

An aerial photograph of the Oklahoma City skyline during the golden hour of sunset. The sky is a clear, vibrant blue, transitioning to a warm orange and yellow glow near the horizon. The city's architecture is diverse, featuring several prominent skyscrapers with glass facades that reflect the low sun. In the foreground, a large, modern building with a curved, glass-enclosed structure is visible, surrounded by lush green trees and a well-maintained park area. The overall scene conveys a sense of urban vitality and modern development.

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2019

GREATER OKLAHOMA CITY ECONOMIC FORECAST

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Overview & Introduction

The Greater Oklahoma City Economic Forecast provides a comprehensive analysis of the national, state and metro economies. It details historic trends, a snapshot of the current situation, as well as a forecast for 2019.

The Oklahoma City metro economy experienced a very healthy year in 2018. Strong economic conditions at both the national and state levels helped to bring about a second-consecutive year of positive job growth in the metro. Overall nonfarm annual job growth was 2.5 percent or 15,900 jobs in the Oklahoma City MSA. The largest percentage year-over-year job gains were found in oil & gas (+12.7 percent), administrative support (+8.6 percent), leisure services (+5.0 percent), wholesale trade (+4.2 percent), manufacturing (+3.3 percent) and professional & business services (+2.8 percent) sectors. Positive Oklahoma City metro job growth in 2019 is expected to continue and grow by 2.1 percent or 13,600 jobs. However, a modest slowdown in activity could be forthcoming and the state and local economies are vulnerable to national uncertainties. If national conditions weaken in the second half of 2019, this could result in a notable drag on local and state forecasted growth.

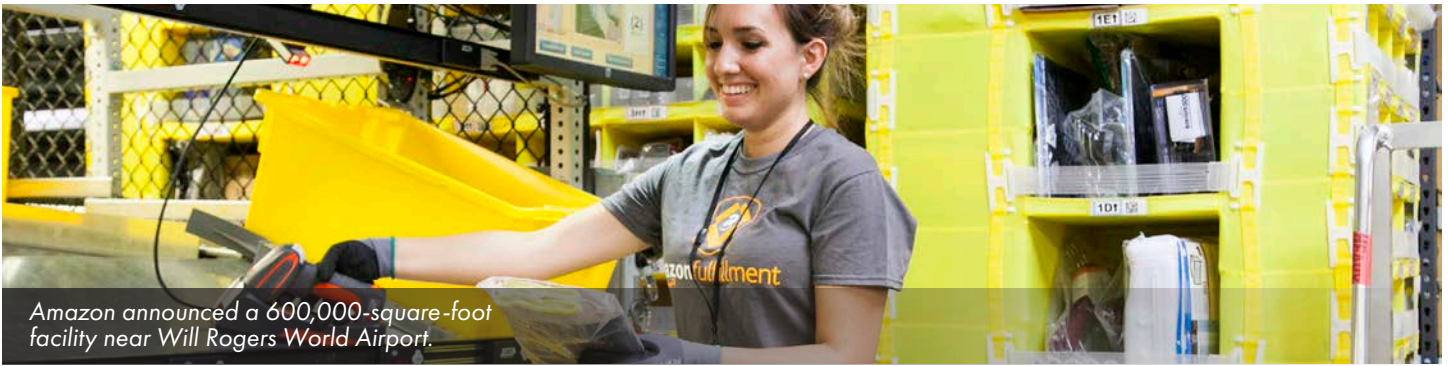
The Oklahoma City metro ended 2018 with an annual average unemployment rate for the year just above 3 percent (3.3 percent), with monthly unemployment rates ranging as low as 2.6 percent and as high 3.8 percent. Oklahoma City finished out the year ranked among the lowest 10 unemployment rates for large metros (more than 1 million population). November 2018 brought about the lowest monthly unemployment rate the Oklahoma City metro had experienced in nearly 18 years (2.6 percent).

As a contrast, it is important to see how area population growth helps to offset low unemployment and increase total labor force. Population continues to be an impressive story for Oklahoma City. When official 2018 U.S. Census population figures are released, it will show that the Oklahoma City metro population has now grown to 1.4 million. By 2020, the metro is expected to have added nearly 200,000 people over the past decade. Since 2005, the Oklahoma City metro has averaged a 1.5 percent annual growth rate, nearly double that of the nation. If the region is able to sustain that growth rate, it will reach 2 million population by the year 2040.

Following national trends, urbanization continues to benefit the two largest metros in the state. This is specifically seen in looking at how much of the state's economy and growth can be attributed to the Oklahoma City and Tulsa metros. Combined, Oklahoma City and Tulsa MSAs now account for 70 percent of the state's GDP, 66 percent of personal income and 60 percent of total population (or \$7 out of every \$10 dollars of goods & services, \$2 out of every \$3 dollars of personal income and three out of every five people).



The Oklahoma City MSA saw job growth of 2.5 percent in 2018.



Job Growth from Chamber-Assisted Companies

2018 brought about the third year of a five-year economic development program called Forward Oklahoma City V. This is the fifth iteration of the Forward campaign that has provided long-term strategic planning to the region's economic development initiatives over the past 20 years. Since 2016, 15,390 jobs with payroll in excess of \$700 million and \$958 million in capital investment has been announced by Chamber-assisted companies. As part of that program, overall metrics are tracked for Chamber-assisted companies in a number of different areas: new start-up companies assisted, job growth from existing companies as well as new to market firms, wages, capital investment and growth in tax base. In 2018, Chamber-assisted companies announced plans for the creation of 7,380 jobs with an annual average salary of \$47,086. In addition, those same companies announced more than \$496 million in capital investment. The Greater Oklahoma City Chamber ended 2018 with 74 active projects in its economic development pipeline. The pipeline tracks companies or projects that are potentially looking to relocate or expand in the Greater Oklahoma City region. The largest number of projects by facility type included manufacturing, distribution, office/shared-services and aviation.

The Greater Oklahoma City was the beneficiary of several new-to-market announcements and significant expansions in 2018. A select group of those announcements are described below.

Del Real Foods, a producer of authentic Mexican foods for restaurants, grocery stores, schools and hospitals, announced that it would be opening a production facility in Moore that would employ 240 people. The company is based in California.

CACI International announced 550 new jobs, occupying 65,000 square feet in the OKC Works building. The firm provides cyber-security and information services to intelligence, defense and federal civilian customers. CACI is centralizing some of its business operations in Oklahoma City by opening a shared service center.

In May 2018, Oklahoma's first **Amazon** fulfillment center was announced in south Oklahoma City. The more than 600,000 square-foot, state-of-the-art facility will create more than 1,500 jobs by the end of 2019. The center is located in Cleveland County and Lariat Landing, which is part of the Will Rogers Airport Strategic Development Program. Employees at the center will pick, pack and ship items to customers such as books, household items and toys.

In September 2018, **SYNQ3**, a technology company, announced that would be expanding its presence by opening an office location in the Oklahoma City area. The Moore location is expected to bring 300 flexible, part-time jobs to the market. SYNQ3 Restaurant Solutions works with restaurants to provide an aggregated call-ahead ordering system for consumers. More than 20 restaurants use SYNQ3, including Chipotle Mexican Grill, Red Robin, P.F. Chang's and McAlister's Deli. The company is based in Colorado Springs, but is expanding to Oklahoma City. The company was built around a desire to provide employees an opportunity to work from anywhere and provide supplemental income.

Heartland Payment Systems has begun construction on a seven-story, 100,000-square-foot building in the Automobile Alley district of downtown Oklahoma City. Heartland delivers credit/debit/prepaid card processing, payroll and payment solutions to more than 300,000 businesses and educational institutions nationwide. When completed, the project is expected to bring 345 high-paying jobs downtown.

Rural Sourcing announced that it would bring 150 tech jobs to Oklahoma City and locate its operations in the Rock Island Plow Building in Bricktown. The center will create 150 software development jobs that will provide solutions to its Fortune 1000 and technology clients. This decision equates to more than a \$7 million investment in the first year into the community. The Rock Island Plow building was chosen for its strategic, downtown location and its historical significance. The building was constructed in 1909 by the Rock Island Railroad Corporation of Chicago and was placed on the National Register of Historic Places



Rural Sourcing announced they are expanding to OKC.

in 1983. In keeping with Rural Sourcing tradition and the vision of its CEO, Rural Sourcing chooses revitalized locations over brand new buildings in its efforts to reuse existing space to mesh American history with the future of technology.

Zone·tv is a small technology firm that is redefining television viewing by delivering a personalized entertainment experience with expertly curated and exciting new content, powered by artificial intelligence. The firm announced plans to move its analytics branch from San Mateo, Calif to Oklahoma City as a way of taking advantage of local talent and competitive business costs. The company's founder is a graduate of the University of Oklahoma.

In November 2018, **Booz Allen Hamilton** (NYSE: BAH) announced it expects to bring 240 jobs to the state of Oklahoma over the next 10 years, significantly expanding its current presence in the state. Booz Allen will add a variety of high-skilled jobs including software developers, data scientists and cybersecurity and systems engineers. Salaries for the new employees will vary by position and experience; once all positions are filled, the total payroll impact to the state is estimated to be up to \$165 million. Booz Allen provides a variety of high-demand, technology-focused cybersecurity, engineering, analytics, digital solutions and consulting services to a diverse base of military, government and commercial organizations. As part of its regional growth the company, which has work sites throughout the state, is looking for its first hiring expansion in downtown Oklahoma City with plans to bring 130 new high-tech jobs to the city over the next five years. The addition of many new IT-focused jobs will enable the company to continue tackling the complex military, business and government challenges of today and the future, leveraging innovative technology solutions such as analytics, augmented reality capabilities, digital engineering and more.

Retail Successes

Stronger overall economic conditions in 2017 and 2018 have had a noticeable impact on retail sales in the City of Oklahoma City, as well as the metro area. For the seven-county Oklahoma City metropolitan area, 2018 total retail sales increased by 10.1 percent from 2017 totals. At approximately \$23.9 billion, the Oklahoma City metro accounts for more than 42 percent of the retail sales for the entire state of Oklahoma and 35 percent of the state's population. This makes the Oklahoma City metro a driving force for retail trade in the state.

Oklahoma City continues to focus upon destination retail that will increase sales tax revenue for not only the city but the broader region. 2018 Oklahoma City retail announcements like Costco, REI and The Container Store highlight the success of that strategy. As of January 2018, the City of Oklahoma City has enjoyed 21 straight months of growth in sales tax collections (compared to prior year). This speaks to the health of the retail market. The metro area overall continues to be positive in terms of taxable retail sales and sales tax collections.

Continued Progress on MAPS 3 Projects

Tax collections associated with MAPS 3, a 10-year capital improvements program funding eight community projects, officially ended on Dec. 31, 2017. The Metropolitan Area Projects were funded on a pay-as-you-go basis through a seven-year, 1-cent-sales tax which began in April 2010. Funds for projects are accumulated over time and construction cannot begin until all of the funds are available. This enables the city to avoid the cost of using debt to finance projects.

The program was originally projected to raise \$777 million, a conservative number in hindsight. The 1-cent sales tax finished 2017 with a surplus of an extra \$31 million. Including interest, the program brought in more than \$820 million. The MAPS 3 program continues to be on schedule with the completion of the final project scheduled for 2021. Current timelines for select projects are as follows:



MAPS 3 brought in more than \$820 million.

Scissortail Park (70-acre Downtown Park)

The groundbreaking for the \$139-million Scissortail Park occurred in June 2017 and will be located across the street from the new Oklahoma City Convention Center and the Omni Hotel. The 36-acre north section of the park will extend from the new Oklahoma City Boulevard south to Interstate 40 and from S Hudson Avenue east to S Robinson Avenue. It is scheduled for an opening in late September 2019. That opening will include four days of festivities, including concerts and a parade. The 34-acre south section of the park is bordered on the north by I-40, extending south to SW 10th between S. Walker Avenue and Robinson, and to SW 15th between S Harvey Avenue and Robinson. It is scheduled to be complete in 2021. The park will include everything from a café and sports facilities to nature trails. Plans for the north section include playgrounds, gardens, a block-long fountain, amphitheater,



The first portion of Scissortail Park is scheduled to open next year.

and frozen custard. The retro diner will be operated by the Social Order Dining Collective.

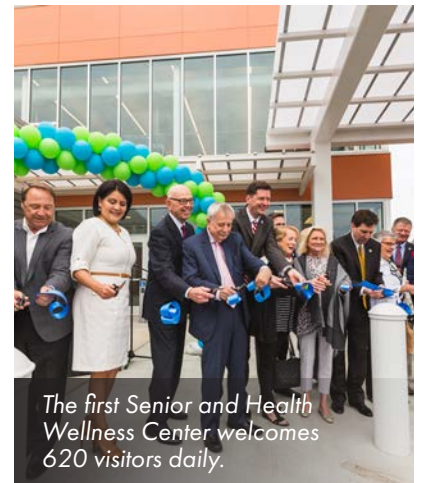
Modern Streetcar/Transit

Renovations on the Santa Fe Railroad Station were completed in late 2017. The \$28.4 million renovation helped restore original architectural and design elements of the station, improve the boarding platforms and other passenger areas and enhance the streetscape on E.K. Gaylord between Reno Avenue and Main Street. The current phase includes tunneling under the tracks to create a walkway to Bricktown and a plaza which will be completed in June 2019. Groundbreaking for the \$130 million OKC Streetcar occurred on Feb. 7, 2017 and the grand opening ceremony took place on Dec. 14, 2018. The OKC Streetcar maintenance facility houses the cars and is located at SW 7 Street and Hudson Ave. The OKC Streetcar operates on rails flush with the street in regular traffic lanes, just like a bus or a car. Each streetcar has a dedicated driver. Since the streetcar route was first announced in 2011, the area within a three-block walkable area has gained \$1.6 billion in total public and private investment, 5,700 jobs, 21 residential developments with 1,860 new housing units, and seven new hotels.

Senior Health and Wellness Centers

The ribbon-cutting ceremony for the first Senior Health and Wellness Center was on Feb. 28, 2017. It is located at 11501 N. Rockwell Ave. and operated by Healthy Living and Fitness. The 40,272-square-foot building has a heated indoor saltwater fitness pool, a full-sized gymnasium, fully equipped exercise room, an aerobics room, classroom space, a demonstration kitchen, an outdoor bocce ball court, art studio, café, lounge, health screening room and more. In November 2018, it was reported that the location had far exceeded its goal with more than 5,600 members and about 620 visitors each day. Additional funding was approved by city council to expand the parking lot and gym along with locker rooms and flexible spaces for activities and classes. Another pool is planned using private funding.

The second facility, named the Pete White Health & Wellness Center, opened on May 4, 2018 at 4021 S. Walker Ave. in Capitol Hill and is operated by NorthCare. The third center will be located in northeast Oklahoma City near NE 23rd St. and Martin Luther King Ave. It will be operated by Langston University and incorporate the university's medical students. The fourth center location is still under consideration.



The first Senior and Health Wellness Center welcomes 620 visitors daily.

Oklahoma River improvements

The \$57 million whitewater rafting and kayaking center opened on May 7, 2016 and offers rafting, kayaking and canoeing for all skill levels. The facility was used for the Olympic Team Trials in May 2016. The Riversport activities area near downtown Oklahoma City received an additional \$7.9 million more due to a surplus in MAPS 3 collections. The money is being used to develop the second floor of the Whitewater Center, which would attract conference events throughout the year and generate revenue.

Oklahoma State Fairgrounds improvements

The Bennett Event Center opened at State Fair Park on Jan. 5, 2017. The 279,000-square-foot, 45-foot high, \$58 million expo building provides more than six acres of contiguous space under its roof and can host large exhibitions and private events, including banquet space for up to 2,500 people. Stretching more than three football fields, it is the biggest event space in Oklahoma City. Promoters of large events have historically bypassed Oklahoma City because it lacked the necessary space under one roof. The metro and state should benefit economically from the new expo building for years to come.

Convention Center

The groundbreaking ceremony for Oklahoma City's new convention center took place on June 15, 2018. The MAPS 3 Downtown Convention Center will replace Oklahoma City's current, aging convention center, and will help the community stay competitive in the lucrative convention industry for the foreseeable future. The site for the new \$287 million convention center is located just south of the Chesapeake Arena, running south from SW 4th Street to SW 7th Street, between Shields Boulevard and Robinson Avenue. The public-private partnership deal with Omni Hotels & Resorts to build, own and operate a conference hotel was approved summer 2017 by the Oklahoma City Council. The groundbreaking



Ground was broken for the new Convention Center last June.

ceremony took place on Oct. 1, 2018. The 17-story Omni Hotel will be located between the Chesapeake Energy Arena and the new convention center at 100 West Oklahoma City Blvd. The hotel is expected to open in 2021. The Omni will overlook the north half of the new 70-acre park and will be located within walking distance of the streetcar system. This will enable guests to easily connect to the park, the convention center, Bricktown, Midtown, Automobile Alley and the Central Business District. The state-of-the-art hotel is being developed with a team of seasoned hospitality professionals, including Rule Joy Trammell + Rubio (architect), Brasfield & Gorrie (general contractor) and Bill Rooney Studio (interior design). The hotel will feature 605 luxurious guest rooms, inclusive of 29 suites, with dramatic views of the 70-acre Scissortail Park and the downtown skyline. In addition, the

location will feature seven dining outlets, an expansive pool deck with event space, retail, 78,000 square feet of indoor and outdoor meeting space and a Mokara Spa.

Sidewalks and Trails

The initiative has also invested more than \$57 million into sidewalks and trails across the community. To get the most up-to-date information on MAPS 3 sidewalk progress visit www.okc.gov/maps3. These projects promote a more pedestrian-friendly lifestyle and will help to shape the quality of life for Oklahoma City residents.

Methodology Comments

The Greater Oklahoma City Economic Forecast is undertaken through cooperation with Oklahoma City University and the Center for Regional Economic Forecasting and Policy Analysis. The forecast is an econometric exercise and is not a consensus forecast of business and civic leaders. All models are constructed from publicly available data sources including datasets from the Bureau of Economic Analysis and Bureau of Labor Statistics.

The forecasts are entirely determined by the past information contained in the dataset and the econometric specification of the models. No attempt has been made to "adjust" the forecast for the beliefs or anticipation of the modeler. For example, construction forecasts are not adjusted to reflect the anticipated impact of large, announced public sector investments. The forecast does not take into account anticipated growth from relocations or "new-to-market" firms. In addition, announced expansions of existing companies may take place over a multi-year timeframe and not be fully recognized in the next year. Announced projects that have not taken place are not reflected in forecasted job numbers. The reader is encouraged to treat the forecast as a baseline from which to make their own adjustments and ultimately reach their own conclusion.



Job growth in the metro is expected to continue in 2019.

Introduction

Since emerging from the great recession in 2009, the U.S. economy has posted successive years of economic expansion. The growth has been modest with an average annual growth rate of 2.2 percent for the eight-year period from 2010 to 2017. Economic growth accelerated considerably in 2018 and is expected to top 3 percent for the first time since 2005. The growth, however, is a bit deceptive. Still accommodative monetary policy combined with the fiscal stimulus from the Tax Cuts and Jobs Act contributed to growth. Additionally, the escalating trade tensions of 2018 pushed to the present economic activity that might have otherwise occurred in 2019. The deception will fade in 2019 as U.S. economic performance slows to a pace more consistent with the recent recovery. Slowing global economic activity could further drag on U.S. economic performance. An expected and natural slowing of the U.S. economy in 2019 will leave it vulnerable to any unforeseen outside force or policy misstep. In fact, the theme of the 2019 outlook can be succinctly summarized as follows. Deceptive strength in 2018 leads to exceeding vulnerability in 2019.

A strong U.S. economy provides a foundation of support for local economic activity. Oklahoma, and Tulsa

specifically, benefitted from a strong U.S. economy in 2018. Complementing the national economic strength was an unexpected run up in oil prices. Heading into 2018, expectations were for oil prices to stay just above the critical levels necessary to support industry activity – approximately \$50 per barrel. Instead, oil prices rose to more than \$70 and pushed oil and gas activity to a level perhaps described as a mini-boom. It is unlikely that 2019 levels of activity in the industry will match the expectations established by the 2018 performance. Slowing global growth, emerging U.S. weakness and a well-supplied market portend prices working to hold above \$50 rather than running quickly back to \$75. The graphs below capture the reality of the strength of the industry in 2018 (the Oklahoma Energy Index) and the record levels of production realized last year.

The combination of U.S. strength and a mini-boom in the oil and natural gas sector has created a recent economic experience unlikely to be repeated in 2019. A modest slowdown in activity is likely and a more abrupt slowdown cannot be ruled out. Business leaders and policymakers would be advised to prepare for tenuous and uncertain economic conditions in the years ahead.

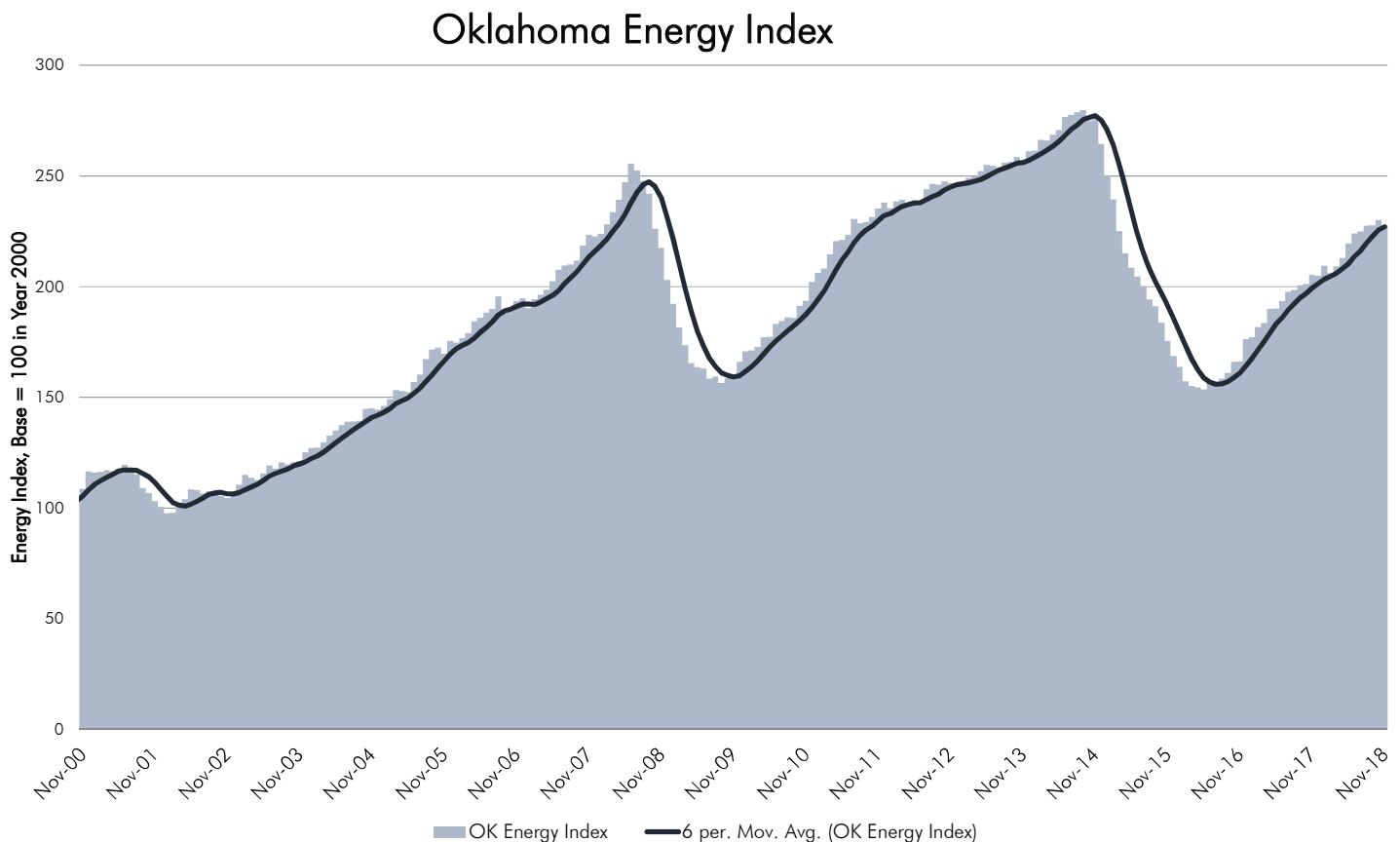


Figure 1: Oklahoma Energy Index

Oklahoma Oil Production

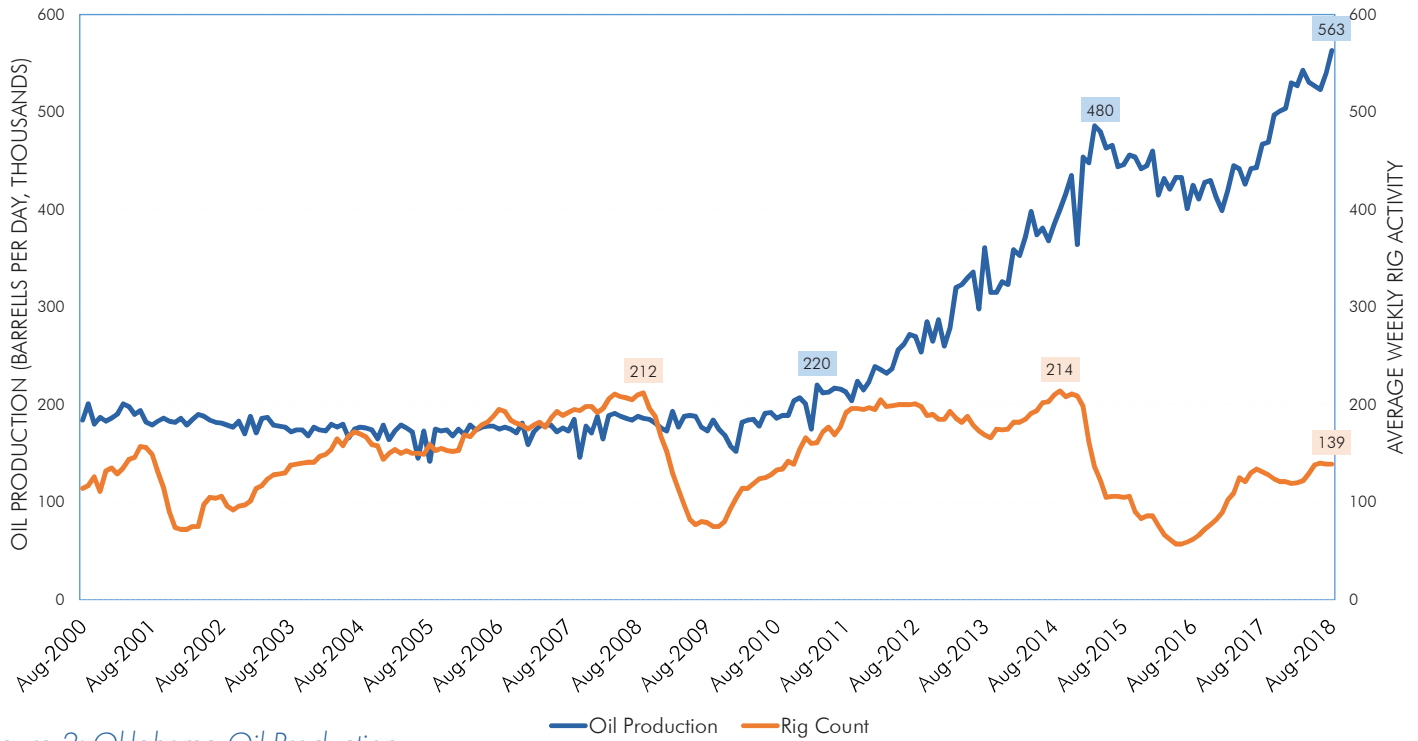


Figure 2: Oklahoma Oil Production

As discussed in previous outlook commentaries, the U.S. economy weakened considerably in 2015-2016 with successive quarters of inventory drag. In fact, the U.S. experience of 2016 is best described as a growth recession – an economy that is growing, but well below its potential. In Oklahoma, the U.S. weakness was

accompanied by a regional oil bust. The result was a contracting state economy that moved into recovery in the second quarter of 2017. The Oklahoma economy recovered slowly and by the middle of 2018 had returned to size roughly equal to its 2015 peak of \$195 billion.

Oklahoma Regional Gross Domestic Product (RGDP)

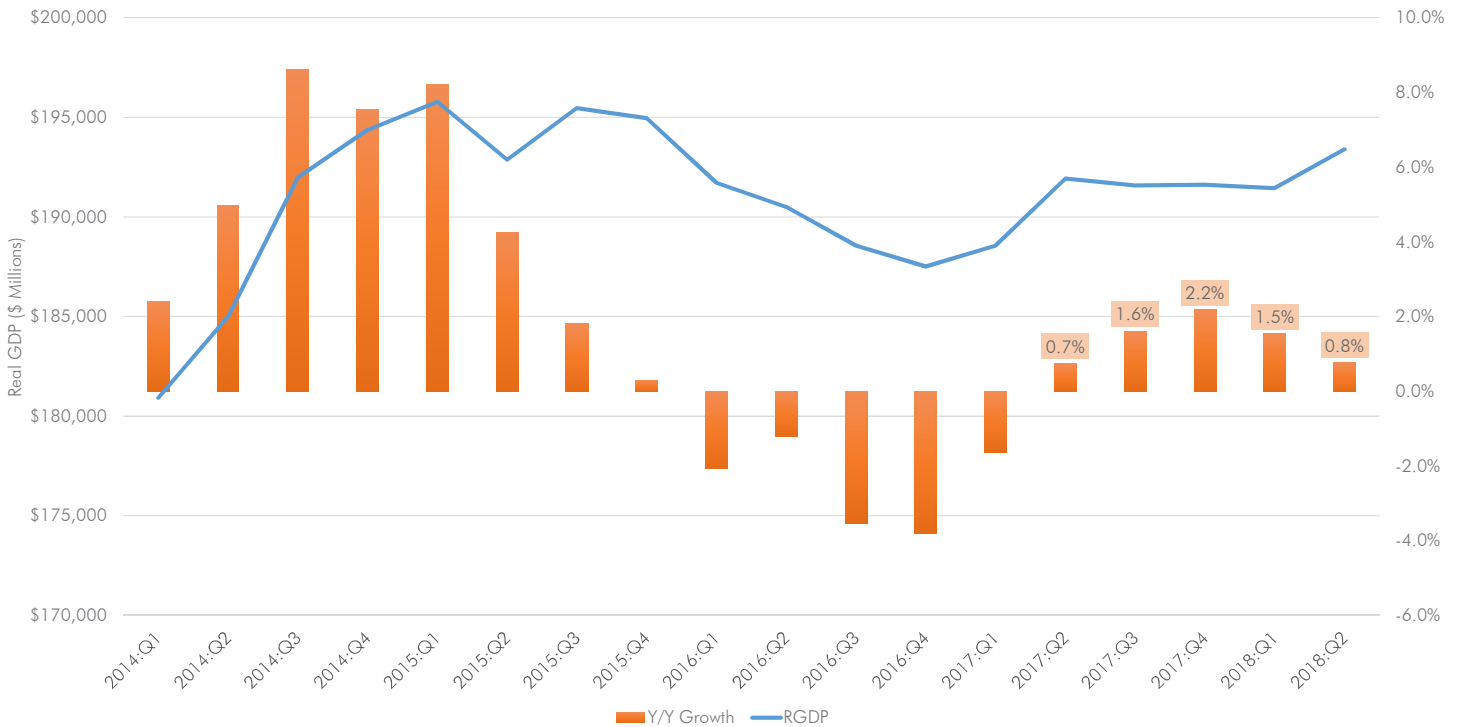


Figure 3: Oklahoma Real Gross Domestic Product

The U.S. economic cycle in 2016 exerted a larger influence over the Tulsa economy than it did in Oklahoma City. This is not surprising as Tulsa is more sensitive to national economic conditions. The Tulsa economy moved into recession in 2015 and didn't really emerge until 2018. In contrast, the Oklahoma City metro economy grew in 2015, contracted in 2016 but returned to growth in 2017.

Oklahoma City's geography helps to mute the influence of national economic conditions. The preceding discussion leads to two conclusions. First, as U.S. conditions weaken in 2019, Tulsa will feel that reality most acutely. Second, geography can mute the effects of economic cycles but hardly immunizes Oklahoma City from the outside economic reality.

MSA Regional Gross Domestic Product (RGDP) Growth

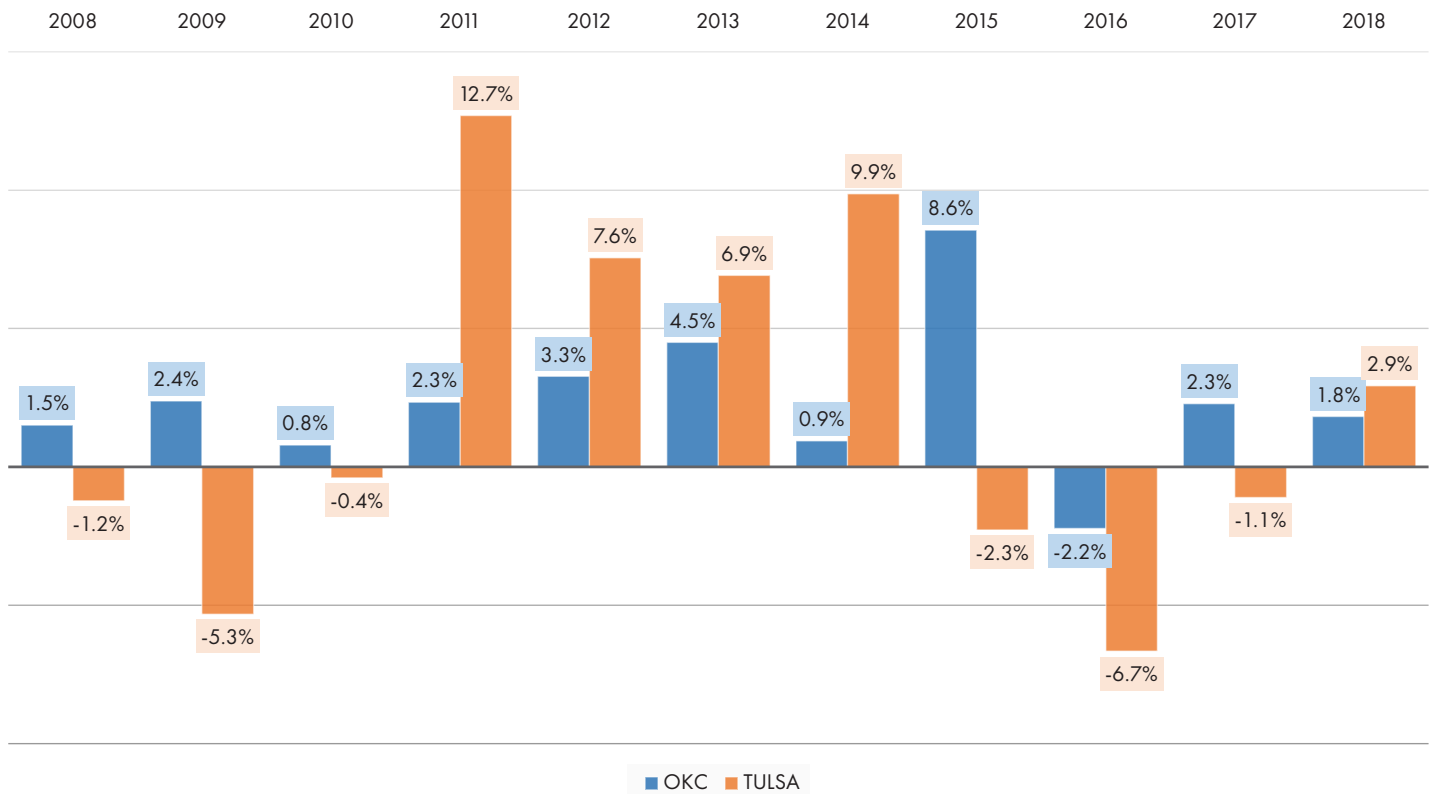


Figure 4: MSA Real Gross Domestic Product (RGDP) Growth

In spite of the economic opportunities provided by the Native American and energy sectors in rural Oklahoma, economic growth continues to be driven by the state's urban centers. As 2018 draws to a close, we can compare current nonfarm and private payroll employment to the same measure from a year ago. Remembering that 2018 was a year of considerable economic strength, the graph below emphasizes that the economic strength was concentrated in Oklahoma City and Tulsa.

Across the state, nonfarm employment was up 1.9 percent and private employment up 2.2 percent from a year

ago (comparing fall of 2018 to fall of 2017). Nonfarm employment growth was strongest in Tulsa (2.6 percent) followed by Oklahoma City (2.5 percent), Lawton (0.4 percent), and Enid (-1.0 percent). Private employment growth shows a similar pattern with Oklahoma City leading (2.8 percent) followed by Tulsa (2.6 percent), Lawton (-0.1 percent) and Enid (-1.0 percent). This pattern is not unexpected, but underscores the urbanization happening in Oklahoma and driving economic growth. This economic divide between urban and rural areas will continue to grow and will impact our state's culture and identity as it does so.

Employment Summary: Y/Y Growth

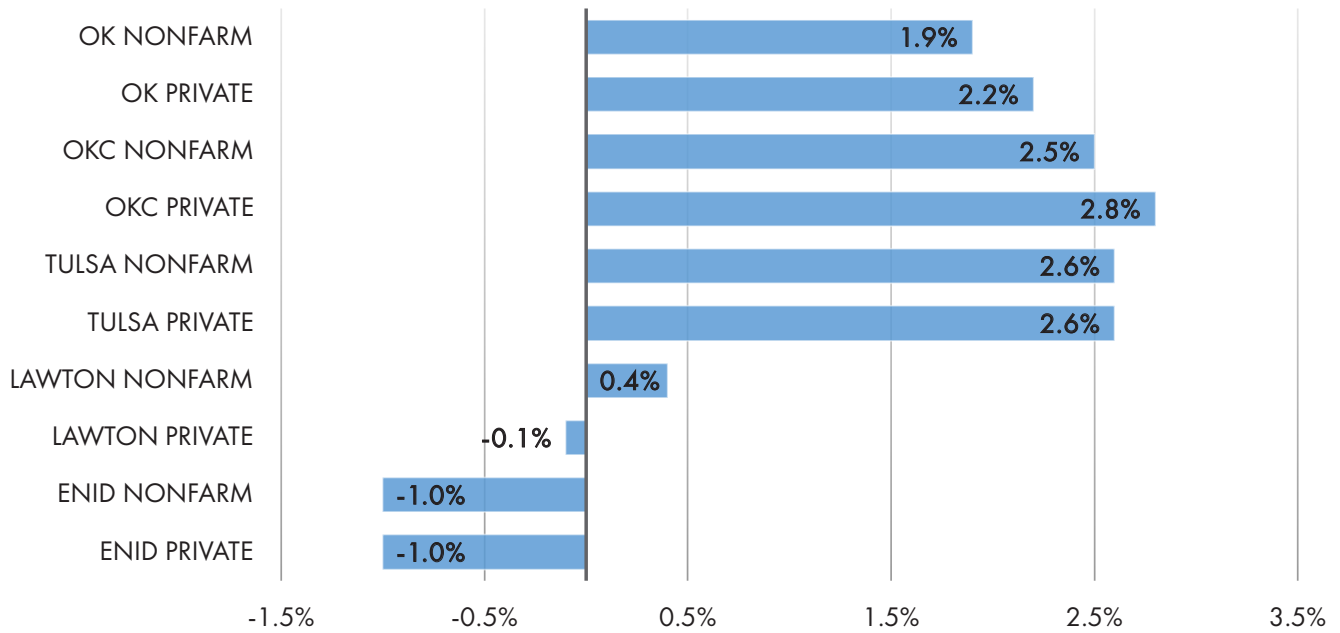


Figure 5: Employment Summary: 2018 Y/Y Growth

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The U.S. Economic Outlook

U.S. real GDP grew by more than 3 percent in 2018 for the first time since 2005. The economic strength will be fleeting as conditions are expected to weaken in the second half of 2019. Current expectations anticipate economic GDP growth of 2.4 percent in 2019 representing expectations that 2019 economic growth is roughly 75 percent of the growth of 2018. As we enter 2019, this expectation feels

increasingly optimistic. The headwinds are lining up while it's difficult to identify potential tailwinds. The best case scenario is not that good news materializes but rather that bad news doesn't. Current expectations are that the slowdown in activity that begins in earnest in the second half of 2019 carries into 2020 with growth of 1.8 percent.

U.S. Real GDP and Personal Consumption Expenditures



Figure 6: U.S. Real GDP and Personal Consumption Expenditures

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The U.S. labor market posted solid job gains throughout 2018. The year ended on a strong note with the economy adding 312,000 jobs in December. For the year, the U.S. economy added an average of 219,000 jobs per month as nonfarm payrolls averaged nearly 150 million workers in 2018. The pace of job creation will slow modestly in 2019 with monthly nonfarm payroll gains averaging 190,000 jobs leading to nonfarm payrolls in 2019 of 151.3 million

workers. The pace of job growth will slow again in 2020 averaging monthly nonfarm payroll increases of 140,000 jobs. The unemployment rate will continue to fall slowly through the first half of 2019 before starting a slow climb higher late in the year. Unemployment rates are expected to average 3.8 percent in 2019 and 4.2 percent in 2020 after averaging 3.9 percent in 2018.

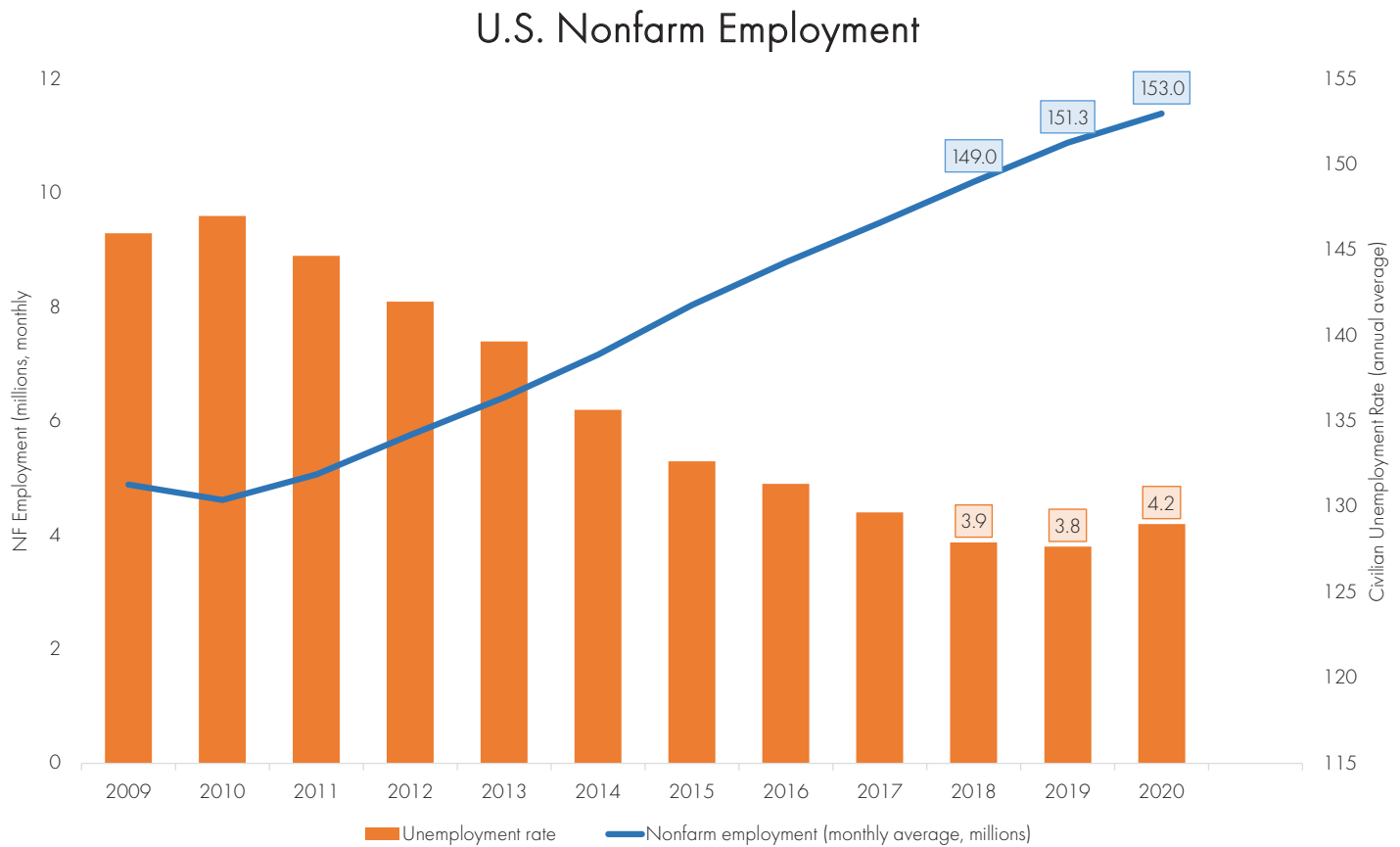


Figure 7: U.S. Nonfarm Employment

The current target for short term interest rates (the federal funds rate) is 2.25 to 2.50. The current target range was established with a .25 basis point increase at the final Federal Open Market Committee meeting of the year. At the time this forecast was prepared, markets anticipated another three to four interest rate increases in 2019. Indeed, this is reflected on the graph below with the federal funds rate averaging 2.8 percent for the year. Recently, however, monetary policy officials have signaled markets that they may not pursue these anticipated rate increases. Some

market observers are even suggesting the Fed won't raise interest rates at all in 2019 as they respond to an already slowing economy. Given the importance of monetary policy on economic activity, this degree of uncertainty is concerning. Inflation appears to have reached the Fed's 2 percent target, but doesn't show signs of moving aggressively higher, giving the Fed the option to hold at current interest rates if they are so inclined. Baseline expectations call for slowly increasing long-term rates as well with 10-year yields trending towards 3.4 percent.

U.S. Inflation and Interest Rates

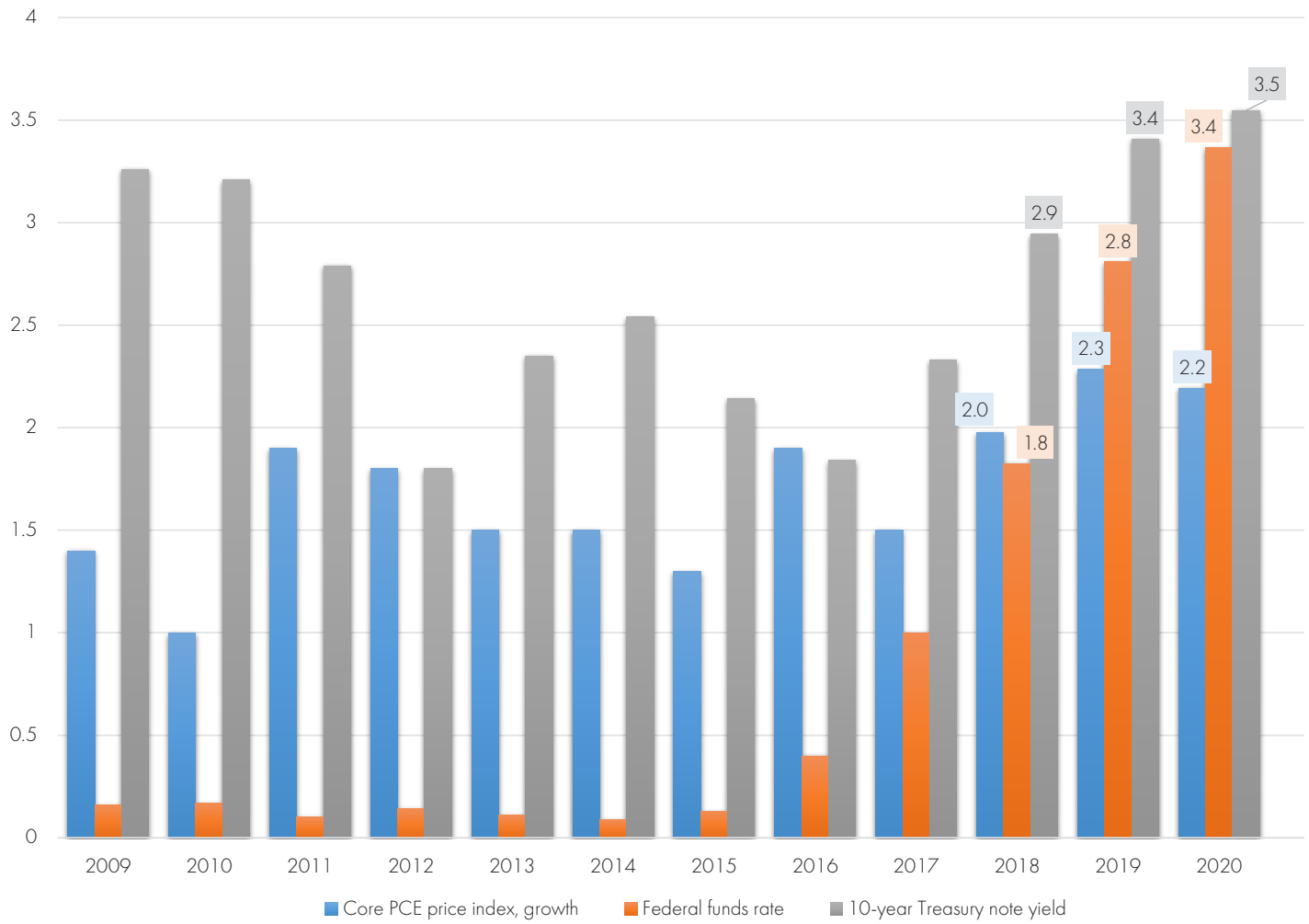


Figure 8: U.S. Inflation and Interest Rates



The U.S. GDP grew by 3 percent in 2018.

The Oklahoma Economic Outlook

After contracting in 2016 and 2017, the state's economy moved from recession to recovery in 2017. The recovery was modest in 2017 and concentrated in Oklahoma City. Tulsa joined the recovery in 2018 as the state's economy grew at 1.9 percent. The economic strength will linger into 2019 with expectations that the state's economic performance slowly moderates throughout the year.

The baseline forecast anticipates real gross state product growth of 2.9 percent in 2019 before slowing to 1.1 percent in 2020. As mentioned previously, the forecast is vulnerable to any unexpected slowdown in national economic activity, a policy misstep or weakness in the state's oil and natural gas sector.

Oklahoma Gross State Product

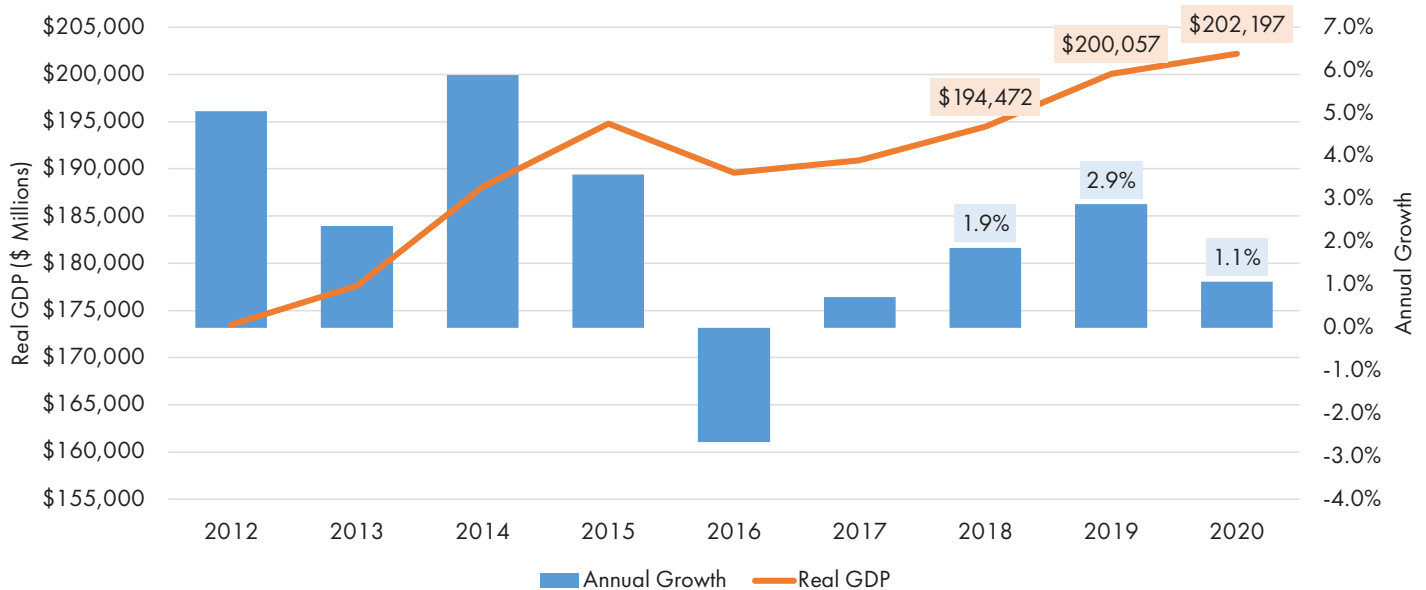


Figure 9: Oklahoma Gross State Product

Oklahoma's population continues a slow march towards four million. The state's population growth rate slowed in 2016 and 2017 as the economy moved into recession. Population growth rates have fallen by half from 0.8 percent annually in the first half of this decade to 0.4 percent recently. The population growth rates disguise the important reality that population is growing solidly in urban areas – especially in Oklahoma City and along the I-35 corridor – but shrinking in much of the state's rural regions. This broad pattern of urbanization is expected to continue with the net effect of moderate growth in the state's total population. The forecast calls for 0.4 percent growth in 2019 followed by 0.3 percent in 2020. These expectations are consistent with the expectation of modest economic activity. If the state's economic performance remains stronger than anticipated, so too will the pace of population growth.



The Oklahoma GDP is expected to grow by 2.9 percent this year.

Oklahoma Population

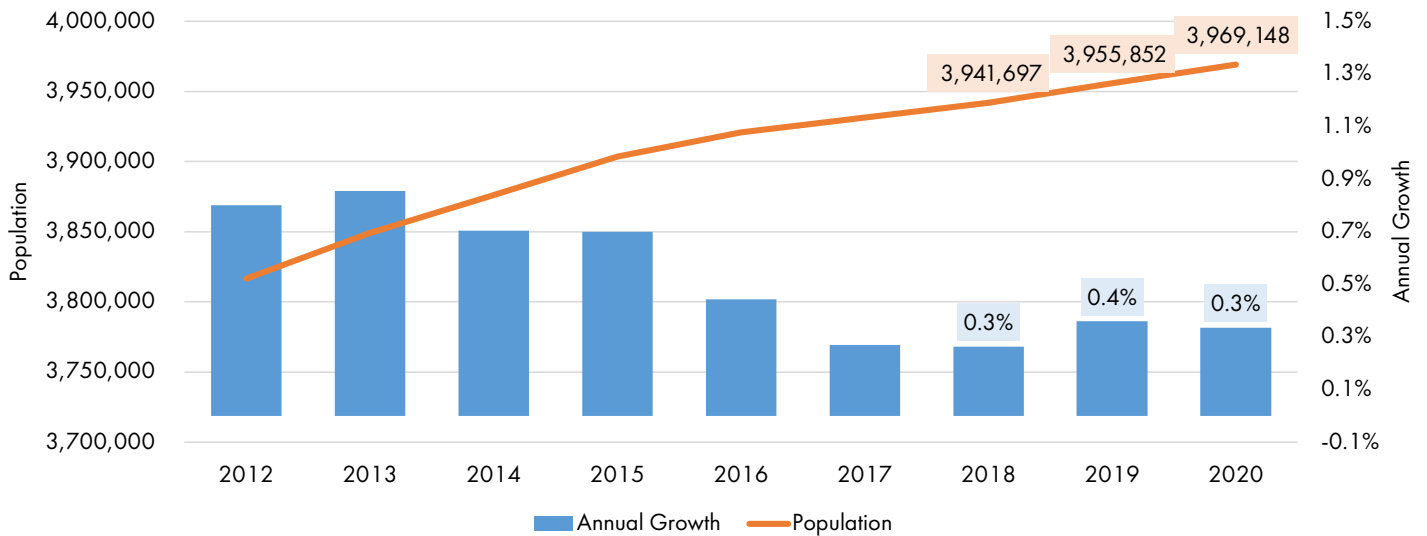


Figure 10: Oklahoma Population

Oklahoma's urban areas have enjoyed robust activity in the residential real estate market. Home prices appreciated at a rate of 3.5 percent in both the statewide and non-metro areas of the state in 2017. Home prices are expected to post strong gains in 2018 with statewide prices up 3.6 percent and non-metro prices up 1.4 percent.

The pace of home price gains will slow somewhat in 2019 and 2020 consistent with the broad expectation of a slow deceleration in state economic activity. The forecast anticipates home price growth of 3.4 percent in 2019 and 2.4 percent in 2020, with pockets of urban activity experiencing much faster growth.

Oklahoma Home Prices

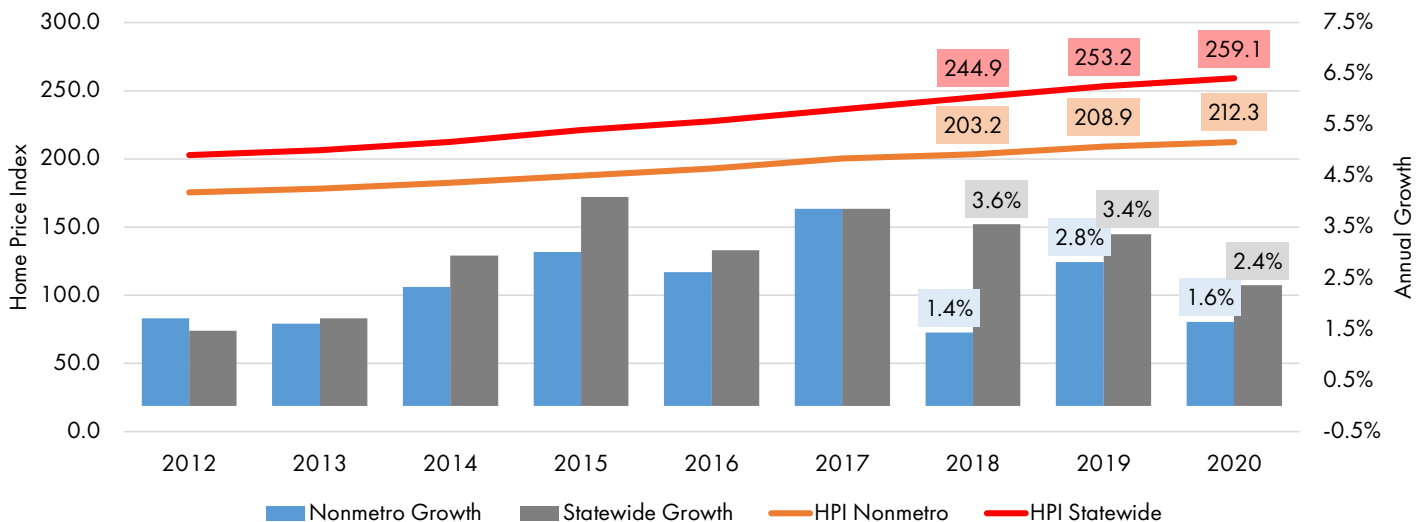


Figure 11: Oklahoma Home Prices

Oklahoma payroll employment posted solid gains in 2018 as nonfarm payrolls expanded by 1.8 percent while private payrolls expanded by 2.2 percent. Both nonfarm and private payrolls outperformed expectations established in the previous outlook (1.3 percent and 1.7 percent respectively). Much of the difference can be attributed to a stronger-than-expected U.S. economy in 2018 and the unexpected run up in oil prices. Neither of these forces is expected to repeat in 2019. As such, the forecast for nonfarm payroll employment growth is 1.2 percent in 2019 and 0.8 percent in 2020 while private payroll employment

is expected to grow at 1.8 percent and 0.9 percent over the same period. As discussed in the introduction, the payroll gains were spread broadly across industries in 2018 with both Tulsa and Oklahoma City exhibiting strength. Job gains are again expected to be spread across industries. Of the urban areas, Tulsa is the most likely to experience the sharpest change in activity in 2019 with a strong first half of the year offset by a weak finish to the year. In contrast, outside influences will have a more muted influence over the Oklahoma City economy.

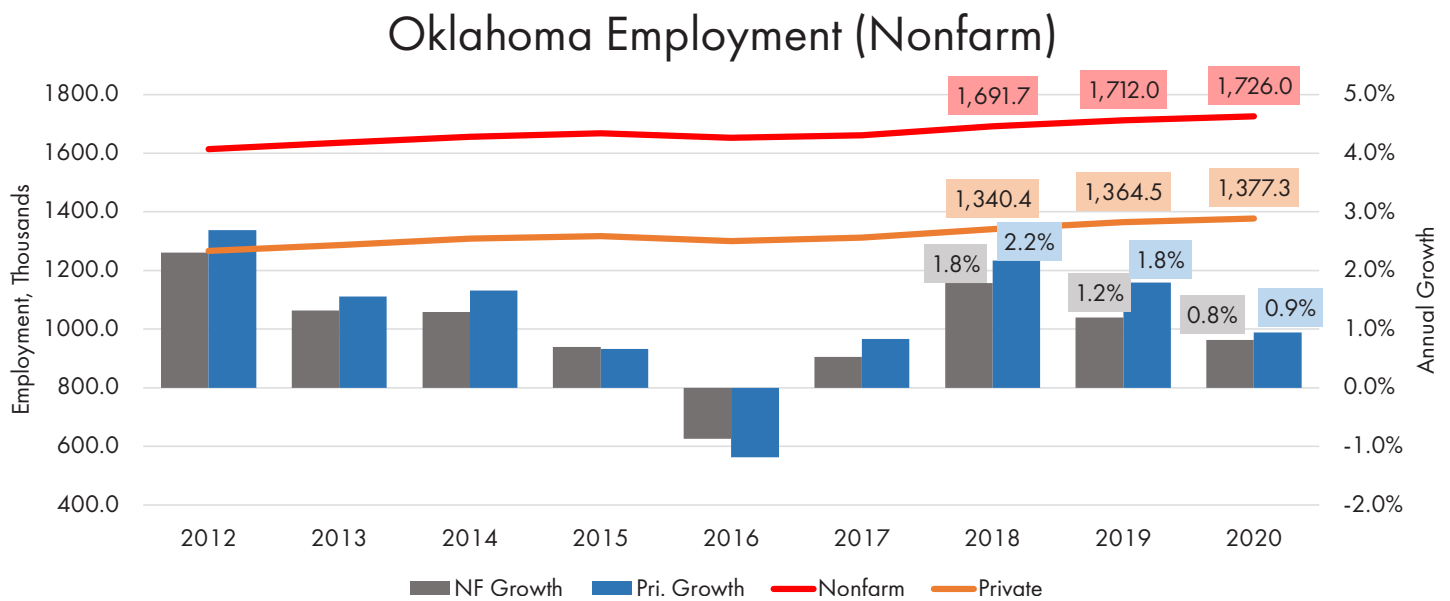


Figure 12: Oklahoma Employment

Oklahoma remains defined by its energy status and enjoys the benefit of the persistent activity in its STACK and SCOOP plays. Crude oil production is at record levels in the state even as the industry employs fewer direct workers than it did in 2014. This reality is consistent with the narrative of previous forecasts that productivity gains combined with a focus on efficient production of core assets would keep employment below 2014 levels. The industry is expected to post solid job gains in 2019, largely as existing plans move forward. As the year progresses, however, the pace of hiring is expected to slow. The baseline forecast is for 7.9 percent growth in average monthly payrolls in 2019 followed by a -4.6 percent decrease in 2020. At present, oil and natural gas prices are expected to spend much of 2019 hovering around levels just sufficient to support activity (\$50 oil and \$3 natural gas) but below a price level that would support a repeat of the mini-boom experience of 2018.



The oil and gas industry is expected to post solid job gains in 2019.

Oklahoma Oil and Gas

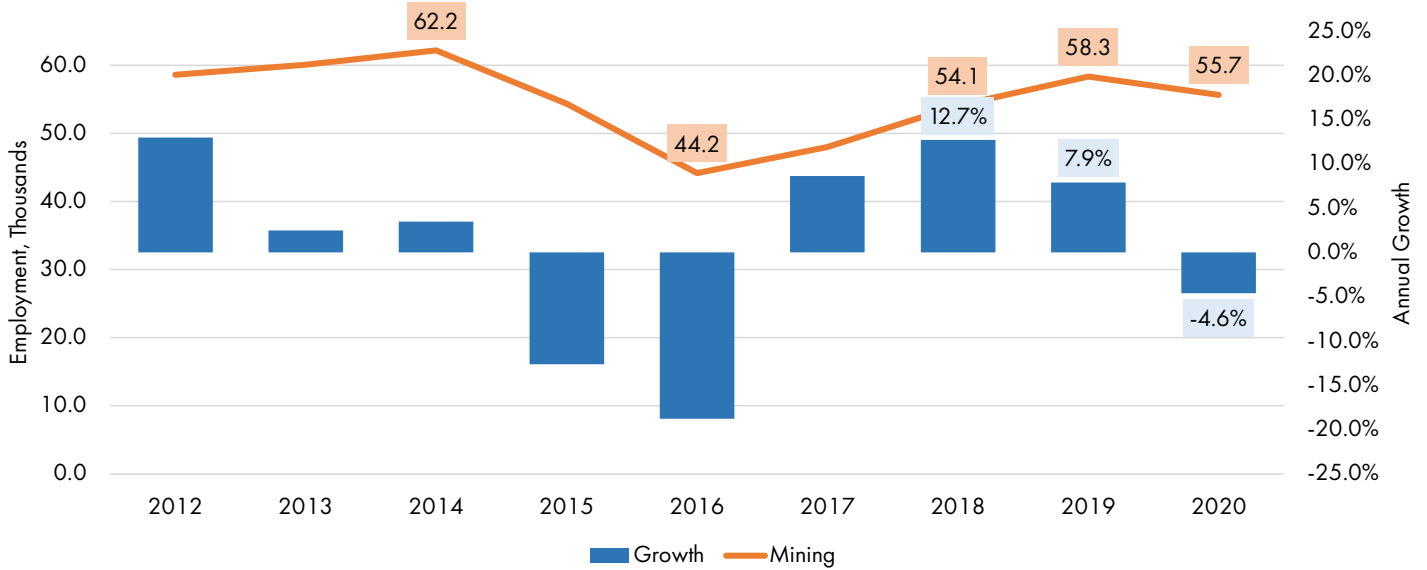


Figure 13: Oklahoma Oil and Gas Employment

Oklahoma's base of professional and business services employment continues to grow. The industry includes scientific, technical, administrative and management services and can be a broad indicator of the strength of the state economy. Current estimates suggest that the sector will far outperform expectations in 2018 with 2.8 percent realized growth against the 0.5 percent growth

presented in the previous outlook. The sector is expected to remain a source of strength in 2019 with growth of 2.0 percent followed by growth of 1.2 percent in 2020. Within the industry, much of the strength is drawn from the management (headquarter) sector and the administrative support sector.

Oklahoma Professional and Business Services

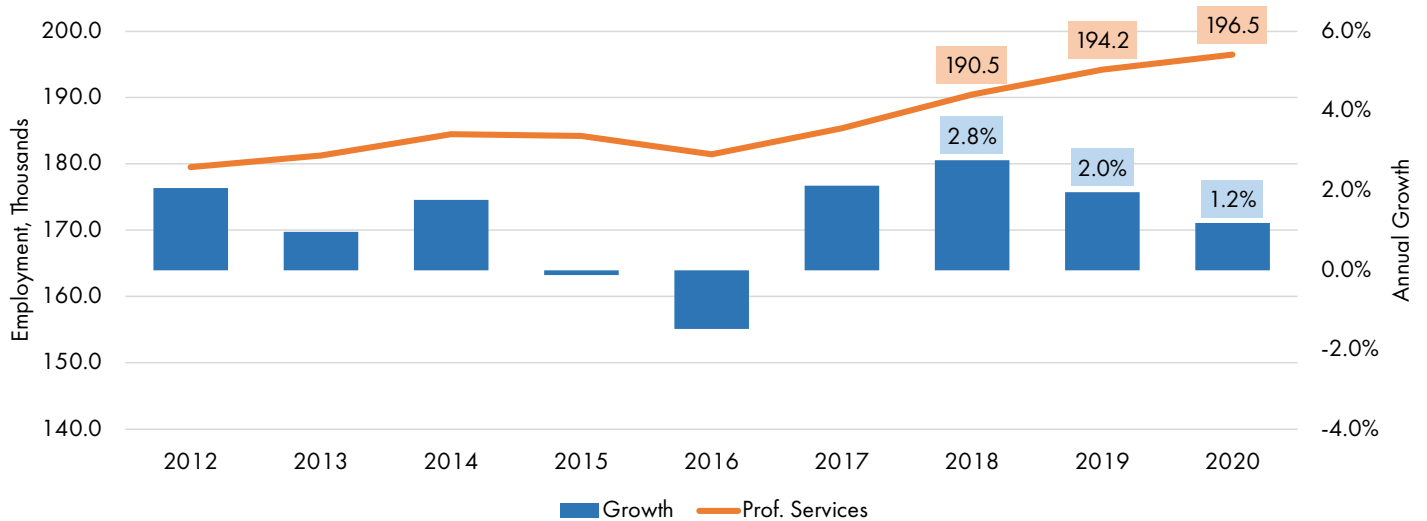


Figure 14: Oklahoma Professional and Business Services Employment

The full production, income, and employment outlook by industry is available in the appendix with a final summary of the Oklahoma labor market presented below. The state's unemployment rate is remarkably low and at levels last seen in 2000 just prior to a recession and again in 2008 just prior to a recession. It is difficult to imagine much room for unemployment rates to fall lower. Instead, unemployment rates are expected to hold at current levels for the first months of 2019 before slowly increasing. The

current forecast of an average of 3.2 percent for the year seems optimistic and relies on early strength carrying well into the middle of the year. At the same time, the strong pace of growth in average weekly earnings is expected to moderate. After posting sharp gains in 2017 and 2018, earnings growth will moderate in 2019 and 2020 with the current forecast anticipating average weekly earnings of \$855.71 in 2020.

Oklahoma Labor Market

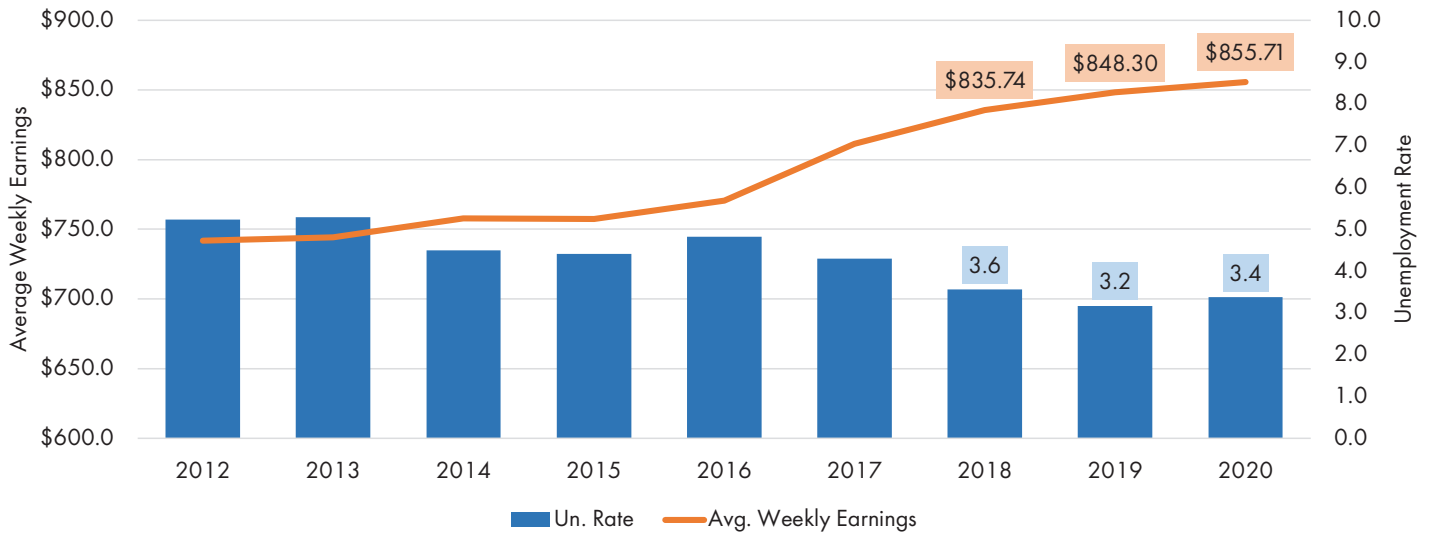


Figure 15: Oklahoma Labor Market



Oklahoma unemployment is at its lowest rates since 2000.

The Oklahoma City Economic Outlook

Oklahoma City continues to emerge as the center of economic activity in the state. The city's location along the fast-growing I-35 corridor provides a base of support that is complemented by public and private investment and industry concentrations in oil and gas and aerospace. The Oklahoma City MSA economy has grown from \$59 billion in 2012 to \$72 billion expected in 2020, representing

an average annual growth rate of 2.7 percent. A spike in economic activity in 2015 coincided with the spike in oil and natural gas activity followed by the contraction in 2016. Absent any strong force for growth and assuming recessionary weakness is avoided, the metro economy is expected to grow modestly in 2019 and 2020 at 2.0 percent and 2.2 percent, respectively.

Oklahoma City MSA Real GDP

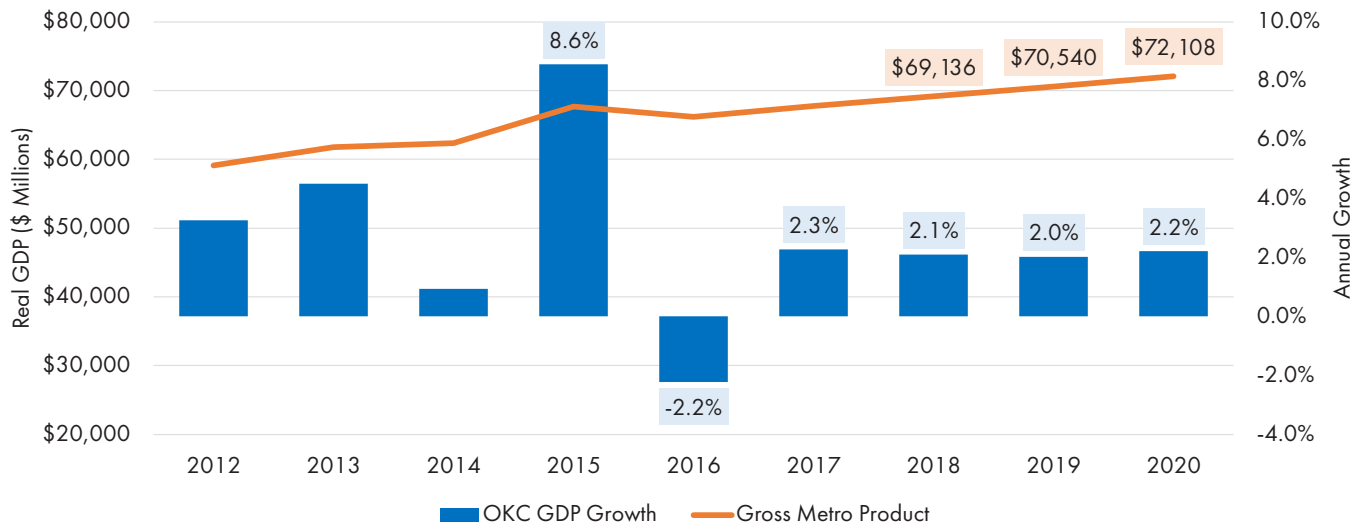


Figure 16: Oklahoma City MSA Real GDP



In late 2018, Heartland Payment Systems broke ground on a new headquarters in downtown.

The Oklahoma City MSA population continues to grow at impressive rates. During periods of robust economic strength, population growth accelerates. For example, population growth was estimated at 1.7 percent in 2013. During periods of economic weakness, growth rates slow as in 2017 with population growth of only 0.8 percent. The difference in growth rates is significant over time. If the metro economy sustained a population growth rate of 1.5 percent over the long run, the area's population would

double every 48 years. The metro population is expected to grow at 1.4 percent in 2019 and 1.5 percent in 2020 with both growth rates remaining consistent with recent activity. Any surprise economic weakness or strength will move the expectations accordingly. It is widely expected, however, that the forces propelling population growth in the region will continue for decades to come as Oklahoma City's persistent transformation progresses.

Oklahoma City MSA Population

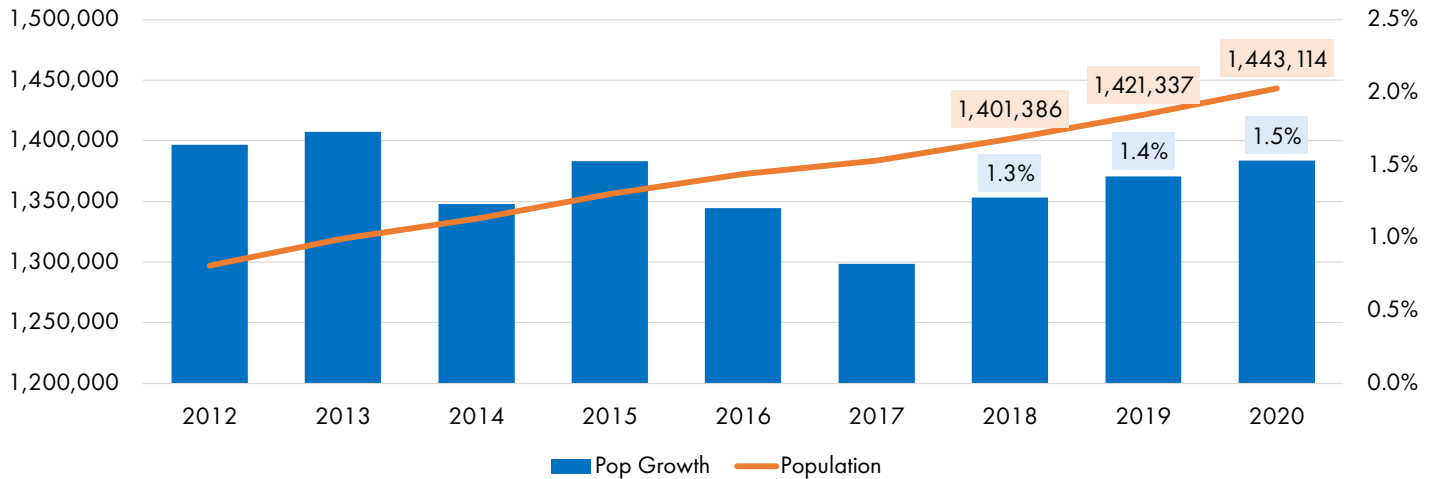


Figure 17: Oklahoma City Population

After contracting in 2016 with the broad economic weakness, Oklahoma City MSA per capita income and earnings per job recovered in 2017. The bounce back carried into 2018 with expectation of modest sustained growth over the forecast horizon. Per capita income is predicted to increase from \$42,413 in 2012 to \$50,759

in 2019 while earnings per job increases from \$49,719 to \$57,956 over the same period. The pattern in both forecasts is consistent with the overarching expectations of slowing growth materializing in the spring/summer of 2019 and carrying into 2020.

Oklahoma City MSA Per Capita Income and Earnings per Job

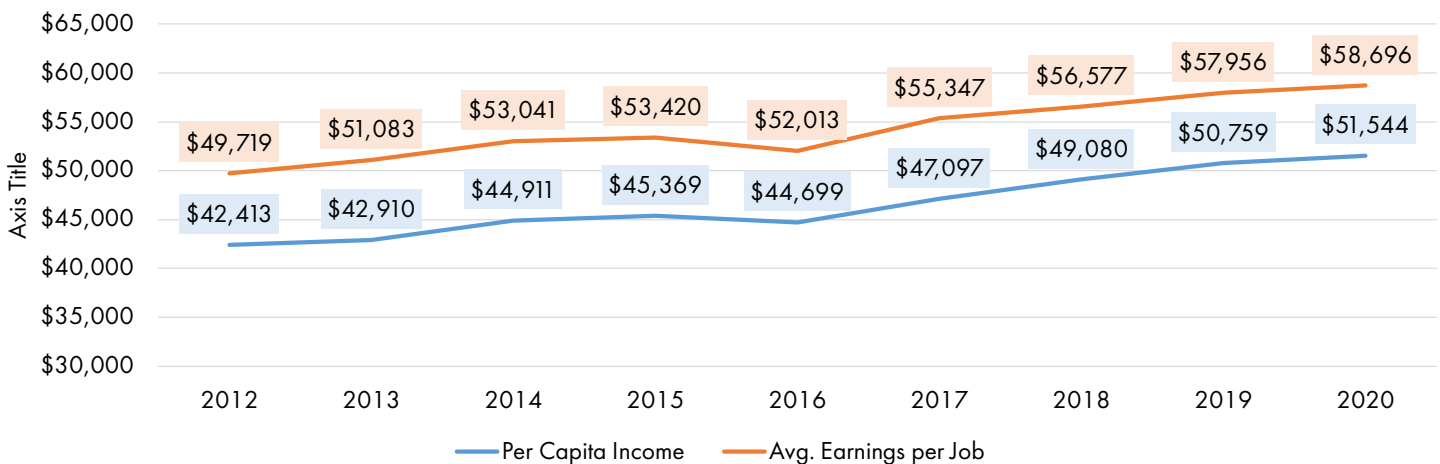


Figure 18: Oklahoma City MSA Per Capita Income and Earnings per Job

Average monthly nonfarm and private payrolls fell in 2016 with the collapse of the oil and gas industry and the weak U.S. economy. The recovery that began modestly in 2017 with payroll growth of 0.8 percent and 1.0 percent accelerated considerably in 2018 as average monthly nonfarm payrolls grew by 2.5 percent and private payrolls by 2.9 percent. The strength in 2018 was a reflection of much-stronger-than-expected U.S. economic activity and unexpected gains in oil prices. It is unlikely that 2019 enjoys

the same benefits. Rather, strength from 2018 will carry through the first half of the year with a general slowdown in activity beginning in the second half of the calendar year with the slowdown becoming more pronounced as the year progresses. The result is a forecast of 2.1 percent nonfarm growth and 2.4 percent private payrolls growth in 2019 followed by growth of 1.4 percent and 1.5 percent in 2020.

Oklahoma City MSA Employment (Nonfarm)

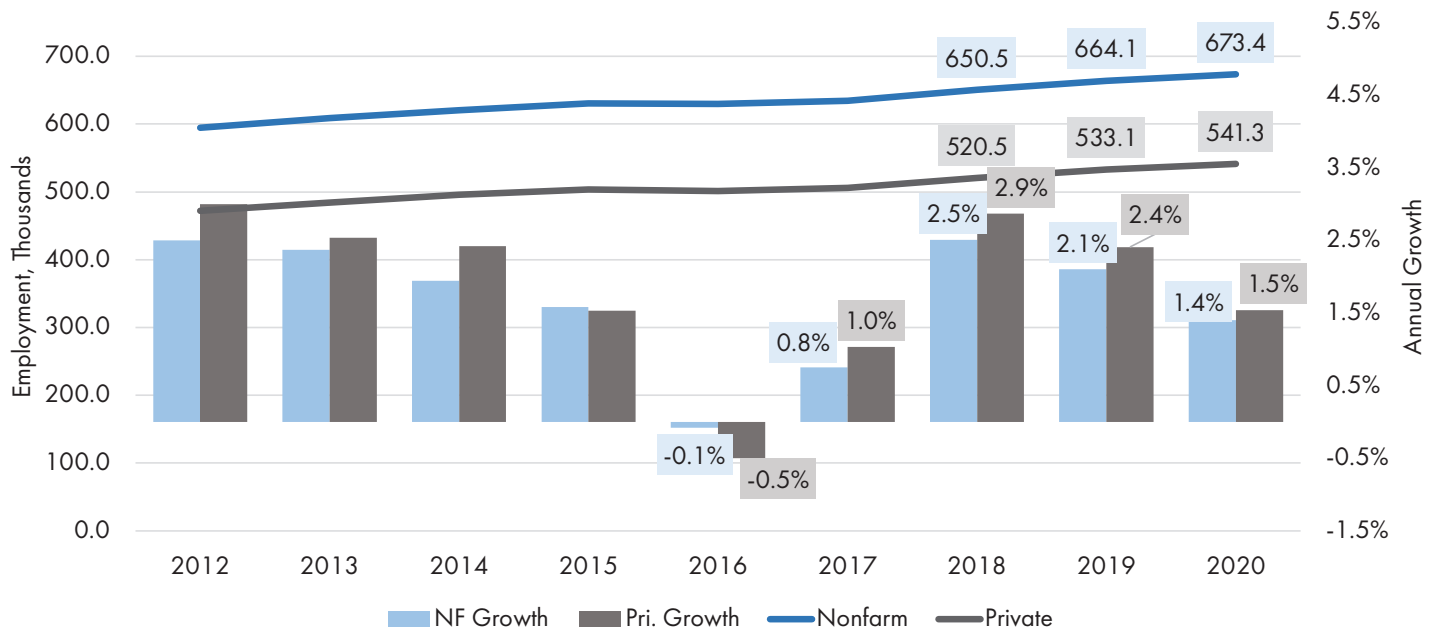


Figure 19: Oklahoma City MSA Employment (Nonfarm)



This year, SkyWest celebrated the opening of their new Oklahoma City hangar near Will Rogers World Airport.

Forecasting oil and gas employment is notoriously difficult, but the pattern reflected in the data is instructive. Statewide, employment in the sector is not expected to return to the peak employment established in 2014 (see the previous section of this report). That is not the case, however, for Oklahoma City. Energy sector employment in 2018 approached the monthly average peak set in 2014 and is expected to exceed 2014 levels in 2019. Consistent with the broad pattern discussed previously, strength carries into 2019 with employment levels completing a slow

climb through the first months of the year before trailing off in the latter part of the year. By the end of 2019 and into 2020, it is expected that average monthly payrolls contract modestly. It is also worth noting that direct industry employment is only about 23,000 jobs (out of 530,000 total private sector jobs) – or about 3.5 percent of total employment. While small in its direct share of employment, the strength of this industry is still broadly indicative of general economic and fiscal strength in the MSA.

Oklahoma City MSA Oil & Natural Gas Employment

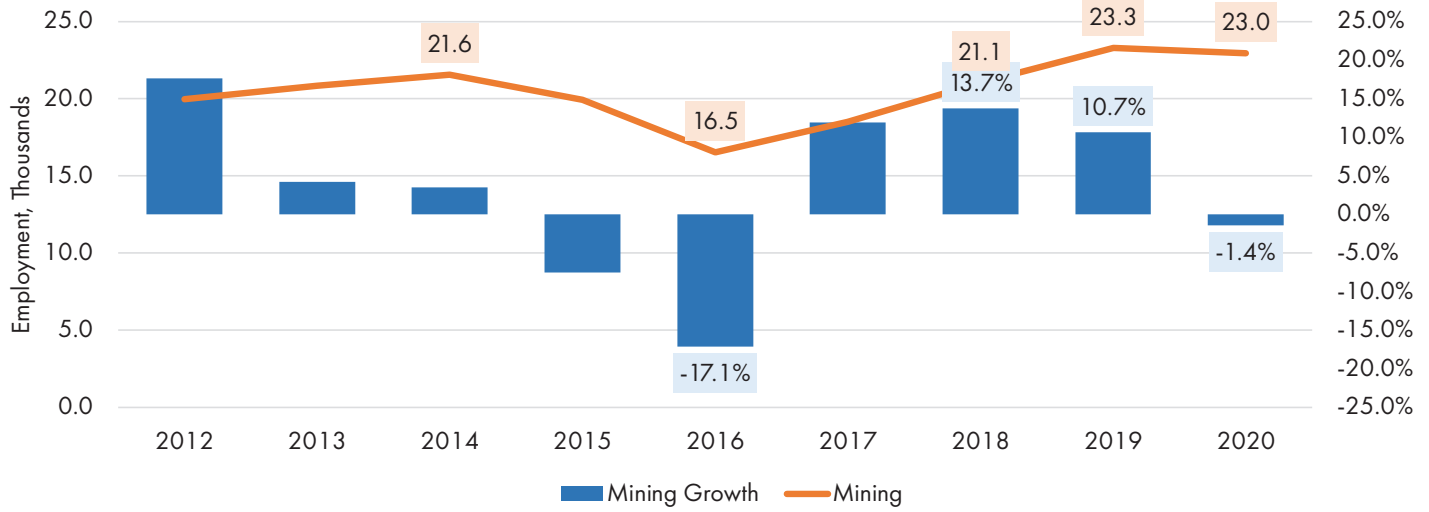


Figure 20: Oklahoma City MSA Oil and Natural Gas Employment



Oil & gas employment is expected to climb through the first months of 2019.

Following three years of contraction from 2015 through 2017, the manufacturing industry in the Oklahoma City metro posted a modest expansion and recovery in 2018. Average monthly manufacturing payrolls were up 3.3 percent in 2018 after falling by -0.2 percent, -7.7 percent, and -3.4 percent in the three previous years. Some of the manufacturing recovery is driven by the active drilling

and production taking place in the energy industry. This particular source of strength will be less acute in 2019 as the manufacturing sector works to hold employment at current levels. If successful, 2019 average payrolls will be up 2.9 percent from 2018 levels. As the economic slowdown continues, manufacturing jobs are expected to grow at only 0.2 percent in 2020.

Oklahoma City MSA Manufacturing Employment

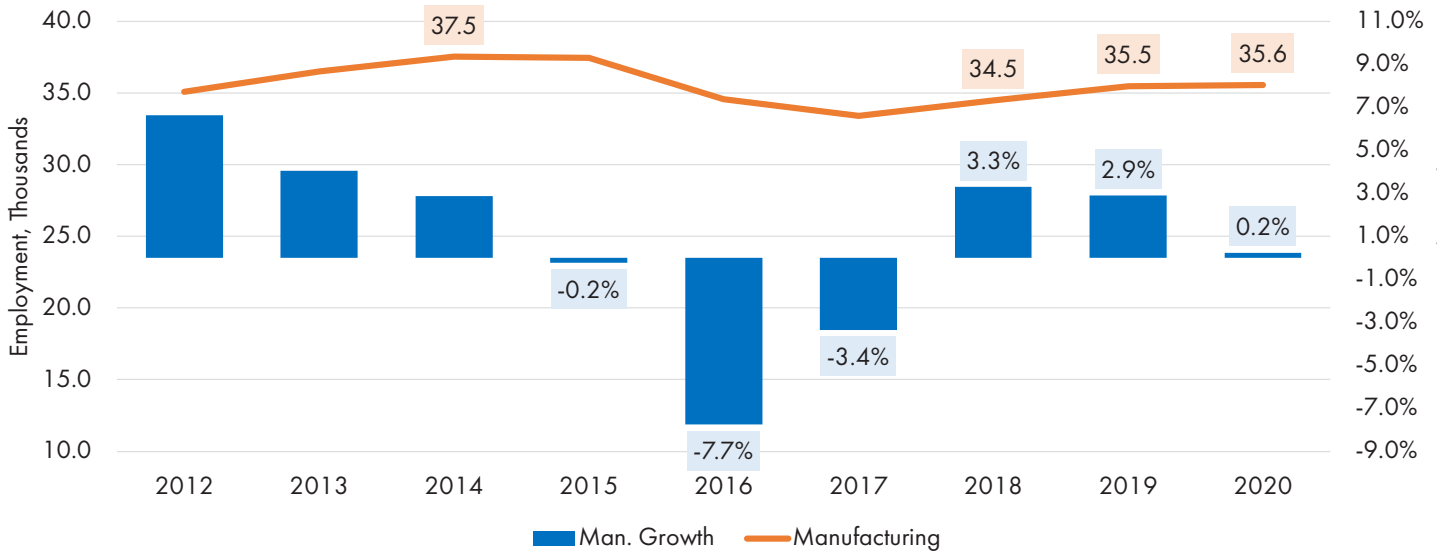


Figure 21: Oklahoma City MSA Manufacturing Employment



The education and health sector is responsive to population and income changes. The population changes most important to the sector are its size and age distribution. As the Oklahoma City MSA population continues to grow at average annual rates of 1.5 percent or greater, the education and health sector will grow accordingly. The sector tends to grow in ebbs and flows with both economic activity and periods of large discrete industry

investment. The industry experienced an ebb in activity in 2016 and 2017 with payroll growth of only 0.7 percent. The pace of industry expansion picked up in 2018 with payroll employment growth of 1.8 percent. The industry is expected to continue adding jobs in 2019 and 2020 with forecasted employment growth of 2.2 percent and 2.1 percent in 2018 and 2019, respectively.

Oklahoma City MSA Education and Health Employment

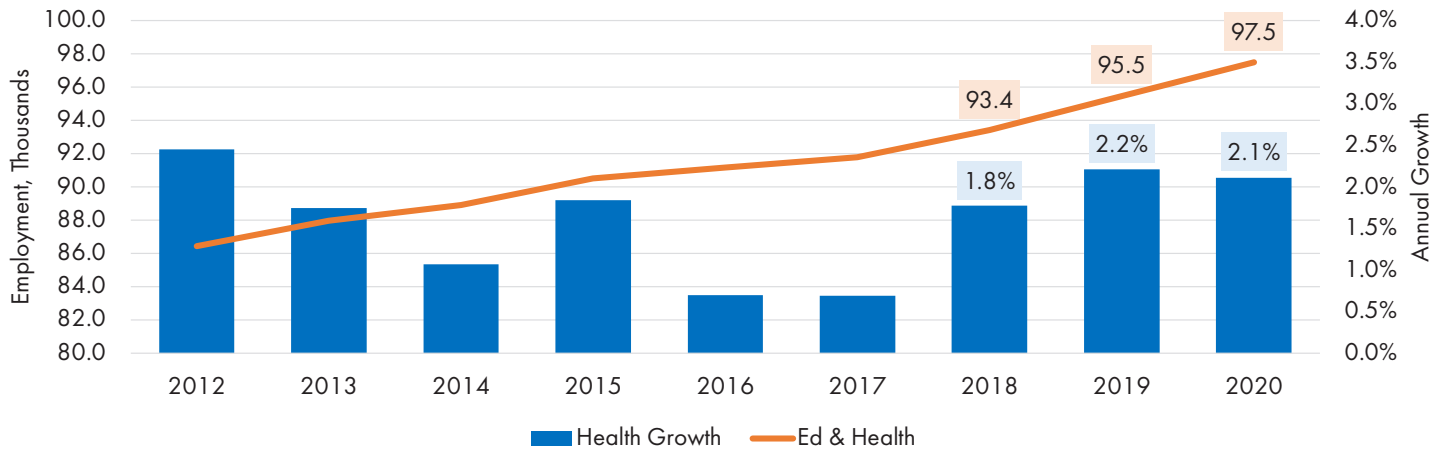


Figure 22: Oklahoma City MSA Education and Health Employment

The Oklahoma City MSA leisure services sector continues to grow aggressively as the population grows, moves towards density, and enjoys rising incomes. All three factors encourage ongoing growth in the food services, accommodations and arts sectors of the industry.

Employment in the industry surged in 2018 with payroll employment growth of 5.0 percent to more than 75,000 jobs. Gains are expected to carry into 2019 with growth of 5.3 percent, followed by 4.0 percent in 2020.

Oklahoma City MSA Leisure Services Employment

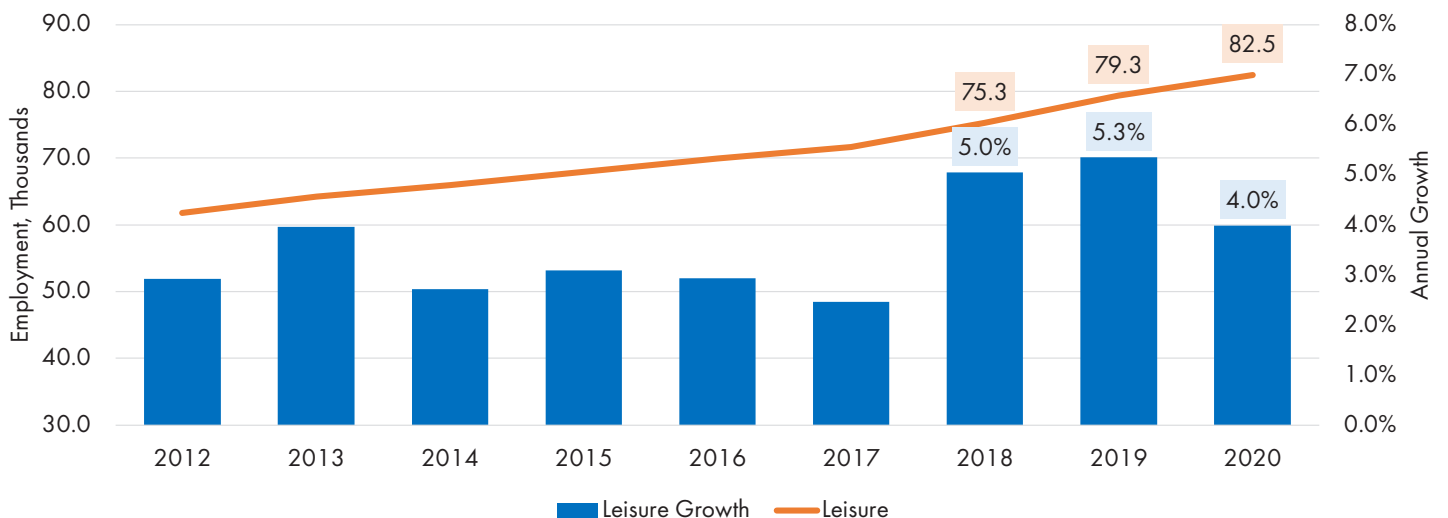


Figure 23: Oklahoma City MSA Leisure Services Employment



A strong economy relies on a well-trained, high-quality workforce.

According to the World Economic Forum, businesses and organizations planning for growth in the next five years face significant workforce development challenges. More jobs will require advanced skills, and leaders will need significant retraining to navigate an emerging skills gap.

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Appendix: Detailed Forecast Tables

U.S. Economic Outlook Summary												
Gross Domestic Product: Growth and Components	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Real gross domestic product, annual growth	-0.2	2.7	1.7	1.3	2.7	2.7	2.0	1.8	2.6	3.1	2.4	1.8
<i>Major Components of Real GDP</i>												
Personal consumption expenditures, growth	-0.2	3.1	1.5	1.3	2.0	3.6	3.0	2.8	2.8	2.7	2.5	2.3
Nonresidential fixed investment, growth	-12.2	8.1	9.0	5.2	4.8	6.1	0.3	0.7	6.3	6.9	4.3	3.0
Residential investment, growth	-10.8	-5.2	6.0	15.7	6.8	6.3	10.3	2.5	2.6	-3.1	3.6	3.8
Change in private inventories (\$ billions, 2009)	-147.6	58.2	37.6	54.7	78.7	67.8	100.5	33.4	15.2	35.9	84.4	75.1
Government consumption and gross investment	2.3	-1.1	-3.0	-2.2	-2.8	0.5	1.6	0.4	0.7	3.3	5.4	4.2
Employment and Industrial Activity												
Private housing starts (thousands)	554	586	612	784	928	1001	1107	1177	1208	1263	1318	1423
Light vehicle sales (millions)	10.4	11.6	12.7	14.4	15.5	16.5	17.4	17.5	17.2	17	17	17
Industrial production, growth	-5.7	6.0	2.8	2.3	2.2	3.4	-2.7	-0.1	3.0	3	2	2
Manufacturing capacity utilization	65.5	70.7	73.7	74.8	74.7	75.4	75.5	75.1	74.8	76	76	76
Nonfarm employment (monthly average, millions)	131.3	130.4	131.9	134.2	136.4	138.9	141.8	144.3	146.6	149	151	153
Unemployment rate	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.4	4	4	4
Prices, Productivity, & Costs												
Consumer price index (all items), growth	1.5	1.2	3.3	1.9	1.2	1.2	0.4	1.8	2.1	2.5	2.5	1.7
Core CPI (excl. food and energy), growth	1.8	0.6	2.2	1.9	1.7	1.7	2.0	2.2	1.7	2.2	2.5	2.4
Personal consumption expenditures price index, growth	1.2	1.3	2.7	1.8	1.2	1.2	0.4	1.6	1.7	2.1	2.3	1.9
Core PCE price index, growth	1.4	1.0	1.9	1.8	1.5	1.5	1.3	1.9	1.5	2.0	2.3	2.2
Compensation per hour, growth	1.2	1.3	0.5	5.7	-0.1	3.1	3.1	-0.3	2.9	2.7	3.2	3.5
Output per hour, growth	5.4	1.8	0.0	0.1	1.6	0.3	0.7	0.8	1.2	1.5	1.2	1.2
Price of WTI crude oil (\$/barrel)	61.69	79.43	95.08	94.20	94.20	93.26	48.74	43.22	50.89	67.9	72.5	67.9
Price of Brent crude oil (\$/barrel)	61.49	79.51	111.26	111.65	99.02	99.02	52.35	43.55	54.25	74.4	82.7	73.9
Income, Interest Rates, and the Deficit												
Federal funds rate	0.16	0.17	0.10	0.14	0.11	0.09	0.13	0.40	1.00	1.82	2.81	3.37
10-year Treasury note yield	3.26	3.21	2.79	1.80	2.35	2.54	2.14	1.84	2.33	2.94	3.41	3.55
Disposable personal income (\$ billions, 2009)	-0.7	2.6	1.7	5.1	-2.8	4.9	3.2	0.2	1.8	2.6	2.6	2.8
Personal savings rate (%)	6.1	5.6	6.1	7.6	5.0	5.7	6.1	4.8	3.4	6.6	5.9	6.3
Unified federal surplus, fiscal year	-1415.7	-1294.2	-1296.8	-1089.2	-680.2	-483.6	-439.1	-585.6	-665.8	-779.0	-905.6	-1012.7

Source: Macroeconomic Advisers; Steven C. Agee Economic Research and Policy Institute

Oklahoma Employment Outlook

Variable/Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Nonfarm	1614.1	1635.3	1656.4	1667.9	1653.3	1662.0	1691.7	1712.0	1726.0
Annual Growth	2.3%	1.3%	1.3%	0.7%	-0.9%	0.5%	1.8%	1.2%	0.8%
Private	1267.0	1286.7	1308.1	1316.8	1301.1	1312.0	1340.4	1364.5	1377.3
Annual Growth	2.7%	1.6%	1.7%	0.7%	-1.2%	0.8%	2.2%	1.8%	0.9%
Mining	58.6	60.1	62.2	54.4	44.2	48.0	54.1	58.3	55.7
Annual Growth	13.0%	2.5%	3.5%	-12.6%	-18.7%	8.6%	12.7%	7.9%	-4.6%
Construction	70.4	74.7	75.4	77.4	77.4	77.2	78.1	80.8	82.5
Annual Growth	3.1%	6.1%	0.9%	2.7%	-0.1%	-0.2%	1.1%	3.5%	2.1%
Manufacturing	135.7	136.8	139.5	137.2	128.8	128.2	130.6	130.8	130.2
Annual Growth	4.5%	0.8%	2.0%	-1.7%	-6.1%	-0.5%	1.9%	0.2%	-0.5%
Trade, Trans, Utilities	289.9	294.6	301.3	307.0	306.1	303.2	308.5	314.2	318.1
Annual Growth	2.7%	1.6%	2.3%	1.9%	-0.3%	-1.0%	1.8%	1.8%	1.2%
Wholesale	57.6	58.7	60.3	60.0	58.2	58.1	60.5	62.0	62.2
Annual Growth	3.7%	2.0%	2.7%	-0.6%	-3.0%	-0.1%	4.2%	2.4%	0.4%
Retail	173.2	175.0	178.8	183.2	183.8	179.2	180.8	183.2	185.8
Annual Growth	1.5%	1.1%	2.2%	2.4%	0.3%	-2.5%	0.9%	1.3%	1.4%
Transport, Utilities	59.2	60.8	62.2	63.8	64.2	66.0	67.2	69.0	70.1
Annual Growth	5.2%	2.8%	2.3%	2.6%	0.6%	2.8%	1.9%	2.6%	1.6%
Utilities	11.7	11.7	12.0	11.9	11.1	10.8	11.0	11.3	11.5
Annual Growth	3.7%	0.5%	2.3%	-0.6%	-7.1%	-2.6%	2.2%	2.3%	1.8%
Transport	47.5	49.1	50.2	51.9	53.1	55.2	56.2	57.7	58.6
Annual Growth	5.6%	3.3%	2.3%	3.4%	2.3%	3.9%	1.8%	2.7%	1.6%
Information	22.5	21.8	21.2	21.2	21.2	20.5	19.2	18.5	18.1
Annual Growth	-2.5%	-3.0%	-2.7%	0.0%	-0.1%	-3.4%	-6.2%	-3.4%	-2.2%
Finance	78.1	78.9	79.5	79.5	78.7	79.1	79.5	79.8	79.8
Annual Growth	0.7%	1.0%	0.8%	0.0%	-1.0%	0.4%	0.6%	0.3%	0.1%
Prof. & Business Services	179.5	181.3	184.5	184.2	181.5	185.4	190.5	194.2	196.5
Annual Growth	2.1%	1.0%	1.8%	-0.1%	-1.5%	2.1%	2.8%	2.0%	1.2%

Oklahoma Employment Outlook

Variable/Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Scientific	65.9	67.0	67.8	69.1	69.0	69.4	69.8	70.5	70.8
Annual Growth	2.4%	1.6%	1.2%	1.9%	-0.1%	0.6%	0.6%	1.0%	0.5%
Management	17.8	18.1	18.3	18.6	18.7	18.7	18.9	19.4	20.0
Annual Growth	5.5%	1.8%	1.1%	1.5%	0.5%	0.0%	0.9%	3.1%	2.7%
Administrative	95.9	96.2	98.4	96.6	93.9	97.3	101.8	104.3	105.7
Annual Growth	1.2%	0.3%	2.3%	-1.8%	-2.8%	3.6%	4.7%	2.4%	1.3%
Education & Health	226.2	227.7	228.1	231.6	233.8	234.7	237.0	238.9	241.1
Annual Growth	1.4%	0.6%	0.2%	1.5%	1.0%	0.4%	1.0%	0.8%	0.9%
Education	19.2	19.4	19.7	20.0	20.0	19.4	20.0	20.3	20.6
Annual Growth	1.0%	1.2%	1.5%	1.1%	0.1%	-2.6%	3.0%	1.5%	1.4%
Health	207.0	208.3	208.4	211.6	213.8	215.2	217.0	218.6	220.5
Annual Growth	1.4%	0.6%	0.0%	1.6%	1.0%	0.7%	0.8%	0.7%	0.9%
Leisure	147.4	151.9	156.2	162.0	165.2	167.9	173.0	177.6	181.4
Annual Growth	3.0%	3.0%	2.9%	3.7%	2.0%	1.6%	3.0%	2.6%	2.1%
Arts	14.5	14.9	15.1	16.4	16.9	17.1	17.1	17.8	18.1
Annual Growth	1.6%	2.5%	1.6%	8.5%	3.3%	0.8%	0.3%	3.7%	1.9%
Accomm. & Food Services	132.9	137.0	141.1	145.6	148.3	150.9	155.9	159.8	163.3
Annual Growth	3.2%	3.1%	3.0%	3.1%	1.9%	1.7%	3.3%	2.5%	2.2%
Other	58.6	59.1	60.1	62.4	64.2	68.0	70.0	71.4	74.1
Annual Growth	-0.4%	0.9%	1.7%	3.7%	3.0%	5.8%	3.0%	2.0%	3.7%
Government	347.1	348.6	348.4	351.2	352.3	350.1	351.5	353.2	355.5
Annual Growth	0.9%	0.4%	-0.1%	0.8%	0.3%	-0.6%	0.4%	0.5%	0.6%
Federal	48.4	47.1	46.3	46.9	48.1	48.5	48.6	49.0	49.1
Annual Growth	-1.6%	-2.5%	-1.8%	1.4%	2.5%	0.9%	0.2%	0.8%	0.1%
State	86.4	86.3	85.8	85.5	84.9	83.5	84.1	84.8	85.1
Annual Growth	1.9%	-0.1%	-0.6%	-0.3%	-0.7%	-1.6%	0.7%	0.8%	0.4%
Local	212.4	215.1	216.3	218.7	219.2	218.0	218.8	219.4	221.3
Annual Growth	1.2%	1.3%	0.5%	1.1%	0.2%	-0.6%	0.4%	0.3%	0.9%

Oklahoma Employment Outlook

Variable/Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Indian	39.9	41.8	42.3	44.1	46.1	47.3	47.9	48.6	49.8
Annual Growth	0.1%	4.8%	1.3%	4.1%	4.6%	2.6%	1.4%	1.4%	2.6%
Avg. Weekly Earnings	\$741.9	\$744.4	\$757.8	\$757.3	\$770.7	\$811.3	\$835.7	\$848.3	\$855.7
Annual Growth	2.7%	0.3%	1.8%	-0.1%	1.8%	5.3%	3.0%	1.5%	0.9%
Unemployed	94,605	95,212	80,583	80,732	88,136	78,708	65,927	59,120	63,350
Annual Growth	-9.2%	0.6%	-15.4%	0.2%	9.2%	-10.7%	-16.2%	-10.3%	7.2%
Employed	1,709,258	1,706,861	1,715,600	1,749,626	1,741,277	1,755,604	1,791,205	1,806,140	1,815,552
Annual Growth	2.4%	-0.1%	0.5%	2.0%	-0.5%	0.8%	2.0%	0.8%	0.5%
Labor Force	1,803,862	1,802,073	1,796,183	1,830,358	1,829,413	1,834,312	1,857,132	1,865,261	1,878,902
Annual Growth	1.8%	-0.1%	-0.3%	1.9%	-0.1%	0.3%	1.2%	0.4%	0.7%
Un Rate (Avg. Annual)	5.2	5.3	4.5	4.4	4.8	4.3	3.6	3.2	3.4

Source: Macroeconomic Advisers; Steven C. Agee Economic Research and Policy Institute

Oklahoma Production, Income, and Population

Variable/Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Real GDP	\$173,484	\$177,602	\$188,065	\$194,763	\$189,572	\$190,917	\$194,472	\$200,057	\$202,197
Annual Growth	5.0%	2.4%	5.9%	3.6%	-2.7%	0.7%	1.9%	2.9%	1.1%
Personal Income	\$158,236	\$165,860	\$176,377	\$172,636	\$165,107	\$174,435	\$182,039	\$185,550	\$185,243
Annual Growth	7.1%	4.8%	6.3%	-2.1%	-4.4%	5.6%	4.4%	1.9%	-0.2%
Population	3,816,578	3,849,213	3,876,297	3,903,429	3,920,751	3,931,363	3,941,697	3,955,852	3,969,148
Annual Growth	0.8%	0.9%	0.7%	0.7%	0.4%	0.3%	0.3%	0.4%	0.3%
Per Capita Income	\$41,459	\$43,089	\$45,501	\$44,228	\$42,111	\$44,370	\$46,183	\$46,905	\$46,671
Annual Growth	6.2%	3.9%	5.6%	-2.8%	-4.8%	5.4%	4.1%	1.6%	-0.5%
RGDP per Capita	\$45,455	\$46,139	\$48,514	\$49,896	\$48,351	\$48,563	\$49,337	\$50,572	\$50,942
Annual Growth	4.2%	1.5%	5.1%	2.8%	-3.1%	0.4%	1.6%	2.5%	0.7%
HPI Non-metro	175.4	178.3	182.4	187.9	192.9	200.3	203.2	208.9	212.3
Annual Growth	1.7%	1.6%	2.3%	3.0%	2.6%	3.9%	1.4%	2.8%	1.6%
HPI Statewide	202.8	206.3	212.3	221.0	227.7	236.5	244.9	253.2	259.1
Annual Growth	1.5%	1.7%	2.9%	4.1%	3.0%	3.9%	3.6%	3.4%	2.4%

Source: Macroeconomic Advisers; Steven C. Agee Economic Research and Policy Institute

Oklahoma City MSA Employment Outlook

Variable/Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Nonfarm	594.6	608.7	620.5	630.3	629.8	634.6	650.5	664.1	673.4
Annual Growth	2.5%	2.4%	1.9%	1.6%	-0.1%	0.8%	2.5%	2.1%	1.4%
Private	472.1	484.1	495.8	503.4	500.9	506.0	520.5	533.1	541.3
Annual Growth	3.0%	2.5%	2.4%	1.5%	-0.5%	1.0%	2.9%	2.4%	1.5%
Mining	20.0	20.8	21.6	19.9	16.5	18.5	21.1	23.3	23.0
Annual Growth	17.7%	4.3%	3.5%	-7.5%	-17.1%	11.9%	13.7%	10.7%	-1.4%
Construction	26.5	27.1	28.3	29.2	29.3	29.2	30.5	30.9	31.5
Annual Growth	2.4%	2.4%	4.6%	3.0%	0.2%	-0.2%	4.5%	1.2%	2.0%
Manufacturing	35.1	36.5	37.5	37.4	34.5	33.4	34.5	35.5	35.6
Annual Growth	6.6%	4.0%	2.9%	-0.2%	-7.7%	-3.4%	3.3%	2.9%	0.2%
Trade, Transport, Utilities	102.9	107.0	109.5	111.8	112.2	111.3	112.0	114.6	116.4
Annual Growth	2.9%	4.0%	2.4%	2.1%	0.3%	-0.8%	0.6%	2.3%	1.6%
Wholesale	22.7	23.9	24.5	24.6	24.1	24.0	23.7	24.5	24.9
Annual Growth	5.5%	5.1%	2.4%	0.5%	-2.2%	-0.1%	-1.3%	3.2%	1.8%
Retail	62.3	64.2	65.9	67.6	68.2	66.4	66.6	67.9	68.9
Annual Growth	1.9%	3.0%	2.7%	2.6%	0.9%	-2.7%	0.3%	2.0%	1.5%
Transport, Utilities	17.8	18.9	19.1	19.6	19.9	20.9	21.7	22.2	22.6
Annual Growth	3.3%	5.9%	1.2%	2.6%	1.4%	4.8%	3.9%	2.4%	1.8%
Information	8.6	8.2	8.1	8.3	8.2	7.7	7.3	7.4	7.3
Annual Growth	-4.4%	-4.7%	-0.7%	1.5%	-1.2%	-6.0%	-4.6%	0.5%	-0.7%
Finance	31.8	32.4	33.1	33.3	33.1	33.2	33.3	33.7	34.1
Annual Growth	3.1%	1.9%	2.4%	0.6%	-0.6%	0.3%	0.1%	1.2%	1.3%
Prof. & Business Services	76.8	77.6	78.7	79.6	79.6	81.4	84.6	85.8	85.1
Annual Growth	1.3%	1.1%	1.4%	1.2%	-0.1%	2.3%	3.9%	1.4%	-0.7%
Scientific	29.9	29.9	30.1	31.2	32.3	33.2	32.9	33.1	32.5
Annual Growth	2.8%	-0.3%	0.9%	3.5%	3.6%	2.7%	-1.0%	0.8%	-1.9%
Management	8.8	9.0	9.4	9.5	9.5	9.6	9.9	10.1	10.2
Annual Growth	12.9%	2.5%	4.5%	1.3%	-0.5%	1.7%	2.2%	2.0%	1.2%

Oklahoma City MSA Employment Outlook

Variable/Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administrative	38.0	38.7	39.1	38.9	37.8	38.5	41.9	42.6	42.5
Annual Growth	-2.1%	1.8%	1.1%	-0.6%	-3.0%	2.0%	8.6%	1.8%	-0.3%
Education & Health	86.4	88.0	88.9	90.5	91.2	91.8	93.4	95.5	97.5
Annual Growth	2.4%	1.7%	1.1%	1.8%	0.7%	0.7%	1.8%	2.2%	2.1%
Health	77.4	78.7	79.5	81.1	81.9	82.8	82.2	82.7	83.4
Annual Growth	2.5%	1.7%	1.0%	2.0%	1.0%	1.0%	-0.7%	0.6%	0.8%
Leisure	61.7	64.2	65.9	68.0	70.0	71.7	75.3	79.3	82.5
Annual Growth	2.9%	4.0%	2.7%	3.1%	2.9%	2.5%	5.0%	5.3%	4.0%
Other	22.4	22.4	24.0	25.2	26.4	27.9	28.7	29.9	31.4
Annual Growth	-1.4%	0.0%	7.3%	5.0%	4.5%	5.9%	3.0%	4.1%	5.1%
Government	122.5	124.6	124.7	127.0	129.0	128.5	129.9	131.4	133.0
Annual Growth	0.6%	1.7%	0.1%	1.8%	1.6%	-0.3%	1.1%	1.2%	1.2%
Federal	28.2	27.6	26.9	27.4	28.3	28.8	28.7	28.8	29.0
Annual Growth	-0.6%	-2.2%	-2.4%	2.0%	3.2%	1.7%	-0.2%	0.1%	0.8%
State	42.4	43.5	44.4	45.3	46.2	46.0	47.3	48.2	49.2
Annual Growth	0.8%	2.6%	2.0%	2.0%	2.0%	-0.3%	2.8%	1.9%	2.1%
Local	51.9	53.6	53.5	54.3	54.5	53.7	53.9	54.5	54.8
Annual Growth	1.2%	3.2%	-0.2%	1.5%	0.4%	-1.3%	0.3%	1.1%	0.6%

Oklahoma City MSA Production, Income, and Population

Variable/Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gross Metro Product	\$59,137	\$61,798	\$62,376	\$67,710	\$66,202	\$67,714	\$69,136	\$70,540	\$72,108
Annual Growth	3.3%	4.5%	0.9%	8.6%	-2.2%	2.3%	2.1%	2.0%	2.2%
Gross Product Private	\$48,897	\$51,521	\$52,051	\$57,318	\$55,619	\$57,374	\$58,159	\$59,464	\$60,928
Annual Growth	4.2%	5.4%	1.0%	10.1%	-3.0%	3.2%	1.4%	2.2%	2.5%
Gross Product Goods	\$11,561	\$13,210	\$12,336	\$17,411	\$15,190	\$16,118	\$16,711	\$17,443	\$18,365
Annual Growth	4.9%	14.3%	-6.6%	41.1%	-12.8%	6.1%	3.7%	4.4%	5.3%
Gross Product Services	\$37,353	\$38,204	\$39,732	\$39,738	\$39,959	\$40,848	\$41,448	\$42,021	\$42,564
Annual Growth	4.0%	2.3%	4.0%	0.0%	0.6%	2.2%	1.5%	1.4%	1.3%
Personal Income	\$55,012	\$56,619	\$59,989	\$61,525	\$61,348	\$65,170	\$68,780	\$72,146	\$74,384
Annual Growth	5.7%	2.9%	6.0%	2.6%	-0.3%	6.2%	5.5%	4.9%	3.1%
Population	1,297,041	1,319,469	1,335,736	1,356,118	1,372,463	1,383,737	1,401,386	1,421,337	1,443,114
Annual Growth	1.6%	1.7%	1.2%	1.5%	1.2%	0.8%	1.3%	1.4%	1.5%
Per Capita Income	\$42,413	\$42,910	\$44,911	\$45,369	\$44,699	\$47,097	\$49,080	\$50,759	\$51,544
Annual Growth	4.0%	1.2%	4.7%	1.0%	-1.5%	5.4%	4.2%	3.4%	1.5%
Earnings	\$40,472	\$42,545	\$44,890	\$45,809	\$44,813	\$48,193	\$50,739	\$52,981	\$54,278
Annual Growth	5.7%	5.1%	5.5%	2.0%	-2.2%	7.5%	5.3%	4.4%	2.4%
Employment Total	814,008	832,874	846,309	857,526	861,565	870,743	896,821	914,150	924,727
Annual Growth	3.0%	2.3%	1.6%	1.3%	0.5%	1.1%	3.0%	1.9%	1.2%
Average Earnings	\$49,719	\$51,083	\$53,041	\$53,420	\$52,013	\$55,347	\$56,577	\$57,956	\$58,696
Annual Growth	2.7%	2.7%	3.8%	0.7%	-2.6%	6.4%	2.2%	2.4%	1.3%

Source: Macroeconomic Advisers; Steven C. Agee Economic Research and Policy Institute



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