Oklahoma Economic Outlook 2015

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http://economy.okstate.edu/
Employment Growth Patterns (October ’13-’14)

- **Energy** states had about **0.2** percent **faster** growth (AK, CO, LA, MT, ND, OK, TX, WV, WY)

- **0.5** percent per change in **natural amenity rank** on a 1-7 scale by USDA Economic Research Service:
  - CO-average amenity rank 5.4; OK-average amenity rank 3.7 (about U.S. average)
  - implies about **0.8** percentage point **lower growth** relative to Colorado

- **Manufacturing** states **0.2** percent **lower** growth (IL, IN, MI, OH, PA, WI)

- **Farm** states **0.3** percent **faster** growth (IA, MT, NE, ND, SD)
Oklahoma Energy Production (natural logarithms)

Natural Gas

Oil

Natural Gas

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

![Chart showing the price movements of West Texas Intermediate Oil (WTI) and Henry Hub Natural Gas (PNGHH) from 2013Q1 to 2016Q3. The chart includes price points for WTI and PNGHH with specific values such as 77.5 and 71.9 for WTI and 4.0 and 81.1 for PNGHH.](image)
U.S. and Oklahoma Mining Employment Growth (Annualized Rates)
US and Oklahoma Nonfarm Employment Growth Rates (%)
Sector Change in Oklahoma Employment (%): 2015

Other Durable Mft: 1.20%
Machinery Mft: 2.05%
Administrative and Support Services: 1.85%
Construction: 2.85%
Fabricated Metal Mft: 1.20%
Leisure and Hospitality: 1.85%
Transportation Equipment: 0.85%
Wholesale Trade: 2.05%
Health Services: 1.85%
Total Nonfarm: 1.85%
Education Services: 1.20%
Local Govt: 1.85%
Management of Companies: 1.20%
Mining: 1.85%
Finance & Insurance: 1.85%
Retail Trade: 1.85%
Other Nondurable Mft: 1.85%
Transportation and Utilities: 1.85%
State Government: 1.85%
Electrical Equipment Mft: 1.85%
Real Estate Srv: 1.85%
Federal Govt: 1.85%
Professional, Scientific and Technical Srv: 1.85%
Other Services: 1.85%
Plastics and Rubber Mft: 1.85%
Food Mft: 1.85%
Information Services: 1.85%
Retail Trade: 1.85%
Finance & Insurance: 1.85%
Retail Trade: 1.85%
Other Nondurable Mft: 1.85%
Transportation and Utilities: 1.85%
State Government: 1.85%
Electrical Equipment Mft: 1.85%
Real Estate Srv: 1.85%
Federal Govt: 1.85%
Professional, Scientific and Technical Srv: 1.85%
Other Services: 1.85%
Plastics and Rubber Mft: 1.85%
Food Mft: 1.85%
Information Services: 1.85%
Sector Change in Oklahoma Employment (Jobs): 2015

Total Nonfarm Jobs 30,798
Components of Cumulative Population Growth: 2000-2009 (does not reflect 2010 Census) and 2010-2013: % population growth per year
Oklahoma Major Metro Total Nonfarm Employment Growth Rates (%)

- Tulsa
- OKC
- OK
- ROS


Growth Rates:
- Tulsa: 3.0, 1.88, 1.61, 1.19, 0.83, 0.56
- OKC: 2.35, 1.19, 0.83, 0.56
- OK: 1.19, 0.83, 0.56
- ROS: -5, -4, -3, -2, -1, 0, 1, 2, 3, 4
Forecast Risks

- Oil prices fall further: slowing economic growth worldwide causing slow growth in demand for oil, strong domestic supply

- Oklahoma econometric model: mining sector wage and salary employment multiplier of approximately 1.6 (about 27% of all net nonfarm job growth attributable to energy sector from 2010-2014)

- Weakness in the housing market (slow household formation: limited access to mortgage debt, student loan debt); labor force does not bounce back
Alternative Scenarios: Oklahoma Nonfarm Employment (%) (15% probability each)
Thank you for your attention