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# 2011 ECONOMIC OUTLOOK: NATIONAL CONDITIONS AND LOCAL FORECASTS

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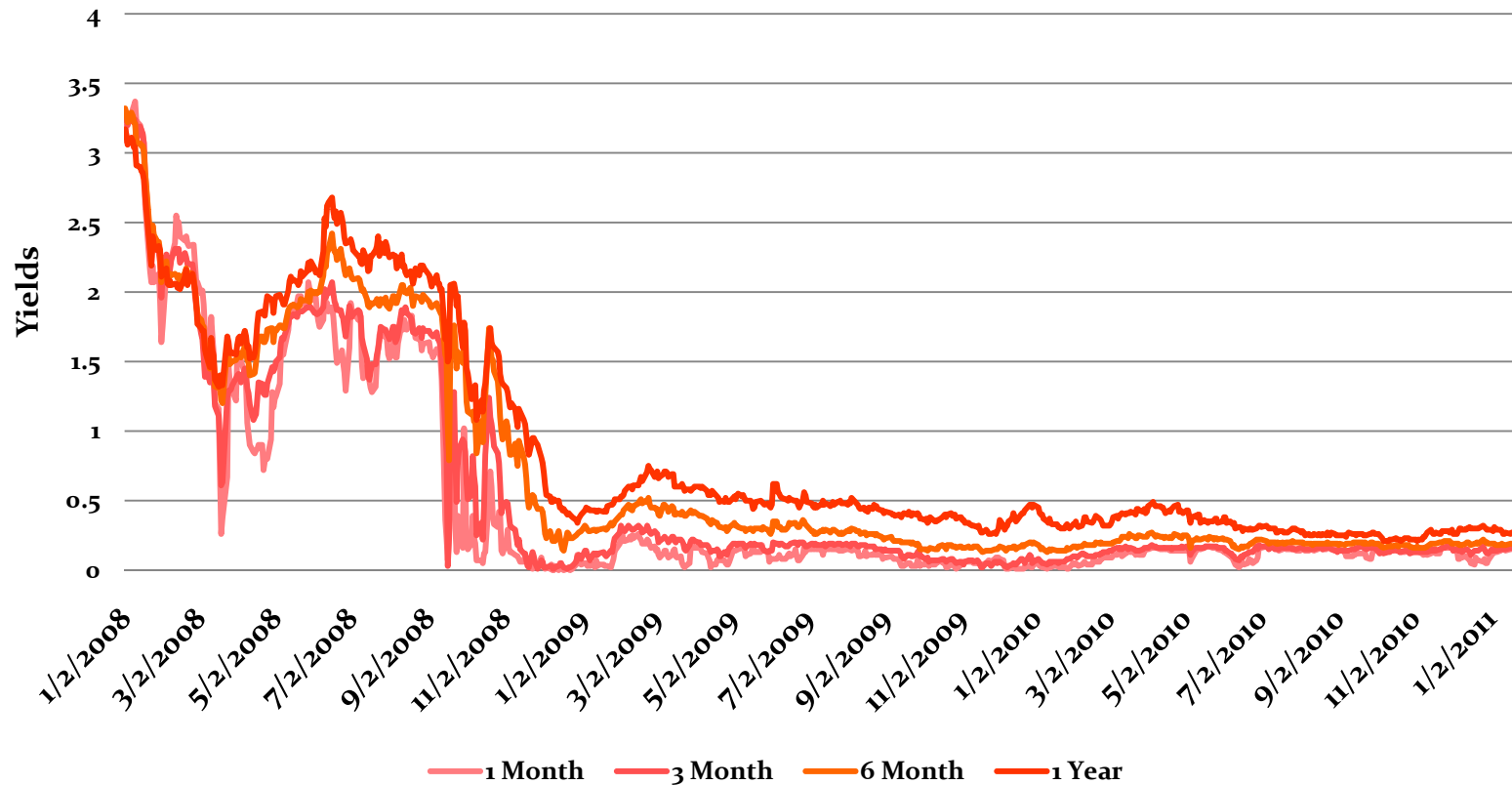
## U.S. Conditions - Overview

- Recovery regaining momentum– U.S. GDP growth struggles to reach 2.8% in 2010 before reaching 3% in 2011
- Prices stable in the short run – short run deflationary pressures and long run inflationary pressures complicate monetary policy
- Only modest job gains in 2010 and into 2011; unemployment rates persist at high levels



# U.S. Interest Rates

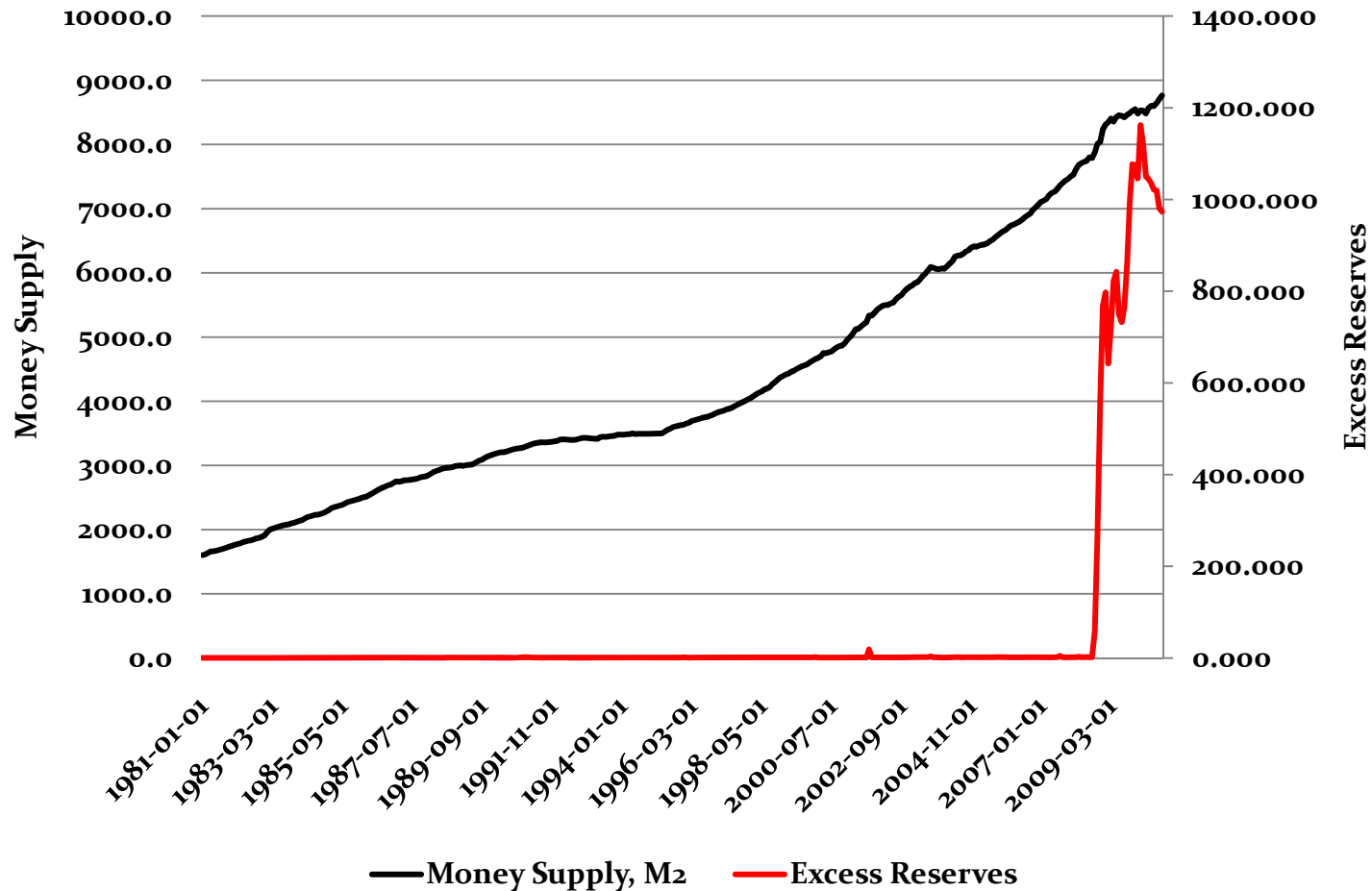
## Short - Term Treasury Yields





# Excess Reserves

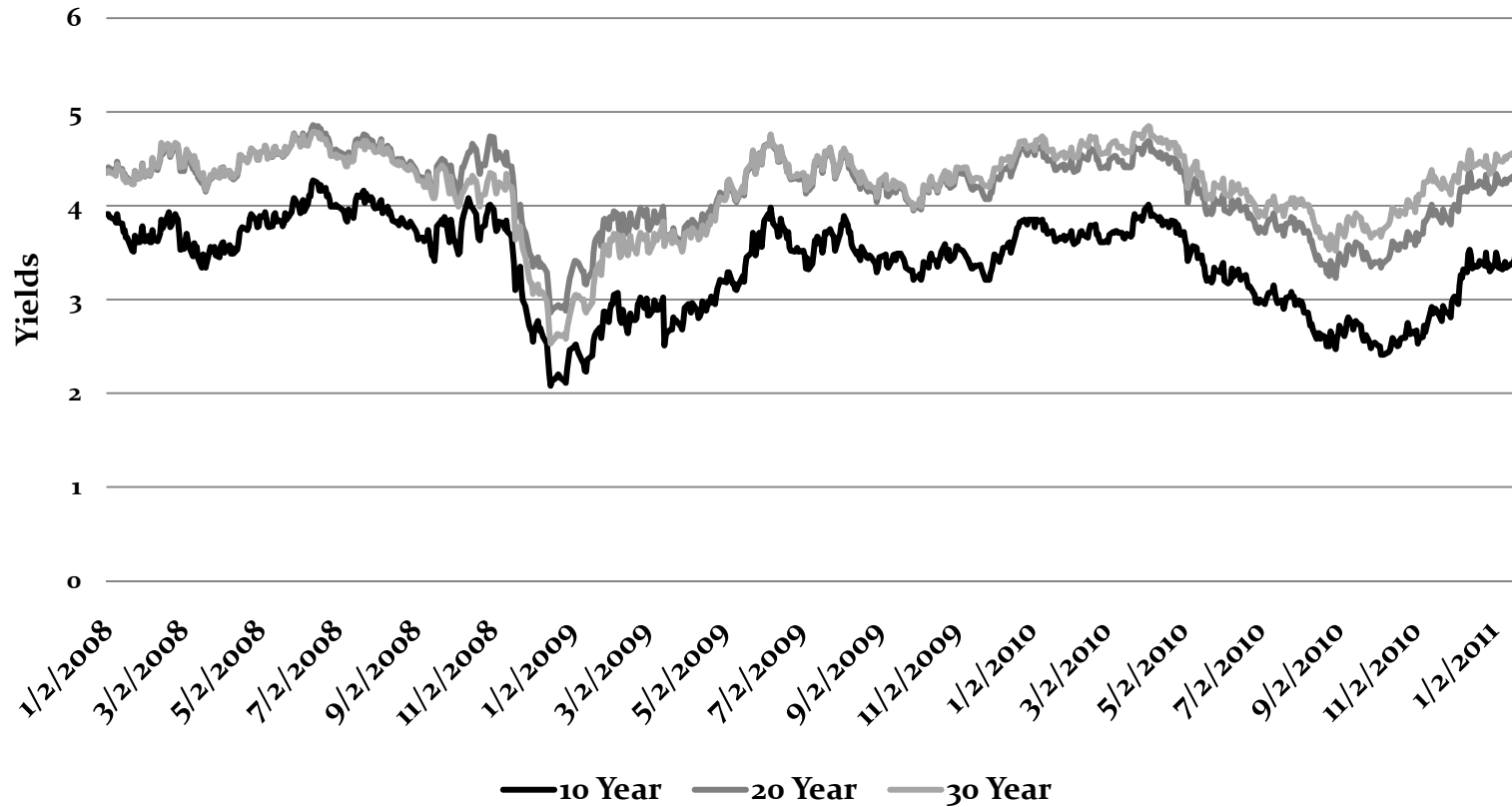
Money Supply and Excess Reserves (\$ bil)





# U.S. Interest Rates

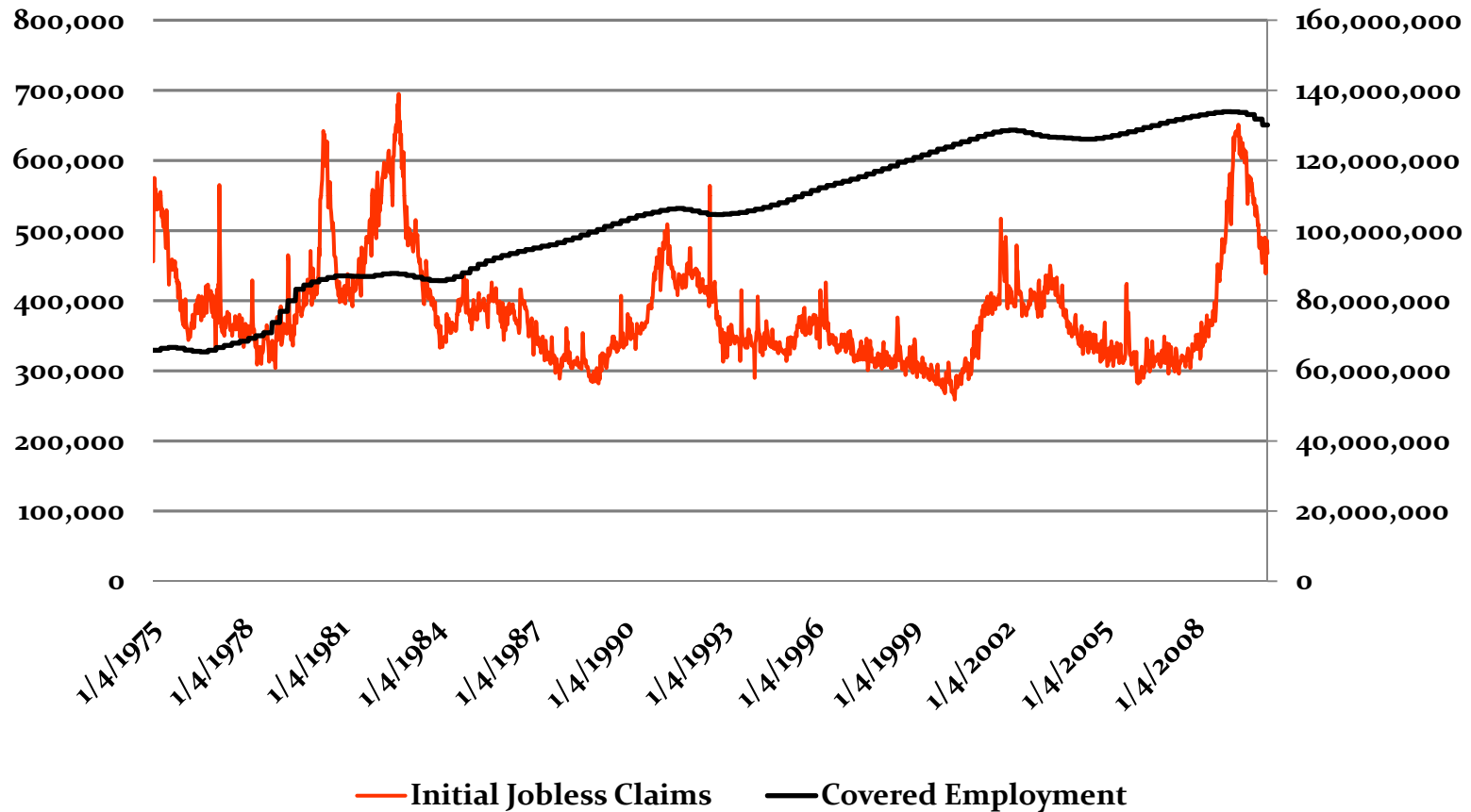
## Long - Term Treasury Yields





# Jobless Claims

## Initial UI Claims and Total Employment





## US Outlook

- Recovery holds; no double dip; US Real GDP grows at 3% in 2011 and 2012
- Unemployment rates remain elevated; hiring accelerates in the second half of 2011
- Prices stable in the short run





## Oklahoma Conditions: 2011-2012

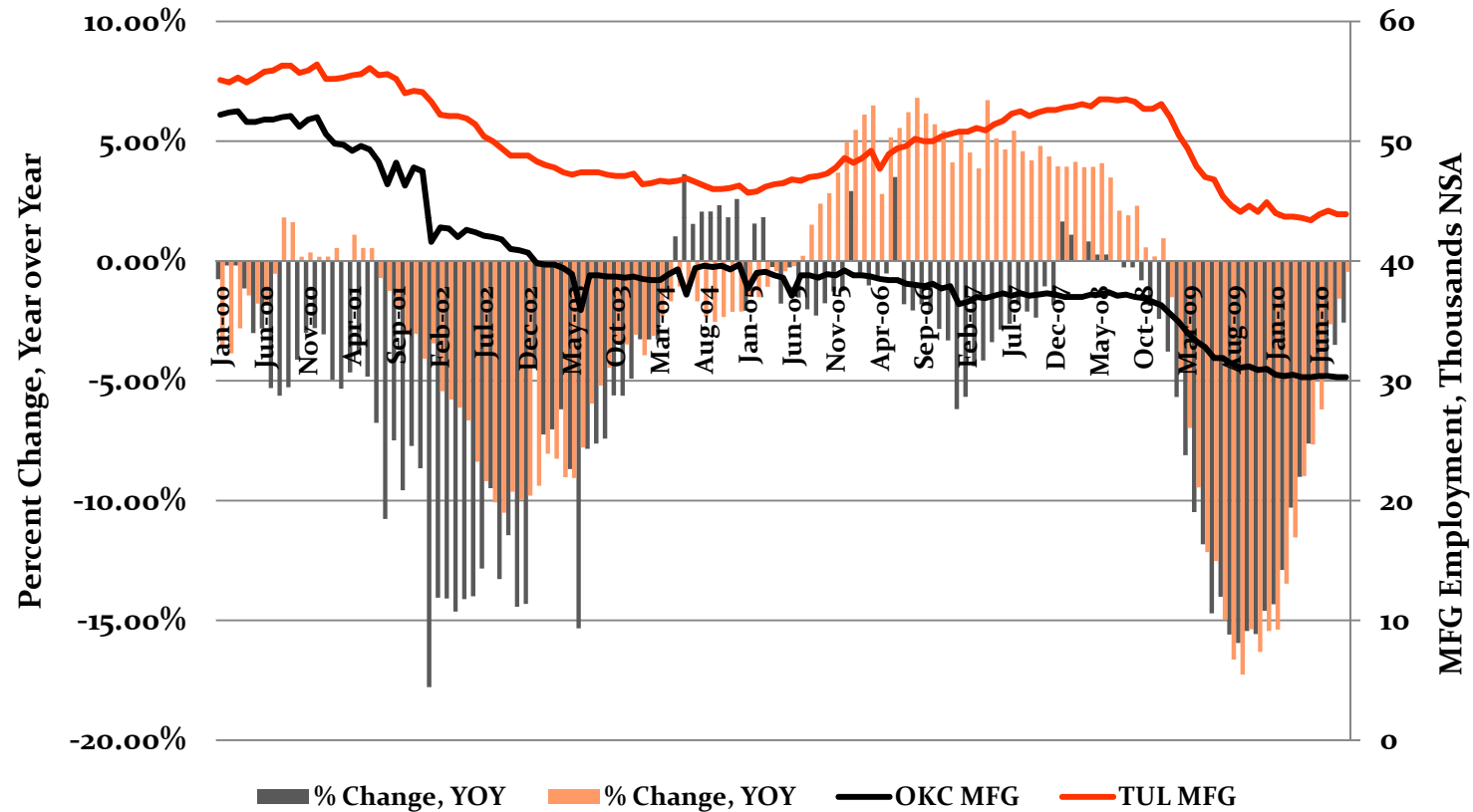
- Recovery gains momentum in 2011 and carries into 2012; 2011 will feel like recovery
- Tulsa closes the recovery gap on Oklahoma City, as OKC deals with tight government budgets
- Oil/Gas activity pick up modestly in 2011 and 2012; hiring continues as investment dollars look for projects
- Labor force increases keep unemployment rates elevated before falling in the latter half of 2011 and into 2012





# Oklahoma Manufacturing Employment

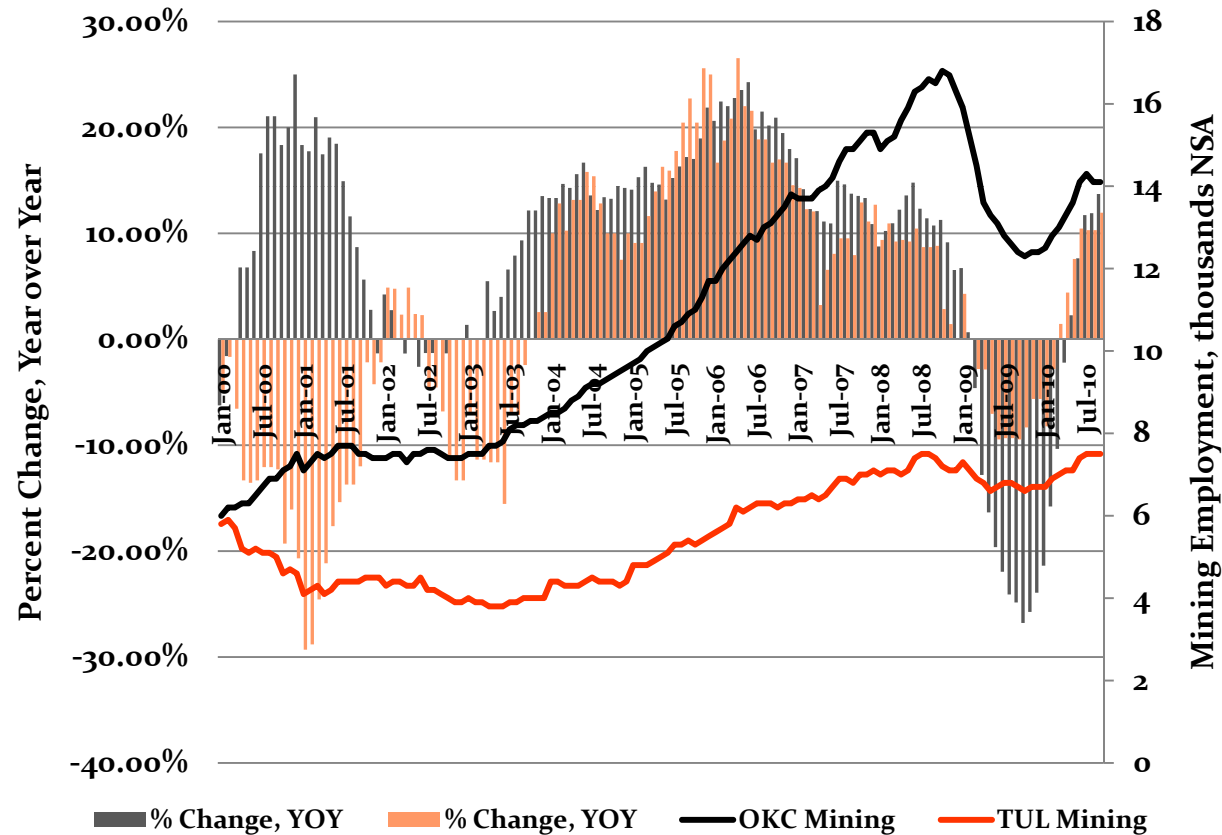
## OKC & Tulsa MFG Employment





# Oklahoma Mining Employment

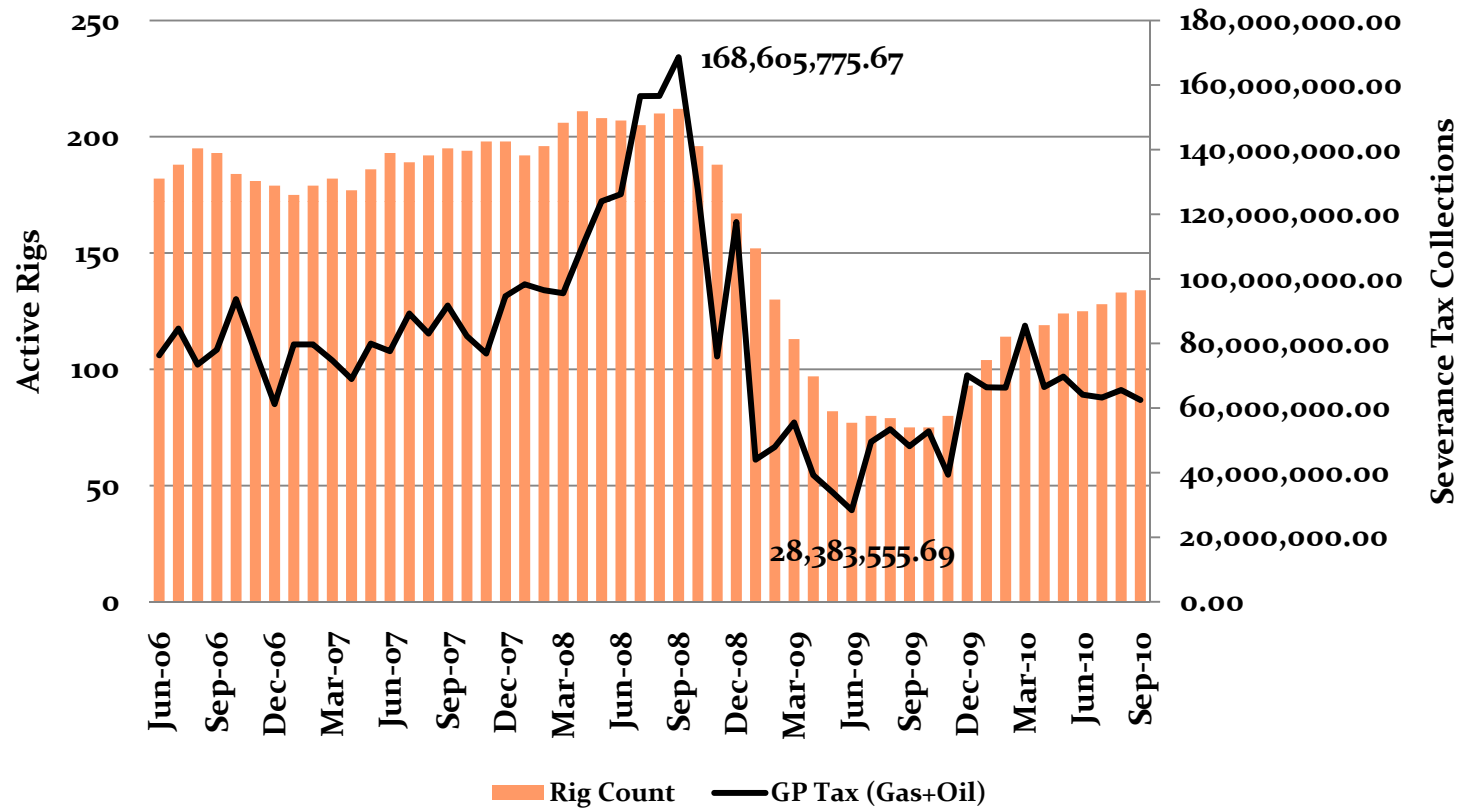
## OKC and Tulsa Mining Employment





# Oklahoma Rig Count and Severance Tax

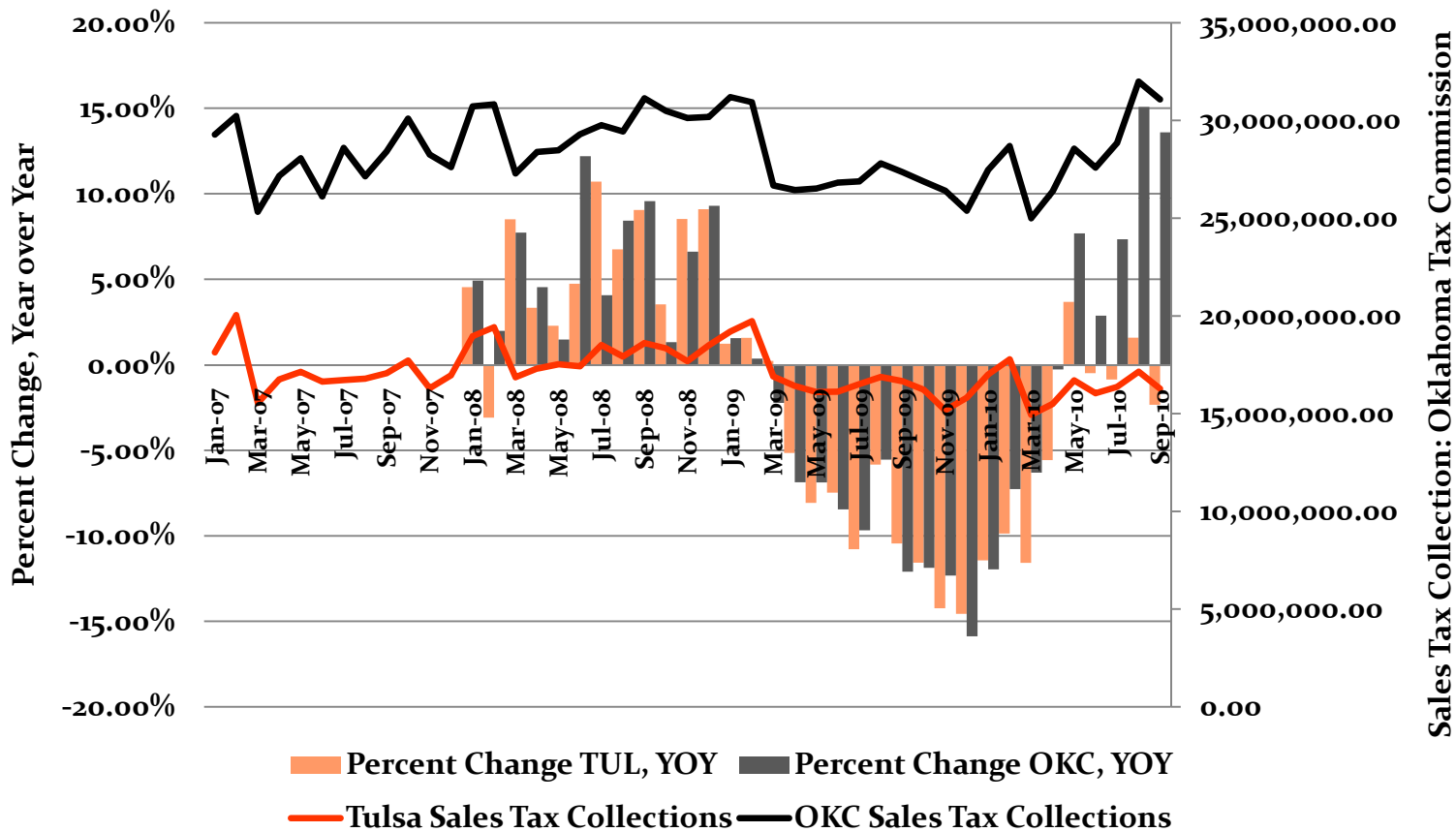
## Rig Count and Severance Tax Collections





# Oklahoma Retail Sales

## OKC / Tulsa Retail Sales





## Oklahoma Forecast

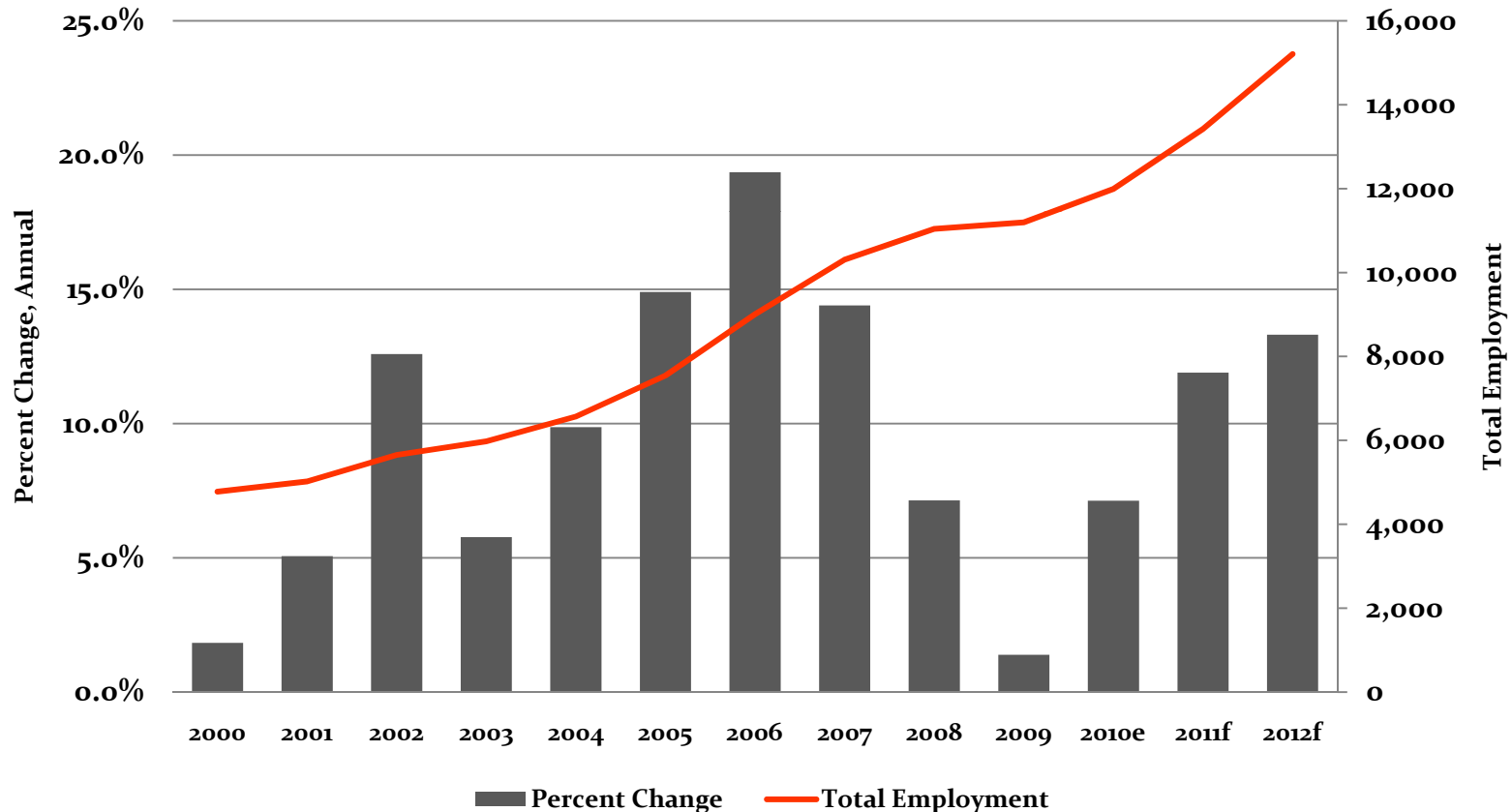
- 2011 feels like recovery; employment and income gains accompanied by firming budgets
- Data point towards Tulsa closing the gap on OKC, but OKC continues to strengthen
- Good news will outweigh bad news; Oil/Gas activity could surprise
- Public sector job loss offset by private sector job gains; Oklahoma feels healthy again by late 2012





# Owasso Wage and Salary Employment

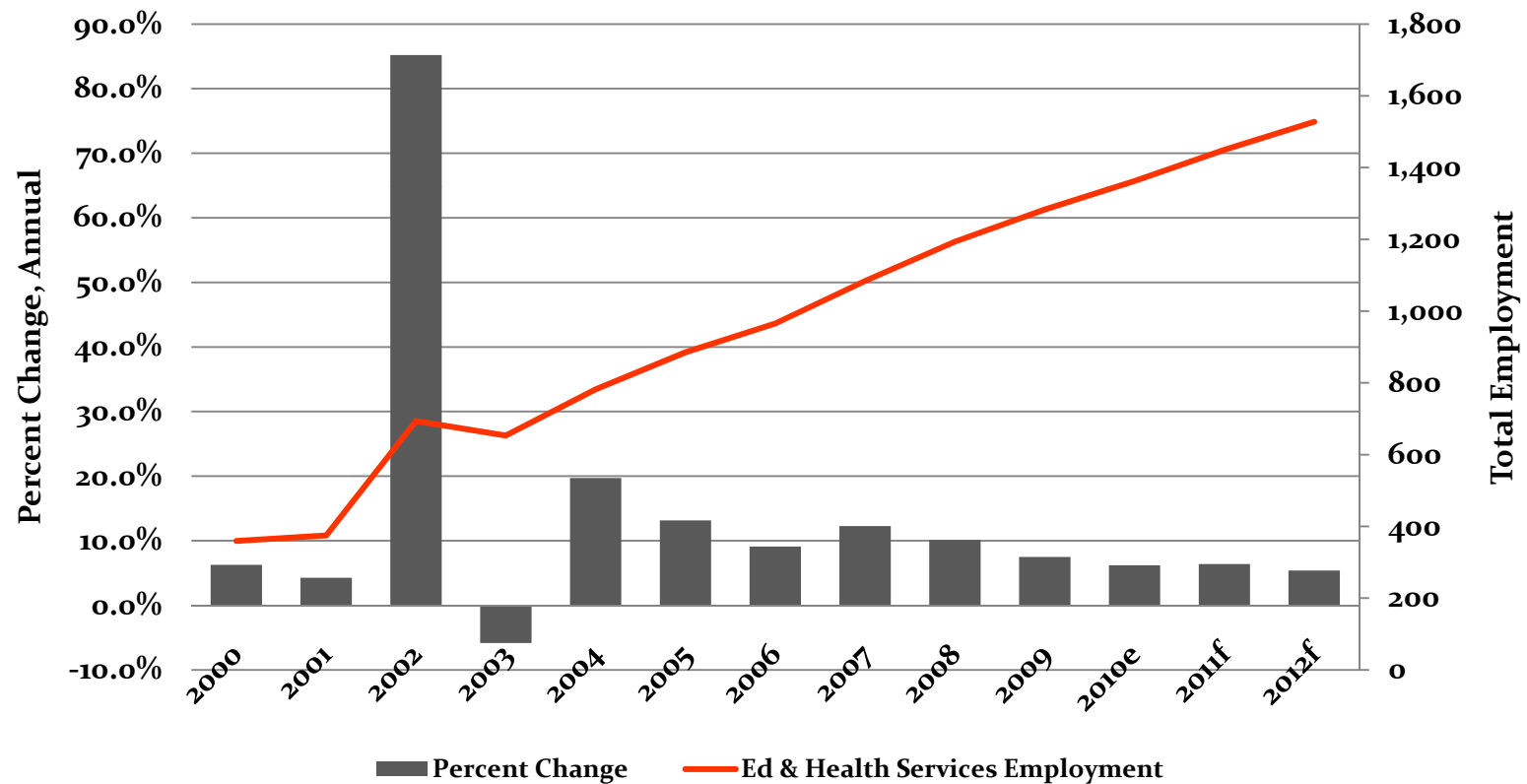
## Total Wage & Salary Employment





# Owasso Health Services Employment

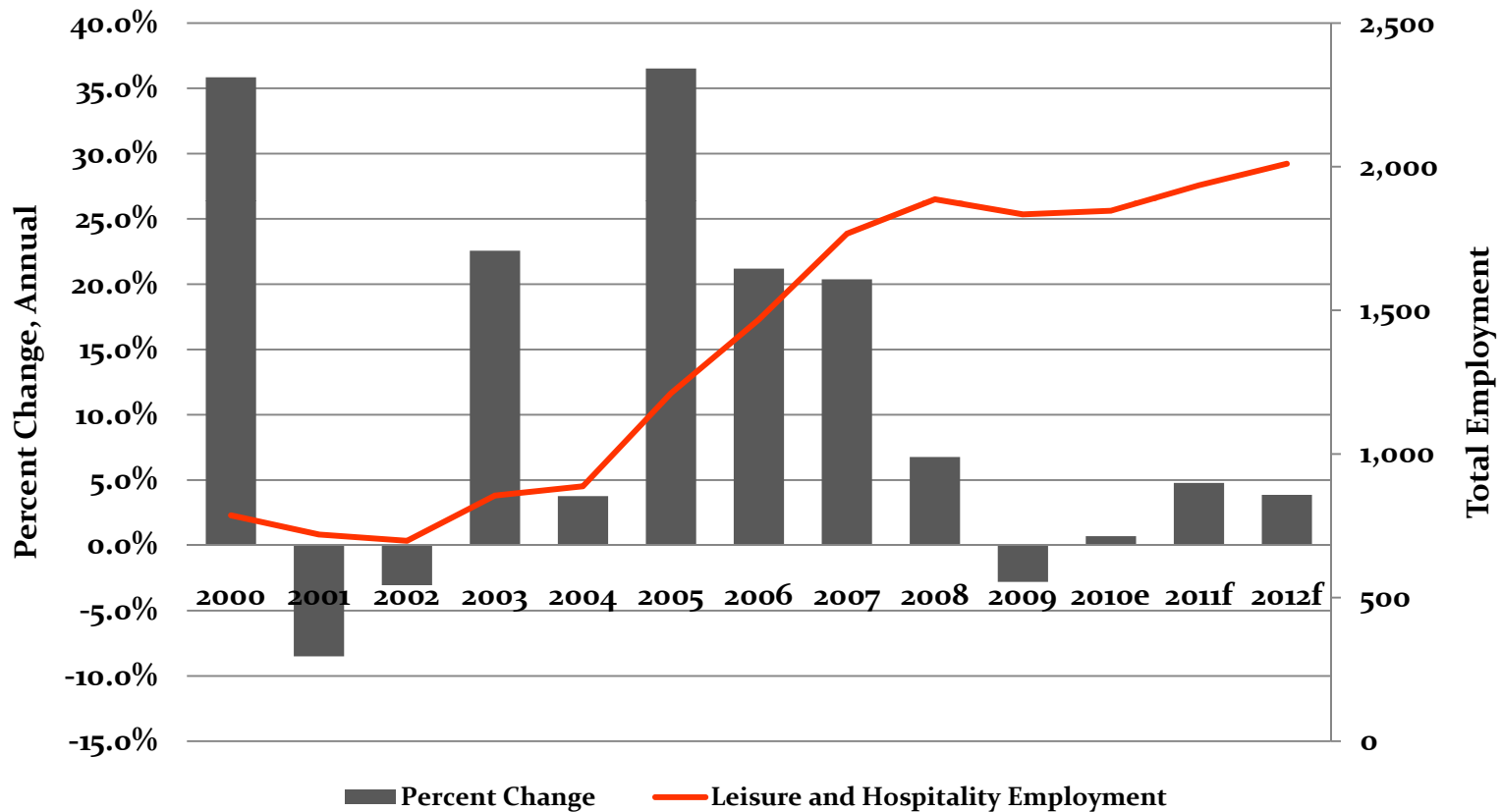
## Ed & Health Services Employment





# Owasso Leisure and Hospitality Employment

## Leisure and Hospitality Employment





# Owasso Manufacturing Employment

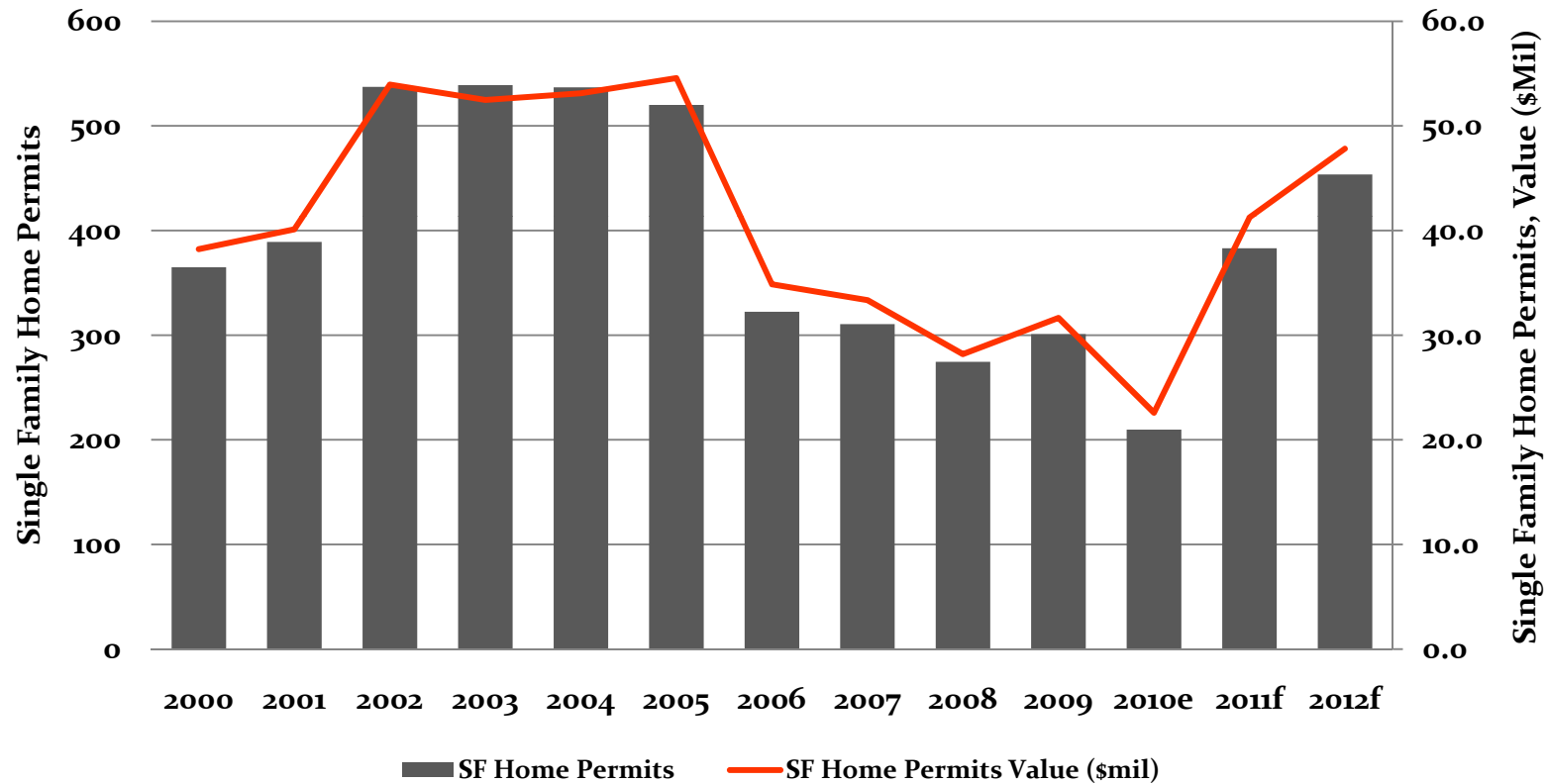
## Manufacturing Employment





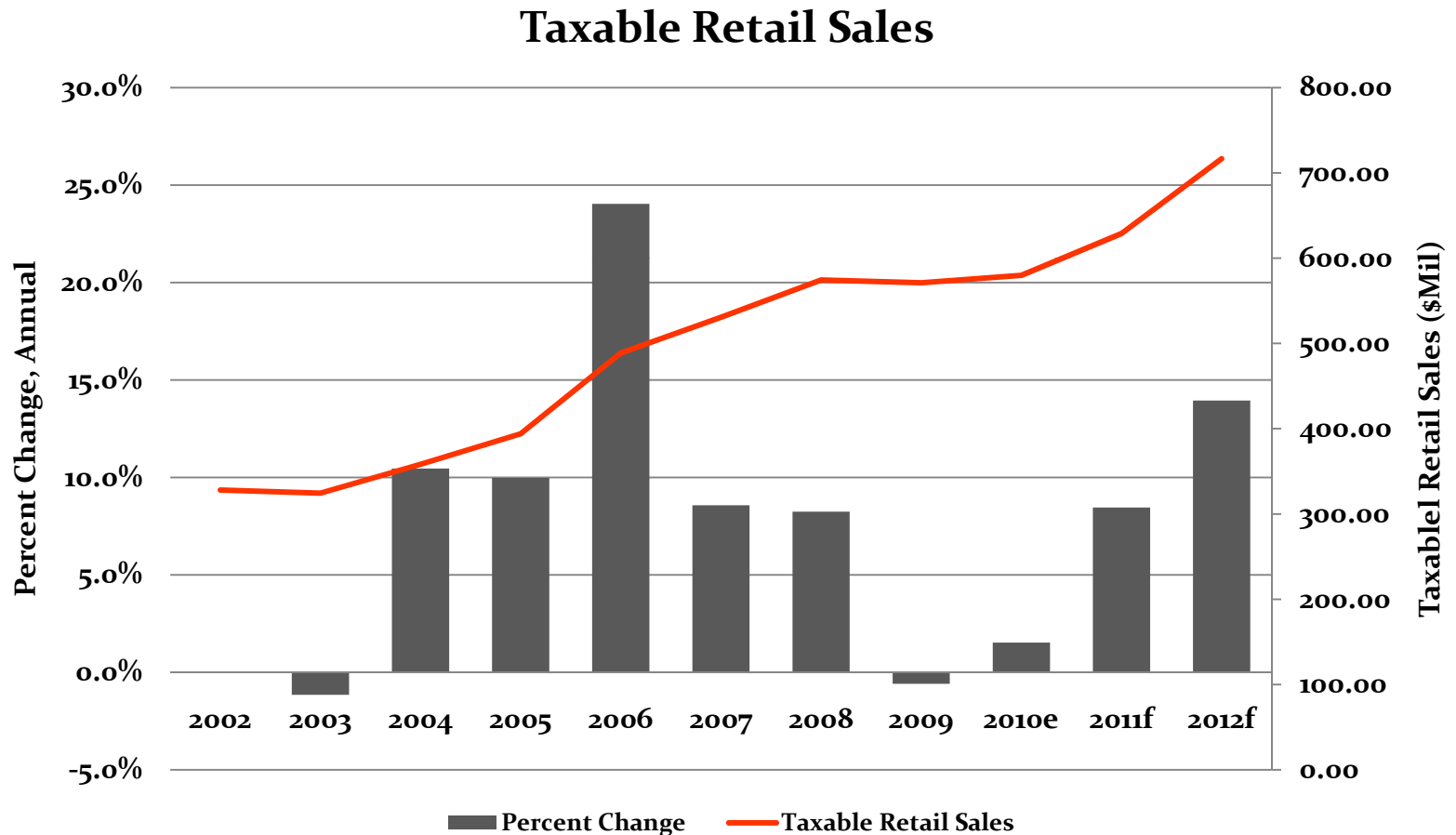
## Owasso Single Family Home Construction

### Single Family Home Construction





## Owasso Taxable Retail Sales





## Concluding Comments

- US recovery holds; Oklahoma recovery experience likely exceeds that of the rest of the nation; 2011 is a year of genuine recovery
- Tulsa should close the performance gap on OKC after OKC races ahead in recovery; Tulsa looking to gain momentum where OKC looks to maintain momentum
- Rural areas relatively insulated; stable/rising commodity prices and a return to oil/gas activity should help many communities
- Budgets strained at the Capitol through FY 2012; FY 2013 budgets will seem pain-free by comparison (only by comparison!)

