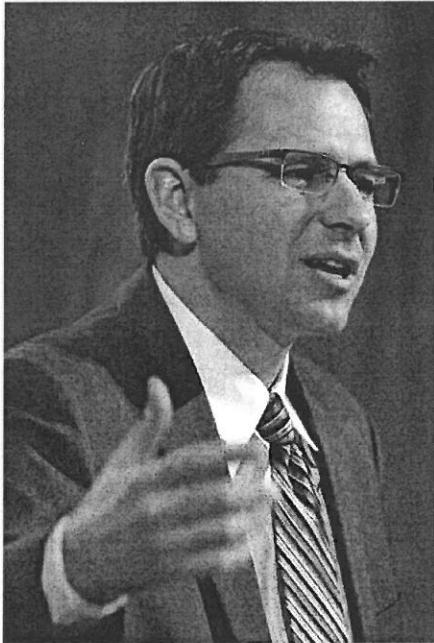


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Economist: recovering oil industry and national economy are helping Oklahoma



by Adam Wilmoth • Published: November 30, 2016 12:00 AM CDT



Russell Evans is the executive director of the Steven C. Agee Economic Research & Policy Institute at Oklahoma City University's Meinder's School of Business. [Photo by Michael Wyke, Tulsa World]

A slowing U.S. economy early this year added to the challenges Oklahoma has faced with two years of lower oil and natural gas prices, Oklahoma City University economist Russell Evans said Tuesday.

"We're in a situation where national factors are more important than they normally are because of where we're at in the oil and gas price cycle," said Evans, executive director of the Steven C. Agee Economic Research & Policy Institute at OCU's Meinder's School of Business.

"If oil prices were at \$85 and natural gas was at \$3.75 and the industry was humming along, we never would have seen the weakness in the U.S. economy show up in our local data. Oklahoma came dangerously close to suffering a national recession during a down cycle in the oil and gas industry."

Both the U.S. economy and the state's oil and natural gas industry since have recovered somewhat, although neither is near recent peak growth levels.

Oklahoma also is benefiting from being home to the STACK and SCOOP fields, which are among the few oil and natural gas fields in the country where drilling activity is increasing.

"Things are improving modestly," Evans said. "We're picking up a few rigs. Prices are OK. We're seeing players that are trying to get into Oklahoma to find areas where they can get into deals that they can drill and produce and make work at \$45 or \$50 oil."

Increased productivity in Oklahoma's oil fields is benefiting both the local production companies drilling for oil and the many oil field services companies throughout the state, he said.

"We are in a low-cost play. As prices recover, that will drive a lot of the initial new exploration activity in those areas, which is a huge deal in places like Duncan and these services sector centers throughout the state," Evans said. "They need activity out in the oil field in order to make their economies grow."

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Beyond the oil and natural gas industry, economic growth throughout the country has been led by geography, creativity and natural amenities, such as mountains or beaches, Evans said at Oklahoma City's Downtown Rotary luncheon.


"All else being equal, an economy that has a high level of jobs in the creative sector tend to grow faster than their noncreative counterparts," Evans said.

Geography, creativity and amenities are hard to affect with policy, but policy makers can act to encourage and support the state's advantages, he said.



"Policy can't move Oklahoma City closer to the Texas corridor, but it can help leverage that growth to Oklahoma's advantage," Evans said. "Supporting arts may be a first step to encouraging creativity."

Evans praised Oklahoma City leaders for their efforts with the Metropolitan Area Projects (MAPS) and other efforts that developed the canal, Bricktown and other cultural improvements.

"We've seen Oklahoma City test the theory that a community can build its own amenities," Evans said. "Oklahoma City built river amenities and built downtown amenities that exhibit the same affect on economic growth as natural amenities."



Adam Wilmoth

Adam Wilmoth returned to The Oklahoman as energy editor in 2012 after working for four years in public relations. He previously spent seven years... [read more >](#)


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