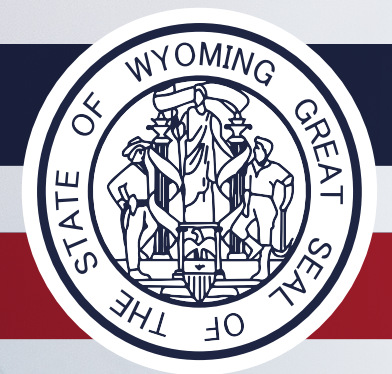


WYOMING

ECONOMIC OUTLOOK **2025**



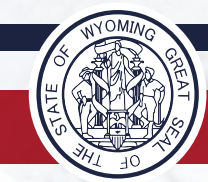


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INTRODUCTION -

The University of Wyoming Center for Business and Economic Analysis (UW CBEA) is proud to present our third annual Wyoming Economic Forecast. We believe this information will prove useful to our Cowboy State business and policy decision-making process as you plan for the year ahead.

The sections that follow provide a summary of the economic situation in 2025 to date, a forecast for both the United States and Wyoming economies in 2026, and industry-specific data analysis and insight into the key factors influencing each sector.

METHODOLOGY

For our forecasts, we use a large-scale structural economic forecasting model, Moody's Analytics, which models the large-scale economic interactions of both the U.S. and Wyoming economies. The forecasts also include various scenarios which may play out in the economy, including a "most likely" baseline scenario along with several other scenarios which have varying degrees of upside and downside risks. In our forecast this year, we elected to use, for some of our forecasts, the baseline scenario as well as the "stagflation" and "next-cycle recession" scenarios. The next-cycle recession scenario simulates a potential recession in the next two-three years with return to growth thereafter; the stagflation scenario simulates higher levels of inflation and weaker levels of economic growth. These scenarios were used to show potential impacts on Wyoming's Gross State Product (GSP), the total value of all goods and services produced within the state. Current data from a variety of state and federal sources are also included in the report to show the current state of the economy and the economic health of the state.

We also had the opportunity to partner with the Wyoming Business Alliance this year in the WBA Voices of Business Tour, giving us a front row seat to dialogues with Wyoming business and government leaders from across the state about what they expect to see as challenges and opportunities for 2026 and beyond. These conversations and insights helped our forecasts reflect on-the-ground reality across each of our 23 counties and helped us choose appropriate scenarios based on their experiences.

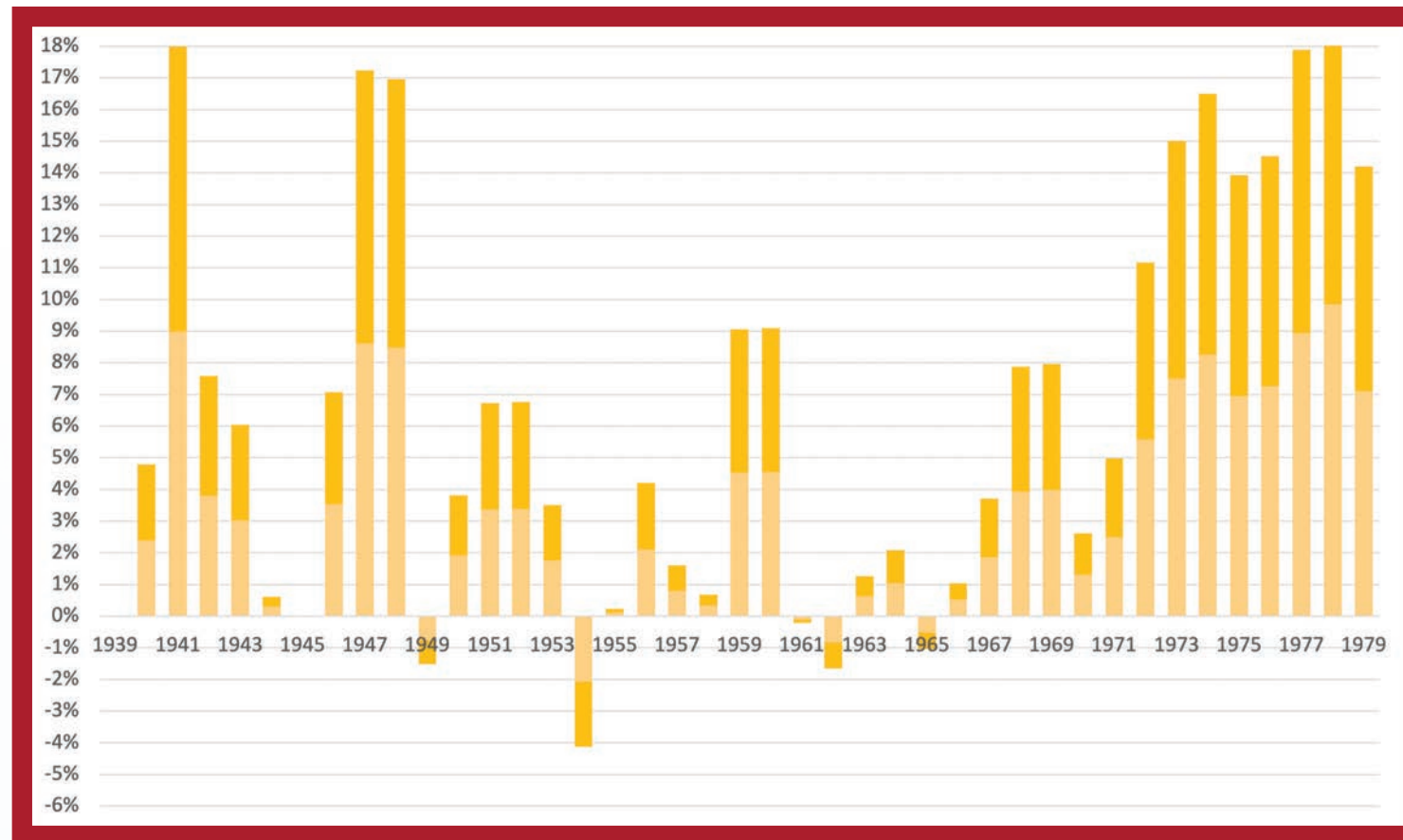


TIMELINE OF WYOMING ECONOMIC MILESTONES -

The timeline below provides a glimpse into Wyoming's past, showing major economic milestones in Wyoming's economic history mapped, post-1939, to the annual change in nonfarm employment. Over the past eight and a half decades, Wyoming has experienced numerous booms and busts – the railroad's use of coal-fired steam engines waxed and waned, ranchers and farmers have weathered good times and bad times, natural resources have ebbed and flowed, and population has come and gone. In 1960, there were a little over 120,000 people employed in Wyoming, and per capita nominal personal income was around \$2,300. In 2025, around 295,000 people were employed with a per capita inflation-adjusted income close to \$71,000. The economic basis of Wyoming has changed, too – from primarily a railroad and ranching economy to a state with robust tourism, construction, manufacturing, and services sectors along with our strongholds of natural resources. We hope this timeline puts into perspective the unrelenting changes experienced by Wyoming over nearly a century.

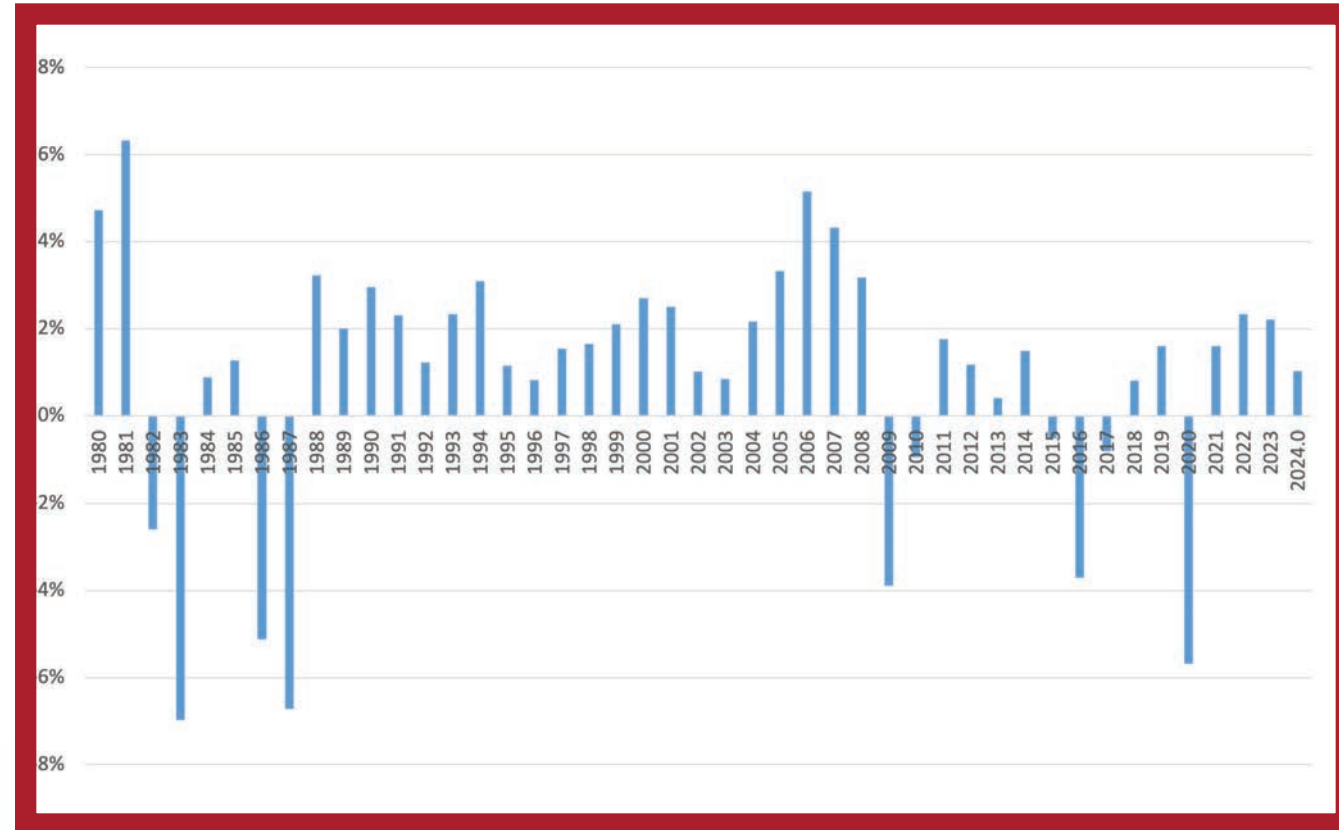
“THEN & NOW” - TIMELINE OF MAJOR ECONOMIC MILESTONES IN WYOMING, TOTAL EMPLOYMENT CHANGES

1869 - Union Pacific Railroad crosses Wyoming • **1872** - Yellowstone National Park established • **1890** - Wyoming achieves statehood • **1886** - University of Wyoming founded • **1891** - Nation's first National Forest, Yellowstone Park Timber Land Reserve, established in Wyoming • **1895** - First oil refinery, Pennsylvania Refinery, built in Casper • **1897** - Cheyenne Frontier Days starts • **1889** - Salt Creek oil field • **1906** - Devil's Tower National Monument established • **1921** - Teapot Dome scandal • **1938** - Trona discovered near Rock Springs



1945 - Community Colleges established by Legislature, Casper College established • **1946** - Northwest College established • **1947** - F.E. Warren Air Force Base (formerly Ft. F.E. Warren/DA Russell) established • **1948** - Northern Wyoming Community College District and Eastern Wyoming College established • **1950** - Grand Teton National Park established • **1953** - first Wyoming coal-fired power plant, Genesis Alkali, comes online • **1958** - 4320th Strategic Missile Wing established at FE Warren AFB • **1959** - Western Wyoming Community College established • **1960** - 564th Strategic Missile Squadron declared first fully functional IBM squadron • **1965** - Jackson Hole Mountain Resort opens • **1966** - Severance tax established, Central Wyoming College established • **1968** - Laramie County Community College established • **1970** - Interstate 80 completed across Wyoming, National Environmental Protection Act passes • **1974** - Wyoming's low sulfur coal becomes sought-after with passage of Clean Air Act and energy crisis, Jim Bridger Plant Unit One comes online





1983 - Interstate 25 completed across Wyoming • **1985** - Interstate 90 completed across Wyoming • **1988** - Yellowstone Fire • Low mineral prices necessitate Tax Reform **2000** report • **1998** - Coalbed methane boom begins • **2005** - Shale/fracking revolution boom begins • **2012** - National Center for Atmospheric Research (NCAR) Supercomputer opens, Microsoft Data Center opens • **2017** - Solar eclipse brings flood of visitors to Wyoming • **2021** - TerraPower modular demonstration nuclear Naughton Power Plant announced to be located in Kemmerer • **2022** - Yellowstone floods • **2023-24** - Wildfires rage across rangelands and northern mountains; several large rare earth projects and energy projects announced



NATIONAL OUTLOOK OVERVIEW -

While the performance of regional economies depends on a variety of factors, national macroeconomic conditions significantly impact regional economies. The purpose of the national outlook is not to predict the future with extreme accuracy but instead to identify opportunities and warn of dangers ahead.

The U.S. economy showed resilience in 2025, although signs of an economic slowdown are evident. Although the unemployment rate has remained remarkably low, indications of a labor market slowdown are present. Additionally, while prices are lower than the post-pandemic inflationary episode, the inflation rate remains higher than before the pre-pandemic period.

Uncertainty, combined with several challenging developments, tempers enthusiasm for the U.S. economy's growth in 2026. The continuing volatility and uncertainty present in the national political and international geopolitical environment pose a significant challenge to the economy in 2026. International trade policy uncertainty continues to cloud the future. While supply chain issues have mostly resolved since the pandemic hiccups, supply chains will remain fragile in the near term due to global conflicts and international trade uncertainty. The war in Ukraine, conflict in Gaza, continued tensions between the U.S. and China, and the slowdown in China's economy are just some of the developments that will contribute to uncertainty for the economy in 2026.

THE TRUMP ADMINISTRATION'S ECONOMIC POLICIES

While the Trump administration's tax cuts and deregulatory efforts may serve to stimulate the economy, tariffs will likely be contractionary. Given tariff policy uncertainty, it is unclear what the net effect of the administration's policies will be for the economy in 2026.

The Trump Administration's economic agenda has four key components: immigration policy, regulatory policy, fiscal policy, and international trade policy. To date, the immigration focus has been on tightening border security and deporting illegal immigrants. Tighter immigration policy has reduced the flow of new entrants into the labor force in the short term. While deportations may eventually disrupt some supply chains, reduce output in some industries, and decrease overall consumer demand (disproportionally affecting particular regions of the country), so far, they do not appear to have significantly impacted the overall economy.

Tariffs have captured much of the public's attention. The United States has transitioned from a relatively low-tariff nation to one with an effective tariff rate of around 16-20 percent. From an economic point of view, tariffs represent a cost that will place upward pressure on prices and negatively affect economic growth. However, the overall impact of the administration's other policies may, to some extent, counter the tariff headwind. The "One Big, Beautiful Bill's" tax cuts will likely serve to stimulate the economy in 2026 and will, to some extent, offset the negative impact of tariffs on economic growth. Furthermore, reducing regulatory costs on private-sector firms has the potential to provide an additional offset to tariff costs. The Trump administration has already repealed several Biden-era rules that will save private industry around \$2.9 billion in associated costs.¹ However, a number of regulatory rules finalized since President Trump took office have also added about \$2.3 billion in regulatory costs. Regulatory cost savings so far are behind the totals achieved during the first year of the first Trump term, and almost all the savings are associated with one regulatory change - the revision and deadline extension of the Beneficial Ownership Information Reporting Requirement.² So far, it is not clear to what extent the Trump administration's regulatory agenda will stimulate economic growth.



¹ <https://www.americanactionforum.org/daily-dish/regulation-and-the-trump-economic-agenda/>

² <https://www.americanactionforum.org/daily-dish/regulation-and-the-trump-economic-agenda/>



REGULATORY POLICY

Regulatory costs under the Trump administration have the potential to be significantly lower than under the Biden administration. As a result, the next few years may see an increase in merger and acquisition (M&A) activity with reduced FTC, SEC, and DOJ scrutiny and an expedited review process. This increase in M&A activity has already begun. Recent significant M&A deals include Nippon Steel's acquisition of U.S. Steel (\$14.2 billion), Paramount's acquisition by Skydance (\$8 billion), and Union Pacific's agreement to acquire Norfolk Southern (\$85 billion).³ Nippon Steel plans to invest an additional \$11 billion in its U.S. operations by 2028.⁴

Environmental deregulation has been an important feature of the Trump administration's regulatory policy agenda. In 2025, the EPA eliminated several air and water pollution regulations as well as a number climate-change focused regulations.⁵ Furthermore, two-years of regulatory relief will be granted from Biden-era EPA rules for power plants and industry. So far, 47 coal-fired power plants have been granted regulatory exemptions to supply power to data centers.⁶ Additionally, regulatory changes have led to quicker approvals for pipelines, mines, and industrial projects under reduced review requirements.

According to the American Action Forum, in the first six months of 2025, deregulatory efforts have resulted in about \$86 billion in total regulatory cost savings and a reduction of over 50 million hours in paperwork.⁷ However, as mentioned above, the virtual repeal of the Beneficial Ownership Information Reporting Requirement is responsible for almost all of these savings. As a matter of fact, excluding the savings resulting from the change to the Beneficial Ownership Information Reporting Requirement, regulatory changes have resulted in an increase of \$1.1 billion in regulatory costs and over 3.3 million hours of paperwork during this six-month period. However, future planned deregulatory actions have the potential to significantly reduce the regulatory burden. Strategic regulatory relief can better position businesses to respond swiftly and effectively to changing conditions in today's rapidly evolving economy.

FISCAL POLICY

The One Big Beautiful Bill Act (OBBBA) will likely be somewhat stimulative, although the net effect on economic growth is uncertain. Featured tax provisions in the OBBBA will likely increase incentives to work, save, and invest. However, the bill will also likely increase federal deficits and the federal debt.

TAXES

The OBBBA extends tax cuts enacted in 2017 and includes new provisions to cut taxes on tips, overtime pay, and interest payments for some vehicle loans.⁸ Reduction in household taxes is expected to add up to \$2,900 per household on average.⁹ The OBBBA largely eliminates tax incentives from the 2022 Inflation Reduction Act for clean energy, electric vehicles, and energy efficiency programs.¹⁰ The bill retains tax credits for newer technologies such as advanced nuclear, battery storage, geothermal energy, and carbon capture, as well as advanced manufacturing.

³ <https://www.nytimes.com/2025/07/24/business/media/fcc-skydance-merger-paramount.html>

⁴ <https://www.washingtonpost.com/business/2025/06/18/steel-nippon-golden-share-trump/>

⁵ <https://www.reuters.com/sustainability/climate-energy/trumps-epa-ends-environmental-justice-minority-communities-may-pay-price-2025-04-23/>

⁶ <https://www.reuters.com/sustainability/trump-signs-proclamations-granting-two-year-relief-biden-era-epa-regulations-2025-07-17/>

⁷ <https://www.americanactionforum.org/daily-dish/trump-2-0-and-deregulation-a-mid-year-checkup/>

⁸ <https://www.theguardian.com/us-news/2025/jul/01/senate-passes-big-beautiful-bill-vote>

⁹ <https://taxpolicycenter.org/taxvox/tpc-finds-final-house-budget-bill-cuts-average-taxes-2900-mostly-high-income-households>

¹⁰ <https://www.cbsnews.com/news/whats-in-trump-big-beautiful-bill-senate-version/>





SPENDING

The OBBBA imposes new work requirements on Medicaid enrollees along with other restrictions that will potentially lead to reductions in services. According to the Congressional Budget Office, federal spending on the program is projected to decrease by about \$800 billion.¹¹ The bill also features a rural hospital stabilization fund that will allocate \$50 billion for rural hospitals. The OBBBA significantly increases spending to advance the administration's border and immigration priorities.

IMPACT ON THE BUDGET PICTURE

The bill is estimated to add between \$3.3 trillion and \$5 trillion to the US budget deficit through 2034.^{12, 13} Higher deficits may contribute to slower economic growth in the future. While the OBBBA worsens the national fiscal outlook, it mostly extends already existing budgetary issues that preceded the Act.

IMPACT ON WYOMING'S ENERGY SECTOR

The OBBBA reduced the federal coal royalty rate for Wyoming from 12.5% to 7%, which is estimated to cost the state about \$50 million per year in lost revenue.¹⁴ State forecasters expect this revenue reduction to negatively impact the ability to fund schools and infrastructure. While the rate reduction may stimulate coal production, the projected shortfall may be significant.

TARIFF POLICY

In 2025, President Trump implemented tariffs by executive order that increased the average tax on U.S. imports to its highest level in almost 100 years. Listed below are the tariff rates on top U.S. trading partners as of this writing (September 4, 2025).

1. **European Union: 15%**
2. **Mexico: 25%**
3. **China: 30%**
4. **Canada: 35%**
5. **Japan: 15%**

The Budget Lab at Yale estimates that tariffs have increased the average tax on imports into the United States to 18.6 percent, the highest level since the 1930s.¹⁵ Importantly, Canadian and Mexican imports that comply with the United States-Mexico-Canada Agreement (USMCA) are not subject to the tariffs listed above. Also, the 30 percent tariff on Chinese imports excludes pre-existing duties. All these rates are subject to change depending on the outcome of trade talks and potential deals.

There is much uncertainty concerning tariff policy and its ultimate effect on inflation and economic performance. Uncertainty concerning trade policy has led some businesses and consumers to delay projects and large purchases. Demand, employment, and capital spending may all be adversely impacted because of higher tariffs, leading to weaker corporate earnings and overall economic performance. If businesses absorb tariffs, profits will decrease, which will negatively affect the economy as investment and hiring take a hit. Ultimately, tariff costs would be borne by business owners and workers. If businesses pass the cost of tariffs on to consumers, higher prices will lead consumers to decrease purchases, which will negatively affect revenues, profits, and economic growth. Someone will need to bear the costs of tariffs, and most likely, they will be borne in some combination by business owners and workers as well as consumers. While the exact consequences are difficult to predict, a one-time increase in prices for affected goods and a slowdown in economic growth are likely.

¹¹ <https://www.cnn.com/politics/live-news/trump-presidency-bill-news-06-29-25#cmchr640500003b6m2yfo0jcz>

¹² <https://www.theguardian.com/us-news/2025/jul/01/senate-passes-big-beautiful-bill-vote>

¹³ <https://www.crfb.org/blogs/breaking-down-one-big-beautiful-bill>

¹⁴ <https://oilcity.news/government/2025/08/07/forecasters-big-beautiful-bill-will-cost-wyoming-50m-in-coal-royalties/>

¹⁵ <https://budgetlab.yale.edu/research/state-us-tariffs-august-7-2025>





Tariffs are ultimately equivalent to a tax increase. The Tax Foundation projects that the Trump tariffs will cost consumers and businesses around \$200 billion annually, which equals about 6 percent of 2024's federal total personal and corporate income tax collection, leaving less to be spent on consumer goods and investment.¹⁶ Researchers at Harvard University's Pricing Lab found that the price of imported goods into the U.S. and domestic products affected by tariffs have been increasing faster in 2025 than prices for domestic goods that are not affected by tariffs.^{17, 18} However, despite the implementation of historically high tariffs, the prices of goods and services have so far not increased significantly - only a modest increase in the price of some consumer items has taken place. One reason why is that effective tariff rates are lower than initially expected with many imports still remaining exempt. Another reason why tariffs have yet to have a significant impact on prices is that businesses stocked up on imports early on before the new higher tariffs went into effect. This has allowed many businesses to delay price increases to their customers or to increase prices only gradually as they sell products that were built up in their inventories. However, as these inventories are depleted, price hikes may be more significant.

While most of the cost of tariffs have been absorbed by businesses so far, a larger portion is expected to be passed on to consumers. Analysis by Goldman Sachs estimates that about 67 percent of the tariff costs will ultimately be passed on to consumers in the form of higher prices.¹⁹ The Conference Board's U.S. CEO Confidence report for the third quarter of 2025 found that 64 percent of CEOs are sure they would be passing the price hike on to consumers, while 16 percent indicated that they are still deciding.²⁰ Several businesses have indicated that they expect to pass at least some of the cost of tariffs on to customers.²¹ Companies including Walmart, Target, Nintendo, Ford, and GM have stated that although they have been absorbing a significant portion of the costs of tariffs, they are beginning to pass increasing portions of the costs to consumers, and narrowing margins will lead to larger increases in the future.²² Procter & Gamble announced that it plans to raise prices on 25 percent of its North American products - such as fabric care, baby care, grooming, and personal health - partly in response to increased tariffs.²³ If the ultimate effect of tariffs is to increase prices, the Federal Reserve will need to consider these effects on inflation when conducting monetary policy. Although tariffs have not yet significantly led to price increases, this does not mean that price increases will not ultimately result. There is a lag between the implementation of tariffs and their ultimate economic effects. It takes time for tariffs to work their way through business supply chains and be reflected in higher prices to consumers. According to a report by the Federal Reserve Bank of Dallas, the ultimate impact of tariffs may not be felt until one year after implementation.²⁴ In fact, there are signs that tariffs will soon increasingly be passed on to consumers in the form of higher prices. While higher prices have not meaningfully shown up in the aggregate CPI figures, it is more clearly seen in particular categories of CPI as well as in the Producer Price Index (PPI), which measures price changes at the manufacturing and wholesale stages of production. There is evidence that the PPI can forecast general price inflation that may eventually result in higher consumer prices. The PPI rose almost 1 percent in June 2025, which represents the most significant increase in the index in almost three years.

16 [https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/#::-text=Altogether%2C%20Trump's%20imposed%20tariffs%20would,%20\\$330%20billion%20of%20US%20exports.](https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/#::-text=Altogether%2C%20Trump's%20imposed%20tariffs%20would,%20$330%20billion%20of%20US%20exports.)

17 <https://www.bbc.com/news/articles/cr5rm7v5166o>

18 <https://www.pricinglab.org/tariff-tracker/>

19 <https://finance.yahoo.com/news/trump-said-foreign-countries-eat-101540949.html>

20 https://www.conference-board.org/topics/CEO-Confidence/?utm_term=&utm_campaign=TCB+%7C+PMAx+%7C+Leads&utm_source=adwords&utm_medium=ppc&hsa_acc=3928428213&hsa_cam=22494991194&hsa_grp=&hsa_ad=&hsa_src=x&hsatgt=&hsa_kw=&hsa_mt=&hsa_net=adwords&hsa_ver=3&gad_source=1&gad_campaignid=22505036098&gbraid=0AAAAADJesSxMNwwOL5V-7NJvNiQEhQSez&gclid=Cj0KCQjw_L_FBhDmARIsAltqgt60Wqwf29fsQUmJJ82KMIYaQbUSe96jRQrhjWqLt_TfE9vPTUakkaAkMrEALw_wcB

21 <https://www.cincinnati.com/story/money/2025/07/29/pg-earnings-slow-growing-fiscal-year-2025-company-plans-cuts/84527689007/>

22 <https://www.bizjournals.com/houston/news/2025/05/30/prices-walmart-ford-nintendo-change-tariffs.htm>

23 <https://www.wcpo.com/money/consumer/dont-waste-your-money/p-g-to-raise-prices-on-nearly-a-quarter-of-products-due-to-tariff-costs>

24 <https://www.dallasfed.org/research/swe/2025/swe2508>



The 2025 tariffs are expected to disproportionately affect clothing and textile prices.²⁵ Certain imported goods, such as major appliances, computers, sports equipment, books, and toys, have experienced price increases beginning in the summer of 2025. In addition, price hikes are expected to affect food prices, with 75 percent of imported food expected to be affected. The 50 percent tariff on steel and aluminium will also likely increase the costs of products made from steel and aluminium, such as packaging for food items like beer and coffee cans.²⁶ This will serve to increase input costs that will likely be passed along to U.S. consumers in the form of higher prices for the products that contain these inputs. Automobile prices may be one of the most visible consumer goods prices affected by tariffs. Automobile imports are affected directly by auto tariffs. Furthermore, domestic producers are affected by tariffs on steel and aluminum. Tariffs are expected to increase the price of automobiles, automobile parts, and, as a result, auto insurance premiums.

In August 2025, the Trump administration announced a tariff review on furniture imports that mostly come from China and Vietnam. Furniture makes up around 16 percent of all ocean shipping volume transported from Asia to the United States.²⁷ President Trump has also proposed introducing 100 percent tariffs on semiconductor imports to stimulate domestic production.²⁸ A study by the Information Technology and Innovation Foundation finds that just a 25 percent tariff on semiconductor imports could reduce U.S. economic growth by 0.18 percentage points as downstream industries that use semiconductors (including the auto industry) experience increasing input costs.²⁹

The legality of the Trump administration's tariffs was challenged in court under the argument that they are not covered under the International Emergency Economic Powers Act and so cannot be implemented as they were by executive order. In late August 2025, a U.S. Appeals Court ruled that President Trump does not have the legal authority law to impose sweeping tariffs under emergency powers law. However, the Trump administration could still implement tariffs using a different legal authority - Section 232 of the Trade Expansion Act of 1962 - as it has with tariffs on foreign steel, aluminum, and cars.³⁰ The Trump administration is appealing the ruling. The tariffs will remain in place until the U.S. Supreme Court delivers a final decision in the fall of 2025. President Trump's White House Senior Counselor for Trade and Manufacturing hinted that tariffs may be temporary, which could mean that they will not remain fully in force throughout the President's entire term.³¹ On the positive side, tariff revenue will work to somewhat offset the deficit-increasing impact of the One Big Beautiful Bill Act. However, there is uncertainty regarding the period during which current tariff revenue-generating levels can be relied upon, since tariffs can be changed at any point.



²⁵ <https://budgetlab.yale.edu/research/state-us-tariffs-july-28-2025>

²⁶ <https://www.the-independent.com/news/world/americas/us-politics/trump-tariffs-price-increases-procter-gamble-b2799994.html>

²⁷ https://www.linkedin.com/posts/air-tiger-express-companies-inc_tariff-review-on-furniture-this-would-have-activity-7365725445700403201-PY7s?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAu7zj0BZA_NSxmbHrWaG68PsAdIFOfEqNY

²⁸ <https://www.bbc.com/news/articles/cly3r664q1eo>

²⁹ <https://itif.org/publications/2025/05/21/us-semiconductor-tariffs-could-reduce-gdp-growth-by-1-4-trillion/>

³⁰ <https://www.euronews.com/2025/08/30/us-appeals-court-rules-trumps-global-tariffs-are-unconstitutional>

³¹ <https://fortune.com/2025/08/31/trump-tariffs-not-permanent-trade-adviser-peter-navarro-appeals-court/>



THE ECONOMIC SLOWDOWN

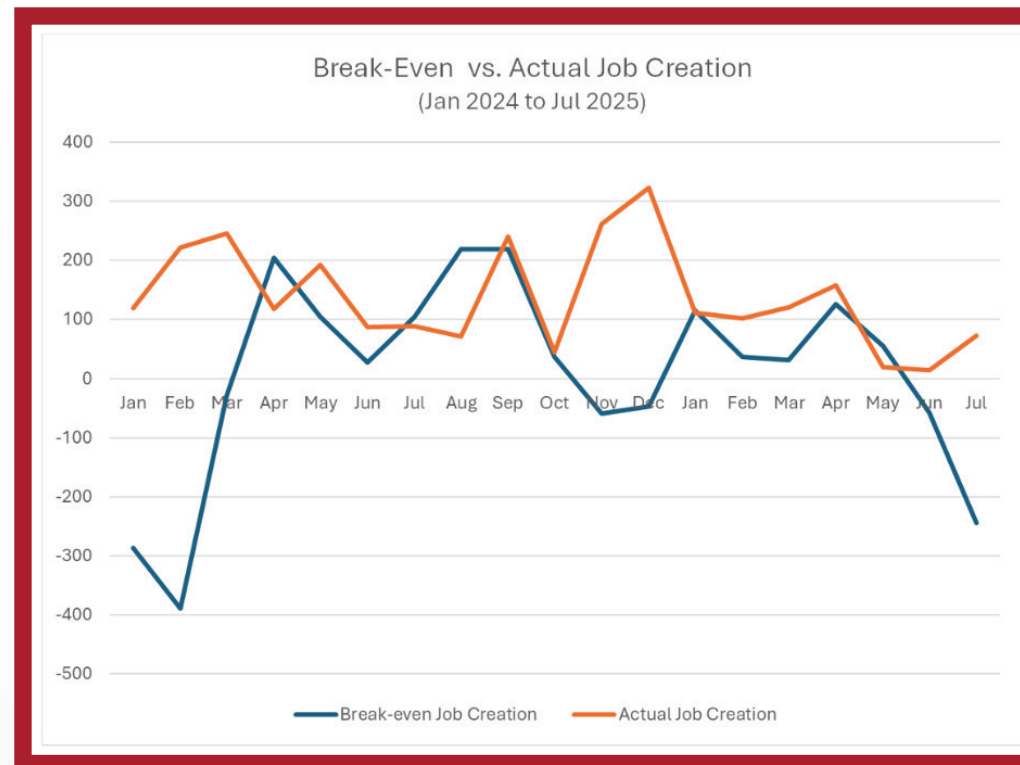
In 2025, the U.S. entered a period of below trend economic growth. Output has continued to increase, but at a slower rate than other economic variables, including employment. In addition to a labor market slowdown, household and business spending for the April – June 2025 period slowed. The slowdown in the labor market and the slowdown in household and business spending indicate that economic activity may be slowing down for the economy as a whole. Tariffs, inflation, and general uncertainty are the likely reasons for this slowdown, which may accelerate as the effect of tariffs takes full effect in 2026. As a result of the slowdown, recession expectations have increased.

President Trump has lobbied the Federal Reserve (the Fed) to cut interest rates with the goal of stimulating economic activity. However, Fed policymakers remain reluctant to significantly do so, worrying that rate cuts could contribute to inflation. Uncertainty around tariff policies and other international developments have reduced economic growth projections and increased inflation expectations. An economic slowdown may lead the Fed to cut rates going forward.

THE LABOR MARKET

The August 2025 Bureau of Labor Statistics (BLS) survey of employers, often referred to as the establishment survey, reported a disappointing 22,000 jobs created and a slightly higher but still healthy unemployment rate of 4.3 percent (up from 4.2 percent). Additionally, according to Labor Department data, the U.S. labor market added 79,000 jobs in July 2025, a much smaller figure than originally expected by professional economists. A July revision to payroll data resulted in almost 260,000 fewer jobs than were originally announced for May and June.³² The total net hires for May-July come to less than 25 percent of the jobs created for the same period in 2024, with the economy experiencing a net job loss of 13,000 jobs in June - the first decline in employment since 2020. Significant revisions often occur when a turning point in the economy has been reached.

Many see this news as signaling an alarming slowdown in the labor market. However, due to several factors, including the recent immigration crackdown, the “break-even” number of jobs that must be created to keep the unemployment rate from rising has decreased significantly. As a result, when looked at from this angle, 22,000 jobs created is not particularly alarming.³³



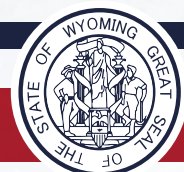
Source: American Action Forum³⁴

Nevertheless, a further look at the data shows that in the private sector, only two sectors, education and health, are creating jobs. The rest of the economy lost around 50,000 jobs for the May to July 2025 period.

³² https://www.wsj.com/livecoverage/jobs-report-today-stock-market-08-01-2025/card/why-jobs-numbers-were-revised-sharply-downward-for-june-may-kBugDhM4tT7W0SpXaOa?gaa_at=eafs&gaa_n=ASWzDAg_YkmCDsDSaVvUPruRvviZu8B_ARq7aHV7_cgIYCYuNyVdBnimJBSQ&gaa_ts=688d28cb&gaa_sig=JtJvIFEQJuUtaGpmEKYR93EaDs56MhAeCGKbJYcfjxVqYLWO3RBwhZdWzxeGfE98HnPYhbv7XwqWNDaJkMhgkg%3D%3D

³³ <https://www.americanactionforum.org/daily-dish/re-visiting-july-jobs/>

³⁴ <https://www.americanactionforum.org/daily-dish/re-visiting-july-jobs/>



Further evidence of a labor market slowdown was indicated by the August 2025 Bureau of Labor Statistics' JOLTS report. According to the report, there were more unemployed people than open jobs for the first time since 2021.³⁵ The slowdown in job openings is a further indicator that labor market momentum is slowing as uncertainty and AI-related disruptions take their toll. As the supply of labor has softened, so has the demand for some types of labor, especially for entry-level jobs. The labor market slowdown is disproportionately affecting younger workers entering the labor force.

The most familiar measurement of unwanted economic idleness is the unemployment rate: which is the number of people without jobs looking for work divided by the total labor force. The unemployment rate has been low and steady since the pandemic recovery, even as wages have increased. While the unemployment rate is at its highest level since October 2021, it still remains at historically healthy levels (as of September 2025).

The labor force participation rate is the percentage of working-age people that is working or officially unemployed. It is an important indicator of labor market health because it tells us how many working-age people are engaged in official economic production. Although the labor force participation rate has recovered since the pandemic-induced downturn, it remains below pre-pandemic levels and may have found a new lower equilibrium. While the unemployment rate has remained steady around 4 percent for over a year, this may be partly due to the fact that the size of the labor force has not grown. The immigrant workforce has declined in 2025, while the overall labor force participation rate has dropped.

Another source of job numbers, in addition to government sources, is Automatic Data Processing Inc. (ADP), which handles payroll for about one-fifth of all privately employed individuals in the U.S.³⁶ ADP reports have a larger database than government data sources because ADP manages actual payroll for thousands of businesses and so can count employment directly and does not require survey data that relies on samples.

According to ADP, private employers added a lower than expected 54,000 jobs in August and 106,000 jobs in July, with hiring gains led by service-sector jobs.^{37, 38} This figure is significantly higher than the 79,000 number released by BLS for July. However, according to ADP, private sector employment lost 33,000 jobs in June.³⁹ ADP reported a May increase in private sector employment of 37,000 jobs, higher than the revised 19,000 jobs from BLS. Overall, according to ADP data, employment momentum during the three-month period was mixed.

Many workers who voluntarily leave a job or are laid off are experiencing difficulties getting rehired. Initial claims for unemployment have stayed relatively low, which means that layoffs are not high. However, continuing claims for unemployment are approaching higher levels, suggesting that workers who have been laid off are finding it more difficult to get jobs.

Overall, data shows that there is a potential labor market downturn that has begun taking place. Hiring in the private sector has slowed, with industries outside health and education coming more or less to a halt. While significant layoffs have yet to begin, uncertainty has led businesses to pause new hiring and investment. This may be a sign that an economic downturn is on the horizon as firms slow hiring in response to a downturn that is perceived to be potentially severe and long lasting.



³⁵ <https://www.bls.gov/news.release/pdf/empst.pdf>

³⁶ <https://mediacenter.adp.com/2025-09-04-ADP-National-Employment-Report-Private-Sector-Employment-Increased-by-54,000-Jobs-in-August-Annual-Pay-was-Up-4-4>

³⁷ <https://mediacenter.adp.com/2025-07-02-ADP-National-Employment-Report-Private-Sector-Employment-Shed-33,000-Jobs-in-June-Annual-Pay-was-Up-4-4>

³⁸ <https://mediacenter.adp.com/2025-06-04-ADP-National-Employment-Report-Private-Sector-Employment-Increased-by-37,000-Jobs-in-May-Annual-Pay-was-Up-4-5>

³⁹ <https://www.bloomberg.com/news/articles/2025-08-14/cardboard-box-sales-fall-in-worrying-sign-for-us-retail>





INDUSTRY TRENDS

Bloomberg recently reported that cardboard box sales are falling across several consumer goods industries.⁴⁰ Cardboard box numbers are indicating that economic activity is slowing as economic uncertainty has led businesses to reduce orders and inventories, as they expect a potential slowdown in consumer purchases. Furthermore, a manufacturing slowdown seems to be taking place, likely due to tariffs and general uncertainty.⁴¹ According to the Institute for Supply Management (ISM), business economic activity in the manufacturing sector slowed in August 2025 for the sixth consecutive month, following a two-month expansion.⁴² Additionally, the ISM services survey is indicating that prices paid for services are increasing at the same time that the labor market is weakening, stoking fears of 1970s era stagflation. In the 1970s, a combination of increasing input prices and a sluggish labor market forced the Fed to ultimately tackle inflation at the expense of employment and economic growth. Once again, the Fed has a difficult tradeoff to make – fighting inflation vs. stimulating the economy.⁴³

International visitation numbers were down significantly in 2025. Oxford Economics predicts that the United States will experience an 8.2 percent decline in international arrivals in 2025.⁴⁴ As a result, the World Travel & Tourism Council expects the U.S. economy to lose around \$12.5 billion in traveler spending in 2025 with more tourism-reliant regions being disproportionately affected.⁴⁵ If the current policy trajectory continues, the lower level of international tourism may continue in 2026. Furthermore, international student enrollment declines have applied financial pressure on both public and private universities throughout the United States. NAFSA: Association of International Educators and JB International predict that the decline may result in almost \$7 billion in lost revenue and more than 60,000 fewer jobs.⁴⁶ A Pew Research Center analysis of preliminary Census Bureau data finds that around 1.2 million immigrants (illegal and legal residents) have left the labor force from January to July 2025.⁴⁷ This labor force decline has impacted particular industries, including the farming, fishing and forestry industries, and may negatively affect GDP.

HOMEOWNERSHIP

Homeownership affordability for young families remains a challenge. Home buyers are facing a combination of high home prices and mortgage rates that are around twice as high as they were four years ago. Families may be forced to keep renting, and homeownership rates for newer generations may be significantly lower than for previous generations. According to the Q2 2025 National Association of Home Builders/Wells Fargo Cost of Housing Index, households that earn the median U.S. income now need over 35 percent of their income to afford a median-priced home, while low-income earners who make 50 percent of the U.S. median income of \$104,200 would need to spend over 70 percent of their incomes.⁴⁸

⁴⁰ <https://www.ismworld.org/globalassets/pub/research-and-surveys/rob/pmi/mehh202507pmi.pdf>

⁴¹ <https://www.oxfordeconomics.com/resource/us-inbound-travel-arrivals-decline-2025/>

⁴² <https://wtcc.org/news/us-economy-set-to-lose-12-5bn-in-international-traveler-spend-this-year>

⁴³ <https://www.nafsa.org/fall-2025-international-student-enrollment-outlook-and-economic-impact>

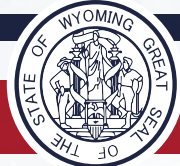
⁴⁴ <https://apnews.com/article/labor-day-immigration-trump-9a40f9e371209cc1d145e4a7f157a499>

⁴⁵ [https://www.nahb.org/news-and-economics/housing-economics/indices/cost-of-housing-index#:~:text=36%25%20of%20a%20typical%20family's,median%2Dpriced%20existing%20home\).](https://www.nahb.org/news-and-economics/housing-economics/indices/cost-of-housing-index#:~:text=36%25%20of%20a%20typical%20family's,median%2Dpriced%20existing%20home).)

⁴⁶ <https://fortune.com/2025/08/25/recession-warning-economic-outlook-states-high-risk-stagnating-expanding/>

⁴⁷ <https://fortune.com/2025/08/25/recession-warning-economic-outlook-states-high-risk-stagnating-expanding/>

⁴⁸ <https://www.conference-board.org/topics/CEO-Confidence/>



OUTLOOK FOR 2026

Official data show a combination of rising inflation and a labor market slowdown taking place. GDP growth in 2025 has been relatively slow, significantly driven by datacenter investment, and will likely fall below the Trump administration's 3-4 percent target. While the U.S. as a whole has not entered recessionary territory yet, according to Moody's Chief Economist Mark Zandi, more than half of the approximately 400 industries tracked in government data, including construction and manufacturing, are already reducing workforces, which often precedes economic downturns.⁴⁹ A significant construction spending decline has taken place following a drop in single family home builds. According to Moody's Analytics' state by state coincident economic indicator, 21 U.S. states accounting for around one third of U.S. GDP, including Wyoming, are already in a recession or at significant risk of entering one, another 13 states are flat, and the remaining 16 are expanding.⁵⁰ Growth in 2025 will be below the post-pandemic trend, likely below 2 percent year-over-year. The most likely scenario is slower growth in 2026, also below the post-pandemic trend and below 2025's year-over-year growth rate. The U.S. economy will likely see tepid growth in 2026, combined with above 2 percent inflation.⁵¹ Tariffs, international conflict, and the resulting uncertainty are the most likely reasons why. Tariffs are negatively affecting both business profits as well as purchasing power of U.S. households. Many of the industries that are struggling are being negatively impacted by higher tariffs. According to the Conference Board's U.S. CEO Confidence report, CEO confidence rebounded in Q3 2025 as recession fears and uncertainty eased with progress on the international trade front.⁵² However, tariffs are leading many firms to slow or reduce hiring plans as they focus on cost cuts. A record share of CEOs is planning to go forward with workforce reductions, with 93 percent of surveyed CEOs turning to AI or automation to offset cost increases. Most CEOs expect to shift cost increases due to tariffs on to consumers eventually, with 64 percent of CEOs indicating that they would be increasing consumer prices with another 16 percent indicating that they are still unsure.

Along with signs of softening labor markets and weakening construction and manufacturing industries, consumer spending is flat. Additionally, rising auto loan delinquency rates further indicate that a significant portion of consumers may be struggling. According to LendingTree, auto loan delinquencies (particularly among subprime borrowers and Gen Zers) are at their highest level in 15 years, with 5.1 percent of Americans delinquent on their loans.⁵³ This development indicates that a significant portion of Americans with auto loans are finding it difficult to stay on top of their payments, although the unemployment rate remains at a historically healthy level. Furthermore, a record number of 401(k) plan participants are accessing funds in their retirement accounts before normal eligibility due to financial hardship as the cost of living has risen.⁵⁴

Next, we will review several economic indicators that can provide clues to what 2026 has in store for the U.S. economy.



⁴⁹ <https://www.badcredit.org/news/auto-delinquencies-signal-trouble-for-subprime-market/>

⁵⁰ <https://www.conference-board.org/topics/us-leading-indicators/>

⁵¹ <https://www.clevelandfed.org/indicators-and-data/median-cpi>

⁵² <https://www.clevelandfed.org/indicators-and-data/survey-of-firms-inflation-expectations>

⁵³ <https://www.globaltimes.cn/page/202508/1341551.shtml#:~:text=Estimates%20based%20on%20the%20latest,consumer%20goods%2C%22%20Zhou%20said.>

⁵⁴ https://institutional.vanguard.com/content/dam/inst/iig-transformation/insights/pdf/2025/has/2025_How_America_Saves.pdf



KEY ECONOMIC INDICATORS

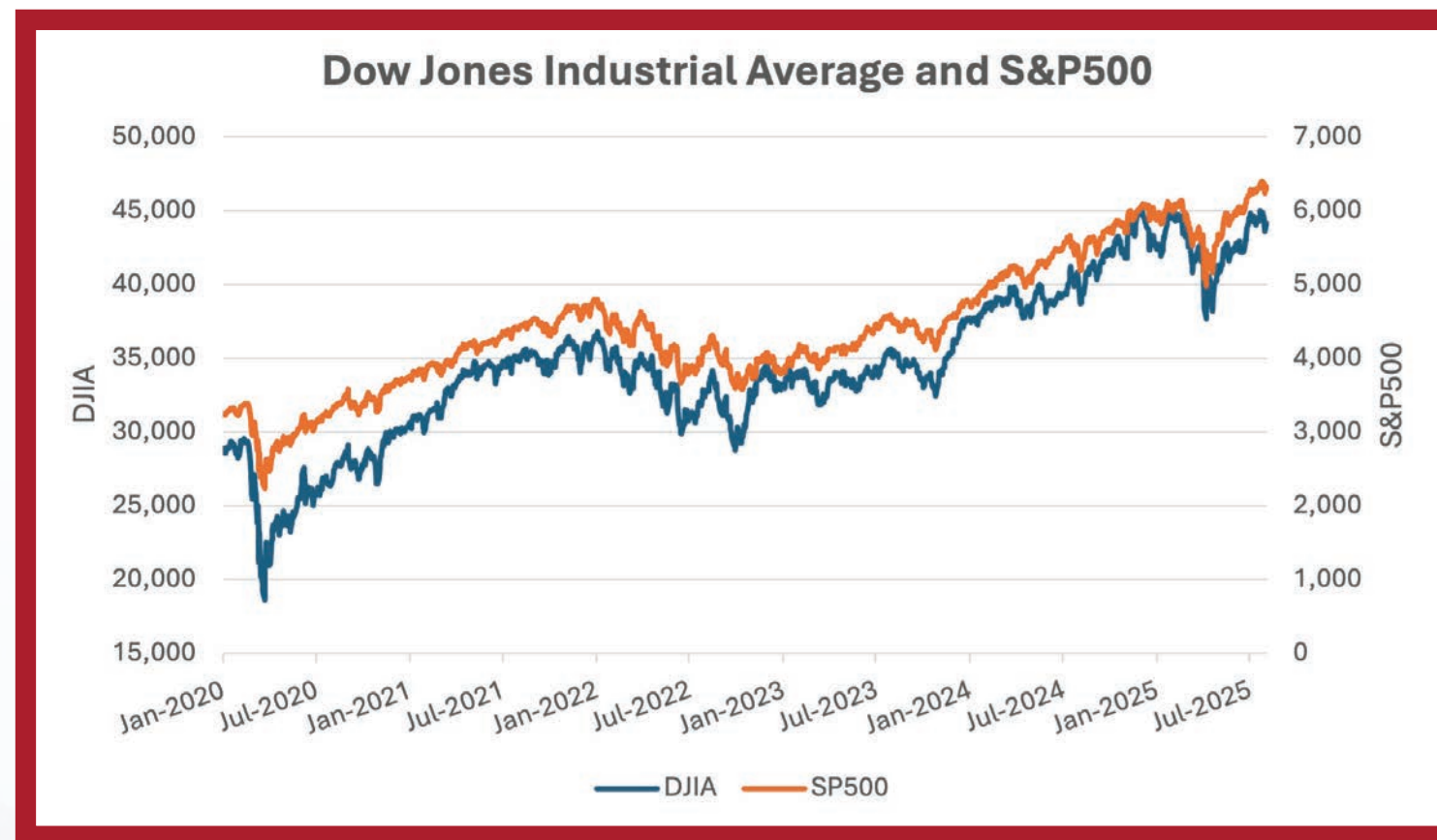
The Stock Market

KEY TAKEAWAY: The erratic performance of the stock market indicates that investor confidence in the economic future remains mixed.

Securities markets serve as leading economic indicators that provide insight into expected future economic conditions. Economic indicators such as the Dow Jones Industrial Average and the S&P 500 have performed erratically in 2025, although they have reached record highs. The stock market is fundamentally forward-looking, pricing in future expected discounted cash flows to arrive at stock valuations. Increases (or decreases) in a stock index can reflect both the general sentiments of investors, as well as movements in interest rates, which is often another good indicator of what the economic future could look like. Millions of Americans invest in the stock market in one form or another. Stock market value changes have wealth effects on individuals that can influence their buying decisions and associated business expectations. Stock prices can give us a peek at future business and consumer plans, with these plans reflecting business and consumer sentiment about the future of the economy. If those expectations are dampened due, for example, to protectionist tariff policy changes, resulting drops in stock market index values could indicate that the probability of an economic downturn has increased.

Looking at the performance of the S&P 500 since the pandemic, we see a strong upward trend in the Index until 2025. We then see a big drop after “Liberation Day” tariffs were announced on April 2 and a quick upward recovery after a 90-day pause was implemented. The Dow Jones Industrial Average is telling a similar story. There is a lot of volatility and uncertainty being reflected in the stock market.

Another indicator of elevated uncertainty being reflected in markets is the approximately 50 percent increase in the price of gold in 2025. Gold as an asset offers investors a hedge against inflation and a potential economic downturn that would negatively impact other financial assets. The dramatic increase in gold prices indicates that many investors expect turbulence ahead for the U.S. and world economy.



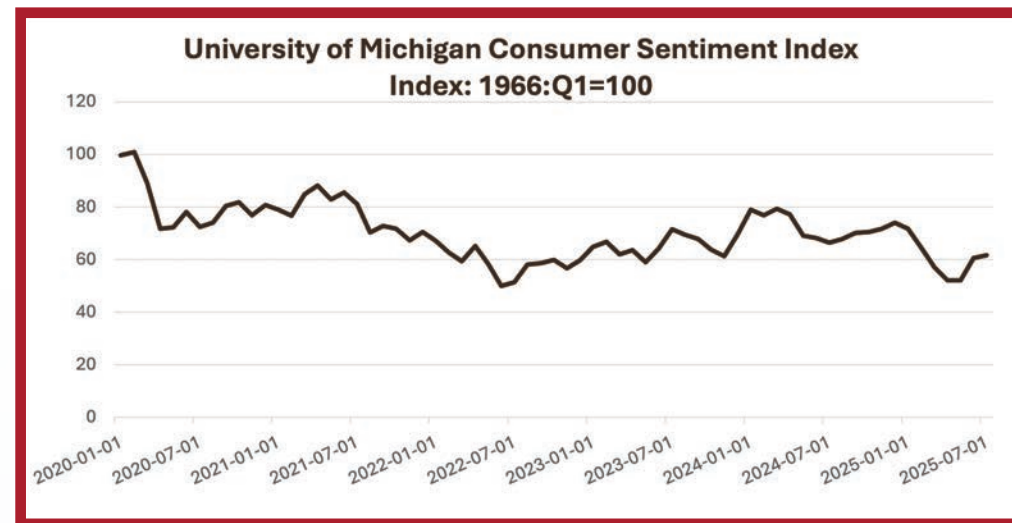
Source: S&P Dow Jones Indices LLC, S&P 500 [SP500], retrieved from FRED, Federal Reserve Bank of St. Louis



The University of Michigan's Consumer Sentiment Index

KEY TAKEAWAY: Consumer sentiment dropped significantly because of the pandemic and remains low due to the uncertain future.

The University of Michigan Consumer Sentiment Index provides information about American households' expectations regarding the state of the U.S. economy. A monthly survey is sent out to households across the country to measure changes in attitudes concerning personal finances, business conditions, and consumer buying behavior. Consumer sentiment began trending upwards in the summer of 2020 before dropping again suddenly in August 2021. Since then, the U.S. has added a significant number of jobs, unemployment has declined substantially and is approaching pre-pandemic levels, and wages are rising. However, uncertainty is still negatively affecting consumer confidence. Recently, there has been another significant drop in the index, likely due to heightened uncertainty surrounding federal economic policy. Low current consumer confidence often precedes recessions.



Source: University of Michigan, Survey of Consumers, Consumer Sentiment via FRED

Housing

KEY TAKEAWAY: Housing can predict recessions. The housing market is beginning to experience a slowdown.

Housing has often been a strong predictor of recessions in the United States, although not a perfect predictor. Almost every time there has been a big housing decline, there has been a recession. And almost every recession we have experienced in our lifetimes has been preceded by a significant decline in housing. There are clear drops before 6 of the 8 recent recessions, with the 2001 post-internet boom recession and the COVID pandemic being the exceptions.

The number of new housing starts is an important indicator of construction activity that often leads other types of economic production. The figure below shows new privately-owned housing units started for single-family units since 2021.

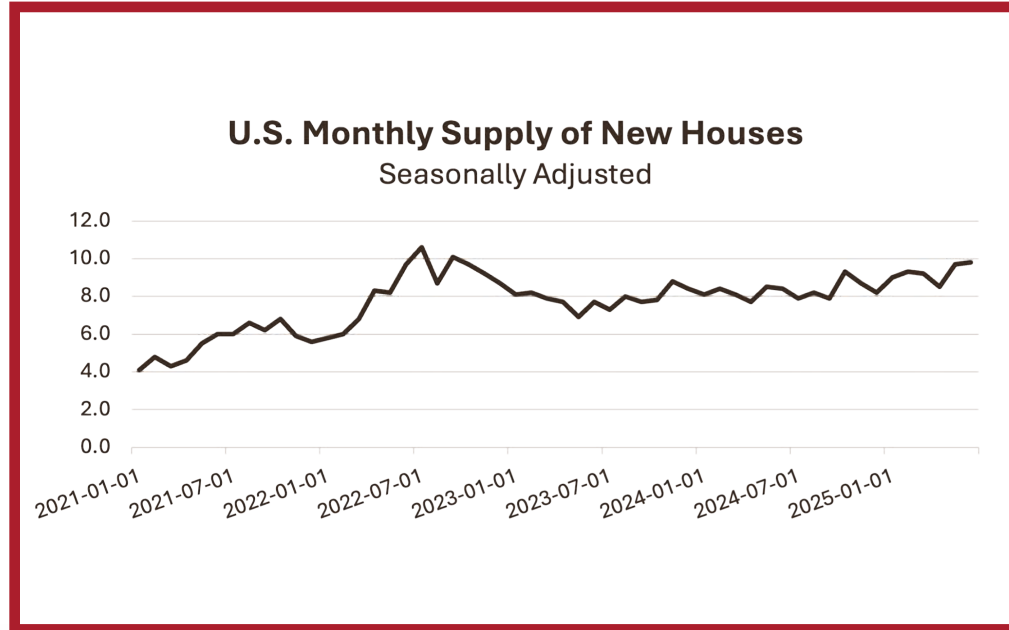
We are beginning to see a significant drop taking place in single family home starts. Furthermore, new residential construction building permits are also beginning to slow further indicating that a housing slowdown is taking place.



Monthly Supply of New Homes

KEY TAKEAWAY: There is a high monthly supply of new homes beginning to accumulate.

As of this writing, home builders have almost 10 months of new home supply. A high monthly supply of new homes often precedes economic downturns.

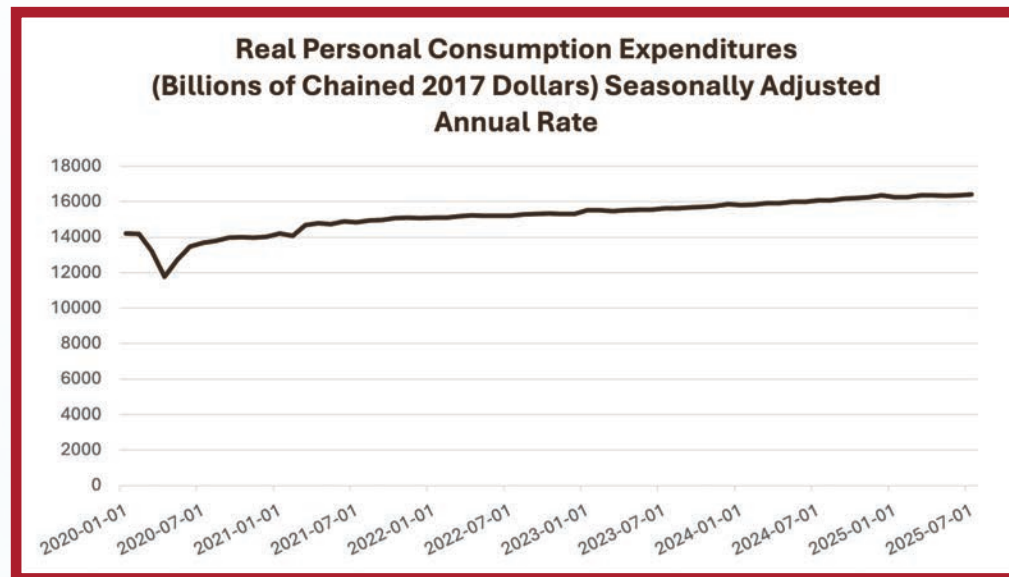


Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development via FRED

Real Personal Consumption Expenditures

KEY TAKEAWAY: Real personal consumption expenditures are essentially flat.

The chart below shows that real personal consumption expenditures have lost momentum and are basically flat. After a consistent post-pandemic increase, spending growth is slowing. A decline in consumer spending could negatively impact business hiring and investment.



Source: U.S. Bureau of Economic Analysis, Personal Income and Outlays via FRED

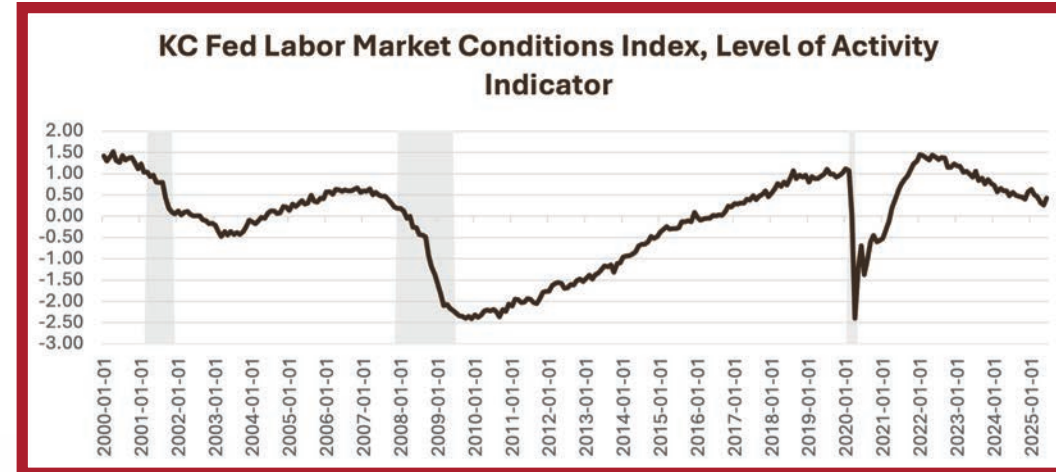




Federal Reserve Bank of Kansas City's Labor Market Conditions Index (Level of Activity)

KEY TAKEAWAY: The Kansas City Fed's Labor Market Conditions Index (Level of Activity Indicator) is trending downward.

The Kansas City Fed's Labor Market Conditions Index incorporates 24 labor market indicators such as the unemployment rate, weekly hours worked, initial unemployment claims and the quits rate to provide a measure of the economy's labor market performance. A positive value for the Level of Activity Indicator indicates that labor market conditions are above their long-run average while negative values indicate that labor market conditions are below their long-run average. The Level of Activity Index has been trending downwards since mid-2022 and is approaching negative territory. Historically, sharp declines in the index have preceded and coincided with economic downturns (recessions shaded in gray).

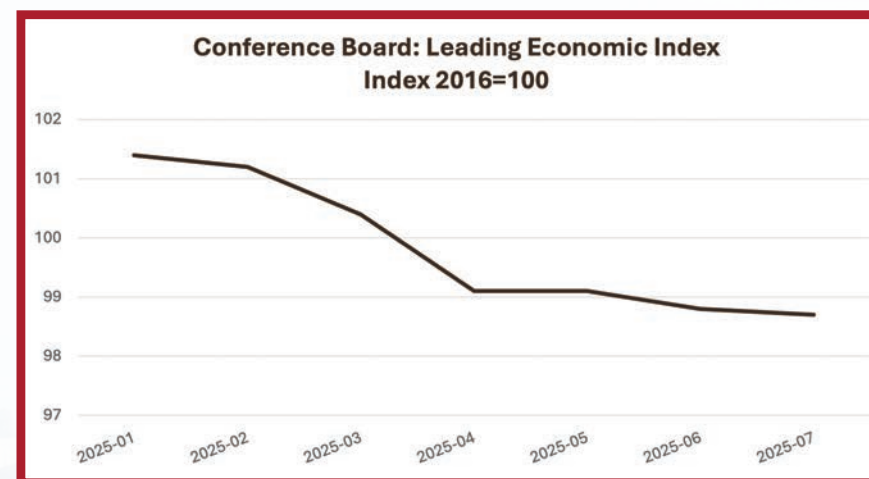


Source: The Conference Board: Business Indicators, Leading Economic Index.

Conference Board Leading Economic Index

KEY TAKEAWAY: The Conference Board's Leading Economic Index is trending downward.

The Conference Board's Leading Economic Index combines ten economic components, many of which were reviewed above, into an index designed to indicate where the economy is headed. While high stock prices and relatively low initial claims numbers for unemployment insurance are positively affecting the index, lowered consumer expectations for business conditions and weak new manufacturers' orders numbers are more than offsetting these positive trends and applying net downward pressure on the index. The Index fell by 2.7 percent over the six-month period from January to July 2025. This represents a more rapid decrease than the 1.0 percent fall over the previous six-month period from July 2024 to January 2025.



Source: The Conference Board: Business Indicators, Leading Economic Index.



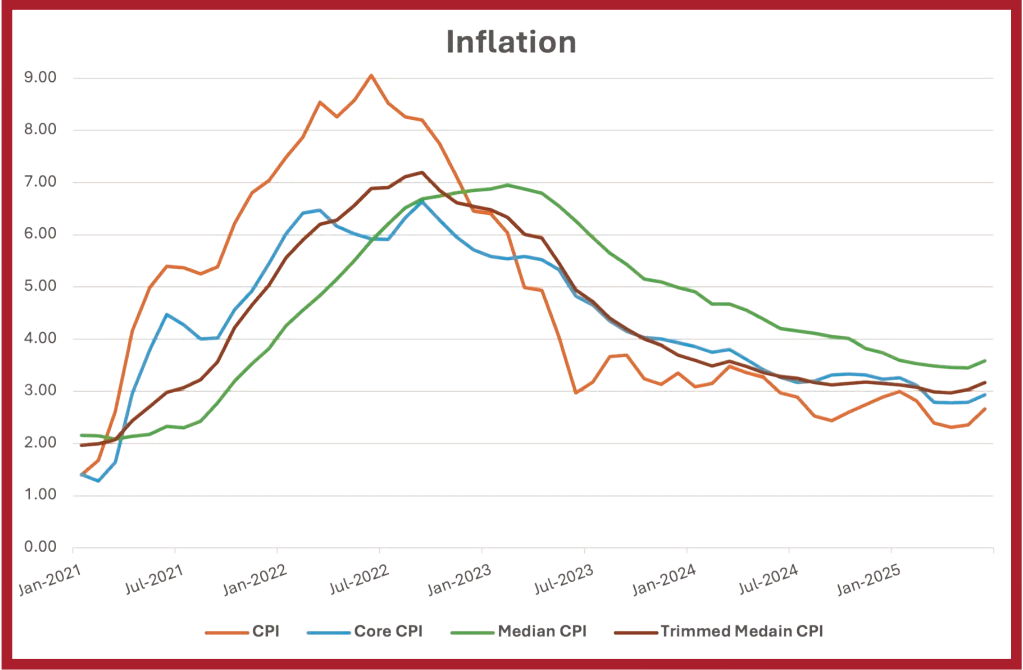


INFLATION OUTLOOK

Although inflation has significantly declined since the post-pandemic peak, inflation still remains above pre-pandemic levels. The U.S. is expected to experience added inflationary pressure due to tariffs. As a result, inflation in 2026 will likely remain elevated above the Federal Reserve’s 2 percent target rate.

The Labor Department’s producer price index (PPI), which provides a measure of wholesale inflation before it hits consumers - increased 0.9 percent from June to July 2025, which represented the biggest spike since 2021. A major reason for the spike in the PPI is a rise in services inflation. Overall, when compared to a year earlier, wholesale prices were up 3.3 percent. Goods whose prices are sensitive to tariffs, such as vehicles and apparel, have not yet experienced large price increases. However, this may soon change. Shelter costs have been a major driver of core (excluding food and energy) CPI inflation, with airline fares and medical care also significantly increasing the measure. Additionally, the June personal consumption expenditures (PCE) report recorded core inflation at 2.8 percent, well above the Fed’s 2 percent target.

The figure below presents four different measures of inflation focused on the Consumer Price Index (the CPI) since 2016.



Source: Federal Reserve Bank of Cleveland

The CPI includes a broad range of goods and services and gives us an overview of the prices urban households are paying for things they usually buy. However, because the CPI includes things whose prices change frequently and significantly, such as food and energy, overall CPI may not be the best way to measure the underlying rate of inflation. For this reason, some alternative ways have been developed to measure inflation of this basket of goods and services.

The CPI excluding food and energy prices (called core CPI) is one well known way - it removes food and energy price changes from the overall CPI because of their volatility. The median CPI and the trimmed-mean CPI measures make this





adjustment differently. These measures adjust CPI to remove the smallest and largest price changes - outliers. According to research by the Cleveland Fed, the median CPI gives us a better idea of the underlying inflation trend compared to the overall CPI, which includes everything, or the core CPI that excludes food and energy.⁵⁵ These measures are all above the pre-pandemic level but are significantly lower than the post-pandemic peak.

Short and long-term estimates of the expected rate of future inflation have increased above pre-pandemic levels. Inflation expectations are what consumers, lenders, and producers think inflation will look like in the future. These expectations play an important role when economic actors are making decisions. For example, the prices that businesses set for their goods and services are not usually adjusted frequently. So, when setting prices, businesses think about both today's conditions as well as expected future conditions. Also, workers who care about the real purchasing power of what they earn (what their paychecks let them buy after adjusting for prices of goods and services) will consider inflation expectations when negotiating their pay. Finally, lenders care about the real return they are earning on loans (the nominal stated rate of return minus the rate of inflation). As a result, they include a component in the stated interest rate that compensates them for expected inflation.

Economic actors' inflation expectations influence their actions, which then affects a variety of economic outcomes, including what actual inflation ends up being.

The Cleveland Federal Reserve's Survey of Firms' Inflation Expectations is a quarterly survey of U.S. CEOs in the manufacturing and services sectors designed to measure their CPI inflation expectations over the next year.⁵⁶ Inflation expectations spiked significantly in 2021, dropping in 2023. Mean surveyed inflation Expectations for CPI Inflation have remained in the 3-4 percent range since 2024, above pre-pandemic levels.

THE FED AT A CROSSROADS

Many are hoping that the Fed can put its inflation fears aside and lower the base rate to offset what may be a weakening job market. However, higher-than-expected inflation data suggests that monetary restraint is necessary to tame ongoing and potentially higher inflation. Persistent inflationary pressure, especially in the services category, suggests a cautious approach to rate cuts by the Fed.

The Federal Reserve finds itself in a difficult position as the tension between fulfilling its dual mandate of stable prices and maximum employment is beginning to mount. The large downward revisions in the July 2025 BLS jobs report have indicated that the labor market may be softening rapidly, which bolsters the case for rate cuts by the Fed. If a real economic slowdown is beginning to take place, as the labor market suggests, a significant increase in layoffs and unemployment may result. While some industries, such as health care and education, are experiencing job gains, much of the economy has recently lost jobs. So far, the slowdown in job growth has not resulted in massive worker displacement and is partly due to a reduced incoming immigrant workforce and a declining labor force participation rate.

Inflation risks are rising with core PCE well above the Federal Reserve's 2 percent inflation target. Nevertheless, Fed Chair Powell has suggested that the Fed might cut rates anyway. The Fed is preparing to loosen monetary policy as inflation sits well above target and unemployment remains steady just over 4 percent. Fed Chair Powell concedes that the effects of tariffs on consumer prices are "now clearly visible" and will "accumulate over the coming months."⁵⁷ According to the July FOMC minutes, the Fed anticipates that tariff effects on PCE inflation are "likely temporary", although exact timing and magnitude remain uncertain. The danger for the Federal Reserve is that if inflation takes off, the Fed will have to reverse course and may lose credibility as a result. Cutting interest rates while core PCE exceeds its target and with tariff impacts remaining uncertain is risky. The bond market is pricing in a Fed mistake with increasing term premiums and growing inflation expectations.

Interest rate cuts will likely be implemented in the near term, but not to the extent that they would be if inflationary pressure were lower. Until inflation is more under control, interest rates will remain relatively high, negatively impacting the sales of big-ticket items such as homes and vehicles, as well as business investment.

⁵⁵ <https://www.clevelandfed.org/indicators-and-data/median-cpi>

⁵⁶ <https://www.clevelandfed.org/indicators-and-data/survey-of-firms-inflation-expectations>

⁵⁷ <https://www.globaltimes.cn/page/202508/1341551.shtml#:~:text=Estimates%20based%20on%20the%20latest,consumer%20goods%2C%22%20Zhou%20said.>



SUMMARY OF WYOMING OUTLOOK FOR 2026 -

Consistently, we have heard from communities across the state that housing stock and affordability, as well as workforce sufficiency, are persistent challenges to large and small businesses alike. However, there are several important positive opportunities for Wyoming in 2026, especially in technology, R&D, and business formation. Wyoming remains ranked #2 nationally in science and engineering degrees (biological and agricultural sciences, engineering, physical sciences, social sciences, computer sciences, mathematics and statistics, and psychology) as a percentage of higher education degrees conferred, at 45.8% compared to the U.S. average of 35.7%. Venture capital disbursed per \$1 million in gross state product in 2023 was \$3,997.68; millions of venture capital dollars disbursed per venture capital deal was \$2.95 million per deal.⁵⁸ According to the U.S. Census Bureau's Business Formation Statistics by State, new business applications through May of 2025 outpaced comparable time periods in 2023 and 2024, up 12% from May of 2024. This bodes well for new business startups and job creation in the entrepreneurial space.

On the other hand, Wyoming continues to experience a large outmigration of recent postsecondary graduates with around 36% of graduates still residing in Wyoming.⁵⁹ A little over 45% of native Wyomingites still lived in Wyoming in 2023, the lowest rate among the 50 states.⁶⁰ This makes solving the issue of a critical mass of population to yield agglomeration economies more challenging. Coupled with a 50% college-going rate, this barrier to growth will persist.

Annualized rental vacancies in Wyoming are shown in Chart 1 below. They are expected to rise slightly in 2026 to around 6.8%. In our conversations with leaders around the state, this low rate compounds the challenges of housing within communities, leading many employers to house workers in hotels and motels. This, in turn, has implications for how much communities and counties receive in lodging taxes, as stays over 30 days are exempted.



⁵⁸ National Science Foundation Science and Engineering State Indicators

⁵⁹ Lightcast

⁶⁰ U.S. Census Bureau, <https://www.census.gov/data/tables/time-series/demo/geographic-mobility/state-of-residence-place-of-birth-acs.html>



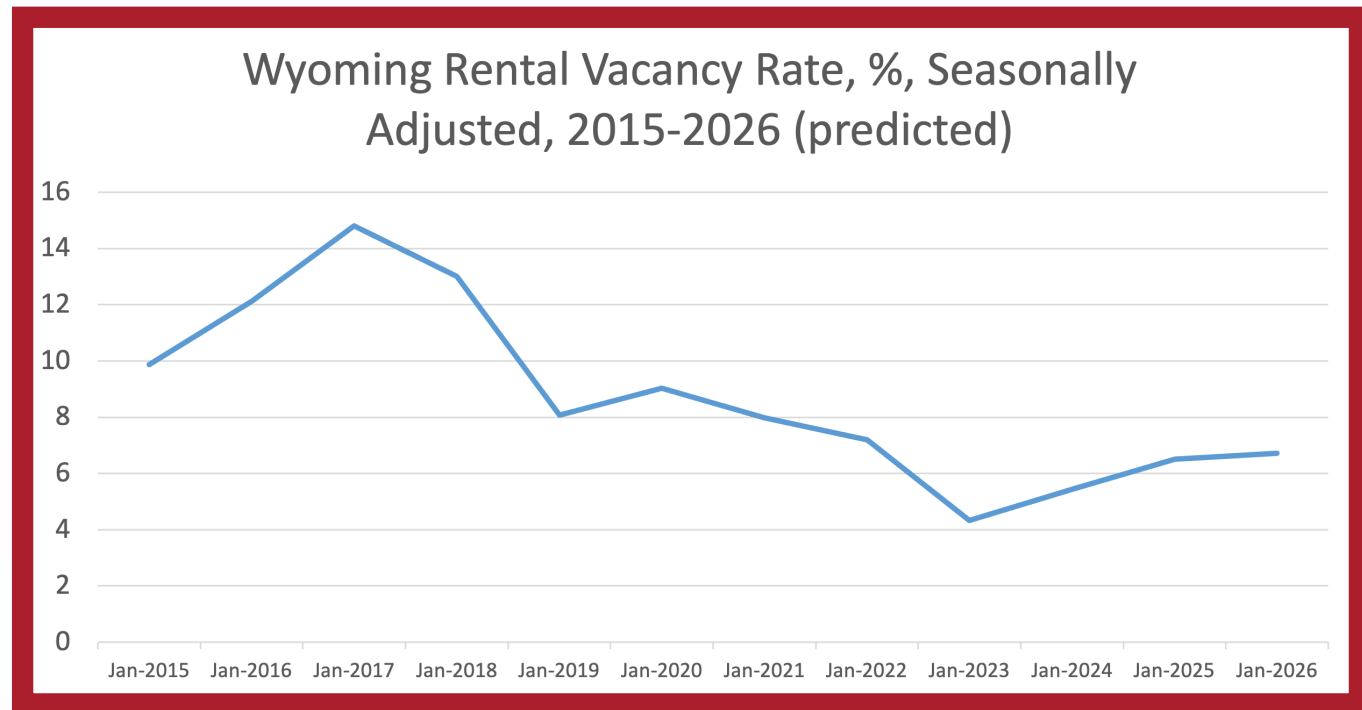


Chart 1

According to Statistica Research, the average hourly wages required to rent a two-bedroom apartment in Wyoming in 2024 is \$20.98 per hour. As was reported in last year's forecast, the Housing Affordability Index⁶¹ indicates that housing affordability in Wyoming turned negative in 2022 statewide - that is, on average, housing became relatively unaffordable⁶² in mid-2022. For the metropolitan areas of Wyoming, housing became more unaffordable in 2021 in the Casper metropolitan area, while in the Cheyenne MSA the same occurred in early-2022.

A more detailed discussion of housing in Wyoming is in the next section.

⁶¹ National Association of Realtors; U.S. Census Bureau; U.S. Bureau of Economic Analysis; Moody's

⁶² Federal Reserve Bank of Atlanta



DETAILED WYOMING OUTLOOK -

Wyoming's private sector employment composition has shifted over the past few years due to the structural decline of mining. Predicted private sector composition of employment for 2026 is shown in Chart 2 below. Natural Resources and Mining employment has contracted by nearly 40% in the past decade, and employment in this sector is expected to contract slightly in 2026. Likewise, employment in leisure and hospitality, manufacturing, and other services are expected to contract slightly, while employment in construction, wholesale trade, retail trade, transportation and utilities, information, financial services, professional and business services, and education and health services will likely see rises in year-on-year employment. Chart 3 shows the employment composition of Wyoming a decade ago for comparison. Chart 4 illustrates the expected changes in employment by industry from this year to next year (2025-2026), and Chart 5 illustrates the expected changes over the past decade.



Chart 2 | Chart 3 | Chart 4 | Chart 5

Chart 6 below shows the change in private nonfarm employment between 2015 and the predicted employment levels in 2026 in thousands of people.

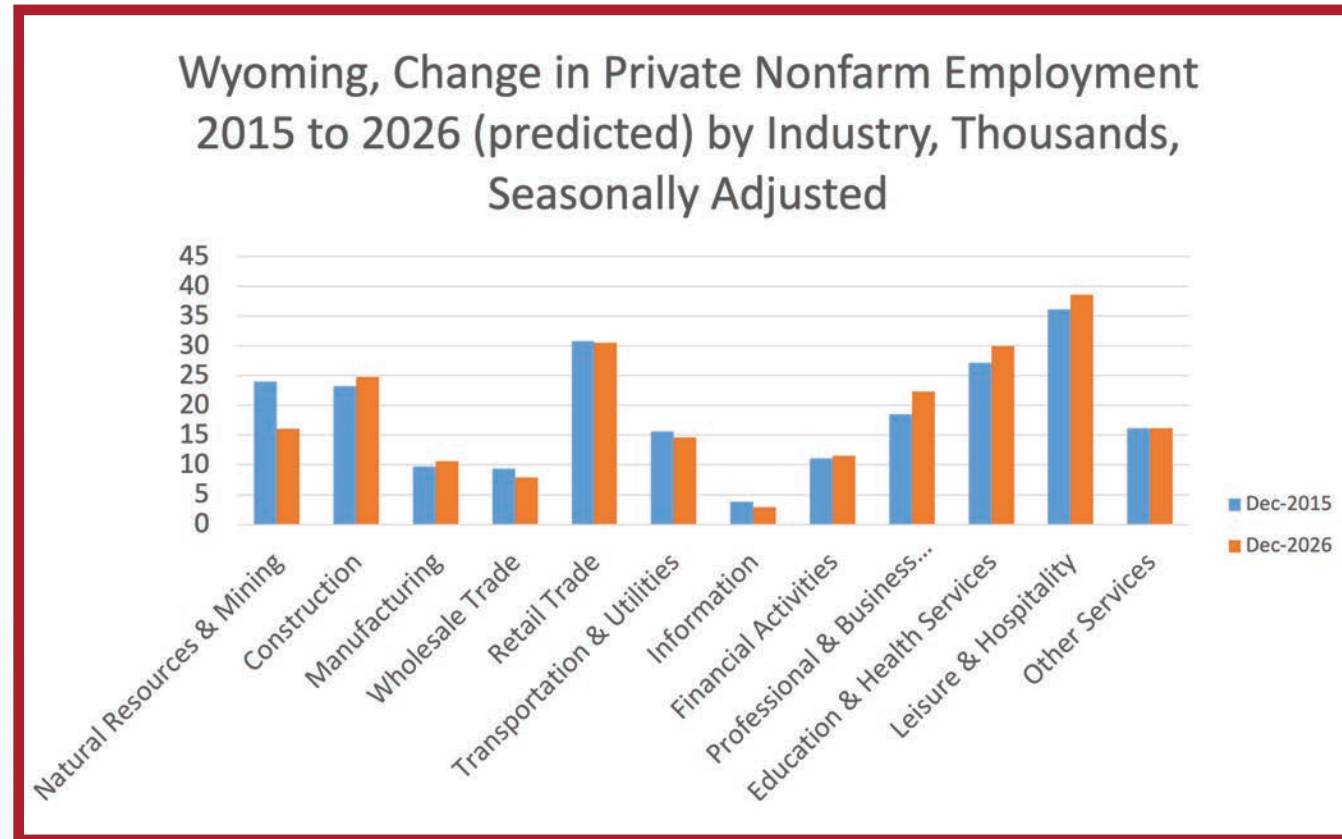


Chart 6



Inflation-adjusted Gross State Product (GSP) is expected to rise moderately, by a little over 0.6%, in 2026 in the baseline scenario. In the other two scenarios, it would fall -0.09% (stagflation scenario) to -1.21% (next-cycle recession scenario). All three scenarios are shown below in Chart 7.

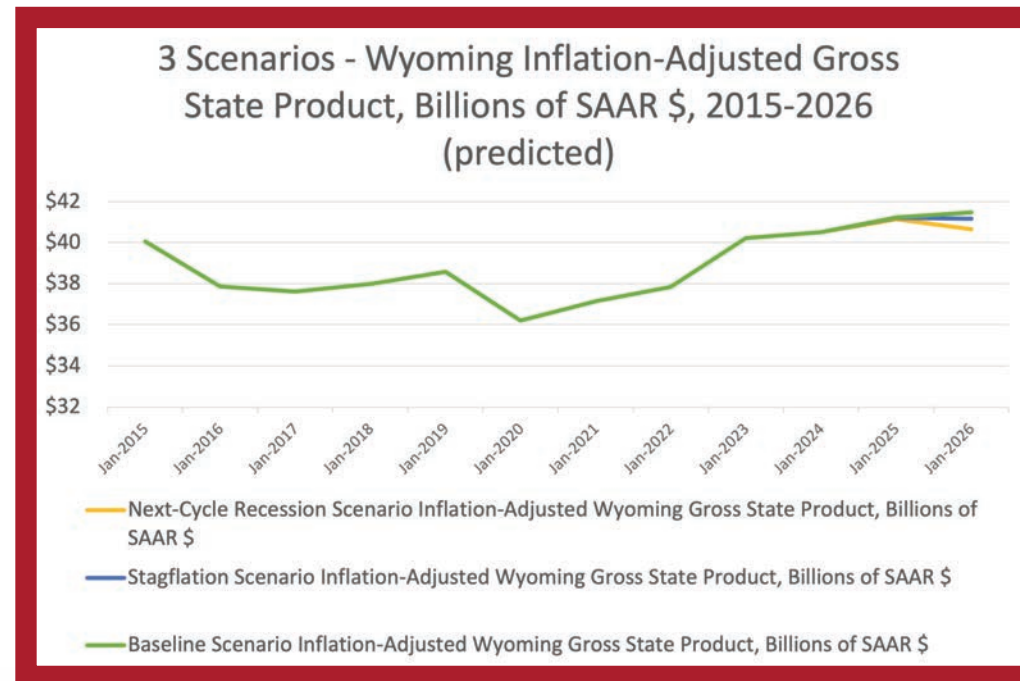


Chart 7

Gross State Product by industry over time is shown below in Chart 8.

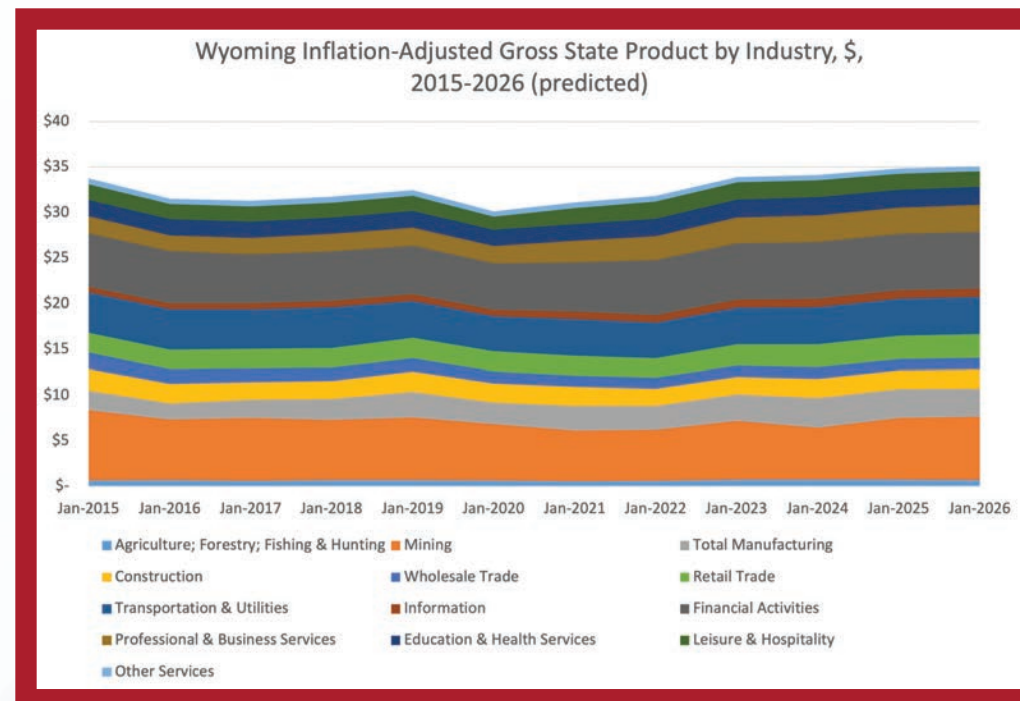


Chart 8



The largest contributor to GSP in 2026 is expected to be the mining sector, followed by financial activities, transportation and utilities, and manufacturing. This illustrates the higher total value of the goods produced by these sectors. Chart 9 below shows the 2026 predicted contributions to Wyoming's GSP by each sector.

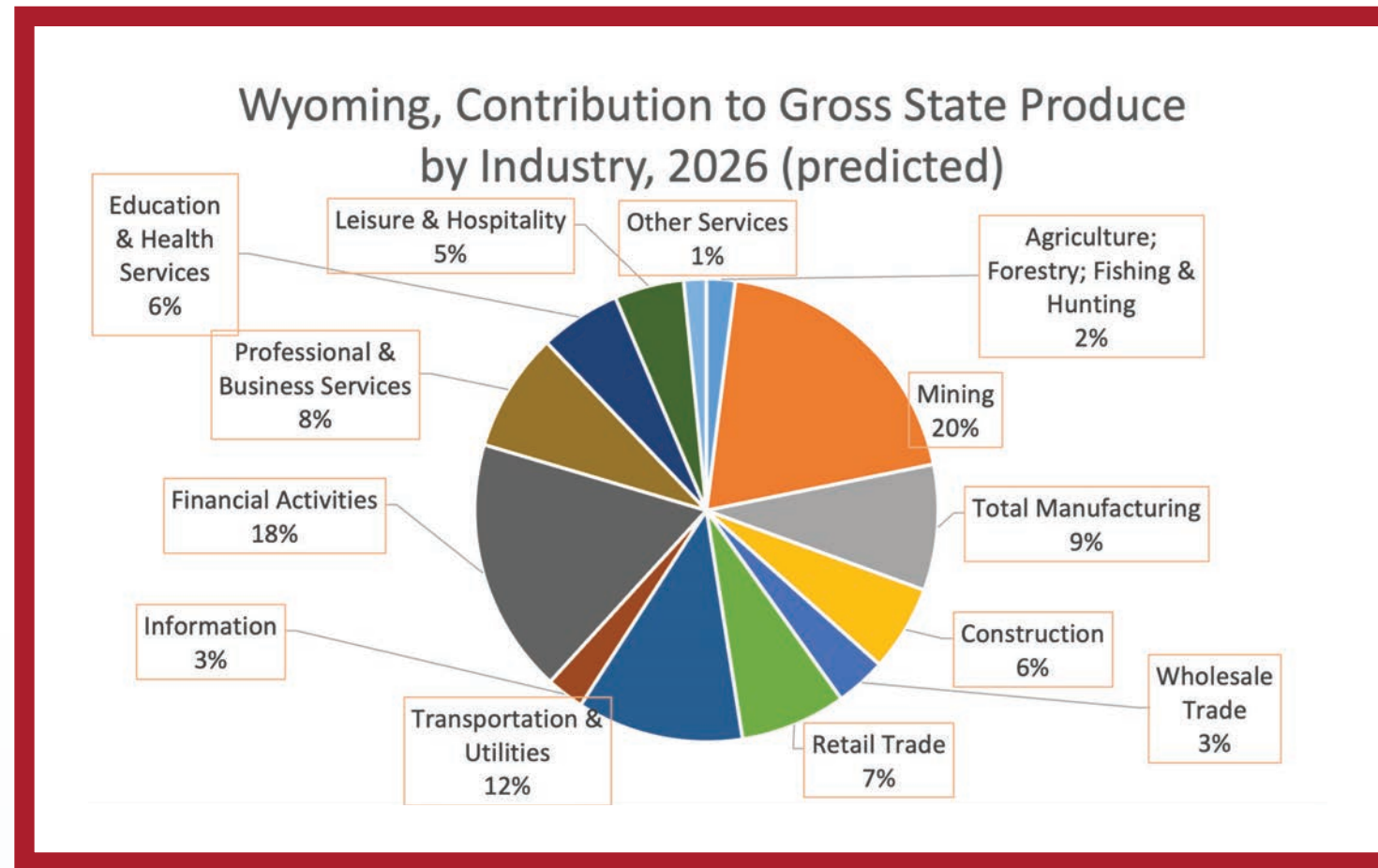


Chart 9

The number of people in the Wyoming labor force is expected to decrease slightly in 2026, as is the number of people employed, as shown below in Chart 10. The unemployment rate is expected to be around 3.7% in 2025, a slight increase, and the labor force participation rate is expected to decline, illustrated in Chart 11.

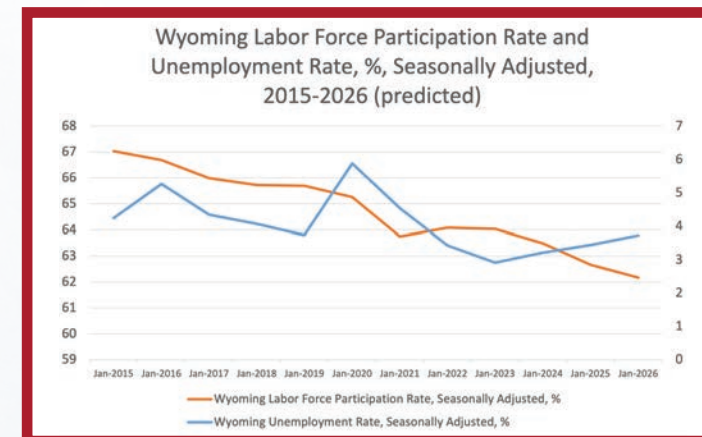
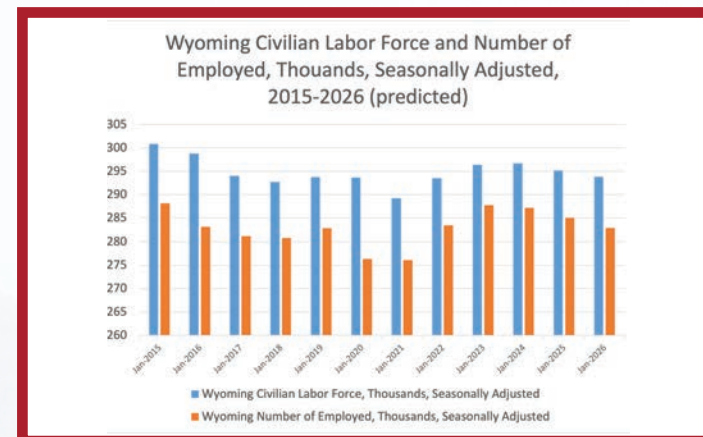


Chart 10 Chart 11



Income for Wyomingites and Mountain Division states, as measured by average nominal household income, for the past decade and predicted for 2026 are shown below in Chart 12. Chart 13 illustrates inflation-adjusted per capita income for Wyoming and the Mountain Division.



Chart 12 Chart 13

Wyoming's population and the number of households through 2026 (predicted) are shown in Chart 14 below.

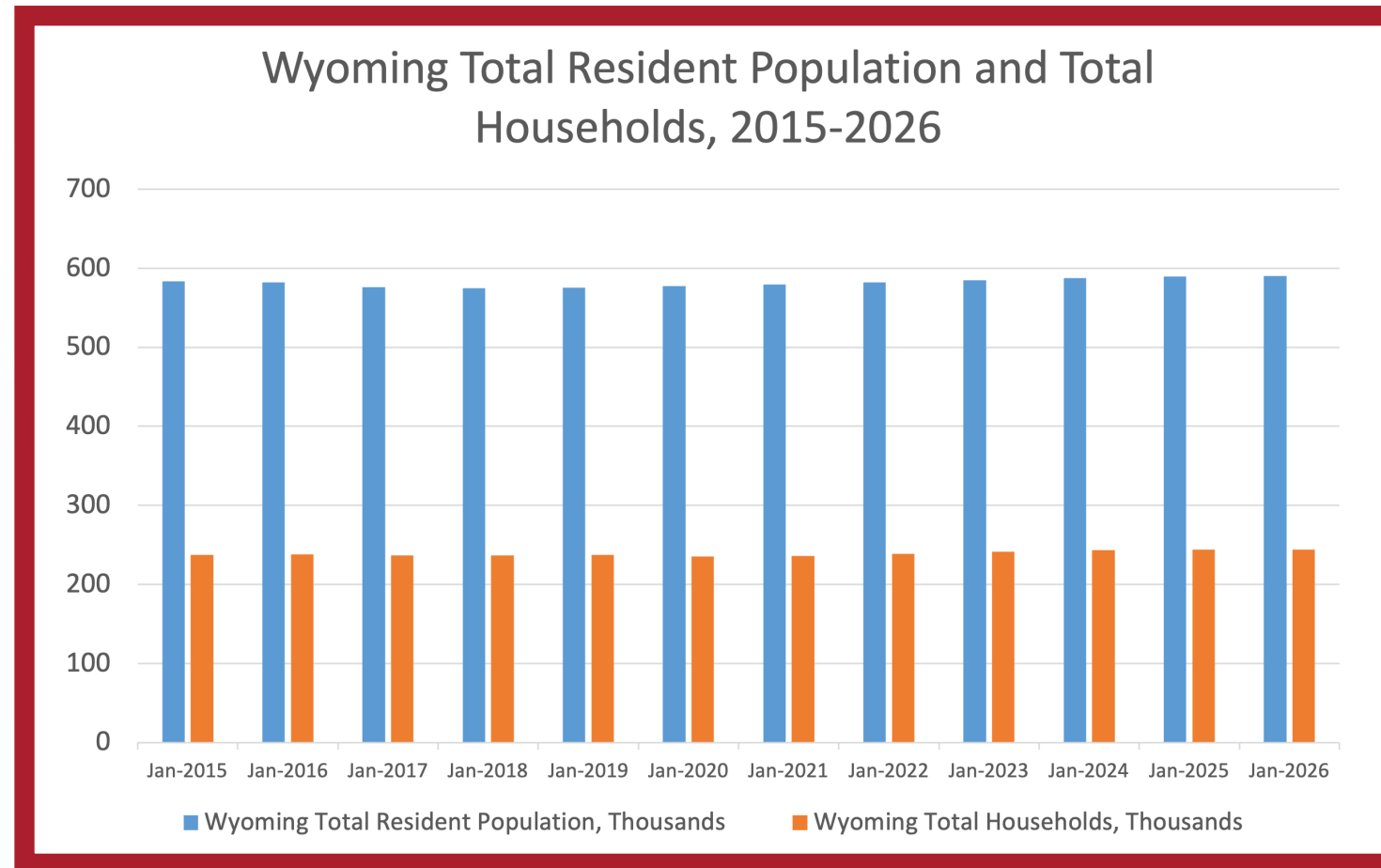


Chart 14

As shown in Chart 14, the population of Wyoming, along with the number of households in the state, is expected to slightly increase in 2025. Net migration into the state has fallen this year, and this trend is expected to continue in 2026. Our forecast tool indicates net outmigration starting in 2027.

Chart 15 illustrates the changing demographics of the state, while Chart 16 shows the forecasted age profile for the state in 2026. The age profile of the state continues to become older; the number of older Wyoming residents (65 years old and over) are expected to continue driving population growth, with this demographic expected to increase over 3% in 2026. On the other hand, the



populations of residents 0-4 (-1.0% decline), 5-19 (-1.4% decline), 20-24 (-0.7% decline), and 25-44 (-0.6% decline), and 45-64 (-0.03%) years old are expected to decline between 2025 and 2026. In addition, according to recent data released by the U.S. Census Bureau⁶³, eleven Wyoming counties have population age profiles with the number of those 65 years or older is equal to or greater than the number of those who are 18 years old or younger. Those counties – Goshen, Hot Springs, Johnson, Niobrara, Park, Platte, Sheridan, Sublette, Teton, Washakie, and Weston – will face unique challenges in their economies because of this.

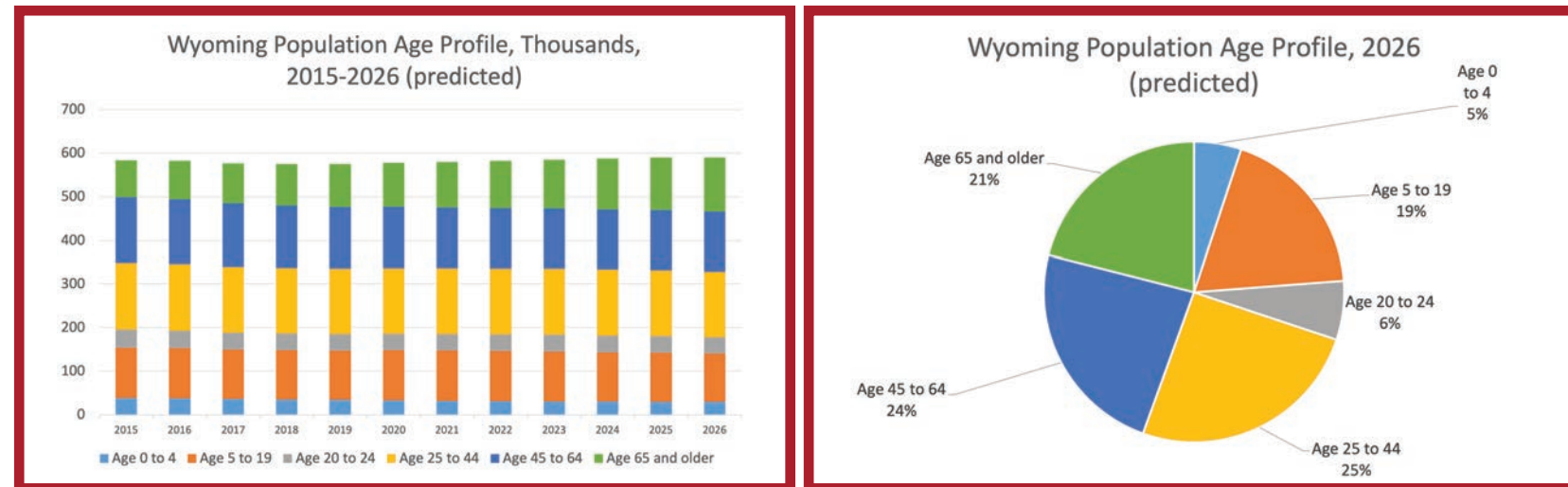


Chart 15 Chart 16

The implications of our aging population are broad reaching. The K-12 school age student population will be impacted in both the near- and long-term; the workforce necessary for economic growth and the number of potential entrepreneurs and small business owners will decline. In fact, according to the most recent study released by the Western Interstate Commission for Higher Education (WICHE), the total number of high school graduates is likely to have peaked this year nationwide, and in Wyoming is expected to decline by 23% by 2041. Nationwide, the expected decline is 10%.

Across the state, communities are struggling with housing stock and sufficiency for workforce. Chart 17 and Chart 18 below show trends and the forecast for 2026 for the number of housing permits and completions for single-family and multi-family housing. A slight increase in permits is predicted for 2026; the number of starts for single-family homes are expected to rise while starts for multi-family homes is expected to decline slightly. This indicates that, in the near term, housing sufficiency will remain a challenge.



Chart 17 Chart 18

⁶³ <https://www.census.gov/newsroom/press-releases/2025/older-adults-outnumber-children.html>



Charts 19 and 20 below illustrate the volume of sales for existing single-family homes and the median price for existing single-family homes. While sales and prices statewide have stopped escalating as quickly, we expect that housing prices will continue to rise. Chart 21 shows the ratio of median single-family home prices to average household income in Wyoming.

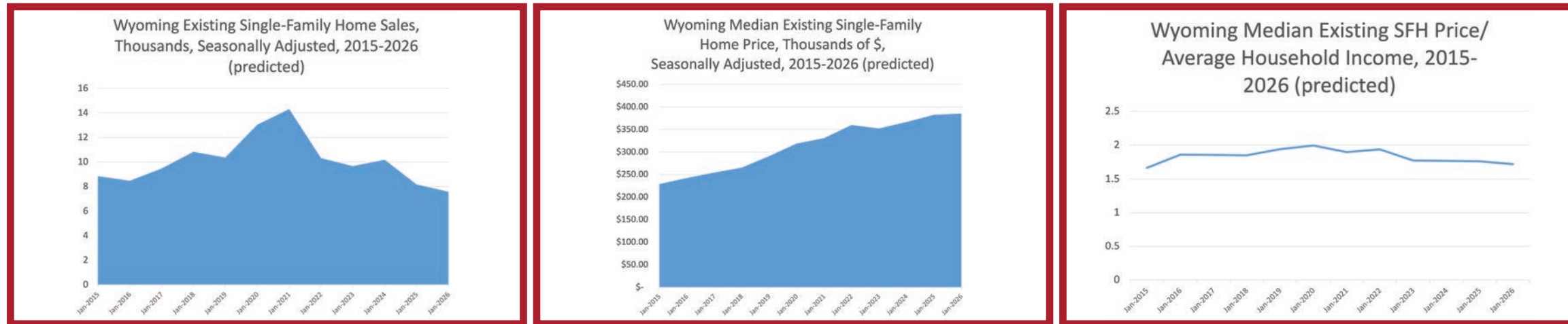


Chart 19 Chart 20 Chart 21

Chart 22 illustrates the conventional mortgage terms for all mortgage loans. As this chart shows, we expect mortgage rates to continue to be elevated in 2026 (6.7%). This forecast could change depending on Federal Reserve interest rate policies.



Chart 22



Finally, Charts 23-27 show various measures of consumer financial health. Given the rise in forecasted delinquencies and bankruptcies, we could be heading into an economic slowdown in Wyoming, mirroring the national forecast; however, we also expect a small decline in consumer credit balances, a decline in debt-to-income ratios, and an increase in financial institution deposits, indicating Wyoming consumers are still in a healthy spot and could weather such a downturn.

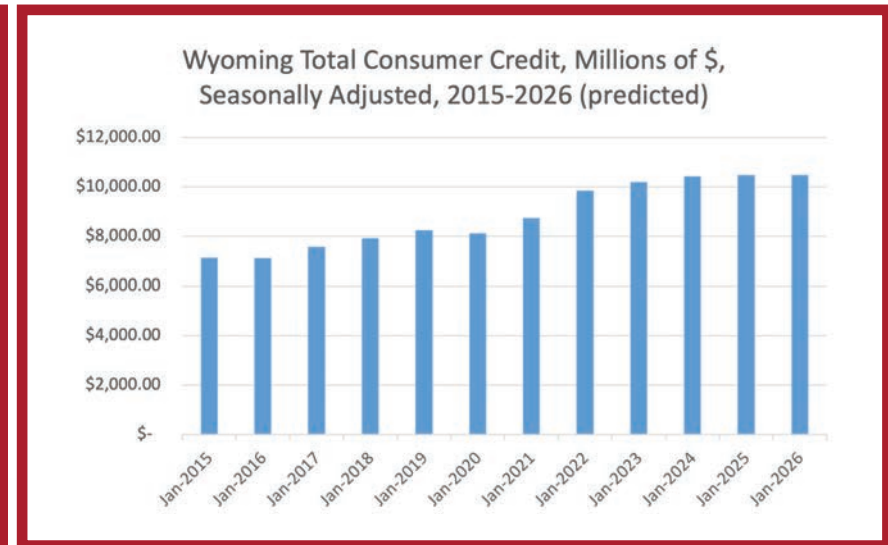
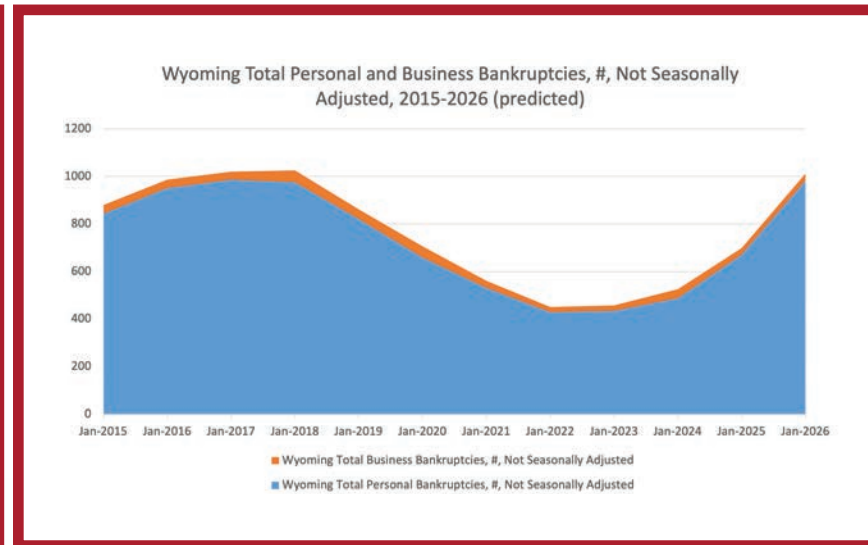
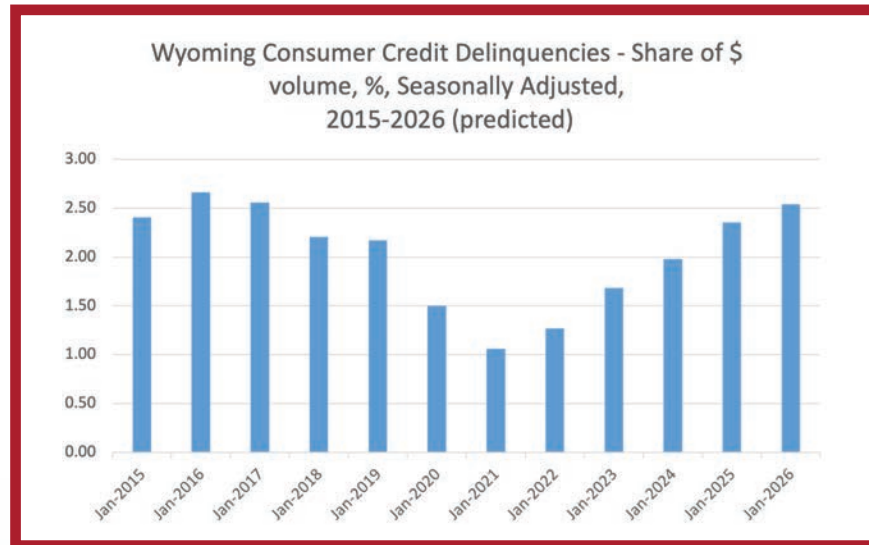


Chart 23 Chart 24 Chart 25

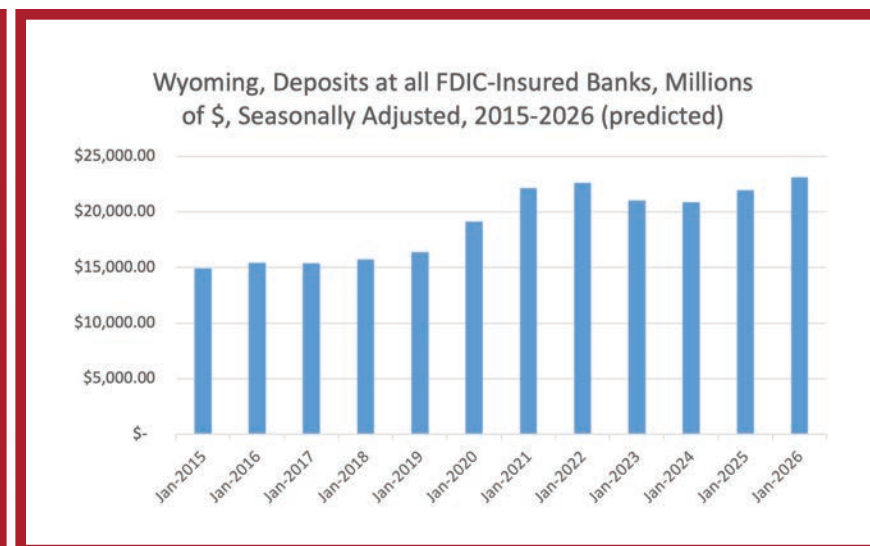
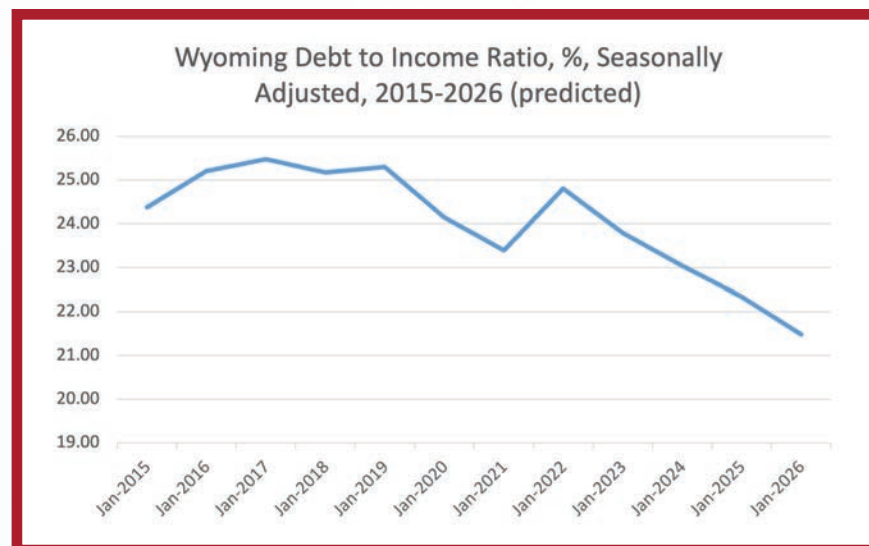


Chart 26 Chart 27



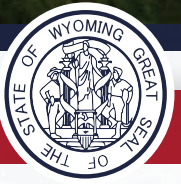
INTERNATIONAL TRADE -

The international trade environment continues to be fluid at the time of this writing; since Wyoming is heavily reliant on international trade, this environment contributes to a cloudy outlook for the state. Wyoming's exports in 2024 were \$2.1 billion, a slight decline from the previous year but much larger than earlier in the decade. Wyoming imports were valued at \$1.32 billion in 2024, trending towards the same level as the previous 5 years. Canada remains Wyoming's largest trading partner. Soda ash continues to be the largest export from Wyoming.⁶⁴



⁶⁴ http://eativ.state.wy.us/SpecialReports/USA-WY_Trade24.pdf







UW COLLEGE OF BUSINESS

The University of Wyoming College of Business offers an education and a student experience like no other. Housed in a multi-million-dollar facility, we combine state-of-the-art technology with world-class design and functionality. We aspire to be the premier provider of ethical business leaders in accounting, administration, environment, ethics, finance, management, marketing and beyond.

The College of Business is committed to equipping our students with a degree and knowledge in sustainable business practices to benefit the state of Wyoming and our nation. Our students leave prepared to pursue meaningful, impactful careers.

As an AACSB - Accredited Business School - a standard of quality and excellence held by fewer than 5% of business schools worldwide - UW students are guaranteed an education that meets industry expectations and prepares you to make an immediate impact. Every business major will walk away with a toolbelt ready for any business endeavor.

UW CENTER FOR BUSINESS & ECONOMIC ANALYSIS

The Center for Business and Economic Analysis (CBEA) supports the economic growth and diversification of Wyoming's economy through applied economic and business analytics for communities, industries, and entrepreneurs who desire a thriving and prosperous Wyoming. The center was established in 2019 as a unit within the College of Business at the University of Wyoming. CBEA is a member of the Association for University Business and Economic Research (AUBER).

THANK YOUS & PARTNERS

The UW CBEA is indebted to our partner, the Wyoming Business Alliance, for allowing us to partner with them on the Voices of Business tour across Wyoming, which was invaluable in developing this year's economic outlook for Wyoming. We are also grateful to them for providing us with a forum to present the outlook at the Governor's Business Forum.





College of Business
Center for Business
and Economic Analysis