

Publication:The
Oklahoman;

Date:May 2,
2008;

Section:Front
page;

Page Number:1

Forbes says Oklahoma City 'looks best positioned among the nation's largest metropolitan areas to ride out the current crisis.' Why we are in position to be ...

RECESSION PROOF

- 50 cities were ranked on median home prices, job and housing figures.

By Don Mecoy Business Writer

Oklahoma City's ability to avoid the economic doldrums afflicting much of the rest of the nation has garnered the city a "recession-proof" label from Forbes.com, the Web site of the national business magazine.

The Web site took note of the soaring commodity prices that have caused a boom in the energy and agricultural sectors, helping to keep unemployment in check. And Oklahoma City is home to "one of the country's strongest housing markets," Forbes.com said.

"It's wonderful to hear that," said Roy Williams, president of the Greater Oklahoma City Chamber of Commerce. "Over the last five years, everything here has started going up. This economy has just gotten stronger and stronger and stronger and there's nothing on the horizon that says that's going to stop."

Oklahoma City was the top-ranked among the 50 largest metro areas based on employment figures, median home prices and data related to the impact of foreclosures and falling home prices on the local productivity.

Chad Wilkerson, Federal Reserve regional economist, said the local economy tends to lag behind slowdowns that happen in the national economy as demand for energy products decreases and gas and oil prices fall.

"It doesn't appear to be happening this time," Wilkerson said. Emerging economies in other parts of the world are keeping demand high and supporting record energy prices, said Wilkerson, branch executive of the Oklahoma City branch of the Federal Reserve Bank of Kansas City.

High prices for wheat, corn and soybeans have boosted farmers' incomes and land values,

Wilkerson. That, in turn, has increased sales of farm equipment, which helps the manufacturing sector.

Keith Geary, chief executive officer of Capital West Securities in Oklahoma City, said many local business leaders learned hard lessons during the oil and real estate busts of the 1980s.

“We saw it coming because of that experience in the ’80s. We just wouldn’t let that happen again,” Geary said. “It’s the conservative nature of our business leaders.”

While pessimistic about the national economy, Geary remains positive about the city and state situation. His company is in the process of launching an exchange traded fund that allows investors to buy a basket of Oklahoma stocks in a single share.

“We’ve got a great story to tell,” Geary said. “People outside the state will see us in a different plane and send us their money.”

Widespread construction

However, Geary said, there is some concern about Oklahoma City consumers’ ability to deal with sky-high prices on staples such as gasoline and food.

“Our consumers aren’t different than any in the nation — they have to reallocate their money,” Geary said. A slowdown in discretionary spending in items like eating out, entertainment and vacations “is inevitable,” he said.

The upcoming Memorial Day weekend should offer some insight into how freely Oklahoma City consumers will spend, Geary said.

Williams said Oklahoma City is nearing a population that allows cities to develop more of an individual economy. One tangible sign of the city’s economic health is the widespread construction that is taking place or planned, such as the \$400 million Devon Energy tower and the \$600 million Interstate 40 project, Williams said.

“Everywhere you look you see cranes,” he said.

Other high-ranking cities in the Forbes.com listing included San Antonio; Austin, Texas; Houston; Charlotte, N.C.; Dallas; San Jose, Calif.; Raleigh, N.C.; Salt Lake City; and Seattle.



HOUSING Builders, real-estate agents and lenders all have been saying for months that our housing sector is not participating in the national bust. Indeed, the value of local home sales rose 4 percent last year.



AGRICULTURE Wheat, corn and soybean prices have risen in the past year, boosting farmers' incomes and the value of their land.



MANUFACTURING The region's manufacturing sector is rebounding from tough times, spurred by business from the energy, aviation and military industries.



ENERGY Soaring oil and natural gas prices have spurred growth and record-high stock prices for local energy companies. STAFF AND WIRE PHOTOS/DESIGN BY MATT CLAYTON, THE OKLAHOMAN



BY PAUL B. SOUTHERLAND, THE OKLAHOMAN Construction continues Thursday on the Chesapeake campus near NW 63 and Western in Oklahoma City.