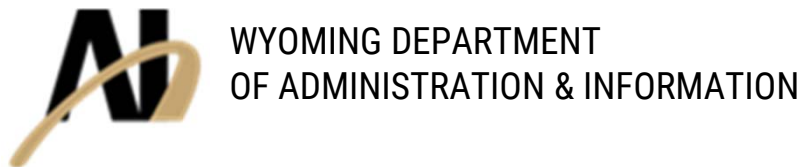


# MACRO Report: Review of Wyoming's Economy



## Economic Update as of March 31, 2017

The MACRO Report is a quarterly publication comprised of charts focusing on energy, employment, state revenues, and other indicators pertaining to the state of Wyoming.



WYOMING MACRO Report

# Summary: Stability has returned to the mining industry; labor market shows signs of recovery.

- **Employment** – Total nonfarm employment fell by 7,200 jobs (-2.5%) in February compared to previous year; mining lost the most private sector jobs (-1,600) while education & healthcare services had the largest gain (+200).
- **Energy** – March average for Opal natural gas settled at \$2.55 per MMBtu while WTI oil fell to \$49.56 per bbl.; January 2017 natural gas production was 9.5% behind last year while oil production lagged 14.5% and February 2017 year-to-date coal production had increased by 14.9%; oil & gas rig count was 18 in March compared to 9 one year ago; oil & gas jobs in February declined by 700 in a year-ago comparison.
- **Revenues** – First 9 months of FY 2017 sales and use tax collections lagged last year by 12.9%; 11 of 12 industry sectors that were tracked recorded year-over-year losses; only **Teton** and **Crook** counties registered gains. After 8 months of FY17, severance tax revenue trailed last year by 10.3%.
- **Personal income, home price appreciation, and building permits** – Personal income for Q4 of 2016 saw an increase of 0.6% for the state compared to the previous quarter. FHFA's purchase-only house price index reported a Q4 decline in home prices for Wyoming of 1.6%. Statewide, single family units permitted year-to-date February rose by 2.7% over the previous year.

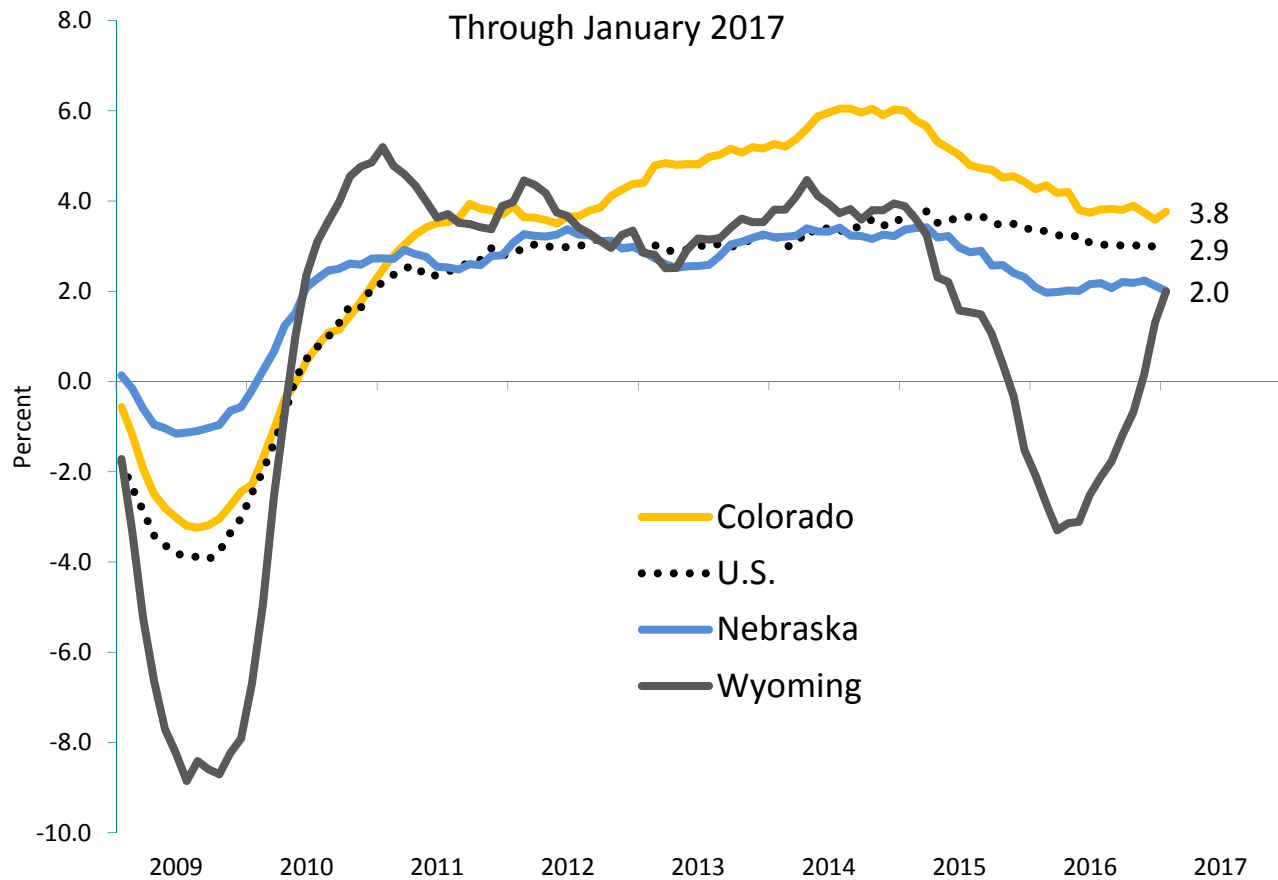
# Economic Activity:

## A More Stable Wyoming Economy Seen in 2017

- Over-the-year job losses in February 2017 were shrinking, especially in the mining industry compared to 2016; jobless claims continued to fall in almost all sectors.
- Monthly rig counts have been at the 18-19 level since December 2016; the prices of natural gas, crude oil, and coal have moderated since peaking in mid-winter 2016.
- Sales & use tax collections and severance tax revenues were trailing prior year's pace but both are slowly closing the gap.

# Coincident Index: WY, CO, NE, & U.S.

## Year-over-Year Percent Change in Index Values



Note: The coincident index for each state is comprised of four indicators of current economic activity including:

1. nonfarm employment
2. manufacturing hours worked
3. unemployment rate
4. and wages & salaries paid.

Source: Federal Reserve Bank of Philadelphia.

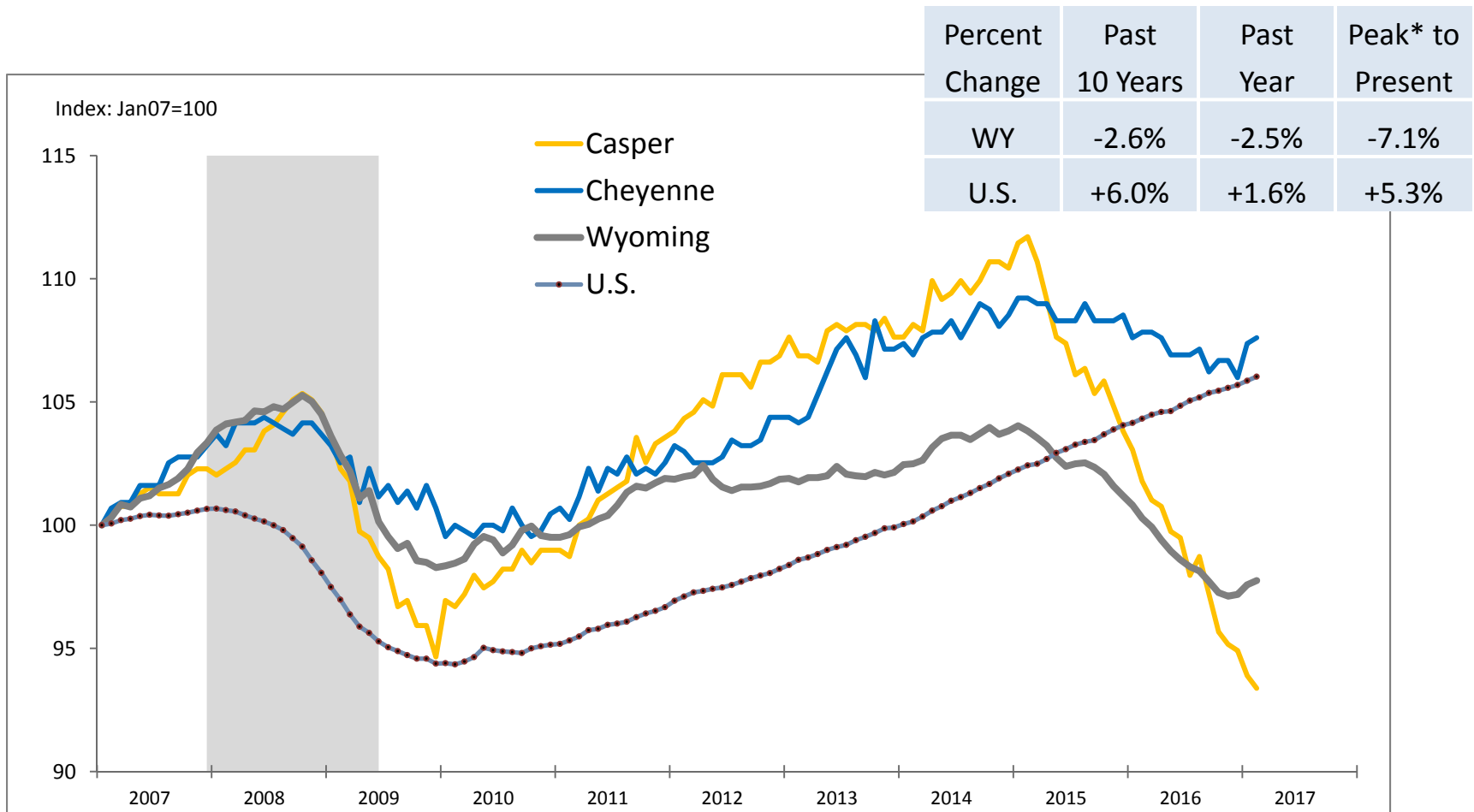


# Employment:

## Wyoming Lost 11,500 Jobs in 2016 But Jobless Claims Point to Improving Labor Market in 2017

- Statewide employment fell by 7,200 jobs when compared to February 2016.
- Education & health was the only industry to add jobs (+200) in the private sector in February 2017.
- At the state level, jobless claims for all sectors, year-to-date end of February 2017, decreased by 2,358 or 27.1% compared to a year ago; the mining sector saw claims decline by 1,068 or 76.6%.

# Nonfarm Employment: Casper, Cheyenne, WY, & U.S. Seasonally Adjusted — Through February 2017



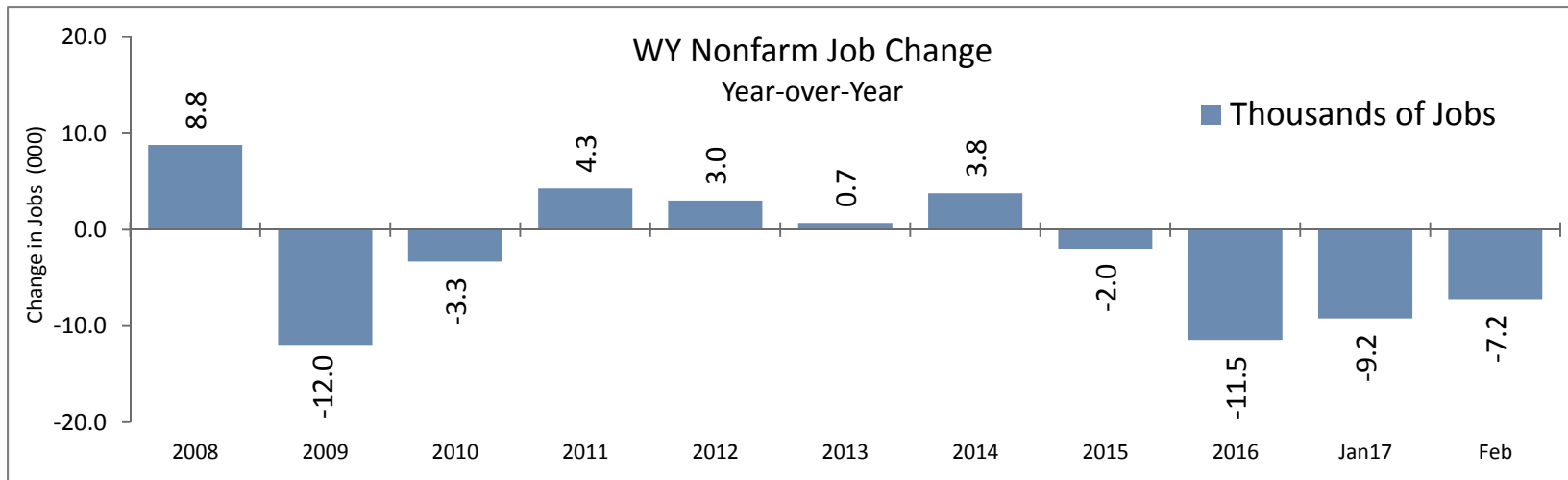
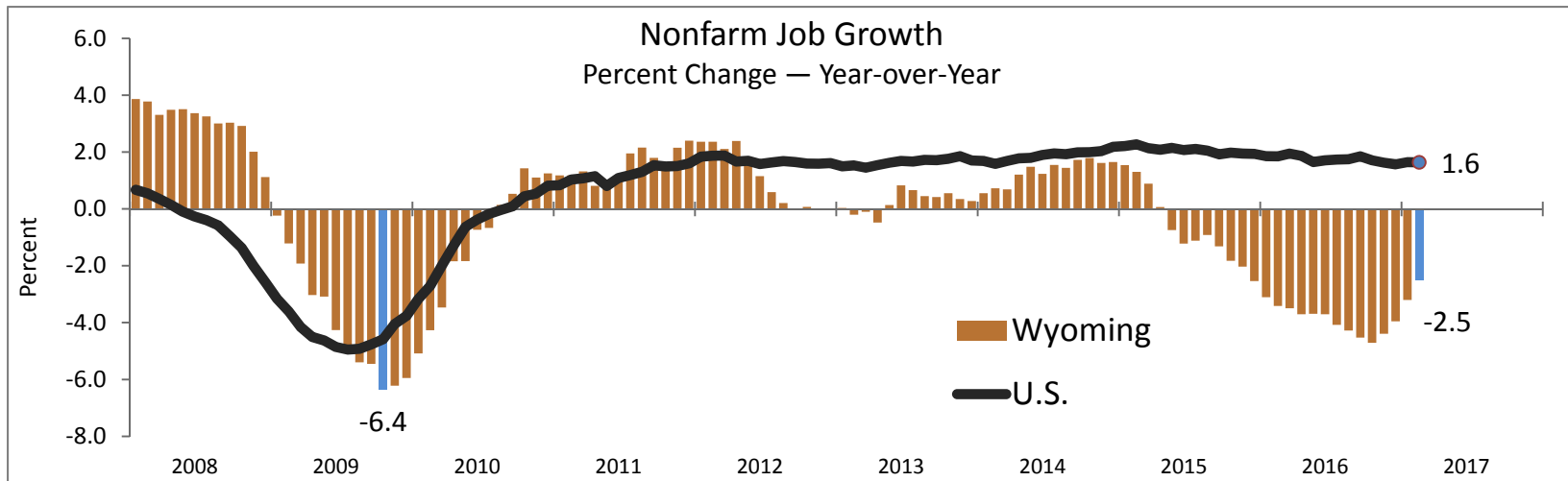
Source: Bureau of Labor Statistics.

Note: Shaded area represents U.S. recession.

\*Refers to pre-recession peak.



# WY and U.S. Nonfarm Employment Through End of February 2017; Seasonally Adjusted

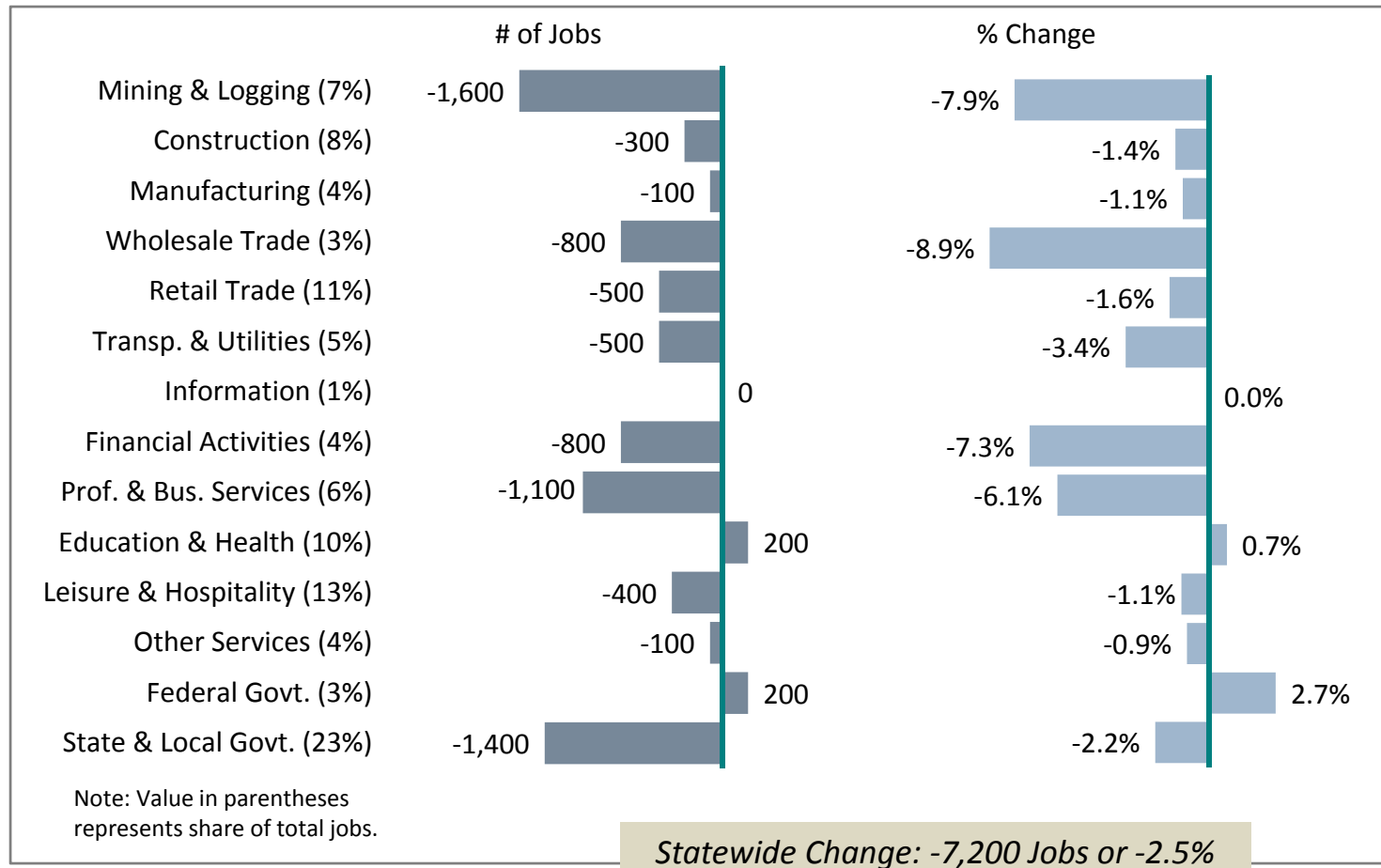


Source: U.S. Bureau of Labor Statistics.



# WY Employment Change: February 2017 vs. February 2016

## Year-over-Year; Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics.

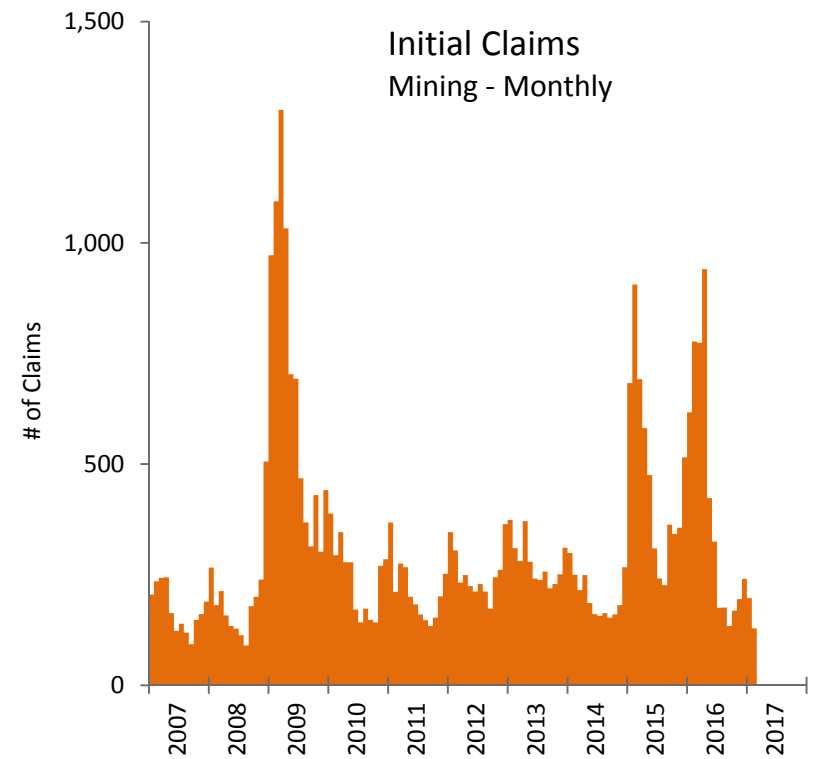
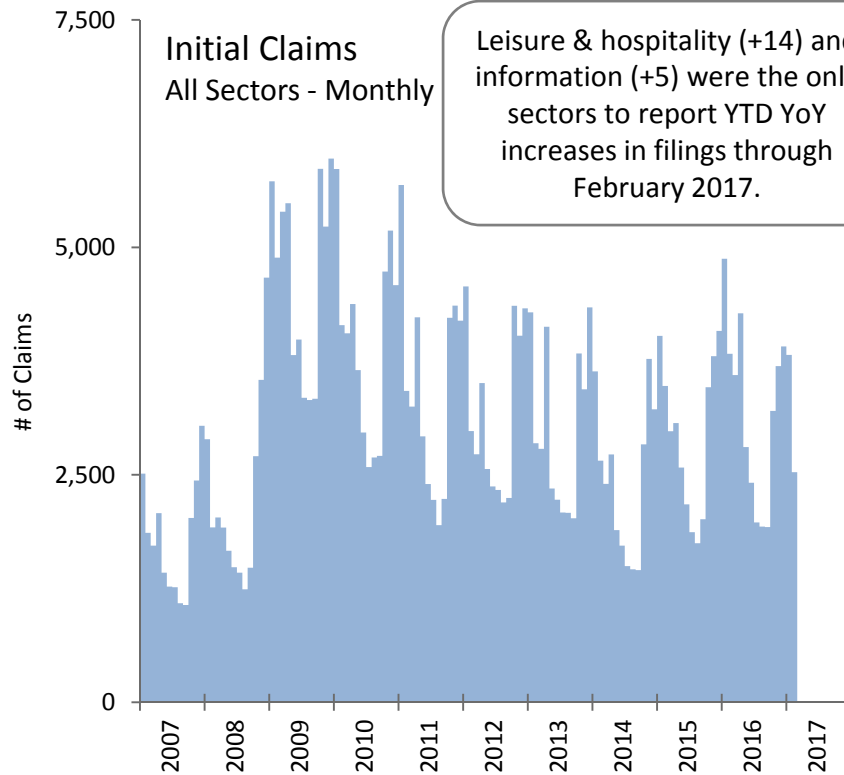
Note: The State & Local Government sector includes jobs affiliated with K-12 & higher education and public hospitals.





# WY Initial Unemployment Insurance Claims

## All Sectors and Mining Sector – February 2017



Feb 2017 vs. Feb 2016  
 Year-over-Year Change:  
**-1,302      -34.0%**  
 Cumulative Change YTD:  
**-2,358      -27.1%**

Feb 2017 vs. Feb 2016  
 Year-over-Year Change:  
**-648      -83.4%**  
 Cumulative Change YTD:  
**-1,068      -76.6%**

Source: WY Dept. of Workforce Services – Research & Planning Section.

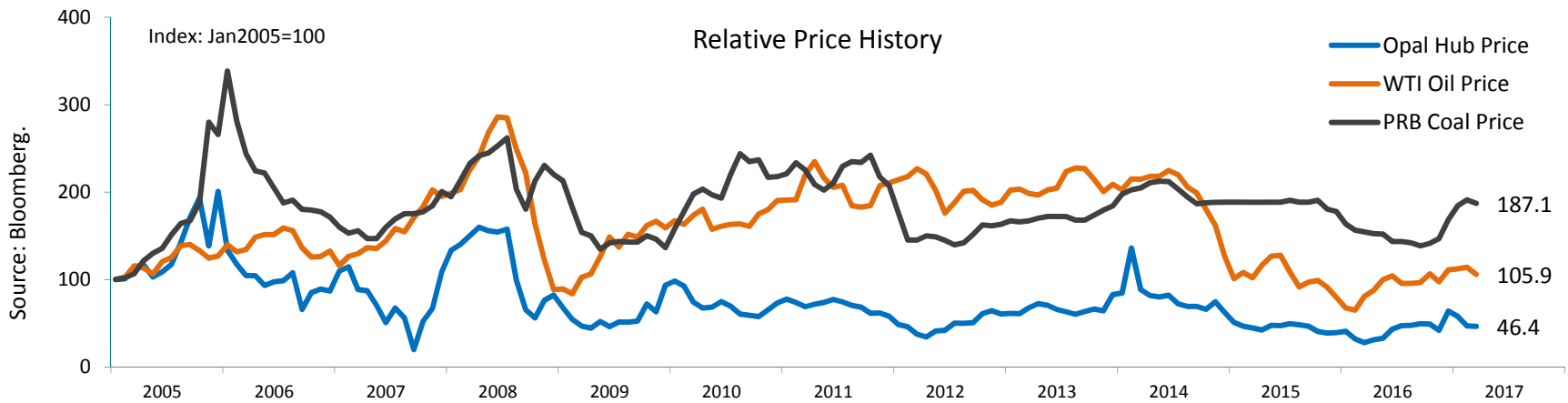
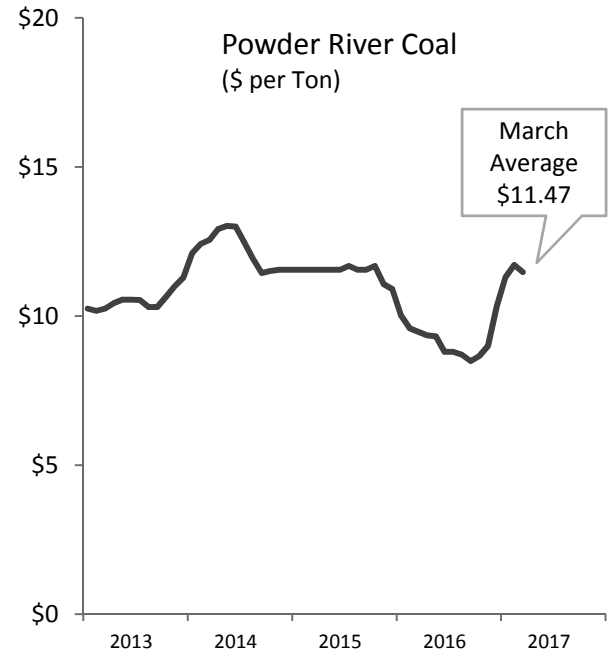
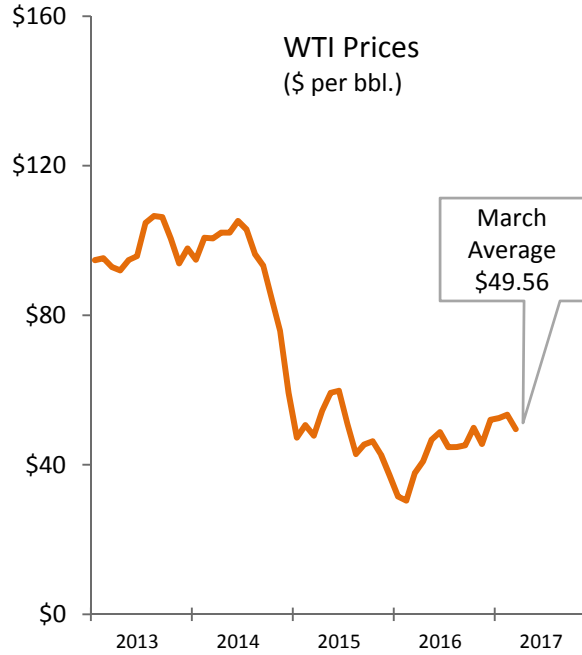
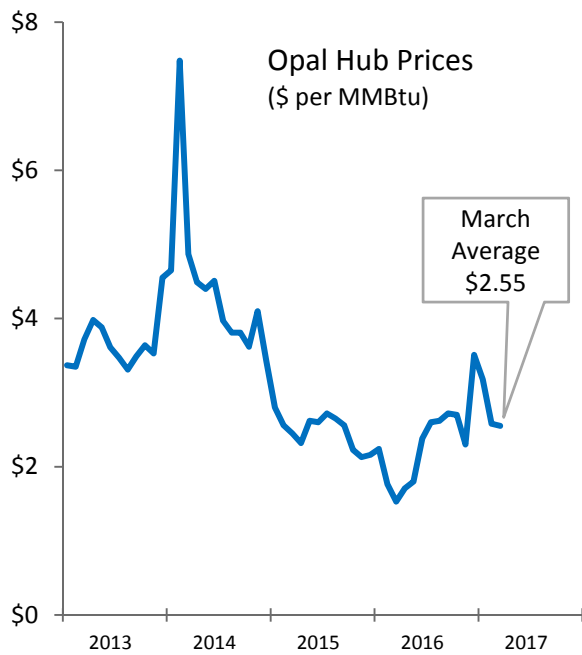


# Energy:

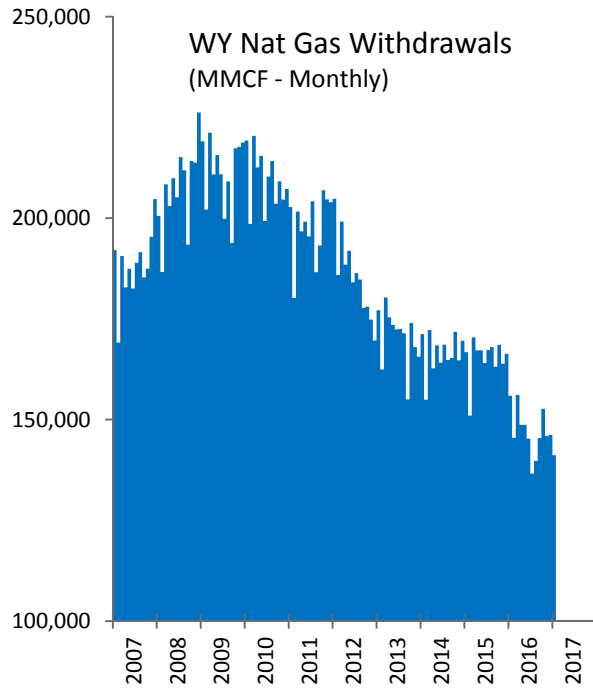
## Natural Gas and Crude Oil Prices Retreated at the Beginning of 2017

- In March, the price of Opal natural gas was at \$2.55 per MMBtu for monthly average; WTI oil price averaged \$49.56 per bbl.
- Natural gas and oil January 2017 percentages decline in production; coal production ahead of 2016 by 14.9% after two months.
- Oil & gas jobs were at 10,500 in February 2017, a decrease of 700 compared to a year ago; coal jobs numbered 5,400 in February 2017, compared to 6,400 one year ago.

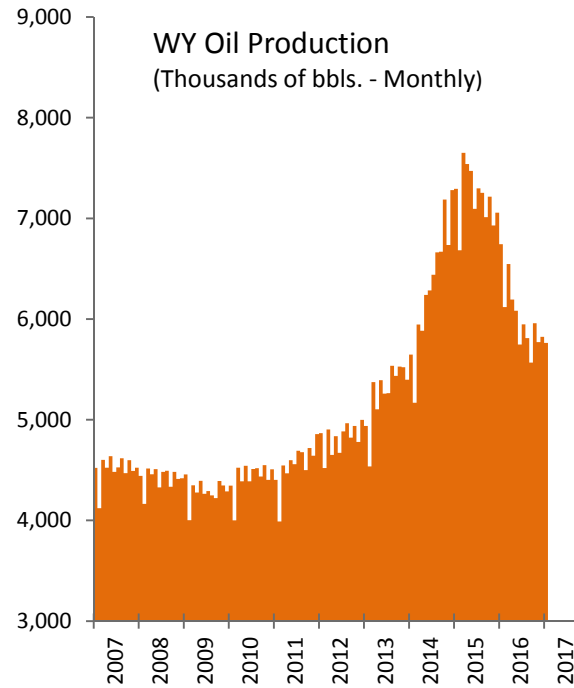
# Natural Gas, Crude Oil, and Coal Prices



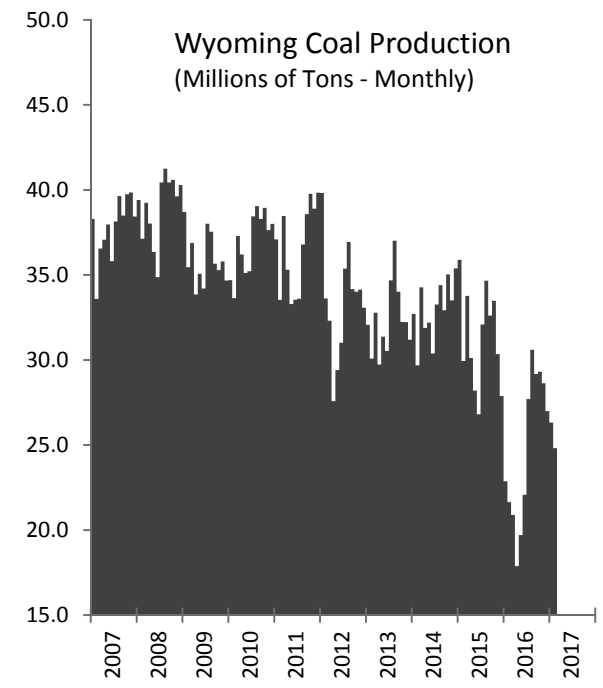
# WY Natural Gas, Crude Oil, and Coal Production



Cumulative Change YTD:  
Jan 2017 vs. Jan 2016  
**-9.5%**



Cumulative Change YTD:  
Jan 2017 vs. Jan 2016  
**-14.5%**

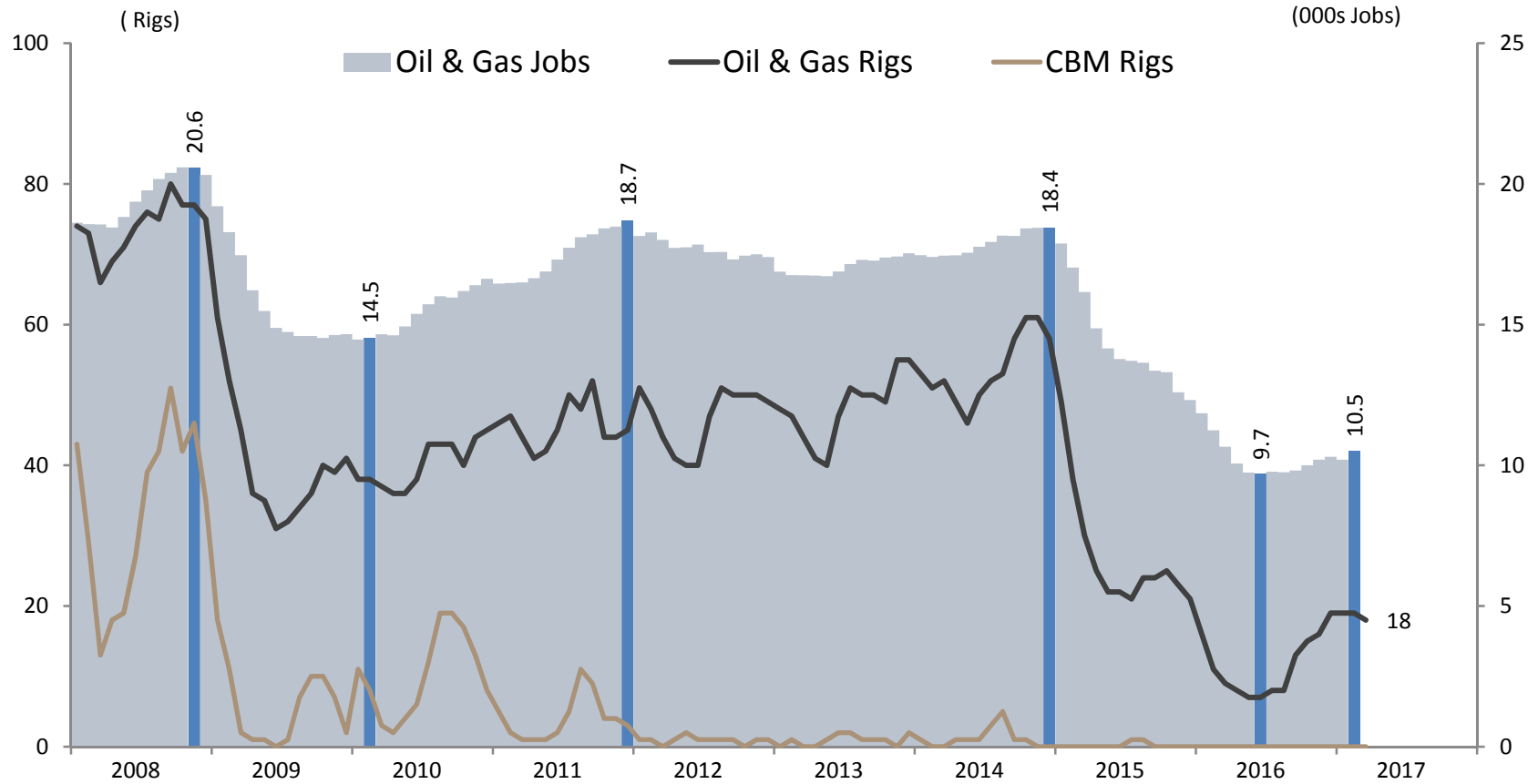


Cumulative Change YTD:  
Feb 2017 vs. Feb 2016  
**+14.9%**

Source: Energy Information Administration.



# WY Oil & Gas Jobs and Rig Counts



Source: WY Oil and Gas Conservation Commission; U.S. Bureau of Labor Statistics.

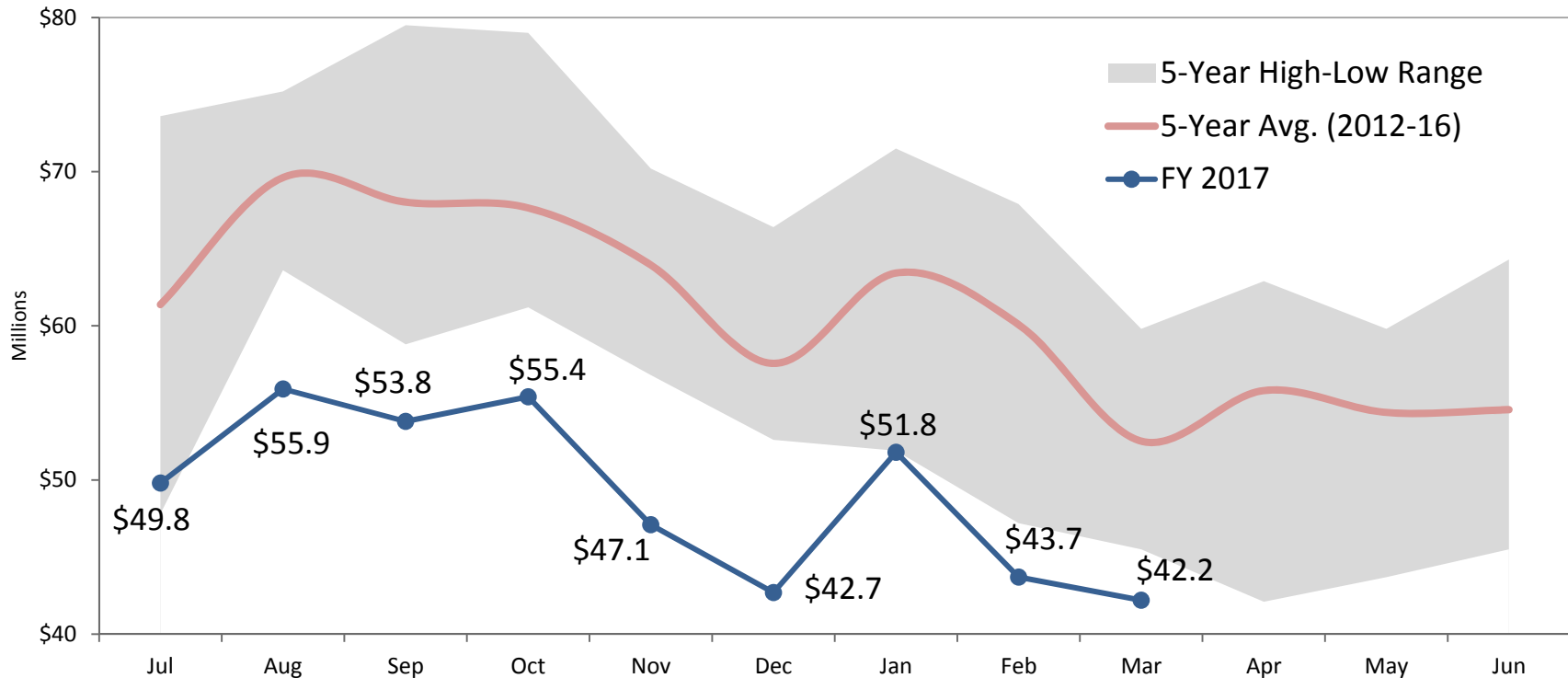


# State Revenues:

## Sales and Use Tax Collections Follow 5-Year Pattern But at a Much Lower Level

- After nine months of collections for fiscal 2017, sales and use taxes were \$65.5 million or 12.9% behind last year; small year-over-year gain seen in transportation & utilities sector; all other sectors lagged.
- With eight months of collections, severance taxes declined by \$42.9 million or 10.3% in fiscal 2017 compared to 2016.

# WY Statewide 4% Sales and Use Tax Collections



After 9 months, FY17 total collections were \$65.6 million (-12.9%) behind fiscal 2016. **Campbell, Converse, Natrona, Sublette, and Sweetwater** counties accounted for 75.4% of the decline.

Source: WY Dept. of Revenue.

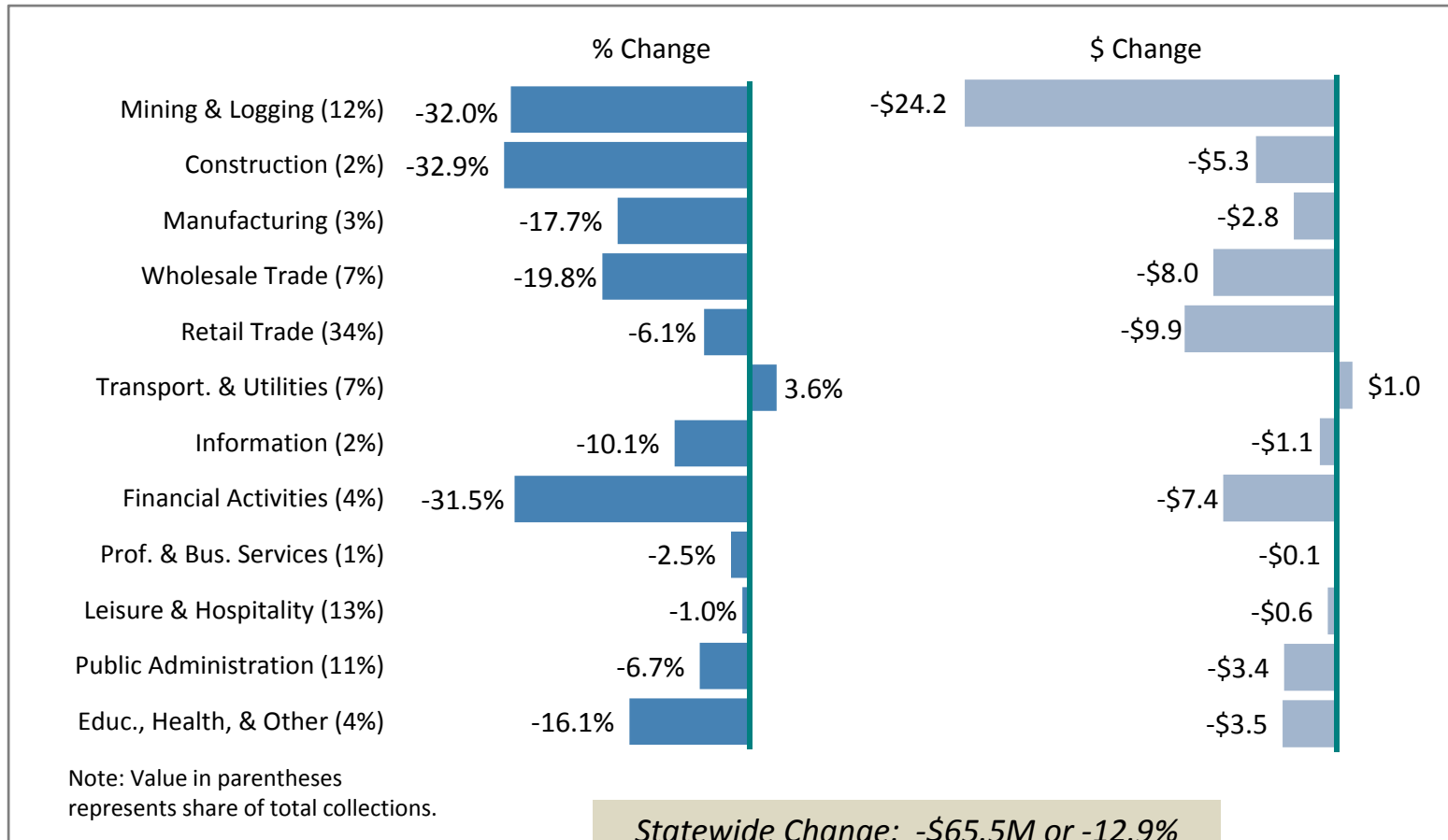
Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis.



# WY Statewide 4% Sales and Use Tax Collections by Industry

Change in Percent and Dollars (Millions)

Fiscal 2017 vs. Fiscal 2016 — Nine Months of Collections



Source: WY Dept. of Revenue.

Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis. The Public Administration sector reflects taxes collected on the sale of new and used vehicles.

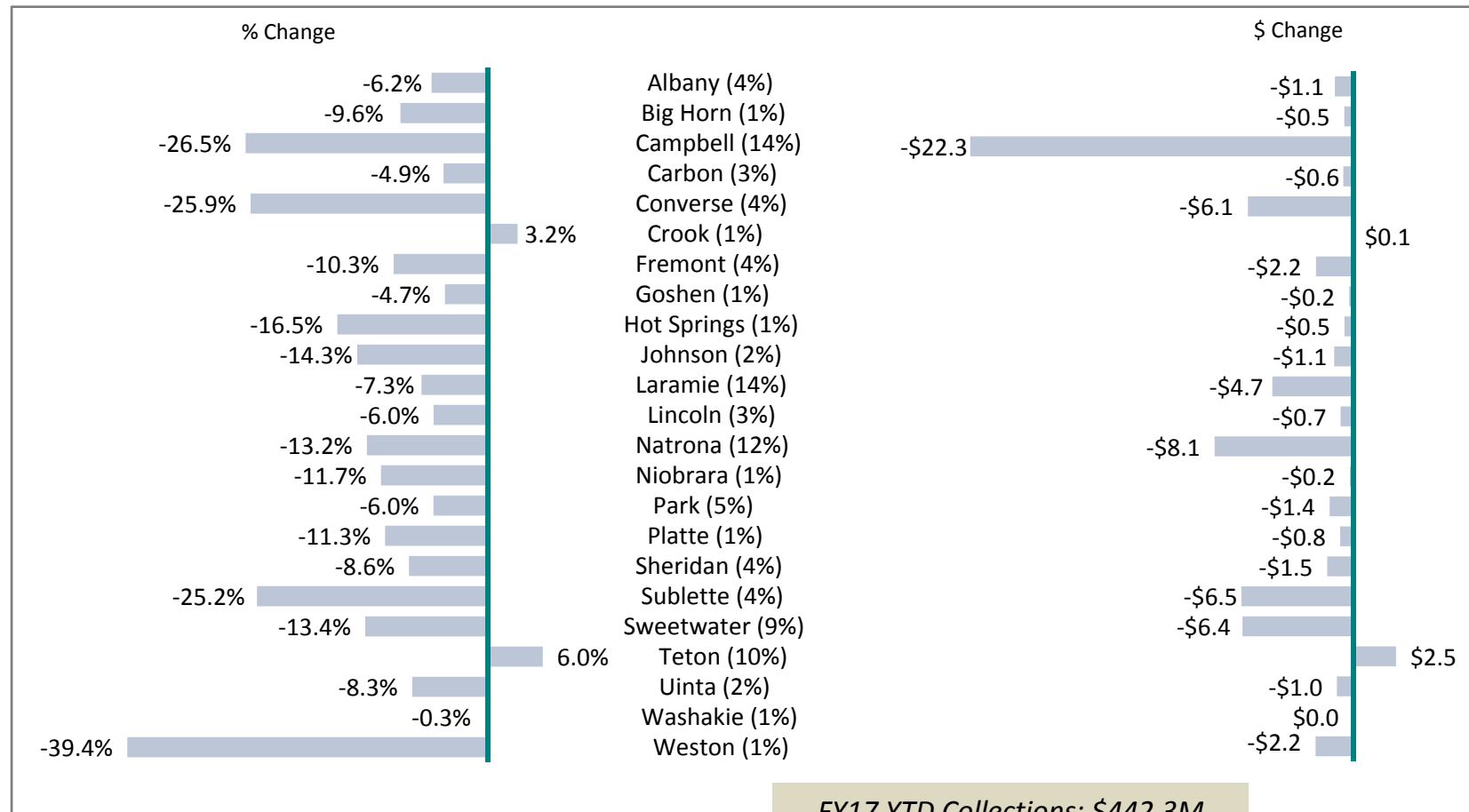




# WY Statewide 4% Sales and Use Tax Collections by County

Change in Percent and Dollars (Millions)

Fiscal 2017 vs. Fiscal 2016 — Nine Months of Collections



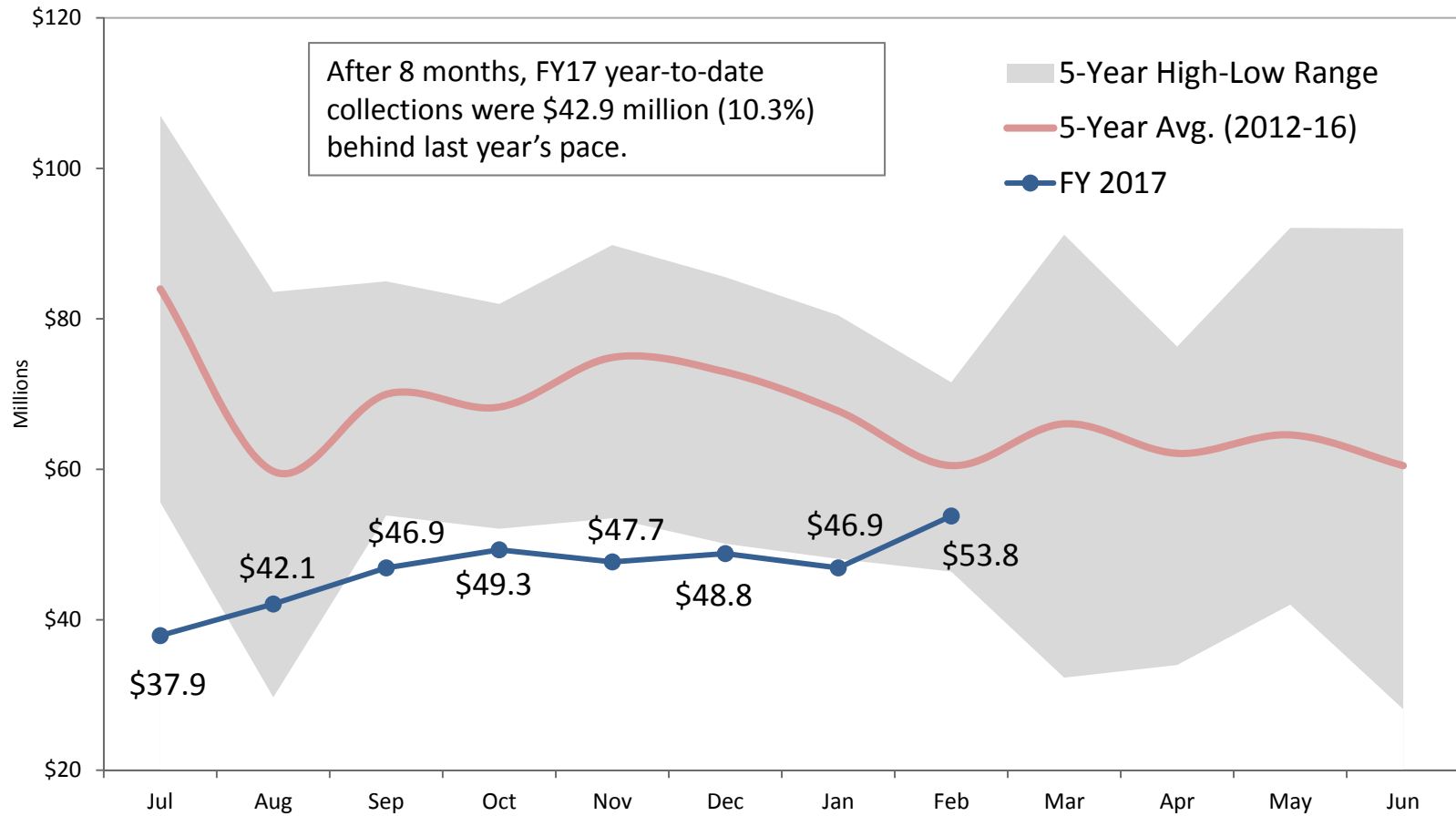
**FY17 YTD Collections: \$442.3M**  
**FY16 YTD Collections: \$507.8M**

Source: WY Dept. of Revenue.

Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis. Value in parentheses represents share of total collections.



# WY Statewide Severance Tax Collections



Source: WY Dept. of Revenue.

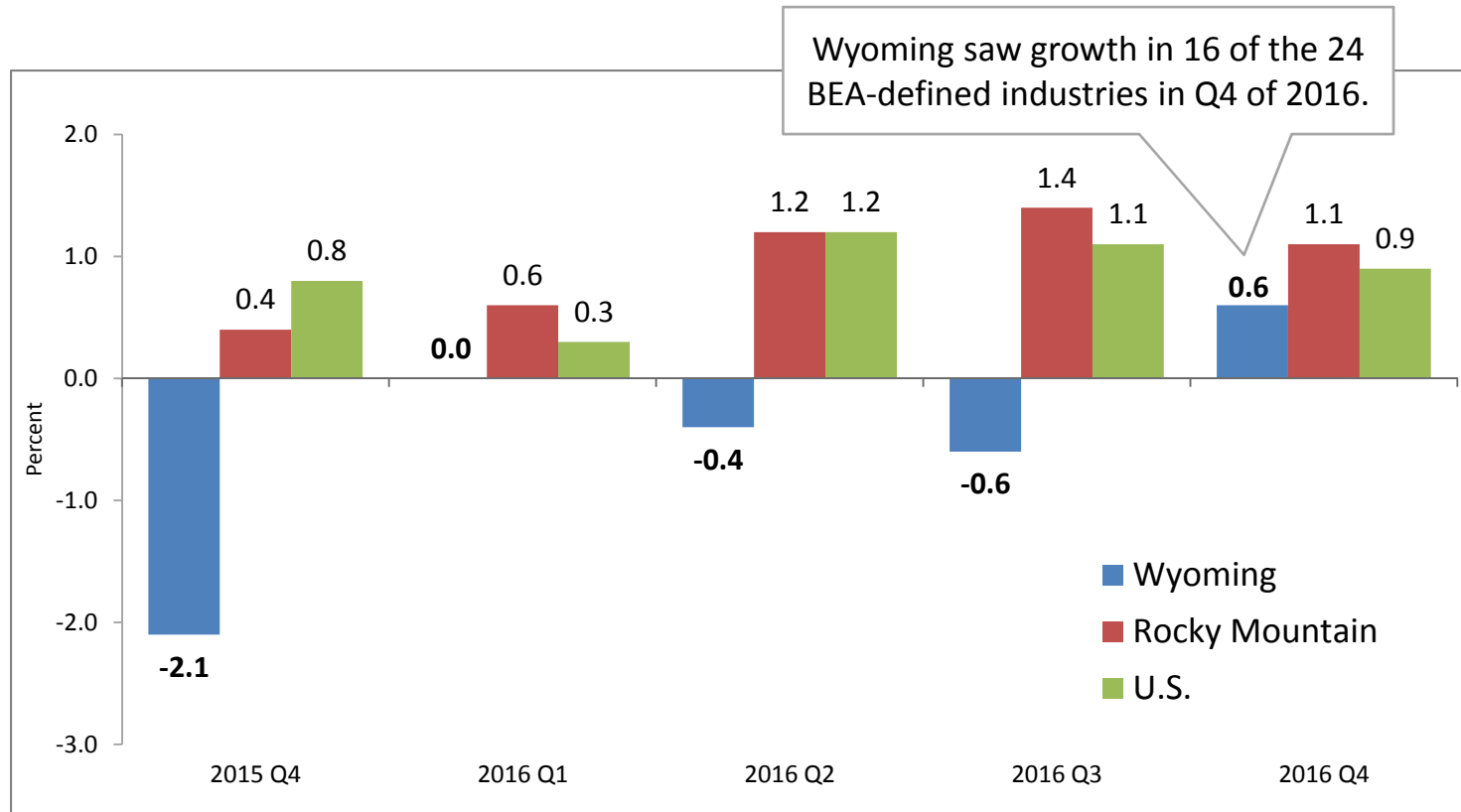
Note: Includes severance taxes collected on all minerals in Wyoming on a cash receipts basis.



# Other Indicators for the State: Personal Income, House Price Appreciation, and Building Permits

- Construction and healthcare sectors were main drivers of personal income growth for Q4 of 2016.
- Wyoming's house price appreciation declined by 1.6% in Q4 of 2016; the Mountain Division and the U.S. saw gains of 8.0% and 6.2%, respectively.
- Statewide single family permits increased year-to-date February 2017 in a year-ago comparison by 4; single-family permits declined in Casper by 5 while Cheyenne saw an increase of 33 for February year-to-date.

# Quarterly Personal Income: WY, Rocky Mtn. Region, & U.S. Percent Change from Preceding Quarter



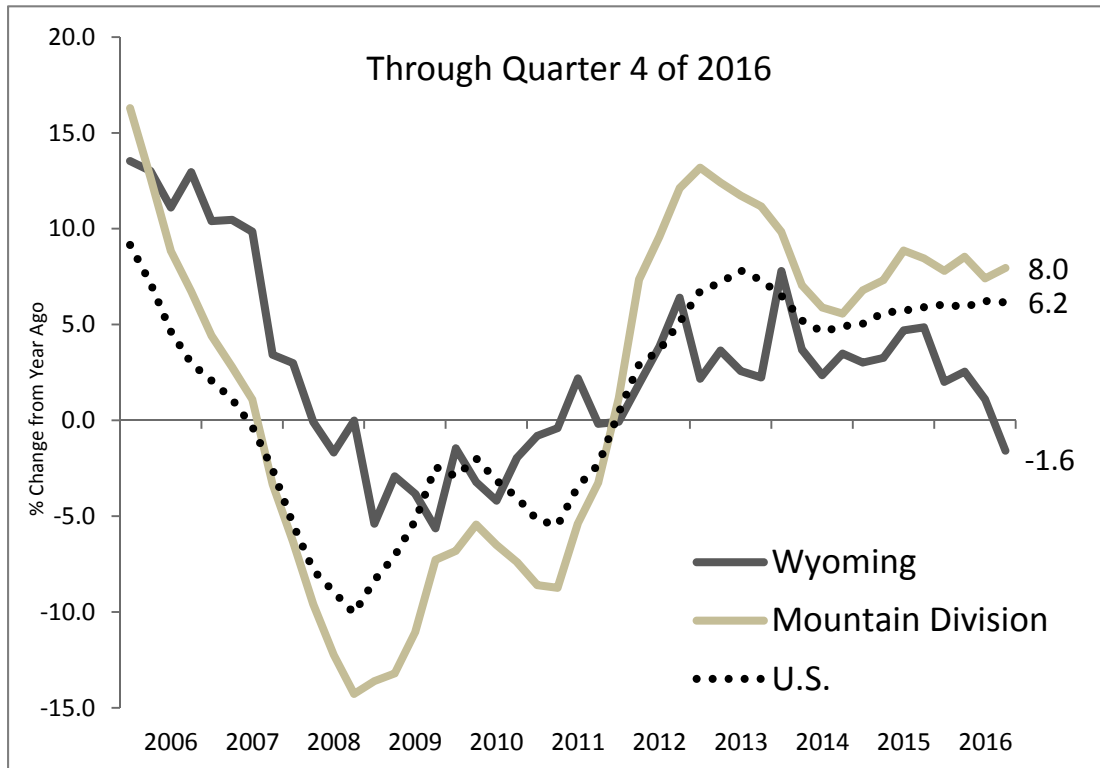
The **construction sector** contributed the most to earnings growth in Q4 of 2016 with an increase of \$32 million over Q3. **Farm earnings** had the largest decline of \$53 million.

Source: U.S. Bureau of Economic Analysis.



# House Price Appreciation

## Purchase-Only Mortgages: WY, Mountain Division, & U.S.



2016 Q4 vs. 2015 Q4		
	<u>1-Yr. Rate</u>	<u>Rank</u>
Colorado	+10.6%	2
Nevada	+9.0%	5
Utah	+8.4%	6
Montana	+8.4%	7
Idaho	+7.4%	9
Arizona	+7.4%	10
New Mexico	+4.6%	30
<b>Wyoming</b>	<b>-1.6%</b>	<b>50</b>
<b>Mtn Division</b>	<b>+8.0%</b>	
<b>U.S.</b>	<b>+6.2%</b>	

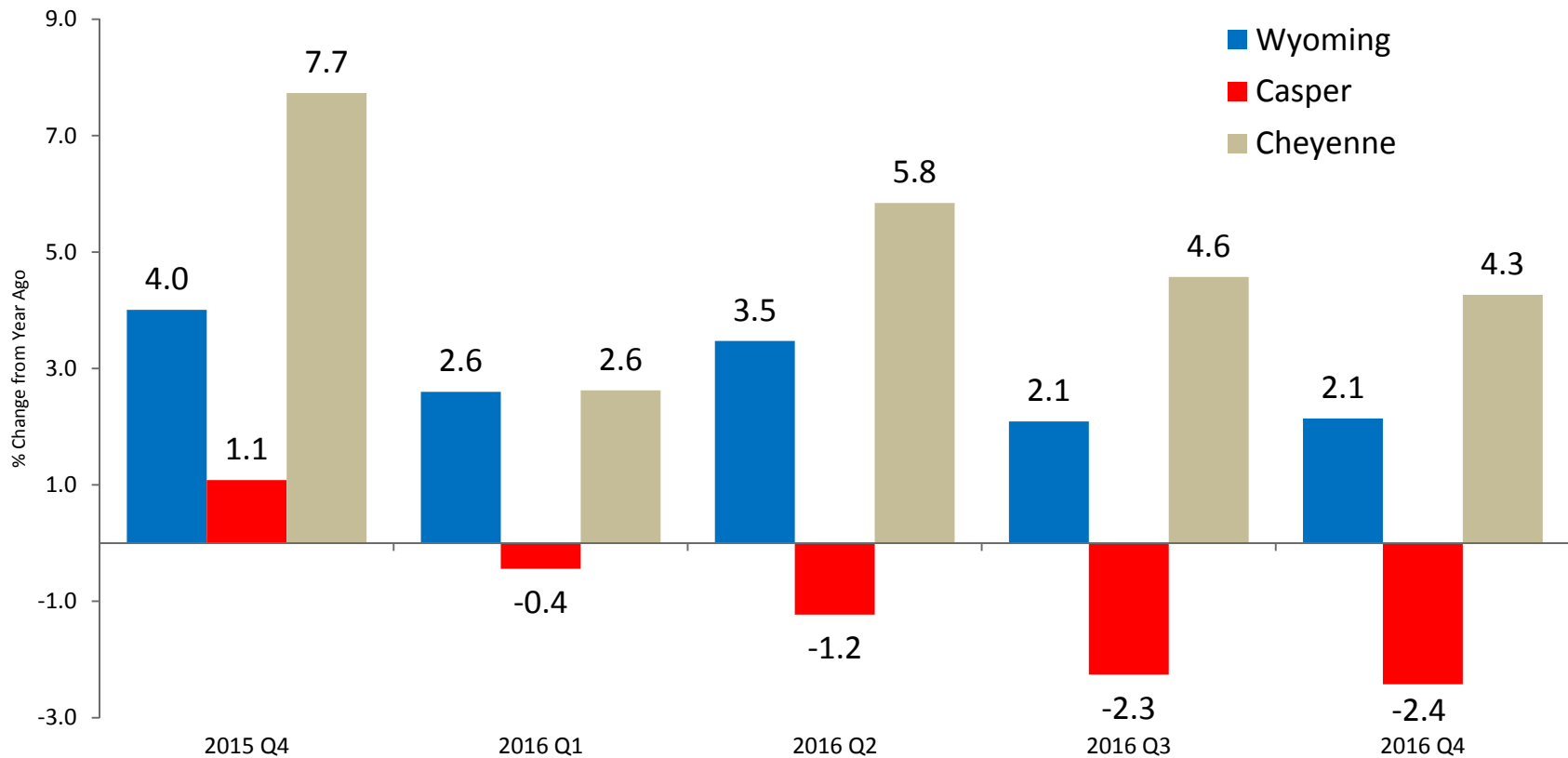
Source: Federal Housing Finance Agency (FHFA) – estimates using FHFA’s seasonally adjusted, purchase-only house price index.

Note: For the Period Ended December 31, 2016.



# House Price Appreciation

## Purchase and Refinance Mortgages: WY, Casper, & Cheyenne



Source: Federal Housing Finance Agency (FHFA) – estimates using FHFA’s not seasonally adjusted, all-transactions house price index, that includes purchase and refinance mortgages.

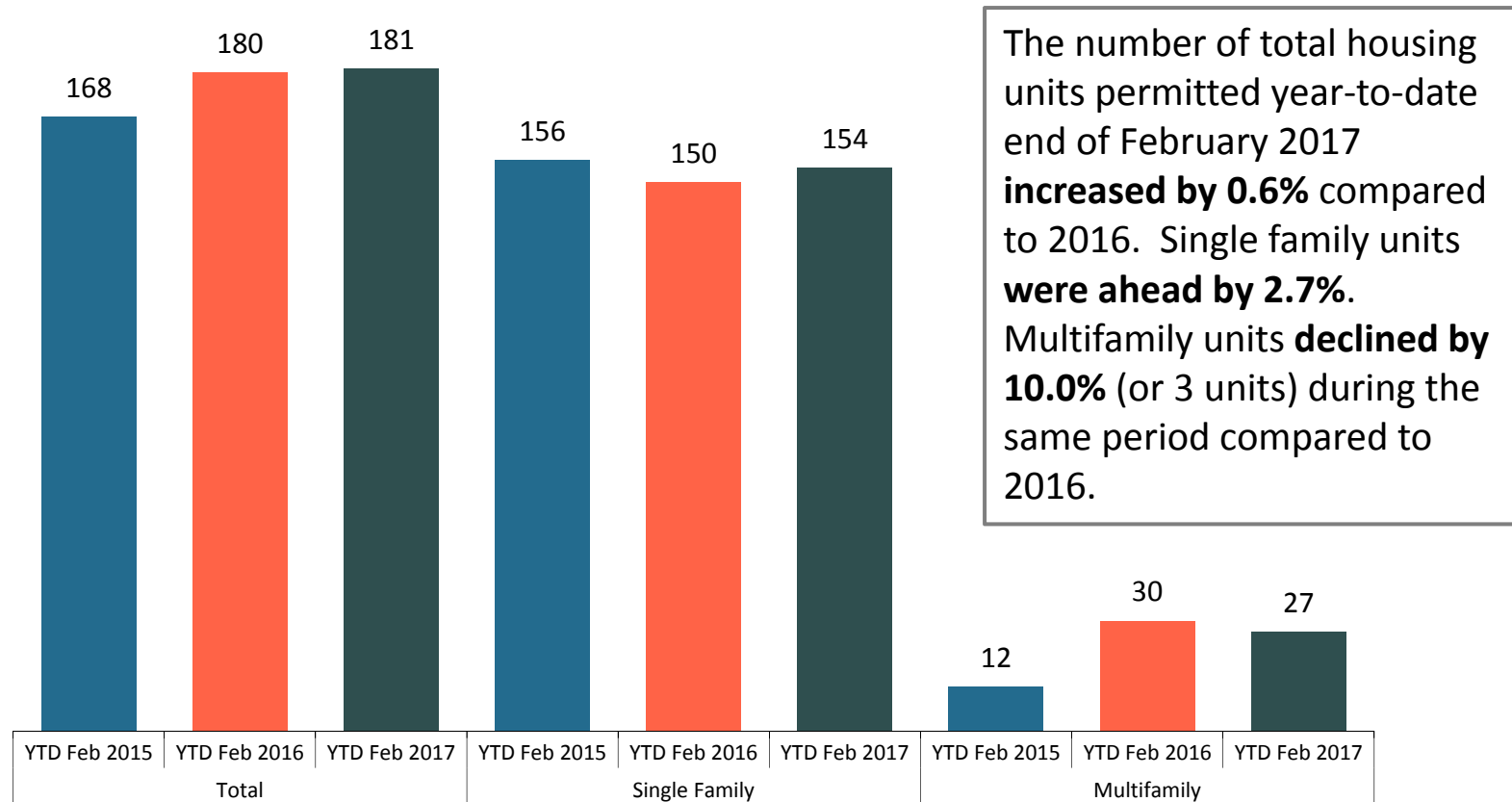
Note: For the Period Ended December 31, 2016.



# Residential Building Permits

## Units Statewide: Year-to-Date through February

Statewide - Units Permitted



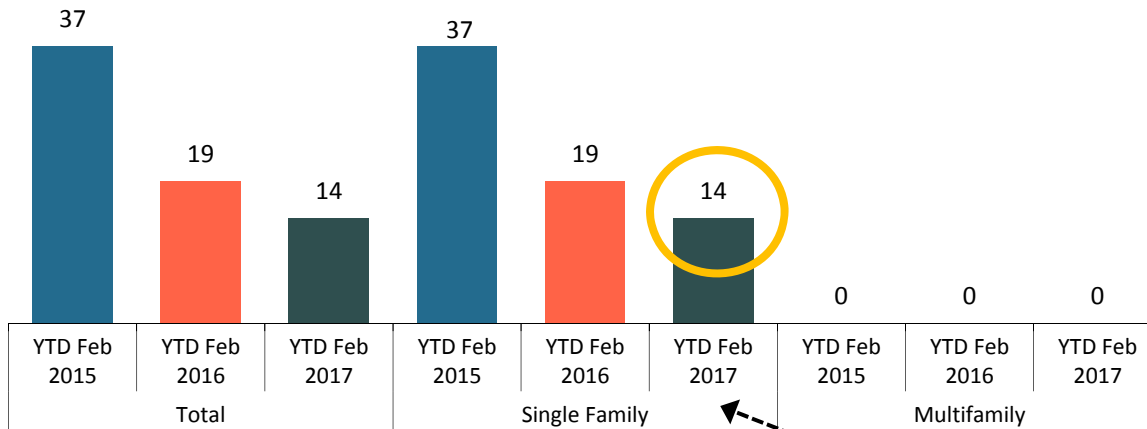
Source: U.S. Census Bureau.



# Residential Building Permits

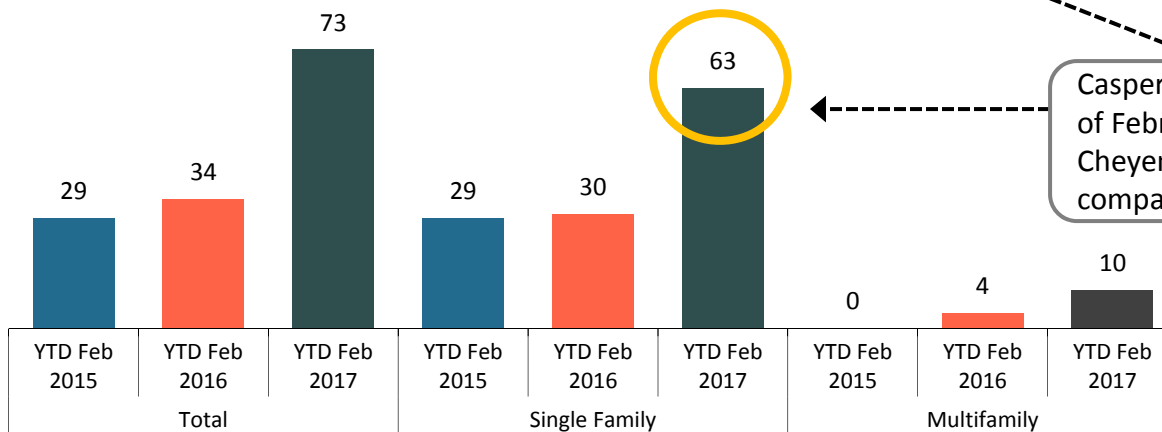
## Units for Casper and Cheyenne: Year-to-Date through February

Casper - Units Permitted



The number of total housing units permitted for Casper year-to-date February 2017 **decreased by 26.3%** compared to 2016. Total units permitted for Cheyenne over the same time **increased by 114.7%**.

Cheyenne - Units Permitted



Casper saw a decline (-26.3%) through the end of February 2017 of single family units while Cheyenne reported solid growth (+110.0%) compared to 2016.

Source: U.S. Census Bureau.

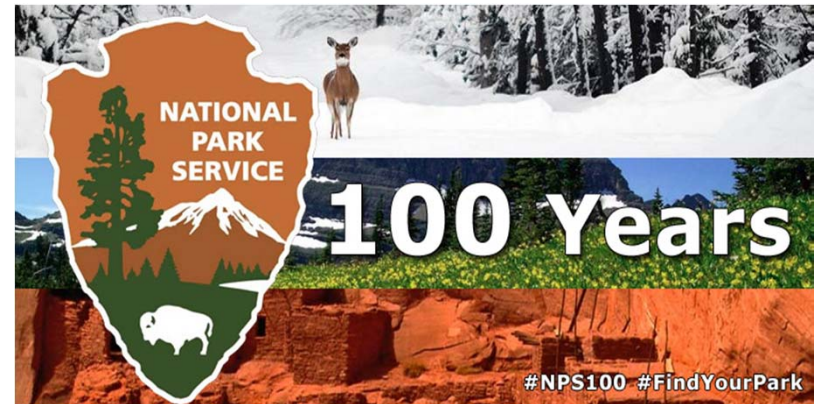




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