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Oklahoma Economic Outlook 2014

by Dan Rickman

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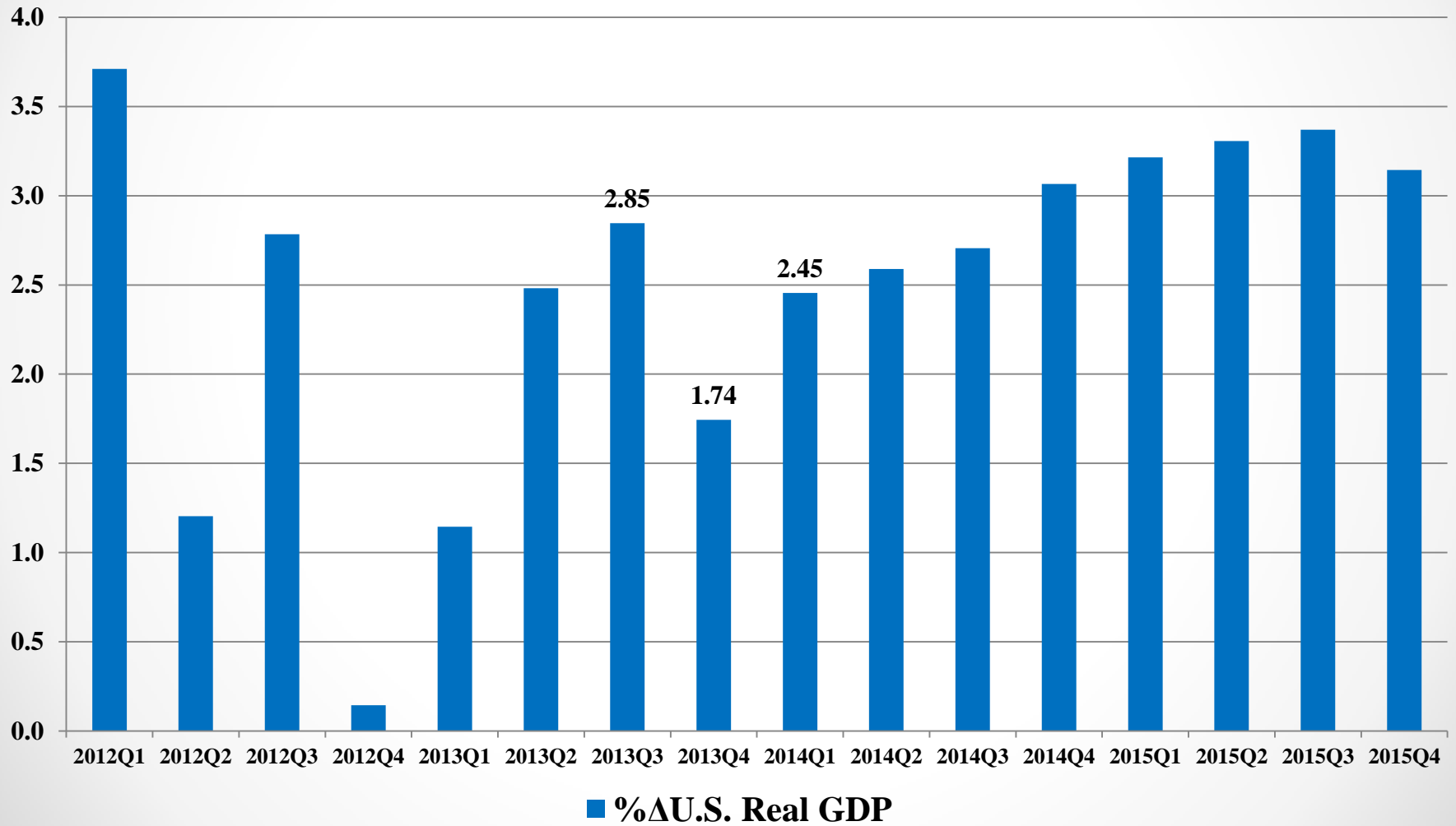
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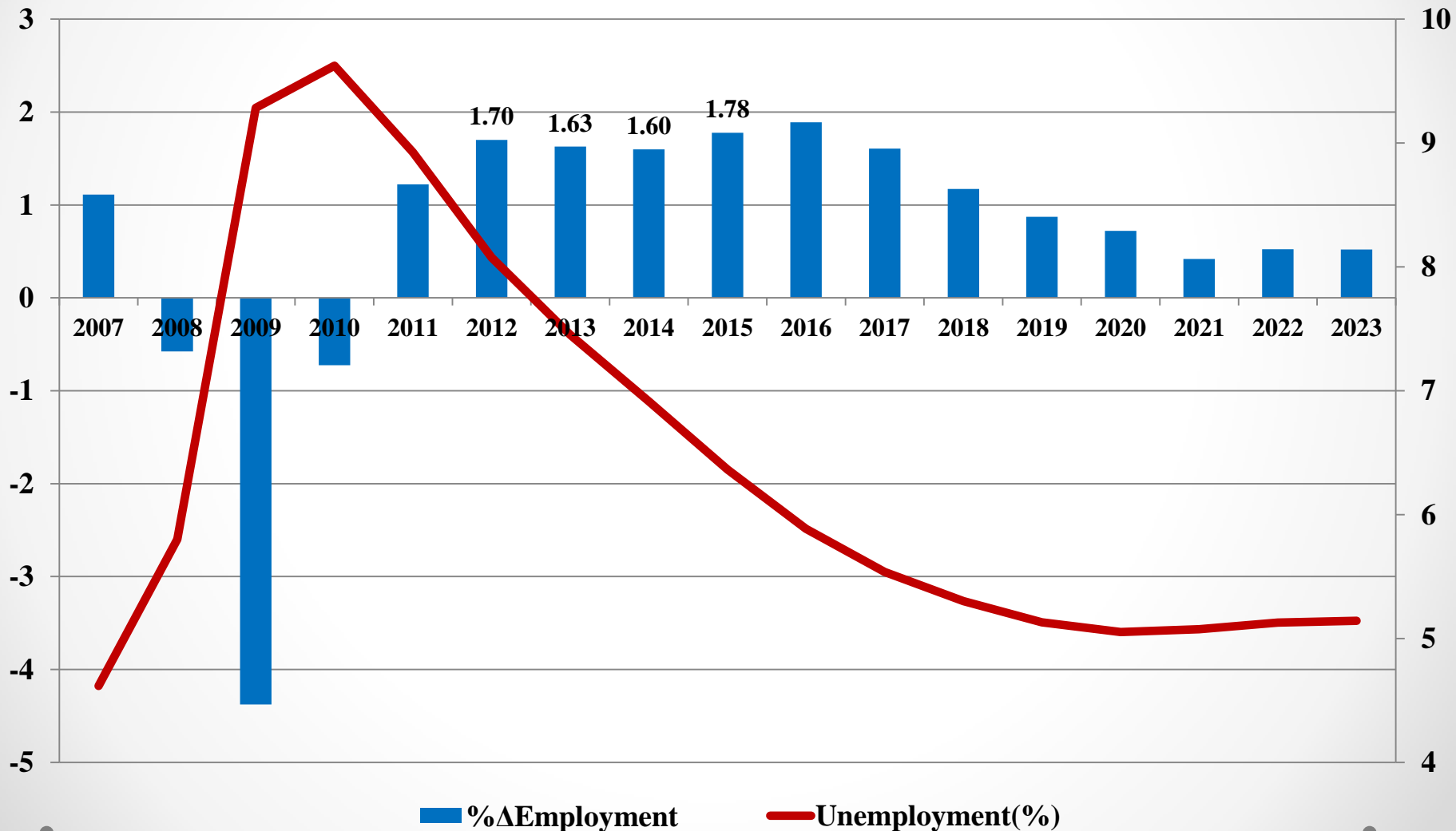
<http://economy.okstate.edu/>

Quarterly U.S. Real GDP Growth: IHS Global Insight, Inc.

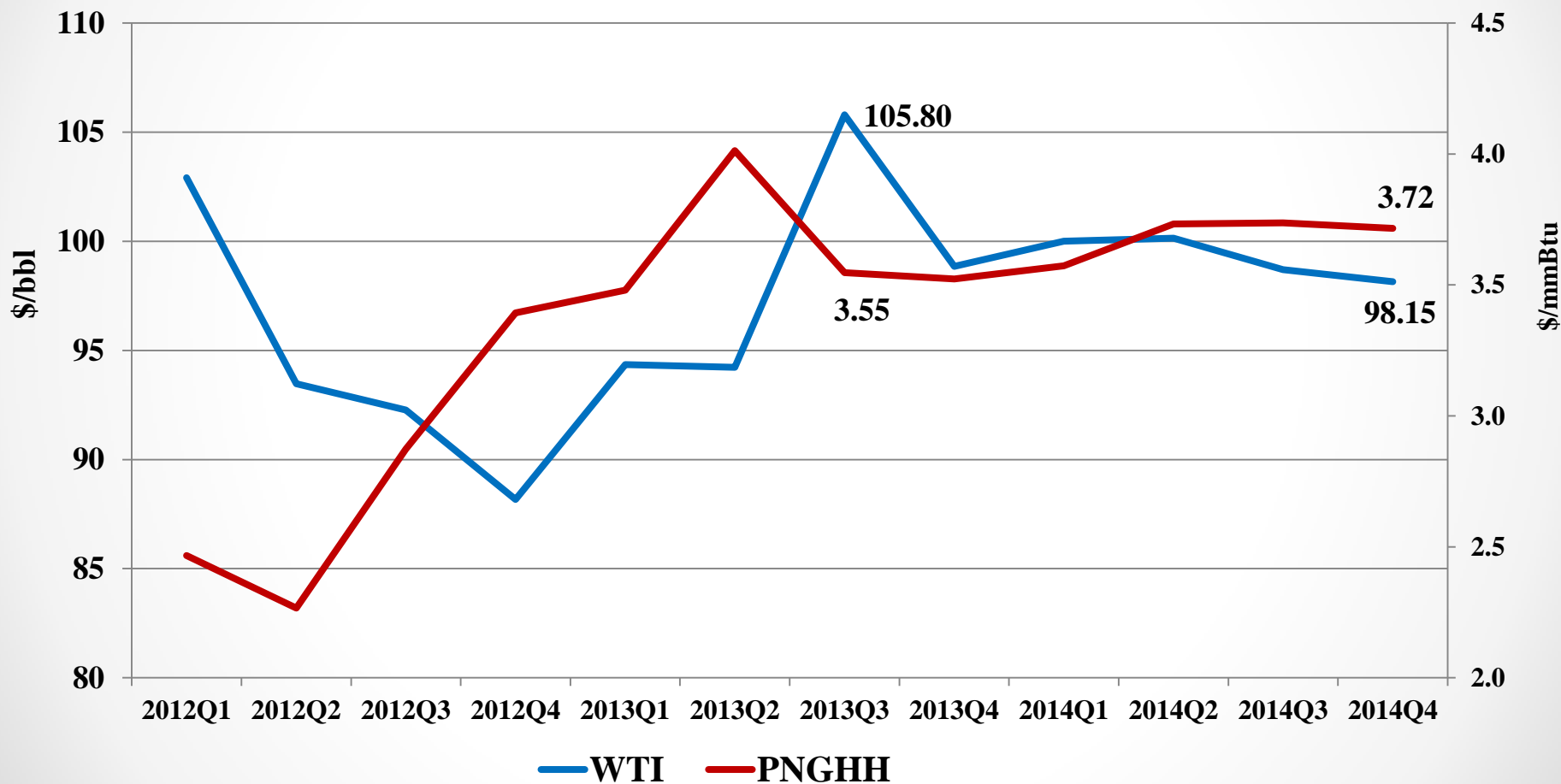
(% Annualized Growth Rates)



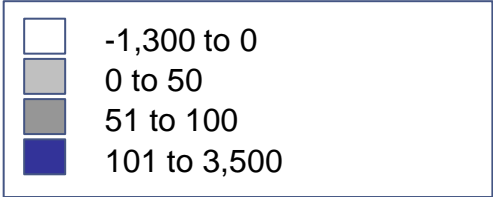
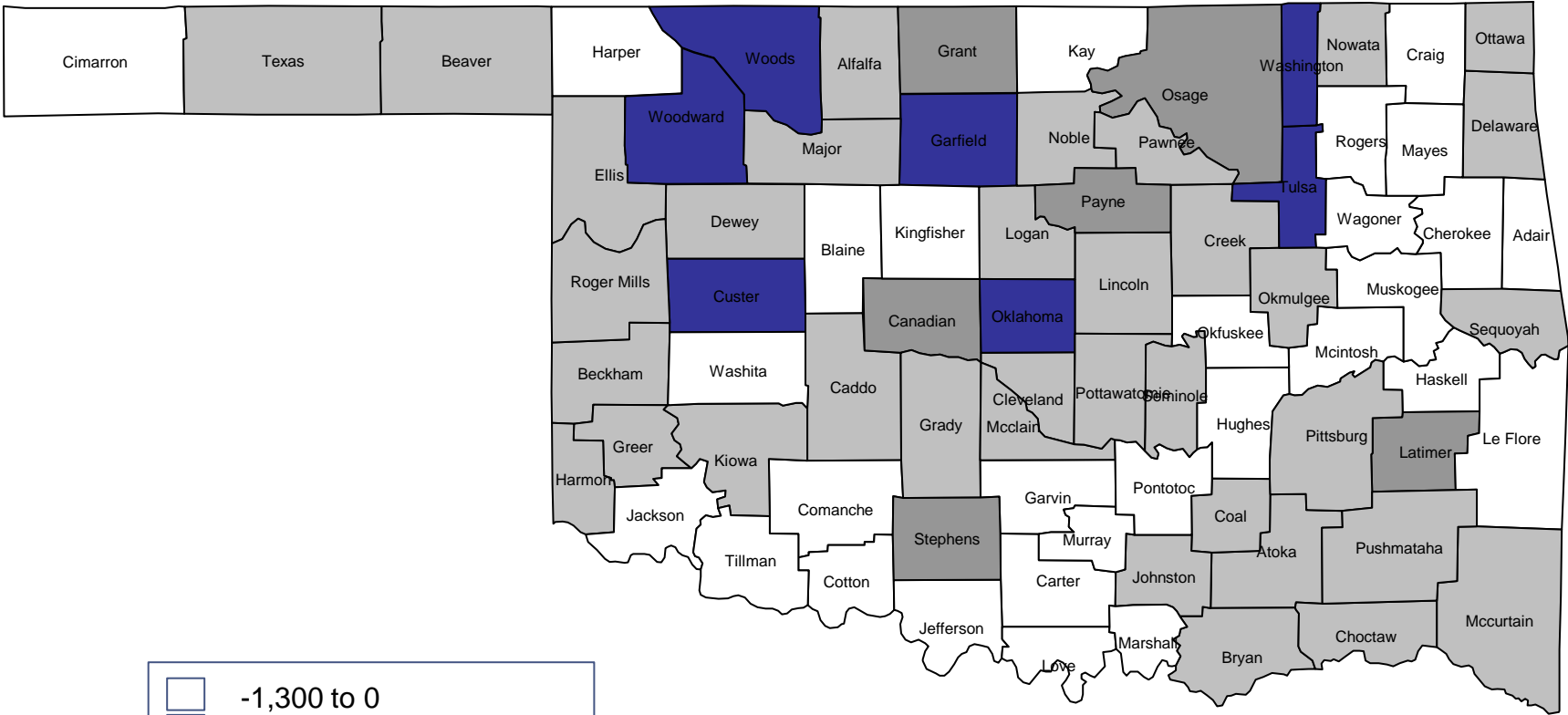
U.S. Employment Growth/Unemployment (IHS Global Insight, Inc.)



Energy Prices (IHS Global Insight, Inc.): West Texas Intermediate Oil (WTI) and Henry Hub Natural Gas (PNGHH)

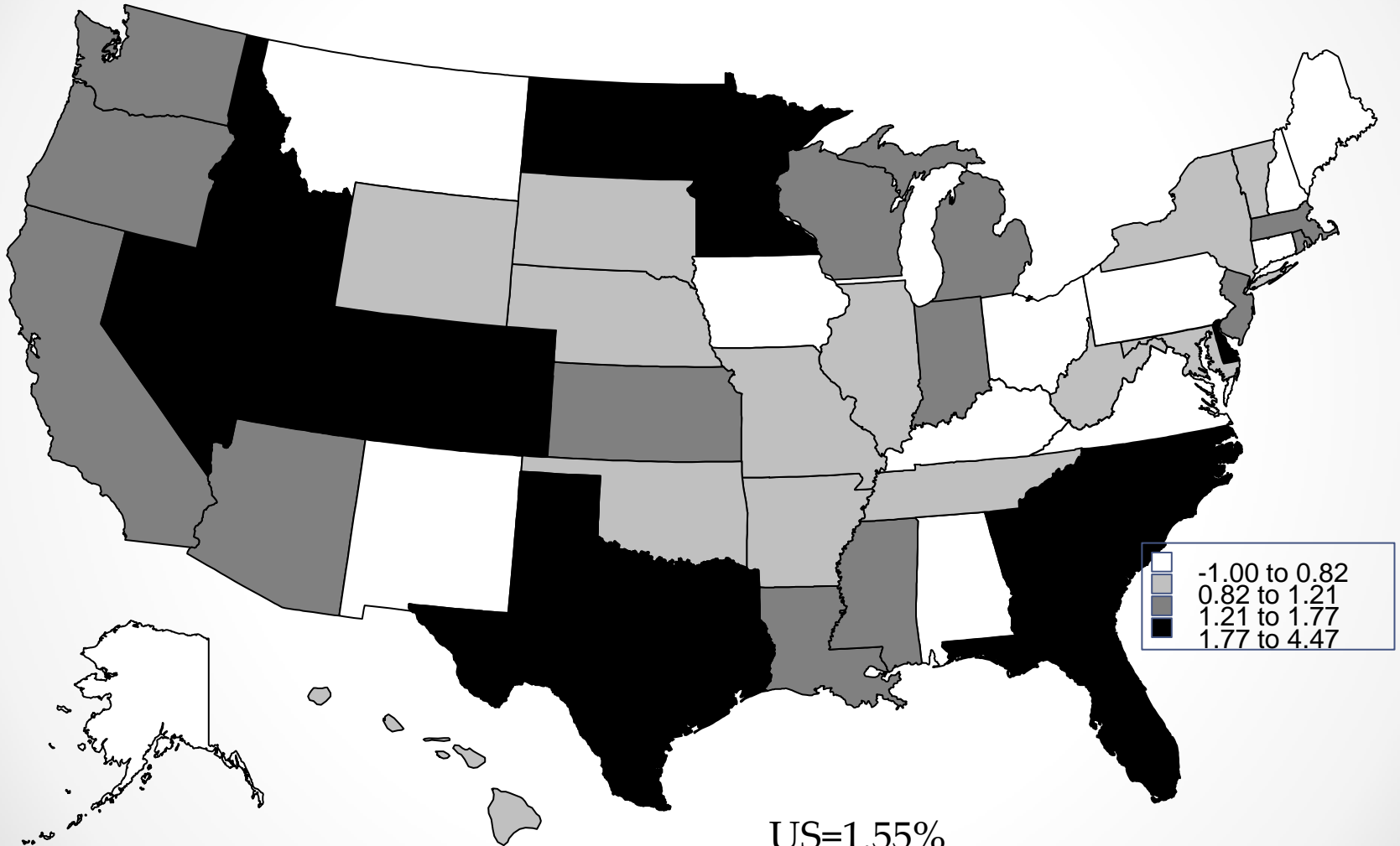


Change in Oil and Gas Jobs: ave(2010:2011)-ave(2001:2009)



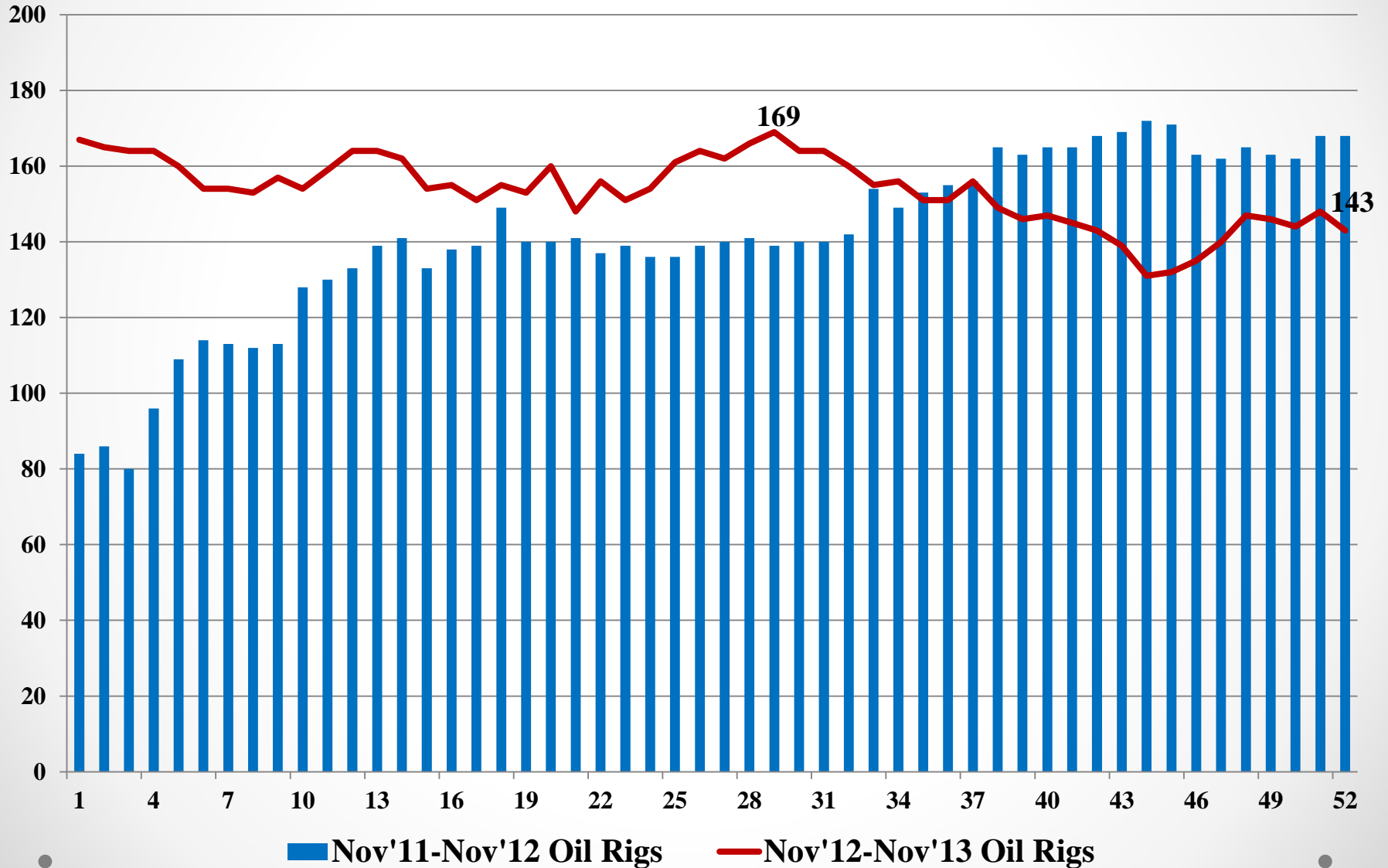
Data Source: Economic Modeling Specialists International (EMSI)

State Total Nonfarm Employment Growth (U.S. Bureau of Labor Statistics: October 2012-2013)

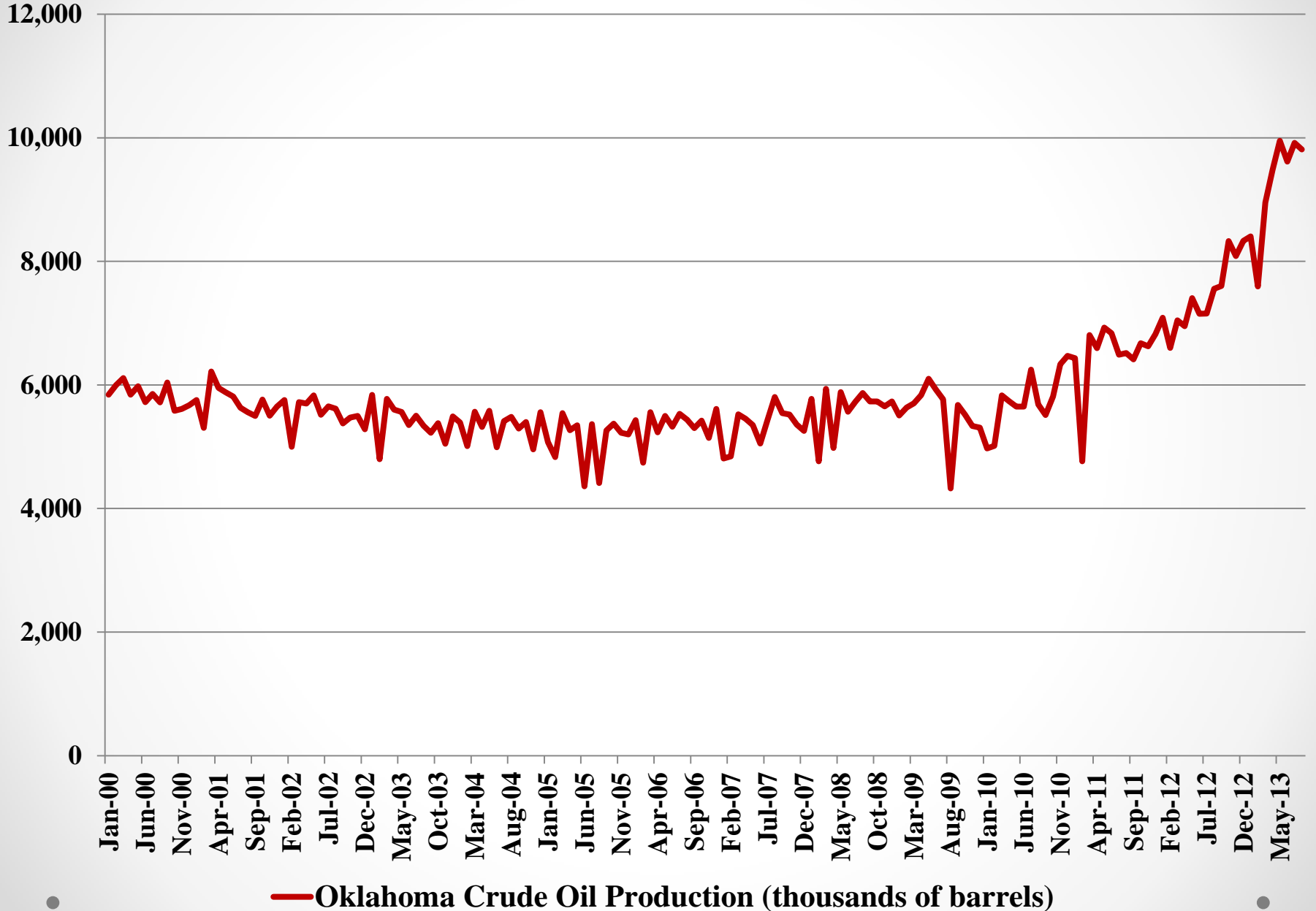


US=1.55%
OK=0.95%

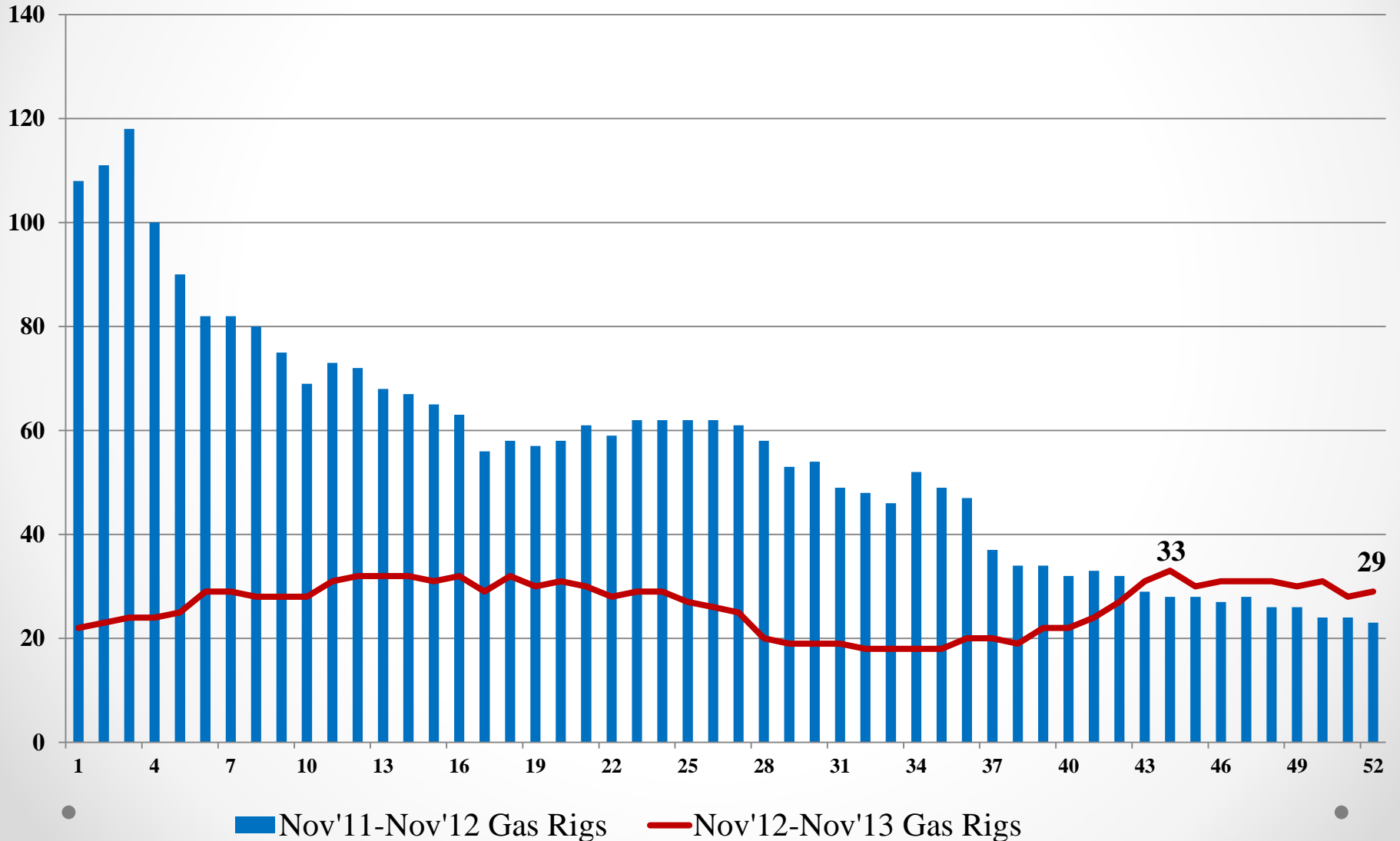
Baker-Hughes, Inc. Oklahoma Rig Count: Oil



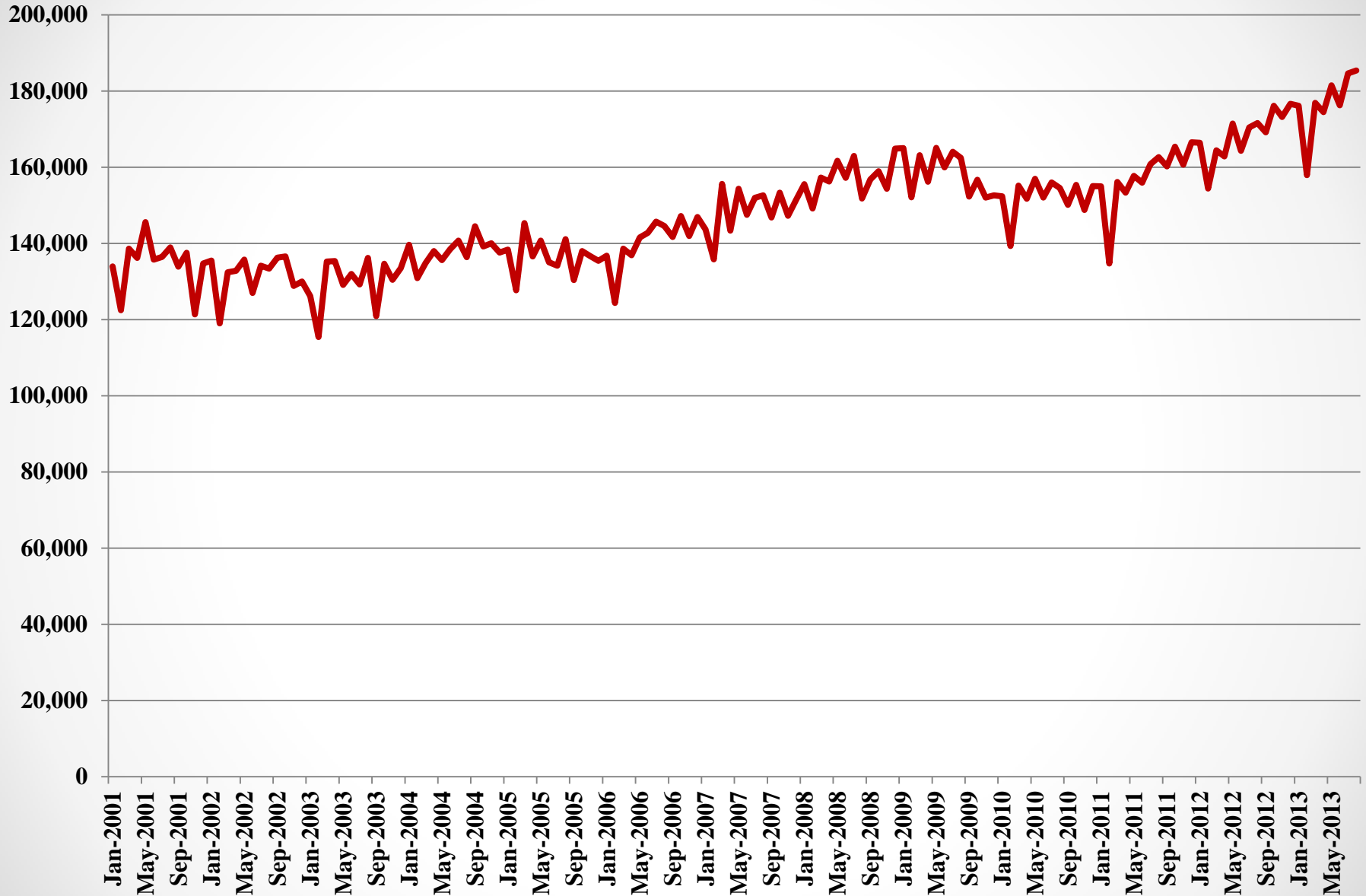
Oklahoma Crude Oil Production (thousands of barrels): EIA



Baker-Hughes, Inc. Oklahoma Rig Count: Natural Gas

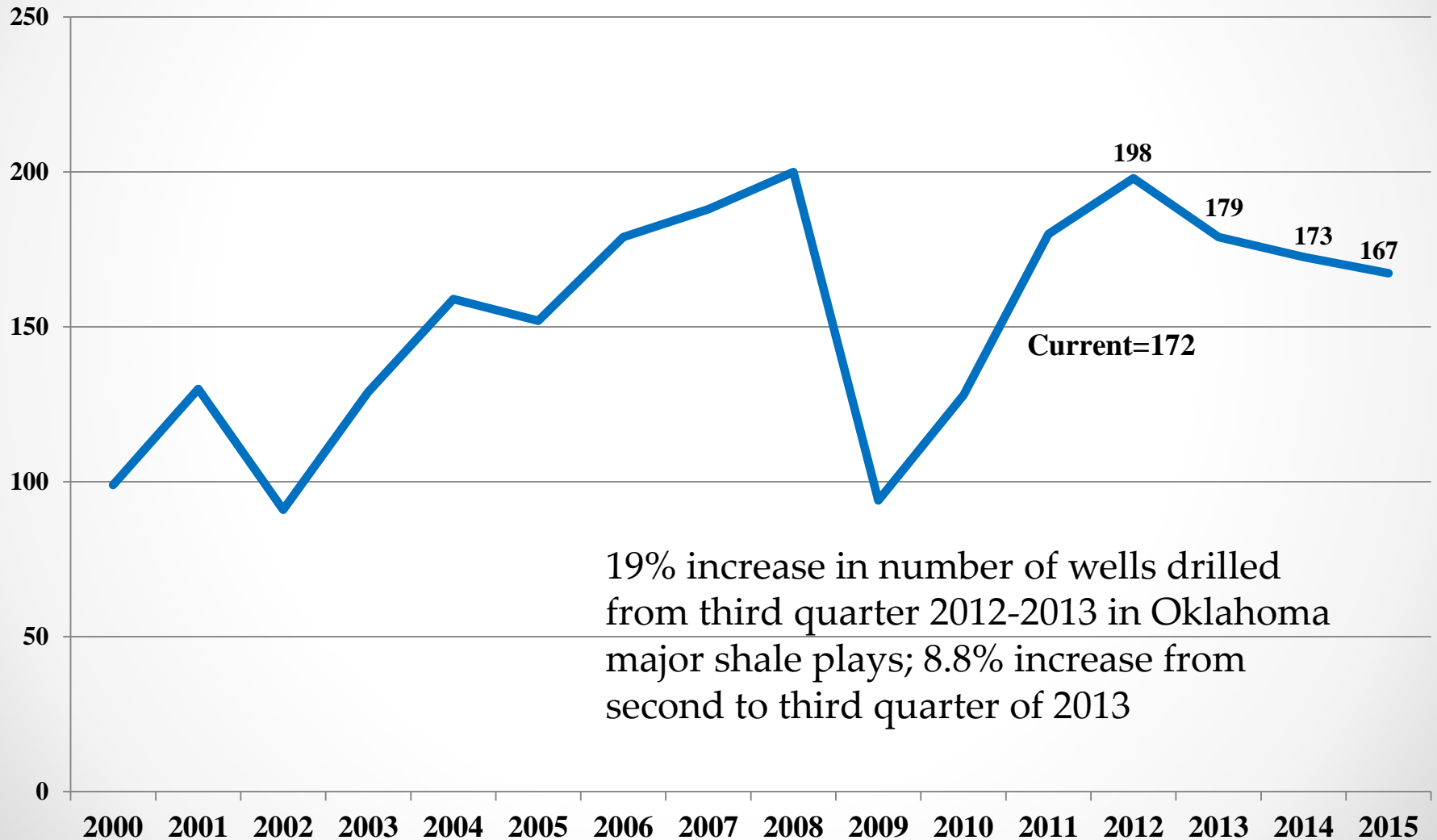


Oklahoma Natural Gas Gross Withdrawals (MMcf): EIA

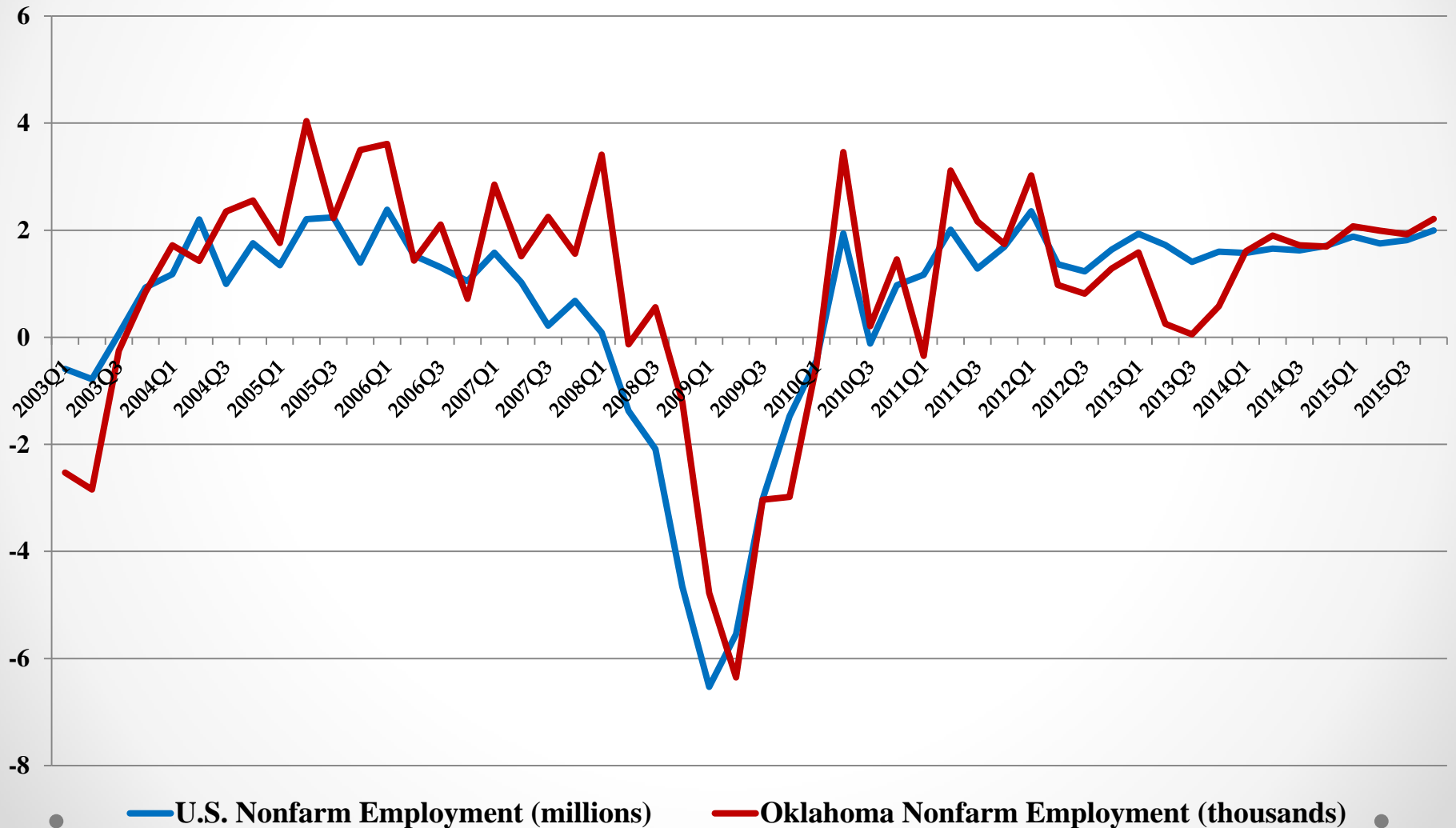


— Oklahoma Natural Gas Gross Withdrawals...

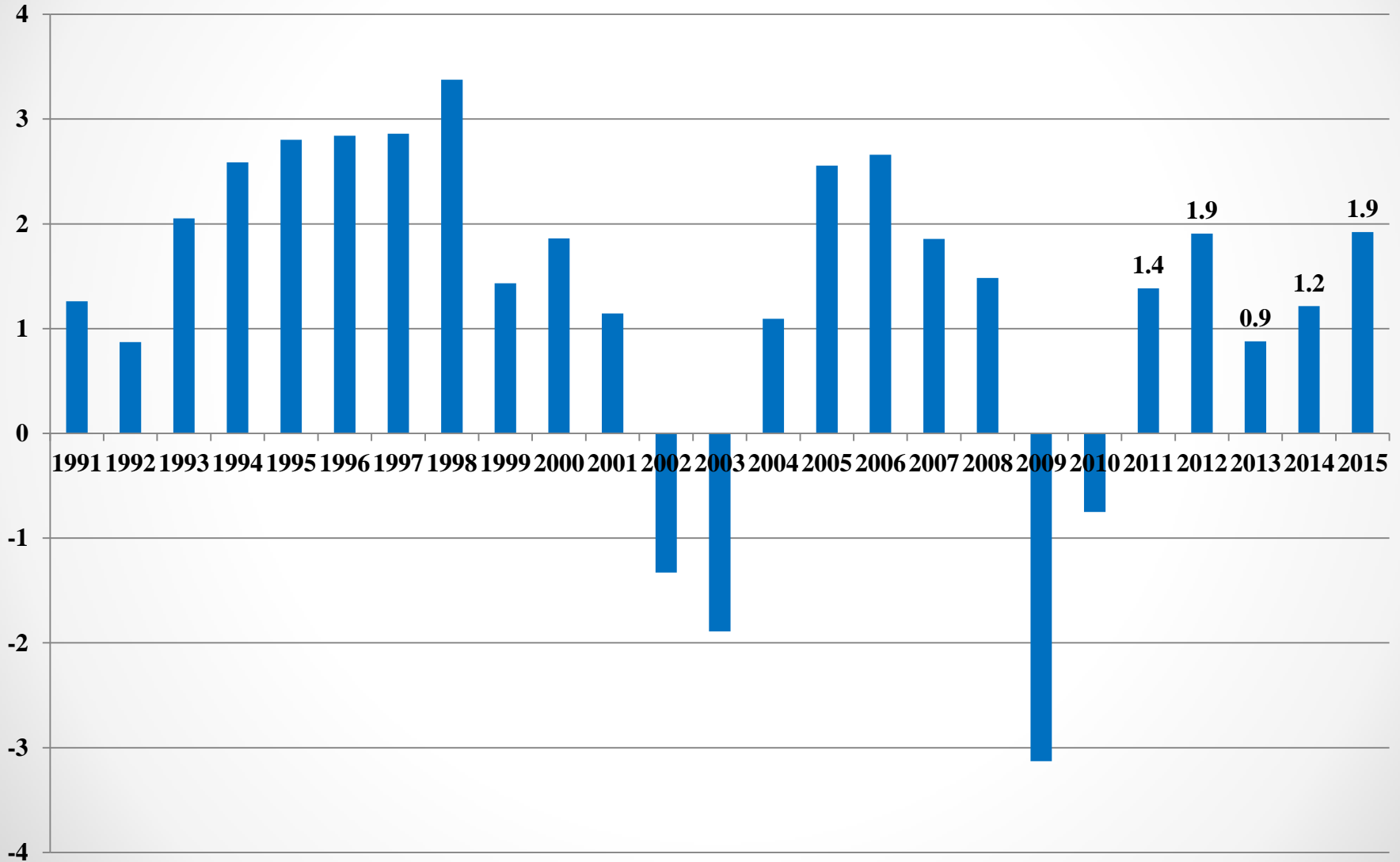
Baker-Hughes, Inc. Oklahoma Rig Count: Total



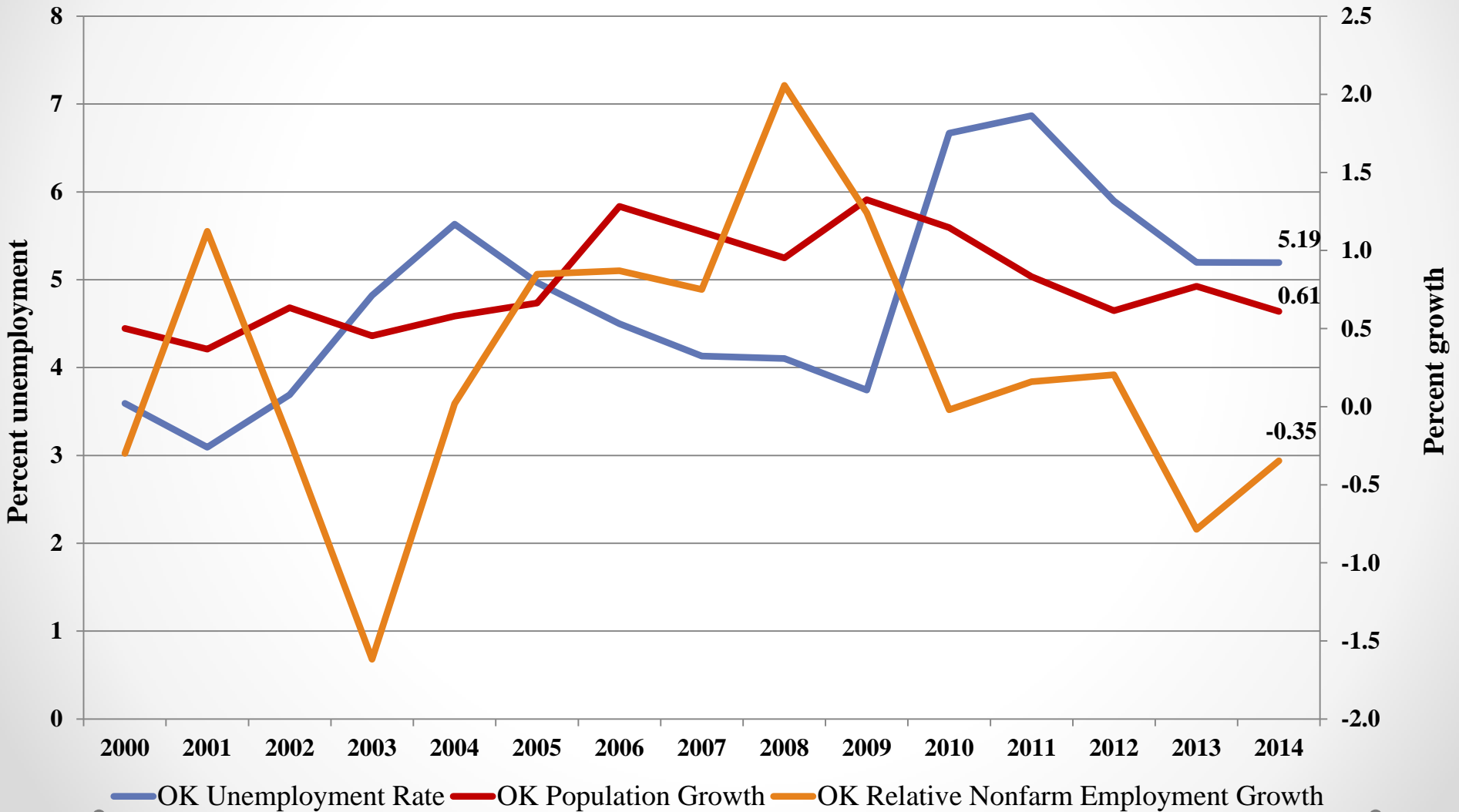
Quarterly U.S. and Oklahoma Nonfarm Employment Growth: (Seasonally-Adjusted Annualized Percent Change)



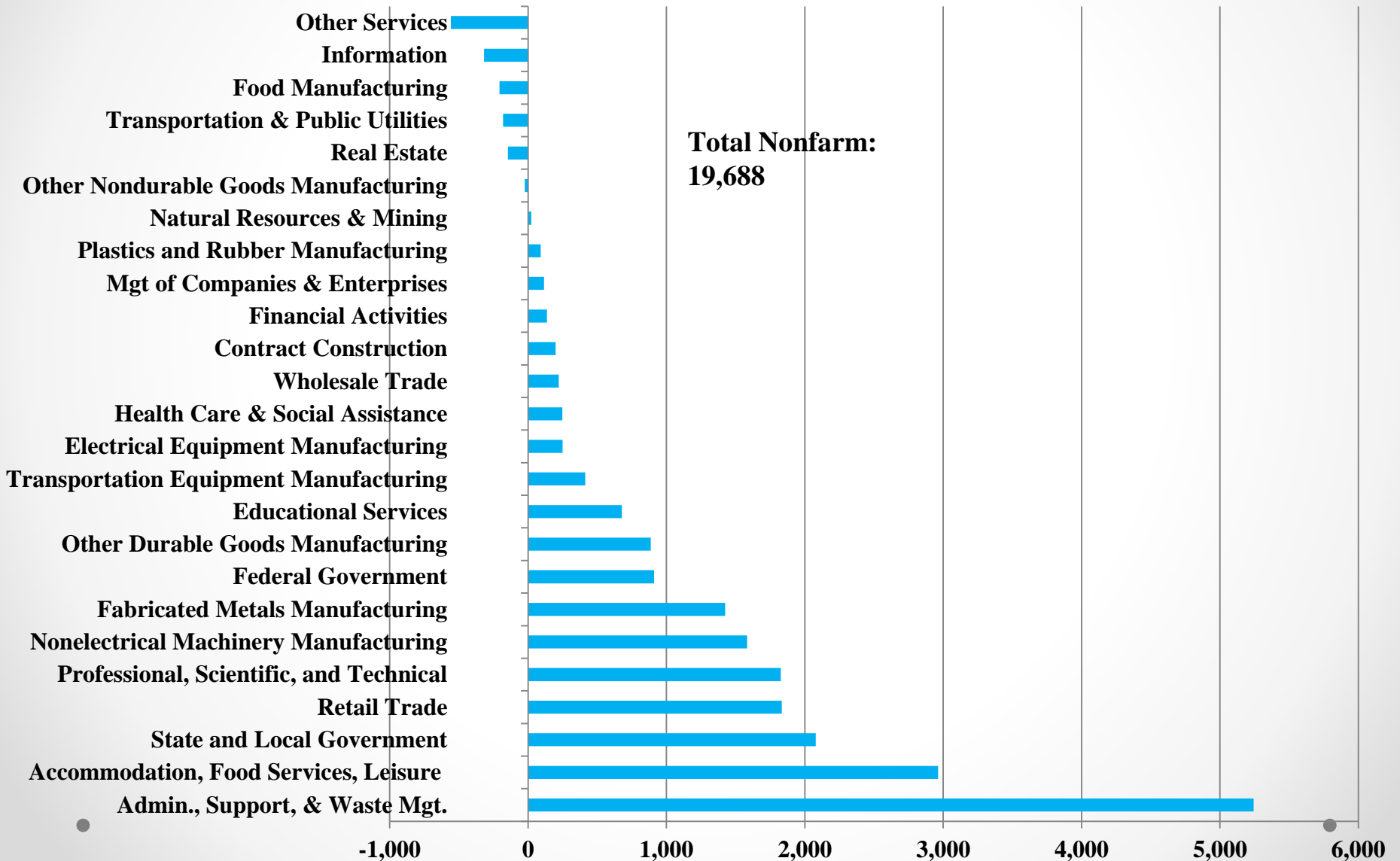
Oklahoma Annual Nonfarm Employment Growth (%)



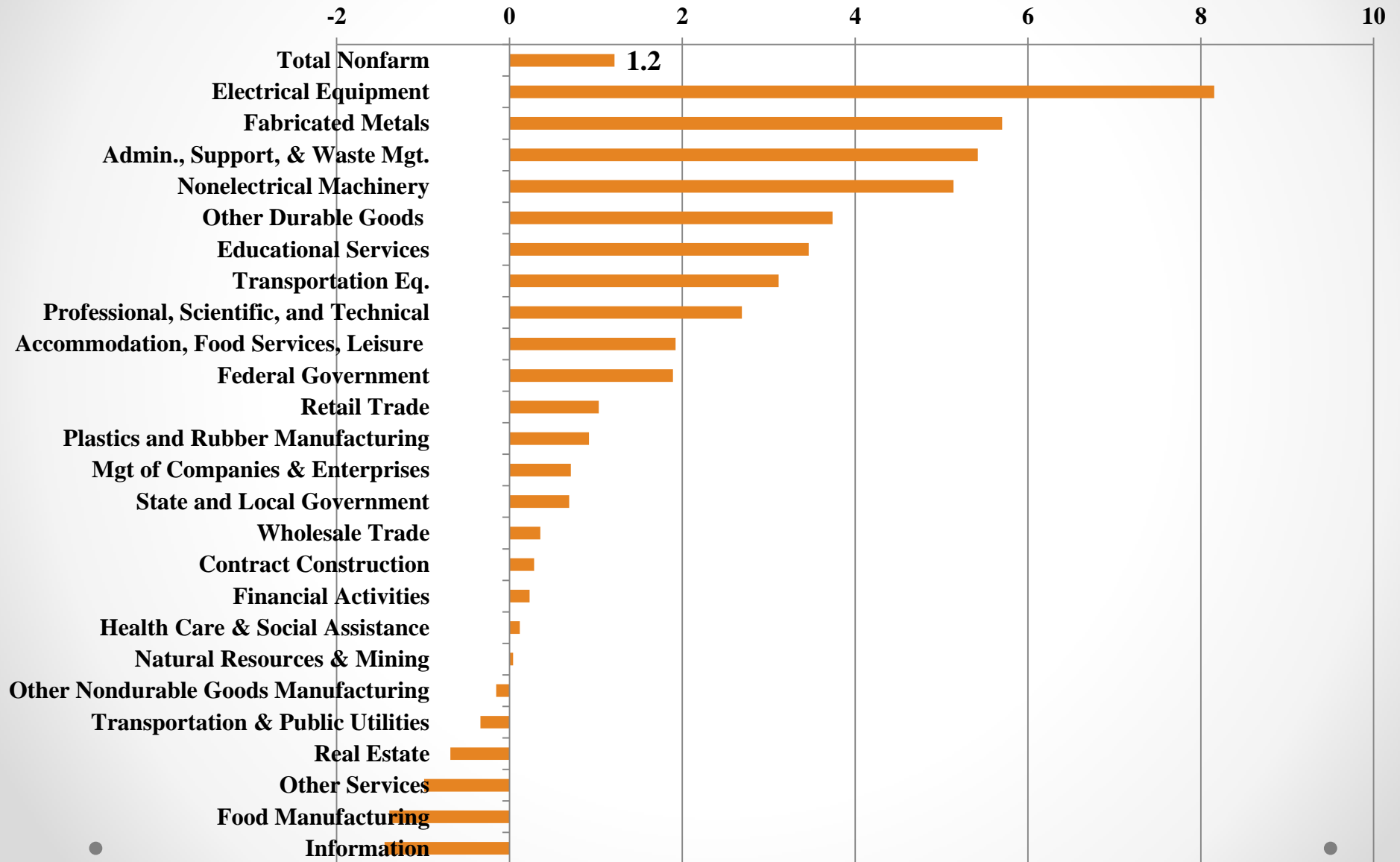
Oklahoma Unemployment Rate and Nonfarm Employment/Population Growth



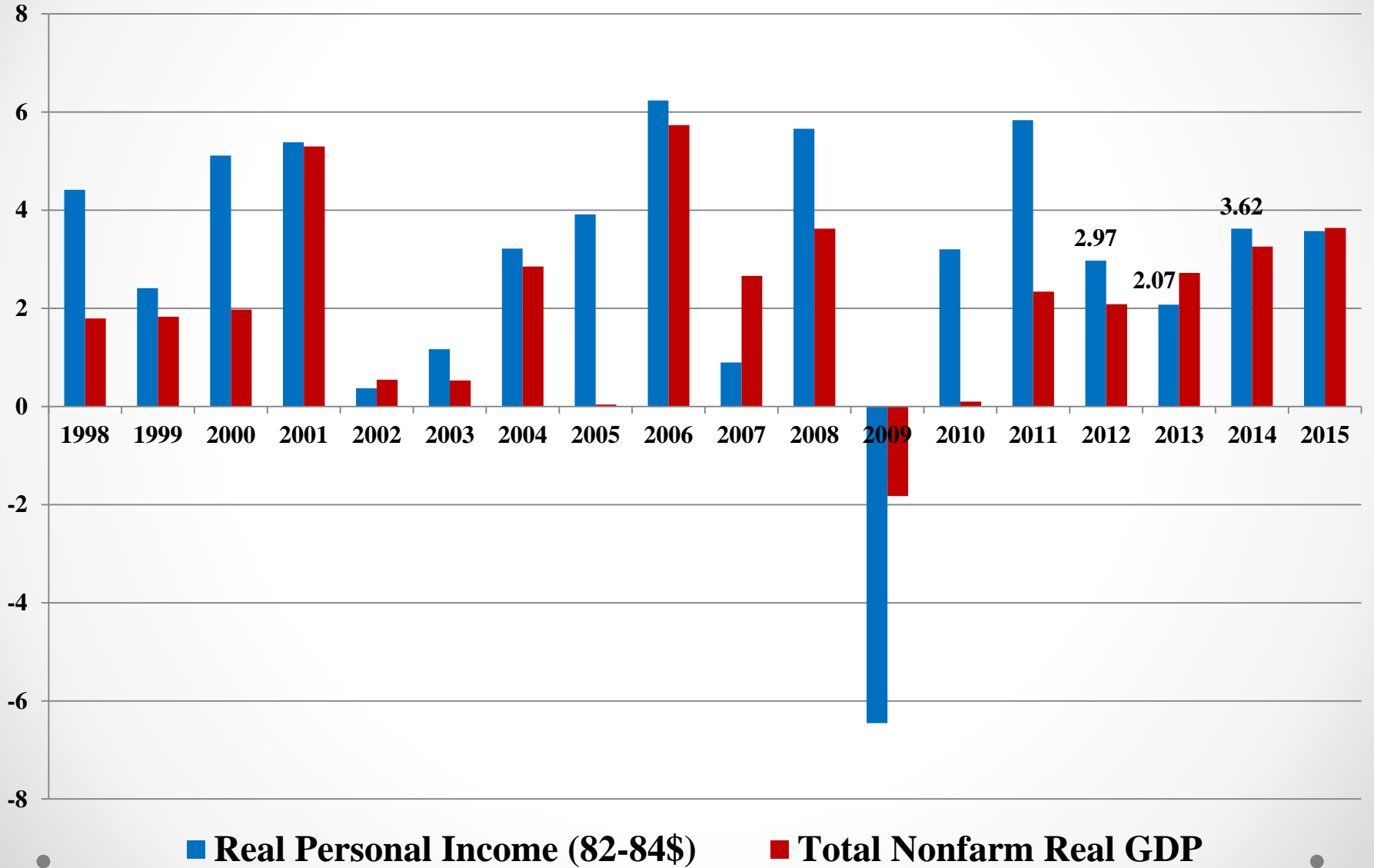
Sector Change in Oklahoma Employment (Jobs): 2013-2014



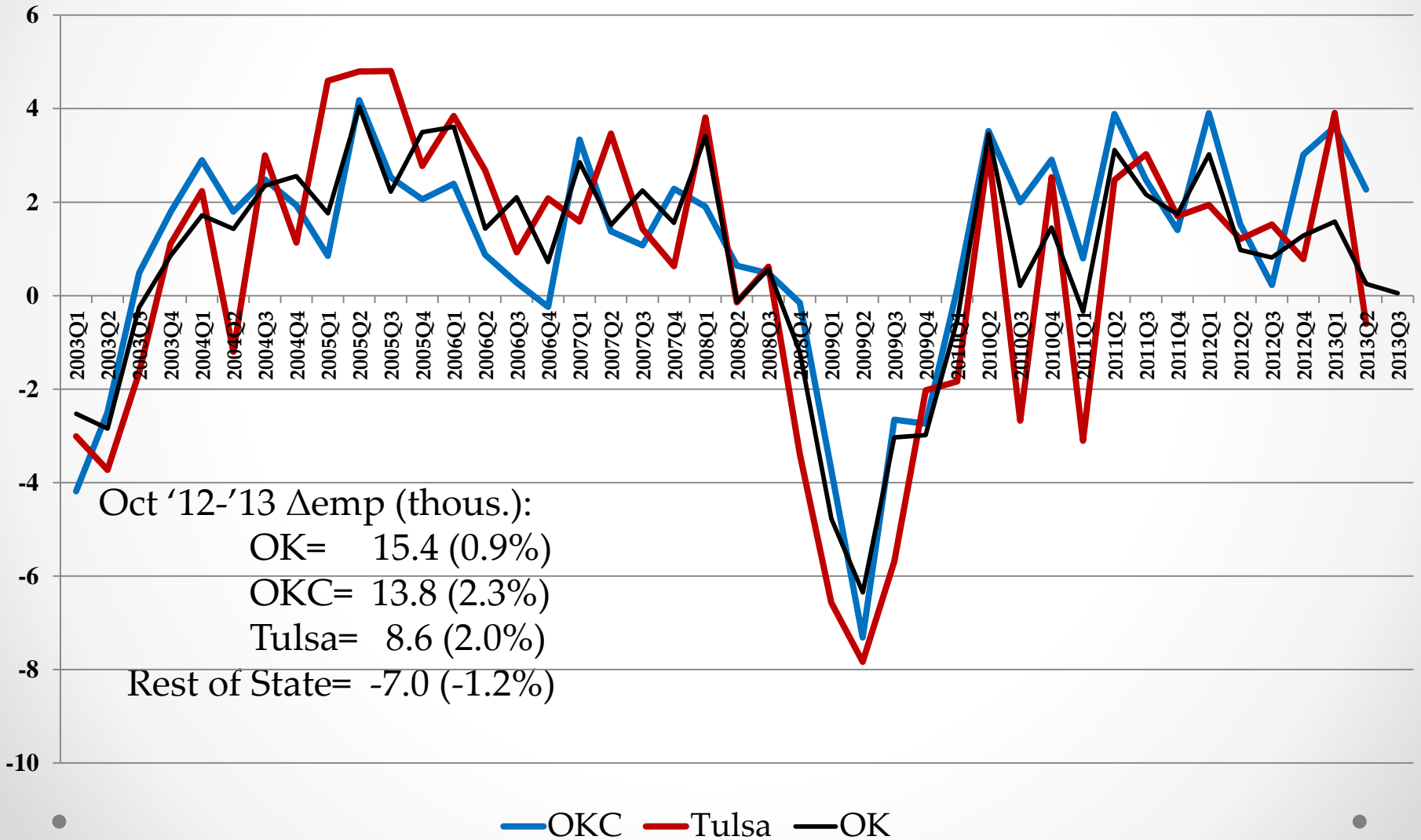
Sector Change in Oklahoma Employment (%): 2013-2014



Oklahoma Annual Real Personal Income and GDP Growth (%)



Oklahoma City and Tulsa Quarterly Employment Growth (Deseasonalized, Annualized Percent Growth)



Risks and Longer Term Outlook

- IHS Global Insight: 20% chance of recovery stalling
- Slowing world energy demand and increased supply further reduce oil prices, reduced political tensions with IRAN
- As U.S. economy nears full employment, lower in-migration and labor force growth; long-term aging of the population and slowing labor force growth
- Lower than average skills of labor force
 - Increasing mismatch between skill demands and skills of labor force
 - Polarization of labor market: fastest occupational growth at the top and bottom ends of skill levels, slower growth in the middle
 - 1970: 24.6% of those with Bachelor's degrees (or higher) lived in top 20 educated metropolitan areas
2010: rose to 44% (Brookings Institution)
 - Metro average in 2010: 32%, OKC: 26.2%, Tulsa: 24.5 %, and both had slower than average growth 1980-2010
 - Oklahoma had the third largest per pupil cuts to education in the nation 2008-2013 (Center on Budget and Policy Priorities)
 - Oklahoma teacher pay among the lowest in the nation, even after adjusting for price and quality of life differences across states; teacher pay relative to other occupations requiring a college degree related to retention of teachers in the profession

Thank you for your attention