

# U.S. and Oklahoma Economic Outlook



CRA Roundtable  
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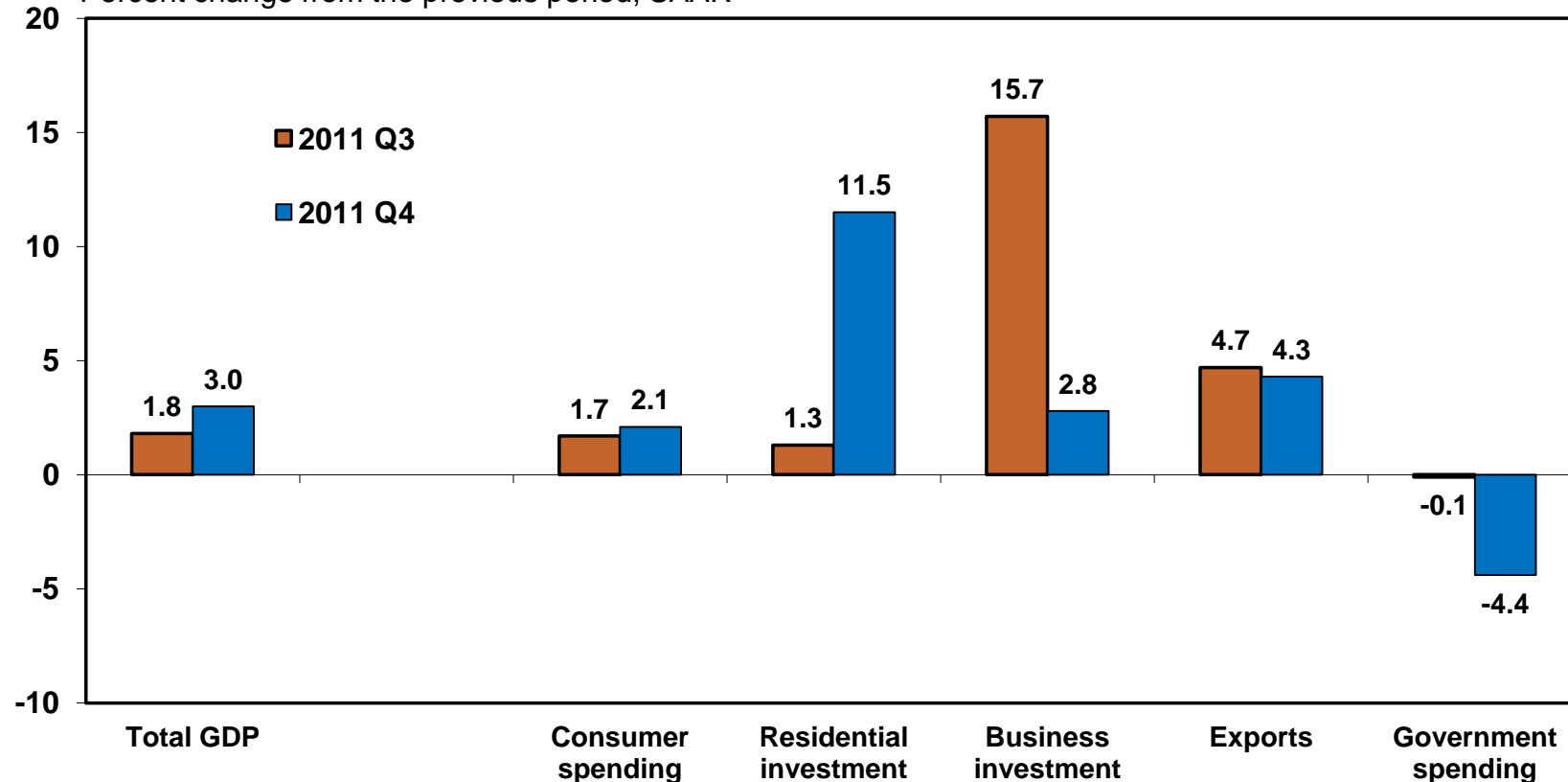
# The U.S. Economic Outlook



# GDP improved in Q4, led by consumers and residential investment

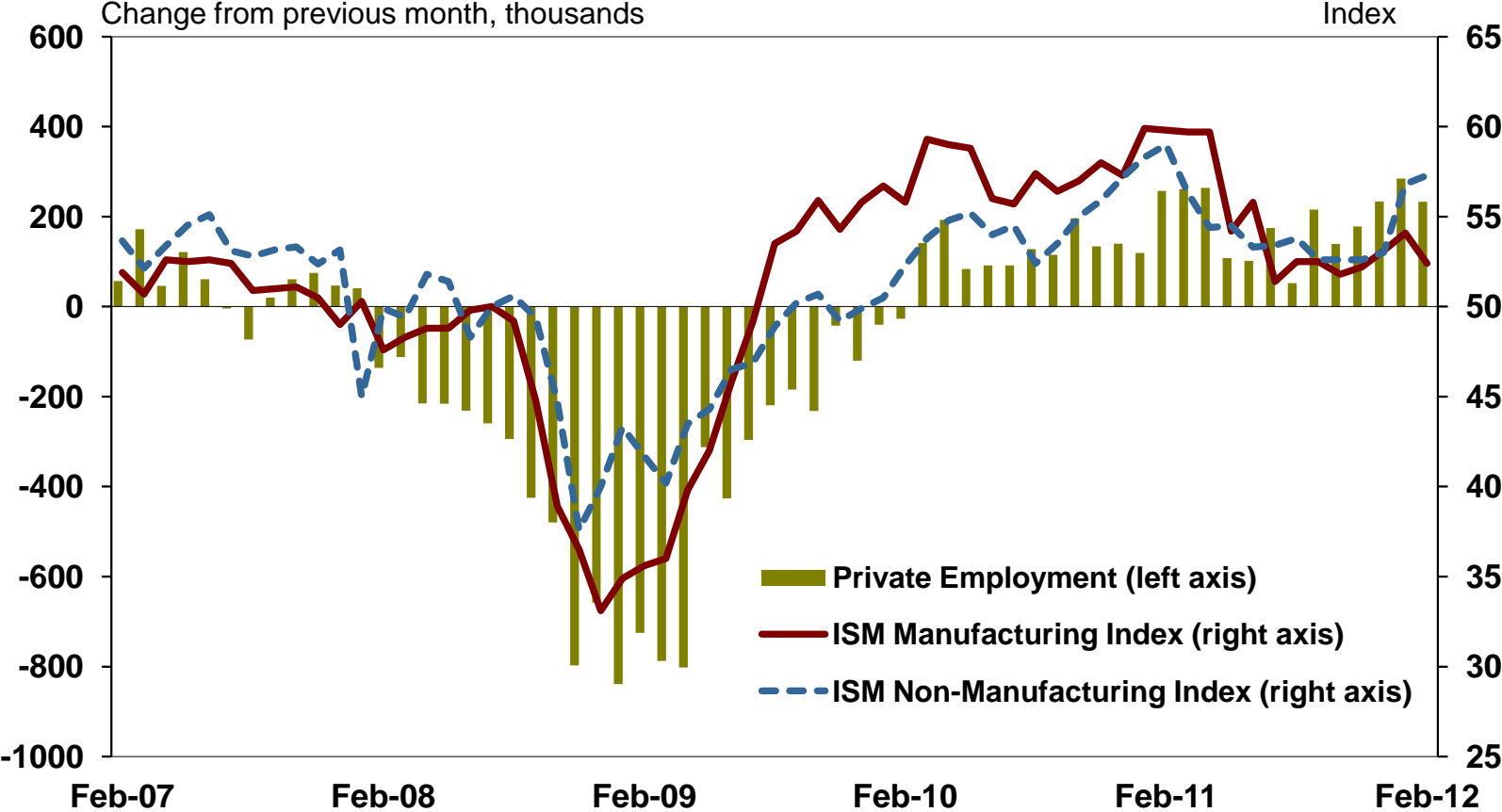
## Growth in Components of Real GDP

Percent change from the previous period, SAAR



# Employment growth has been fairly solid and business indexes remain expansionary

## U.S. Private Payroll Employment and Business Indexes

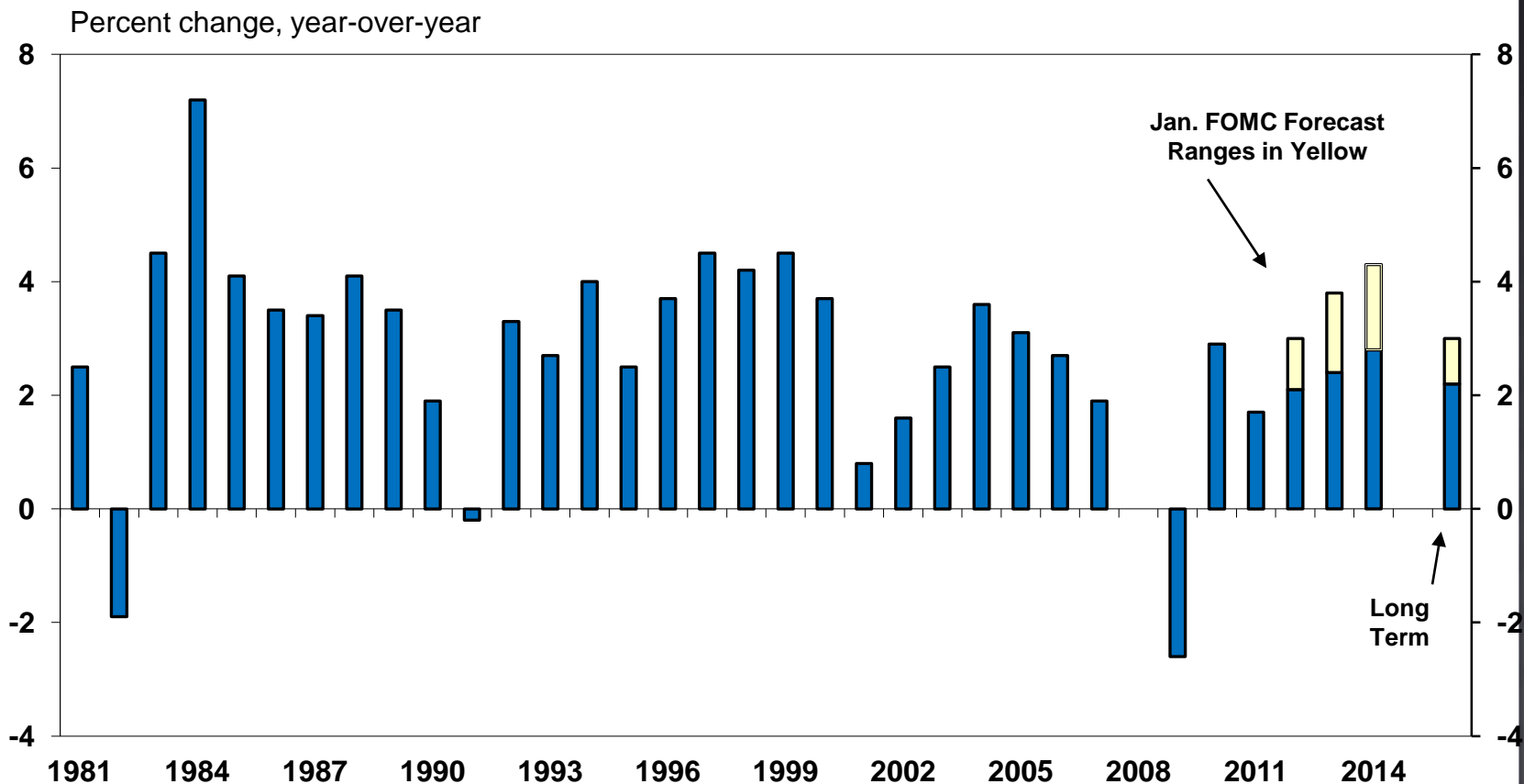


Source: Institute for Supply Management, Bureau of Labor Statistics



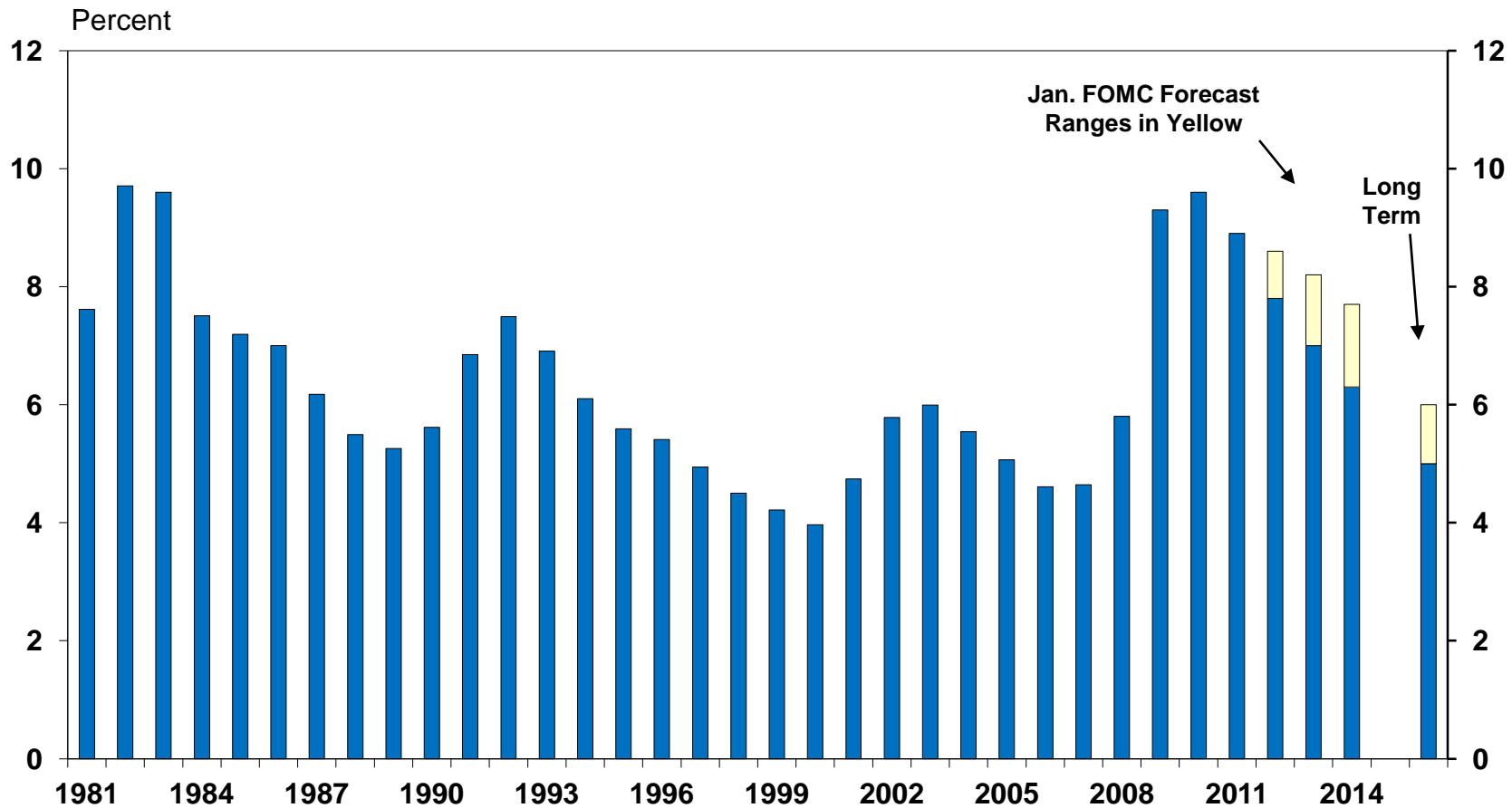
# At its meeting last week, the FOMC expected solid GDP growth in 2012

## Real Gross Domestic Product



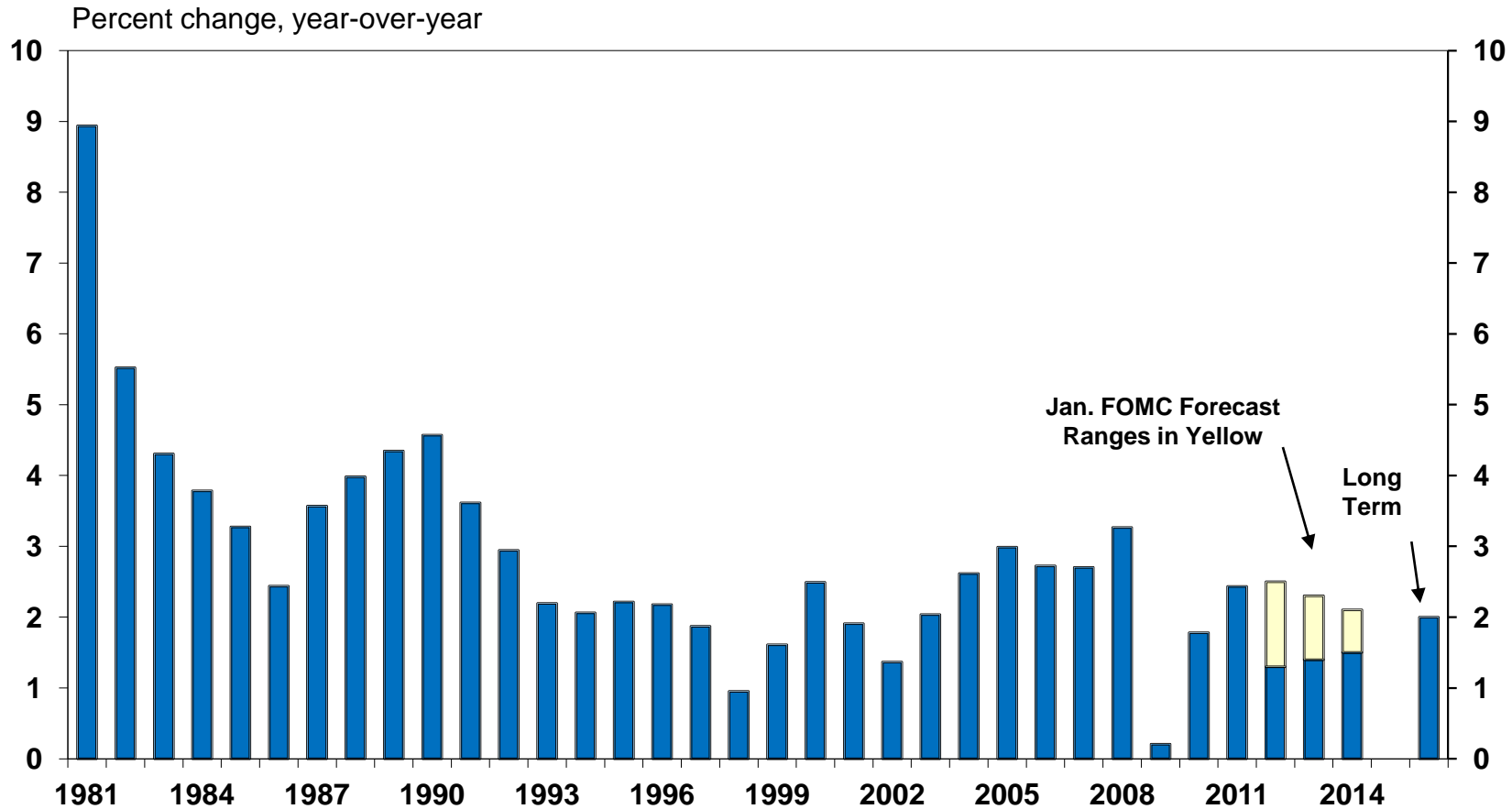
# But for unemployment to only come down slowly the next few years

## Unemployment Rate Seasonally Adjusted



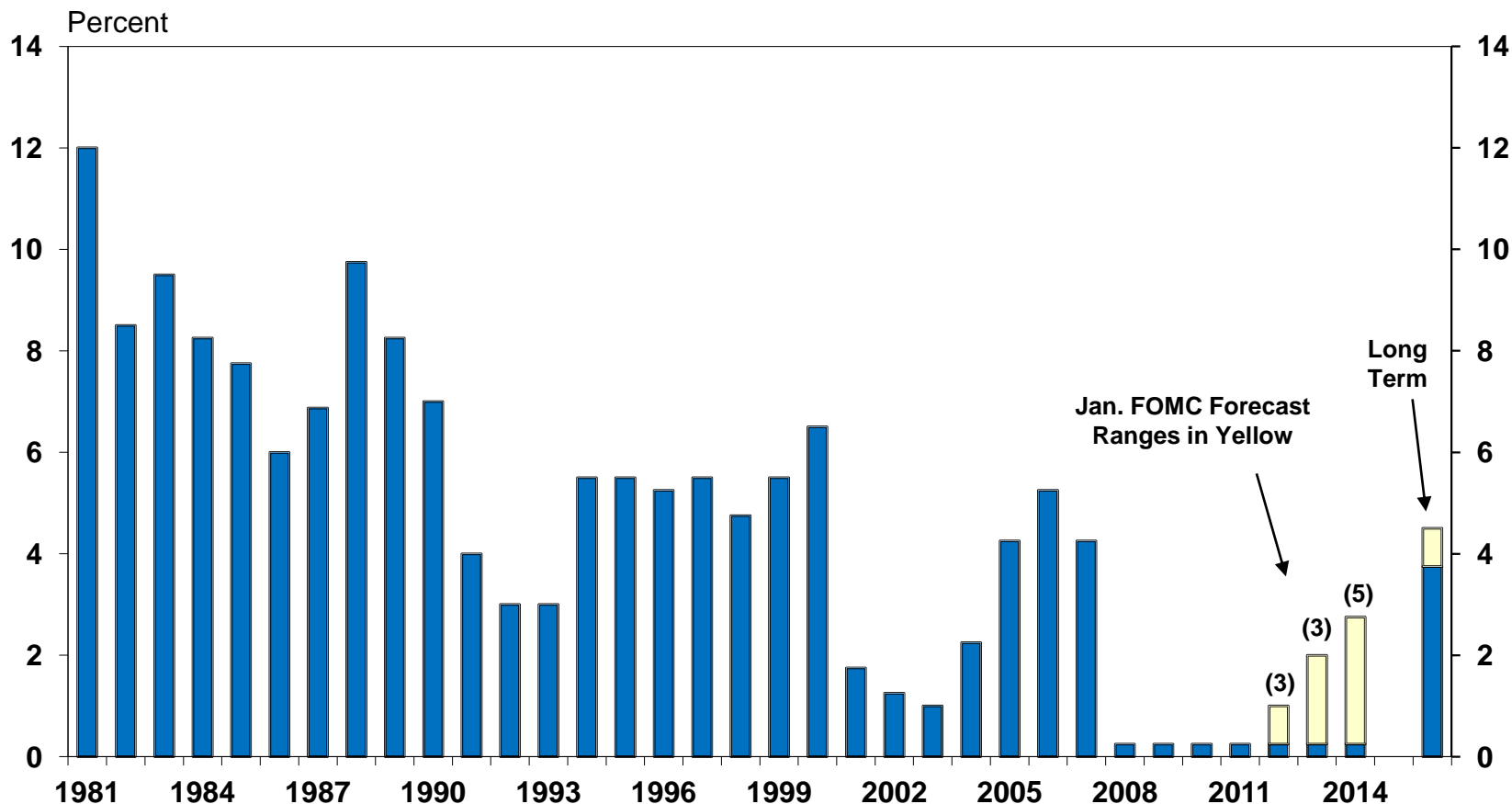
# And for inflation pressures to stabilize after rising with oil and food prices in 2011

## PCE Inflation Index



# For the first time, the FOMC also released forecasts for interest rates

Federal Funds Rate  
Year-end target



Note – Number of participants who project the initial increase will occur in the specified year in parenthesis

Source: U.S. Bureau of Economic Analysis, FOMC





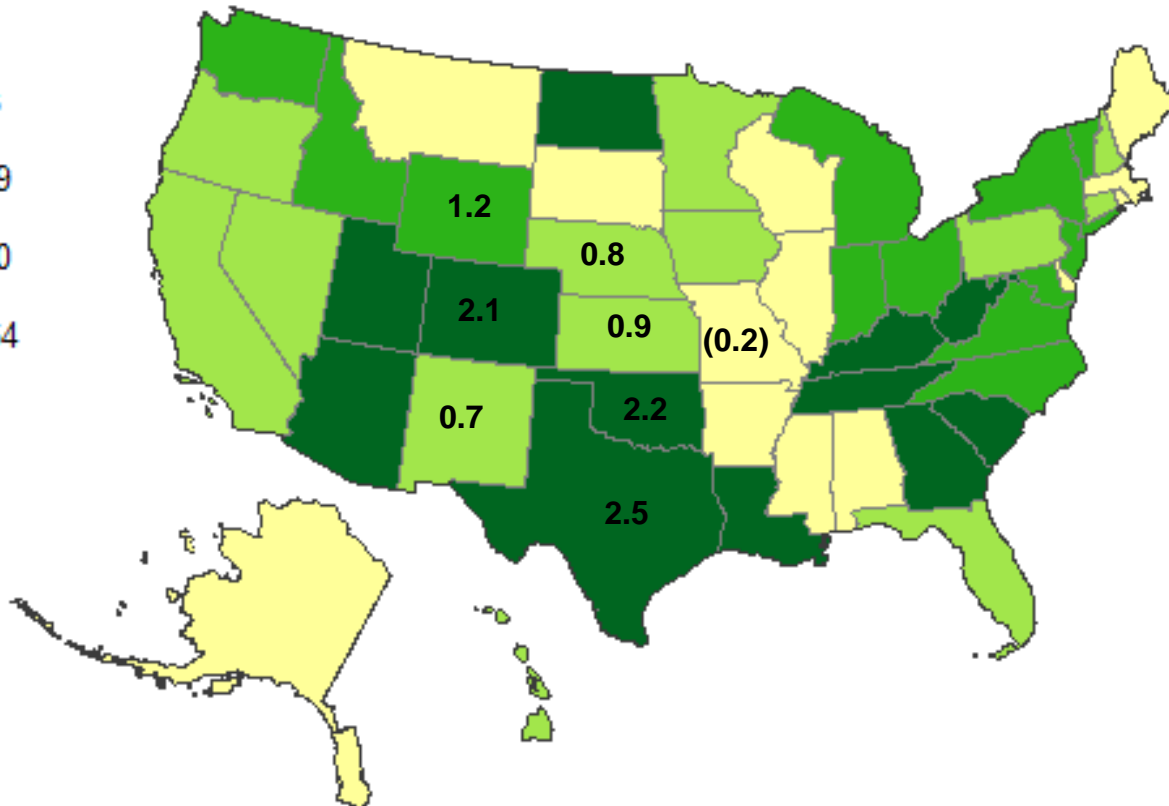
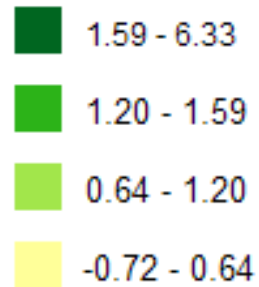
# **The Oklahoma and Regional Economic Outlooks**



# There is considerable variation in economic strength across the nation

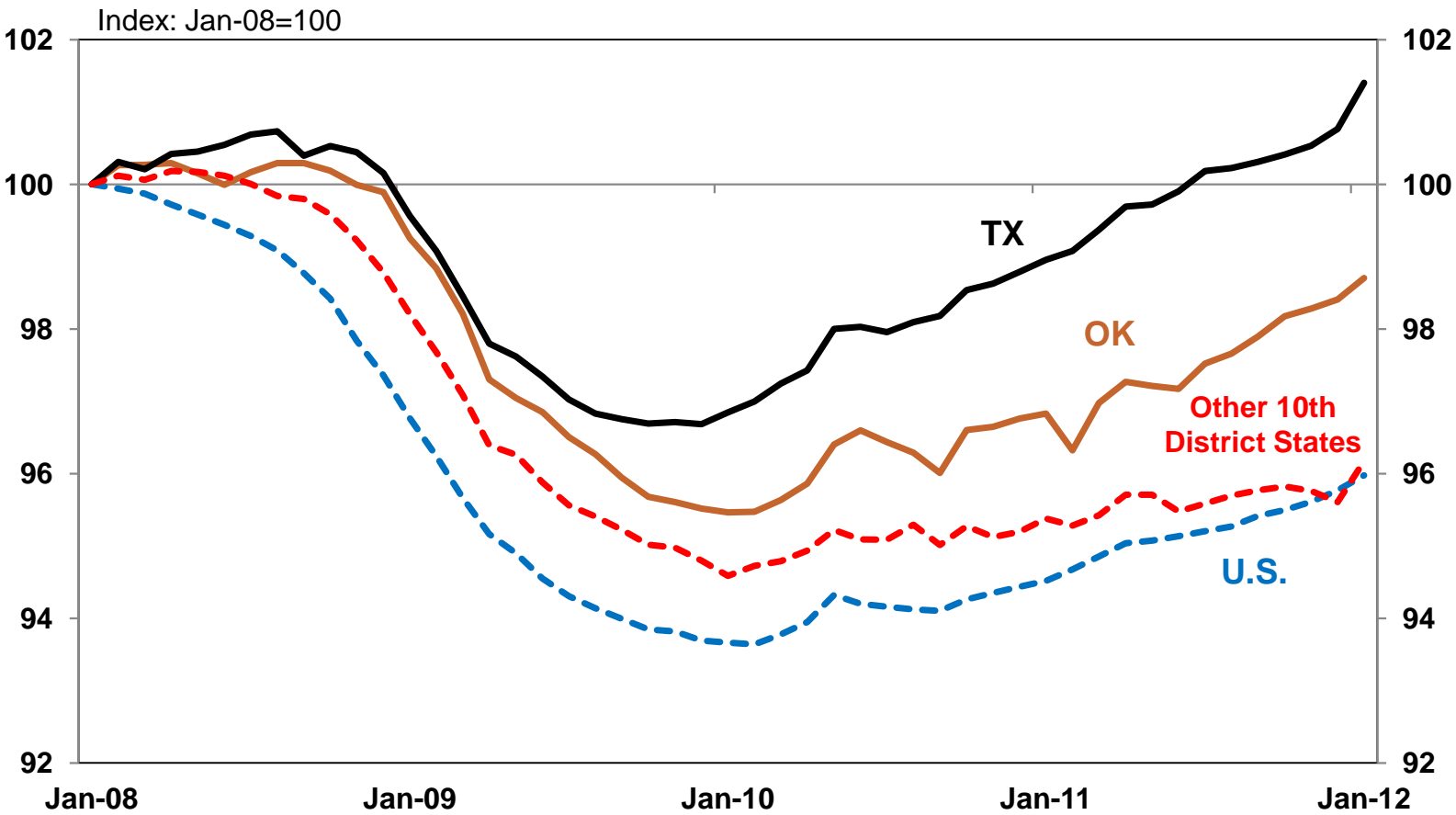
**Employment Growth, Year-over-Year (percent)**  
January 2012

Scale



# The level of jobs in Oklahoma is nearly back to pre-recession levels, unlike the U.S.

## Level of Payroll Employment

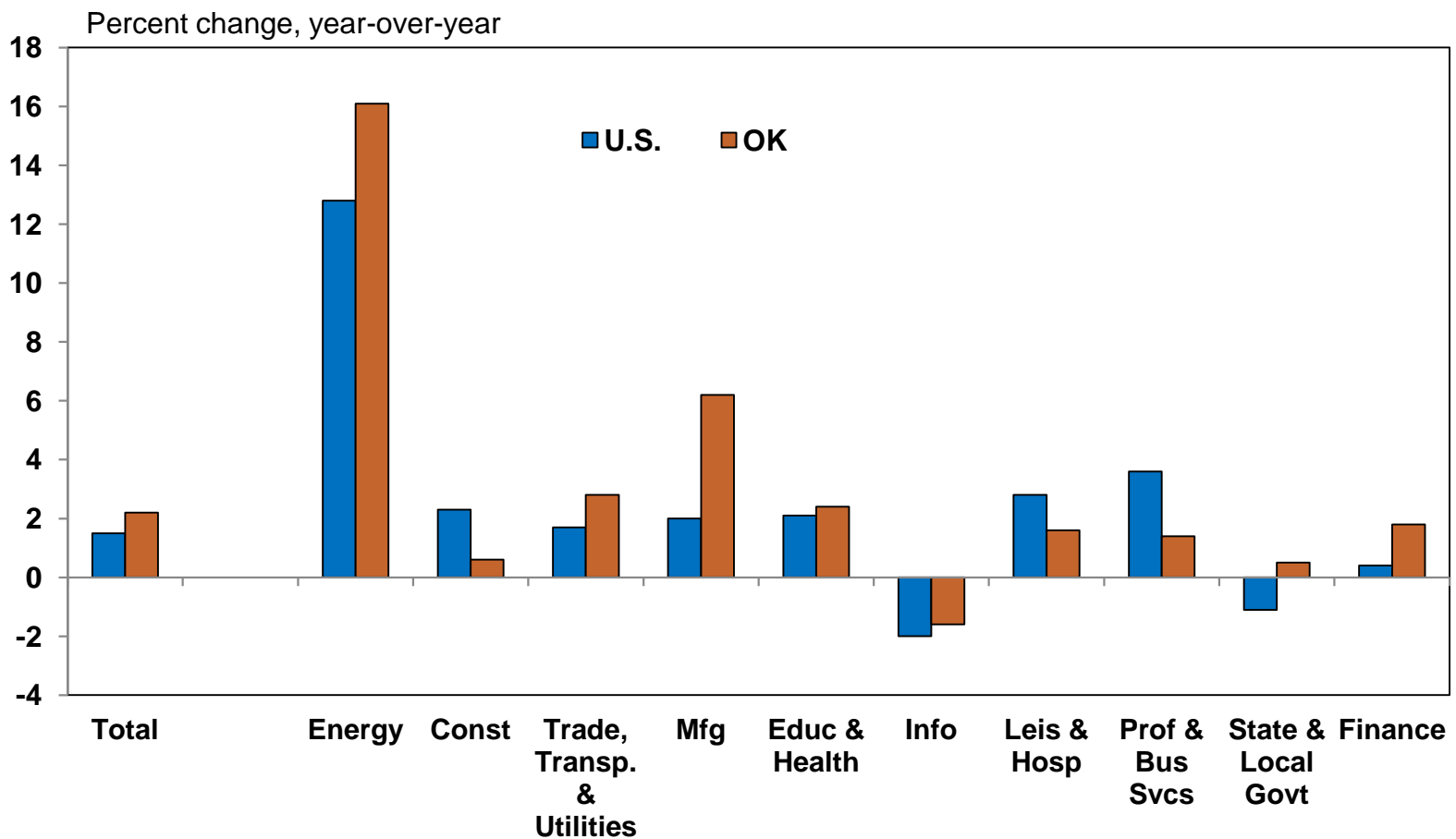


Source: U.S. Bureau of Labor Statistics



# Growth in most Oklahoma sectors was better than the nation, with a few exceptions

## Oklahoma Employment Growth

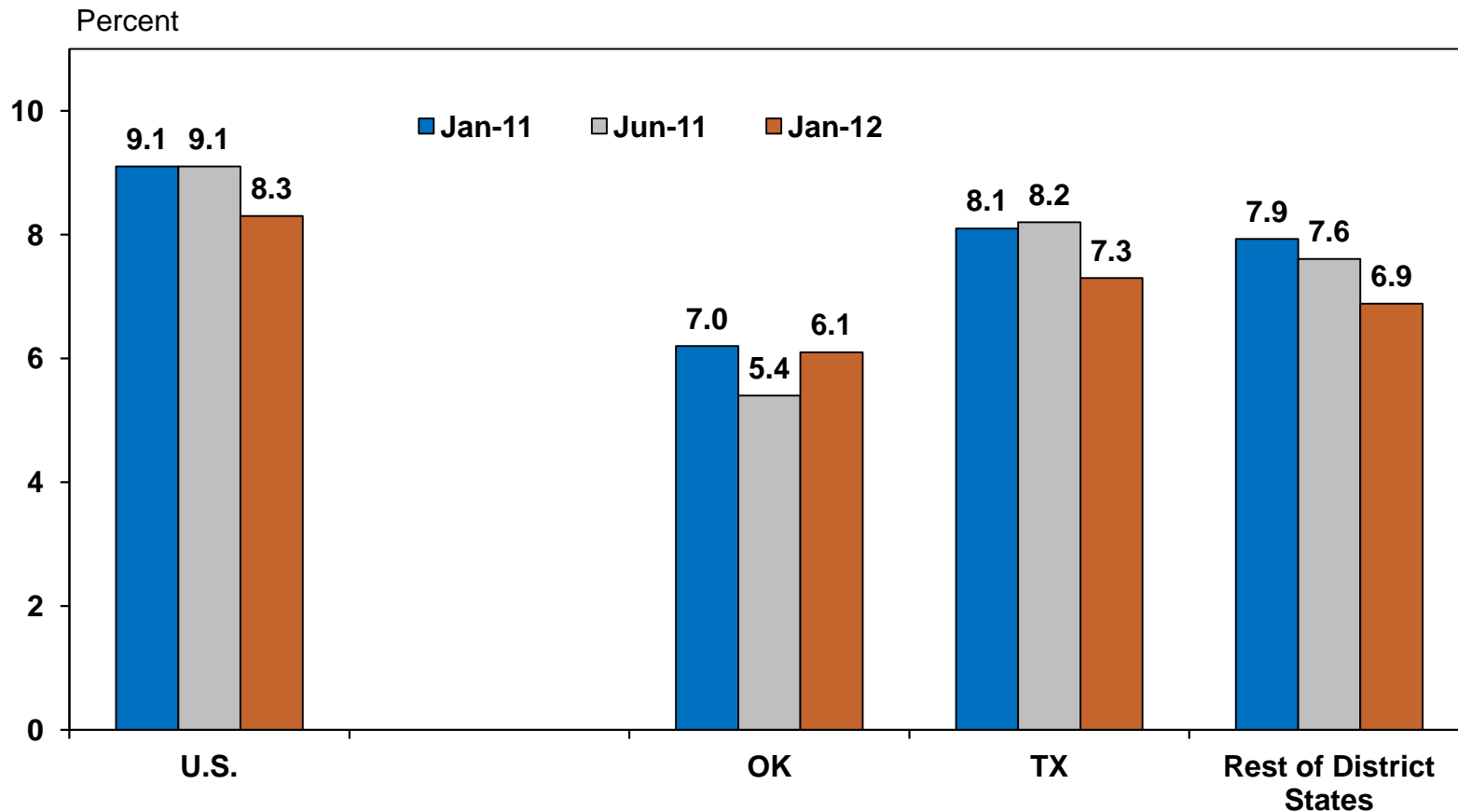


Source: Bureau of Labor Statistics



# Oklahoma's unemployment rate has risen, as workers resume searching for jobs

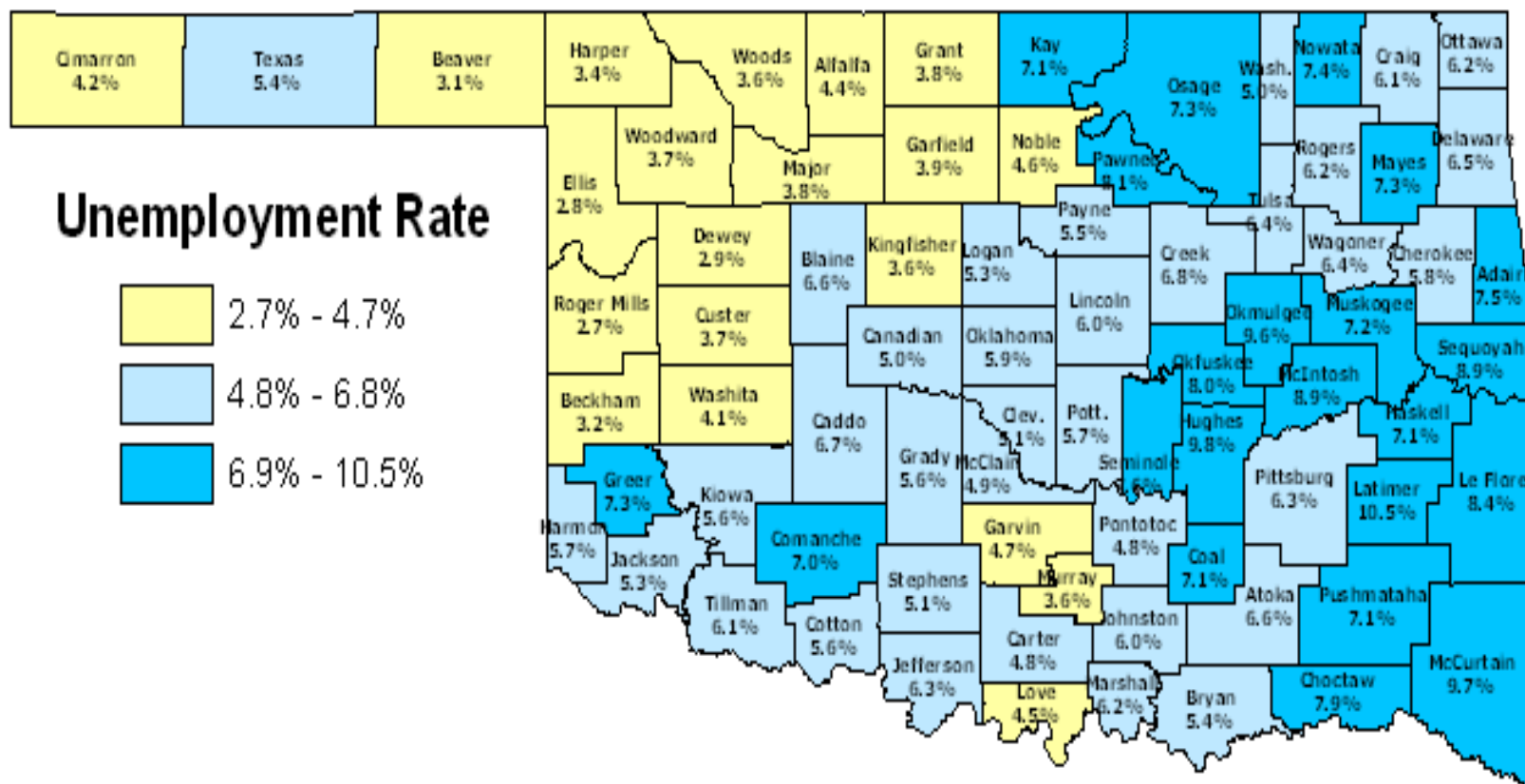
## Unemployment Rate Seasonally Adjusted



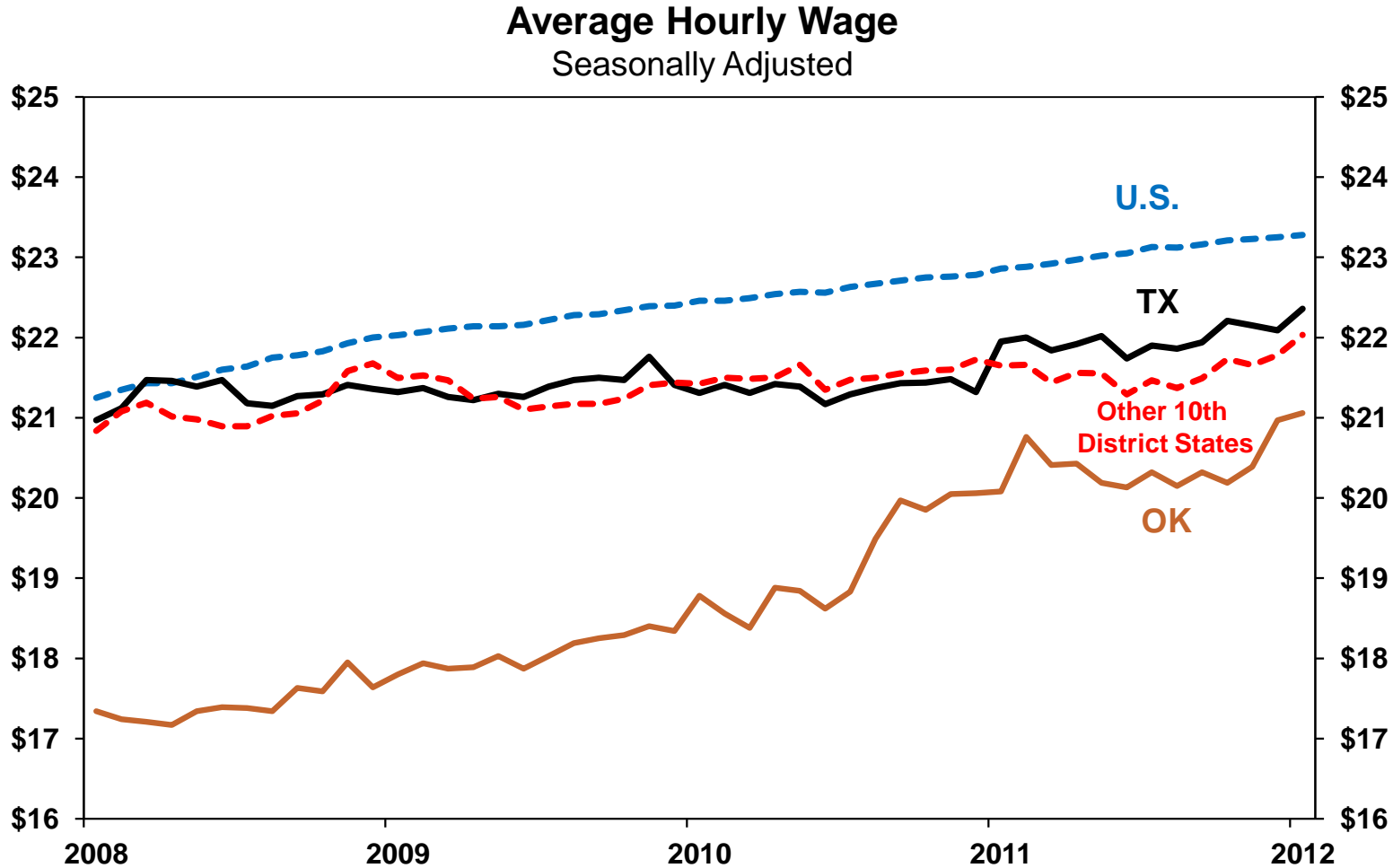
# Unemployment is quite low in much of western, central, and southern Oklahoma

## County Unemployment Rates

December 2011



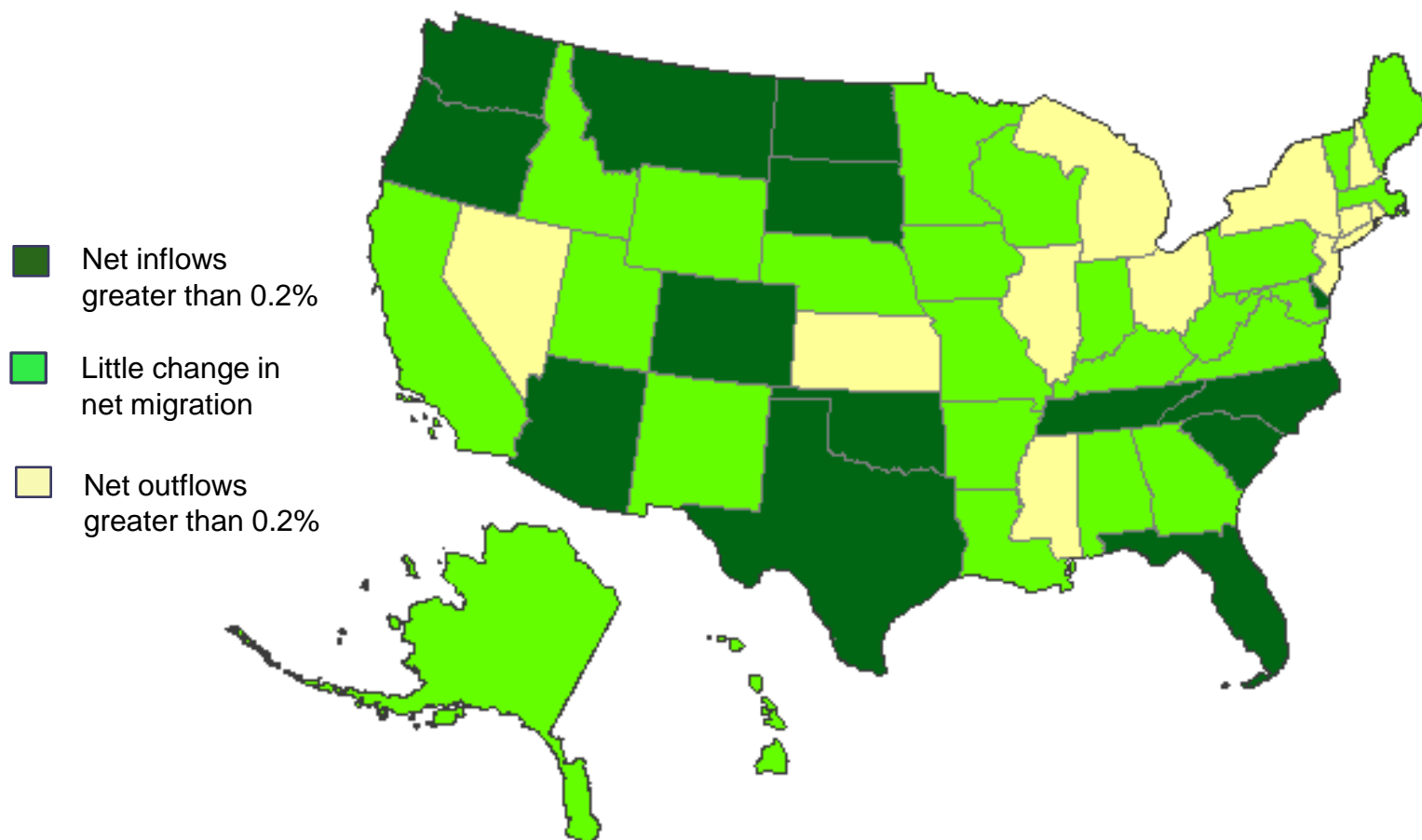
# Oklahoma wages are catching up to those in surrounding states and the nation as a whole



# Oklahoma has seen net in-migration from other states since the 2010 Census

## Net Domestic Migration

April 1, 2010 - July 1, 2011



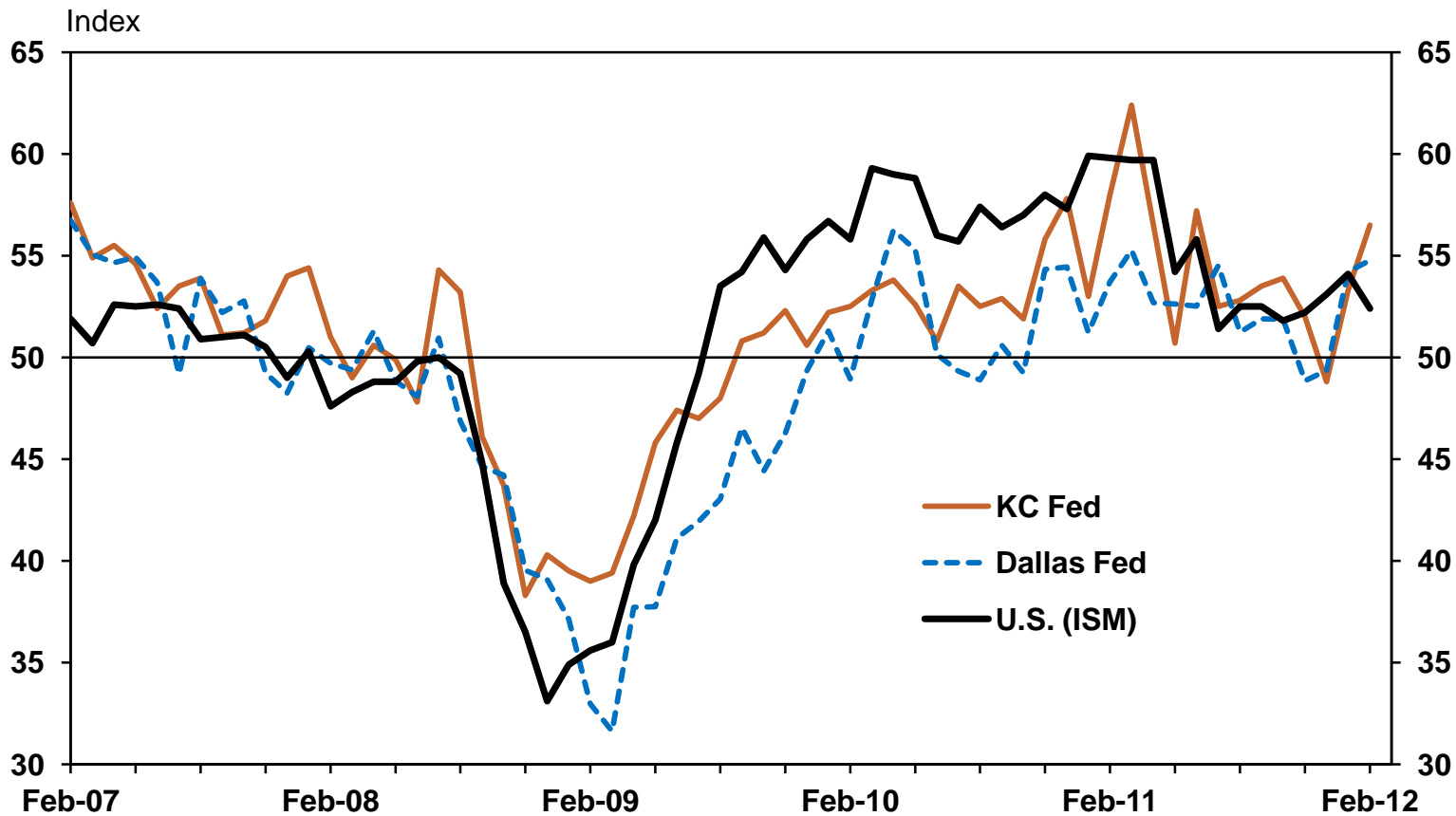
Source: U.S. Census Bureau





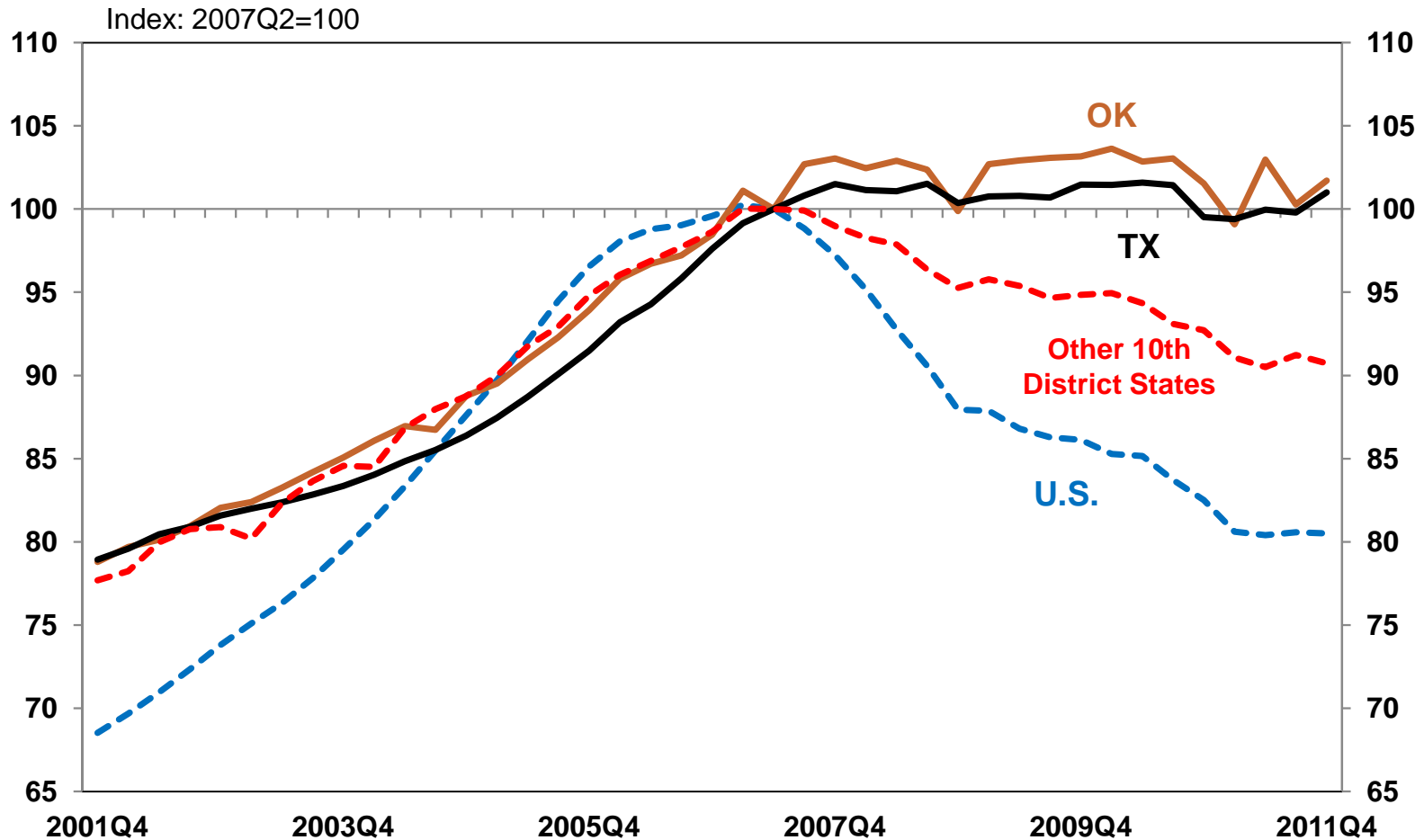
# Early 2012 data on regional and national factory activity show moderate growth

**Manufacturing Composite Activity**  
Seasonally Adjusted



# And home prices have held up considerably better than in the nation as a whole

Home Price Index  
Purchase-Only

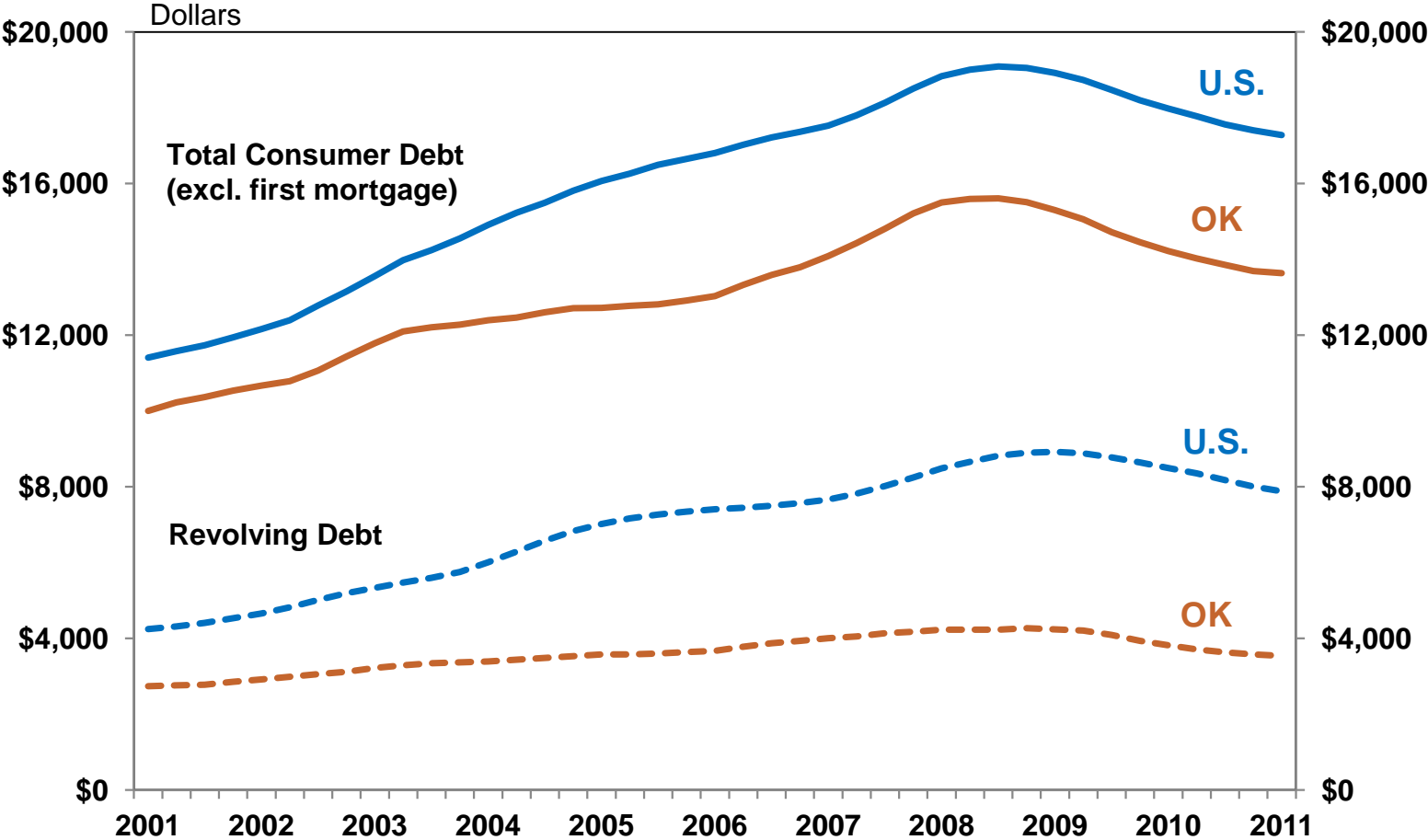


Source: FHFA



# Consumer debt is also less burdensome than in the U.S., even moreso than a decade ago

### Average Debt Per Consumer

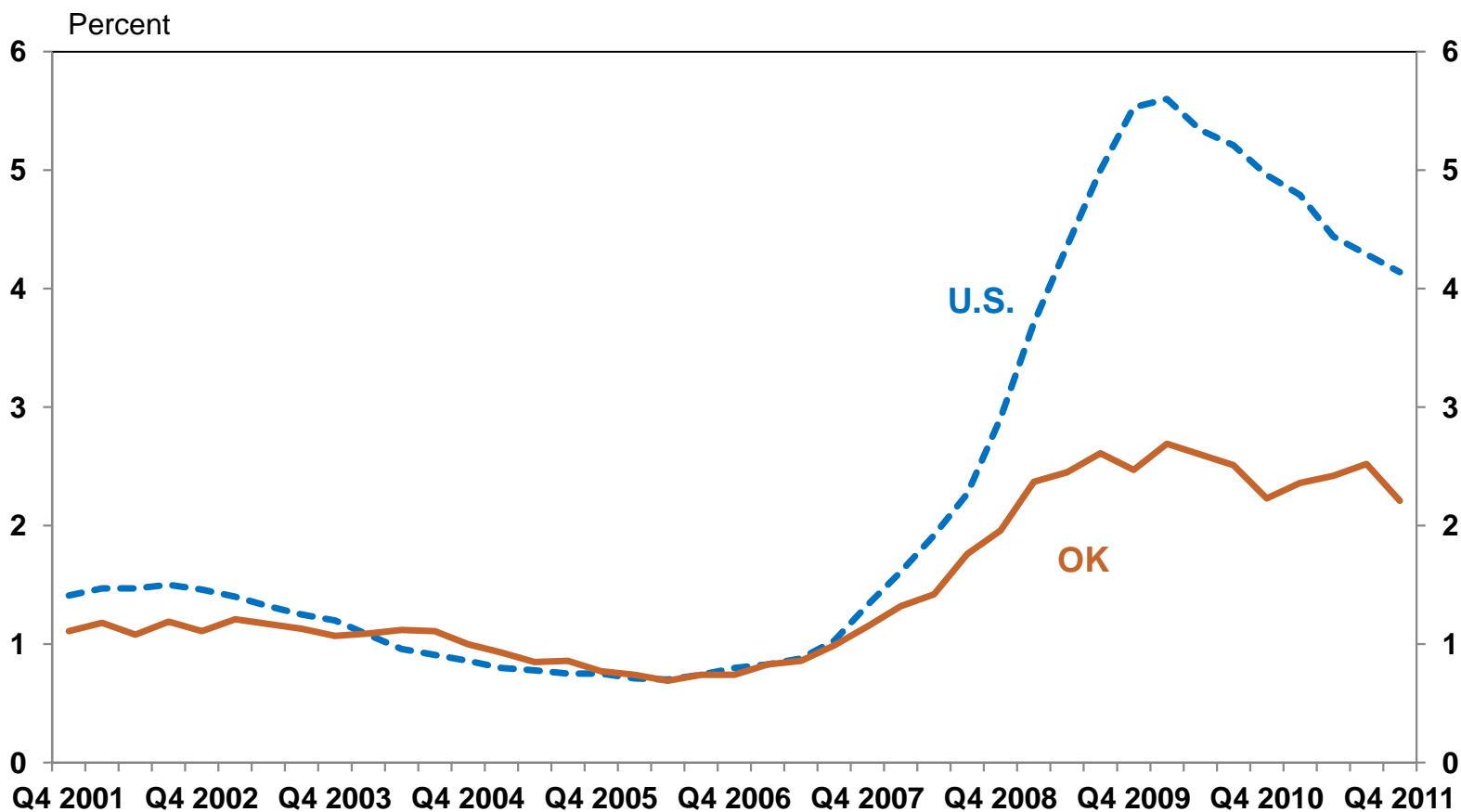


Source: Federal Reserve Bank of New York Consumer Credit Panel/Equifax



# Problem loans are still elevated in OK, but much less so than in banks nationally

Noncurrent Loans as a Share of Total Loans  
Commercial Banks

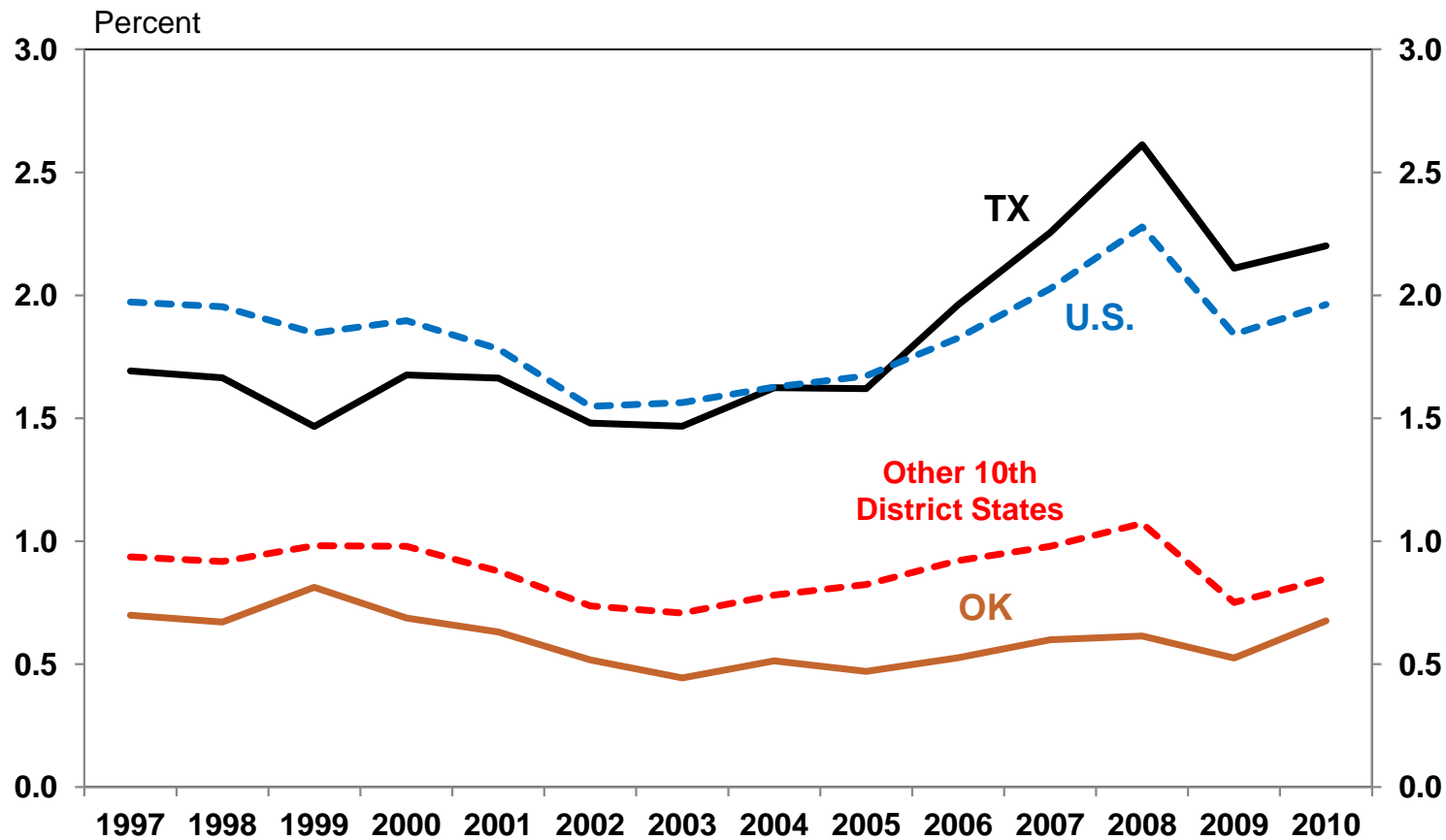


Source: FDIC



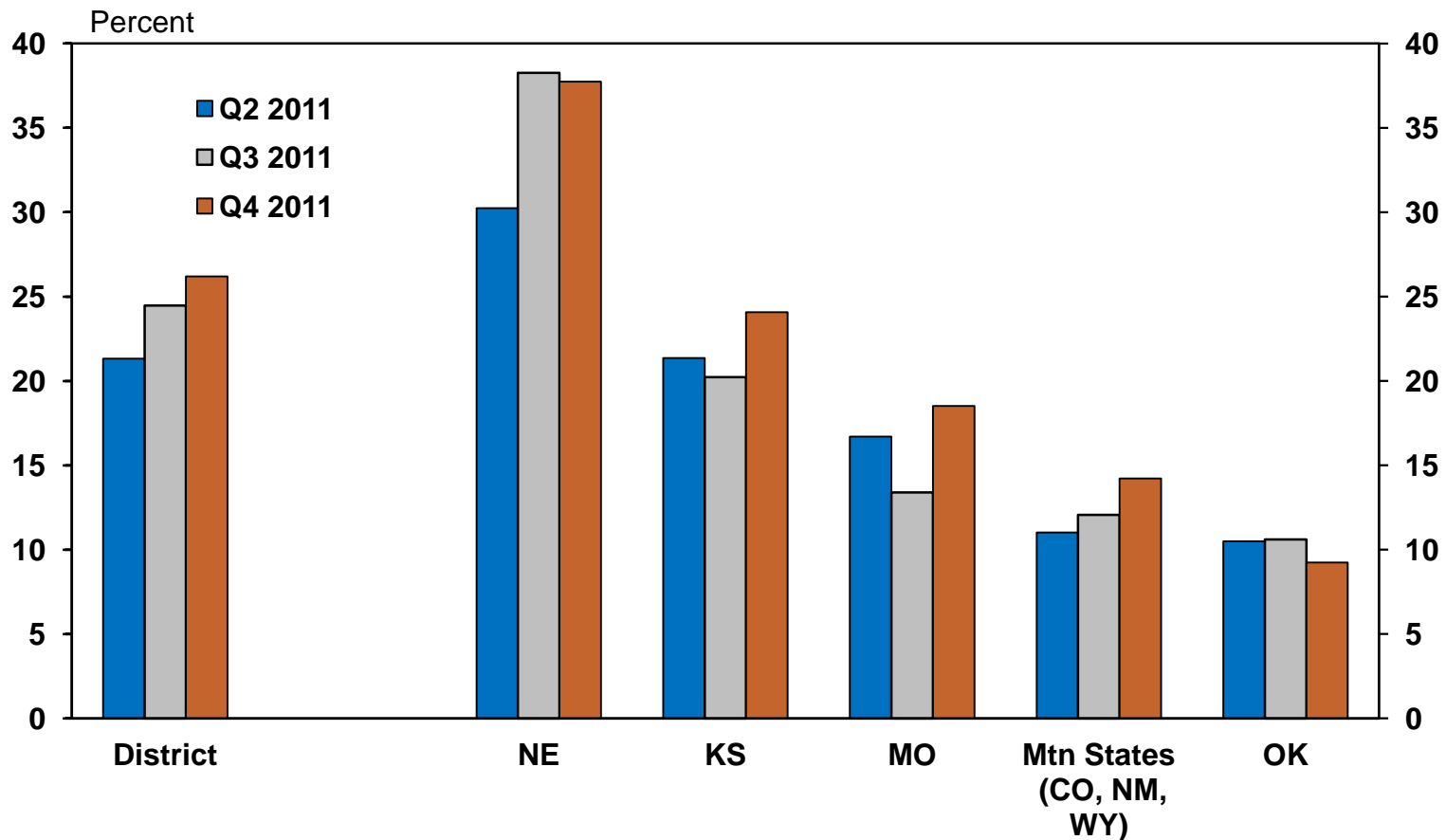
# Oklahoma has much less trade exposure to Europe than the U.S. as a whole

## Exports to Europe as a Share of GDP



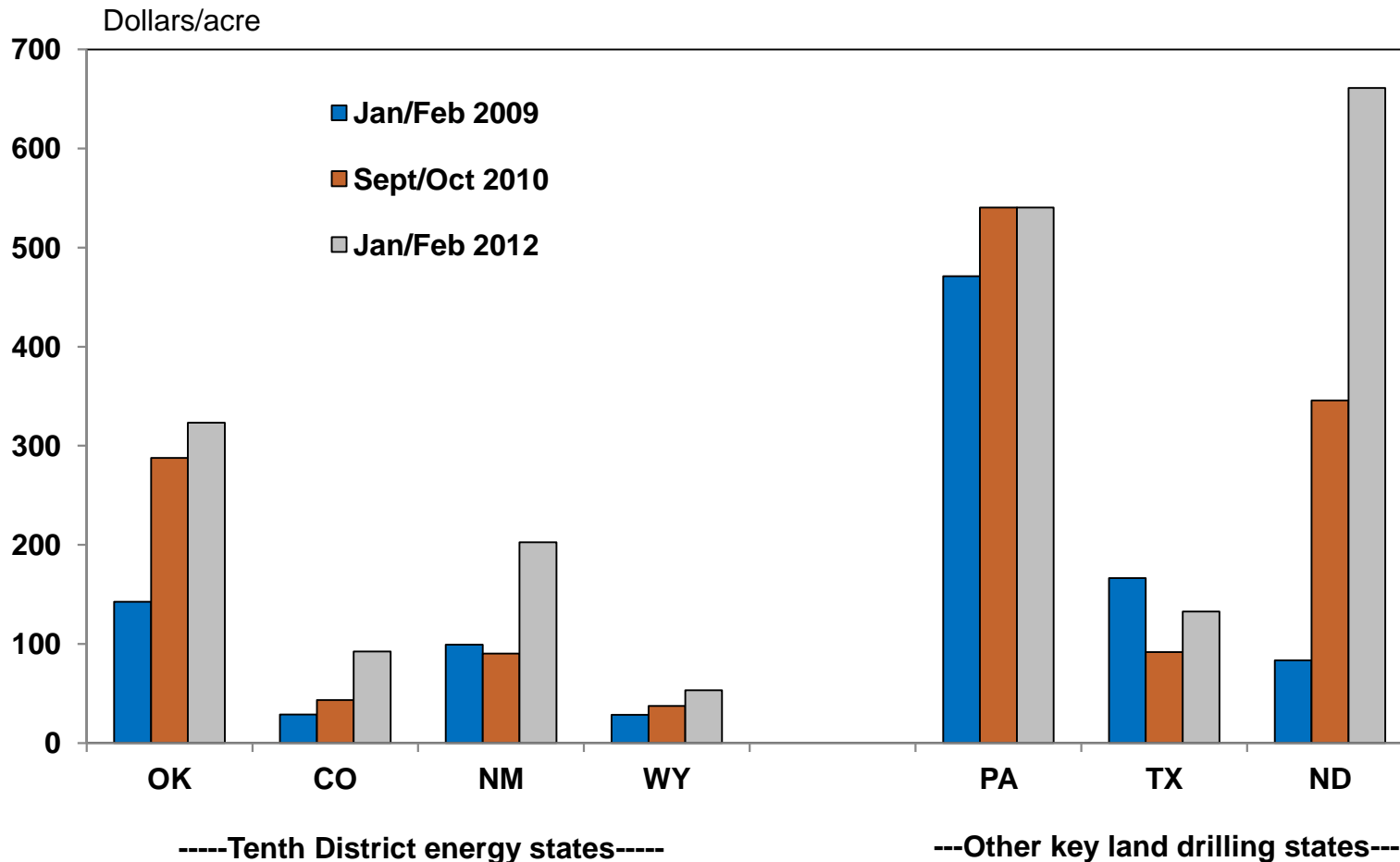
# Farmland prices continue to surge, especially in Nebraska

**Tenth District Non-Irrigated Cropland Values**  
Percent Change, Year-over-year



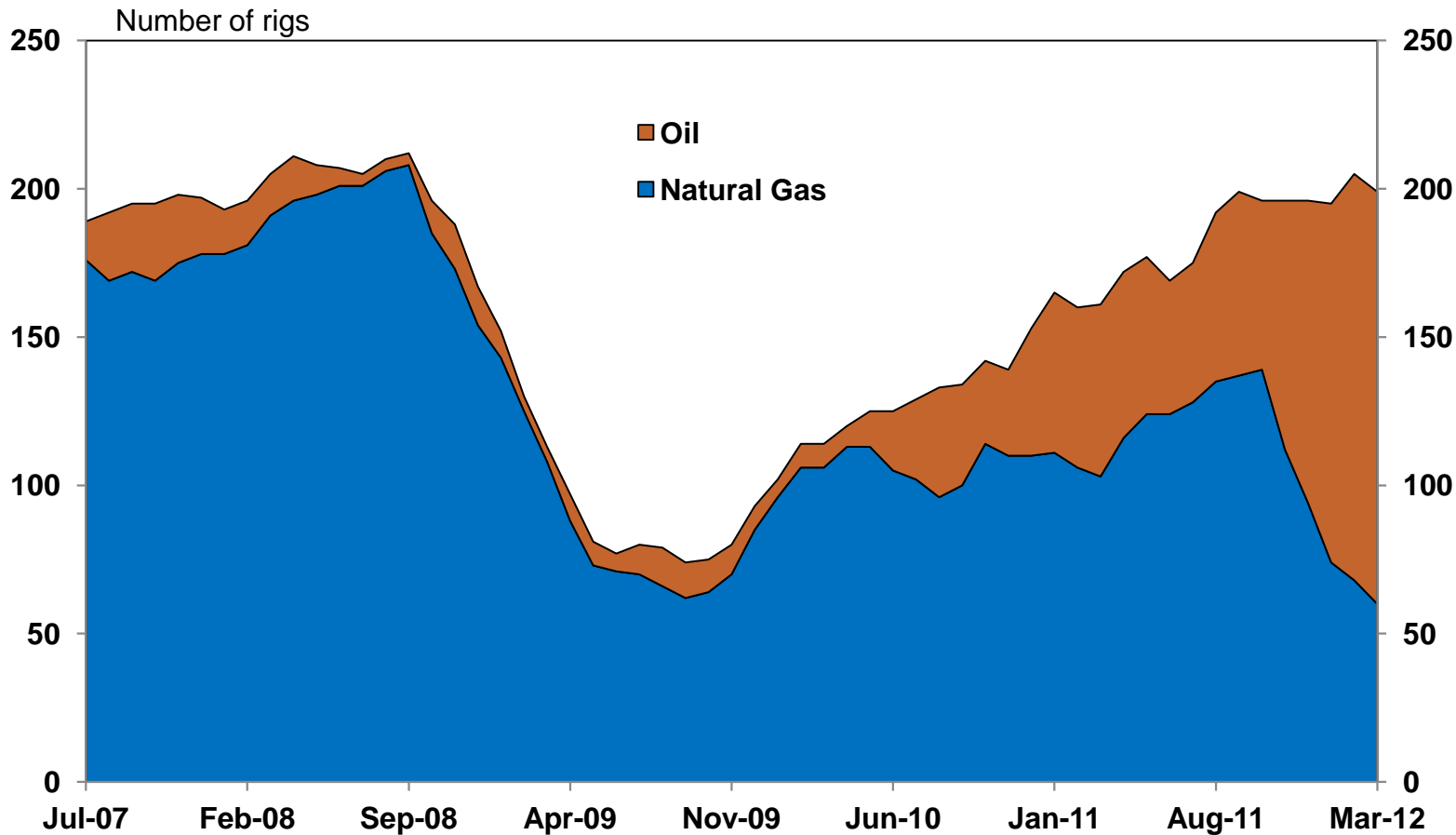
# Oil and gas lease rates have continued to rise in Oklahoma and other energy states

**Oil and Gas Lease Rates**  
Most common bonus



# Natural gas drilling has fallen sharply in the state, but oil has so far replaced the dropoff

## Oklahoma Rig Count



Source: Baker Hughes





# Conclusions

- The U.S. economy continues to grow moderately, amid limited inflation and continued risks from Europe
- Growth in Oklahoma has slowed a bit recently but conditions remain much better than in the nation as a whole



# Questions?



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