

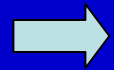
WYOMING ECONOMIC INSIGHT AND OUTLOOK



UW – Outreach School
April 23, 2008
Laramie, Wyoming

Wenlin Liu, Senior Economist
Economic Analysis Division
State of Wyoming

Quick Facts



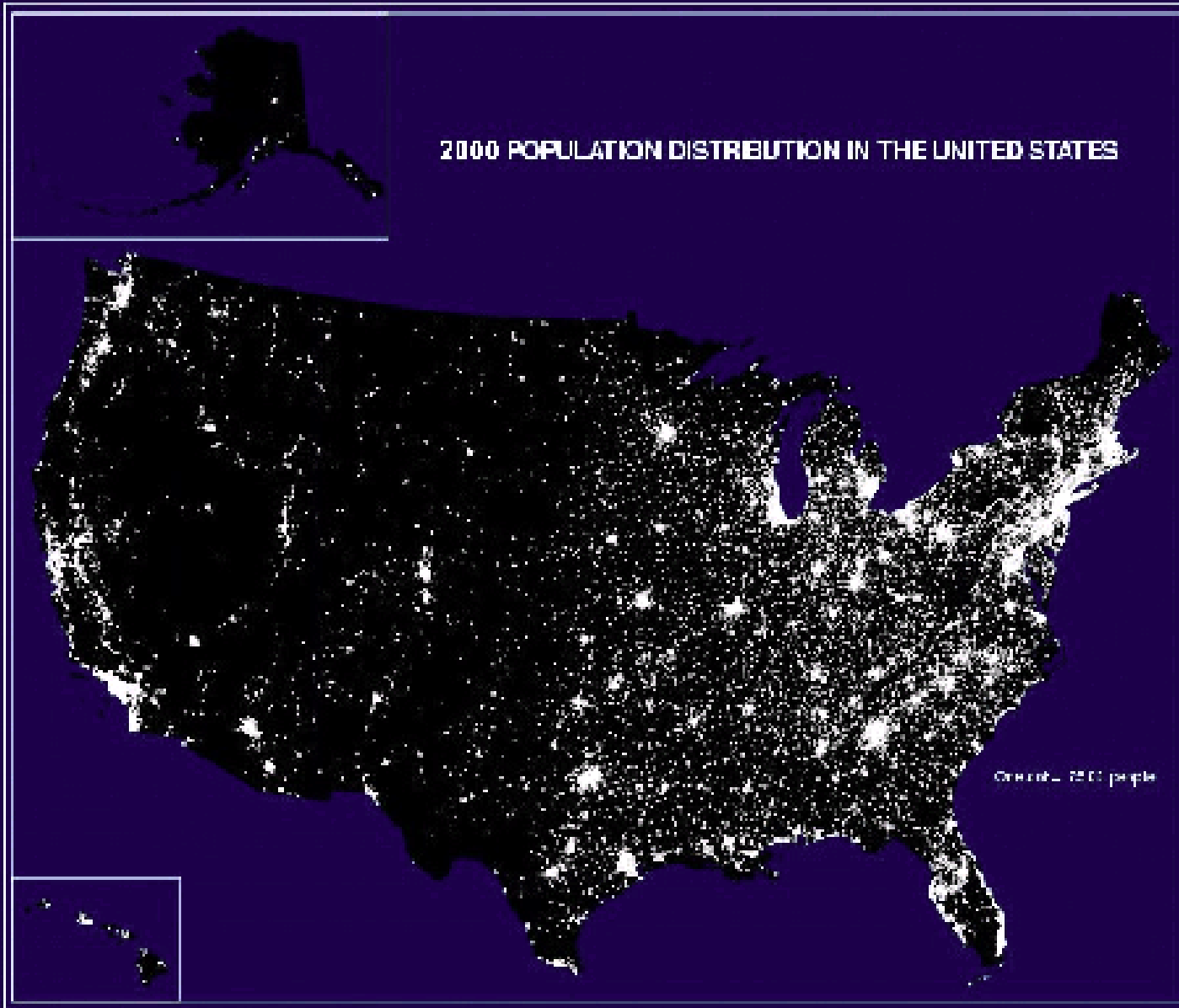
2006:

- -job growth: 12,800; 5.1% (1st in U.S.), mining 17%.
- -per capita income grew 9.0% (2nd in U.S.) to \$40,676.
- -consumer spending was up 10%.
- -state revenue outpaced forecast levels.
- -Inflation outpaced U.S. 4.4% vs. 2.5% .
- -housing: red hot, 13.5% appreciation, severe shortage.

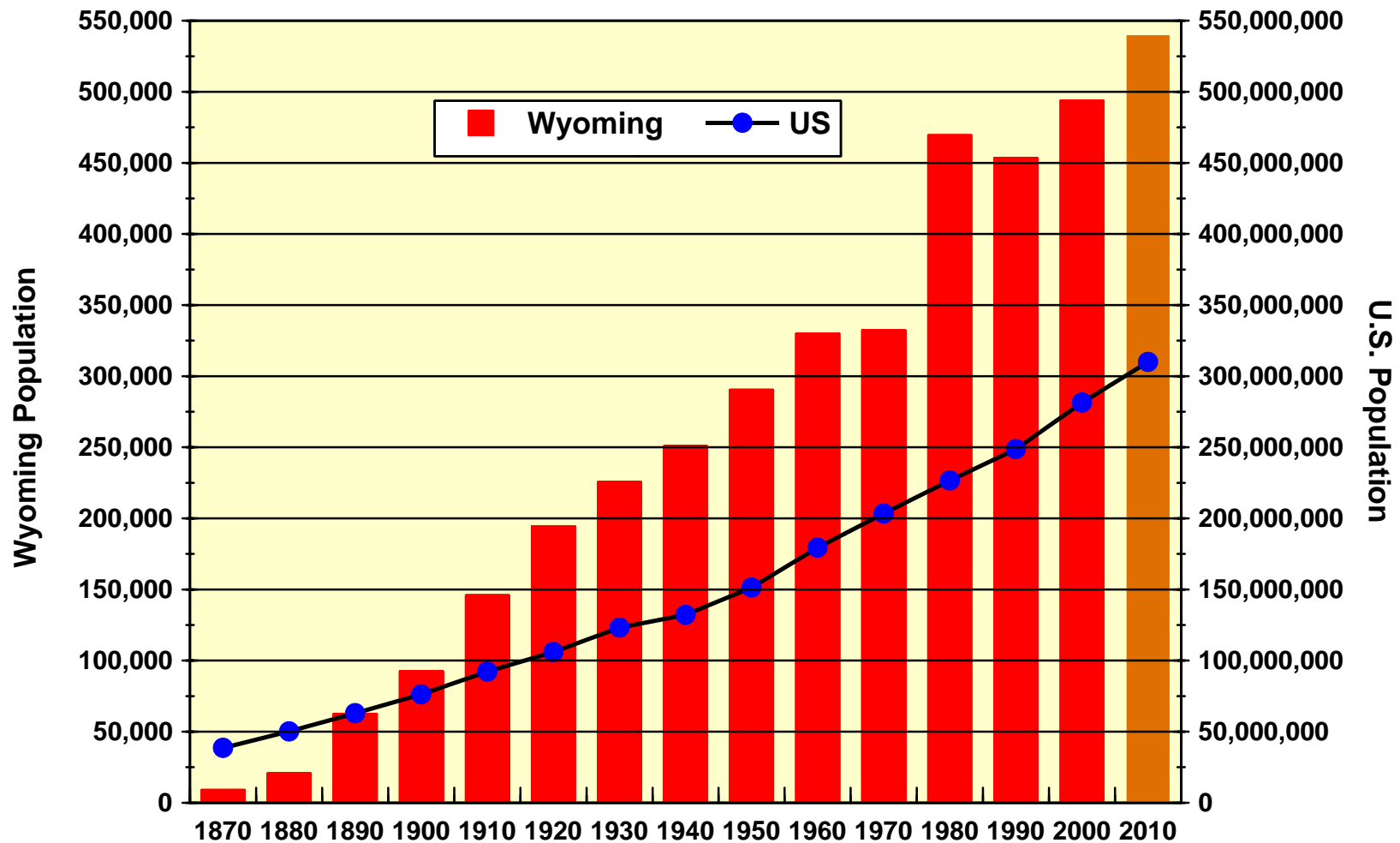


2007:

- -population highest ever: 522,830 (2.0%).
- -job growth rate: 3.9% (2nd in U.S.), mining sector 2.6%.
- -income growth rate: 6.0%.
- -consumer spending: 6.0%.
- -mineral revenue: declined, but improving in later 2007.
- -Inflation outpacing U.S. 6.1% vs. 4.1% .
- -housing: prices were still strong, inventory up, more choices.

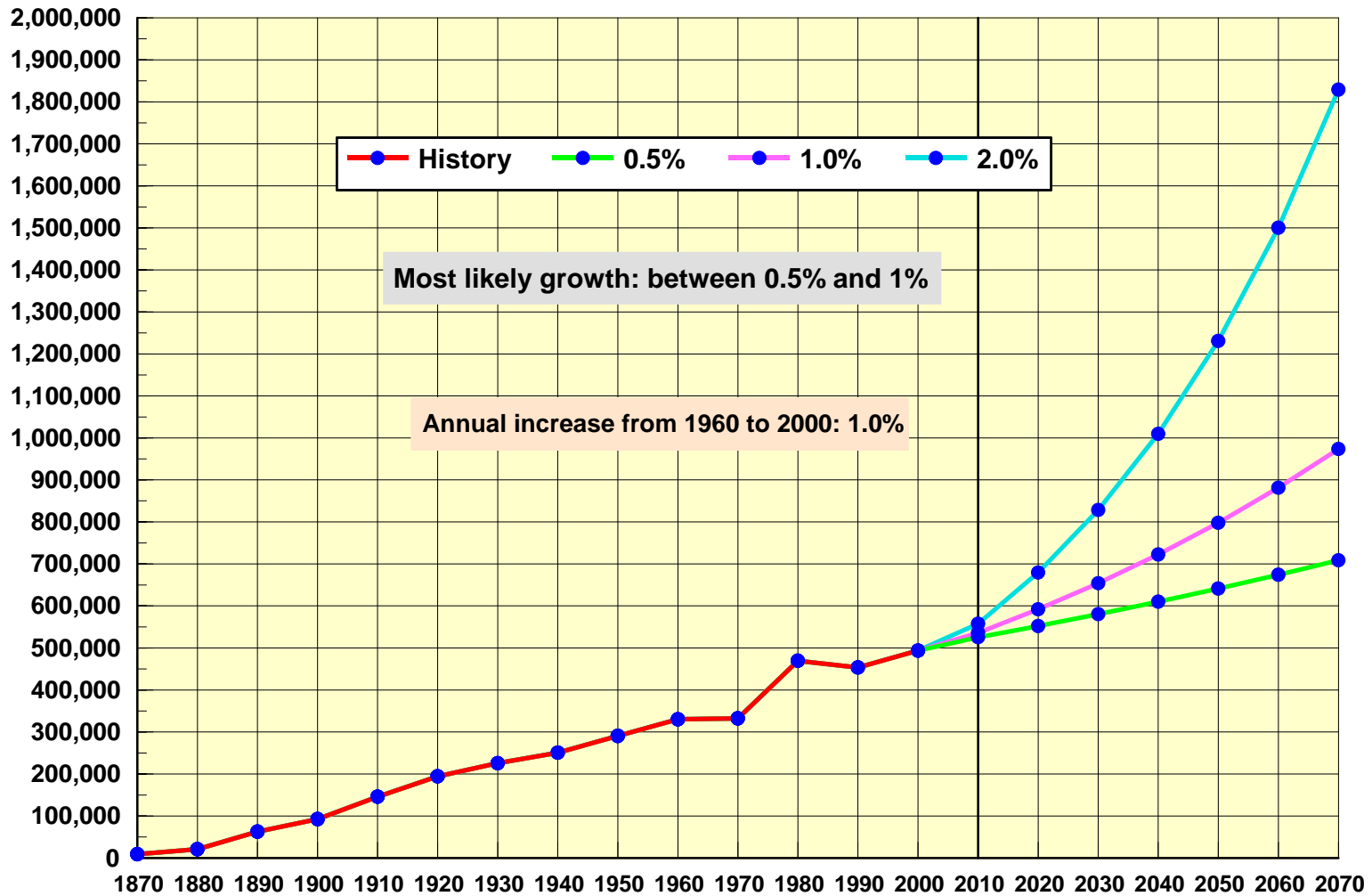


Decennial Population for Wyoming and U.S.: 1870 - 2010



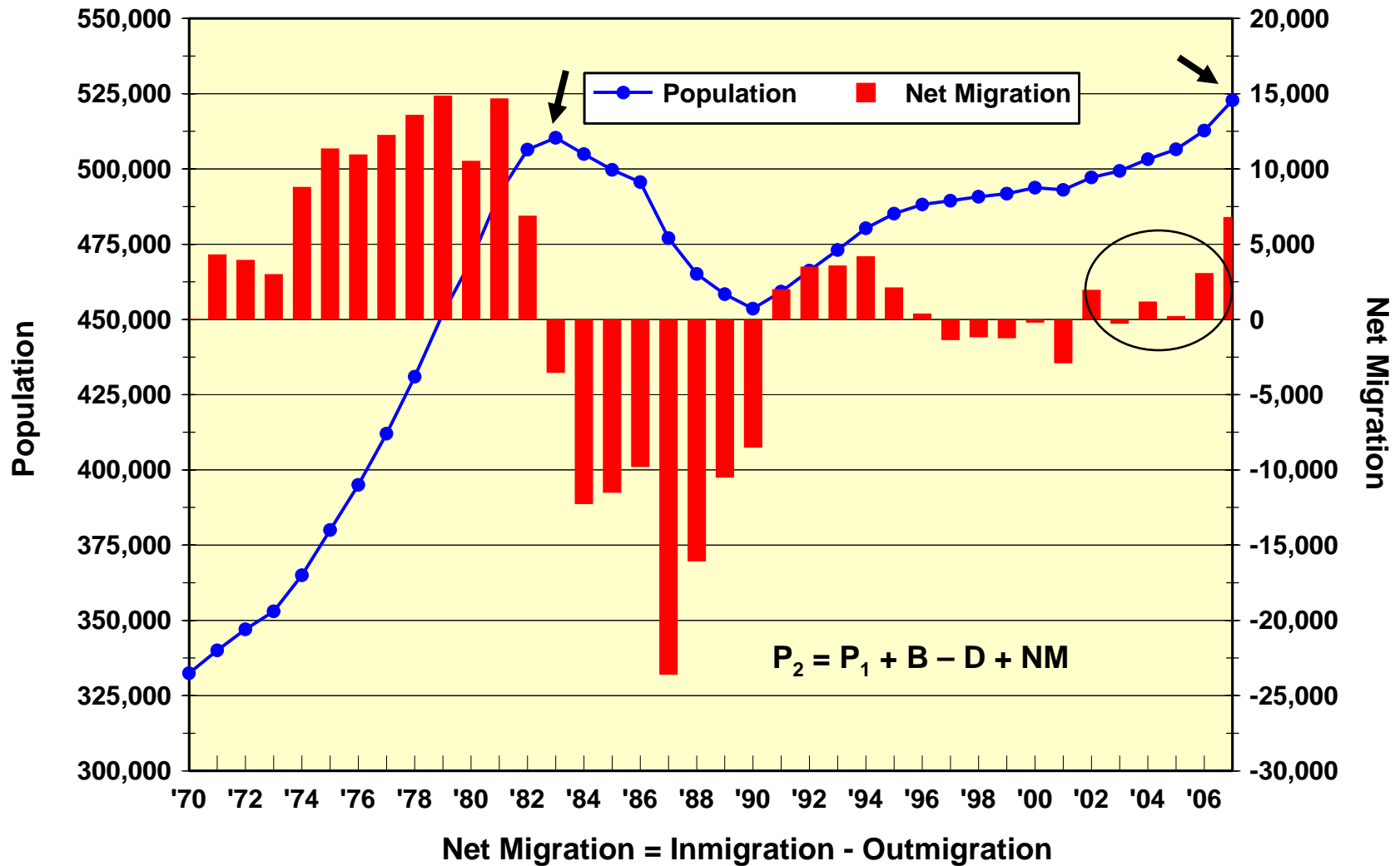
Source: U.S. Census Bureau and Wyoming Economic Analysis Division

Wyoming Decennial Population and Projections



Source: U.S. Census Bureau and Wyoming Economic Analysis Division

Wyoming Population and Net Migration: 1970 to 2007

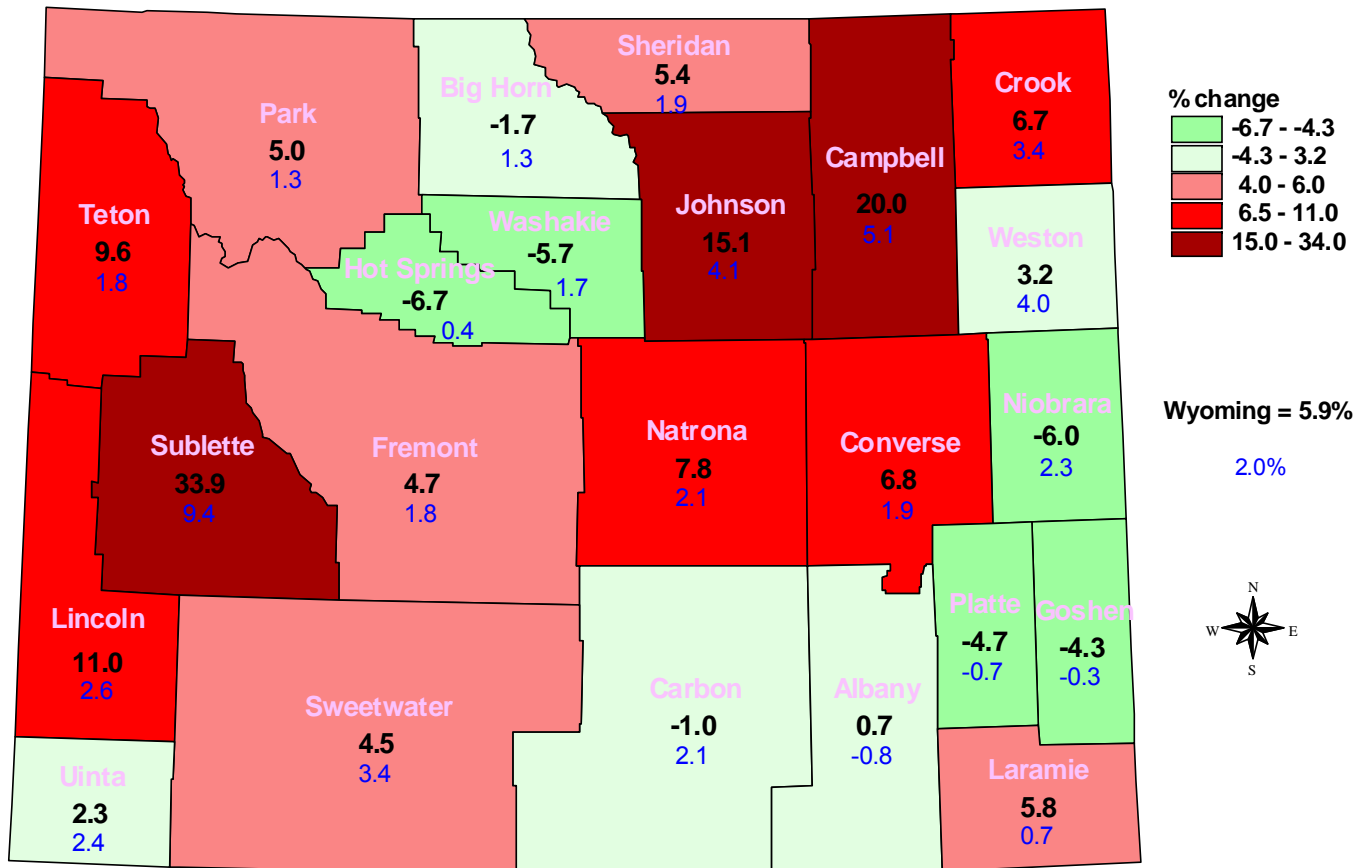


Source: U.S. Census Bureau

Prepared by Wyoming Economic Analysis Division

Percent Change in Resident Population by County: 2000 - 2007

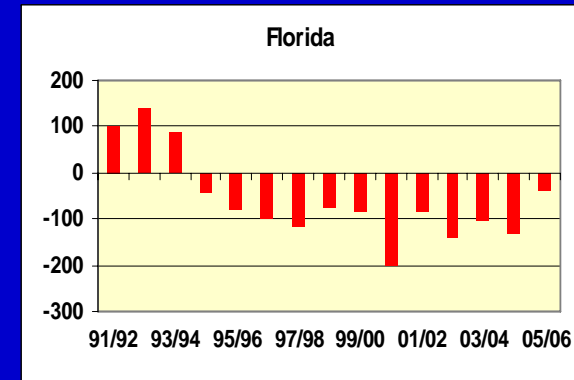
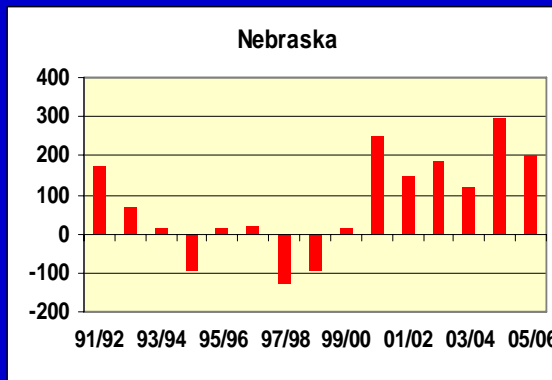
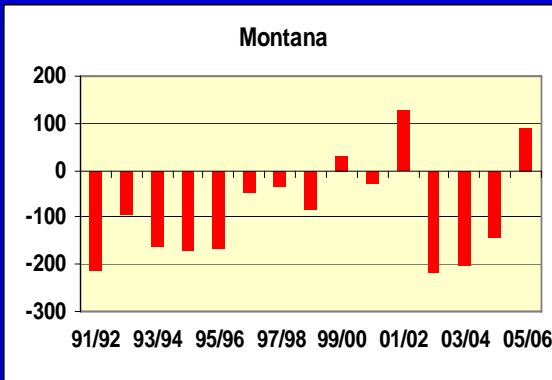
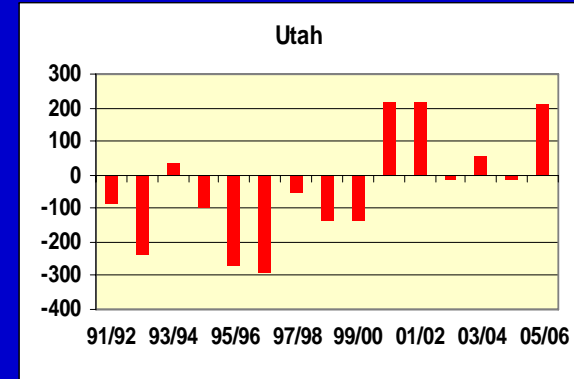
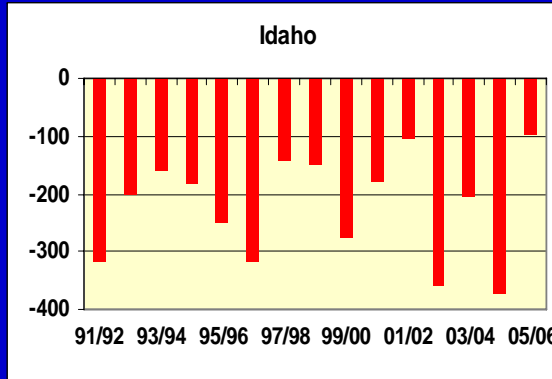
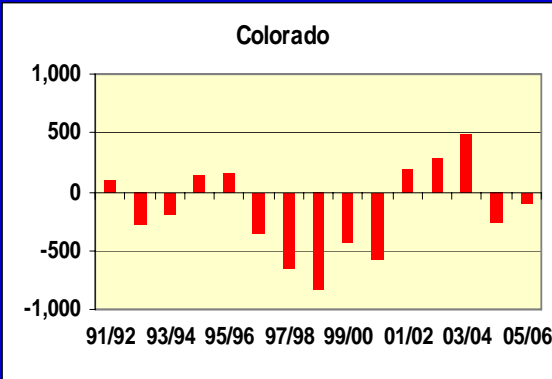
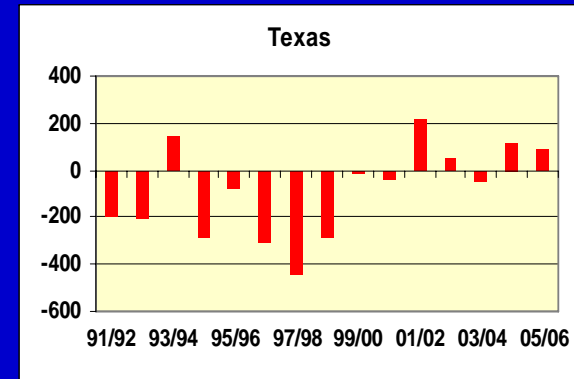
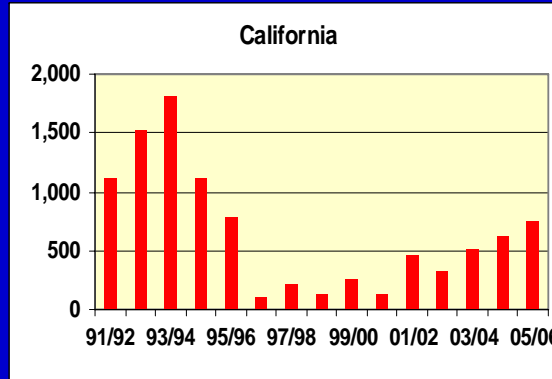
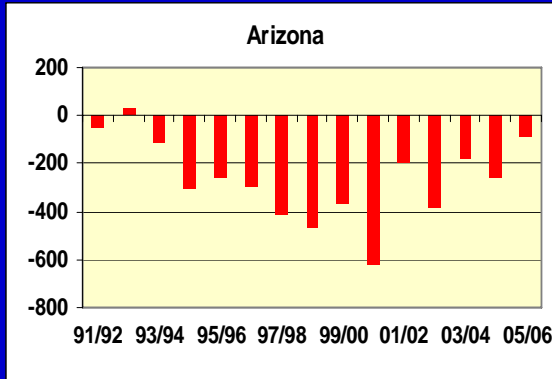
%chge 2006 to 2007



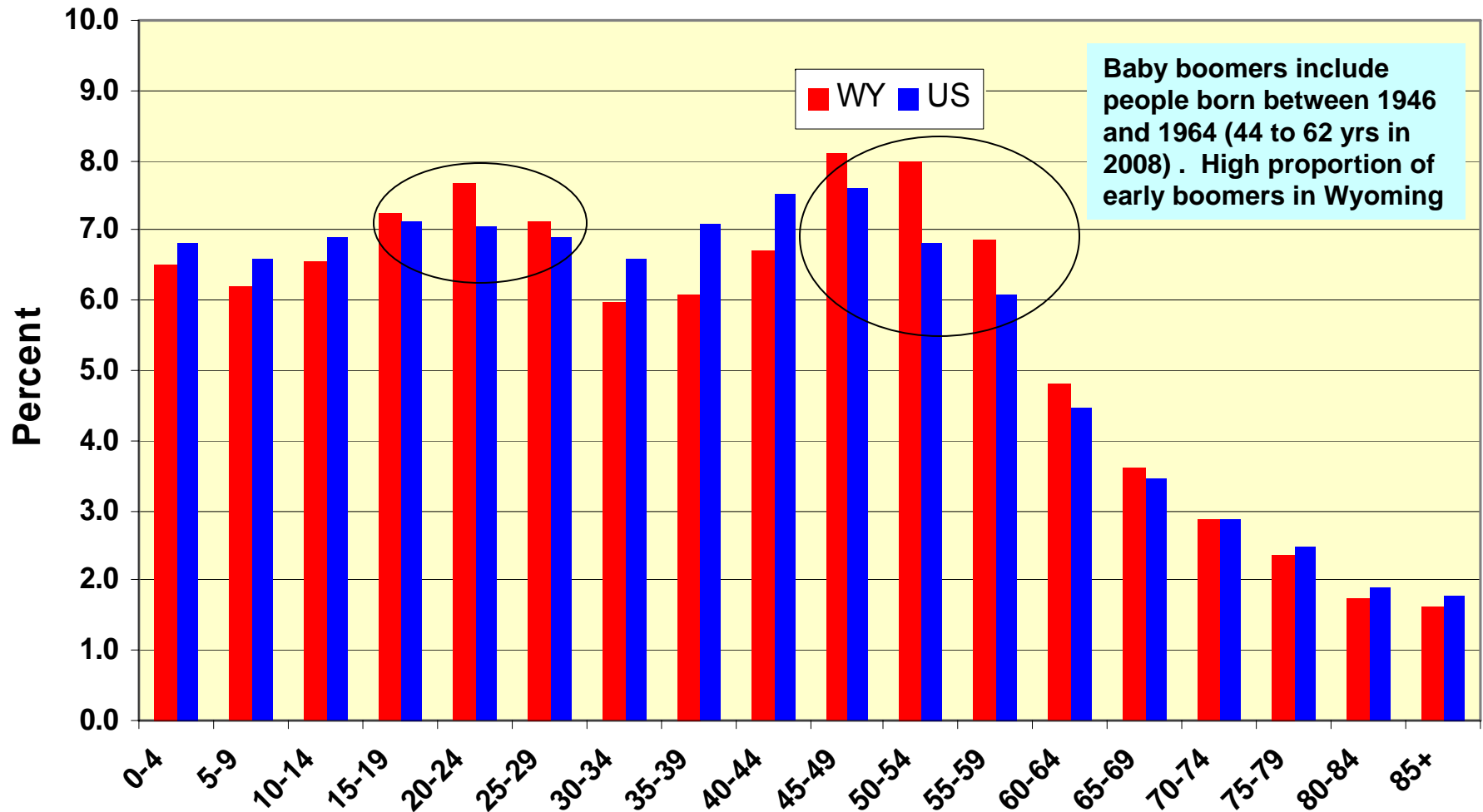
Source: U.S. Census Bureau

Prepared by Wyoming Economic Analysis Division

Net Migration between Wyoming and Selected States 1991 to 2006



Percent of Population by Age Group for U.S. and Wyoming: 2006

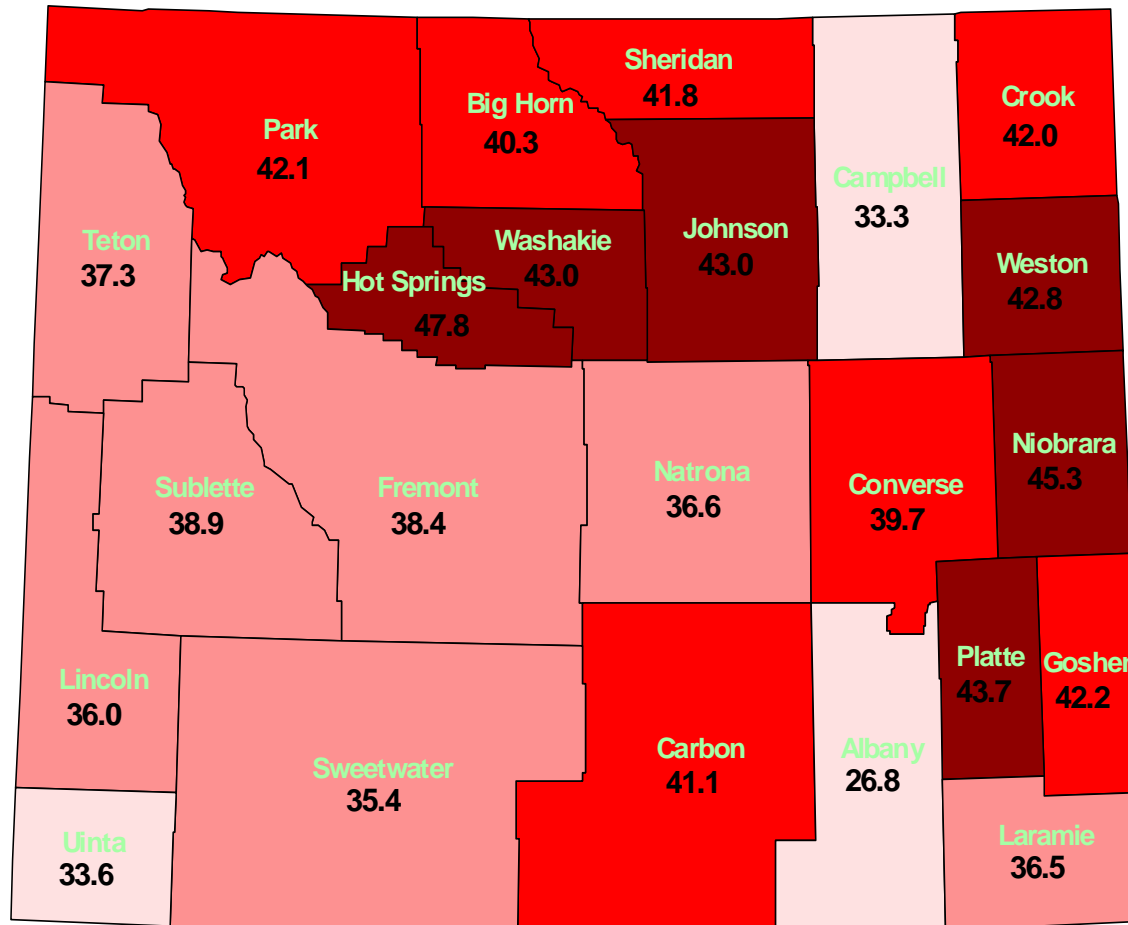


Source: U.S. Census Bureau

Prepared by Wyoming Economic Analysis Division

Median Age by County: 2006

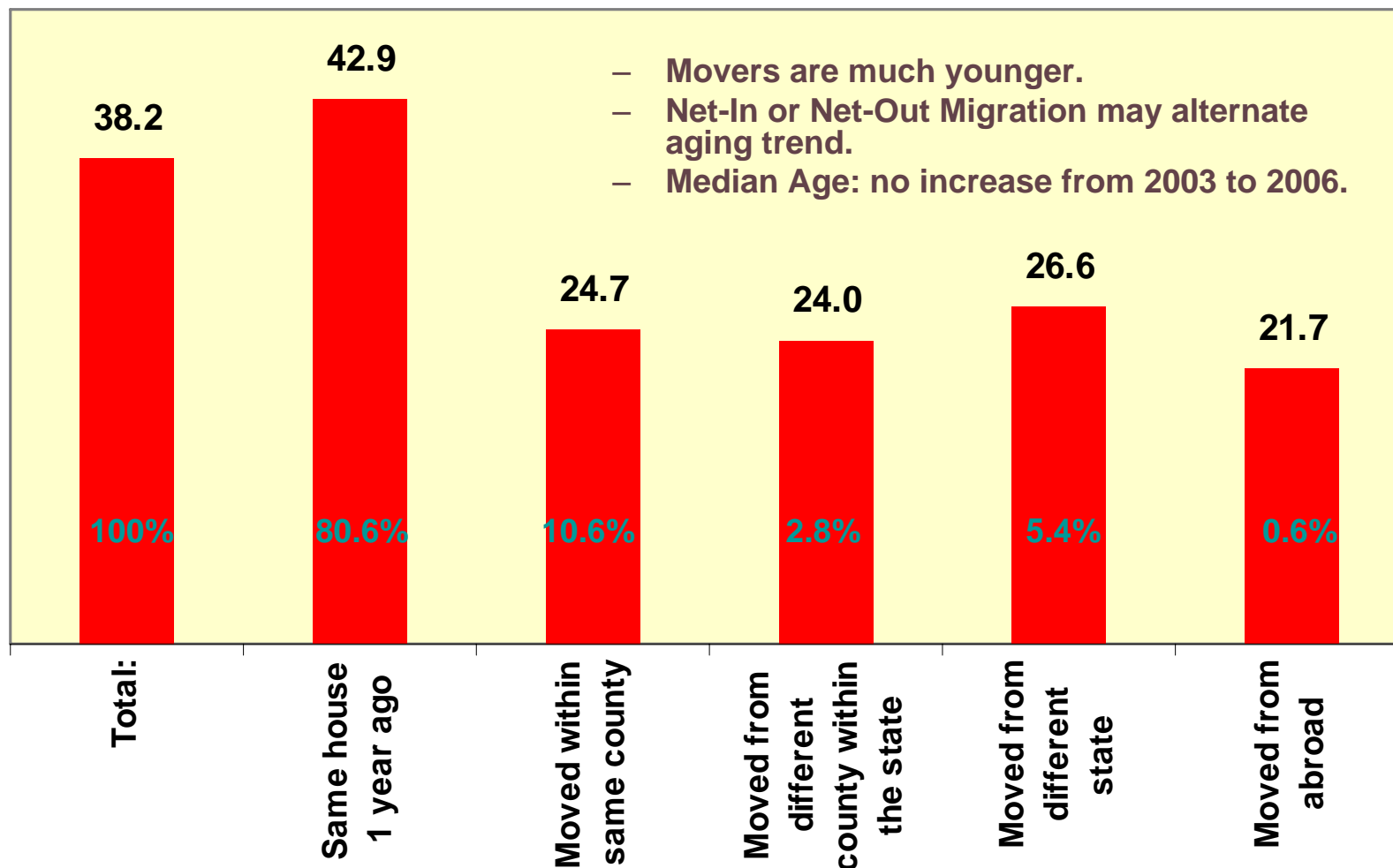
Wyoming = 37.1 U.S. = 36.4



Source: U.S. Census Bureau

Prepared by Wyoming Economic Analysis Division

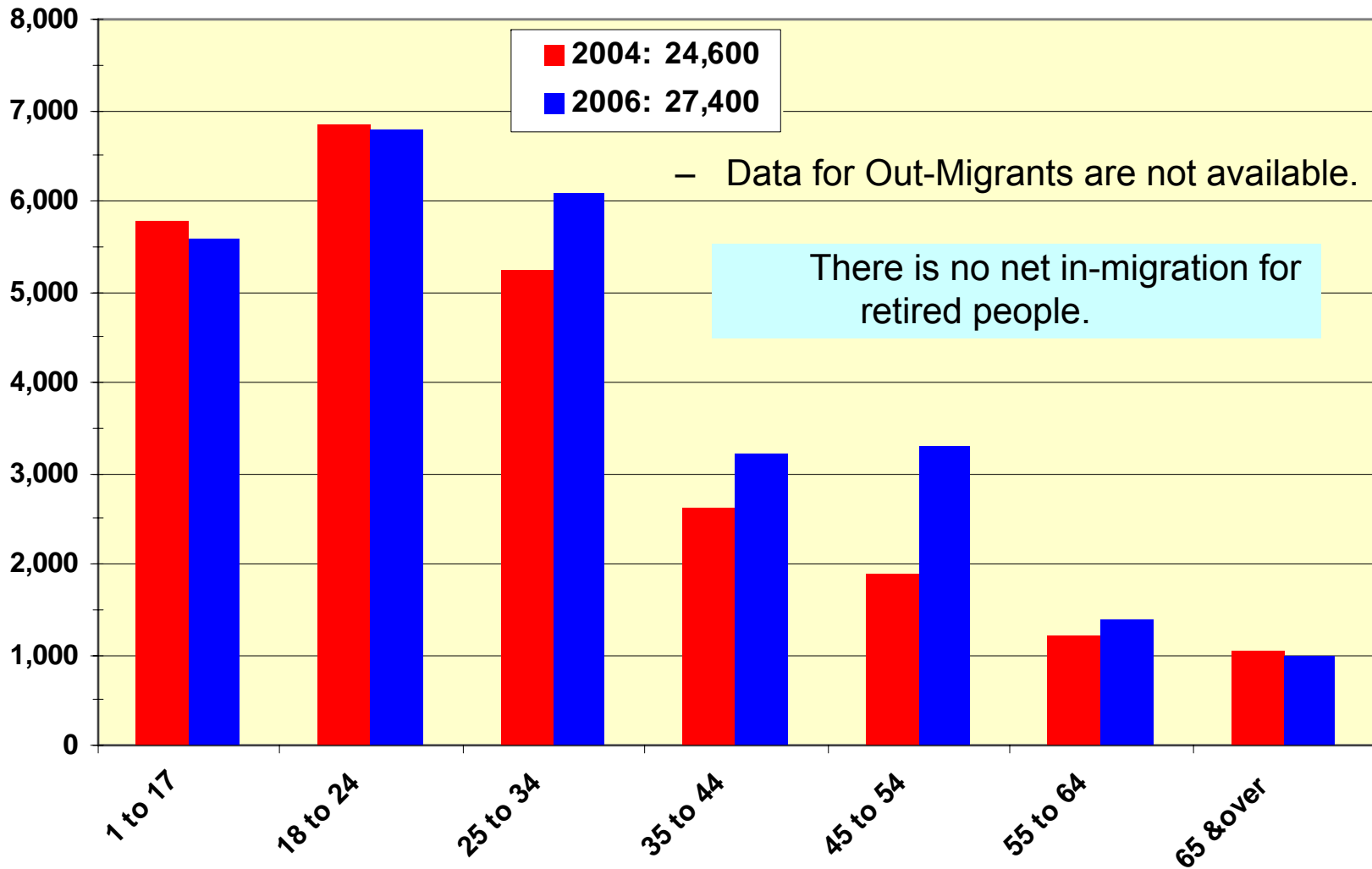
Median Age for Population 1 Year and Over in Wyoming: 2006



- Movers are much younger.
- Net-In or Net-Out Migration may alternate aging trend.
- Median Age: no increase from 2003 to 2006.

Source: U.S. Census Bureau

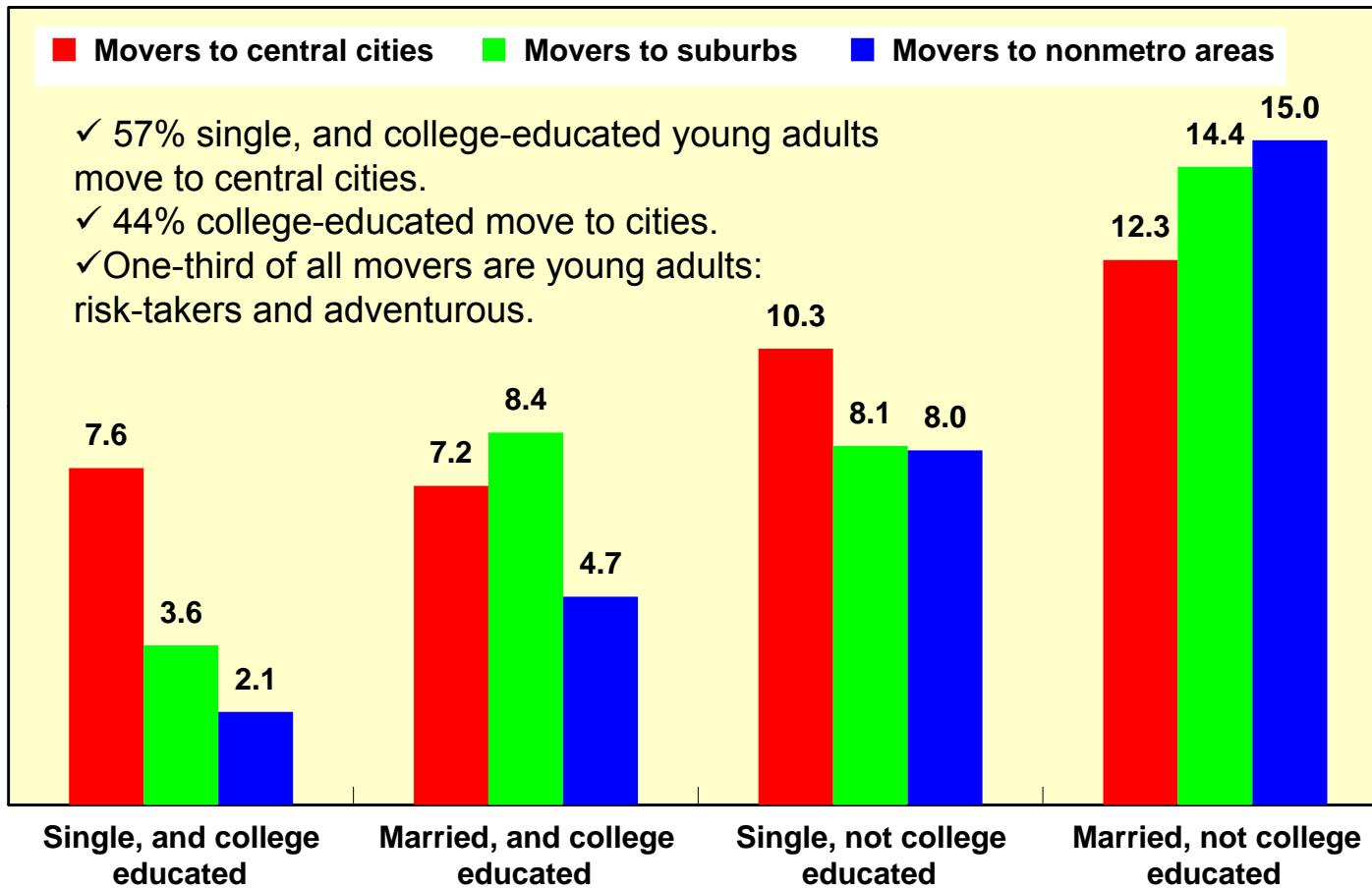
Population Moved from Other States into Wyoming



Source: U.S. Census Bureau

Prepared by Wyoming Economic Analysis Division

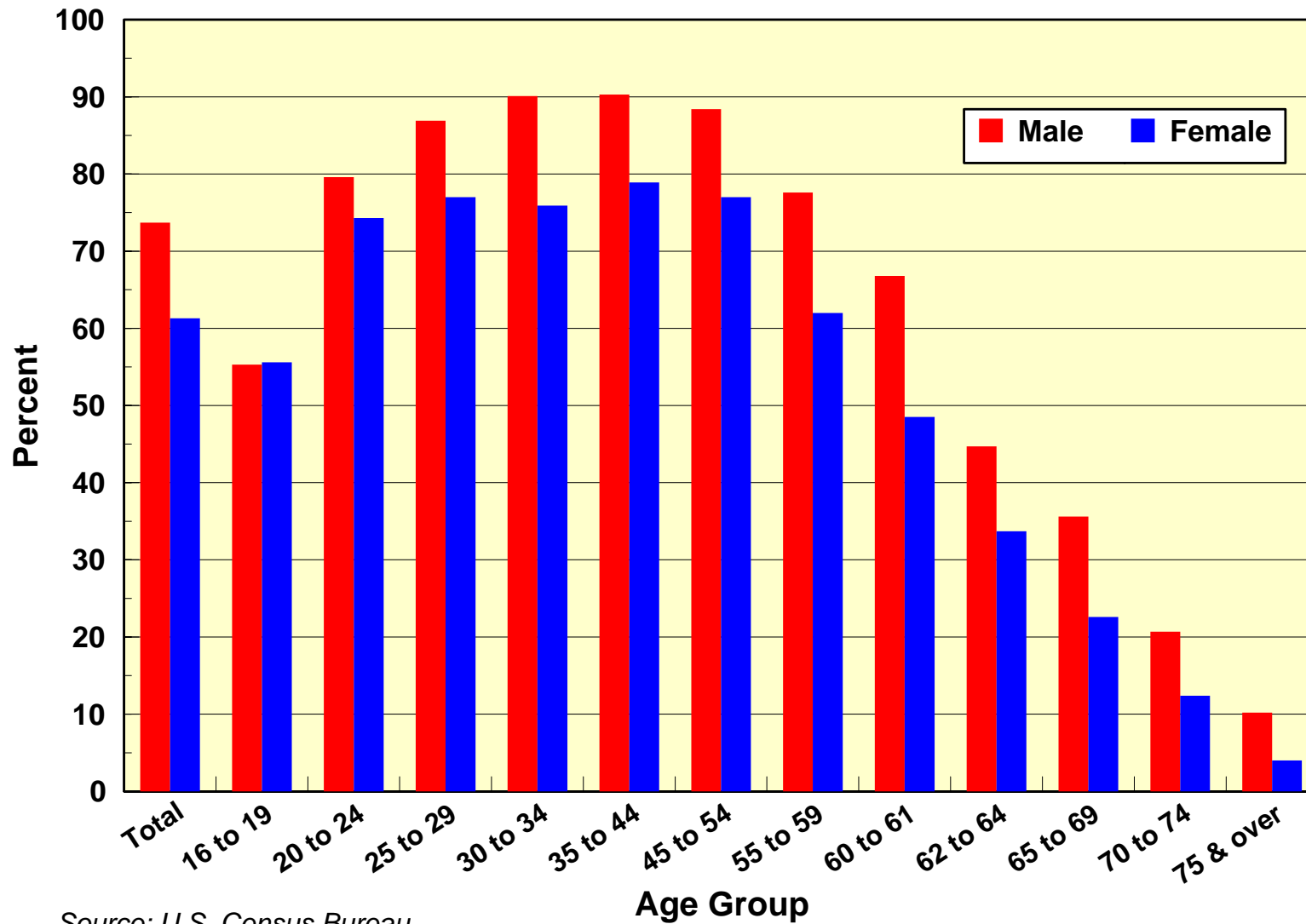
Percent of Young Movers (age 25 to 39) to Specified Destination for U.S. : 1995 to 2000



Source: U.S. Census Bureau

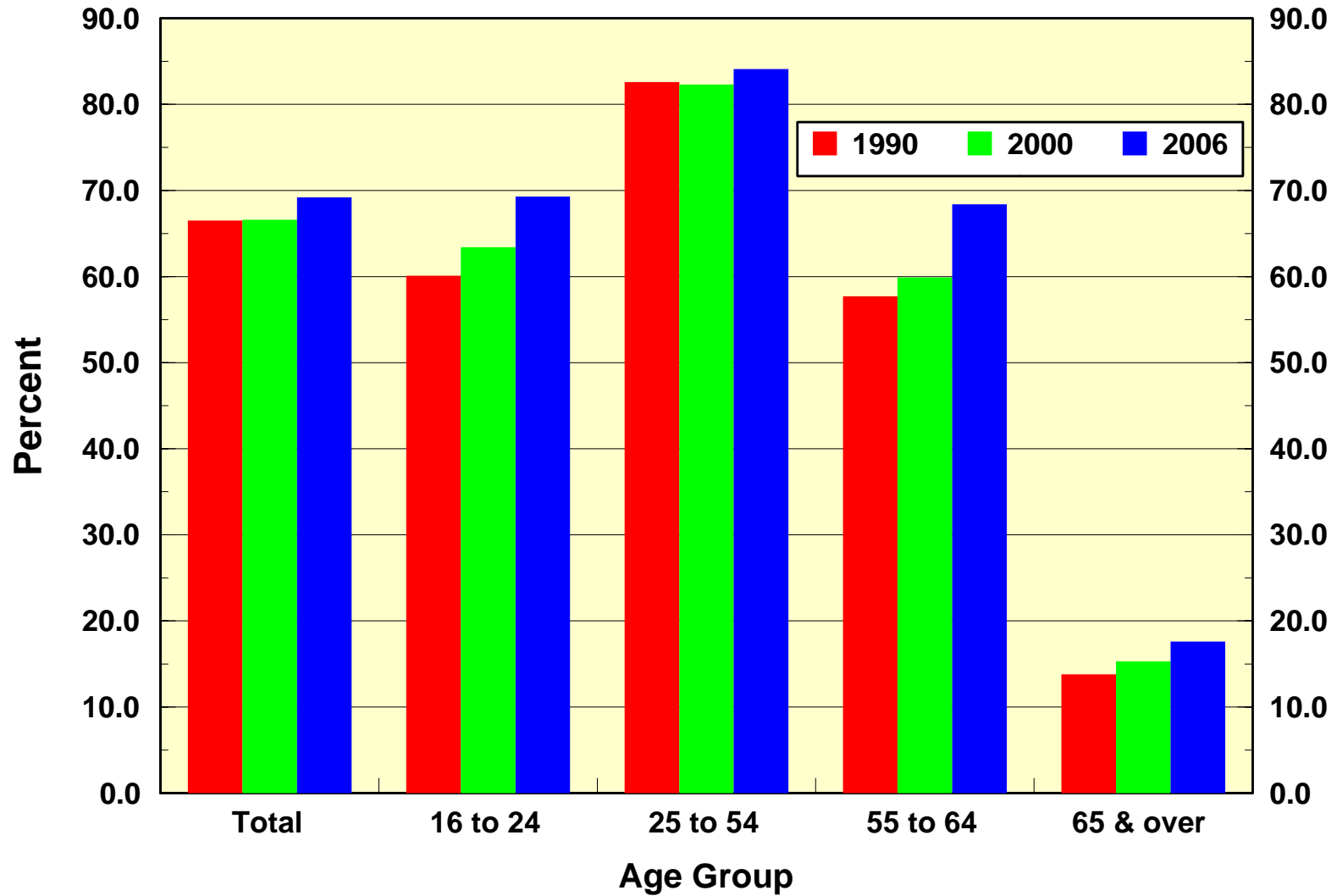
Prepared by Wyoming Economic Analysis

% of Persons in Labor Force for Wyoming: 2000



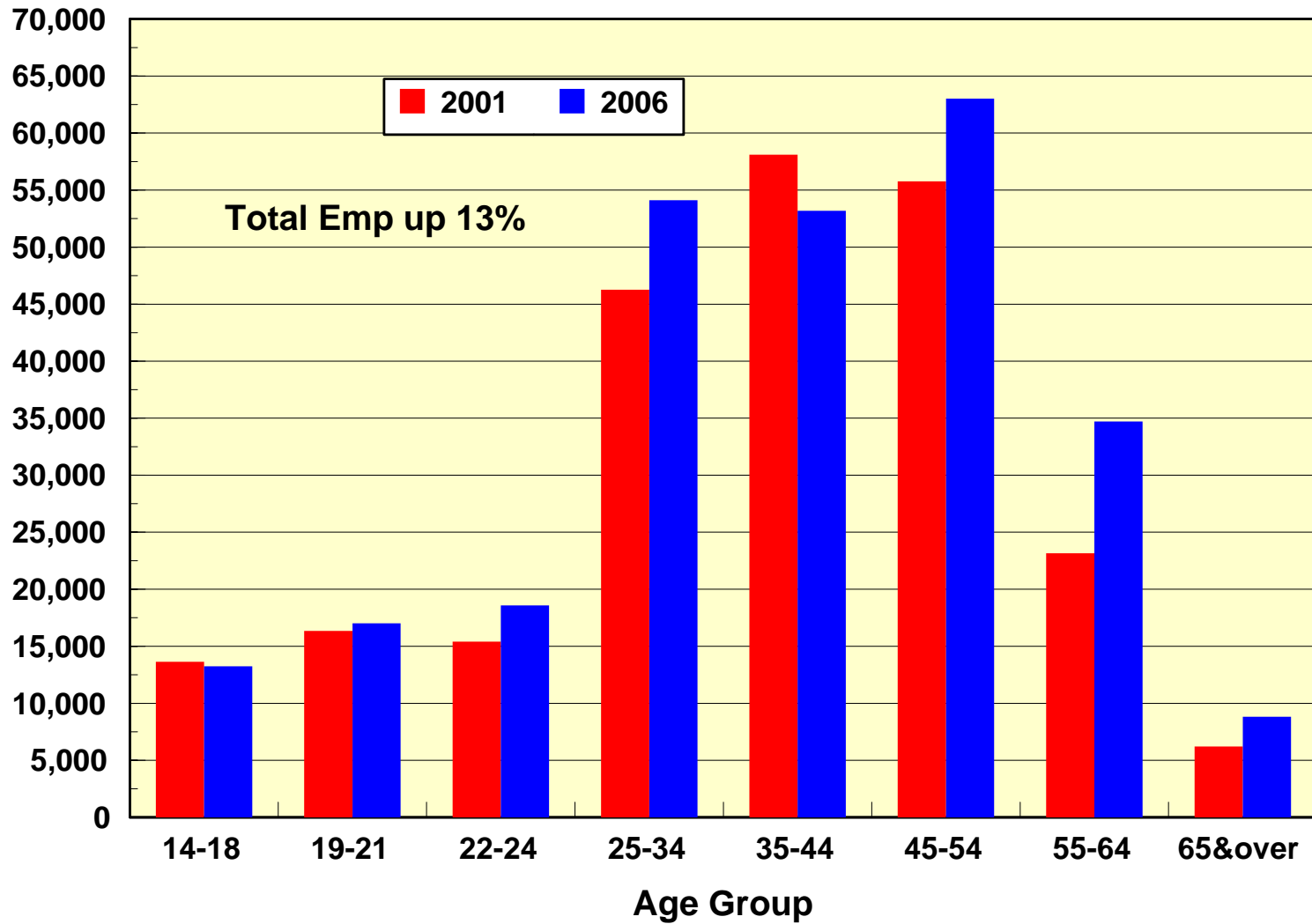
Source: U.S. Census Bureau

% of Wyoming Population 16 Years and Over in Civilian Labor Force



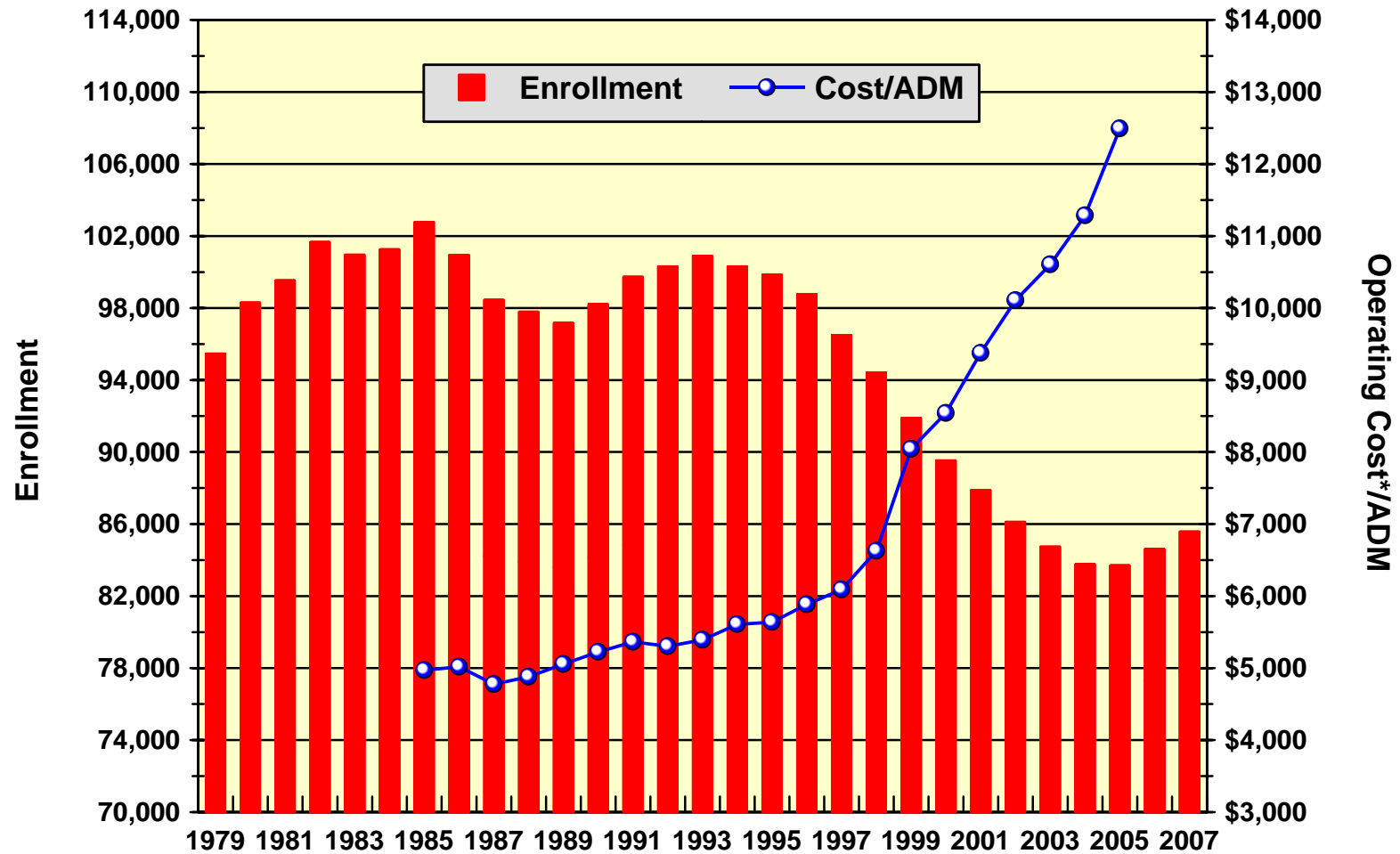
Source: U.S. Census Bureau

Number of Workers by Age for Wyoming



Source: QWI, U.S. Census Bureau

WY K-12 School Enrollment and Cost/ADM



* Operating Costs include general fund, special revenue, and enterprise fund.

Source: Wyoming Department of Education

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- **Migration**

- Single and young migrants: job opportunities
- Married and older migrants: quality of life, e.g. family, housing, low crime, schools.

- **Rural aging**

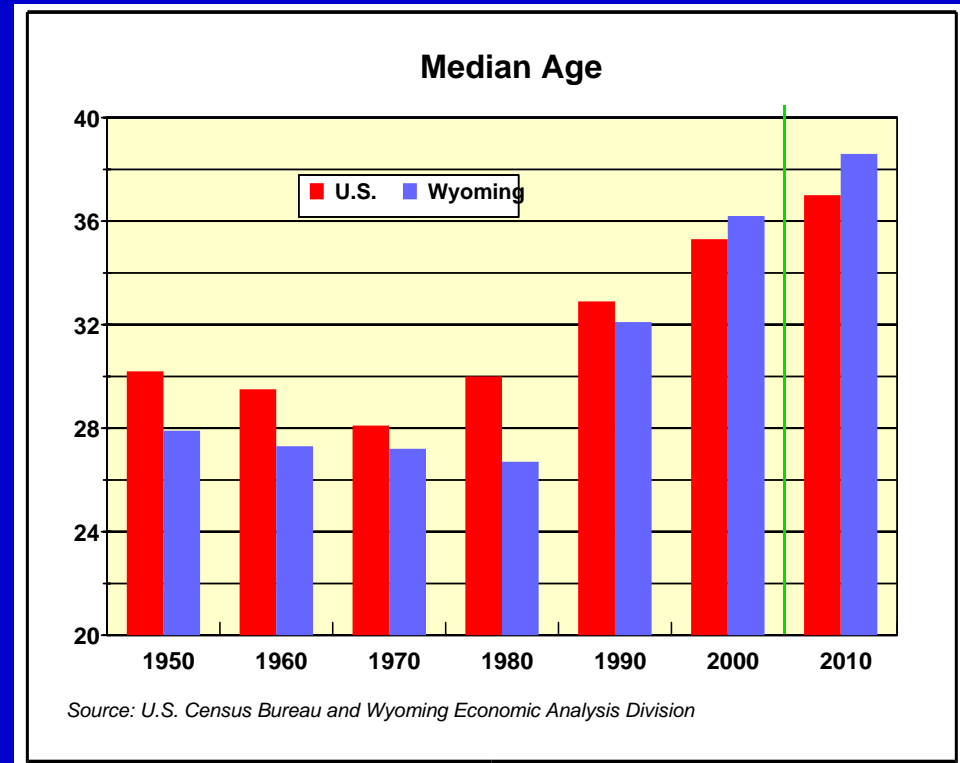
- No big metro/job opportunities
- Low minority and migrants
- High proportion of baby-boomers

- **Tight labor force market will continue.**

- Early baby-boomer will start to retire in a few years.
- Low proportion of Generation X to replace them.
- Jobs increasing at faster pace than population.
- Out-of-state workers.

- **Hiring practice**

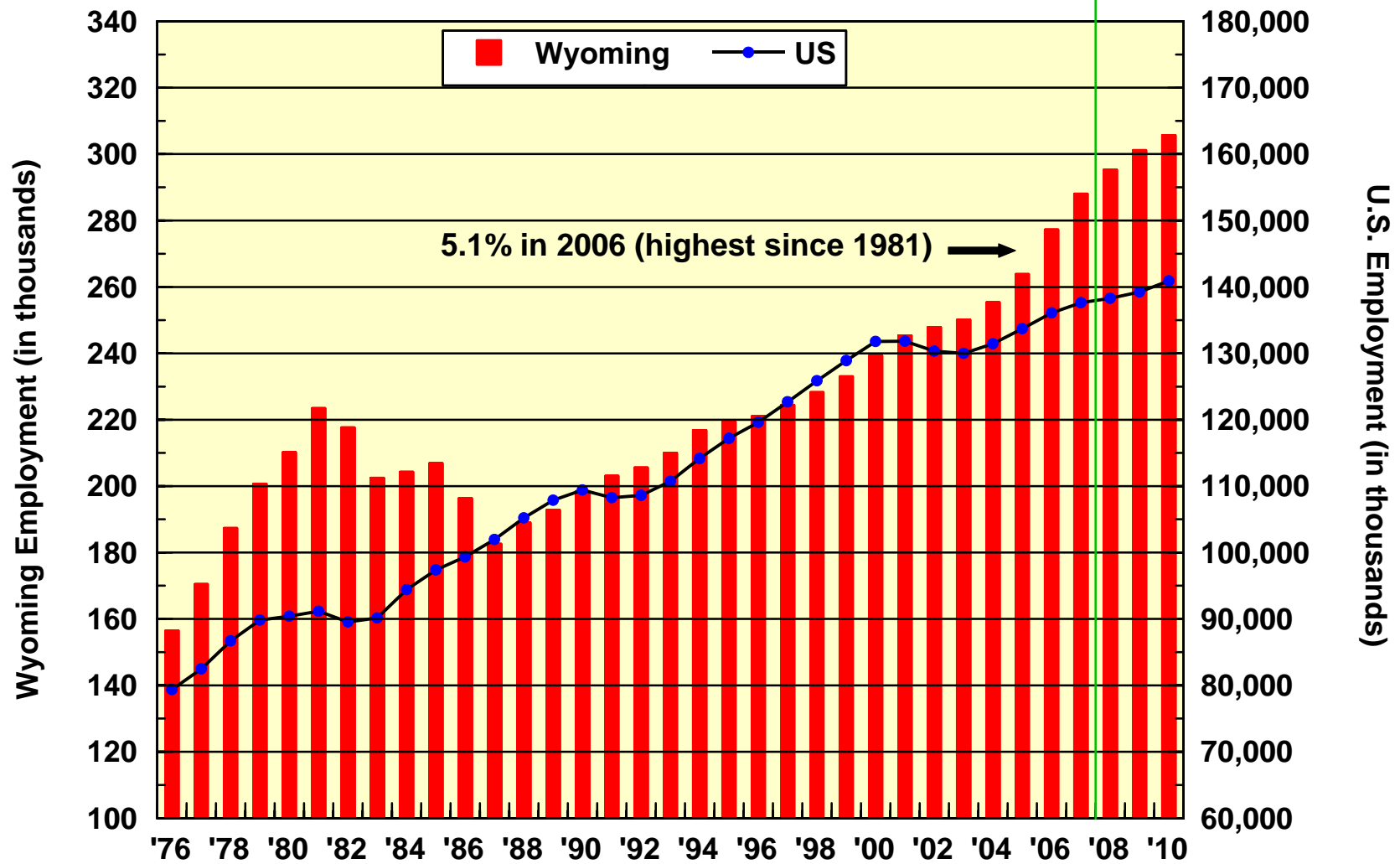
- Older workforce
- Flexibility of work schedule
- Benefits



“This is not your father’s boom”

- Demand driven (long-term) vs. supply driven (short-term).
- Global demand for energy increasing while supply is dwindling. Role of developing countries.
- New price threshold – higher level.
- More exploration & development.
- Wyoming: 3rd in U.S. natural gas reserves: 24 Tcf; 2nd in production: 2.1 Tcf, 10% of U.S.
- 1st in coal production – 440 million tons, 38% of U.S. total.
- 7th in oil production – 54 million barrels, 3% of U.S. total.
- Uranium: big potential. Price is 10 times higher. 2 million ton production, only 1/6th of 1980 level.

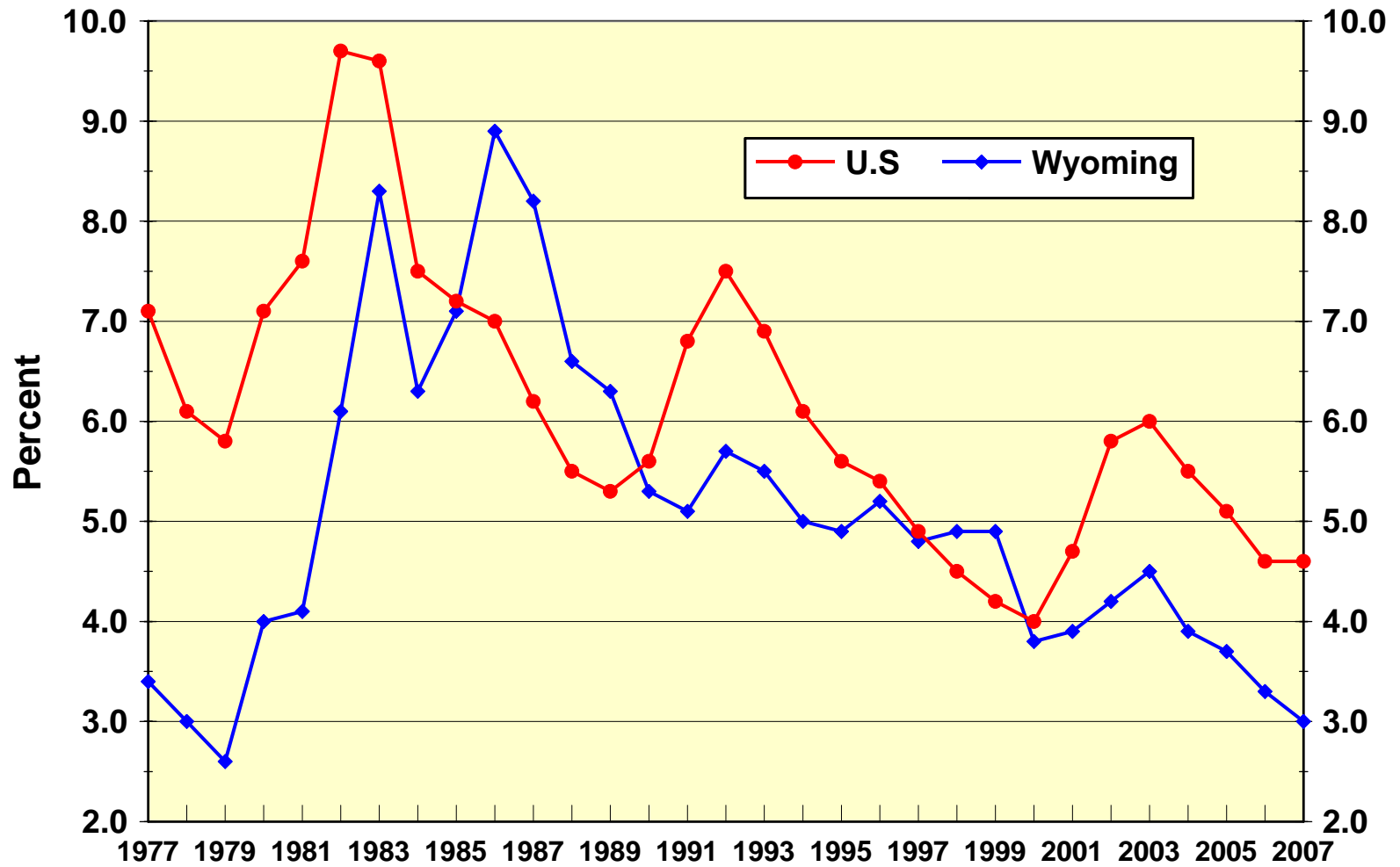
Non-Farm Wage and Salary Employment for Wyoming and U.S. (Number of jobs)



Source: U.S. Bureau of Labor Statistics and Wyoming Economic Analysis Division

Wyoming and U.S .Unemployment Rates: 1977 - 2007

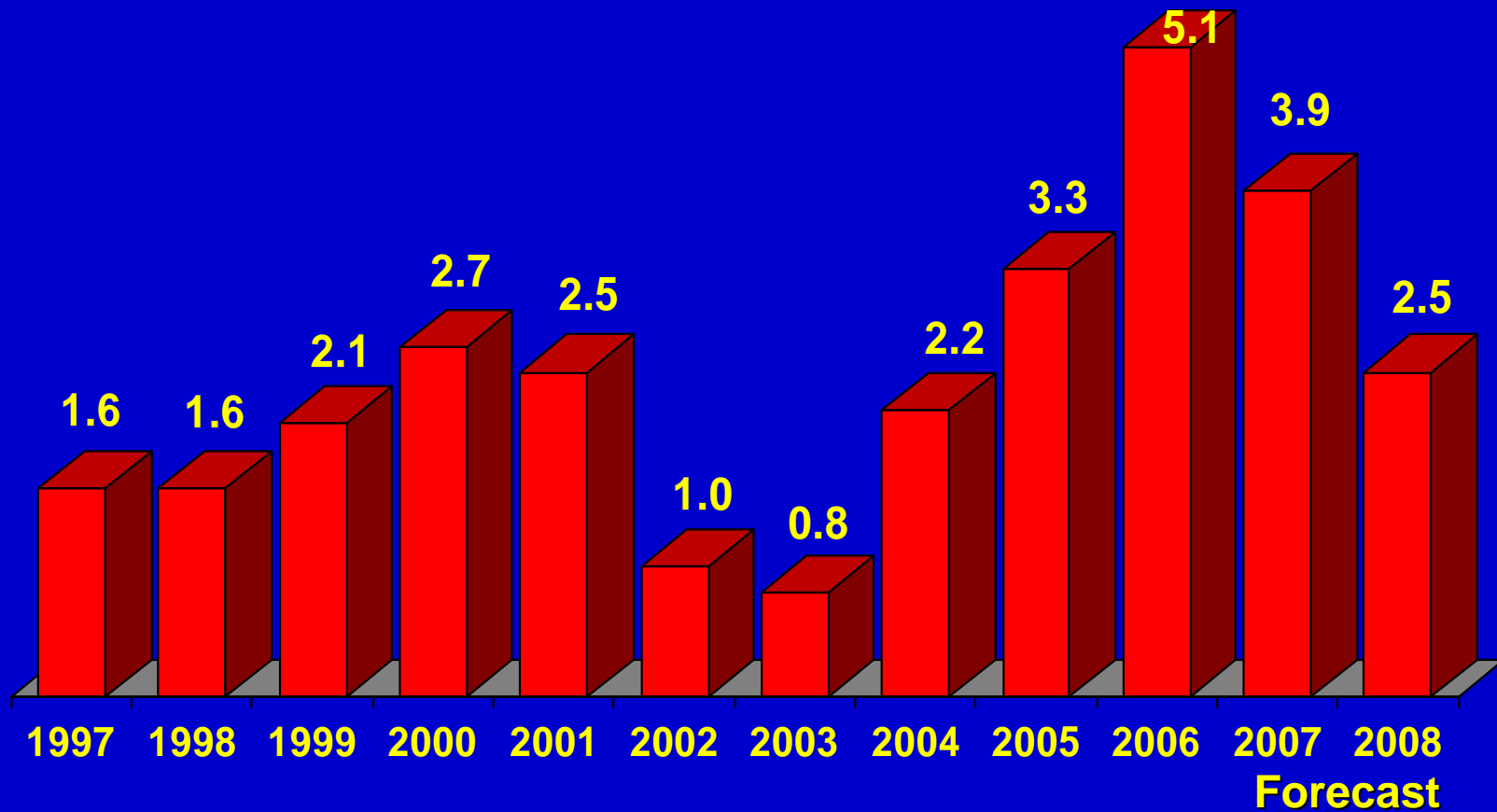
Annual Average



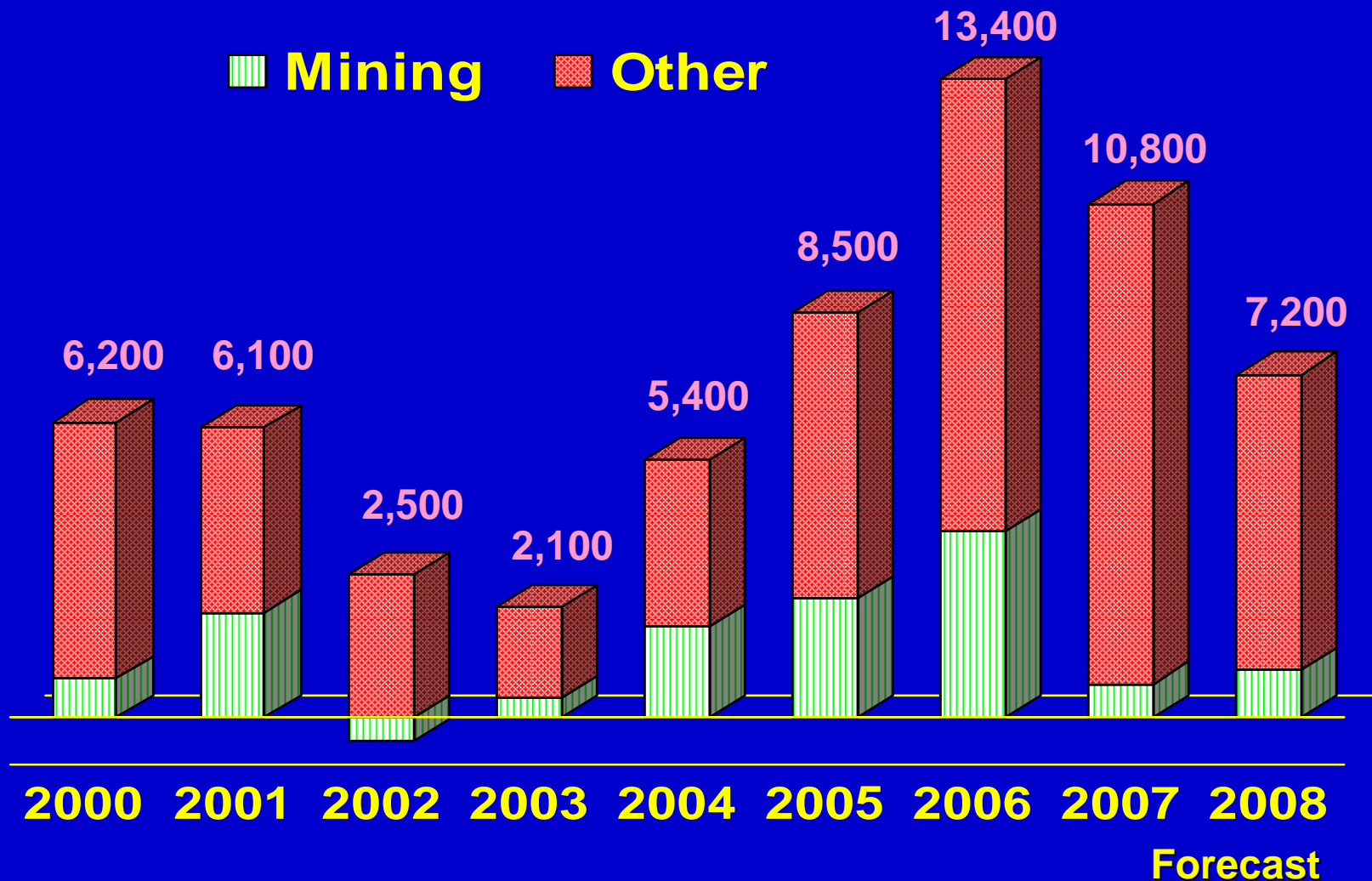
Source: U.S. Bureau of Labor Statistics

Wyoming Job Growth Outlook: 2006: Best Gains Since 1981

Annual Percent Growth In Non-Farm Employment



Wyoming Job Growth Outlook: 10,800 New Jobs in 2007

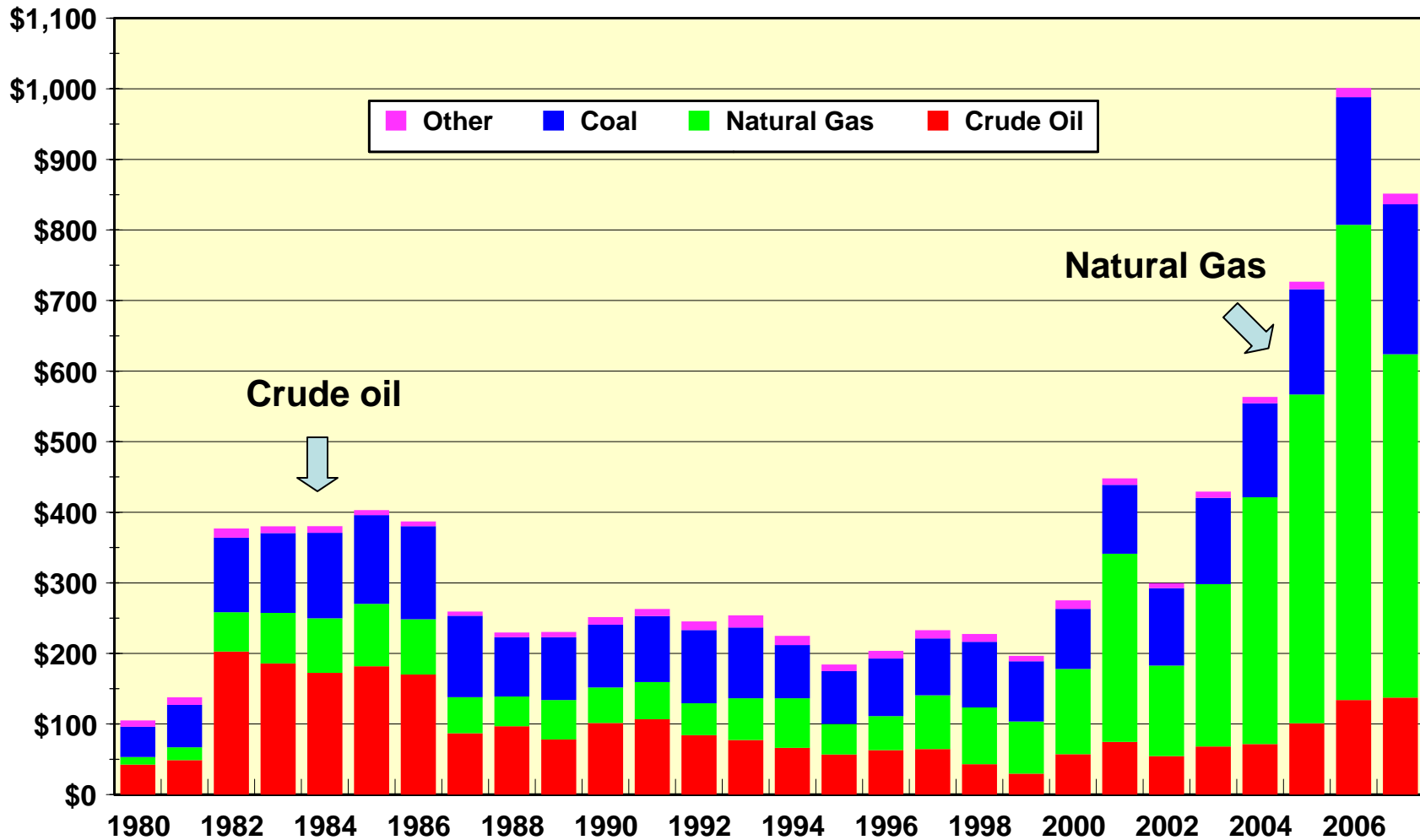


Why is mineral production important to Wyoming?

- Mineral income currently makes up close to two-thirds of State's total revenue.
- Mineral income is obtained from:
 - Severance taxes (\$864 million in FY07).
 - Federal mineral royalties (\$757 million in FY07).
 - Mineral property taxes (\$950 million in FY07).
 - Coal lease bonuses (\$170 million in FY07).
 - Sales and use taxes (\$179 million in FY07).
- Household tax burden ranks among the lowest in the nation.

Mineral Severance Taxes: FY1980 - FY2007

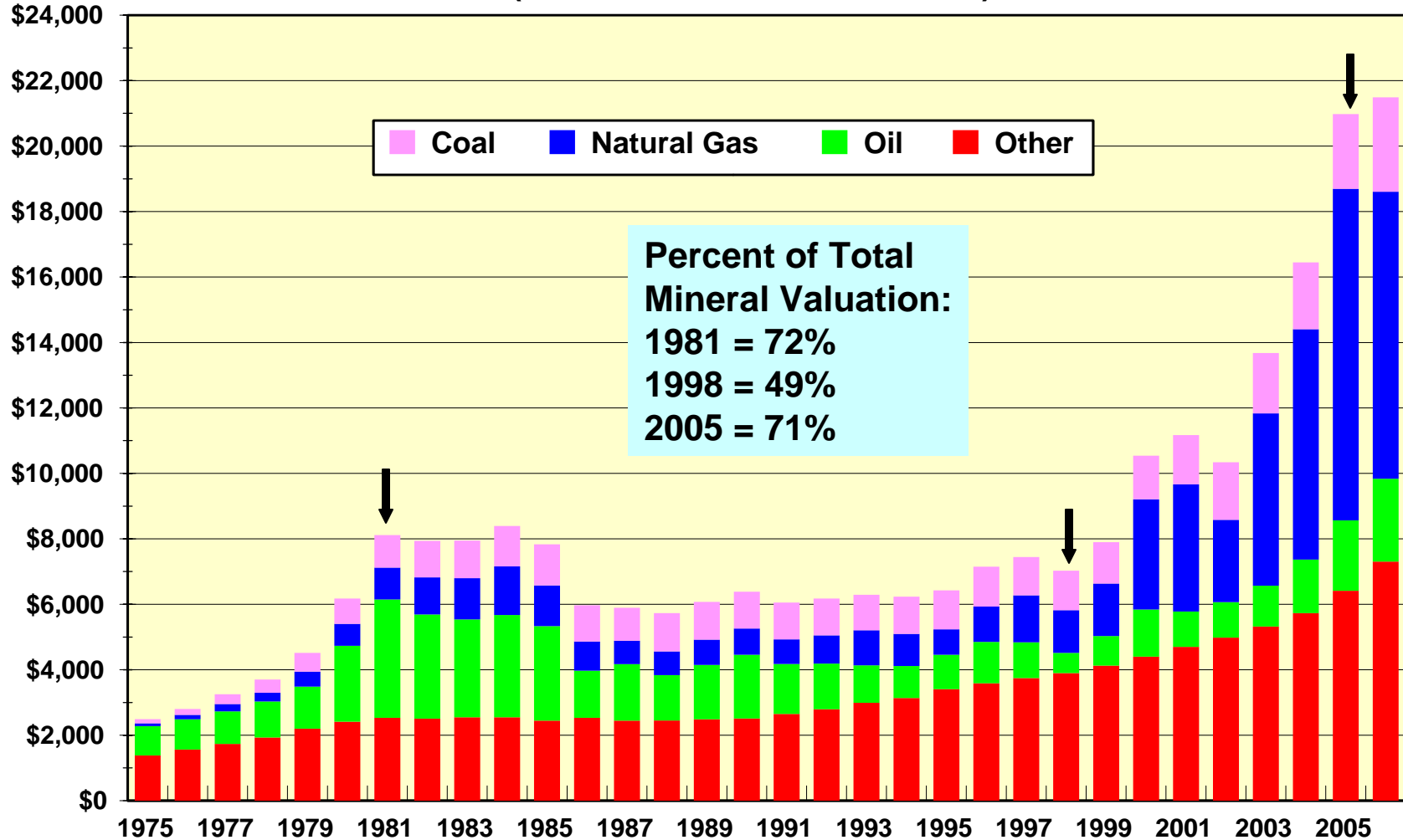
(in millions of current dollars)



Source: Wyoming CREG

Prepared by Wyoming Economic Analysis Division

Total Locally and State Assessed Valuation (in millions of current dollars)

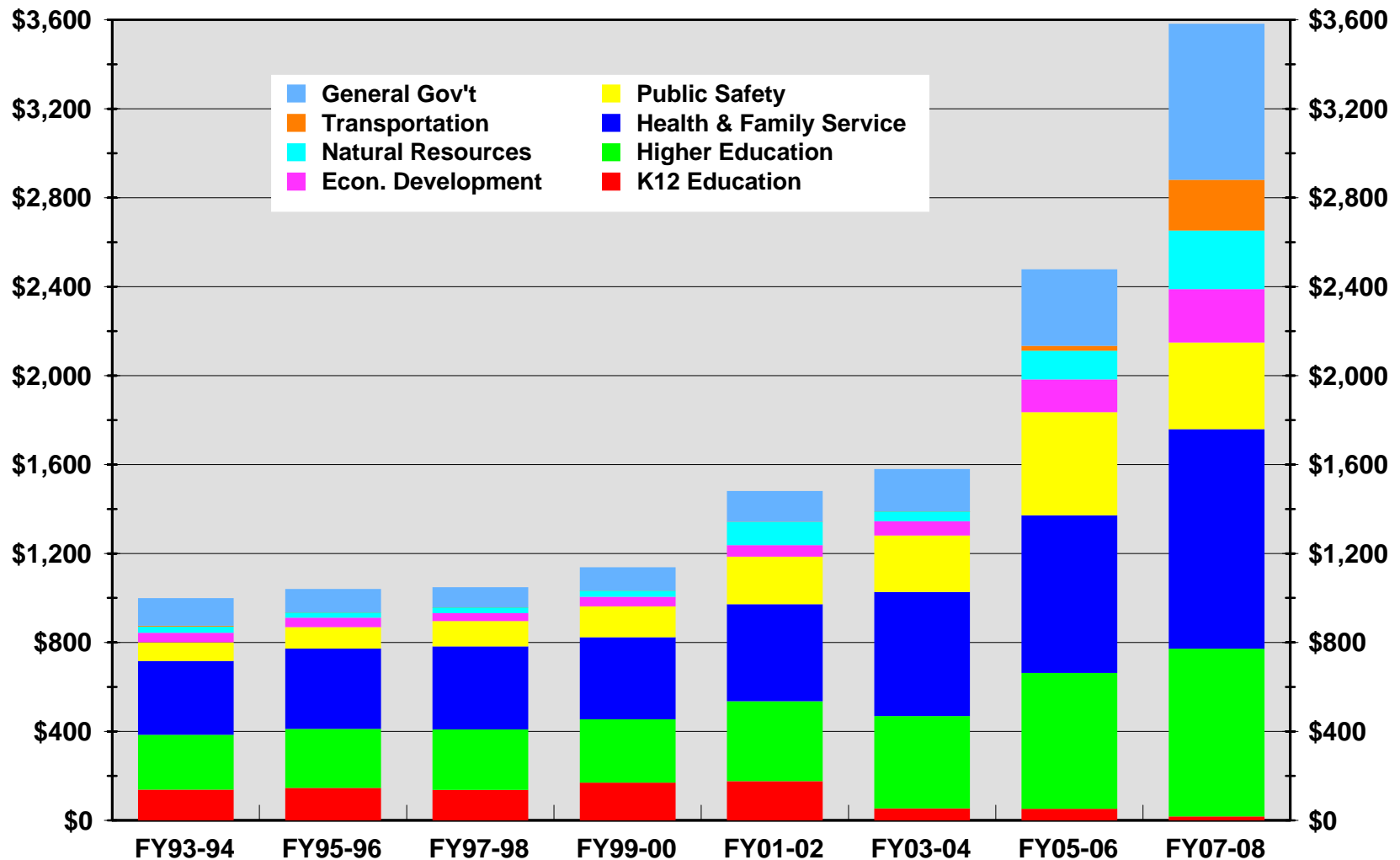


* Other includes other minerals, real and personal property

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Appropriations from General Fund and Other Reserve Accounts

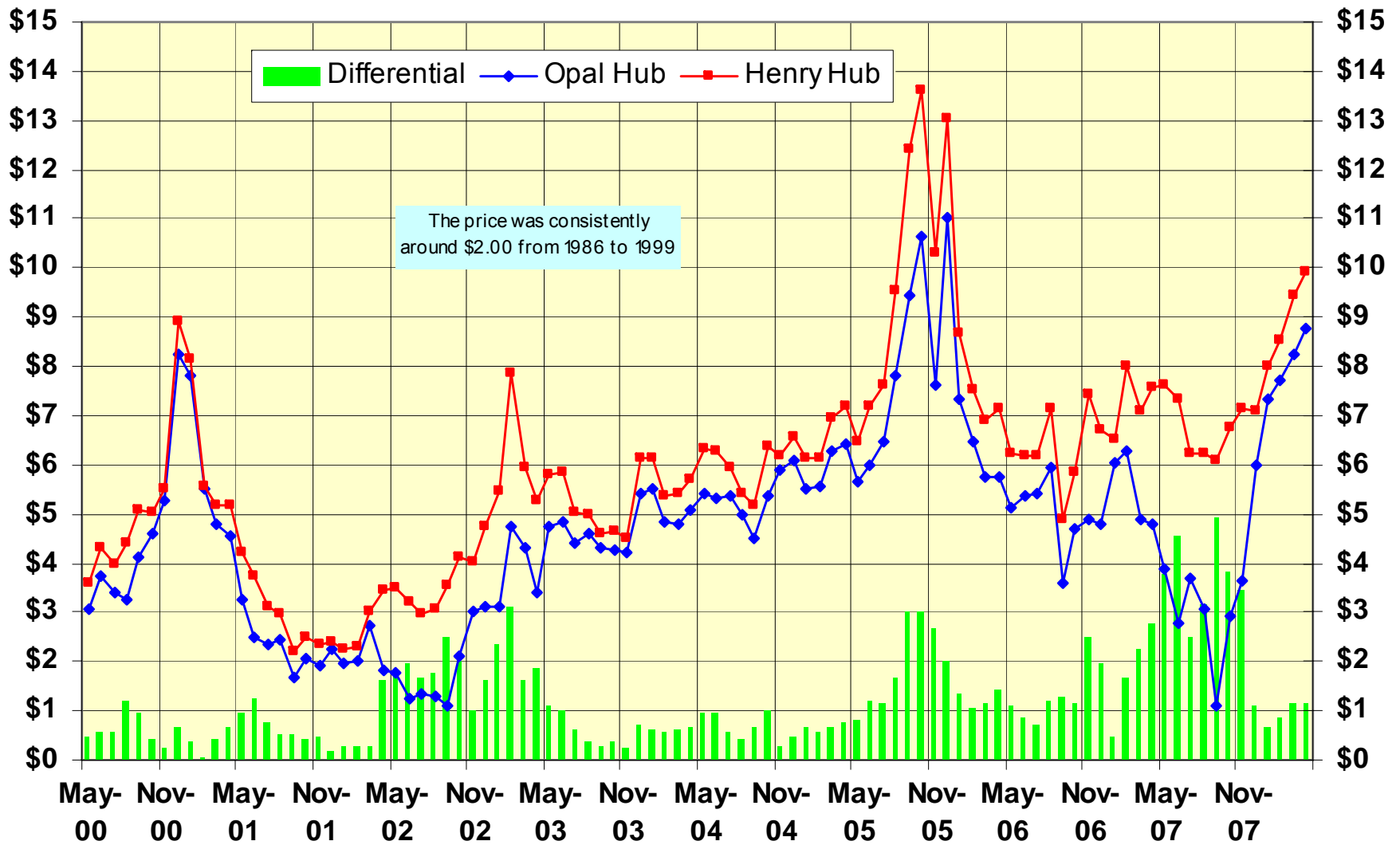
(in millions of current dollars)



Source: LSO (through 2007 Budget Session)

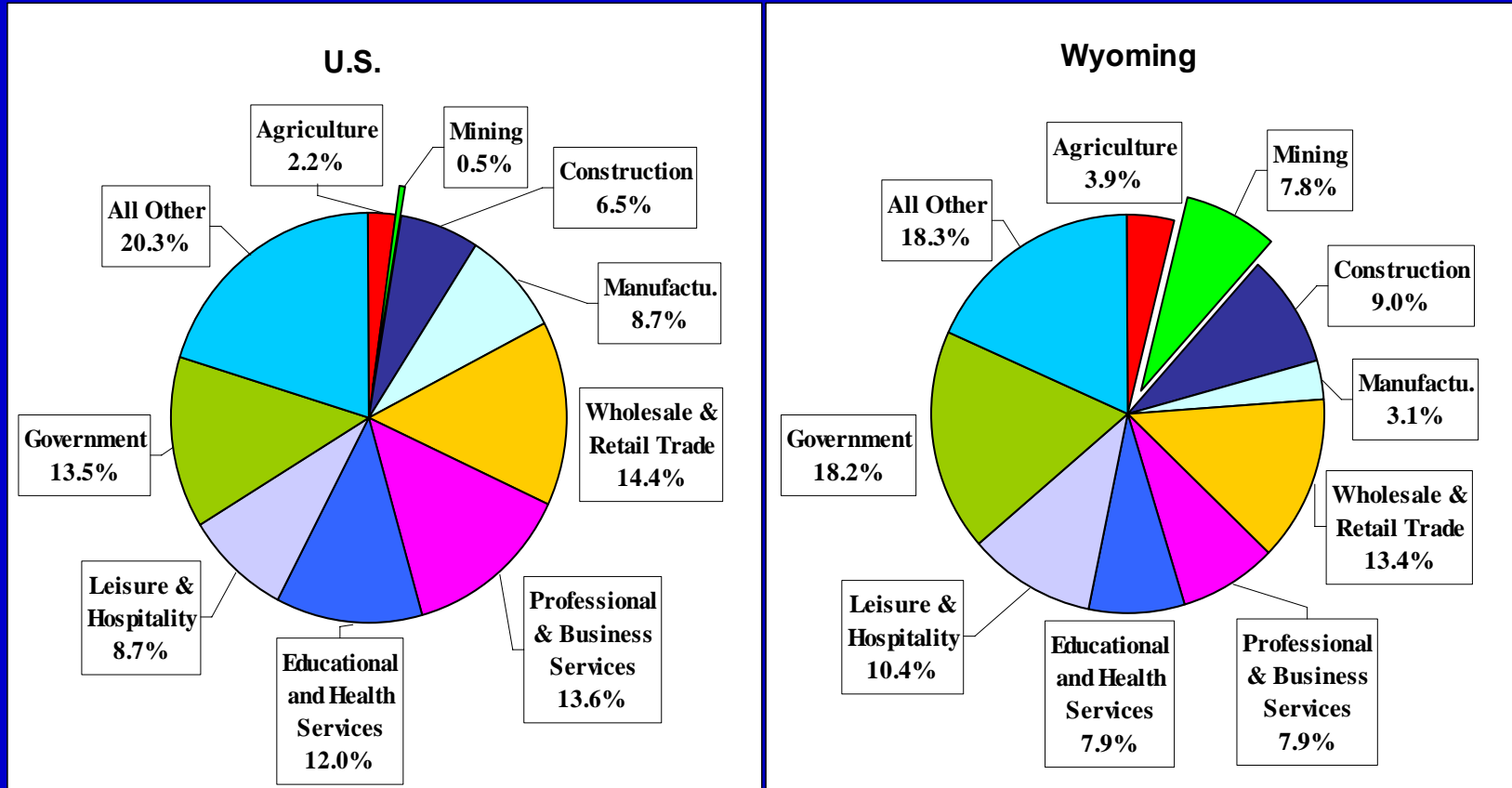
Prepared by Wyoming Economic Analysis Division

Natural Gas Spot Prices (\$/mcf): May 2000 - Apr 2008



Employment by Industry for Wyoming and U.S.: 2006

(Includes: full and part-time wage and salary jobs, and proprietors employment)

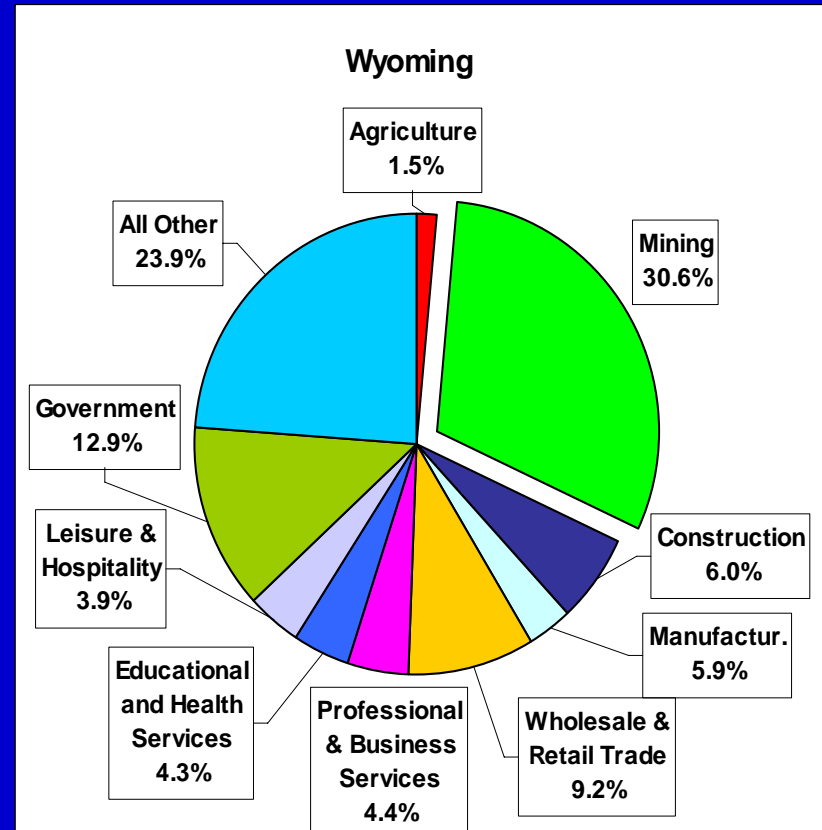
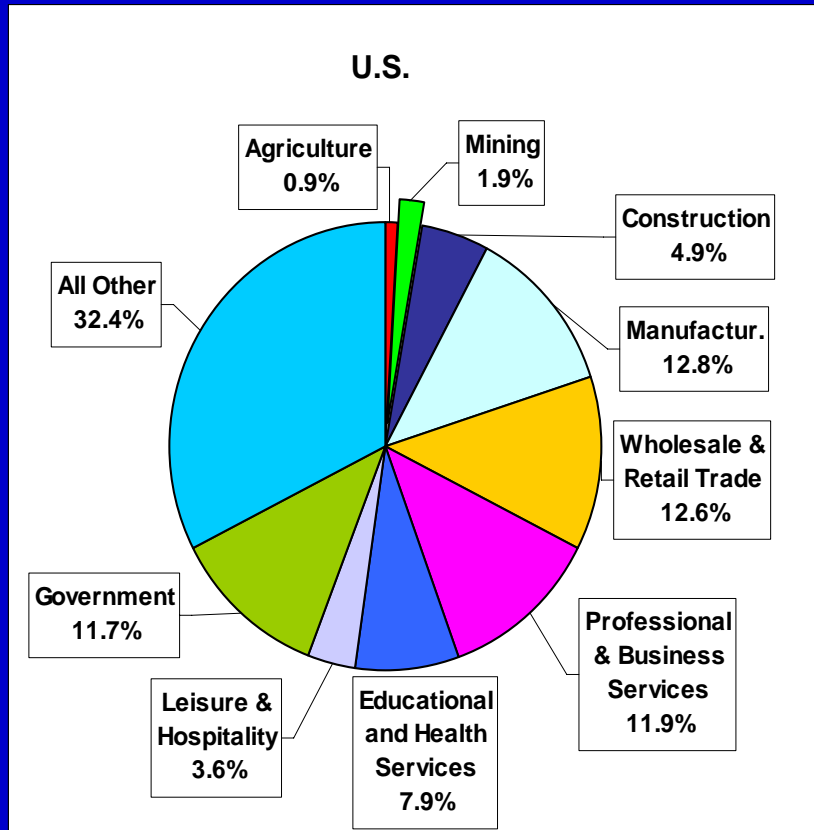


Wyoming = 376,222
U.S. = 178,342,900

Source: U.S. Bureau of Economic Analysis

- Mining - 1st
- Construction - 3rd
- Leisure & Hospitality - 4th
- Government - 4th
- Manufacturing - 49th
- Prof. & Bus. Svcs. - 48th
- Educ. & Health Svcs. - 49th

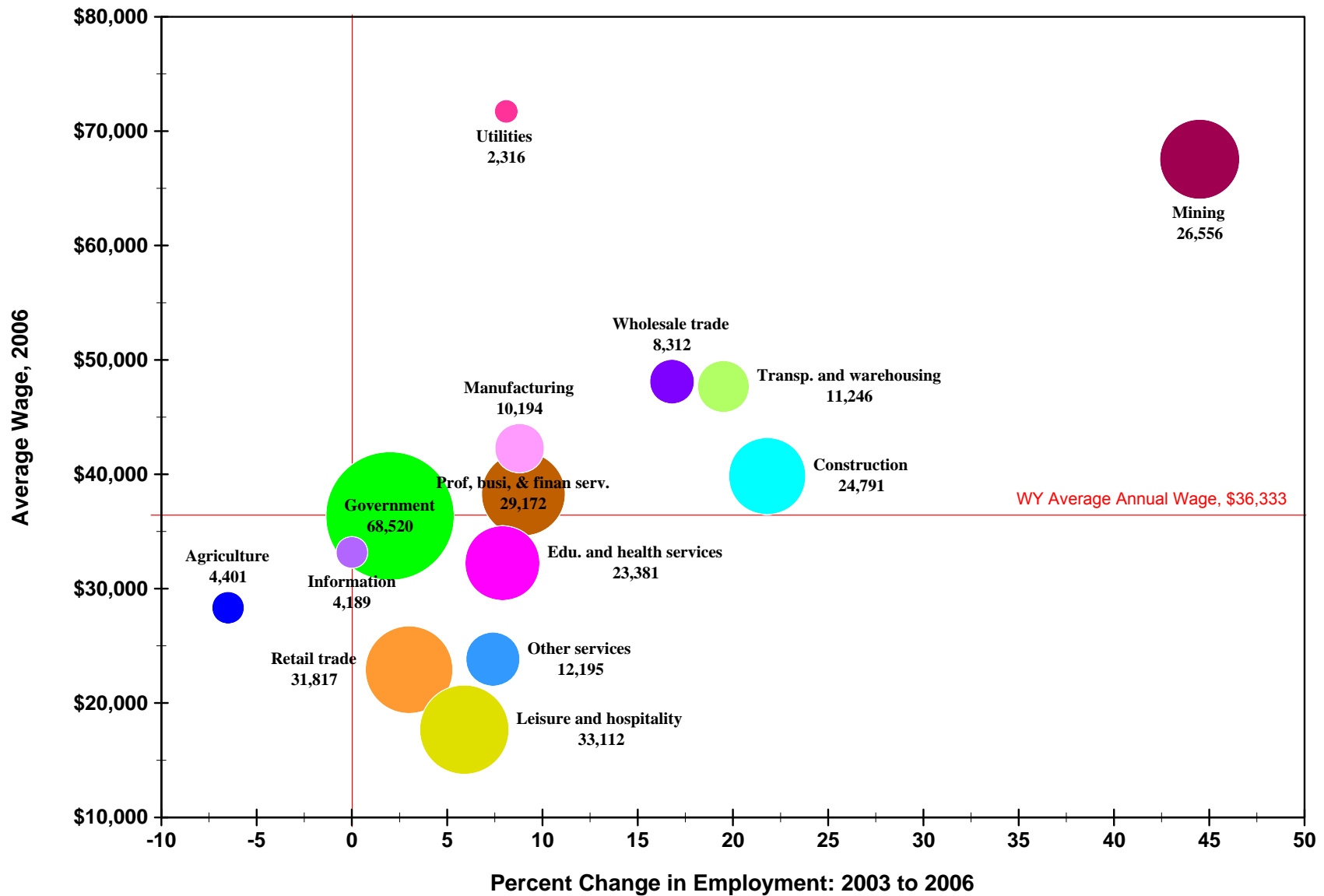
Gross Domestic Product for Wyoming and U.S.: 2006 by Industry



Source: U.S. Bureau of Economic Analysis

Note: GDP is often referred to as its "value added", is equal to its gross output (sales or receipts and other operating income, plus inventory change) minus its intermediate inputs (consumption of goods and services purchased from other industries or imported).

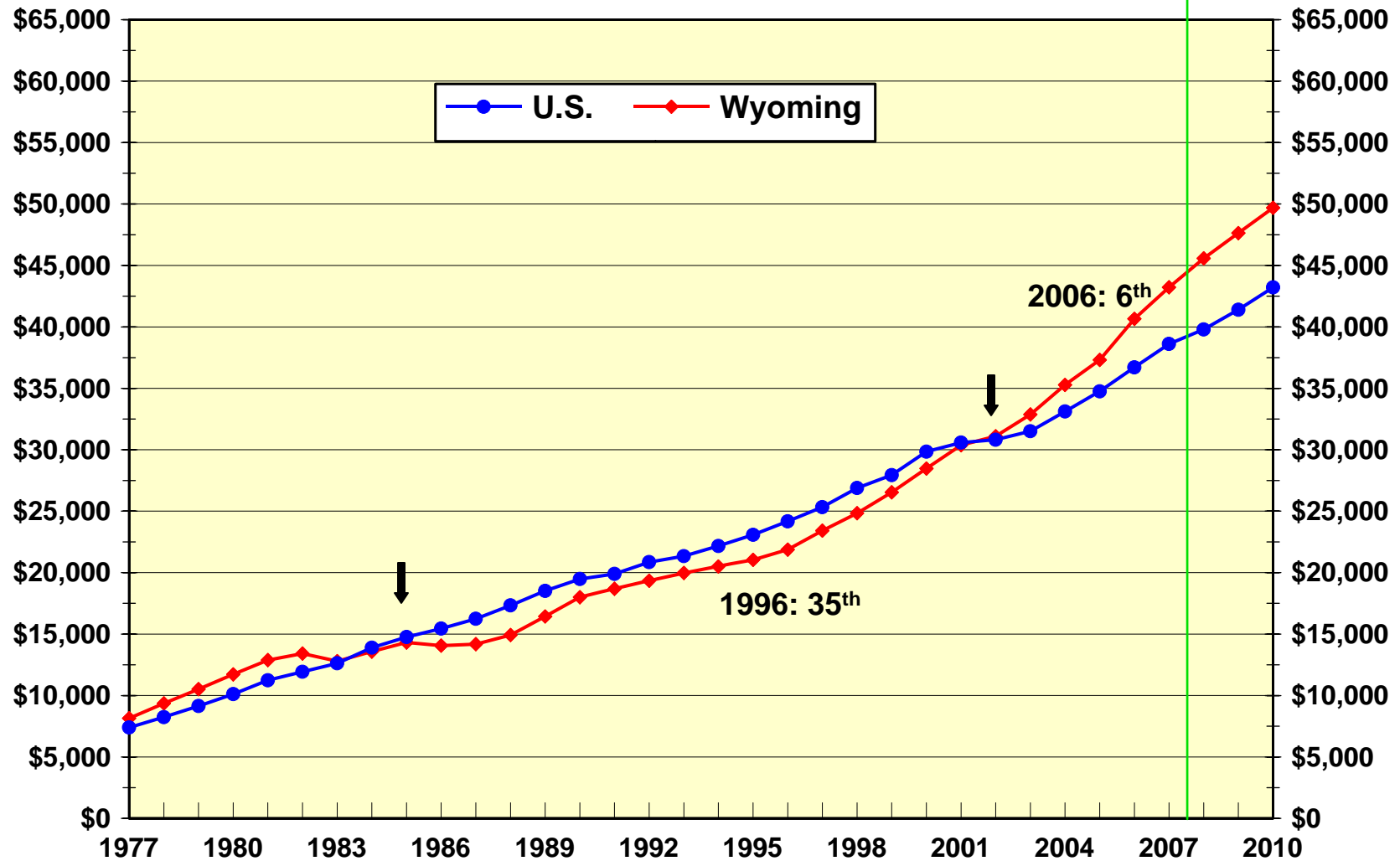
Portfolio of Wyoming Industry Clusters by Job Growth Rate and Wage Rate



Note: Numeral below the name of industry is total employment in 2006

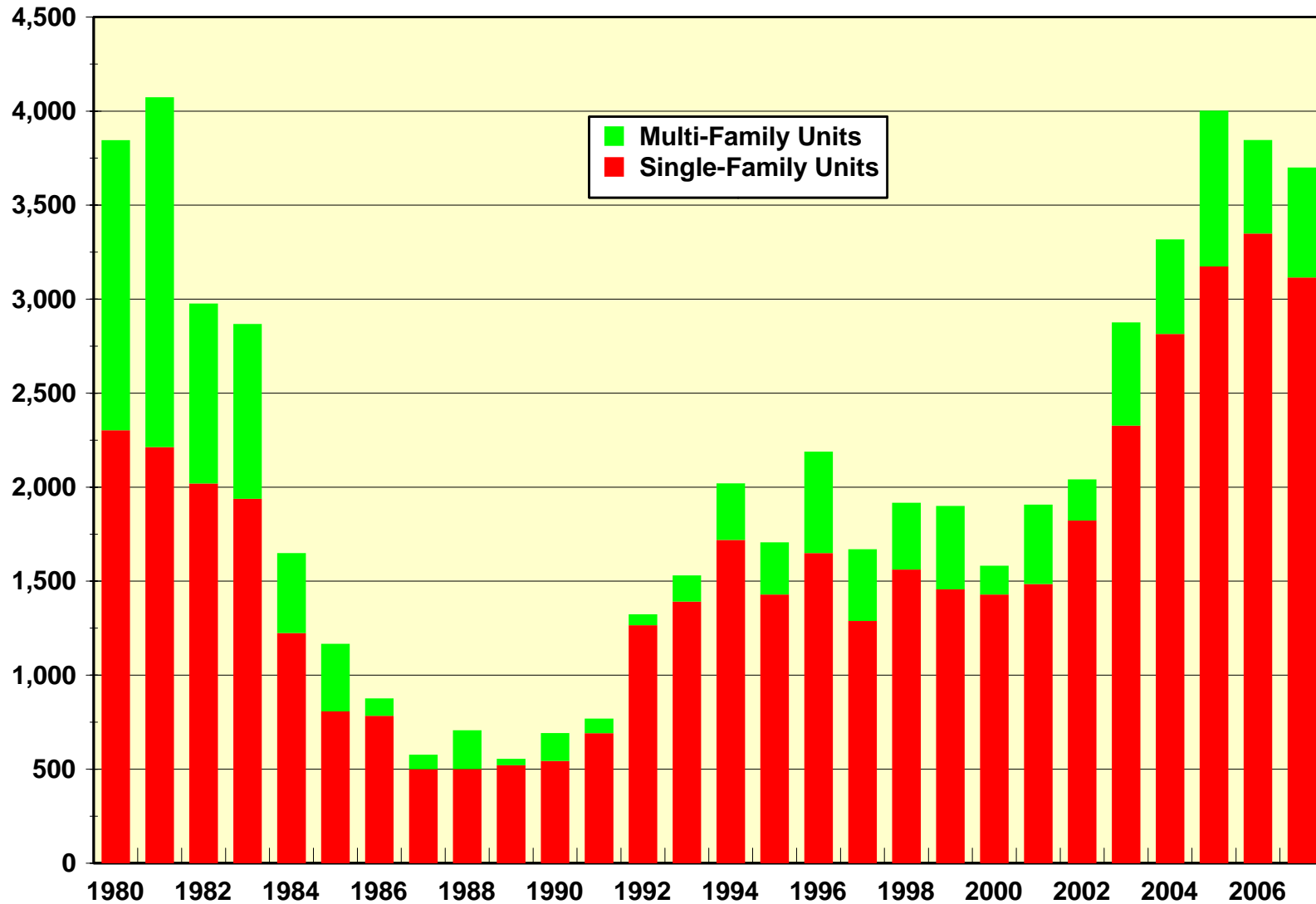
Source: U.S. Bureau of Labor Statistics

Per Capita Personal Income for US and Wyoming



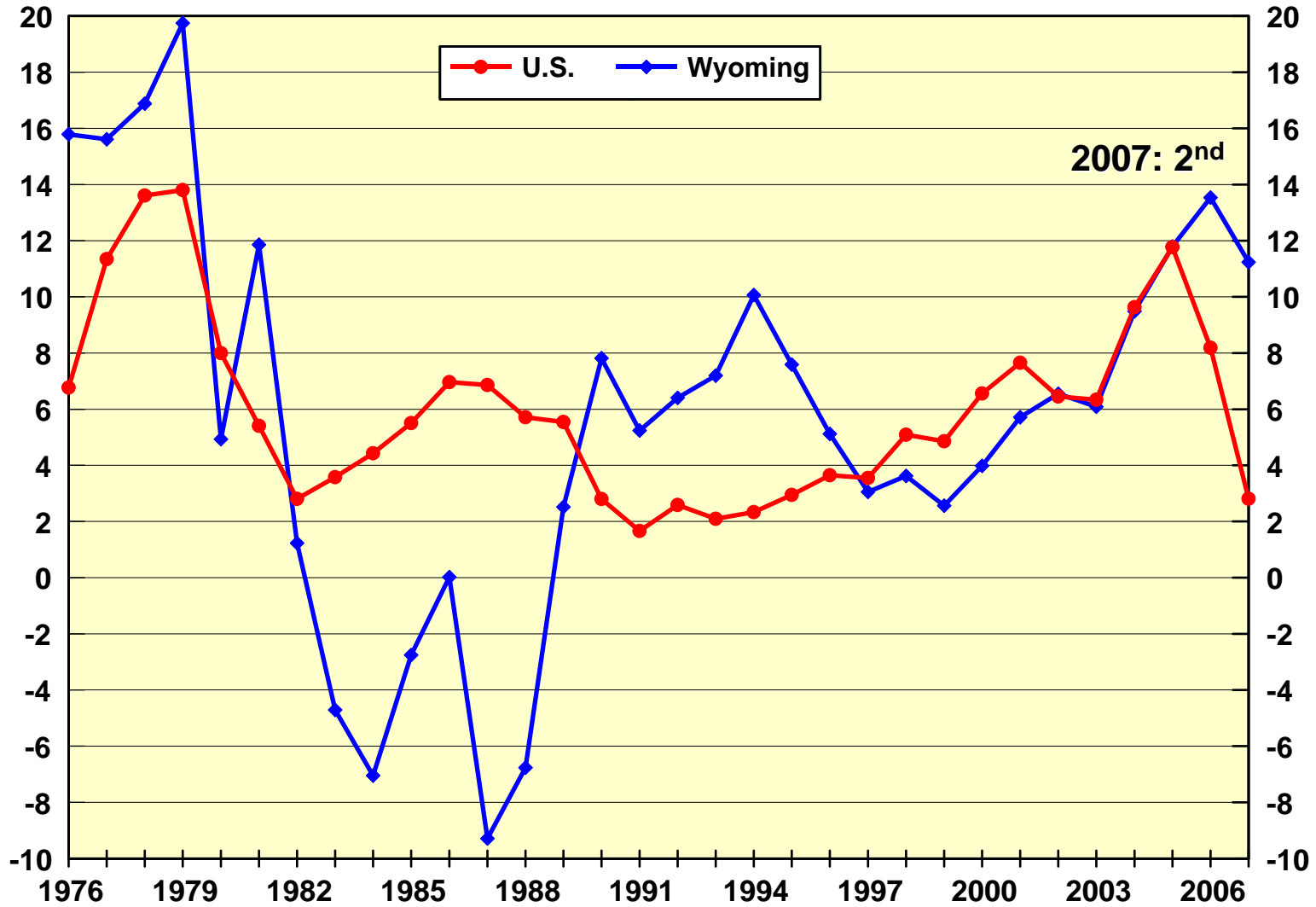
Source: U.S. Bureau of Economic Analysis and Wyoming Economic Analysis Division

Residential Building Permits Authorized in Wyoming



Source: U.S. Census Bureau

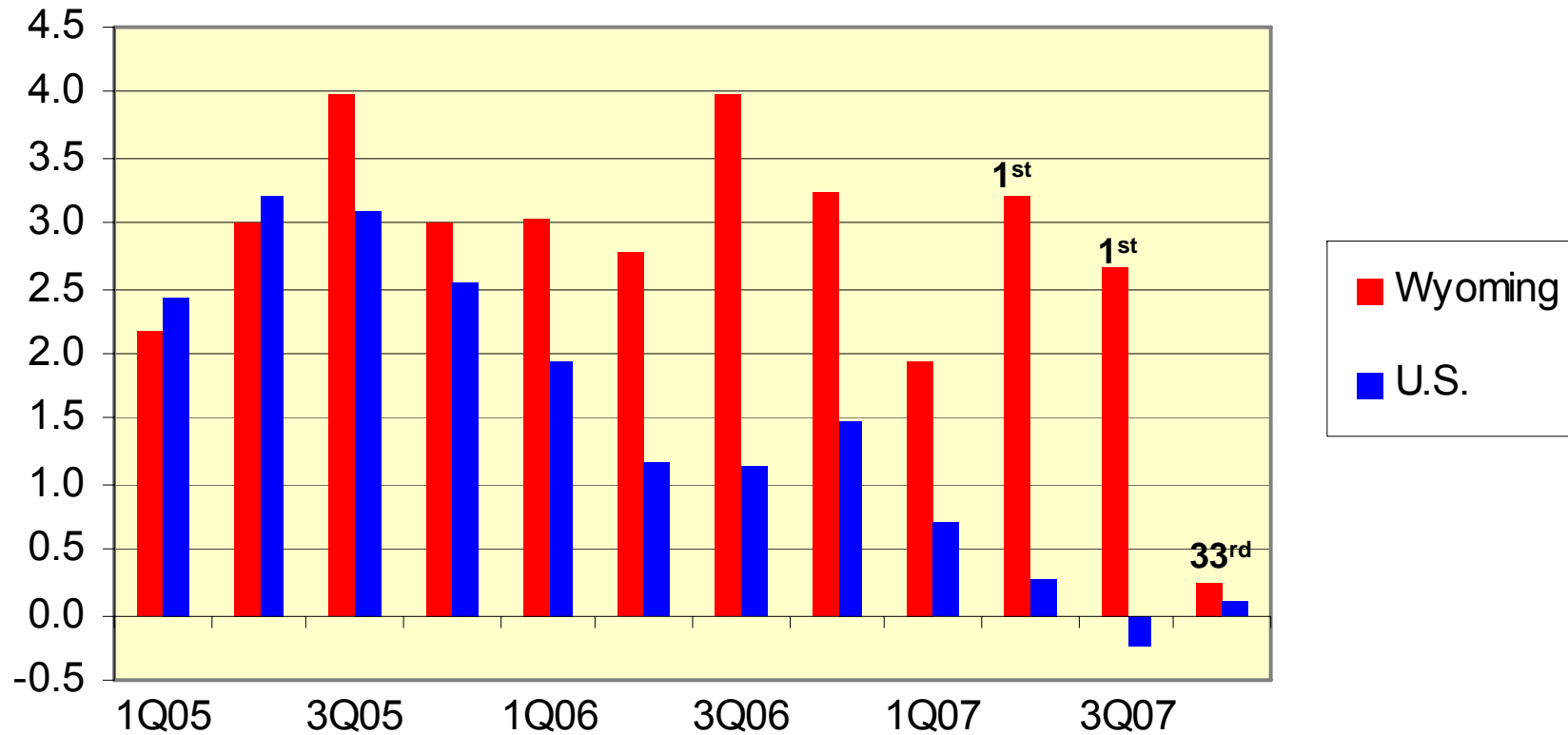
Annual Percent Change of Single Family House Price



2007: 2nd

Source: Office of Federal Housing Enterprise Oversight

Quarterly Percent Change in House Prices



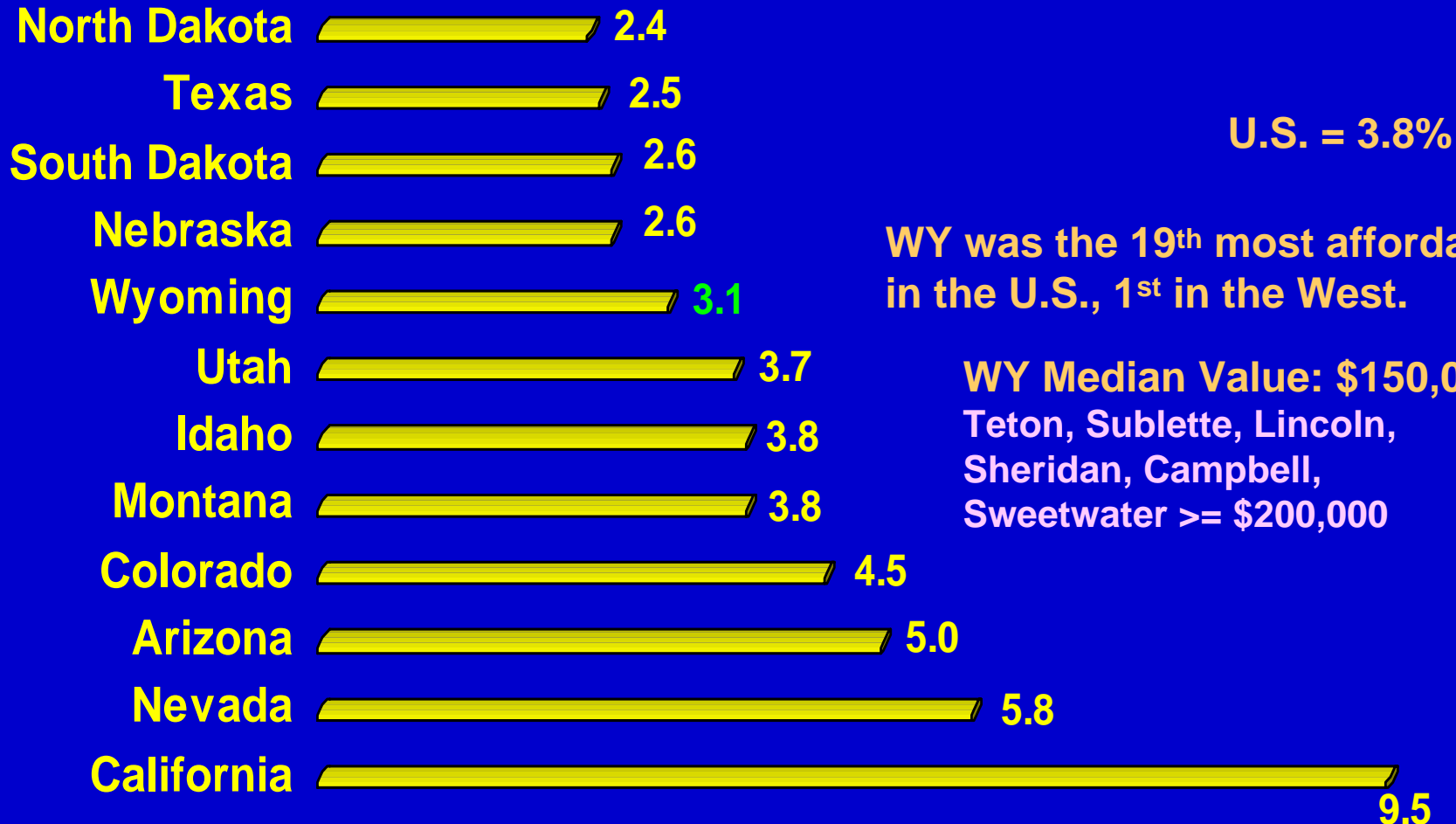
Source: Office of Federal Housing Enterprise Oversight

Other Indicators for 2007:

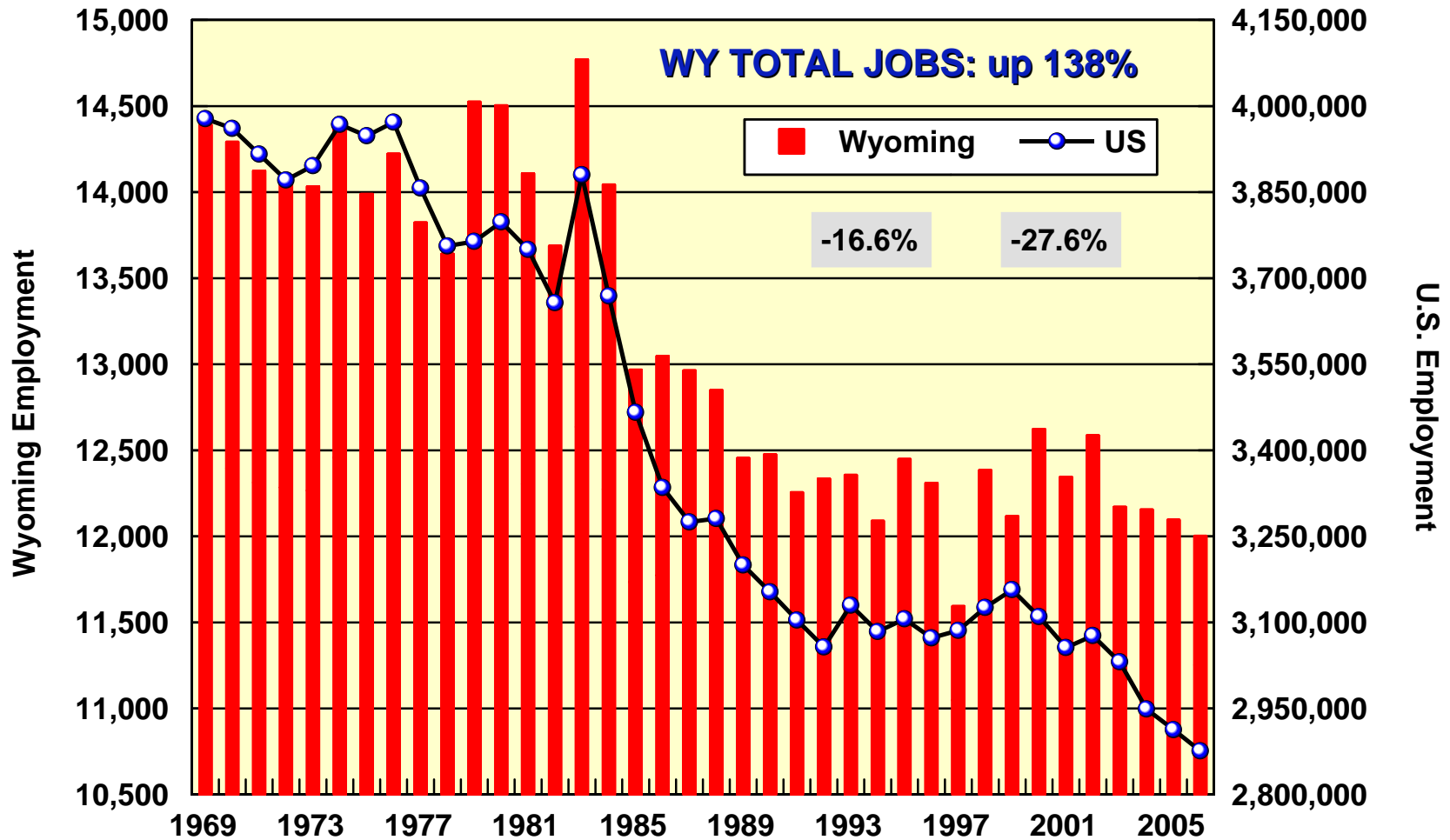
- **Foreclosure Rate: WY was the one of the lowest in the nation (U.S. 2%).**
- **Existing Home Sales: U.S. = -13% (worst in 25 yrs); WY = -5%.**
- **Single Family Building Permits: U.S. = -25%; WY = -8%.**

Housing Affordability: 2006

(Ratio of Median Value of Housing Unit to Median Household Income)



Farm Employment for Wyoming and U.S. (Number of full and part-time jobs)



Source: U.S. Bureau of Economic Analysis

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Travel and Tourism Industry

It is NOT an industrial sector in the standard classification – NAICS. Data is limited and derived.

- Included in the following industries:
 - Leisure & Hospitality (Lodging, food services, art and recreation, i.e. sports, museum, and gambling)
 - Retail trade services inc. gasoline station
 - Travel arrangement services
 - Air transportation services
 - Auto rental and leasing
 - Urban transit, taxi, scenic transp., water transp, etc.

Travel and Tourism Industry

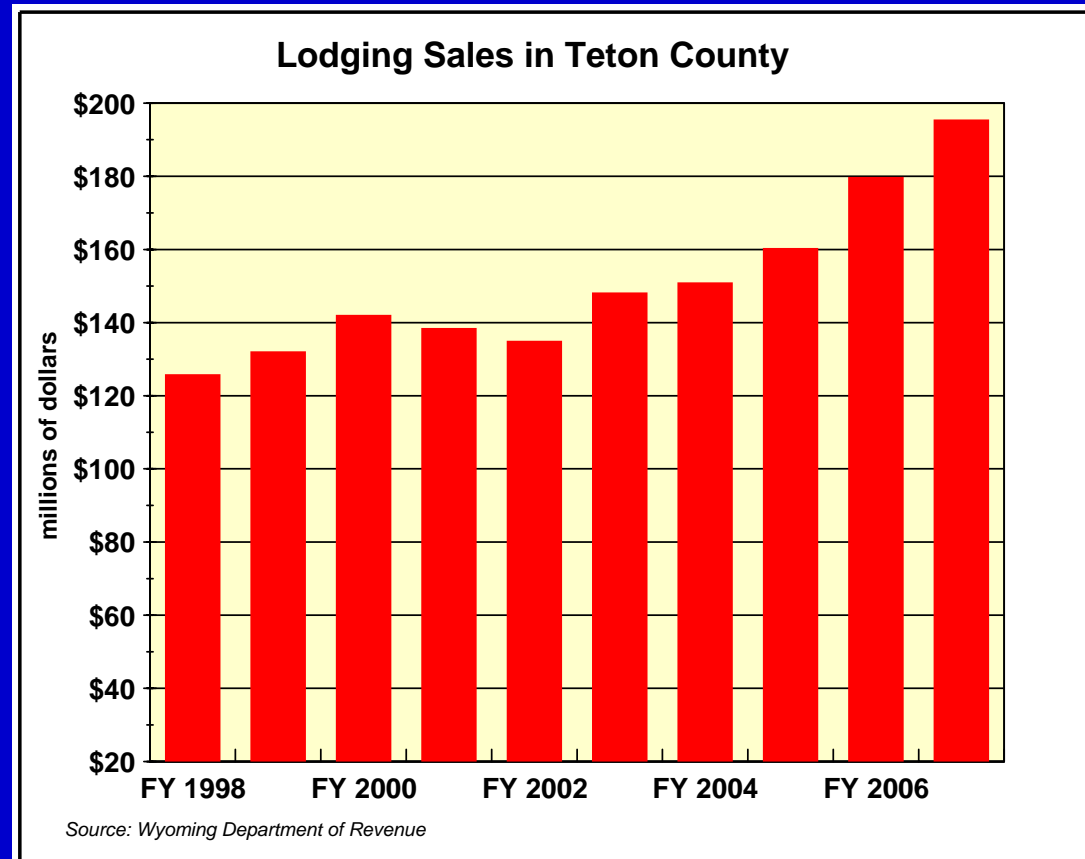
- Direct Employment - 25,000 (6%)
- Earnings - \$420 million (3%)
- Visitor Spending – over \$1 billion
- Contribution to GDP – 2.5%
 - Low skilled, low wage, seasonal
- Sales Tax Collections – \$60 million (7%)
- Lodging Tax Collections - \$6 million

Teton County:

-Emp 4,500 (18%); Sales Tax \$26 million (47%).

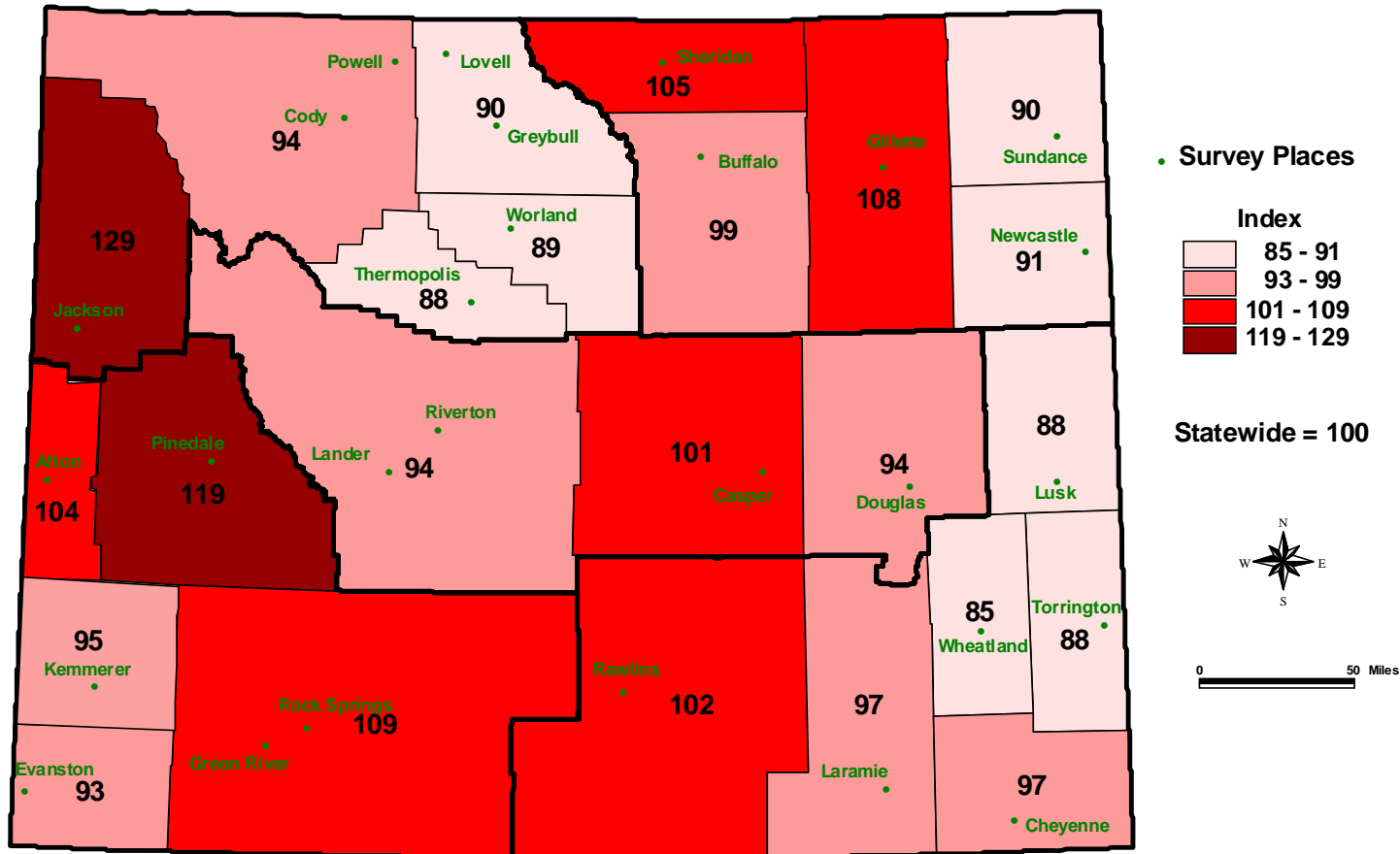
Long Term:

- Strong lodging sales growth in recent years
- Small effect from 9/11
- Stagnant or slow growth in visitation
- Demographic change -
- Weakened U.S. dollars +
- High gasoline prices -
- Baby-boomers +
- State Revenue +



Wyoming Comparative Cost of Living Index - 4Q07

(with surveyed communities in each county)



Note: Starting with the 2Q03 WCLI report, North Lincoln County (Afton) is included in the comparative index, and is tabulated separately from South Lincoln County (Kemmerer).

Source: Wyoming Economic Analysis Division

Outlook

- ▶ Energy price and production is the key component.
- ▶ Above average growth in near-term.
 - Population to average 1% per year.
 - Employment to average 2% per year (**energy sector will drive job increase; benefit other industries such as construction, trade, transportation**).
 - Low unemployment rate and high-paying energy-related jobs will support strong income growth.
 - Budget increase spurs construction projects, supporting income and job gains.
 - Incentives help to attract quality companies/businesses into the state.
 - Inflation will continue to outpace U.S.
 - Low business costs and favorable tax structure to continue.
 - Housing affordability is still relatively high.
- ▶ Low diversification - high exposure to downturn in energy market, will hurt employment and income growth.
- ▶ Tight labor market will continue to temper economic growth.
- ▶ Value added industries are important to long-term growth.
- ▶ Small (in population) and rural nature of the state, less opportunities for skilled and educated young people.

THANK YOU!

Economic Analysis Division – EAD

“Wyoming’s Source for Business and Economic Information”

<http://eadiv.state.wy.us>

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[The Wyoming Cost of Living Index for the Fourth Quarter of 2007 \(pdf\)](#)

[Estimates of County Population: July 1, 2007](#)

[January 2008 CREG Forecast Update for FY2008-FY2012](#)

[Wyoming Economic Summary: 3rd Quarter of 2007](#)

[Estimates of U.S. and State Population: July 1, 2007 • \(Press Release in PDF\)](#)

[Wyoming Insight \(pdf\)](#)

[CREG Monthly Report • \(Press Release\)](#)

Links to Other Sources of Business and Economic Data

- [Wyoming Labor Market Information](#)
- [Wyoming Business Council](#)
- [Wyoming Business Alliance](#)
- [Wyoming Business Report](#)
- [Guide to Regional Economic Data](#)
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