

MACRO Report: Review of Wyoming's Economy



Economic Update as of June 30, 2018

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 DEPARTMENT
OF ADMINISTRATION & INFORMATION

WYOMING MACRO Report

Summary: Improving Job Market Helps Wyoming Economy Advance.

- **Employment** – Total nonfarm employment grew by 3,700 jobs (+1.3%) in May compared to previous year; mining (+1,500) recorded the largest private sector gain while retail trade (-400) was the only private sector to report a loss.
- **Energy** – June average price for Opal natural gas settled at \$2.33 per MMBtu while WTI oil rose to \$65.98 per bbl.; oil & gas rig count was 26 in June compared to 25 one year ago; May oil & gas jobs increased by 900 in a year-ago comparison.
- **Revenues** – Final FY 2018 sales and use tax collections finished ahead of last year by 17.1%; 11 of 12 industry sectors that were tracked recorded year-over-year gains; **Converse County** realized the largest increase in collections (+\$20.8 million) in fiscal 2018 while **Crook County** had the largest loss (-\$0.5 million). Final FY18 severance tax revenue exceeded last year by 10.5%.
- **Personal income, home price appreciation, and building permits** – Personal income for Q1 of 2018 saw an annualized increase of 5.0% for the state compared to the previous quarter. Purchase and refinance mortgages house price index reported a Q1 year-over-year increase in home prices for Wyoming of 4.8% while Casper and Cheyenne saw increases of 0.8% and 5.8%, respectively. State-wide, single family units permitted year-to-date through end of May declined by 1.1% over the previous year.



Economic Activity:

Most Industries Added Jobs in May 2018; 2018 Q1 Personal Income Saw 3.0% Year-over-Year Growth

- Business-cycle indexes point to year-over-year improving conditions in Wyoming and Cheyenne economies, slight downturn seen in Casper.
- State-wide job recovery continued in May 2018.
- June 2018 oil and gas rig counts trend downward since March 2018.
- Final fiscal 2018 sales & use tax and severance tax collections improved over fiscal 2017.

Economy Metrics: Wyoming, Casper, and Cheyenne

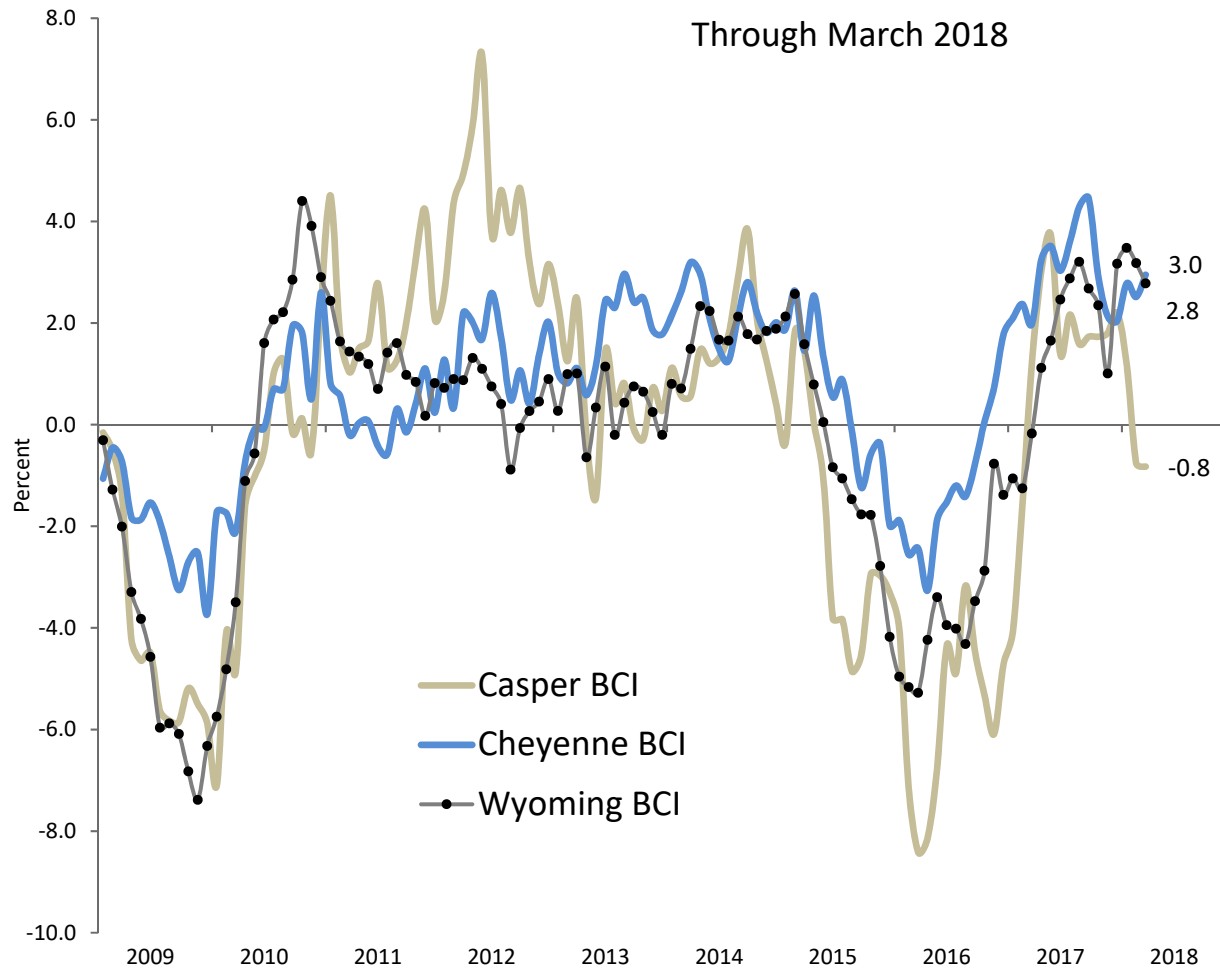
	Wyoming				Casper MSA				Cheyenne MSA			
	Current Period	Year Ago	Annual % Change		Current Period	Year Ago	Annual % Change		Current Period	Year Ago	Annual % Change	
(1) EAD Business-Cycle Indexes	98.95	96.27	2.8%	▲	94.79	95.58	-0.8%	▼	107.62	104.53	3.0%	▲
(2) Sales and Use Tax Collections (millions)	\$686.8	\$586.7	17.1%	▲	\$73.7	\$71.0	3.8%	▲	\$89.6	\$80.2	11.7%	▲
(3) Nonfarm Employment (000s)	285.4	281.7	1.3%	▲	39.3	38.5	2.1%	▲	46.3	46.5	-0.4%	▼
(4) Labor Force (000s)	284.8	292.0	-2.5%	▼	38.5	39.2	-1.8%	▼	46.7	47.8	-2.3%	▼
(5) Private Sector Jobs (000s)	216.1	211.2	2.3%	▲	33.3	32.5	2.5%	▲	33.0	32.6	1.2%	▲
(6) Private Sector Weekly Earnings	\$859	\$819	4.9%	▲	\$943	\$892	5.7%	▲	\$819	\$755	8.5%	▲
(7) Single Family Building Permits (units)	616	623	-1.1%	▼	65	52	25.0%	▲	168	181	-7.2%	▼
(8) FHFA All-Transactions Home Price Index	316.9	302.4	4.8%	▲	271.3	269.2	0.8%	▲	242.6	229.3	5.8%	▲
(9) Personal Income (millions)	\$33,545	\$32,562	3.0%	▲	\$5,599	\$5,921	-5.4%	▼	\$4,884	\$4,825	1.2%	▲
(10) Gross Domestic Product (millions)	\$41,365	\$38,289	8.0%	▲	\$5,859	\$6,633	-11.7%	▼	\$5,485	\$5,521	-0.7%	▼

Data sources:

- (1) Economic Analysis Division (EAD), Dept. of Administration & Information, State of Wyoming (Mar 2018);
- (2) Dept. of Revenue, State of Wyoming, (state-wide 4% fiscal year-to-date sales and use tax collections) (Jun 2018);
- (3) Seasonally adjusted (SA), (4) Not seasonally adjusted (NSA), (5) NSA, & (6) NSA, (U.S. Bureau of Labor Statistics, CES) (May 2018);
- (7) U.S. Census Bureau, (NSA), (calendar year-to-date May 2018);
- (8) Federal Housing Finance Agency (FHFA), (Q1 1991 = 100.0) (NSA) (Q1 2018);
- (9) U.S. Bureau of Economic Analysis, WY: Quarterly Personal Income (Current-Dollar) (Q1 2018), Casper and Cheyenne: Annual Personal Income (Current-Dollar) (2016);
- (10) U.S. Bureau of Economic Analysis, WY: Quarterly GDP (Current-Dollar) (Q4 2017), Casper and Cheyenne: Annual GDP (Current-Dollar) (2016).



Coincident Indexes: Wyoming, Casper, and Cheyenne Year-over-Year Percent Change in Index Values



Note: The **Wyoming Business-Cycle Index** unites four state-level indicators to sum up current economic conditions in a single number. The indicators consist of:

1. unemployment rate
2. private sector jobs and wages
3. mining sector sales & use tax collections
4. national park visits.

The **Casper and Cheyenne Business-Cycle Indexes** combine four city and county-level indicators to sum up current economic conditions in a single number. The indicators consist of:

1. unemployment rate
2. private sector jobs and wages
3. total 4% sales & use tax collections
4. median home prices.

Source: Economic Analysis Division, Dept. of Administration & Information, State of Wyoming.

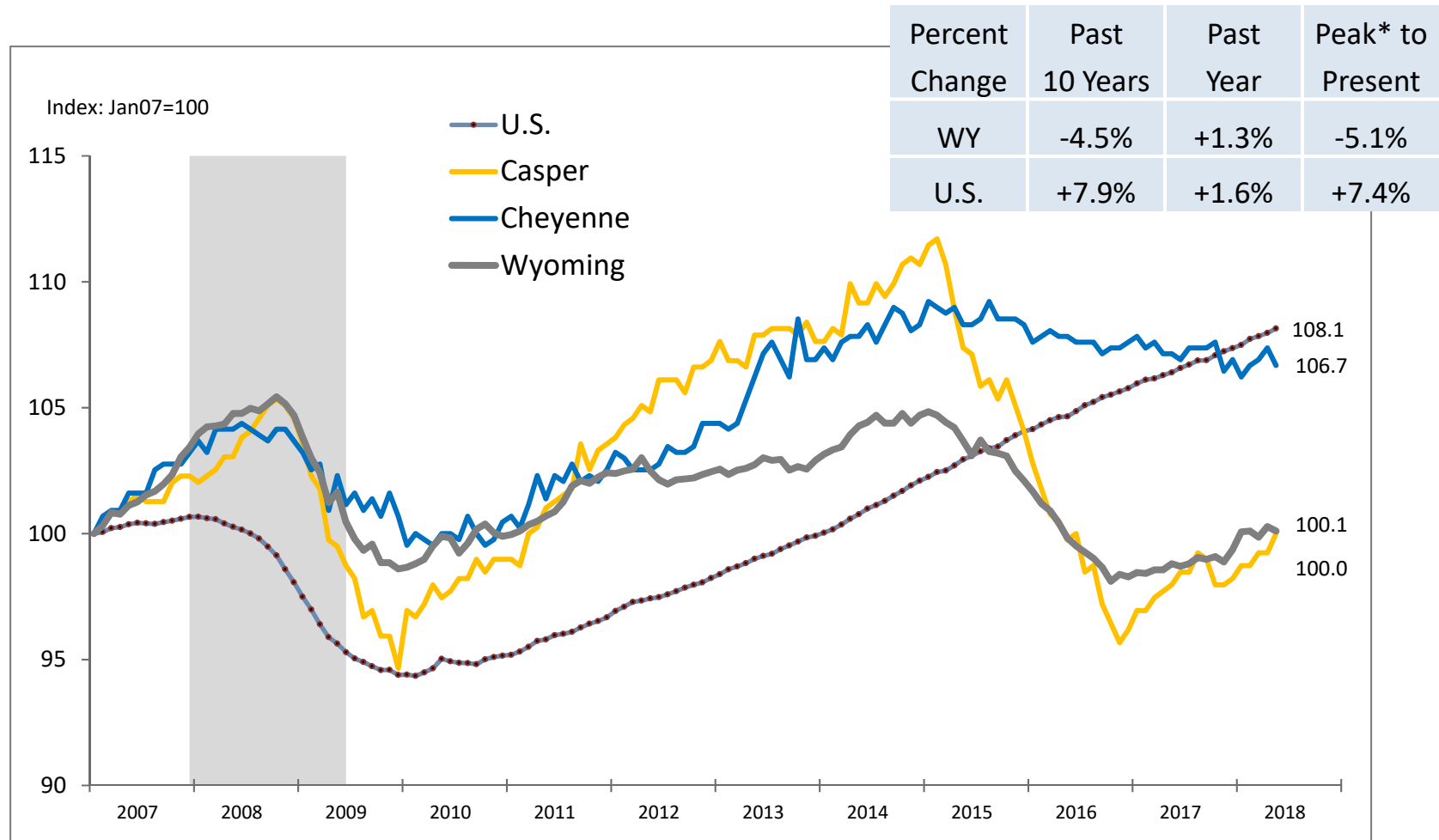


Employment:

Ten Consecutive Months of Year-over-Year Job Growth Recorded in May 2018

- State-wide employment gained 3,700 jobs (+1.3%) when compared to May 2018.
- Mining industry led the private sector by adding 1,500 jobs in May 2018 followed by professional & business services (+800).
- Casper realized job growth of 600 jobs (+1.6%) while Cheyenne job total remained unchanged in a May year-over-year comparison.

Nonfarm Employment: Casper, Cheyenne, WY, & U.S. Through End of May 2018 — Seasonally Adjusted



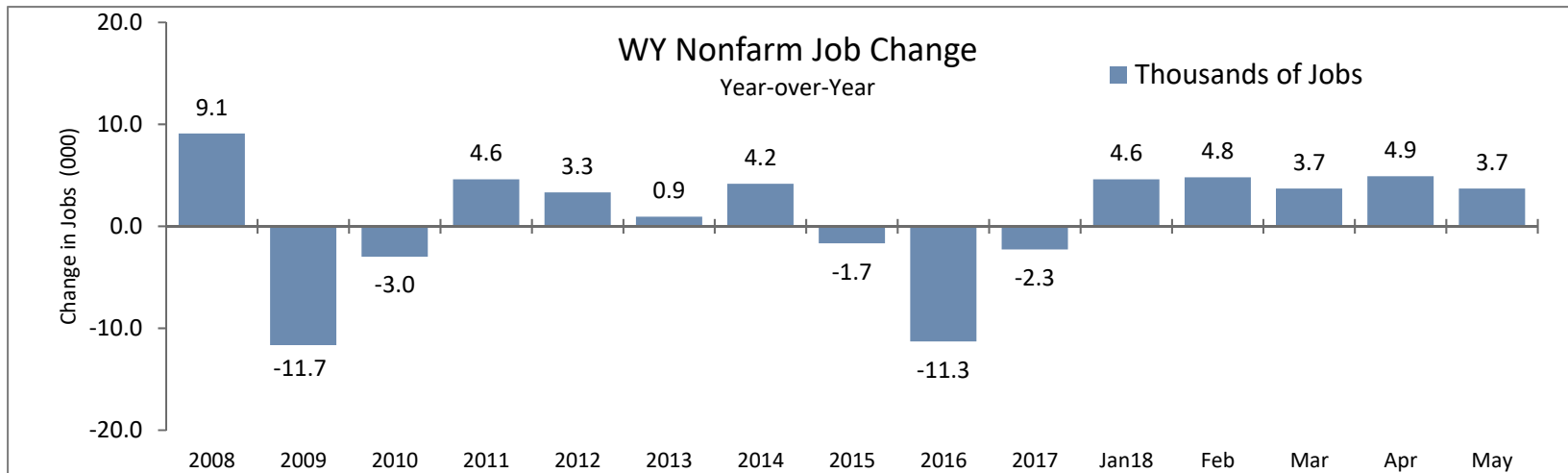
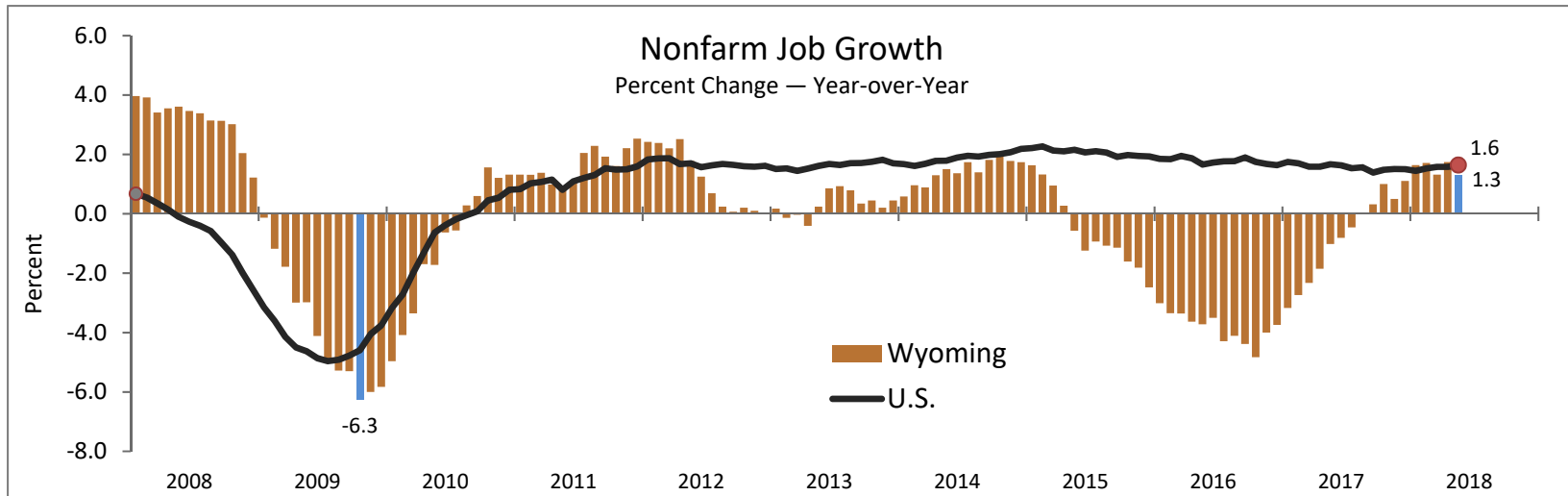
Source: Bureau of Labor Statistics.

Note: Shaded area represents U.S. recession.

*Refers to pre-recession peak.



WY and U.S. Nonfarm Employment Through End of May 2018; Seasonally Adjusted

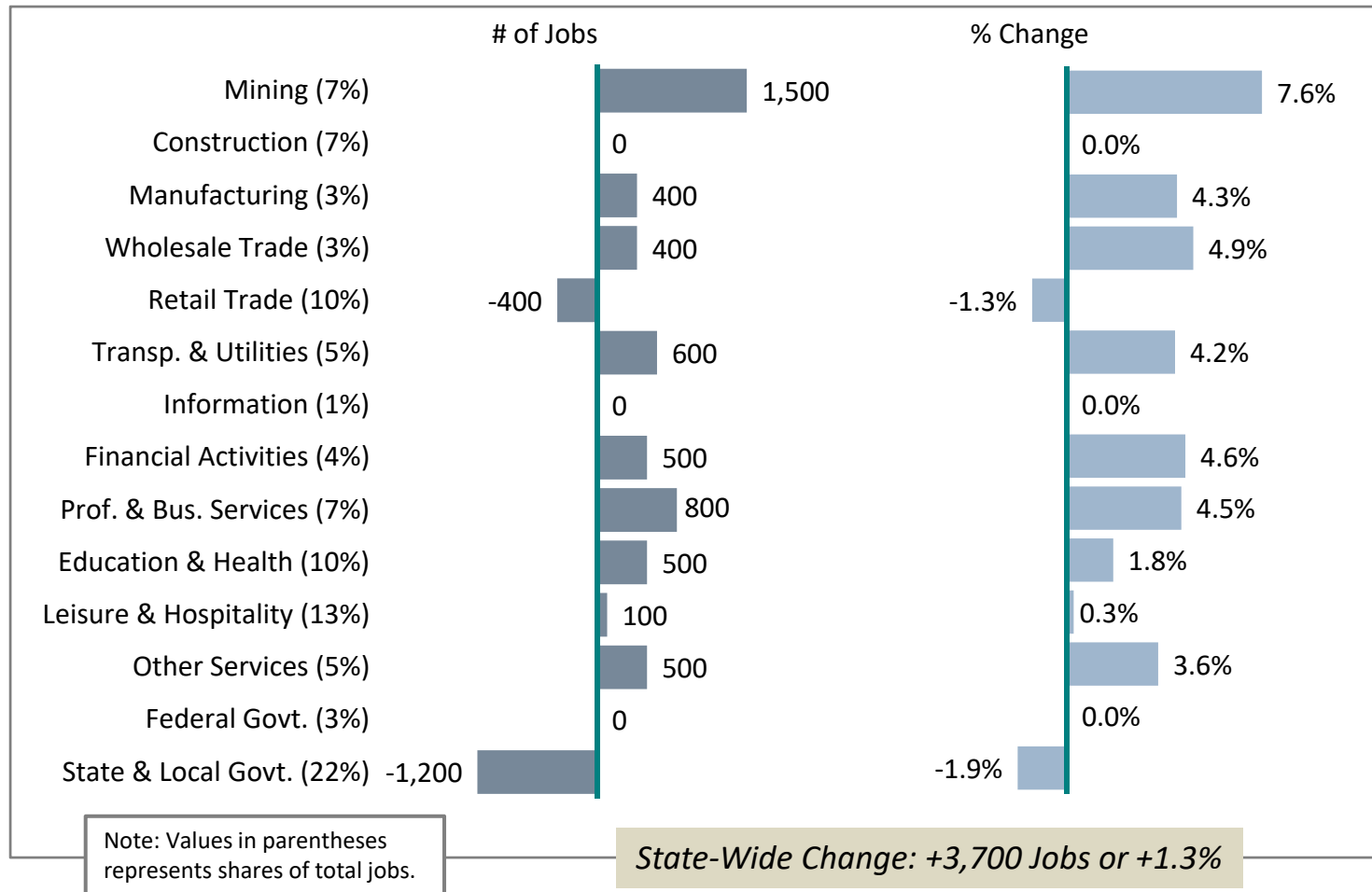


Source: U.S. Bureau of Labor Statistics.



WY Employment Change: May 2018 vs. May 2017

Year-over-Year; Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics.

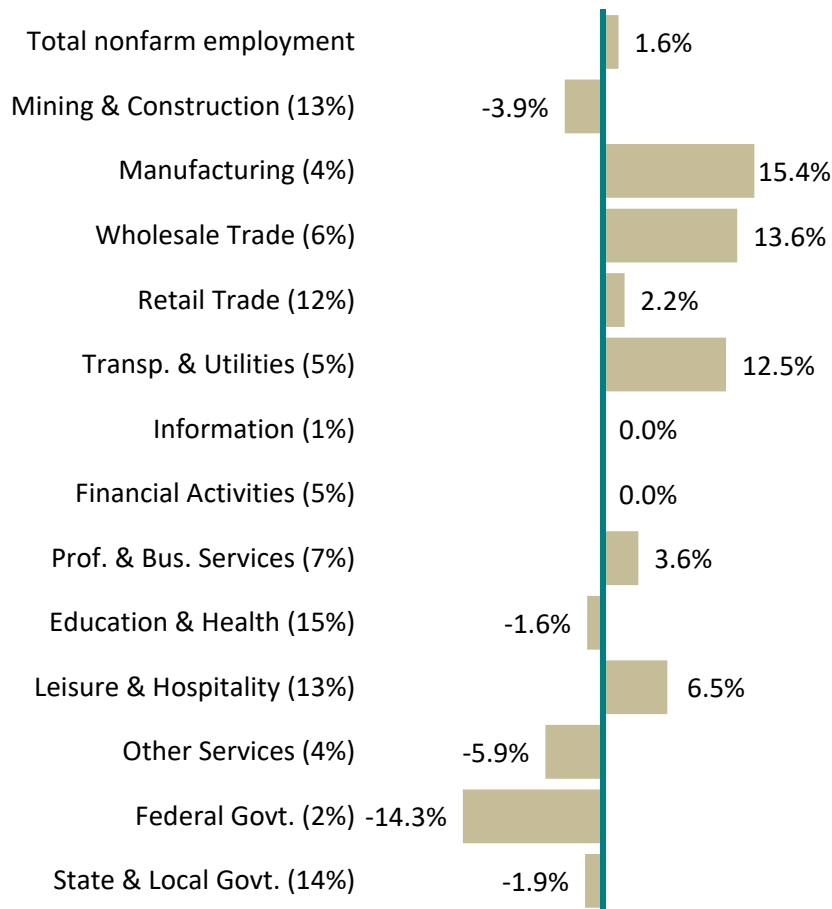
Note: The State & Local Government sector includes jobs affiliated with K-12 & higher education and public hospitals.



Casper & Cheyenne Job Change: May 2018 vs. May 2017

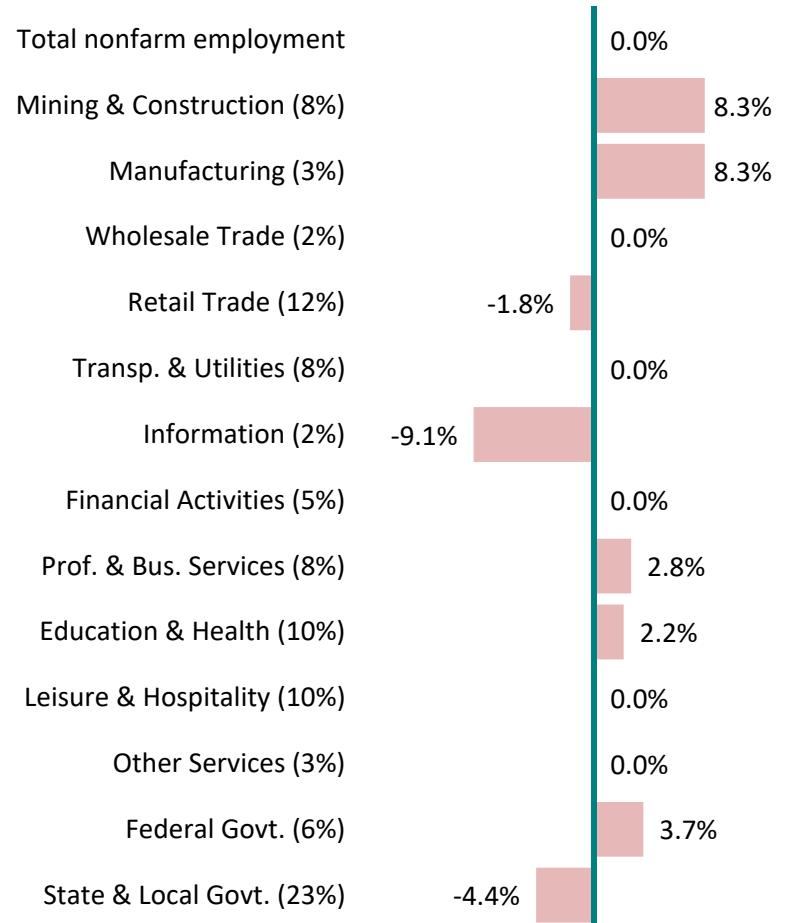
Year-over-Year; Not Seasonally Adjusted

Casper (+600 jobs YoY)



Note: Values in parentheses represent shares of total employment.

Cheyenne (No change in jobs YoY)



Note: Values in parentheses represent shares of total employment.

Source: U.S. Bureau of Labor Statistics.

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

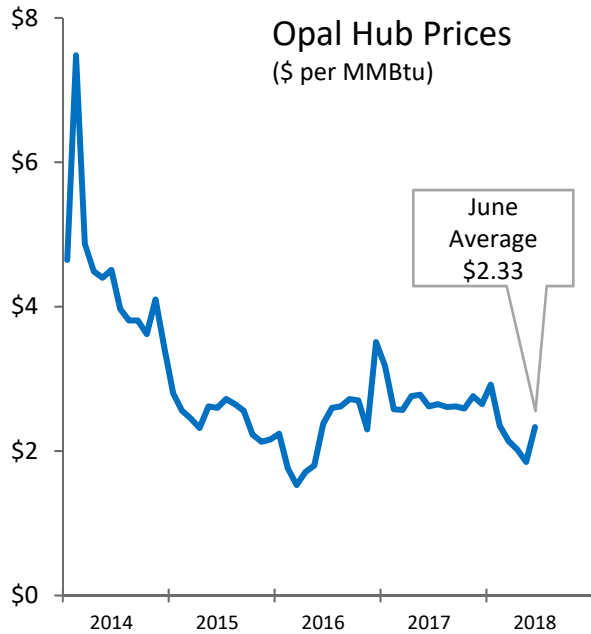


Energy:

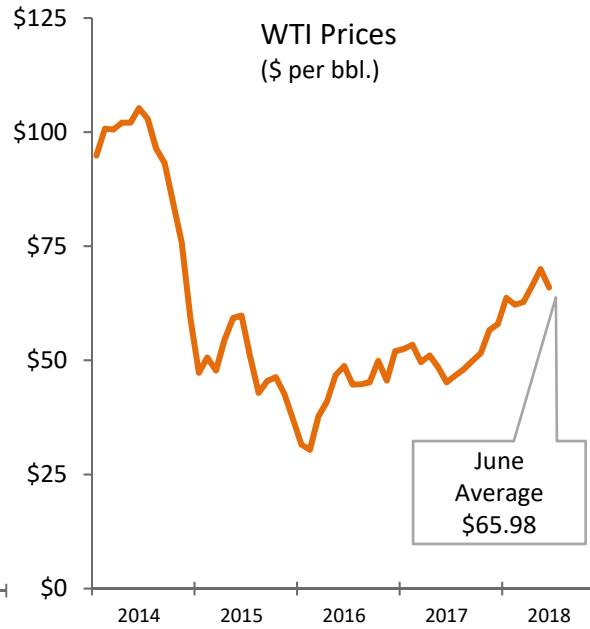
Oil & Gas Jobs Unchanged and Drilling Activity Weakens at Midpoint of 2018

- The June price of Opal natural gas averaged \$2.33 per MMBtu for the month; WTI oil price rose to \$65.98 per bbl.
- Natural gas production (+4.3%) and oil (+16.1%) increased by end of April 2018 in year-over-year comparison; six months of coal production (-1.7%) in 2018 was lagging 2017 output.
- Oil & gas jobs were at 12,100 in May 2018, an increase of 900 compared to a year ago; oil and gas rig counts at 26 in June, 1 better than June 2017.

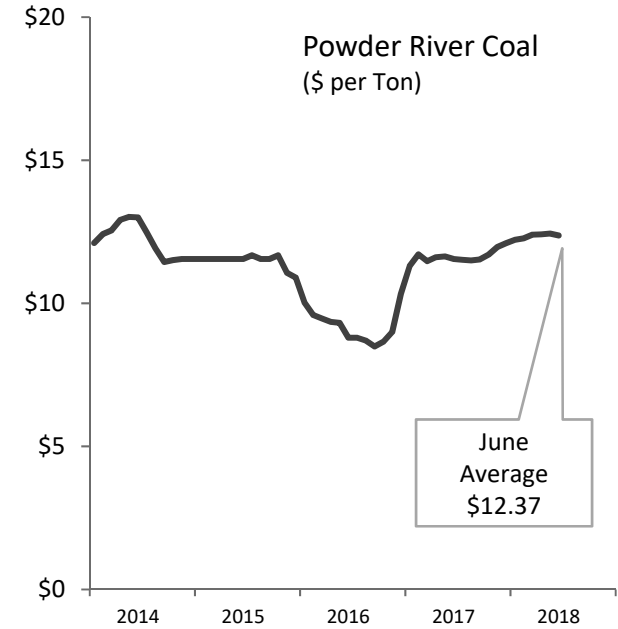
Natural Gas, Crude Oil, and Coal Prices



As of June 22, 2018
Fiscal Year 2018 Average Price:
\$2.41
Calendar Year 2018 Average Price:
\$2.25



As of June 22, 2018
Fiscal Year 2018 Average Price:
\$58.30
Calendar Year 2018 Average Price:
\$65.20

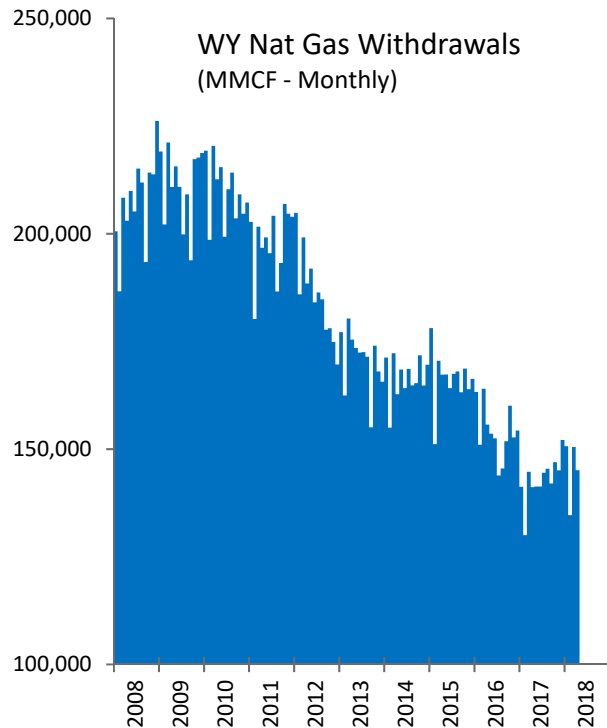


As of June 22, 2018
Fiscal Year 2018 Average Price:
\$12.03
Calendar Year 2018 Average Price:
\$12.35

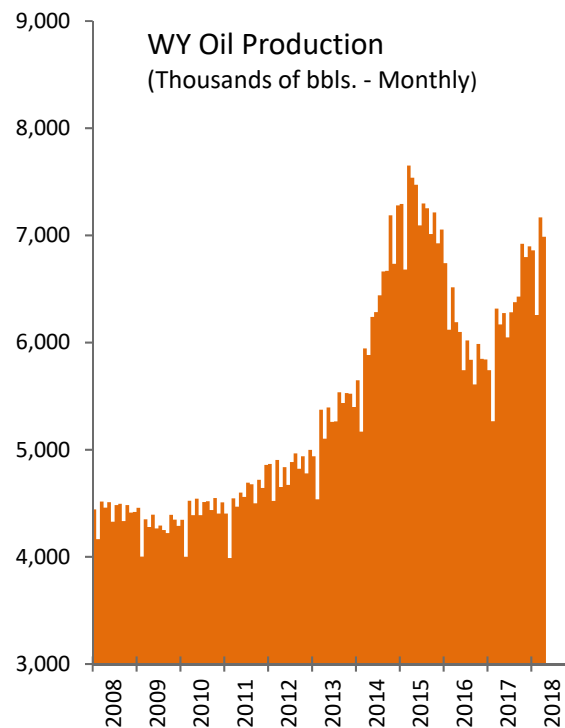
Source: Bloomberg.



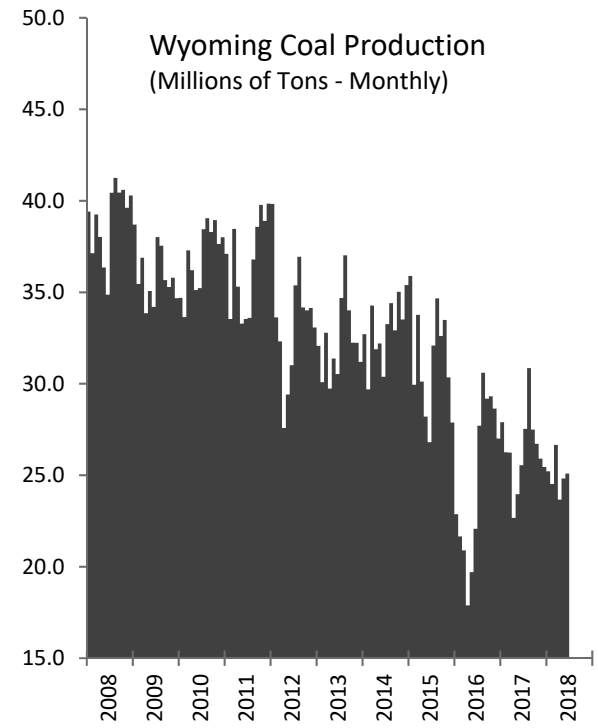
WY Natural Gas, Crude Oil, and Coal Production



Cumulative Change YTD:
Apr 2018 vs. Apr 2017
+4.3%



Cumulative Change YTD:
Apr 2018 vs. Apr 2017
+16.1%

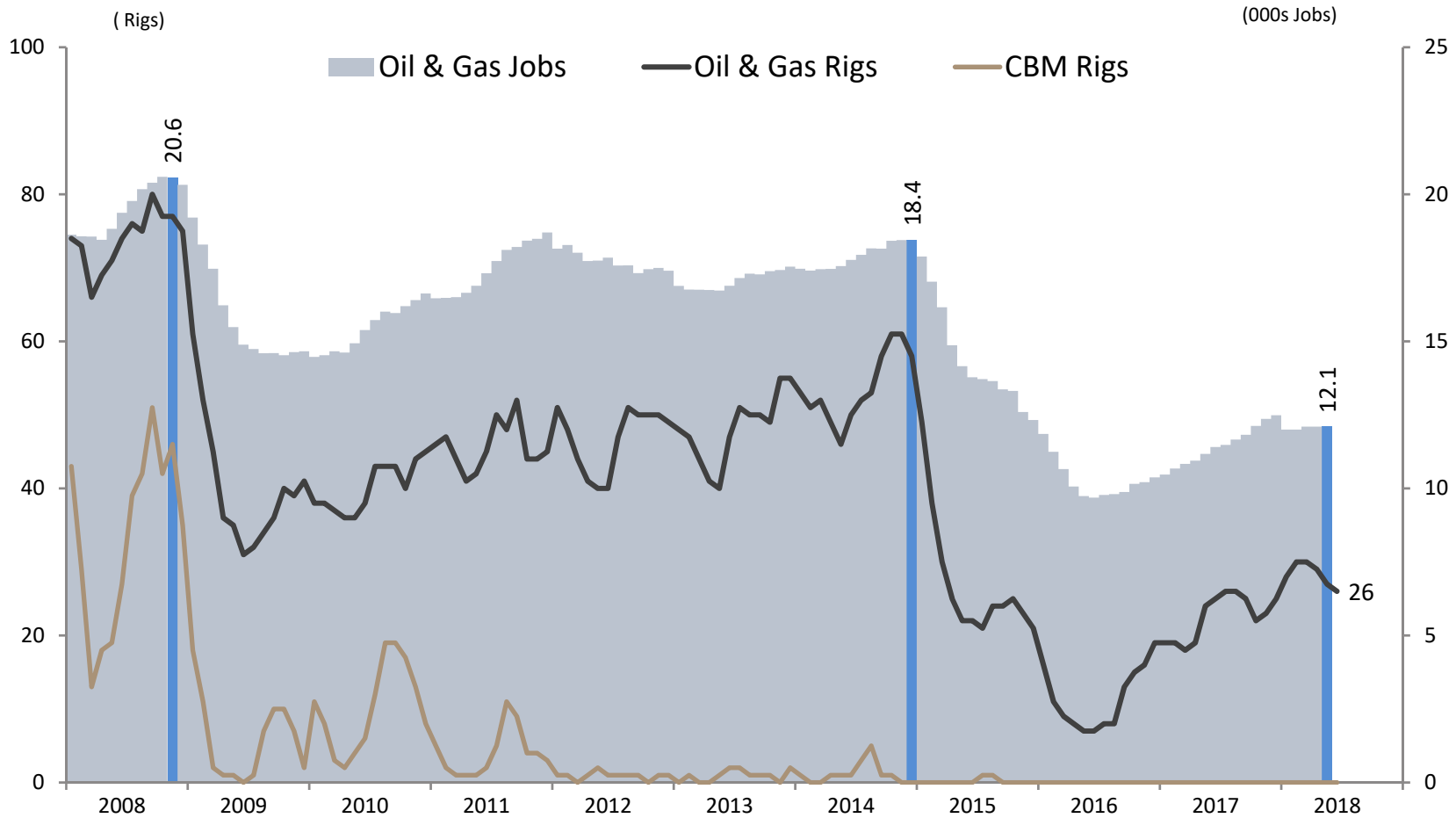


Cumulative Change YTD:
Jun 2018 vs. Jun 2017
-1.7%

Source: Energy Information Administration.



WY Oil & Gas Jobs and Rig Counts



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

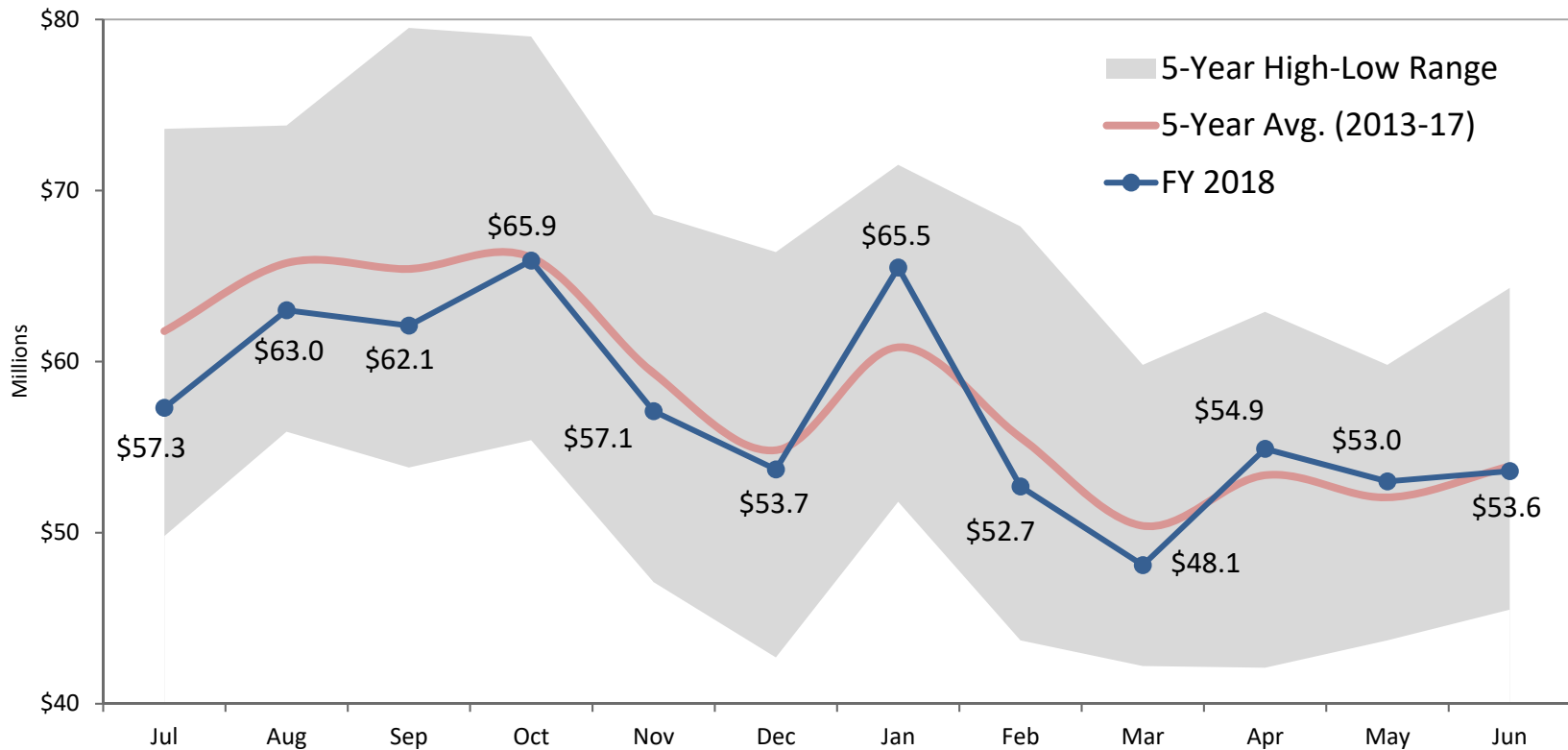


State Revenues:

Sales & Use and Severance Tax Collections Rebounded in Fiscal 2018

- Final sales and use tax collections for fiscal 2018 were \$100.1 million or 17.1% ahead of last year; mining (+\$41.7 million) recorded the largest year-over-year gain of all sectors.
- Final severance tax collections increased by \$58.4 million or 10.5% in fiscal 2018 compared to 2017.

WY State-Wide 4% Sales and Use Tax Collections: All Sectors



Final FY18 total collections were \$100.1 million (+17.1%) ahead of fiscal 2017. **Campbell, Converse, Laramie, Sublette, and Sweetwater** counties accounted for 76.8% of the increase.

Source: WY Dept. of Revenue.

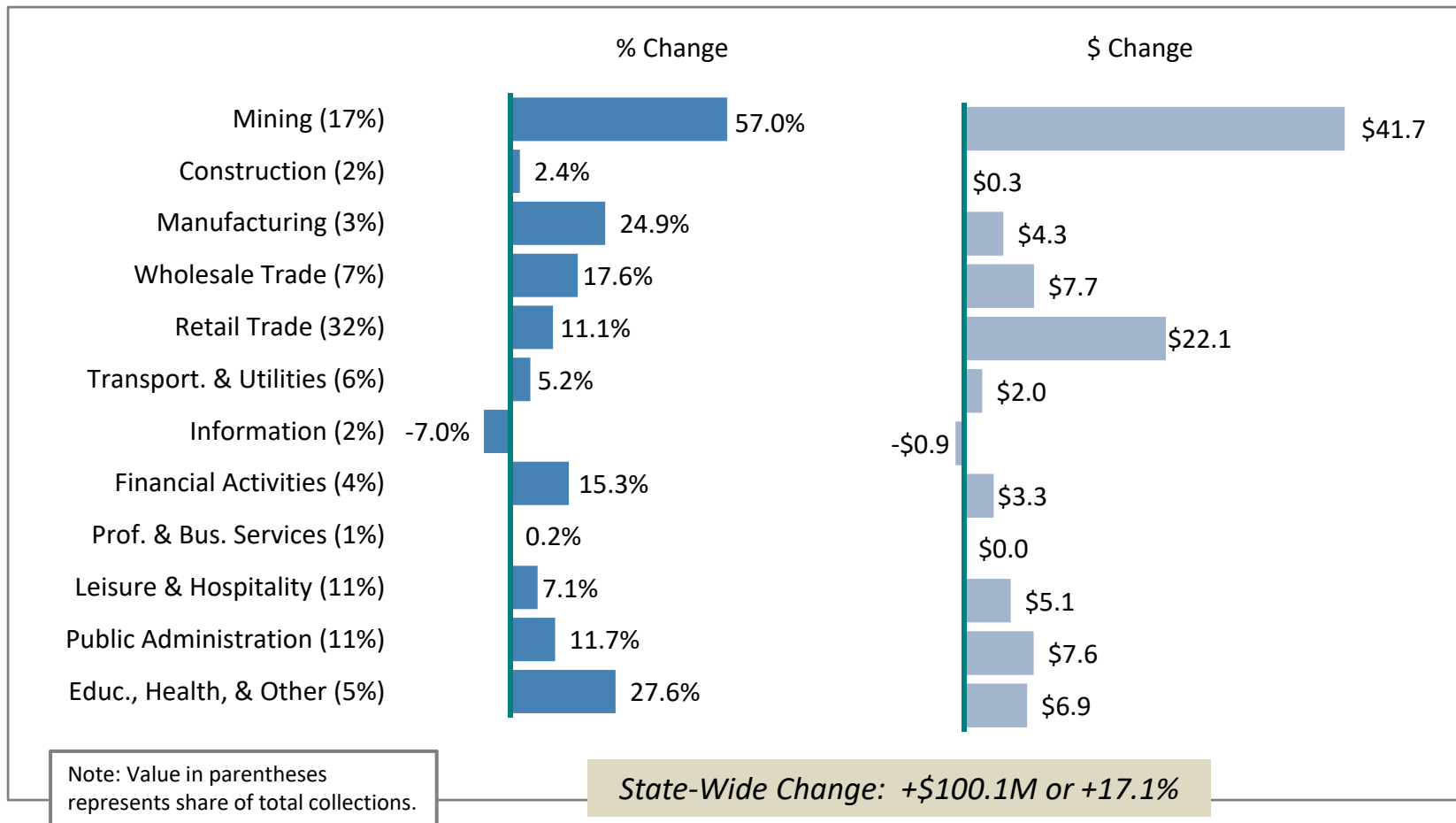
Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis.



WY State-Wide 4% Sales and Use Tax Collections by Industry

Change in Percent and Dollars (Millions)

Fiscal 2018 vs. Fiscal 2017 — Twelve Months of Collections



Source: WY Dept. of Revenue.

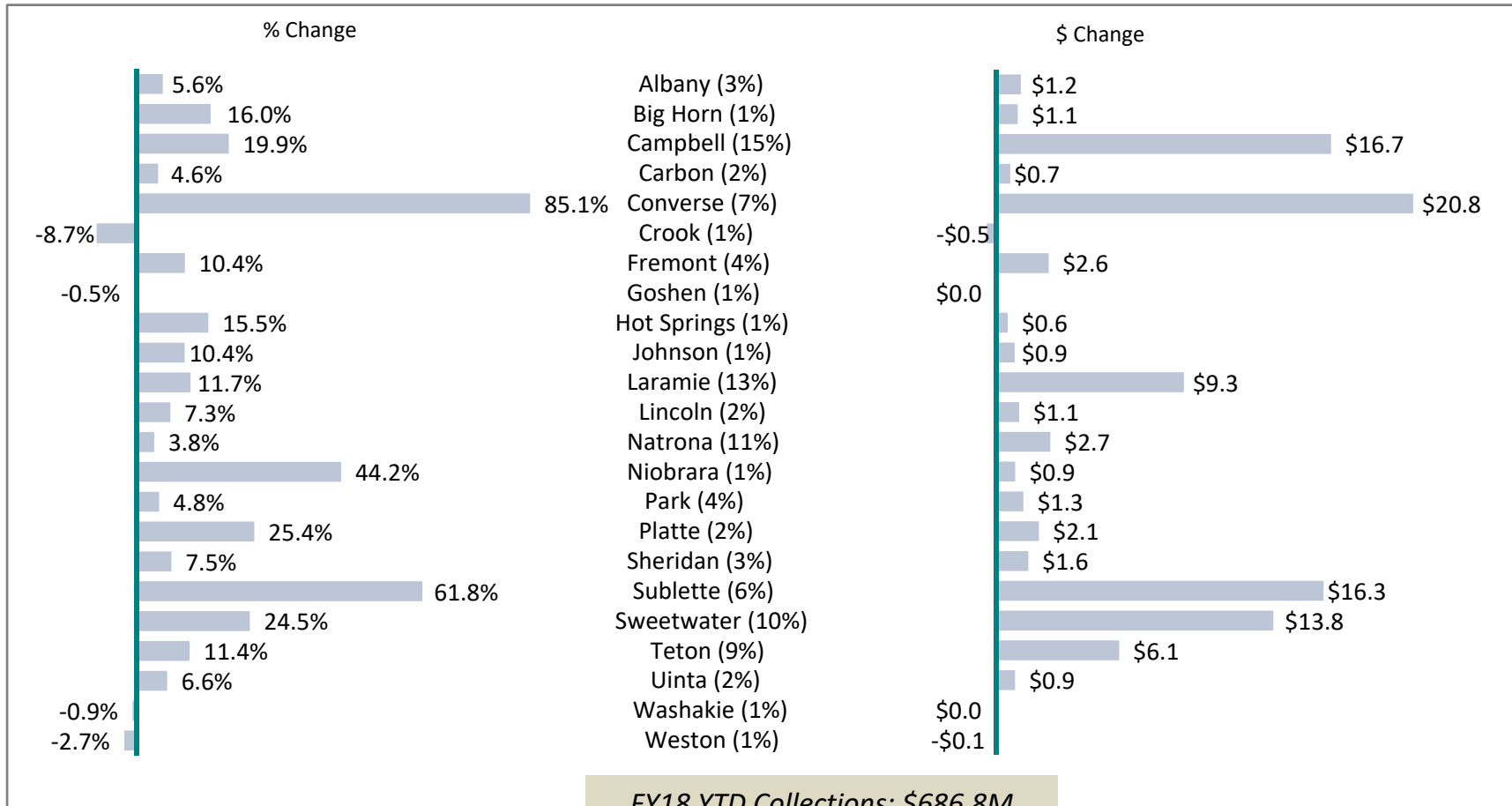
Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis. The Public Administration sector reflects taxes collected on the sale of new and used vehicles.



WY State-Wide 4% Sales and Use Tax Collections by County

Change in Percent and Dollars (Millions)

Fiscal 2018 vs. Fiscal 2017 — Twelve Months of Collections



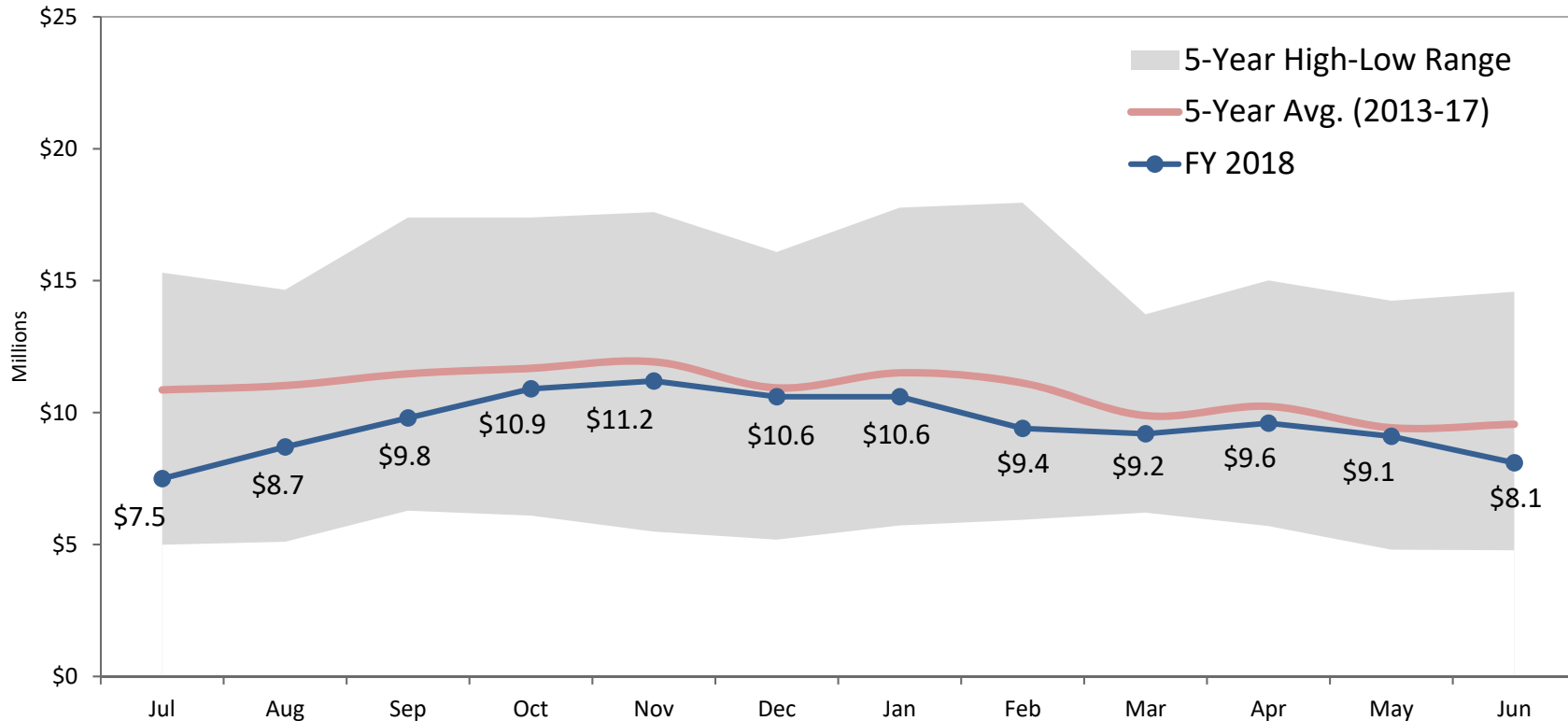
FY18 YTD Collections: \$686.8M
FY17 YTD Collections: \$586.7M

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 State-Wide 4% Sales and Use Tax Collections: Mining Sector



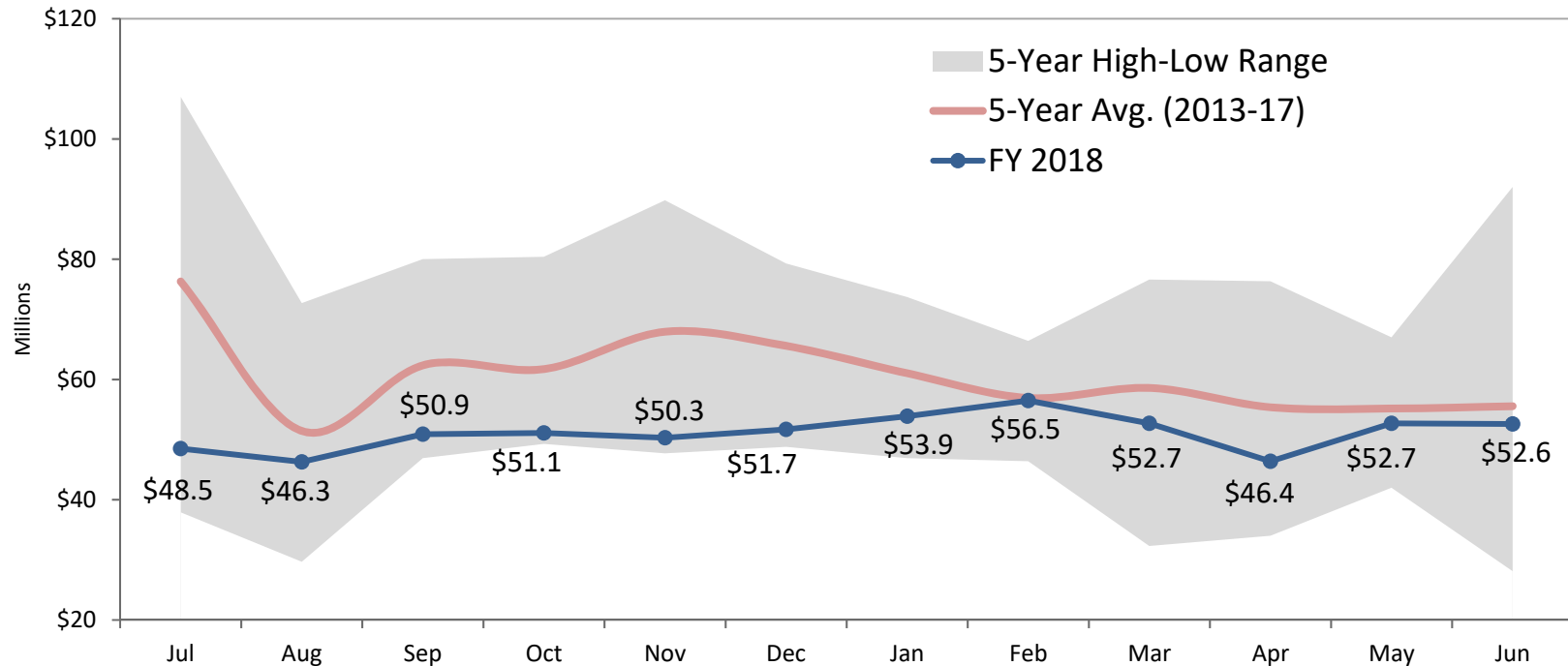
Final FY18 total collections from the mining sector reached a total of \$114.9 million, ahead of fiscal 2017 by \$41.7 million or 57.0%.

Source: WY Dept. of Revenue.

Note: Both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis are counted; collections include both the mining and natural resources sectors.



WY State-Wide Severance Tax Collections



Final FY18 total severance tax collections reached \$613.6 million, leading fiscal 2017 by \$58.4 million or 10.5 percent.

Source: WY Dept. of Revenue.

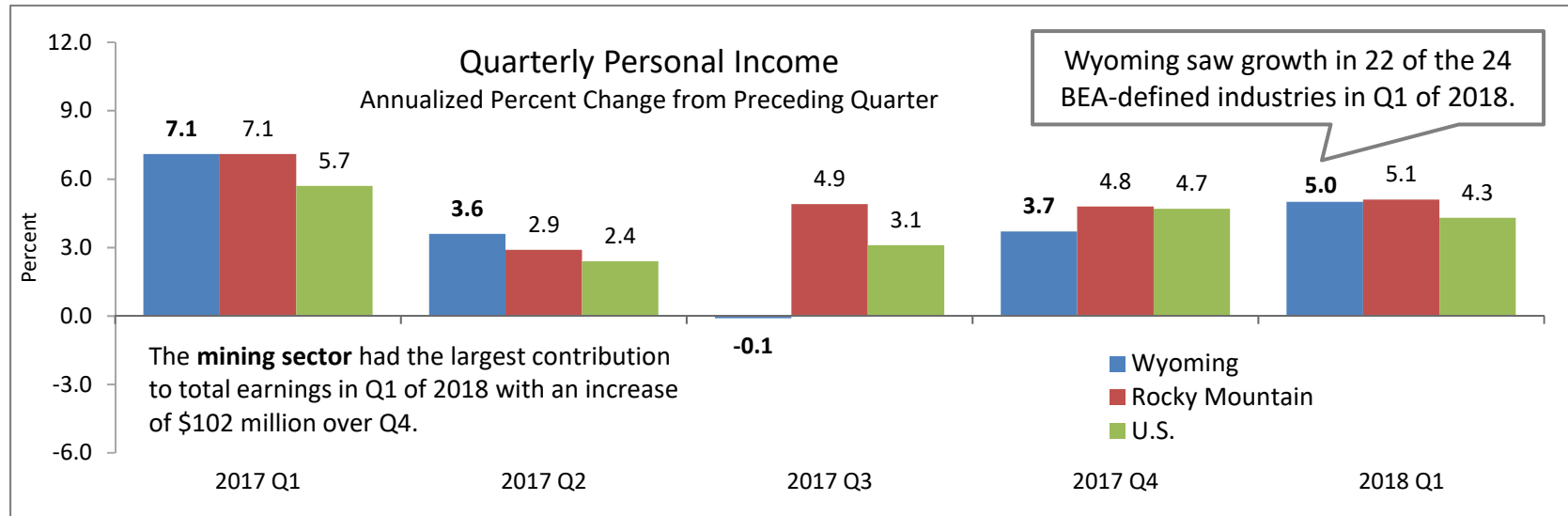
Note: Includes severance taxes collected on all minerals in Wyoming on a cash receipts basis.



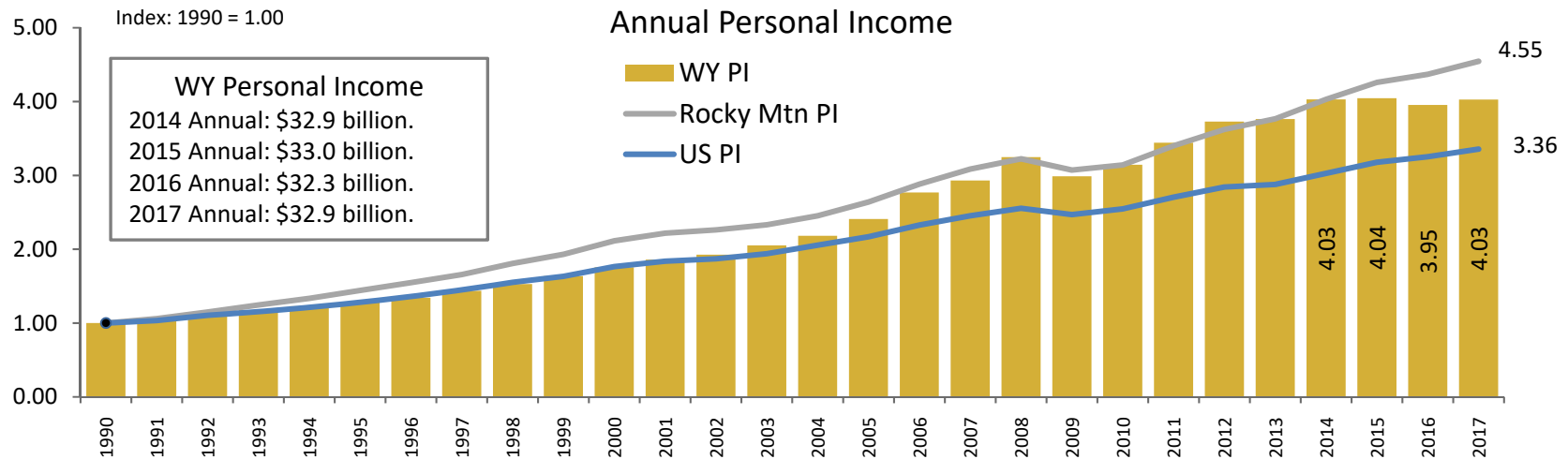
Other Indicators for the State: Personal Income, House Price Appreciation, and Building Permits

- Mining and farm sectors were the main drivers of personal income growth for Q1 of 2018.
- Wyoming's house price appreciation saw modest annual growth of 3.2% in Q1 of 2018; the Mountain Division and the U.S. saw gains of 9.4% and 6.9%, respectively.
- State-wide single family units permitted decreased year-to-date through end of May 2018 in a year-ago comparison by 7; single family units increased in Casper by 13 while Cheyenne saw a decrease of 13 through end of May year-to-date.

Quarterly and Annual Personal Income: WY, Rocky Mountain Region, & U.S.

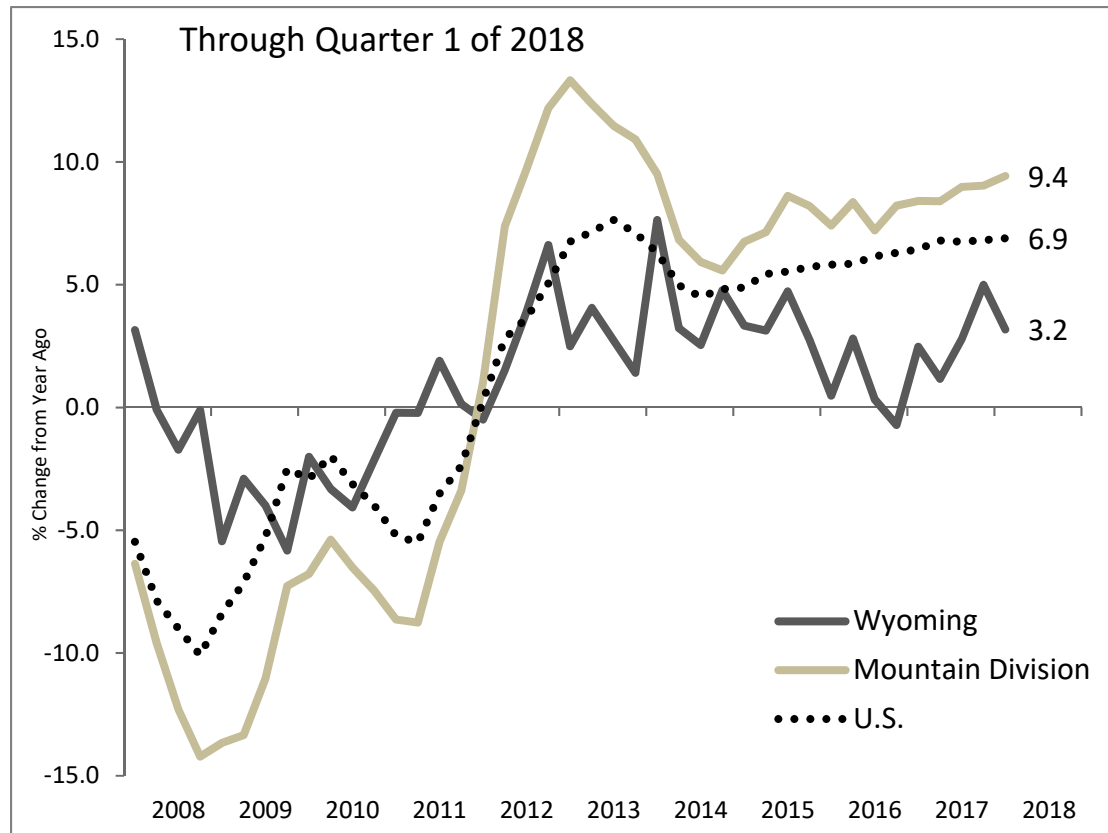


Source: U.S. Bureau of Economic Analysis.



House Price Appreciation

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



2018 Q1 vs. 2017 Q1

	<u>1-Yr. Rate</u>	<u>Rank</u>
Nevada	+13.7%	1
Idaho	+11.1%	3
Colorado	+10.6%	4
Utah	+9.9%	5
Arizona	+9.5%	7
Montana	+6.1%	29
Wyoming	+3.2%	42
New Mexico	+3.0%	44
Mtn Division	+9.4%	
U.S.	+6.9%	

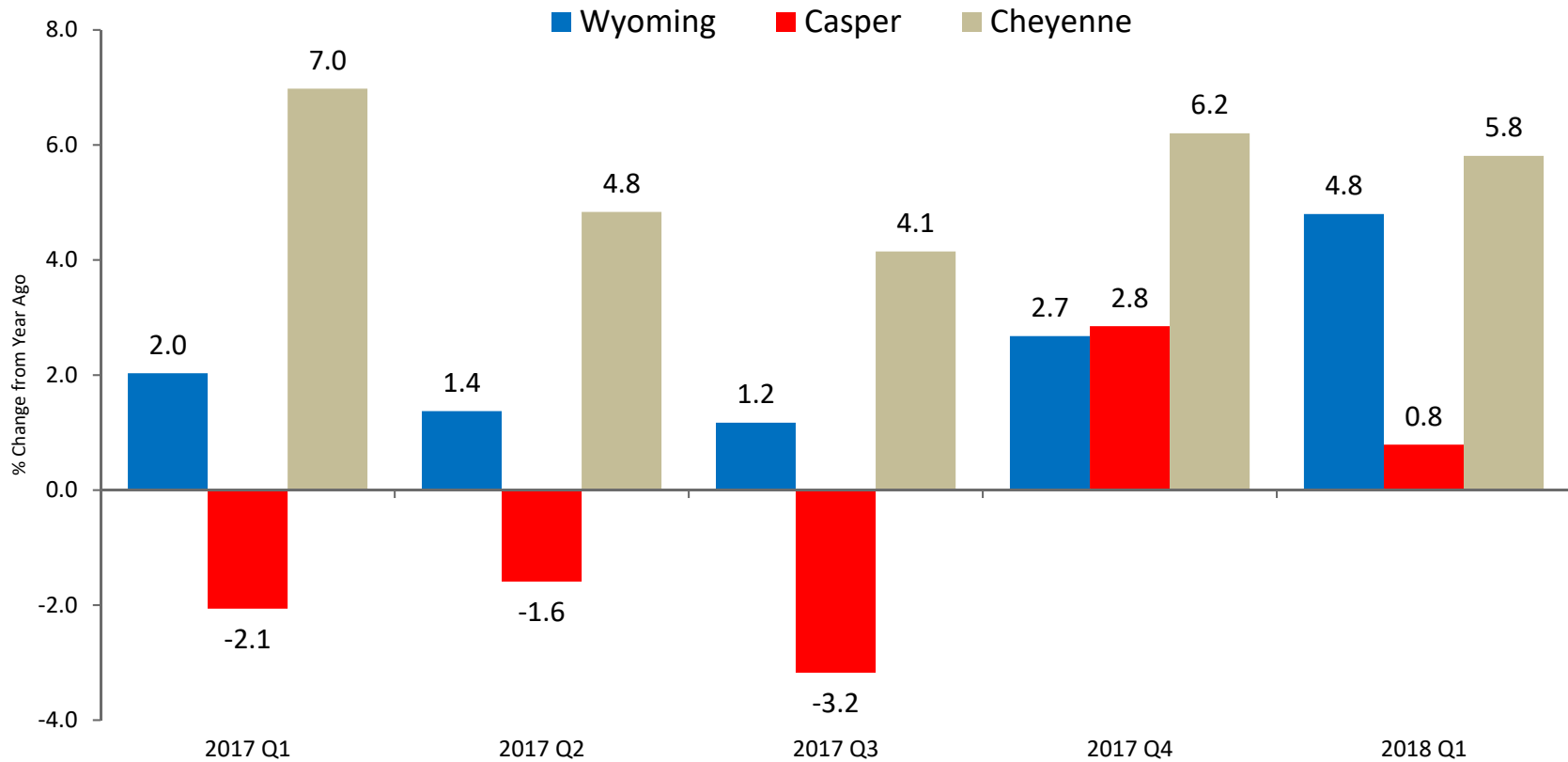
Source: Federal Housing Finance Agency (FHFA) – estimates using FHFA’s seasonally adjusted, purchase-only house price index.

Note: For the Period Ended March 31, 2018.



House Price Appreciation

Purchase and Refinance Mortgages: WY, Casper, & Cheyenne



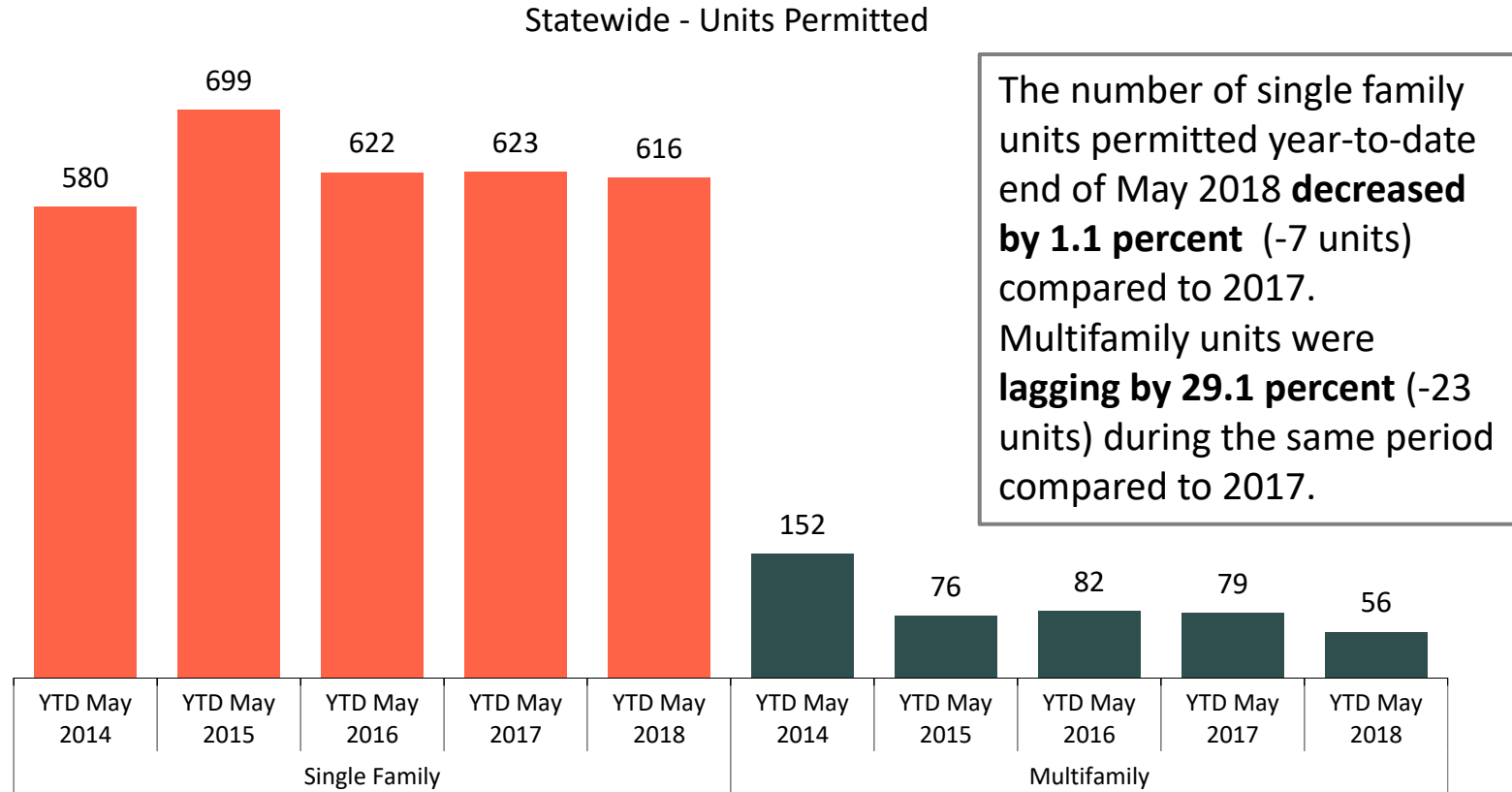
Source: Federal Housing Finance Agency (FHFA) – estimates using FHFA’s not seasonally adjusted, all-transactions house price index, that includes purchase and refinance mortgages.

Note: For the Period Ended March 31, 2018.



Residential Building Permits

State-Wide Units: Year-to-Date End of May 2018



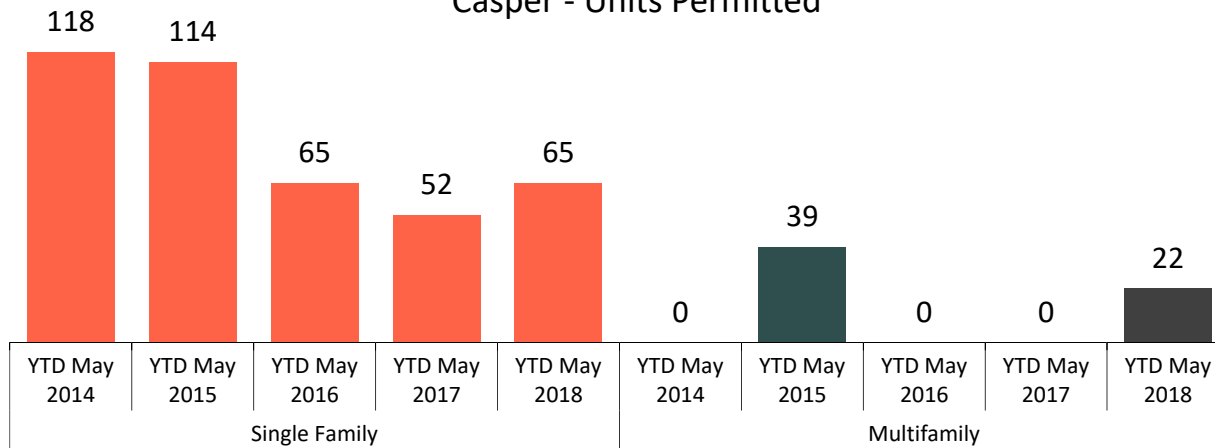
Source: U.S. Census Bureau.



Residential Building Permits

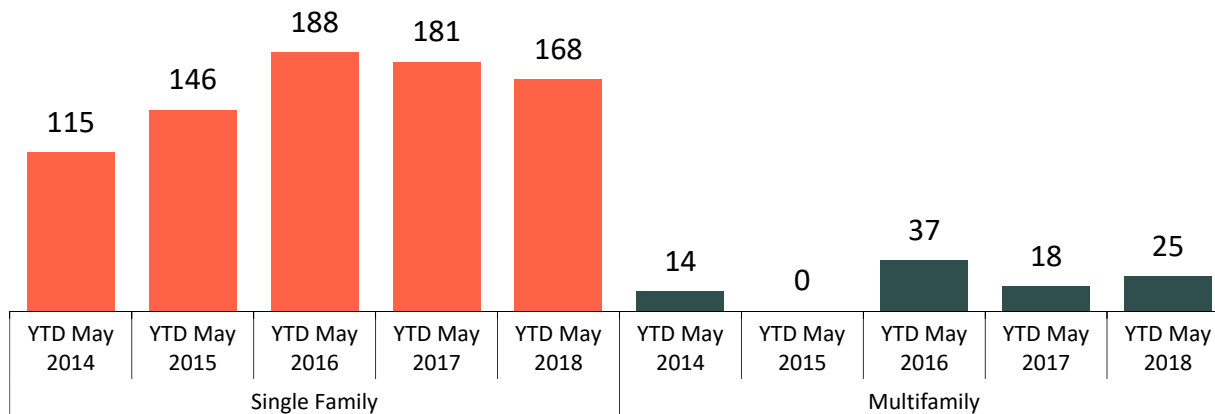
Casper and Cheyenne Units: Year-to-Date End of May 2018

Casper - Units Permitted



The number of single family housing units permitted for **Casper** year-to-date May 2018 **increased by 25.0 percent (+13 units)** compared to 2017.

Cheyenne - Units Permitted



Cheyenne's single family housing units permitted for year-to-date May 2018 **decreased by 7.2 percent (-13 units)** compared to 2017.

Source: U.S. Census Bureau.



How To Find Us

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