

2011 Greater Oklahoma City Economic Forecast

G R E A T E R O K L A H O M A C I T Y C H A M B E R



Oklahoma City Metro Steady Growth Ahead

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Overview

Oklahoma City continues to lay the foundation for future development

The Greater Oklahoma City Economic Forecast provides a comprehensive analysis of the metro economy. It details historic trend analysis, a snapshot of the current situation, as well as a forecast for the upcoming year.

Oklahoma City is on the verge of major change. It is anticipated that by the end of 2011, Oklahoma City will see the first construction begin on MAPS3 projects. MAPS3 is a \$777 million dollar citizen approved sales tax that will fund a series of eight projects intended to enhance quality of life and economic development opportunities for the city. Projects include a new downtown convention center, a 70-acre world class central park, a new downtown rail-based streetcar system, and improvements to the Oklahoma River that will result in the finest rowing race course in the world. Completion of the individual projects will be staggered over the next ten years.

Over the past five years, the state of Oklahoma has experienced the fourth highest percentage gain of Leisure and Hospitality jobs in the nation (9.6%). MAPS3 will only contribute to Oklahoma City's already strong position in attracting new tourism and convention dollars to the economy.

Most of the job growth for Oklahoma City continues to come from companies, industries and entrepreneurs already in the region. According to data provided by the Edward Lowe Foundation, the largest number of job gains over the past five years came from start-ups and the expansion of resident establishments employing between two and nine employees. Resident establishments are stand-alone businesses or businesses with headquarters in Oklahoma.

One of the largest relocation projects in Oklahoma City's recent history was announced in 2010. Boeing's decision to move 550 engineering positions to Oklahoma City was a major win for not only the city, but the entire region. It capitalizes and expands upon existing advantages that the region has in the aerospace cluster. The particular type of job added is unique within the sector and provides an opportunity to attract additional engineering workforce to the region. Some of the most promising opportunities to attract new to market firms continue to exist within the Tinker Aerospace Complex (TAC), as Tinker Air Force Base is the state's largest single site employer.

The past year was challenging for economic development projects throughout the nation, but the Greater Oklahoma City region did see increases over 2009. While there was a reduced number of overall recruitment projects, Oklahoma City enjoyed very strong employment gains from new to market firms and expansion of existing businesses. Compared to the previous year, jobs from new to market firms more than doubled. For existing companies assisted by the chamber in 2010, the total number of jobs resulting from business expansions increased by 82 percent.

Nationally, the shift in economic development strategies toward expansion of existing companies and entrepreneurship activities has continued. Of the more than 77,000 stand-alone or headquartered businesses in the Oklahoma City MSA, approximately 92 percent have fewer than 10 employees. This emphasizes the importance of focusing on fostering innovation and entrepreneurship as part of the Greater Oklahoma City region's five year economic development strategy.

State Conditions

Will a year of modest recovery gain momentum in 2011?

The fact that the state of Oklahoma experienced a significant recessionary experience is well documented. Suffice it to say that employment, income, tax revenue, and output all fell precipitously from their 2008 peaks (see Table 1).

Table 1: Oklahoma Recession	Peak	Trough	Change	% Change
Employment - CES (thousands)	1596.2	1513.1	-83.1	-5.2%
Personal Income (\$ Millions)	\$ 135,741.00	\$ 132,020.00	\$ (3,721.00)	-2.7%
Unemployment Rate	3.20%	7.00%	3.80%	118.75%
State Collections (\$ Millions)	\$ 7,642.70	\$ 5,996.70	\$ (1,646.00)	-21.54%

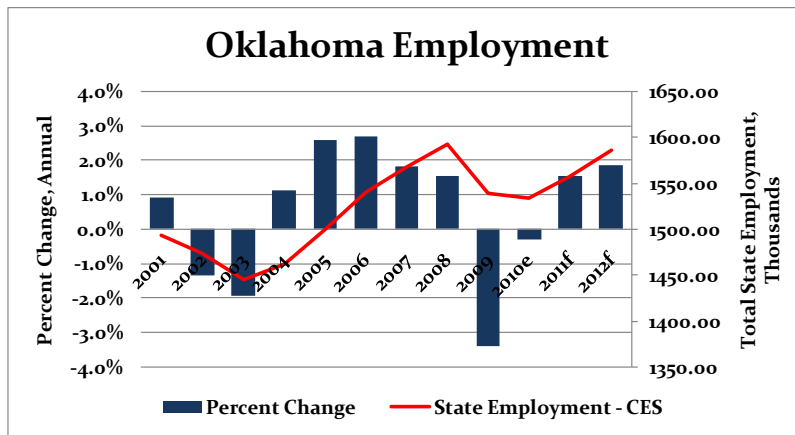
The Business Cycle Dating Committee of the National Bureau of Economic Research announced in September of 2010 that a trough in economic activity occurred in June of 2009, marking the official end of the recession. As measured by the committee, the recession that began in December of 2007 ended in June of 2009, marking an 18-month period of contracting economic activity. As is the case with recessions, economic activity hardly returned to normal in 2009. Rather, the contraction yielded to a not unexpected economic malaise as consumers and businesses struggled to recover from wealth declines and forced to navigate the future in the face of an uncertain economic landscape. There is in this malaise an inevitable lag between contraction and full economic health. In Oklahoma, the data will reflect a modest recovery beginning in the middle of 2010 and carrying through the end of the year. Every significant national and state data release seems to confirm that this recovery, while modest relative to the depth of the recession, is self-sustaining and will carry into 2011.

While national concerns over the size of the Federal Reserve balance sheet and the national debt raise long-term inflation expectations, prices look to be stable in the short run as the economy continues to be characterized by considerable slack in its resource base. Globally, concerns remain about the fiscal stability of several European Union member nations as well as the ability of fast developing nations (specifically, China and Brazil) to avoid asset price bubbles of their own. While serious, these concerns are not likely to manifest themselves in the year ahead and do not pose short run constraints to the burgeoning recovery.

Oklahoma has weathered the recessionary storm as well as could be expected and ahead of much of the nation. However, Oklahoma requires at least a modest national recovery to hold as our state's large exporting sectors (energy, aerospace, manufacturing, agriculture, etc.) rely on a nationally (and internationally) broad customer base. We project the national recovery to carry into 2011, allowing the recovery in Oklahoma to move into the next year as well. Significant momentum is expected as Oklahoma production, employment, and income all make significant gains in the year to come. The present report will focus on conditions within the Oklahoma City MSA generally and employment by sector specifically.

Statewide Employment

Turning the corner

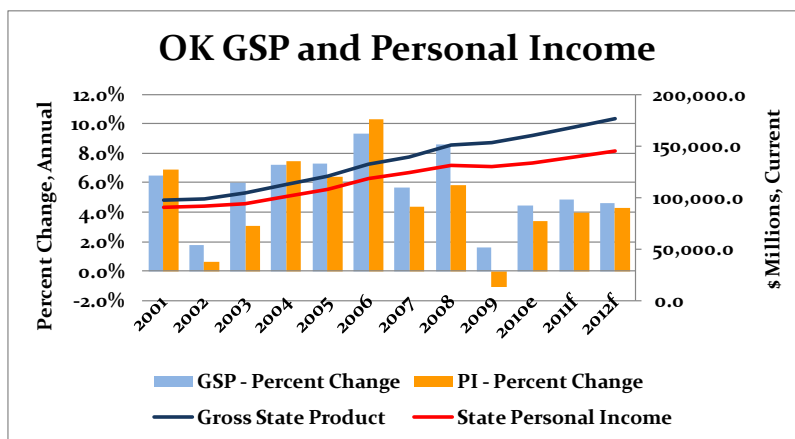


Average monthly non-farm employment fell by more than 3% in 2009 while employment gains in the latter half of 2010 offset early losses to leave average monthly employment nearly flat overall for the current year. Several industries were nearly as quick to hire back workers as they were to let them go once worst-case fears of a global economic demise subsided. For the most part, Oklahoma seems to have followed national trends with job losses

disproportionately represented by the construction and manufacturing sectors. Professional and business services jobs grew modestly as firms substituted temporary workers for positions previously filled by full-time employees. We project employment growth to continue into 2011 – largely across all major industry groups except the manufacturing and government sectors. The official forecast calls for average monthly employment to grow at 1.5% in 2011 and increasing to 1.9% in 2012. While encouraging, these growth rates are modest relative to the depth of the employment losses in 2009.

Production and Personal Income

A return to growth

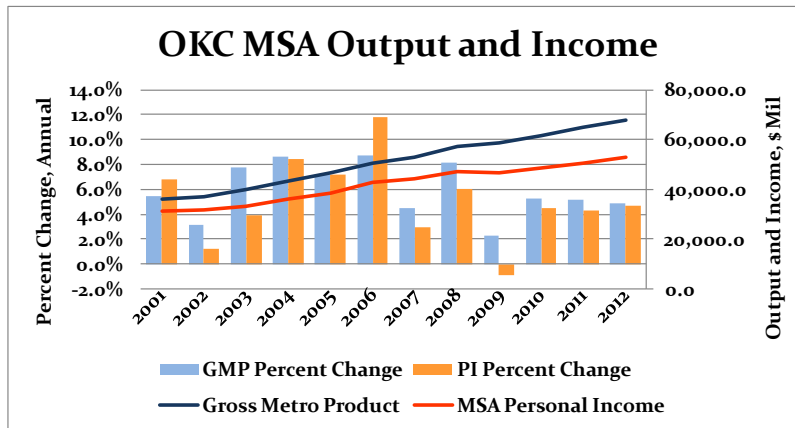


Oklahoma gross state product and personal income both fell considerably in the 2009 data, with personal income posting its first contraction of the decade. We expect subsequent revisions to reflect a more significant recessionary experience yet. However, production and income turned a corner in 2010, with personal income beginning to regain lost ground by the second quarter of the year and continuing to show sustained, if tempered,

growth. The official forecast looks for gross state product to grow at a 4.5% annual rate in 2010 and holding near that rate, 4.8%, in 2011. Similarly, personal income is projected to grow at 3.4% this year before accelerating modestly to 4.0% in 2011. Over the current three-year horizon (2010-2012) we foresee production and income growing at roughly half the average rate of the previous expansion (2004-2006). While modest, these growth rates are sufficient to change perceptions of the economic climate in the state (we will feel economically healthier) and represent an economic experience only a few other states can expect to enjoy.

Oklahoma City MSA Production and Income

Steady growth ahead

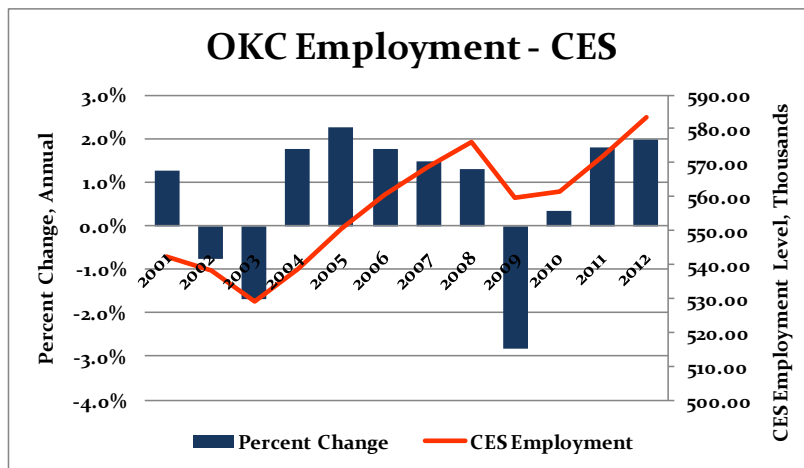


The Oklahoma City MSA followed state patterns with a considerable slow down in production activities and a modest contraction (-0.9%) in personal income. Rebounding asset prices and modest hiring have combined to yield growth in personal income this year (+4.5%) with similar growth (+4.3%) expected in the year to come. Oklahoma City has shown somewhat surprising strength during the recession, offsetting job

losses in 2009 with moderate gains in 2010. The primary short run concern for the MSA remains its reliance on the public sector – significant Federal, State, and Local government employment – during a period of budget challenges. We expect the budget climate at the capitol and in municipalities in the MSA to dampen rather than reverse the trending expansion. The official forecast looks for gross metro production to grow at just over 5% annually through 2012 while personal income expands at roughly 4.5% per year over the same period.

OKC MSA CES Employment

More jobs, where are the workers?

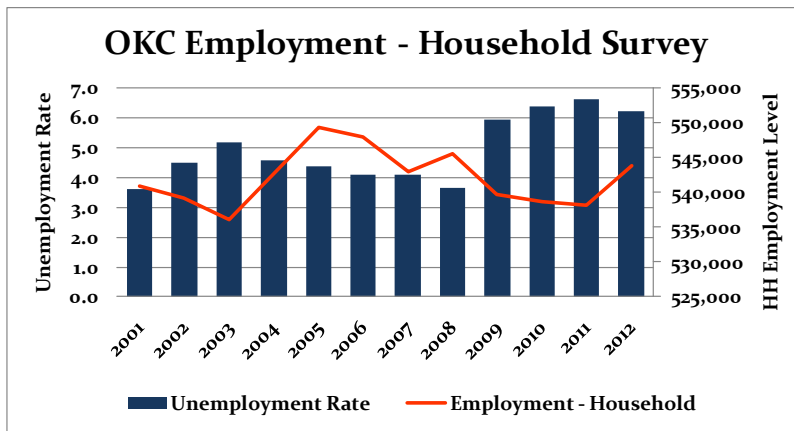


In contrast to the Household survey (see next section), the CES survey (Current Employment Statistics) counts jobs, not people. Specifically, this report estimates approximately 562,000 jobs located within the MSA (even if filled by workers living outside the MSA). This represents a gain of approximately 20,000 jobs since the beginning of the decade and will likely grow to 40,000 jobs by 2012. While further study would be required to fully explain the discrepancy, it appears that

although Oklahoma City is successful at attracting jobs to the MSA, they are less successful at attracting (or retaining) workers within the MSA – hence more jobs in the city with no change in the number of employed persons. We expect CES employment to continue to grow in OKC, with 1.8% growth in 2011 and 2.0% growth in average monthly job counts in 2012.

OKC MSA Household Employment

Second verse, same as the first

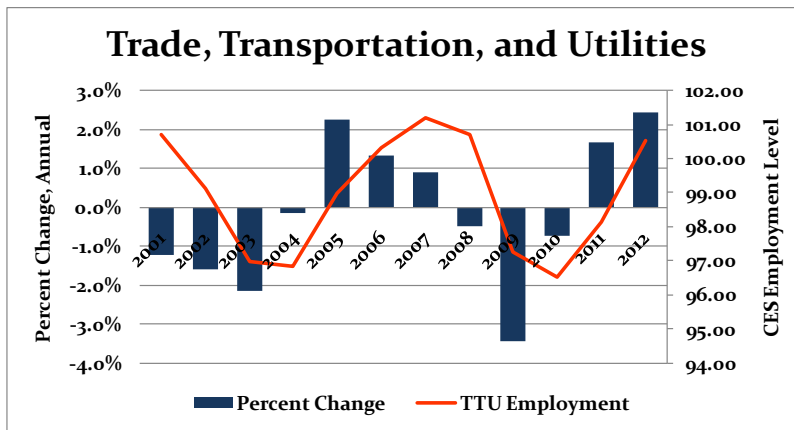


Like a repeating melody, the OKC household employment ends the decade approximately where it began (actually, down about 2,000 jobs). It is instructive to note that the household survey counts people (regardless of *where* they work). Thus, the survey estimates that approximately 540,000 residents of the MSA are of age civilians working for pay or profit (although their job may be outside the MSA). Household employment

is little changed over the decade and the official forecast looks for 2001 levels to return sometime in 2011. Meanwhile, the unemployment rate produced through the same survey estimates average monthly unemployment of 6.4% of the labor force in 2010. While high by OKC standards, local unemployment rates remain well below the national rate. Unemployment rates are likely to remain elevated as widespread strength in the labor market is still some time away. We look for the unemployment rate to tick up slightly in 2011 (consistent with an expanding labor force) before trending down later in the year, averaging 6.6% in 2011 before falling to 6.2% in 2012.

OKC MSA Trade, Transportation, and Utilities

Where is the retail?

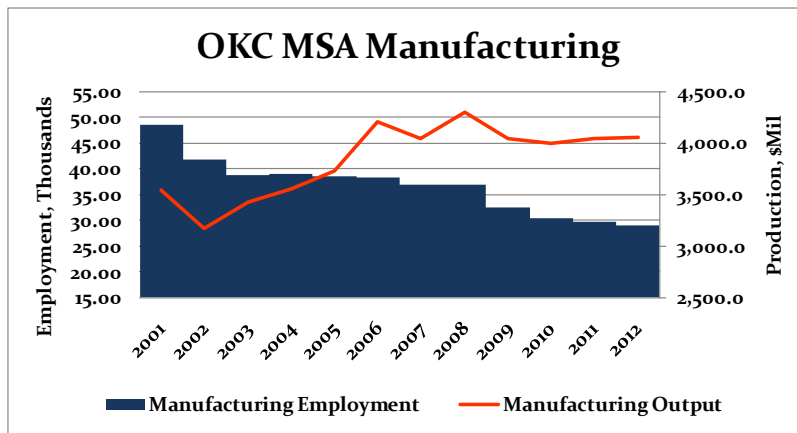


Total employment in the trade, transportation, and utilities sector is projected to oscillate modestly before returning to 2001 levels in 2012. Most of the reduction in employment can be traced to the utilities sector, with wholesale and retail trade employment in the MSA largely unchanged over the decade. This trend likely follows from the employment data that suggested even as jobs were locating in OKC, the workers filling

those positions may be living (and shopping) outside the MSA. If indeed this phenomena explains the underlying data, we believe the trend to reverse course in the next decade as strategic MSA economic development drives a density of amenities that returns household development and retail activity to the heart of the MSA. Average monthly employment is expected to contract modestly in 2010 before growing at 1.7% and 2.4% respectively in 2011 and 2012.

OKC MSA Manufacturing

Following or leading?

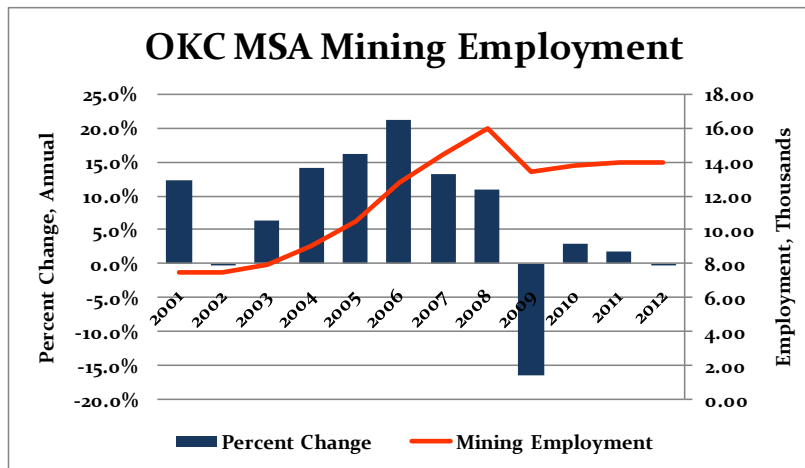


Oklahoma City manufacturing seems to be following (or causing) the industry trend in the state. The orange line (right scale) gives the historic and projected value of manufacturing output in the MSA and has shown modest growth over the decade. The value of output is estimated to have fallen 5.8% in 2009 with a modest contraction continuing into 2010 before stabilizing in 2011. Manufacturing employment,

however (blue columns – left scale) shows signs of steady contraction. Average monthly employment in the industry fell over 12% in 2009, with a projected contraction of 6.4% in 2010. Looking ahead, the forecast calls for a slowdown in the rate of contraction, with employment levels dropping roughly 2% in 2011 and 2012.

OKC MSA Mining

Rebound to a steady state

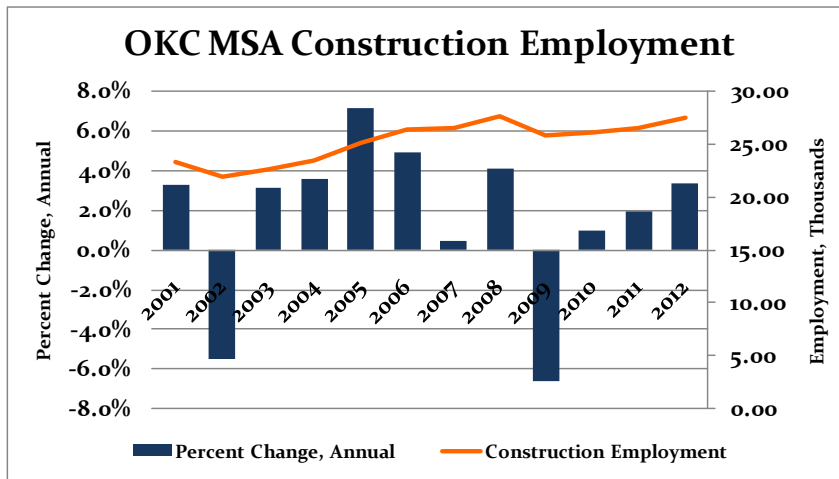


Mining activity and employment contracted sharply in the recession as uncertainty about the depth and duration of the contraction strained capital access and depressed prices constrained cash flows. The accompanying chart fails to capture the severity of the contraction or the rapidity of the rebound as annual averages conceal the reality that from the

fall of 2008 to the fall of 2009 the sector shed 4,500 jobs before adding back nearly half that many by the fall of 2010. The general market consensus is an absence of upward pressure on natural gas prices which likely remain below \$6 through the first half of 2012. We look for mining employment to recover to its 2007 level (roughly 14,400 jobs) before stabilizing through 2012. We remain optimistic in the medium-term future of the industry, however, and firmly believe that hindsight will reveal a recessionary experience that was an impediment to rather than a structural break in a mini Oklahoma energy boom.

OKC MSA Construction

Remarkable resilience

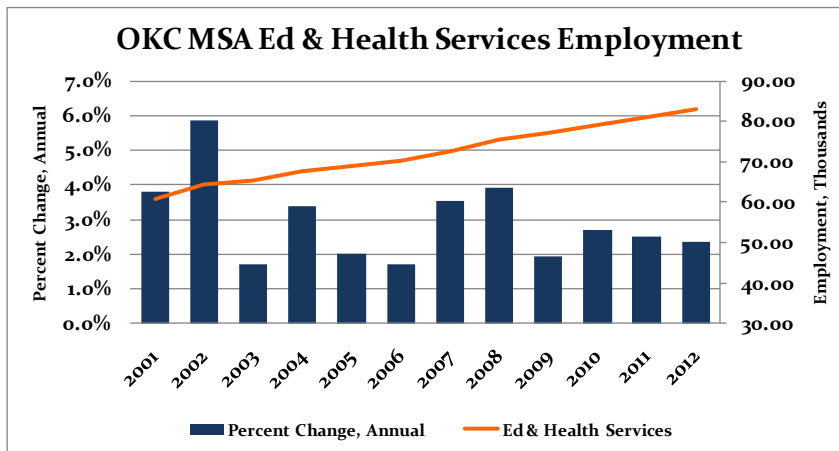


Oklahoma City MSA construction employment displayed impressive resilience in the face of a recession that strangled capital lines that are the lifeblood of construction activity. A mixture of public and private construction projects, including considerable progress on the new Devon Energy Tower in downtown Oklahoma City buoyed the industry. Initial reports estimate a contraction

of -6.6% in average monthly employment for the MSA, considerably stronger than the -8.9% contraction and -15.7% contraction at the state and national level respectively. Construction employment is forecasted to return to its 2008 peak of 27,500 by 2012 – well ahead of the expected pace nationally.

OKC MSA Education and Health Services

Steady growth continues

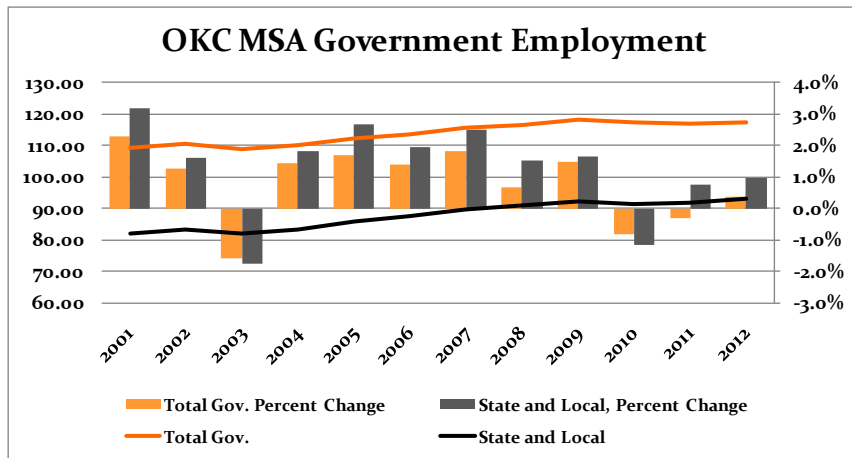


Education and health services employment continues to grow predictably as demographics and increased policy emphasis expand the base of service delivery. The strength of the sector in the OKC MSA exceeds national trends, however, as the MSA has added over 20,000 jobs – almost three-fourths in Health Care and Social Assistance. The data suggest growth rates

in Oklahoma City will exceed their national counterparts in 2011 and 2012 with forecasted growth rates of 2.5% and 2.4%, bringing average monthly employment to over 83,000 jobs by 2012.

OKC MSA Public Sector Employment

Uncertain future

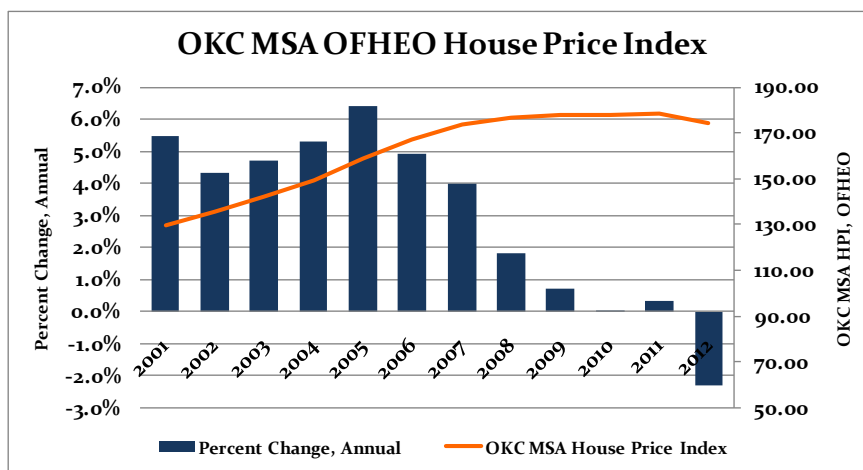


Forecasting public sector employment is notoriously difficult as the makeup of policymaking bodies lessen the ability of past observations to inform future directions. Such is certainly the case at present as municipal budgets see some strengthening while state budgets struggle to fill a sizable fiscal gap without the aid of rainy day funds and fiscal stimulus. It may be worth noting, however, that

public sector employment represented just over 20% of all employment at the beginning of the decade and will end 2012 at that same level. In the interim, we believe Federal employment contracts modestly in 2011, while state and local government employment holds steady on the strength of the MSA's municipalities. However, much depends on the direction taken at the capitol in dealing with at least two more years of tight fiscal conditions.

OKC MSA House Price Index

Uncertain future

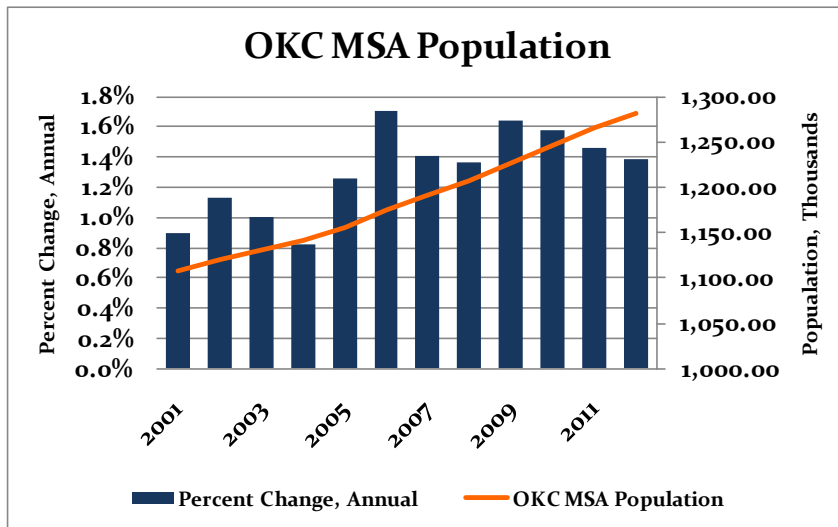


House prices in the metro area enjoyed a steady appreciation through much of the decade. At the height of the housing bubble nationally, home price appreciation spurred aggressive refinance activity, nearly two-thirds of which were cash-out refinancing fueling consumption expenditures. While Oklahoma City did not enjoy this aggressive home price

appreciation, it likewise did not endure a market with falling prices and an increasing share of homeowners underwater in their mortgages. Home prices appear to be flat in 2010 before appreciating very modestly in 2011. The initial forecast looks for a nontrivial contraction in 2012 of 2.3% as markets strive to unload excess inventory. However, we suspect that as national housing conditions and policies become clearer, the forecasted contraction in prices will be tempered significantly in subsequent revisions to the forecast.

OKC MSA Population Employment

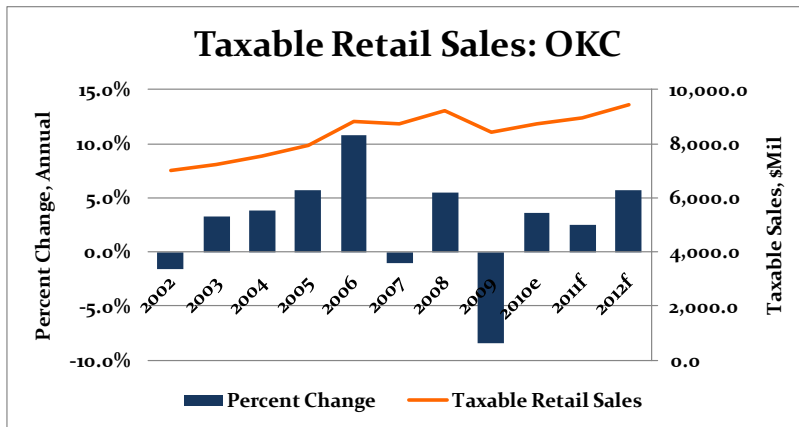
Continued growth



Oklahoma City MSA population continues to grow at rates slightly ahead of national averages. By 2012, the MSA is expected to have added nearly 175,000 individuals, accounting for roughly half of the growth expected statewide. MSA population is projected to exceed 1.28 million persons by 2012.

City of Oklahoma City Retail Sales

Surprising strength



While we expected sales tax collections to turn a corner towards positive year over year growth this summer for most Oklahoma communities, the City of Oklahoma City turned a bit early (May), turned aggressively, and carried momentum through the end of the year. We anticipate forthcoming data to reveal a strong holiday retail sales season both nationally and at home. With some of the growth driven by one-time factors (construction, hail

storms, etc.) and the holiday season absorbing some pent up consumer demand, we expect growth to moderate in 2011. The official forecast looks for retail sales growth of 2.5% in 2011 before growing at a considerably faster pace (5.7%) in 2012.

Oklahoma Non-Farm Wage & Salary Employment														
(Seasonally adjusted, in Thousands)														
	Sector	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010e	2011f	2012f	
	Total	1493.89	1473.68	1445.38	1461.46	1499.46	1540.00	1568.31	1592.72	1538.58	1533.95	1557.69	1586.55	
		0.9%	-1.4%	-1.9%	1.1%	2.6%	2.7%	1.8%	1.6%	-3.4%	-0.3%	1.5%	1.9%	
GOODS	Natural Resources & Mining	29.09	28.32	29.76	32.50	35.95	41.93	46.62	51.95	43.45	43.49	44.62	43.83	
		8.1%	-2.6%	5.1%	9.2%	10.6%	16.6%	11.2%	11.4%	-16.4%	0.1%	2.6%	-1.8%	
	Construction	66.08	64.41	63.58	62.80	66.06	70.26	71.30	75.53	68.81	69.79	73.12	75.30	
		7.2%	-2.5%	-1.3%	-1.2%	5.2%	6.4%	1.5%	5.9%	-8.9%	1.4%	4.8%	3.0%	
	Manufacturing	169.83	152.34	143.23	142.33	144.85	149.21	150.48	149.85	129.60	123.24	122.19	120.08	
		-4.0%	-10.3%	-6.0%	-0.6%	1.8%	3.0%	0.9%	-0.4%	-13.5%	-4.9%	-0.8%	-1.7%	
	Non-Durable Goods	56.76	53.28	50.41	49.17	49.26	49.17	47.53	45.78	42.12	42.22	42.45	42.28	
		-4.8%	-6.1%	-5.4%	-2.5%	0.2%	-0.2%	-3.3%	-3.7%	-8.0%	0.2%	0.5%	-0.4%	
	Durable Goods	113.07	99.05	92.82	93.17	95.59	100.04	103.23	104.07	87.47	81.04	79.74	77.81	
		-3.6%	-12.4%	-6.3%	0.4%	2.6%	4.7%	3.2%	0.8%	-15.9%	-7.4%	-1.6%	-2.4%	
PRIVATE	Trade, Transportation, & Utilities	289.60	283.69	276.86	274.94	279.32	283.64	287.51	289.74	280.79	277.44	280.24	286.53	
		-1.2%	-2.0%	-2.4%	-0.7%	1.6%	1.5%	1.4%	0.8%	-3.1%	-1.2%	1.0%	2.2%	
	Wholesale Trade	56.75	56.45	54.77	54.76	56.54	58.38	59.36	59.28	56.55	55.55	56.49	58.17	
		-0.2%	-0.5%	-3.0%	0.0%	3.3%	3.2%	1.7%	-0.1%	-4.6%	-1.8%	1.7%	3.0%	
	Retail Trade	175.05	172.15	169.48	168.27	169.78	170.10	171.24	173.37	169.29	169.29	171.04	173.77	
		-2.0%	-1.7%	-1.5%	-0.7%	0.9%	0.2%	0.7%	1.2%	-2.3%	0.0%	1.1%	1.6%	
	Utilities	10.80	10.36	9.82	9.50	9.53	9.96	10.40	10.93	11.46	11.52	11.63	11.97	
		5.1%	-4.1%	-5.2%	-3.3%	0.4%	4.5%	4.4%	5.0%	4.9%	0.5%	1.0%	2.9%	
	Transportation & Warehousing	47.01	44.73	42.79	42.42	43.46	45.20	46.50	46.17	43.50	41.15	41.09	42.62	
		-0.5%	-4.8%	-4.4%	-0.9%	2.5%	4.0%	2.9%	-0.7%	-5.8%	-5.4%	-0.2%	3.7%	
	Information	37.08	35.27	32.35	31.01	30.22	29.78	28.82	28.70	27.45	26.35	26.56	27.53	
		4.4%	-4.9%	-8.3%	-4.1%	-2.6%	-1.4%	-3.2%	-0.4%	-4.4%	-4.0%	0.8%	3.6%	
	Financial Activities	82.54	83.01	83.17	83.90	83.12	83.36	82.94	83.16	81.22	82.30	84.13	85.45	
		1.4%	0.6%	0.2%	0.9%	-0.9%	0.3%	-0.5%	0.3%	-2.3%	1.3%	2.2%	1.6%	
	Finance & Insurance	58.98	59.69	60.57	60.78	59.20	58.99	58.86	59.41	58.82	60.13	61.76	62.71	
		1.1%	1.2%	1.5%	0.3%	-2.6%	-0.4%	-0.2%	0.9%	-1.0%	2.2%	2.7%	1.5%	
	Real Estate, Rental & Leasing	23.55	23.32	22.59	23.11	23.92	24.37	24.08	23.76	22.40	22.18	22.37	22.75	
		2.1%	-1.0%	-3.1%	2.3%	3.5%	1.9%	-1.2%	-1.4%	-5.7%	-1.0%	0.9%	1.7%	
	SERVICES	Professional & Business Services	166.20	161.90	157.30	162.81	170.46	175.82	181.55	182.92	165.61	167.69	177.94	188.83
			1.2%	-2.6%	-2.8%	3.5%	4.7%	3.1%	3.3%	0.8%	-9.5%	1.3%	6.1%	6.1%
Professional, Scientific, & Technical		54.85	56.07	57.02	57.65	59.16	61.25	63.36	64.83	62.13	62.97	65.72	67.94	
		6.3%	2.2%	1.7%	1.1%	2.6%	3.5%	3.4%	2.3%	-4.2%	1.4%	4.4%	3.4%	
Mgt. of Companies & Enterprises		12.96	12.71	12.33	12.63	12.54	12.73	13.43	13.94	13.24	12.88	12.74	12.66	
		-4.1%	-1.9%	-3.0%	2.5%	-0.7%	1.5%	5.5%	3.8%	-5.0%	-2.7%	-1.1%	-0.6%	
Admin., Support, & Waste Mgt.		98.42	93.13	87.94	92.52	98.74	101.84	104.76	104.17	90.25	91.85	99.48	108.23	
		-0.7%	-5.4%	-5.6%	5.2%	6.7%	3.1%	2.9%	-0.6%	-13.4%	1.8%	8.3%	8.8%	
Education & Health Services		167.12	173.47	175.48	179.18	183.54	187.65	192.90	197.57	201.58	208.60	212.81	216.98	
		2.9%	3.8%	1.2%	2.1%	2.4%	2.2%	2.8%	2.4%	2.0%	3.5%	2.0%	2.0%	
Educational Services	15.65	16.51	16.52	17.63	18.69	18.84	18.89	19.33	19.87	20.73	21.65	22.53		
	4.0%	5.5%	0.1%	6.7%	6.0%	0.8%	0.3%	2.3%	2.8%	4.3%	4.4%	4.1%		
Health Care & Social Assistance	151.46	156.95	158.96	161.53	164.86	168.81	174.00	178.25	181.72	187.90	191.17	194.45		
	2.7%	3.6%	1.3%	1.6%	2.1%	2.4%	3.1%	2.4%	1.9%	3.4%	1.7%	1.7%		
Leisure & Hospitality	127.26	127.07	126.72	129.13	132.43	135.55	137.75	141.05	140.17	141.20	144.86	147.24		
	1.2%	-0.1%	-0.3%	1.9%	2.6%	2.4%	1.6%	2.4%	-0.6%	0.7%	2.6%	1.6%		
Arts, Entertainment, & Recreation	13.80	13.53	13.35	13.62	13.94	14.16	14.59	15.71	14.44	14.27	14.67	14.74		
	1.5%	-2.0%	-1.4%	2.1%	2.4%	1.5%	3.0%	7.7%	-8.1%	-1.2%	2.8%	0.5%		
Accommodation & Food Services	113.45	113.54	113.37	115.49	118.48	121.39	123.15	125.39	125.73	126.97	130.19	132.49		
	1.1%	0.1%	-0.1%	1.9%	2.6%	2.5%	1.4%	1.8%	0.3%	1.0%	2.5%	1.8%		
Other Services	62.65	63.30	61.14	61.03	61.10	61.71	63.10	63.49	62.02	59.05	59.90	60.64		
	2.6%	1.0%	-3.4%	-0.2%	0.1%	1.0%	2.3%	0.6%	-2.3%	-4.8%	1.4%	1.2%		
GOVERNMENT	Total Government	296.39	300.89	295.75	301.83	312.40	321.11	325.33	328.73	337.97	334.67	331.32	334.14	
		3.0%	1.5%	-1.7%	2.1%	3.5%	2.8%	1.3%	1.0%	2.8%	-1.0%	-1.0%	0.9%	
	Federal Government	46.25	46.29	46.09	46.09	45.91	45.78	45.35	45.25	46.39	48.31	46.38	45.78	
		-3.3%	0.1%	-0.4%	0.0%	-0.4%	-0.3%	-0.9%	-0.2%	2.5%	4.1%	-4.0%	-1.3%	
State & Local Government	250.12	254.59	249.66	255.74	266.49	275.31	279.96	283.48	291.58	286.38	284.94	288.36		
	4.3%	1.8%	-1.9%	2.4%	4.2%	3.3%	1.7%	1.3%	2.9%	-1.8%	-0.5%	1.2%		
*Estimate †Forecast		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010e	2011f	2012f	

Oklahoma Economic Indicators											OSU
(Seasonally adjusted)											
	Sector	2003	2004	2005	2006	2007	2008	2009	2010e	2011f	2012f
Labor Force	CES Non-Farm W&S Employment (Thou)	1,445.4	1,461.5	1,499.5	1,540.0	1,568.3	1,592.7	1,538.6	1,533.9	1,557.7	1,586.6
		-1.9%	1.1%	2.6%	2.7%	1.8%	1.6%	-3.4%	-0.3%	1.5%	1.9%
	BEA Total Employment (Thou)	1,966.0	1,988.5	2,031.9	2,091.2	2,145.0	2,206.5	2,192.5	2,189.2	2,216.2	2,247.7
		-0.7%	1.1%	2.2%	2.9%	2.6%	2.9%	-0.6%	-0.2%	1.2%	1.4%
	QCEW Wage & Salary Employment	1,411,011	1,427,624	1,465,885	1,507,122	1,534,706	1,550,452	1,497,093	1,479,578	1,502,016	1,528,806
		-2.0%	1.2%	2.7%	2.8%	1.8%	1.0%	-3.4%	-1.2%	1.5%	1.8%
	LAUS Total Employment	1,598,524	1,605,549	1,628,568	1,654,279	1,673,374	1,687,016	1,659,635	1,647,874	1,652,063	1,671,668
		-0.2%	0.4%	1.4%	1.6%	1.2%	0.8%	-1.6%	-0.7%	0.3%	1.2%
	Civilian Labor Force LAUS	1,693,961	1,689,612	1,705,396	1,725,276	1,743,794	1,751,088	1,773,176	1,768,564	1,773,343	1,785,512
		0.6%	-0.3%	0.9%	1.2%	1.1%	0.4%	1.3%	-0.3%	0.3%	0.7%
Unemployment Rate LAUS (%)	5.6	5.0	4.5	4.1	4.0	3.7	6.4	6.8	6.8	6.4	
	17.0%	-11.7%	-9.4%	-8.7%	-1.9%	-9.4%	75.0%	6.6%	0.2%	-6.8%	
Total Unemployment LAUS (Thou)	95,437	84,063	76,828	70,997	70,421	64,072	113,541	120,689	121,281	113,845	
	17.7%	-11.9%	-8.6%	-7.6%	-0.8%	-9.0%	77.2%	6.3%	0.5%	-6.1%	
OK Population (Thou)	3,498.7	3,514.4	3,532.8	3,574.3	3,612.2	3,644.0	3,687.1	3,735.6	3,779.2	3,818.6	
	0.4%	0.5%	0.5%	1.2%	1.1%	0.9%	1.2%	1.3%	1.2%	1.0%	
Output	Nominal Gross State Product (\$Mil)	104,835.0	112,444.0	120,662.0	131,904.0	139,422.0	151,406.0	153,778.0	160,622.7	168,400.3	176,207.6
		6.0%	7.3%	7.3%	9.3%	5.7%	8.6%	1.6%	4.5%	4.8%	4.6%
	Nominal Manufacturing Output (\$Mil)	11,884.0	12,255.0	13,528.0	15,806.0	15,751.0	18,543.0	17,386.0	17,419.2	17,682.7	17,688.7
		7.4%	3.1%	10.4%	16.8%	-0.3%	17.7%	-6.2%	0.2%	1.5%	0.0%
Income	Nominal Personal Income (\$Mil)	94,148.5	101,178.8	107,640.8	118,747.0	123,888.8	131,070.3	129,605.8	133,965.8	139,265.4	145,256.8
		3.0%	7.5%	6.4%	10.3%	4.3%	5.8%	-1.1%	3.4%	4.0%	4.3%
	Wage and Salary Income (\$Mil)	46,260.3	48,522.3	51,177.3	56,434.0	59,831.5	63,504.8	61,582.8	63,149.4	65,971.3	68,716.3
		2.4%	4.9%	5.5%	10.3%	6.0%	6.1%	-3.0%	2.5%	4.5%	4.2%
	Per Capita Personal Income (\$Thou)	26,909	28,789	30,468	33,221	34,296	35,968	35,152	35,861	36,849	38,038
		2.6%	7.0%	5.8%	9.0%	3.2%	4.9%	-2.3%	2.0%	2.8%	3.2%
	Ratio OK/US Per Capita Personal Income	83.6%	85.1%	86.2%	88.3%	87.1%	88.6%	88.9%	89.2%	89.6%	89.9%
	0.1%	1.9%	1.2%	2.4%	-1.4%	1.7%	0.3%	0.3%	0.6%	0.3%	
Taxable Retail Sales (\$Mil)	31,821	33,952	35,983	39,252	41,502	44,715	40,832	42,291	44,363	45,915	
	2.3%	6.7%	6.0%	9.1%	5.7%	7.7%	-8.7%	3.6%	4.9%	3.5%	
OK Individual Income Tax (\$Mil)	2,235.1	2,434.8	2,678.9	2,872.3	2,822.6	2,818.1	2,347.2	2,266.0	2,438.5	2,596.0	
	-2.2%	8.9%	10.0%	7.2%	-1.7%	-0.2%	-16.7%	-3.5%	7.6%	6.5%	
	*Estimate *Forecast	2003	2004	2005	2006	2007	2008	2009	2010e	2011f	2012f

Oklahoma City MSA Non-Farm Wage & Salary Employment													
(Seasonally adjusted, in Thousands)													
	Sector	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010e	2011f	2012f
	Total	542.45	538.31	529.28	538.54	550.70	560.42	568.61	576.08	559.82	561.69	571.87	583.25
		1.2%	-0.8%	-1.7%	1.8%	2.3%	1.8%	1.5%	1.3%	-2.8%	0.3%	1.8%	2.0%
GOODS	Natural Resources & Mining	7.47	7.47	7.93	9.05	10.52	12.75	14.43	16.02	13.38	13.76	13.99	13.94
		12.4%	-0.1%	6.2%	14.1%	16.3%	21.2%	13.2%	11.0%	-16.5%	2.8%	1.7%	-0.4%
	Construction	23.28	22.00	22.70	23.51	25.20	26.43	26.55	27.65	25.82	26.07	26.58	27.48
		3.3%	-5.5%	3.2%	3.6%	7.2%	4.9%	0.4%	4.1%	-6.6%	1.0%	2.0%	3.4%
	Manufacturing	48.57	41.90	38.82	38.99	38.62	38.28	37.04	36.99	32.51	30.43	29.80	28.95
		-6.4%	-13.7%	-7.3%	0.4%	-0.9%	-0.9%	-3.2%	-0.1%	-12.1%	-6.4%	-2.1%	-2.9%
	Non-Durable Goods	12.72	12.02	11.28	11.48	11.64	11.27	9.57	9.25	8.95	8.95	8.88	8.73
		-8.9%	-5.6%	-6.1%	1.8%	1.4%	-3.2%	-15.1%	-3.3%	-3.3%	0.0%	-0.8%	-1.7%
	Durable Goods	35.85	29.88	27.54	27.51	26.98	27.01	27.48	27.74	23.55	21.47	20.92	20.22
		-5.5%	-16.7%	-7.8%	-0.1%	-1.9%	0.1%	1.7%	1.0%	-15.1%	-8.8%	-2.6%	-3.3%
PRIVATE	Trade, Transportation, & Utilities	100.71	99.12	96.97	96.82	98.99	100.30	101.21	100.72	97.25	96.53	98.14	100.53
		-1.2%	-1.6%	-2.2%	-0.2%	2.2%	1.3%	0.9%	-0.5%	-3.4%	-0.7%	1.7%	2.4%
	Wholesale Trade	21.72	21.42	21.03	21.00	21.71	22.74	22.92	22.95	21.87	21.25	21.53	22.23
		-1.5%	-1.4%	-1.8%	-0.2%	3.4%	4.7%	0.8%	0.1%	-4.7%	-2.8%	1.3%	3.2%
	Retail Trade	61.65	61.50	60.63	60.39	61.42	61.55	61.99	62.29	59.88	60.33	61.53	62.72
		-1.5%	-0.2%	-1.4%	-0.4%	1.7%	0.2%	0.7%	0.5%	-3.9%	0.7%	2.0%	1.9%
	Transportation, Warehousing, & Utilities	17.34	16.20	15.32	15.43	15.87	16.02	16.29	15.47	15.50	14.95	15.08	15.58
		0.3%	-6.6%	-5.4%	0.8%	2.8%	0.9%	1.7%	-5.0%	0.2%	-3.5%	0.8%	3.3%
	Information	14.45	14.03	13.46	13.62	13.38	13.18	12.51	12.58	12.17	11.81	11.91	12.38
		3.8%	-2.9%	-4.1%	1.2%	-1.7%	-1.5%	-5.1%	0.6%	-3.3%	-2.9%	0.8%	4.0%
SERVICES	Financial Activities	34.36	35.33	34.88	35.38	34.51	34.47	34.36	34.18	32.98	32.98	33.56	34.04
		1.9%	2.8%	-1.3%	1.4%	-2.5%	-0.1%	-0.3%	-0.5%	-3.5%	0.0%	1.8%	1.4%
	Finance & Insurance	23.56	24.29	24.19	24.22	23.25	23.07	23.20	23.68	22.91	22.90	23.46	23.80
		2.6%	3.1%	-0.4%	0.1%	-4.0%	-0.7%	0.5%	2.1%	-3.2%	-0.1%	2.5%	1.5%
	Real Estate, Rental & Leasing	10.80	11.04	10.69	11.15	11.26	11.40	11.17	10.50	10.07	10.08	10.11	10.24
		0.3%	2.2%	-3.1%	4.3%	1.0%	1.2%	-2.1%	-6.0%	-4.0%	0.1%	0.2%	1.3%
	Professional & Business Services	68.53	67.85	64.79	66.52	69.95	72.19	74.84	74.86	69.73	72.70	77.40	81.71
		2.9%	-1.0%	-4.5%	2.7%	5.2%	3.2%	3.7%	0.0%	-6.9%	4.3%	6.5%	5.6%
	Professional, Scientific, & Technical	23.21	23.79	24.67	24.75	25.39	26.66	27.37	28.10	27.20	28.99	30.36	31.38
		8.3%	2.5%	3.7%	0.3%	2.6%	5.0%	2.7%	2.6%	-3.2%	6.6%	4.7%	3.4%
Mgt. of Companies & Enterprises	5.26	5.17	4.51	4.76	4.81	5.08	5.88	6.16	5.80	5.71	5.64	5.68	
	3.8%	-1.7%	-12.9%	5.6%	1.1%	5.5%	15.9%	4.7%	-5.8%	-1.7%	-1.2%	0.7%	
Admin., Support, & Waste Mgt.	40.06	38.89	35.62	37.00	39.74	40.47	41.58	40.61	36.73	38.01	41.40	44.65	
	-0.2%	-2.9%	-8.4%	3.9%	7.4%	1.8%	2.7%	-2.3%	-9.5%	3.5%	8.9%	7.8%	
GOVERNMENT	Education & Health Services	60.81	64.37	65.47	67.69	69.05	70.23	72.72	75.58	77.05	79.14	81.13	83.04
		3.8%	5.9%	1.7%	3.4%	2.0%	1.7%	3.5%	3.9%	1.7%	2.7%	2.5%	2.4%
	Educational Services	5.00	5.39	6.52	7.27	7.64	7.46	7.88	8.32	8.72	8.74	9.16	9.55
		6.0%	7.9%	20.9%	11.5%	5.1%	-2.4%	5.6%	5.7%	4.8%	0.2%	4.9%	4.2%
	Health Care & Social Assistance	55.82	58.98	58.95	60.42	61.41	62.77	64.84	67.25	68.34	70.39	71.97	73.49
		3.6%	5.7%	-0.1%	2.5%	1.6%	2.2%	3.3%	3.7%	1.6%	3.0%	2.2%	2.1%
	Leisure & Hospitality	50.88	51.74	52.01	53.43	55.09	55.82	55.94	57.06	57.17	58.02	59.04	60.04
		3.6%	1.7%	0.5%	2.7%	3.1%	1.3%	0.2%	2.0%	0.2%	1.5%	1.7%	1.7%
	Arts, Entertain., Recreation & Accomod.	10.67	10.76	10.32	10.59	10.81	11.36	11.60	11.74	11.42	11.20	11.06	11.10
		4.5%	0.8%	-4.1%	2.6%	2.1%	5.1%	2.1%	1.2%	-2.7%	-2.0%	-1.3%	0.4%
Food Services & Drinking Places	40.21	40.98	41.69	42.84	44.28	44.46	44.35	45.34	45.74	46.80	47.98	48.94	
	3.3%	1.9%	1.7%	2.8%	3.4%	0.4%	-0.3%	2.2%	0.9%	2.3%	2.5%	2.0%	
Other Services	24.23	23.96	23.48	23.21	23.19	23.00	23.20	23.85	23.47	22.86	23.33	23.70	
	0.7%	-1.1%	-2.0%	-1.1%	-0.1%	-0.8%	0.9%	2.8%	-1.6%	-2.6%	2.1%	1.6%	
GOVERNMENT	Total Government	109.13	110.53	108.76	110.34	112.19	113.75	115.81	116.58	118.31	117.36	116.99	117.44
		2.3%	1.3%	-1.6%	1.4%	1.7%	1.4%	1.8%	0.7%	1.5%	-0.8%	-0.3%	0.4%
	Federal Government	27.08	27.15	26.86	26.93	26.56	26.43	26.30	25.71	25.97	26.08	25.01	24.57
		-0.3%	0.2%	-1.0%	0.3%	-1.4%	-0.5%	-0.5%	-2.3%	1.0%	0.4%	-4.1%	-1.7%
State & Local Government	82.05	83.38	81.90	83.40	85.63	87.32	89.51	90.87	92.36	91.28	91.98	92.87	
	3.2%	1.6%	-1.8%	1.8%	2.7%	2.0%	2.5%	1.5%	1.6%	-1.2%	0.8%	1.0%	
°Estimate °Forecast		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010e	2011f	2012f

Oklahoma City MSA Economic Indicators										
(Seasonally adjusted)										
Sector	2003	2004	2005	2006	2007	2008	2009	2010e	2011f	2012f
Non-Farm W&S Employment (Thou)	529.28	538.54	550.70	560.42	568.61	576.08	559.82	561.69	571.87	583.25
	-1.7%	1.8%	2.3%	1.8%	1.5%	1.3%	-2.8%	0.3%	1.8%	2.0%
QCEW Wage & Salary Employment	515,887	524,535	536,890	549,624	556,238	558,658	542,665	537,864	546,615	556,317
	-1.6%	1.7%	2.4%	2.4%	1.2%	0.4%	-2.9%	-0.9%	1.6%	1.8%
Nominal Personal Income (\$Mil)	33,093.2	35,879.9	38,461.9	42,997.2	44,274.3	46,951.2	46,524.6	48,635.6	50,717.4	53,079.6
	3.9%	8.4%	7.2%	11.8%	3.0%	6.0%	-0.9%	4.5%	4.3%	4.7%
Nominal Gross Metro Product (\$Mil)	39,942.0	43,406.0	46,513.0	50,551.0	52,818.0	57,131.0	58,457.9	61,559.1	64,729.8	67,862.0
	7.8%	8.7%	7.2%	8.7%	4.5%	8.2%	2.3%	5.3%	5.2%	4.8%
Nominal Manufacturing Output (\$Mil)	3,426.0	3,558.0	3,726.0	4,210.0	4,041.0	4,298.0	4,050.8	3,994.8	4,047.1	4,052.2
	7.8%	3.9%	4.7%	13.0%	-4.0%	6.4%	-5.8%	-1.4%	1.3%	0.1%
Per-Capita Personal Income (\$Thou)	29.248	31.452	33.298	36.602	37.166	38.882	37.909	39.014	40.098	41.392
	2.8%	7.5%	5.9%	9.9%	1.5%	4.6%	-2.5%	2.9%	2.8%	3.2%
Real Per-Cap Personal Income (\$Thou)	30.910	32.392	33.298	35.623	35.208	35.652	34.697	35.093	35.591	36.170
	0.8%	4.8%	2.8%	7.0%	-1.2%	1.3%	-2.7%	1.1%	1.4%	1.6%
Ratio OKC/US Per Capita Income	90.8%	93.0%	94.2%	97.3%	94.3%	95.8%	95.9%	97.0%	97.5%	97.8%
	0.3%	2.4%	1.3%	3.3%	-3.0%	1.5%	0.1%	1.2%	0.6%	0.3%
OKC MSA Population (Thou)	1,131.49	1,140.78	1,155.09	1,174.74	1,191.24	1,207.52	1,227.28	1,246.61	1,264.85	1,282.37
	1.0%	0.8%	1.3%	1.7%	1.4%	1.4%	1.6%	1.6%	1.5%	1.4%
Labor Force - HH Survey (Thou)	565,414	568,632	574,549	571,284	566,299	566,358	573,792	575,605	576,465	580,006
	0.1%	0.6%	1.0%	-0.6%	-0.9%	0.0%	1.3%	0.3%	0.1%	0.6%
Employment - HH Survey (Thou)	536,131	542,601	549,397	547,948	543,016	545,585	539,766	538,713	538,242	543,869
	-0.6%	1.2%	1.3%	-0.3%	-0.9%	0.5%	-1.1%	-0.2%	-0.1%	1.0%
Unemployed - HH Survey (Thou)	29,283	26,031	25,152	23,336	23,283	20,773	34,025	36,892	38,223	36,138
	15.4%	-11.1%	-3.4%	-7.2%	-0.2%	-10.8%	63.8%	8.4%	3.6%	-5.5%
Unemployment Rate - HH Survey (%)	5.2	4.6	4.4	4.1	4.1	3.7	5.9	6.4	6.6	6.2
	15.3%	-11.6%	-4.4%	-6.7%	0.7%	-10.8%	61.7%	8.1%	3.5%	-6.0%
OFHEO OKC MSA Housing Price Index	141.98	149.51	159.07	166.87	173.49	176.63	177.93	177.97	178.58	174.46
	4.7%	5.3%	6.4%	4.9%	4.0%	1.8%	0.7%	0.0%	0.3%	-2.3%
Wage & Salary Earnings QCEW (\$Mil)	16,148.3	16,952.8	17,787.3	19,699.0	20,646.0	21,974.1	21,442.3	21,750.4	22,759.0	23,757.2
	3.2%	5.0%	4.9%	10.7%	4.8%	6.4%	-2.4%	1.4%	4.6%	4.4%
<small>*Estimate †Forecast</small>	2003	2004	2005	2006	2007	2008	2009	2010e	2011f	2012f

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