



2009 Lawton / Comanche Co. Economic Outlook

Mark C. Snead
mark.snead@okstate.edu

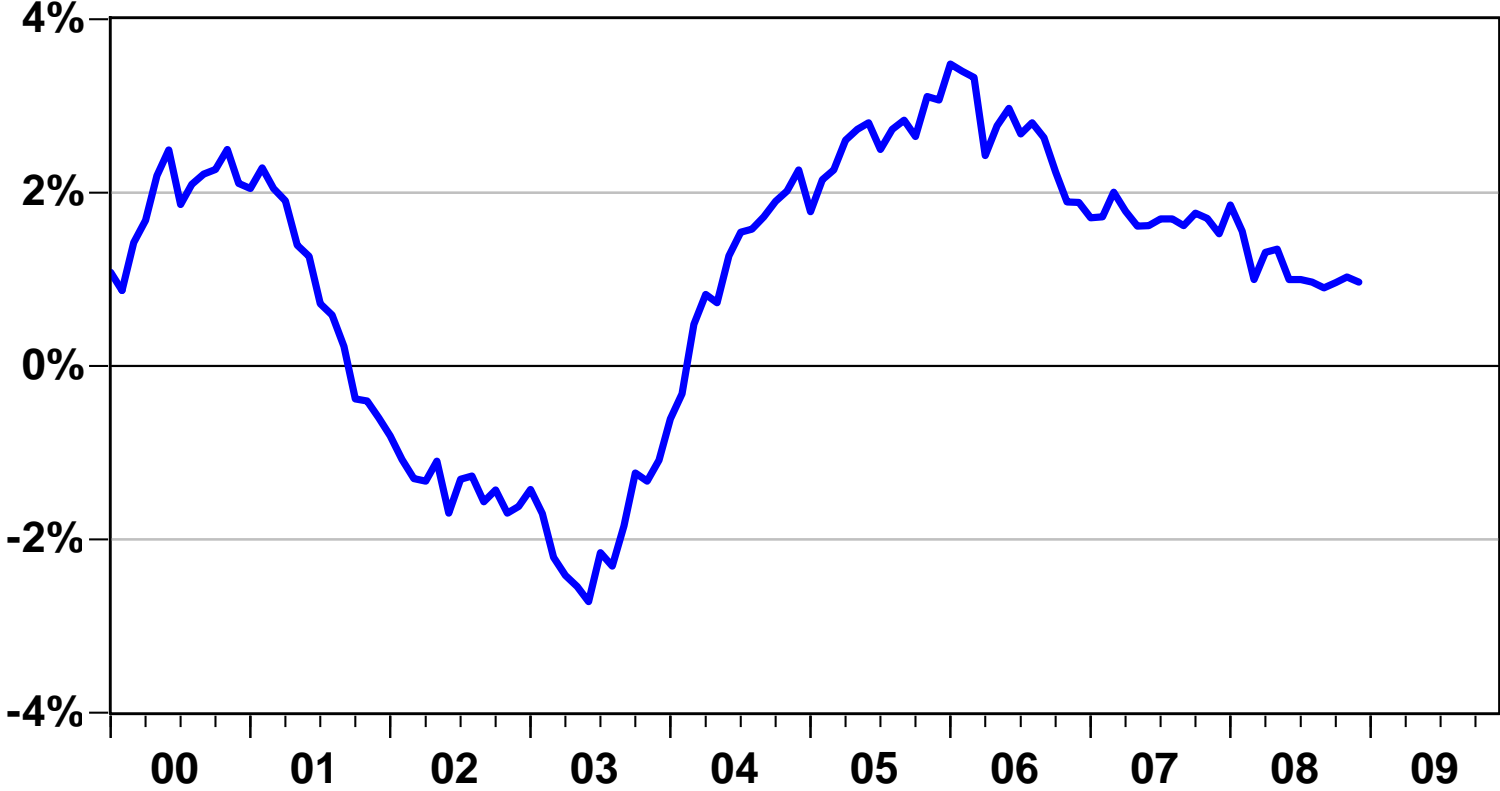
Director and Research Economist
Center for Applied Economic Research
Oklahoma State University – Stillwater
<http://economy.okstate.edu>

Thursday, February 19, 2009



OK Job Growth Remains Well Above U.S.

Growth in OK Non-Farm Wage & Salary Employment Percent Change, Annual Rate

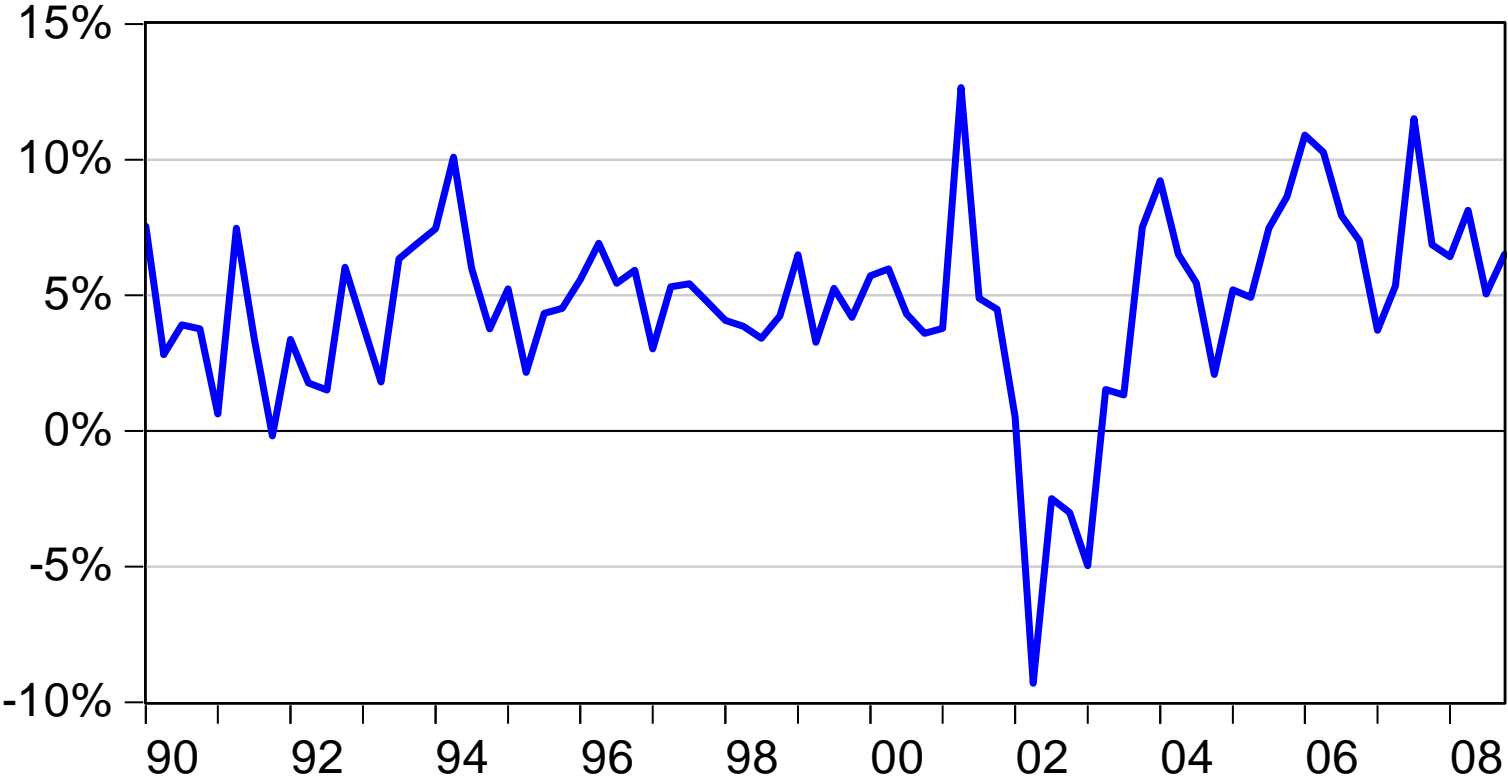




Retail Sales Suggest Strength

Growth in OK Taxable Retail Sales

Seasonally adjusted, annual rate



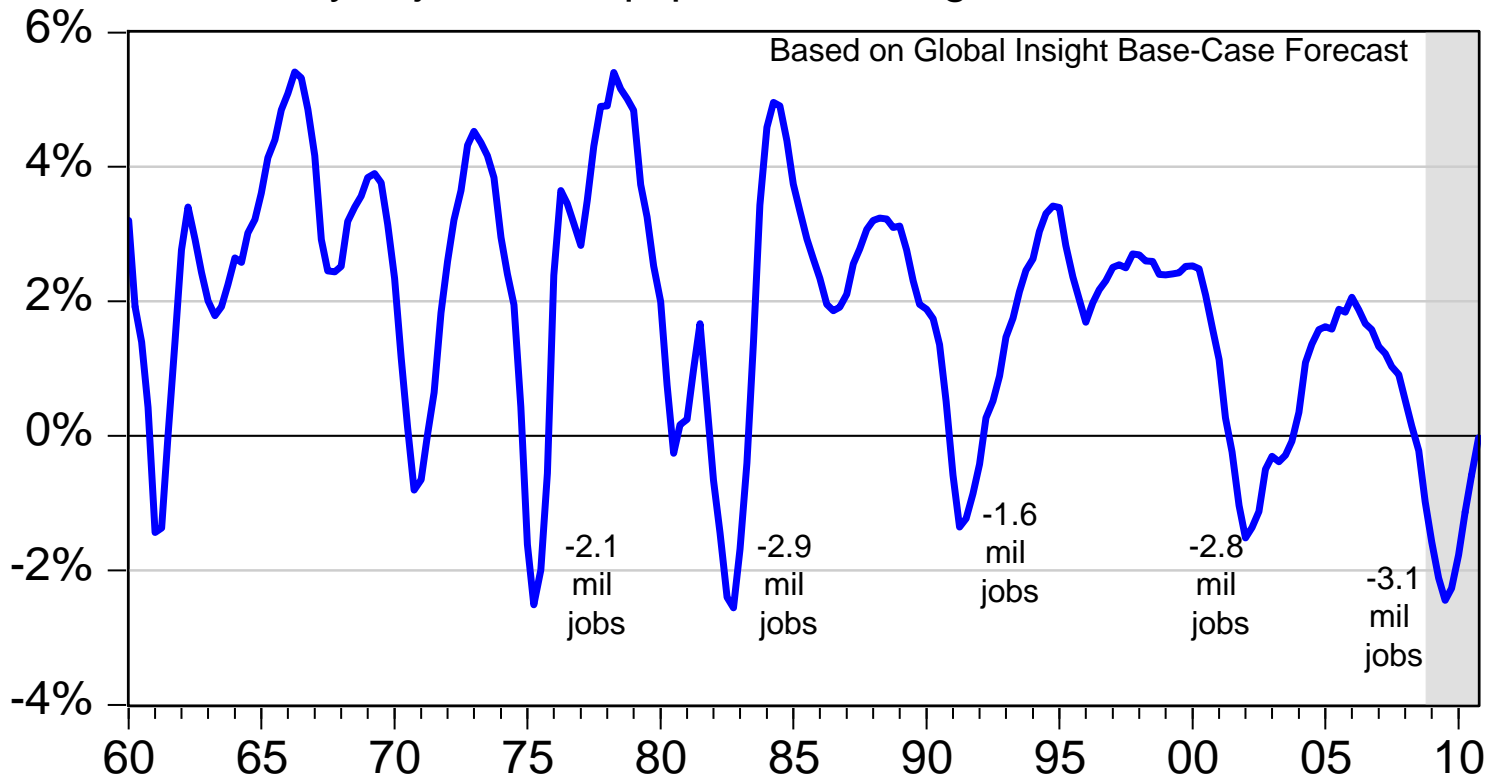


Forecast Assumes Severe US Recession

2008Q4 2009Q2

Growth in U.S. Non-Farm Employment

Seasonally adjusted, 4-qtr percent change





2009 U.S. Base Forecast Assumptions*

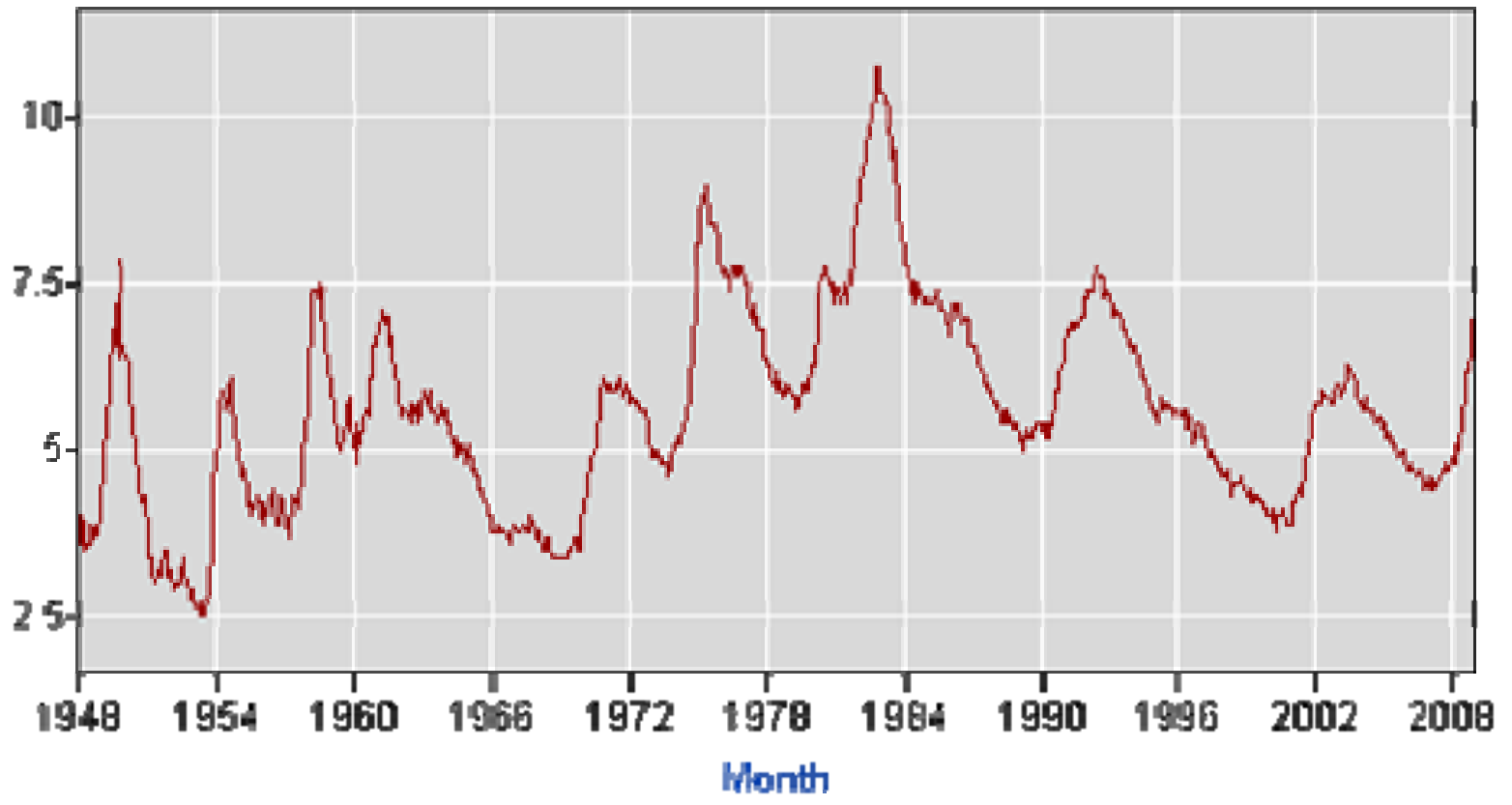
Weakness in 2008Q4, 2009Q1-Q2

- Recession extends through 2nd Qtr of 2009
- Job losses through 4th Qtr of 2009 (-1.5% in '09)
- Oil: \$50/bbl. in 2009, \$60 in 2010
- Nat. gas: \$6.50/mcf in 2009, \$7.50 in 2010
- Very weak manufacturing sector (Int'l trade)
- Unemployment rate from 6.5% to 8.25%

*Global Insight



Jobless Rate Below Past Peaks

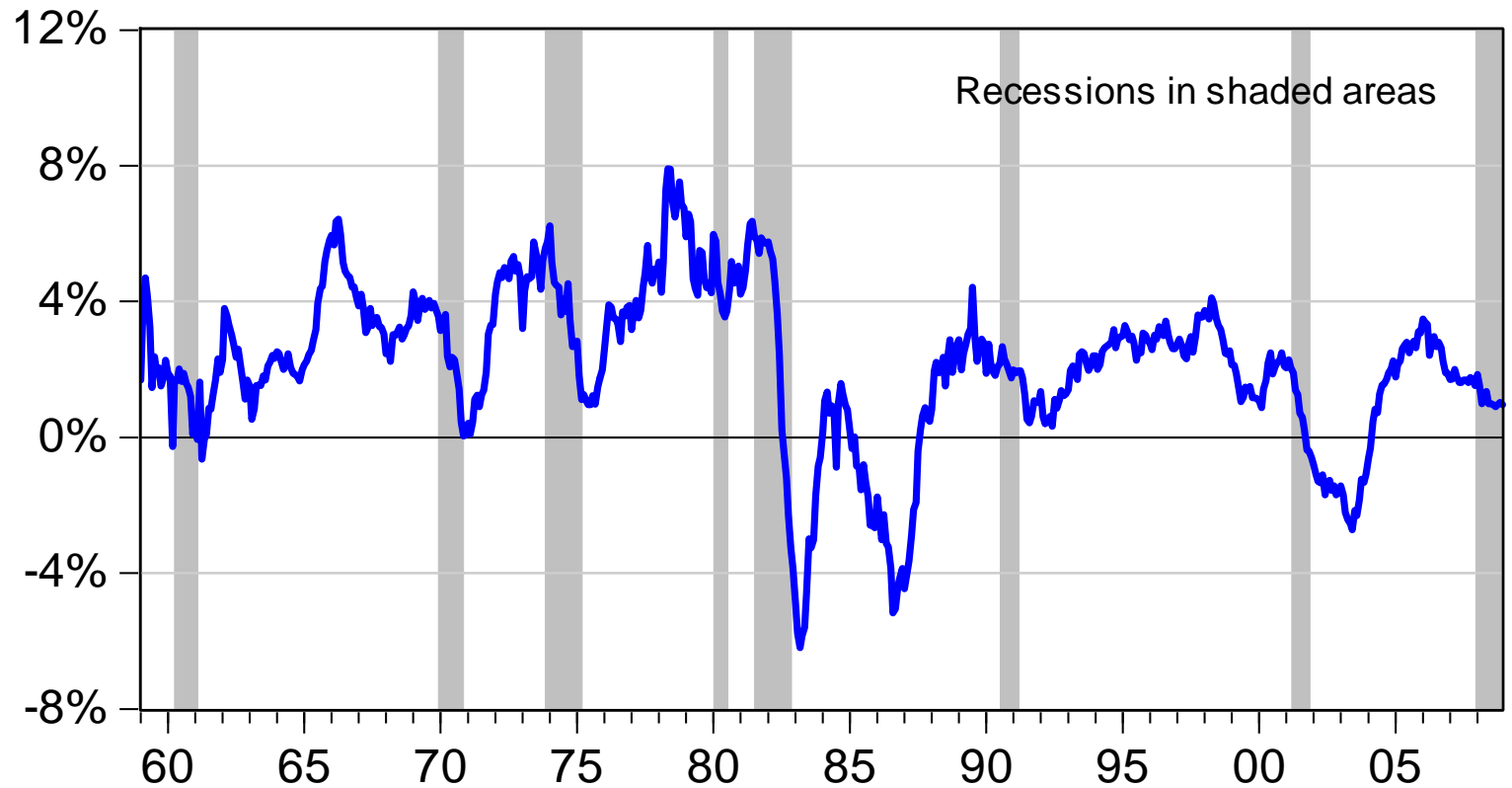




Will Energy Insulate OK in 2009?



Oklahoma Job Growth in Post War Recessions





Oklahoma Response

Oklahoma's '09 outlook depends upon 2 factors:

Momentum:

- 1% job growth (top 10 in U.S.)
- 5%+ retail sales growth

Energy sector:

- Threshold - \$45-50 oil / \$6 natural gas



2009 Oklahoma Economic Outlook

Small Job Losses Arrive in '09

Selected Oklahoma Indicators	2008e	2009f	2010f
Non-Farm Employment (Thou)	1582.6	1,580.5	1598.1
(% Change)	1.1%	-0.1%	1.1%
Personal Income (\$Mil)	133,557.4	137,763.0	142,602.3
	5.8%	3.1%	3.5%
Unemployment Rate	3.7%	4.9%	5.2%
	-13.0%	31.4%	5.3%
OK Population (Thou)	3,621.9	3,656.3	3,682.8
	1.2%	0.9%	0.7%
OFHEO OK Housing Price Index	214.02	225.19	238.71
	4.2%	5.2%	6.0%





Metro Job Gains Reflect State Pattern

Wage & Salary Employment Forecast (Thousands)

Region	2007	2008e	2009f	2010f
Oklahoma	1565.9 1.7%	1582.6 1.1%	1,580.5 -0.1%	1598.1 1.1%
OKC MSA	566.94 1.2%	574.48 1.3%	575.85 0.2%	582.74 1.2%
Tulsa MSA	425.83 1.6%	427.72 0.4%	427.06 -0.2%	430.0 0.7%



Lawton – Strong 2008 Results

- 1.8% job gain (750 new jobs) (below 2.2% forecast)
- Retail sales up 4.9%
- Wage & Salary Income up 8.7%
- Unemployment rate 3.6%
- Another surge in construction
- 4.8% housing price gain
- Temporary employment up sharply
- Still in early stages of artillery relocation



Some Signs of Cyclical Slowing

- Private sector job growth slowed at end of '08
- Unemployment rate up from 2.9% to above 4.4% in latest data (subject to revision)
- Manufacturing sector weak
- Cyclical slowing will offset some of the early 2009 Ft. Sill transition impact



Modeling the Ft. Sill Expansion

- Added a military component to the forecasting model
- 2009: 34 new federal civilian jobs and 135 new military jobs
- 2010: 618 new federal civilian jobs and 2,596 new military jobs





2009 Lawton Outlook Summary

Selected Lawton MSA Economic Indicators

Base Case

Indicator	2008e	2009f	2010f
Non-Ag Employment + Military (Thou) (% Change)	56,192 1.2%	56,876 1.2%	60,911 7.1%
Non-Ag Employment ex Military (Thou)	41,801 1.8%	42,355 1.3%	44,068 4.0%
Comanche Co. Population (Thou)	114,347 0.5%	114,960 0.5%	119,627 4.1%





2009/2010 Lawton Outlook, Cont.

Selected Lawton MSA Economic Indicators

Indicator	2008e	2009f	2010f
Personal Income (\$Mil)	3,900.9 4.9%	4,106.2 5.3%	4,575.1 11.4%
OFHEO Lawton Housing Price Index	160.66 4.8%	170.17 5.9%	182.42 7.2%
Unemployment Rate County	3.6% -16.6%	3.9% 7.4%	4.1% 4.8%
Taxable Retail Sales (\$Mil) Lawton	1,070.3 4.9%	1,103.8 3.1%	1,187.2 7.5%





2009/2010 Lawton Outlook, Cont.

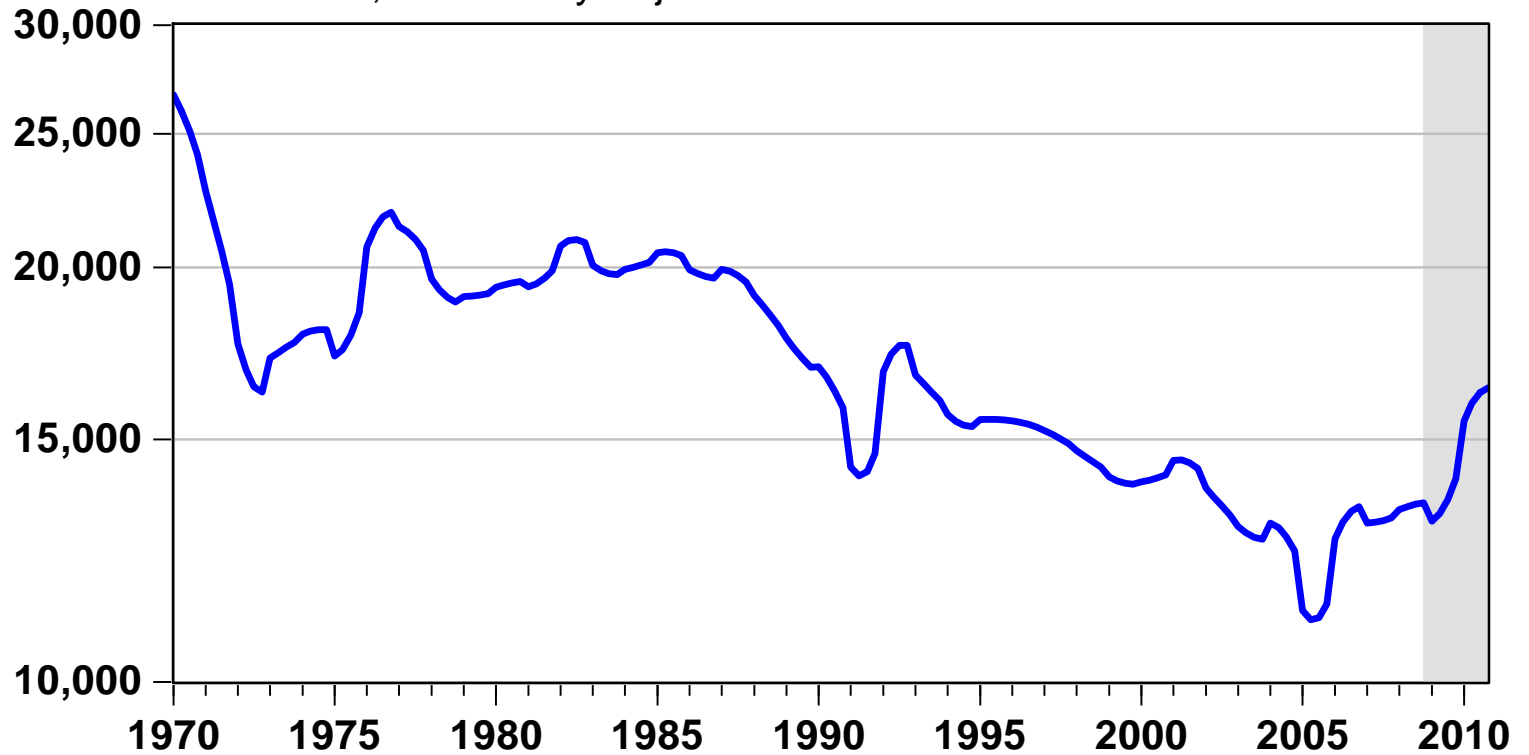
- Significant growth in major consumer services sectors (population driven)
- Hiring gains in health services, financial services, accommodations and food services, local government, retail, and state/local government
- Hiring weakness in oil/gas, manufacturing, and construction



Back to Early 1990's Military Level

Lawton Federal Military Employment

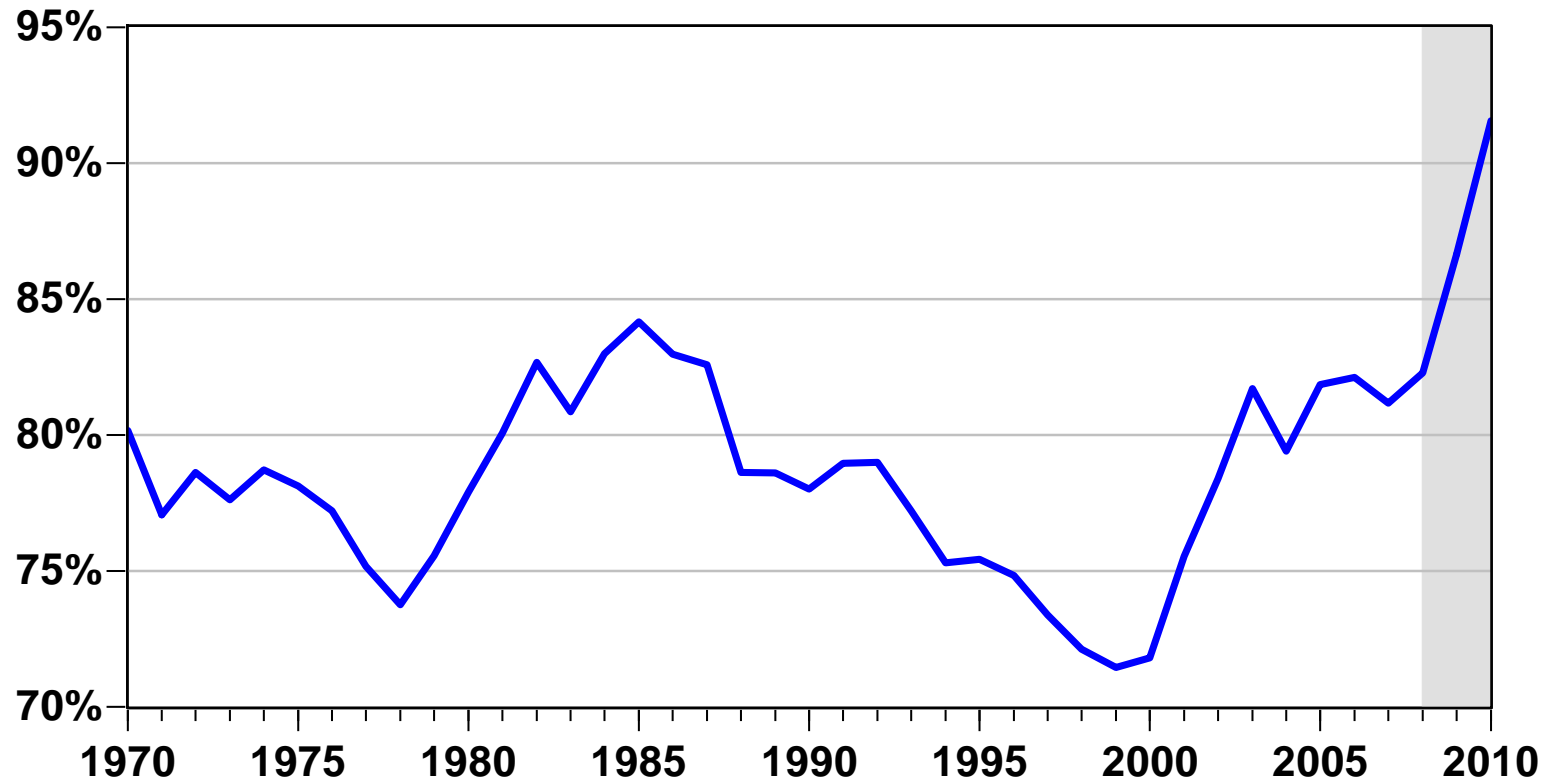
Thousands, Seasonally Adjusted

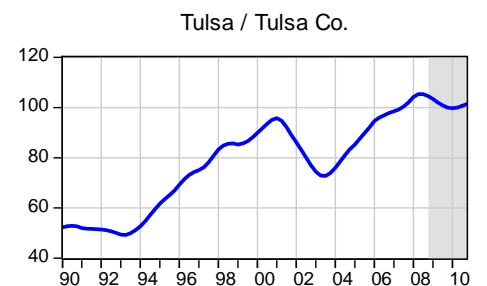
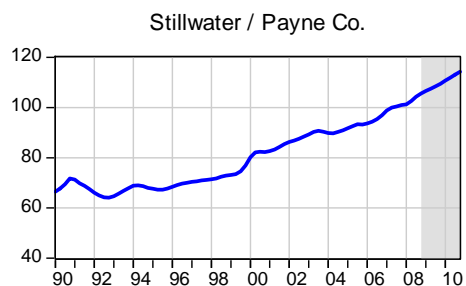
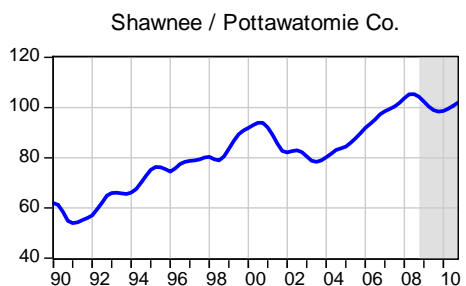
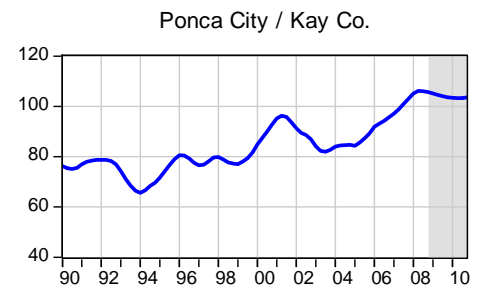
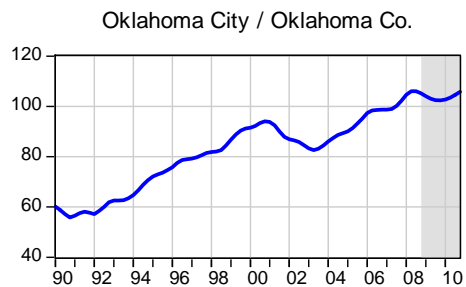
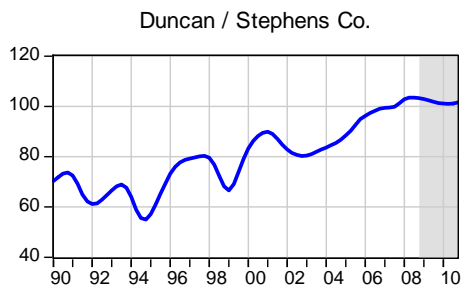
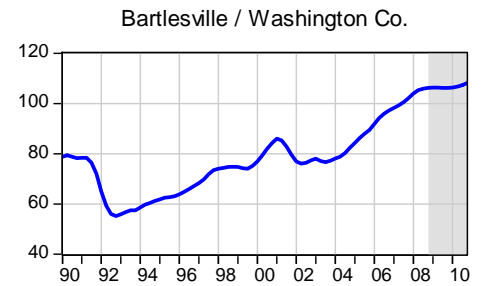
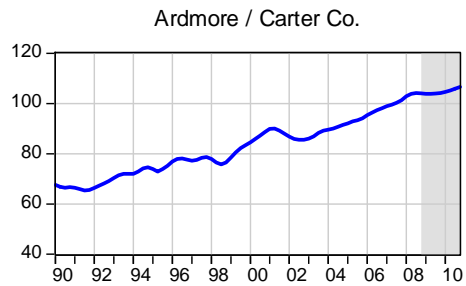
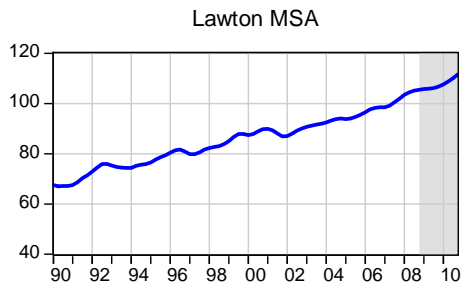
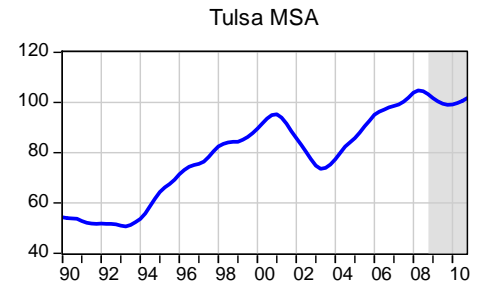
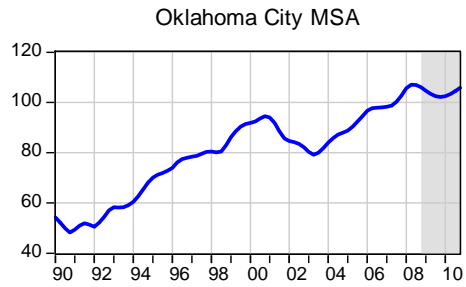
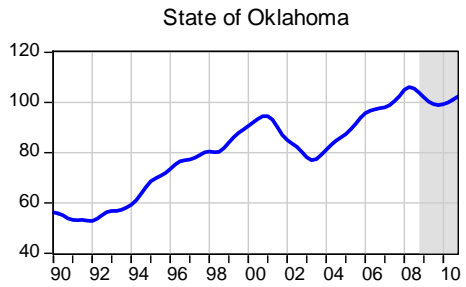




Income Gains Continue

Ratio Comanche Co. to US Per Capita Personal Income







**Full forecast release is available
online at:**

<http://economy.okstate.edu>

mark.snead@okstate.edu

