

MACRO Report: Review of Wyoming's Economy



Economic Update as of March 31, 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: Most Indicators Suggest Wyoming Economy Expanding.

- **Employment** – Total nonfarm employment grew by 4,700 jobs (+1.7%) in February compared to previous year; mining (+2,100) recorded the largest private sector gain while construction (-300) was the only private sector to report a loss.
- **Energy** – March average for Opal natural gas settled at \$2.18 per MMBtu while WTI oil rose to \$62.57 per bbl.; oil & gas rig count was 30 in March compared to 18 one year ago; February oil & gas jobs increased by 1,400 in a year-ago comparison.
- **Revenues** – First nine months of FY 2018 sales and use tax collections ahead of last year by 18.8%; 10 of 12 industry sectors that were tracked recorded year-over-year gains; **Converse County** realized the largest increase in collections (+\$15.2 million) in fiscal 2018 while **Crook County** had the largest loss (-\$0.4 million). After eight months of FY18, severance tax revenue exceeded last year by 9.6%.
- **Personal income, home price appreciation, and building permits** – Personal income for Q4 of 2017 saw an increase of 1.0% for the state compared to the previous quarter. FHFA's purchase and refinance mortgages house price index reported a Q4 year-over-year increase in home prices for Wyoming of 2.4% while Casper and Cheyenne saw increases of 2.2% and 5.0%, respectively. State-wide, single family units permitted year-to-date through end of February grew by 0.9% over the previous year.



Economic Activity:

Jobs Added to the State in January and February 2018; 2017 Q4 Personal Income Saw 3.7% Year-over-Year Growth

- Business-cycle indexes point to year-over-year improving conditions in Wyoming, Casper, and Cheyenne economies.
- State-wide job recovery seen in January and February 2018.
- March 2018 oil and gas rig counts reached highest level in three years.
- After nine months of fiscal 2018, year-to-date sales and use tax collections were outpacing fiscal 2017 by a margin of 18.8 percent.

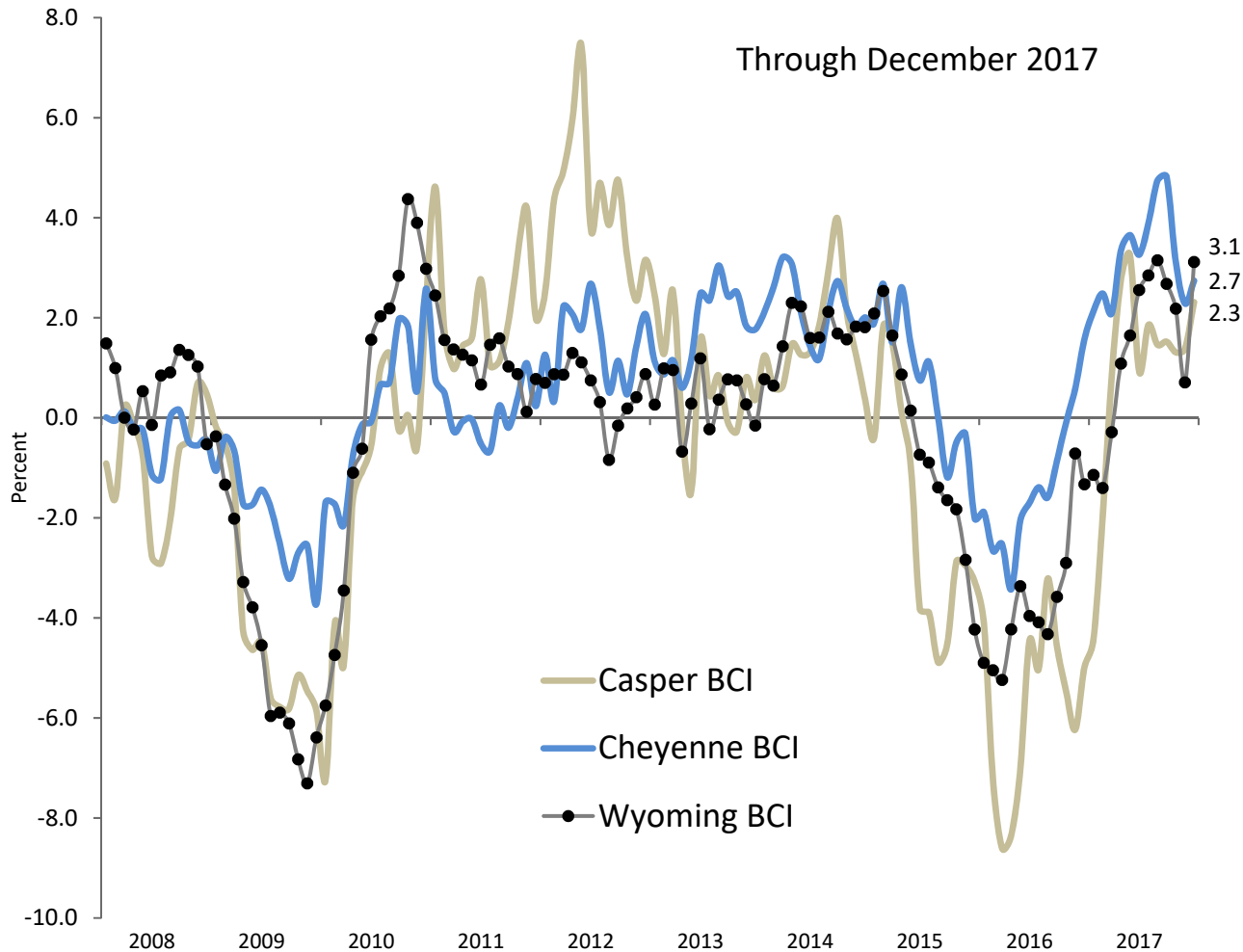
Economy Metrics: Wyoming, Casper, and Cheyenne

	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	98.56	95.58	3.1%	▲	95.78	93.62	2.3%	▲	106.66	103.81	2.7%	▲
(2) Sales and Use Tax Collections (millions)	\$525.3	\$442.3	18.8%	▲	\$58.8	\$52.8	11.4%	▲	\$68.4	\$59.9	14.2%	▲
(3) Nonfarm Employment (000s)	285.3	280.6	1.7%	▲	38.9	38.1	2.1%	▲	46.5	46.6	-0.2%	▼
(4) Labor Force (000s)	288.1	292.6	-1.5%	▼	39.3	40.1	-2.0%	▼	47.9	49.1	-2.4%	▼
(5) Private Sector Jobs (000s)	208.2	202.1	3.0%	▲	32.3	31.6	2.2%	▲	32.2	31.8	1.3%	▲
(6) Private Sector Weekly Earnings	\$839	\$781	7.4%	▲	\$924	\$893	3.5%	▲	\$803	\$701	14.6%	▲
(7) Single Family Building Permits (units)	169	154	9.7%	▲	17	14	21.4%	▲	39	63	-38.1%	▼
(8) FHFA All-Transactions Home Price Index	310.6	303.2	2.4%	▲	276.8	270.7	2.3%	▲	239.4	228.0	5.0%	▲
(9) Personal Income (millions)	\$33,183	\$32,010	3.7%	▲	\$5,599	\$5,921	-5.4%	▼	\$4,884	\$4,825	1.2%	▲
(10) Gross Domestic Product (millions)	\$41,284	\$38,268	7.9%	▲	\$5,859	\$6,633	-11.7%	▼	\$5,485	\$5,521	-0.7%	▼

Data sources: (1) Economic Analysis Division, Dept. of Administration & Information, State of Wyoming (Dec 2017); (2) Dept. of Revenue, State of Wyoming, (state-wide 4% fiscal year-to-date sales and use tax collections) (Mar 2018); (3) SA, (4) NSA, (5) NSA, & (6) NSA, (U.S. Bureau of Labor Statistics, CES) (Feb 2018); (7) U.S. Census Bureau, (NSA), (calendar year-to-date Feb 2018); (8) Federal Housing Finance Agency, (Q1 1991 = 100.0) (NSA) (Q4 2017); (9) U.S. Bureau of Economic Analysis, WY: Quarterly Personal Income (Current-Dollar) (Q4 2017), Casper and Cheyenne: Annual Personal Income (Current-Dollar) (2016); (10) U.S. Bureau of Economic Analysis, WY: Quarterly GDP (Current-Dollar) (Q3 2017), Casper and Cheyenne: Annual GDP (Current-Dollar) (2016).



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



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

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. and 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. and median home prices.

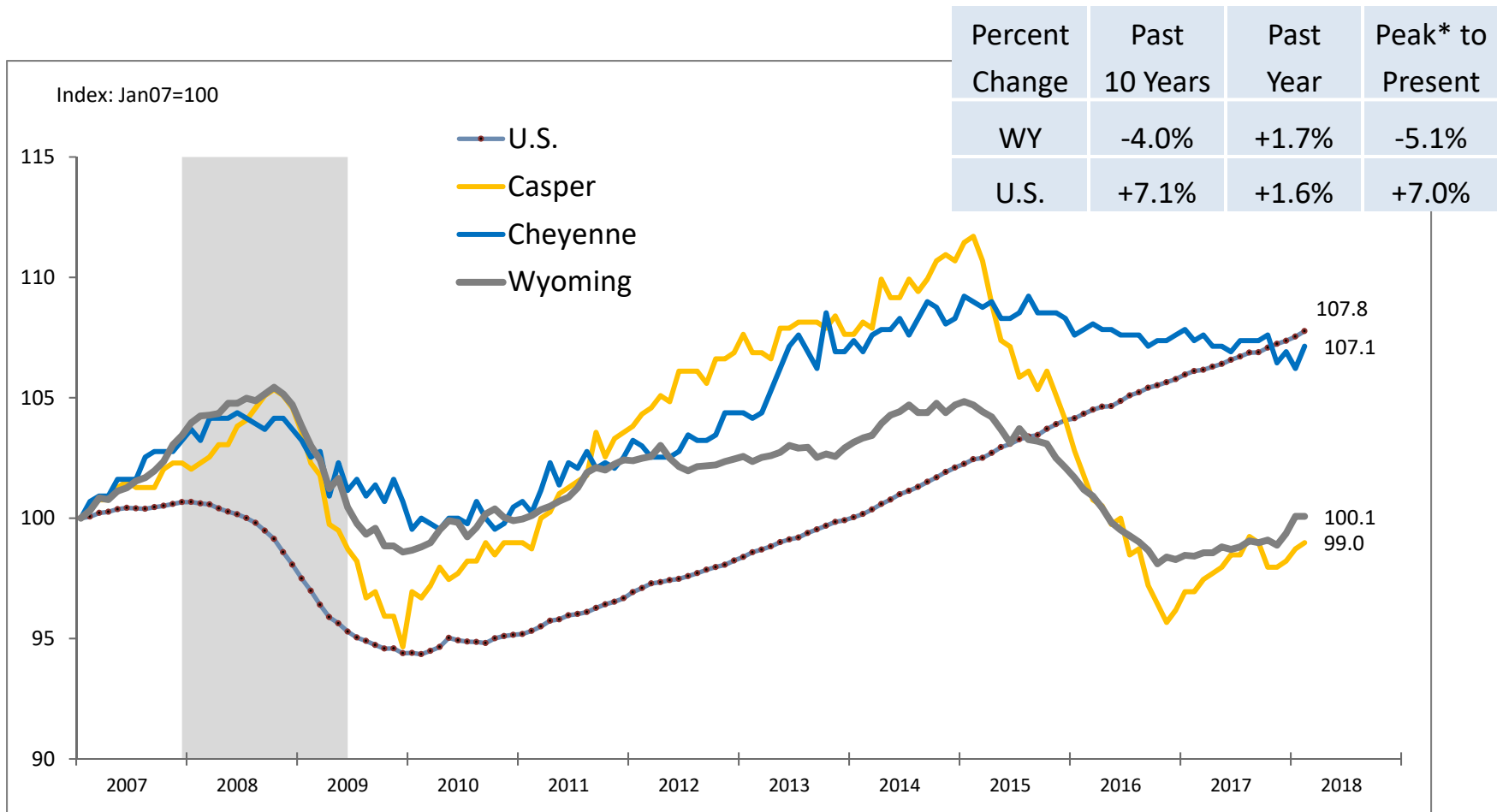


Employment:

Mining Driving Job Growth in Early 2018; Most Other Sectors Improving

- State-wide employment gained 4,700 jobs (+1.7%) when compared to February 2018.
- Mining industry led the private sector by adding 2,100 jobs in February 2018 followed by professional & business services (+1,000).
- Casper realized job growth of 500 jobs (+1.1%) while Cheyenne lost 100 jobs (-0.2%) in a February year-over-year comparison.

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



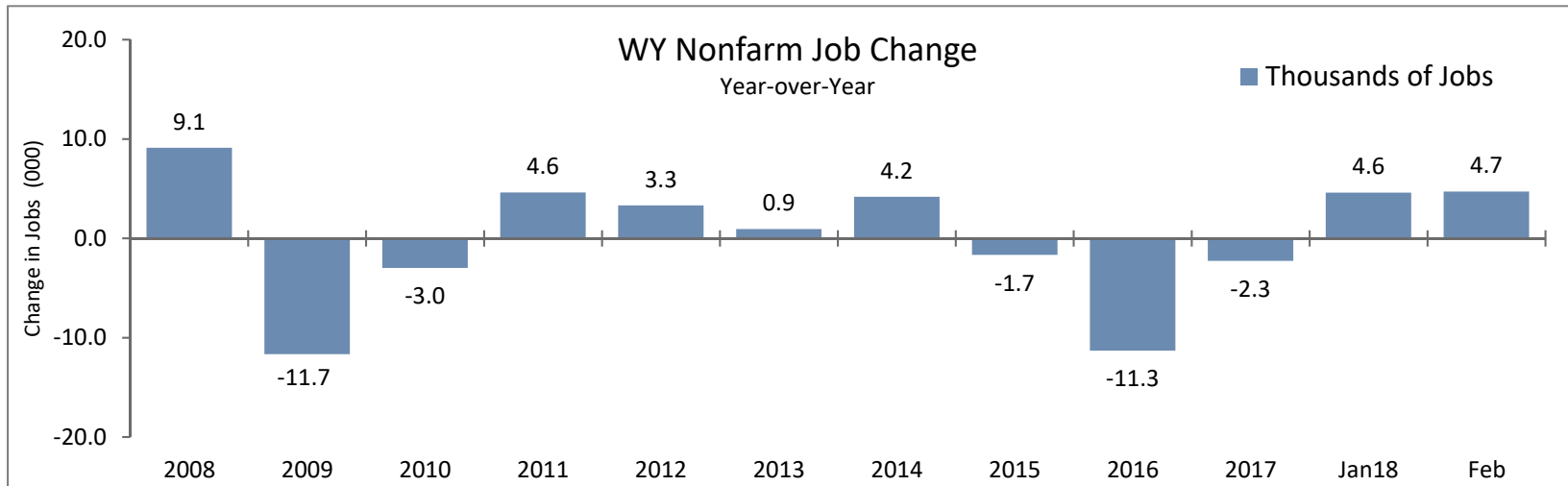
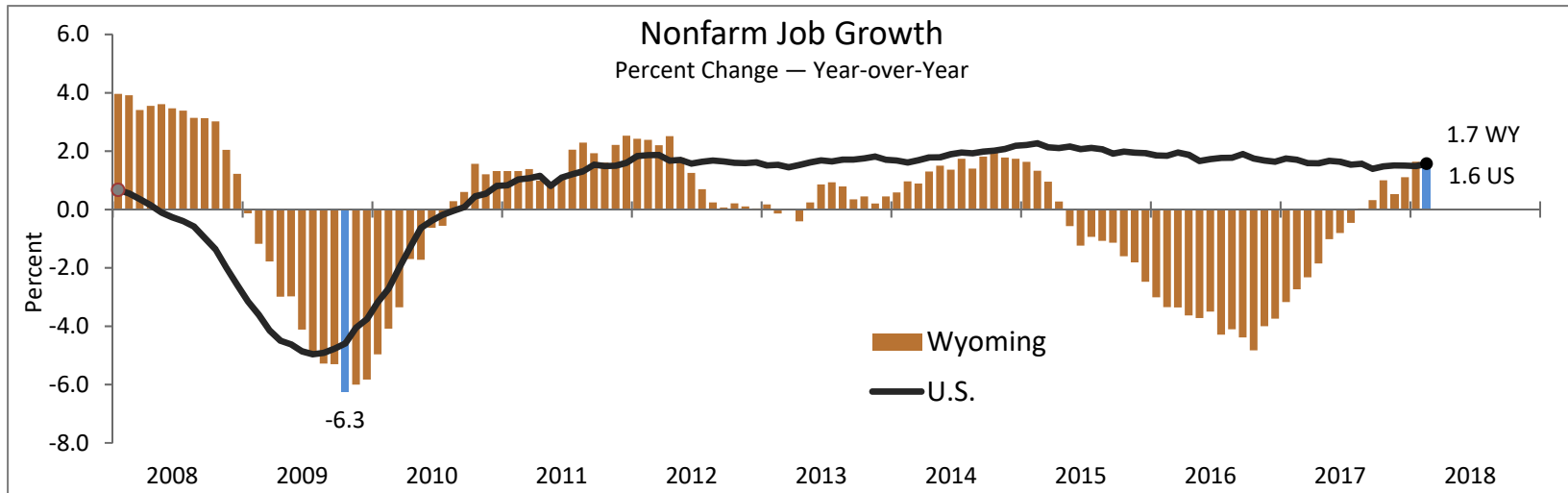
Source: Bureau of Labor Statistics.

Note: Shaded area represents U.S. recession.

*Refers to pre-recession peak.



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

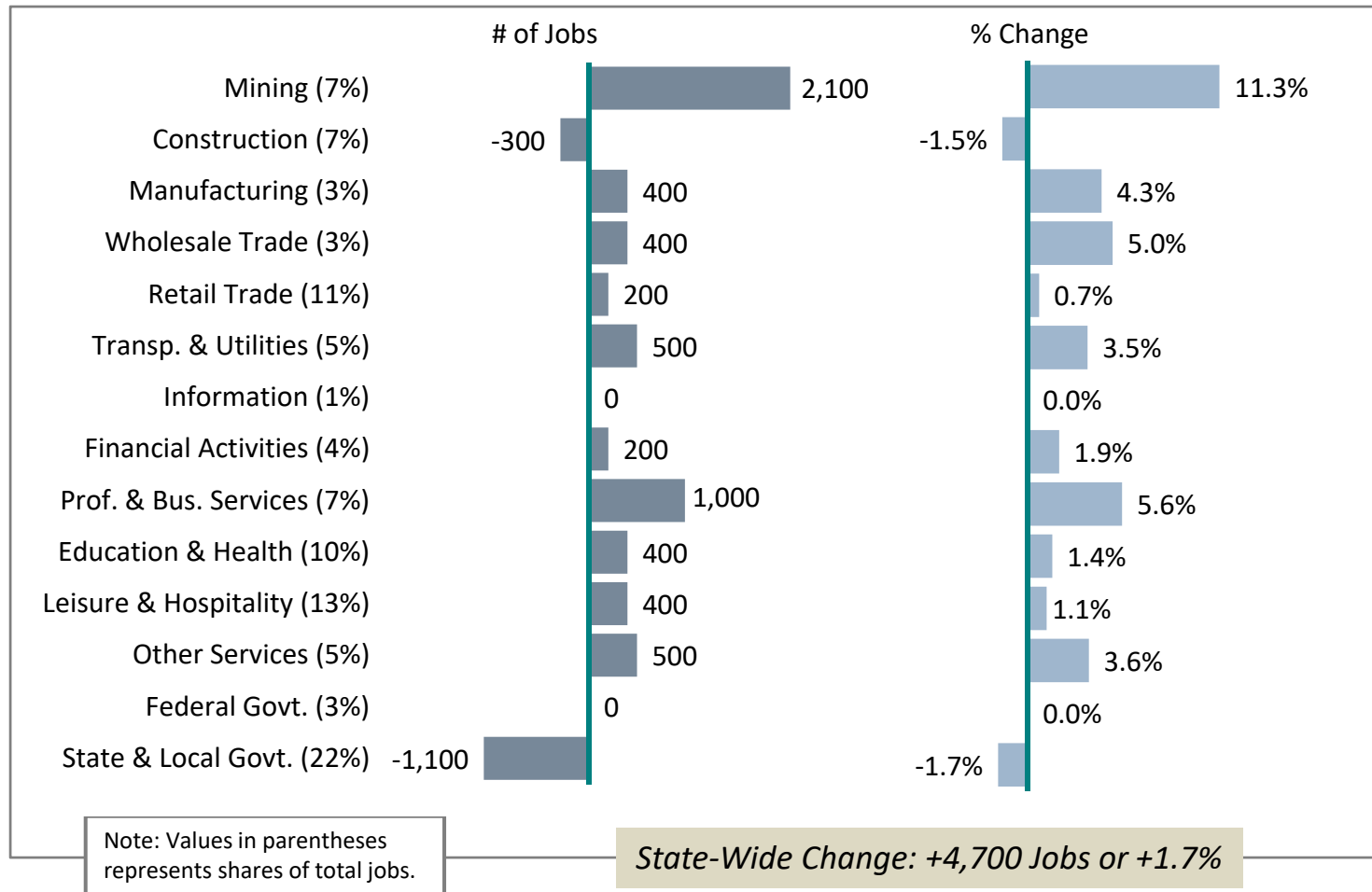


Source: U.S. Bureau of Labor Statistics.



WY Employment Change: Feb 2018 vs. Feb 2017

Year-over-Year; Seasonally Adjusted



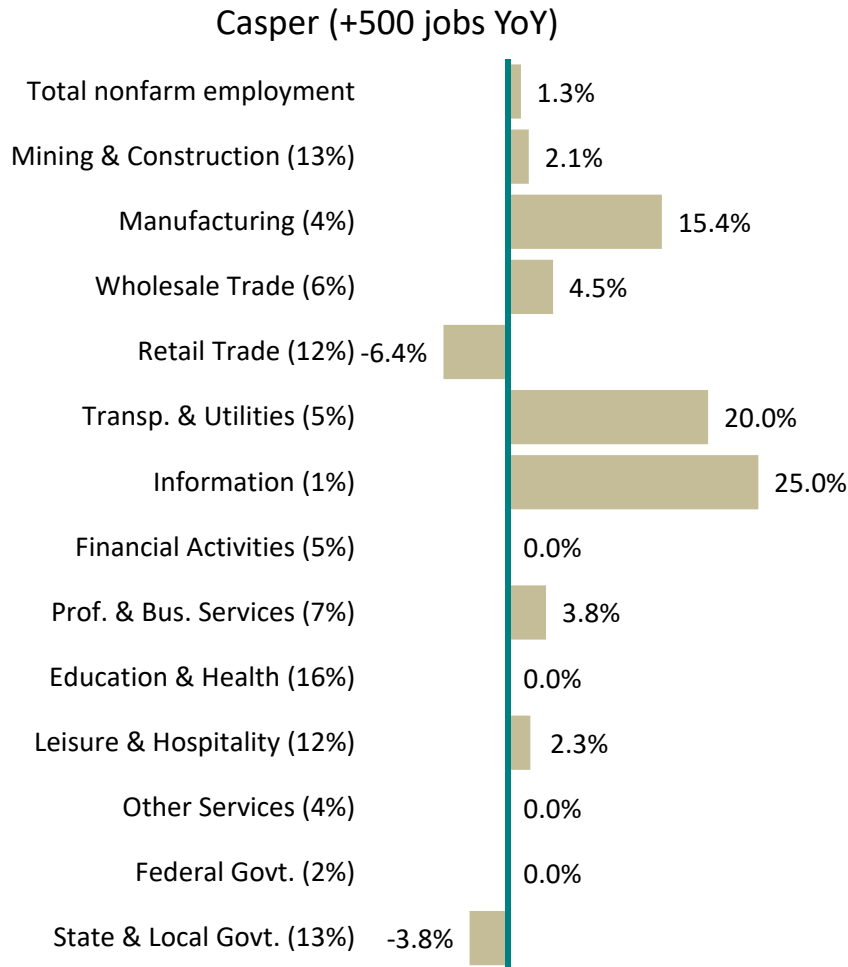
Source: U.S. Bureau of Labor Statistics.

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



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

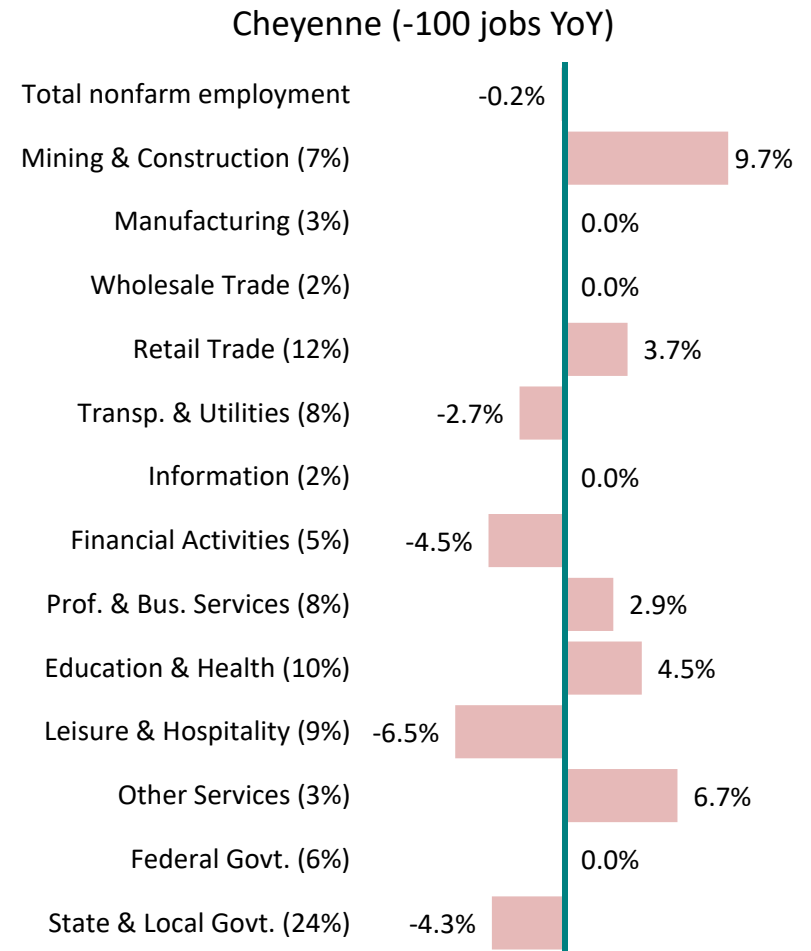
Year-over-Year; Not Seasonally Adjusted



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.



Note: Values in parentheses represent shares of total employment.

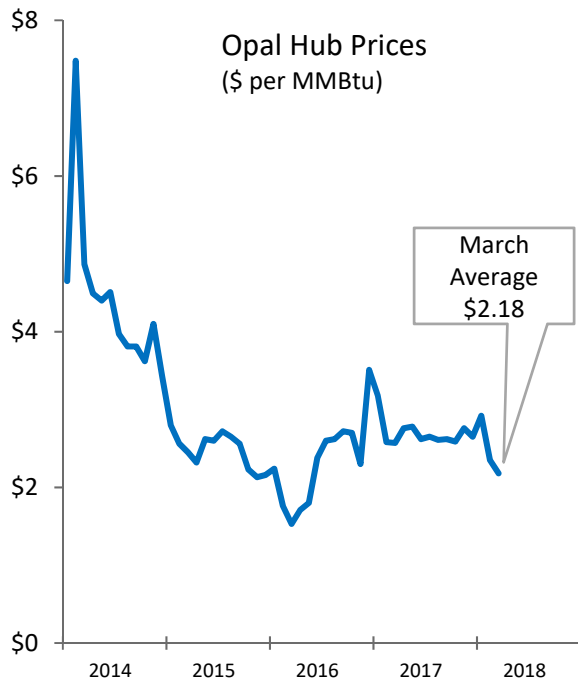


Energy:

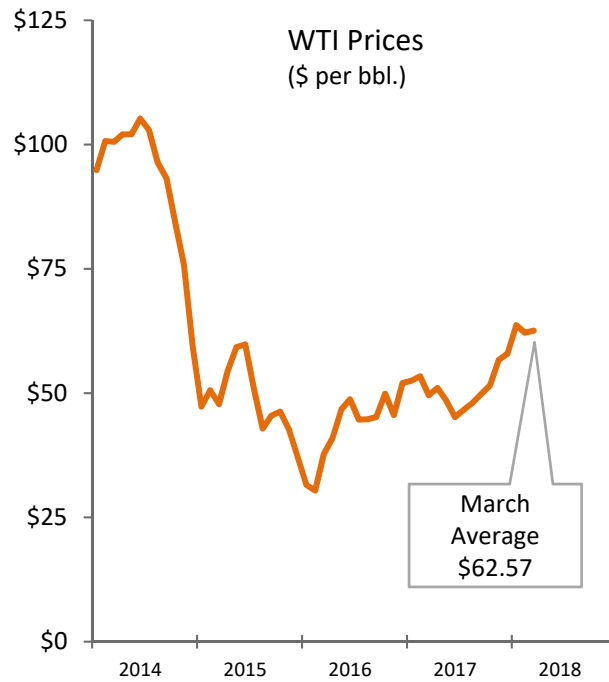
Oil & Gas Jobs Improve and Drilling Activity Expands at Start of 2018

- The March price of Opal natural gas averaged \$2.18 per MMBtu for the month; WTI oil price rose to \$62.57 per bbl.
- Natural gas production (+6.1%) and oil (+19.2%) increased by end of January 2018 in year-over-year comparison; two months of coal production (-6.2%) in 2018 was lagging 2017 output.
- Oil & gas jobs were at 12,100 in March 2018, an increase of 1,400 compared to a year ago; oil and gas rig counts improved to 30 in March, 12 better than March 2017.

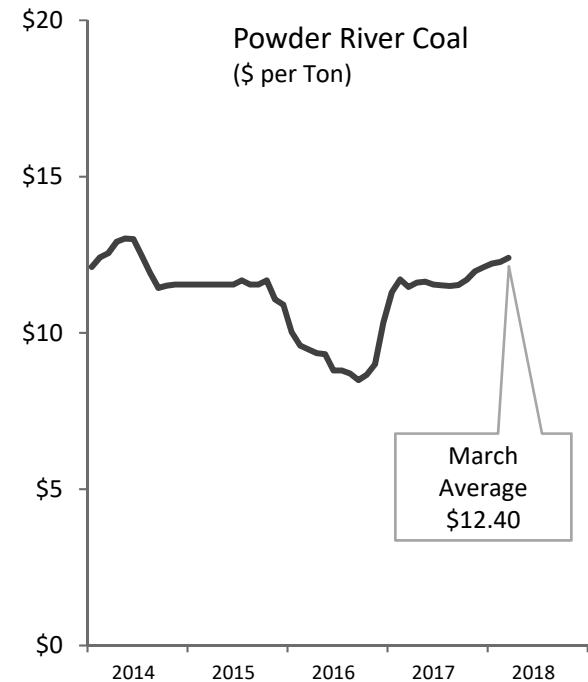
Natural Gas, Crude Oil, and Coal Prices



As of March 22, 2018
Fiscal Year 2018 Average Price:
\$2.59
Calendar Year 2018 Average Price:
\$2.51



As of March 22, 2018
Fiscal Year 2018 Average Price:
\$55.27
Calendar Year 2018 Average Price:
\$62.83

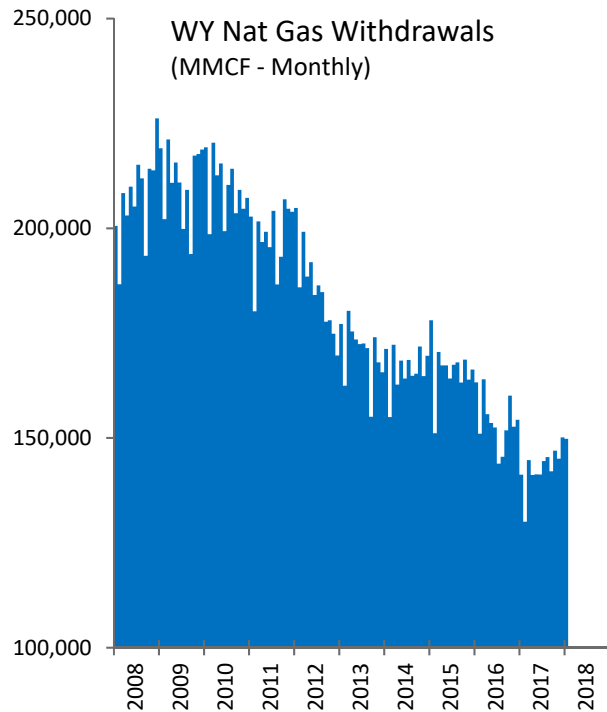


As of March 22, 2018
Fiscal Year 2018 Average Price:
\$11.90
Calendar Year 2018 Average Price:
\$12.29

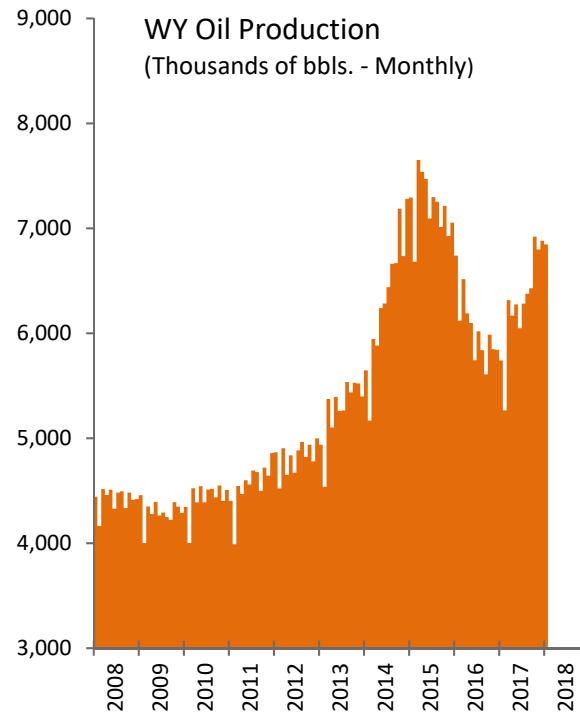
Source: Bloomberg.



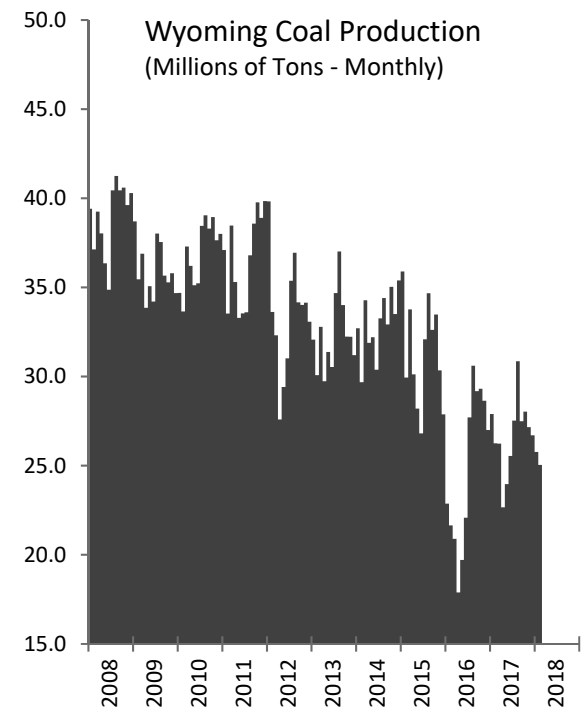
WY Natural Gas, Crude Oil, and Coal Production



Cumulative Change YTD:
Jan 2018 vs. Jan 2017
+6.1%



Cumulative Change YTD:
Jan 2018 vs. Jan 2017
+19.2%

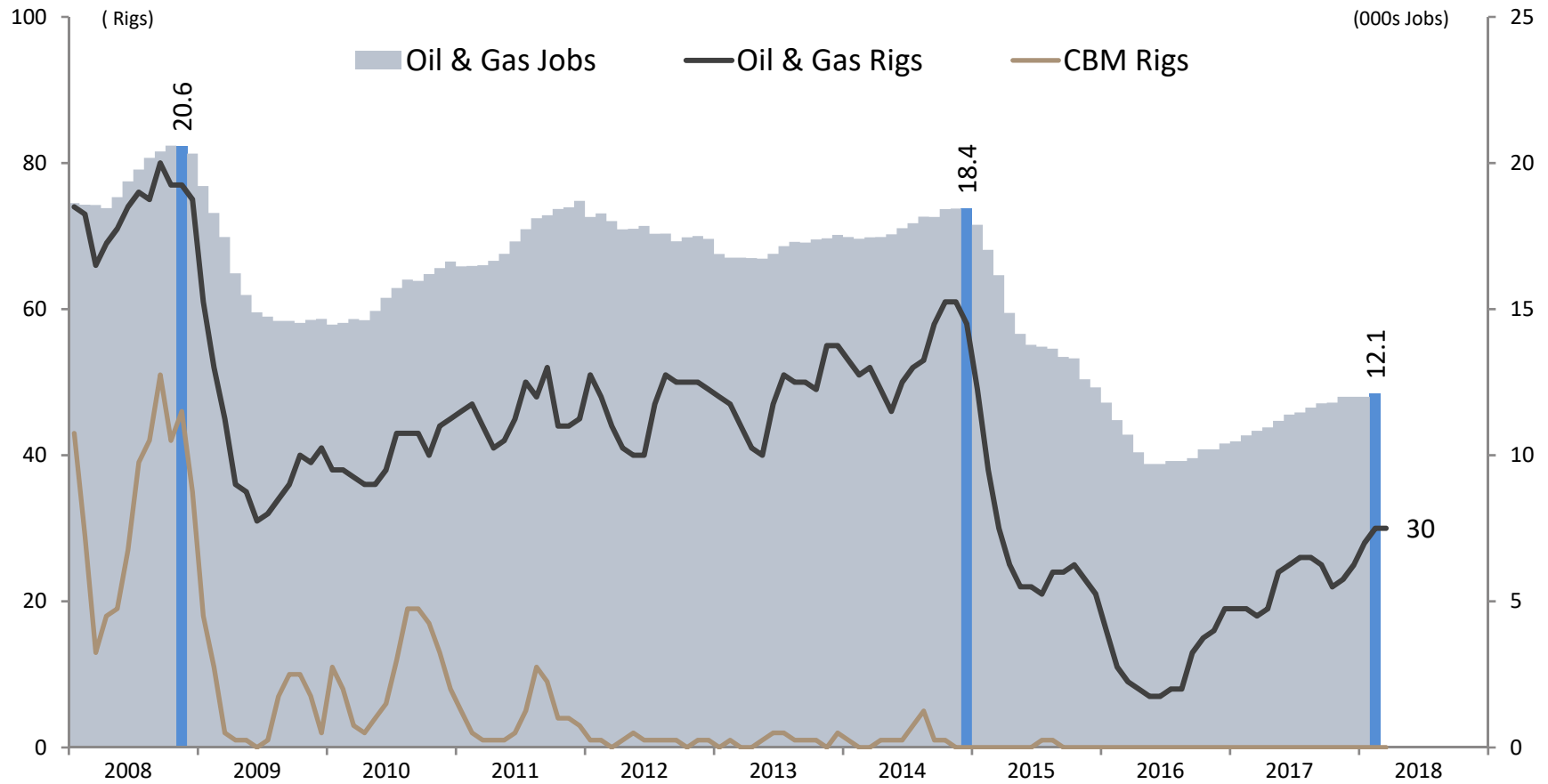


Cumulative Change YTD:
Feb 2018 vs. Feb 2017
-6.2%

Source: Energy Information Administration.



WY Oil & Gas Jobs and Rig Counts



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

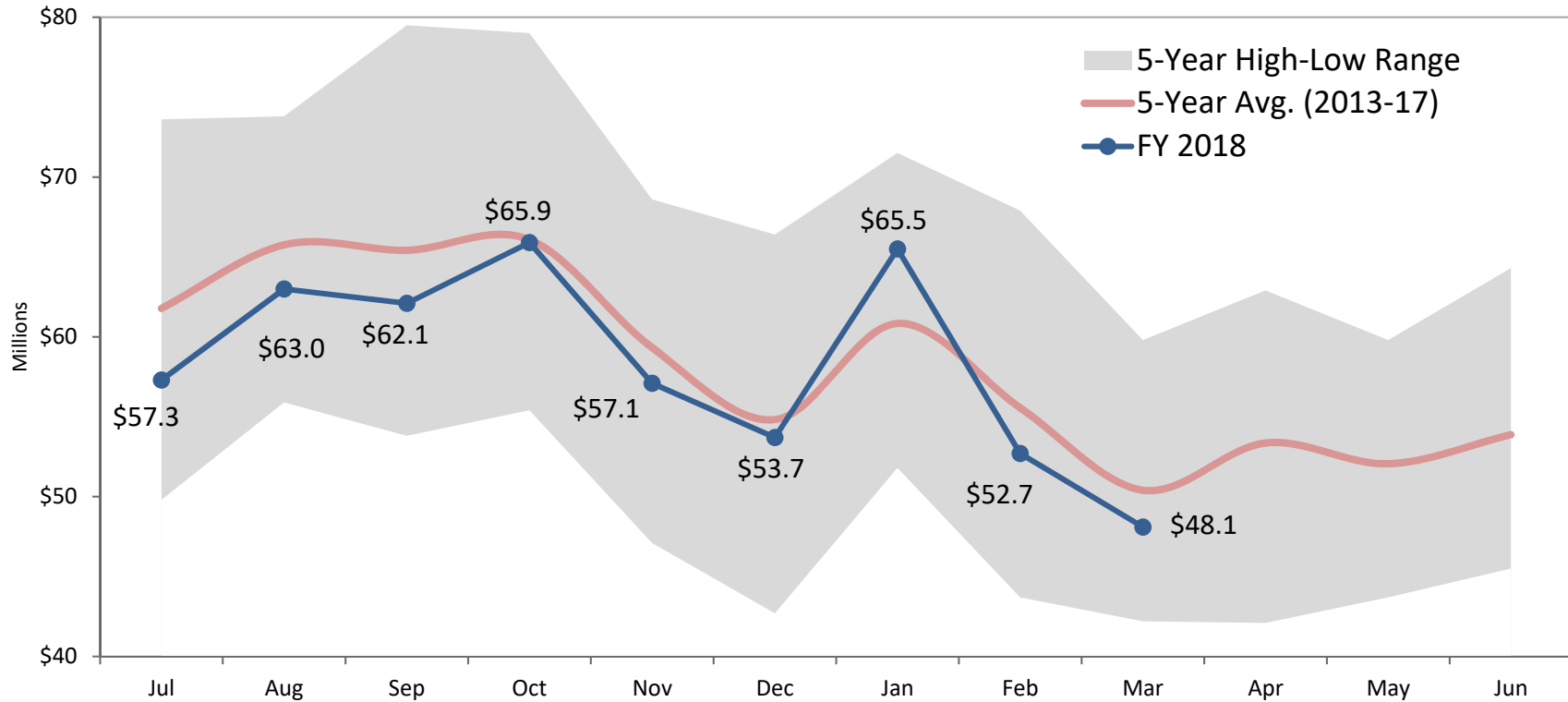


State Revenues:

Sales & Use and Severance Tax Collections Continue Recovery in Fiscal 2018

- After nine months of collections for fiscal 2018, sales and use taxes were \$83.0 million or 18.8% ahead of last year; mining sector recorded the largest year-over-year gain.
- With eight months of collections, severance taxes increased by \$35.8 million or 9.6% in fiscal 2018 compared to 2017.

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



After nine months, FY18 total collections were \$83.0 million (+18.8%) ahead of fiscal 2017. **Campbell, Converse, Laramie, Natrona, Sublette, and Sweetwater** counties accounted for 78.9% of the increase.

Source: WY Dept. of Revenue.

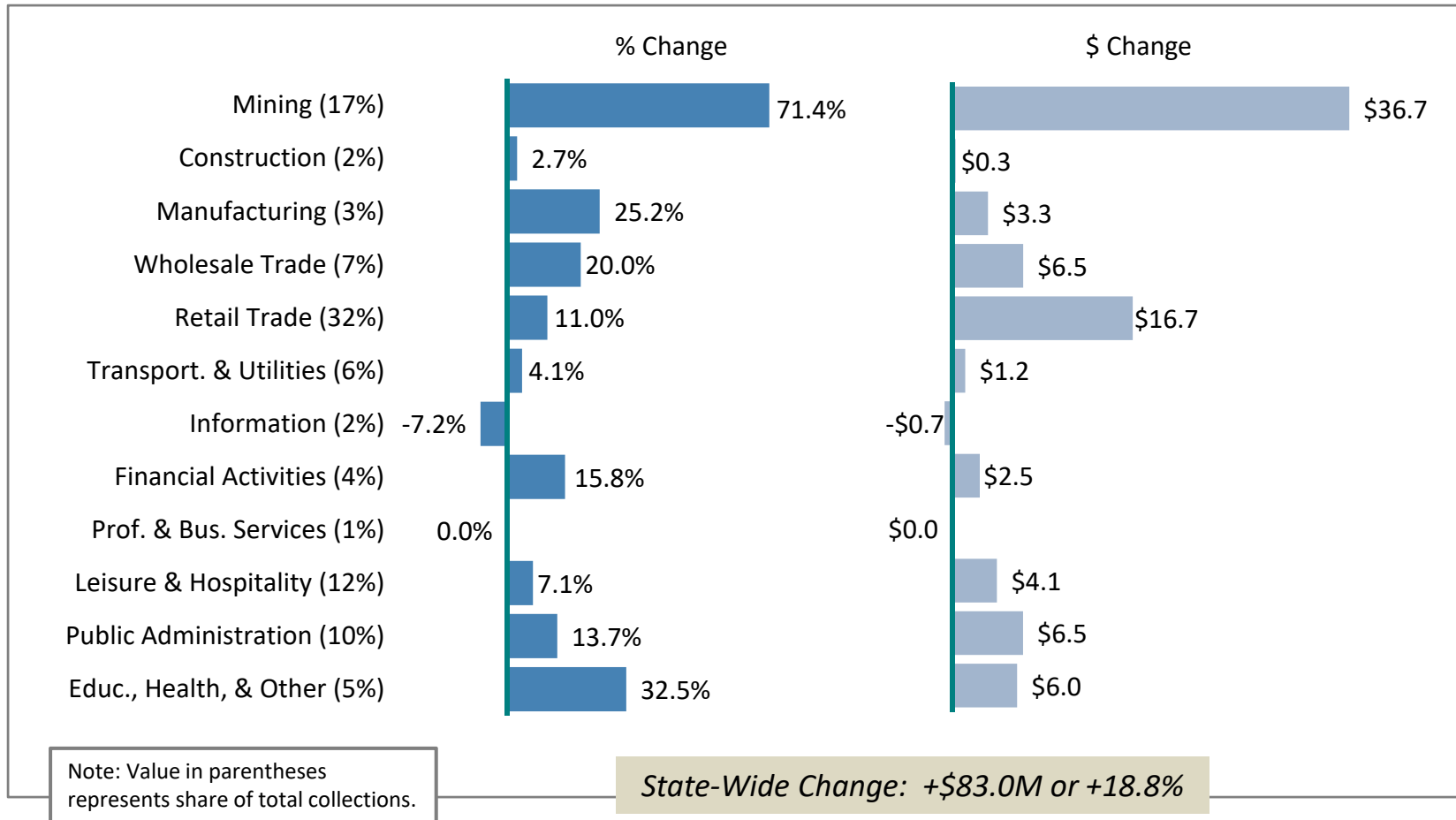
Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis.



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

Change in Percent and Dollars (Millions)

Fiscal 2018 vs. Fiscal 2017 — Nine Months of Collections



Source: WY Dept. of Revenue.

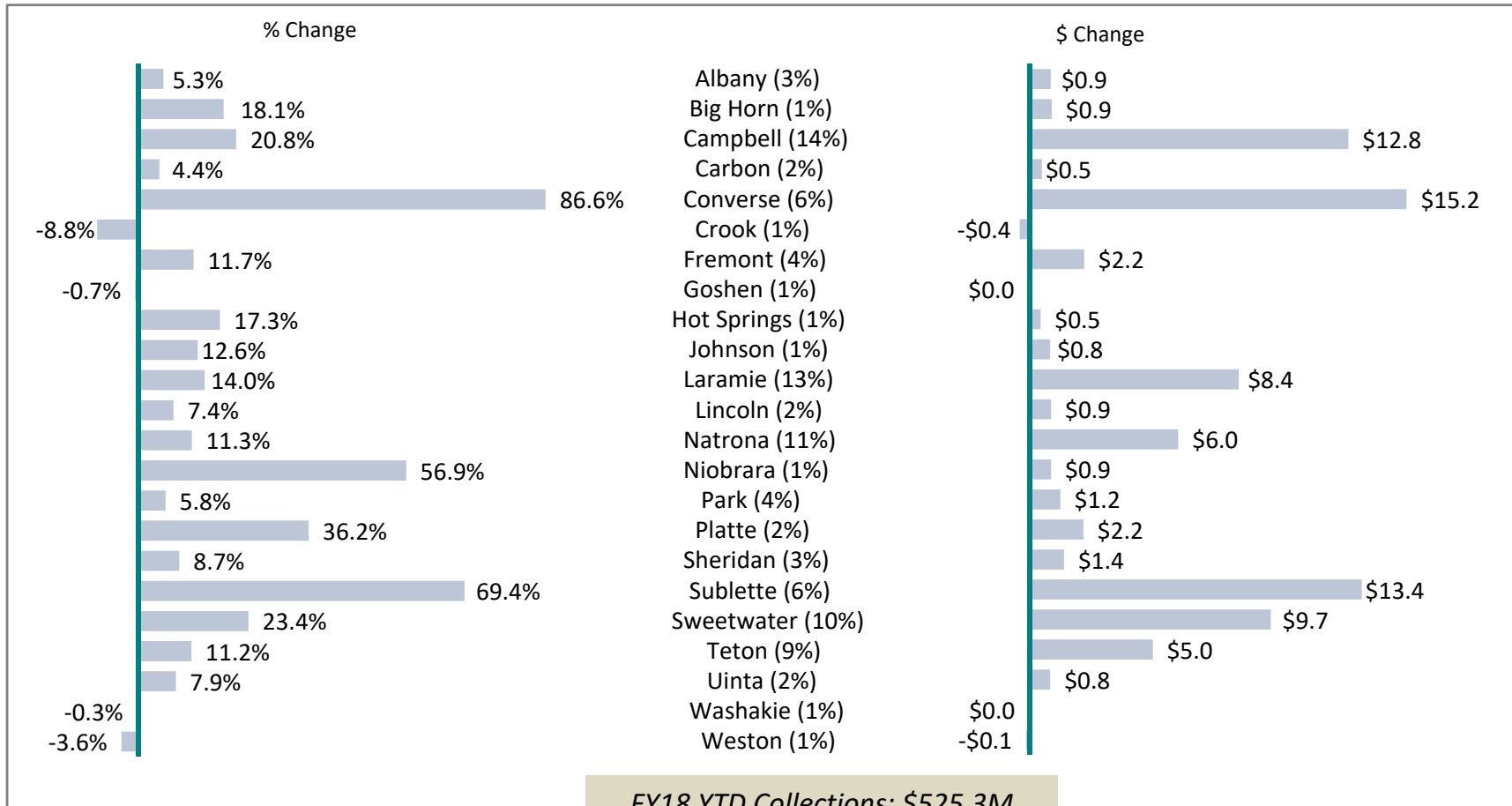
Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis. The Public Administration sector reflects taxes collected on the sale of new and used vehicles.



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

Change in Percent and Dollars (Millions)

Fiscal 2018 vs. Fiscal 2017 — Nine Months of Collections



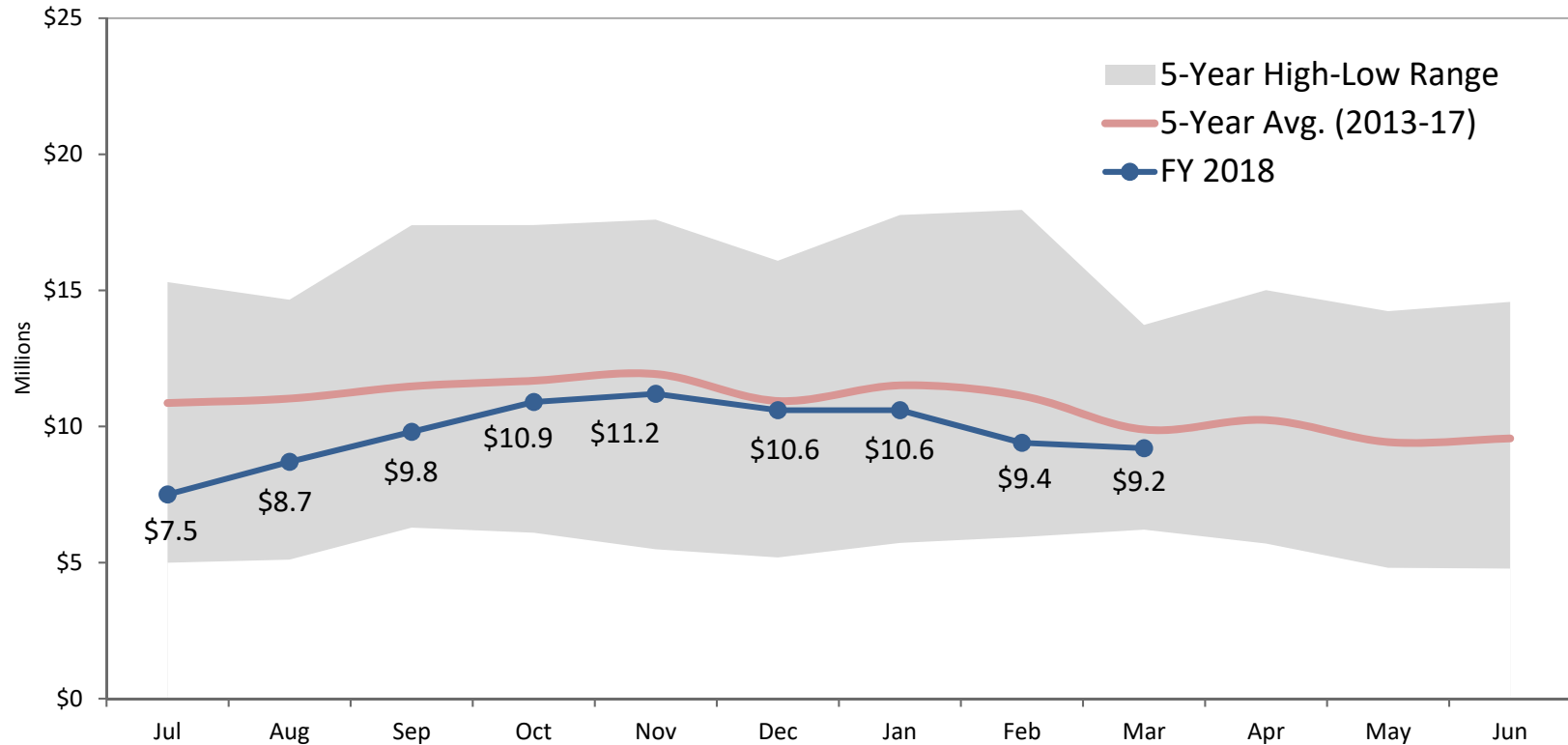
FY18 YTD Collections: \$525.3M
FY17 YTD Collections: \$442.3M

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



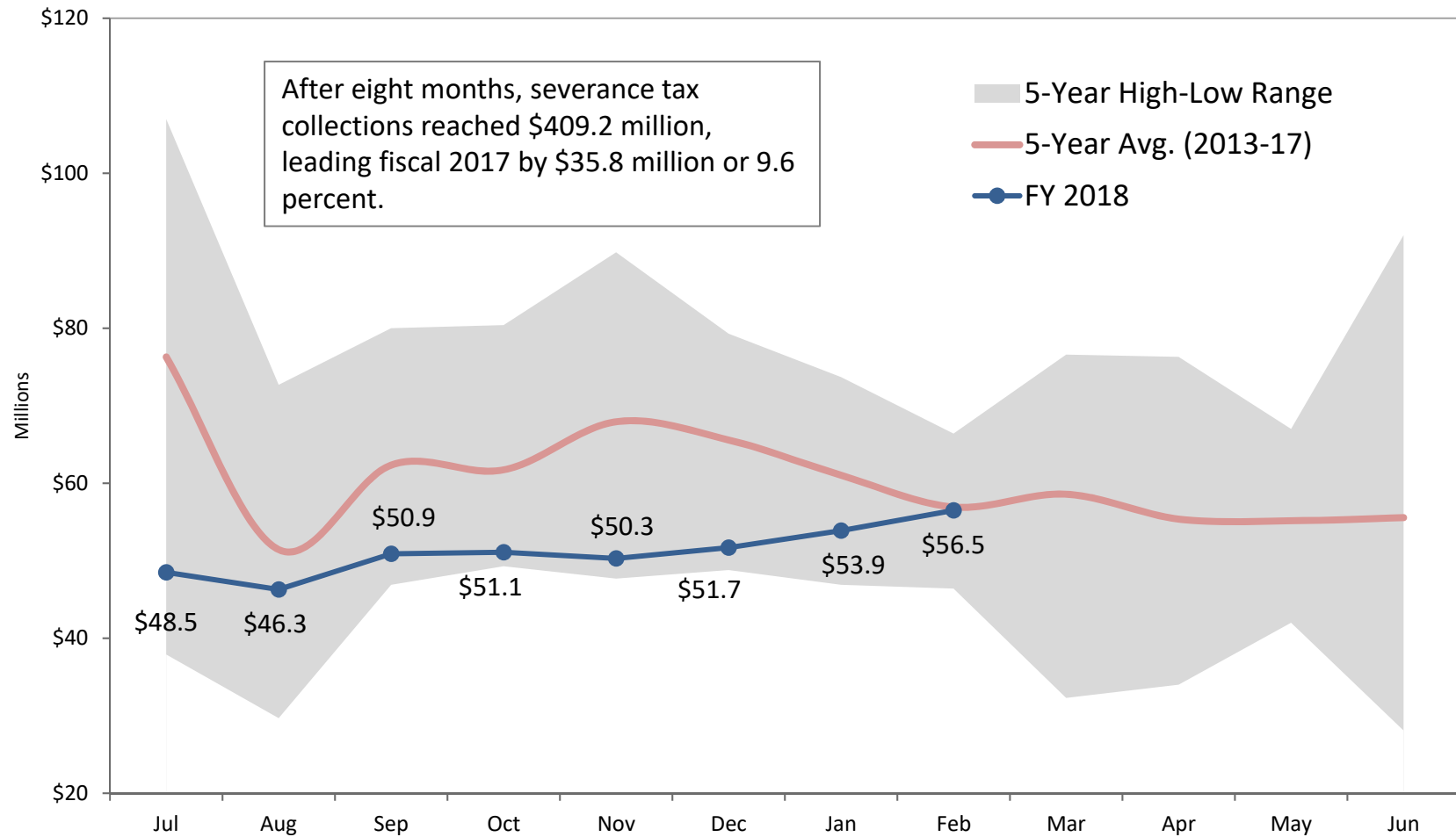
After nine months, FY18 total collections from the mining sector reached a total of \$88.0 million, ahead of fiscal 2017 by \$36.7 million or 71.4%.

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



Source: WY Dept. of Revenue.

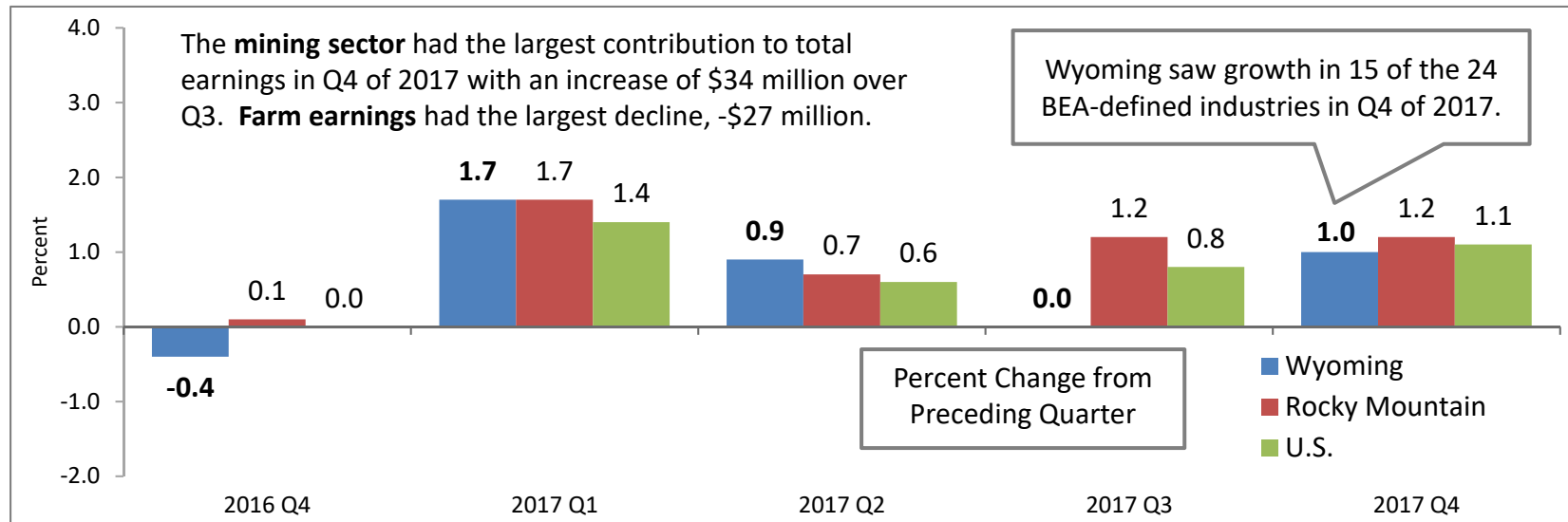
Note: Includes severance taxes collected on all minerals in Wyoming on a cash receipts basis.



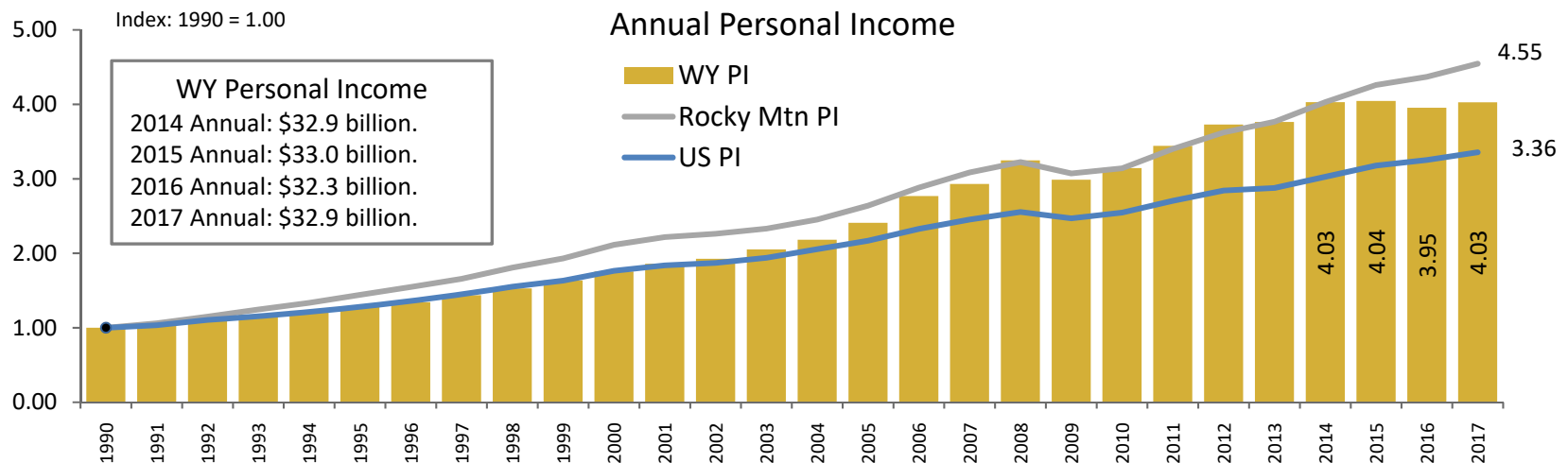
Other Indicators for the State: Personal Income, House Price Appreciation, and Building Permits

- Mining and construction sectors were the principle drivers of personal income growth for Q4 of 2017.
- Wyoming's house price appreciation saw moderate annual growth of 4.1% in Q4 of 2017; the Mountain Division and the U.S. saw gains of 8.8% and 6.7%, respectively.
- State-wide single family units permitted increased year-to-date through end of February 2018 in a year-ago comparison by 15; single family units increased in Casper by 3 while Cheyenne saw a decrease of 24 through end of February year-to-date.

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

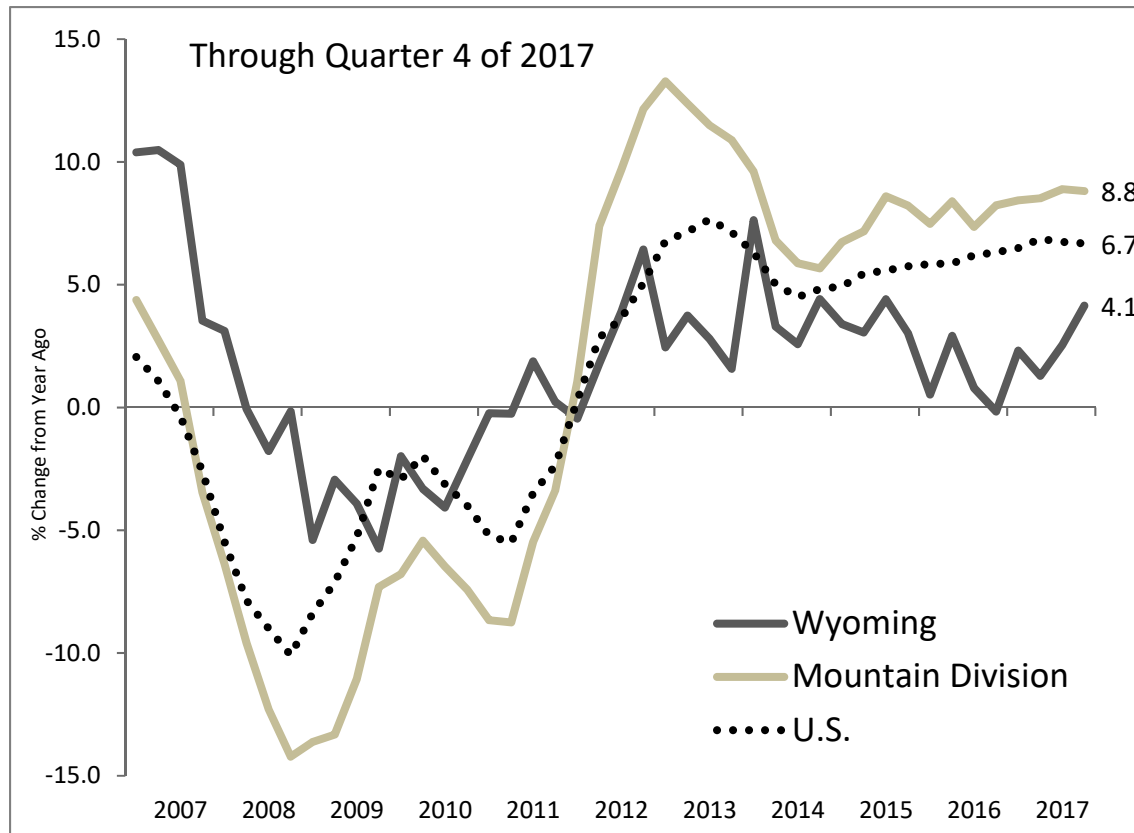


Source: U.S. Bureau of Economic Analysis.



House Price Appreciation

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



2017 Q4 vs. 2016 Q4

	<u>1-Yr. Rate</u>	<u>Rank</u>
Idaho	+11.5%	3
Nevada	+11.5%	4
Utah	+10.7%	5
Colorado	+9.8%	6
Arizona	+8.3%	13
New Mexico	+5.1%	35
Wyoming	+4.1%	40
Montana	+3.0%	46
Mtn Division	+8.8%	
U.S.	+6.7%	

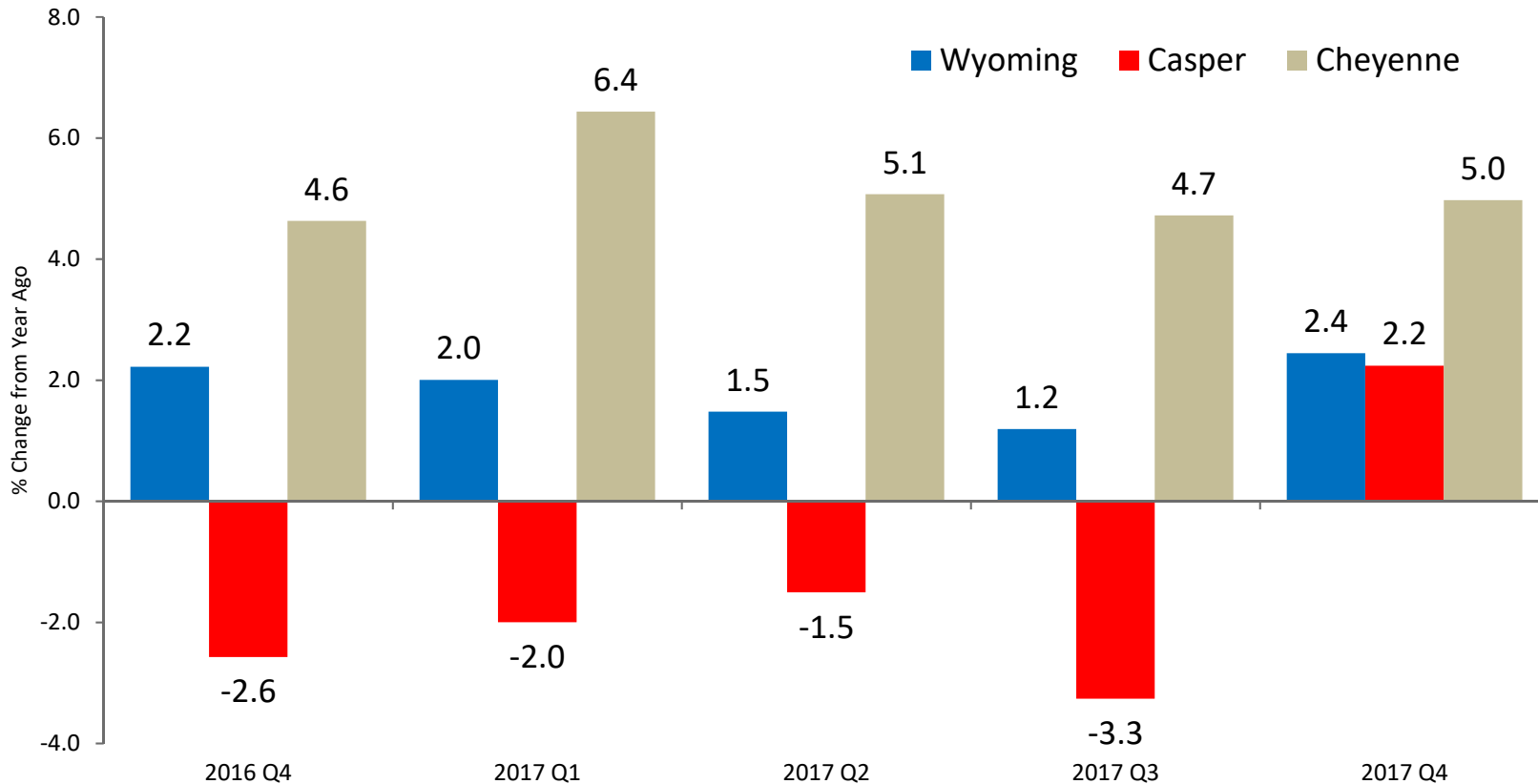
Source: Federal Housing Finance Agency (FHFA) – estimates using FHFA’s seasonally adjusted, purchase-only house price index.

Note: For the Period Ended December 31, 2017.



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.

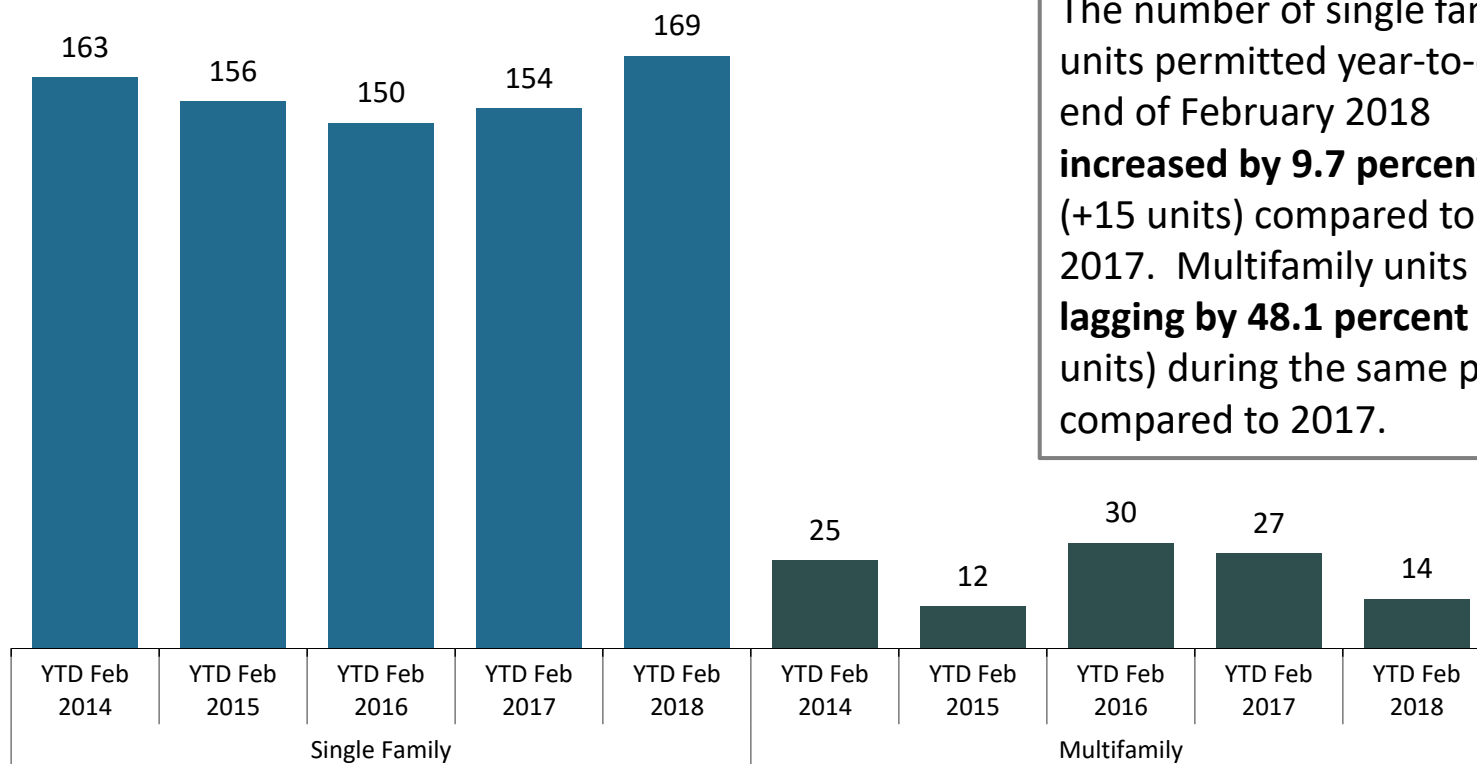
Note: For the Period Ended December 31, 2017.



Residential Building Permits

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

State-Wide — Units Permitted



The number of single family units permitted year-to-date end of February 2018 **increased by 9.7 percent** (+15 units) compared to 2017. Multifamily units were **lagging by 48.1 percent** (-13 units) during the same period compared to 2017.

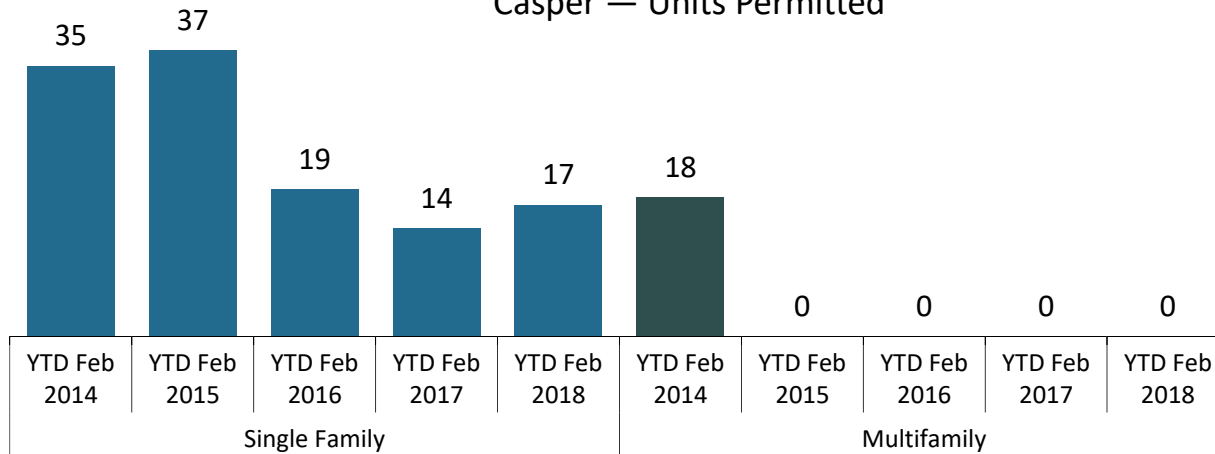
Source: U.S. Census Bureau.



Residential Building Permits

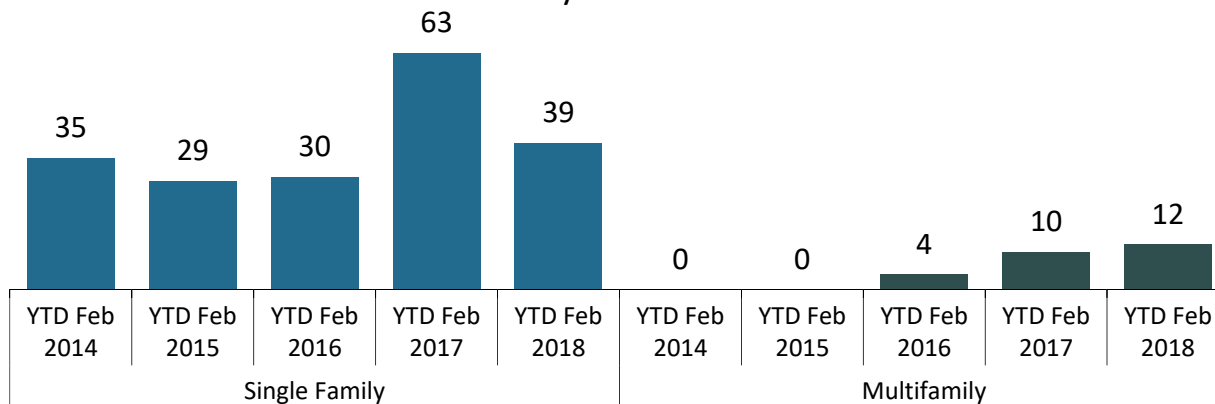
Casper and Cheyenne Units: Year-to-Date End of February 2018

Casper — Units Permitted



The number of single family housing units permitted for **Casper** year-to-date February 2018 **increased by 21.4 percent (+3 units)** compared to 2017.

Cheyenne — Units Permitted



Cheyenne's single family housing units permitted for year-to-date February 2018 **decreased by 38.1 percent (-24 units)** compared to 2017.

Source: U.S. Census Bureau.



How To Find Us

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