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Spears School
OF BUSINESS

The Oklahoma Economy

2009 Oklahoma Economic Outlook



*Tulsa Metropolitan Area
Outlook*

Economic Performance Index

Center for Applied Economic Research
Spears School of Business
Oklahoma State University

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Tulsa Metropolitan Area

National Conditions and Low Energy Prices Weigh on Regional Growth

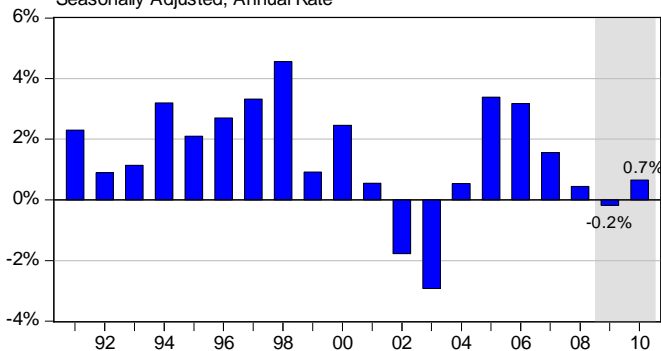
by Mark C. Snead†

Tulsa MSA Forecast Summary

- The Tulsa economy cooled considerably in 2008 but continues to outperform the national economy.
- We believe recent job survey data likely overstate the degree of the slowdown in the Tulsa area in 2008. Strong growth in the energy sector and in retail sales suggest that the Tulsa metro likely has more momentum going into 2009 than suggested by the job data.
- Our forecast for 2009 calls for further slowing in hiring in Tulsa driven by weaker national economic fundamentals and falling energy prices
- Tulsa is expected to post a small -0.2% job loss (-700 jobs) in 2009 before rebounding softly to a 0.6% gain in 2010. This is in line with a -0.2% loss expected at the state level and far exceeds the -1.5% job loss expected at the national level in 2009.
- Nearly all industry sectors will show hiring weakness in 2009 relative to 2008.
- Income growth should slow to 3.1% in 2009 but remain well above national income growth. Income in the Tulsa area should reach more than 105% of the nation in 2009.
- Housing price gains remain strong in Tulsa but are beginning to show more weakness as the regional economy slows.
- Although weakening further, Tulsa should outperform the nation in 2009 based on most economic measures.

Growth in Tulsa MSA Non-Ag W&S Employment

Seasonally Adjusted, Annual Rate



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Current Economic Conditions

The Tulsa metro area economy showed clear signs of weakening along with the national economy in 2008. While the energy sector and a strong housing market have provided the area with a buffer in the early stages of the national recession, the recent deepening of the recession and a reversal in energy prices will continue to shift regional growth downward in 2009.

Recent issues with federal job survey data make it difficult to determine exactly how much momentum the Tulsa area economy currently carries into the slowdown. Reported job growth for the 12 months ended November indicates a small job loss of -0.1% in the metro area, versus a 1.2% gain for the state and a sizeable -1.4% decline for the nation. As discussed in detail in the following section, we believe the reported job numbers understate job formation in the region and that Tulsa will likely post much more than the reported 0.4% job growth for all of 2008 after revisions are released over time. These job growth numbers are well below the 1.6% gain posted in 2007 and the more than 3.0% gains in both 2005 and 2006 and reflect the ongoing slowing in the metro area economy.

The slowdown underway in Tulsa is also very typical of the early stages of a broad cyclical slowdown. Tulsa's manufacturing base is no longer adding jobs and the cyclical wholesale trade and warehousing sectors are shedding jobs. Temporary employment has posted several months of job losses, typically the first workers released in a broad slowdown, while the key professional, scientific, and technical services sector is also showing job losses. The consumer driven arts, entertainment, recreation, and accommodations services sectors are showing the greatest weakness, though we believe survey errors are likely overstating the losses.

Concerns with Reported Job Data

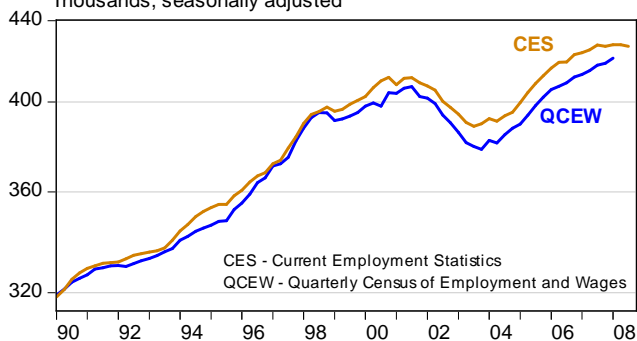
The 2009 Tulsa outlook is complicated by what we believe to be a reliability issue with the metro Tulsa job data as reported in the Current Employment Statistics (CES) survey. The latest CES release



suggests that Tulsa job formation stalled in the middle of 2008 and that small job losses then occurred through November. The CES survey is widely cited because it provides the most timely job estimates, but it is also subject to later revisions that are often substantial. The competing Quarterly Census of Employment and Wages (QCEW) survey is based on a full census of employment and provides the most useful and reliable job data, but tends to lag at least 6 months behind CES data releases. QCEW data is also used as the primary source of information for later revisions to the CES data.

We believe the CES data began to systematically understate Tulsa job growth in mid-year 2007 and that the understatement has likely carried through to the most recent data for November 2008. The more reliable QCEW data report instead indicates strong job growth in Tulsa through at least the first quarter of 2008 and provides no suggestion of an overall slowdown in hiring in the period.

Tulsa MSA Wage & Salary Employment Surveys
Thousands, seasonally adjusted

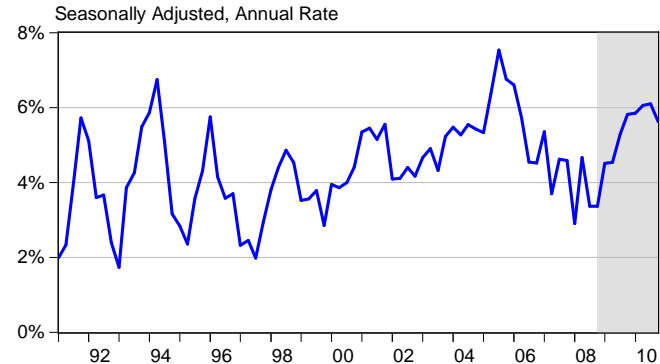


The reported difference in job growth is substantial. At the end of March 2008, the CES survey reported trailing 12 month job growth of 0.9% while the QCEW survey reported a 1.9% gain. In preliminary estimates using QCEW data to adjust the CES data, our model based forecast suggests that Tulsa job growth for all of 2008 will reach approximately 1.0% rather than 0.4%, closely in line with state growth of 1.1%. It also suggests that the Tulsa region had much more momentum going into the second half of 2008 than reported in the CES data.

It is likely that the errors are contained largely in two industry categories: 1) natural resources & mining (oil and gas) and 2) arts, entertainment, recreation, & accommodations. The CES data suggest that energy-related hiring in the first three quarters of 2008 in Tulsa was flat or slightly down. Because the QCEW data instead reports a trailing 12 month growth rate of 10% for the sector, we believe the CES data grossly

understates the actual activity in the local energy sector, a period in which the sector enjoyed the highest energy prices on record and was expanding statewide at a frenetic pace. For the arts, entertainment, recreation, & accommodations sector, there is a

Growth in OFHEO OKC Metro Housing Price Index



dramatic downward shift of nearly 2,000 jobs reported in the CES data for the 2nd quarter of 2007 and is carried forward to the most recent data. This is also the period of the highest energy prices on record and job losses in the energy sector are highly unlikely as suggested by the CES data. In addition, there is no confirming evidence of this trend in the QCEW data for the same industries or in the CES data for either the state or the Oklahoma City metro area.

It is not unusual for the CES survey to generate misleading data. For example, we discussed in a recent forecast release that Oklahoma City's job growth was likely overstated in 2007, with the CES survey projecting annual growth rates of more than 3.0% and the QCEW survey indicating growth rates roughly half as large. In other past forecast publications we have discussed how Tulsa's job growth was grossly overstated in the CES survey going into the early stages of the last recession. We are currently producing forecasts for the Tulsa metro area using revised estimates for the CES data and will release the estimates in early 2009.

Housing Price Gains Ease. The nation's housing woes continue to creep closer to home and are putting increasing pressure on the real estate market in Tulsa. Housing price gains in the Tulsa area remain solid but have slowed considerably, posting a reported 2.4% gain for the four quarters ended in September as measured by the OFHEO housing price index. The gain ranks Tulsa 36th among the 381 metro areas tracked in the survey. The Oklahoma City metro area posted a 2.1% gain in the same period, ranking 44th nationally. The state of Oklahoma ranks 6th among the states with a 2.75% gain, with energy states dominating the top of the rankings.

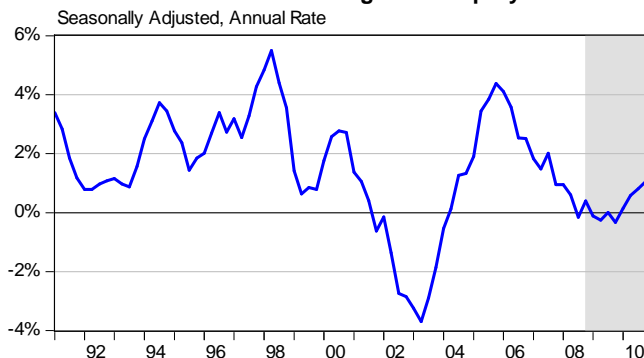
At this point in the slowdown, the easing in housing price gains and foreclosure rates reflect only a typical economic slowdown, not the type of fundamentally weak conditions present throughout much of the country. RealtyTrac® foreclosure estimates through November indicate that the state continues to avoid much of the housing finance quagmire, ranking only 33rd out of 50 states when measured by number of foreclosures per household. Most of the foreclosures statewide are highly concentrated in the Tulsa and Oklahoma City areas. Foreclosures are also down more than 14% statewide from November of 2007. Tulsa area financial institutions will certainly experience losses in the current cycle but should bear little resemblance to the state's oil and real estate bust of the early 1980s.

2009 Tulsa Metropolitan Area Forecast

The recent deepening of the national recession and pullback in energy prices will shift job growth downward in Tulsa next year from an expected 0.4% rate this year to -0.2% (-700 jobs) in 2009. This forecast does not yet reflect what we believe will be upward revisions in the data but is in line with an expected -0.2% decline at the state level and will far exceed the -1.5% job decline expected at the national level.

The slowing will place upward pressure on the Tulsa area unemployment rate. The jobless rate bottomed around 3% in early 2008, but is expected to rise to an average rate of 5.0% in 2009. Hiring weakness is expected into early 2010 and should push the unemployment rate to an average of 5.5% in 2010.

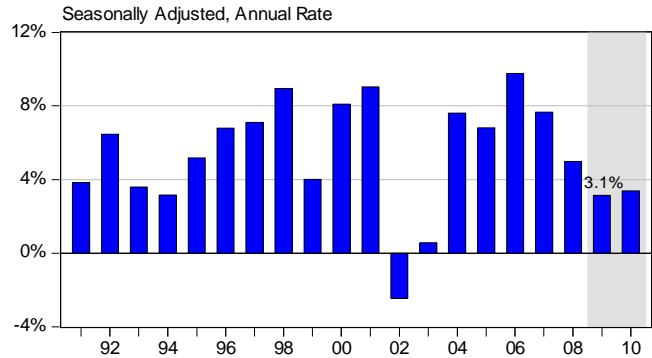
Growth in Tulsa MSA Non-Ag W&S Employment



Personal income growth is expected to slow from the energy-enhanced rates enjoyed in recent years that have pushed Tulsa metro incomes to roughly 105% of national incomes. Gains in Tulsa personal income should slow to 3.1% in 2009, boosting Tulsa MSA per capita income further above the nation. Growth in personal income is expected to recover only slowly to

3.4% in 2010, but should remain above the national growth rate. Metro area taxable retail sales will continue to reflect the resilience the Tulsa area economy is showing and is forecasted to increase 4.7% in 2009.

Growth in Tulsa MSA Nominal Personal Income (\$Mil)



Tulsa Industry Hiring Trends

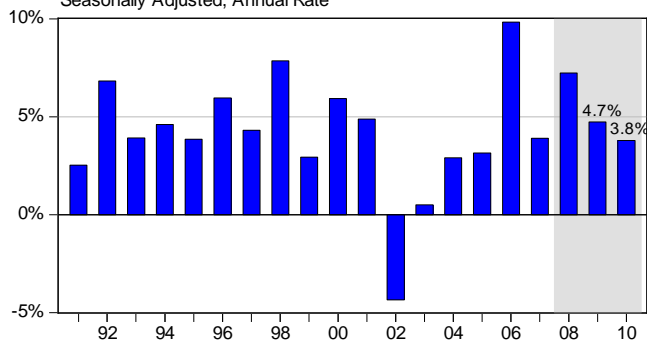
Nearly all major industry sectors are showing some weakness in late 2008 data and should weaken further next year. (See employment by industry data tables)

- Again, we believe hiring in both the natural resources (oil and gas) and arts, entertainment, recreation, and accommodations sectors are likely to be revised upward in future revisions.
- Nevertheless, the boost from the oil and gas sector will be all but eliminated in 2009 as hiring in the industry waits for higher energy prices. The arts, entertainment, recreation, and accommodations sector is not well positioned for a broad cyclical slowdown and will be a source of substantial hiring weakness next year.
- Construction hiring is showing cyclical weakness and should produce a small number of new jobs next year.
- The Tulsa area's impressive manufacturing base is showing the first signs of job losses since the last recession. Job losses in manufacturing will be driven by both continued weakness in aviation and energy as well as by the overall cyclical slowdown in the metro economy.
- Despite a relatively strong housing market, the Tulsa area financial sector is expected to provide little or no hiring in 2009 as the sector adjusts to slowing lending activity and a cooling housing market.
- Temporary employment is highly cyclical and began showing large job losses in Tulsa in 2008. Expect further losses in 2009.

- The health care sector is more recession-proof than any other major industry sector. The medical field will continue to serve as a strong source of hiring for dislocated workers in other industries in 2009.
- The retail trade, wholesale trade, and transportation sectors are poised to suffer significant job losses as the household sector scales back purchases next year.
- State and local government jobs were eliminated in large numbers in the Tulsa area in both 2007 and 2008 but should post modest growth in 2009 as additional demand for public services is driven by slowing economic activity.
- The leisure and hospitality sectors are expected to slow sharply next year in response to a flat labor market and weaker income growth.

Growth in Taxable Retail Sales (\$Mil)

Seasonally Adjusted, Annual Rate



Pessimistic Case. Because it remains a real possibility that the national economy may weaken further and that energy prices could fall significantly below current levels, we evaluate the potential impact on the Tulsa metro area economy using a more pessimistic scenario for both national economic activity and energy prices. The alternative scenario assumes:

1. U.S. GDP growth remains negative through the 4th quarter of 2009;
2. U.S. job losses extend through the 2nd quarter of 2010;
3. Oil averages \$41/barrel in 2009 and \$57 in 2010;
4. Natural gas continues to average \$5.50/million BTUs in 2009 and \$6.75 in 2010;
5. The U.S. unemployment rate increases from 6.5% to 9.3% by 2010.

Under this more pessimistic scenario, Tulsa area economic conditions are forecasted to downshift further, with a loss of 1,500 jobs in 2009. Most industries experience incremental weakness but conditions are buffered by the current strength in the metro area economy relative to the nation. Metro area

Selected Tulsa Metro Area Indicators			
Pessimistic Scenario			
Indicator	2008e	2009f	2010f
Non-Farm Employment (Thou)	427.69	426.20	428.55
(% Change)	0.4%	-0.3%	0.6%
Personal Income (\$Mil)	38,108.0	39,025.8	39,893.5
	5.0%	2.4%	2.2%
Per Capita Personal Income (\$)	41,560	42,163	42,779
	3.7%	1.4%	1.5%
Ratio Tulsa/US Per Capita Personal	104.5%	105.8%	107.7%
	0.4%	1.3%	1.8%
Tulsa MSA Population (Thou)	916.94	925.60	932.54
	1.2%	0.9%	0.7%
Unemployment Rate	3.8%	5.3%	6.1%
	-8.1%	40.0%	15.6%
Taxable Retail Sales (\$Mil)	11,685.3	12,237.5	12,568.4
	7.3%	4.7%	2.7%

job growth declines to -0.3% (1,500 jobs lost) in 2009 before rebounding to only 0.6% growth in 2010. These numbers continue to compare favorably, however, to expected national job growth under these conditions of -2.1% and -0.9%, respectively, in 2009 and 2010.

Forecast Summary. The Tulsa area economy is expected to slow further in 2009 along with the state and nation. Metro job growth is expected to slow from 0.4% in 2008 to -0.2% in 2009 before resuming a soft recovery of only 0.7% job growth in 2010. Issues with federal job data understating metro job growth suggest that the job gains in Tulsa could be as much as 0.5% higher in both 2008 and 2009. Retreating energy prices will nearly eliminate any energy boost enjoyed by the region in recent years. Hiring weakness is expected in most major industry sectors in 2009 relative to 2008; however the Tulsa metro area will nevertheless far outperform the nation on most economic measures in 2009. Pessimistic assumptions for the national economy and energy prices produce a -0.3% job loss in Tulsa in 2009 and only 0.6% growth in 2010.

Released January 9, 2009

Tulsa MSA Non-Farm Wage & Salary Employment

Seasonally adjusted, in Thousands

		Sector	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009f	2010f	
				Total	397.98	407.77	409.99	402.70	390.92	393.03	406.36	419.28	425.83	427.72	426.97
			0.9%	2.5%	0.5%	-1.8%	-2.9%	0.5%	3.4%	3.2%	1.6%	0.4%	-0.2%	0.6%	
GOODS	Natural Resources & Mining		5.88	5.17	4.33	4.21	3.92	4.38	5.13	6.11	6.67	7.02	6.84	6.63	
			-10.3%	-12.0%	-16.1%	-2.9%	-6.9%	11.7%	17.3%	19.0%	9.1%	5.4%	-2.6%	-3.1%	
	Construction		18.82	19.57	20.83	20.51	19.96	19.33	19.91	21.56	21.91	23.16	23.23	23.62	
			9.9%	3.9%	6.5%	-1.5%	-2.7%	-3.2%	3.0%	8.3%	1.6%	5.7%	0.3%	1.7%	
	Manufacturing		56.20	55.65	55.13	50.78	47.47	46.43	46.83	49.40	51.53	51.73	51.37	51.03	
			-3.4%	-1.0%	-0.9%	-7.9%	-6.5%	-2.2%	0.9%	5.5%	4.3%	0.4%	-0.7%	-0.7%	
	PRIVATE	Trade, Transportation, & Utilities		87.31	89.39	87.31	85.39	82.70	80.46	80.94	83.44	85.26	85.89	85.35	85.47
				0.2%	2.4%	-2.3%	-2.2%	-3.2%	-2.7%	0.6%	3.1%	2.2%	0.7%	-0.6%	0.1%
			Wholesale Trade	17.37	17.62	17.71	17.61	16.83	16.26	17.22	17.63	18.18	17.96	17.80	17.77
				-1.2%	1.4%	0.5%	-0.6%	-4.4%	-3.4%	5.9%	2.4%	3.1%	-1.2%	-0.9%	-0.2%
		Retail Trade	47.84	49.06	47.29	46.45	45.08	44.20	43.62	44.55	45.08	45.64	45.22	45.41	
			1.2%	2.5%	-3.6%	-1.8%	-2.9%	-2.0%	-1.3%	2.1%	1.2%	1.3%	-0.9%	0.4%	
		Utilities	3.05	3.50	3.63	3.20	3.25	2.89	2.86	2.98	3.26	3.40	3.44	3.48	
			4.2%	14.7%	3.7%	-11.7%	1.3%	-11.0%	-1.1%	4.4%	9.2%	4.4%	1.1%	1.1%	
		Transportation & Warehousing	19.05	19.21	18.67	18.13	17.53	17.11	17.24	18.22	18.74	18.89	18.90	18.83	
			-1.5%	0.8%	-2.8%	-2.9%	-3.3%	-2.4%	0.8%	5.7%	2.9%	0.8%	0.1%	-0.4%	
SERVICES	Information		12.77	15.04	15.20	14.37	12.23	11.15	10.74	10.07	10.02	10.14	9.63	9.31	
			4.8%	17.8%	1.0%	-5.4%	-14.9%	-8.8%	-3.7%	-6.3%	-0.4%	1.2%	-5.0%	-3.4%	
	Financial Activities		24.29	24.96	25.16	24.81	24.47	24.68	25.07	25.43	25.39	25.55	25.72	26.06	
			-0.9%	2.7%	0.8%	-1.4%	-1.4%	0.8%	1.6%	1.4%	-0.2%	0.6%	0.7%	1.3%	
	Professional & Business Services		51.52	53.70	55.48	51.66	49.24	53.47	59.59	61.22	61.78	60.03	58.90	58.93	
		Professional, Scientific, & Technical	16.92	18.14	18.99	18.98	18.26	18.55	19.37	19.72	20.09	19.68	19.71	19.73	
			-1.4%	4.2%	3.3%	-6.9%	-4.7%	8.6%	11.4%	2.7%	0.9%	-2.8%	-1.9%	0.1%	
		Mgt. of Companies & Enterprises	6.25	6.39	5.90	5.87	6.08	6.03	6.19	6.12	5.83	5.62	5.61	5.54	
			2.7%	7.2%	4.7%	-0.1%	-3.8%	1.6%	4.4%	1.8%	1.9%	-2.0%	0.1%	0.1%	
		Admin., Support, & Waste Mgt.	28.36	29.16	30.59	26.82	24.90	28.89	34.02	35.38	35.86	34.72	33.59	33.67	
		4.9%	2.3%	-7.7%	-0.4%	3.4%	-0.7%	2.6%	-1.2%	-4.8%	-3.6%	-0.2%	-1.3%		
GOVERNMENT	Education & Health Services		46.75	47.80	48.84	51.45	52.38	52.68	53.94	55.72	57.61	59.33	60.45	62.19	
			2.4%	2.2%	2.2%	5.3%	1.8%	0.6%	2.4%	3.3%	3.4%	3.0%	1.9%	2.9%	
		Educational Services	4.83	5.07	5.26	5.48	5.83	6.10	6.65	6.98	7.09	7.03	7.08	7.40	
			6.2%	5.0%	3.8%	4.2%	6.3%	4.7%	9.0%	5.0%	1.6%	-0.9%	0.7%	4.6%	
		Health Care & Social Assistance	41.92	42.73	43.57	45.96	46.56	46.58	47.30	48.75	50.53	52.31	53.37	54.79	
			2.0%	1.9%	2.0%	5.5%	1.3%	0.0%	1.6%	3.1%	3.6%	3.5%	2.0%	2.7%	
	Leisure & Hospitality		33.60	34.20	34.22	34.21	33.59	34.24	35.30	36.41	35.40	34.62	34.19	33.85	
			5.8%	1.8%	0.0%	0.0%	-1.8%	1.9%	3.1%	3.2%	-2.8%	-2.2%	-1.3%	-1.0%	
		Arts, Entertain., Recreation & Accomod.	6.03	6.48	6.46	6.14	6.10	5.96	6.15	6.57	5.49	4.89	4.65	4.48	
			3.1%	7.5%	-0.2%	-4.9%	-0.7%	-2.2%	3.1%	6.8%	-16.5%	-10.9%	-5.0%	-3.5%	
	Food Services & Drinking Places	27.55	27.72	27.75	28.06	27.49	28.27	29.14	29.84	29.93	29.74	29.54	29.37		
		6.3%	0.6%	0.1%	1.1%	-2.1%	2.9%	3.1%	2.4%	0.3%	-0.6%	-0.7%	-0.6%		
Other Services		14.48	14.51	15.35	16.34	16.68	16.93	17.10	17.43	17.88	18.73	19.41	19.97		
		5.7%	0.2%	5.8%	6.5%	2.1%	1.4%	1.0%	1.9%	2.6%	4.7%	3.6%	2.9%		
Total Government		46.33	47.77	48.13	48.96	48.26	49.31	51.80	52.48	52.38	51.55	51.86	52.66		
		2.2%	3.1%	0.7%	1.7%	-1.4%	2.2%	5.0%	1.3%	-0.2%	-1.6%	0.6%	1.5%		
	Federal Government	4.98	5.07	5.03	5.00	4.96	4.79	4.77	4.70	4.76	4.74	4.74	4.76		
		0.8%	1.7%	-0.7%	-0.7%	-0.8%	-3.4%	-0.5%	-1.4%	1.2%	-0.4%	0.0%	0.5%		
	State & Local Government	41.34	42.71	43.10	43.96	43.31	44.53	47.04	47.78	47.63	46.82	47.13	47.90		
		2.4%	3.3%	0.9%	2.0%	-1.5%	2.8%	5.6%	1.6%	-0.3%	-1.7%	0.7%	1.6%		
		^e Estimate	^f Forecast												
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009f	2010f		

Tulsa MSA Economic Indicators

Seasonally adjusted

Sector	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009f	2010f
Non-Farm W&S Employment (Thou)	397.98	407.77	409.99	402.70	390.92	393.03	406.36	419.28	425.83	427.72	426.97	429.73
	0.9%	2.5%	0.5%	-1.8%	-2.9%	0.5%	3.4%	3.2%	1.6%	0.4%	-0.2%	0.6%
QCEW Wage & Salary Employment	393,016	400,001	405,053	396,300	381,382	384,118	396,071	408,589	416,067	421,247	420,437	422,670
	0.1%	1.8%	1.3%	-2.2%	-3.8%	0.7%	3.1%	3.2%	1.8%	1.2%	-0.2%	0.5%
Nominal Personal Income (\$Mil)	23,113.3	24,984.0	27,242.7	26,574.1	26,728.7	28,762.8	30,723.2	33,722.8	36,303.8	38,114.6	39,312.5	40,641.9
	4.0%	8.1%	9.0%	-2.5%	0.6%	7.6%	6.8%	9.8%	7.7%	5.0%	3.1%	3.4%
Real Personal Income (Chain2000 \$Mil)	23,687.8	24,984.1	26,683.9	25,665.1	25,312.0	26,536.1	27,534.4	29,407.3	30,855.1	31,317.4	32,336.0	32,817.6
	2.3%	5.5%	6.8%	-3.8%	-1.4%	4.8%	3.8%	6.8%	4.9%	1.5%	3.3%	1.5%
Nominal Gross Metro Product (\$Mil)	24,798.3	26,598.0	28,502.1	28,634.6	29,935.7	32,281.9	35,368.1	39,173.6	41,699.4	43,718.9	44,745.2	46,234.9
	4.2%	7.3%	7.2%	0.5%	4.5%	7.8%	9.6%	10.8%	6.4%	4.8%	2.3%	3.3%
Real Gross Metro Product (Chain2000 \$Mil)	25,883.9	26,598.0	27,735.9	27,386.0	27,328.3	28,260.8	28,920.9	30,846.1	32,632.9	33,640.9	34,200.6	35,355.8
	2.2%	2.8%	4.3%	-1.3%	-0.2%	3.4%	2.3%	6.7%	5.8%	3.1%	1.7%	3.4%
Nominal Manufacturing Output (\$Mil)	5,315.2	4,827.3	5,112.7	4,413.5	4,285.9	4,363.5	4,560.6	5,052.2	5,256.7	5,368.8	5,194.7	5,165.9
	1.9%	-9.2%	5.9%	-13.7%	-2.9%	1.8%	4.5%	10.8%	4.0%	2.1%	-3.2%	-0.6%
Real Manufacturing Output (\$Mil)	5,214.7	4,827.3	5,097.6	4,458.0	4,337.6	4,453.2	4,466.1	4,780.0	5,035.9	5,120.9	5,080.5	5,178.6
	2.8%	-7.4%	5.6%	-12.5%	-2.7%	2.7%	0.3%	7.0%	5.4%	1.7%	-0.8%	1.9%
Per-Capita Personal Income (\$Thou)	27.045	29.005	31.392	30.364	30.463	32.765	34.818	37.761	40.081	41.561	42.433	43.479
	2.6%	7.2%	8.2%	-3.3%	0.3%	7.6%	6.3%	8.5%	6.1%	3.7%	2.1%	2.5%
Real Per-Cap Personal Income (\$Thou)	27.717	29.005	30.748	29.326	28.849	30.229	31.204	32.929	34.066	34.149	34.902	35.109
	0.9%	4.6%	6.0%	-4.6%	-1.6%	4.8%	3.2%	5.5%	3.5%	0.2%	2.2%	0.6%
Ratio Tulsa/US Per Capita Income	97.0%	97.3%	102.9%	98.7%	97.0%	99.2%	100.8%	103.1%	104.1%	104.5%	105.3%	106.3%
	-1.3%	0.4%	5.7%	-4.0%	-1.8%	2.3%	1.6%	2.3%	1.0%	0.4%	0.8%	1.0%
Taxable Retail Sales (\$Mil)	8,420.2	8,919.6	9,355.1	8,948.3	8,993.2	9,254.0	9,545.5	10,483.5	10,892.7	11,680.0	12,231.9	12,694.9
	2.9%	5.9%	4.9%	-4.3%	0.5%	2.9%	3.1%	9.8%	3.9%	7.2%	4.7%	3.8%
Tulsa MSA Population (Thou)	854.63	861.37	867.83	875.18	877.41	877.85	882.39	893.05	905.76	917.08	926.47	934.74
	1.4%	0.8%	0.7%	0.8%	0.3%	0.0%	0.5%	1.2%	1.4%	1.3%	1.0%	0.9%
Labor Force - HH Survey (Thou)	440,945	440,409	443,372	445,816	442,707	438,946	442,869	443,960	446,130	435,133	434,956	436,373
	0.7%	-0.1%	0.7%	0.6%	-0.7%	-0.8%	0.9%	0.2%	0.5%	-2.5%	0.0%	0.3%
Employment - HH Survey (Thou)	425,384	427,466	428,369	423,571	415,694	416,671	423,504	426,182	427,731	418,678	413,028	412,486
	0.7%	0.5%	0.2%	-1.1%	-1.9%	0.2%	1.6%	0.6%	0.4%	-2.1%	-1.3%	-0.1%
Unemployed - HH Survey (Thou)	15,561	12,943	15,002	22,245	27,013	22,276	19,365	17,778	18,399	16,455	21,928	23,887
	-0.2%	-16.8%	15.9%	48.3%	21.4%	-17.5%	-13.1%	-8.2%	3.5%	-10.6%	33.3%	8.9%
Unemployment Rate - HH Survey (%)	3.5	2.9	3.4	5.0	6.1	5.1	4.4	4.0	4.1	3.8	5.0	5.5
	-0.9%	-16.7%	15.1%	47.6%	22.2%	-16.9%	-13.8%	-8.4%	3.0%	-8.3%	33.3%	8.6%
OFHEO Tulsa MSA Housing Price Index	122.18	127.85	135.83	140.68	145.14	148.79	153.23	158.58	166.85	173.67	183.24	194.47
	5.7%	4.6%	6.2%	3.6%	3.2%	2.5%	3.0%	3.5%	5.2%	4.1%	5.5%	6.1%
Wage & Salary Earnings QCEW (\$Mil)	11,418.7	12,118.4	12,813.6	12,666.4	12,430.7	13,063.5	13,951.6	15,375.5	16,202.0	17,094.9	17,552.8	18,220.3
	2.0%	6.1%	5.7%	-1.1%	-1.9%	5.1%	6.8%	10.2%	5.4%	5.5%	2.7%	3.8%
^e Estimate ^f Forecast	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009f	2010f



The Oklahoma Economy

2009 Economic Outlook

Economic Performance Index

The Center for Applied Economic Research developed the *Economic Performance Index* as a visual tool for better understanding the relative performance and economic cycles across the various regions of the state. The index details the total economic activity in a region over a long time frame and captures the depth and duration of economic upturns and downturns.

The index is a statistically weighted combination of four key economic indicators: 1) total wage and salary employment, 2) total wage and salary income, 3) unemployment rate, and 4) taxable retail sales. These four variables capture a significant portion of the fluctuations in local economic conditions and allow a direct comparison of economic activity across regions as measured by the set of variables in the index.

The index is estimated using the method of principal components and then re-weighted so that changes in the index over time reflect changes in total personal income in a local region. For most areas, the index explains approximately 75% or more of the total variation in personal income. The index is computed on a quarterly basis and is benchmarked to equal 100.0 on average in 2000.

