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# Oklahoma State and Local Area Economic Outlook

## State of Oklahoma and Tulsa MSA

Dec. 1, 2022

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President and Economist



# 5 Key Questions

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1. How are the state and Tulsa economies performing in the current cycle?
2. How are key areas of the Tulsa economy doing?
3. Any important sectoral hiring differences?
4. How is Tulsa performing on key growth fundamentals?
5. What is the outlook for 2023/24?

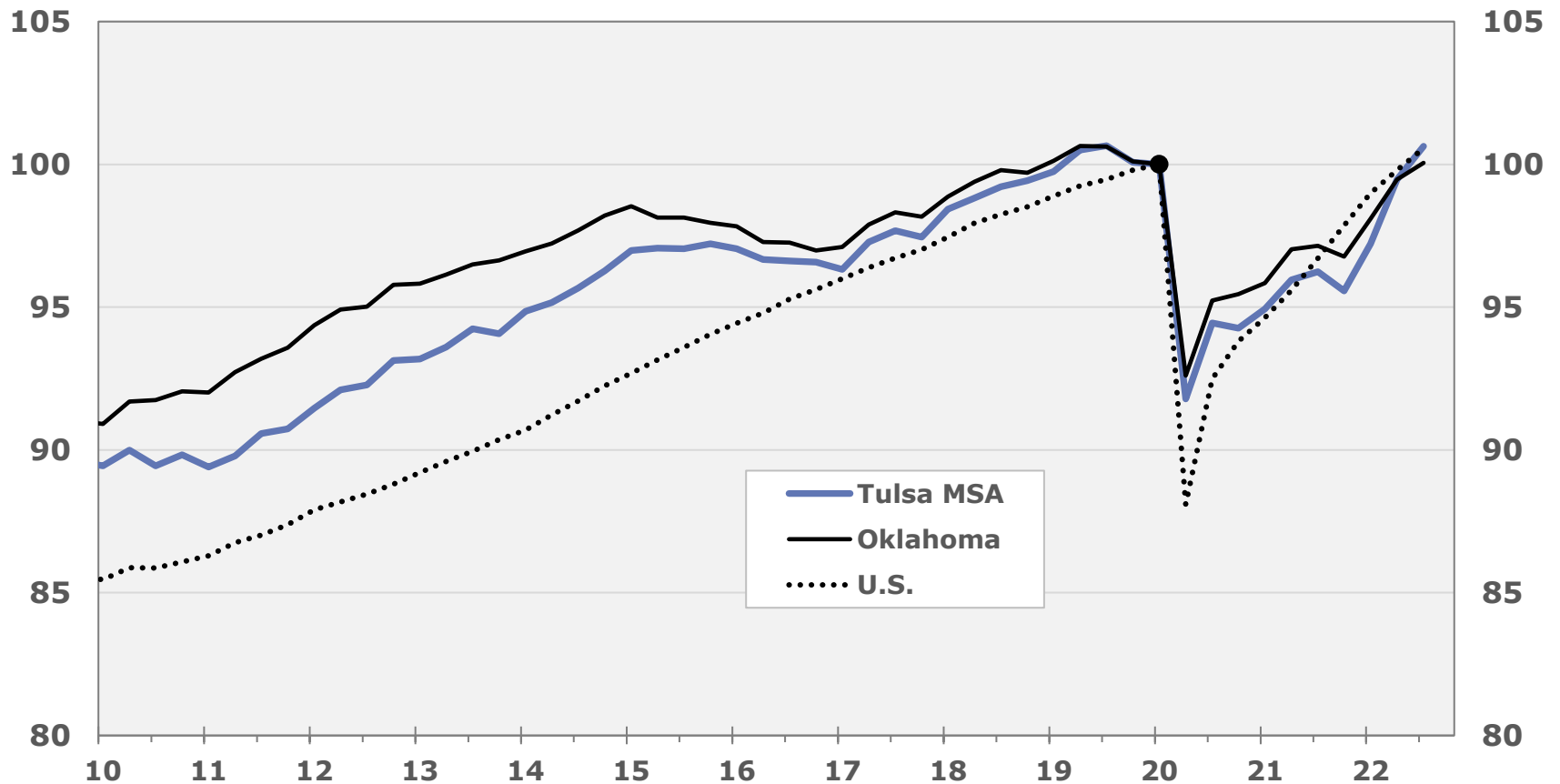
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# **1. State and Tulsa Performance**

# OK & Tulsa have not tracked the US hiring cycle

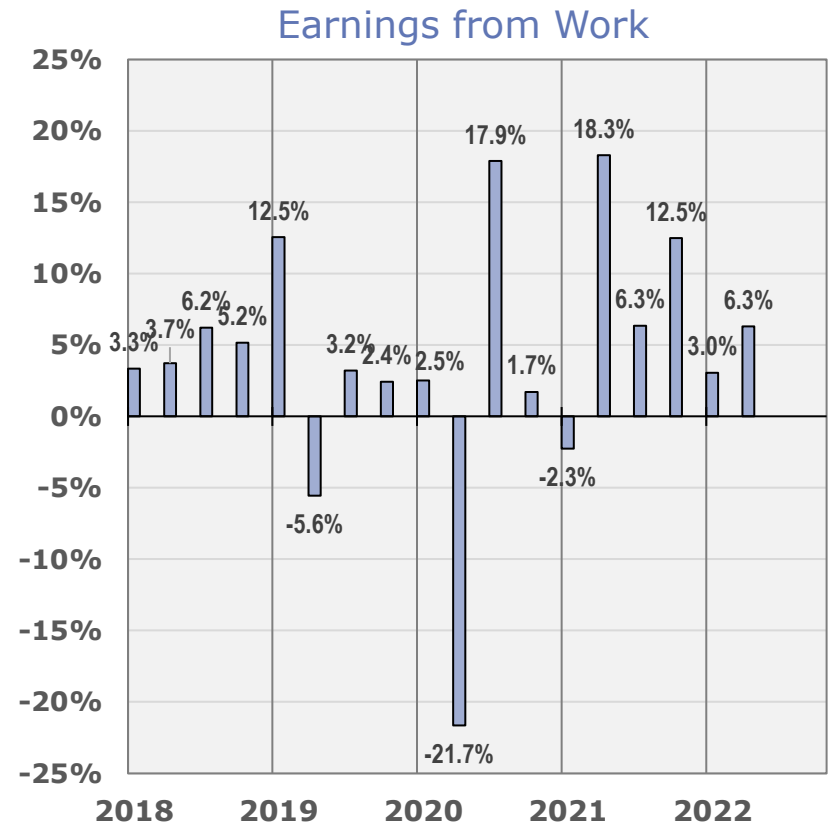
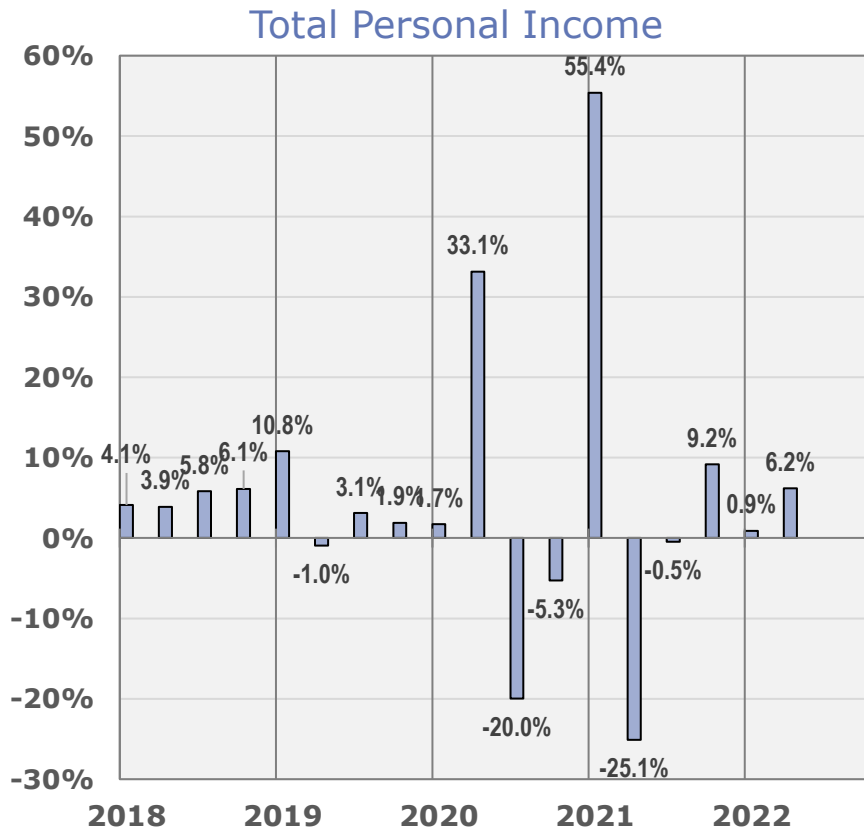
## Index of Wage and Salary Employment

Index: 2020Q1=100.0



# Earnings remain strong, overall income volatile

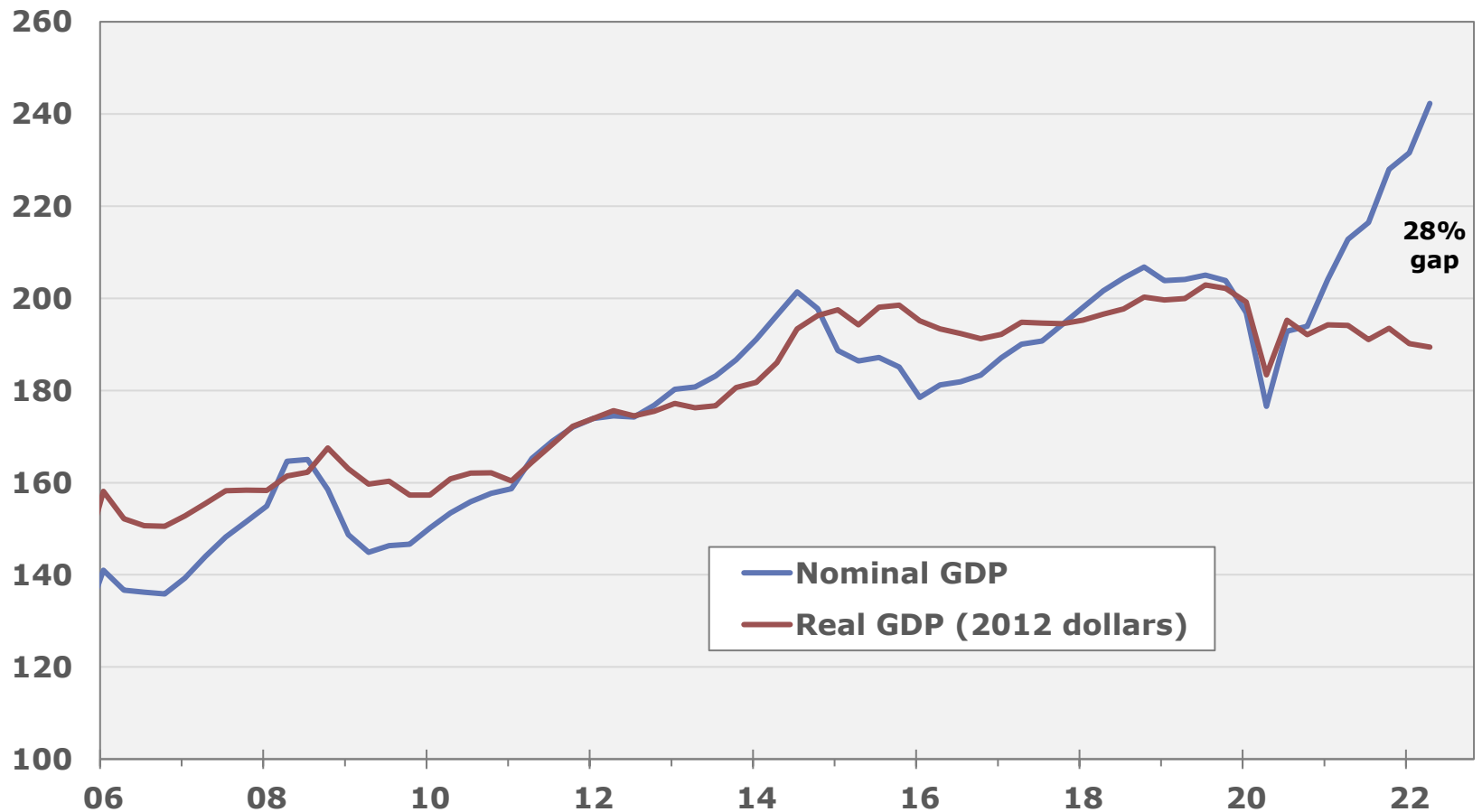
## Oklahoma Income Growth quarterly percent change at annual rate



# Inflation anomaly in GDP

## Oklahoma Gross Domestic Product

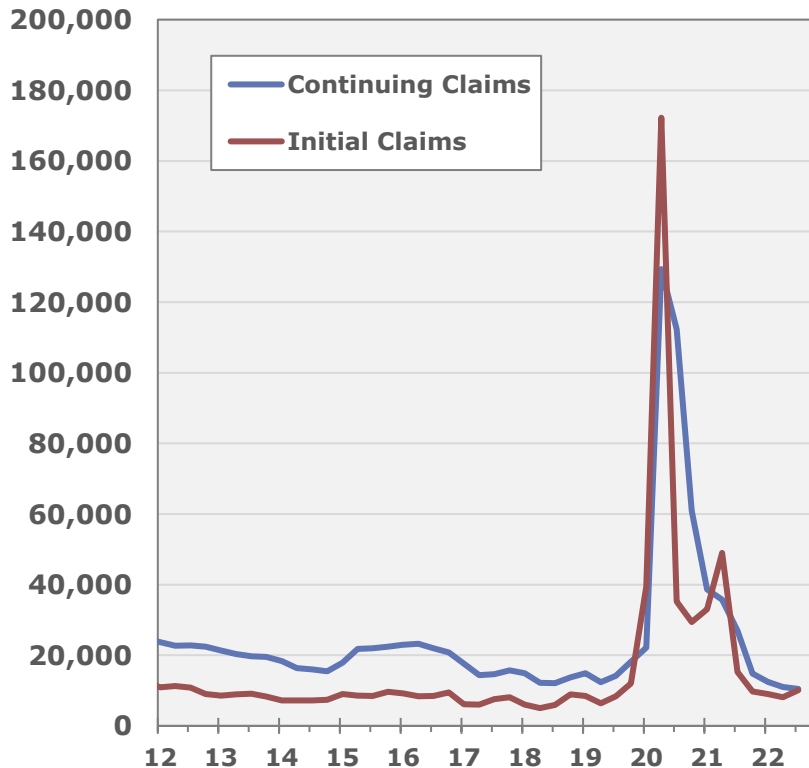
billions of dollars annually



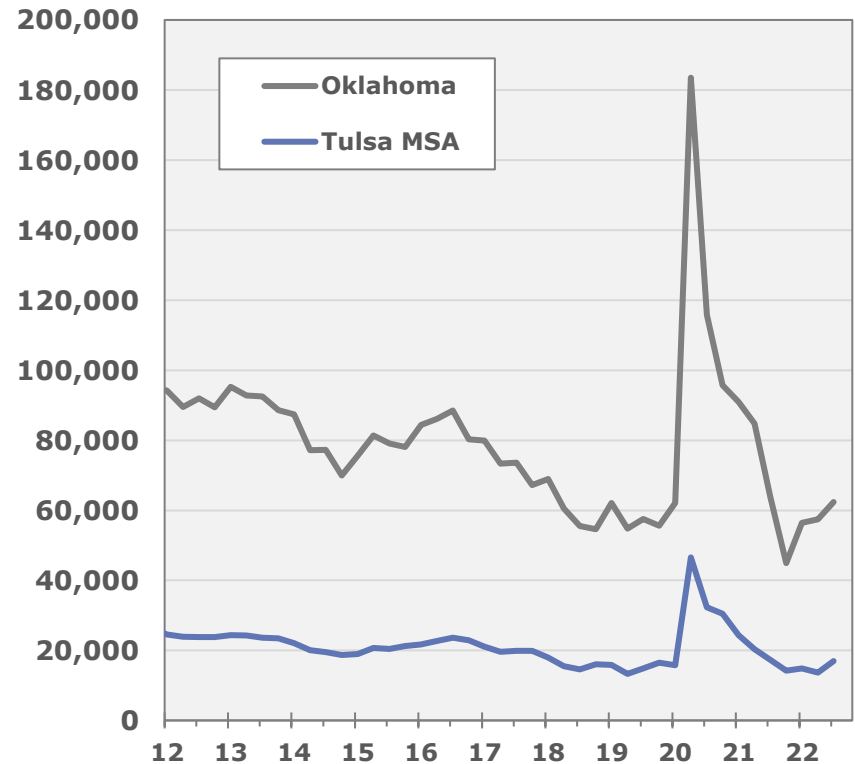
# Softness in latest jobless numbers

## Measures of the Unemployed

Oklahoma Unemployment Claims  
monthly average of weekly claims

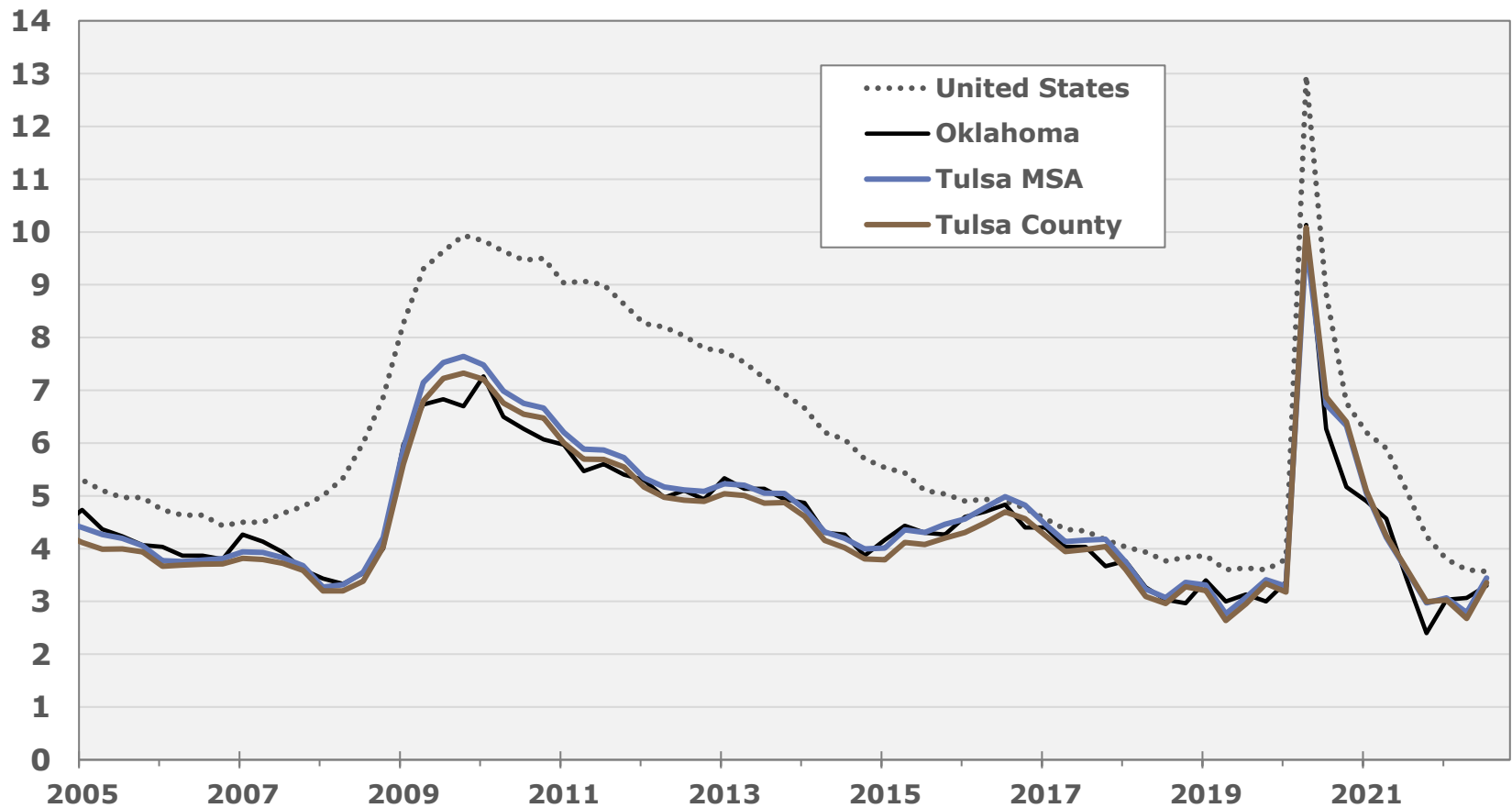


Number of Unemployed Workers



# OK jobless rates edging upward

Unemployment Rate  
percent





# Labor force dip far smaller in OK & Tulsa

similar strength in Great Recession period

## Labor Force (number of persons)

United States  
thousands



State of Oklahoma



Tulsa MSA

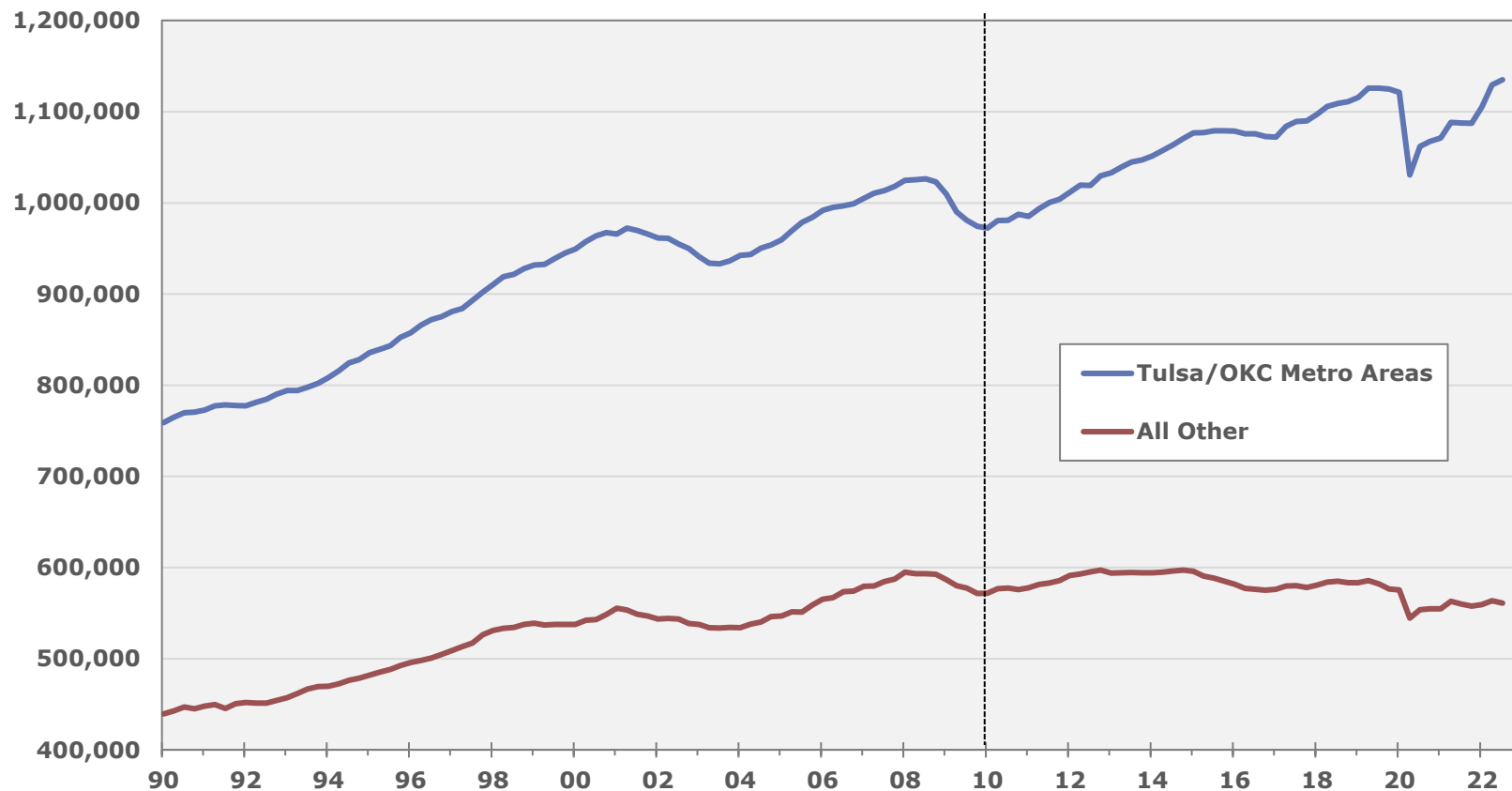


Tulsa County



# Large metros driving state hiring, rural areas lag

## Oklahoma Wage & Salary Employment – Major MSAs vs. Other Areas



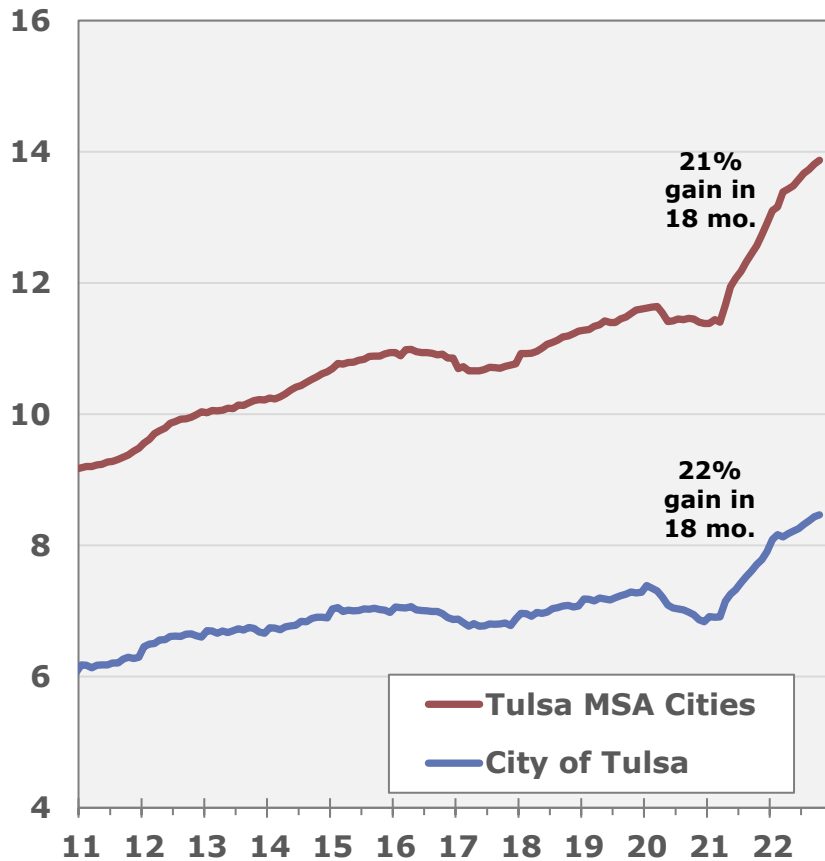
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## **2. Key Areas**

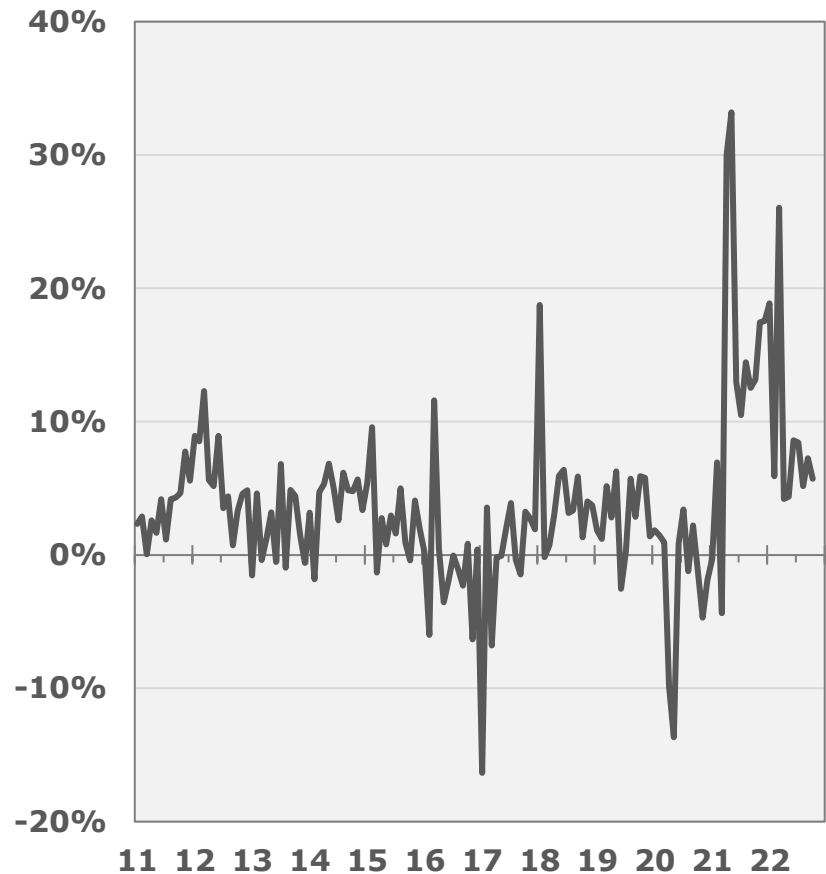
# Sharp uptick in retail activity

## Retail Sales – Tulsa MSA Cities

Retail Sales Base (\$billions)

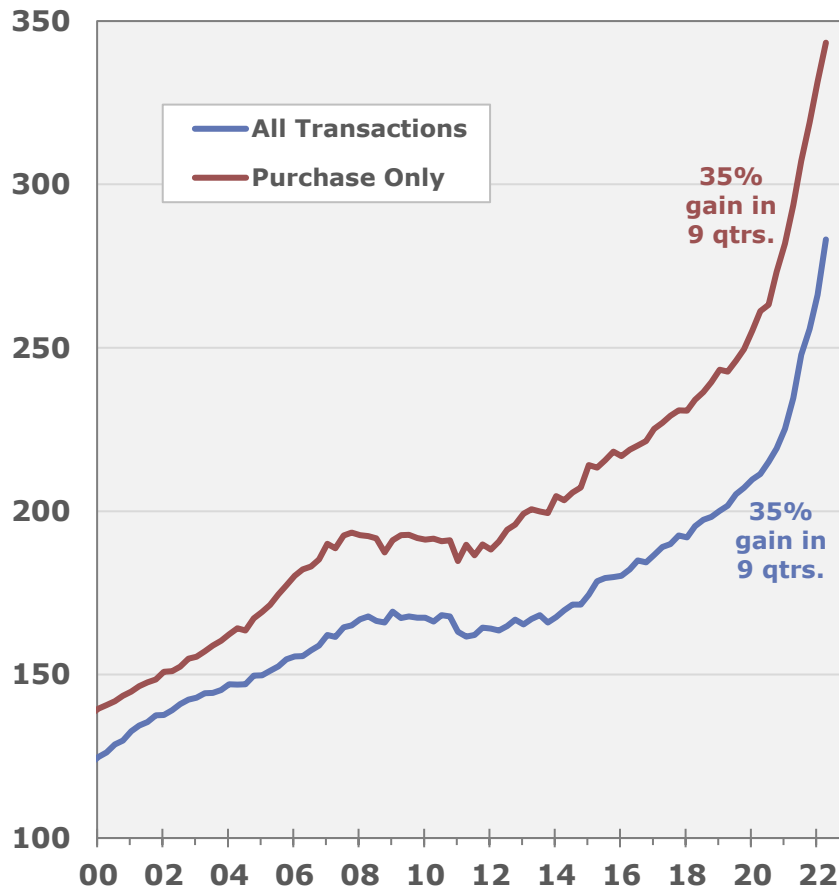


Retail Sales Base (12mo %chg)

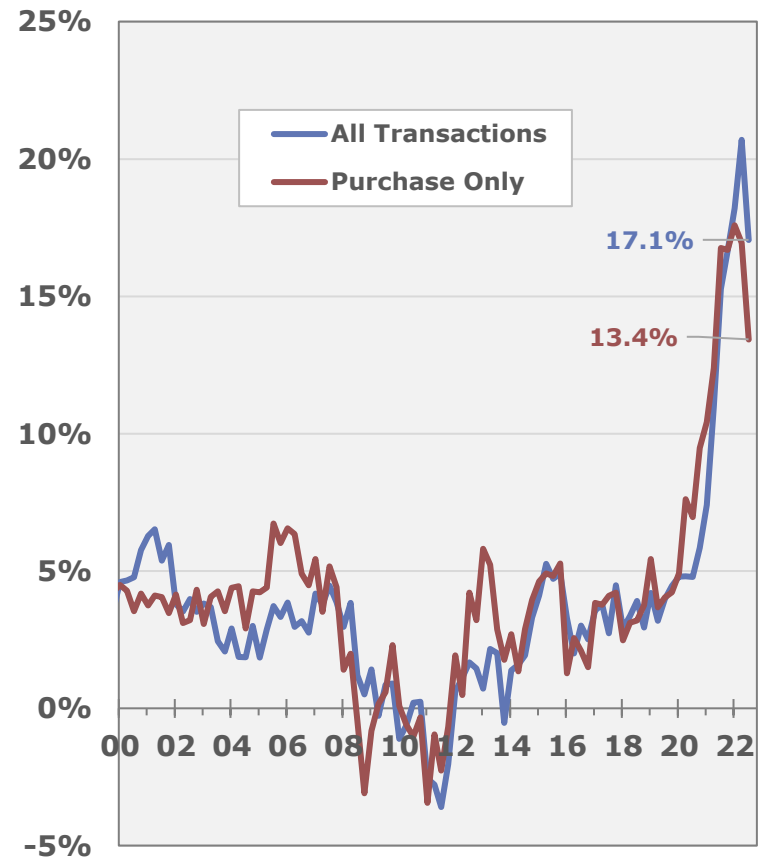


# Home prices easing from peak growth rates

### FHFA Housing Price Index – Tulsa MSA



### %Chg in HPI – Tulsa MSA



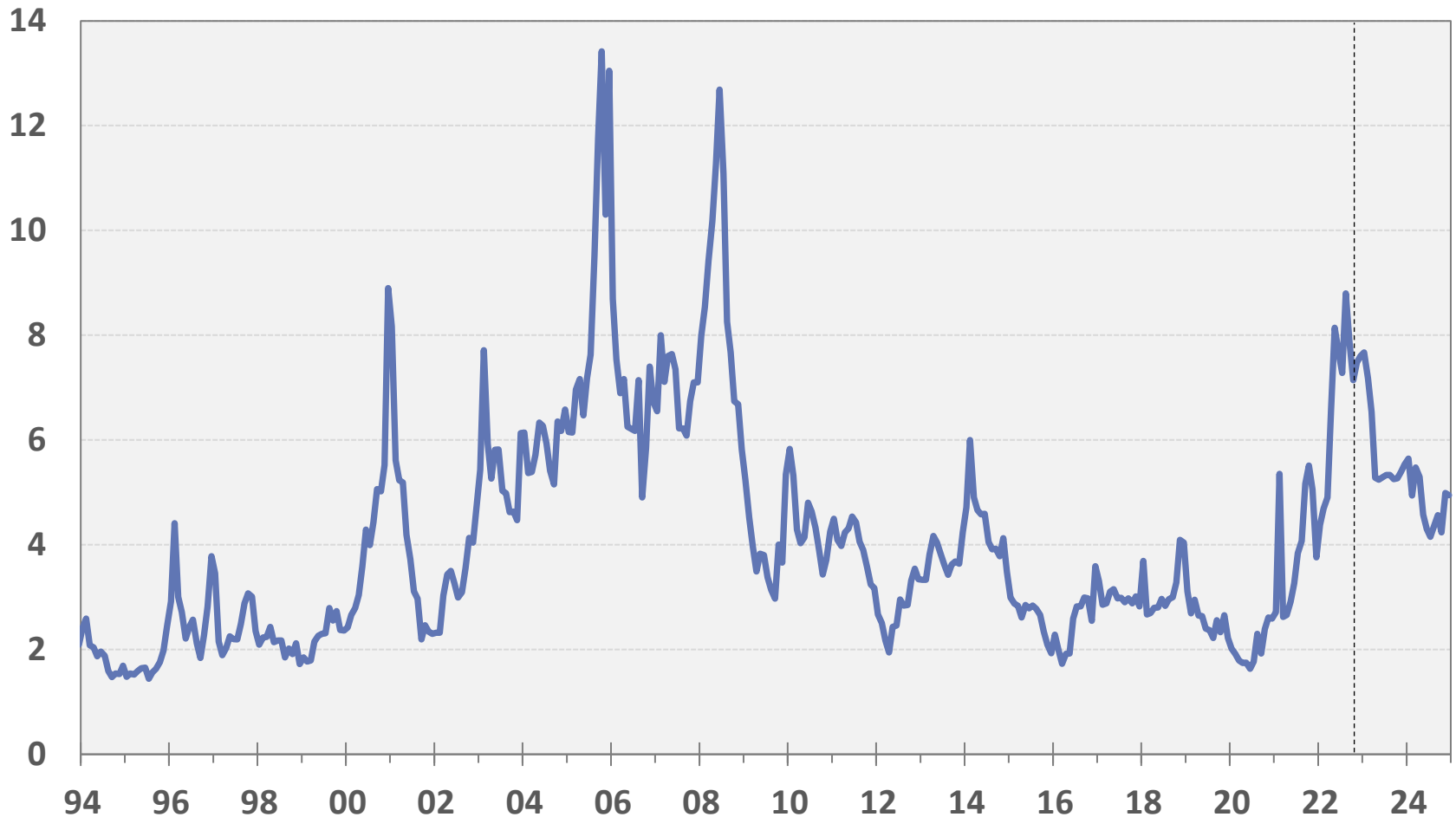
# High oil and natural gas prices are propping up the industry

Crude Oil Price (\$ per Bbl, WTI)



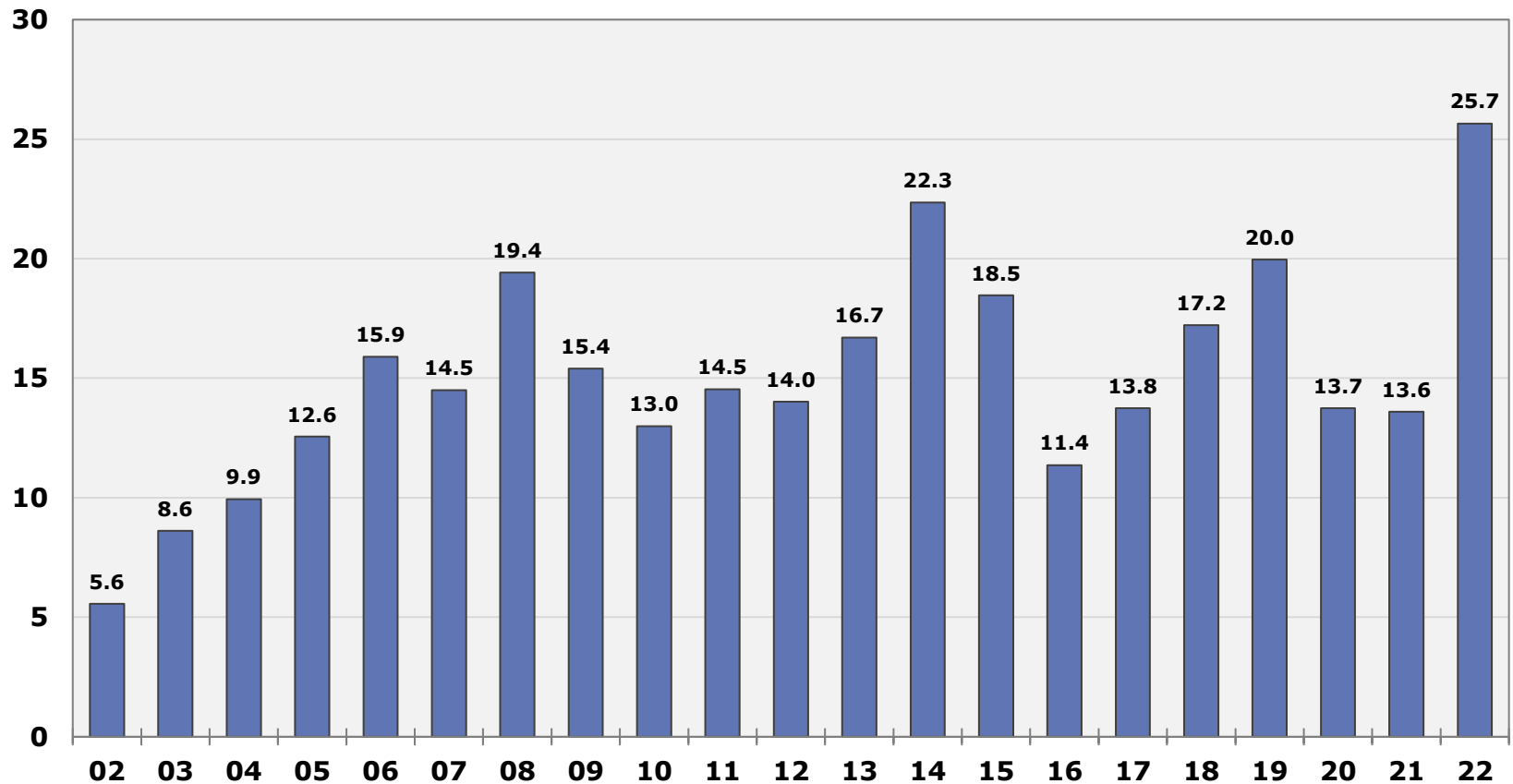
# (Cont.) High oil and natural gas prices are propping up the industry

Natural Gas Price (\$ per Mcf, Henry Hub spot)



# Historical surge in production value

Value of OK Oil and Gas Production (\$billions, fiscal year)



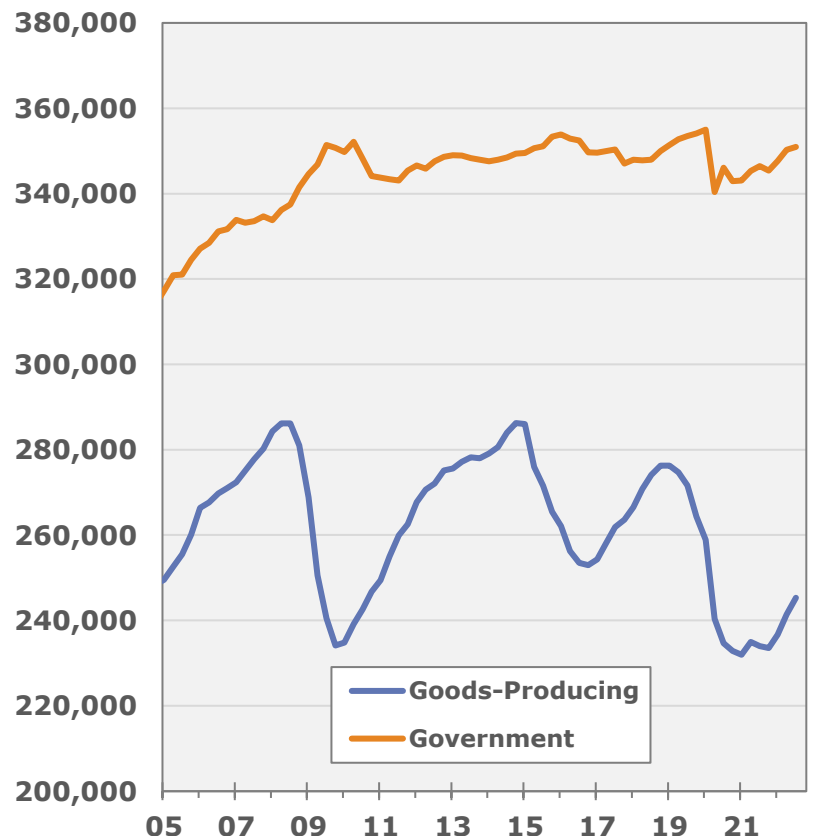
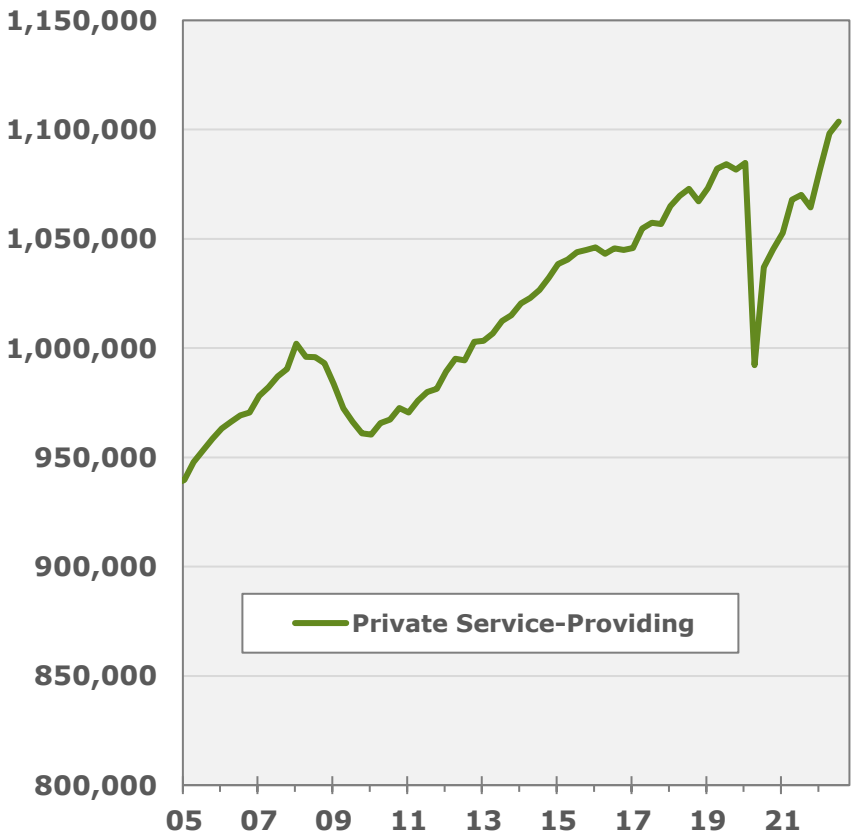


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## **3. Sectoral Differences**

# OK: Services leading, goods & govt. lagging

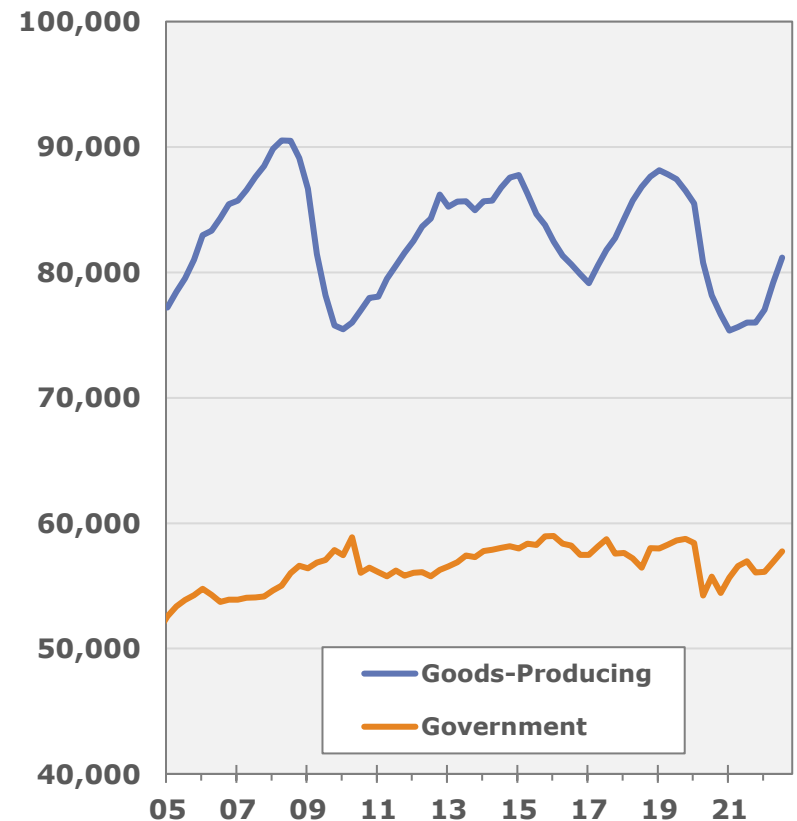
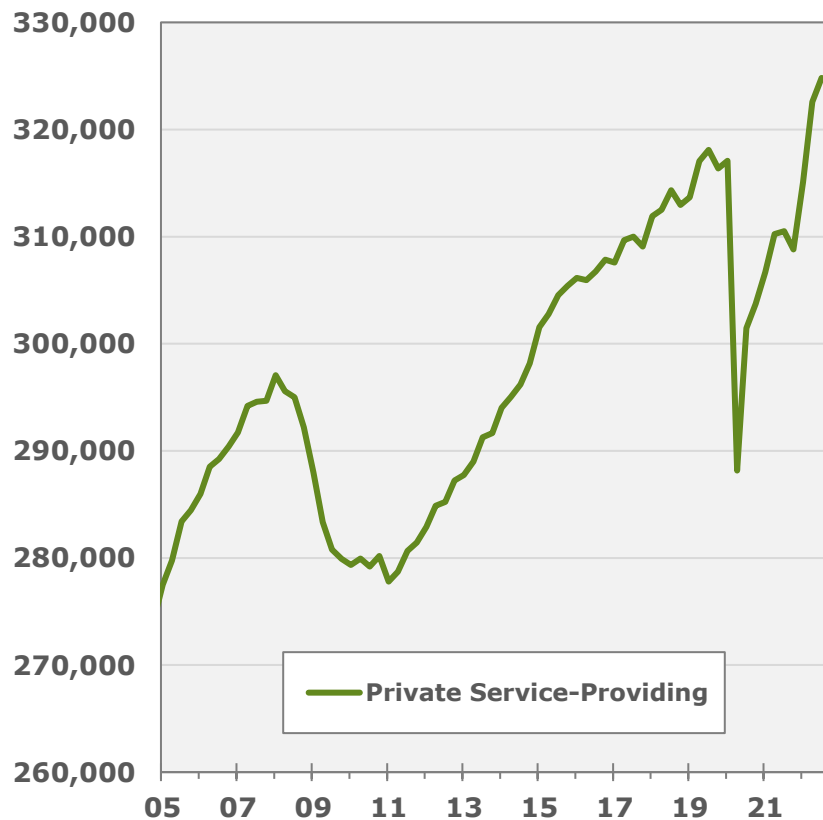
## Oklahoma Wage and Salary Employment by Major Type



Source: Bureau of Labor Statistics

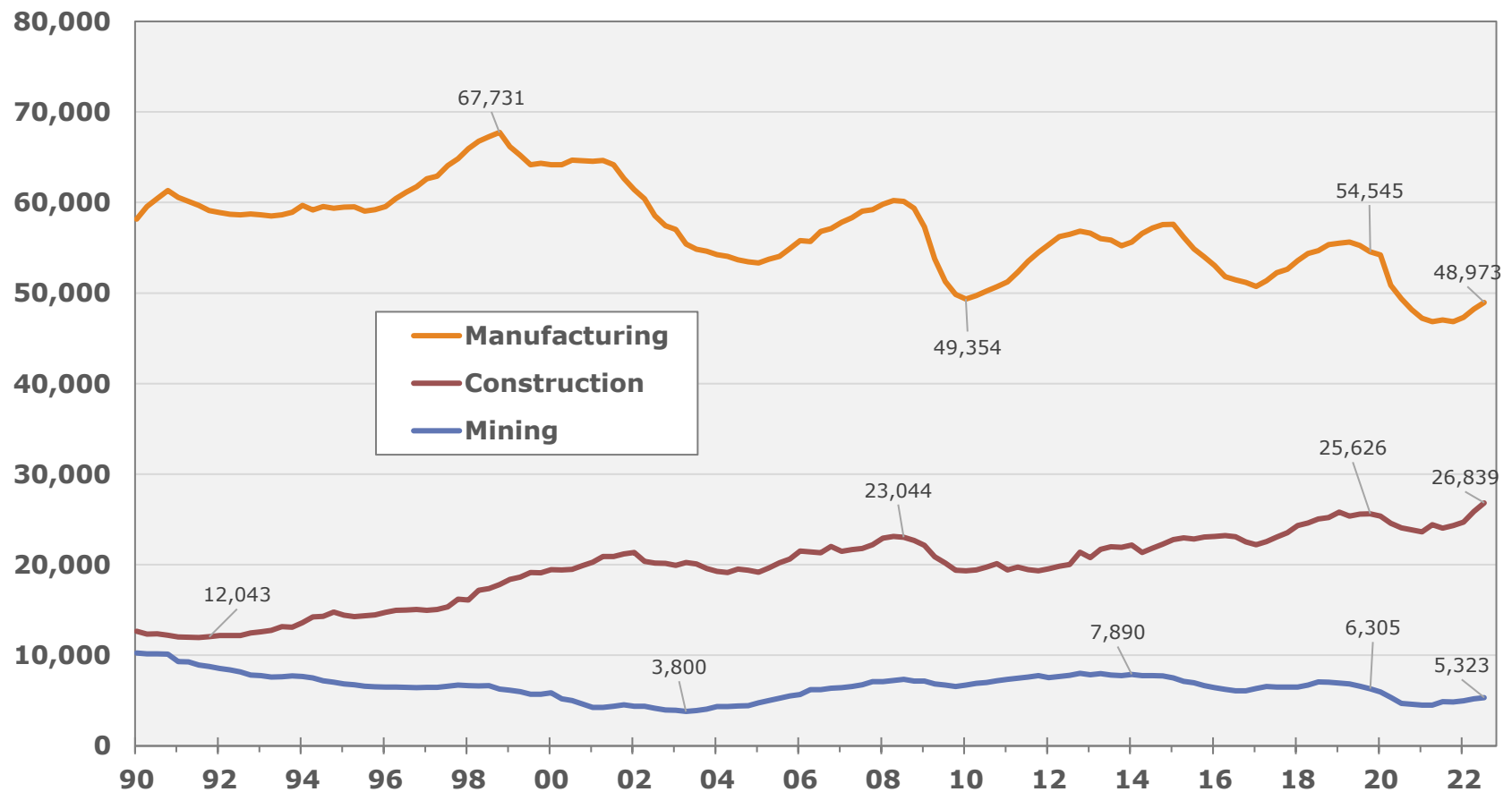
# Tulsa: Tracking state pattern in lockstep

## Tulsa MSA Wage and Salary Employment by Major Type



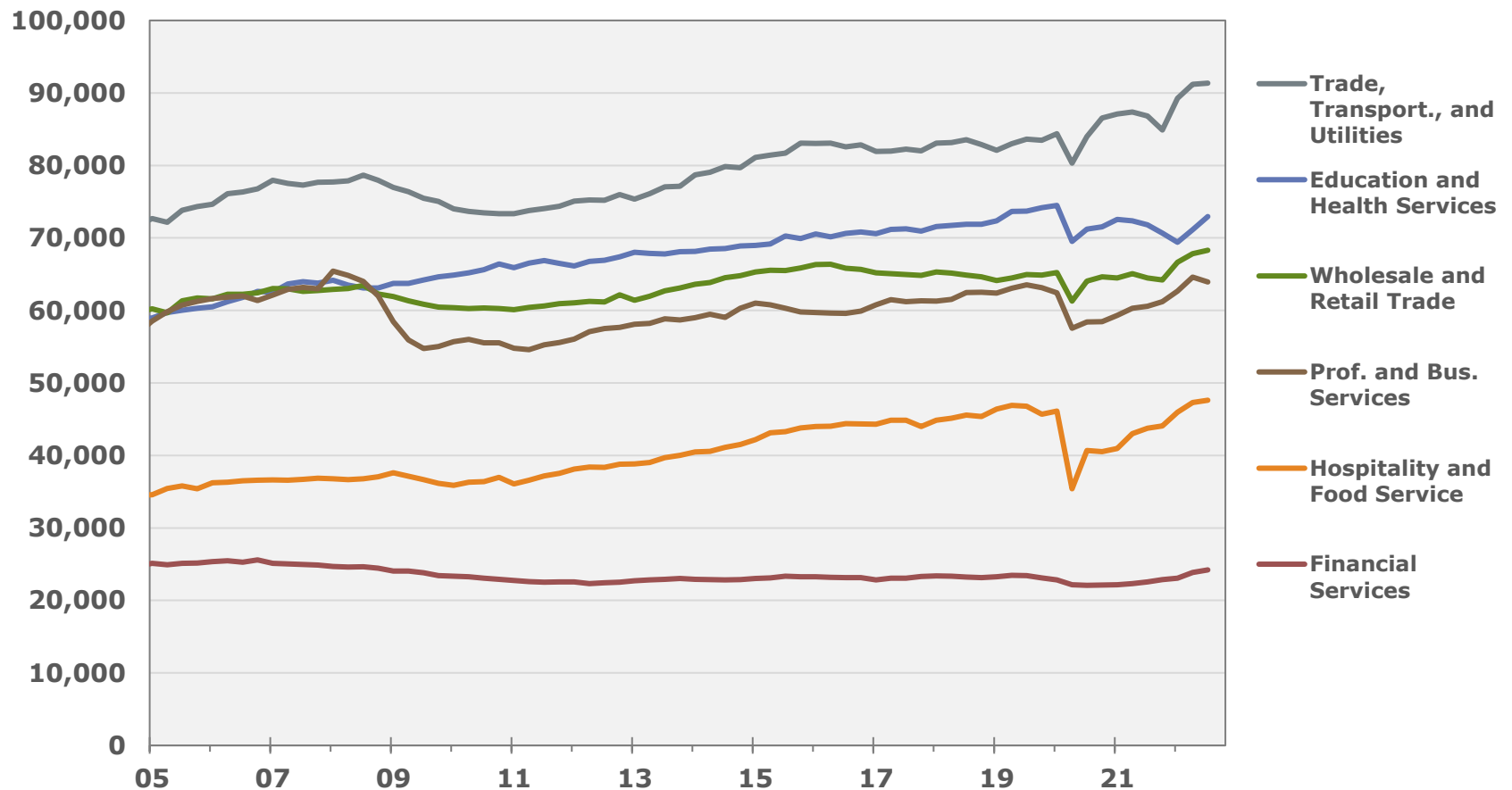
# Tulsa: All goods-producing sectors now adding jobs

## Goods-Producing Employment - Tulsa MSA



# Tulsa: Most service sectors at new highs in hiring

## Service-Providing Employment - Tulsa MSA

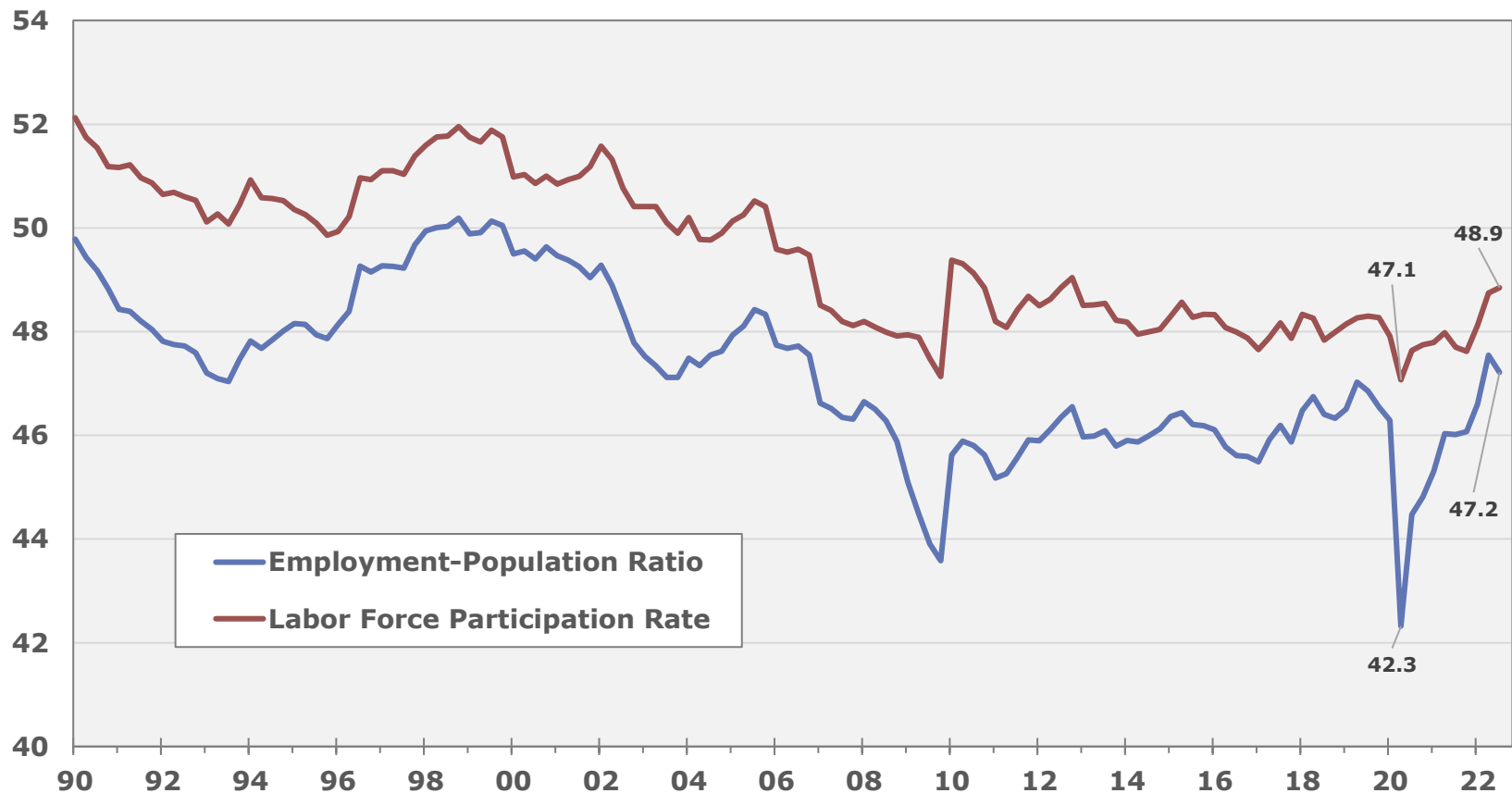


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## **4. Key Fundamentals**

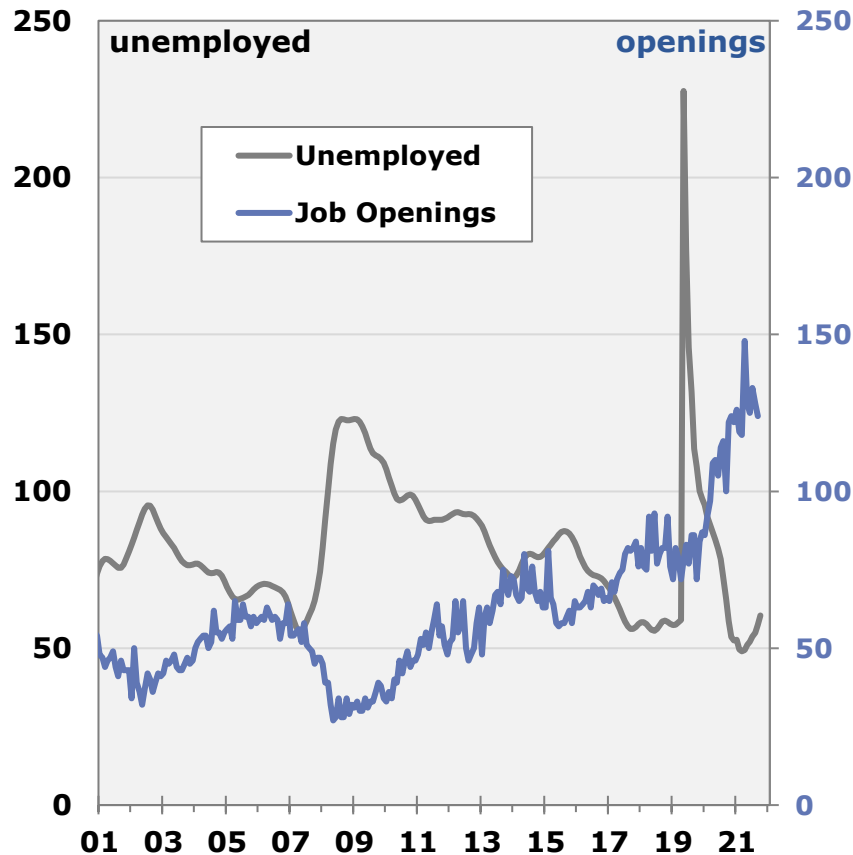
# Full rebound in Tulsa LF attachment

Labor Force Attachment – Tulsa MSA  
percent

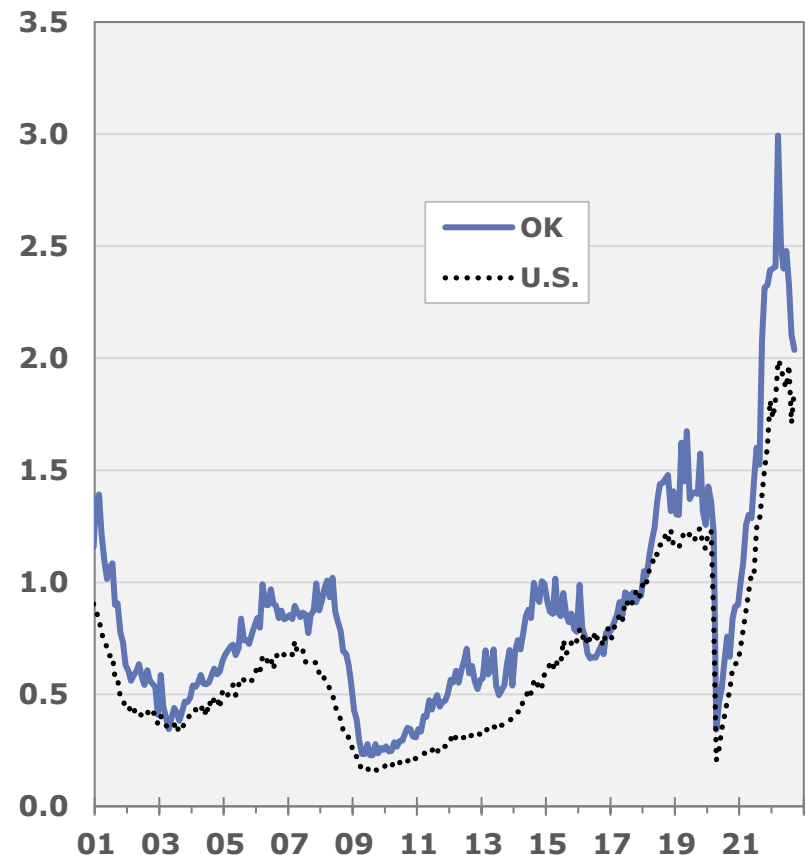


# Labor market tightness is real, OK>US

## OK Unemployment vs. Openings *thousands*



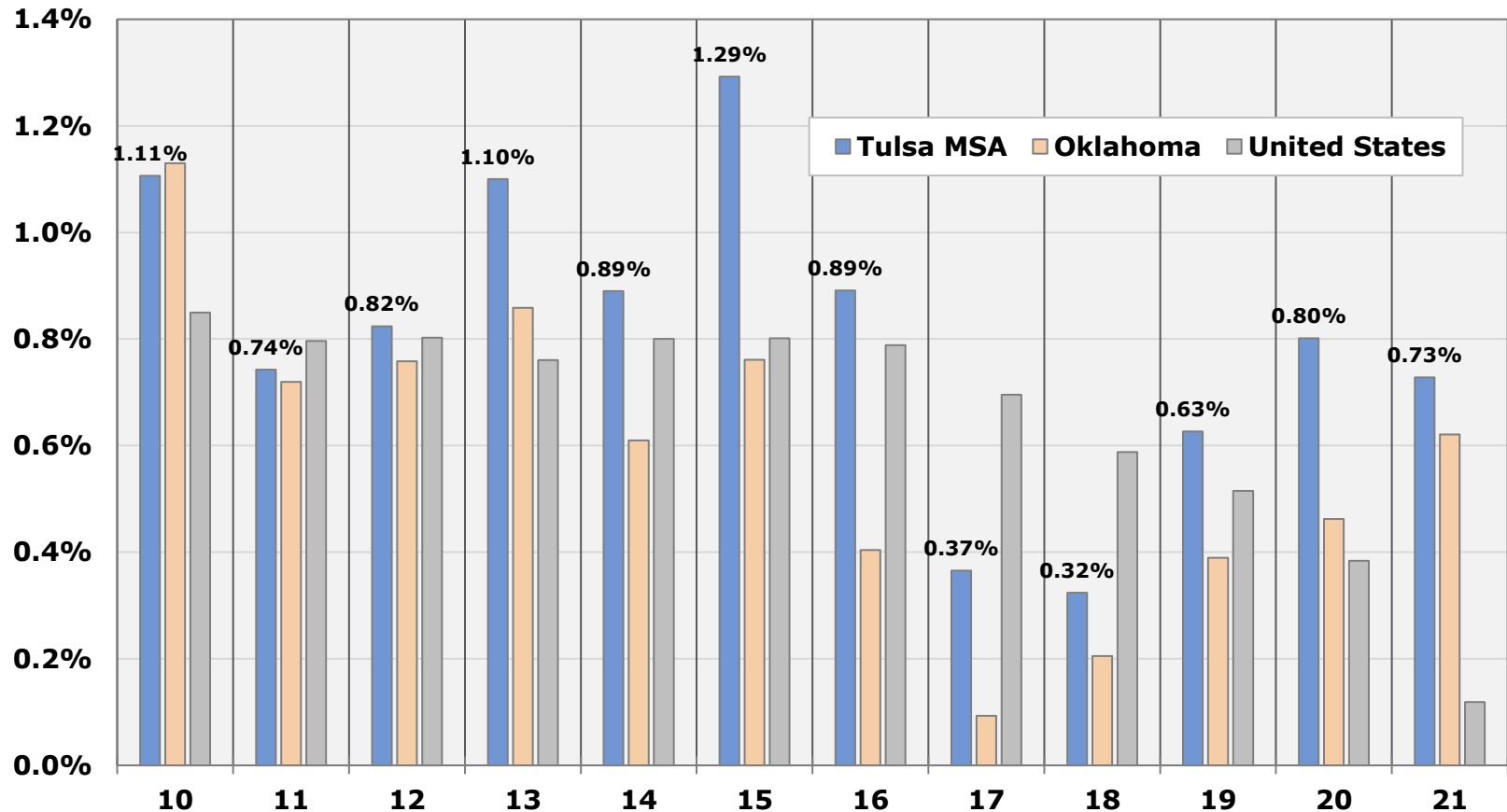
## Labor Market Tightness *openings per unemployed worker*





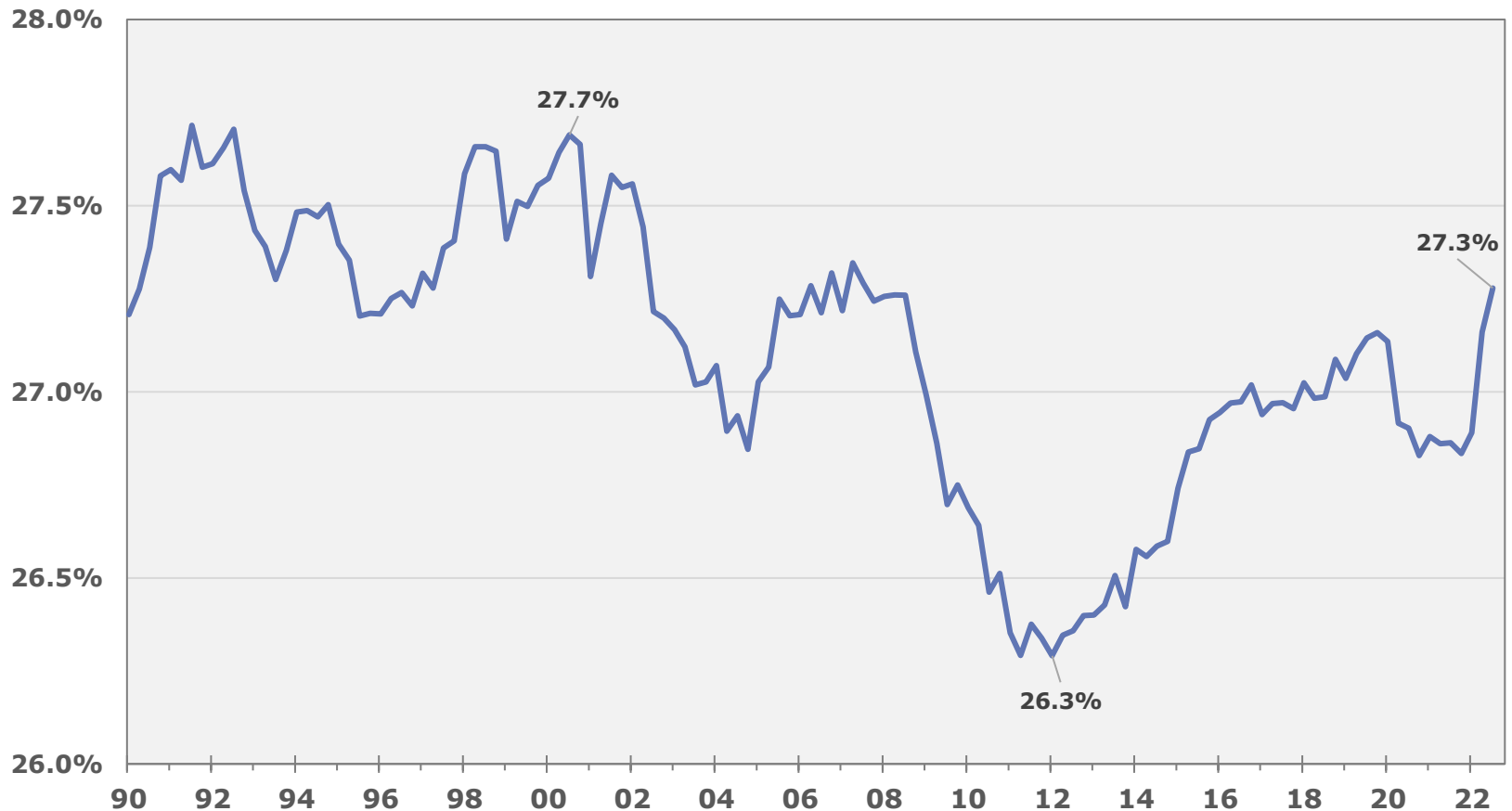
# Tulsa population continues to surprise to the upside

Growth in Total Population  
annual rate



# Tulsa recovering lost share of statewide employment

Share of Total State Wage & Salary Employment – Tulsa MSA  
percent



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## **5. Outlook**

# Outlook Summary

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1. A sharp slowing in Oklahoma and Tulsa hiring in 2023
2. Not expecting a technical recession at this point
3. Flat job growth (or a slight job decline) is possible by early 2024
4. Tulsa should outperform the state and rural areas
5. Few fiscal concerns across the state – state or local

## (Cont.) Outlook Summary

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1. Housing hit hard - volume more than price
2. OK housing better positioned than most markets
3. Retail base and housing price growth rates slow along with inflation
4. Oil and gas expected to have a neutral influence
5. Manufacturing faces global headwinds
6. Strong population trend will support services sector and housing prices

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