

News Release

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Oklahoma's Manufacturing Industry Shows Signs of Stabilization *Third Quarter Oklahoma Economist Released*

OKLAHOMA CITY – The Oklahoma City Branch of the Federal Reserve of Kansas City has released its latest issue of the quarterly publication the *Oklahoma Economist*.

Since mid-2015, Oklahoma has lost more jobs in manufacturing than in its struggling oil and gas sector. However, recent survey data suggest factories in the state are less pessimistic and now expect flat to slightly higher activity in the months ahead, according to Chad Wilkerson, branch executive, vice president and economist at the Oklahoma City Branch of the Federal Reserve Bank of Kansas City.

“The dramatic difference in the decline over the past year in Oklahoma’s manufacturing sector relative to the nation is a much larger concentration in metals and machinery manufacturing,” he said. “This accounts for more than 43 percent of factory jobs in the state—almost twice as much as nationally.”

Wilkerson said there are signs, however, that the declines in Oklahoma manufacturing may be nearing an end. The Kansas City Fed’s monthly [manufacturing survey](#) has shown recent, though modest, improvement in Oklahoma factories’ expectations for future activity.

“Because many metals and machinery factories in the state produce goods for the oil and gas sector, the outlook for factory activity is closely tied to the outlook for energy prices,” said Wilkerson. “The Kansas City Fed’s latest quarterly [energy survey](#) indicated the average oil price needed for firms to be profitable was \$51 a barrel, thus, the recent increase in oil to near \$50—and subsequent small increase in drilling rig counts—has likely helped reduce pessimism among some metals and machinery manufacturers.”

The complete issue is available at: <https://www.kansascityfed.org/publications/research/oke>

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