
Lawton, Oklahoma / Ft. Sill

**2017 Economic Review and
Outlook**

May 17, 2017

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President and Economist



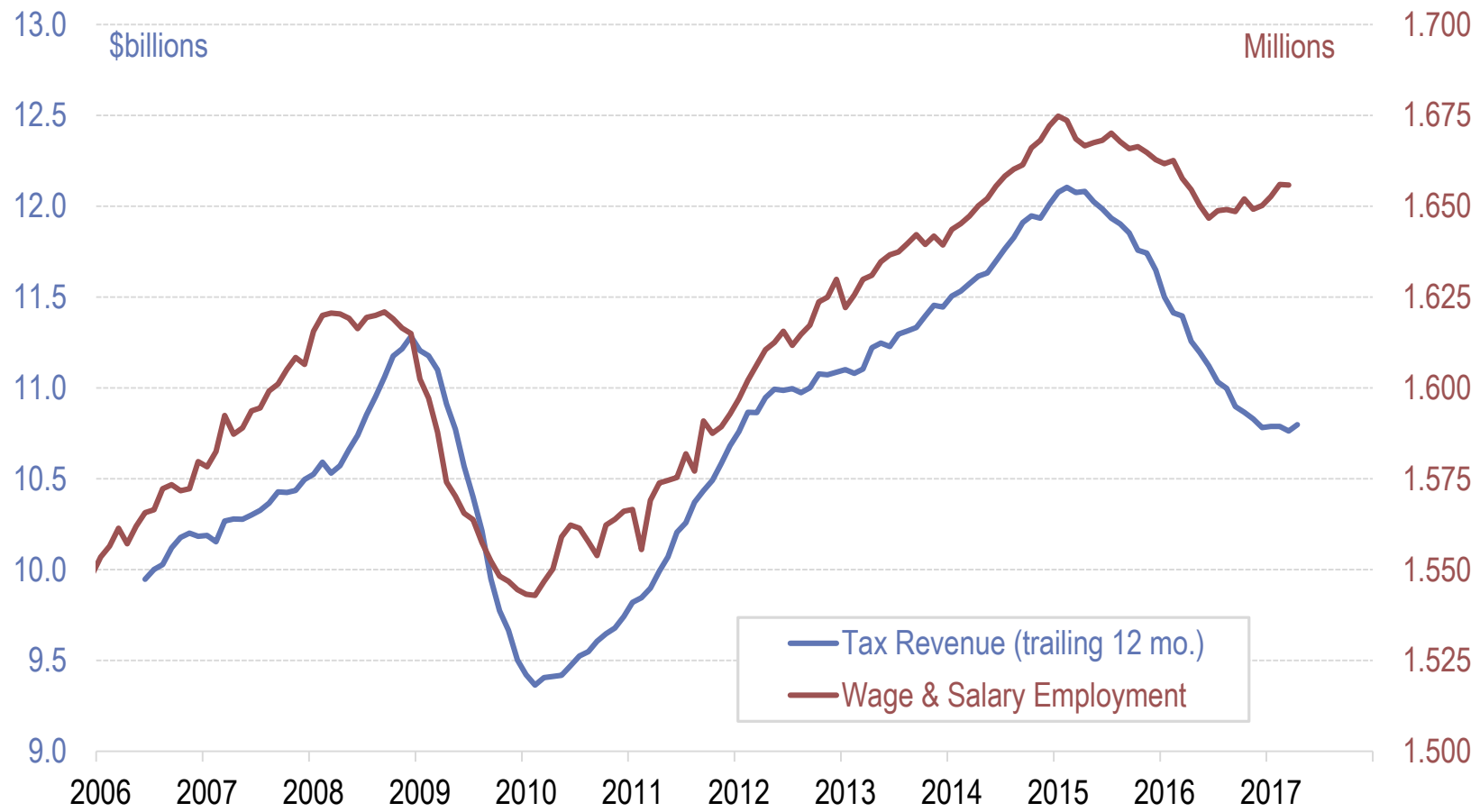
Key Topics

1. Another year of steady progress in 2016
2. State recovery in 2017 is a potential tailwind
3. Federal downsizing eases but remains a risk
4. Private sector continues to provide growth
5. Further long-run adjustment ahead

State Recovery Emerges Along With Oil and Gas

Employment rebound underway, tax revenue following close behind

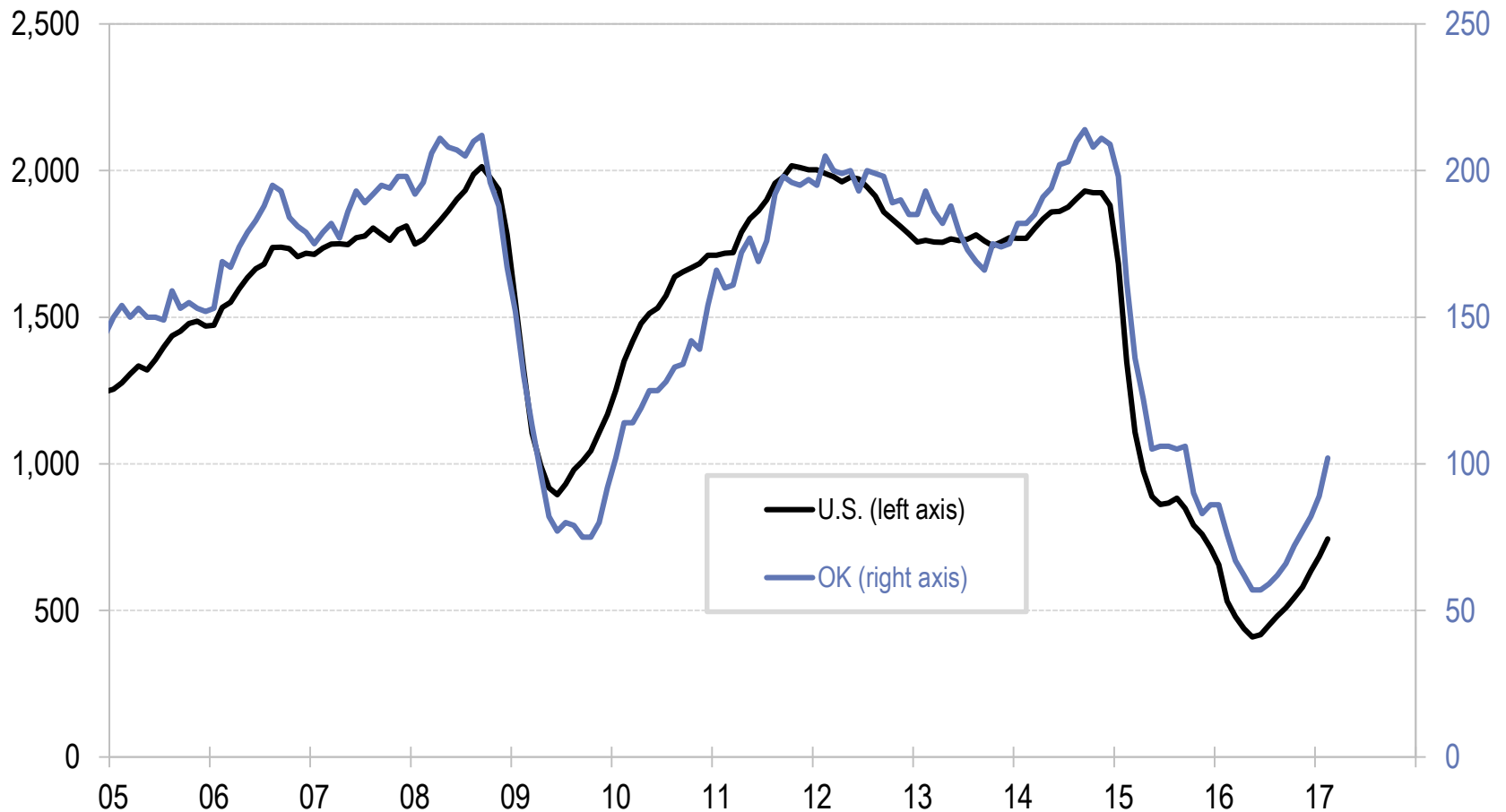
Total Tax Revenue and Wage & Salary Employment
State of Oklahoma



Source: Bureau of Labor Statistics and RegionTrack calculations

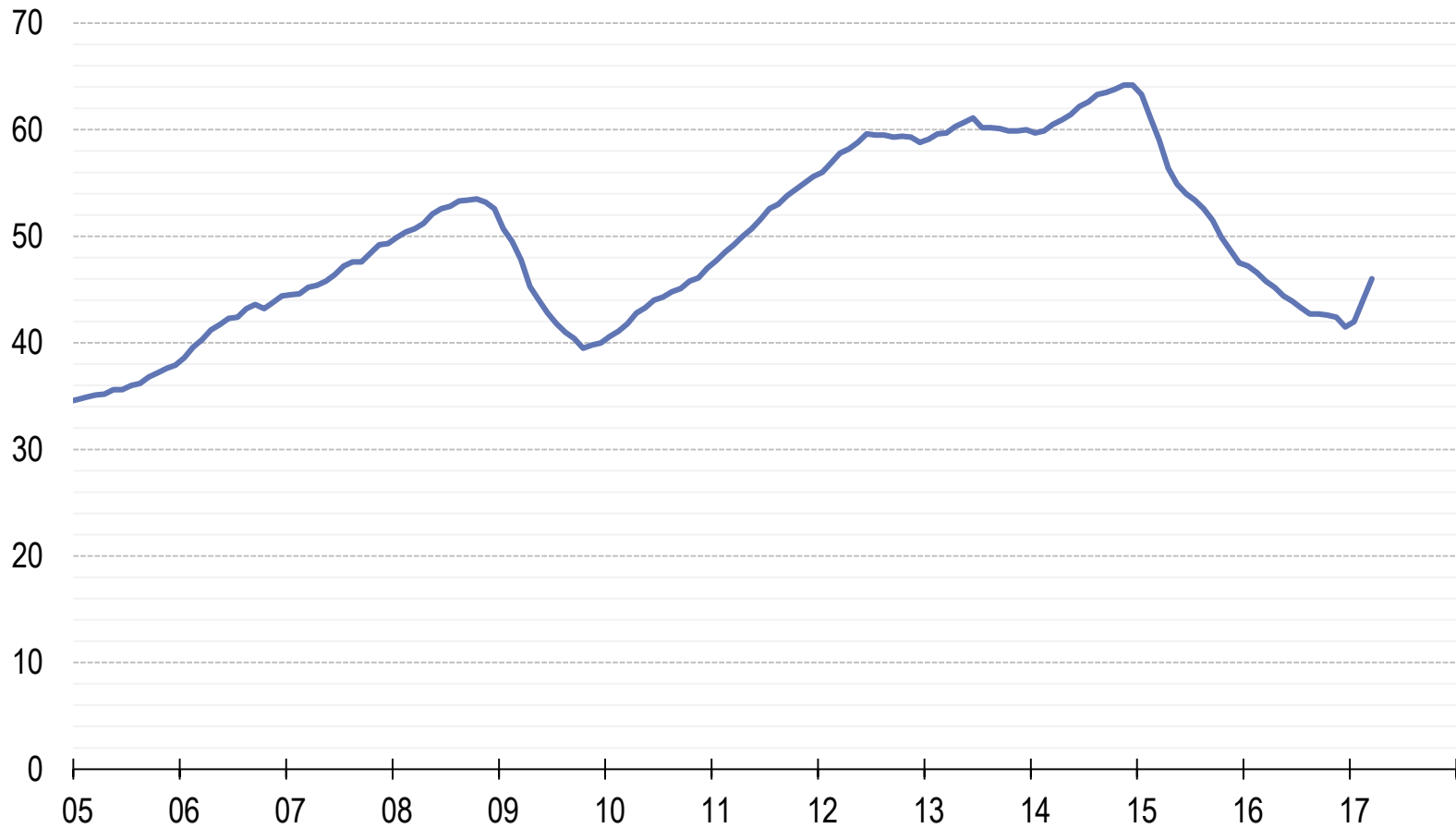
Strong rebound in drilling activity

Drilling Rig Count
U.S. vs. Oklahoma



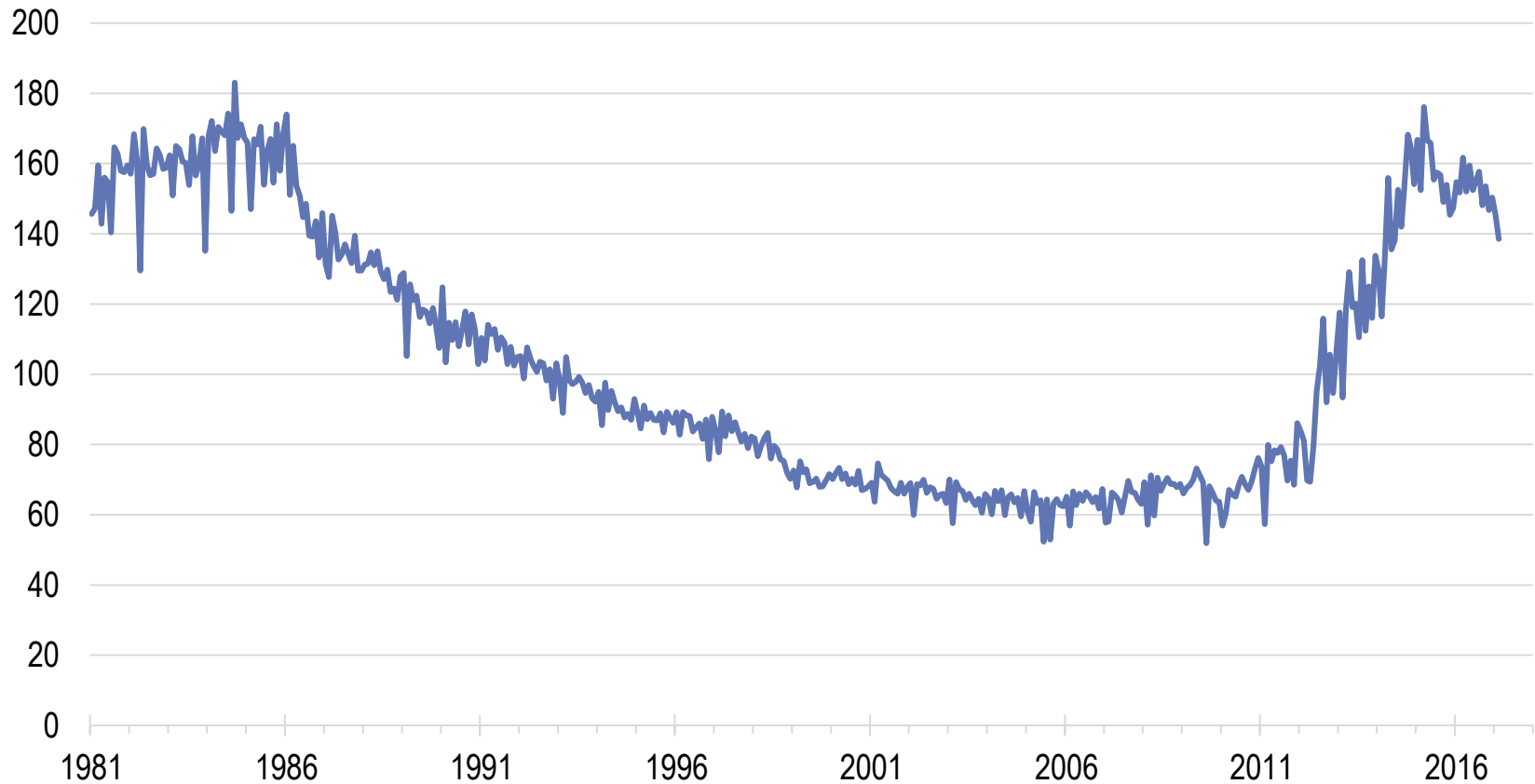
Oil and gas employment on the rise

Oklahoma Mining Wage & Salary Employment
thousands, seasonally adjusted



Production rebound not expected until 2nd half 2017

Oklahoma Field Production of Crude Oil
million barrels at annual rate

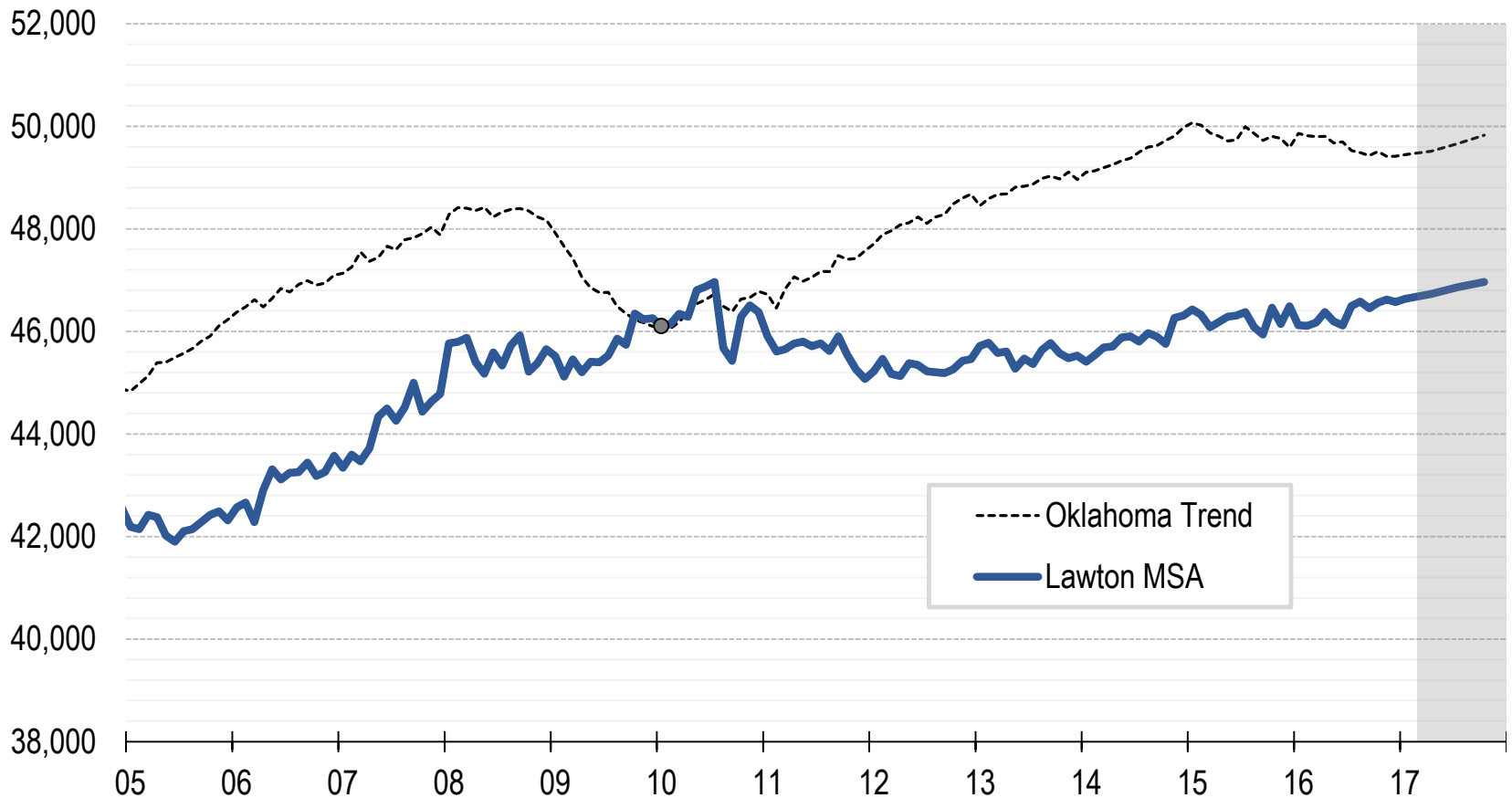


Local Recovery Aligns With State Cycle

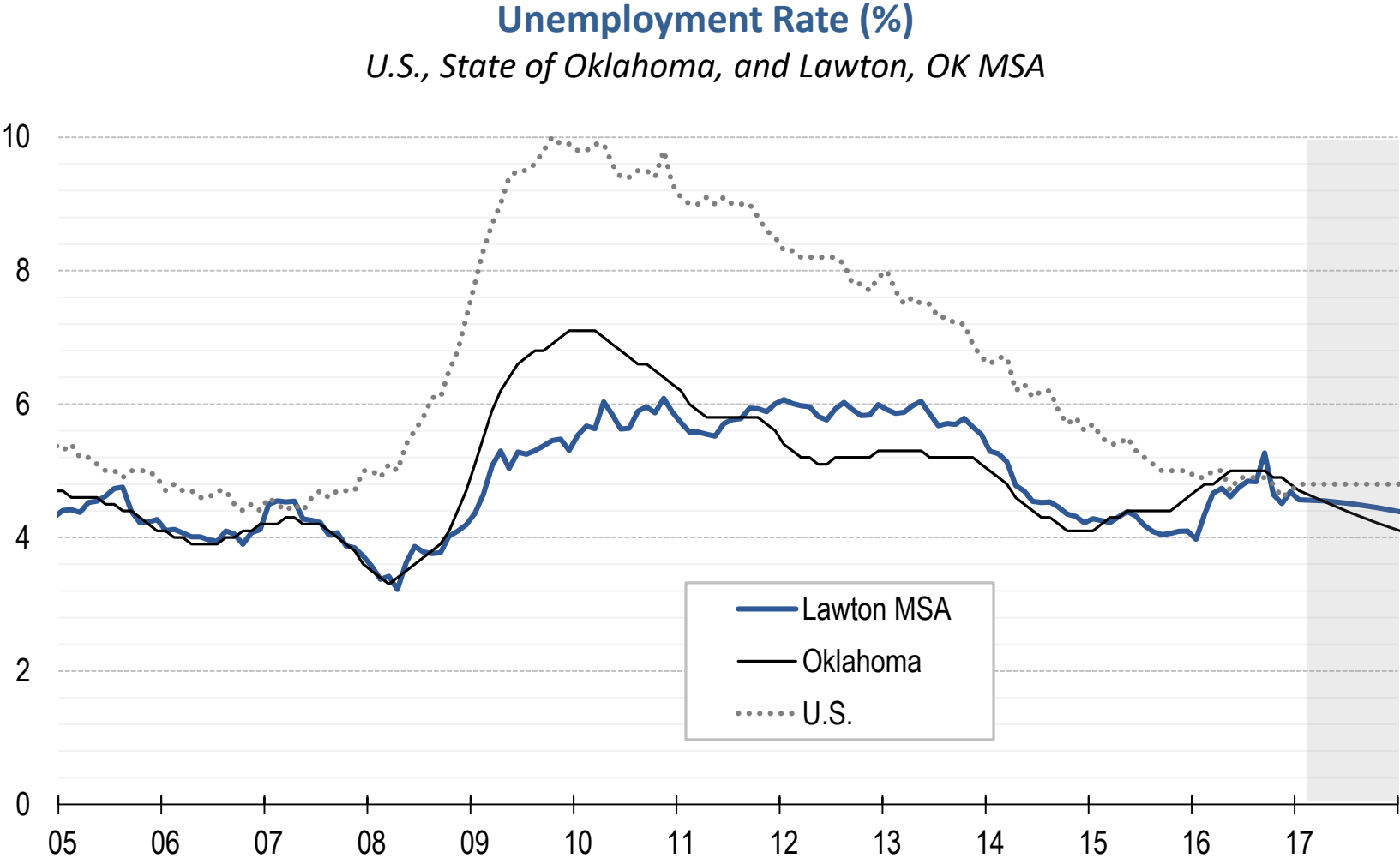
Lawton private sector employment remains locked in slow uptrend

Wage and Salary Employment (non-military)

State of Oklahoma Trend and Lawton, OK MSA; seasonally adjusted



Local jobless rate has moved along with the state



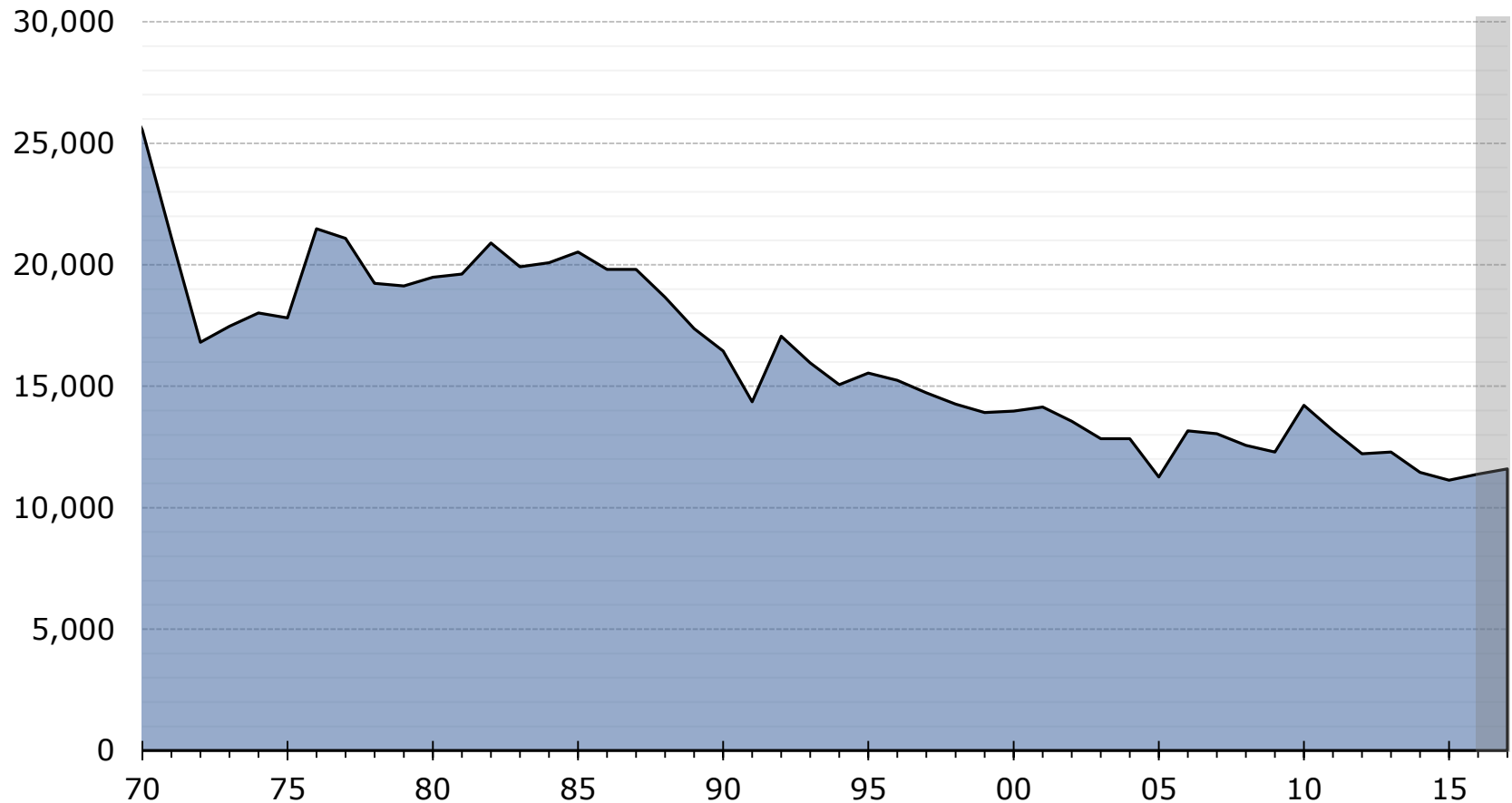
Source: Bureau of Labor Statistics and RegionTrack estimates

Federal Hiring Remains a Net Drag on Growth

Military hiring showing signs of stability in 16/17

Military Employment

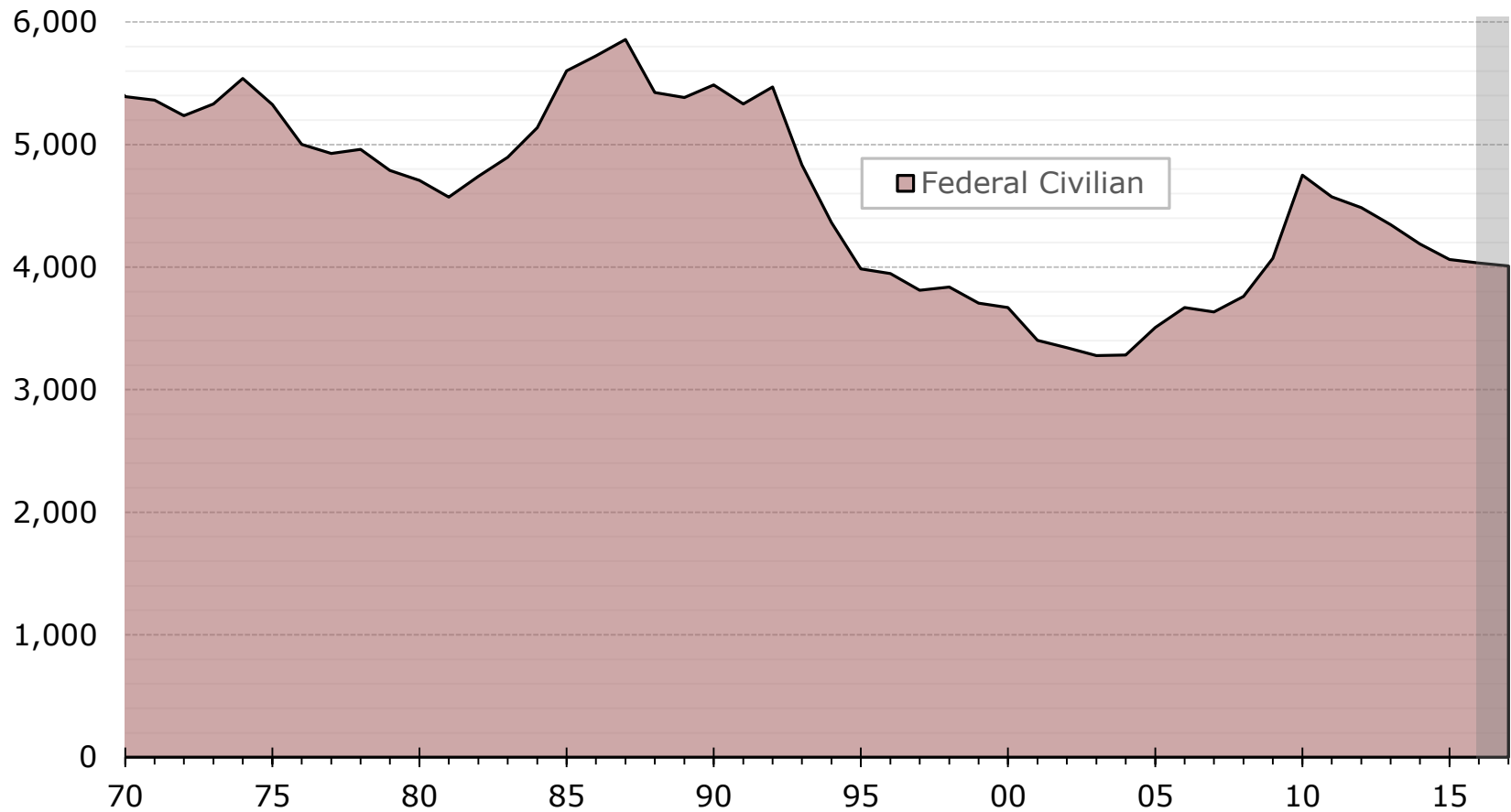
Comanche County, OK



Federal civilian firing remains in a slow downtrend

Federal Civilian Employment

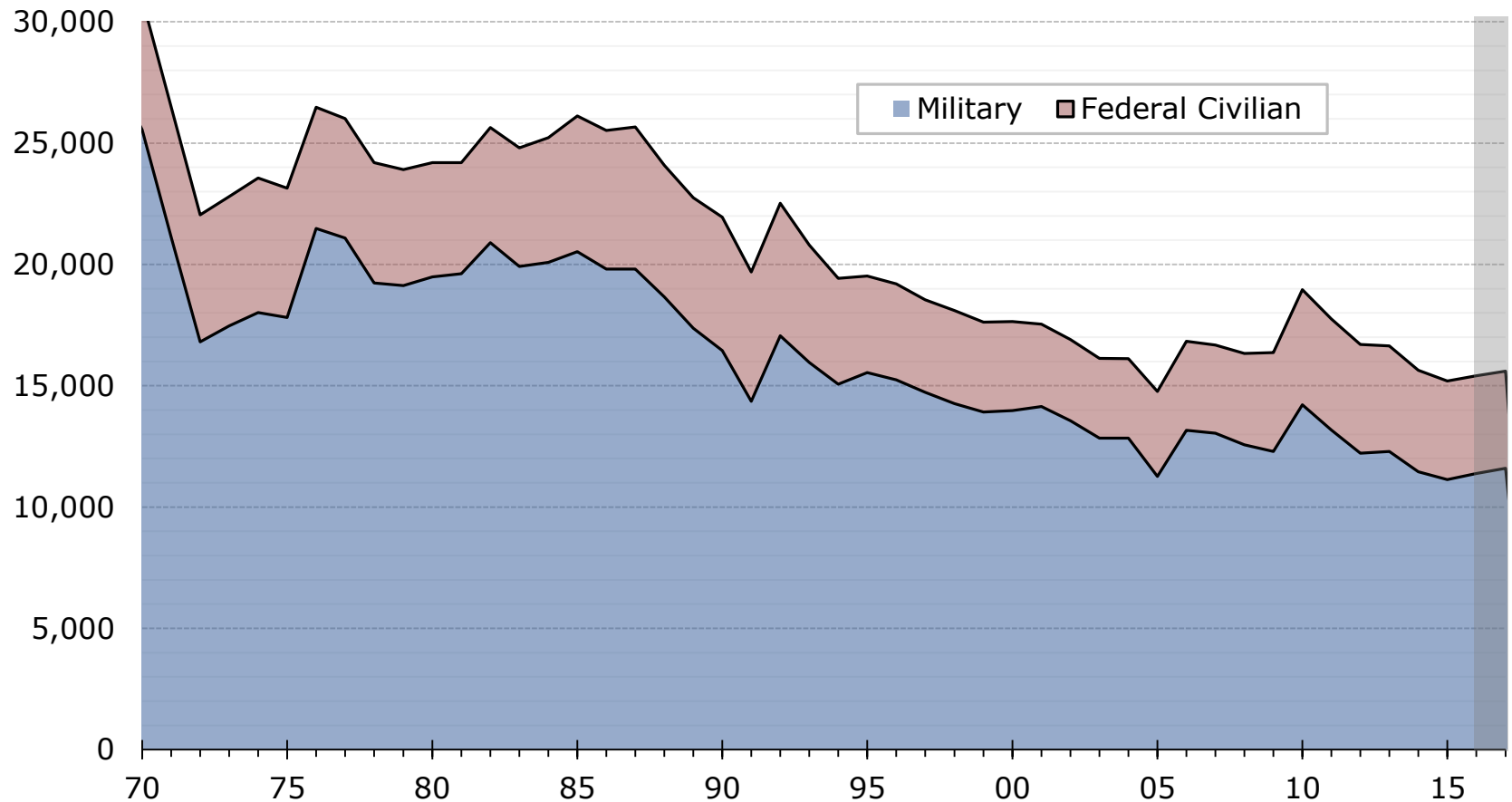
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Some stabilization in overall Federal hiring in 2017

Federal Civilian and Military Employment

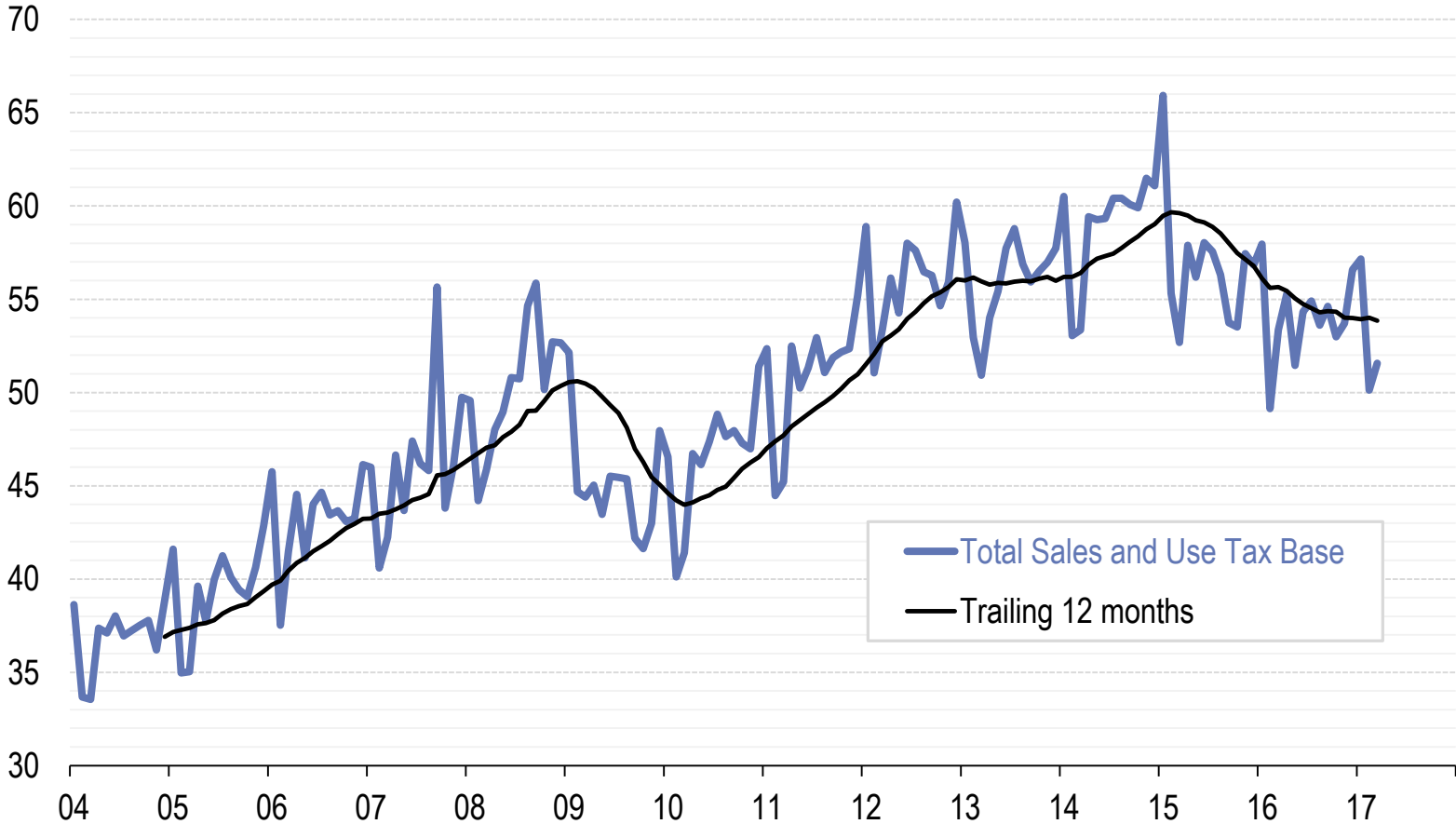
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Oklahoma Retail Markets Remain Sluggish

State sales and use tax remains weak

Oklahoma Sales and Use Tax Base
billions of dollars at annual rate



Source: Oklahoma Tax Commission and RegionTrack calculations

Lawton retail sales far outpace state in 2016

Oklahoma's 30 Largest City Retail Markets – Taxable Sales

City	2015	2016	% CHG	City	2015	2016	% CHG
1 El Reno	281,037,533	315,192,485	12.2%	16 Sapulpa	305,382,099	301,124,904	-1.4%
2 Owasso	788,725,547	810,290,215	2.7%	17 Edmond	1,711,391,213	1,687,361,168	-1.4%
3 Tahlequah	290,012,172	295,584,545	1.9%	18 Tulsa	7,683,105,412	7,567,091,657	-1.5%
4 Bixby	292,746,716	296,823,559	1.4%	19 Yukon	531,262,352	522,425,608	-1.7%
5 Moore	852,921,980	860,772,752	0.9%	20 Bartlesville	552,232,623	540,457,124	-2.1%
6 Durant	346,720,364	349,131,298	0.7%	21 Ardmore	579,872,880	562,811,026	-2.9%
7 Shawnee	595,837,269	595,660,430	0.0%	22 Ponca City	381,661,828	368,943,148	-3.3%
8 Sand Springs	306,989,616	306,706,806	-0.1%	23 OKC	10,933,075,681	10,510,180,325	-3.9%
9 Broken Arrow	1,367,122,884	1,365,784,213	-0.1%	24 Duncan	415,628,306	399,049,200	-4.0%
10 Ada	379,395,275	378,840,611	-0.1%	25 McAlester	401,012,802	384,902,320	-4.0%
11 Stillwater	818,307,031	816,499,312	-0.2%	26 Chickasha	284,877,803	272,599,658	-4.3%
12 Muskogee	609,136,242	606,102,821	-0.5%	27 Norman	1,923,121,078	1,839,635,052	-4.3%
13 Claremore	374,100,480	371,944,526	-0.6%	28 Enid	861,455,073	814,227,372	-5.5%
14 Lawton	1,112,715,412	1,099,422,497	-1.2%	29 Woodward	317,571,971	273,858,612	-13.8%
15 Midwest City	831,067,246	820,492,637	-1.3%	30 Elk City	321,829,479	270,539,477	-15.9%

Note: Cities are ranked by 2016 year-over-year retail sales growth. The state of Oklahoma posted -5.4% growth in 2016.

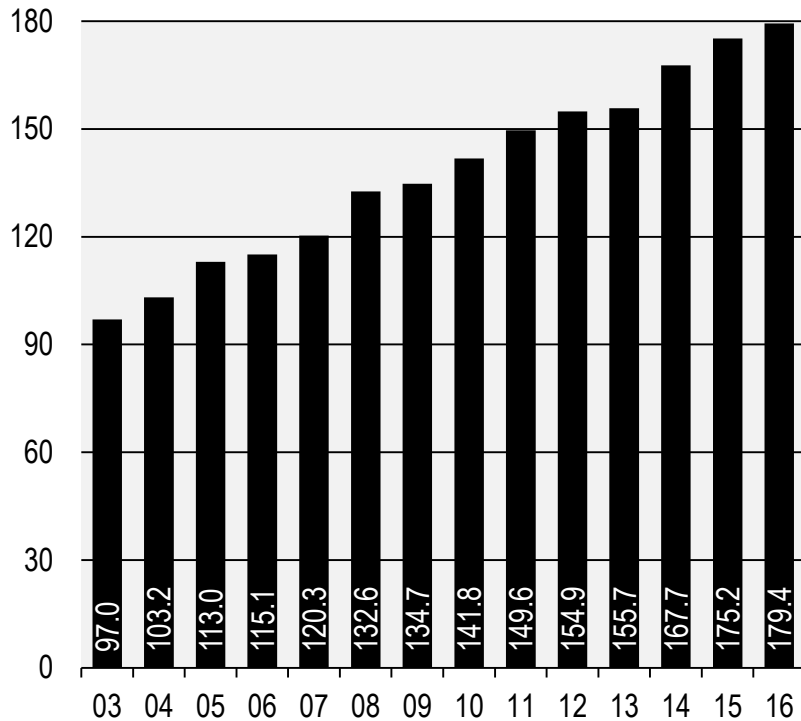
Key food service and lodging sectors growing

20% of total retail activity

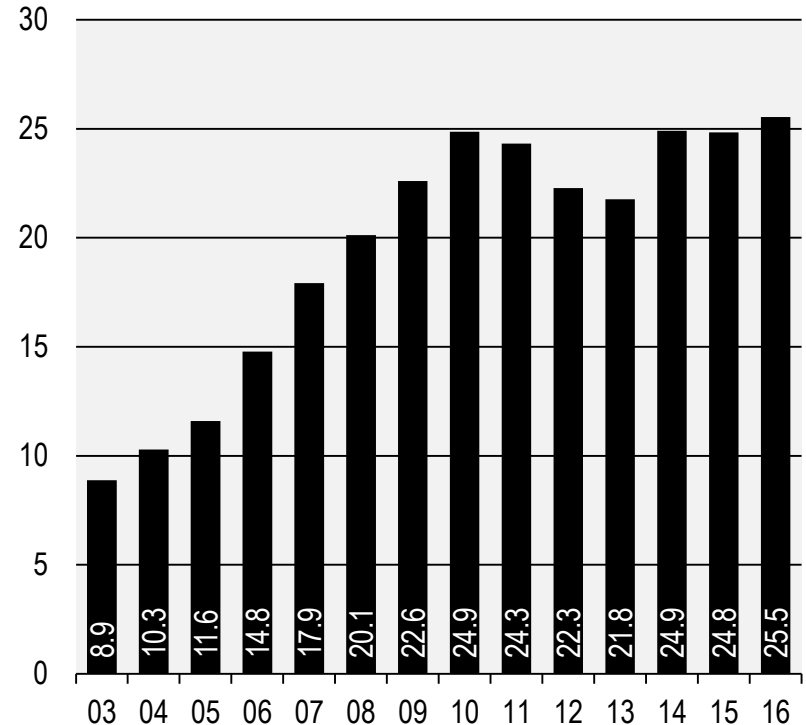
Taxable Retail Sales by Major Group - Lawton

millions of dollars at annual rate

Eating and Drinking Places



Hotel and Lodging



Other fundamentals stabilizing or improving

Establishment growth stabilizing near 2008 peak

Number of Business Establishments

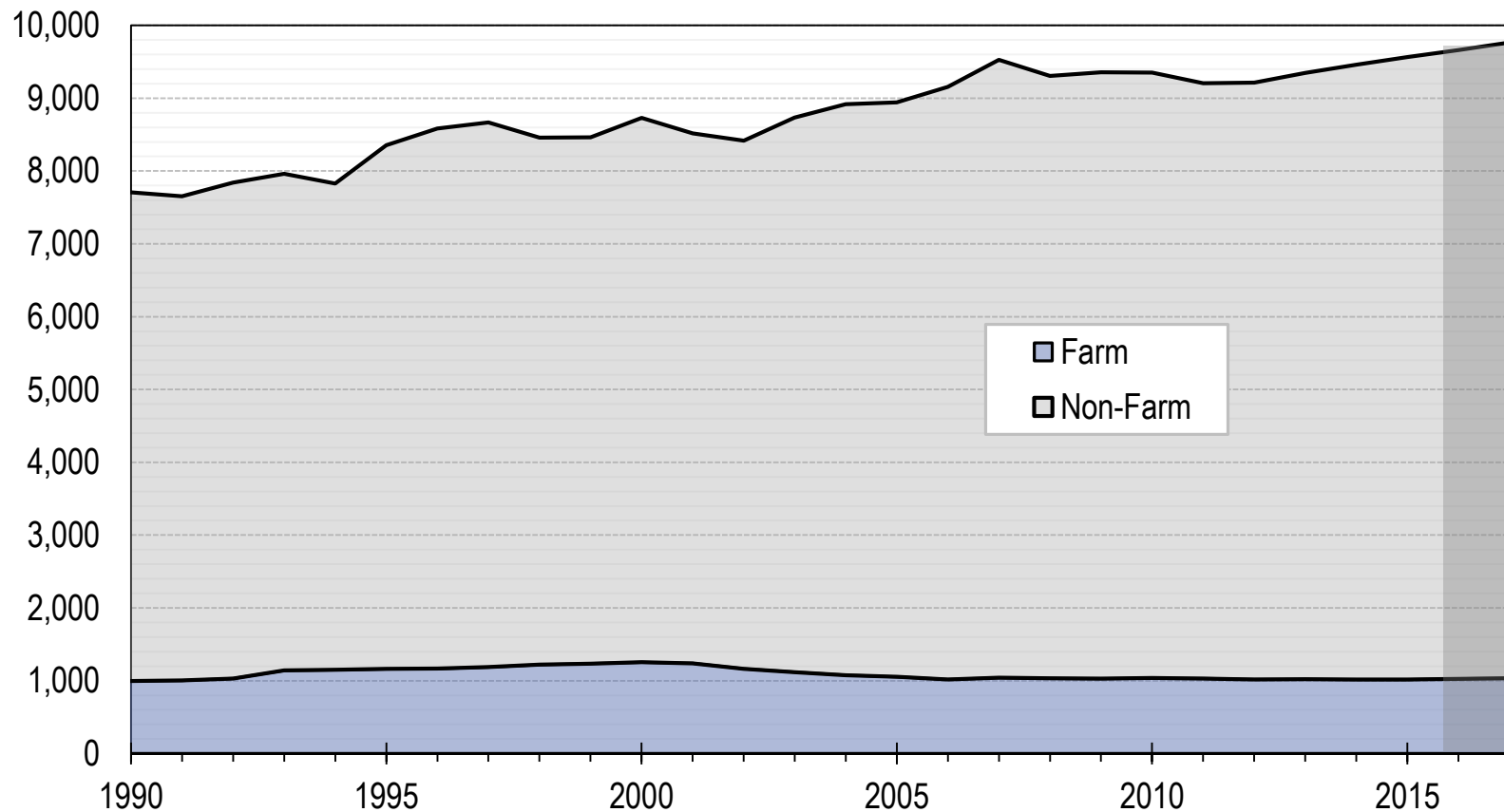
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Proprietors remain a key source of local growth

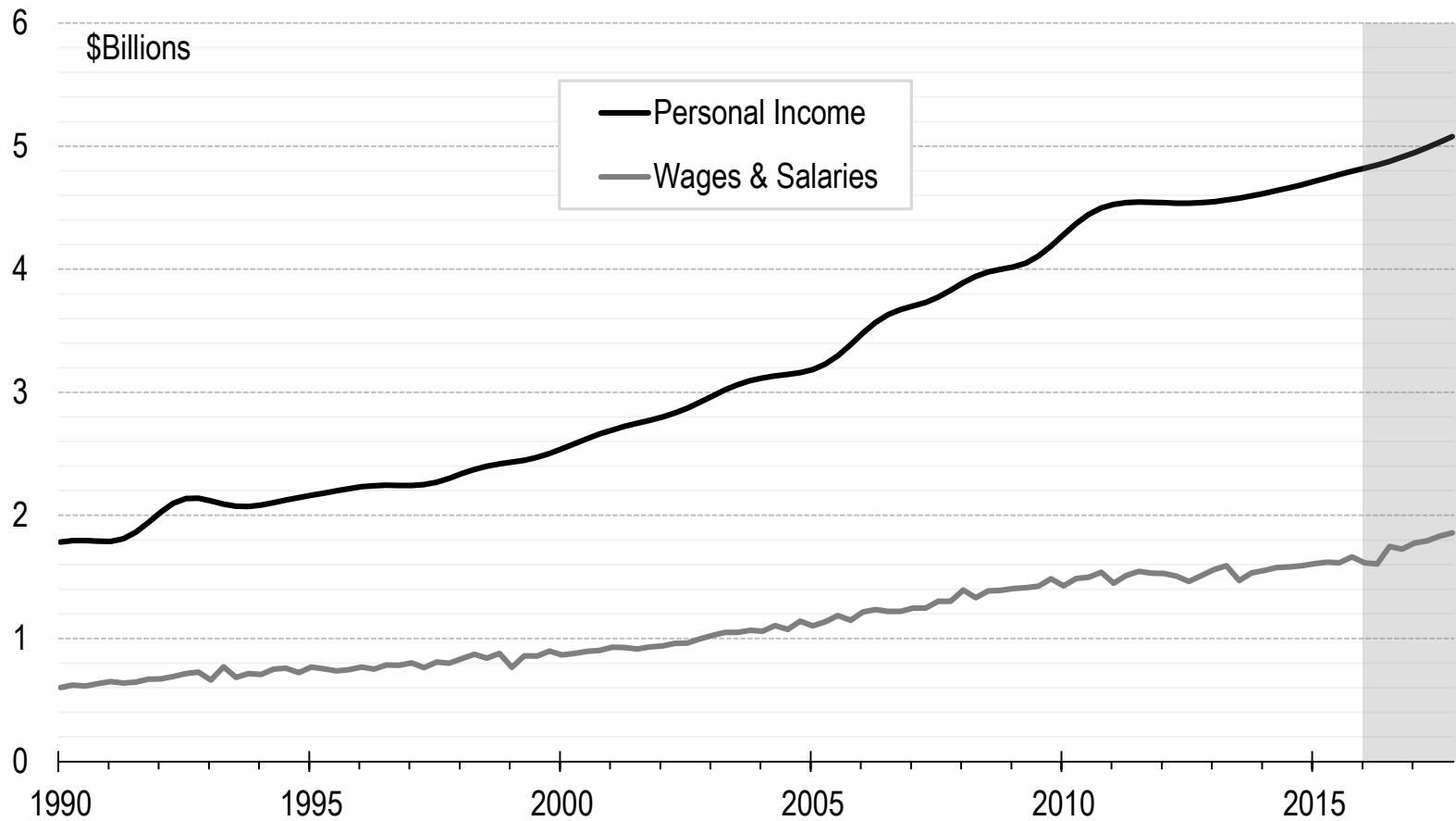
Farm and Non-Farm Proprietors

Comanche County, OK



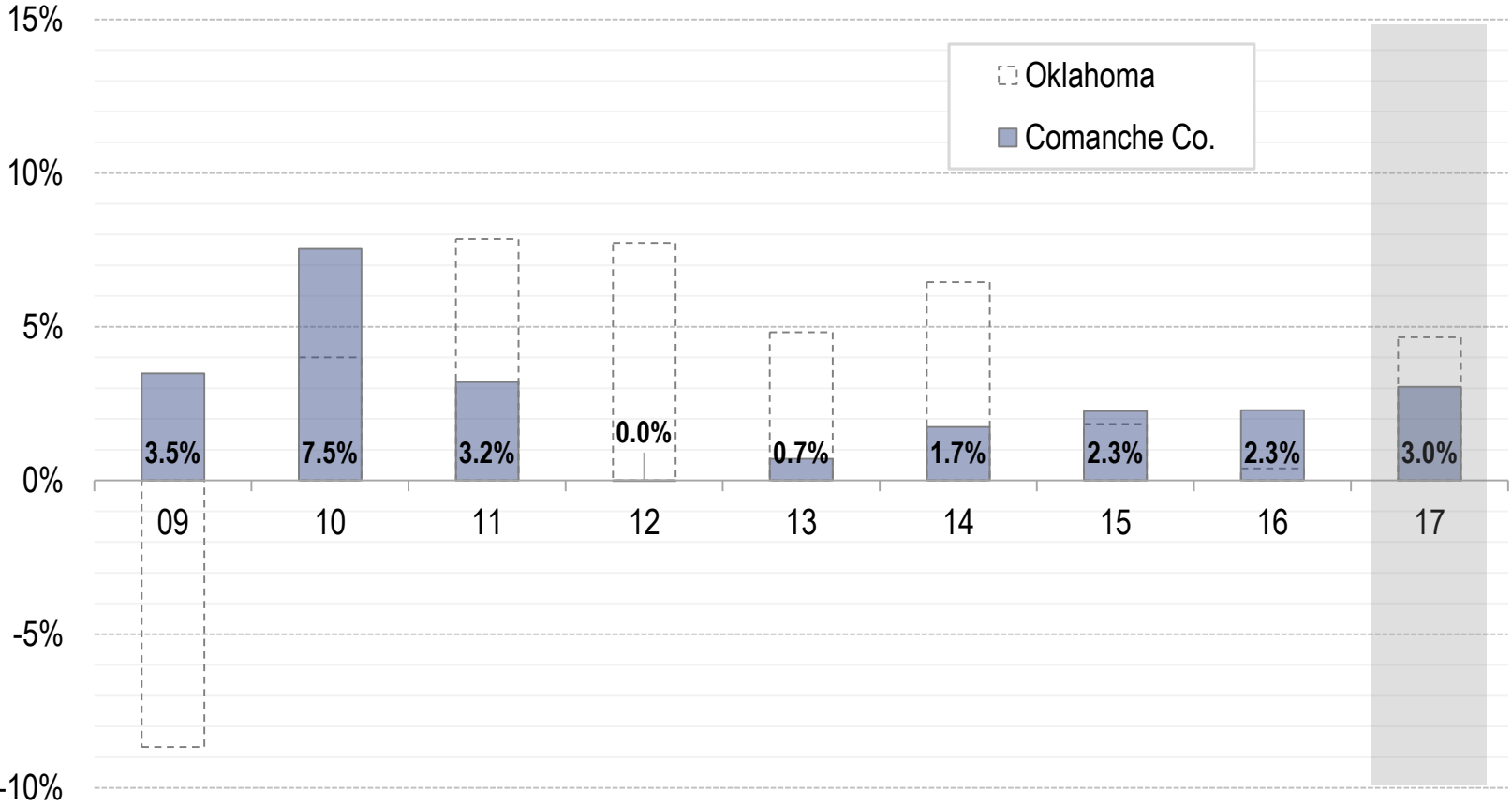
Income & wages remain in steady LR uptrend

Personal Income and Wage & Salary Disbursements
Comanche County, OK



Personal income growth expected to accelerate slightly

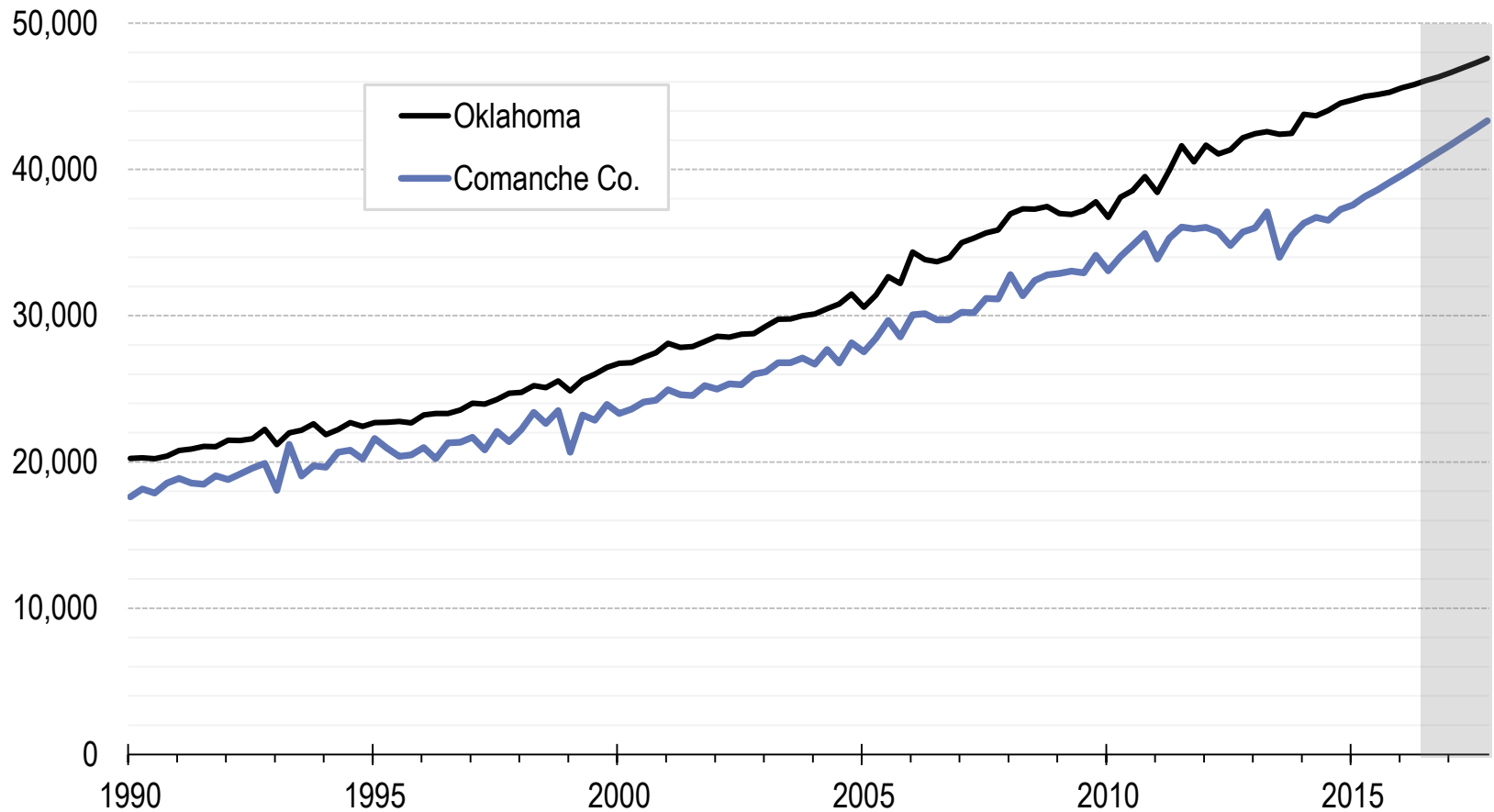
Personal Income Growth
Comanche County, OK vs. State of Oklahoma



Source: Bureau of Economic Analysis and RegionTrack forecast

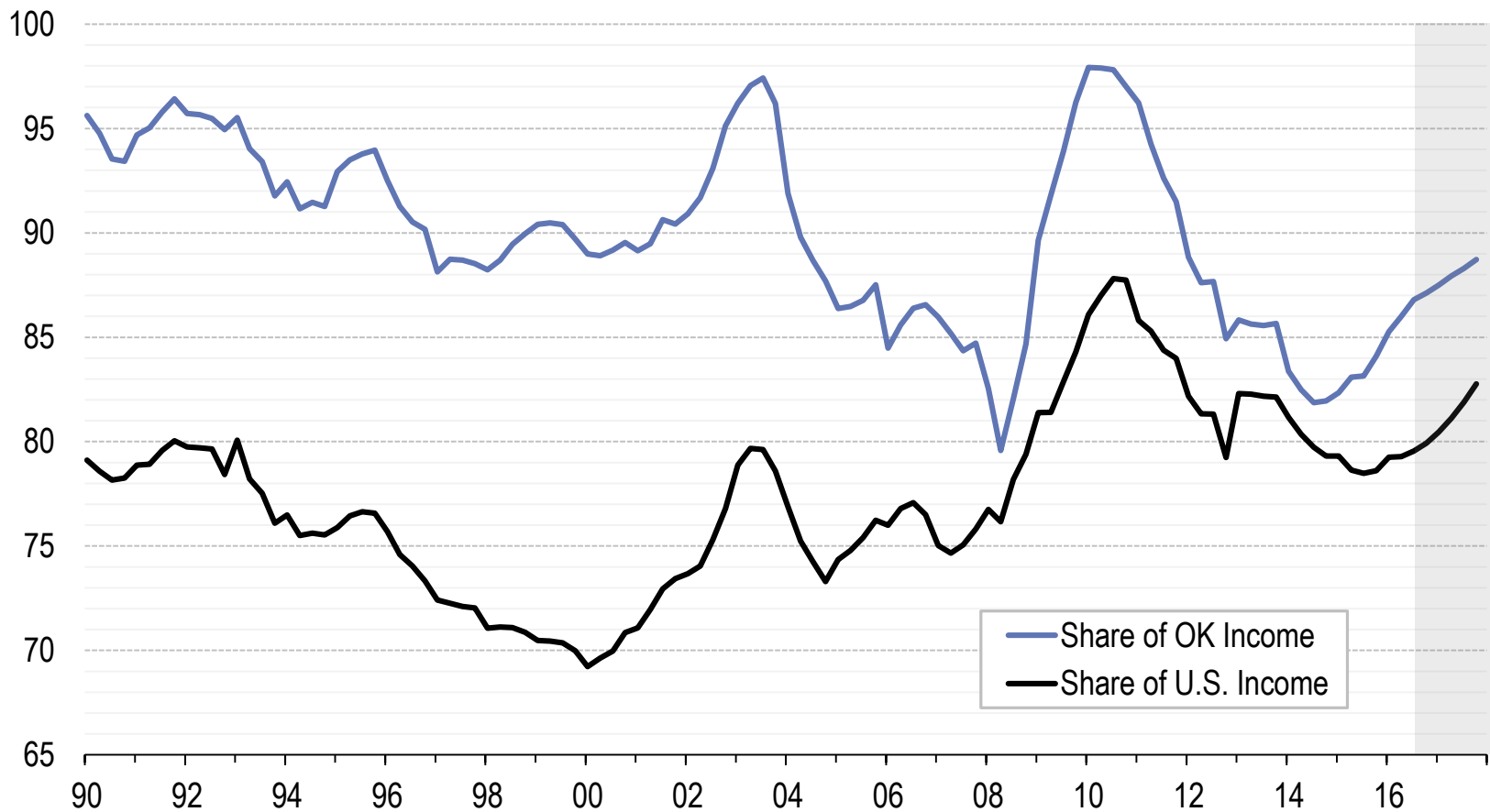
Wages per worker in steady LR uptrend

Wage and Salary Income per Worker (non-military)
State of Oklahoma and Comanche County, OK



Per capita income rebound continues

Personal Income per Capita vs. U.S. and Oklahoma
Comanche County, OK

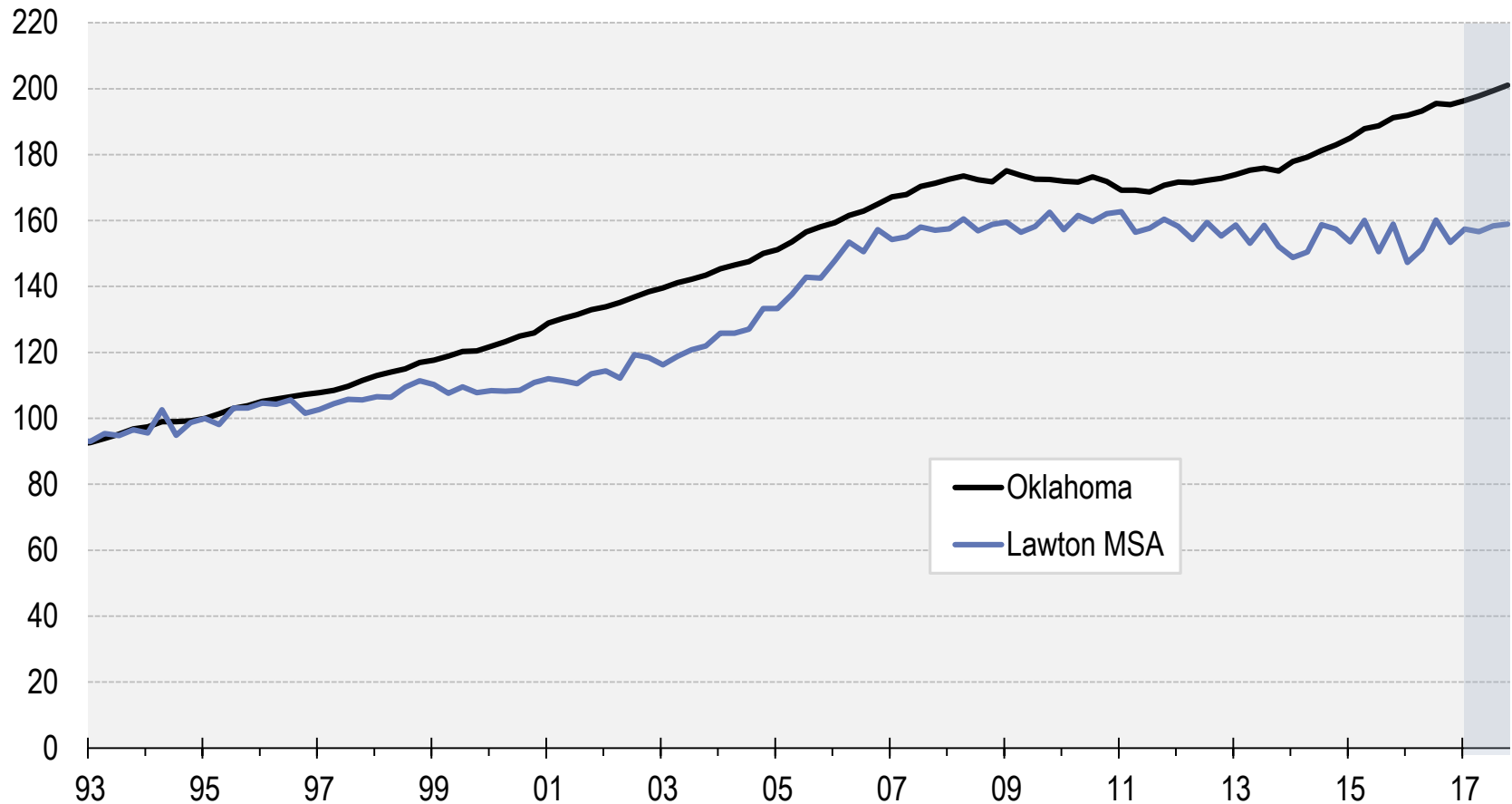


Housing Market Seeks Footing

Housing prices constrained by Federal layoffs

FHFA Housing Price Index – All Transactions

Lawton, OK MSA and State of Oklahoma



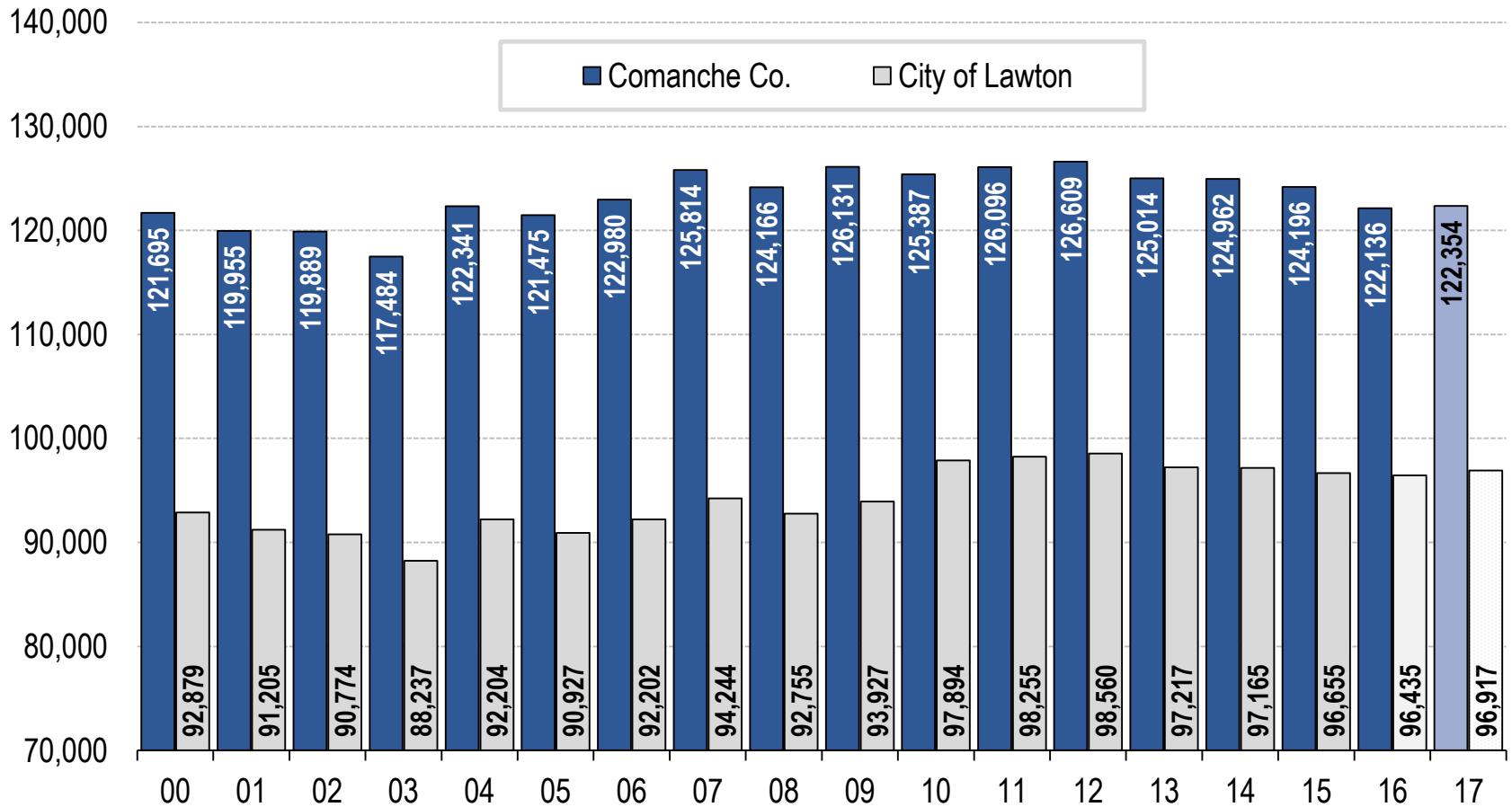
Unit sales bounced & faster sales in 2016, softness in price and sold/ask ratio

Lawton Home Sales Data *State of Oklahoma and Lawton, OK MSA*

YEAR	SALES	CHANGE IN SALES (%)	MEDIAN PRICE (\$)	MEDIAN PRICE CHANGE (%)	AVERAGE SOLD/ASKED RATIO (%)	AVERAGE DAYS ON MARKET
2011	1,414	-	122,250	-	96.6	86
2012	1,405	-0.6	122,100	-0.1	96.2	96
2013	1,288	-8.3	115,000	-5.8	95.9	94
2014	1,395	8.3	106,000	-7.8	96.5	92
2015	1,325	-5.0	103,000	-2.8	96.2	85
2016	1,369	3.3	96,500	-6.3	96.0	84

Population growth will remain soft until Federal downsizing ends

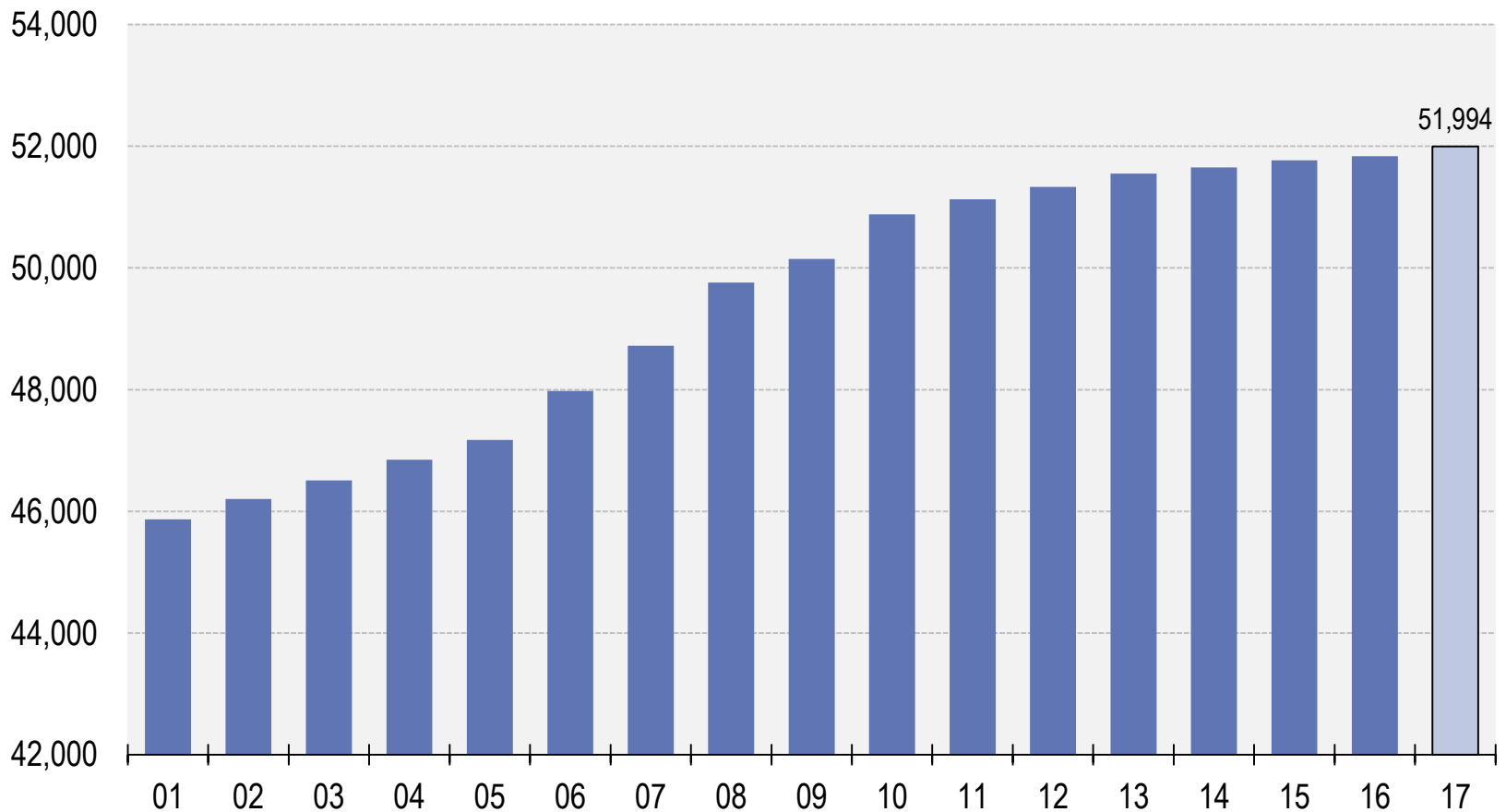
Population



Housing units reflect population trend

Total Housing Units

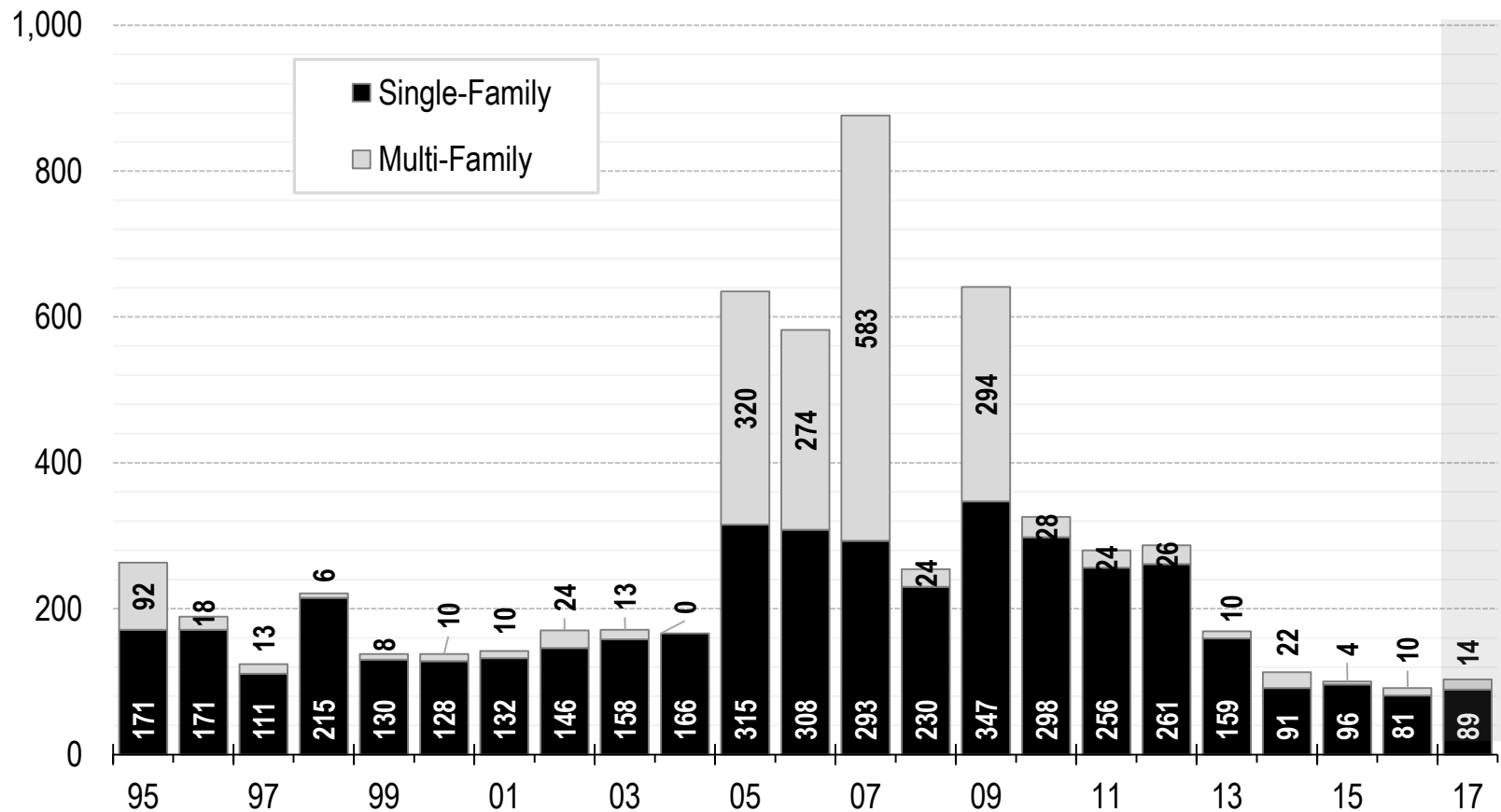
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Housing permits remain locked in a narrow range

Residential Building Permits

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Commercial construction activity stabilizing

Commercial Building Permits and Valuation

Lawton, OK

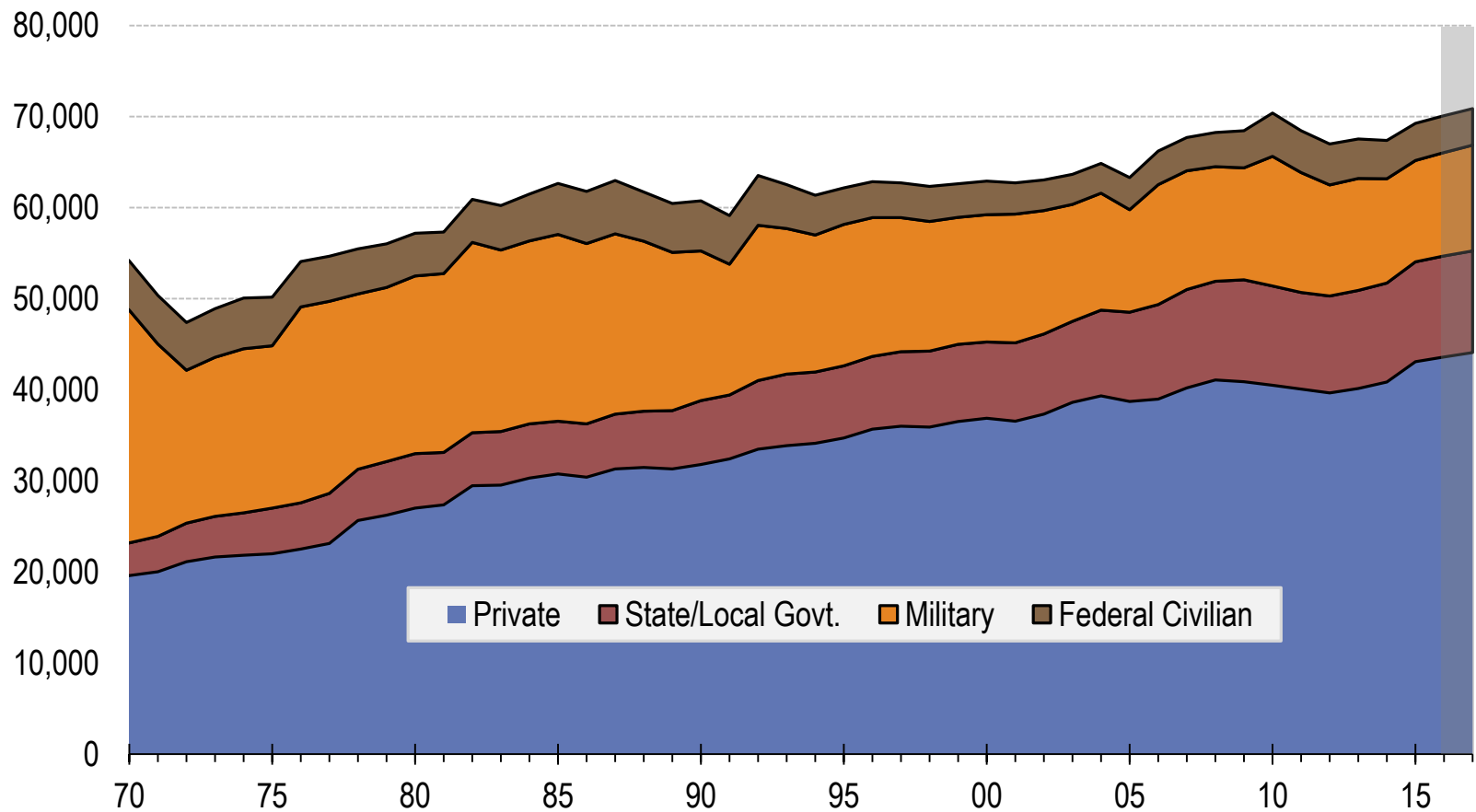
YEAR	NUMBER OF PERMITS	TOTAL VALUATION
2007	281	96,918,400
2008	298	61,030,801
2009	346	91,716,560
2010	335	22,544,084
2011	342	63,681,287
2012	334	55,508,505
2013	384	68,655,148
2014	121	44,665,653
2015	346	46,417,362
2016	352	46,184,667

Note: Valuation reflects value shown on building permit and does not include value of land. Includes new construction, additions, and remodeling.

Private Sector Growth Working to Offset Federal Softness

Transition to a smaller Federal presence continues

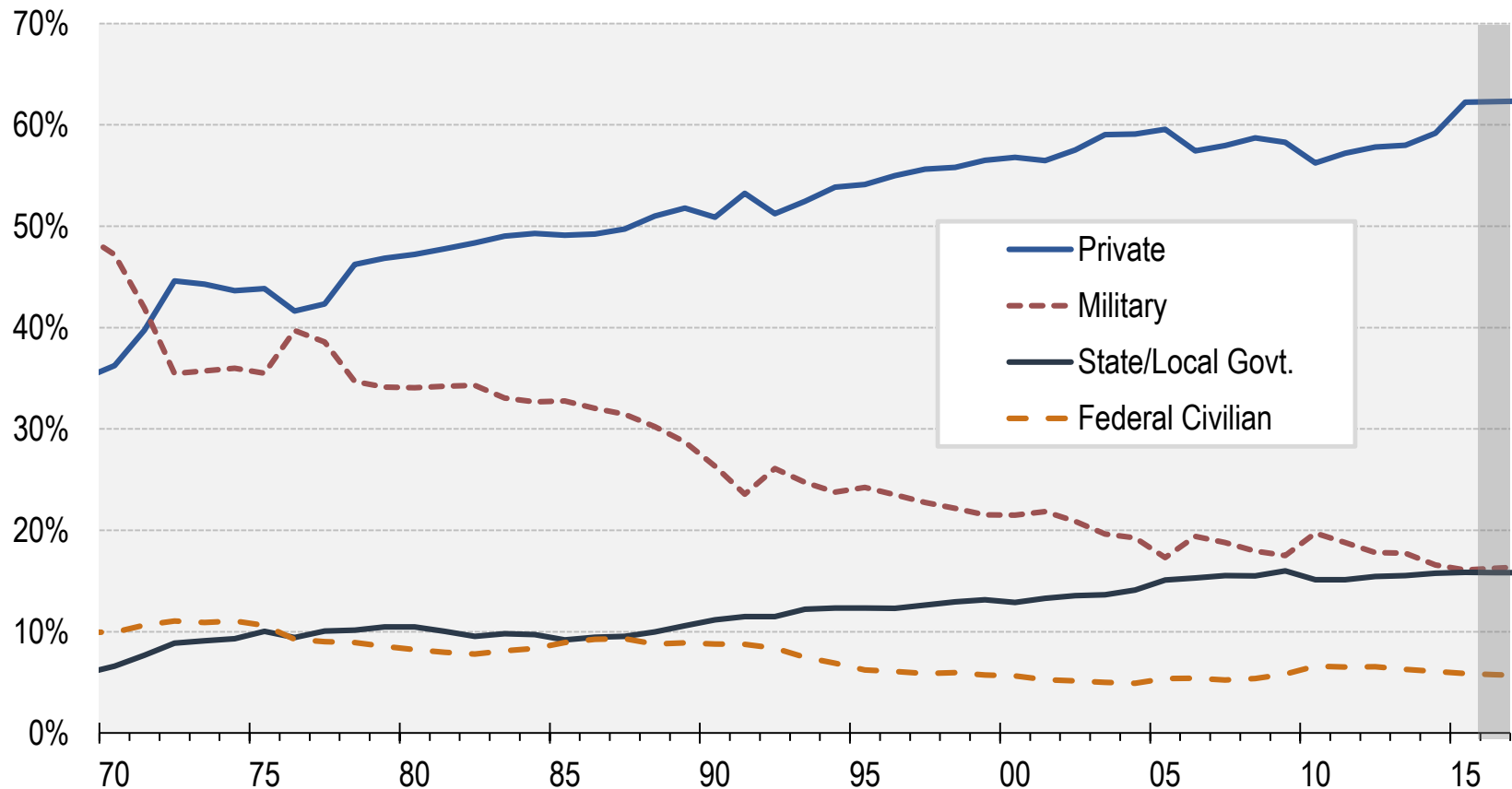
Total Employment by Major Source (Wage & Salary + Proprietors)
Comanche County, OK



Non-Federal share of local jobs pushing to 80%

Total Employment Share by Major Source (Wage & Salary + Proprietors)

Comanche County, OK



Expect a 5th consecutive year of moderate growth

2017 Outlook Summary:

1. The moderate local expansion will continue through 2017
2. Federal layoffs remain the key concern for local growth
3. Trend private job growth remains 0.5-1.0% annually
4. State recovery will aid the local recovery in 2017
5. Housing and population are tied to Federal trends
6. Private sector will provide most new jobs (80% share near)

Lawton, Oklahoma / Ft. Sill

2017 Economic Outlook

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