Wyoming Economic Update

Alison Felix
Economist & Branch Executive
Federal Reserve Bank of Kansas City
Denver Branch

The views expressed are those of the presenter and do not necessarily reflect the positions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.
Employment has increased in Wyoming and in the nation over the past four years.

**PAYROLL EMPLOYMENT GROWTH**
*Index 100 = July 2004, Seasonally Adjusted*

<table>
<thead>
<tr>
<th>Percent Change</th>
<th>Past 10 Years</th>
<th>Past Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>5.5%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>14.8%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Casper</td>
<td>15.2%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
Most states have experienced positive job growth over the past year.

**August 2014 Nonfarm Employment**

*Year-over-Year Percent Change, Seasonally Adjusted*

United States: 1.8%

- Over 3%
- 2 to 3
- 1 to 2
- 0 to 1
- -1 to 0

Source: Bureau of Labor Statistics/Haver Analytics
Unemployment rates have declined in the U.S. and Wyoming and are expected to decline further as the economic recovery strengthens.

**Unemployment Rates**

*Seasonally Adjusted*

<table>
<thead>
<tr>
<th>Year</th>
<th>Jul 2014</th>
<th>Aug 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>4.6%</td>
<td>4.6%</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics & Federal Reserve Board

*Average monthly unemployment rate from January 1980 to 2006.*
Most private industries added jobs over the past year in Wyoming as the government sector remained weak.

**CHANGE IN PAYROLL EMPLOYMENT, AUGUST 2014**
*Seasonally Adjusted*

<table>
<thead>
<tr>
<th>Industry</th>
<th>Wyoming</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Trade</td>
<td>6.7%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Other Services</td>
<td>3.2%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2.6%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Information</td>
<td>2.3%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Transportation &amp; Utilities</td>
<td>2.3%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Construction</td>
<td>2.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Natural Resources &amp; Mining</td>
<td>2.2%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>2.2%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Health Care &amp; Social Assistance</td>
<td>-0.6%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Private Educational Services</td>
<td>-0.9%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Local Government</td>
<td>-2.0%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>-4.1%</td>
<td>-4.1%</td>
</tr>
<tr>
<td>State Government</td>
<td>-4.1%</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-4.1%</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-4.1%</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Federal Government</td>
<td>-4.1%</td>
<td>-4.1%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
Despite recent increases, employment remains below pre-recession levels in many Wyoming industries.

**Change in Payroll Employment, August 2014**

*Seasonally Adjusted*

Percent Change from Dec. 2007

- Private Educational Services: 26.1%
- Health Care & Social Assistance: 13.1%
- Local Government: 9.8%
- Wholesale Trade: 6.7%
- Transportation & Utilities: 4.7%
- Other Services: 1.7%
- State Government: 0.0%
- Leisure & Hospitality: -1.2%
- Natural Resources & Mining: -1.4%
- Retail Trade: -1.5%
- Professional & Business Services: -2.7%
- Manufacturing: -3.0%
- Financial Activities: -3.4%
- Federal Government: -4.1%
- Information: -7.3%
- Construction: -22.0%

**Top Performing Industries**

- Wyoming
- United States

**Worst Performing Industries**

*Source: Bureau of Labor Statistics*
The energy, tourism, government and retail trade sectors employ more than half of all Wyoming workers.

**Wyoming Industry Shares**

*Seasonally Adjusted*

**Shares of Employment**

- Government: 24.5%
- Leisure & Hospitality: 13.0%
- Retail Trade: 11.5%
- Natural Resources & Mining: 10.8%
- Health Care & Social Assistance: 9.2%
- Construction: 8.2%
- Professional & Business Services: 7.5%
- Transportation & Utilities: 6.1%
- Financial Activities: 5.3%
- Other: 3.8%

**Shares of Gross State Product**

- Government: 12.1%
- Leisure & Hospitality: 11.4%
- Retail Trade: 7.4%
- Natural Resources & Mining: 6.1%
- Health Care & Social Assistance: 4.6%
- Construction: 3.5%
- Professional & Business Services: 3.2%
- Transportation & Utilities: 11.0%
- Financial Activities: 3.3%
- Other: 4.6%

*Source: Bureau of Labor Statistics and Bureau of Economic Analysis*
The energy sector remains a key sector across the entire state of Wyoming.

**Oil Production**

*Thousand Barrels, Year-to-date through July 2014*

**Natural Gas Production**

*Billion Cubic Feet, Year-to-date through July 2014*

*Source: Wyoming Oil and Gas Conservation Commission*
In recent years, oil production increased sharply in Wyoming as natural gas production declined.

**Wyoming Crude Oil Production**
*Seasonally Adjusted*

**Wyoming Marketed Natural Gas Production**
*Seasonally Adjusted*

Source: Baker Hughes & Department of Energy, Energy Information Administration/Haver Analytics
The coal sector continues to struggle with increased regulation and low natural gas prices.

**Coal Production**

*Thousand Short Tons, Seasonally Adjusted*

Source: U.S. Department of Energy, Energy Information Administration
Although oil production continues to increase, employment in the energy industry has been fairly flat since the recession started.

**Natural Resources and Mining Employment**

*Index 100 = August 2004, Seasonally Adjusted*

<table>
<thead>
<tr>
<th>Percent Change</th>
<th>Past Year</th>
<th>Since Dec. '07</th>
<th>Share of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>5.5%</td>
<td>24.1%</td>
<td>0.7%</td>
</tr>
<tr>
<td>WY.</td>
<td>2.3%</td>
<td>-1.4%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

*Source: Bureau of Labor Statistics/Haver Analytics*
Gains in the leisure and hospitality sector have been similar in Wyoming and the nation over the past four years.

Leisure and Hospitality Employment

*Index 100 = August 2004, Seasonally Adjusted*

<table>
<thead>
<tr>
<th>Percent Change</th>
<th>Past Year</th>
<th>Since Dec. '07</th>
<th>Share of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>2.4%</td>
<td>8.1%</td>
<td>10.5%</td>
</tr>
<tr>
<td>WY.</td>
<td>-2.0%</td>
<td>-1.2%</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics/Haver Analytics
Hotel occupancy rates have increased over the past year and are above the 10-year average.

Source: Colorado Hotel and Lodging Association, Denver International Airport
National park visits have also increased in Wyoming over the past year.

**NATIONAL PARK VISITS**

**Wyoming**

![Graph showing National Park Visits in Wyoming](chart)

Source: National Park Service, Department of the Interior
Construction employment has increased over the past year, but remains well below pre-recession levels.

### Construction Employment

*Index 100 = August 2004, Seasonally Adjusted*

<table>
<thead>
<tr>
<th>Percent Change</th>
<th>Past Year</th>
<th>Since Dec. '07</th>
<th>Share of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>4.0%</td>
<td>-19.0%</td>
<td>4.4%</td>
</tr>
<tr>
<td>WY.</td>
<td>2.3%</td>
<td>-22.0%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

*Source: Bureau of Labor Statistics*
Residential construction activity remains below pre-recession levels.

**Value of Residential Construction**

*Index 100 = July 2004, Seasonally Adjusted, Three-Month Moving Average*

<table>
<thead>
<tr>
<th>Percent Change Year-to-Date</th>
<th>Past Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>4.2%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>-13.3%</td>
</tr>
</tbody>
</table>

Source: McGraw Hill/F.W. Dodge
Home prices are rising in most states...

**FHFA Purchase-Only Home Price Index (2014Q2)**

*Percent Change Year-over-Year, Seasonally Adjusted*

United States: 5.2%

**Map**

- **Over 10%**
- **7.5 to 10**
- **5 to 7.5**
- **2.5 to 5**
- **0 to 2.5**
- **Below 0%**

Source: Federal Housing Finance Agency
Yet prices remain below pre-recession values in many states.

**FHFA Purchase-Only Home Price Index (2007Q1 – 2014Q2)**

*Percent Change Peak to Current, Seasonally Adjusted*

![Map showing home price index changes across the United States](image)

- United States: -7.2%
- **Over 20%**: North Dakota, Texas
- **10 to 20%**: South Dakota, Utah
- **0 to 10%**: Illinois, Kentucky
- **-10 to 0%**: Arizona, Indiana
- **-20 to -10%**: California, Florida
- **Below -20%**: Nevada, Oregon

*Source: Federal Housing Finance Agency*
Crop prices have fallen alongside favorable growing conditions, reducing profit margins for crop producers.

**U.S. Crop Prices**

Dollars per bushel

- Soybeans
- Wheat
- Corn

Source: Wall Street Journal
The profitability of the livestock sector has improved with lower crop prices, improved pasture conditions, and higher livestock prices.

**U.S. LIVESTOCK PRICES**

Dollars per hundredweight

Source: USDA and Iowa State University
The manufacturing sector has strengthened in 2014.

**MANUFACTURING ACTIVITY**
*Diffusion Index, Seasonally Adjusted, Month-over-Month*

Source: Institute for Supply Management & Federal Reserve Bank of Kansas City
After a slight decline in 2013, Wyoming export activity has increased so far this year.

**Wyoming Exports by Trading Partner**

*Billions*

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Trade</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>'03</td>
<td>$0.0</td>
<td></td>
</tr>
<tr>
<td>'04</td>
<td>$0.2</td>
<td></td>
</tr>
<tr>
<td>'05</td>
<td>$0.4</td>
<td></td>
</tr>
<tr>
<td>'06</td>
<td>$0.6</td>
<td></td>
</tr>
<tr>
<td>'07</td>
<td>$0.8</td>
<td></td>
</tr>
<tr>
<td>'08</td>
<td>$1.0</td>
<td></td>
</tr>
<tr>
<td>'09</td>
<td>$1.2</td>
<td></td>
</tr>
<tr>
<td>'10</td>
<td>$1.4</td>
<td></td>
</tr>
<tr>
<td>'11</td>
<td>$1.6</td>
<td></td>
</tr>
<tr>
<td>'12</td>
<td>$1.8</td>
<td></td>
</tr>
<tr>
<td>'13</td>
<td>$2.0</td>
<td></td>
</tr>
<tr>
<td>'14</td>
<td>$2.2</td>
<td></td>
</tr>
</tbody>
</table>

**JULY 2014**

**YEAR-TO-DATE**

**Percent Change**

<table>
<thead>
<tr>
<th>Partner</th>
<th>Total Trade</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Other</td>
<td>6.9</td>
<td>43.9%</td>
</tr>
<tr>
<td>Australia</td>
<td>-27.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Brazil</td>
<td>12.0</td>
<td>10.1</td>
</tr>
<tr>
<td>Canada</td>
<td>61.6</td>
<td>28.1</td>
</tr>
<tr>
<td>China</td>
<td>16.3</td>
<td>3.8</td>
</tr>
<tr>
<td>Eurozone</td>
<td>13.1</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Source: WISERTrade  
Note: Eurozone includes the 27 EU member countries.  
*2013 Share*
Conclusions

- Unemployment rates in Wyoming have fallen below historical averages as employment continues to expand at a moderate pace.

- Casper recovered from the recent recession at a faster pace than the nation with strong gains in the leisure, construction and energy sectors.

- Energy employment has been fairly flat as oil production increased and natural gas and coal production declined.

- Tourism activity has picked up over the past year with higher hotel occupancy rates and national park visits.

- Residential construction activity has struggled to bounce back and remains well below pre-recession levels.
For additional information on the regional economy: