Economic Update

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GDP growth improved in Q4, led by faster growth from consumers and housing.
Early 2012 U.S. data show continued solid rates of growth

U.S. Private Payroll Employment and Business Indexes

Change from previous month, thousands

Both overall and core inflation remain elevated, but have eased slightly.
In its latest forecasts, the FOMC expected solid GDP growth in 2012.
But for unemployment to only come down slowly the next few years

Unemployment Rate
Seasonally Adjusted

Source: U.S. Bureau of Labor Statistics, FOMC
And for inflation pressures to stabilize after rising with oil and food prices in 2011

PCE Inflation Index

Percent change, year-over-year

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

Jan. FOMC Forecast Ranges in Yellow

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

Federal Funds Rate
Year-end target

For the first time, the FOMC also released forecasts for interest rates. Long-term 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.
There remains considerable variation in economic strength across the nation.

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

February 2012

**Scale**
- 1.7 - 6.9
- 1.2 - 1.6
- 0.7 - 1.1
- -0.8 - 0.6

Source: U.S. Bureau of Labor Statistics
The level of jobs in OK is nearly back to pre-recession levels, unlike the U.S.

Source: U.S. Bureau of Labor Statistics
Excluding Tulsa, the state has returned to pre-recession job levels.

Level of Payroll Employment
Through February 2012

Index: Jan-08=100

Source: U.S. Bureau of Labor Statistics
Tulsa had much deeper losses during the recession, and has had a slower recovery.

Oklahoma Job Growth in Recession and Recovery

Source: Bureau of Labor Statistics
Recent solid growth in Oklahoma has been driven largely by energy and manufacturing.
Unemployment in most of Oklahoma is well below the national average.
And home prices continue to hold up better, even as national prices fail to find a bottom.
Regional farmland prices continue to surge, but not as much in Oklahoma so far.

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

Source: FRBKC Agricultural Credit Survey
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
Purchasing managers in the region remain fairly optimistic about 2012 growth.
Agricultural conditions in the state have improved after last year’s drought.
Energy activity remains strong but has leveled with lower natural gas prices

Source: Baker Hughes
The U.S. economy continues to grow moderately, amid limited inflation, but growth varies widely across states.

Growth in Oklahoma remains better than the nation and region, driven largely by energy and manufacturing.
For more information about the Oklahoma economy, subscribe to the quarterly Oklahoma Economist at: www.kansascityfed.org/publications/research/oke