	6.0	0.6	2.2
Oregon					
Total	1,565.1	4.2	1.6	-0.3	-1.0
Natural Resources & Mining	9.6	13.4	0.0	-6.8	-1.0
Construction	77.3	6.4	4.8	-7.1	-1.5
Manufacturing	192.9	-11.1	-3.1	-5.4	-4.3
Trade, Transportation & Utilities	312.6	1.2	-1.1	0.9	-0.9
Information	35.0	-23.8	-9.1	-4.5	-3.8
Financial Activities	91.3	-14.5	-14.0	-6.1	-0.8
Professional & Business Svcs.	174.5	-4.0	7.4	3.4	-0.1
Educational & Health Svcs.	190.5	9.3	6.8	5.7	1.8
Leisure & Hospitality	149.0	-1.6	1.9	-1.1	-2.5
Other Services	57.7	4.0	-2.0	-1.2	0.9
Government	274.4	40.1	7.6	0.9	-0.3

[a] Annualized.

	Total Employed (thousands) Jul-03	Percent Change 1-mo.[a]	3-mo.[a]	YTD[a]	12-mo.
Washington					
Total	2,664.1	2.0	1.1	-0.1	0.1
Natural Resources & Mining	9.6	28.7	35.4	9.6	4.3
Construction	157.0	-7.3	-2.5	1.0	1.4
Manufacturing	265.0	-0.5	-6.2	-6.6	-7.8
Trade, Transportation & Utilities	507.7	1.9	0.3	-2.6	-0.7
Information	93.3	1.3	-0.4	0.9	0.5
Financial Activities	147.8	-1.6	-2.9	-0.8	1.8
Professional & Business Svcs.	293.0	0.8	-0.1	2.3	0.7
Educational & Health Svcs.	315.7	4.3	2.8	3.2	3.0
Leisure & Hospitality	247.2	0.0	5.2	1.5	0.1
Other Services	102.4	25.2	26.3	9.0	3.9
Government	525.4	3.3	1.2	0.0	1.5

Unemployment Rates (%)

	Jul-03	Jun-03	May-03	Apr-03	Jul-02
Alaska	7.9	7.9	7.3	7.2	8.0
Oregon	8.1	8.5	8.2	8.0	7.4
Washington	7.5	7.8	7.4	7.3	7.3
U.S.	6.2	6.4	6.1	6.0	5.8

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

Source: Bureau of Labor Statistics.

Residential permits—July 2003

	3-mo. average number	Moving average percent change 3-mo.[a]	12-mo.[a]
Alaska	327.6	19.0	6.9
Oregon	2,159.3	12.1	11.7
Washington	3,504.8	-4.9	13.1

Source: Bureau of the Census.

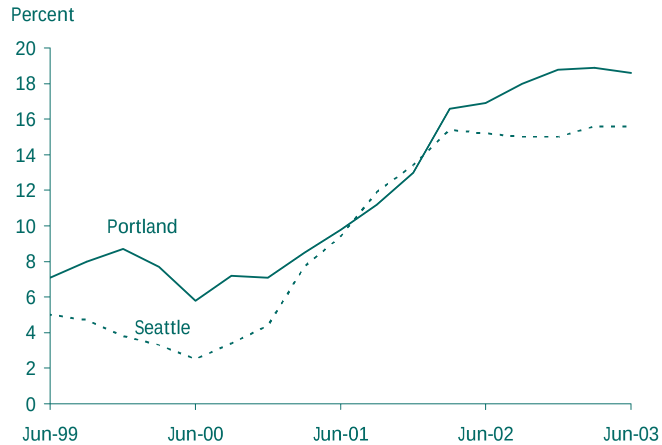
Nonresidential construction awards—July 2003

	3-mo. average $ millions	Moving average percent change 3-mo.[a]	12-mo.[a]
Alaska	35.7	-43.3	-8.8
Oregon	148.7	4.3	-17.7
Washington	331.7	3.5	-2.9

[a] Underlying data are seasonally adjusted moving averages.

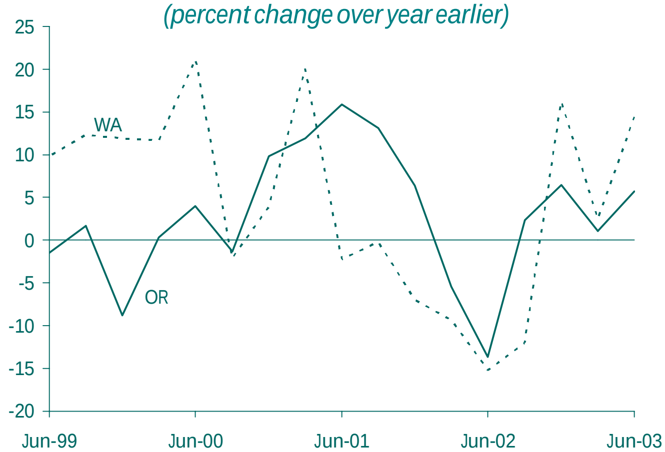
Source: F.W. Dodge.

Metro area office vacancy rates



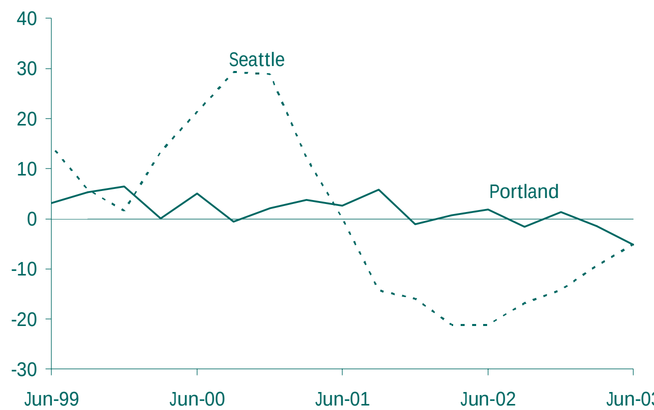
Source: Torto Wheaton Research.

Sales of existing homes
(percent change over year earlier)



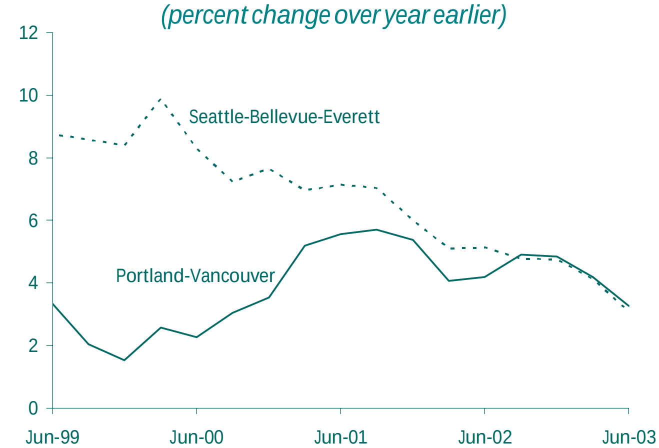
Source: National Association of Realtors.

Metro area office gross rents
(percent change over year earlier)



Source: Torto Wheaton Research.

Home price index
(percent change over year earlier)



Source: Office of Federal Housing Enterprise Oversight.

Export update

	$ billions 2002	Jul-03*	Percent Change** Jul-01	Jul-02	Jul-03
Alaska	2.5	1.4	-9.8	6.1	5.4
Oregon	9.3	5.6	-15.1	-8.1	18.5
Washington	33.7	18.9	0.5	-0.2	-3.5

* Year-to-date values.

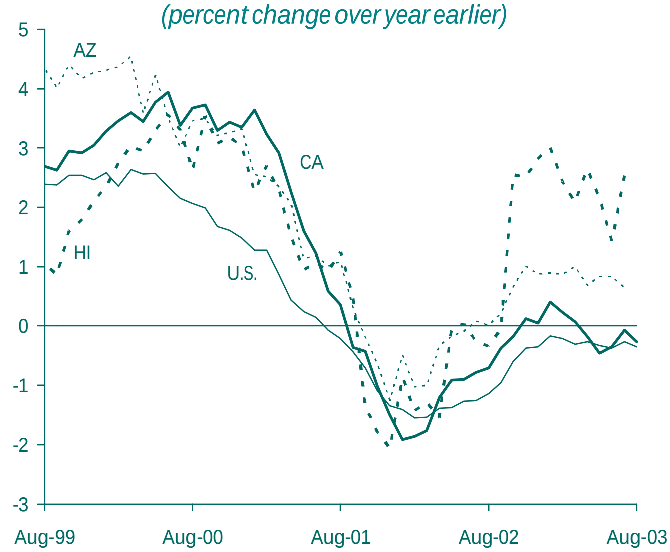
** Percent change from past 12 months relative to prior 12 months.

Source: Census FT900 Supplement, Origin of Movement Series.

STATE HIGHLIGHTS

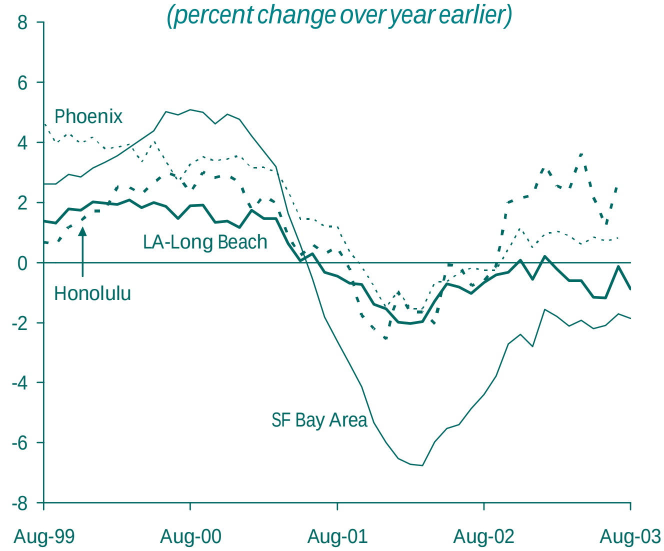
Arizona • California • Hawaii

Nonagricultural payroll employment by state
(percent change over year earlier)



Source: Bureau of Labor Statistics.

Nonagricultural payroll employment by MSA
(percent change over year earlier)



Source: Bureau of Labor Statistics.

Employment by Industry

	Total Employed (thousands)	Percent Change			
	Jul-03	1-mo.[a]	3-mo.[a]	YTD[a]	12-mo.
Arizona					
Total	2,285.1	0.7	1.2	1.6	0.6
Natural Resources and Mining	8.5	3.2	0.7	-3.4	-4.5
Construction	177.4	4.9	2.1	3.2	3.5
Manufacturing	174.8	0.0	-4.4	-3.8	-4.9
Trade, Transportation, and Utilities	446.6	0.6	-0.2	1.9	0.4
Information	48.6	6.9	-1.3	-5.3	-5.0
Financial Activities	154.9	8.9	5.1	4.2	-0.3
Professional and Business Services	321.2	16.7	7.8	6.0	0.6
Educational and Health Services	245.7	2.5	2.0	3.9	6.2
Leisure and Hospitality	232.2	3.7	-0.2	2.3	0.3
Other Services	87.8	2.6	2.1	2.8	2.5
Government	386.4	-16.1	-2.7	-1.8	-0.1
Hawaii					
Total	570.4	8.8	5.5	2.5	2.5
Natural Resources, Mining, and Construction	27.6	2.2	2.2	12.3	8.3
Manufacturing	15.0	-9.9	-7.6	1.7	-0.5
Trade, Transportation, and Utilities	109.5	1.1	-1.4	10.0	2.3
Information	11.8	0.5	10.3	5.9	3.9
Financial Activities	28.7	12.8	3.1	5.0	4.0
Professional and Business Services	68.7	0.4	0.6	0.8	2.7
Educational and Health Services	65.0	-10.4	-0.6	4.6	3.3
Leisure and Hospitality	99.4	3.7	5.0	1.4	2.7
Other Services	24.1	8.8	6.2	0.7	2.1
Government	120.6	39.5	9.1	1.6	2.5

	Total Employed (thousands)	Percent Change			
	Aug-03	1-mo.[a]	3-mo.[a]	YTD[a]	12-mo.
California					
Total	14,441.6	-0.2	-0.2	-0.2	-0.3
Natural Resources and Mining	23.7	22.7	25.3	6.7	4.9
Construction	785.2	-1.7	25.3	0.2	1.7
Manufacturing	1,573.7	-2.8	-3.9	-3.1	-3.4
Trade, Transportation, and Utilities	2,725.7	-0.7	-0.8	0.4	-0.4
Information	471.1	-10.3	-0.4	-2.1	-5.3
Financial Activities	865.8	0.7	1.5	1.0	1.4
Professional and Business Services	2,110.8	4.4	1.4	-1.7	-0.4
Educational and Health Services	1,529.8	3.9	1.1	1.6	1.7
Leisure and Hospitality	1,416.5	2.8	3.0	3.7	2.6
Other Services	500.9	-2.4	-2.7	-0.6	-1.2
Government	2,438.4	-3.4	-0.6	-1.3	-0.7

Unemployment Rates (%)

	Jul-03	Jun-03	May-03	Apr-03	Jul-02
Arizona	6.1	5.9	5.9	6	6.3
Hawaii	4.0	4.1	3.9	3.8	4.1
U.S.	6.2	6.4	6.1	6	5.8

	Aug-03	Jul-03	Jun-03	May-03	Aug-02
California	6.6	6.7	6.8	6.7	6.7

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

Source: Bureau of Labor Statistics.

[a] Annualized.

Residential permits—July 2003

	3-mo. average number	Moving average percent change 3-mo.[a]	12-mo.[a]
Arizona	5,970.5	20.7	14.5
California	15,008.3	-8.8	25.5
Hawaii	463.5	-19.3	44.1

Source: Bureau of the Census.

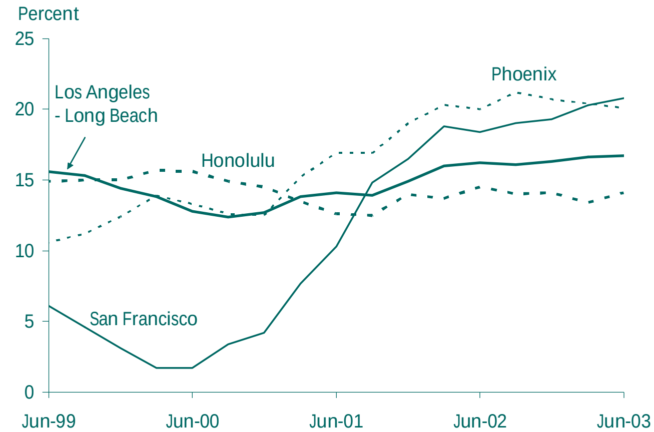
Nonresidential construction awards—July 2003

	3-mo. average $ millions	Moving average percent change 3-mo.[a]	12-mo.[a]
Arizona	229.5	-33.3	20.2
California	1,303.2	-26.1	9.1
Hawaii	27.7	-53.3	-6.5

[a] Underlying data are seasonally adjusted moving averages.

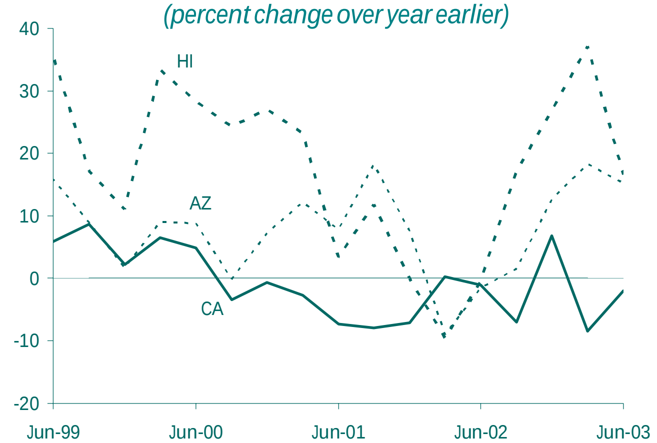
Source: F.W. Dodge.

Metro area office vacancy rates



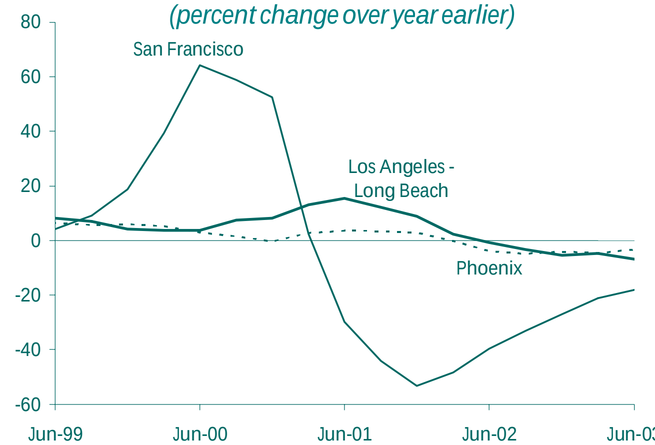
Source: Torto Wheaton Research.

Sales of existing homes
(percent change over year earlier)



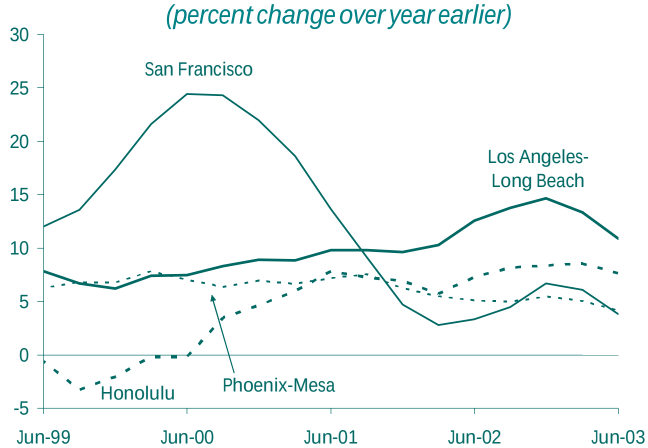
Source: National Association of Realtors.

Metro area office gross rents
(percent change over year earlier)



Source: Torto Wheaton Research.

Home price index
(percent change over year earlier)



Source: Office of Federal Housing Enterprise Oversight.

Export update

	$ billions 2002	$ billions Jul-03*	Percent Change** Jul-01	Jul-02	Jul-03
Arizona	10.5	6.6	1.1	-18.7	8.8
California	77.5	43.5	9.7	-21.5	-5.2
Hawaii	0.5	0.2	19.8	-3.6	38.5

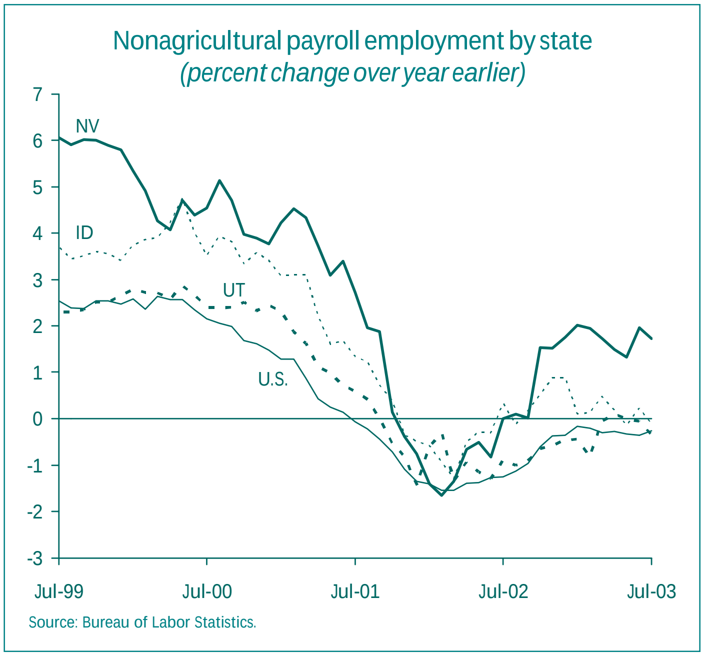
* Year-to-date values.

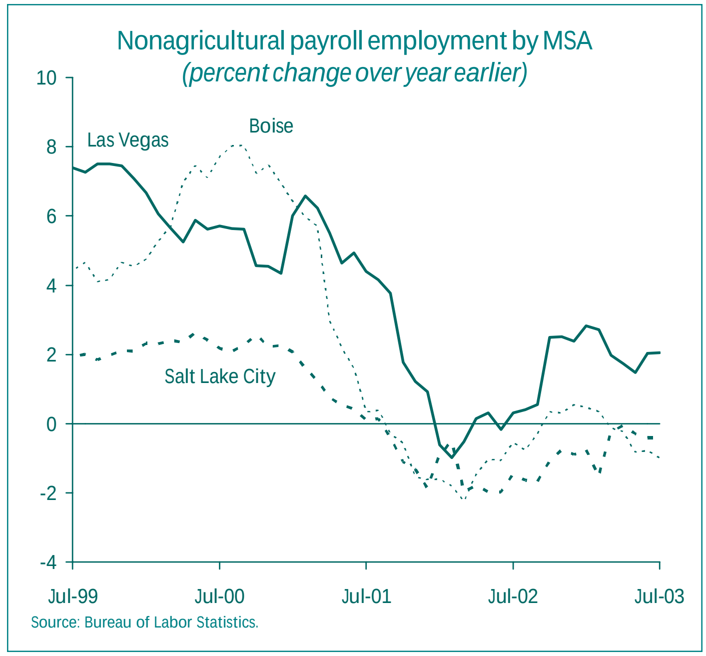
** Percent change from past 12 months relative to prior 12 months.

Source: Census FT900 Supplement, Origin of Movement Series.

State Highlights

Idaho • Nevada • Utah





Employment by Industry

	Total Employed (thousands) Jul-03	Percent Change 1-mo.[a]	3-mo.[a]	YTD[a]	12-mo.
Idaho					
Total	568.3	-1.9	0.7	-0.3	-0.1
Natural Resources & Mining	3.4	-29.4	65.0	-17.4	-8.1
Construction	37.3	3.3	3.3	2.8	1.1
Manufacturing	60.4	-7.6	-8.8	-8.5	-7.1
Trade, Transportation & Utilities	115.5	1.0	5.7	-1.3	-0.4
Information	9.2	10.7	4.1	1.1	2.3
Financial Activities	26.8	7.4	9.9	11.4	3.8
Professional & Business Svcs.	71.7	3.4	8.2	5.5	3.0
Educational & Health Svcs.	61.7	9.5	1.0	3.1	2.9
Leisure & Hospitality	55.0	11.6	3.0	1.9	3.2
Other Services	17.5	7.2	8.6	-1.0	-2.6
Government	110.0	-18.6	-7.9	-3.0	-1.6
Nevada					
Total	1,074.3	4.6	4.6	2.9	1.7
Natural Resources & Mining	8.7	0.0	4.7	2.0	-1.1
Construction	96.2	14.8	10.6	7.6	4.0
Manufacturing	42.6	-1.9	-0.3	-0.2	-0.2
Trade, Transportation & Utilities	191.4	-0.6	1.5	-4.0	0.8
Information	16.3	17.9	6.6	0.4	-4.6
Financial Activities	58.6	33.7	13.3	7.8	2.1
Professional & Business Svcs.	117.0	24.3	3.9	4.2	1.8
Educational & Health Svcs.	75.4	8.0	5.6	5.8	4.8
Leisure & Hospitality	303.2	9.1	5.7	5.7	1.0
Other Services	30.7	10.2	4.5	0.7	2.7
Government	134.2	-18.4	0.3	0.8	2.8

[a] Annualized.

	Total Employed (thousands) Jul-03	Percent Change 1-mo.[a]	3-mo.[a]	YTD[a]	12-mo.
Utah					
Total	1,067.9	-0.9	-2.7	0.2	-0.3
Natural Resources & Mining	6.9	-0.2	-14.0	-2.8	-1.3
Construction	67.6	-5.2	6.1	-0.5	0.3
Manufacturing	111.6	0.0	0.4	-0.6	-1.7
Trade, Transportation & Utilities	214.2	-4.4	-3.8	1.2	-1.2
Information	30.8	-15.0	-13.9	0.5	0.4
Financial Activities	64.2	-0.9	-0.2	3.5	2.0
Professional & Business Svcs.	128.4	-8.0	-11.5	-5.2	-2.5
Educational & Health Svcs.	113.3	-10.0	-15.3	-6.7	-0.4
Leisure & Hospitality	99.2	8.9	10.7	0.2	0.2
Other Services	32.3	-8.6	-8.7	0.5	-0.8
Government	197.6	6.9	2.3	1.4	0.3

Unemployment Rates (%)

	Jul-03	Jun-03	May-03	Apr-03	Jul-02
Idaho	5.6	5.2	5.2	5.6	5.8
Nevada	5.4	5.3	5.4	5.5	5.5
Utah	5.2	5.2	5.4	5.3	6.1
U.S.	6.2	6.4	6.1	6.0	5.8

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

Source: Bureau of Labor Statistics.

Residential permits—July 2003

	3-mo. average number	Moving average percent change 3-mo.[a]	12-mo.[a]
Idaho	1,169.0	1.1	37.4
Nevada	3,864.4	21.2	19.2
Utah	1,603.4	-21.2	14.2

Source: Bureau of the Census.

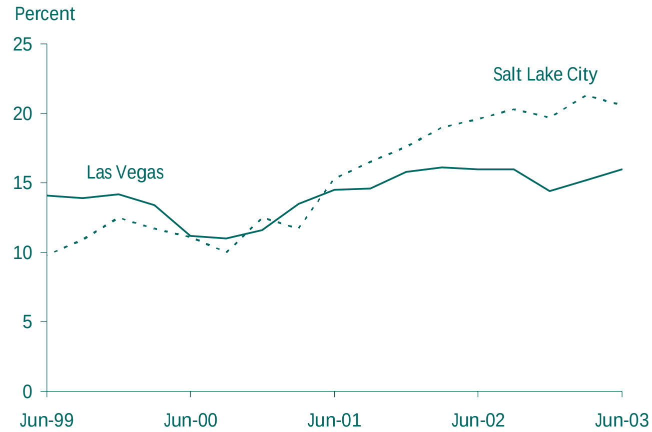
Nonresidential construction awards—July 2003

	3-mo. average $ millions	Moving average percent change 3-mo.[a]	12-mo.[a]
Idaho	44.3	-12.4	3.6
Nevada	170.4	-26.5	17.9
Utah	123.0	74.3	-22.5

[a] Underlying data are seasonally adjusted moving averages.

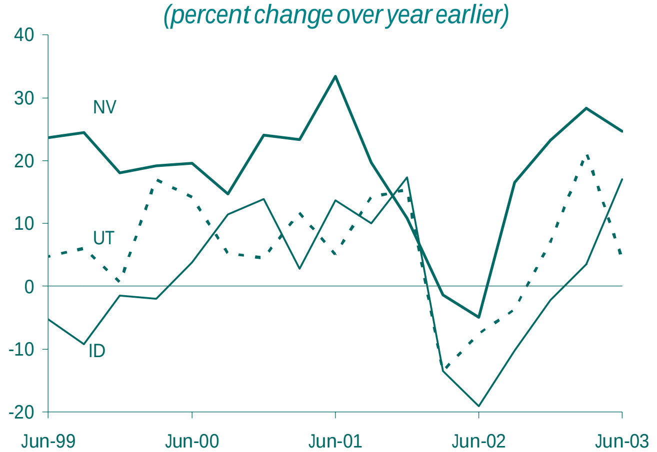
Source: F.W. Dodge.

Metro area office vacancy rates



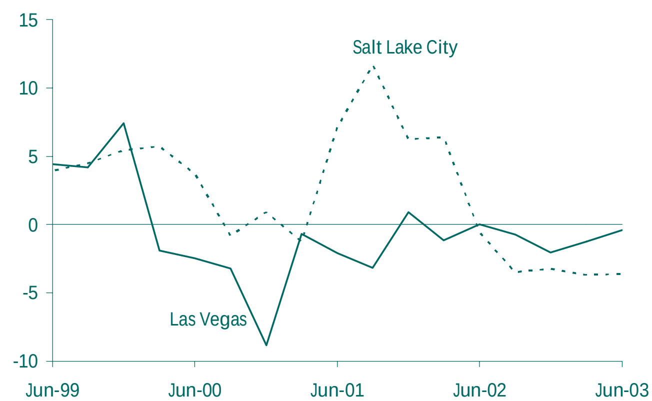
Source: Torto Wheaton Research.

Sales of existing homes
(percent change over year earlier)



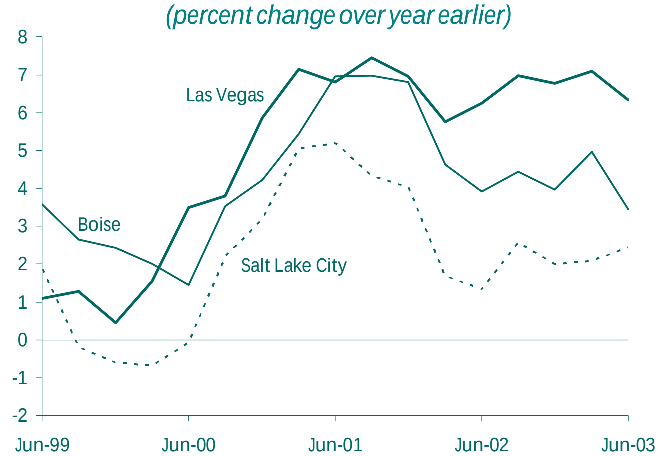
Source: National Association of Realtors.

Metro area office gross rents
(percent change over year earlier)



Source: Torto Wheaton Research.

Home price index
(percent change over year earlier)



Source: Office of Federal Housing Enterprise Oversight.

Export update

	$ billions 2002	Jul-03*	Percent Change** Jul-01	Jul-02	Jul-03
Idaho	1.6	1.0	12.5	-45.7	12.0
Nevada	0.9	0.8	35.2	-10.8	19.3
Utah	4.3	2.5	-0.5	21.9	13.4

* Year-to-date values.

** Percent change from past 12 months relative to prior 12 months.

Source: Census FT900 Supplement, Origin of Movement Series.

2003 Issues	Mailing Dates
March	April 3
June	July 1
September	September 23
December	December 16

Four additional updates to statistical charts are available online during interim periods at http://www.frbsf.org/publications/economics/wed/index.html

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 Mark Doms and edited by Anita Todd with contributions by Mark Doms, Lily Hsueh, and Ashley Maurier 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