

# WYOMING PERSPECTIVE

2010 Governor's Summit on Workforce Solutions  
June 17, 2010

**Buck McVeigh**  
Department of Administration & Information  
Economic Analysis Division

## Quick Facts

- ➔ 2008:
  - Population highest ever: 532,668 (1.8%).
  - Job growth: 3.4% (1<sup>st</sup> in U.S.), mining & construction sectors over 6.6%.
  - Personal income growth: 4.0%.
  - Retail Sales: 10.0%.
  - Revenue for FY08 higher than forecast, \$500M carryover.
  - Statewide inflation outpacing U.S. 7.9% vs. 5.0% (2Q08).
  - Housing market slowed, but prices still improved.
- ➔ 2009:
  - Population higher yet: 544,270 (2.1%).
  - Job growth: -4.0%.
  - Personal income growth: - 5.9%.
  - Retail Sales: -15.0%.
  - Automobile sales: - 30.0%.
  - Revenue for FY09 better than expected. Will help offset declines in FY10.
  - Statewide inflation zero. Lowest price change since 1987.
  - Housing: prices down 4.0%; permits down 35%; sales down 10%.

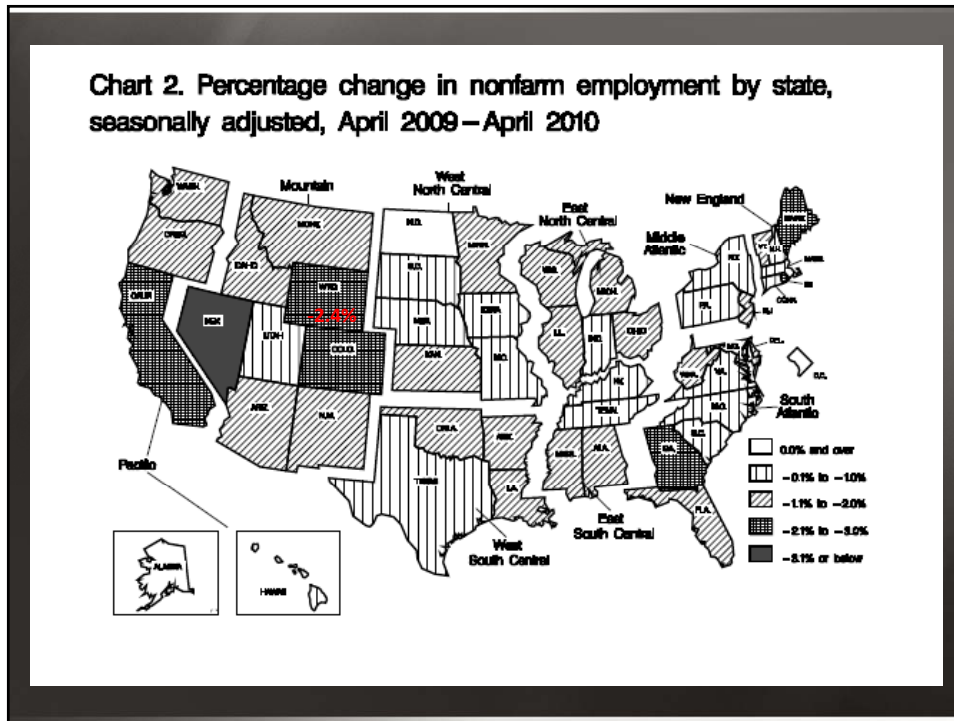
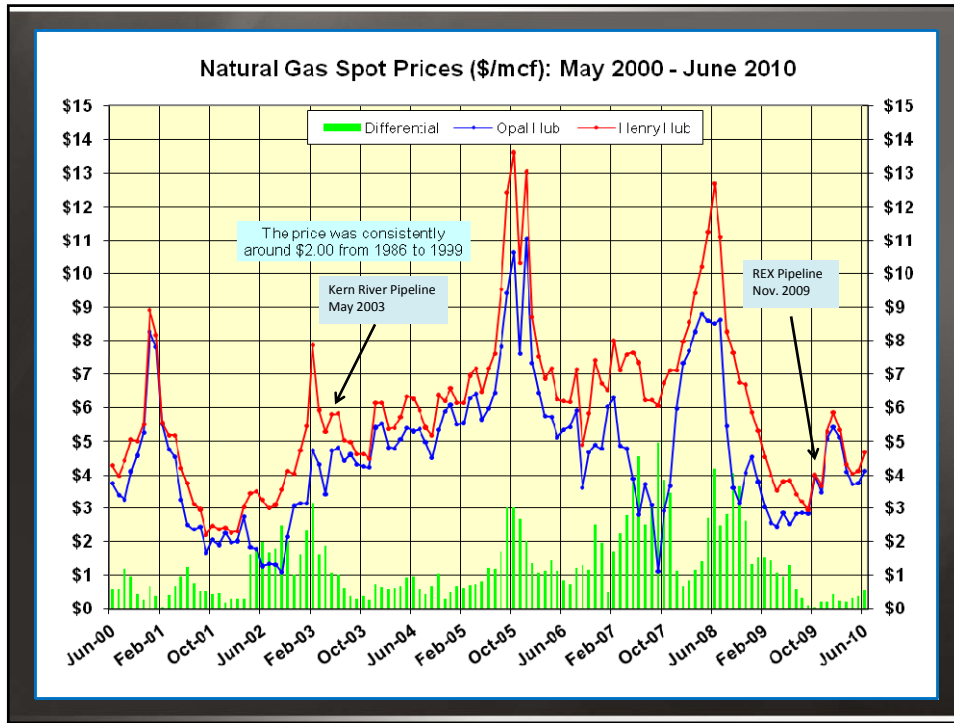
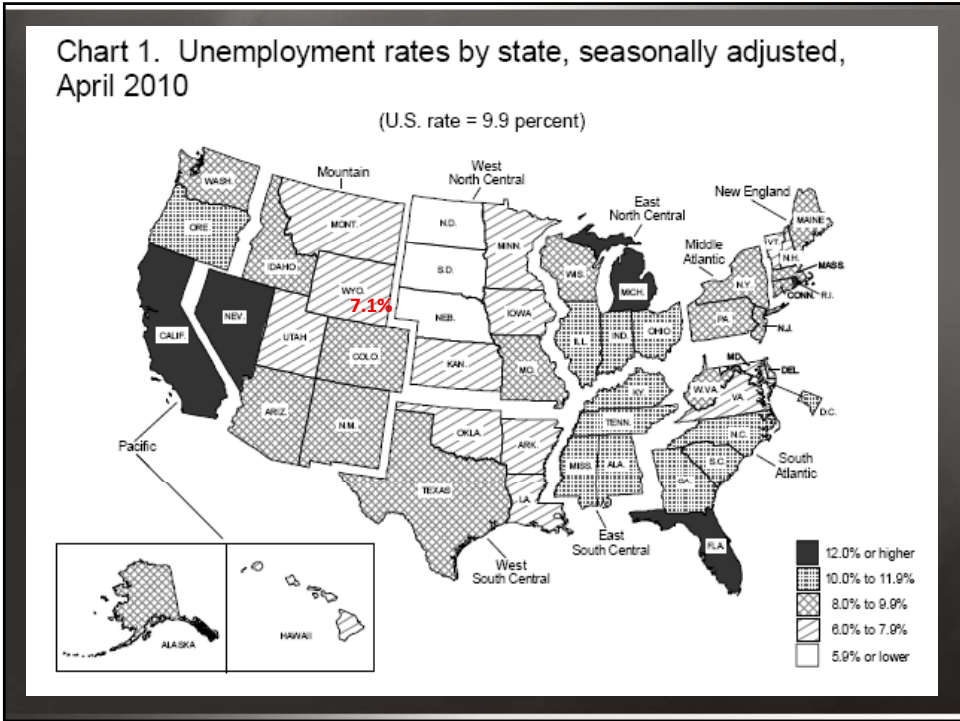
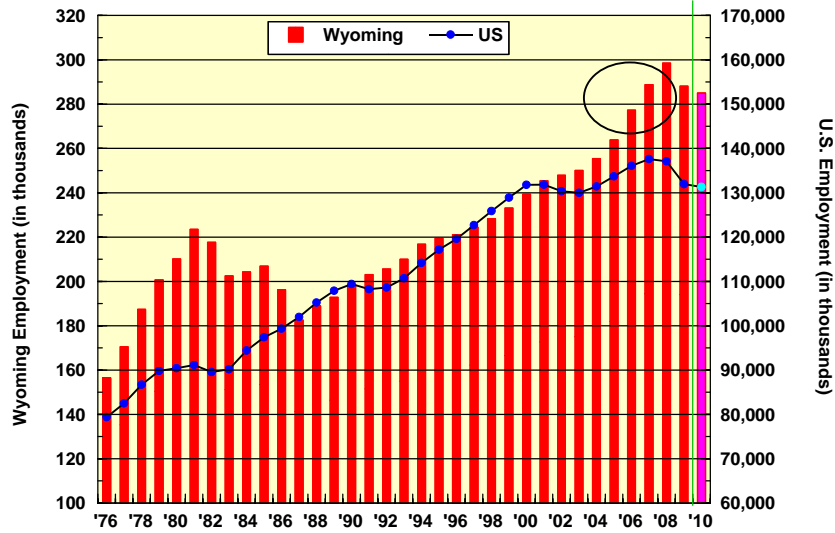
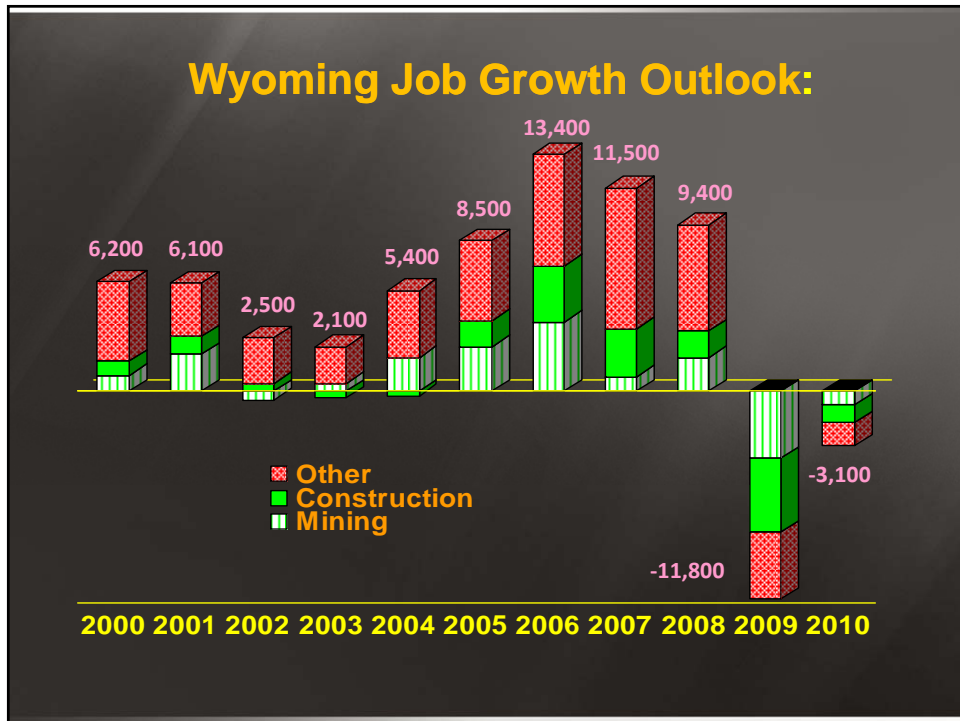
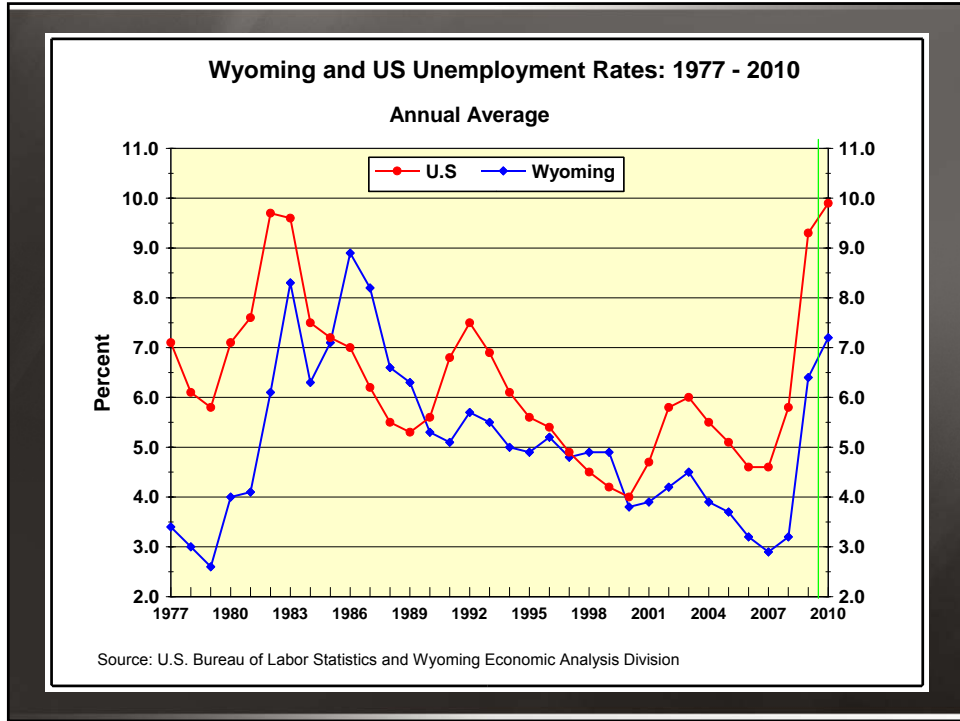


Chart 1. Unemployment rates by state, seasonally adjusted, April 2010

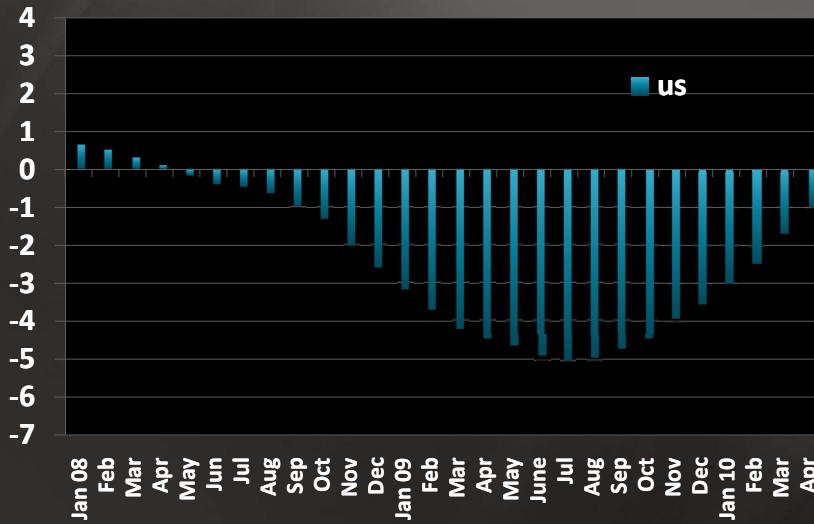


Non-Farm Wage and Salary Employment for Wyoming and U.S.

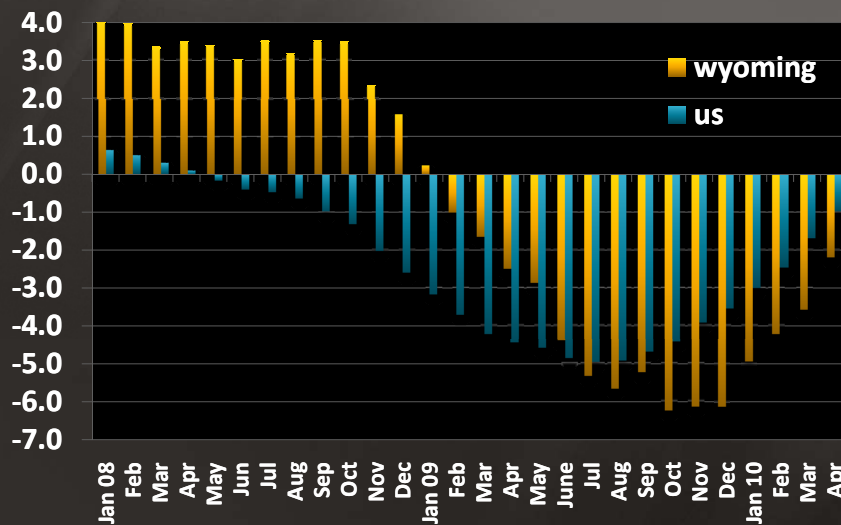


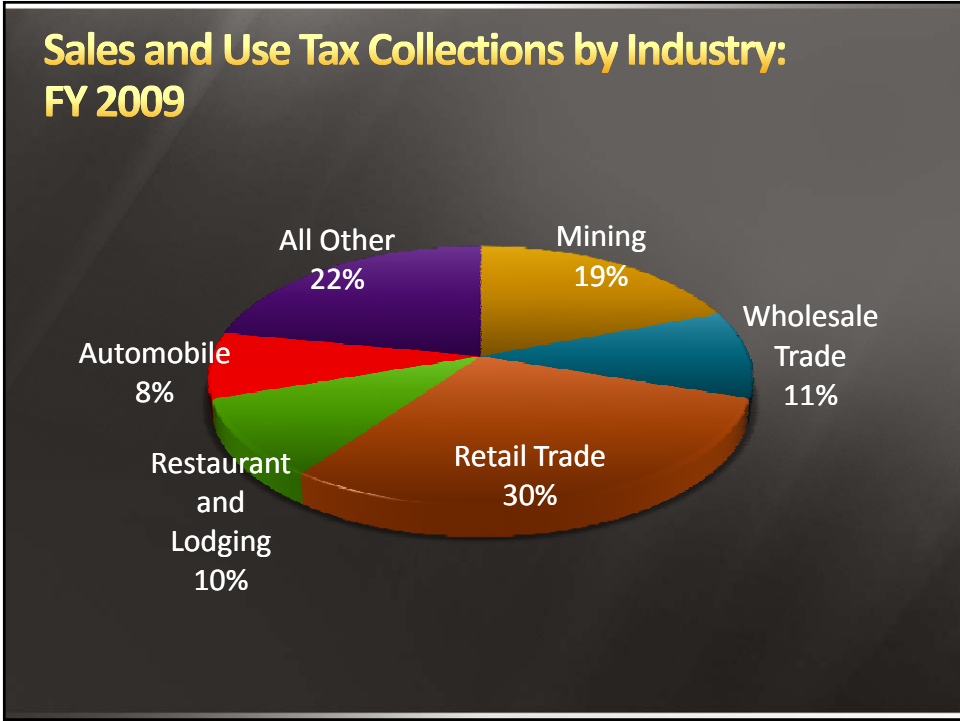
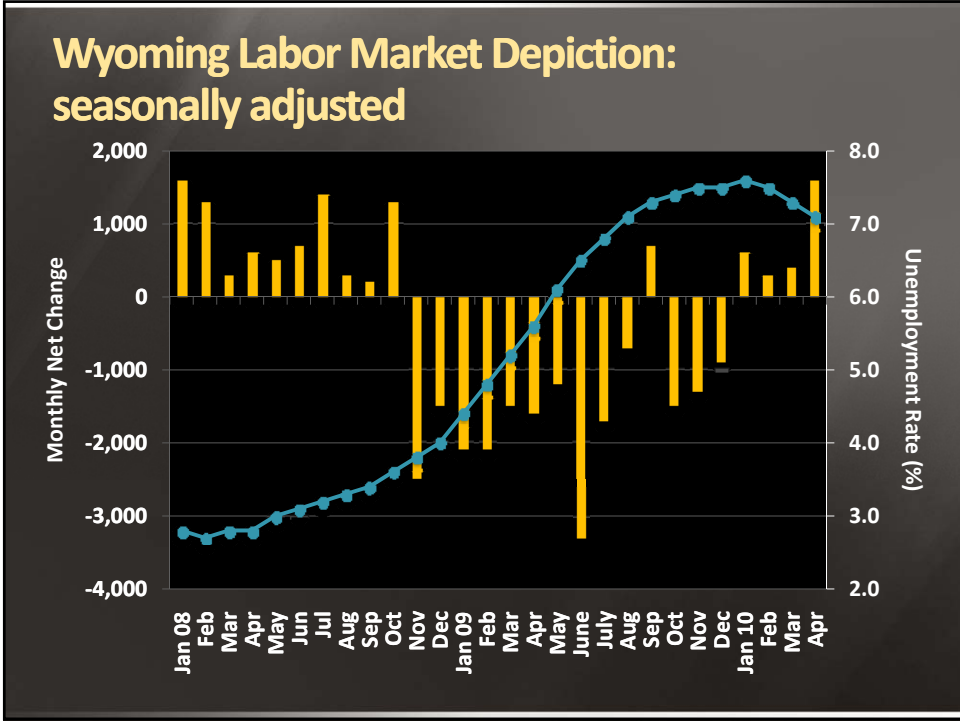


### Percent Change in Non-Farm Wage & Salary Employment: Over the Year

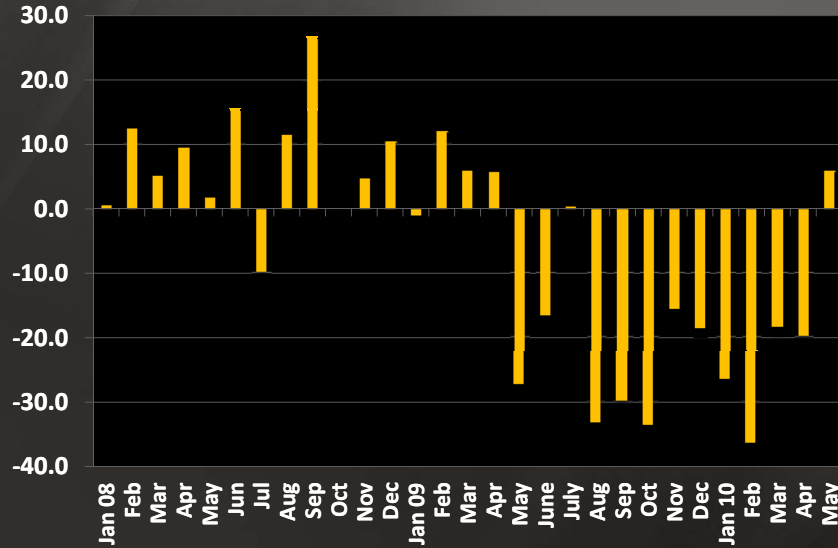


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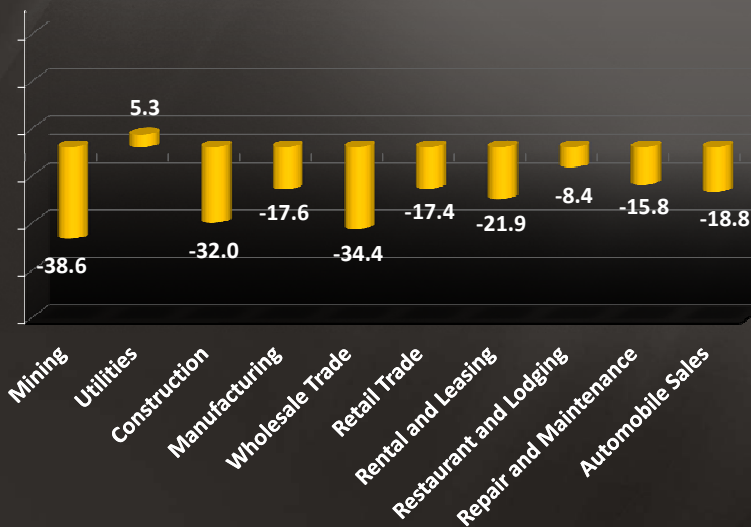


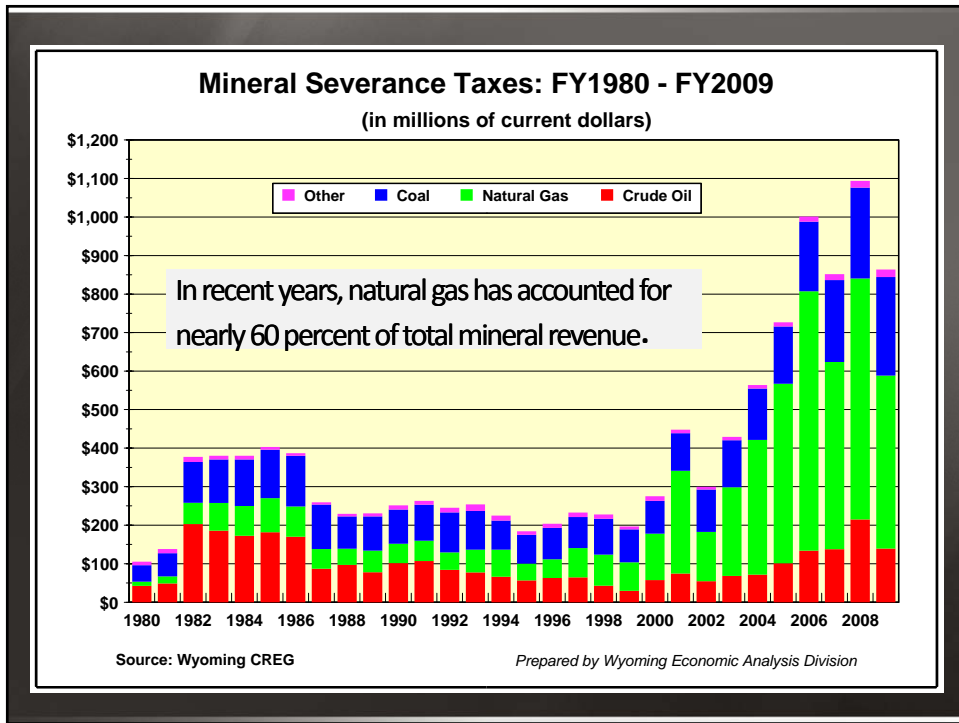
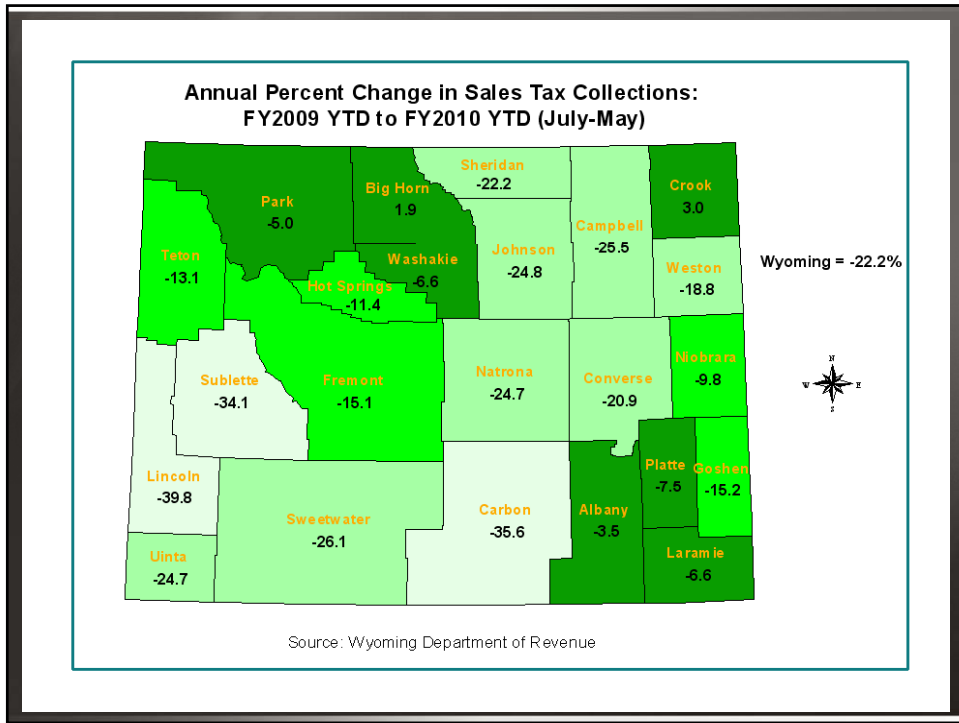


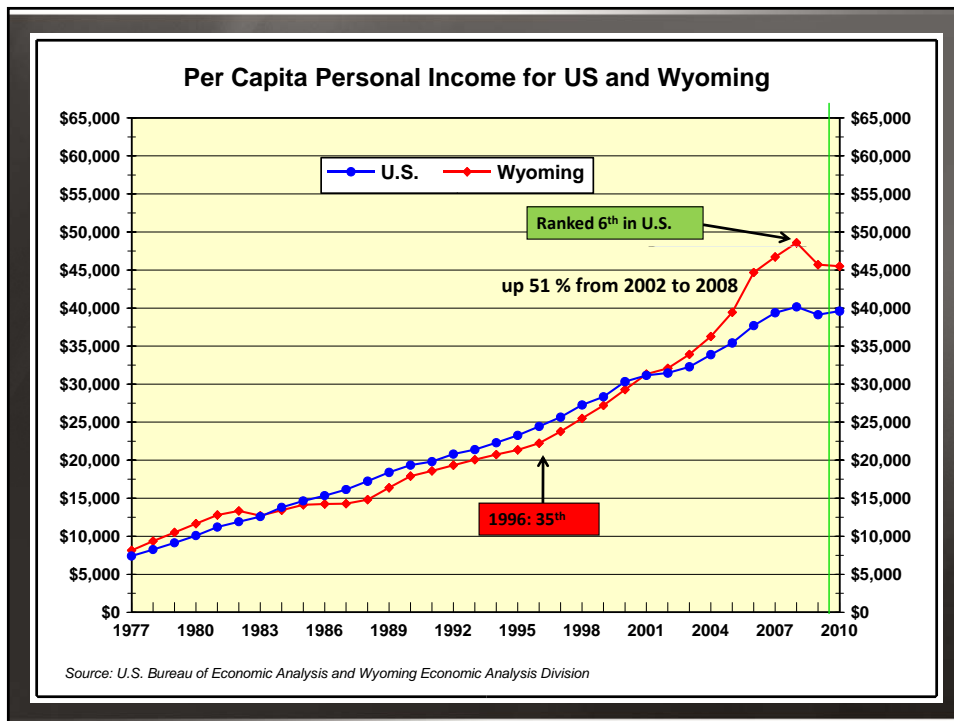
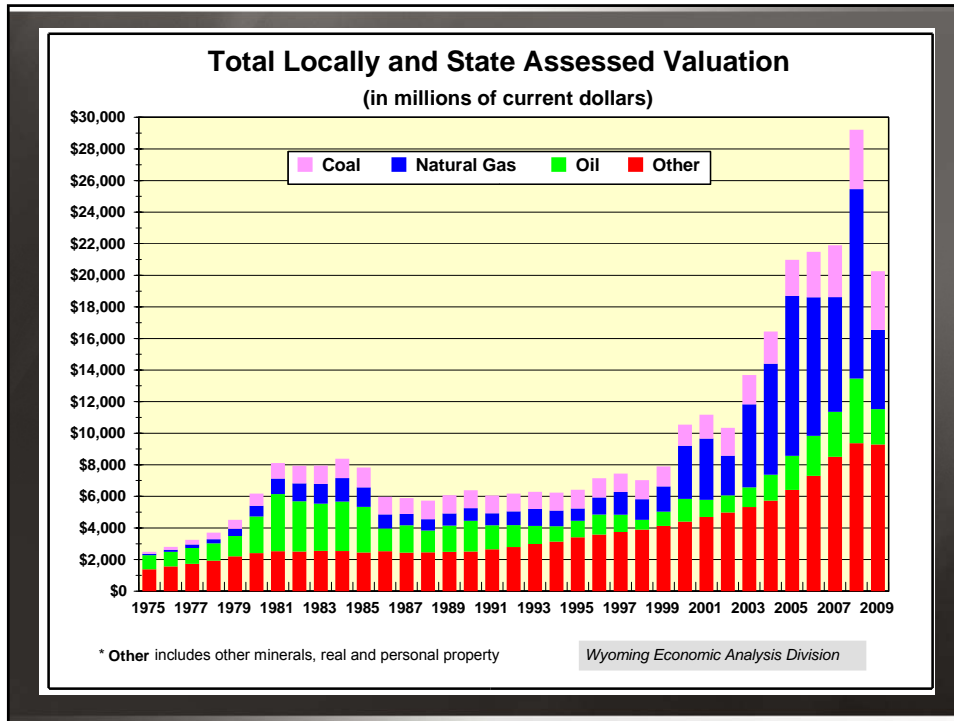
### Percent Change in Sales Tax Collections: Over the Year

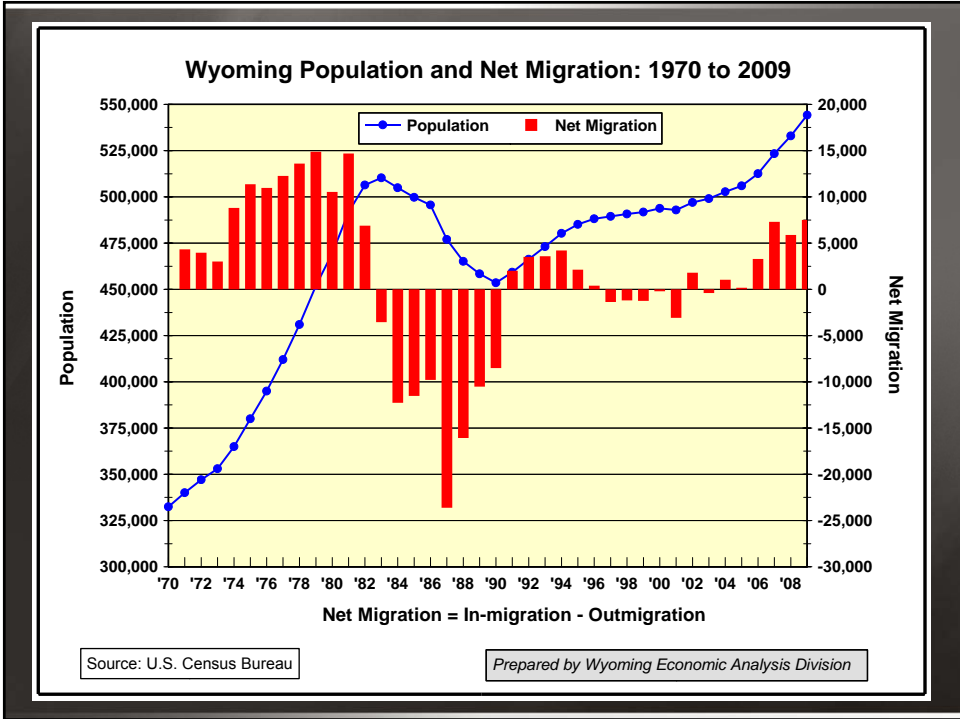
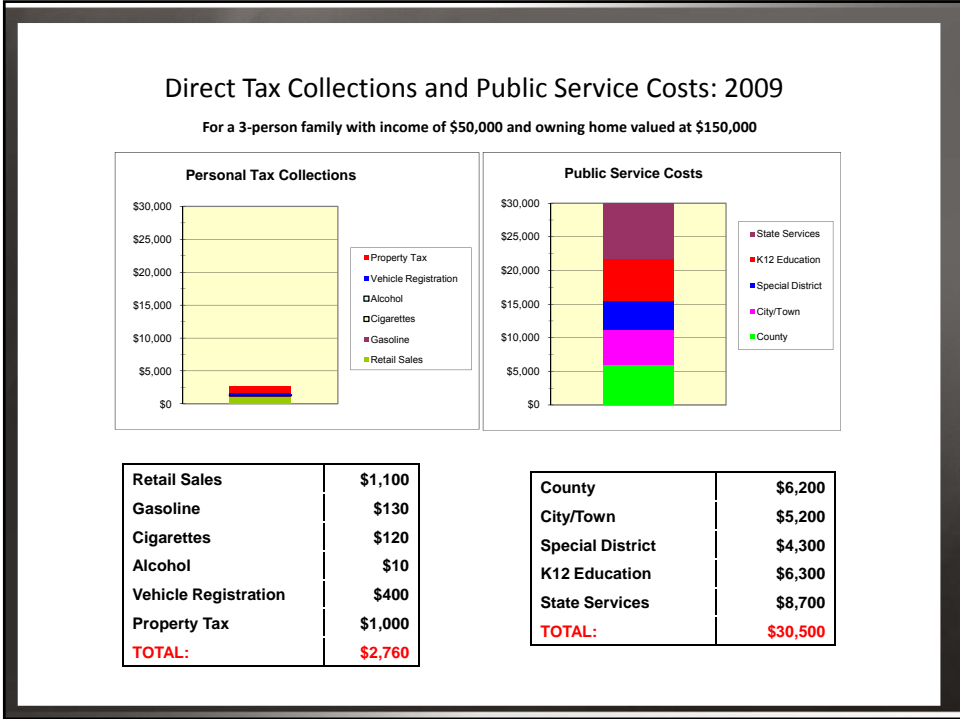


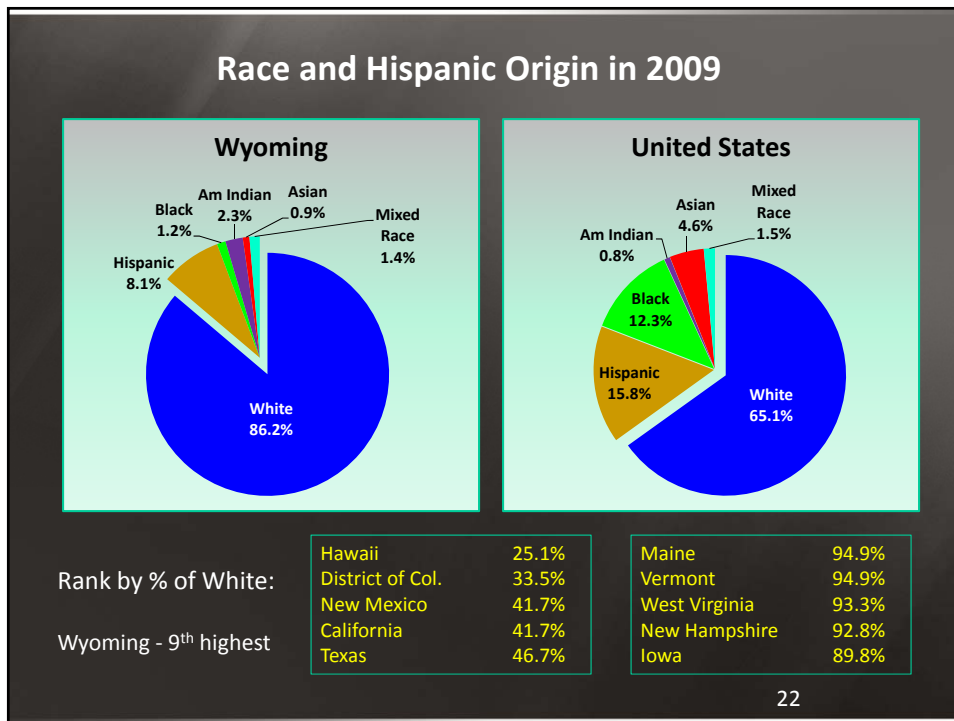
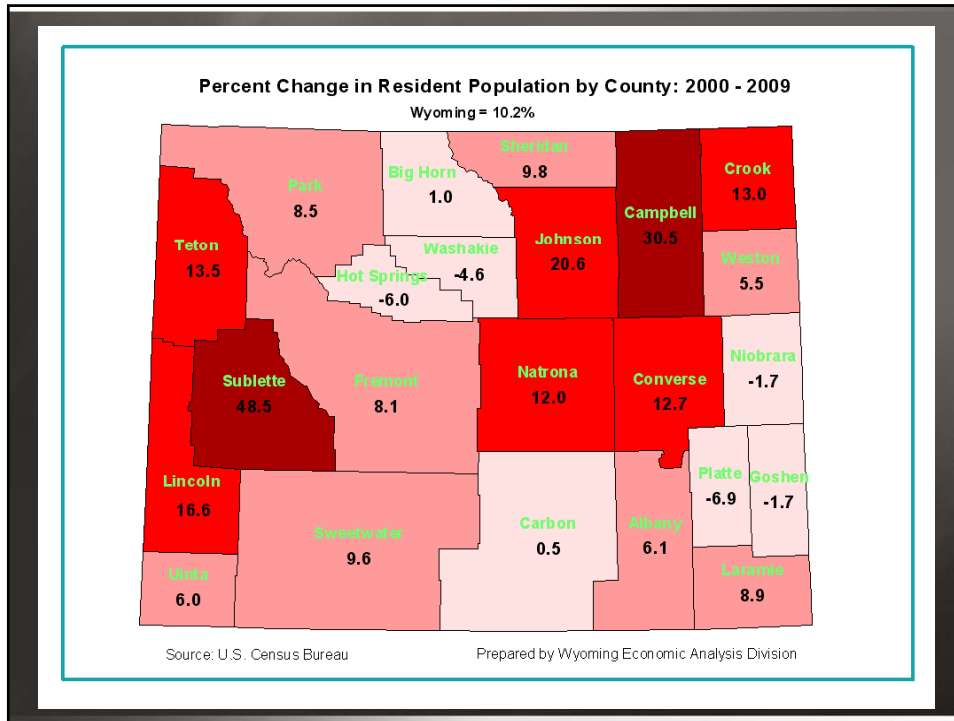
### Percent Change in Sales Tax Collections: Over the Year (FY2009 YDT to FY2010 YTD)











## Speed and pattern of aging are determined by 3 principal factors:

- Most important is the secular decline in fertility rates.
  - sustained increase in the ratio of old to young (<5 vs. 65 & +).
- Mortality rates have declined substantially in many countries over the past century (rising life expectancy: Japan=82, US=78).
  - impacting public health, medical tech, standards of living.
- Baby boom in developed countries.
  - pronounced rise in post-WWII fertility rates.

Percent of Population 65 and over in 2008:

Japan = 21%; Germany = 19%; Western Europe = 17%. Global = 6%.

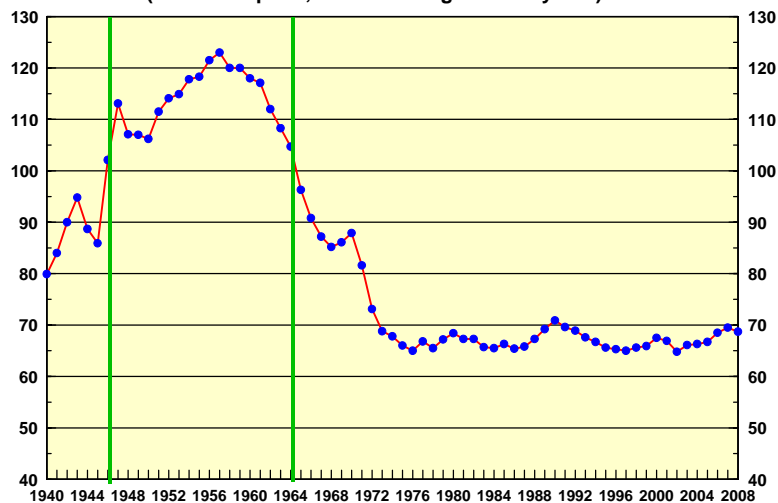
U.S. = 12.8% in 2008, 19.3% in 2030 (migration).

Wyoming = 12.3% in 2008, 20.8% in 2030.

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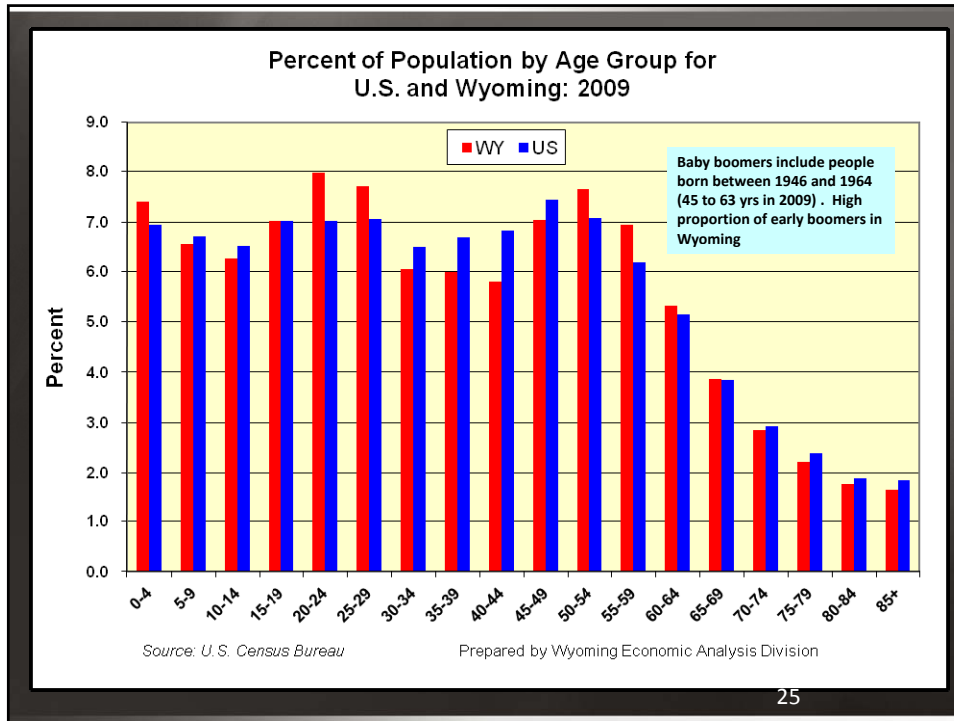
### General Fertility Rate for the United States: 1940 to 2008

(live births per 1,000 women aged 15-44 years)

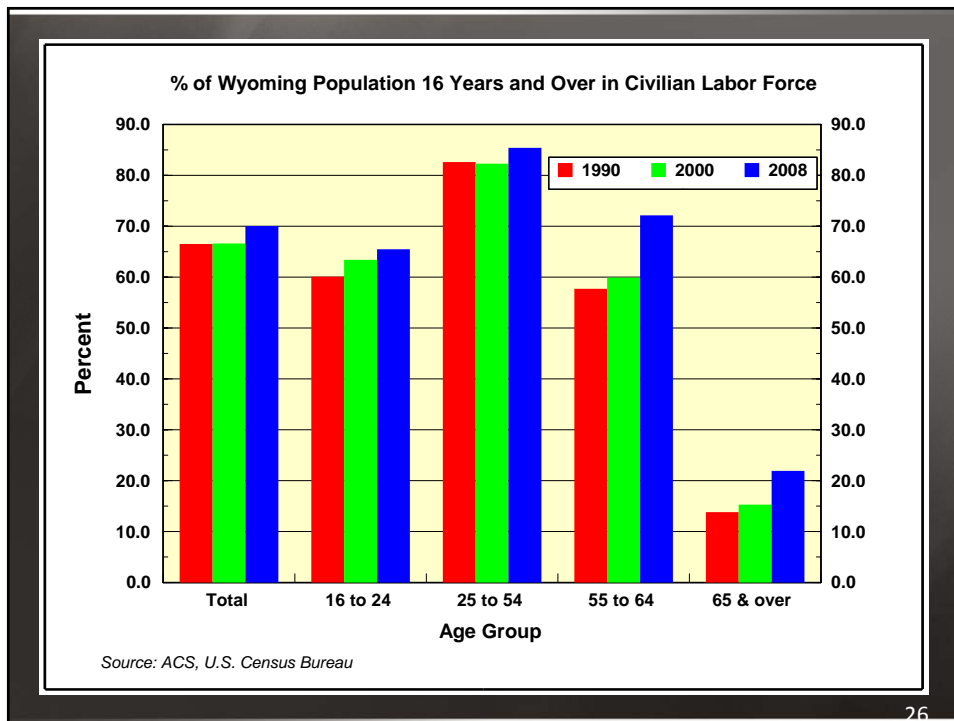


Source: National Center for Health Statistics

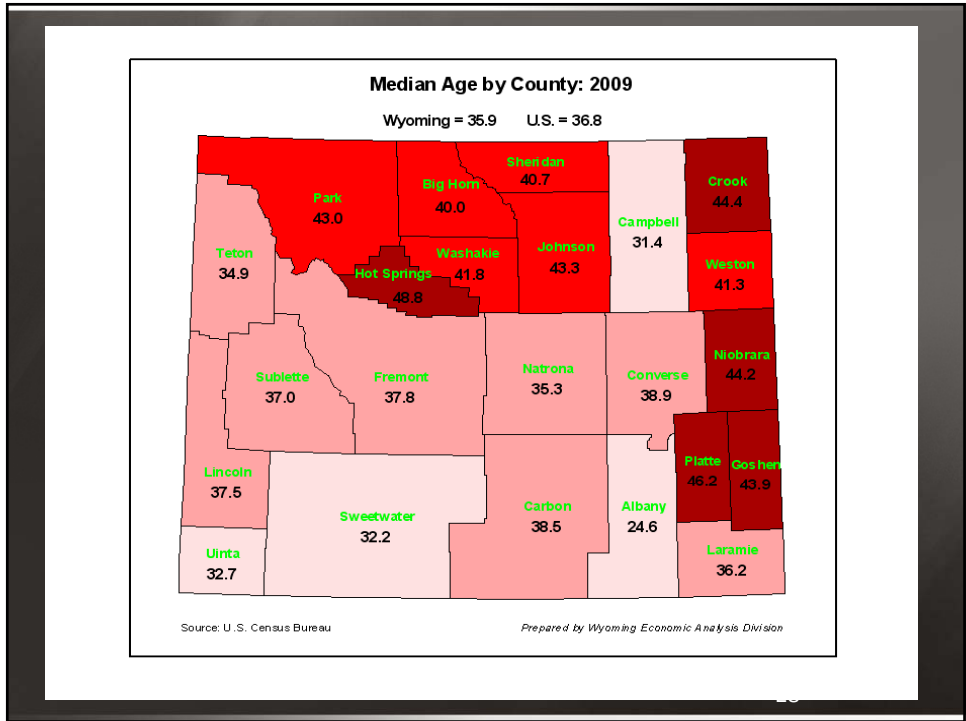
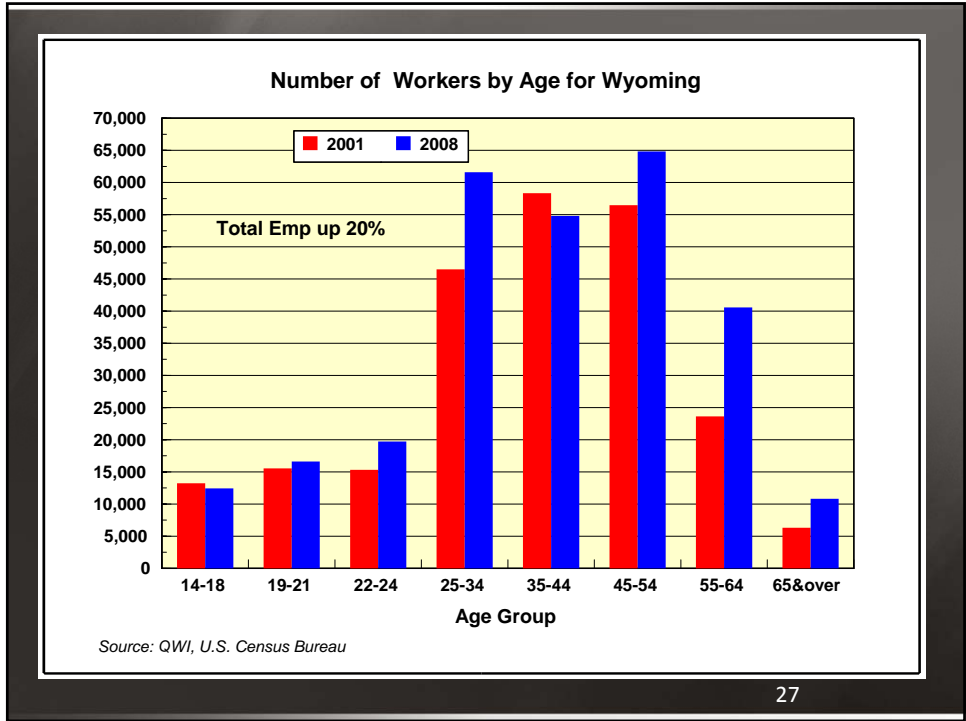
Prepared by Wyoming Economic Analysis Division

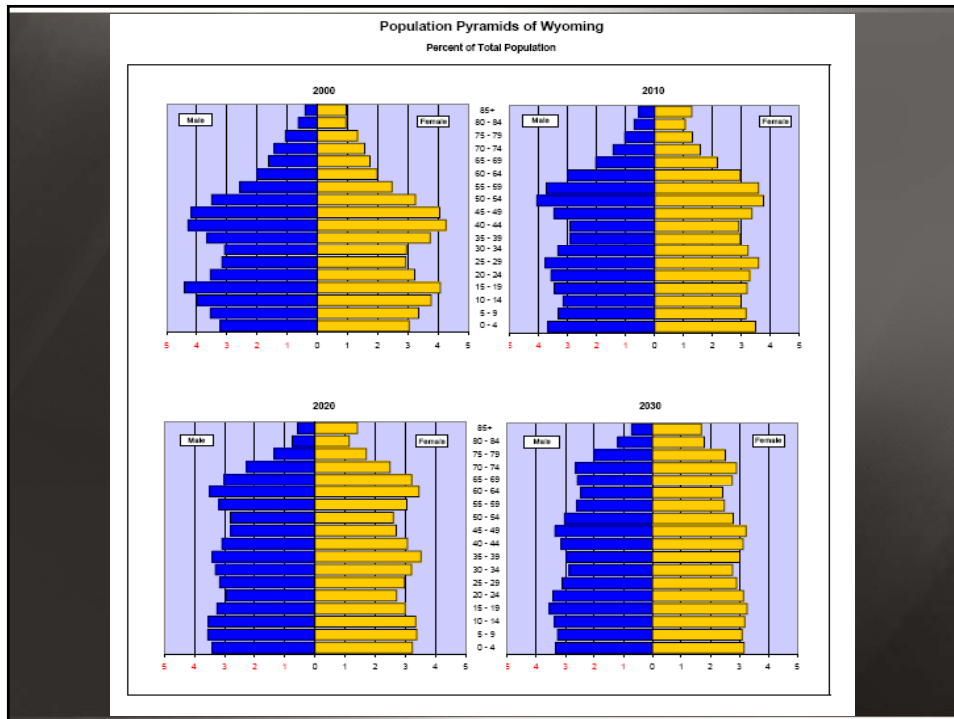
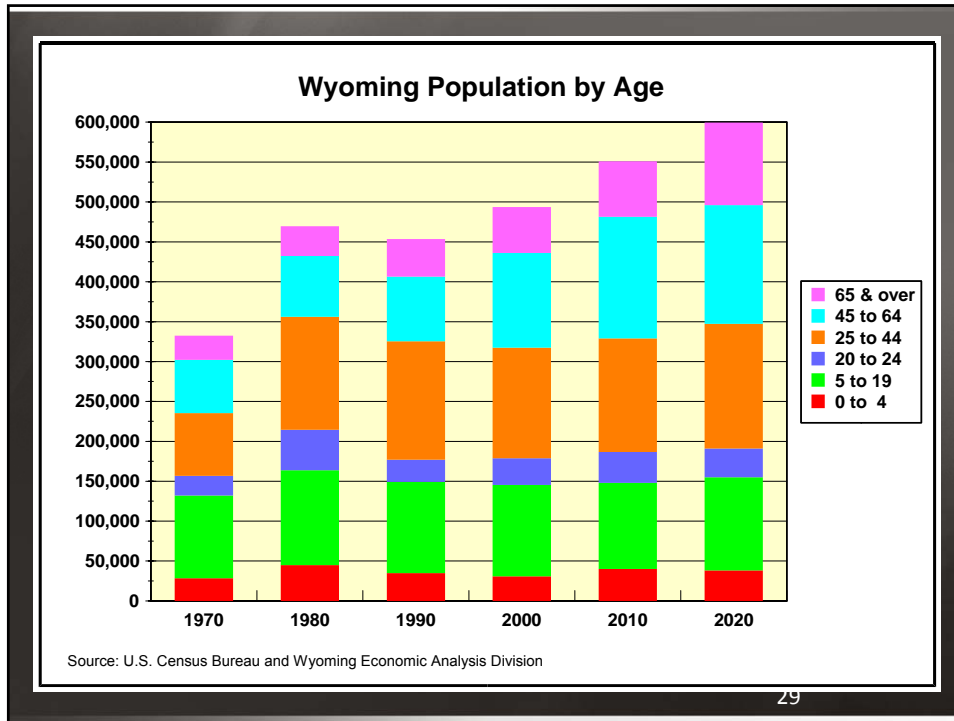


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## Why Population Aging Matters?

- ▶ We are aging—not just as individuals or communities but as a world.
- ▶ Increasing burden of chronic non-communicable diseases.
  - e.g. heart disease, cancer, diabetes vs. infectious and parasitic.
- ▶ Smaller families (fewer children), living longer, fewer options for caring for old.
- ▶ Shifting pattern of work and retirement - shrinking ratio of workers to pensioners .
  - People spending more of their lives in retirement.
- ▶ Emerging economic challenge.
  - Dramatic effects on social entitlement programs, labor supply, trade, and savings.

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## SUMMARY – The worst is over.

- ▶ **Energy outlook for State is positive.**
  - Despite abundant supplies, industrial demand continues to improve/weather-related demand remains healthy.
  - Prices above forecast levels.
  - REX pipeline has resulted in a significant improvement in gas prices in the Rockies relative to the rest of the country.
  - Longer term: Ruby Pipeline to add new take-away capacity/boost local prices.
- ▶ **State and local governments adjust to revenue decline.**
  - Program cuts/ hiring freezes.
  - Public construction projects will decline significantly.
  - Effect of assessed valuation decrease to hit in FY2011.
- ▶ **Wyoming economy slowly regaining traction in 2010/catching U.S. in recovery.**
  - Population growth will be slower (1%); domestic in-migration to decelerate.
  - Employment , expect further decline (1% ) through early 2010.
    - Unemployment rate expected to remain around 7%.
    - Mining sector improvement will spur growth in other sectors.
  - Personal income growth flat (loss of high-earnings employment ) and high unemployment may undermine consumer spending.
  - Residential construction likely to improve. Home prices will remain weak.

Thank You!

## Economic Analysis Division

“Wyoming’s Source for Business and Economic Information”

Visit us on the web at: <http://eadiv.state.wy.us>

Phone: (307) 777-7504

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