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# Oklahoma Economic Outlook 2014

by Dan Rickman

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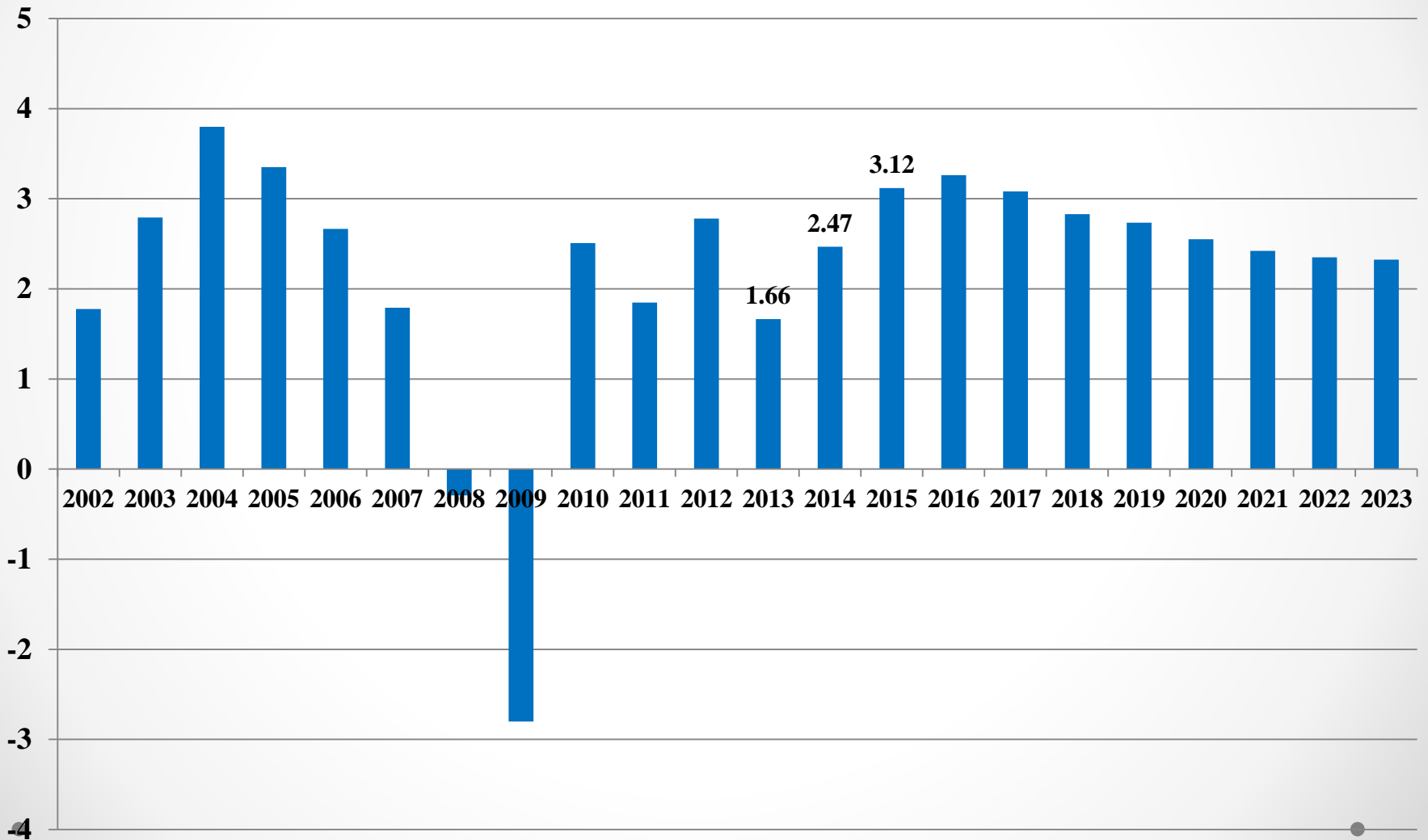


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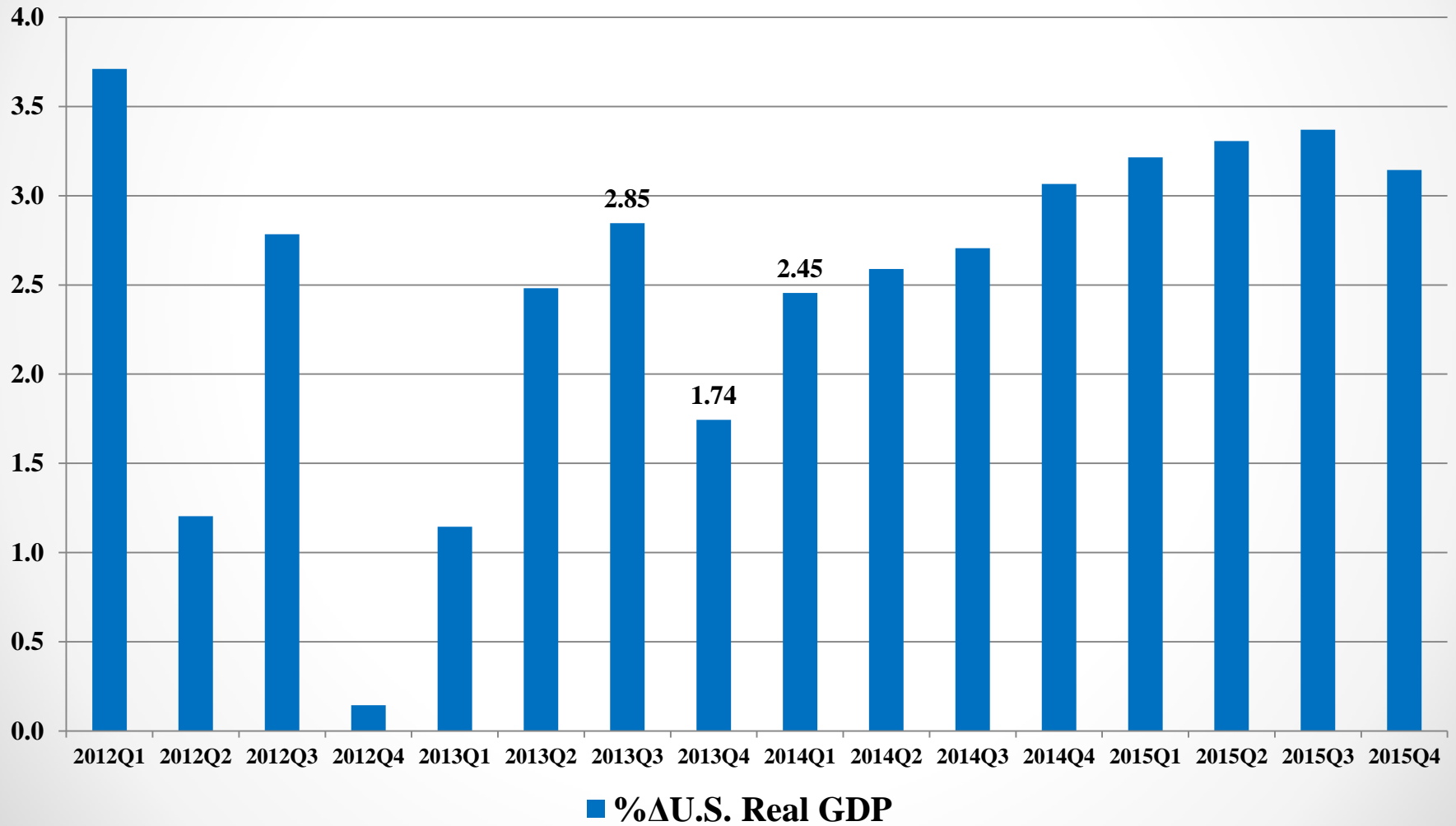
Center for Applied  
Economic Research

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

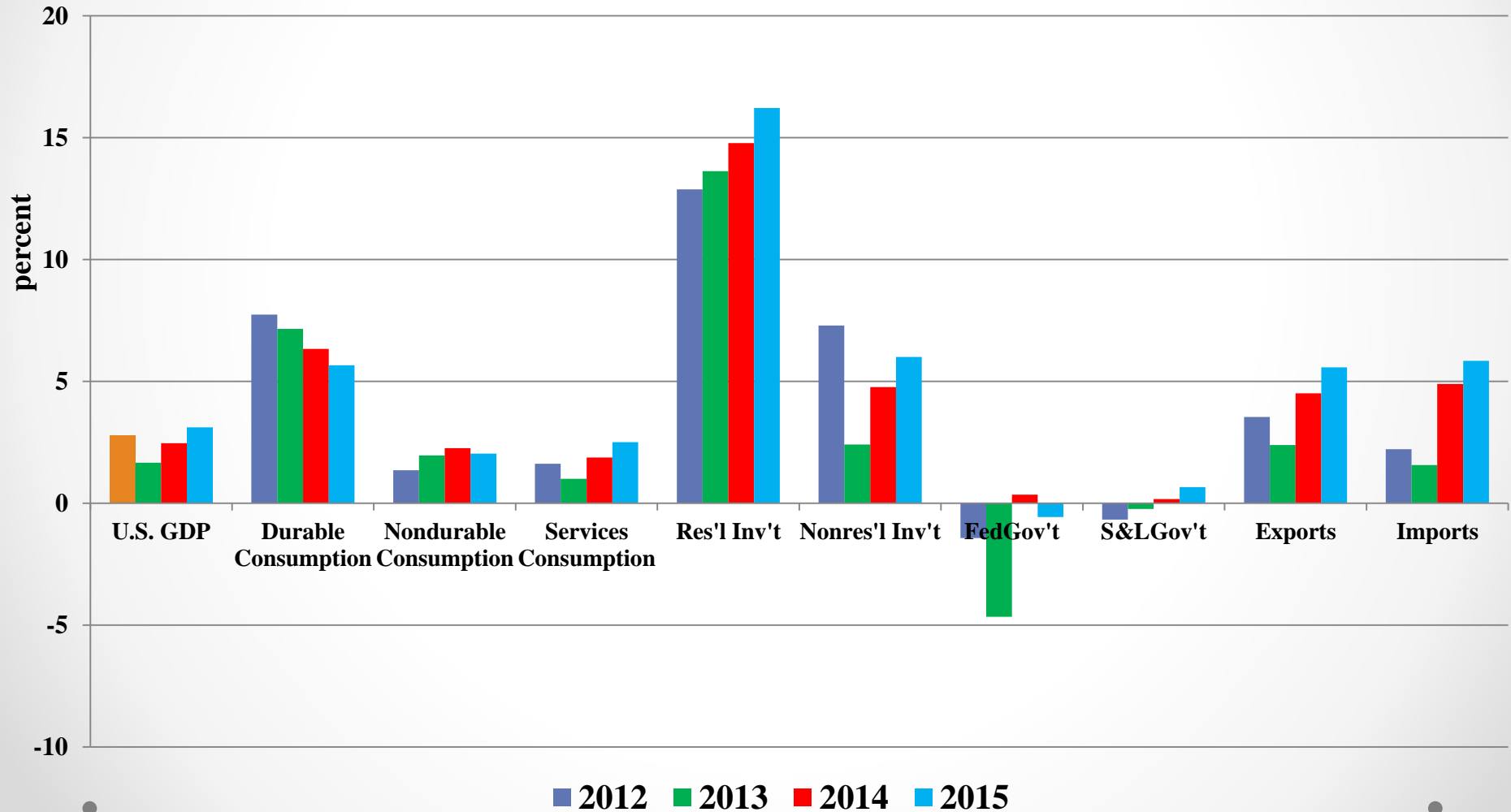
# U.S. Real Gross Domestic Product Growth (%): (IHS Global Insight, Inc. Forecast)



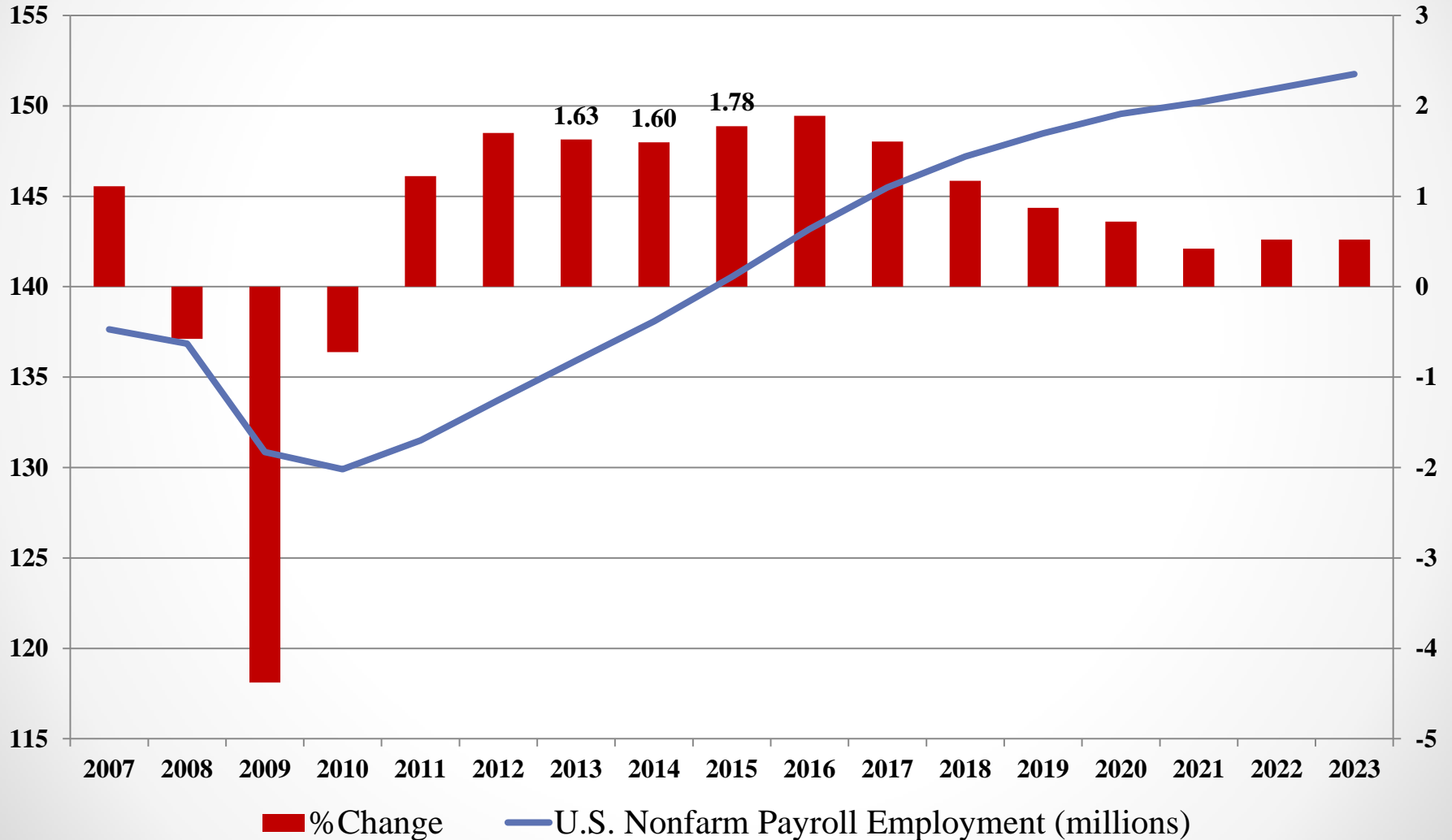
# Quarterly U.S. Real GDP Growth (% Annualized Growth Rates)



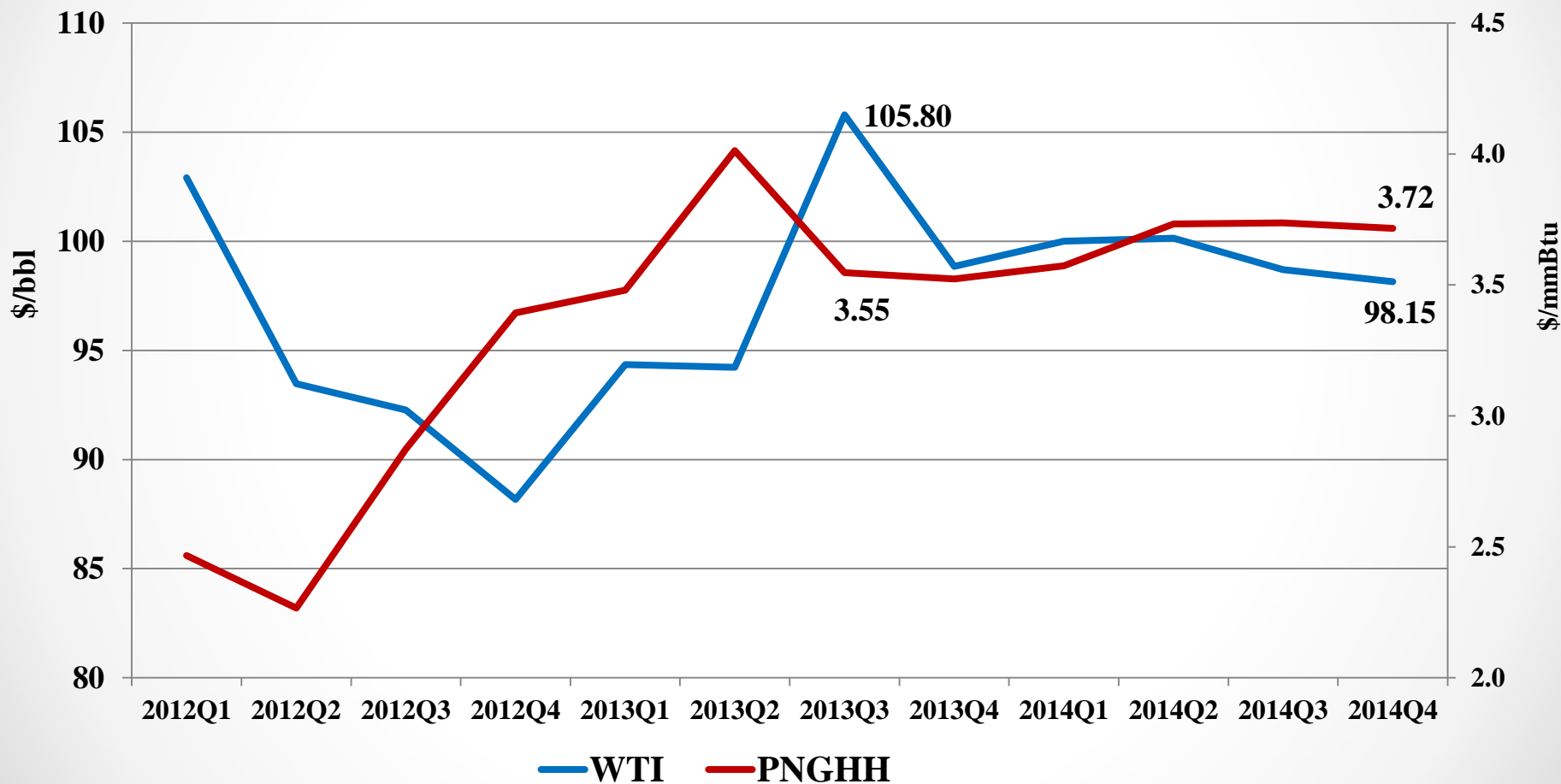
# Annual U.S. Real GDP Component Growth



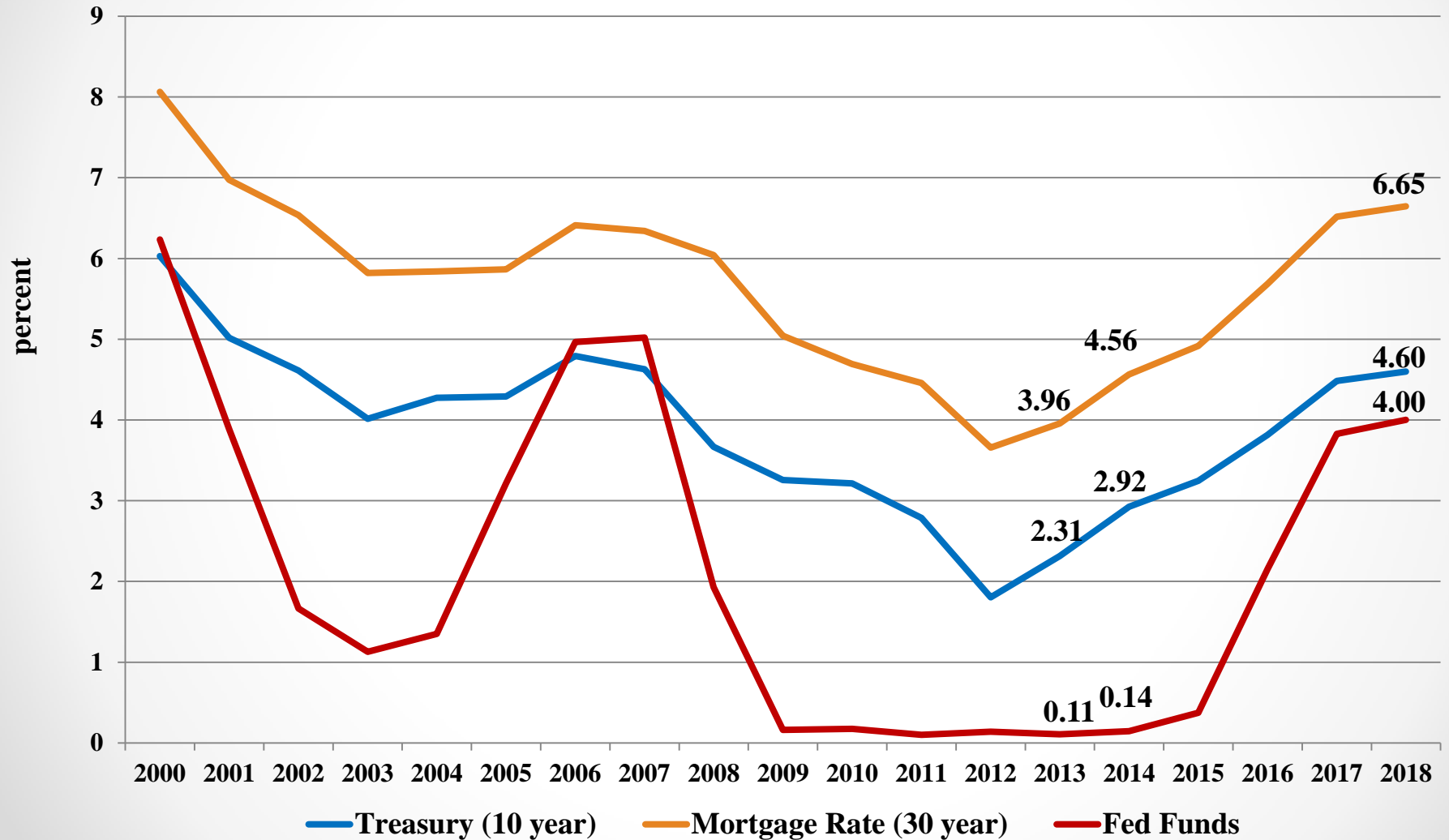
# U.S. Employment Growth (IHS Global Insight, Inc.)



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



# Interest Rates (IHS Global Insight, Inc.)



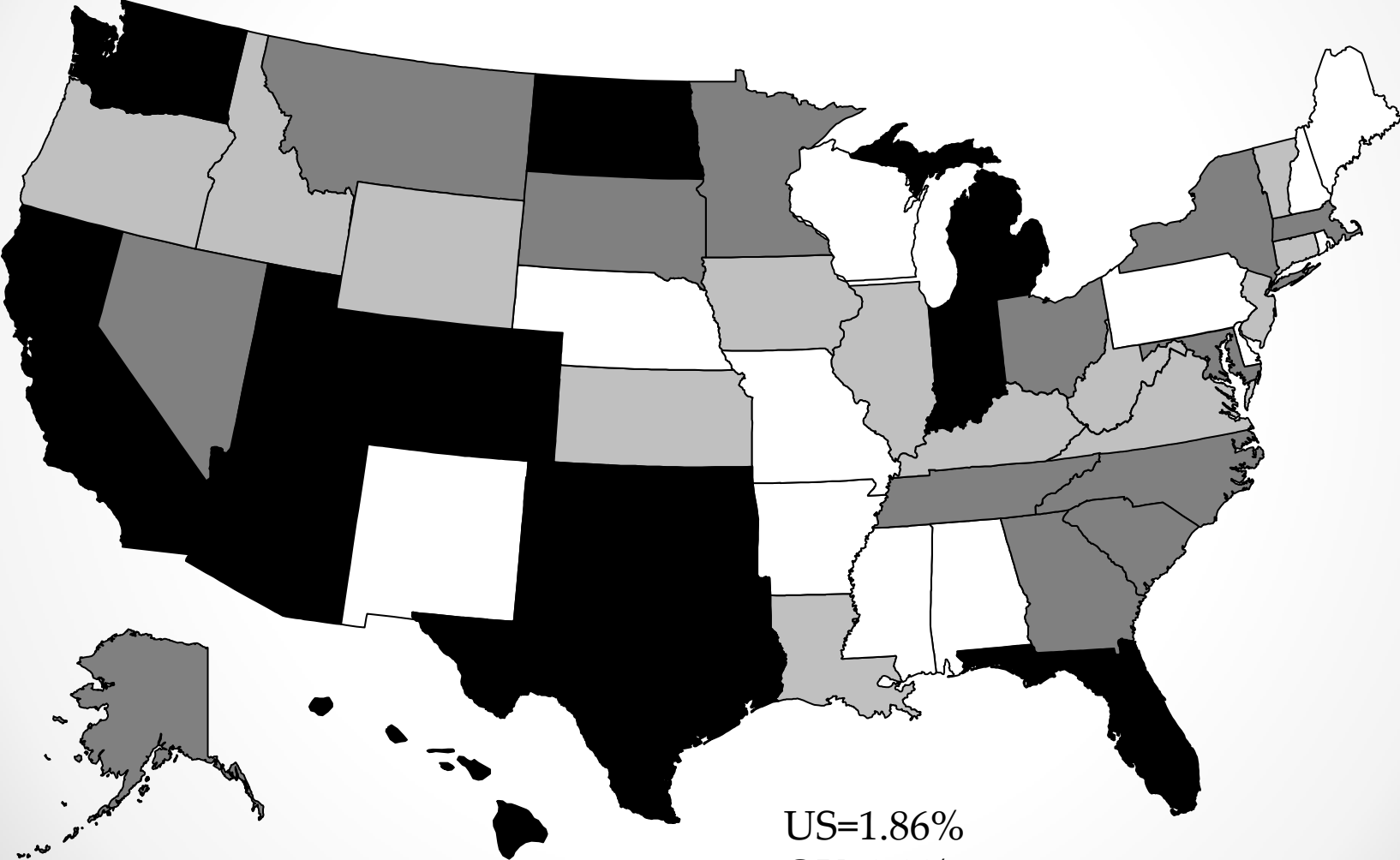
# U.S. Forecast Risks (IHS Global Insight, Inc.)

- Uncertainty over federal fiscal policy: consumer confidence holding up okay
  - we have a long-term debt problem with entitlement spending and most Bush tax cuts made permanent, not a short-term problem
- Risk of further slowing of growth in developing countries: Brazil, China and India
- Additional financial problems in the Eurozone, Greece exiting
- The risks combined, contribute to a 20 percent probability of the recovery stalling



# State Total Employment Growth 2011-2012

(U.S. Bureau of Economic Analysis)



US=1.86%  
OK=2.2%

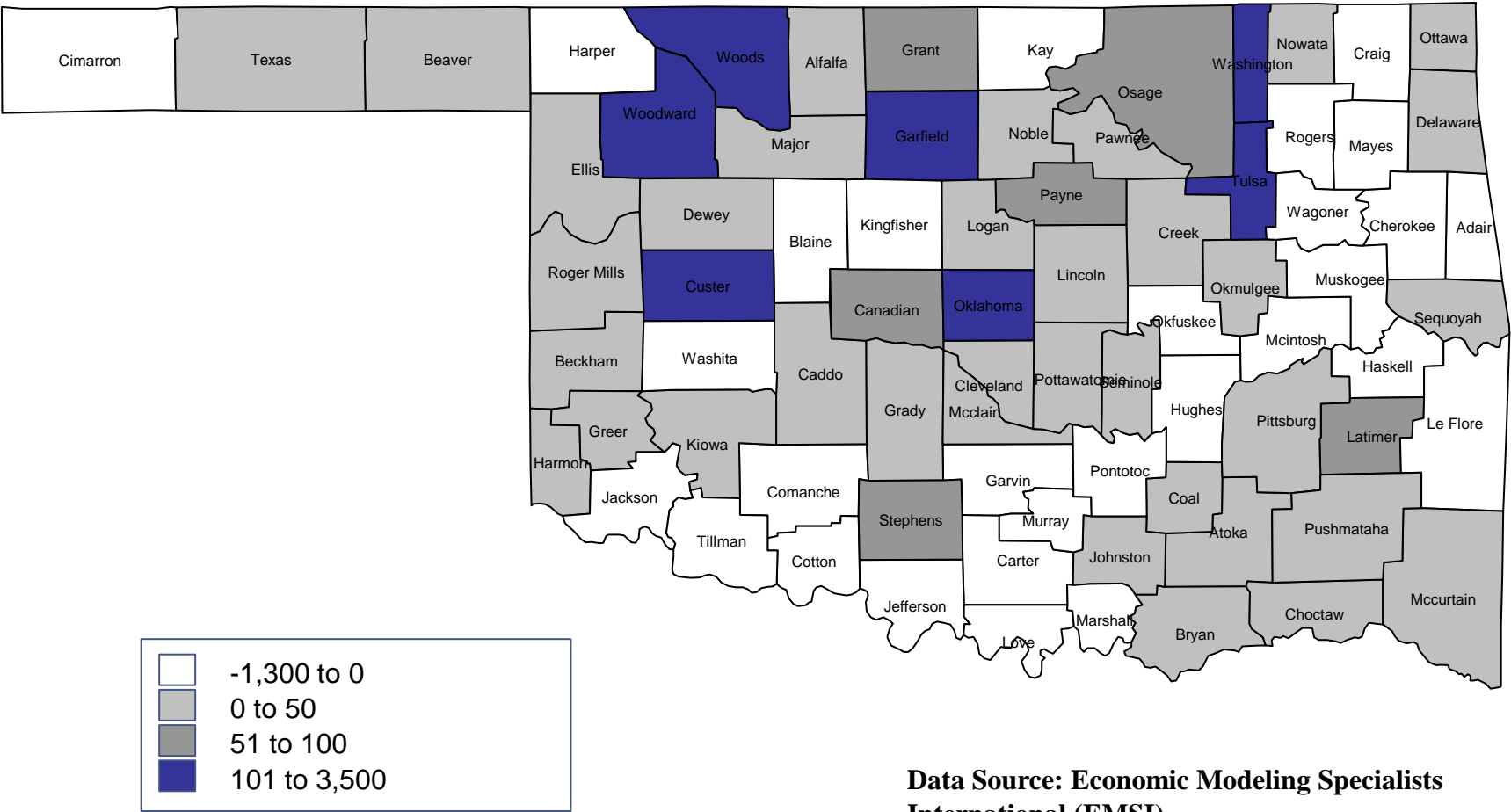
## Metro PCPI Growth 2011-2012

1 Odessa, TX	12.36
2 Midland, TX	11.86
3 Hanford-Corcoran, CA	9.3
4 Clarksville, TN-KY	8.9
5 Elizabethtown, KY	8.77
6 Peoria, IL	8.47
7 Waterloo-Cedar Falls, IA	8.08
8 San Jose-Sunnyvale-Santa Clara, CA	7.59
9 Williamsport, PA	7.49
10 Farmington, NM	7.38
11 Dubuque, IA	7.12
12 Columbus, IN	7.08
13 Victoria, TX	6.92
<b>14 Tulsa, OK</b>	<b>6.85</b>
15 Fairbanks, AK	6.84
<b>36 Oklahoma City, OK</b>	<b>5.93</b>
<b>171 Lawton, OK</b>	<b>4.3</b>
352 Salinas, CA	2.7
353 Waco, TX	2.7
354 Kennewick-Pasco-Richland, WA	2.62
355 St. George, UT	2.61
356 Tallahassee, FL	2.53
357 Stockton, CA	2.52
358 New Orleans-Metairie-Kenner, LA	2.45
359 Carson City, NV	2.27
360 Myrtle Beach-North Myrtle Beach-Conway, SC	2.16
361 McAllen-Edinburg-Mission, TX	2.14
362 Pascagoula, MS	2
363 Lubbock, TX	1.94
364 Las Cruces, NM	1.81
365 Rochester, MN	0.33
366 Gulfport-Biloxi, MS	0.29

## Metro Population Growth 2011-2012

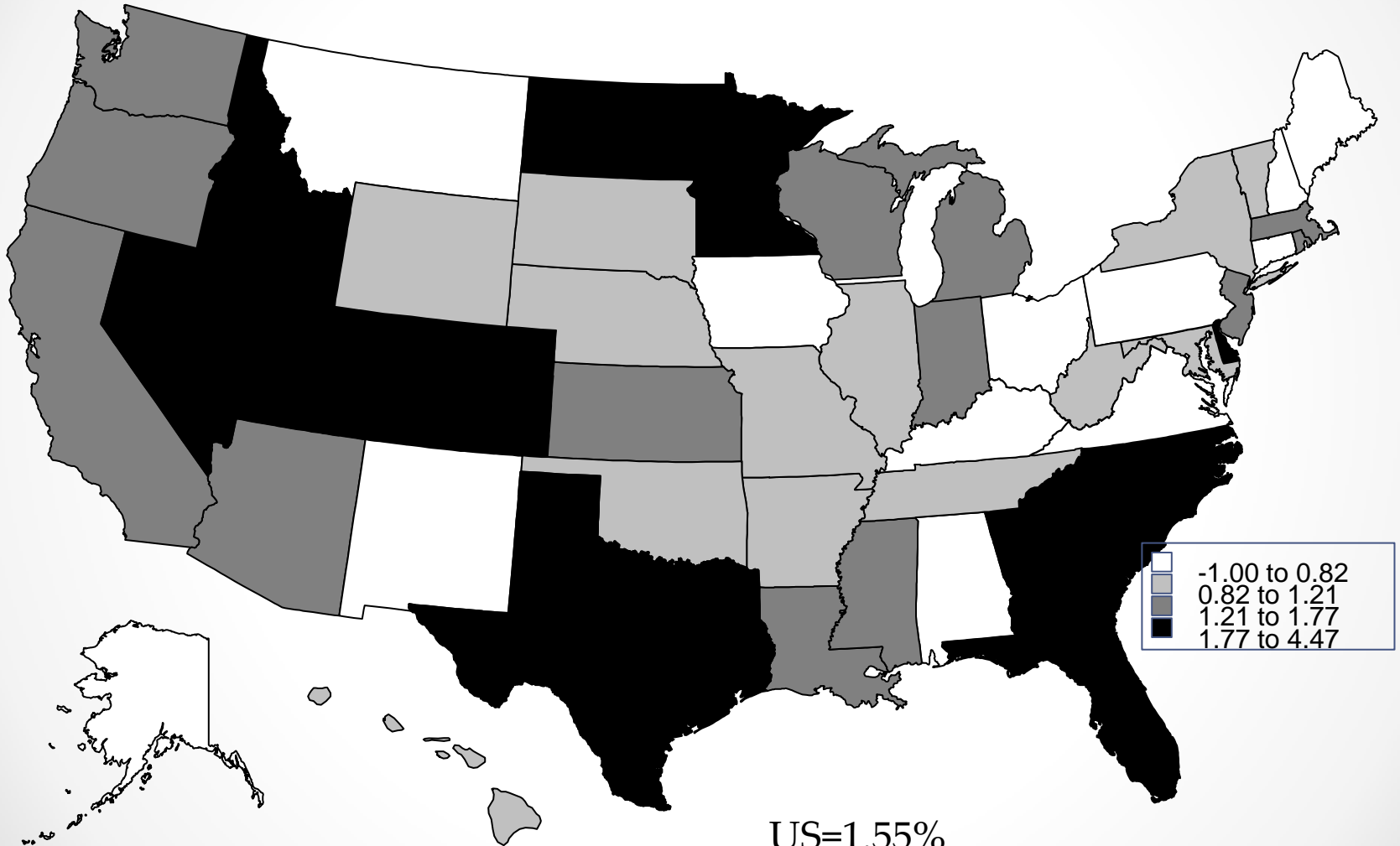
1 Hinesville-Fort Stewart, GA	4.14
2 Kennewick-Pasco-Richland, WA	3.3
3 Austin-Round Rock-San Marcos, TX	3.2
4 Midland, TX	2.41
5 Raleigh-Cary, NC	2.31
6 McAllen-Edinburg-Mission, TX	2.28
7 St. George, UT	2.27
8 Warner Robins, GA	2.22
9 Charleston-North Charleston-Summerville, SC	2.16
10 Odessa, TX	2.15
11 Myrtle Beach-North Myrtle Beach-Conway, SC	2.1
12 El Paso, TX	2.09
13 Yuma, AZ	2.05
14 Savannah, GA	2.03
15 Provo-Orem, UT	2.02
<b>35 Oklahoma City, OK</b>	<b>1.59</b>
<b>159 Tulsa, OK</b>	<b>0.73</b>
<b>239 Lawton, OK</b>	<b>0.32</b>
352 Wheeling, WV-OH	-0.48
353 Pittsfield, MA	-0.51
354 Anniston-Oxford, AL	-0.53
355 Grand Forks, ND-MN	-0.53
356 Binghamton, NY	-0.55
357 Bay City, MI	-0.56
358 Johnstown, PA	-0.6
359 Mansfield, OH	-0.61
360 Danville, VA	-0.62
361 Ocean City, NJ	-0.67
362 Flint, MI	-0.71
363 Wichita Falls, TX	-0.8
364 Steubenville-Weirton, OH-WV	-0.81
365 Pine Bluff, AR	-1.19
366 Farmington, NM	-1.52

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



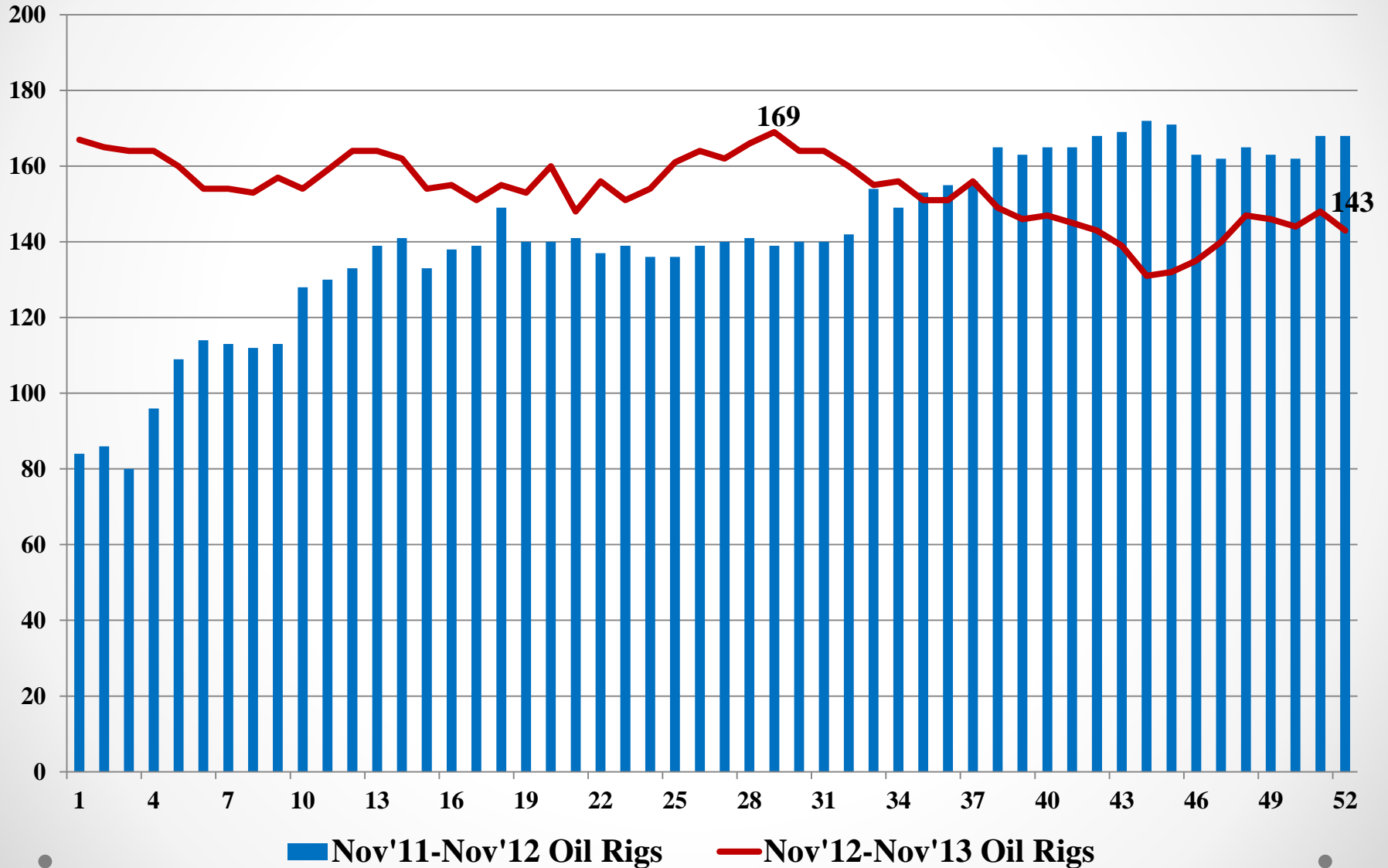
Data Source: Economic Modeling Specialists  
International (EMSI)

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

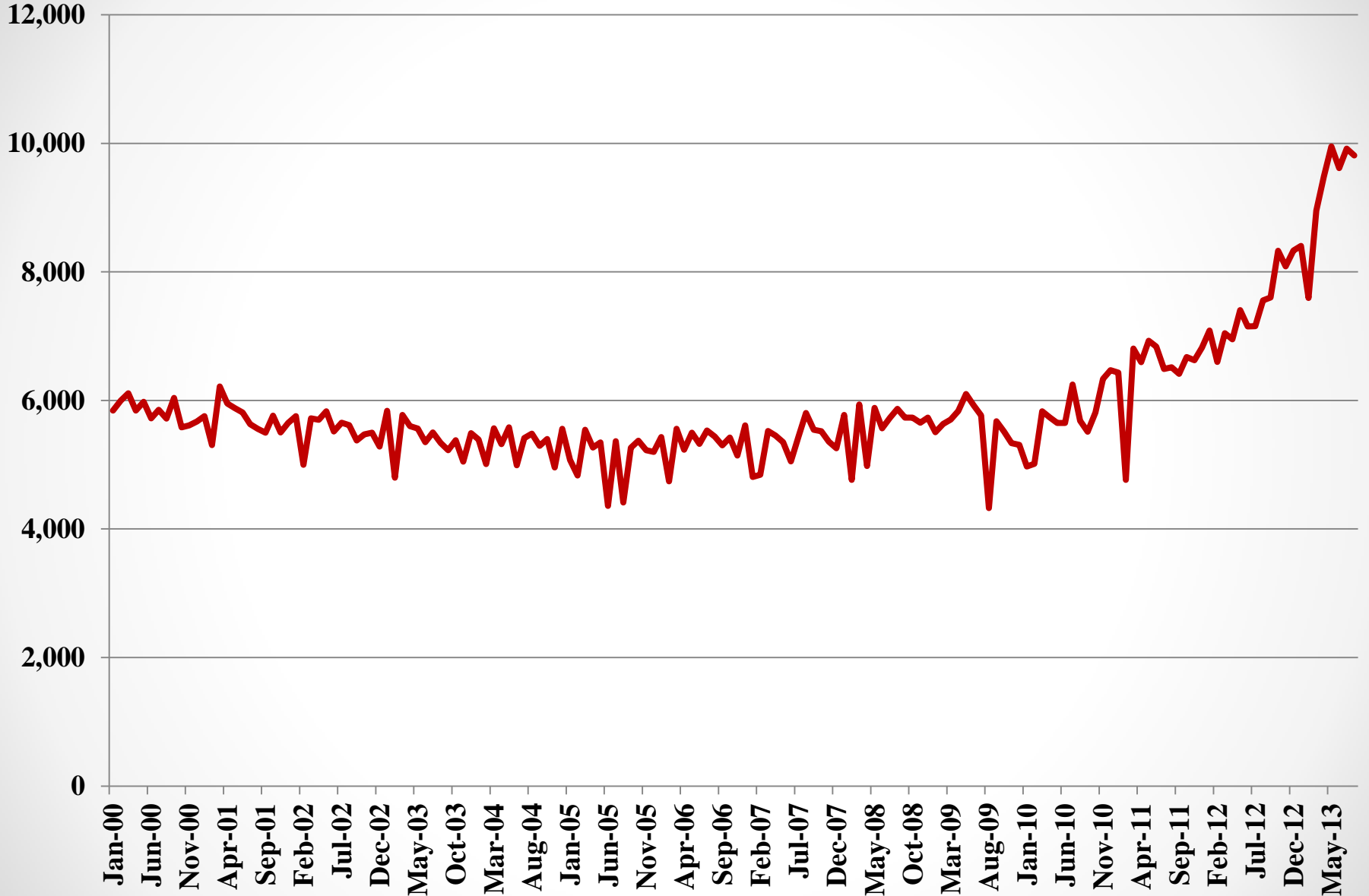


US=1.55%  
OK=0.95%

# Baker-Hughes, Inc. Oklahoma Rig Count: Oil

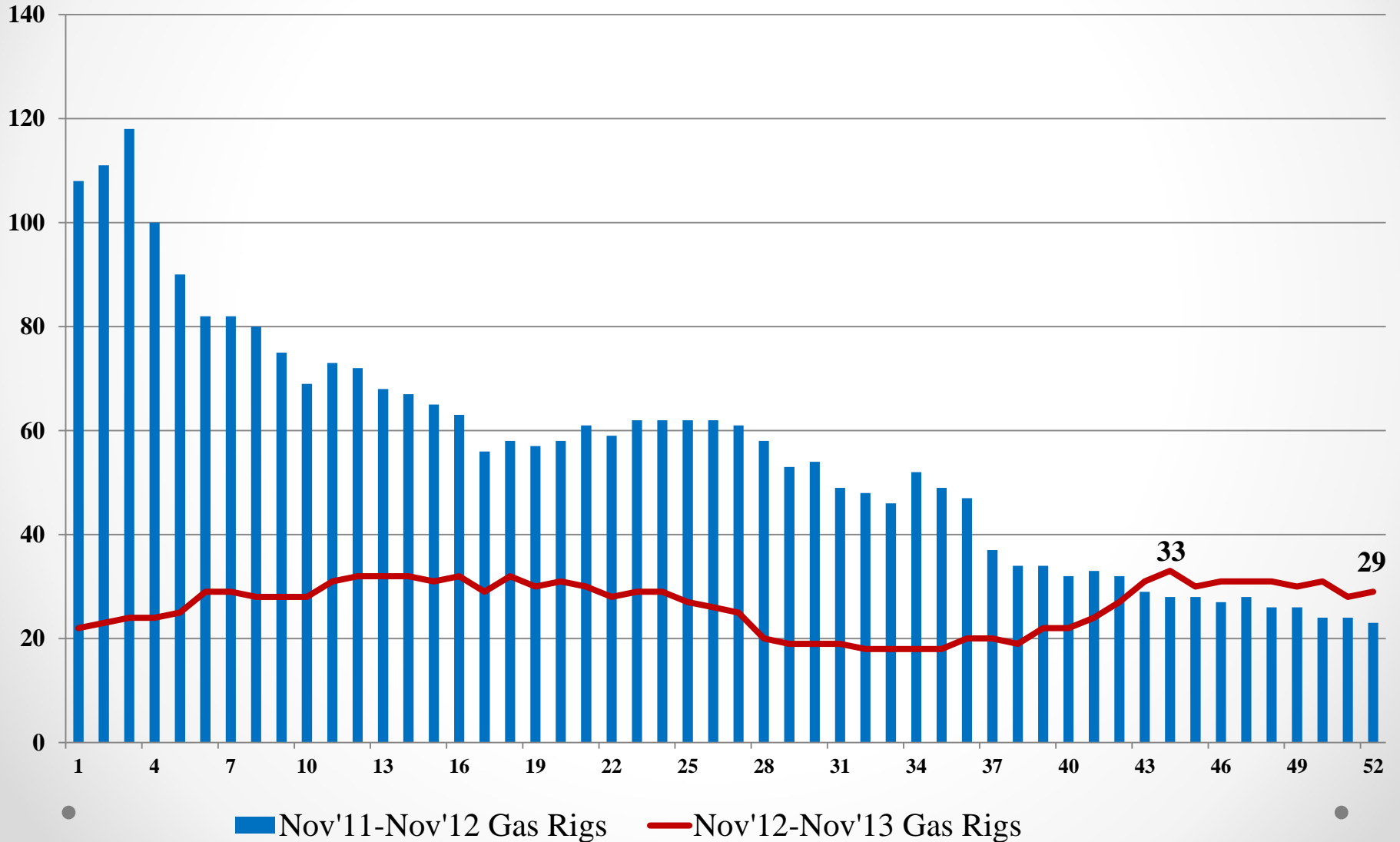


# Oklahoma Crude Oil Production (thousands of barrels): EIA

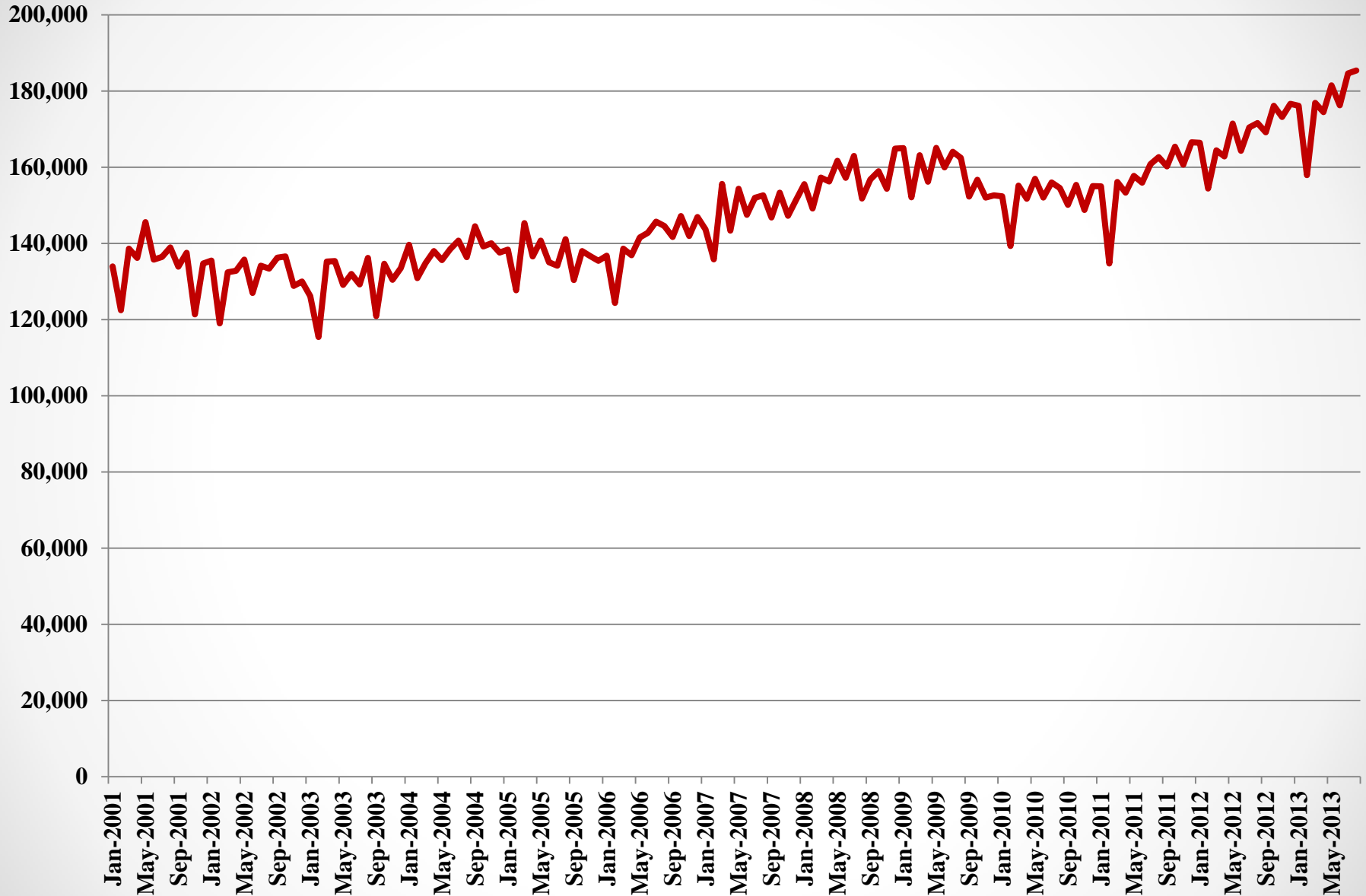


— Oklahoma Crude Oil Production (thousands of barrels)

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



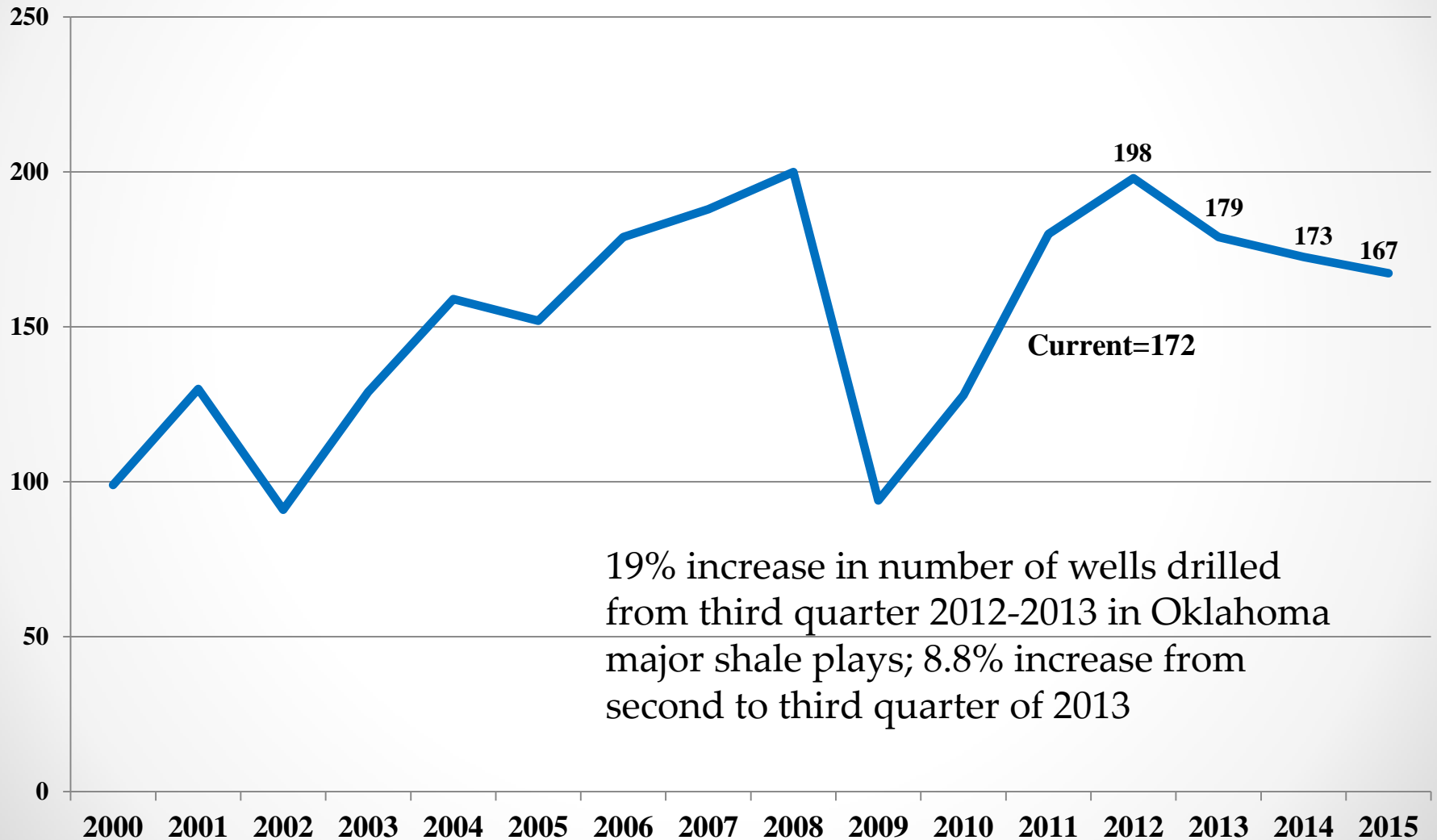
# Oklahoma Natural Gas Gross Withdrawals (MMcf): EIA



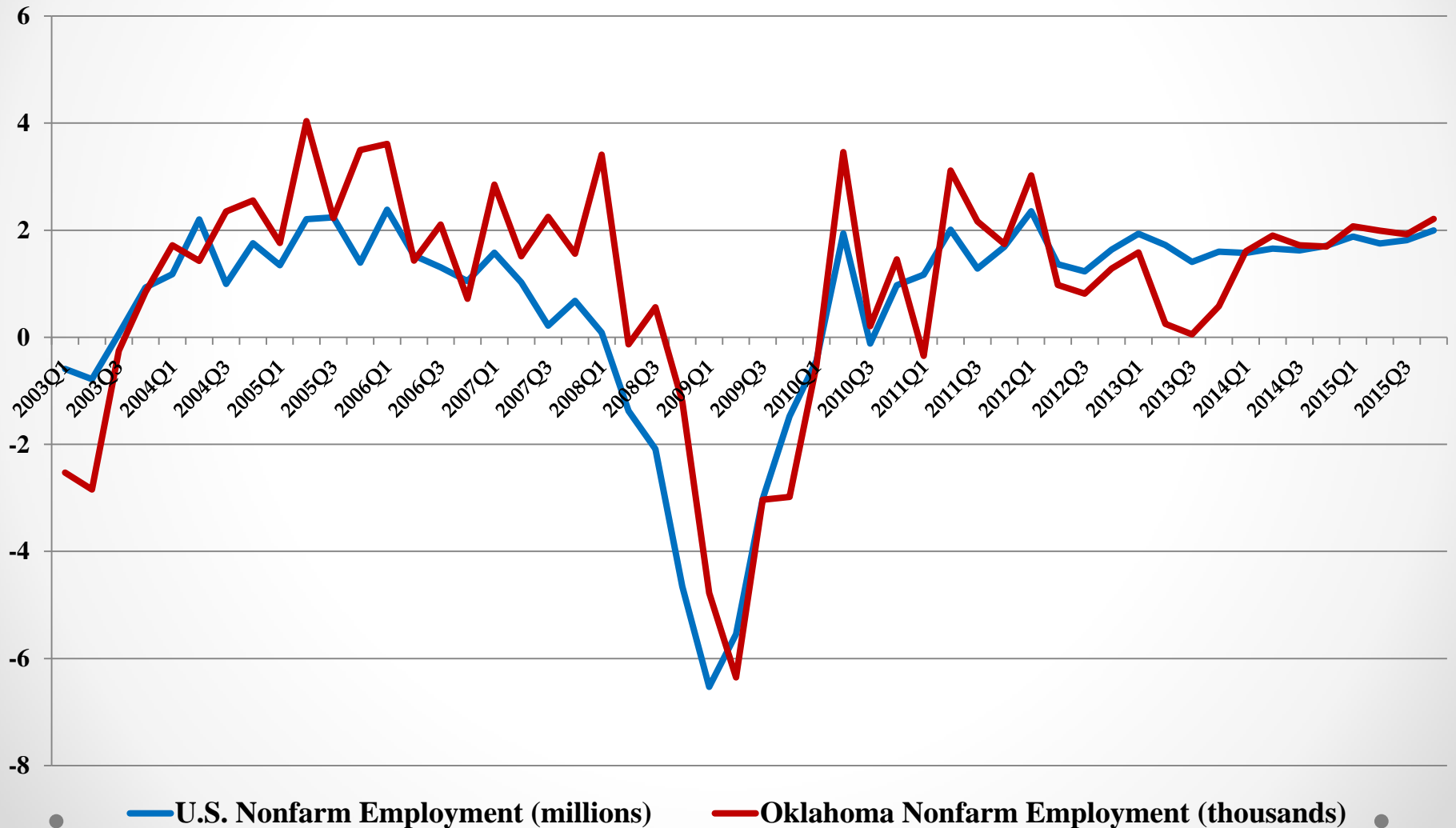
— Oklahoma Natural Gas Gross Withdrawals...



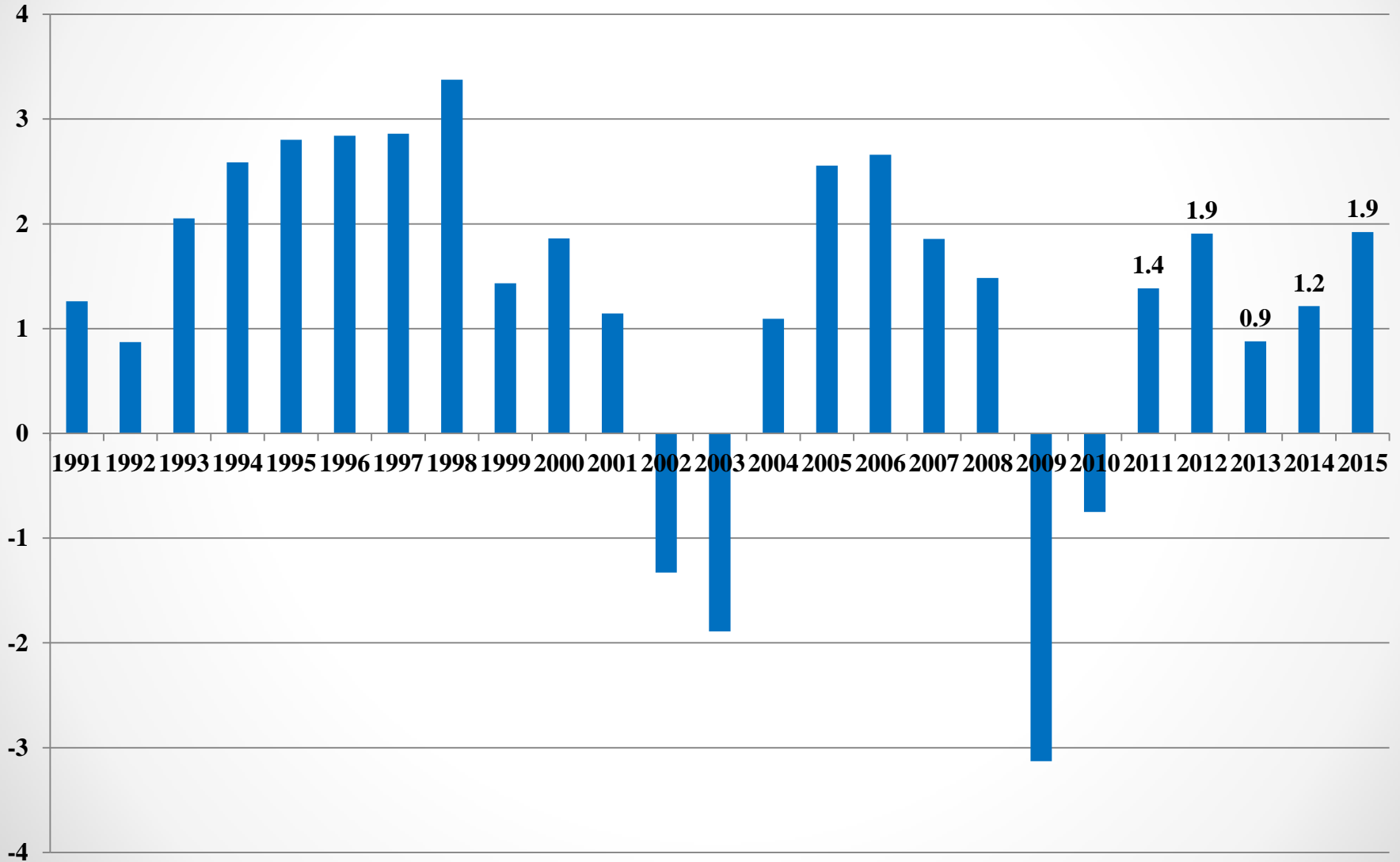
# Baker-Hughes, Inc. Oklahoma Rig Count: Total



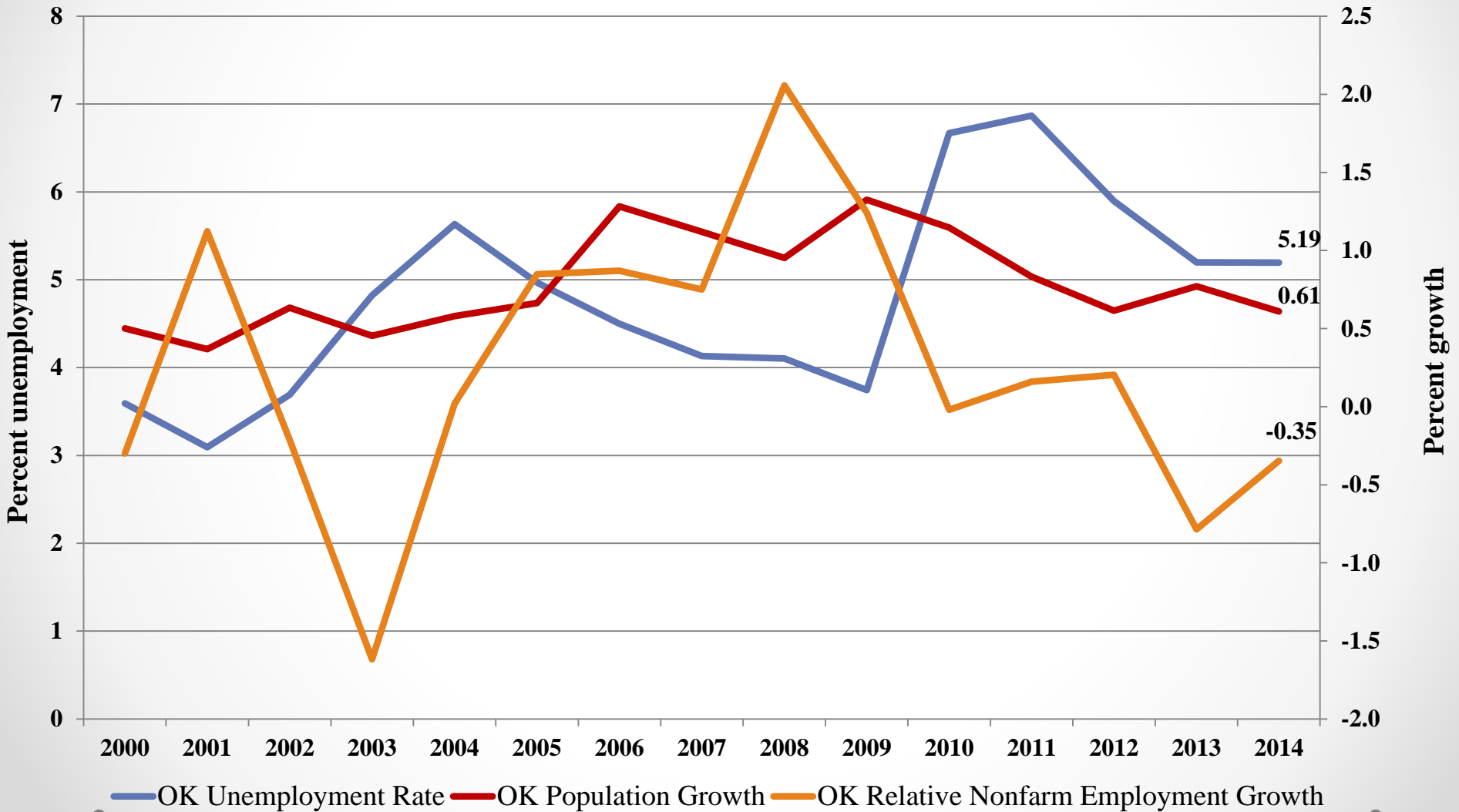
# Quarterly U.S. and Oklahoma Nonfarm Employment Growth: (Seasonally-Adjusted Annualized Percent Change)



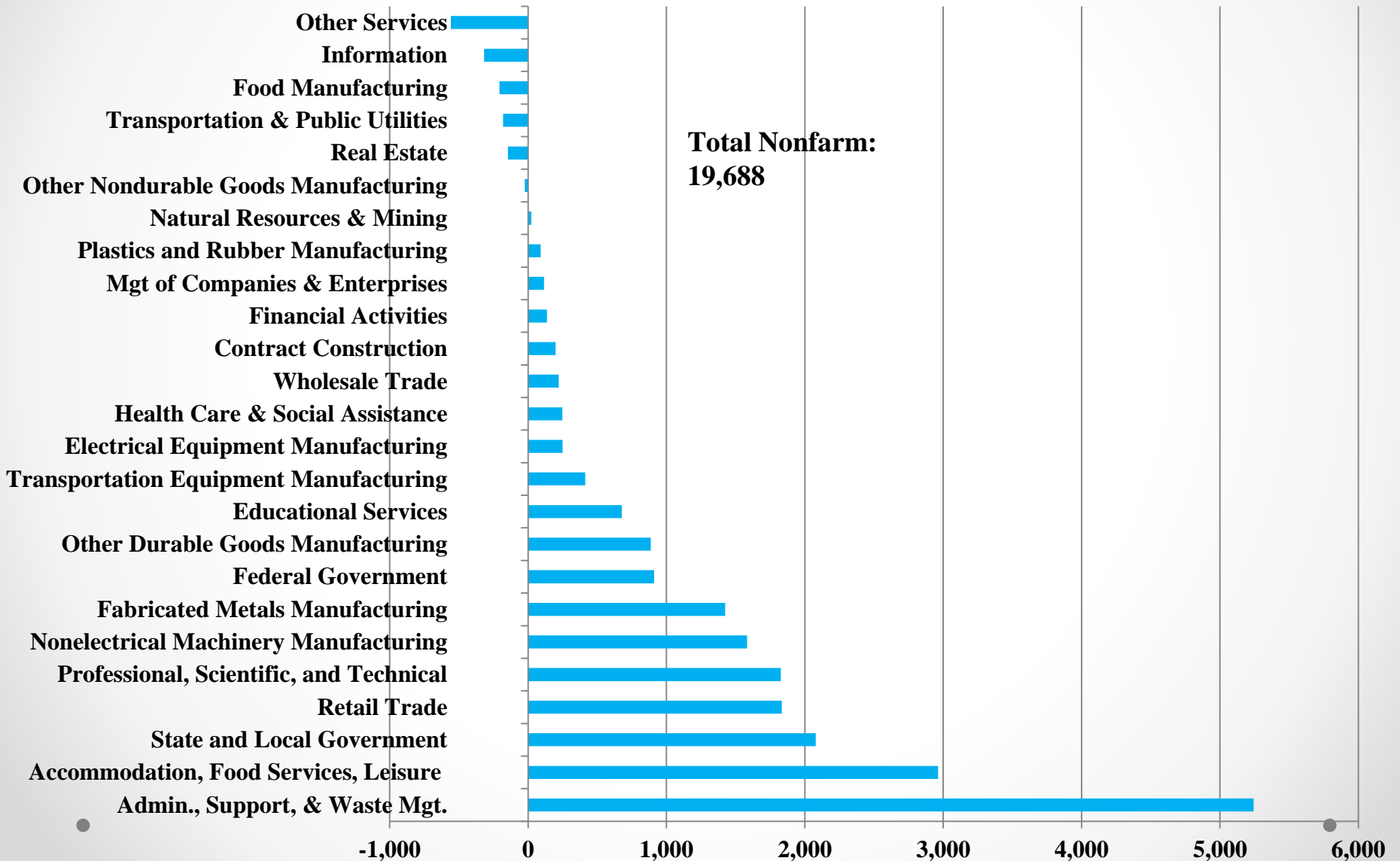
# Oklahoma Annual Nonfarm Employment Growth (%)



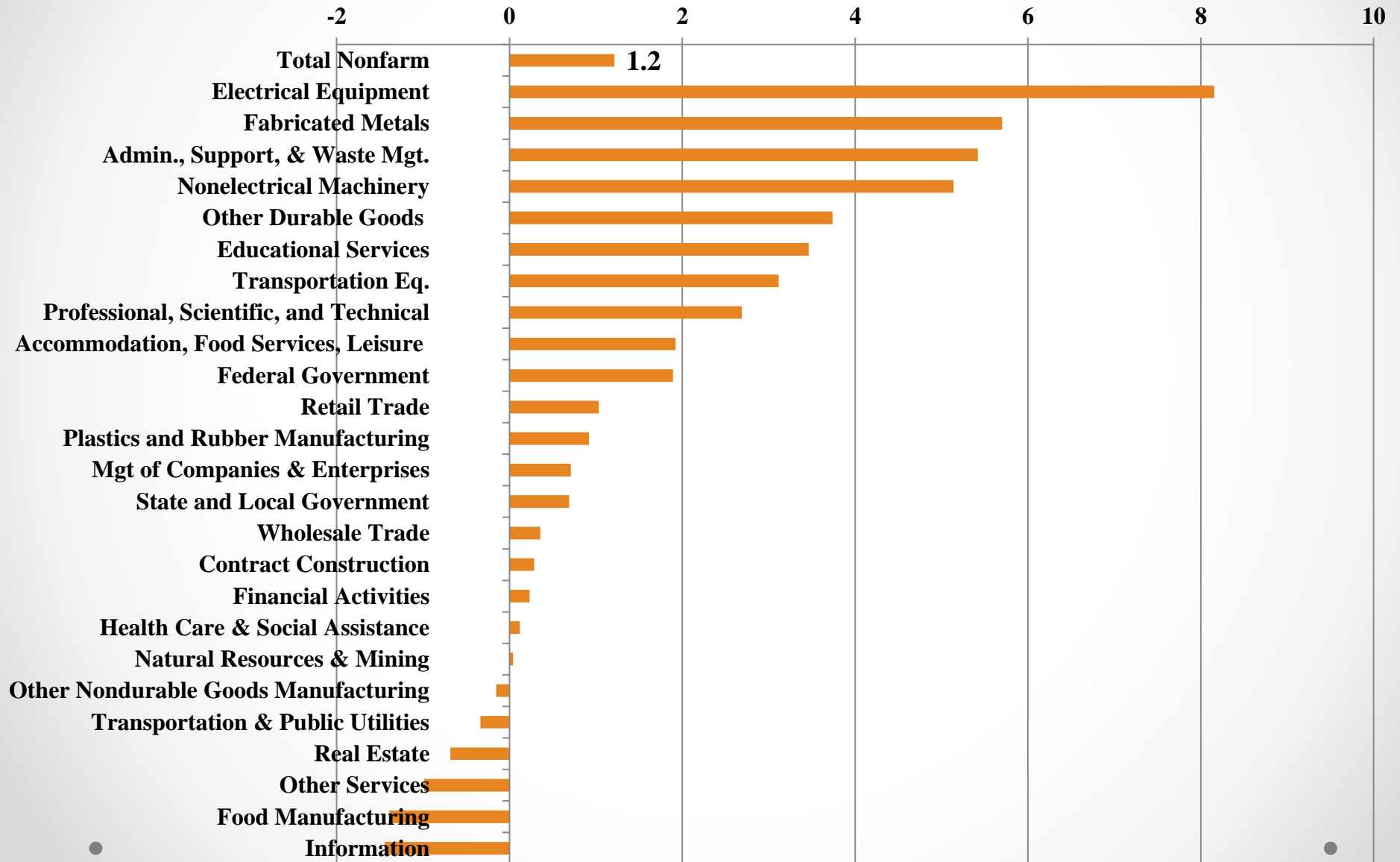
# Oklahoma Unemployment Rate and Nonfarm Employment/Population Growth



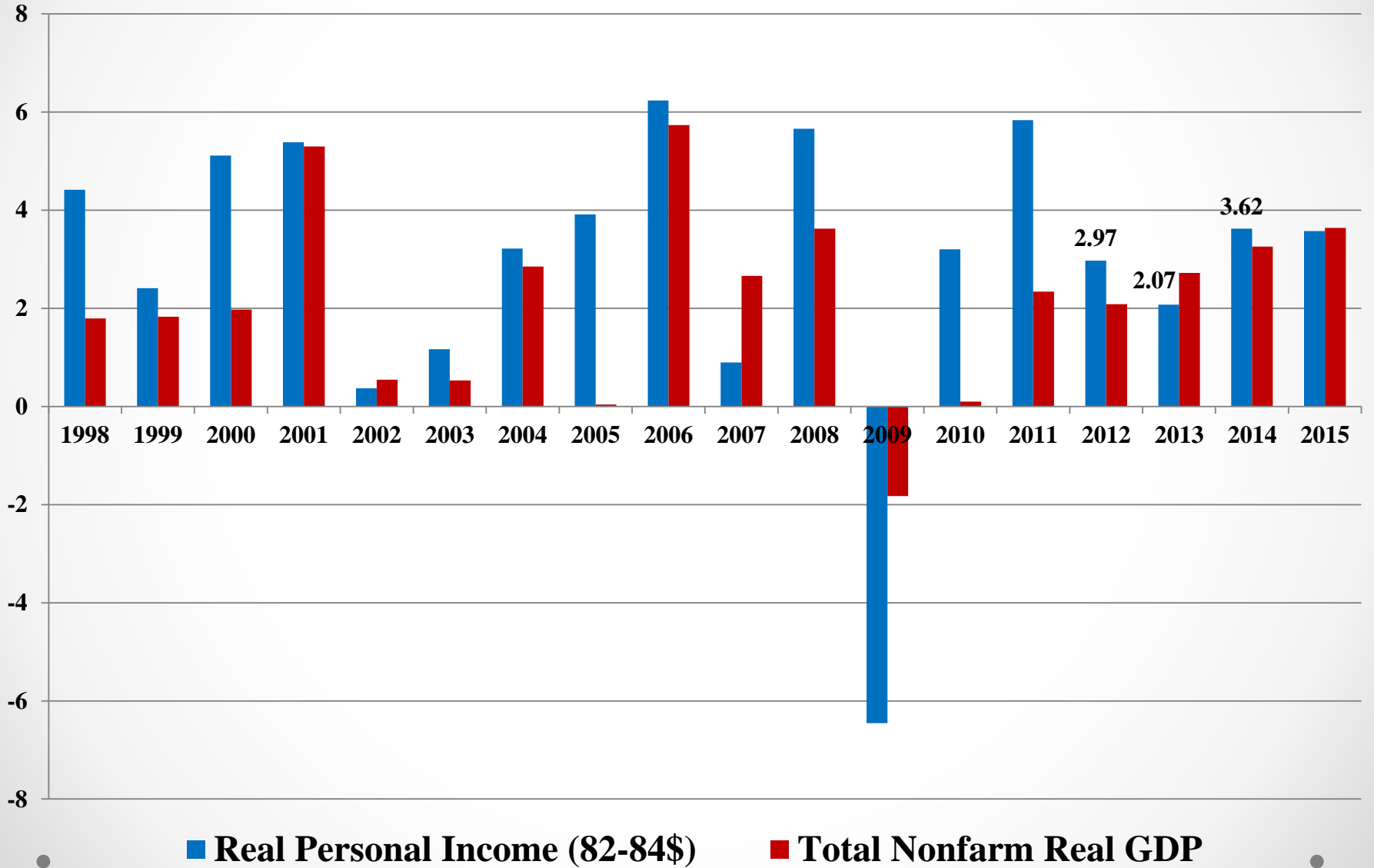
# Sector Change in Oklahoma Employment (Jobs): 2013-2014



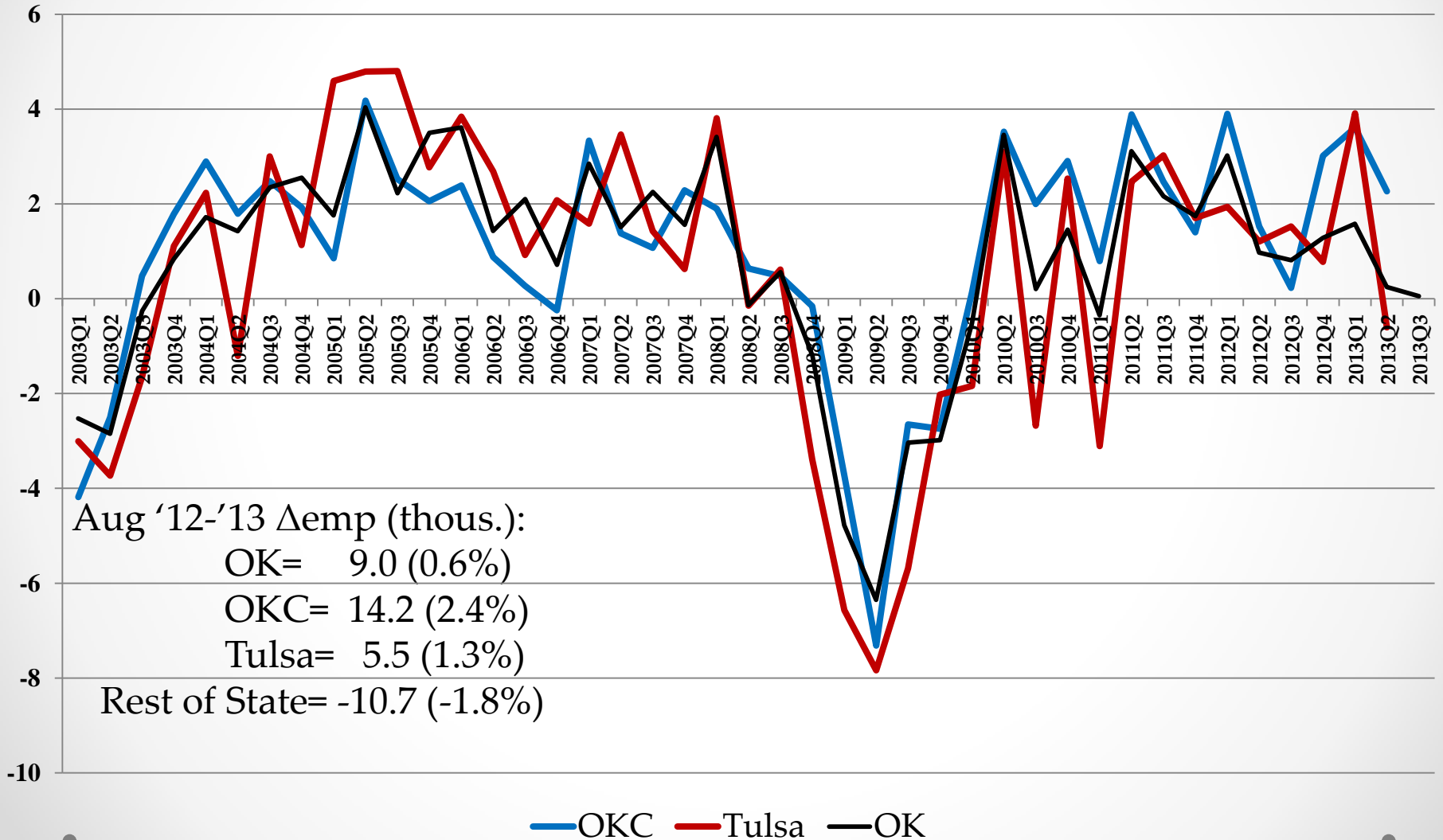
# Sector Change in Oklahoma Employment (%): 2013-2014



# Oklahoma Annual Real Personal Income and GDP Growth (%)

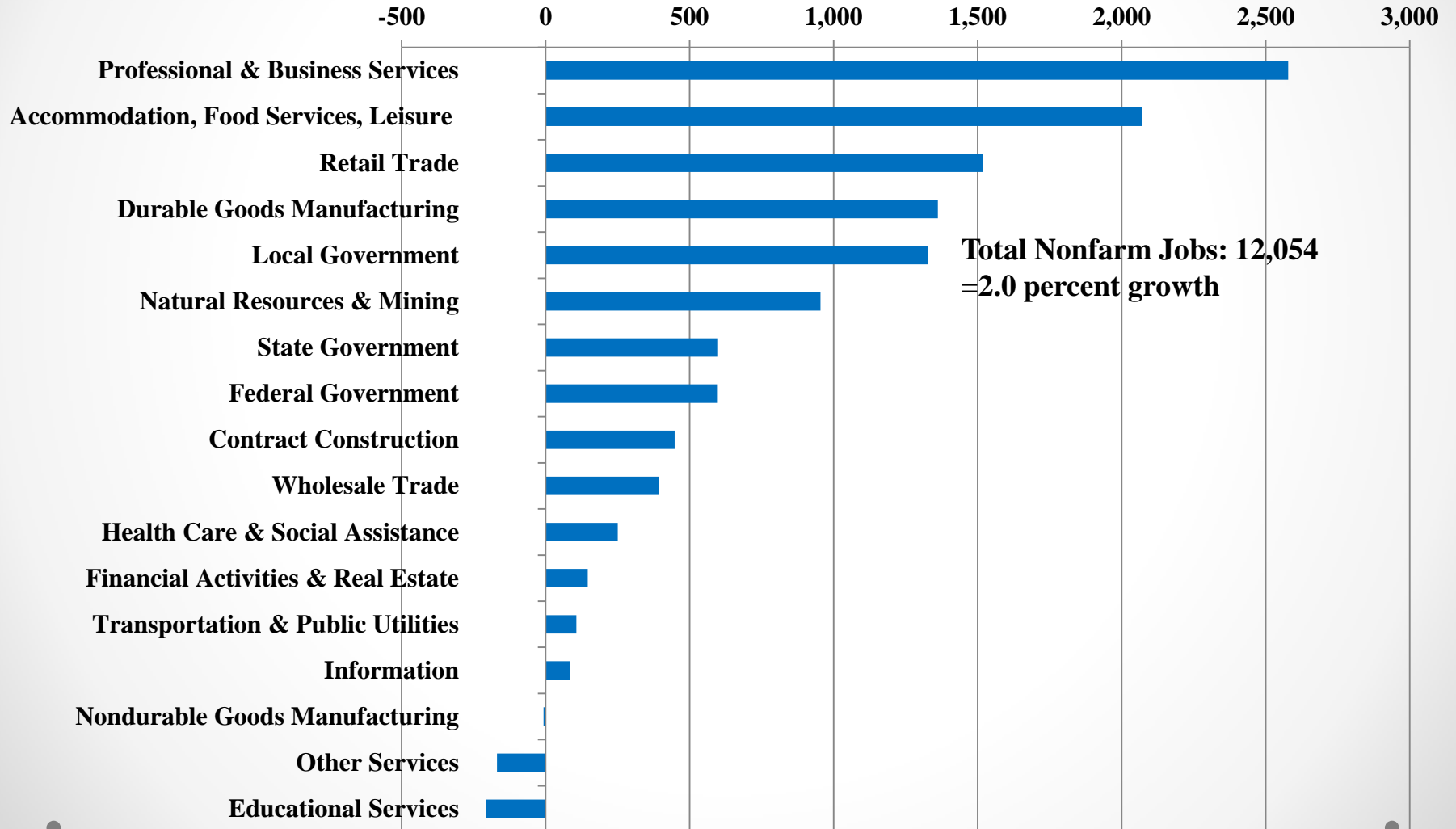


# Oklahoma City and Tulsa Quarterly Employment Growth (Deseasonalized, Annualized Percent Growth)





# Oklahoma City Metropolitan Area Employment Growth 2013-2014



# Risks and Longer Term Outlook

- 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

Thank you for your attention