



Economic Summary: 4Q2024



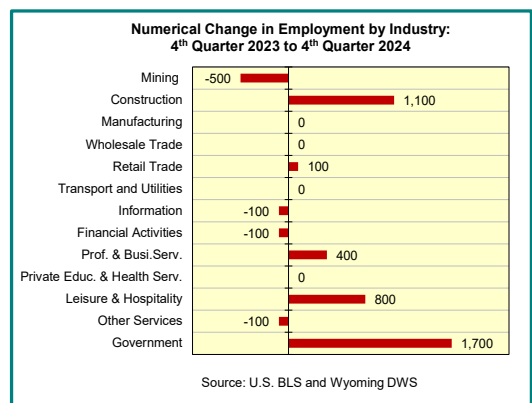
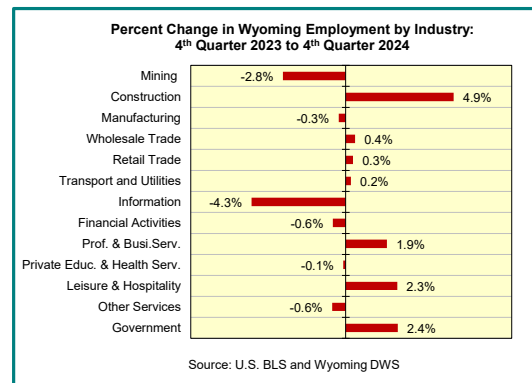
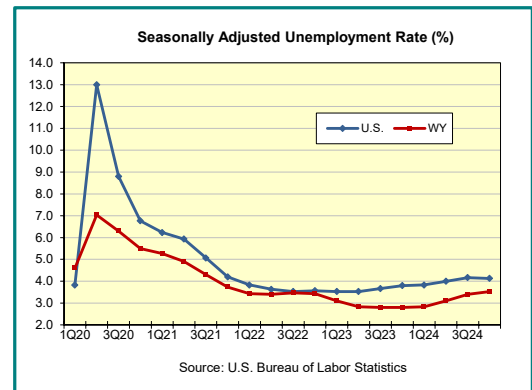
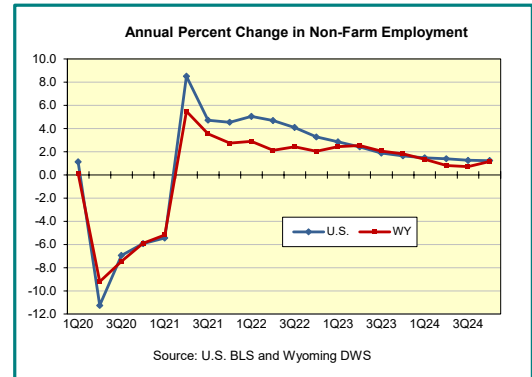
Current Global and U.S. Economy

The global economy is venturing into uncertain waters. After surpassing its counterparts for much of the last three years, the U.S. is experiencing a slowdown. Meanwhile, Europe remains fragile and stagnant, hindered by energy challenges and declines in manufacturing. China's growth continued to be underwhelming. Japan, Canada, Australia and emerging markets face their own challenge. U.S. economic policy is creating instability due to a barrage of tariffs and threats of tariffs, leading to heightened trade tensions. Markets are unsettled, and both business and consumer confidence are declining. The world economy is looking increasingly fragile and GDP growth is expected to slow to 2.5 percent in 2025 and 2026, down from 2.8 percent in 2024, according to Moody's Analytics. The risks to the outlook are predominantly negative. High tariffs, increased trade and geopolitical friction, and volatile financial markets are major concerns. Additionally, progress on inflation appears to be faltering.

Despite higher interest rates, the U.S. economy demonstrated a remarkable performance in 2024. Growth was higher than expectation, with real GDP expanding nearly 3.0 percent. However, it is showing signs of strain as it enters 2025. Perhaps reflecting the adverse impact of policy uncertainty, retail sales and employment conditions have worsened in recent months. The Federal Reserve is probably on hold until it gets clarity on the course of economic policy. The assessment from Moody's Analytics is that the U.S. real GDP will grow 1.9 percent in 2025, and further decelerate to 1.7 percent in 2026. The labor market slows down, averaging 125,000 payroll jobs per month, and the unemployment rate is expected to be around 4.1 percent in 2025. The deceleration is driven by escalating trade tensions, a barrage of tariffs, and deteriorating business and consumer confidence.

Employment

Mostly driven by utility system construction activities, Wyoming's labor market remained healthy in the fourth quarter, with job growth exceeding that of the previous two quarters. Total employment increased 1.2 percent (or 3,300 jobs) compared to the previous year, while the U.S. growth rate decelerated to 1.2 percent. The state's unemployment rate rose slightly to 3.5 percent, remaining significantly lower than the U.S. rate of 4.1 percent. Payroll jobs increased in most sectors, with construction leading the way, by growing 4.9 percent annually. The government sector, which includes public higher education, K-12 education, and local hospitals, added 1,700 payroll jobs. Wyoming's pivotal industry, mining, decreased modestly (-2.8%). Compared to the pre-COVID period in the fourth quarter of 2019, total employment was 1.7 percent higher, but the mining industry was still down by 19.6 percent, or 3,900 jobs. The state's economy becomes more diversified.



Personal Income and Earnings

Wyoming's total personal income increased 5.2 percent in the fourth quarter of 2024 compared to the fourth quarter of 2023. This growth rate was slightly slower than the previous quarter. U.S. personal income increased 5.0 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 6.4 percent annually in the quarter, while dividends, interest, and rent grew 2.3 percent. Earnings in nearly all sectors demonstrated expansions from a year ago, led by professional & business services (24.4%). Construction industry grew 7.2 percent annually. The only declines were the mining industry (-3.0%) and information (-2.6%).

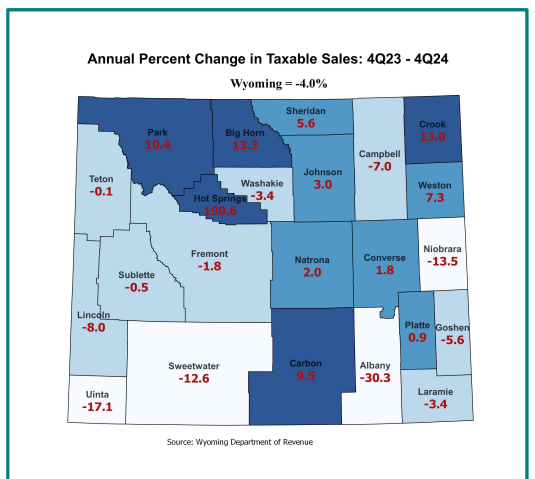
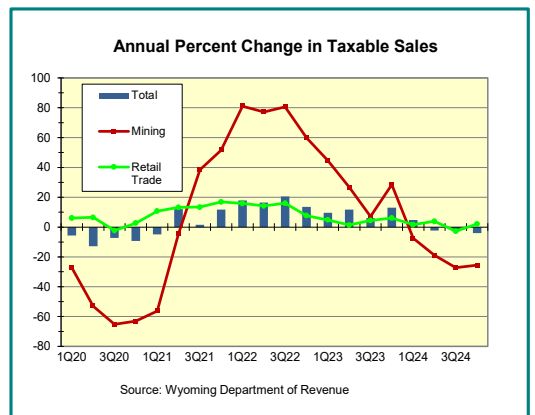
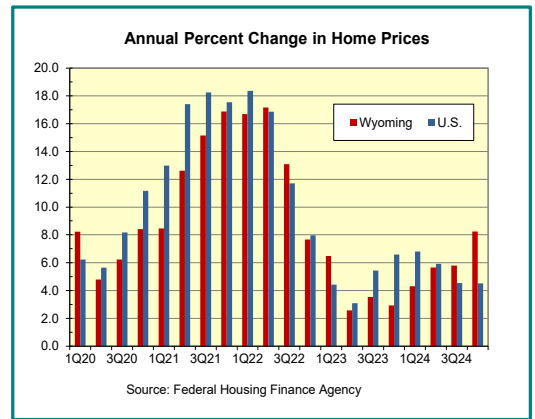
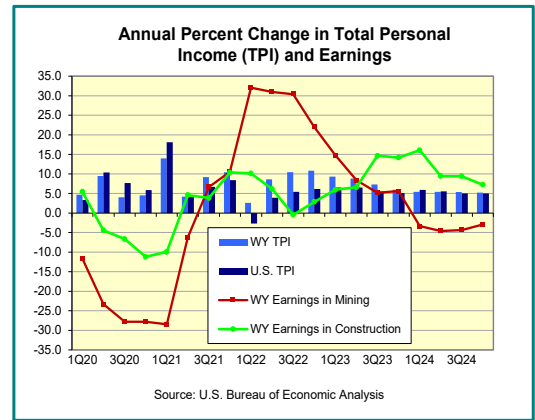
Housing

The statewide single-family home price increased 8.2 percent in the fourth quarter of 2024 compared to one year ago, the fastest since the third quarter of 2022. In contrast, the national average price appreciation decelerated to 4.5 percent during the same period. Additionally, single-family building permits for new privately-owned residential construction in Wyoming were 38.6 percent higher than the previous year, while multi-family units advanced by 22.0 percent.

Amid a scarcity of homes on the market, U.S. housing prices continued to climb, and the overall housing market remains overpriced. The principal reason for this is the tight inventory for sale, which has been increasing, but is still about 25 percent lower than the pre-COVID period. Most existing homeowners are tied to extremely low interest rates, significantly reducing their motivation to sell their properties. With affordability at a four decade low, the anemic demand has resulted in one of the slowest existing-home sales since the 2008 financial crisis. Although overheated valuation will exert downward pressure on prices, they are likely to remain relatively stable due to supply constraints. Home affordability is expected to improve over time through gradual income increases, reduced interest rates, and flattening home prices.

Taxable Sales

Based on sales and use tax collections, total taxable sales in the state decreased by 4.0 percent to \$6.2 billion in the fourth quarter of 2024 compared to the previous year. This marks the third consecutive decline since the first quarter of 2021. The weak performance was primarily caused by contractions in the mining industry (-25.5%) and utilities (-24.3%). However, increases occurred in a majority of economic sectors. Construction demonstrated growth rates of 15.9 percent. Wholesale trade (8.2%), information (8.4%), and financial activities which mostly reflects transactions in automotive, machinery, and equipment leasing and rental (9.8%) also showed higher increases. Retail trade, the largest in terms of taxable sales, expanded by 2.1 percent, reversing the decline observed in the previous quarter. Across the state, 11 out of 23



counties experienced increases in taxable sales in a year-over-year comparison, led by Hot Springs (190.6%), followed by Big Horn (13.3%), Crook (13.0%), and Park (10.4%), partially due to the result of tax refund in the previous year. Albany County showed the largest decrease, at -30.3 percent, primarily resulting from the reduction in wind power project.

Tourism

The number of recreational visitations to Yellowstone National Park reached 397,568 in the fourth quarter of 2024, representing a 12.3 percent increase from the previous year. In comparison, Grand Teton National Park recorded 360,084 visits, showing an increase of 4.6 percent. The visitation figure for Yellowstone was the second highest recorded for the fourth quarter in history, while the number for Grand Teton was only lower than the figures from the fourth quarters of 2020.

Lodging sales for the fourth quarter were 15.8 percent lower than a year ago in Teton County, while the state as a whole experienced a decrease of 6.9 percent. In general, the primary drivers for the fluctuation in lodging sales are visitations to the national parks and mineral activities. On an annual basis, lodging sales in Teton County account for more than half of state's total.

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. In the fourth quarter of 2024, the index stood at 147.2, remaining close to its record high, but was 0.4 percent lower 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. In the fourth quarter of 2024, earnings were 7.3 percent higher than the previous quarter, and 22.3 percent higher than the prior year. According to the January 1, 2025 Cattle Survey conducted by the Mountain Regional Field Office of the National Agricultural Statistics Service, USDA, inventory of all cattle and calves in Wyoming totaled 1.22 million head, down 3.0 percent, or 40,000 head from the previous year. Beef cow inventory totaled 651,000 head, down 20,000 head, or 3.0 percent, and calf crop, at 620,000 head, also decreased 20,000 head, or 3.0 percent.

Revenue

In the fourth quarter of 2024, the amount of investment income distributed to the state general fund was \$107.5 million. This includes income from the Permanent Wyoming Mineral Trust Fund (PWMTF) and state agency pooled income accounts, representing a decrease of 3.9 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 \$179.7 million in mineral severance taxes generated in the fourth quarter was 6.2 percent higher than the previous quarter. However, it was 10.5 percent lower than the previous year, reflecting the pullback of oil and natural gas prices, as well as a steeper drop in coal production.

