



Economic Summary: 1Q2025



Wyoming Department of Administration & Information

Economic Analysis Division

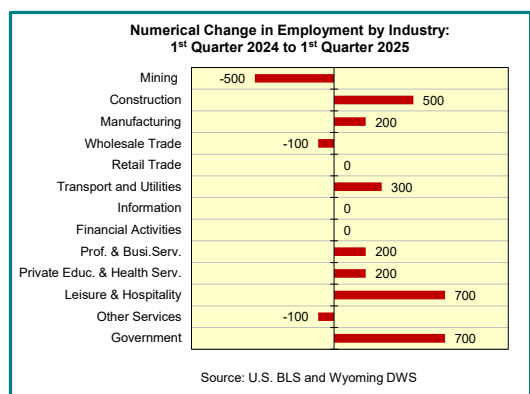
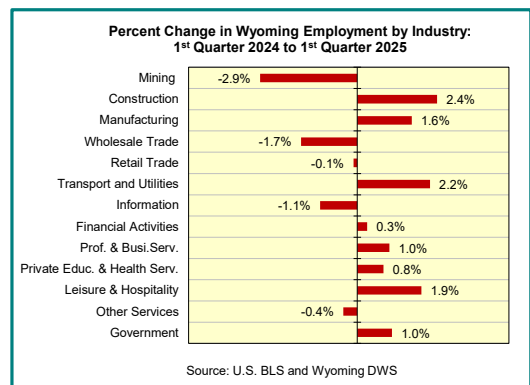
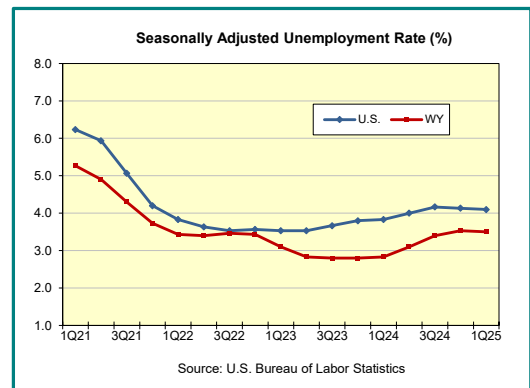
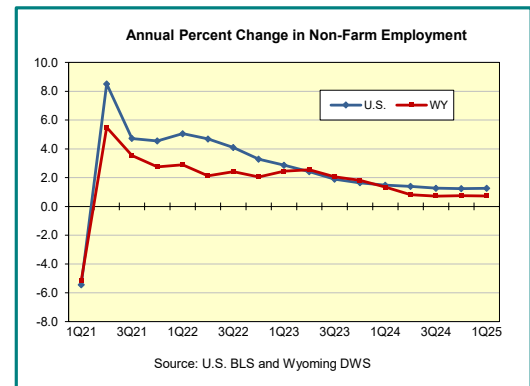
Current Global and U.S. Economy

The U.S. and China have significantly rolled back extreme tariffs for a period of 90 days. Additionally, the U.S. has completed a narrow trade deal with the United Kingdom. Despite these developments, several tariffs are still in place - A 30 percent U.S. tariff on China; a 10 percent baseline tariff on most other countries; a 25 percent sectoral tariffs on auto and parts; and 50 percent on steel and aluminum. The U.S. economic policy is creating instability and uncertainty, leading to heightened trade tensions. Markets are settling down, but both business and consumer confidence are wavering. As long as businesses and consumers face uncertainty and supply chain disruptions, they will stick with deliberative approaches. The world economy is looking increasingly fragile and GDP growth is expected to slow to 2.1 percent in 2025, down from 2.8 percent in 2024, according to Moody's Analytics. The risks to the global outlook are predominantly negative. High tariffs, increased trade and geopolitical friction are major concerns.

The U.S. economic outlook is highly uncertain due to the volatility of the global trade war, changing immigration policies, and the significant reconciliation legislation currently being considered in Congress. The Federal Reserve has been transparent about its uncertainty regarding economic policy, indicating that monetary policy will remain on hold despite a weakening economy. This approach may add to recession risks. The assessment from Moody's Analytics is that U.S. real GDP will grow 1.5 percent in 2025. The labor market slows down, averaging 133,000 payroll jobs per month, and the unemployment rate is expected to be around 4.2 percent in 2025. The U.S. consumer price index will fall to 2.8 percent in 2025, but reaccelerate to 3.2 percent in 2026. The forecast deterioration is driven by escalating trade tensions, a barrage of tariffs, and weakening business and consumer confidence.

Employment

Benefiting from economic activities across multiple sectors, Wyoming's labor market remained healthy in the first quarter, with job growth comparable to recent quarters. Total employment increased 0.7 percent (or 2,100 jobs) compared to the previous year, while the U.S. growth rate accelerated slightly to 1.3 percent. The state's unemployment rate remained at 3.5 percent, significantly lower than the U.S. rate of 4.1 percent. Payroll jobs increased in most sectors, with construction leading the way, growing 2.4 percent annually. The leisure & hospitality, and government sector (including public higher education, K-12 education, and local hospitals) added 700 payroll jobs, respectively. Wyoming's pivotal industry, mining, decreased modestly, -2.9%. Compared to the pre-COVID period in the first quarter of 2020, total employment was 2.0 percent higher, but the mining industry was still down by 17.6 percent, or 3,400 jobs.



Personal Income and Earnings

Wyoming's total personal income increased 4.4 percent in the first quarter of 2025 compared to the first quarter of 2024. This growth rate was the same as the previous quarter. U.S. personal income increased 4.5 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 4.1 percent annually in the quarter, while dividends, interest, and rent grew 3.0 percent, but transfer receipts grew 8.4 percent. Earnings in nearly all sectors demonstrated moderate expansions from a year ago, led by transportation & warehousing (10.6%) and financial activities (9.4%). The only decline was the mining industry (-0.1%).

Housing

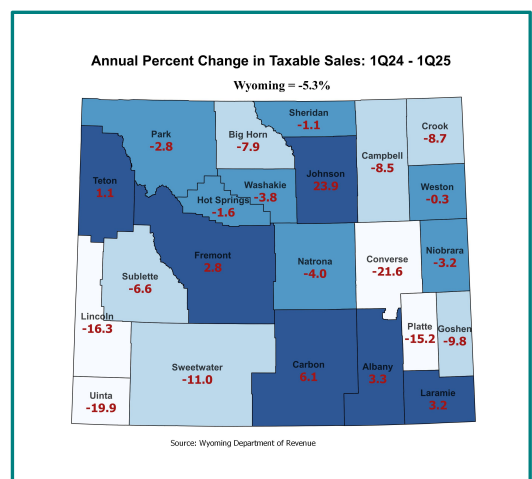
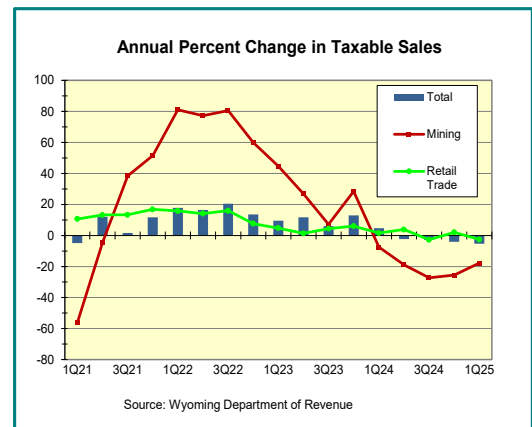
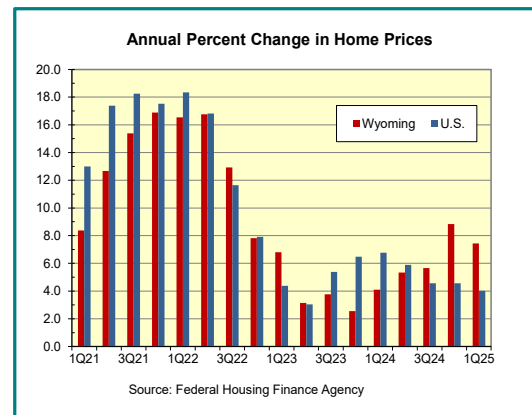
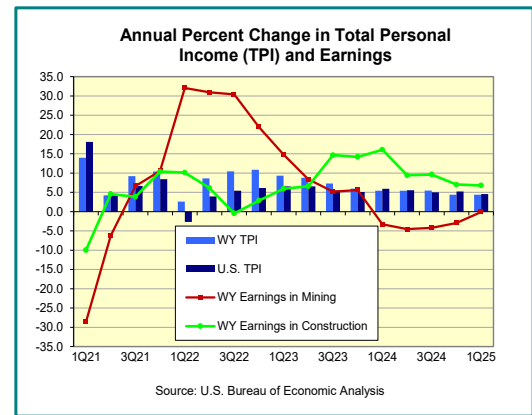
The statewide single-family home price increased 7.4 percent in the first quarter of 2025 compared to one year ago, slightly slower than the previous quarter. In contrast, the national average price appreciation decelerated to 4.0 percent during the same period. Additionally, single-family building permits for new privately-owned residential construction in Wyoming were 4.3 percent higher than the previous year, while multi-family units decreased by 58.0 percent.

U.S. housing prices continued to climb, but at a slower speed, and the overall housing market remains overpriced. Existing-home sales fell as low affordability and rising economic uncertainty weigh on housing demand. Meanwhile, the inventory of homes for sale, which was a significant headwind to the market, has climbed around 30 percent year-over-year in recent months. As a result, potential buyers were offered more options. However, with decades-low affordability due to the stubbornly high mortgage rate and high priced market, the existing-home sales are among the slowest since the 2008 financial crisis. Overheated valuation and increasing inventory are exerting downward pressure on prices. Home affordability is expected to improve over time through gradual income increases, reduced interest rates, and lower home prices.

Taxable Sales

Based on sales and use tax collections, total taxable sales in the state decreased by 5.3 percent to \$5.1 billion in the first quarter of 2025 compared to the previous year. This marks the fourth consecutive year-over-year decline. The weak performance was primarily caused by contractions in the mining industry (-17.8%), retail trade (-2.5%), and financial activities (-19.7%) which mostly reflect transactions in automotive, machinery, and equipment leasing and rental. Decreases occurred in a majority of economic sectors. Construction industry and leisure & hospitality service were the only two sectors that experienced increases, with annual rates of 16.5 and 0.9 percent, respectively.

Across the state, 6 out of 23 counties experienced increases in



taxable sales in a year-over-year comparison, led by Johnson (23.9%), followed by Carbon (6.1%). Converse (-21.6%) and Uinta (-19.9) counties showed the largest decreases. Except for Johnson, nearly all other counties with larger declines are associated with mineral extraction.

Tourism

The number of recreational visitations to Yellowstone National Park reached 117,780 in the first quarter of 2025, representing a 5.7 percent decrease from the previous year. In comparison, Grand Teton National Park recorded 169,041 visits, showing a slight reduction of 0.3 percent. The visitation figure for Yellowstone was the lowest for the first quarter since 2021, while the number for Grand Teton was still higher than the figure two years earlier. Lodging sales for the first quarter were 3.7 percent higher than a year ago in Teton County, while the state as a whole experienced an increase of 1.2 percent. In general, the primary drivers for the fluctuation in lodging sales are visitations to the national parks and mineral activities. But the change of sales in Teton County's winter season mainly depends on recreational activities such as ski, snowmobiling, snow coaching, or ice fishing.

Agriculture

After dropping to the lowest level in roughly 10 years, the index of prices farmers received for all U.S. livestock and products rebounded quickly since the third quarter of 2020. In the first quarter of 2025, the index jumped to 159.5, setting a new record, and was 8.4 percent higher than the previous quarter. After a short period of weakness in late 2023 and early 2024, farm earnings in Wyoming demonstrated a robust trend for most of 2024. However, for the first quarter of 2025, earnings were 14.2 percent lower than the previous quarter, but 4.2 percent higher than the prior year.

According to the Federal Reserve Bank of Kansas City, the value of ranchland in the 10th district was about 1 percent higher than a year ago in the first quarter, while cash rents were unchanged. Deterioration in farm finances was most pronounced in areas more dependent on crop revenues while strong cattle prices continued to support conditions in some parts of the region including Wyoming.

Revenue

In the first quarter of 2025, the amount of investment income distributed to the state general fund was \$118.9 million. This includes income from the Permanent Wyoming Mineral Trust Fund (PWMTF) and state agency pooled income accounts, representing a decrease of 6.3 percent from the amount recorded a year ago. It's important to note that the boosts in the second quarters were due to net realized capital gains. These gains are distributed at the end of each fiscal year, which is on June 30. The \$168.8 million in mineral severance taxes generated in the first quarter was 6.1 percent lower than the previous quarter, and was 5.4 percent lower than the previous year, mostly reflecting the pullback of crude oil prices, which more than offset the increase in natural gas prices.

