2012 ECONOMIC OUTLOOK: NATIONAL, STATE AND LOCAL FORECASTS

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U.S. Real Gross Domestic Product: IHS Global Insight Forecast

%Change vs. Real GDP (Bill. $2005)
Percent Job Losses in Post WWII Recessions

- 1948
- 1953
- 1957
- 1960
- 1969
- 1974
- 1980
- 1981
- 1990
- 2001
- 2007

2012: +1.0%

Current Employment Recession

Dotted Line ex-Census Hiring

Number of Months After Peak Employment

http://www.calculatedriskblog.com/
Energy Prices: West Texas Intermediate Oil and Henry Hub NG

WTI %Chg
PNG %Chg
West Texas Inter ($/bbl)
Henry Hub ($/mcf)

Source: U.S. Bureau of Economic Analysis
Employment Growth (Wage and Salary): 2007-2010

Source: U.S. Bureau of Economic Analysis
# Wage and Salary Employment Growth (BEA)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Nevada</td>
<td>23.3</td>
<td>1</td>
<td>North Dakota</td>
<td>4.6</td>
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<tr>
<td>2</td>
<td>Arizona</td>
<td>18.2</td>
<td>2</td>
<td>Alaska</td>
<td>1.7</td>
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<tr>
<td>3</td>
<td>Wyoming</td>
<td>16.2</td>
<td>3</td>
<td>South Dakota</td>
<td>0.0</td>
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<tr>
<td>4</td>
<td>Utah</td>
<td>15.9</td>
<td>4</td>
<td>Texas</td>
<td>-0.4</td>
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<tr>
<td>5</td>
<td>Idaho</td>
<td>14.9</td>
<td>5</td>
<td>Louisiana</td>
<td>-1.3</td>
</tr>
<tr>
<td>23</td>
<td>Oklahoma</td>
<td><strong>4.6</strong></td>
<td>8</td>
<td>Oklahoma</td>
<td><strong>-2.2</strong></td>
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<tr>
<td>46</td>
<td>Louisiana</td>
<td>0.1</td>
<td>46</td>
<td>Idaho</td>
<td>-8.0</td>
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<td>47</td>
<td>Illinois</td>
<td>-0.1</td>
<td>47</td>
<td>Michigan</td>
<td>-9.6</td>
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<tr>
<td>48</td>
<td>Massachusetts</td>
<td>-1.5</td>
<td>48</td>
<td>Florida</td>
<td>-9.9</td>
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<tr>
<td>49</td>
<td>Ohio</td>
<td>-1.9</td>
<td>49</td>
<td>Arizona</td>
<td>-10.6</td>
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<tr>
<td>50</td>
<td>Michigan</td>
<td>-6.3</td>
<td>50</td>
<td>Nevada</td>
<td>-13.0</td>
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</table>
# Explaining State Employment Growth Differences

## REGRESSIONS

<table>
<thead>
<tr>
<th></th>
<th>2001-2007</th>
<th>2007-2010</th>
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<tbody>
<tr>
<td>Natural Amenity Ranking</td>
<td>Sig. positive (+3.7%)</td>
<td>Sig. negative (-1.0%)</td>
</tr>
<tr>
<td>Energy State</td>
<td>0</td>
<td>Sig. positive (+3.4%)</td>
</tr>
<tr>
<td>Farm State</td>
<td>Sig. positive (+4.9%)</td>
<td>Sig. positive (+2.6%)</td>
</tr>
<tr>
<td>Manufacturing State</td>
<td>0</td>
<td>Sig. negative (-2.8%)</td>
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<tr>
<td>Construction Employment 2002-2006 (%chg)</td>
<td>NA</td>
<td>Sig. negative [+0.7,-3.1]</td>
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<tr>
<td>R-Squared</td>
<td>0.51</td>
<td>0.66</td>
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**Energy:** AK, CO, LA, MT, ND, OK, TX, WV, WY  
**Farm:** IA, MT, NE, ND, SD  
**Manufacturing:** IL, IN, MI, OH, PA, WI
% Predicted Growth: 07-10

% Actual Growth 07-10
Net Migration to Oklahoma 2007-2009: Contributing States
(Source: IRS Statistics on Income, Exemptions)

Net Migration (from all states): 21,891

- California: 5,909
- Florida: 4,517
- Kansas: 2,210
- Illinois: 1,797
- Michigan: 1,441
- Arkansas: 1,344
- Arizona: 1,159
- New York: 963
- Nevada: 853
- Tennessee: 669
- Other: 520
Quarterly U.S. and Oklahoma Nonfarm Employment Growth
1990Q1-2011Q3: (Seasonally-Adjusted Annualized Percent Change)
Nonfarm and Key Sector Annual Employment Growth Rates:
U.S. and Oklahoma (Percent Change)
Key Sector Annual Employment Growth Rates:
U.S. and Oklahoma (Percent Change)
Key Sector Annual Employment Growth Rates:
U.S. and Oklahoma (Percent Change)
Annual Growth of OK Real GSP and Real Personal Income (Percent Change)

- Nonfarm Real GSP ($2005)
- Real Personal Income ($82-84)
Quarterly Oklahoma, OKC and Tulsa Nonfarm Employment Growth
(Seasonally-Adjusted Annualized Percent Growth)
OKC Nonfarm and Key Sector Annual Employment Growth Rates:
(Percent Change)
OKC Key Sector
Annual Employment Growth Rates:
(Percent Change)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td>Wholesale</td>
<td>2.27</td>
<td>-0.30</td>
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<tr>
<td>Retail</td>
<td>0.60</td>
<td>-0.51</td>
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<tr>
<td>TPU</td>
<td>1.02</td>
<td>2.67</td>
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<tr>
<td>Information</td>
<td>-0.30</td>
<td>-2.00</td>
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<tr>
<td>Financial</td>
<td>0.54</td>
<td>-6.00</td>
</tr>
<tr>
<td>ProfBus</td>
<td>3.96</td>
<td>-4.00</td>
</tr>
<tr>
<td>Health Care</td>
<td>2.67</td>
<td>-2.00</td>
</tr>
<tr>
<td>Hospitality</td>
<td>2.26</td>
<td>0.00</td>
</tr>
<tr>
<td>Other Servs</td>
<td>0.51</td>
<td>2.00</td>
</tr>
<tr>
<td>Local Gov</td>
<td>1.36</td>
<td>4.00</td>
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Note: The graph illustrates the annual employment growth rates for various sectors in Oklahoma City, with data provided for both 2011 and 2012.
Farm Counties (15): -1.78%
Rural County, Pop. < 2,500 (13): +1.21%
Persistent Child Poverty (27): -1.56%
IHS Global Insight Pessimistic Scenario


OK Pess (Thous.)  OK Base (Thous.)   US Pess (Mill.)    US Base (Mill.)

1573.173  
1569.564 (-.23%)  
131.4699  
130.5221 (-.72%)  
130
Thank you for your attention