Oklahoma Economic Outlook

by Dan Rickman

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http://economy.okstate.edu/
U.S. Real Gross Domestic Product Growth (%): IHS Global Insight, Inc. November Forecast
IHS Forecasted Annual U.S. Real GDP Growth (%): Major Components

- U.S. Real GDP
- Durable Cons
- Nondur Cons
- Services Cons
- Res Inv
- Nonres Inv
- Federal Gov't
- S&L Gov't
- Exports
- Imports

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<thead>
<tr>
<th>Year</th>
<th>U.S. Real GDP</th>
<th>Durable Cons</th>
<th>Nondur Cons</th>
<th>Services Cons</th>
<th>Res Inv</th>
<th>Nonres Inv</th>
<th>Federal Gov't</th>
<th>S&amp;L Gov't</th>
<th>Exports</th>
<th>Imports</th>
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<td>2015</td>
<td>2.5</td>
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Real GDP Growth (%): Supply Sources
(IHS Global Insight, Inc.)

Nonfarm Emp  Real GDP  Civilian Labor Force  Unemployment

Arkansas
Colorado
Kansas
Missouri
New Mexico
Oklahoma
Texas
US
QCEW Annual Nonfarm Employment: 2015-2016 %Change

-1.2% -1.5% -1.0% -0.5% 0.0% 0.5% 1.0% 1.5% 2.0% 2.5% 3.0%

Oklahoma
New Mexico
Kansas
Texas
Missouri
U.S.
Arkansas
Colorado

\text{Colorado} \quad \text{Arkansas} \quad \text{U.S.} \quad \text{Missouri} \quad \text{Texas} \quad \text{Kansas} \quad \text{New Mexico} \quad \text{Oklahoma}
Energy Prices (Base: IHS Global Insight, Inc.; EIA): WTI Oil ($/bbl); Henry Hub NG (($/mmBtu)
Quarterly Oklahoma Rotary Rig Count (Baker Hughes):
US and Oklahoma Nonfarm Employment Growth Rates

- **US**
  - 2008: 1.0
  - 2009: -5
  - 2010: 1.3
  - 2011: 1.0
  - 2012: 1.3
  - 2013: 1.3
  - 2014: 1.3
  - 2015: 1.3
  - 2016: 1.3
  - 2017: 1.3
  - 2018: 1.3

- **Oklahoma**
  - 2008: 1.0
  - 2009: -5
  - 2010: 1.3
  - 2011: 1.0
  - 2012: 1.3
  - 2013: 1.3
  - 2014: 1.3
  - 2015: 1.3
  - 2016: 1.3
  - 2017: 1.3
  - 2018: 1.3

**Graph:**
- **Y-axis:** Growth Rates
- **X-axis:** Years (2008-2018)
- **Legend:**
  - **Oklahoma** (Red Bar)
  - **US** (Blue Bar)
Net New Jobs by Sector: 2017 and 2018
2017: 9,342; 2018: 15,995
Components of Population Change 2015-2016 (%)

- Natural Increase
- International Immigration
- Domestic Migration

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<tbody>
<tr>
<td>Natural Increase</td>
<td>0.38</td>
<td>0.35</td>
<td>0.56</td>
<td>0.38</td>
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<td>International Immigration</td>
<td>0.31</td>
<td>0.17</td>
<td>0.24</td>
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<td>Domestic Migration</td>
<td>0.70</td>
<td>0.42</td>
<td>1.21</td>
<td>0.69</td>
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Outmigration from Oklahoma: # IRS Tax Returns 2014-2015 Destination State

Red Indicates Out-migration Exceeds In-Migration
Oklahoma Total Nonfarm Employment Growth Rates (%)
Short-Run Risks

• Geopolitical Uncertainties
• Policy Mistakes
• Worldwide Energy Glut (OPEC misses target)
Long-Run Risks

• Underfunded education, low teacher pay
• Lack of industry diversification
• Relatively less attractive to college-educated Millennials
  o entertainment establishments (?)
  o low housing prices (+)
  o climate (+)
  o high-tech presence, large companies (-)
  o social tolerance (-)
  o good governance (-)
Synthetic Control (Baseline Index) for KS-weighted average of other state outcomes: WA (0.4), NE (0.34), MO (0.16), SD (0.1)

Thank you for your attention