



WILLIAM S.
Spears School
OF BUSINESS

The Oklahoma Economy

2009 Oklahoma Economic Outlook



State of Oklahoma Outlook

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

Released 12/8/2008

The 2008 Oklahoma Economic Outlook is
available online at economy.okstate.edu



State of Oklahoma

State Slows Further but Outperforms Nation, Energy Boost Wanes

by Mark C. Snead

State Forecast Summary

- The state continues to add jobs through the end of 2008, but has slowed along with the nation and fallen well below its core job growth rate.
- Annual state job growth has slowed from roughly 2% in January 2008 to 0.8% currently.
- For all of 2008, the state is expected to post 1.1% job growth vs. -0.1% at the U.S. level. The U.S. economy has shed more than 1.9 million jobs the past 11 months.
- The recent standstill in both the short- and long-term credit markets represents a serious macroeconomic concern and will work to further slow economic activity at both the state and national levels in 2009 – even in energy states.
- National output (real GDP) is expected to decline in the first two quarters of 2009, while job losses should linger through the fourth quarter of next year.
- State job growth is forecasted to be flat in 2009, with a small loss of -0.2% in 2009. In comparison, the U.S. is expected to suffer a -1.5% loss in 2009.
- This is typical of Oklahoma's performance in post-war recessions when an energy boost is present.
- The greatest hiring weakness in Oklahoma is expected in non-durable manufacturing, wholesale trade, retail trade, transportation & warehousing, temporary employment, and finance & insurance.
- The energy sector is expected to provide only a small boost to overall state job growth in 2009. Our forecast assumes oil prices average just above \$50 per barrel and natural gas prices about \$5.50 per million BTUs in 2009.
- The Oklahoma City and Tulsa metropolitan areas have slowed along with the state and nation throughout 2008.
- For all of 2008, the Oklahoma City metro area should post job growth of 1.3%; the Tulsa metro area is expected to post a 0.4% gain.
- The 2009 forecast for the Oklahoma City metro area calls for only a 0.2% job gain.
- The Tulsa metro area is expected to match state job growth of -0.2% in 2009.

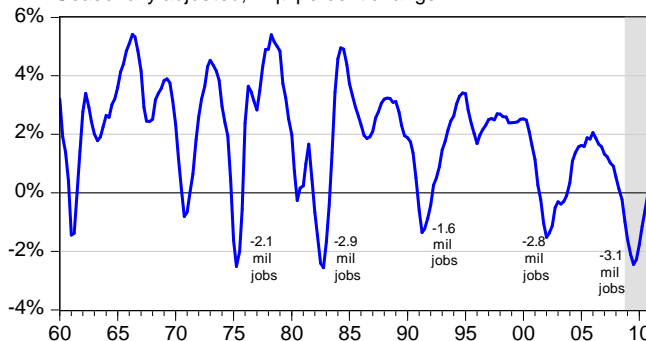
Current U.S. Economic Conditions

The economic backdrop for Oklahoma has changed in dramatic fashion the past ninety days. The initial blow from the combination of the housing collapse, the subprime debacle, and surging energy prices stunned the national economy over the past year, but the more recent combination of the collapse in the exotic derivatives market, the wholesale deleveraging of the financial sector, and seized-up credit markets the past ninety days have brought business lending as we know it to a halt.

These are serious macroeconomic concerns that will undoubtedly bleed over into the economy of all 50 states – even energy states – in 2009. We view the combination of these factors to be at least equivalent to extreme monetary tightening by the Federal Reserve, akin to the action taken by Paul Volcker prior to the 1981-82 recession in a concerted effort to kill both the economy and inflation.

Timing of the National Recovery. It seems unlikely that the current set of conditions will unwind fully in the upcoming year. The national economy has already shed nearly 1.9 million jobs the past 11 months and economic conditions at the national level continue to deteriorate.

Growth in U.S. Non-Farm Employment
Seasonally adjusted, 4-qr percent change



Our outlook for the national economy assumes that output (real GDP) will fall in the first two quarters of 2009 and rebound only slowly in the second half of the



Selected US Indicators and Forecasts	2008e	2009f	2010f
Real GDP (Chain2000 \$Bil)	11,678.9	11,563.1	11,759.7
(% Change)	1.34	-0.99	1.70
Non-Farm Wage & Salary Employment (Mil)	137.479	135.465	135.623
	-0.10	-1.47	0.12
Unemployment Rate (%)	5.7	7.7	8.2
	22.44	35.79	6.26
Total Personal Income (\$Bil)	12,155.1	12,414.6	12,709.5
	4.22	2.14	2.38
US Refiner's Acquisition Price Crude (\$/Bbl)	95.85	46.44	56.86
	41.06	-51.55	22.43
US Wellhead Natural Gas Price (\$/Mil BTU)	7.70	5.65	6.78
	23.89	-26.62	20.02
Avg Sale Price New 1996-Style Home (\$Thou)	251.741	235.236	231.318
	-3.99	-6.56	-1.67
Avg Sale Price Exist Single Family Home	241.316	216.306	209.681
	-8.53	-10.36	-3.06

year. Job losses are expected to lag behind output and to continue throughout 2009, not showing meaningful growth until early 2010. The national unemployment rate is expected to average 7.7% in 2009 and rise above 8% by 2010 as more workers continue to enter a weak labor market.

Total U.S. job losses are expected to exceed more than 3 million from peak to trough in the current recession, which suggests that the labor market has a long adjustment process ahead of it in 2009. This would place the current recession roughly in line with job losses experienced in the 1981-82 recession.

Adjustment Process Underway. On the positive side, and looking forward, much of the adjustment process needed to right the national economy has already taken place. An aggressive coordinated stance by Congress, the Federal Reserve, and Treasury has worked to soften the initial blow, though the limitations inherent in federal government intervention are once again becoming painfully evident.

The financial and non-financial corporate sectors are moving rapidly to deleverage and bolster shrinking balance sheets. Gasoline prices have fallen from roughly \$4 per gallon to below \$2 in just four months. Full blown deflation of commodity prices is underway, and the persistent decline in housing prices will eventually return the housing sector to normal functioning. The stock markets appear to be attempting to form a bottom as well.

Again, our outlook assumes the worst

conditions are likely to occur in the first two quarters of 2009, with the second half of the year transitioning to recovery. Even severe recessions typically last only 18-24 months and we are roughly one year into the current slowdown.

Been Here Before – Many Times. It is also important to note that this is not the first serious banking and financial crisis in the U.S. or across the globe. A recent IMF study documents 42 major banking crises in 37 countries since 1970. The most important finding from the study may be that regulation and a strong regulatory response is not necessarily the answer to avoiding these crises. Some of the worst outcomes historically are in heavily regulated countries such as Japan and S. Korea. The study finds that the average bill footed by taxpayers across these crises is 15% of GDP. For Japan it is 25% of GDP and S. Korea 31%.

This is also not a crisis of new and unseen proportions. If the current financial crisis ultimately costs U.S. taxpayers \$1 trillion, it would equal roughly 6-7% of GDP. For comparison, the cost of the Great Depression in the U.S. was likely 50-75% of GDP.

Further Fallout Possible. There remains a real risk that national economic conditions may deteriorate further. Other issues continue to surface in the household sector – primarily credit cards and student loans – and state and local governments appear to have a very difficult budget year (or two) ahead of them.

These are possible triggers for another leg downward in the national economy and would likely extend the recession into 2010 and present the weakest overall economic conditions in the U.S. since World War II.

Top Job Growth States		
State	(Oct) Job 12-mo Growth % Chg.	Rank
Wyoming	2.8%	1
Texas	2.4%	2
S. Dakota	1.6%	3
Nebraska	1.3%	4
N. Dakota	1.2%	5
Maryland	1.1%	6
Colorado	1.1%	7
Montana	1.1%	8
Oklahoma	0.8%	9
Kansas	0.6%	10
U.S.	-0.8%	

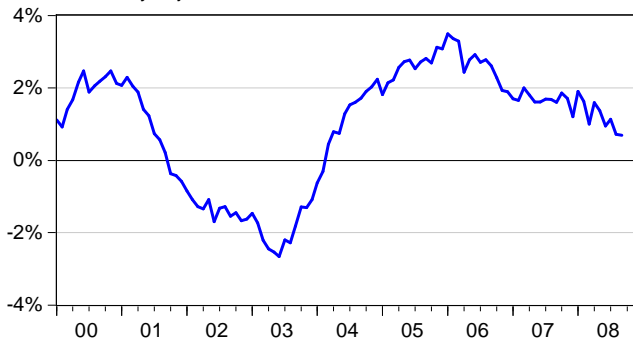
This pessimistic scenario would generate an expected four quarters of negative output (real GDP) growth in 2009, and job losses stretching through the second quarter of 2010.

Energy-Producing States Adding Jobs. As in all economic slowdowns, the pain has not been equally distributed. Energy-producing states, including Oklahoma, continue to dominate the list of top job growth states. Wyoming (2.8%) and Texas (2.4%) remain at the top of the rankings while other energy states including S. Dakota (1.6%), N. Dakota (1.2%), Colorado (1.1%), Montana (1.1%), Oklahoma (0.8%), and Kansas (0.8%) round out the top ten.

Job growth rates in the energy states remain above the national rate, but have slowed in lock-step along with the national economy the past three years. Oklahoma's current annual job growth rate of 0.8% is well below the 3% rate three years ago and the nearly 2% rate at the start of 2008. It is also well below the state's estimated core long-run annual job growth rate of approximately 1.2%. This slowing in job growth is expected to persist through 2009 for most energy states as the national economy continues to suffer job losses.

Growth in OK Wage & Salary Employment

Seasonally adjusted, annual rate



Both Job Losses and Gains are Concentrated.

Through the latest (Oct. 2008) job report, 19 states report job growth in the past twelve months while 31 states show no job gains or losses. The gains and losses are highly concentrated in a small number of states. The bottom five states in terms of number of jobs lost (Florida, California, Michigan, Arizona, and Georgia) contain nearly 60% of the total losses. The top five states in terms of number of jobs added (Texas, Maryland, Virginia, Oklahoma, and Colorado) generated 82% of the total jobs added the past year. California contains 20% of the total jobs lost. Texas is responsible for roughly two-thirds of the total jobs gained.

Can Oklahoma Avoid Recession in 2009?

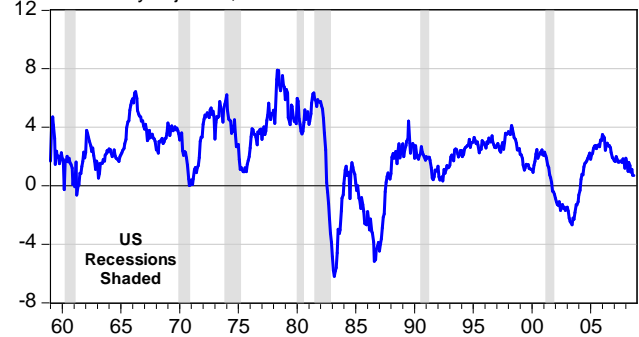
The Oklahoma economy has been receiving a consistent boost from oil and gas activity that has provided the state with insulation from much of the national slowdown to this point. Some have even labeled Oklahoma "recession proof" in this cycle.

While no state is recession proof, Oklahoma and the other energy states have performed well during most post war recessions largely because most post war recessions were triggered in part, or exacerbated, by rising energy prices.

Oklahoma in Prior National Recessions. Oklahoma avoided national recessions in 1960-61, 1969-70, 1973-75, 1980, and 1990-91. The state slowed to near

Growth in OK Non-Farm Employment

Seasonally adjusted, annual rate



zero job growth or suffered only small job losses in each of these recessions but managed to avoid the large job losses occurring at the national level.

The state was caught by the 1981-82 recession, which evolved into the devastating 1982-87 energy bust, and by the 2001 recession which impacted the state particularly hard in the form of a manufacturing collapse statewide. The difference in the 2001 recession is that there was no meaningful energy boost.

The strong economic momentum currently enjoyed by the state suggests that we remain well positioned for the current slowdown as long as the energy boost continues and the U.S. recession doesn't last too long. The concern is that there is tremendous uncertainty on both of these counts. The national downturn could easily last into 2010 and the recent sharp retreat in energy prices makes only a small energy boost likely in 2009.

Modest Energy Boost in '09. Our forecast is based on oil prices averaging around \$50 per barrel and natural gas prices averaging \$5.50 per million BTUs in 2009. These prices are uncomfortably close to the threshold where we believe energy switches from providing a net boost to restricting growth in the state economy. The softness in energy prices will eliminate much of the strong growth in the energy sector and allow Oklahoma's job growth rate to continue to fall along with the U.S. job market, and eventually turn negative.

Currently, the expansion remains broad-based with most major industry sectors adding jobs. There is already some early cyclical hiring weakness in wholesale trade and temporary employment. Weak hiring in state and local government is also acting as a drag on overall growth. Manufacturing remains much stronger than the nation, driven largely by refining and oil and gas activity. Hiring in the real estate sector is also showing some weakness in late 2008.

Summary of the '09 Oklahoma Outlook

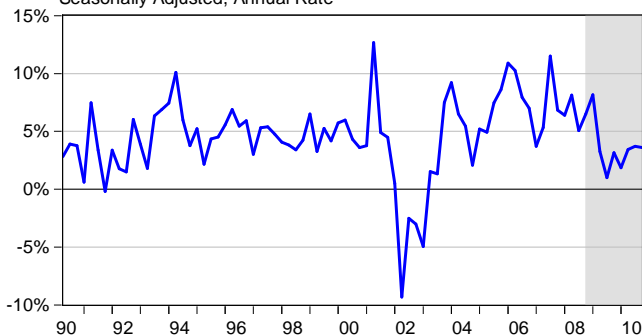
Falling energy prices and the weakening U.S. economy are the two dominant factors steering Oklahoma's economy in 2009. We expect state job formation to continue to slow along with the nation this year, eventually stalling in the first two quarters of 2009.

Given the state's current momentum and our anticipation that the national economy begins to improve in the 3rd quarter of 2009, our forecast calls for a slowdown in hiring in Oklahoma leading to a slight year-over-year decline of -0.2% (2,800 jobs) in 2009. This is well above the expected -1.5% job loss at the national level and very similar to the state's experience in most post war recessions where the state was receiving an energy boost.

The reported state unemployment rate has already increased from just above 3 percent in early 2008 to roughly 4 percent in recent data. The unemployment rate is only a rough indicator of labor market conditions but is expected to continue to rise slightly to an average of 5 percent through 2009.

Household Income and Consumption. Personal income growth should slow markedly from the rapid 8% average pace enjoyed since 2004. We expect much slower income growth in the 3-4% range through 2010. This will still outpace income gains at the national level and allow the state to continue to make up ground in relative per capita income. Our forecast is for Oklahoma to reach nearly 95% of national per capita income by 2010, the highest relative level in the post-oil bust era. Retail sales growth is expected to follow income growth and ease to the 3-4% range in the slowdown.

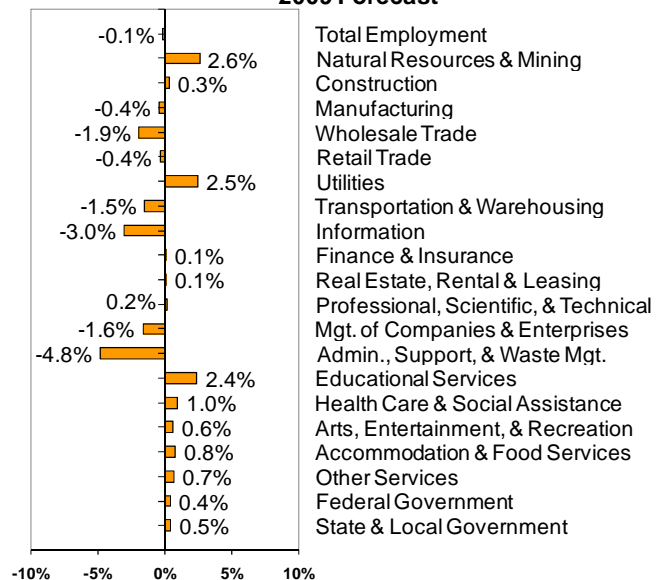
Growth in Taxable Retail Sales (\$Mil)
Seasonally Adjusted, Annual Rate



Industry Growth. The state is currently about one year behind the nation in the current cycle in terms of the industry-level impacts on hiring. We are currently seeing cyclical weakness in a few industries but this is expected to spread to other industries in Oklahoma in 2009 much as it has nationally in 2008.

Selected Oklahoma Indicators Base Case Scenario	2008e	2009f	2010f
Non-Farm Employment (Thou)	1,582.6	1,579.8	1,596.3
(% Change)	1.1%	-0.2%	1.0%
Personal Income (\$Mil)	133,546.8	137,523.0	142,233.3
	5.8%	3.0%	3.4%
Per Capita Personal Income (\$)	36,558	37,363	38,420
	4.7%	2.2%	2.8%
Ratio OK/US Per Capita Personal Income	91.9%	92.8%	94.0%
	1.4%	0.9%	1.3%
OK Population (Thou)	3,652.9	3,680.7	3,702.0
	1.0%	0.8%	0.6%
Unemployment Rate	3.7	4.9	5.2
	-13.0%	31.5%	5.5%
Taxable Retail Sales (\$Mil)	45,135	46,803	48,256
	6.5%	3.7%	3.1%
OFHEO Oklahoma Housing Price Index	214.02	225.19	238.71
	4.2%	5.2%	6.0%

Oklahoma Non-Farm Wage & Salary Employment 2009 Forecast

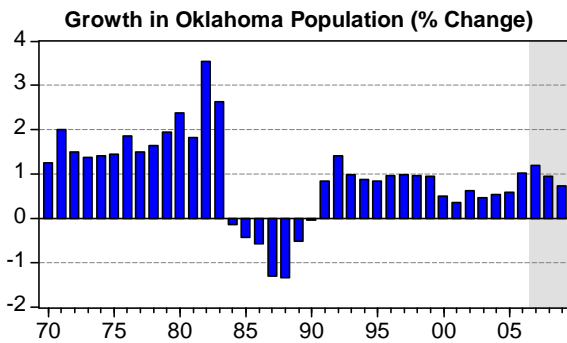


Temporary employment (Administrative, Support, and Waste Management Services) is expected to suffer the largest decline of nearly 5,000 jobs next year. Smaller job losses are expected in wholesale trade, retail trade, transportation, and warehousing and reflects the general slowing in income growth in the household sector. Non-durable manufacturing is expected to weaken sharply along with the nation, though durable goods manufacturing should continue to benefit from oil and gas activity.

Job gains are nevertheless expected in oil and gas (Natural Resources and Mining), utilities, educational services, health services, and the government sectors. The government sectors along with consumer services such as arts, entertainment, & recreation and accommodation & food services are expected to add a small number of jobs in 2009.

Population Gains. The strong overall growth in the state economy continues to stimulate net migration into the state. The U.S. Census Bureau reports population growth above 1% since 2006, however our model based estimates suggest that this is understating the current level of in-migration and that Census estimates will continue to be revised upward.

Much of the population increase is occurring in the micropolitan areas and rural communities as evidenced by the strong job growth rates in the non-metro regions of the state since 2003. The rural gains are driven primarily by three factors - oil and gas, agriculture, and the expansion of the state's Indian nations and tribes.



What if Conditions Deteriorate Further?

It remains a real possibility that both the national economy may weaken further and that energy prices could fall significantly below current levels. Hence, we evaluate the potential impact on the Oklahoma economy using a more pessimistic scenario for national economic activity and energy prices.

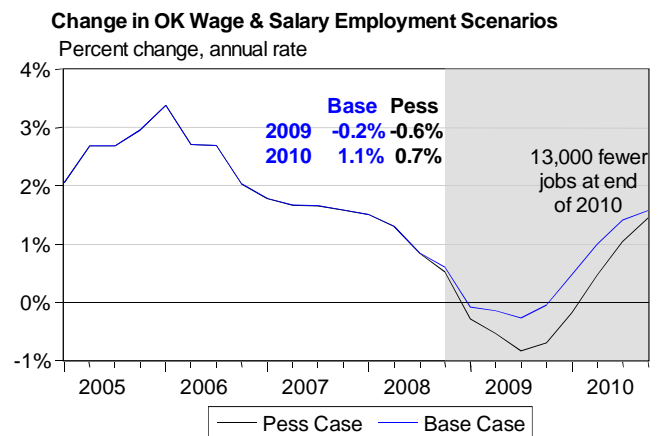
The alternative scenario assumes:

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.

State economic conditions are forecasted to downshift considerably under the pessimistic scenario. The oil and gas boost is all but eliminated and begins to act as a constraint on overall state economic activity.

In this scenario, state job growth declines to -0.6% (10,000 jobs lost) in 2009 before rebounding to only 0.7% 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.

Selected Oklahoma Indicators Pessimistic Scenario	2008e	2009f	2010f
Non-Farm Employment (Thou)	1,582.3	1,572.8	1,583.5
(% Change)	1.1%	-0.6%	0.7%
Personal Income (\$Mil)	133,510.8	136,138.1	138,714.5
	5.7%	2.0%	1.9%
Per Capita Personal Income (\$)	36,548	36,987	37,469
	4.7%	1.2%	1.3%
Ratio OK/US Per Capita Personal Income	91.9%	92.8%	94.3%
	1.4%	1.0%	1.7%
OK Population (Thou)	3,652.9	3,680.7	3,702.0
	1.0%	0.8%	0.6%
Unemployment Rate	3.8	5.2	5.9
	-12.8%	38.9%	12.2%
Taxable Retail Sales (\$Mil)	45,114	46,366	47,347
	6.4%	2.8%	2.1%



2010 is Oklahoma's Risk Year

In short, we believe Oklahoma will slow along with the nation in the next six months, but remain one of the few states positioned to come through the current recession unscathed relative to many areas of the country. However, if energy prices continue to fall and the national recession lasts much longer than expected, 2010 becomes the risk year for the Oklahoma economy and may well signal the return of the familiar "Oklahoma Lag" relative to the nation.

Mark C. Snead is a Research Economist in the Department of Economics and Legal Studies and Director of the Center for Applied Economic Research in the William S. Spears School of Business at Oklahoma State University-Stillwater.

Released December 8, 2008

Global Insight, Inc., Waltham, MA provides forecasts of national and international economic conditions that serve as inputs into the Oklahoma State Econometric Model, developed and maintained by the Center for Applied Economic Research in the Spears School of Business at Oklahoma State University. The Model is in its 29th year of development and provides information on the probable performance of the Oklahoma economy in the upcoming year.

Oklahoma Economic Indicators

Seasonally adjusted

		Indicator	2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009f	2010f
Labor Force	CES Non-Farm W&S Employment (Thou)	1,480.3 1.9%	1,493.9 0.9%	1,473.7 -1.4%	1,445.4 -1.9%	1,461.5 1.1%	1,499.5 2.6%	1,540.0 2.7%	1,565.9 1.7%	1,582.6 1.1%	1,579.8 -0.2%	1,596.3 1.0%	
	BEA Total Employment (Thou)	2,015.1 2.0%	2,024.7 0.5%	2,007.4 -0.9%	1,986.3 -1.1%	2,023.8 1.9%	2,074.9 2.5%	2,124.1 2.4%	2,160.3 1.7%	2,186.1 1.2%	2,184.8 -0.1%	2,197.2 0.6%	
	QCEW Wage & Salary Employment	1,445,940 1.6%	1,463,644 1.2%	1,439,780 -1.6%	1,411,039 -2.0%	1,427,689 1.2%	1,465,985 2.7%	1,507,225 2.8%	1,533,979 1.8%	1,552,381 1.2%	1,550,252 -0.1%	1,566,219 1.0%	
	QCEW Wage & Salary Employment - Metro	981,970 1.8%	992,298 1.1%	976,836 -1.6%	955,039 -2.2%	967,649 1.3%	992,918 2.6%	1,020,637 2.8%	1,035,666 1.5%	1,048,551 1.2%	1,046,561 -0.2%	1,056,992 1.0%	
	QCEW Wage & Salary Employment - Non-Metro	463,988 1.0%	471,334 1.6%	462,921 -1.8%	455,979 -1.5%	460,010 0.9%	473,042 2.8%	486,578 2.9%	498,320 2.4%	503,285 1.0%	502,958 -0.1%	508,232 1.0%	
	LAUS Total Employment	1,609,584 1.2%	1,614,621 0.3%	1,602,045 -0.8%	1,598,510 -0.2%	1,609,246 0.7%	1,627,298 1.1%	1,647,665 1.3%	1,657,942 0.6%	1,673,451 0.9%	1,667,732 -0.3%	1,670,601 0.2%	
	Civilian Labor Force LAUS	1,661,118 0.6%	1,676,259 0.9%	1,683,133 0.4%	1,693,953 0.6%	1,693,232 0.0%	1,703,789 0.6%	1,718,689 0.9%	1,732,628 0.8%	1,738,683 0.3%	1,754,232 0.9%	1,762,301 0.5%	
	Unemployment Rate LAUS (%)	3.1 -13.9%	3.7 18.5%	4.8 31.1%	5.6 17.0%	5.0 -12.0%	4.5 -9.5%	4.1 -8.0%	4.3 4.3%	3.7 -13.0%	4.9 31.5%	5.2 5.5%	
	Total Unemployment LAUS (Thou)	51,534 -13.3%	61,638 19.6%	81,088 31.6%	95,444 17.7%	83,986 -12.0%	76,491 -8.9%	71,024 -7.1%	74,686 5.2%	65,232 -12.7%	86,500 32.6%	91,700 6.0%	
	OK Population (Thou)	3,454.1 0.5%	3,464.8 0.3%	3,485.5 0.6%	3,499.9 0.4%	3,516.6 0.5%	3,535.9 0.6%	3,577.5 1.2%	3,617.3 1.1%	3,652.9 1.0%	3,680.7 0.8%	3,702.0 0.6%	
Output	Nominal Gross State Product (\$Mil)	89,757.0 7.9%	94,329.0 5.1%	97,170.0 3.0%	103,452.0 6.5%	111,400.0 7.7%	121,558.0 9.1%	134,651.0 10.8%	143,763.7 6.8%	151,516.1 5.4%	154,378.9 1.9%	159,219.2 3.1%	
	Real Gross State Product (Chain00 \$Mil)	89,757.0 3.3%	91,793.0 2.3%	92,933.0 1.2%	94,331.0 1.5%	97,094.0 2.9%	99,084.0 2.0%	105,748.0 6.7%	112,299.9 6.2%	116,327.4 3.6%	117,763.4 1.2%	121,536.0 3.2%	
	Nominal Manufacturing Output (\$Mil)	12,257.0 2.5%	11,514.0 -6.1%	10,811.0 -6.1%	11,377.0 5.2%	11,705.0 2.9%	12,625.0 7.9%	13,999.0 10.9%	14,262.8 1.9%	14,688.5 3.0%	14,238.3 -3.1%	14,106.1 -0.9%	
	Real Manufacturing (\$Mil)	12,257.0 4.5%	11,480.0 -6.3%	10,920.0 -4.9%	11,511.0 5.4%	11,927.0 3.6%	12,343.0 3.5%	13,222.0 7.1%	13,639.6 3.2%	13,984.5 2.5%	13,897.6 -0.6%	14,110.7 1.5%	
Income	Nominal Personal Income (\$Mil)	84,310.3 8.7%	90,161.0 6.9%	90,177.0 0.0%	92,599.5 2.7%	100,024.5 8.0%	106,744.3 6.7%	116,858.0 9.5%	126,279.3 8.1%	133,546.8 5.8%	137,523.0 3.0%	142,233.3 3.4%	
	Real Personal Income (Chain2000 \$Mil)	84,303.8 6.1%	88,311.2 4.8%	87,093.1 -1.4%	87,687.5 0.7%	92,270.7 5.2%	95,654.1 3.7%	101,899.2 6.5%	107,316.7 5.3%	109,729.0 2.2%	113,117.1 3.1%	114,847.0 1.5%	
	Wage and Salary Income (\$Mil)	41,905.3 6.4%	43,783.0 4.5%	44,212.0 1.0%	45,174.8 2.2%	47,409.5 4.9%	50,101.5 5.7%	55,061.5 9.9%	58,353.5 6.0%	61,725.9 5.8%	63,721.9 3.2%	66,220.7 3.9%	
	Per Capita Personal Income (\$Thou)	24.409 8.2%	26.022 6.6%	25.872 -0.6%	26.457 2.3%	28.443 7.5%	30.187 6.1%	32.663 8.2%	34.908 6.9%	36.558 4.7%	37.363 2.2%	38.420 2.8%	
	Real Per Capita Personal Income (\$Thou)	24.407 5.5%	25.488 4.4%	24.987 -2.0%	25.054 0.3%	26.238 4.7%	27.051 3.1%	28.483 5.3%	29.667 4.2%	30.038 1.3%	30.732 2.3%	31.023 0.9%	
	Ratio OK/US Per Capita Personal Income	81.9% 1.2%	85.3% 4.1%	84.1% -1.3%	84.2% 0.1%	86.1% 2.2%	87.4% 1.5%	89.2% 2.0%	90.6% 1.6%	91.9% 1.4%	92.8% 0.9%	94.0% 1.3%	
	Taxable Retail Sales (\$Mil)	31,113 4.9%	33,114 6.4%	31,893 -3.7%	32,309 1.3%	34,158 5.7%	36,401 6.6%	39,671 9.0%	42,391 6.9%	45,135 6.5%	46,803 3.7%	48,256 3.1%	
	OK Individual Income Tax (\$Mil)	2,211.0 2.3%	2,344.8 6.1%	2,298.9 -2.0%	2,237.6 -2.7%	2,435.7 8.9%	2,680.0 10.0%	2,873.3 7.2%	2,823.6 -1.7%	2,843.4 0.7%	2,884.9 1.5%	3,080.1 6.8%	
Energy	OK Oil Production (Mil Bbl)	68.7 1.0%	67.7 -1.5%	65.1 -3.8%	63.6 -2.4%	62.9 -1.0%	60.6 -3.7%	63.3 4.4%	60.4 -4.6%	60.7 0.6%	58.3 -4.0%	57.6 -1.2%	
	OK Natural Gas Production (Bil CF)	1,512.0 3.5%	1,518.5 0.4%	1,481.2 -2.5%	1,572.9 6.2%	1,602.9 1.9%	1,660.7 3.6%	1,686.7 1.6%	1,613.9 -4.3%	1,446.0 -10.4%	1,476.3 2.1%	1,526.5 3.4%	
	OK Refiner Acq Price Crude Oil (\$/Bbl)	29.26 64.7%	24.68 -15.6%	24.55 -0.5%	29.81 21.4%	40.07 34.4%	54.37 35.7%	62.86 15.6%	69.04 9.8%	100.60 45.7%	54.41 -45.9%	65.68 20.7%	
	OK Wellhead Natural Gas Price (\$/MCF)	3.69 78.8%	4.02 9.1%	2.93 -27.0%	4.91 67.5%	5.48 11.5%	7.06 28.9%	6.09 -13.8%	6.18 1.4%	7.62 23.3%	5.43 -28.7%	6.63 22.1%	
Financial	OFHEO OK Housing Price Index - Statewide	148.19 3.9%	156.51 5.6%	162.30 3.7%	169.11 4.2%	176.26 4.2%	185.44 5.2%	195.22 5.3%	205.50 5.3%	214.02 4.2%	225.19 5.2%	238.71 6.0%	
	OFHEO OK Housing Price Index - Rural	122.08 2.7%	128.66 5.4%	132.61 3.1%	138.85 4.7%	145.05 4.5%	153.55 5.9%	164.04 6.8%	174.94 6.6%	183.11 4.7%	191.04 4.3%	201.32 5.4%	
	Commercial Bank Total Deposits (\$Mil)	32,227.8 6.7%	34,557.6 7.2%	35,001.0 1.3%	35,338.2 1.0%	34,513.7 -2.3%	36,927.3 7.0%	40,311.9 9.2%	43,169.9 7.1%	46,643.5 8.0%	47,592.7 2.0%	47,590.7 0.0%	
	Commercial Bank Total Loans (\$Mil)	24,759.2 13.4%	26,959.4 8.9%	27,558.3 2.2%	28,424.9 3.1%	27,957.8 -1.6%	30,515.2 9.1%	33,368.0 9.3%	36,224.4 8.6%	39,275.6 8.4%	40,454.9 3.0%	41,614.5 2.9%	
		2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009f	2010f	

*Estimate †Forecast

Oklahoma Non-Farm Wage & Salary Employment

Seasonally adjusted, in Thousands

		Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009f	2010f	
		Total	1480.34	1493.91	1473.72	1445.41	1461.46	1499.51	1540.04	1565.89	1582.63	1579.78	1596.27	
			1.9%	0.9%	-1.4%	-1.9%	1.1%	2.6%	2.7%	1.7%	1.1%	-0.2%	1.0%	
GOODS		Natural Resources & Mining	26.92	29.09	28.32	29.77	32.51	35.96	41.94	46.45	52.25	52.94	53.69	
			1.6%	8.1%	-2.6%	5.1%	9.2%	10.6%	16.6%	10.8%	12.5%	1.3%	1.4%	
		Construction	61.63	66.08	64.41	63.58	62.80	66.07	70.27	71.34	74.15	74.38	75.51	
			4.3%	7.2%	-2.5%	-1.3%	-1.2%	5.2%	6.4%	1.5%	3.9%	0.3%	1.5%	
		Manufacturing	176.86	169.83	152.34	143.23	142.33	144.85	149.20	150.19	151.11	150.46	149.57	
			0.1%	-4.0%	-10.3%	-6.0%	-0.6%	1.8%	3.0%	0.7%	0.6%	-0.4%	-0.6%	
		Non-Durable Goods	59.62	56.76	53.28	50.41	49.17	49.26	49.17	47.63	47.20	45.48	44.65	
			-0.7%	-4.8%	-6.1%	-5.4%	-2.5%	0.2%	-0.2%	-3.1%	-0.9%	-3.6%	-1.8%	
		Durable Goods	117.23	113.07	99.05	92.82	93.17	95.59	100.04	102.57	103.89	104.98	104.93	
			0.5%	-3.6%	-12.4%	-6.3%	0.4%	2.6%	4.7%	2.5%	1.3%	1.1%	-0.1%	
PRIVATE		Trade, Transportation, & Utilities	293.04	289.60	283.68	276.86	274.93	279.31	283.62	288.16	289.79	287.53	288.88	
			1.6%	-1.2%	-2.0%	-2.4%	-0.7%	1.6%	1.5%	1.6%	0.6%	-0.8%	0.5%	
		Wholesale Trade	56.86	56.75	56.45	54.76	54.76	56.54	58.37	59.68	59.00	57.87	57.72	
			0.4%	-0.2%	-0.5%	-3.0%	0.0%	3.3%	3.2%	2.3%	-1.2%	-1.9%	-0.3%	
		Retail Trade	178.66	175.05	172.15	169.48	168.27	169.77	170.10	171.06	172.44	171.80	173.30	
			2.4%	-2.0%	-1.7%	-1.5%	-0.7%	0.9%	0.2%	0.6%	0.8%	-0.4%	0.9%	
		Utilities	10.28	10.80	10.36	9.82	9.50	9.53	9.96	10.40	10.62	10.88	10.95	
			3.3%	5.1%	-4.1%	-5.2%	-3.3%	0.4%	4.5%	4.4%	2.1%	2.5%	0.7%	
		Transportation & Warehousing	47.24	47.01	44.74	42.79	42.42	43.47	45.21	47.02	47.69	46.98	46.91	
			0.0%	-0.5%	-4.8%	-4.4%	-0.9%	2.5%	4.0%	4.0%	1.4%	-1.5%	-0.1%	
		Information	35.52	37.08	35.28	32.35	31.01	30.22	29.78	28.78	28.77	27.89	27.21	
			8.4%	4.4%	-4.9%	-8.3%	-4.1%	-2.6%	-1.4%	-3.4%	-0.1%	-3.0%	-2.4%	
		Financial Activities	81.43	82.54	83.01	83.17	83.89	83.12	83.36	83.79	84.35	84.40	85.20	
			0.3%	1.4%	0.6%	0.2%	0.9%	-0.9%	0.3%	0.5%	0.7%	0.1%	1.0%	
		Finance & Insurance	58.36	58.98	59.69	60.57	60.78	59.20	58.99	59.65	60.30	60.34	60.94	
			0.8%	1.1%	1.2%	1.5%	0.3%	-2.6%	-0.4%	1.1%	1.1%	0.1%	1.0%	
		Real Estate, Rental & Leasing	23.07	23.55	23.32	22.59	23.11	23.92	24.37	24.15	24.05	24.06	24.27	
			-1.2%	2.1%	-1.0%	-3.1%	2.3%	3.5%	1.9%	-0.9%	-0.4%	0.0%	0.9%	
	SERVICES		Professional & Business Services	164.25	166.20	161.89	157.29	162.80	170.45	175.82	180.87	181.01	175.86	181.57
				2.1%	1.2%	-2.6%	-2.8%	3.5%	4.7%	3.2%	2.9%	0.1%	-2.8%	3.2%
		Professional, Scientific, & Technical	51.58	54.85	56.07	57.02	57.64	59.16	61.24	62.89	63.45	63.55	64.19	
			2.8%	6.3%	2.2%	1.7%	1.1%	2.6%	3.5%	2.7%	0.9%	0.2%	1.0%	
		Mgt. of Companies & Enterprises	13.52	12.96	12.71	12.33	12.63	12.54	12.73	13.23	13.39	13.17	12.98	
			-11.5%	-4.1%	-1.9%	-3.0%	2.5%	-0.7%	1.5%	3.9%	1.2%	-1.6%	-1.4%	
		Admin., Support, & Waste Mgt.	99.15	98.42	93.13	87.94	92.52	98.74	101.85	104.74	104.18	99.14	104.40	
			3.8%	-0.7%	-5.4%	-5.6%	5.2%	6.7%	3.2%	2.8%	-0.5%	-4.8%	5.3%	
		Education & Health Services	162.46	167.12	173.47	175.48	179.18	183.53	187.63	192.58	196.15	198.34	204.22	
			1.3%	2.9%	3.8%	1.2%	2.1%	2.4%	2.2%	2.6%	1.8%	1.1%	3.0%	
	Educational Services	15.05	15.65	16.50	16.51	17.63	18.70	18.85	18.88	19.38	19.84	20.60		
		5.9%	4.0%	5.4%	0.1%	6.8%	6.0%	0.8%	0.2%	2.6%	2.4%	3.8%		
	Health Care & Social Assistance	147.44	151.46	156.95	158.96	161.53	164.85	168.79	173.70	176.78	178.50	183.62		
		0.9%	2.7%	3.6%	1.3%	1.6%	2.1%	2.4%	2.9%	1.8%	1.0%	2.9%		
	Leisure & Hospitality	125.77	127.26	127.07	126.72	129.13	132.94	137.15	139.90	142.17	143.29	144.46		
		3.9%	1.2%	-0.1%	-0.3%	1.9%	2.9%	3.2%	2.0%	1.6%	0.8%	0.8%		
	Arts, Entertainment, & Recreation	13.60	13.80	13.53	13.34	13.62	14.44	15.75	17.27	17.84	17.95	18.21		
		2.9%	1.5%	-2.0%	-1.4%	2.0%	6.0%	9.1%	9.7%	3.3%	0.6%	1.4%		
	Accommodation & Food Services	112.16	113.45	113.54	113.38	115.49	118.49	121.41	122.62	124.37	125.34	126.25		
		4.0%	1.1%	0.1%	-0.1%	1.9%	2.6%	2.5%	1.0%	1.4%	0.8%	0.7%		
	Other Services	61.08	62.65	63.30	61.14	61.03	61.10	61.71	62.91	63.35	63.75	64.19		
		2.3%	2.6%	1.0%	-3.4%	-0.2%	0.1%	1.0%	1.9%	0.7%	0.6%	0.7%		
GOVERNMENT		Total Government	287.68	296.39	300.89	295.76	301.86	311.94	319.56	320.87	319.56	320.92	321.77	
			1.8%	3.0%	1.5%	-1.7%	2.1%	3.3%	2.4%	0.4%	-0.4%	0.4%	0.3%	
		Federal Government	47.84	46.25	46.29	46.09	46.09	45.90	45.78	45.57	45.67	45.85	46.56	
		5.3%	-3.3%	0.1%	-0.4%	0.0%	-0.4%	-0.3%	-0.5%	0.2%	0.4%	1.5%		
	State & Local Government	239.81	250.13	254.60	249.67	255.77	266.04	273.77	275.30	273.83	275.07	275.21		
		1.1%	4.3%	1.8%	-1.9%	2.4%	4.0%	2.9%	0.6%	-0.5%	0.5%	0.0%		
			2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009f	2010f	

*Estimate *Forecast