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

Index

Mar-07  Mar-08  Mar-09  Mar-10  Mar-11  Mar-12

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

Source: U.S. Bureau of Labor Statistics, FOMC
And for inflation pressures to stabilize after rising with oil and food prices in 2011
For the first time, the FOMC also released forecasts for interest rates.

Federal Funds Rate
Year-end target

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.
Excluding Tulsa, the state has returned to pre-recession job levels.
Tulsa had much deeper losses during the recession, and has had a slower recovery.
Recent solid growth in Oklahoma has been driven largely by energy and manufacturing.
Unemployment in most of Oklahoma is well below the national average.

Unemployment Rate by County
January 2012

Source: Oklahoma Employment Commission
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.
Problem loans are still elevated in OK, but much less so than in banks nationally.
Purchasing managers in the region remain fairly optimistic about 2012 growth.
Agricultural conditions in the state have improved after last year’s drought.

Oklahoma Agricultural Conditions

Source: KCFRB Ag Credit Survey
Energy activity remains strong but has leveled with lower natural gas prices

Oklahoma Rig Count

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.
Questions?

For more information about the Oklahoma economy, subscribe to the quarterly **Oklahoma Economist** at: [www.kansascityfed.org/publications/research/oke](http://www.kansascityfed.org/publications/research/oke)