

MACRO Report: Review of Wyoming's Economy



Economic Indicators Update as of June 30, 2023

The MACRO Report is a quarterly publication comprised of charts focusing on employment, energy, state revenues, and other indicators that provide an overview of Wyoming's economy.



Wyoming Department of Administration and
Information
Economic Analysis Division (EAD)

WYOMING **MACRO** Report

Summary: Declines in natural gas prices towards the end of the fiscal year have weighed on mineral revenues, but overall, state revenues end the fiscal year strong relative to last year. Residential building permits and home prices continue to slow down amidst recent increased mortgage and lending rates.

- **Positives:**

1. Oil Prices remain above \$70/barrel for the 22nd consecutive month.
2. Severance tax collections from July 2022-June 2023 are up 34.7% compared to this same time period a year ago.
3. Statewide employment is up 7,000 jobs year-over-year, finally returning to pre-pandemic (February 2020) levels.

- **Negatives:**

1. Oil and gas jobs are still recovering slowly from the pandemic.
2. Through the first five months of 2023, single family housing permits are down 46.5% compared to last year.
3. Natural gas prices at the national benchmark (Henry Hub) have been around \$2/MMBtu for the past five months, resulting in declines in production and mineral tax revenues.

Employment:

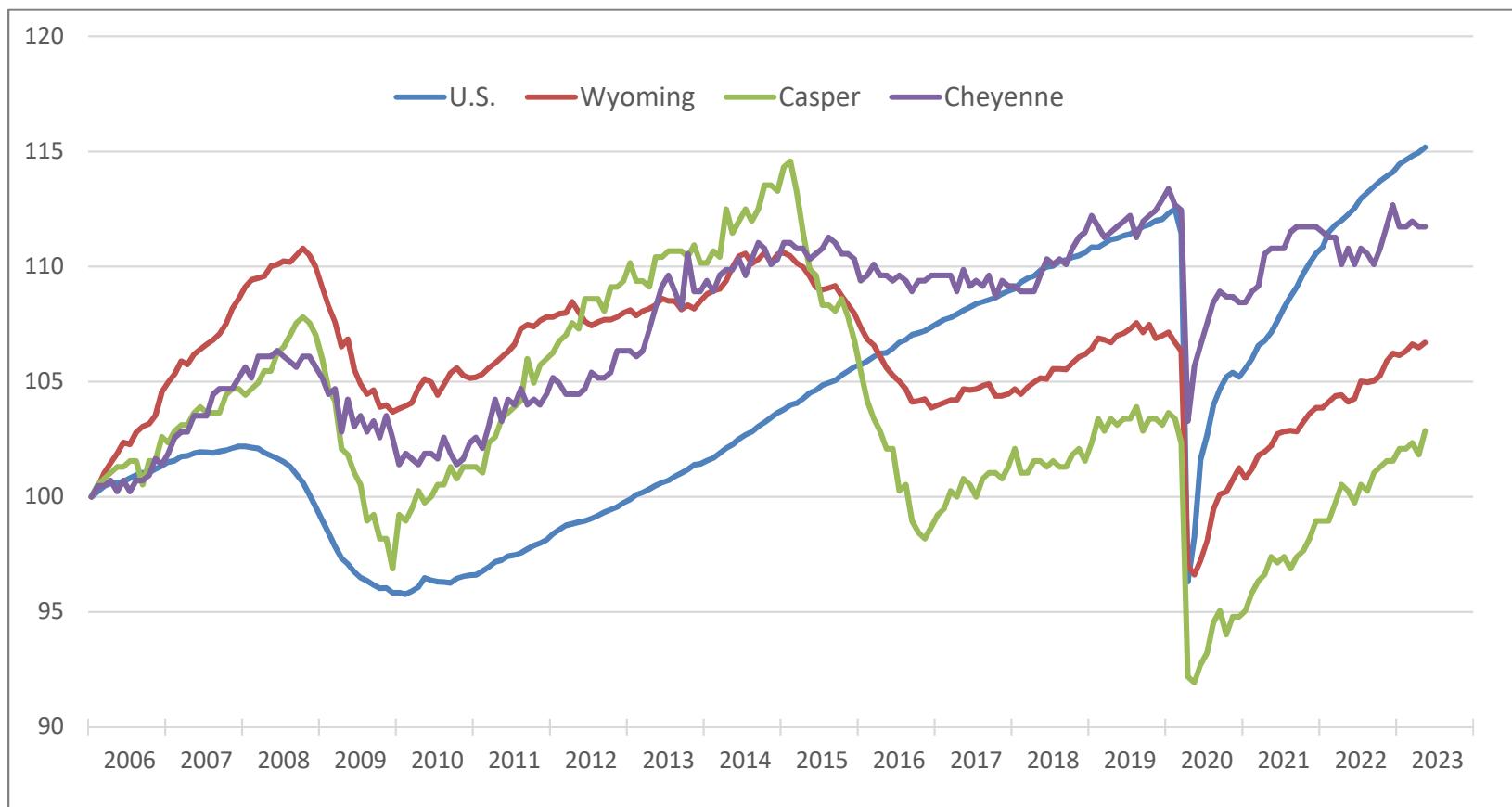
Low Unemployment Rate and Year-Over-Year Employment Increases Lead the Way for Strong Labor Market.

- Statewide employment in May 2023 increased by 7,000 jobs (+2.5%) compared to May last year.
- The mining sector increased year-over-year by 900 jobs (+5.6%). Only two sectors (wholesale trade, professional & business services) saw year-over-year declines in employment, both down around 1%.
- The Casper MSA and Cheyenne MSA both experienced an increase in jobs of 900 in a May year-over-year comparison.
- The statewide unemployment rate for May was 3.3%, lower than the nationwide unemployment rate of 3.7%.

Nonfarm Employment Index: United States, Wyoming, Casper (MSA), and Cheyenne (MSA)

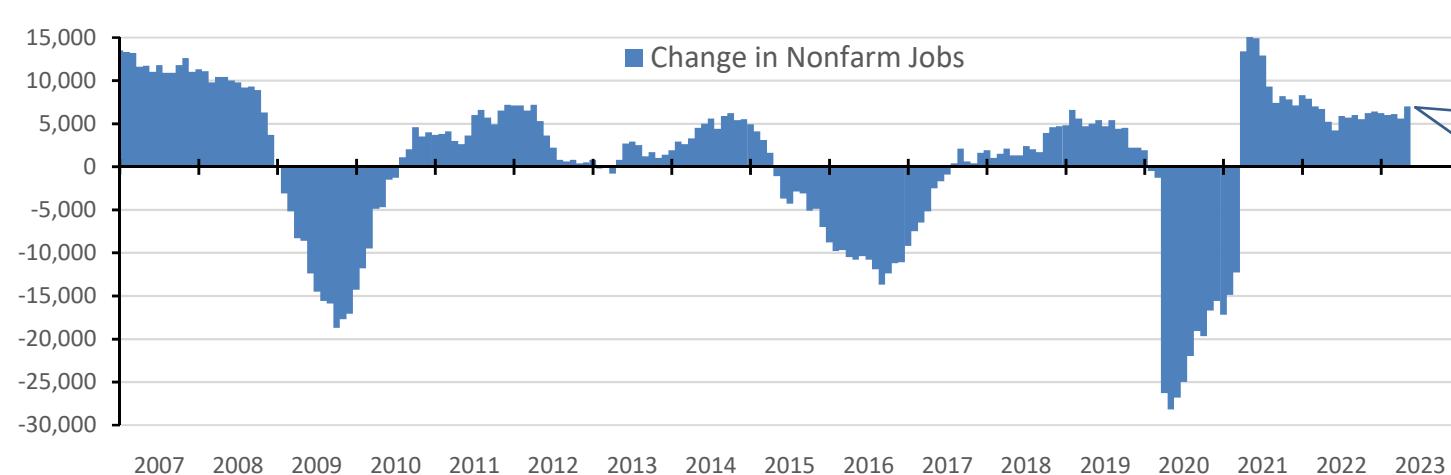
Through May 2023 – Seasonally Adjusted

Index: Jan 2006=100

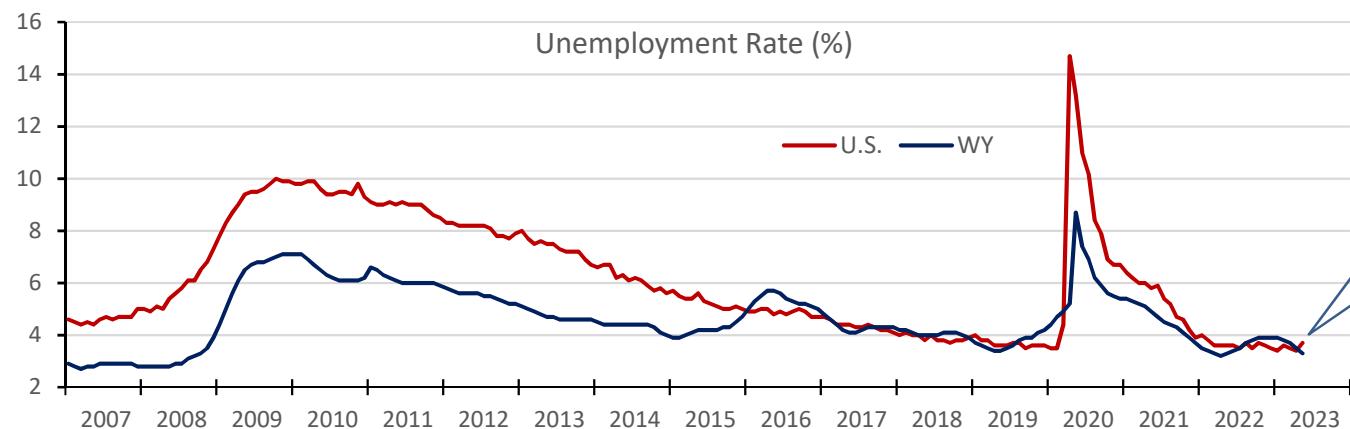


Note: MSA stands for Metropolitan Statistical Area. The Casper MSA covers all of Natrona County, while the Cheyenne MSA covers all of Laramie County.
Source: U.S Bureau of Labor Statistics.

Annual Change in Nonfarm Jobs for Wyoming and Unemployment Rates for the U.S. and Wyoming – Seasonally Adjusted



May year-over-year job change was +7,000 or +2.5%.



The unemployment rates in May for Wyoming and the U.S. were 3.3% and 3.7%, respectively.

Source: U.S. Bureau of Labor Statistics.

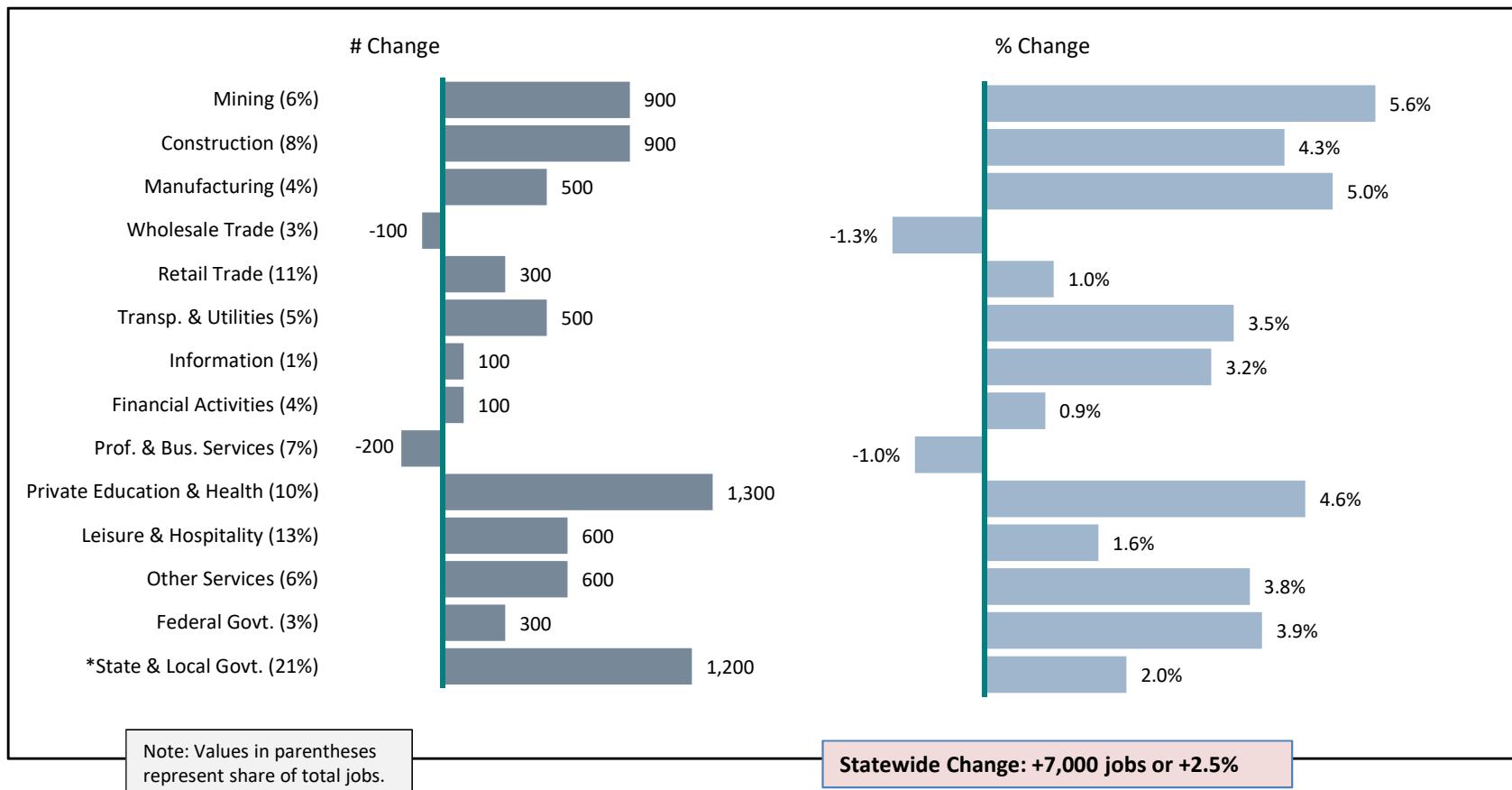
Economic Analysis Division

State of Wyoming

5

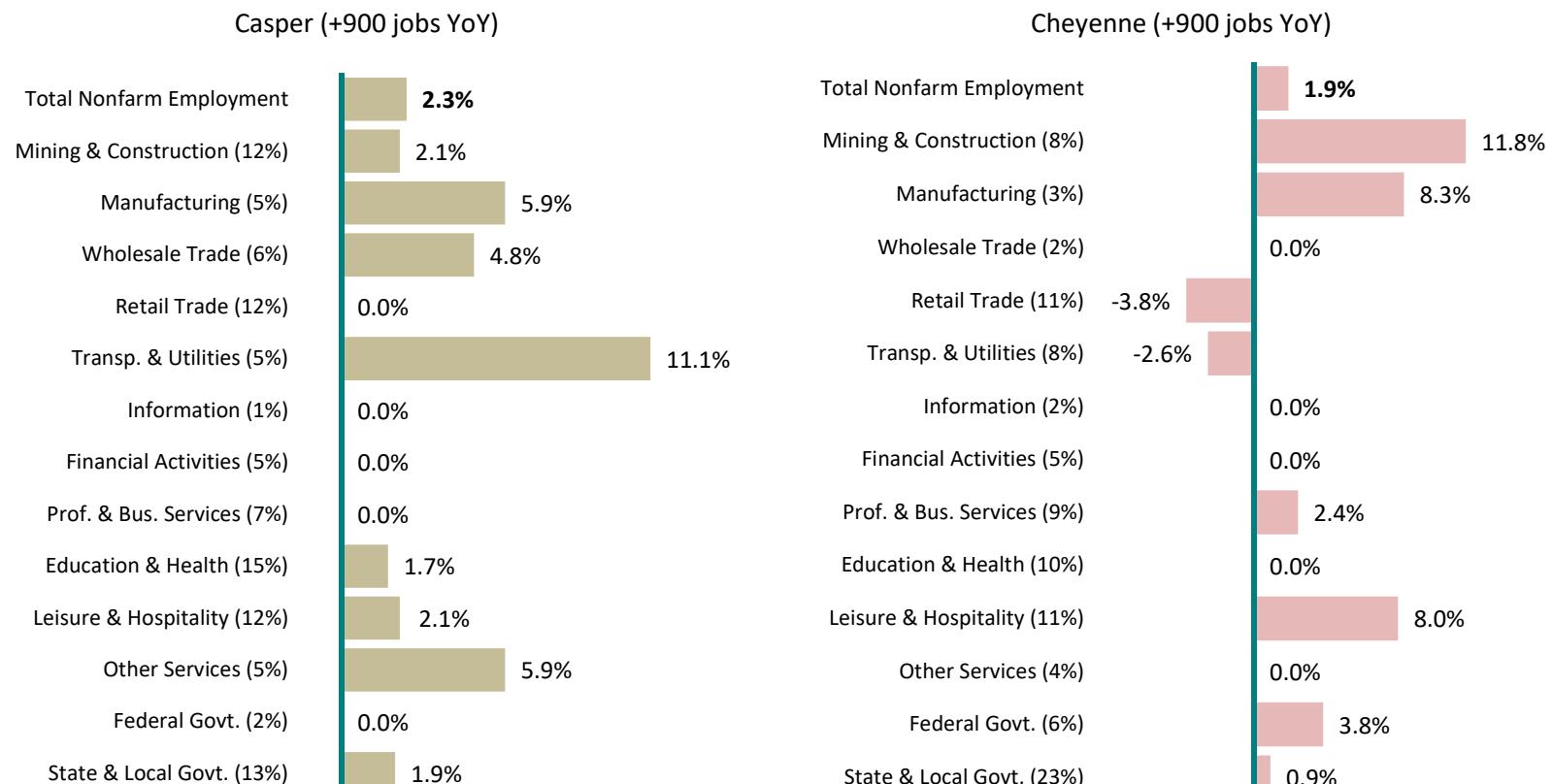
Wyoming Nonfarm Employment Change By Industry: May 2023

Year-over-Year: Seasonally Adjusted



Note: The State & Local Government sector includes jobs affiliated with K-12 & higher education and public hospitals.
 Source: U.S. Bureau of Labor Statistics.

Casper (MSA) & Cheyenne (MSA) Nonfarm Employment Change: May 2023 — Year-over-Year: Not Seasonally Adjusted



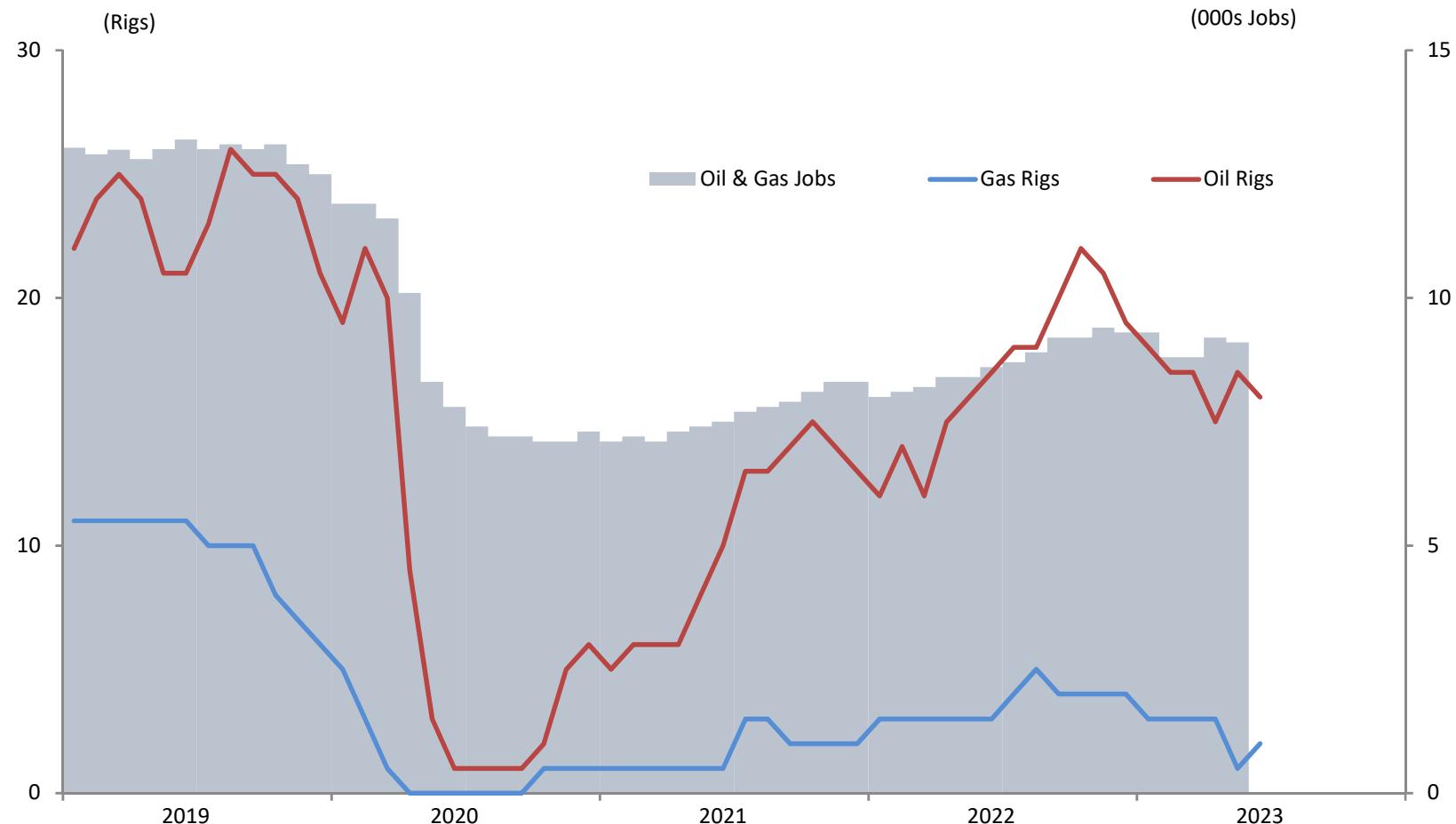
Note: The State & Local Government sector includes jobs affiliated with K-12 & higher education and public hospitals.
Source: U.S. Bureau of Labor Statistics.

Energy:

Natural Gas Prices Stay Low, Around \$2/MMBtu. Natural Gas Production Declines.

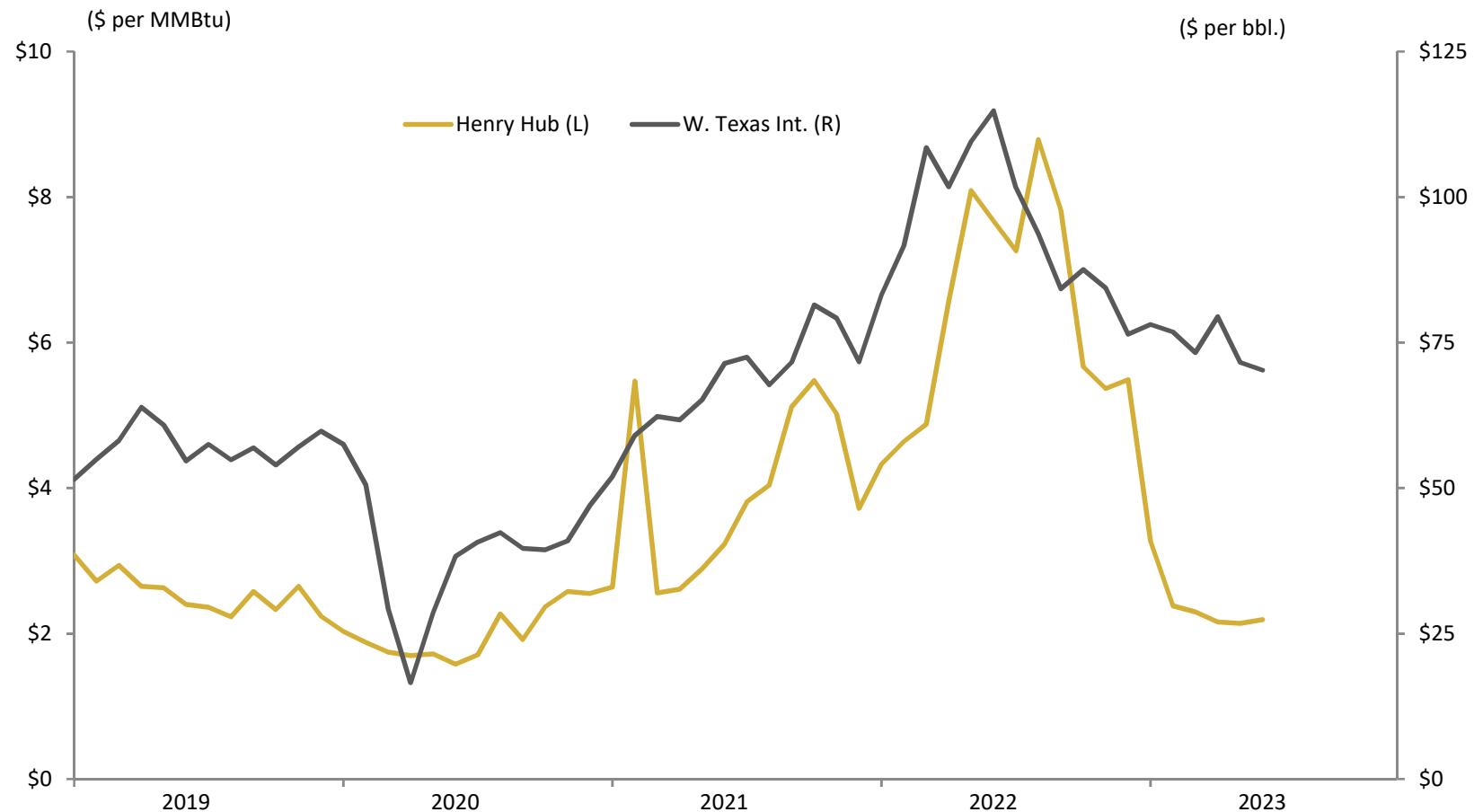
- Oil & gas jobs were at 9,100 in May 2023, 700 more (+8.3%) than May last year.
- Oil & gas rig counts were 16 and 2, respectively, in June 2023. There were 17 oil rigs and 3 gas rigs in June last year.
- The price of Henry Hub natural gas averaged \$2.19/MMBtu for the month of June, \$5.48 lower than June last year. The price of West Texas Intermediate (WTI) oil averaged \$70.25/barrel in June, \$44.59 less than June 2022.
- April 2023 calendar YTD natural gas production was down 6.2% compared to last year. Oil production YTD in April increased by 5.4% while coal production saw a decline of 1.8%.

Wyoming Oil & Gas Jobs (through May) and Rig Counts (through June)



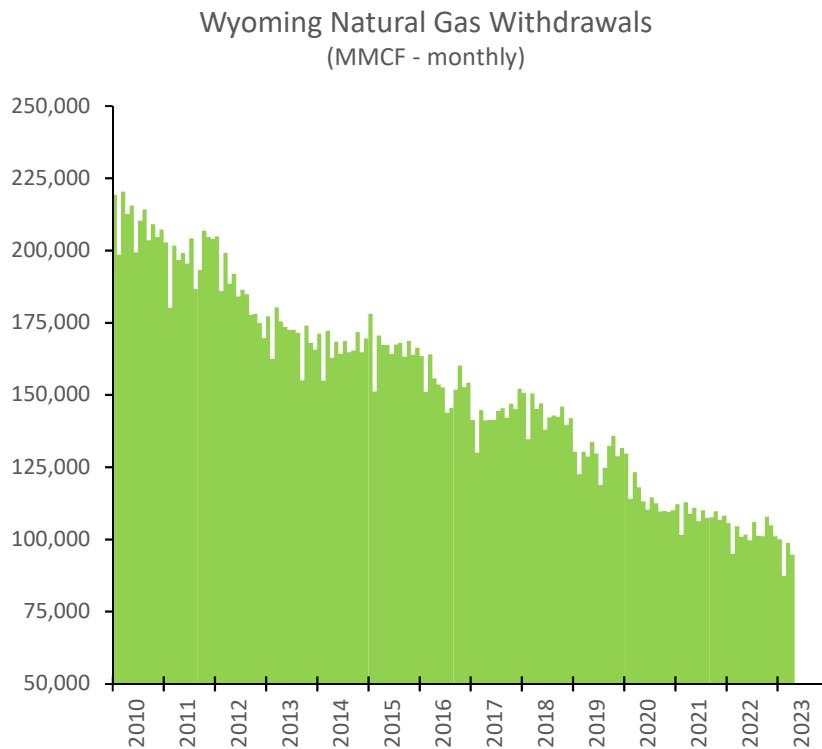
Sources: WY Oil & Gas Conservation Commission; U.S. Bureau of Labor Statistics.

Henry Hub Natural Gas Prices and WTI Crude Oil Prices (through June)

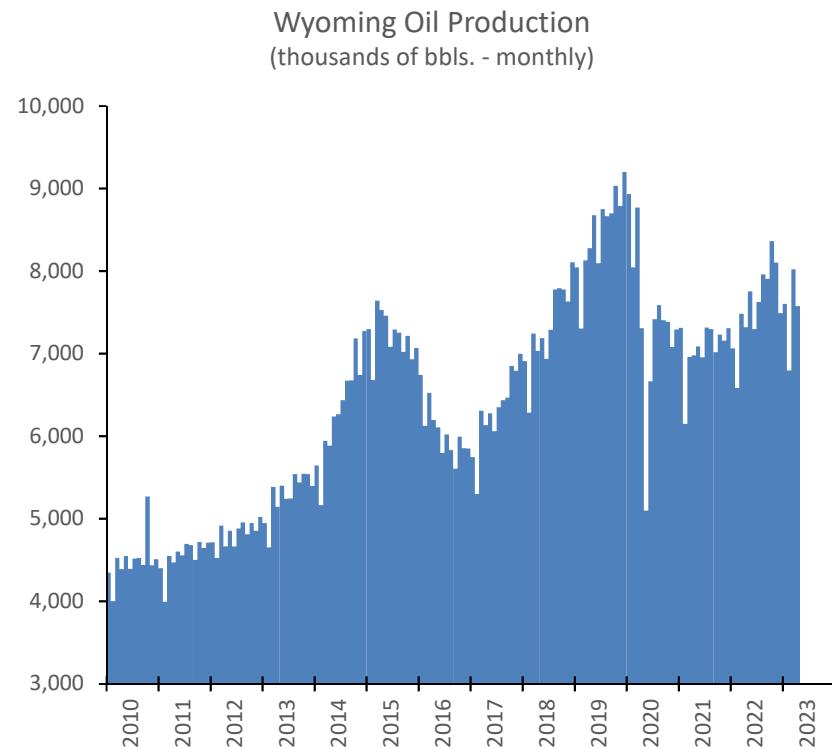


Sources: Natural Gas Intelligence; U.S. Energy Information Administration.

Wyoming Natural Gas and Oil Production (through April 2023)



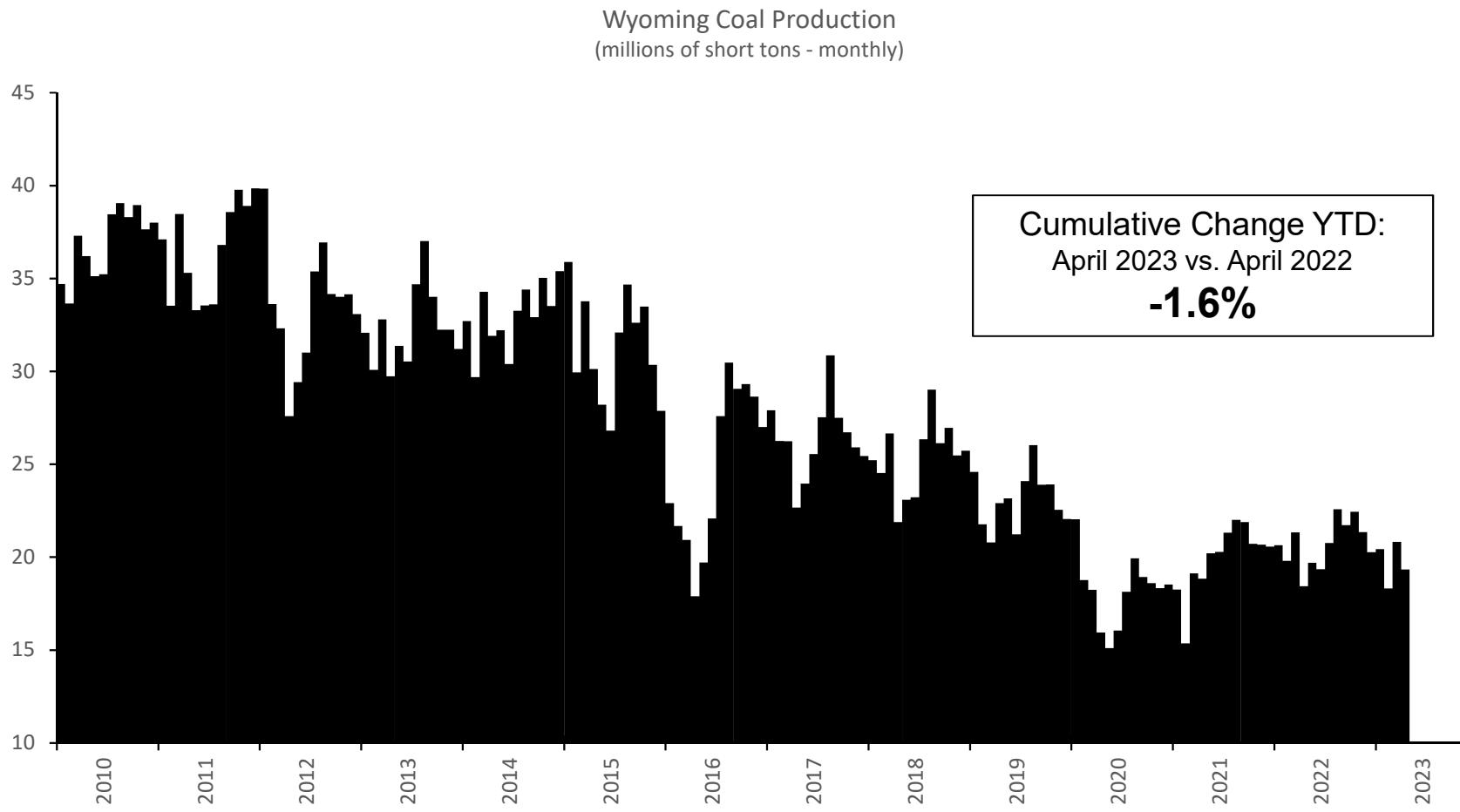
Cumulative Change YTD:
April 2023 vs. April 2022
-6.2%



Cumulative Change YTD:
April 2023 vs. April 2022
+5.4%

Source: U.S Energy Information Administration.

Wyoming Coal Production (through April 2023)

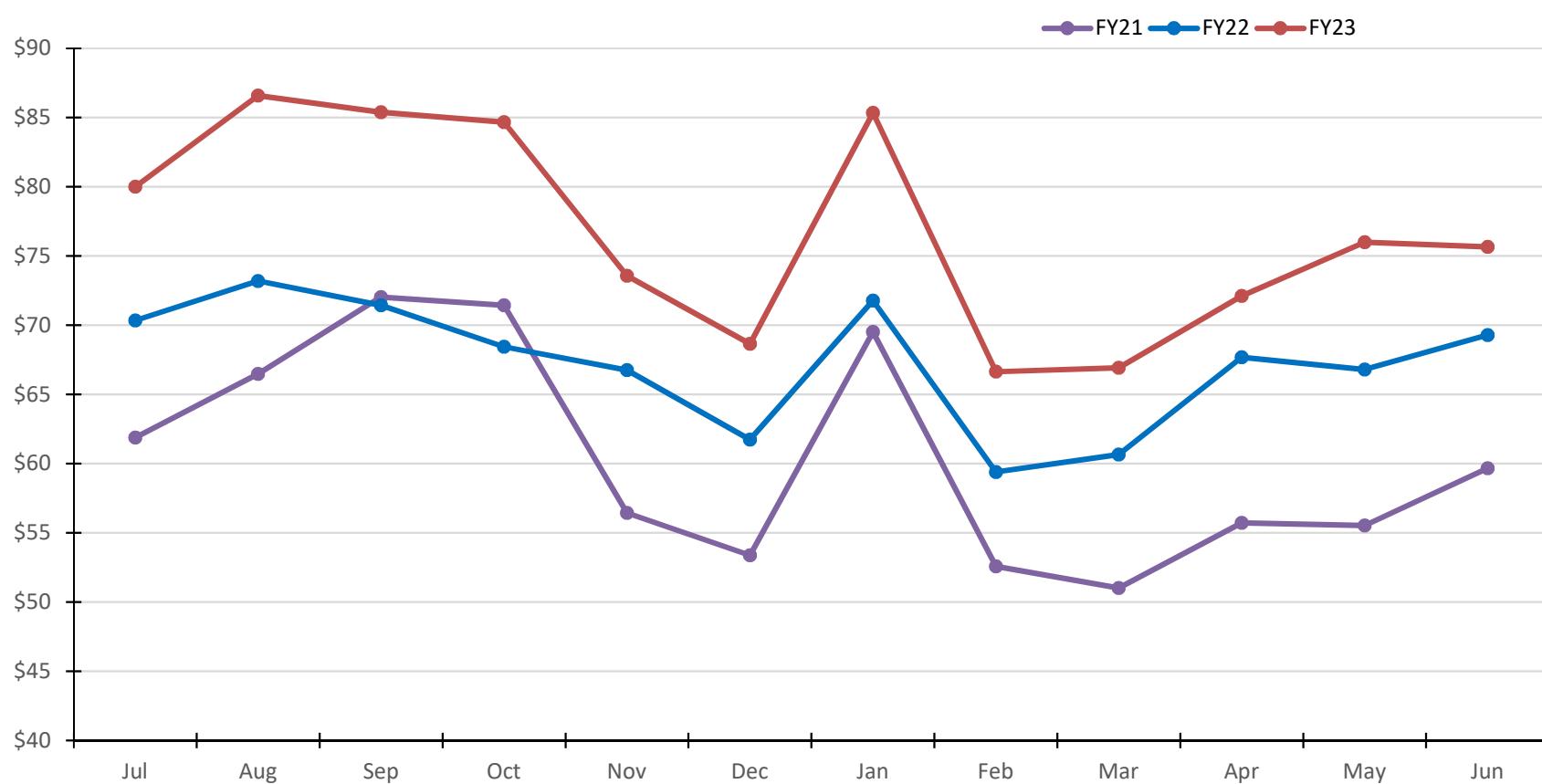


Source: U.S. Energy Information Administration.

State Revenues: Inflation Continues to Slow; Sales & Use Tax Collections Still Strong; Severance Tax Collections Slow Amongst Low Natural Gas Prices.

- Statewide sales and use (S&U) tax collections at the end of fiscal year 2023 (July-June) increased by \$114.0 million (+14.1%) compared to fiscal year 2022.
- Campbell and Converse County both experienced large increases in S&U tax collections in fiscal year 2023, up \$31.1 million (+27.8%) and \$19.6 million (+42.6%), respectively, compared to last fiscal year. The large increases in these two counties are primarily due to a rebound in mining activity.
- Sales and use tax collections from the mining sector increased by \$41.8 million (+55.8%) in fiscal year 2023.
- Severance tax collections in May and June were lower than a year ago.

Wyoming 4% Statewide Sales and Use Tax Collections (In Millions of Dollars)



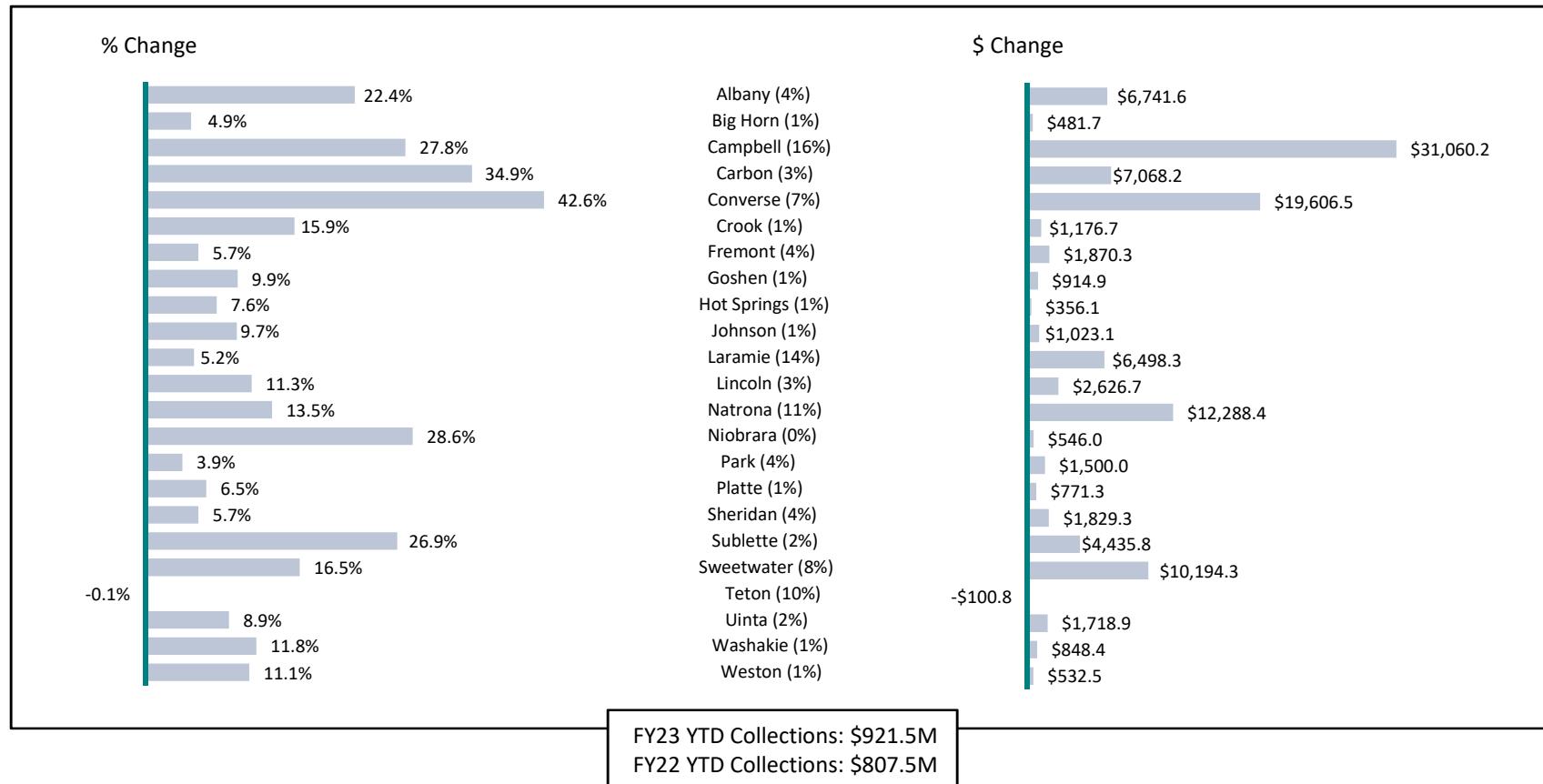
Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections.

Source: Wyoming Department of Revenue.

Wyoming 4% Sales and Use Tax Collections by County

Change in Percent and Dollars (Thousands)

Fiscal Year-To-Date 2023 vs. Fiscal Year-To-Date 2022: July-June

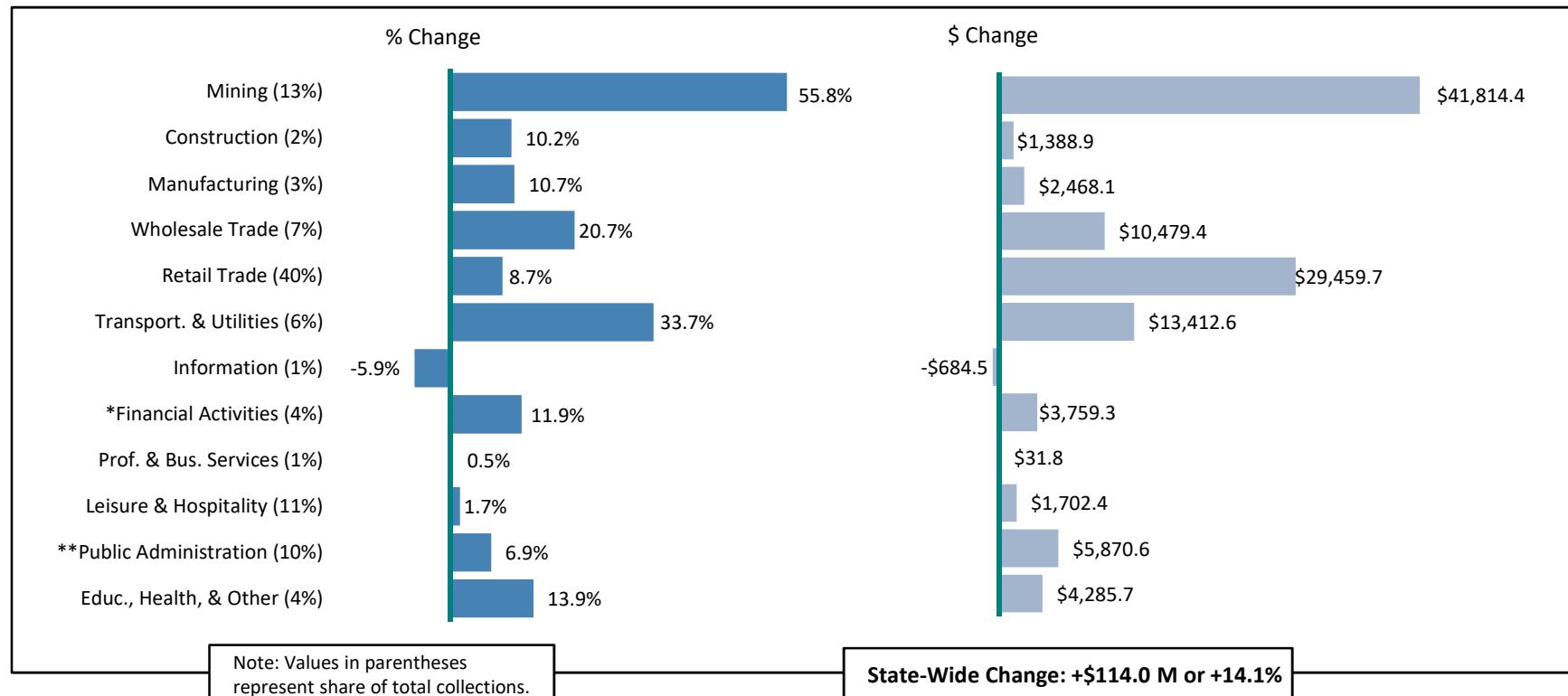


Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections. Value in parentheses represents share of total collections.
 Source: Wyoming Department of Revenue.

Wyoming 4% Sales and Use Tax Collections by Industry

Change in Percent and Dollars (Thousands)

Fiscal Year-To-Date 2023 vs. Fiscal Year-To-Date 2022: July-June

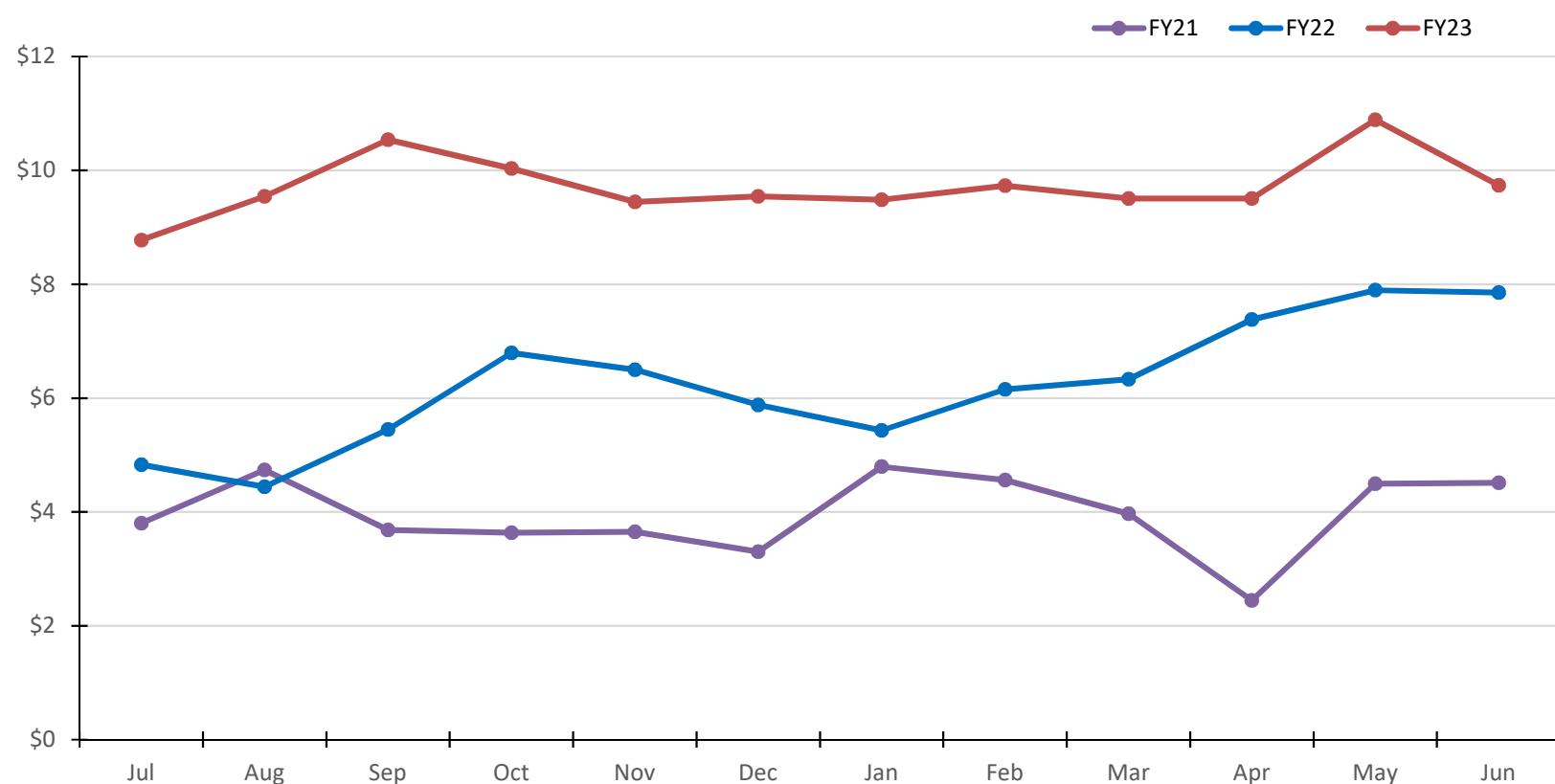


*Tax collections are mostly from automotive, machinery, and equipment leasing & rental.

**Reflects tax collections from automobile purchases.

Source: Wyoming Department of Revenue.

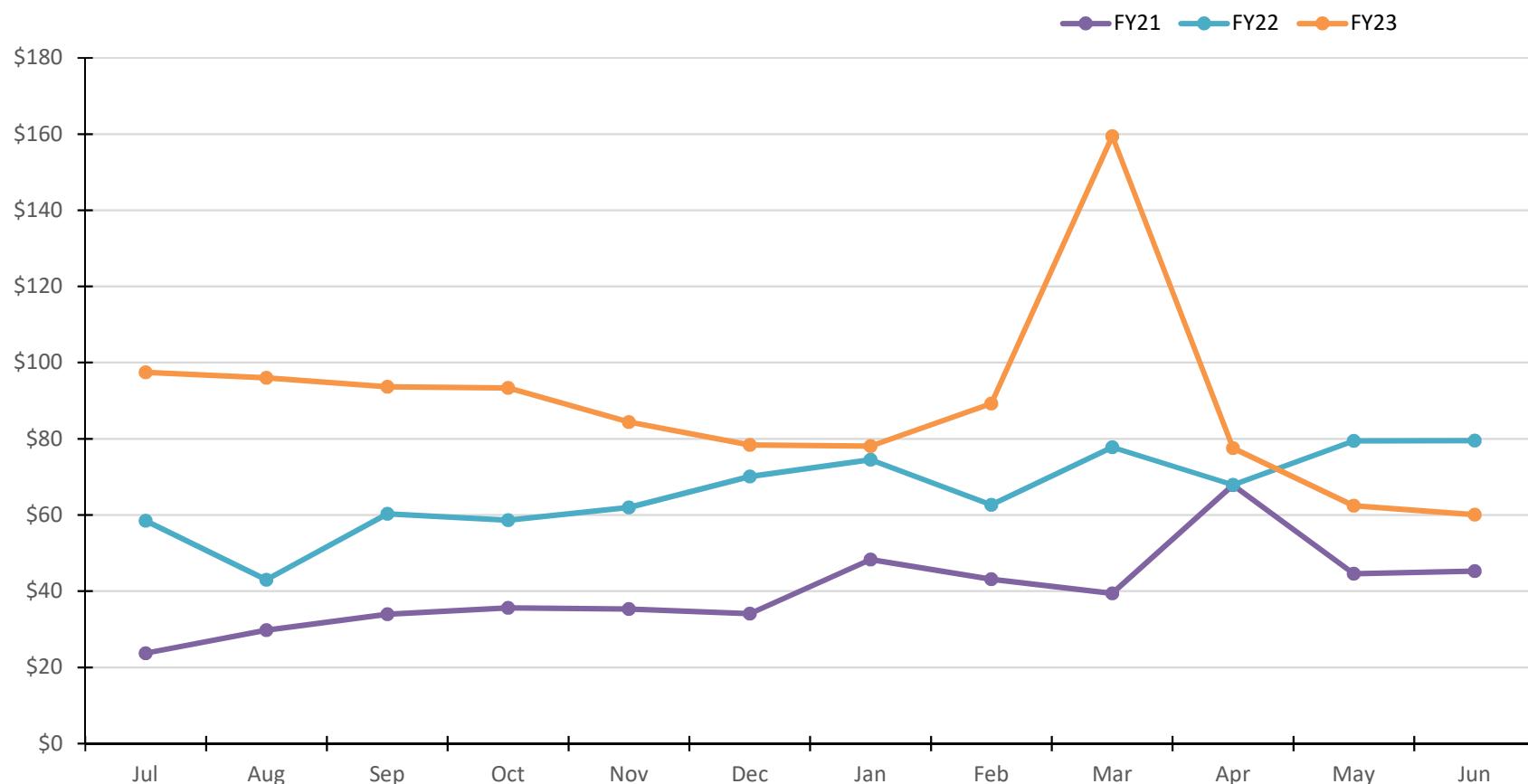
Wyoming 4% Statewide Sales and Use Tax Collections: Mining Sector (In Millions of Dollars)



Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections.

Source: Wyoming Department of Revenue.

Wyoming Statewide Severance Tax Collections (In Millions of Dollars)



Note: Includes severance tax collections on all minerals in Wyoming.

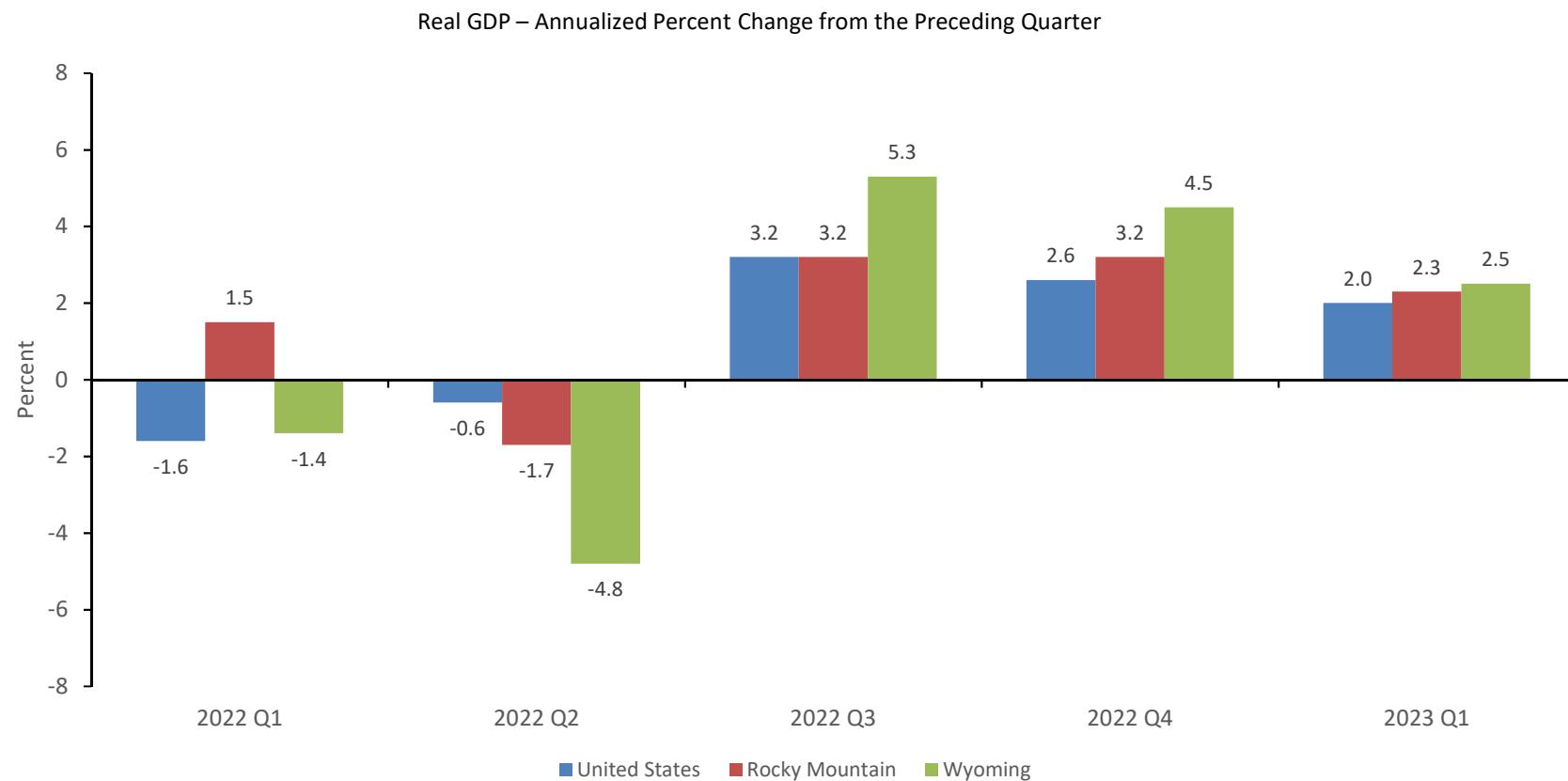
Source: Wyoming Department of Revenue.

Other Indicators for the State: Real Gross Domestic Product (GDP), House Price Appreciation, and Building Permits

- Q1 2023 real GDP increased by 2.5% at an annualized rate from Q4 2022. The U.S. real GDP increased by 2.0% over this time period.
- Wyoming's house prices in Q1 2023 saw annual growth of 8.7%, slightly higher than the U.S. (8.1%).
- The Cheyenne MSA house prices saw annual decline of 0.9% in Q1 2023, while the Casper MSA saw annual growth of 10.4%.
- Statewide single family units permitted decreased year-to-date through the end of May 2023 by 452 (-46.5%) compared to 2022. Multi-family units permitted through May 2023 decreased by 37 (-30.6%) compared to 2022.

Quarterly Real Gross Domestic Product (GDP)

Wyoming, Rocky Mountain Region, & United States

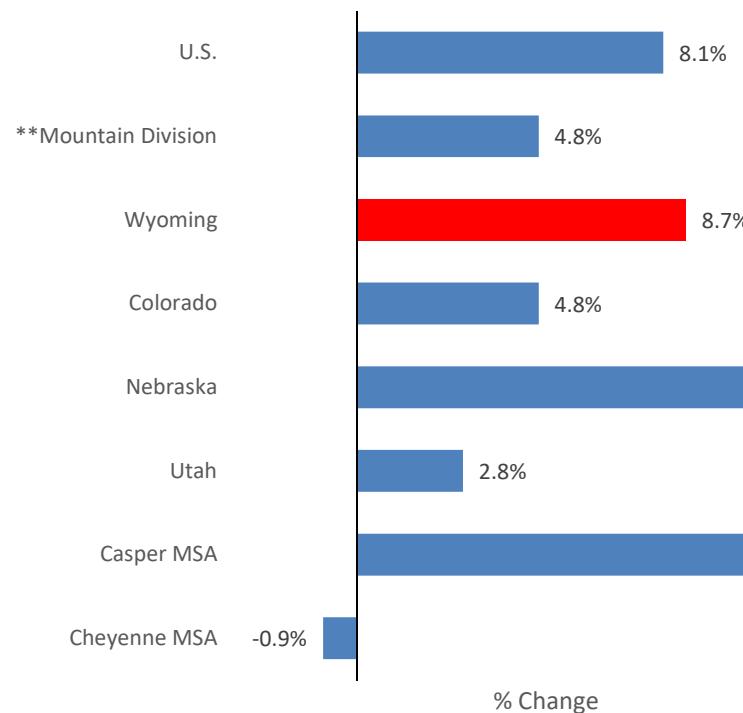


Source: U.S. Bureau of Economic Analysis.

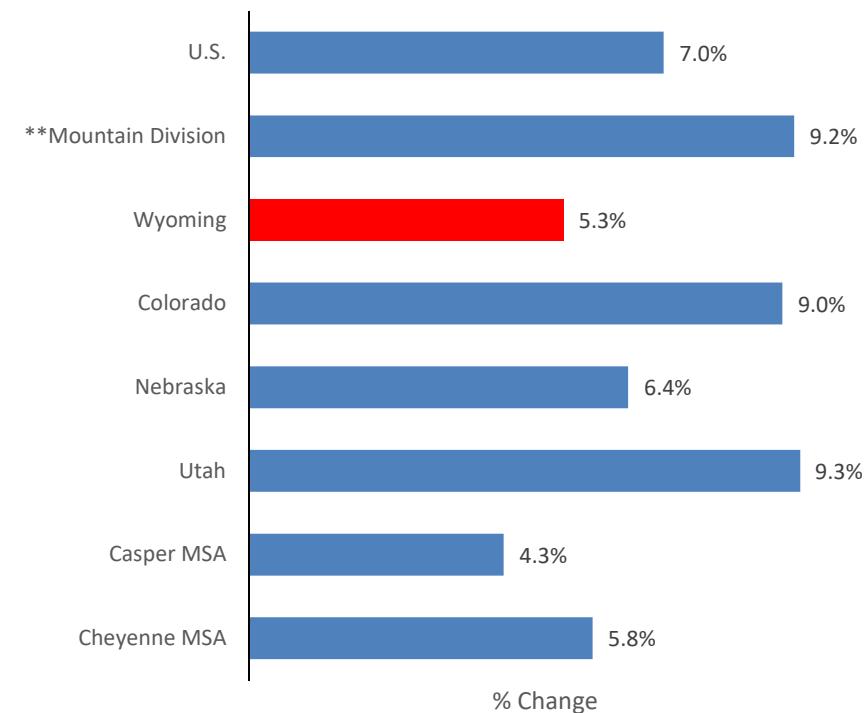
Home Price Appreciation

FHFA All-Transaction Index – Not Seasonally Adjusted

Home Prices: Q1 2022 – Q1 2023



Home Prices: *CAGR Q1 2013 – Q1 2023



Note: All-Transactions Index includes purchase and mortgage refinance.

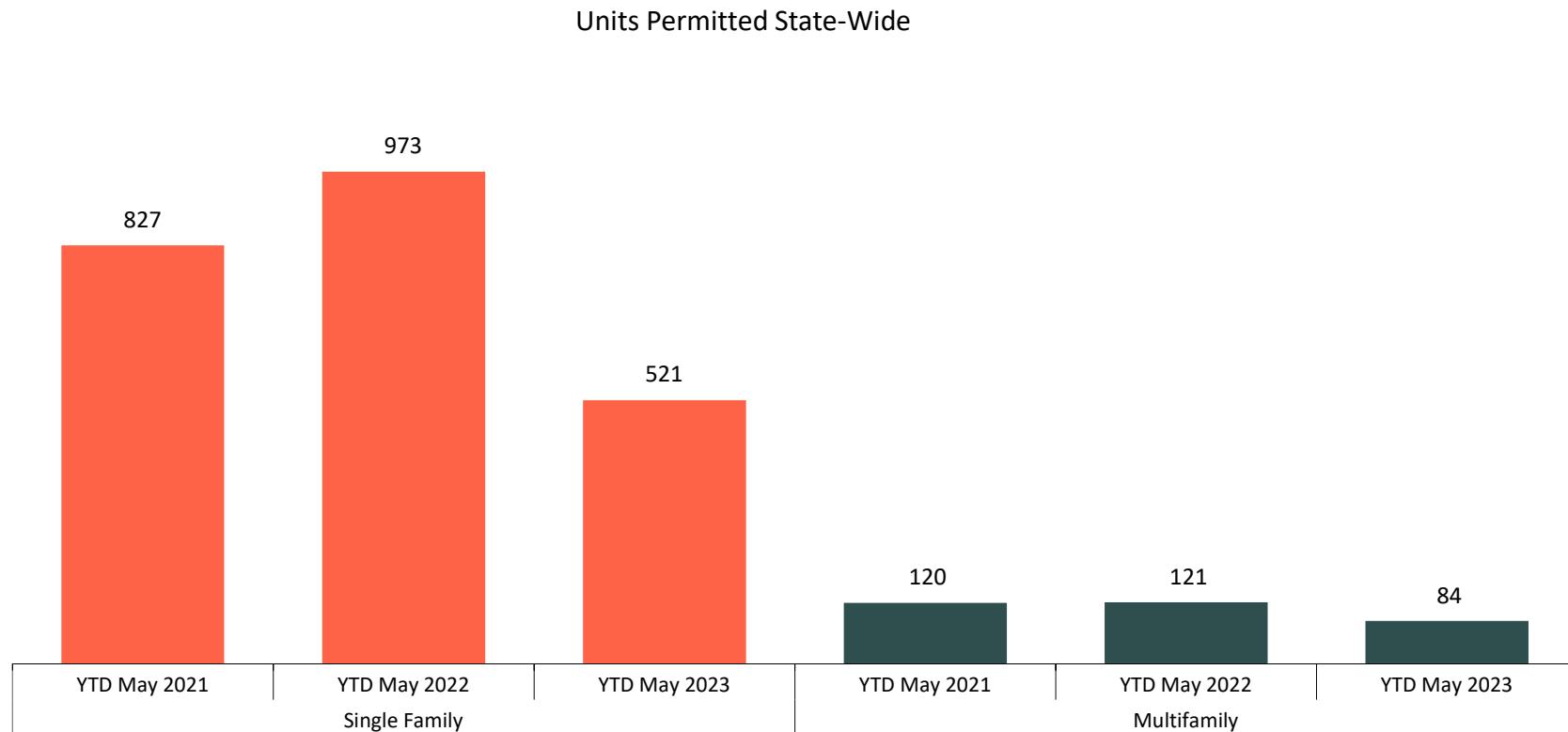
*CAGR stands for compound annual growth rate, which is the average annual growth rate over a time period.

**Mountain Division includes Montana, Idaho, Wyoming, Nevada, Utah, Colorado, Arizona, and New Mexico.

Source: Federal Housing Finance Agency (FHFA).

Residential Building Permits

Statewide Units: Year-to-Date – May



Source: U.S. Census Bureau.

How To Find Us:

- Economic Analysis Division
- Department of Administration & Information
- Wyoming State Government
- 2800 Central Avenue
- Cheyenne, WY 82002

- 307-777-7221 or dylan.bainer@wyo.gov
- Visit our website at <http://eadiv.state.wy.us>

WYOMING **MACRO** Report