Oklahoma Economic Outlook

June 26, 2015

REGIONTRACK Regional Economic Forecasting and Analysis
Contact: Mark C. Snead, President and Economist
info@regiontrack.com • (800) 762-0570

Six Months of Weak Energy Activity Weighing on State

Spillover from the downturn in the state's energy sector is now clearly visible in the broader state economy. Employment, income, retail activity, and tax receipts all slowed significantly or declined statewide in the 1st half of 2015.

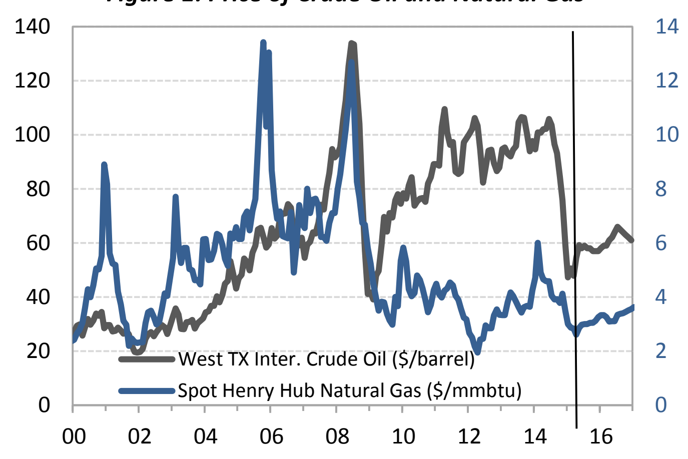
HIGHLIGHTS:

- **Oklahoma oil and gas firms have cut nearly 14% of their workforce (8,500 jobs) the past six months**
- **Spillover to the state has resulted in no net new private services jobs created statewide in 2015 through May**
- **Along with employment, state income growth and retail activity stalled in the first half of 2015**
- **Drilling activity in Oklahoma showed signs of stabilizing in May and June but U.S. rig counts continue to fall**
- **Our 2015 job outlook for the state is reduced slightly to only a 0.66% gain (10,900 jobs) on a year-over-year basis**
- **If oil remains in the $60/barrel range, the state is not expected to rebound until early to mid-2016**

This update to the Oklahoma outlook focuses on the past six months of weak crude oil and natural gas prices and its current and expected future effect on the state economy. The pullback within the energy sector continues at a brisk pace, and recent data releases suggest that statewide economic activity now reflects this weakness.

The growing concern for the state outlook is that crude oil prices have bounced well off their lows but are struggling to break through the $60 per barrel level. The current U.S. Department of Energy (DOE) forecast for crude oil is not optimistic in the near term and suggests that prices will average only slightly more than $60 per barrel through 2016 (*see Figure 1*). Our own base case outlook for oil prices closely tracks the current DOE forecast.

Figure 1: Price of Crude Oil and Natural Gas

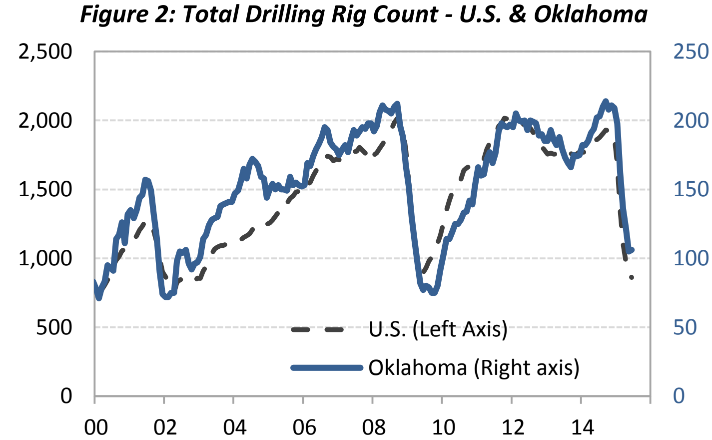


Source: U.S. Energy Information Administration and RegionTrack

While we believe there are ample drilling opportunities in Oklahoma at $75+ per barrel of oil, drilling activity in the state is expected to remain muted at oil prices in the $60-70 range. Only the lowest-cost operators with holdings in the best formations will find these prices highly attractive. If the relatively weak forecast for oil prices is realized, we expect it to keep drilling activity in Oklahoma well below the levels seen in 2012-2014 through at least 2016.

Weak natural gas prices are adding to the problem of the crude oil price collapse. Henry Hub spot natural gas prices averaged only $2.80 per million btu (mmbtu) in the first five months of 2015, down from an average of $3.88/mmbtu the last two quarters of 2014 (*see Figure 1*). DOE forecasts are only a bit more optimistic for the natural gas market, calling for prices to rise steadily in the near term but to reach only $3.25/mmbtu by year-end 2015 and average only $3.32/mmbtu in 2016.

Figure 2: Total Drilling Rig Count - U.S. & Oklahoma



Source: Baker-Hughes and RegionTrack

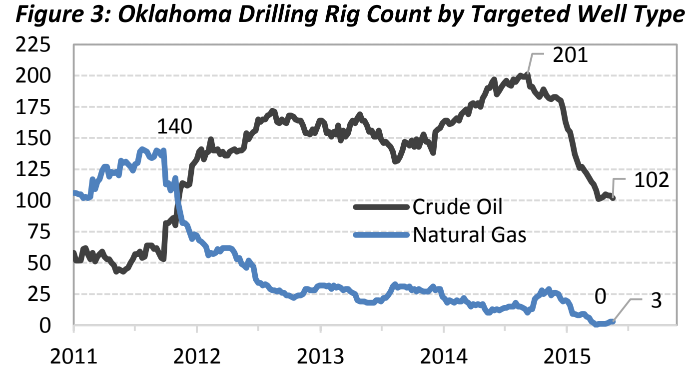
To date, the overall magnitude of Oklahoma's drilling rig decline has closely matched the U.S. pace. The number of rigs operating in the state is now down to 105 in late June, a decline of slightly more than 50% since peaking at 214 rigs in September 2014 (*see Figure 2*). The national rig count is now down to 861, a

55% decline from the recent peak of 1,930 rigs operating in September 2014.

State drilling activity remains sharply depressed, but the bottom could be in sight. A highly positive sign that the rig decline may be coming to a halt is the pause taken in June. State oil rig counts have remained flat while a few natural gas rigs have been added. Offsetting this optimism at the state level, however, is a continued steady decline in rig counts at the U.S. level through late June.

By well type, the number of rigs in Oklahoma searching for oil has dropped from 201 in October 2014 to only 102 in late June (*see Figure 3*). **What isn't as widely discussed is that low natural gas prices have pushed already-weak drilling directed at natural gas in Oklahoma to near zero so far in 2015.** Any natural gas production gains from new wells drilled in the state are now largely a byproduct of wells that are primarily liquids-rich and only secondarily produce natural gas. While classifying a rig as searching primarily for either oil or natural gas is becoming less meaningful over time, active exploration for natural gas in the state remains sharply curtailed. We expect greatly reduced levels of drilling targeted at natural gas until either natural gas prices rise closer to $4/mmbtu or the LNG export market develops much further, or both. We do not expect either of these factors to aid the state economy in 2015, but both could begin to play a small factor at some point in 2016.

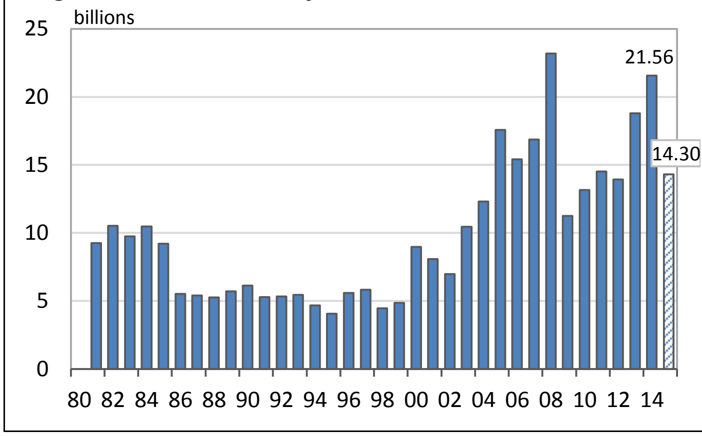
Figure 3: Oklahoma Drilling Rig Count by Targeted Well Type



Source: Baker-Hughes and RegionTrack

The decline in energy prices is producing a steep expected decline in revenue for state crude oil and natural gas producers in 2015. The total market value of oil and gas production in Oklahoma is forecasted to drop by 34% in 2015 versus 2014, from $21.56 billion to only $14.30 billion (*see Figure 4*). **This reflects a $7.3 billion swing in the market value of production for Oklahoma producers.** Some of this decline will likely be offset by hedging arrangements in the period, although the exact amount effectively offset will not be known until more recent financial reports are released by publicly traded energy firms operating in the state.

Figure 4: Market Value of OK Oil & Natural Gas Production

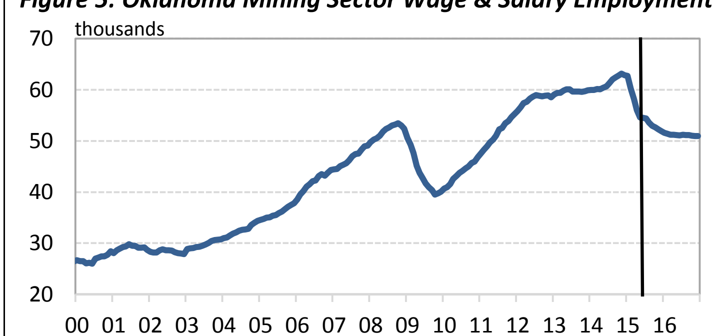


Source: U.S. Energy Information Administration and RegionTrack

Falling production value also puts tremendous downward pressure on royalty payments produced within the state. At an average estimated rate of 17.5% of production, total royalties tied to Oklahoma production will drop by an estimated $1.28 billion in 2015 versus 2014. Comprehensive data on the share of royalties generated within Oklahoma that are ultimately paid to Oklahoma-based owners are not available. However, data shared with us by Oklahoma producers suggest that the share is at least 65-75% of the total. Hence, royalty income received as earnings within Oklahoma will likely drop by an amount approaching $1 billion in 2015.

The energy industry continues to respond to weak commodity prices by making very sharp cutbacks in hiring. The initial cuts were steepest on the drilling and exploration side but have now moved over into the mostly white-collar areas of the industry. Total mining sector employment is down by more than 8,500 jobs between November 2014 and May 2015, a nearly 14% decline (*see Figure 5*). Under current DOE forecasts for crude oil and natural gas prices, we anticipate a slowing of the job losses in the second half of 2015 but an additional reduction of 3,000 mining sector jobs by year-end.

Figure 5: Oklahoma Mining Sector Wage & Salary Employment



Source: Bureau of Labor Statistics and RegionTrack

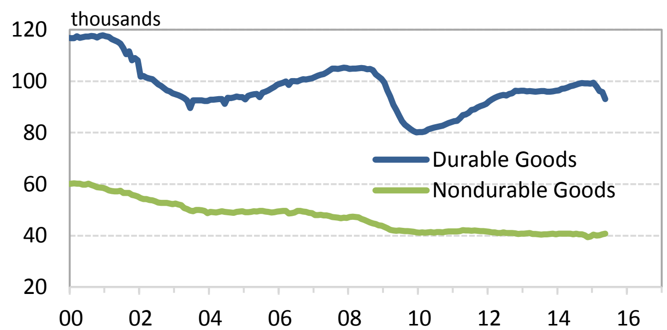
The total job decline in the energy sector by year-end is expected to reach 18% of total mining wage

and salary employment. This would be roughly two-thirds the size of the 25% job contraction in the state's energy sector during the recent national recession as energy prices collapsed (*see Figure 5*).

For 2016, our model-based outlook calls for a second, but smaller, annual decline of 1,500 jobs in the mining sector on a year-over-year basis. **History suggests that hiring in the energy sector is unlikely to pick up immediately when oil prices bottom and begin to recover lost ground.** In fact, past evidence suggests that layoffs tend to extend well beyond the bottom in energy prices. Typically, employment in Oklahoma's energy sector declines for 6-12 months after a bottom in energy prices is established.

The spillover from oil and gas is steadily bleeding over into employment in other sectors, most importantly manufacturing. The close ties between oil and gas and manufacturing are evident in recent data, as the two sectors have slowed in lock step. **State factories have cut more than 6,000 jobs between January and May**, with nearly all the losses coming on the durable goods side (*see Figure 6*). The two hardest hit durable goods sub-sectors include machinery manufacturing and fabricated metal products manufacturing, both of which are highly dependent upon energy sector activity in Oklahoma and other energy-producing regions. In contrast, the nondurable goods sectors have added a small number of jobs in early 2015 and helped offset a portion of the overall decline in manufacturing hiring.

Figure 6: Oklahoma Wage & Salary Manufacturing Employment



Source: Bureau of Labor Statistics and RegionTrack

The energy downturn is now beginning to weigh heavily on overall state economic growth. Spillover to the broader economy is inevitable given the size of the contraction in the oil and gas industry to date. State job growth in the trailing 12 months through May is now down to only 0.9% after exceeding a 2% pace during much of the current expansion.

The job data took a more precipitous turn downward in January. **The latest seasonally adjusted employment data from the Bureau of Labor Statistics (BLS) suggest that total state nonfarm employment is down about 9,000 jobs between January and May.** Our own seasonal adjustments suggest the total job loss may be closer to 14,000 jobs.

Oklahoma has now fallen to 41st in job growth among the states over the past 12 months. The state slowdown occurred just as the U.S. labor market has heated up considerably, with national job growth now running at well above a 2% pace the past twelve months. The traditional fast-growth states are once again leading the way. The ten fastest-growing states the past 12 months include Utah (3.9%), Washington (3.6%), Florida (3.4%), Nevada (3.4%), Idaho (3.4%), Oregon (3.1%), California (3.0%), Georgia (2.8%), North Carolina (2.6%), and Michigan (2.6%).

Most major energy-producing states are now grouped near the bottom when measured by job growth. Along with Oklahoma (0.9%), the bottom dozen states include the major energy producing states of New Mexico (1.0%), Alaska (0.9%), North Dakota (0.8%), Louisiana (0.6%), Kansas (0.5%), Wyoming (0.1%), and West Virginia (-2.1%).

While Colorado (2.5%, 11th) and Texas (2.5%, 12th) continue to rank among the top performing states and may seem like exceptions to the energy state hiring slowdown, both have slowed rapidly in the first half of 2015 from an approximately 3.5% annual pace to a still robust 2.5%. However, Texas nonfarm job growth is essentially flat since January of 2015.

Consistent with the weak employment data, household earnings growth in the state has slowed to a crawl. Following a fairly robust 5.8% gain in total household earnings in the 3rd quarter of 2014, earnings growth slowed to only 0.42% in the 4th quarter of 2014 and 0.04% in the 1st quarter of 2015 (*see Figure 7*).

The mining sector was not a major factor in the earnings weakness reported in the 4th quarter of 2014 but was a substantial drag on total state earnings in the 1st quarter of 2015. Mining sector earnings alone declined by more than $600 million (-3.9%) in the 1st quarter of 2015. We expect weak earnings in the mining sector to continue to add drag to statewide earnings growth in 2015. Our current forecast anticipates flat earnings growth (0.1%) statewide for all of 2015 before returning to more normal growth rates in 2016 (*see Figure 7*).

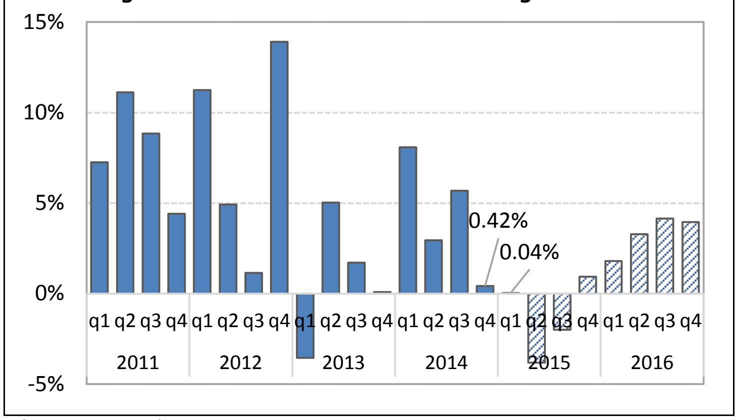


Figure 7: Oklahoma Household Earnings Growth

Source: Bureau of Economic Analysis and RegionTrack

Retail sales activity has similarly weakened along with earnings, with statewide taxable retail activity falling 4 of the past 5 months on a seasonally adjusted basis (*see Figure 8*)**.** Taxable retail activity is up only 1.4% year-to-date through May relative to 2014 and has now dropped below the year-ago month in each of the three most recent months. Our current forecast is for retail activity to follow the path of income with further weakness in the second half of 2015 followed by a rebound beginning in early 2016.

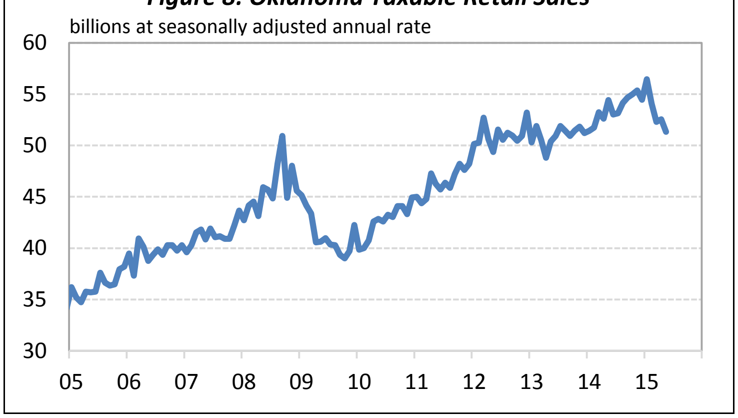


Figure 8: Oklahoma Taxable Retail Sales

Source: Oklahoma Tax Commission and RegionTrack

Gross production taxes similarly reflect the weakness in price on both the crude oil and natural gas sides of the energy complex. Production taxes in the past twelve months ended May are down 13% compared to the prior twelve months. However, revenue on a monthly basis dropped sharply beginning in January and then plunged in March to a rate roughly half that reported in the second half of 2014 (from $75 million/month to only $35 million/month). The most recent numbers will likely be revised upward as more production is reported throughout 2015, but production taxes are expected to remain at least one-third below 2014 totals even in the revised data.

The recent sharp bounce in the number of unemployed workers is expected to put upward pressure on the state's jobless rate throughout the remainder of 2015. The number of workers reported as unemployed statewide is up by 13,500 since December 2014 (*see Figure 9*). While this represents substantial weakening in the state labor market, Figure 9 helps to put the layoffs to date in perspective by comparing the current increase to the large upward move that took place during the recession in 2008 and 2009. In the recession, the number of unemployed workers increased by roughly 70,000 (from 55,000 to more than 125,000) over a 24 month period. In the current cycle, unemployed workers have increased from about 69,000 in December 2014 to 82,500 in May 2015, a rise of 13,500 in 6 months.

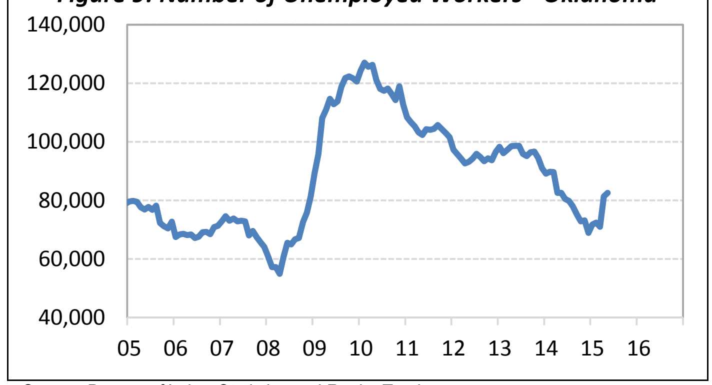


Figure 9: Number of Unemployed Workers - Oklahoma

Source: Bureau of Labor Statistics and RegionTrack

The state's unemployment rate has similarly backed up from 3.9% to 4.3% (*see Figure 10*) in the first half of 2015. Under current trends, the state is expected to merely match the nation's jobless rate by the end of 2015.

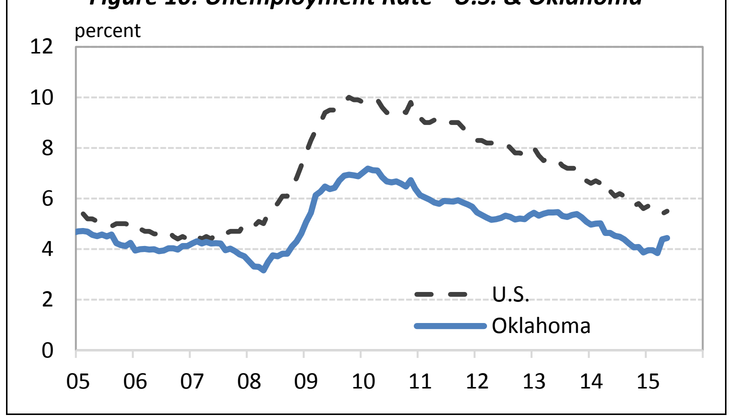
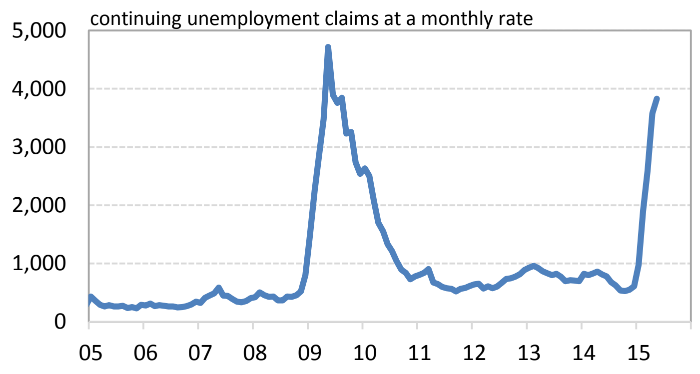


Figure 10: Unemployment Rate - U.S. & Oklahoma

Source: Bureau of Labor Statistics and RegionTrack

Drilling more deeply into the layoffs, specifically those in the oil and gas industry, suggests a very rapid pace of job cuts in the first half of 2015 among oil and gas firms. Continuing unemployment claims from laid-off workers in the mining sector have risen very quickly to approximately 4,000 at a monthly rate through May (*see Figure 11*). Continuing claims represent workers who have already filed an initial claim for jobless benefits and remain covered by the Unemployment Insurance (UI) program in a subsequent period. The current level is already approaching the peak in continuing claims in mining reached in early 2009 during the recent recession.

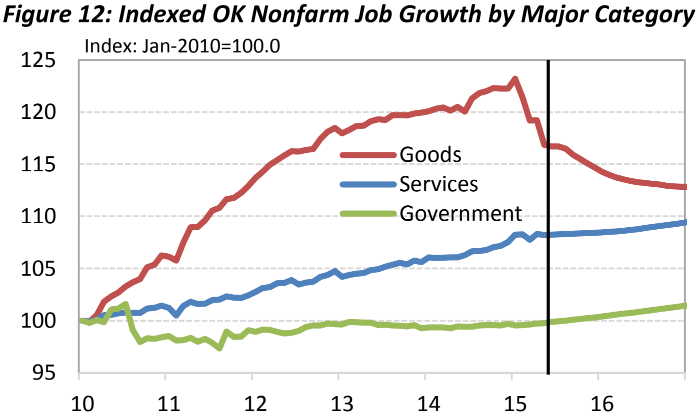
Figure 11: Continuing Unemployment Claims in Mining - OK



Source: U.S. Department of Labor and RegionTrack

The hiring slowdown remains mostly contained to the goods-producing sectors but is now slowly spreading to the broader state economy. The weakness in both energy and manufacturing hiring is putting tremendous strain on overall employment in the broader goods-producing sector (*see Figure 12*). Total goods-producing jobs in the state are down 13.3% (approximately 15,000) between January and May and remain in a steady downturn. Our forecast is for this weakness to persist throughout 2015 and into early 2016 before bottoming in the second half of 2016.

Figure 12: Indexed OK Nonfarm Job Growth by Major Category

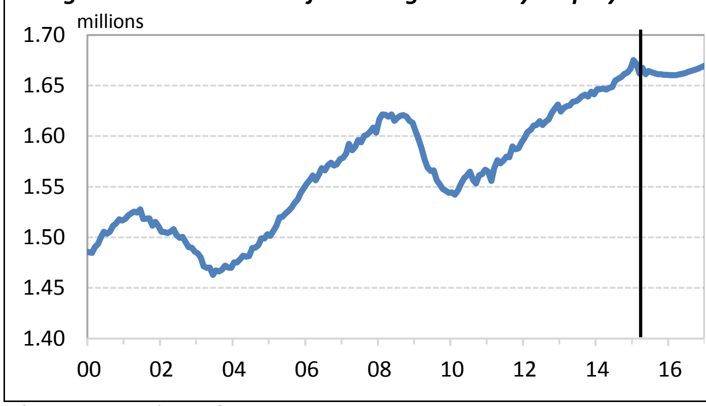


Source: Bureau of Labor Statistics and RegionTrack

There is also now a clear slowing in the overall growth of private-sector service jobs beginning in January (see Figure 12)**.** In the most recent BLS employment data through May, there have been no net new private service-providing jobs created statewide in 2015. This adds substantial drag to overall state job growth given that private-sector service jobs now account for 63% of all nonfarm jobs in the state.

Government hiring similarly remains relatively flat since the end of the recent recession and is providing only a limited boost to state job growth. Local government hiring has fully recovered from the recent recession and remains a steady source of strength to overall state hiring. However, weakening tax revenues will continue to limit state government hiring throughout 2015. Federal government payrolls remain in a steady downturn and are expected to add to the hiring drag in the near term. Proposed Defense Department cutbacks being considered could further restrain Federal hiring in the state, especially military-related jobs, well beyond the near term.

Figure 13: OK Total Nonfarm Wage & Salary Employment



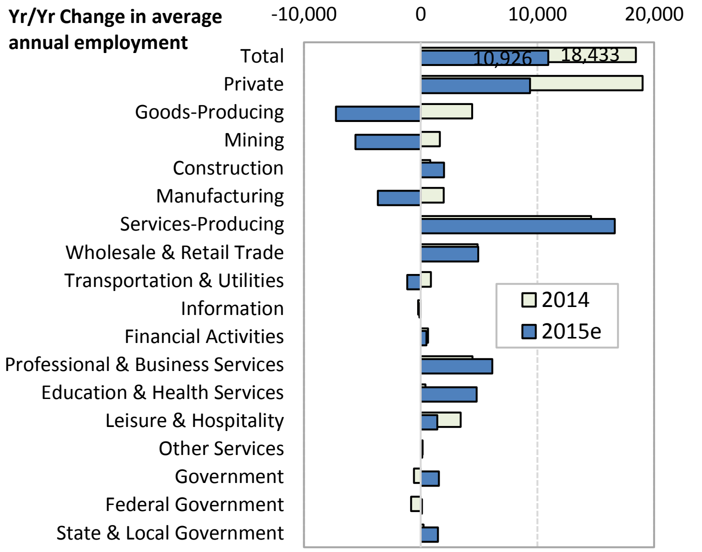
Source: Bureau of Labor Statistics and RegionTrack

Although overall job losses are expected statewide in the second half of 2015, the state should still add an estimated 10,900 jobs in 2015 on a year-over-year basis relative to 2014 (*see Figure 14*). This will be only slightly more than half the 18,400 jobs added in 2014. The growing concern for the state is that crude oil prices will remain in the $60/barrel range or lower throughout the second half of 2015. This could push back any significant hiring rebound well into 2016.

In our current outlook, areas of greatest hiring strength through 2015 include the construction sector, wholesale/retail trade, professional and business services, and education/health services (*see Figure 14 and Table 2*).

A word of caution is necessary concerning the strengthening hiring outlook for the Professional & Business Services sector in 2015 relative to 2014. The forecast is being driven by a sizeable upward spike in the data in late 2014 and early 2015 that is highly typical of significant data errors that periodically surface in employment surveys. We believe that job growth in the sector has already slowed in 2015 and anticipate that the underlying data will be revised downward in future data releases. This would likely result in a meaningful downward revision to overall state job growth for 2015 and 2016.

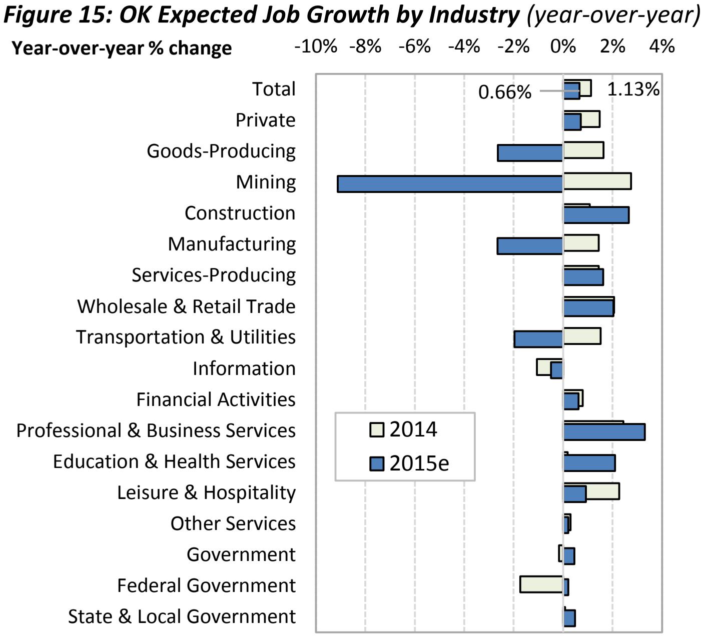
***Figure 14: OK Expected Job Change by Industry** (year-over-year)*



Source: Bureau of Economic Analysis and RegionTrack

On a percentage basis (*see Figure 15*), the largest jobs gains are expected in construction, wholesale and retail trade, and social/health services for all of 2015. The largest job losses in percentage terms are expected in mining, manufacturing, and transportation/utilities for all of 2015. All of these industries are closely related to oil and gas activity in Oklahoma. Significantly weaker job growth is also expected in the leisure/hospitality sector for all of 2015.

***Figure 15: OK Expected Job Growth by Industry** (year-over-year)*

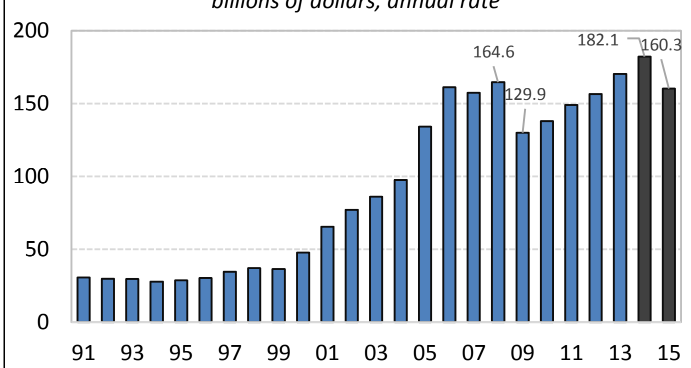


Source: Bureau of Economic Analysis and RegionTrack

Contrary to suggestions that Oklahoma is now more diversified against energy price shocks than in years past, the evidence continues to suggest that the state economy remains highly dependent upon the oil and gas industry. What has changed is the composition of the dependency. The link between the energy sector and the state economy is now more about capital spending and household earnings and less about population and jobs. As the industry becomes more-capital-intensive and produces larger average earnings to workers and proprietors, the dramatic swings in population and hiring seen in past cycles become much less likely in response to energy price fluctuations. Instead the economic gyrations are now increasingly traced to large fluctuations in capital spending and earnings.

Current capital spending levels by the industry as a share of state GDP are dramatically higher than in recent years and are approximately equal to the peak level of drilling expenditures at the height of the Oil Boom in 1982 when adjusted for inflation. Our current outlook is for for capital spending within the state mining sector to fall by roughly $22 billion in 2015 relative to 2014, a 12% decline (*see Figure 16*). We anticipate that this estimate may be revised sharply downward as revised information on the drilling budgets of state producers is received in the coming months. A number of energy analysts suggest that 25-30% cuts in drilling-related capital spending will be the norm for 2015. The more than 50% reduction in rig counts in the state similarly suggests a steeper than 12% drop in capital spending in 2015.

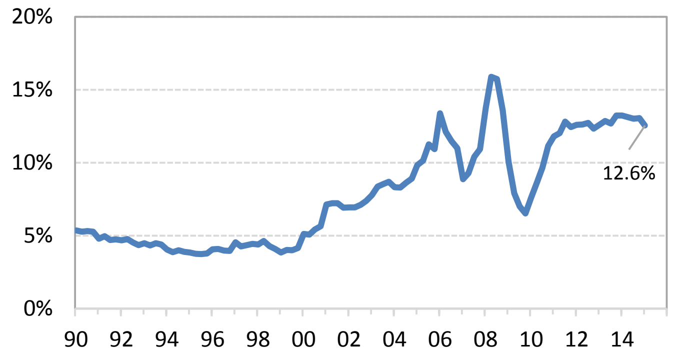
Figure 16: Capital Spending - OK Mining Sector (Base Case)
billions of dollars, annual rate



Source: Bureau of Economic Analysis and RegionTrack

Further evidence of the strong dependence of the state economy upon oil and gas is the share of total household earnings derived from the energy sectors. **Oklahoma currently has the highest share of household earnings from oil and gas activity among all energy producing states.** In the most recently available data, an average of nearly 13% of total Oklahoma household earnings statewide has been received from the mining sector since 2011 (*see Figure 17*). This measure includes the earnings of both wage and salary workers and proprietors. The share peaked at a modern era high of 16% in 2008, and is currently roughly equal to the share seen at the peak of the Oil Boom in 1982.

Figure 17: Share of OK Household Earnings - Mining Sector



Source: Bureau of Economic Analysis and RegionTrack

It is possible, and becoming increasingly likely, that the state is already in the midst of a mini energy-driven economic pullback. The state is likely to far underperform the nation throughout 2015 before regaining its footing in early 2016.

The reaction of the state economy to the cutbacks in drilling are highly consistent so far with other empirical estimates of the sensitivity of the state economy to the industry. Recent estimates from the Federal Reserve Bank of Kansas City suggest that a 53% decline in the state's rig count should produce an estimated long-run loss of 18,450 jobs statewide. This expected job loss translates into a total decline in state employment of -1.2%. (*Available online: https://www.kansascityfed.org/~/media/files/publicat/econrev/econrevarchive/2015/2q15brown.pdf*) Our own seasonal adjustments to the employment data suggest that the state job loss may already be approaching this level in the first half of 2015.

Our state outlook for the remainder of 2015 and into 2016 remains highly dependent upon the future path of energy prices. Oil prices dropping into the $40-50/barrel range through 2016 would likely push 2015 job growth to near zero and 2016 job growth further into negative territory on a year-over-year basis. Conversely, a rebound in oil prices to above $75/barrel by the end of this year would do little to change our 2015 job outlook but would dramatically raise our job outlook for 2016 closer to more normal growth rates.

Released June 26, 2015

Table 1. Summary of Oklahoma Economic Indicators (Base Case for Oil Price)

seasonally adjusted, annual rate

		2014					2015					
Economic Indicator	**2013**	**Q1**	**Q2**	**Q3**	**Q4**	**2014**	**Q1**	**Q2**	**Q3**	**Q4**	**2015**	**2016**
Wage & Salary Employment (CES)	1,635,170	1,646,618	1,647,423	1,656,731	1,663,658	1,653,608	1,660,209	1,661,490	1,664,448	1,667,587	1,664,533	1,663,434
% change	*1.3%*	*1.3%*	*0.2%*	*2.3%*	*1.7%*	*1.1%*	*-0.1%*	*0.3%*	*0.7%*	*0.8%*	*0.7%*	*-0.1%*
Wage & Salary Employment (QCEW)	1,560,704	1,573,670	1,575,596	1,584,236	1,595,407	1,582,227	1,591,425	1,592,563	1,595,314	1,598,302	1,595,869	1,594,401
% change	*1.4%*	*1.2%*	*0.5%*	*2.2%*	*2.8%*	*1.4%*	*-0.2%*	*0.3%*	*0.7%*	*0.7%*	*0.9%*	*-0.1%*
Proprietor Employment (BEA)	570,812	575,580	578,724	583,496	589,747	581,887	613,216	615,765	619,097	623,519	604,232	617,899
% change	*2.1%*	*1.4%*	*2.2%*	*3.3%*	*4.3%*	*1.9%*	*1.6%*	*1.7%*	*2.2%*	*2.9%*	*3.8%*	*2.3%*
Total Employment (BEA)	2,254,523	2,267,949	2,270,984	2,284,653	2,297,678	2,280,316	2,319,035	2,322,704	2,328,815	2,336,270	2,314,039	2,326,706
% change	*1.4%*	*1.5%*	*0.5%*	*2.4%*	*2.3%*	*1.1%*	*0.3%*	*0.6%*	*1.1%*	*1.3%*	*1.5%*	*0.5%*
Military Employment	35,621	35,700	35,766	35,845	35,930	35,810	36,328	36,388	36,458	36,514	36,146	36,422
% change	*-1.7%*	*0.9%*	*0.7%*	*0.9%*	*0.9%*	*0.5%*	*0.8%*	*0.7%*	*0.8%*	*0.6%*	*0.9%*	*0.8%*
Farm Employment	88,813	87,049	86,996	87,141	87,411	87,149	88,842	89,042	89,215	89,367	88,181	89,117
% change	*-1.3%*	*-1.5%*	*-0.2%*	*0.7%*	*1.2%*	*-1.9%*	*1.0%*	*0.9%*	*0.8%*	*0.7%*	*1.2%*	*1.1%*
Unemployment Rate (%)	5.3	5.0	4.6	4.4	4.0	4.5	4.3	4.4	4.6	4.7	4.1	4.5
% change	*1.6%*	*-18.5%*	*-31.7%*	*-20.9%*	*-32.4%*	*-15.9%*	*9.7%*	*11.5%*	*10.6%*	*10.7%*	*-9.6%*	*10.9%*
Labor Force	1,803,262	1,790,638	1,779,063	1,780,458	1,786,150	1,784,077	1,875,892	1,880,729	1,884,839	1,888,955	1,854,140	1,882,604
% change	*0.2%*	*-0.9%*	*-2.6%*	*0.3%*	*1.3%*	*-1.1%*	*1.3%*	*1.0%*	*0.9%*	*0.9%*	*3.9%*	*1.5%*
Unemployed	96,398	89,511	81,876	77,663	71,609	80,164	81,044	83,589	85,998	88,496	75,306	84,782
% change	*1.8%*	*-19.3%*	*-34.1%*	*-20.6%*	*-31.2%*	*-16.8%*	*11.1%*	*12.6%*	*11.5%*	*11.6%*	*-6.1%*	*12.6%*
LAUS Employment	1,706,874	1,701,502	1,696,733	1,702,337	1,714,871	1,703,861	1,794,848	1,797,141	1,798,841	1,800,459	1,779,061	1,797,822
% change	*0.1%*	*0.1%*	*-1.1%*	*1.3%*	*2.9%*	*-0.2%*	*0.9%*	*0.5%*	*0.4%*	*0.4%*	*4.4%*	*1.1%*
Labor Force-Population Ratio (%)	46.8	46.3	45.9	45.9	46.0	46.0	47.9	47.9	48.0	48.0	47.5	47.9
% change	*-0.8%*	*-1.5%*	*-3.1%*	*-0.2%*	*0.8%*	*-1.7%*	*0.7%*	*0.3%*	*0.1%*	*0.1%*	*3.4%*	*0.8%*
Employment-Population Ratio (%)	44.3	44.0	43.8	43.9	44.1	43.9	45.8	45.8	45.8	45.7	45.6	45.8
% change	*-0.8%*	*-0.5%*	*-1.7%*	*0.8%*	*2.4%*	*-0.8%*	*0.2%*	*-0.2%*	*-0.4%*	*-0.4%*	*3.8%*	*0.4%*
Establishments	105,783	106,148	106,782	107,368	107,887	107,046	109,536	109,907	110,298	110,689	108,704	110,107
% change	*1.2%*	*-1.0%*	*2.4%*	*2.2%*	*1.9%*	*1.2%*	*1.3%*	*1.4%*	*1.4%*	*1.4%*	*1.5%*	*1.3%*
Employees per Establishment	14.8	14.8	14.8	14.8	14.8	14.8	14.5	14.5	14.5	14.4	14.7	14.5
% change	*0.3%*	*2.3%*	*-1.9%*	*0.0%*	*0.9%*	*0.2%*	*-1.4%*	*-1.1%*	*-0.7%*	*-0.7%*	*-0.7%*	*-1.4%*
Personal Income ($Mil.)	161,188	164,538	166,396	168,538	169,111	167,146	172,599	174,302	176,321	178,323	169,781	175,386
% change	*2.0%*	*5.6%*	*4.5%*	*5.2%*	*1.4%*	*3.7%*	*4.9%*	*3.9%*	*4.6%*	*4.5%*	*1.6%*	*3.3%*
Real Personal Income ($Mil.)	68,958	69,559	70,017	70,609	70,538	70,181	70,290	70,657	71,150	71,645	69,973	70,936
% change	*0.4%*	*3.7%*	*2.6%*	*3.4%*	*-0.4%*	*1.8%*	*3.0%*	*2.1%*	*2.8%*	*2.8%*	*-0.3%*	*1.4%*
Per Capita Personal Income	41,833	42,512	42,933	43,431	43,524	43,100	44,082	44,437	44,868	45,289	43,539	44,669
% change	*1.1%*	*5.0%*	*4.0%*	*4.6%*	*0.9%*	*3.0%*	*4.2%*	*3.2%*	*3.9%*	*3.8%*	*1.0%*	*2.6%*
Real Per Capita Personal Income	17,897	17,972	18,066	18,195	18,154	18,097	17,952	18,013	18,105	18,196	17,944	18,067
% change	*-0.6%*	*3.0%*	*2.1%*	*2.9%*	*-0.9%*	*1.1%*	*2.3%*	*1.4%*	*2.0%*	*2.0%*	*-0.8%*	*0.7%*
Share of US PCPI (%)	95.1	94.3	94.3	94.5	93.8	94.2	90.6	90.5	90.6	90.6	91.7	90.6
% change	*-2.1%*	*0.1%*	*0.0%*	*0.5%*	*-3.0%*	*-0.9%*	*-0.3%*	*-0.4%*	*0.4%*	*0.2%*	*-2.7%*	*-1.2%*
Wage & Salary Income	66,295	68,883	68,795	69,695	69,776	69,287	71,807	72,474	73,129	73,804	71,032	72,803
% change	*3.7%*	*13.3%*	*-0.5%*	*5.2%*	*0.5%*	*4.5%*	*2.2%*	*3.7%*	*3.6%*	*3.7%*	*2.5%*	*2.5%*
Wage & Salary Income per Worker	42,478	43,772	43,663	43,993	43,736	43,791	45,121	45,508	45,840	46,176	44,510	45,661
% change	*2.2%*	*12.0%*	*-1.0%*	*3.0%*	*-2.3%*	*3.1%*	*2.4%*	*3.4%*	*2.9%*	*2.9%*	*1.6%*	*2.6%*
Retail Sales (Annual rate, $Mil.)	50,960	52,128	53,341	53,977	54,926	53,593	53,710	53,998	54,384	54,749	53,819	54,210
% change	*-0.1%*	*4.9%*	*9.3%*	*4.8%*	*7.0%*	*5.2%*	*0.5%*	*2.1%*	*2.9%*	*2.7%*	*0.4%*	*0.7%*
Retail Sales per Capita	13,226	13,468	13,763	13,909	14,136	13,819	13,718	13,767	13,839	13,905	13,801	13,807
% change	*-1.0%*	*4.3%*	*8.8%*	*4.2%*	*6.5%*	*4.5%*	*-0.1%*	*1.4%*	*2.1%*	*1.9%*	*-0.1%*	*0.0%*
Gross Domestic Product ($Mil)	176,396.7	181,085.0	182,314.2	184,582.4	186,042.0	183,505.9	198,309.9	200,835.6	203,855.4	206,586.9	192,023.7	202,397.0
% change	*4.2%*	*6.2%*	*2.7%*	*5.0%*	*3.2%*	*4.0%*	*6.4%*	*5.1%*	*6.0%*	*5.4%*	*4.6%*	*5.4%*
Real Gross Domestic Product	145,404.1	147,821.6	148,149.9	149,332.0	149,839.9	148,785.9	155,684.0	156,910.9	158,546.7	159,981.7	152,684.7	157,780.8
% change	*3.1%*	*4.3%*	*0.9%*	*3.2%*	*1.4%*	*2.3%*	*4.2%*	*3.2%*	*4.2%*	*3.6%*	*2.6%*	*3.3%*
GDP per Worker	78,240	79,845	80,280	80,792	80,970	80,472	85,514	86,466	87,536	88,426	82,981	86,986
% change	*2.8%*	*4.7%*	*2.2%*	*2.6%*	*0.9%*	*2.9%*	*6.1%*	*4.5%*	*4.9%*	*4.1%*	*3.1%*	*4.8%*
Population	3,853,118	3,870,403	3,875,669	3,880,634	3,885,498	3,878,051	3,915,414	3,922,446	3,929,794	3,937,444	3,899,549	3,926,275
% change	*0.9%*	*0.6%*	*0.5%*	*0.5%*	*0.5%*	*0.6%*	*0.7%*	*0.7%*	*0.7%*	*0.8%*	*0.6%*	*0.7%*

Table 2. Oklahoma Wage & Salary Employment (Base Case for Oil Price)

Seasonally adjusted, percent change at annual rate, Current Employment Statistics (CES) survey

		2014					2015					
Industry Sector	**2013**	**Q1**	**Q2**	**Q3**	**Q4**	**2014**	**Q1**	**Q2**	**Q3**	**Q4**	**2015**	**2016**
Total Wage & Salary Employment (CES)	1,635,170	1,646,618	1,647,423	1,656,731	1,663,658	1,653,608	1,669,514	1,665,722	1,662,132	1,660,765	1,664,533	1,663,434
% change	*1.3%*	*1.3%*	*0.2%*	*2.3%*	*1.7%*	*1.1%*	*1.4%*	*-0.9%*	*-0.9%*	*-0.3%*	*0.7%*	*-0.1%*
Private Employment	1,286,584	1,298,983	1,299,717	1,308,569	1,315,152	1,305,605	1,321,078	1,316,547	1,312,199	1,310,047	1,314,968	1,310,448
% change	*1.6%*	*1.7%*	*0.2%*	*2.7%*	*2.0%*	*1.5%*	*1.8%*	*-1.4%*	*-1.3%*	*-0.7%*	*0.7%*	*-0.3%*
Goods-Producing	271,035	273,517	273,432	276,783	278,053	275,446	275,783	270,176	264,964	261,742	268,166	257,785
% change	*2.6%*	*1.5%*	*-0.1%*	*4.9%*	*1.8%*	*1.6%*	*-3.3%*	*-8.1%*	*-7.7%*	*-4.9%*	*-2.6%*	*-3.9%*
Mining	59,678	60,035	60,396	61,915	62,925	61,318	60,370	56,627	53,637	52,262	55,724	51,162
% change	*2.7%*	*2.0%*	*2.4%*	*10.1%*	*6.5%*	*2.7%*	*-16.2%*	*-24.8%*	*-21.1%*	*-10.3%*	*-9.1%*	*-8.2%*
Construction	74,663	75,846	74,424	75,315	76,299	75,471	77,417	77,546	77,524	77,402	77,472	77,233
% change	*6.1%*	*-1.1%*	*-7.5%*	*4.8%*	*5.2%*	*1.1%*	*5.9%*	*0.7%*	*-0.1%*	*-0.6%*	*2.7%*	*-0.3%*
Manufacturing	136,694	137,636	138,612	139,552	138,829	138,657	137,996	136,004	133,803	132,079	134,971	129,389
% change	*0.8%*	*2.8%*	*2.8%*	*2.7%*	*-2.1%*	*1.4%*	*-2.4%*	*-5.8%*	*-6.5%*	*-5.2%*	*-2.7%*	*-4.1%*
Service-Providing	1,015,550	1,025,466	1,026,285	1,031,787	1,037,099	1,030,159	1,045,295	1,046,370	1,047,236	1,048,305	1,046,802	1,052,663
% change	*1.3%*	*1.8%*	*0.3%*	*2.1%*	*2.1%*	*1.4%*	*3.2%*	*0.4%*	*0.3%*	*0.4%*	*1.6%*	*0.6%*
Wholesale & Retail Trade	236,773	240,780	240,541	242,265	243,043	241,657	245,976	246,515	246,965	246,907	246,591	246,912
% change	*1.4%*	*1.8%*	*-0.4%*	*2.9%*	*1.3%*	*2.1%*	*4.8%*	*0.9%*	*0.7%*	*-0.1%*	*2.0%*	*0.1%*
Transportation & Utilities	58,228	59,323	58,943	59,106	59,073	59,111	58,533	58,103	57,706	57,439	57,945	57,129
% change	*2.2%*	*6.3%*	*-2.6%*	*1.1%*	*-0.2%*	*1.5%*	*-3.7%*	*-2.9%*	*-2.7%*	*-1.9%*	*-2.0%*	*-1.4%*
Information	21,899	21,823	21,693	21,712	21,439	21,667	21,691	21,624	21,518	21,405	21,560	21,111
% change	*-2.5%*	*-0.9%*	*-2.4%*	*0.4%*	*-5.0%*	*-1.1%*	*4.7%*	*-1.2%*	*-2.0%*	*-2.1%*	*-0.5%*	*-2.1%*
Financial Activities	78,892	79,172	79,384	79,845	79,667	79,517	79,935	79,957	80,036	80,116	80,011	80,361
% change	*1.0%*	*-0.1%*	*1.1%*	*2.3%*	*-0.9%*	*0.8%*	*1.3%*	*0.1%*	*0.4%*	*0.4%*	*0.6%*	*0.4%*
Professional & Business Services	181,378	183,193	184,577	185,695	189,762	185,807	192,383	192,368	191,755	191,309	191,954	191,421
% change	*0.9%*	*3.1%*	*3.0%*	*2.4%*	*8.8%*	*2.4%*	*5.5%*	*0.0%*	*-1.3%*	*-0.9%*	*3.3%*	*-0.3%*
Professional, Scientific, & Technical	66,804	67,010	67,285	67,290	67,641	67,307	67,983	68,009	67,993	68,070	68,014	68,561
% change	*1.4%*	*-1.1%*	*1.6%*	*0.0%*	*2.1%*	*0.8%*	*2.0%*	*0.2%*	*-0.1%*	*0.5%*	*1.1%*	*0.8%*
Mgt. of Companies & Enterprises	18,375	18,223	18,629	18,782	19,229	18,716	19,259	19,222	19,116	19,034	19,158	18,915
% change	*2.0%*	*-0.2%*	*8.9%*	*3.3%*	*9.5%*	*1.9%*	*0.6%*	*-0.8%*	*-2.2%*	*-1.7%*	*2.4%*	*-1.3%*
Admin., Support, & Waste Mgt.	96,199	97,960	98,663	99,623	102,892	99,785	105,141	105,137	104,646	104,205	104,782	103,946
% change	*0.3%*	*6.8%*	*2.9%*	*3.9%*	*13.1%*	*3.7%*	*8.7%*	*0.0%*	*-1.9%*	*-1.7%*	*5.0%*	*-0.8%*
Education & Health Services	227,696	227,535	227,906	228,100	228,884	228,106	231,161	232,165	233,366	234,894	232,897	237,985
% change	*0.6%*	*-0.1%*	*0.7%*	*0.3%*	*1.4%*	*0.2%*	*4.0%*	*1.7%*	*2.1%*	*2.6%*	*2.1%*	*2.2%*
Leisure & Hospitality	151,574	154,317	154,417	155,958	155,344	155,009	156,178	156,223	156,475	156,863	156,435	158,245
% change	*3.0%*	*2.9%*	*0.3%*	*4.0%*	*-1.6%*	*2.3%*	*2.1%*	*0.1%*	*0.6%*	*1.0%*	*0.9%*	*1.2%*
Arts, Entertainment, & Recreation	14,608	14,718	14,597	14,852	13,762	14,482	13,811	13,716	13,630	13,601	13,690	13,563
% change	*2.4%*	*1.1%*	*-3.3%*	*7.0%*	*-29.4%*	*-0.9%*	*1.4%*	*-2.8%*	*-2.5%*	*-0.9%*	*-5.5%*	*-0.9%*
Accommodation & Food Services	136,966	139,599	139,821	141,106	141,583	140,527	142,367	142,507	142,845	143,262	142,745	144,682
% change	*3.1%*	*3.1%*	*0.6%*	*3.7%*	*1.4%*	*2.6%*	*2.2%*	*0.4%*	*0.9%*	*1.2%*	*1.6%*	*1.4%*
Other Services	59,112	59,323	58,824	59,106	59,887	59,285	59,437	59,417	59,415	59,373	59,411	59,499
% change	*0.9%*	*0.3%*	*-3.4%*	*1.9%*	*5.3%*	*0.3%*	*-3.0%*	*-0.1%*	*0.0%*	*-0.3%*	*0.2%*	*0.1%*
Government	348,585	347,635	347,706	348,162	348,506	348,002	348,436	349,176	349,933	350,719	349,566	352,986
% change	*0.4%*	*-0.3%*	*0.1%*	*0.5%*	*0.4%*	*-0.2%*	*-0.1%*	*0.8%*	*0.9%*	*0.9%*	*0.4%*	*1.0%*
Federal Government	47,128	46,066	46,182	46,405	46,596	46,312	46,476	46,429	46,385	46,344	46,409	46,255
% change	*-2.5%*	*-2.9%*	*1.0%*	*1.9%*	*1.6%*	*-1.7%*	*-1.0%*	*-0.4%*	*-0.4%*	*-0.4%*	*0.2%*	*-0.3%*
State & Local Government	301,458	301,568	301,524	301,756	301,910	301,690	301,959	302,746	303,547	304,374	303,157	306,731
% change	*0.9%*	*0.1%*	*-0.1%*	*0.3%*	*0.2%*	*0.1%*	*0.1%*	*1.0%*	*1.1%*	*1.1%*	*0.5%*	*1.2%*
State Government	86,299	85,956	85,793	85,753	85,792	85,824	85,689	85,826	85,956	86,080	85,888	86,378
% change	*-0.1%*	*-1.2%*	*-0.8%*	*-0.2%*	*0.2%*	*-0.6%*	*-0.5%*	*0.6%*	*0.6%*	*0.6%*	*0.1%*	*0.6%*
Local Government	215,159	215,612	215,731	216,003	216,118	215,866	216,270	216,920	217,592	218,294	217,269	220,353
% change	*1.3%*	*0.6%*	*0.2%*	*0.5%*	*0.2%*	*0.3%*	*0.3%*	*1.2%*	*1.2%*	*1.3%*	*0.6%*	*1.4%*