

Manufacturing key to reviving state economy

by: MIKE SENEY Business Viewpoint
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Digging ourselves out of this recession is a lot like digging ourselves out of a heavy snowfall. It will take quite a while and a lot of hard work.

Oklahoma has many people — using a wide array of resources— who are trying to clear a path to economic recovery. And the answer is quite simple: jobs.

Without a vibrant, broad-based economy developing job growth, we will remain mired in this recession for a while.

Oklahoma has gone through this before, and one of the major changes made back in the mid-1980s was to focus on diversifying our economy. We have done that, and the result of those efforts during the past 20 years is that our state has not suffered as much as many other regions.

One of those diversifications has been to increase the level of manufacturing jobs in our state. I used to be surprised when elected officials would ask me whether Oklahoma still had manufacturing jobs. But the question became so predictable and frustrating that we at The State Chamber of Oklahoma decided to commission a study on manufacturing's impact on the state's economy.

When the results were released in early 2009, they were not surprising. Manufacturing plays a huge role, as evidenced by these facts:

- While we lost more than 17,000 manufacturing jobs in Oklahoma last year, we still have more than 131,000 people working for a manufacturer in the state.
- Manufacturing contributes more than \$15.5 billion to our gross state product — more than 11 percent of the total.
- Manufacturing jobs pay better than other sectors, and manufacturing creates more jobs than other sectors.

The study also showed that megalopolitan Tulsa is one of the state's most fertile manufacturing areas and that the sector's growth here will continue into the coming decades.

In December, John Engler, president of the National Association of Manufacturers, praised Oklahoma's probusiness atmosphere at The State Chamber's Public Affairs Forum. But all of our success could mean nothing if we pass the wrong laws and stop working to attract new or expanding businesses. Oklahoma's unemployment rate is not 3 percentage points lower than the national average by accident.

The State Chamber, the business community and members of the legislature and congressional delegation have worked hard to encourage growth.

In 2010, we must concentrate on addressing the issues that directly affect Oklahoma businesses and their bottom line. We must recognize that our current workers compensation system is beyond reform and needs to be completely restructured to take the litigation out of it.

It was recently reported in the Tulsa World that Oklahoma's population grew by more than 43,000 from July 2008 to July 2009 — the largest increase in the decade. Our economy's 1.2 percent growth since 2008 was the 13th fastest in the country, and an unusually large portion of that growth was fueled by people moving in from other states. Why? Because they were looking for jobs and found opportunity in Oklahoma.

If we want 2010 to be a successful year for Oklahoma, our manufacturing sector needs to play a large role. If we forget that Oklahoma has a strong manufacturing presence, one day that thought will become true. But


we owe it to our more than 4,700 manufacturers and their 131,000 employees to ensure that does not happen.

Mike Seney is senior vice president of operations for The State Chamber of Oklahoma. The views expressed here are those of the author and not necessarily the Tulsa World. To inquire about writing a Business Viewpoint column, e-mail a short outline of the article to Business Editor John Stancavage at john.stancavage@tulsaworld.com. The column should focus on a business trend; the outlook for the city, state or an industry; or a topic of interest in an area of the writer's expertise. Articles should not promote a business or be overly political in nature., Mike Seney

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