



**Spears School
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Oklahoma Economic Outlook 2017

by Dan Rickman

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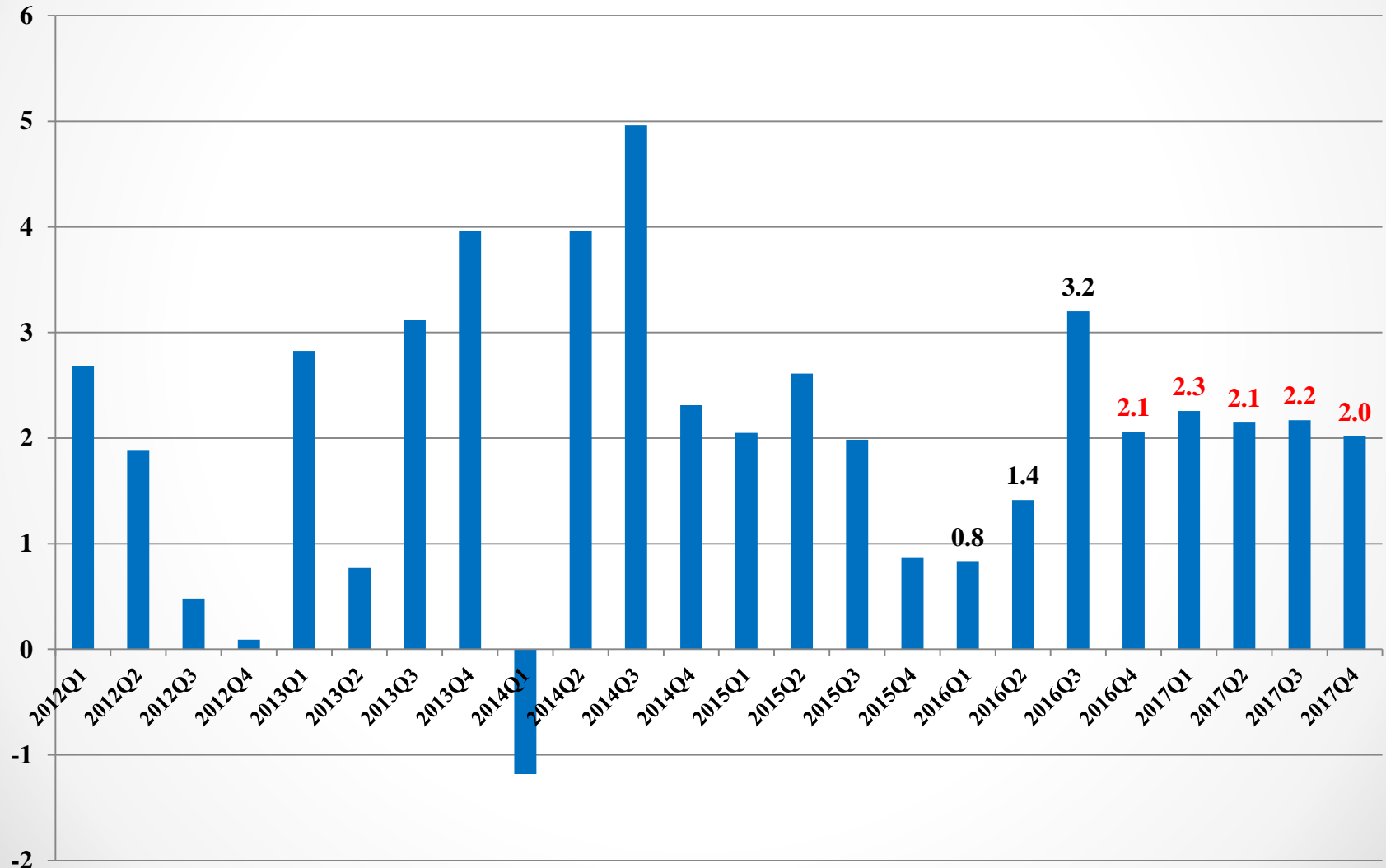


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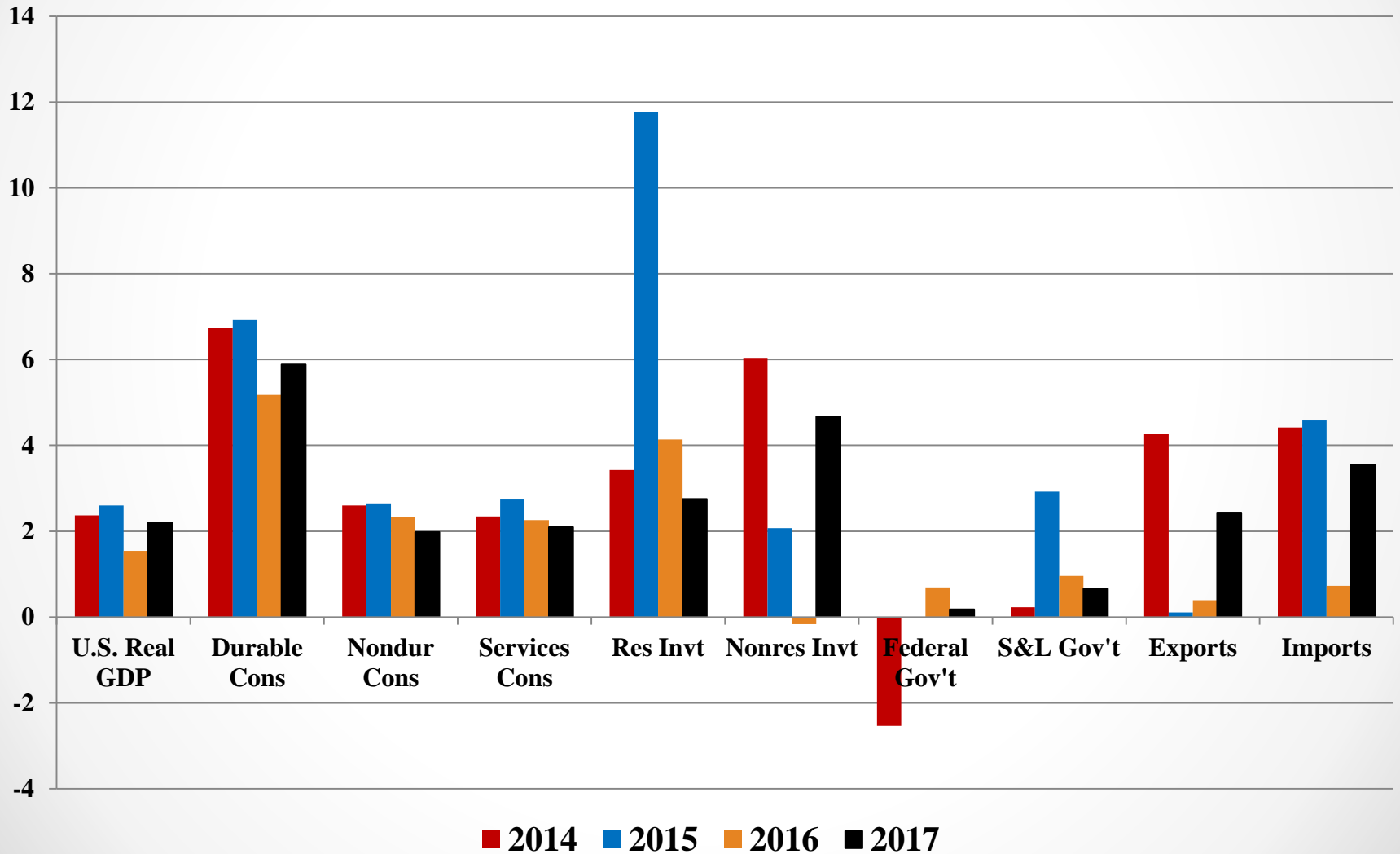
**Center for Applied
Economic Research**

<http://economy.okstate.edu/>

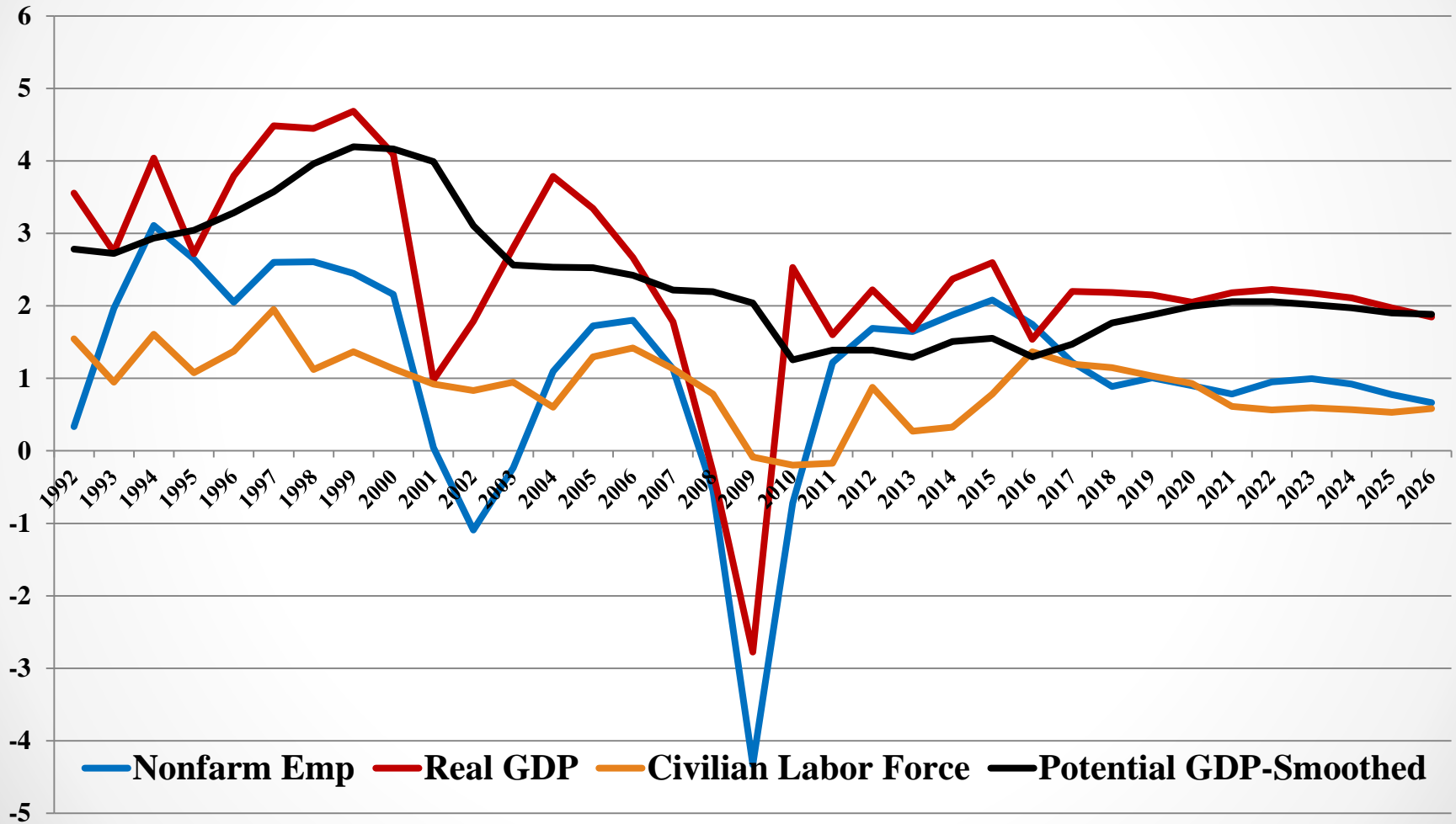
U.S. Real Gross Domestic Product Growth (%): IHS Global Insight, Inc. November Forecast



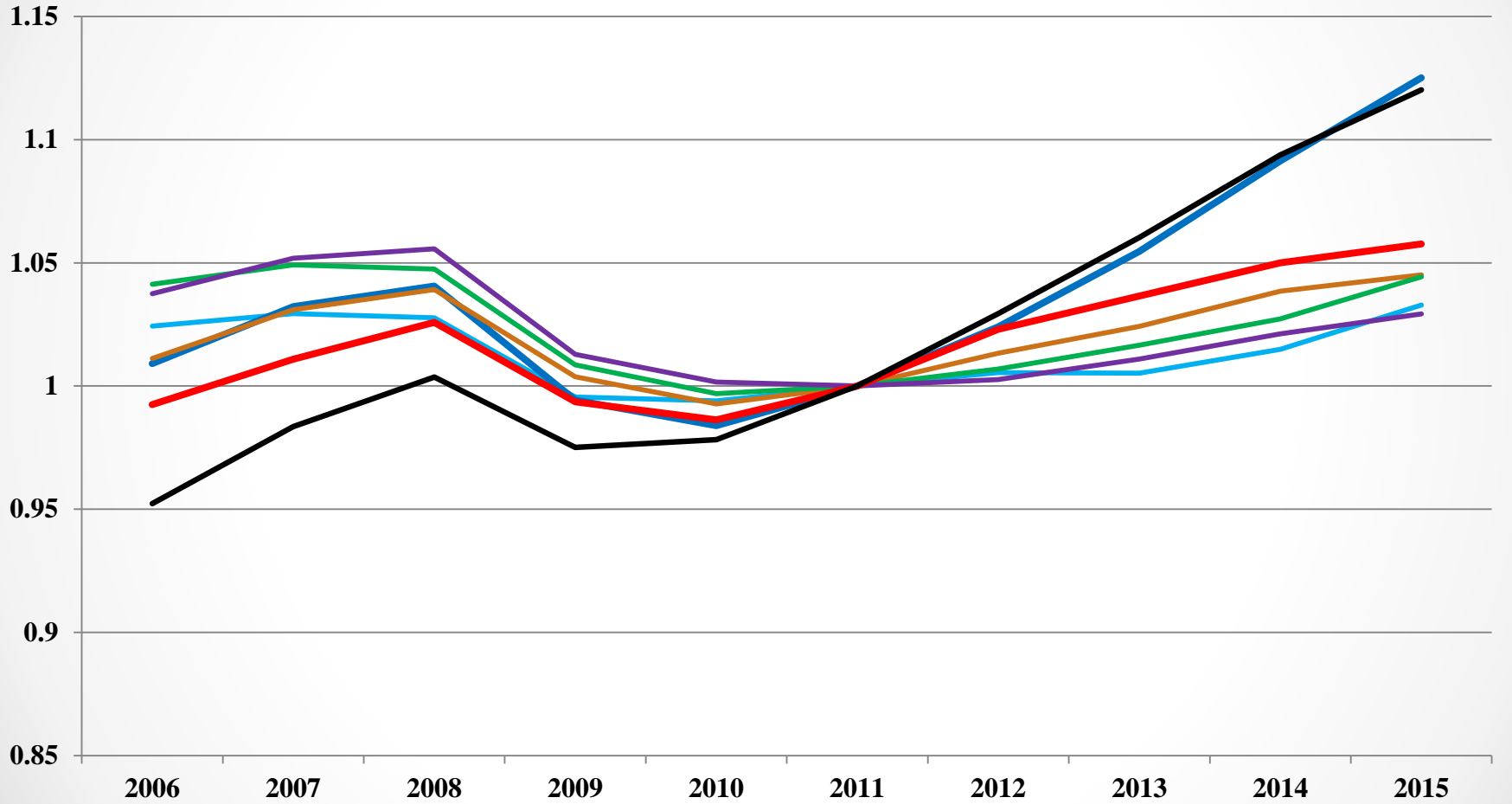
IHS Forecasted Annual U.S. Real GDP Growth (%): Major Components



U.S. Potential GDP Growth (%): Employment and Labor Force Growth Constraint (IHS Global Insight, Inc.)



QCEW Annual Employment (2011=1)



— Arkansas — Colorado — Kansas — Missouri — New Mexico — Oklahoma — Texas

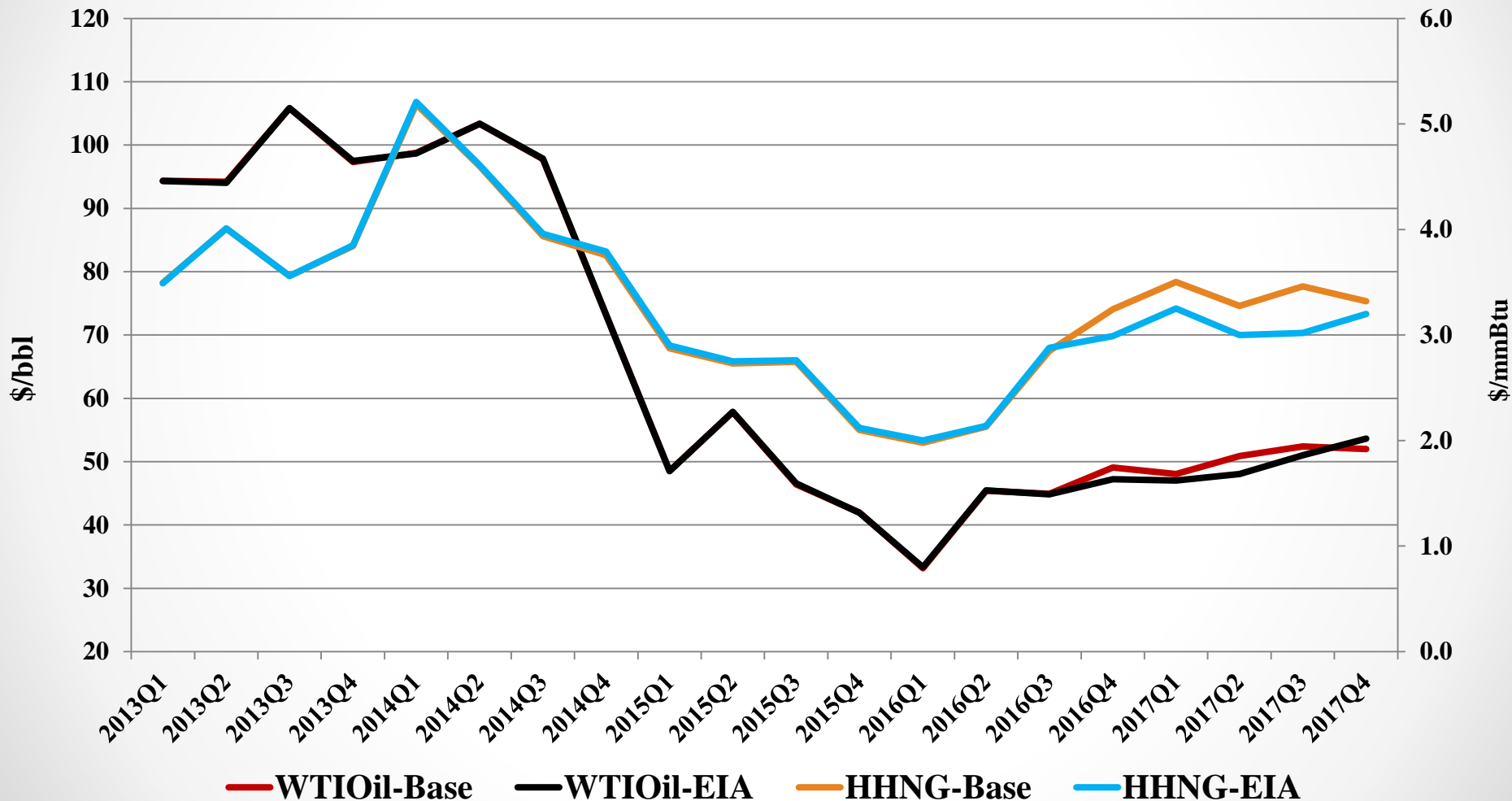
VARIABLE	REGRESSIONS		
	BEA Total Emp 2014-2015	BEA W&S Emp 2014-2015	QCEW Emp 2015-2016 (March)
Natural Amenity Ranking	0.41 (4.04)	0.52 (4.06)	0.48 (2.32)
Rural-Urban Continuum	-0.30 (3.31)	-0.36 (3.13)	-0.45 (2.40)
Energy State	-0.86 (3.45)	-0.99 (3.14)	-2.63 (5.17)
Farm State	0.37 (1.04)	0.61 (1.36)	0.25 (0.34)
Manufacturing State	-0.05 (0.15)	0.01 (0.03)	-0.16 (0.26)
R-Squared	0.60	0.57	0.58

Energy: AK, CO, LA, MT, ND, OK, TX, WV, WY

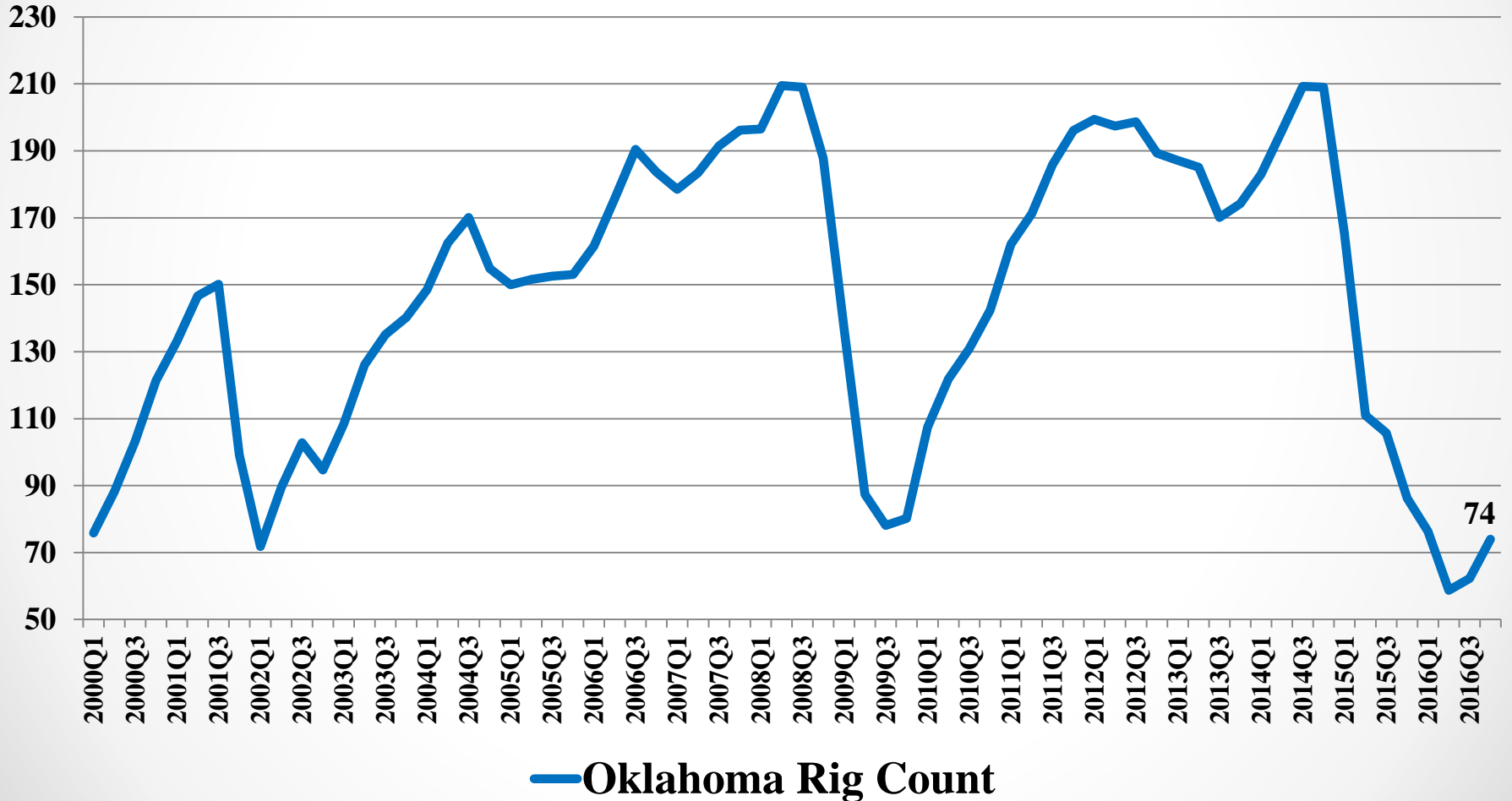
Farm: IA, MT, NE, ND, SD

Manufacturing: IL, IN, MI, OH, PA, WI

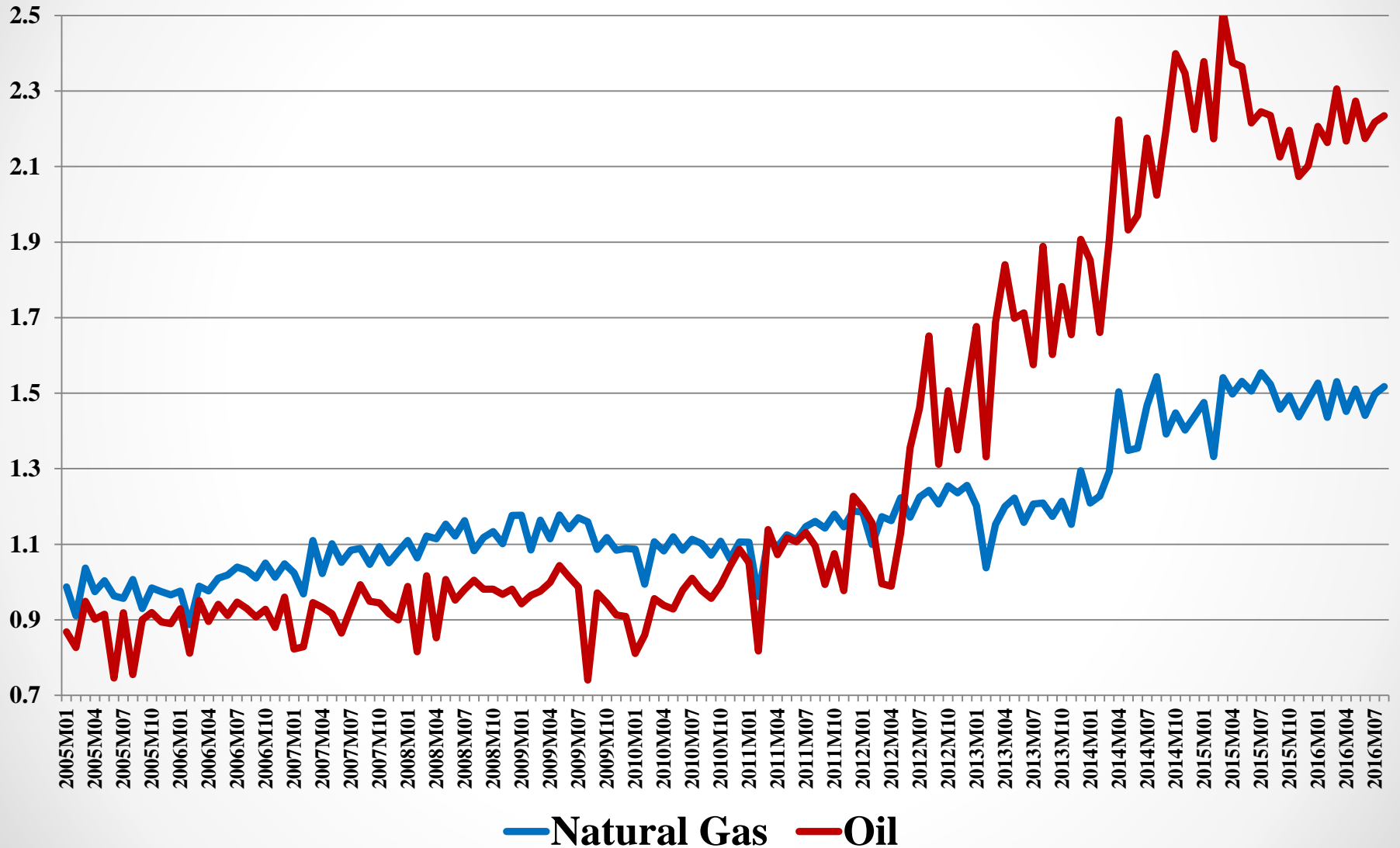
Energy Prices (Base: IHS Global Insight, Inc.; EIA): WTI Oil (\$/bbl); Henry Hub NG (\$/mmBtu)



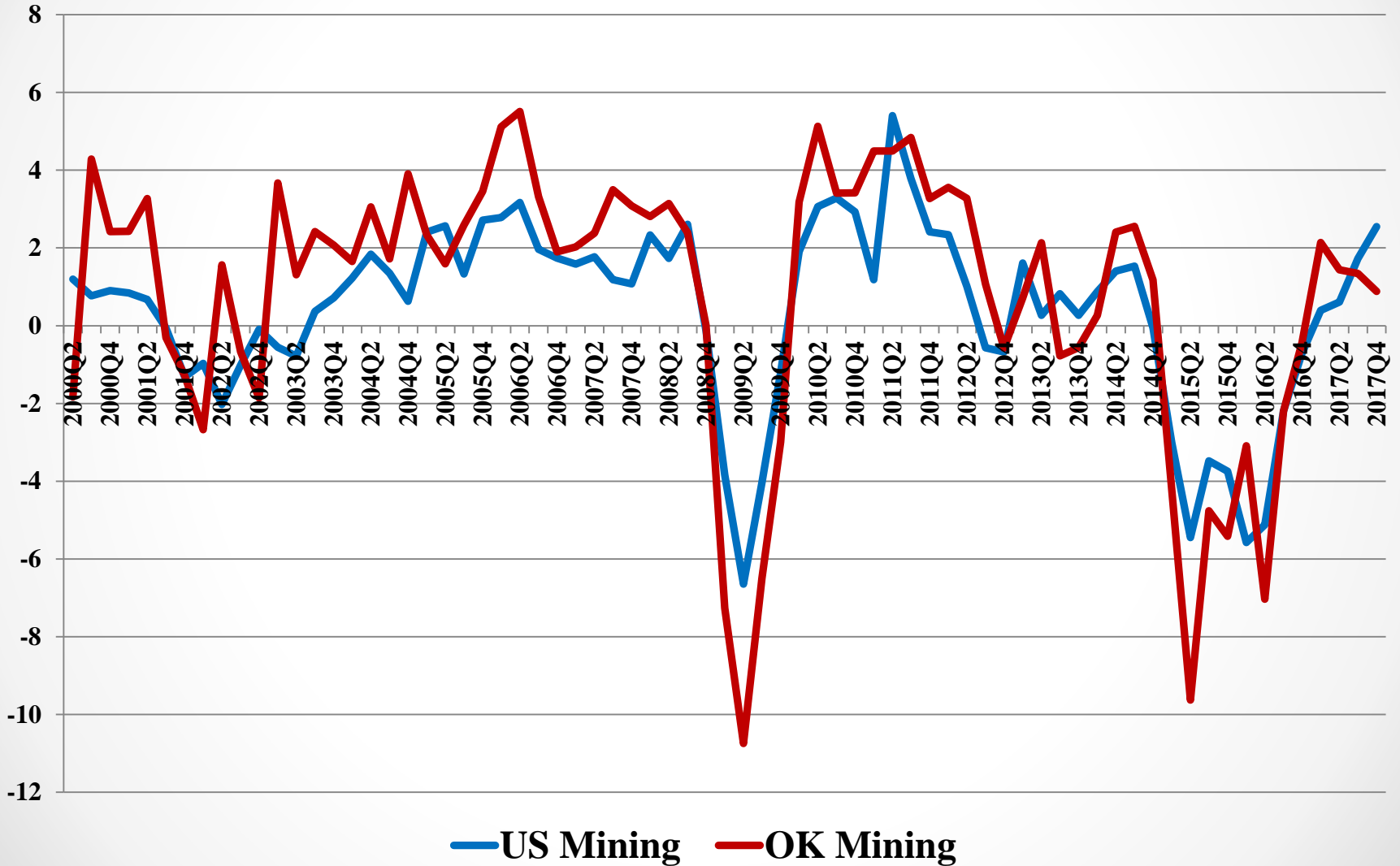
Oklahoma Rotary Rig Count (Baker Hughes): 2000:1-2016:4



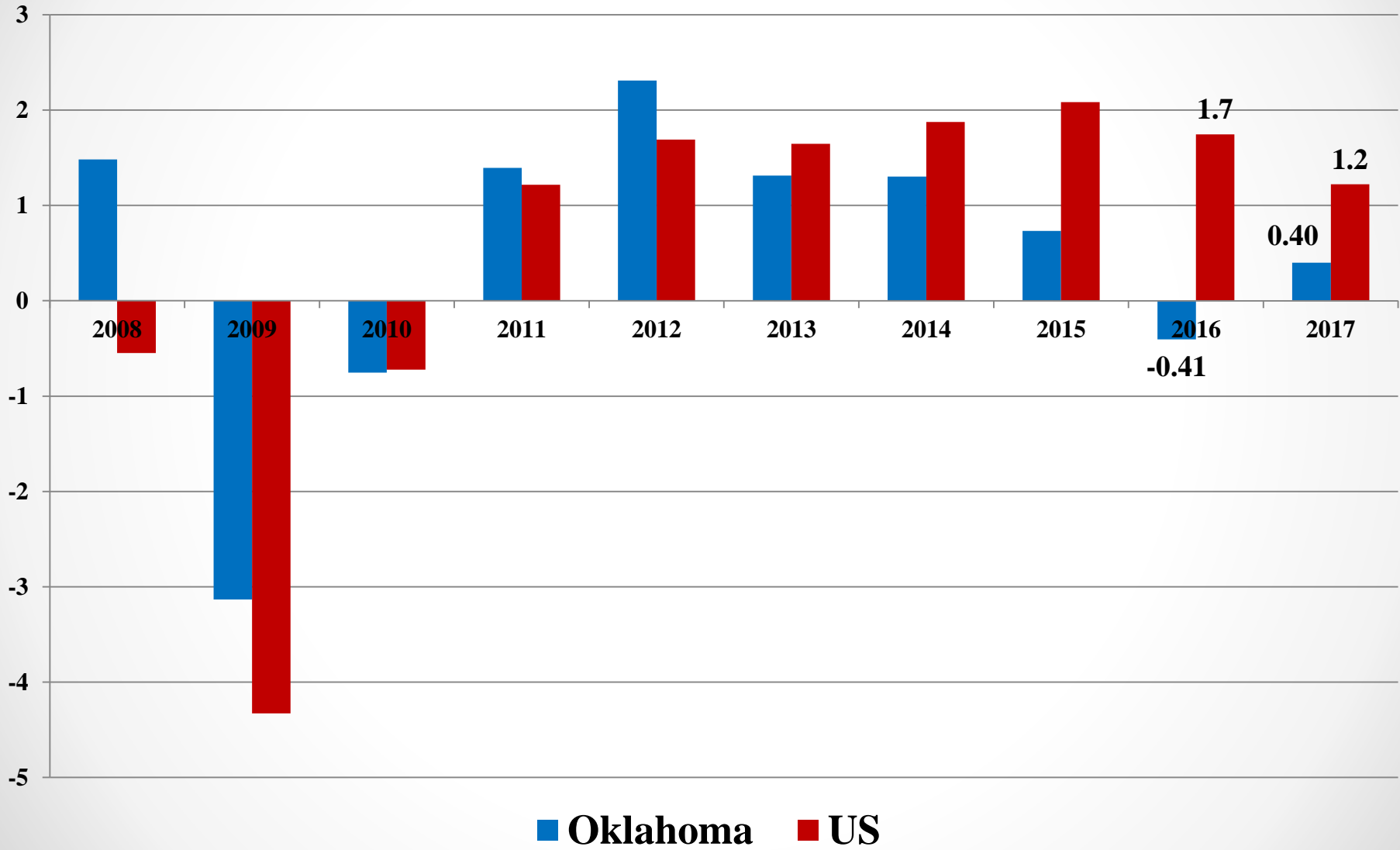
Oklahoma Energy Production (EIA): 2005:1-2016:8 (2000:1=1)



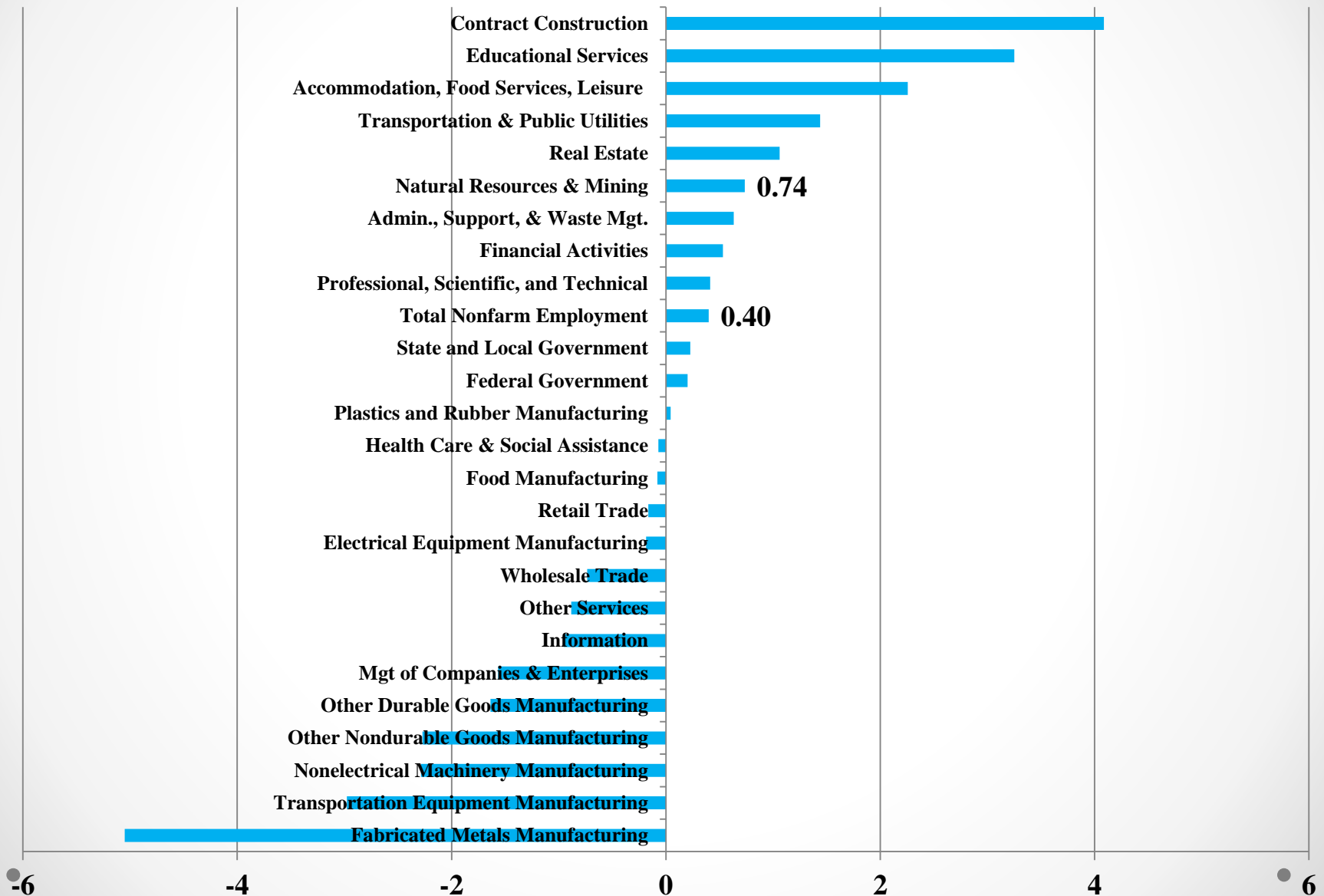
U.S. and Oklahoma Mining Employment (% Change)



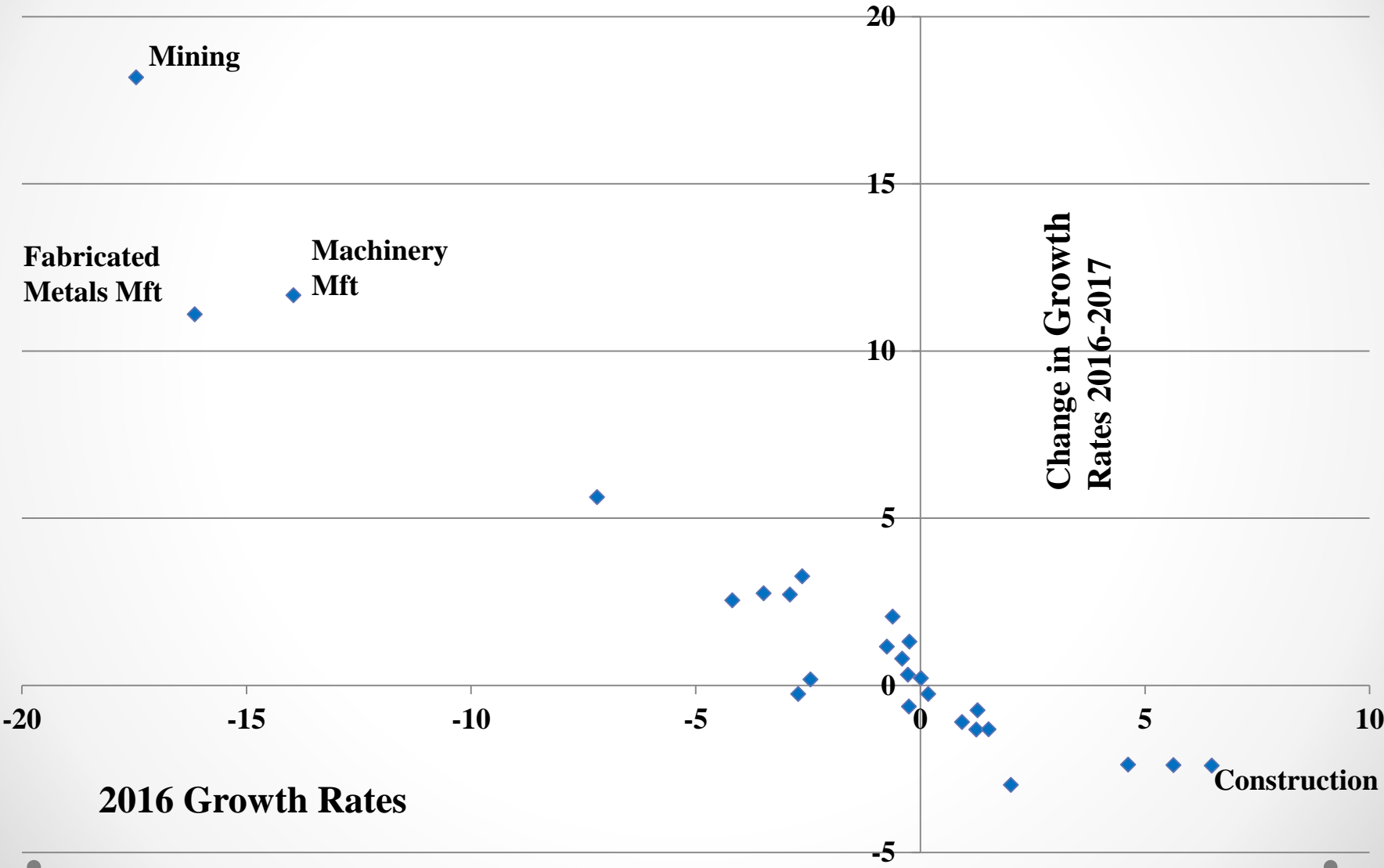
US and Oklahoma Nonfarm Employment Growth Rates



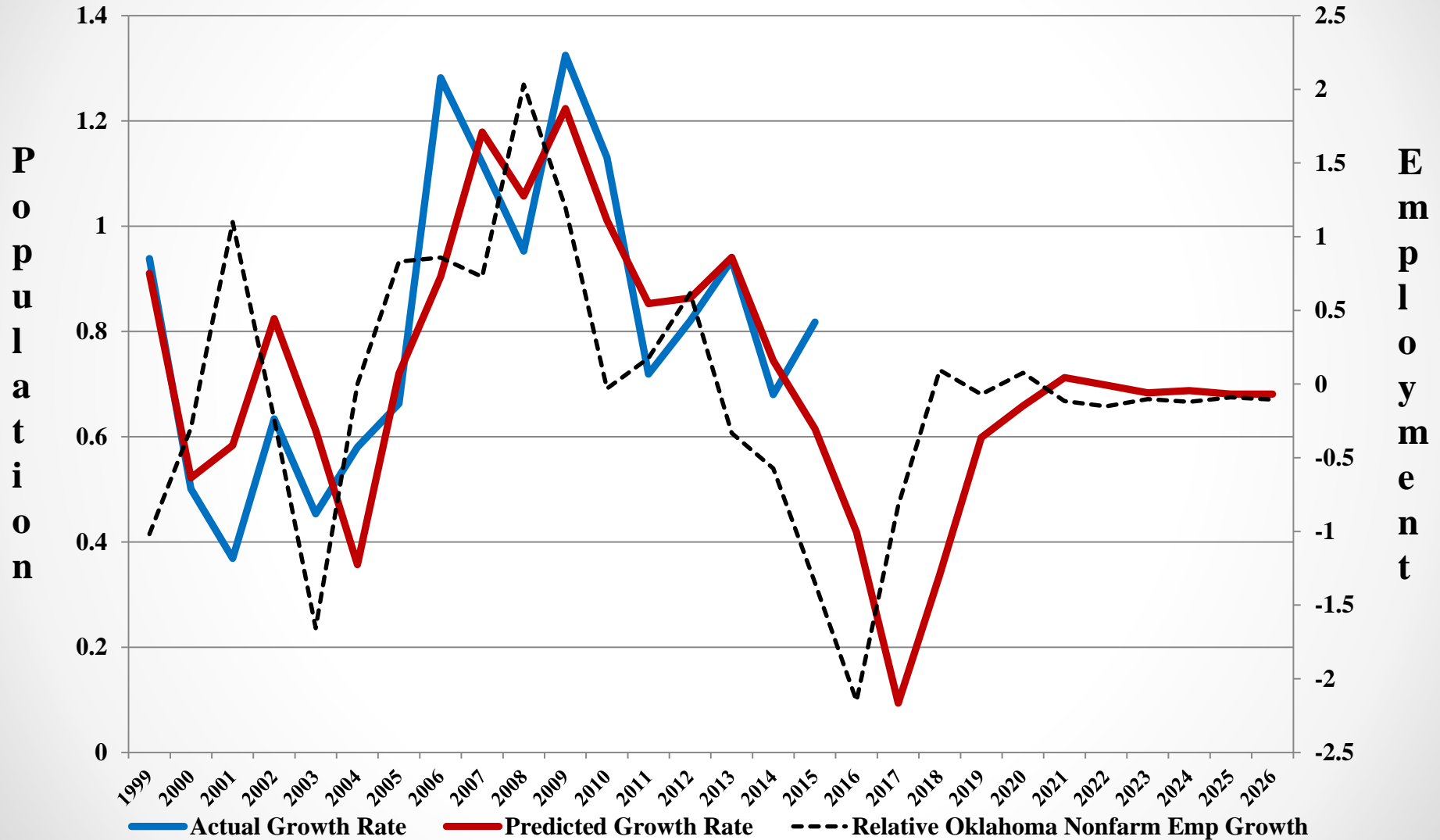
Sector Change in Oklahoma Employment (%): 2017



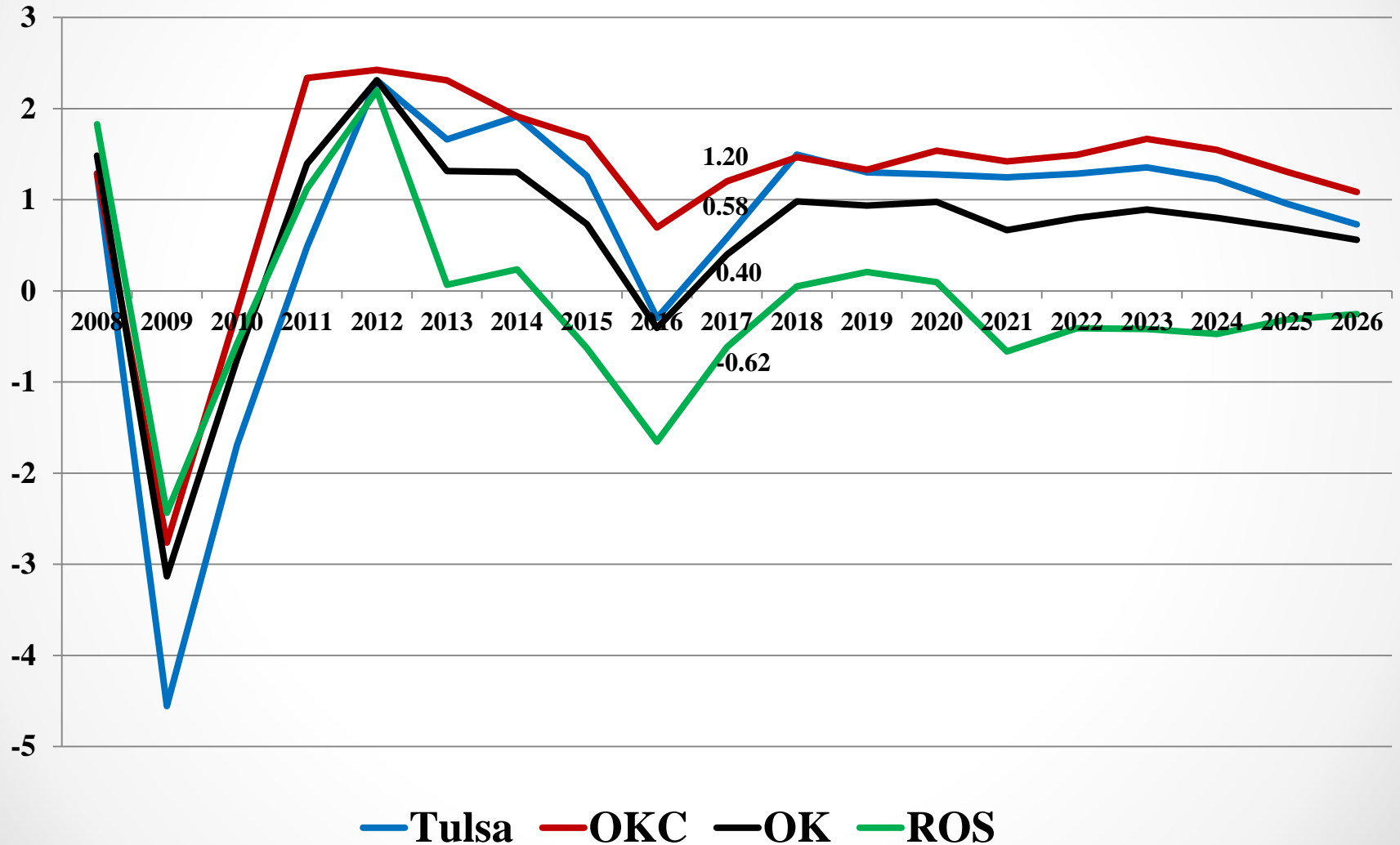
2016 Sector Employment Growth Rates and Change in Growth Rates from 2016 to 2017



Oklahoma Population Growth Rates (%)



Oklahoma Total Nonfarm Employment Growth Rates (%)



Rest-of-the-State (2015:1-2016:1 QCEW)

- Unweighted Average: All Counties (-1.5 percent)
- Lawton Metro Area (-1.1 percent)
- 25 Metro-Adjacent Counties (-0.2 percent)
- 16 Fracking Counties (-3.4 percent)
- 6 Mining Dependent Counties (-9.8 percent)
- 15 Farming Dependent Counties (-2.0 percent)
- 12 Manufacturing Dependent Counties (0.7 percent)
- 14 Government Dependent Counties (-0.3 percent)



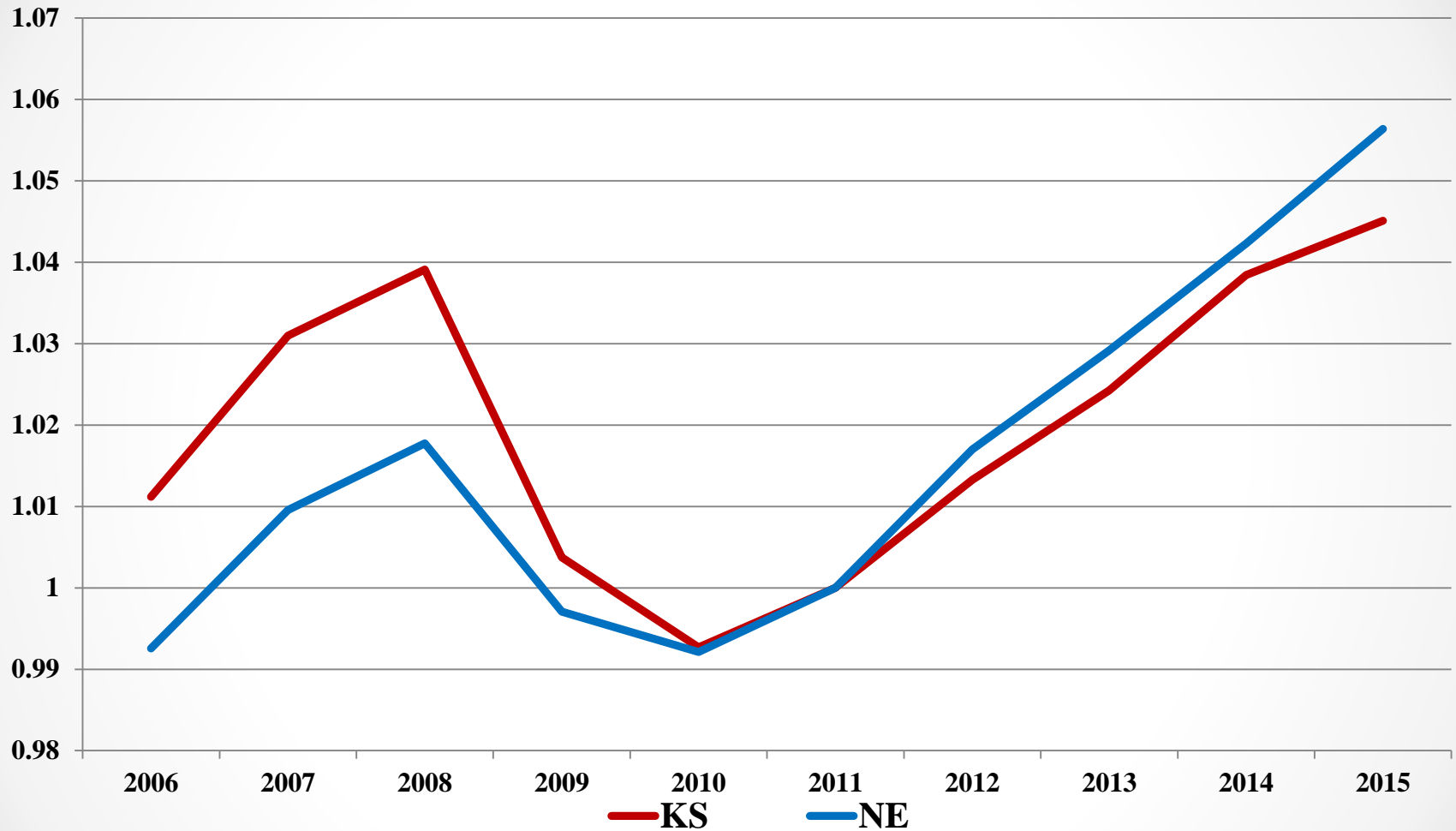
Short-Run Risks

- Political Uncertainties (new administration)
- Policy Mistakes (federal, state)
- Worldwide Energy Glut (large new discovery in the Permian Basin)

Long-Run Risks

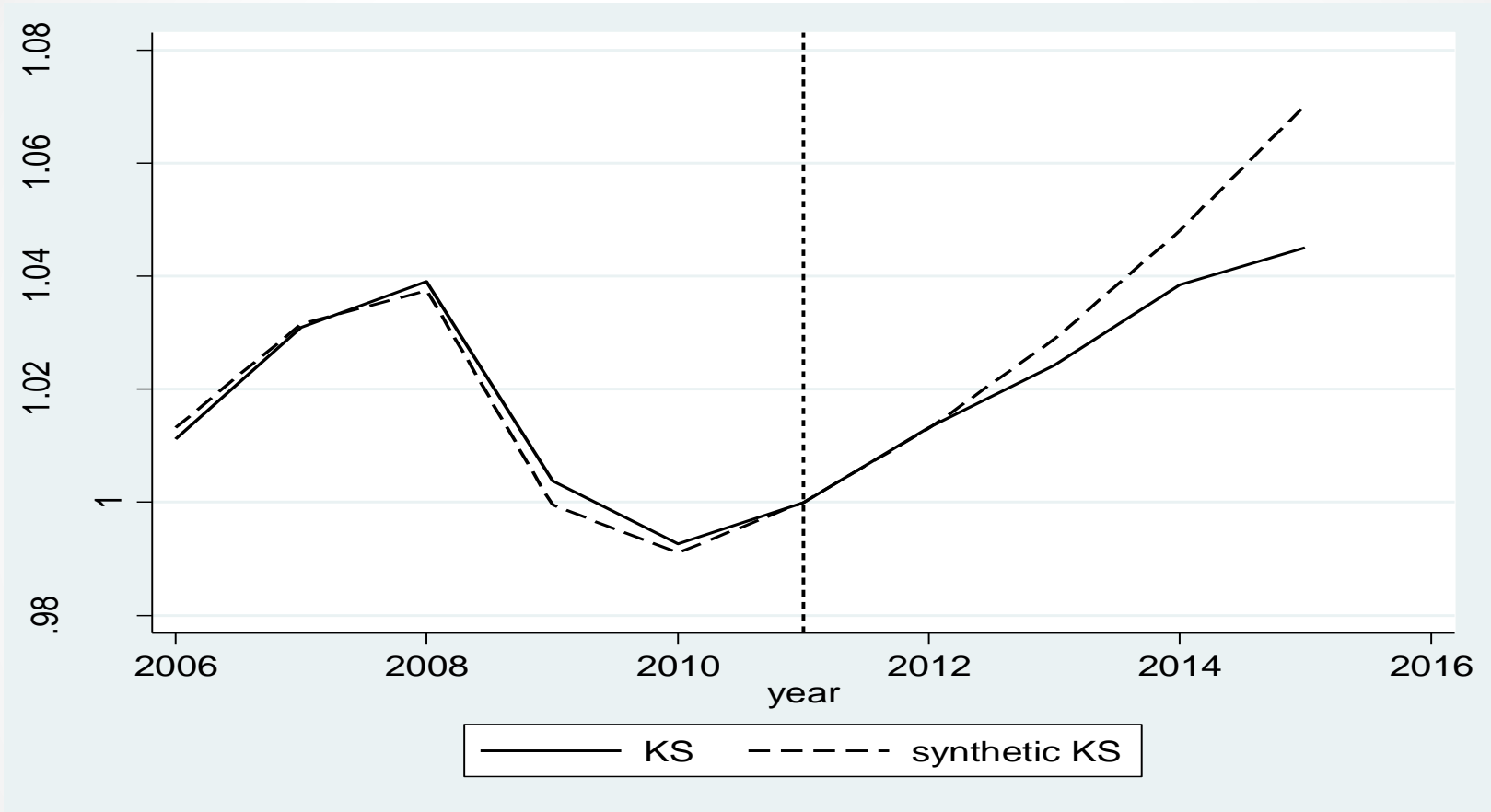
- Low teacher pay (End the tax cutting!)
- Earthquakes
- Lack of industry diversification
- Relatively less attractive to college-educated Millennials
 - entertainment establishments (-)
 - low housing prices (+)
 - high-tech presence, new economy sectors (-)
 - social tolerance (-)
 - good governance (-)

Annual Average BLS Total Nonfarm Employment (QCEW)



Source: https://economy.okstate.edu/files/NARSC-Two-Tales-of-Two-States_Presentation.pdf

BLS (QCEW) Nonfarm Employment



Synthetic KS- weighted average of other state outcomes; WA (0.46), MO (0.34), SD (0.2)
More similar to Kansas than Nebraska in terms of industry composition (more mft and less farming than NE), educational attainment, and less rural than Nebraska

20 Fastest Growing of 50 Largest Metro Areas 2011-2015 BEA Employment Growth (OKC: 8.3%; Tulsa: 6.9%)

Nashville-Davidson--Murfreesboro--Franklin, TN	14.80%
Raleigh, NC	14.53%
Miami-Fort Lauderdale-West Palm Beach, FL	14.25%
Denver-Aurora-Lakewood, CO	13.80%
Houston-The Woodlands-Sugar Land, TX	13.49%
Dallas-Fort Worth-Arlington, TX	13.20%
Charlotte-Concord-Gastonia, NC-SC	13.12%
Los Angeles-Long Beach-Anaheim, CA	12.83%
Las Vegas-Henderson-Paradise, NV	12.20%
Sacramento--Roseville--Arden-Arcade, CA	11.89%
San Antonio-New Braunfels, TX	11.84%
Atlanta-Sandy Springs-Roswell, GA	11.76%
Seattle-Tacoma-Bellevue, WA	11.64%
Tampa-St. Petersburg-Clearwater, FL	11.58%
Salt Lake City, UT	11.39%
Phoenix-Mesa-Scottsdale, AZ	11.23%
San Diego-Carlsbad, CA	10.64%
Portland-Vancouver-Hillsboro, OR-WA	10.63%
Jacksonville, FL	9.86%
Columbus, OH	9.55%

Thank you for your attention