

Wyoming *Economic Update*



Alison Felix

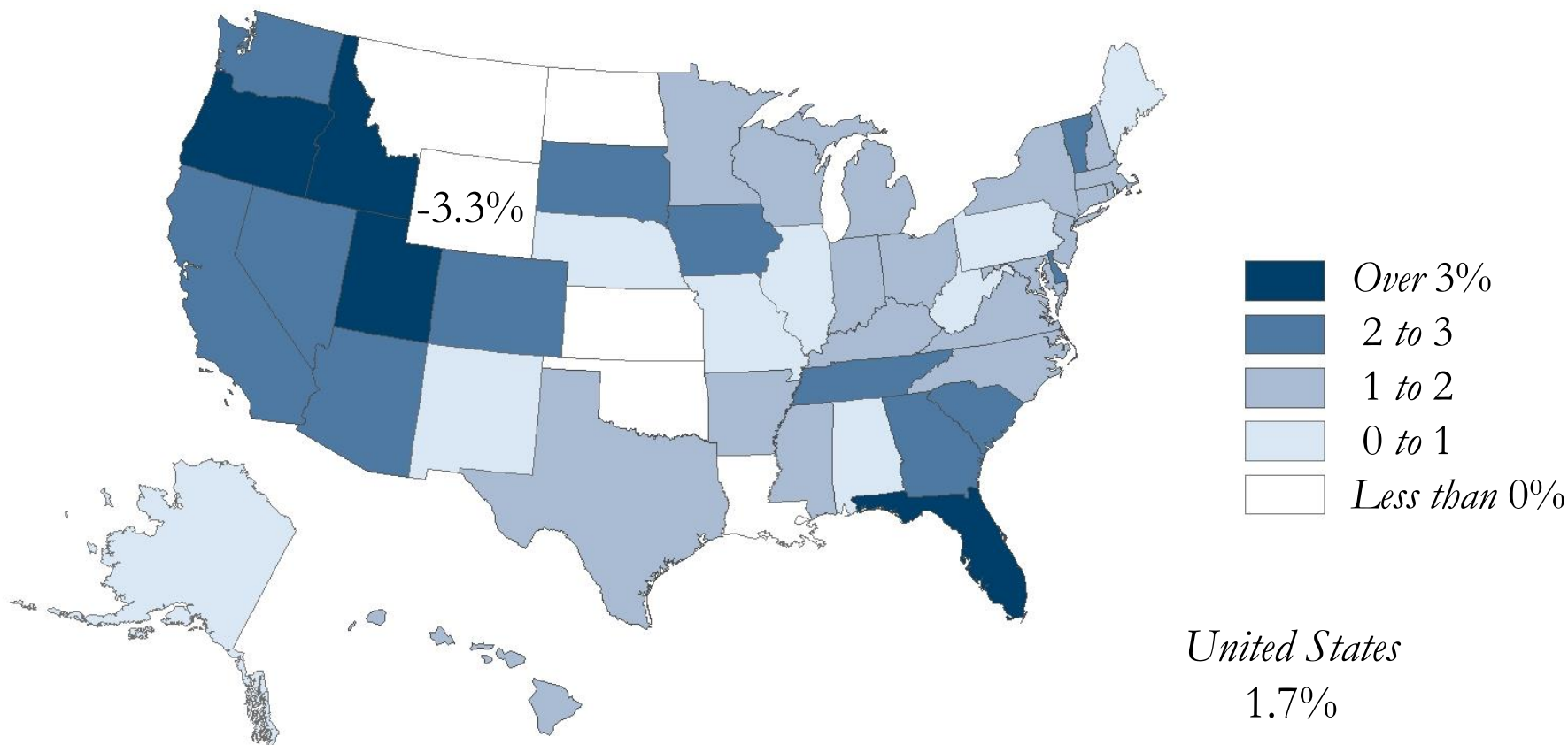
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*The views expressed are those of the presenter and do not necessarily reflect
the positions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.*

Although employment continues to expand moderately in most states, weakness in the energy sector is weighing heavily on some states.

AUGUST 2016 NONFARM EMPLOYMENT

Year-over-Year Percent Change, Seasonally Adjusted

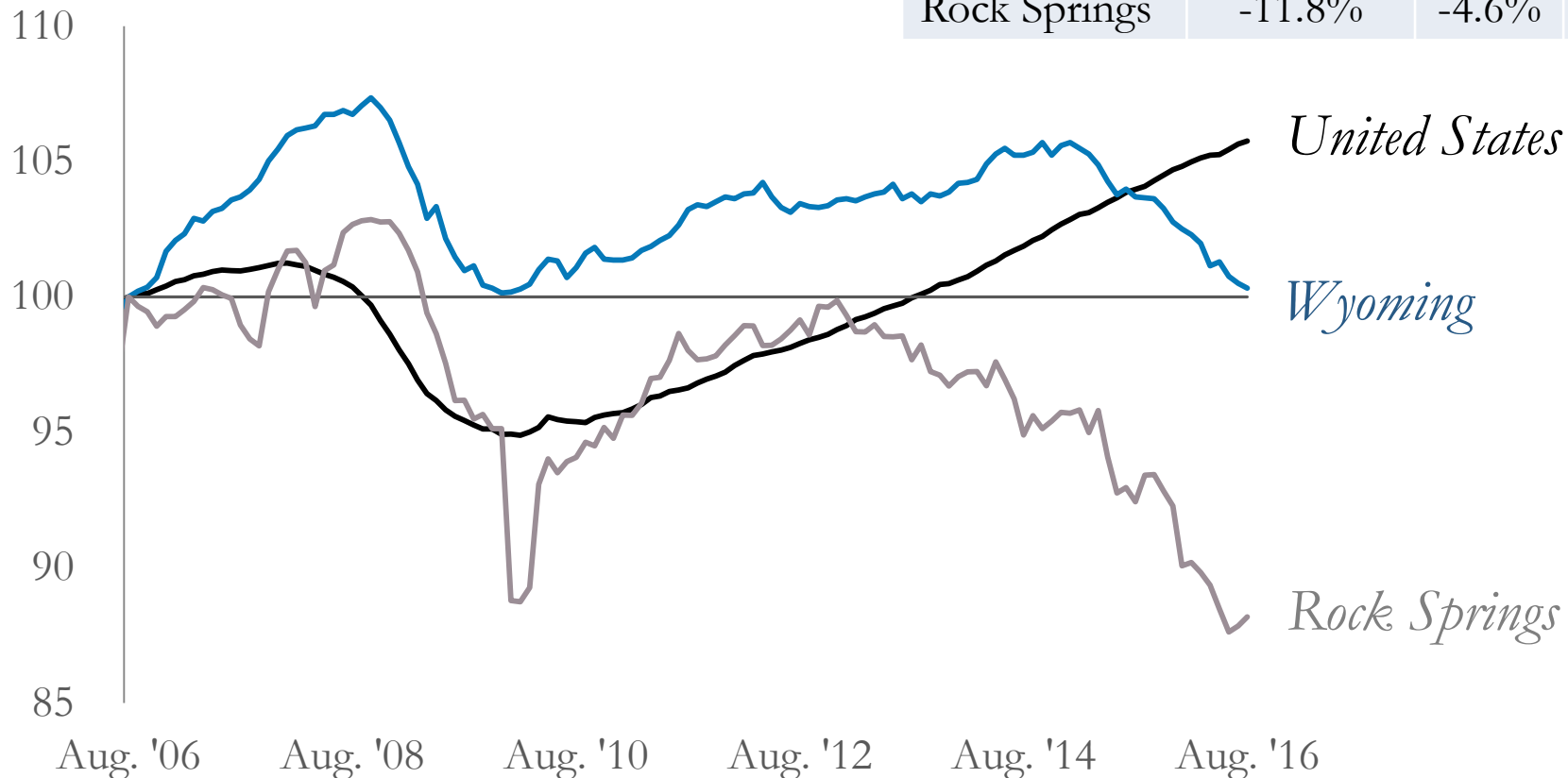


Employment has been increasing in the nation for more than six years, but has fallen sharply in Wyoming over the past two years.

PAYROLL EMPLOYMENT GROWTH

Index 100 = August 2006, Seasonally Adjusted

<i>Percent Change</i>	<i>Past 10 Years</i>	<i>Past Year</i>	<i>Dec. '07 to Current</i>
U.S.	5.8%	1.7%	4.5%
Wyoming	0.3%	-3.3%	-4.9%
Rock Springs	-11.8%	-4.6%	-12.7%

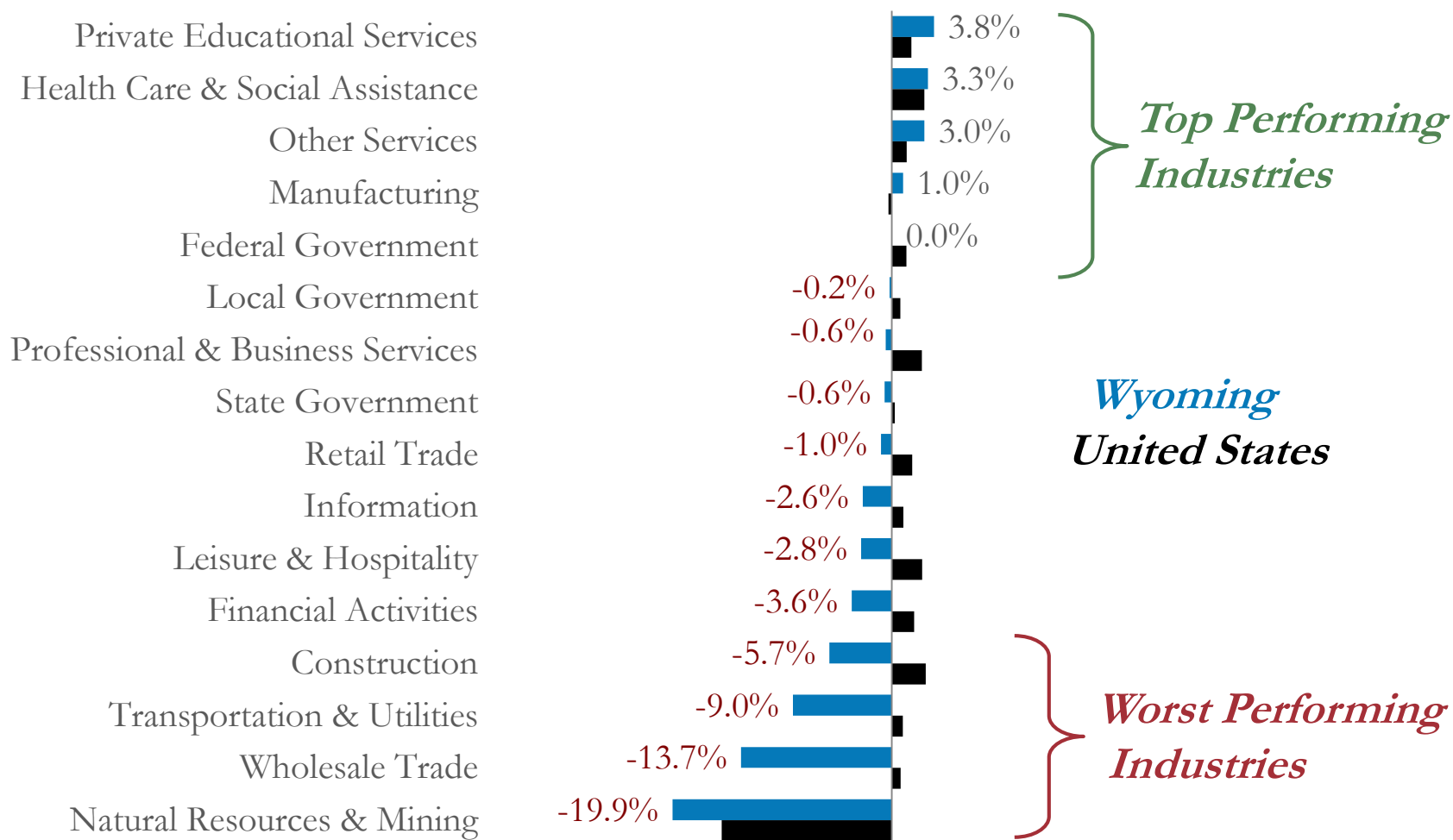


The slowdown in the energy sector has spread to other industries in the Wyoming economy.

CHANGE IN PAYROLL EMPLOYMENT, AUGUST 2016

Seasonally Adjusted

Percent Change Year-over-Year

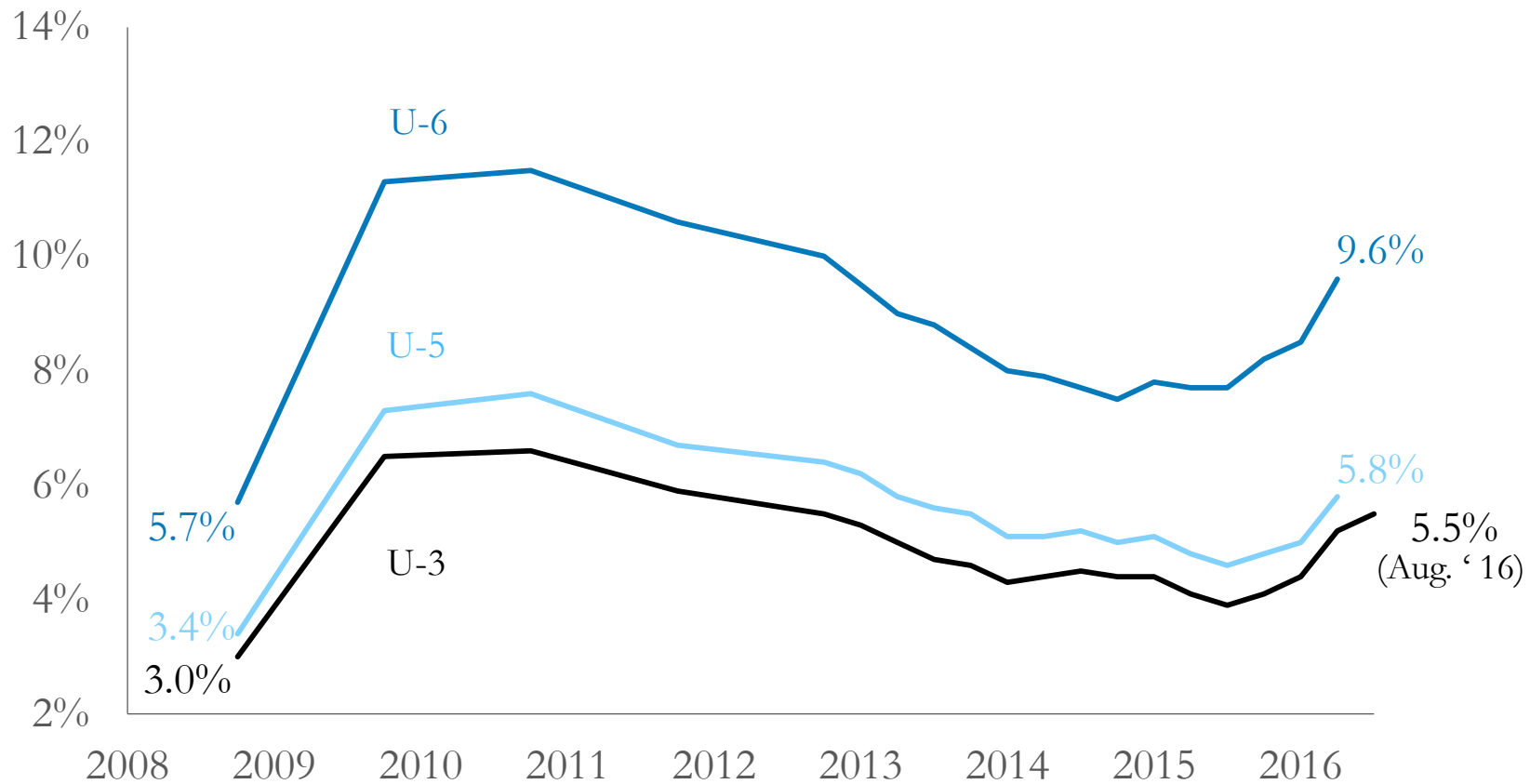


Unemployment rates have increased sharply in Wyoming over the past year.



WYOMING UNEMPLOYMENT RATES

Seasonally Adjusted



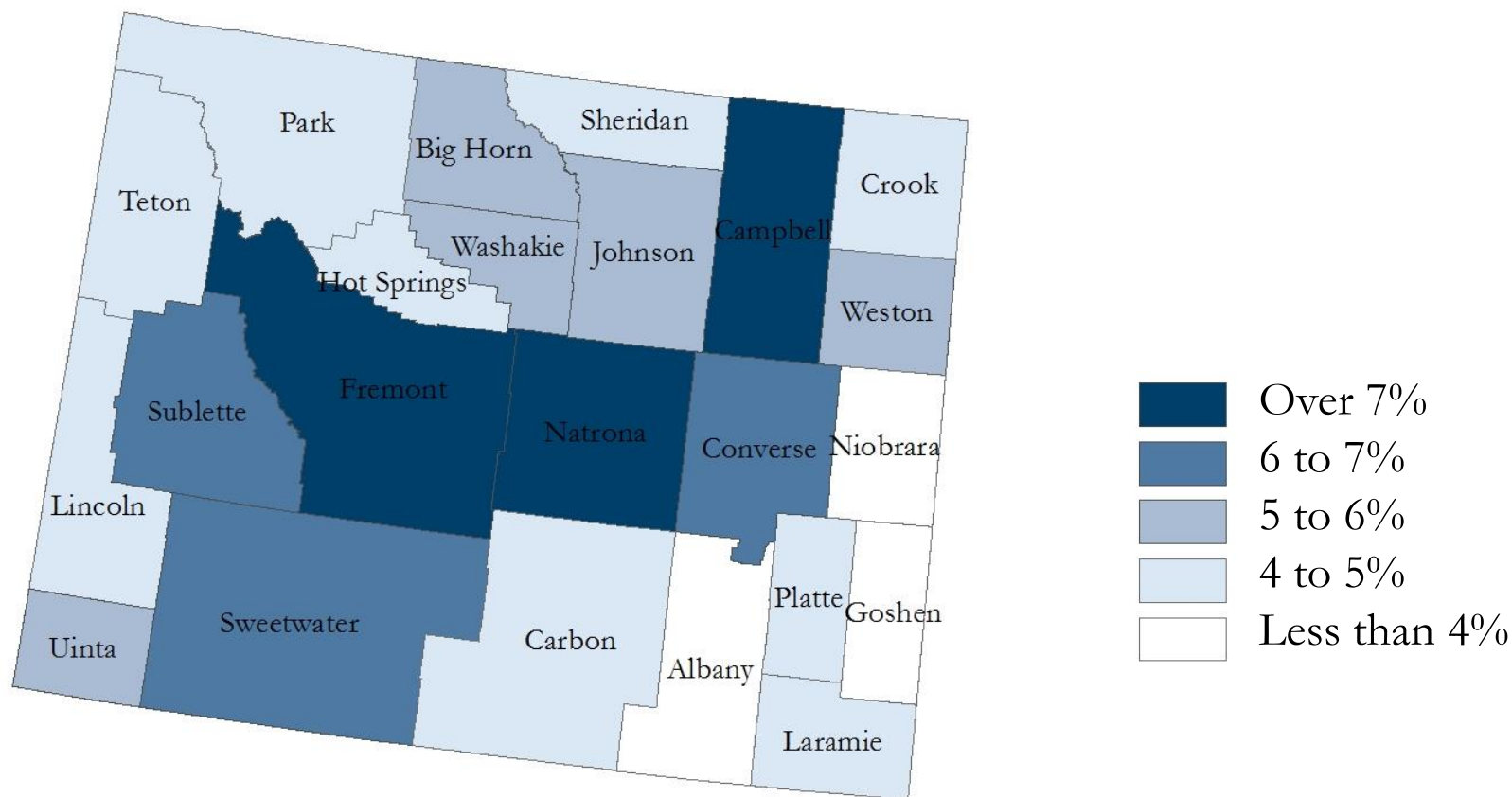
Note: U-5 and U-6 values are 12-month moving averages as of Q2 2016.

Unemployment rates are elevated in many Wyoming counties, but are especially high in energy-dependent counties.



WYOMING UNEMPLOYMENT RATES BY COUNTY, AUGUST 2016

Seasonally Adjusted



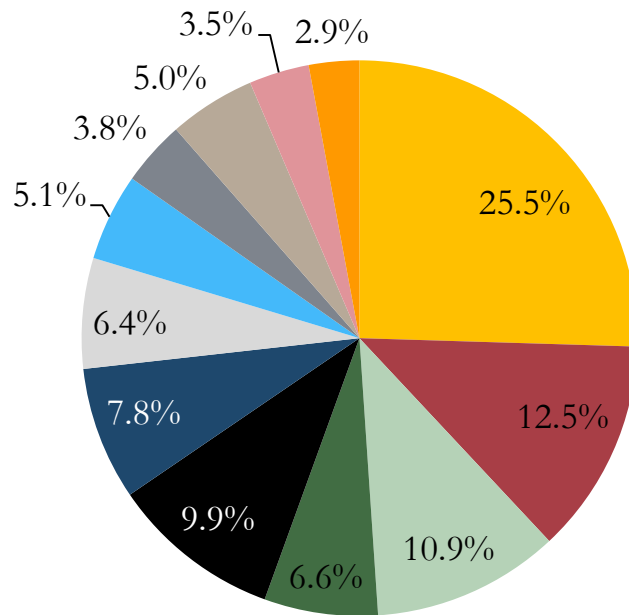
Energy's share of total employment has fallen to 6.6% in Wyoming, but the sector still contributes almost a quarter to state GDP.

WYOMING INDUSTRY SHARES

Seasonally Adjusted

Shares of Employment

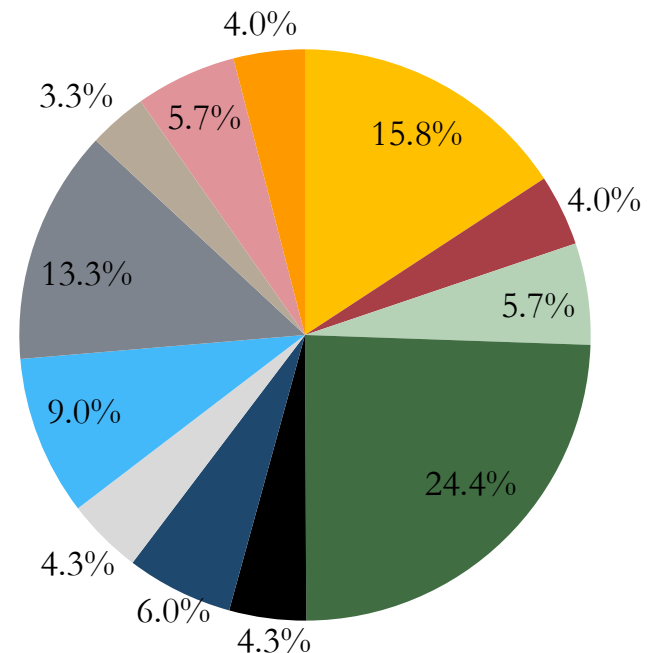
August, 2016



- Government
- Natural Resources & Mining
- Professional & Business Services
- Other
- Leisure & Hospitality
- Educational and Health Services
- Transportation & Utilities
- Manufacturing

Shares of Gross State Product

2015

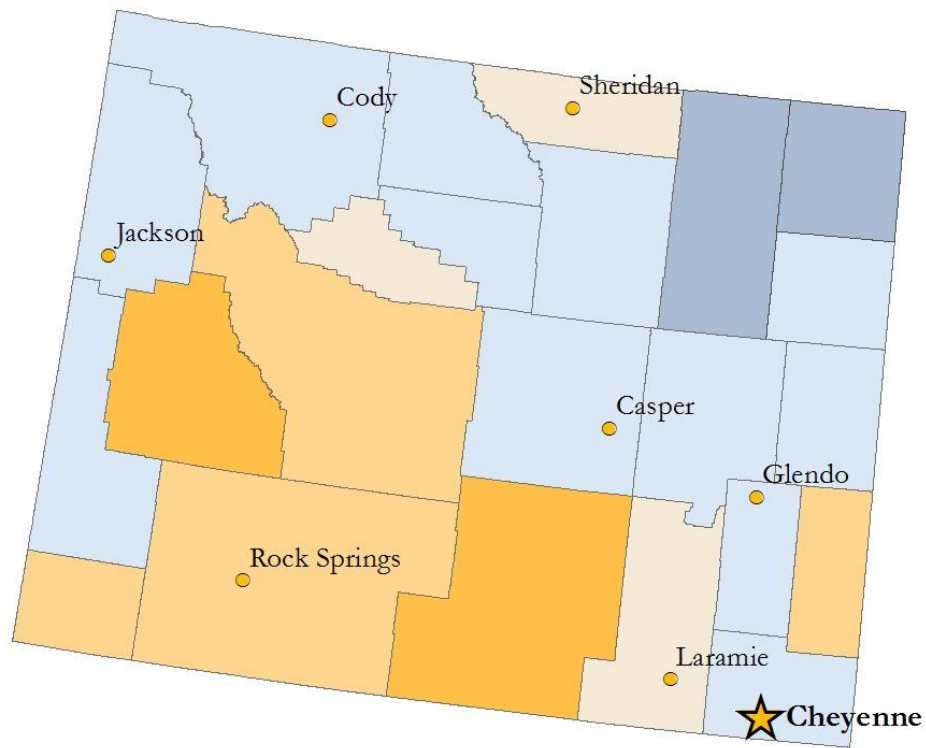


- Retail Trade
- Construction
- Financial Activities
- Wholesale Trade

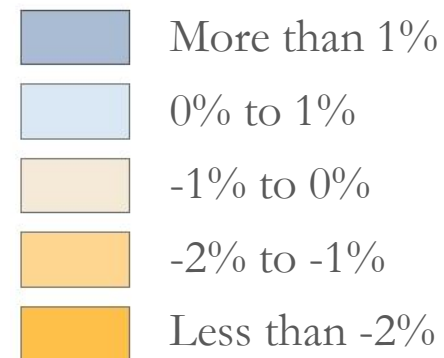
Migration patterns in Wyoming tend to follow the boom-bust cycle of the energy sector.

NET MIGRATION

Total 2015 Net Migration as a Percentage of 2015 Population



<i>Annual Percent Change</i>	<i>2015</i>
United States	0.4%
Wyoming	-0.2%
Sweetwater County	-1.4%



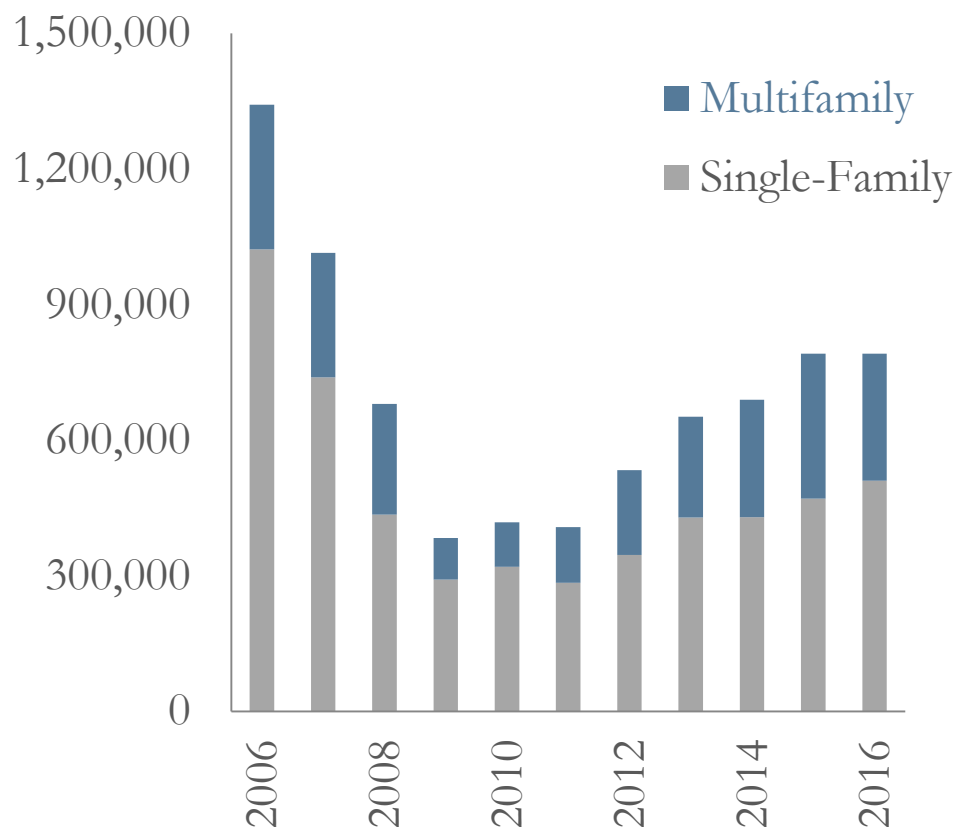
Residential construction activity has slowed in Wyoming this year, and remains well below peak levels.



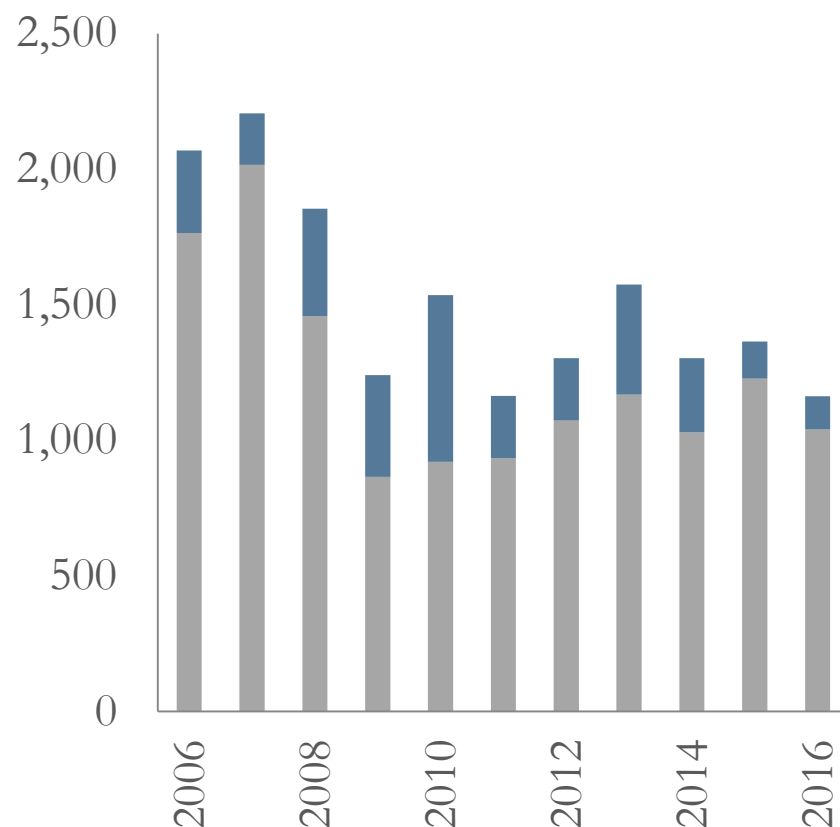
RESIDENTIAL PERMITS

Seasonally Adjusted, Year-to-Date Through August

United States



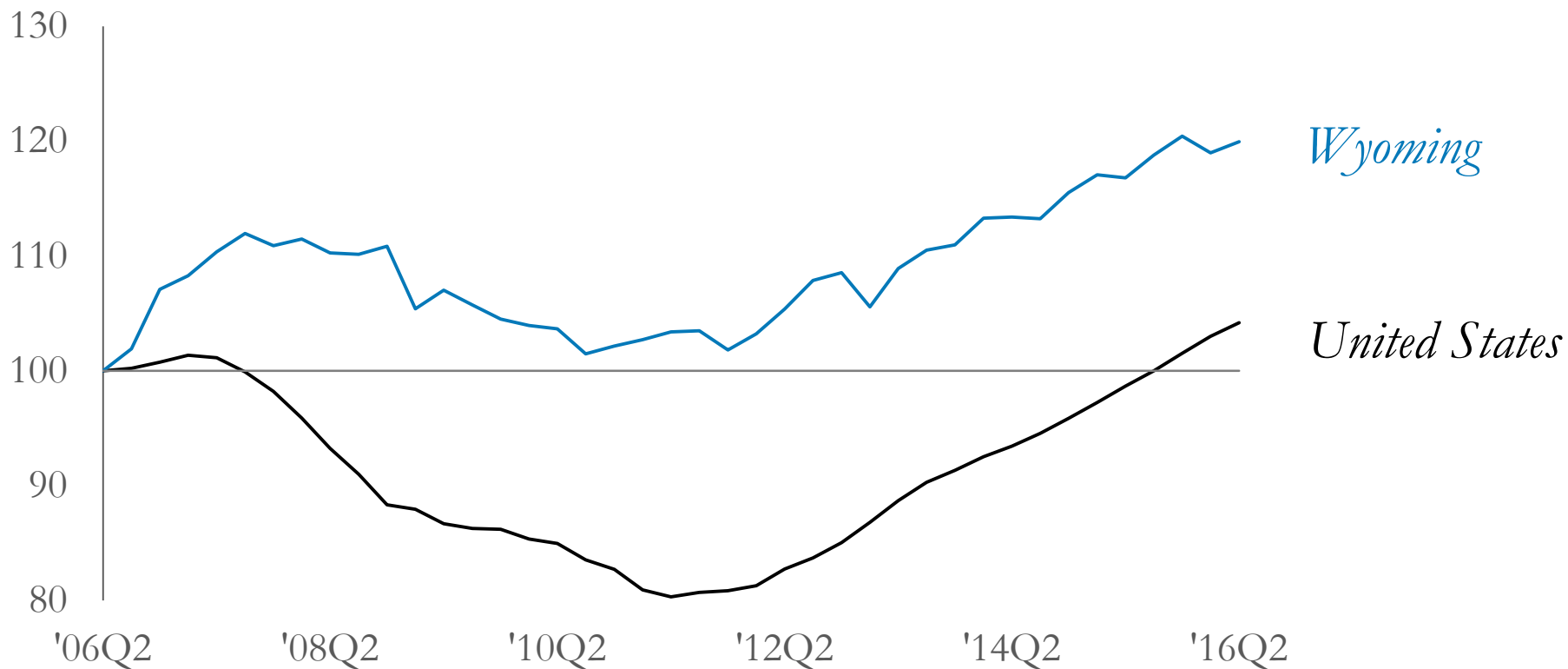
Wyoming



Although construction activity has started to slow, home prices have held up so far in Wyoming.

FHFA PURCHASE-ONLY HOME PRICE INDEX

Index 100 = 2006 Q2, Seasonally Adjusted

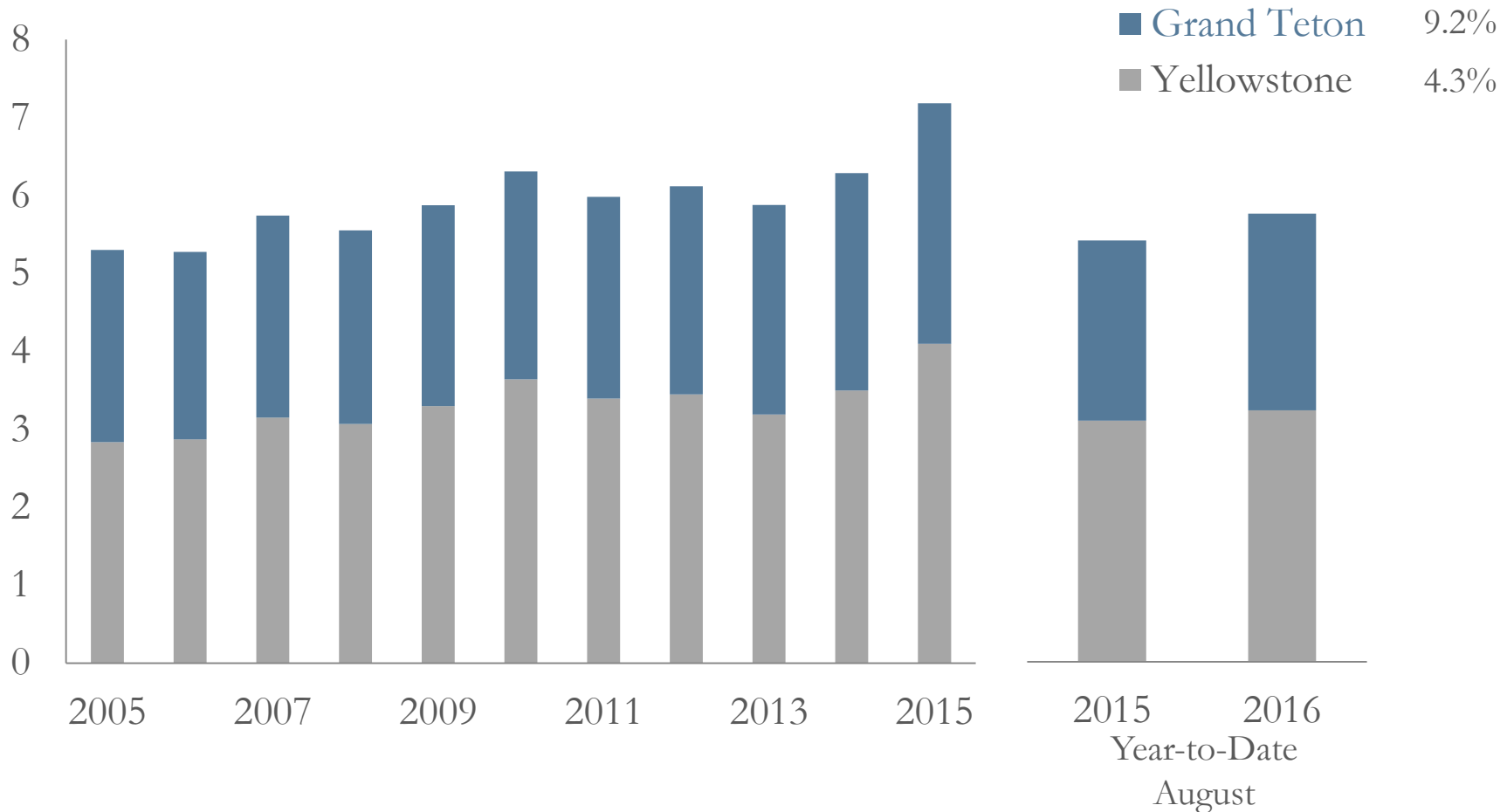


Leisure tourism activity has been strong in Wyoming over the last couple of years.

WYOMING NATIONAL PARK RECREATIONAL VISITATIONS

Millions

Year-over-Year
Percent Change
August, 2016

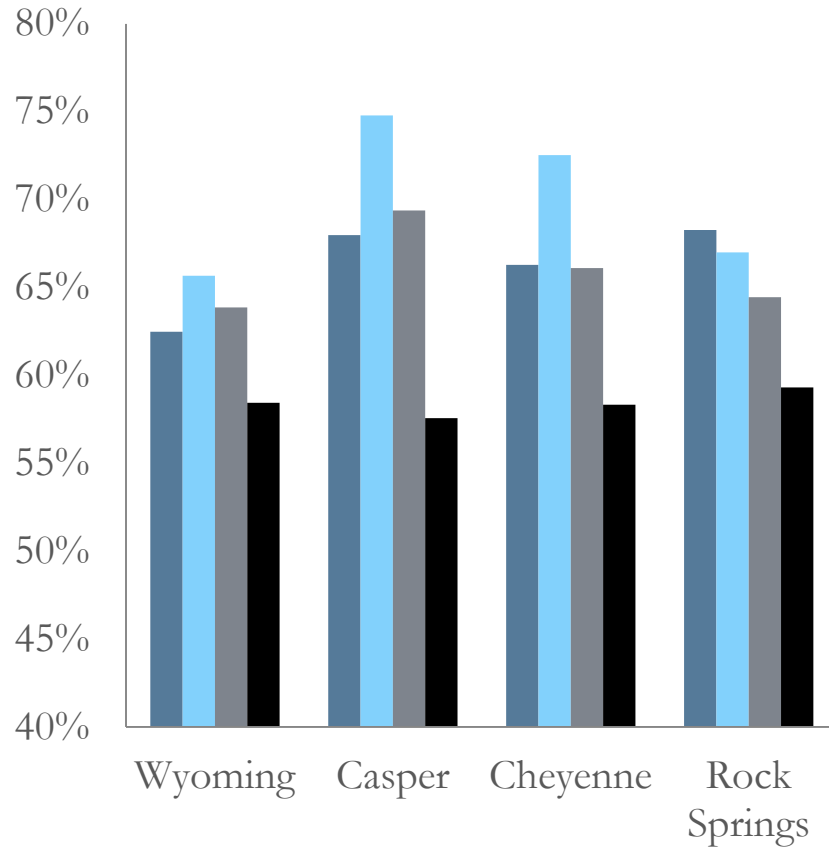


A sharp decline in business travel is weighing on hotel occupancy rates in many Wyoming cities.



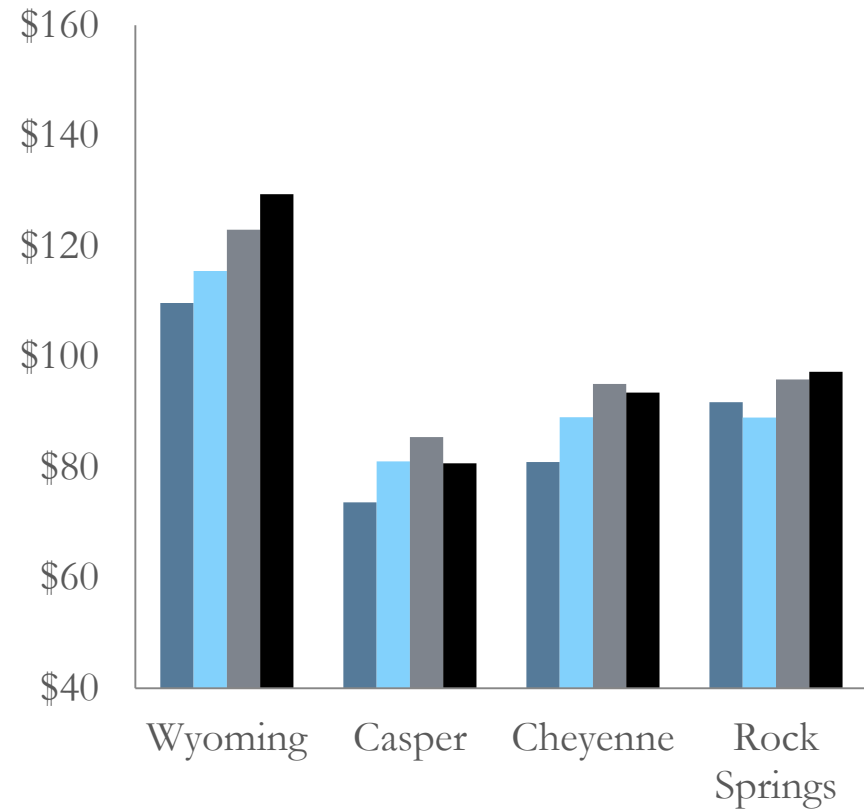
HOTEL OCCUPANCY RATES

Wyoming



REAL HOTEL ROOM RATES

January, 1999 Dollars



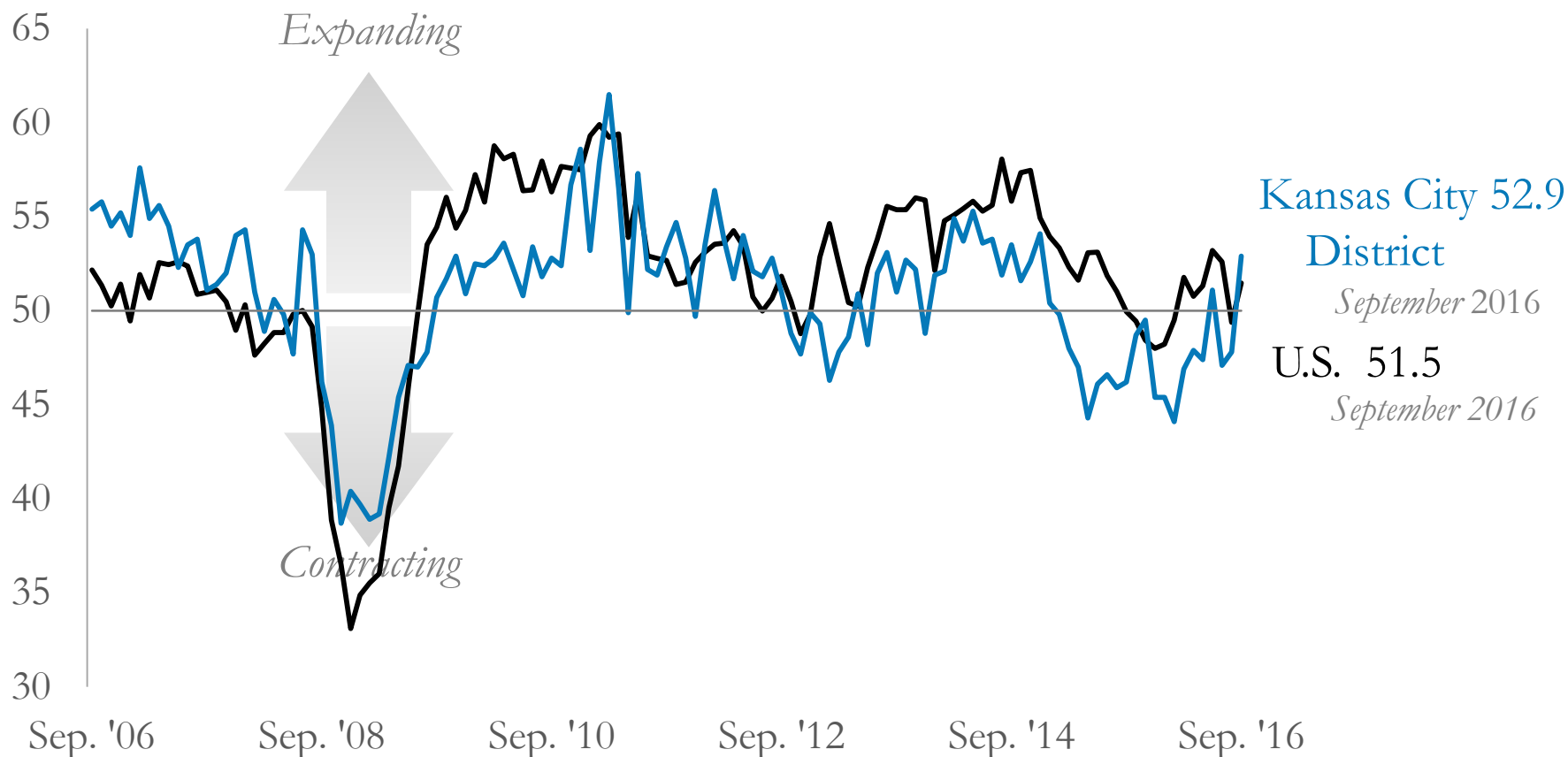
■ 10-year average ■ 2014 ■ 2015 ■ Aug. '16 year-to-date avg.

Manufacturing activity has slowed in the region due in part to a strong dollar and weak demand from the energy and agriculture sectors.



MANUFACTURING ACTIVITY

Diffusion Index, Seasonally Adjusted, Month-over-Month



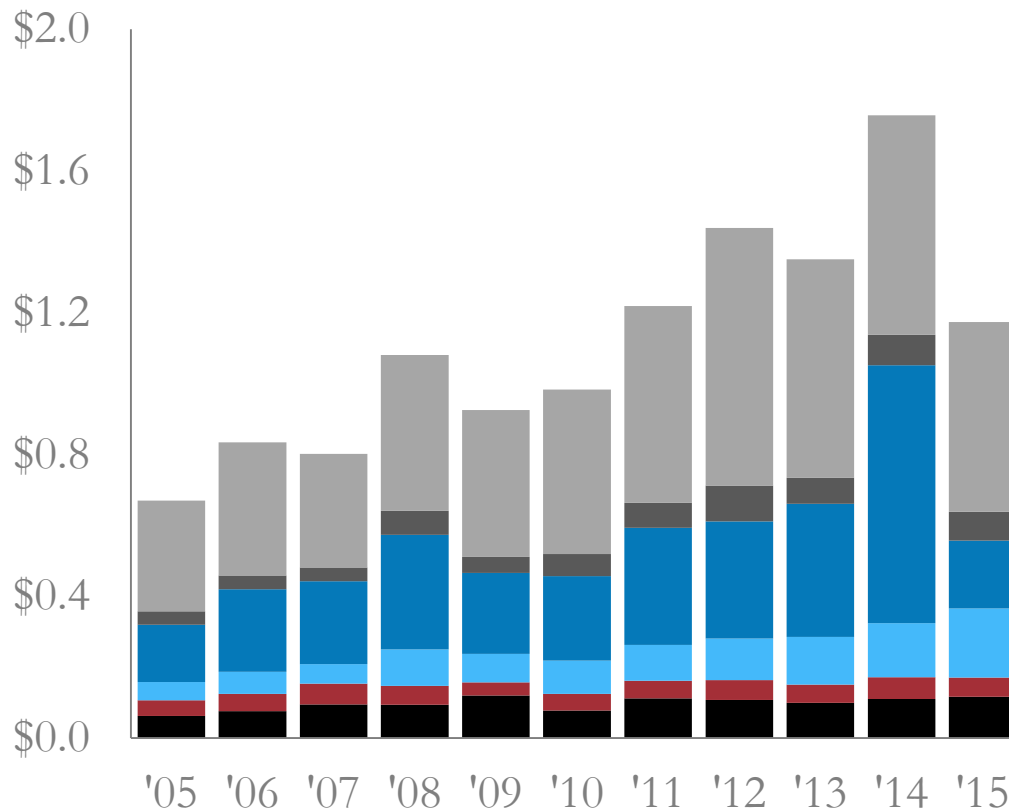
Wyoming export activity has fallen sharply over the past two years.



WYOMING EXPORTS BY TRADING PARTNER

Billions

JULY 2015
YEAR-TO-DATE
Percent Change



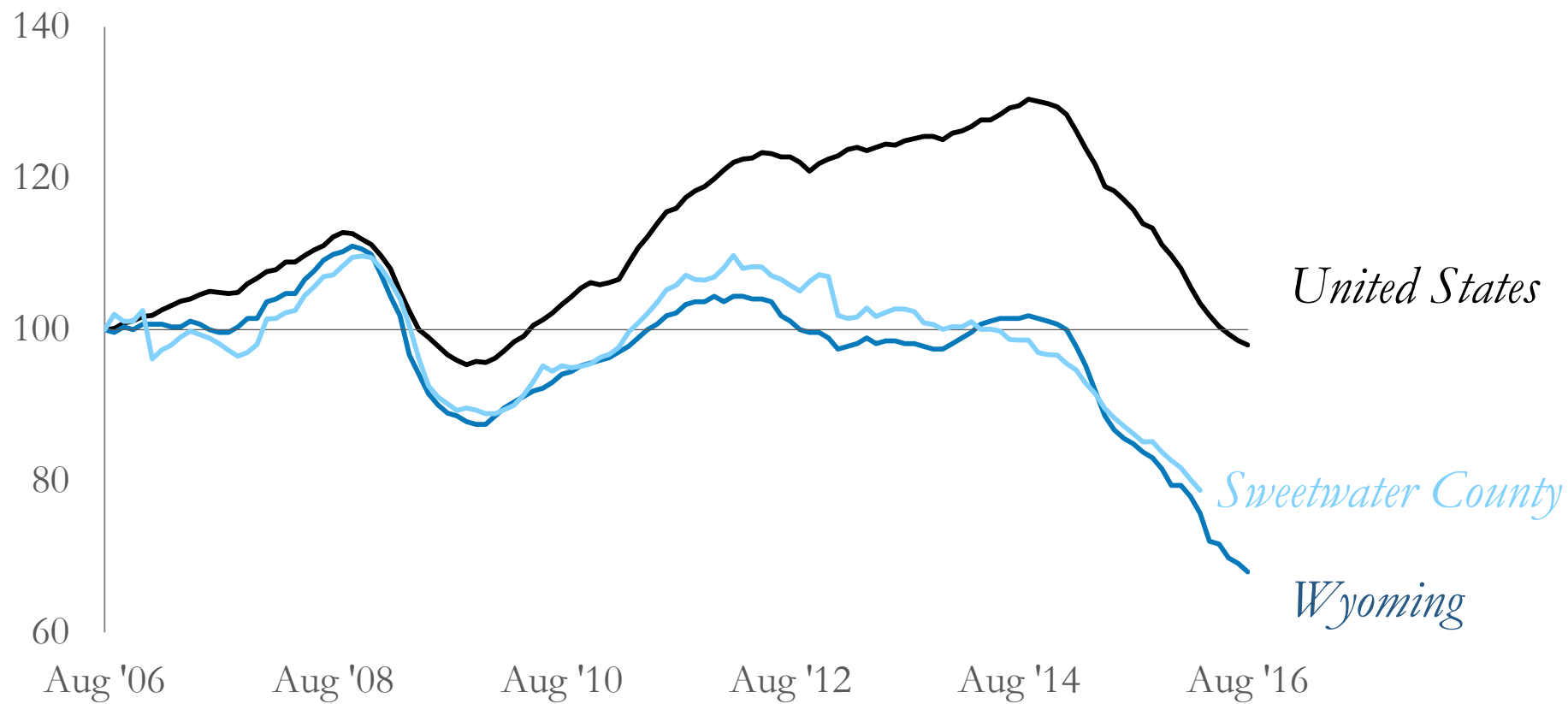
Total Trade	-15.2%	SHARE*
All Other	-20.9	45.6%
Indonesia	-18.2	6.9
Canada	-11.1	16.3
Brazil	-1.1	16.6
China	-15.2	4.7
Eurozone	-17.0	9.9

'15 '16
YTD through July

As a result of continuing weakness in the energy sector, energy employment has declined more than 30 percent from peak levels in Wyoming.

ENERGY EMPLOYMENT

Seasonally Adjusted



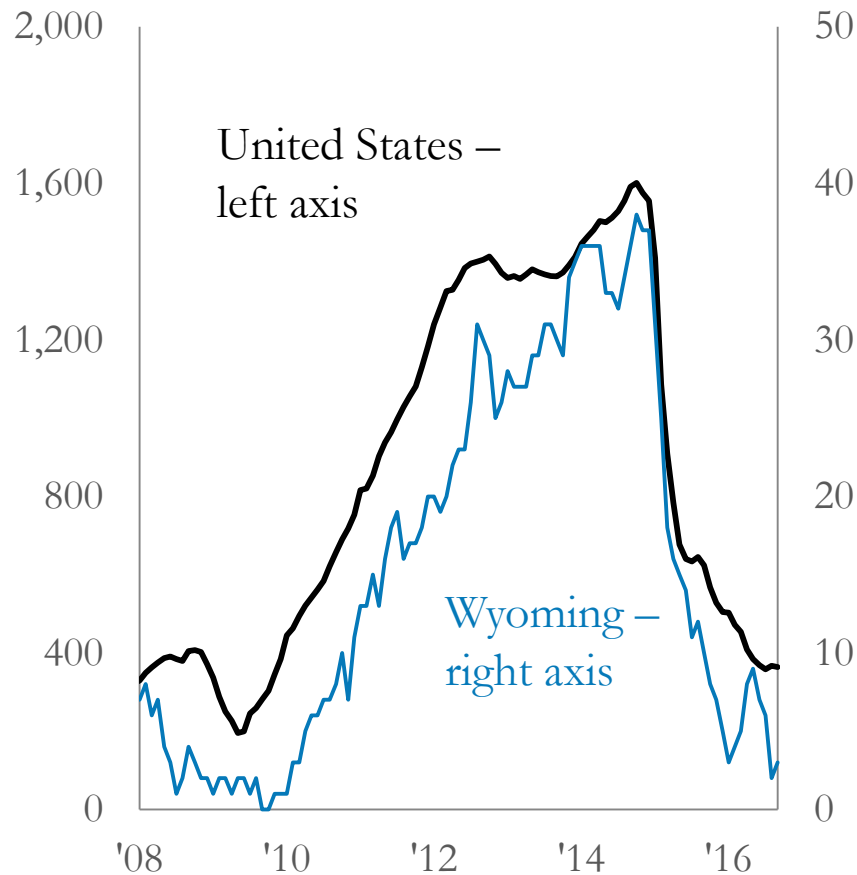
Note: Sheridan and Sweetwater Counties are using QCEW data, whereas Wyoming and the United States are using Current Employment Statistics data.

Energy activity has declined sharply over the past two years.



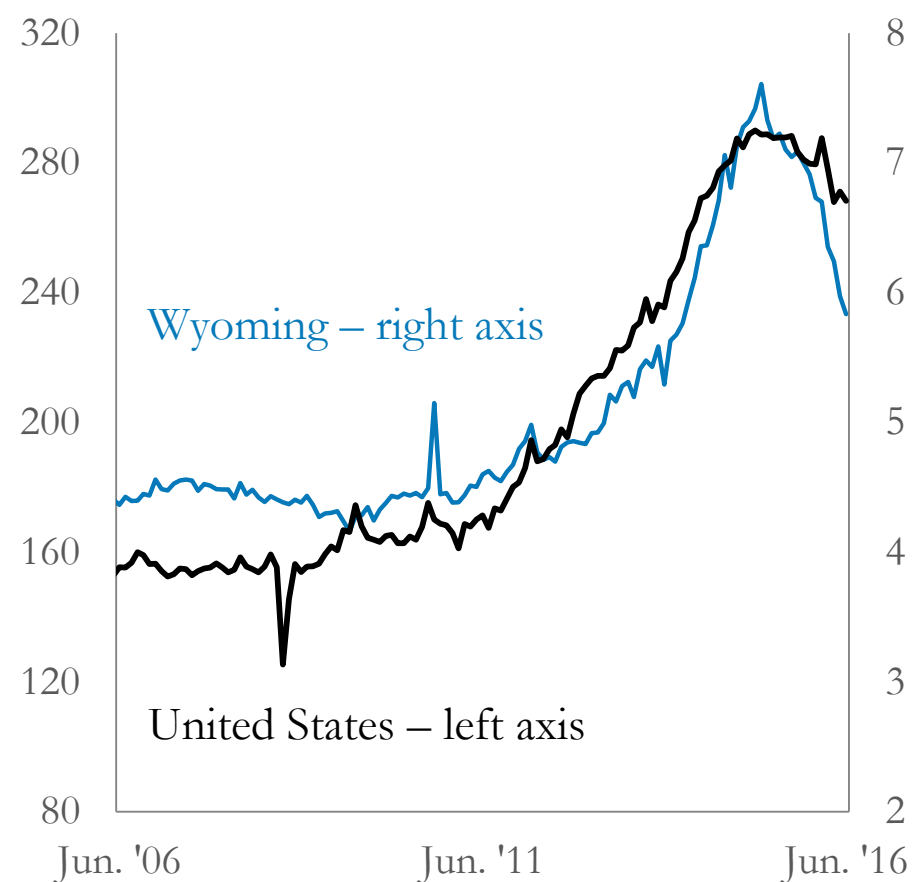
OIL RIG COUNT

Number of Active Drilling Rigs



OIL PRODUCTION

Million Barrels per Month, SA

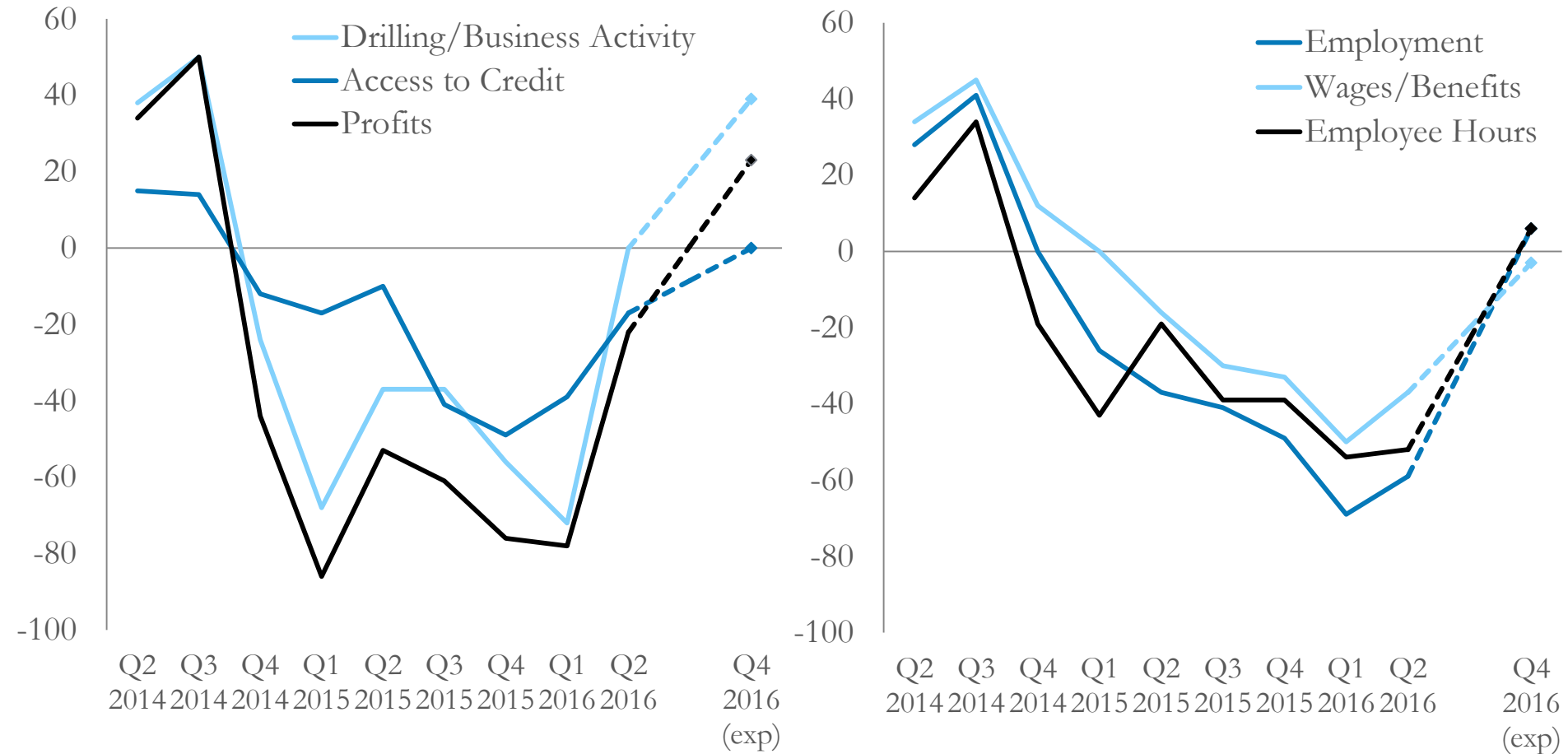


Energy contacts expect conditions to stabilize by the end of 2016.



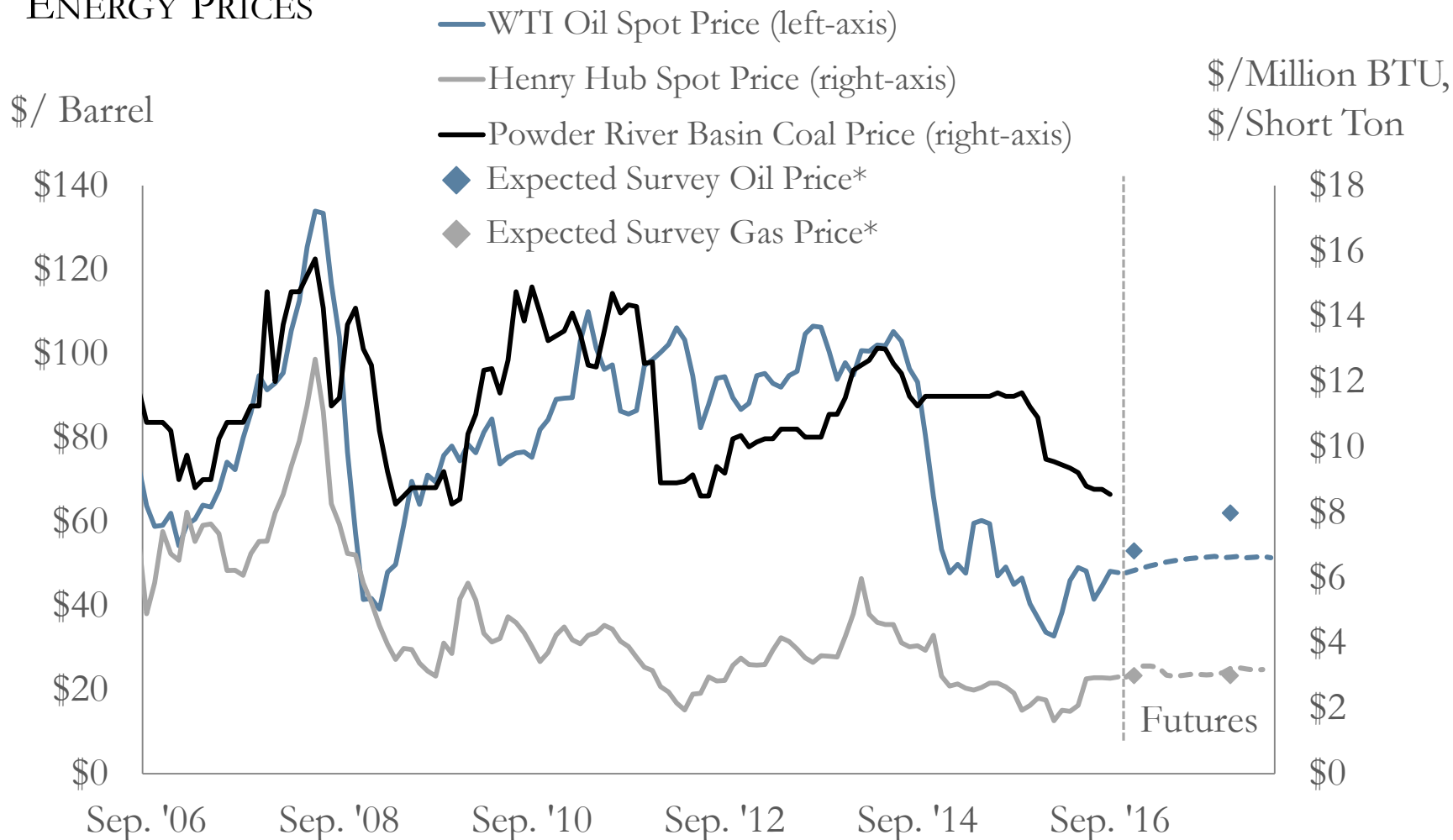
FRBKC ENERGY SURVEY

Quarterly Diffusion Indexes



Oil and natural gas prices have increased in 2016, but additional gains are expected to be gradual. Coal prices continue to decline.

ENERGY PRICES



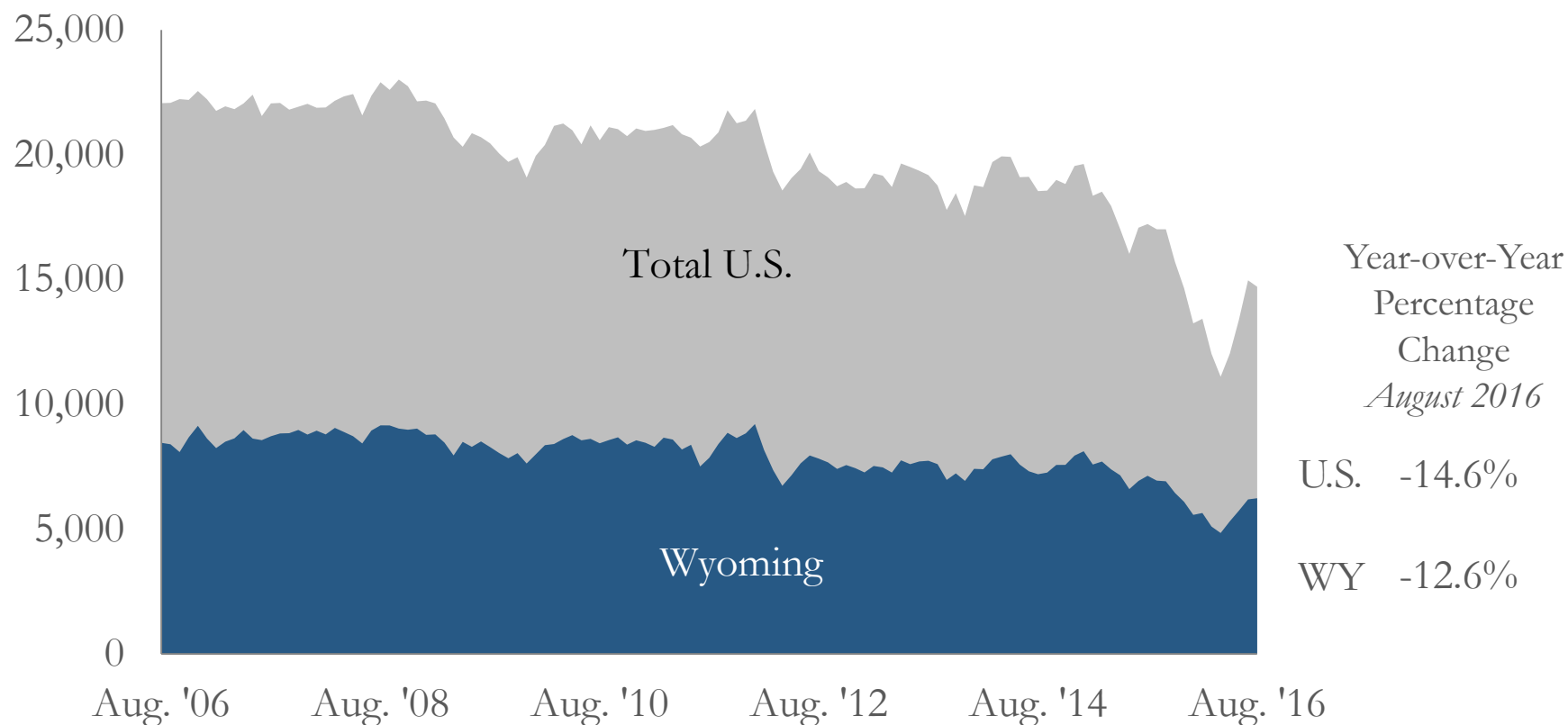
*Expected year-end prices are the average expected price based on responses to the FRBKC Q2:2016 Energy Survey

The coal sector continues to struggle, and coal production declined substantially in Wyoming over the past year.



COAL PRODUCTION

Seasonally Adjusted, Thousand Short Tons

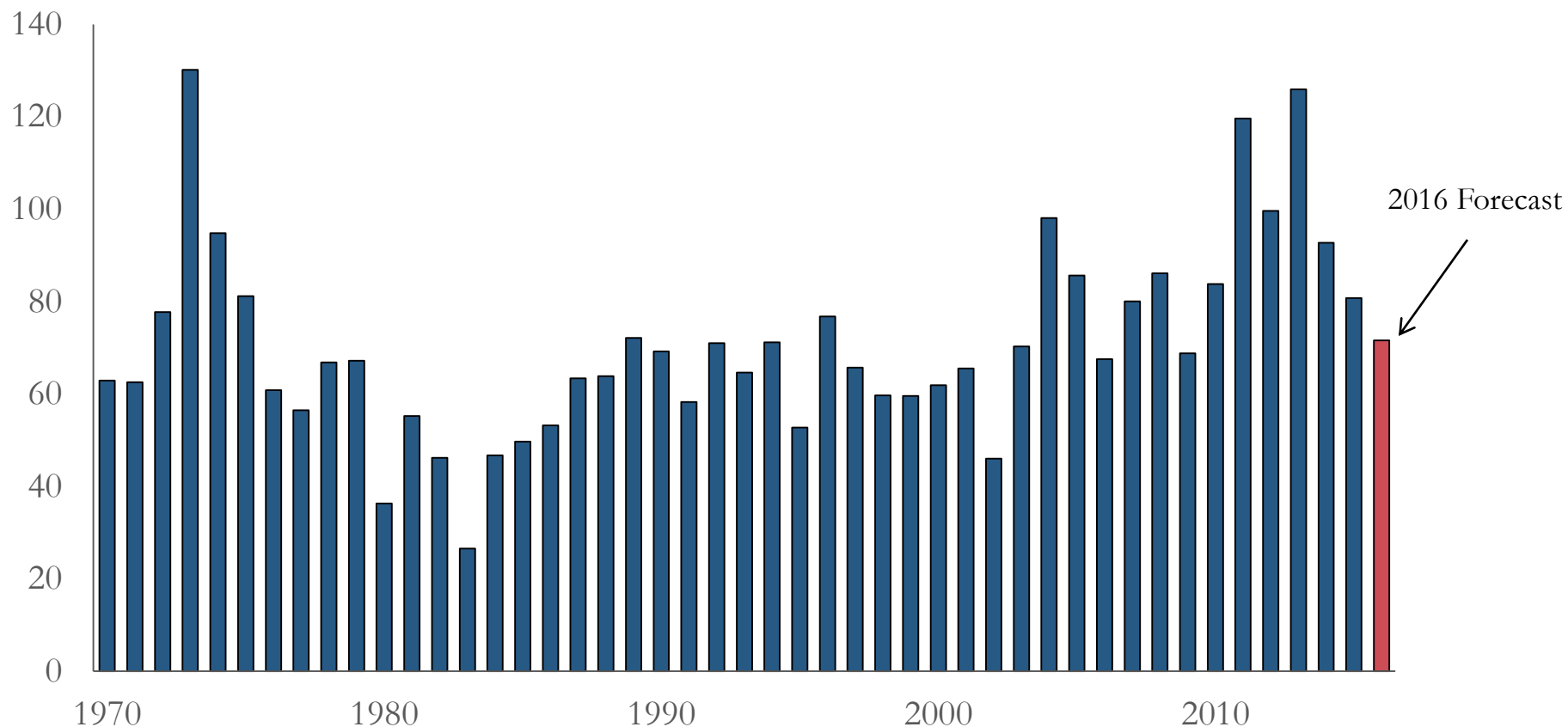


U.S. farm income has fallen sharply and is expected to remain weak.



U.S. REAL NET FARM INCOME

Billions, 2015 Dollars

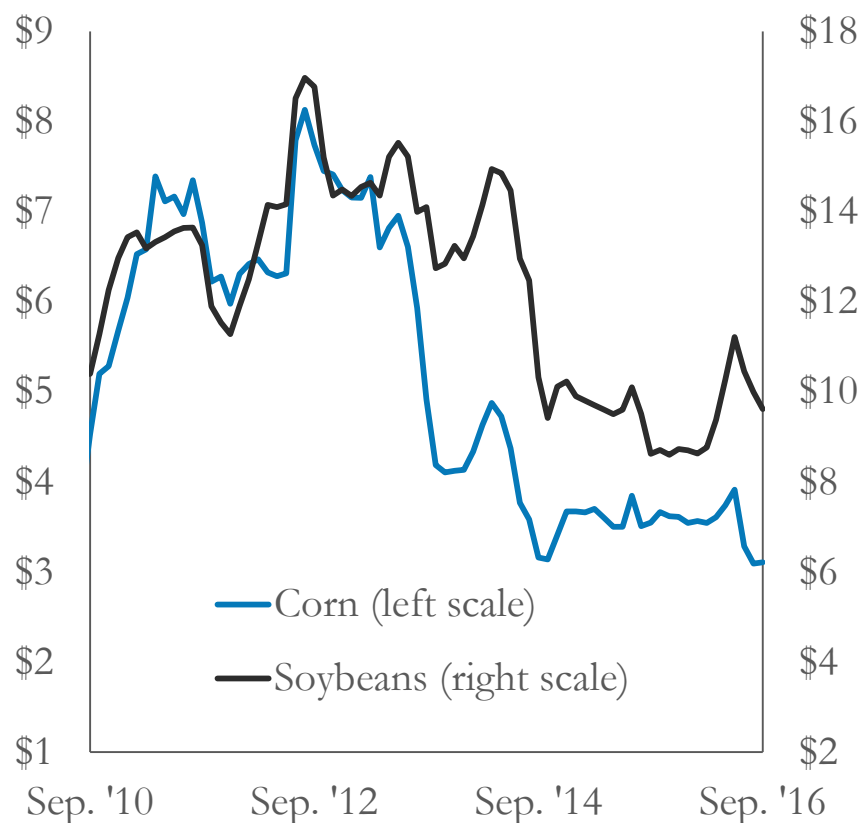


Both crop and livestock prices remain low.



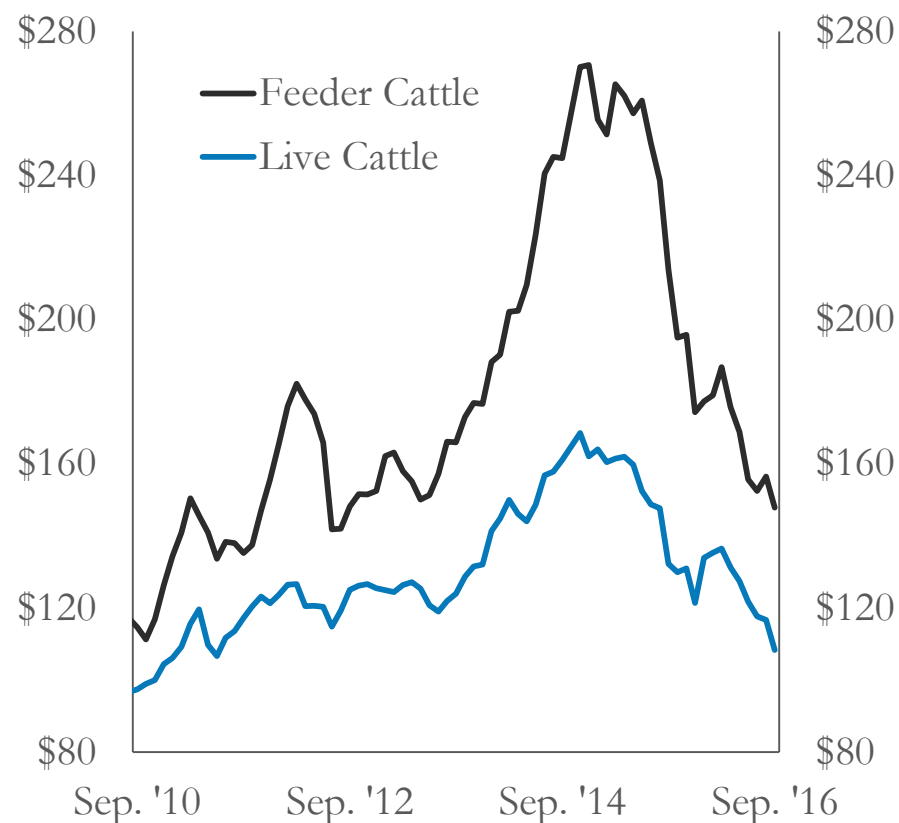
U.S. CROP PRICES

Dollars per Bushel



U.S. LIVESTOCK PRICES

Dollars per Hundredweight



For additional information on the regional economy:
<http://www.KansasCityFed.org/Denver>

