

Oklahoma economists report on state's strongest sectors

By Heidi Rambo Centrella - 8/18/2008

Mark Snead, research economist, recently released his 2008 Oklahoma Economic Outlook, citing national, regional, statewide and metropolitan area statistics. Overall, he said the state remains strong relative to the nation and most non-energy states.

Statewide job growth is at about 1.4 percent, he said, and the state added roughly 22,500 jobs during the past year.

"The state's strong performance is principally due to the influence of the energy sector," said Snead, who also serves as director of the Center for Applied Economic Research in the William S. Spears School of Business at Oklahoma State University.

While Oklahoma and other energy states will continue to prosper from high energy prices, he said, they are not recession-proof in this economic cycle.

"Our current outlook (for the state) calls for continued slowing in job growth this year, totaling 1.4 percent for all of 2008, followed by 2009 job growth of 1.3 percent," he said, adding that it would take a "significant national recession to push state job growth into negative territory."

Snead also says for the 12 months ended in June, Oklahoma City posted job growth of 1.6 percent, compared to Tulsa's 0.2 percent.

Unlike Tulsa, he says Oklahoma City's outlook remains positive.

"Oil and gas hiring continues to propel the region while manufacturing remains the greatest source of hiring weakness," he said. "We expect OKC metro area job growth of 1.5 percent for all of 2008 and 1.8 percent in 2009."

In addition to reaping the benefits of being an energy state, another strength of Oklahoma is its strong retail activity.

Snead says retail sales growth should reach 5.3 percent this year, whereas the national expectation is to increase 4.1 percent.

"The only industry sectors in the state with expected job losses in 2008 are wholesale trade and real estate," he said. "The consumer-driven services sectors continue to add jobs and show no signs of overall state purchasing power succumbing to high energy prices."