



# Economic Summary: 1Q2024



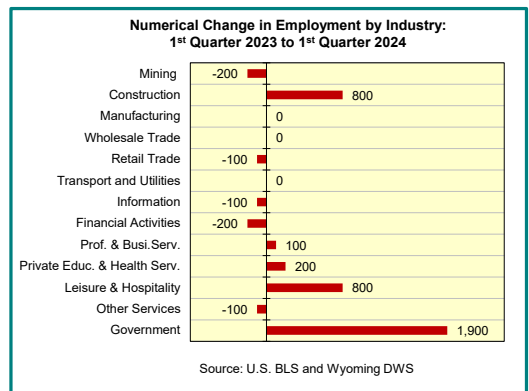
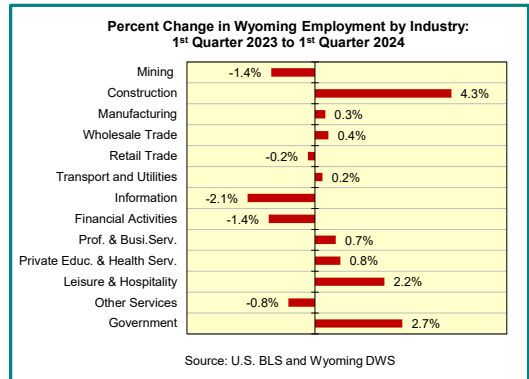
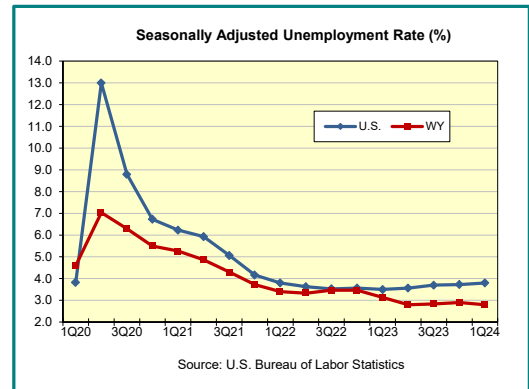
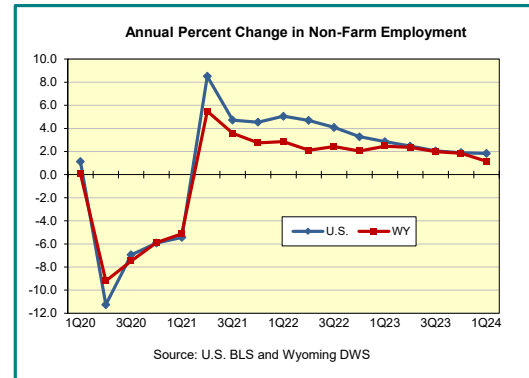
## Current Global and U.S. Economy

The global economy has experienced a convergence of extreme stresses over the past three years. The aggressive tightening of monetary policy alongside elevated inflation dampened domestic demand and reduced the volume of global trade. However, helped by the resilience of the U.S. economy, the global economy not only avoided a recession, but it delivered a GDP growth rate of 2.7 percent in 2023. It's expected to slow slightly to 2.5 percent in 2024, according to Moody's Analytics. The growth in the U.S. is expected to be close to last year's strong pace. Although Europe experienced a slower rate of growth in 2023, the economic outlook for the region is expected to improve and accelerate this year. With the exception of Japan, China, and India, the Asian economies are projected to gain strength, while some economic resurgences are also anticipated for most Latin American nations.

Despite higher interest rates, the U.S. economy continued to show a remarkable performance. Growth was higher than the potential, with real GDP expanding 2.5 percent for the full year of 2023. The labor market is slowing down somewhat, but is still resilient, averaging close to a healthy 250,000 payroll jobs per month, while wage growth is outpacing inflation. It is uplifting that the slower employment growth is mostly due to business hiring deceleration instead of laying off workers. In addition, corporate earnings are delivering robust increases and the financial markets have reached unprecedented highs. With relatively less volatility in oil prices, inflation has been hovering near 3.0 percent. The assessment from Moody's Analytics is that the baseline forecast remains resilient and recession free in 2024. Both real GDP and payroll jobs continue to grow, but at a slower speed. The unemployment rate is expected to be around 4.1 percent.

## Employment

Even with the moderate slowdown in energy businesses' drilling activities, Wyoming's economy continued to grow in the first quarter. The healthy performance was evident across most sectors, but the pace of expansion somewhat decelerated. Total employment increased 1.2 percent (or 3,100 jobs) compared to the previous year, while the U.S. growth rate also slowed down slightly to 1.8 percent. The state's unemployment rate decreased to 2.8 percent, which was much lower than the national average of 3.8 percent. Payroll jobs increased in most sectors, led by construction, which grew 4.3 percent annually in the first quarter. Leisure & hospitality increased 2.2 percent. Private education and health services, and professional business services added 200 and 100 payroll jobs, respectively. Wyoming's pivotal industry, mining, decreased slightly, -1.4 percent, and it still had 3,300 or 16.9 percent less jobs than the pre-COVID period of the first quarter of 2020. Financial activities also saw a reduction of 200 positions during the year.



## Personal Income and Earnings

Wyoming's total personal income increased 4.3 percent in the first quarter of 2024 compared to the first quarter of 2023. This growth rate was lower than the previous quarter. U.S. personal income increased 4.4 percent during the same period. Personal income is the income received by all residents from all sources. It is the sum of wage, salary, and proprietors' earnings; property income (dividends, interest, and rent); and personal transfer receipts such as Social Security income, Medicare and Medicaid benefits, unemployment insurance compensation, and other income benefits and assistance. Total earnings in the state grew 4.5 percent annually in the quarter, while personal transfer receipts grew 3.5 percent. Earnings in nearly all sectors demonstrated expansions from a year ago, led by construction industry (16.7%). Information and leisure & hospitality services grew 9.7 and 8.3 percent, respectively. The only decline was professional & business services (-10.7%).

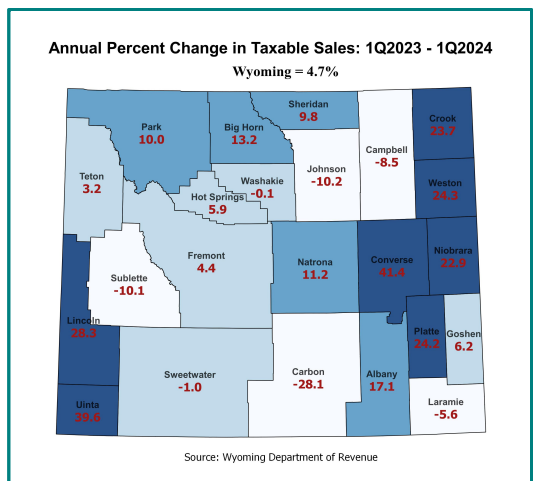
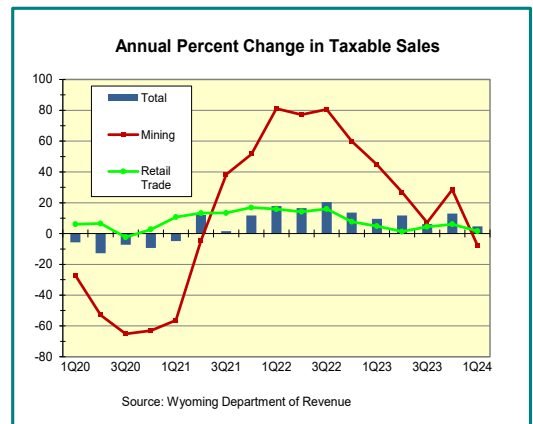
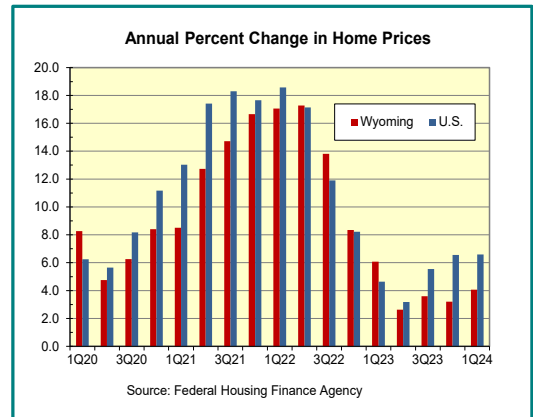
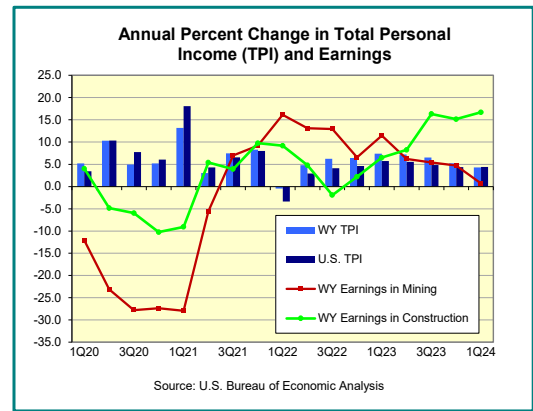
## Housing

The statewide single-family home price increased 4.1 percent in the first quarter of 2024 compared to one year ago, moderately faster than the previous quarter. The national average price appreciation accelerated to 6.6 percent during the same period. In Wyoming, single-family building permits for new privately-owned residential construction in the first quarter of 2024 were 44.4 percent higher than the previous year, while multi-family units advanced 165.6 percent.

Amid a scarcity of homes on the market, U.S. housing prices continued to climb, and the overall housing market is still overpriced. The principal reason is the extremely tight inventory for sale, which sits at approximately half the level of a balanced and healthy market. The majority of existing homeowners are tied to extremely low interest rates, greatly reducing their motivation to sell their properties. With about four decade low affordability, the anemic demand has resulted in the slowest existing-home sales since the 2008 financial crisis. Though the overheated valuation will exert downward pressure, house prices will probably remain relatively stable because of supply constraints. Home affordability is expected to improve over time through gradual income increases, reduced interest rates, and flattening or decreasing home prices.

## Taxable Sales

Based on sales and use tax collections, total taxable sales in the state expanded 4.7 percent to \$5.4 billion in the first quarter of 2024 in a year-over-year comparison, and the growth rate was lowest since the third quarter of 2021. This weaker expansion was mostly caused by the contraction in mining activities and slow growth in retail trade industry. Increases still occurred in a vast majority of economic sectors. Rental & leasing demonstrated the fastest growth, 40.7 percent, followed by the utilities industry, 31.3%. Transportation & warehousing, professional & business services, and other services also showed strong increases. The leisure & hospitality sector showed a growth rate of 4.8 percent. Retail trade, the largest in terms of taxable sales, increased 1.6 percent. Besides mining (-7.5%), manufacturing (-9.1%) also experienced a decline.



Across the state, 16 out of 23 counties experienced increases in taxable sales in a year over year comparison, led by Converse (41.4%) and Uinta (39.6%). Crook, Lincoln, Niobrara, Platte, and Weston counties also showed expansions of more than 20.0 percent, respectively. Carbon County experienced the largest decline, -28.1 percent, in a year-over-year comparison.

### Tourism

The number of recreational visitations to Yellowstone National Park reached 124,893 in the first quarter of 2024, up 2.8 percent from the previous year, while 169,600 visits to Grand Teton National Park showed an increase of 1.3 percent. The oldest national park, Yellowstone, was closed on June 13, 2022 due to severe flooding, and it reopened nine days later with limited admission through the fall, which caused a significant decline in 2023 visitation.

Lodging sales for the first quarter were 13.1 percent higher than a year ago in Teton County, and increased 12.7 percent for the state as a whole. In general, the primary drivers for the fluctuation in lodging sales are visitations to the national parks and mineral activities in the state, but the sales change in Teton County’s winter season is mainly driven by ski activities.

### Agriculture

After dropping to the lowest level in roughly 10 years, the index of prices farmers received for all U.S. livestock and products has rebounded quickly since the third quarter of 2020. The index increased slightly to 137.7 in the first quarter, and was 9.9 percent higher than a year ago. Farm earnings in Wyoming have demonstrated a robust trend since the fourth quarter of 2021. The first quarter of 2024 amount was 6.5 percent higher than the previous quarter, and 8.8 percent higher than the prior year, perhaps attributed to the potent livestock prices.

According to the Federal Reserve Bank of Kansas City, throughout the first quarter, the U.S. farm economy managed to maintain its position despite a slight contraction in the availability of agricultural credit. Agricultural loan demand increased, even as financing expenses stayed elevated and farm loan delinquency rates at commercial banks registered a slight uptick for the first time in over 3 years.

### Revenue

Benefiting from the higher interest environment, the amount of investment income distributed to the state general fund, including income from the Permanent Wyoming Mineral Trust Fund (PWMTF) and state agency pooled income accounts amounted to \$126.8 million in the first quarter of 2024, an increase of 75.9 percent from the amount recorded a year ago. The boosts in the second quarters were due to the net realized capital gains being distributed at the end of each fiscal year, which is on June 30. The \$178.3 million in mineral severance taxes generated in the first quarter was 11.3 percent lower than the previous quarter, and was 42.8 percent worse than the previous year. This amount was the second smallest since the third quarter of 2021, mostly reflecting the pullback of natural gas prices and the steeper decline in coal production.

