



OKLAHOMA

Economic Indicators

May 2020

OKLAHOMA ECONOMIC INDICATORS

Oklahoma Employment Security Commission
Robin Roberson, Executive Director

Economic Research and Analysis Division
Lynn Gray, Director & Chief Economist

Prepared by
Monty Evans, Senior Economist

Will Rogers Memorial Office Building
Labor Market Information Unit, 4th Floor N
P.O. Box 52003
Oklahoma City, OK 73152-2003
Phone: (405) 557-5369
Fax: (405) 525-0139
E-mail: lmi1@oesc.state.ok.us

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SPECIAL REPORT:

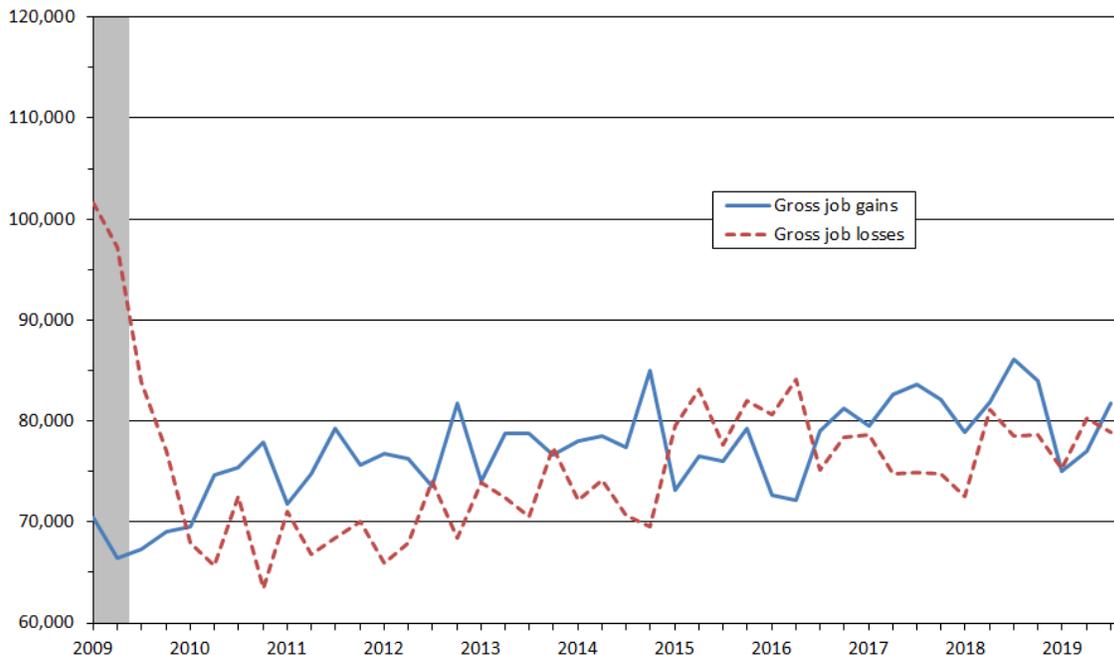
OKLAHOMA BUSINESS EMPLOYMENT DYNAMICS: 3rd Quarter 2019

Gross Job Gains and Gross Job Losses: 3rd Quarter 2019

From June 2019 to September 2019, gross job gains from opening and expanding private-sector establishments in Oklahoma totaled 81,812, an increase of 4,844 jobs from the previous quarter. Over this period, gross job losses from closing and contracting private-sector establishments numbered 78,936, a decrease of 1,315 jobs from the previous quarter, according to the Oklahoma Employment Security Commission, Economic Research and Analysis Division, and the U.S. Bureau of Labor Statistics, (see Chart 1, below and Table 1, page 7). The difference between the number of gross job gains and the number of gross job losses yielded a net employment gain of 2,876 jobs in Oklahoma's private sector during the 3rd quarter of 2019.

Chart 1

Private sector gross job gains and gross job losses in Oklahoma
March 2009 - September 2019, seasonally adjusted



Source: U.S. Bureau of Labor Statistics

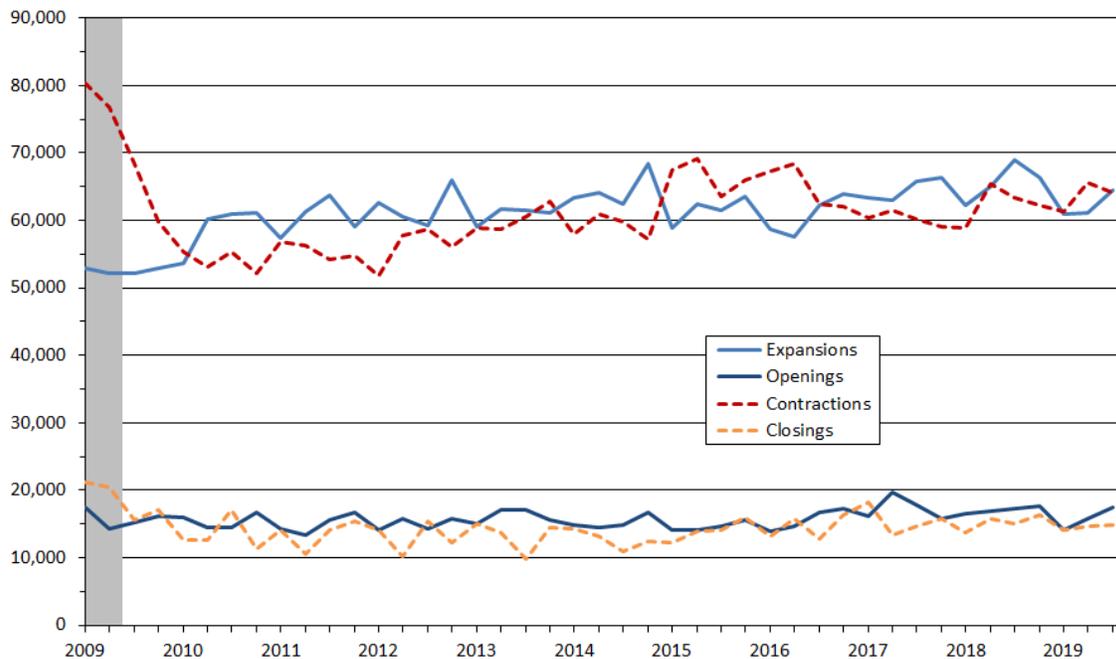
Note: Shaded area represents NBER defined recession period.

The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business establishments from the third month of one quarter to the third month of the next. Gross job gains are the sum of increases in employment from expansions at existing establishments and the addition of new jobs at opening establishments. Gross job losses are the result of contractions in employment at existing establishments and the loss of jobs at closing establishments. The difference between the number of gross job gains and the number of gross job losses is the net change in employment.

From the 1st quarter of 2015 through the 4th quarter of 2016, gross job losses exceeded gross job gains in six out of eight quarters (see Chart 1). In the past ten years, gross job losses in the state peaked in 1st quarter 2009, towards the end of the ‘Great Recession’, when 101,545 jobs were lost.

Chart 2

Components of private sector gross job gains and losses in Oklahoma
March 2009 - September 2019, seasonally adjusted



Source: U.S. Bureau of Labor Statistics
Note: Shaded area represents NBER defined recession periods.

Gross Job Gains and Losses: Openings vs. Closings and Expansions vs. Contractions

Gross job gains are the sum of increases in employment due to expansions at existing establishments and the addition of new jobs at opening establishments. Gross job gains at expanding establishments in Oklahoma totaled 64,400 in the 3rd quarter of 2019, an increase of 3,262 jobs compared to the previous quarter. Opening establishments accounted for 17,412 of the jobs gained in the 3rd quarter of 2019, an increase of 1,582 jobs from the previous quarter, (see Chart 2, above).

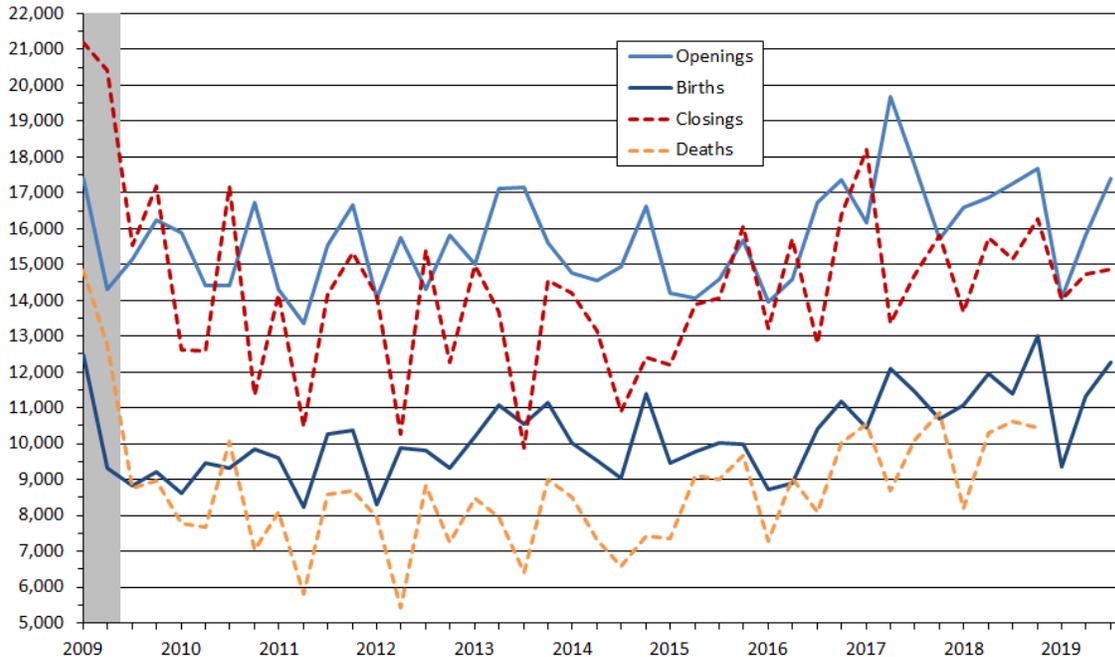
Gross job losses are the result of contractions in employment at existing establishments and the loss of jobs at closing establishments. Contracting establishments in Oklahoma lost 64,071 jobs in the 3rd quarter of 2019, a decrease of 1,443 jobs from the prior quarter. In the 3rd quarter of 2019, closing establishments lost 14,865 jobs, an increase of 128 jobs from the previous quarter.

In Oklahoma, the number of private sector establishment births, (a subset of the openings data), increased by 54, to a total of 2,707 establishments in the 3rd quarter of 2019. These new establishments accounted for 12,267 jobs, an increase of 942 jobs from the previous quarter, (see Chart 3, next page).

Data for establishment deaths, (a subset of the closings data), are now available through the 4th quarter of 2018, when 10,427 jobs were lost at 2,481 establishments, a decrease of 199 jobs from the 3rd quarter of 2018, (see Chart 3, below).

Chart 3

Employment from private sector openings, closings, births and deaths in Oklahoma
March 2009 - September 2019, seasonally adjusted



Source: U.S. Bureau of Labor Statistics
Note: Shaded area represents NBER defined recession periods.

Gross Job Gains and Gross Job Losses: Percent of Total Private Sector Employment

In the 3rd quarter of 2019, gross job gains represented 6.3 percent of private-sector employment in Oklahoma with expansions accounting for 5.0 percent of total private sector employment and openings contributing 1.3 percent. Nationally, gross job gains accounted for 5.8 percent of private sector employment in the 3rd quarter of 2019. With few exceptions, Oklahoma’s rates of gross job gains have generally tracked with the U.S. rates. However, beginning in the 1st quarter of 2015, the rate of Oklahoma’s gross job gains slipped below the national rate for seven consecutive quarters, exceeded the U.S. rate in the following eight out of nine quarters and slipped below the U.S. rate in two out of the past three quarters, (see Chart 4, page 5).

In the 3rd quarter of 2019, gross job losses represented 6.1 percent of private-sector employment in Oklahoma, with contractions accounting for 5.0 percent and closings adding another 1.1 percent. The national rate of gross job losses was 5.8 percent in the 3rd quarter of 2019. From the 3rd quarter 2013 forward, Oklahoma’s rate of gross job losses has shown more volatility especially the period beginning 1st quarter 2015 through 1st quarter 2017, (See Chart 5, page 5).

Chart 4

Private sector gross job gains as a percent of employment, United States and Oklahoma
March 2009 - September 2019, seasonally adjusted

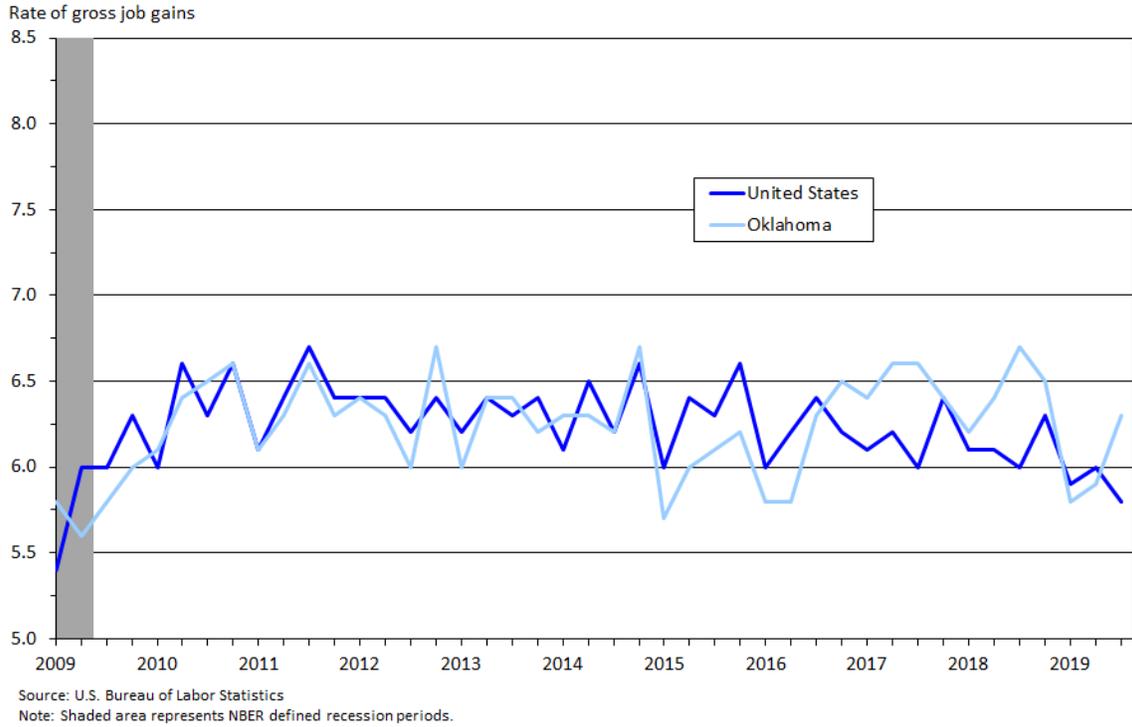
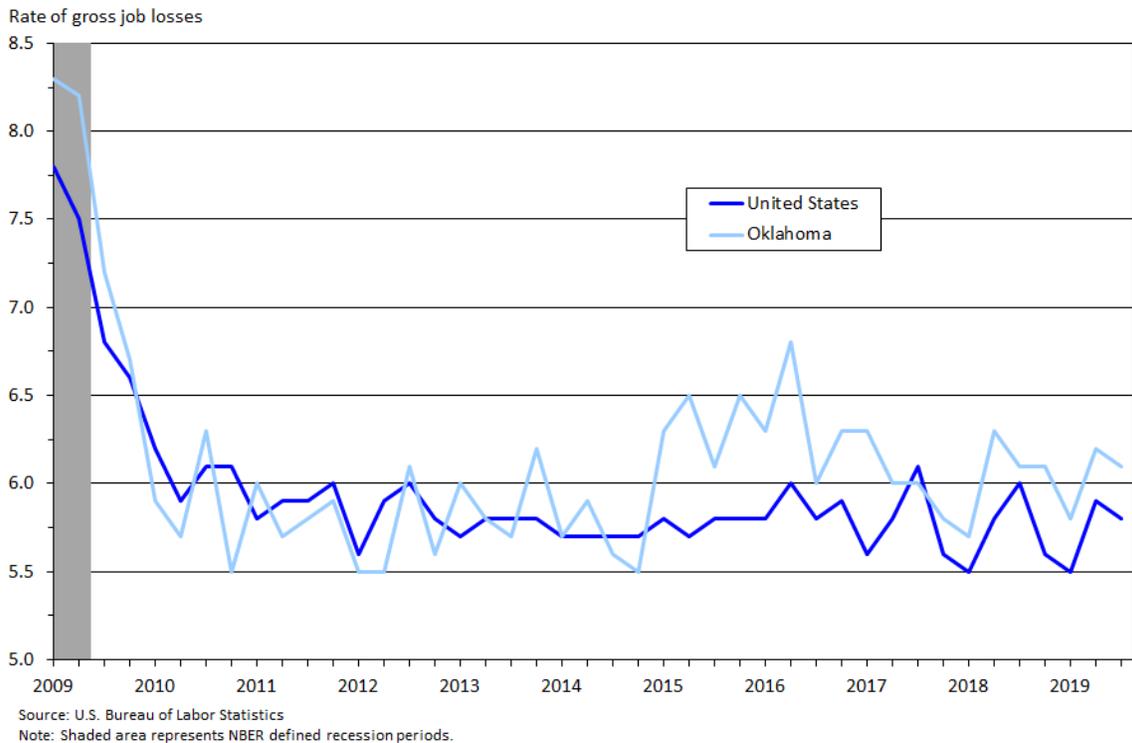


Chart 5

Private sector gross job losses as a percent of employment, United States and Oklahoma
March 2009 - September 2019, seasonally adjusted



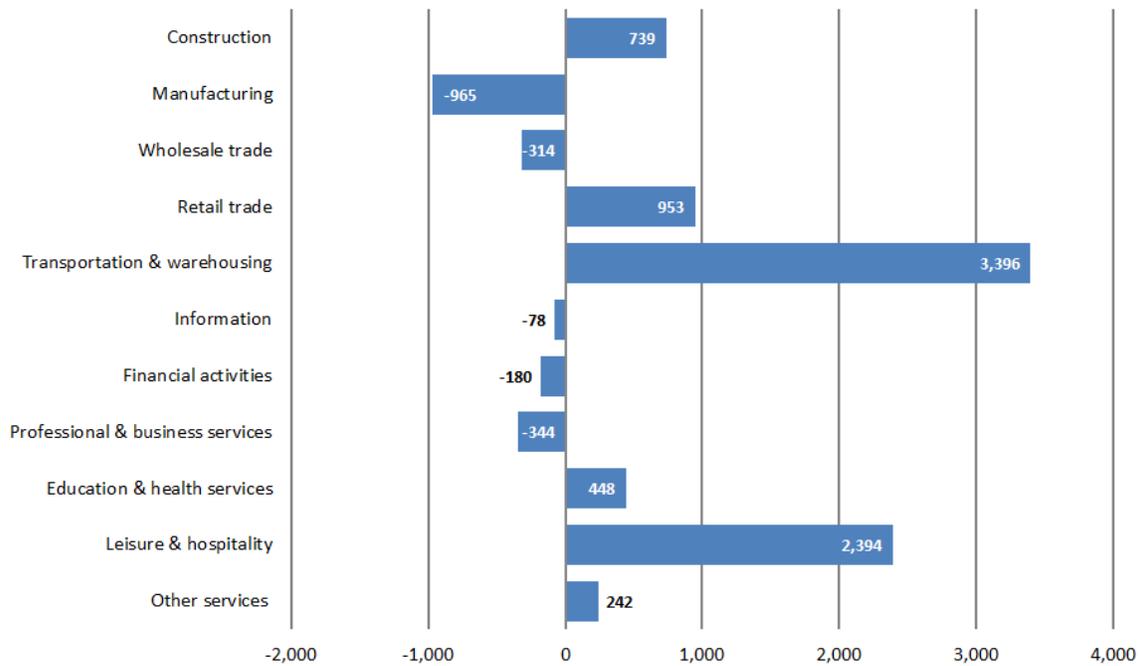
Gross Job Gains and Gross Job Losses by Industry: 3rd Quarter 2019

Gross job gains exceeded gross job losses in 6 of 11 of Oklahoma’s reported industries in the 3rd quarter of 2019. The service-providing industries experienced a net job increase of 6,517 jobs in the 3rd quarter of 2019. Within service-providing industries, transportation and warehousing had the largest over-the-quarter net job increase, with a gain of 3,396 jobs. This was the result of 5,744 gross job gains and 2,348 gross job losses. The professional and business services (-344 jobs), wholesale trade (-314 jobs), financial activities (-180 jobs), and information (-71 jobs) sectors showed declines in the 3rd quarter of 2019.

Oklahoma’s goods-producing industries experienced a net job decrease of 226 jobs in the 3rd quarter of 2019. Of the goods-producing industries, manufacturing experienced a net decrease of 965 jobs, while the construction sector showed a net gain of 739 jobs, (see Chart 6 below).

Chart 6

Private sector net change in jobs by industry, Oklahoma
September 2019, seasonally adjusted



Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 1. Oklahoma: Three-month private sector gross job gains and losses, seasonally adjusted					
Category	3 months ended				
	Sep 2018	Dec 2018	March 2019	June 2019	Sep 2019
	Levels				
Gross job gains.....	86,152	84,052	74,976	76,968	81,812
Expanding establishments	68,882	66,373	60,931	61,138	64,400
Opening establishments	17,270	17,679	14,045	15,830	17,412
Gross job losses.....	78,486	78,597	75,282	80,251	78,936
Contracting establishments	63,353	62,326	61,262	65,514	64,071
Closing establishments	15,133	16,271	14,020	14,737	14,865
Net employment change ¹	7,666	5,455	-306	-3,283	2,876
	Rates (percent)				
Gross job gains.....	6.7	6.5	5.8	5.9	6.3
Expanding establishments	5.4	5.1	4.7	4.7	5.0
Opening establishments	1.3	1.4	1.1	1.2	1.3
Gross job losses.....	6.1	6.1	5.8	6.2	6.1
Contracting establishments	4.9	4.8	4.7	5.1	5.0
Closing establishments	1.2	1.3	1.1	1.1	1.1
Net employment change ¹	0.6	0.4	0.0	-0.3	0.2
Source: U.S Bureau of Labor Statistics					
¹ Net employment change is the difference between total gross job gains and total gross job losses.					

More Information

A copy of the full 3rd quarter 2019 Oklahoma BED report along with technical notes and detailed tables is available on the OESC website at:

<https://ok.gov/oesc/documents/lmibedpub.pdf>

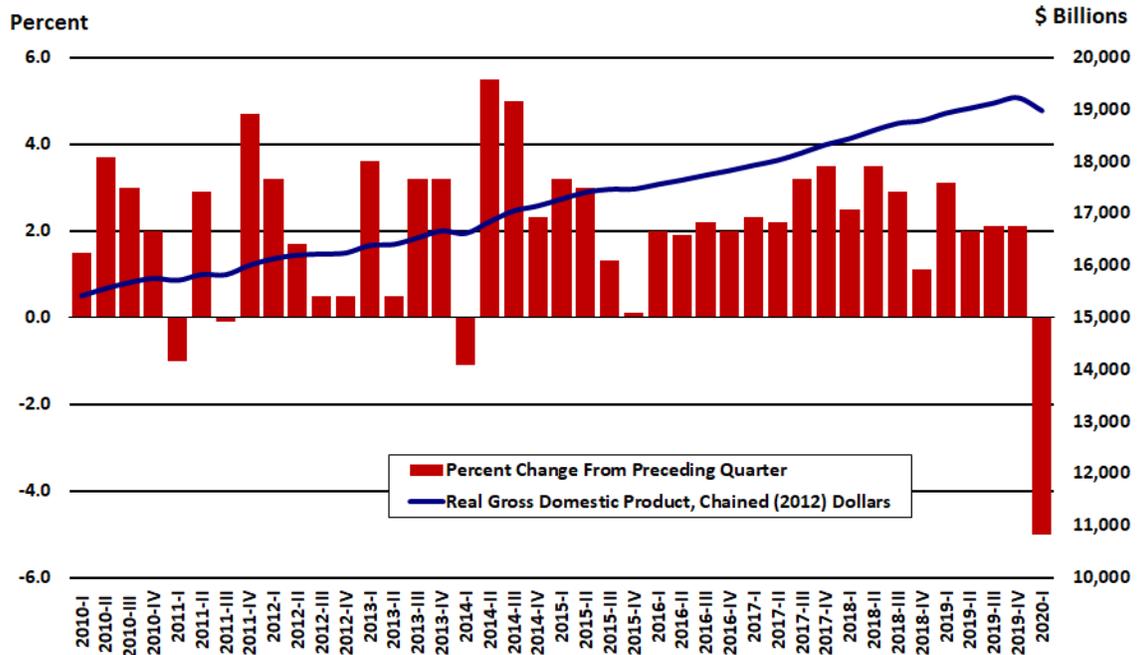
Additional information about the Business Employment Dynamics program is available online at:

<http://www.bls.gov/bdm>.

Real Gross Domestic Product and Quarterly Change

1st Quarter 2010 to 1st Quarter 2020

Source: U.S. Department of Commerce, Bureau of Economic Analysis



Definition & Importance

Gross Domestic Product (GDP)—the output of goods and services produced by labor and property located in the United States—is the broadest measure of economic activity. It is also the measure that is most indicative of whether the economy is in recession. In the post-World War II period, there has been no recession in which GDP did not decrease in at least two quarters, (the exceptions being during the recessions of 1960-61 and 2001).

The Bureau of Economic Analysis (BEA), U.S. Department of Commerce releases GDP data on a quarterly basis, usually during the fourth week of the month. Data are for the prior quarter, so data released in April are for the 1st quarter. Each quarter's data are revised in each of the following two months after the initial release.

Background

There are four major components to GDP:

1. *Personal consumption expenditures*: Individuals purchase durable goods (such as furniture and cars), nondurable goods (such as clothing and food) and services (such as banking, education and transportation).
2. *Investment*: Private housing purchases are classified as residential investment. Businesses invest in nonresidential structures, durable equipment and computer software. Inventories at all stages of production are counted as investment. Only inventory changes, not levels, are added to GDP.
3. *Net exports*: Equal the sum of exports less imports. Exports are the purchases by foreigners of goods and services produced in the United States. Imports represent domestic purchases of foreign-produced goods and services and are deducted from the calculation of GDP.
4. *Government*: Government purchases of goods and services are the compensation of government employees and purchases from businesses and abroad. Data show the portion attributed to consumption and investment. Government outlays for transfer payments or interest payments are not included in GDP.

The four major categories of GDP—personal consumption expenditures, investment, net exports and government—all reveal important information about the economy and should be monitored separately. This allows one to determine the strengths and weaknesses of the economy.

Current Developments

The U.S. economy contracted at a faster pace than first thought during the first three months of the year, experiencing the deepest drop in output since the 2007-09 Great Recession and ending the longest economic expansion in the nation's history as commerce came to a halt due to the response to the spread of COVID-19. Real gross domestic product (GDP) decreased at an annual rate of 5.0 percent in the 1st quarter of 2020, according to the "second" estimate released by the Bureau of Economic Analysis (BEA). In the 4th quarter, real GDP increased 2.1 percent.

Consumer spending, which accounts for more than two-thirds of U.S. economic activity, fell at an annual rate of 6.8 percent, an improvement from the previously estimated 7.8 percent decline but still the biggest drop in 40 years. Outlays on durable goods, such as automobiles, plunged 13.2 percent, rather than -16.1 percent reported earlier. Nondurable goods spending rose 7.7 percent, up from the previous 6.9 percent estimate. Spending on services dropped 9.7 percent in the 1st quarter, led by a decline in health services spending. Personal consumption expenditures (PCE) subtracted 4.69 percentage points to 1st quarter GDP, instead of -5.26 percentage point previously estimated.

Business investment spending fell for a fourth straight quarter--the longest stretch since 2009--sinking to a 7.9 percent rate in the 1st quarter, a slightly smaller decline than first reported. Spending on structures such as mining exploration, shafts and wells dropped 3.9 percent, less than the 9.7 percent rate drop reported earlier. Investment in equipment fell 16.7 percent, while outlays on intellectual property products, such as computer software, rose 1.0 percent. Nonresidential fixed investment subtracted 1.06 percentage points from 1st quarter GDP growth, down from the 1.17 percentage point deduction estimated earlier.

Businesses added to inventories at a far slower pace than first thought in the 1st quarter as substantially lower consumer demand due to the effects of the coronavirus pandemic have further dampened restocking. Inventories sank to a \$67.2 billion rate in the 1st quarter, after rising \$13.1 billion in the 4th quarter. Inventory investment slashed 1.43 percentage points from GDP growth in the 1st quarter, nearly three times the initial estimate of -0.53 percentage point.

Investment in residential homebuilding extended its recovery to three consecutive quarters in the 1st quarter albeit at a slower rate than previously thought. Residential construction surged 18.5 percent in the 1st quarter instead of the earlier reported 21.0 percent rate, reflecting the impact of lower borrowing rates due to the Fed's rate cuts this year. Residential investment added 0.66 percentage point to GDP growth in the 1st quarter.

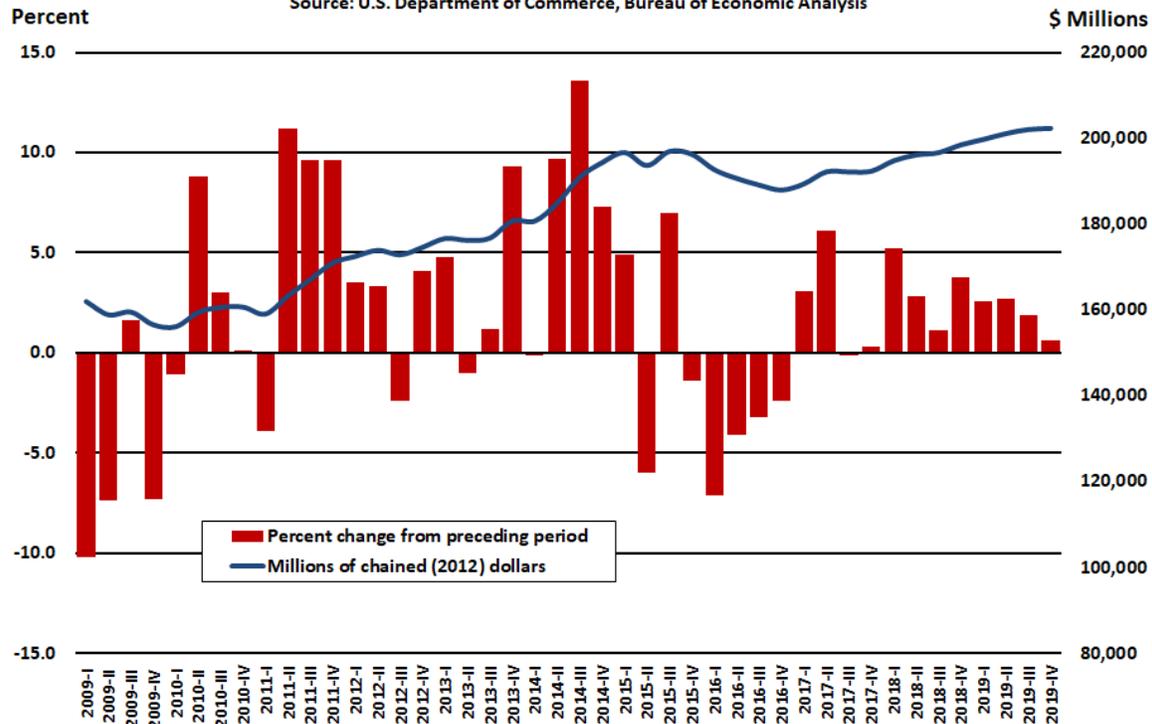
A narrowing trade deficit, due in part because of an increase in U.S. tariffs on Chinese goods, also added to growth in the 1st quarter. Exports fell 8.7 percent while imports plunged at nearly twice that rate at 15.5 percent, owing to both supply chain disruptions in China and softer demand from American consumers. Net exports of goods and services added 1.32 percentage points to GDP growth in the 1st quarter.

Outlays by federal, state and local governments increased 0.8 percent, slightly higher than the previously estimated rate of 0.7 percent. Federal government spending grew at 1.9 percent rate in the 1st quarter, as nondefense spending grew 3.1 percent and national defense spending increased 1.0 percent. State and local government outlays grew at a 0.2 percent rate. Government consumption expenditures and investment added 0.15 percentage point to 1st quarter GDP.

Oklahoma Real Gross Domestic Product and Quarterly Change

1st Quarter 2009 to 4th Quarter 2019, Seasonally Adjusted Annual Rates

Source: U.S. Department of Commerce, Bureau of Economic Analysis



Definition & Importance

The U.S. Bureau of Economic Analysis (BEA) recently began producing statistics of quarterly gross domestic product (GDP) by state dating back to 2005. These new statistics provide a more complete picture of economic growth across states that can be used with other regional data to gain a better understanding of regional economies as they evolve from quarter to quarter. The new data provide a fuller description of the accelerations, decelerations, and turning points in economic growth at the state level, including key information about changes in the distribution of industrial infrastructure across states.

Current Developments

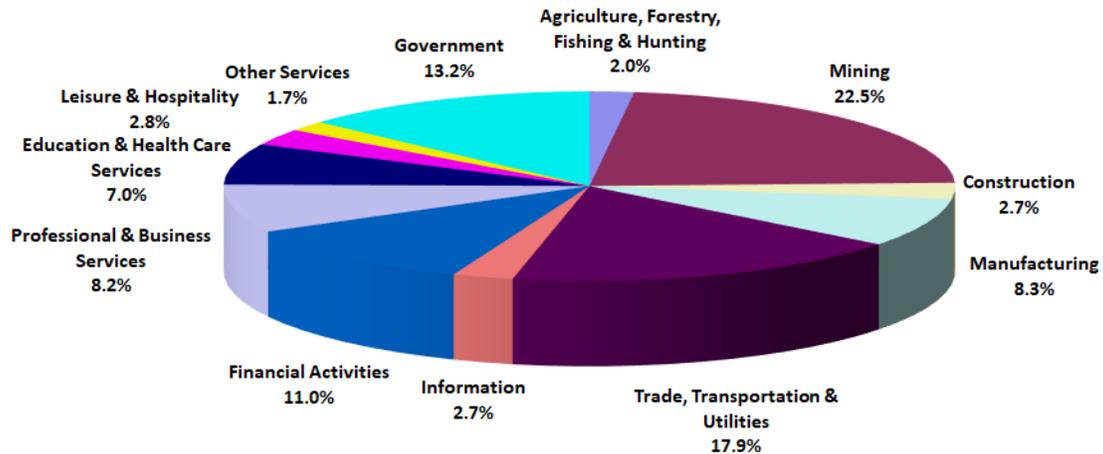
U.S. real gross domestic product (GDP) by state—a measure of nationwide growth calculated as the sum of GDP of all states and the District of Columbia—increased in 48 states and the District of Columbia in the 4th quarter of 2019, according to the Bureau of Economic Analysis (BEA). The percent change in real GDP in the 4th quarter ranged from 3.4 percent in Washington and Utah to -0.1 percent in West Virginia.

Overall growth in real GDP by state held steady at a 2.1 percent pace in the 4th quarter of 2019. Retail trade; finance and insurance; government; and utilities were the leading contributors to the increase in real GDP nationally, according to the BEA.

Oklahoma's real GDP decelerated to a 0.6 percent rate in the 4th quarter of 2019, following a 1.9 percent pace in the previous quarter, ranking Oklahoma 46th among all other states and the District of Columbia. Statewide GDP was at a level of \$202.3 billion (in constant 2012 dollars) in the 4th quarter, up \$0.2 billion from the 3rd quarter level of \$202.1 billion.

Industry Share of Oklahoma's Economy, 4th Quarter 2019 (by percentage of Gross Domestic Product)

Source: U.S. Department of Commerce, Bureau of Economic Analysis



Retail trade increased 7.4 percent nationally and contributed to growth in all 50 states and the District of Columbia in the 4th quarter of 2019. In Oklahoma, retail trade added 0.46 percentage point to 4th quarter GDP growth

Finance and insurance increased 5.1 percent nationally and contributed to growth in all 50 states and the District of Columbia and was the leading contributor to growth in Arizona, the third fastest growing state. In Oklahoma, this industry added 0.04 percentage point to GDP growth in the 4th quarter of 2019.

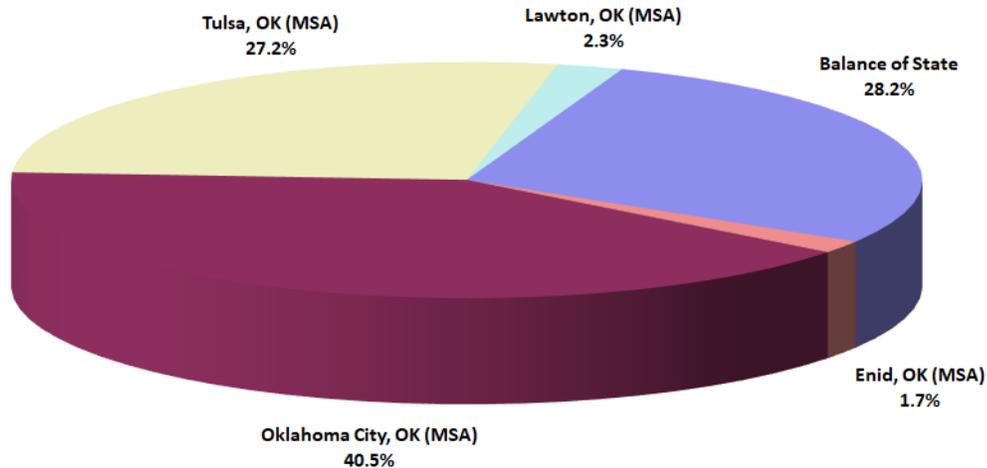
Government increased 2.7 percent nationally and contributed to growth in 49 states and the District of Columbia and was the leading contributor to growth in Utah, the second fastest growing state. In Oklahoma government and government enterprises contributed 0.49 percentage point to state GDP growth.

Utilities increased 23.3 percent nationally and contributed to growth in all 50 states and the District of Columbia in the 4th quarter of 2019. In Oklahoma, utilities was the leading contributor to 4th quarter GDP growth, adding 0.51 percentage point.

In contrast, nondurable goods manufacturing subtracted from growth in 45 states, including Oklahoma, in the 4th quarter of 2019. In Oklahoma, this sector subtracted 0.27 percentage point from 4th quarter GDP growth.

Metropolitan Area Contribution to State Real Gross Domestic Product 2018

Source: U.S. Department of Commerce, Bureau of Economic Analysis



Definition & Importance

Metropolitan Statistical Areas (MSAs) are county-based definitions developed by the Office of Management and Budget for federal statistical purposes. A metropolitan area is defined as a geographic area consisting of a large population nucleus together with adjacent communities having a high degree of economic and social integration with the nucleus.

GDP by metropolitan area is the sub-state counterpart of the Nation's gross domestic product (GDP), the BEA's featured and most comprehensive measure of U.S. economic activity. GDP by metropolitan area is derived as the sum of the GDP originating in all the industries in the metropolitan area. Nationally, metropolitan statistical areas represent approximately 90 percent of total GDP. In Oklahoma, the four MSAs of Oklahoma City, Tulsa, Lawton and Enid accounted for 74.3 percent of total state GDP in 2017.

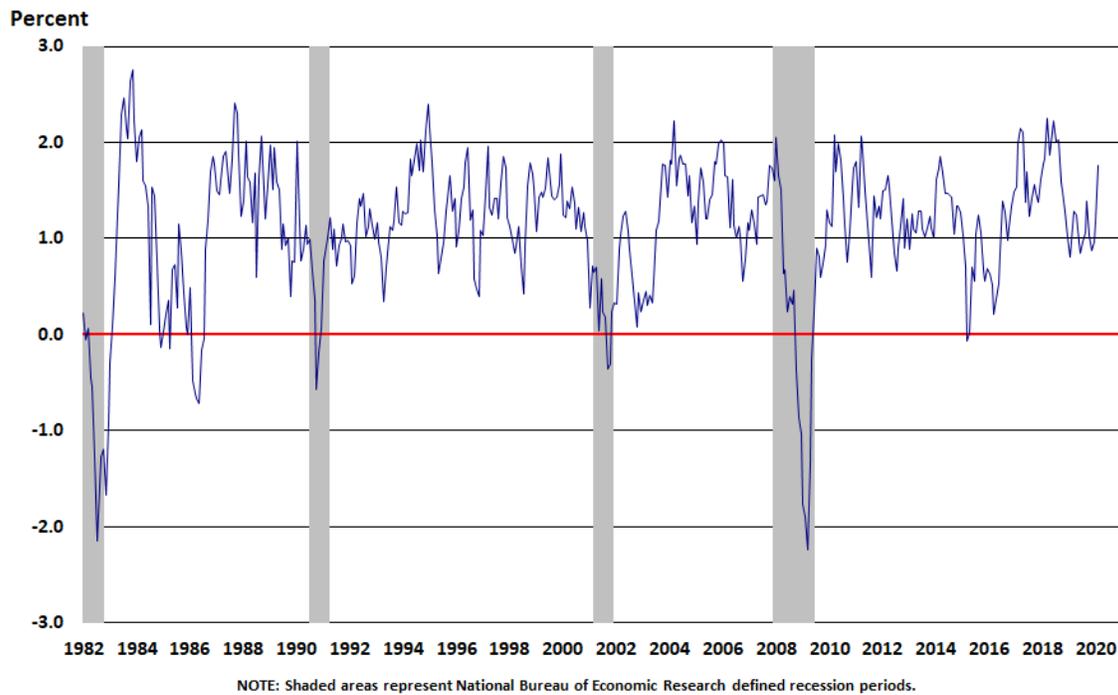
Current Developments

Real gross domestic product (GDP) increased in 366 out of 384 metropolitan areas in 2018, according to the U.S. Bureau of Economic Analysis (BEA). The percent change in real GDP by metropolitan area ranged from 21.9 percent in Midland, TX to -6.1 percent in Farmington, NM. Real GDP for U.S. metropolitan areas increased 3.0 percent in 2018, led by growth in professional and business services; information; and educational services, health care, and social assistance.

In 2018, all of Oklahoma's four metropolitan areas experienced positive growth. Natural resources and mining was the leading contributor to growth in Enid MSA (1.4 percent), ranking it 299th among 384 metro areas in 2018. Natural resources and mining was also the leading contributor to GDP growth in Lawton MSA adding 0.7 percent in 2018 and ranked 231st among U.S. metro areas. Oklahoma City MSA grew 3.1 percent to \$79.7 billion and ranked 126th, lifted by professional & business services and natural resources & mining. Tulsa MSA's GDP also grew 3.1 percent to a level of \$57.7 and ranked 122nd in 2018, boosted by durable-goods manufacturing.

Leading Index for Oklahoma, 1982-2020

Source: Federal Reserve Bank of Philadelphia (retrieved from FRED, Federal Reserve Bank of St. Louis)



Definition & Importance

The Federal Reserve Bank of Philadelphia produces leading indexes for each of the 50 states. The indexes are calculated monthly and are usually released a week after the release of the coincident indexes. The Bank issues a release each month describing the current and future economic situation of the 50 states with special coverage of the Third District: Pennsylvania, New Jersey, and Delaware.

The leading index for each state predicts the six-month growth rate of the state's coincident index. In addition to the coincident index, the models include other variables that lead the economy: state-level residential housing permits (1 to 4 units), state initial unemployment insurance claims, delivery times from the Institute for Supply Management (ISM) manufacturing survey, and the interest rate spread between the 10-year Treasury bond and the 3-month Treasury bill.

Current Developments

The Federal Reserve Bank of Philadelphia has released the leading indexes for the 50 states for February 2020. Forty-nine state coincident indexes, including Oklahoma's, were projected to grow over the next six months, while one was expected to decrease. For comparison purposes, the Philadelphia Fed has also developed a similar leading index for its U.S. coincident index, which is projected to grow 1.7 percent over the next six months.

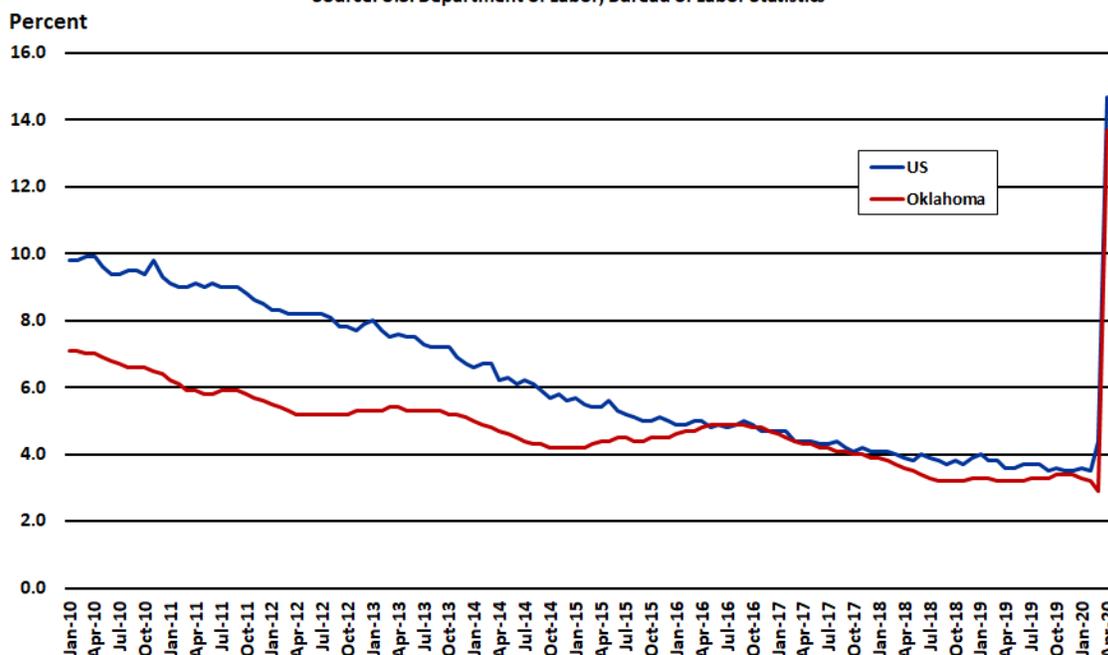
Oklahoma's leading index rose for a third straight month in February to a level of 1.79 percent.

The Philadelphia Fed noted that the February 2020 release of the state leading indexes was based on data from the time period largely unaffected by the COVID-19 outbreak. Given the extreme impact on initial unemployment claims in recent weeks, their standard approach for estimating the six-month change in coincident indexes may not be reliable in coming months. Therefore, they expect to suspend the release of upcoming state leading indexes until further notice.

U.S. and Oklahoma Unemployment Rate (Seasonally Adjusted)

January 2010 to May 2020

Source: U.S. Department of Labor, Bureau of Labor Statistics



Definition & Importance

The Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) program produces monthly estimates of total employment and unemployment from a national survey of 60,000 households. The unemployment rate measures the percentage of people who are without work and is calculated by dividing the estimated number of unemployed people by the civilian labor force. The result expresses unemployment as a percentage of the labor force.

The unemployment rate is a lagging indicator of economic activity. During a recession many people leave the labor force entirely. As a result, the jobless rate may not increase as much as expected. This means that the jobless rate may continue to increase in the early stages of recovery because more people are returning to the labor force as they believe they will be able to find work. The civilian unemployment rate tends towards greater stability than payroll employment on a monthly basis and reveals the degree to which labor resources are utilized in the economy.

Current Developments

The U.S. unemployment rate fell in May from a post-World War II high in the previous month, as states loosened their coronavirus lockdowns and businesses began recalling workers. The unemployment rate declined by 1.4 percentage points to 13.3 percent in May, according to the Bureau of Labor Statistics (BLS). The labor force participation rate—the share of working-age Americans who are employed or looking for work—increased by 0.6 percentage point in May to 60.8 percent, following a decrease of 2.5 percentage points in April.

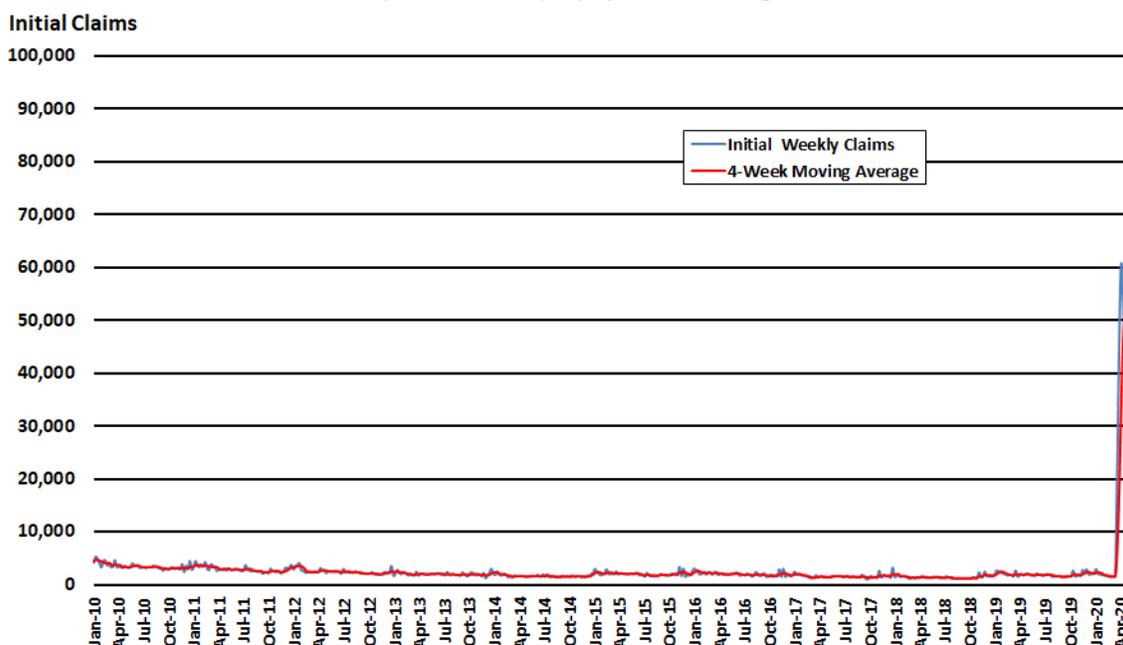
Oklahoma's seasonally adjusted unemployment rate soared 10.8 percentage points to 13.7 percent in April. Over the year, Oklahoma's seasonally adjusted unemployment rate was up 10.5 percentage points compared to April 2019.

In April, Tillman County posted Oklahoma's highest county non-seasonally adjusted unemployment rate of 19.7 percent, while Cimarron County had the lowest county unemployment rate at 2.6 percent. Unemployment rates in April were higher than a year earlier in all 77 counties in Oklahoma.

Oklahoma Initial Weekly Claims for Unemployment Insurance

January 2, 2010 to May 30, 2020 (Not Seasonally Adjusted)

Source: U.S. Department of Labor, Employment and Training Administration



Definition & Importance

Initial unemployment claims are compiled weekly by the U.S. Department of Labor, Employment and Training Administration and show the number of individuals who filed for unemployment insurance benefits for the first time. This particular variable is useful because it gives a timely assessment of the overall economy.

Initial claims are a leading indicator because they point to changes in labor market conditions. An increasing trend signals that layoffs are occurring. Conversely, a decreasing trend suggests an improving labor market. The four-week moving average of initial claims smooths out weekly volatility and gives a better perspective on the underlying trend.

Current Developments

In the last week of May, the number of Americans filing for unemployment benefits dropped below the 2 million mark for the first time since the coronavirus pandemic forced a near shutdown of the U.S. economy. In the week ending May 30, the advance figure for seasonally adjusted initial claims was 1,877,000, a decrease of 249,000 from the previous week's revised level of 2,126,000, according to the Department of Labor (DOL). The less volatile 4-week moving average was 2,284,000, a decrease of 324,750 from the previous week's revised average of 2,608,750.

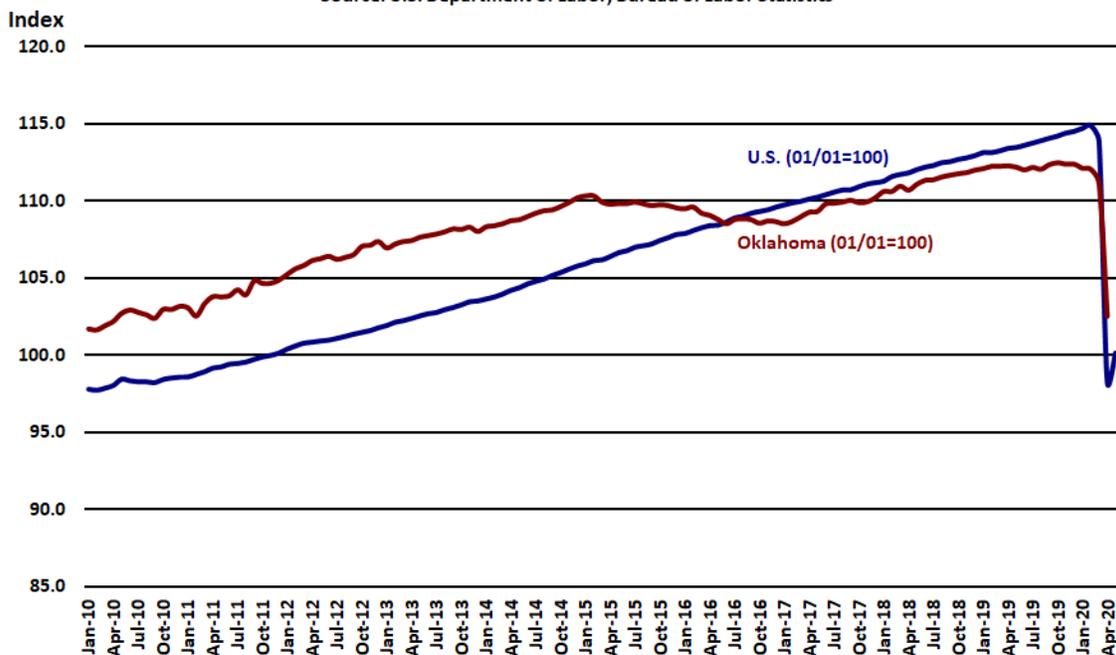
The levels of initial and continued claims for jobless benefits in Oklahoma remained at historic levels in May but the weekly levels appear to be declining. For the file week ending May 30, 2020, the advance number of initial claims, unadjusted, totaled 37,986, a decrease of 5,728 from the previous week's revised level of 43,714. For the same file week, the less volatile initial claims four-week moving average increased 13,975 to 38,555. For the month, (file weeks ending May 2 through May 30), initial jobless claims totaled 265,741.

For the same file week ending on May 30, the advance unadjusted number for continued claims totaled 167,999 an increase of 28,803 from the previous week's revised level of 139,196. The continued claims four-week moving average rose 3,332 to 155,137.

U.S. and Oklahoma Nonfarm Payroll Employment (Seasonally Adjusted)

Index: January 2001=100

Source: U.S. Department of Labor, Bureau of Labor Statistics



Definition & Importance

Nonfarm payroll employment data is produced by the Current Employment Statistics (CES) program of the Bureau of Labor Statistics (BLS). The CES Survey is a monthly survey of approximately 145,000 businesses and government agencies, representing 697,000 individual worksites. The CES program has provided estimates of employment, hours, and earnings data by industry for the nation as a whole, all States, and most major metropolitan areas since 1939. In order to account for the size disparity between of U.S. and Oklahoma employment levels, we have indexed the data with January 2001 as the start value.

Payroll employment is one of the most current and reliable indicators of economic conditions and recessionary trends. Increases in nonfarm payrolls translate into earnings that workers will spend on goods and services in the economy. The greater the increases in employment, the faster the total economic growth.

Current Developments

The U.S. economy unexpectedly added jobs in May after suffering record losses in the prior month. Total nonfarm payroll employment increased by 2.5 million in May, reflecting a limited resumption of economic activity that had been curtailed due to the coronavirus pandemic and efforts to contain it, according to the Bureau of Labor Statistics (BLS). Employment fell by 1.4 million and 20.7 million, respectively, in March and April. Despite the over-the-month increase, nonfarm employment in May was 13 percent below its February level.

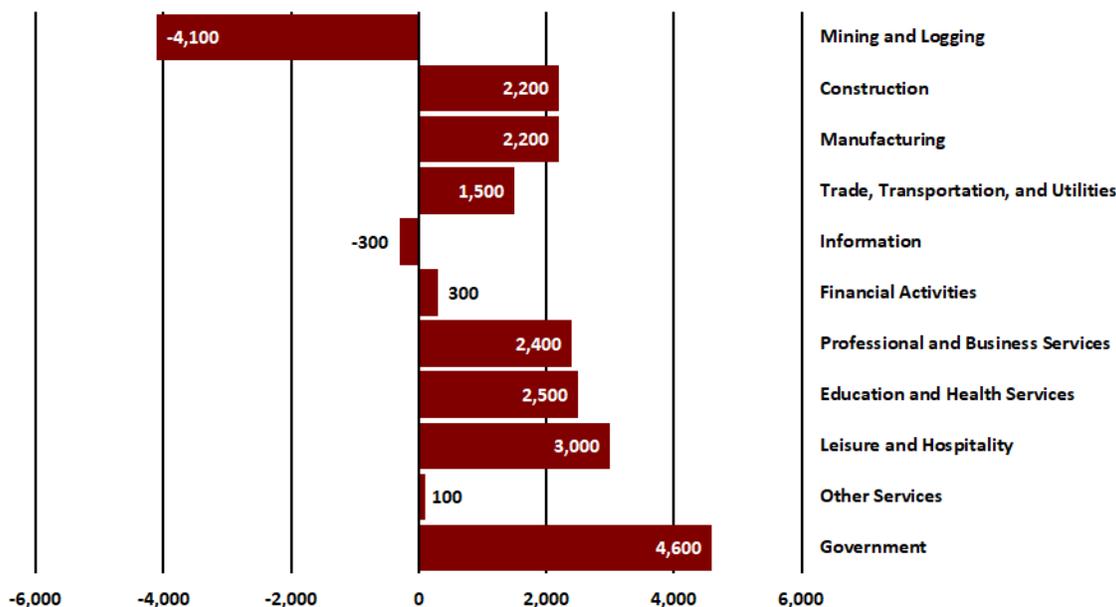
Oklahoma's nonfarm employment tumbled by a seasonally adjusted 130,800 jobs (-7.8 percent) in April, to a level of 1,556,100 while March's estimate was downwardly revised to 1,686,900. In April, one of Oklahoma's supersectors added jobs as financial activities (+300 jobs) posted the only monthly gain. Leisure & hospitality (-50,300 jobs) saw the largest over-the-month job losses.

None of Oklahoma's supersectors reported job gains over the year in April. Sectors showing the largest declines in jobs over the year were leisure and hospitality (-55,600 jobs) and professional and business services (-25,800 jobs).

Oklahoma Employment Change by Industry, 2018-2019

Annual Averages (Not Seasonally Adjusted)

Source: Current Employment Statistics (CES), U.S. Department of Labor, Bureau of Labor Statistics



Definition & Importance

Employment growth by industry identifies the types of jobs being created in the state. Conversely, industries with a declining employment trend indicate those which are becoming less important in the state's economy. There may also be industries which behave more cyclically, growing during expansion and decreasing in times of economic slowdown or contraction. These changes are crucial in that they help to recognize the types of jobs being lost by individuals. Anticipating what will happen in recovery helps identify whether those jobs will return or what types of new jobs will be created. Consequently, key information for planning re-employment, retraining, and other workforce and economic development programs is contained within these data. For this analysis, we are using CES non-seasonally adjusted annual averages to compare year-over-year employment changes.

Current Developments

Oklahoma's annual average employment grew at a moderate pace in 2019, with job gains in both goods-producing and services-providing industries. Total nonfarm employment added a non-seasonally adjusted 14,300 jobs (0.8 percent) in 2019. For comparison, in 2018, 26,600 jobs were gained for a 1.6 percent increase.

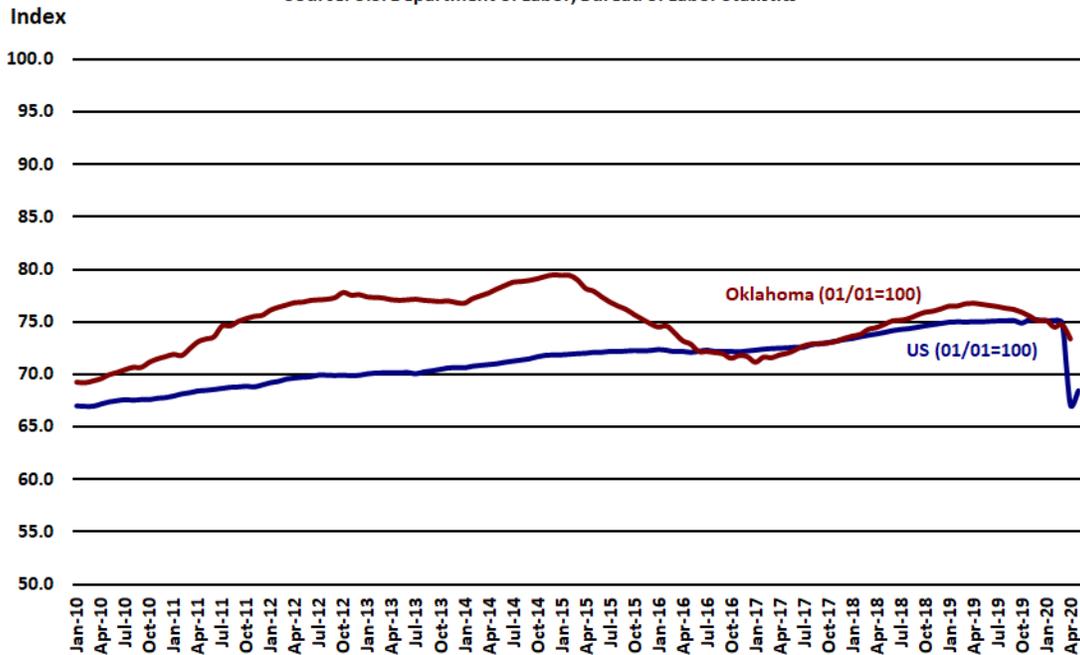
In 2019, nine out of 11 statewide supersectors recorded job gains. Government led all other supersectors adding 4,600 jobs (1.3 percent) with local government adding the bulk of the job gains. Leisure and hospitality added 3,000 jobs (1.7 percent), while education and health services gained 2,500 jobs (1.1 percent). Professional and business services employment grew by 2,400 jobs (1.3 percent). Construction and manufacturing added 2,200 jobs each for 2.7 percent and 1.6 percent gains respectively. The broad trade, transportation and utilities supersector added a non-seasonally adjusted 1,500 jobs (0.5 percent). Financial activities grew by 300 jobs (0.4 percent) and other services added 100 jobs (0.1 percent) over the year.

The largest annual average over-the-year job losses were seen in mining and logging, shedding a non-seasonally adjusted 4,100 jobs (-7.8 percent), followed by information dropping 300 jobs (-1.5 percent).

U.S. and Oklahoma Manufacturing Employment (Seasonally Adjusted)

Index: January 2001 = 100

Source: U.S. Department of Labor, Bureau of Labor Statistics



Definition & Importance

Manufacturing employment data is also produced by the Bureau of Labor Statistics' Current Employment Statistics (CES) program. Manufacturing and production are still important parts of both the U.S. and Oklahoma economies. During the 2007-09 recession, employment in manufacturing declined sharply. Although manufacturing plunged in 2008 and early 2009 along with the rest of the economy, it is on the rebound today while other key economic sectors, such as construction, still suffer. In Oklahoma, manufacturing accounts for one of the largest shares of private output and employment in the state. In addition, many manufacturing jobs are among the highest paying jobs in the state. In order to account for the size disparity between the U.S. and Oklahoma employment levels, we have indexed the data with January 2001 as the starting value.

Current Developments

U.S. manufacturing employment improved in May, as auto and other manufacturers began opening factories after shuttering them in April due to fears of coronavirus infection. In May, manufacturing employment rose by 225,000, with gains about evenly split between the durable and nondurable goods components, according to the Bureau of Labor Statistics (BLS). In April, manufacturing employment declined by 1.3 million, with about two-thirds of the loss occurring in the durable goods component. Within durable goods, employment gains in May were led by motor vehicles and parts (+28,000), fabricated metal products (+25,000), and machinery (+23,000). Within nondurable goods, job gains occurred in plastics and rubber products (+30,000) and food manufacturing (+25,000).

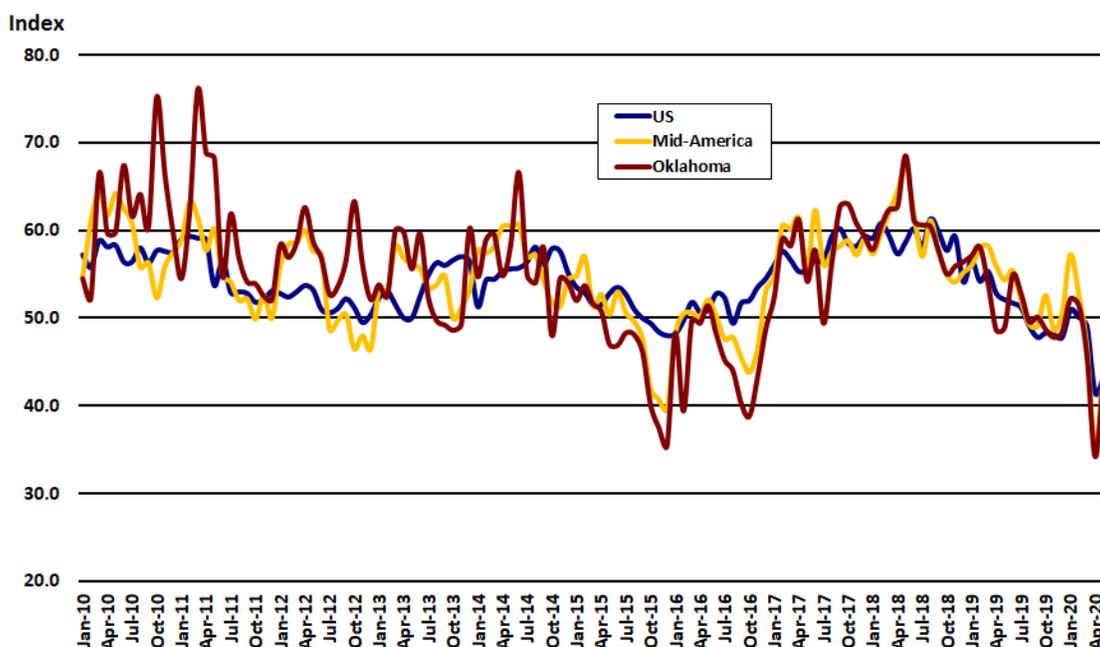
Oklahoma manufacturing employment dropped a seasonally-adjusted 5,400 jobs (-4.0 percent) over the month in April falling to a level of 130,200. Most of the job losses in April occurred in durable goods manufacturing, shedding 5,200 jobs (-5.7 percent) while nondurable goods manufacturing lost 200 jobs (-0.5 percent) over the month.

Over the year, statewide manufacturing employment contracted by 11,500 jobs (-8.1 percent), as 11,600 jobs were lost in durable goods while nondurable goods gained 100 jobs.

Purchasing Managers' Index (Manufacturing)

January 2010 to May 2020

Sources: ISM Manufacturing Report On Business® and Business Conditions Index for Mid-America, Creighton University



Definition & Importance

Economists consider the Institute for Supply Management's Purchasing Managers' Index (PMI™) a key economic indicator. The Institute for Supply Management (ISM®) surveys more than 300 manufacturing firms on employment, production, new orders, supplier deliveries, and inventories. The ISM® manufacturing index is constructed so that any level at 50 or above signifies growth in the manufacturing sector, which accounts for about 12 percent of the U.S. economy. A level above 43 or so, but below 50, indicates that the U.S. economy is still growing even though the manufacturing sector is contracting. Any level below 43 indicates that the economy is in recession.

For the region, since 1994, the Creighton Economic Forecasting Group at Creighton University has conducted a monthly survey of supply managers in nine states (including Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota), to produce leading economic indicators for the Mid-America economy using the same methodology as the national survey by the ISM®.

Current Developments

After reaching an 11-year low in April, U.S. manufacturing activity began to stabilize in May ending a three-month decline. The May PMI® registered 43.1 percent, up 1.6 percentage points from the April reading of 41.5 percent, according to the latest ISM Manufacturing Report On Business®. Of the 18 manufacturing industries surveyed, six reported growth while 11 industries contracted, led by printing, primary metals and transportation equipment makers.

The May PMI® indicates a level of manufacturing-sector contraction not seen since April 2009 during the Great Recession. Demand, as measured by ISM's gauge of new orders, contracted heavily again, at 31.8, pushed by contraction in new export orders. Consumption, as measured by ISM's Production and Employment Indexes, contributed positively for a combined 10.3-percentage point increase. Inputs—expressed as supplier deliveries, inventories and imports—contributed negatively for a combined 7.3-percentage point decrease to the PMI® calculation.

The Creighton University Mid-America Business Conditions Index, a leading economic indicator for a nine-state region stretching from North Dakota to Arkansas, expanded to a still recessionary reading in May. The Business Conditions Index, which ranges between 0 and 100, increased to 43.5 from April's 35.1, but down from March's 46.7 reading.

“According to Creighton’s May survey of regional manufacturing supply managers, COVID-19 had a less significant impact on the manufacturing sector than other areas of the economy more directly tied to the consumer. This is a consumer led recession with manufacturing lagging. Nonetheless, Creighton’s survey indicates that the regional manufacturing sector is trapped in a recession,” said Ernie Goss, Ph.D., director of Creighton University’s Economic Forecasting Group and the Jack A. MacAllister Chair in Regional Economics in the Heider College of Business.

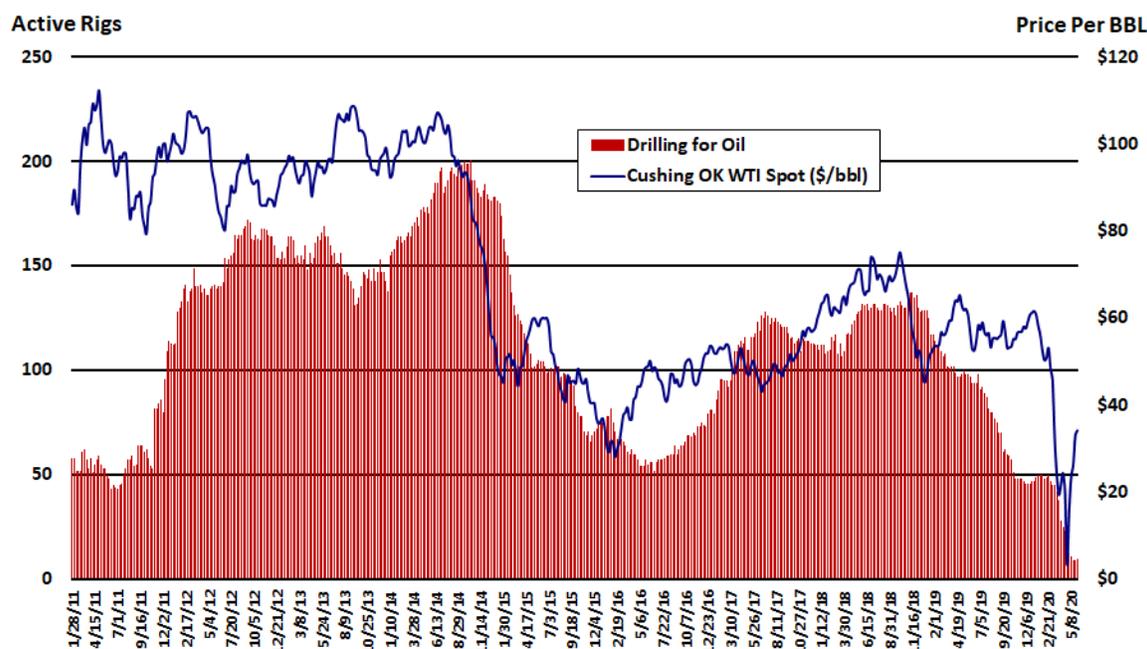
Oklahoma’s Business Conditions Index once again moved below growth neutral in May. The overall index for May advanced to a weak 43.0 from April’s 34.2. Components of the overall May index were: new orders at 32.1, production or sales at 34.3, delivery lead time at 59.7, inventories at 48.7, and employment at 40.3.

“The state’s unemployment rate (not seasonally adjusted) jumped from 3.0 percent in March to 14.3 percent in April. The state lost 131,000 jobs in this one-month covid-19 span” said Goss.

Oklahoma Active Rotary Rigs & Cushing, OK WTI Spot Price

January 2011 to May 2020

SOURCES: U.S. Department of Energy, Energy Information Administration and Baker Hughes Rig Counts



Definition & Importance

Crude oil is an important commodity in the global market. Prices fluctuate depending on supply and demand conditions in the world. Since oil is such an important part of the economy, it can also help determine the direction of inflation. In the U.S. consumer prices have moderated whenever oil prices have fallen, but have accelerated when oil prices have risen. The U.S. Energy Information Administration (EIA) provides weekly information on petroleum inventories in the U.S., whether produced here or abroad.

The Baker Hughes rig count is an important indicator for the energy industry and Oklahoma. When drilling rigs are active they consume products and services produced by the oil service industry. The active rig count acts as a leading indicator of demand for products used in drilling, completing, producing and processing hydrocarbons.

West Texas Intermediate (WTI-Cushing) is a light crude oil produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams and which is traded in the domestic spot market at Cushing, Oklahoma.

Background

Oklahoma produces a substantial amount of oil. Excluding federal offshore areas, Oklahoma was the 4th-largest crude oil producer among the states in 2019, accounting for nearly 5 percent of the nation's crude oil production (at 211,808,000 barrels). Crude oil wells and gathering pipeline systems are concentrated in central Oklahoma. Two of the 100 largest oil fields in the United States are found in Oklahoma.

The city of Cushing, in central Oklahoma, is a major crude oil trading hub connecting Gulf Coast producers to Midwest refining markets. In addition to Oklahoma crude oil, the Cushing hub receives supply from several major pipelines that originate in Texas. Traditionally, the Cushing Hub has pushed Gulf Coast and Mid-Continent crude oil supply north to Midwest refining markets. However, production from those regions is in decline, and an underused crude oil pipeline system has been reversed to deliver rapidly expanding heavy crude oil supply produced in Alberta, Canada to Cushing, where it can access Gulf Coast refining markets. For this reason,

Cushing is the designated delivery point for the New York Mercantile Exchange (NYMEX) crude oil futures contracts. Crude oil supplies from Cushing that are not delivered to the Midwest are fed to Oklahoma's five refineries. As of January 2019, those refineries had a combined distillation capacity of almost 523,000 barrels per day, nearly 3 percent of the total U.S. capacity.

Current Developments

According to financial reports analyzed by the U.S. Energy Information Administration (EIA), global expenditures related to oil and natural gas exploration and development (E&D) increased \$42 billion (13 percent) for 102 publicly traded oil companies in 2019, totaling \$361 billion. As a result of significant crude oil price declines in 2020, however, global proved reserves will likely be revised downward, and E&D expenditures will also likely decline. Several companies have already announced large budget reductions. In its May *Short-Term Energy Outlook*, EIA forecasts that international benchmark Brent crude oil prices will average \$34/barrel in 2020. If this crude oil price forecast is realized, E&D expenditures per barrels of oil equivalent (BOE), could fall to less than \$10/BOE in 2020, (down from \$16/BOE in 2019), if E&D expenditures remain at about one-quarter of the Brent crude oil price.

After declining for the past two months, statewide crude production rose in March. Oklahoma field production of crude oil for March 2020 was at a level of 17,103,000 bbl, 949,000 bbl (5.9 percent) more than the upwardly-revised February level of 16,154,000 bbl, according to data reported by the EIA. For 2019, statewide crude production was at an estimated level of 211,809,000 bbl—11,123,000 bbl (5.5 percent) more than the record-setting 2018 level of 200,686,000 bbl.

WTI-Cushing prices improved in May, after falling below zero for the first time in history in April, amid a demand slump caused by the coronavirus pandemic and a glut of supply. For the week ending May 29th, WTI-Cushing was at \$34.19/bbl, up \$1.09/bbl (3.3 percent) from the previous week's average of \$33.10/bbl.

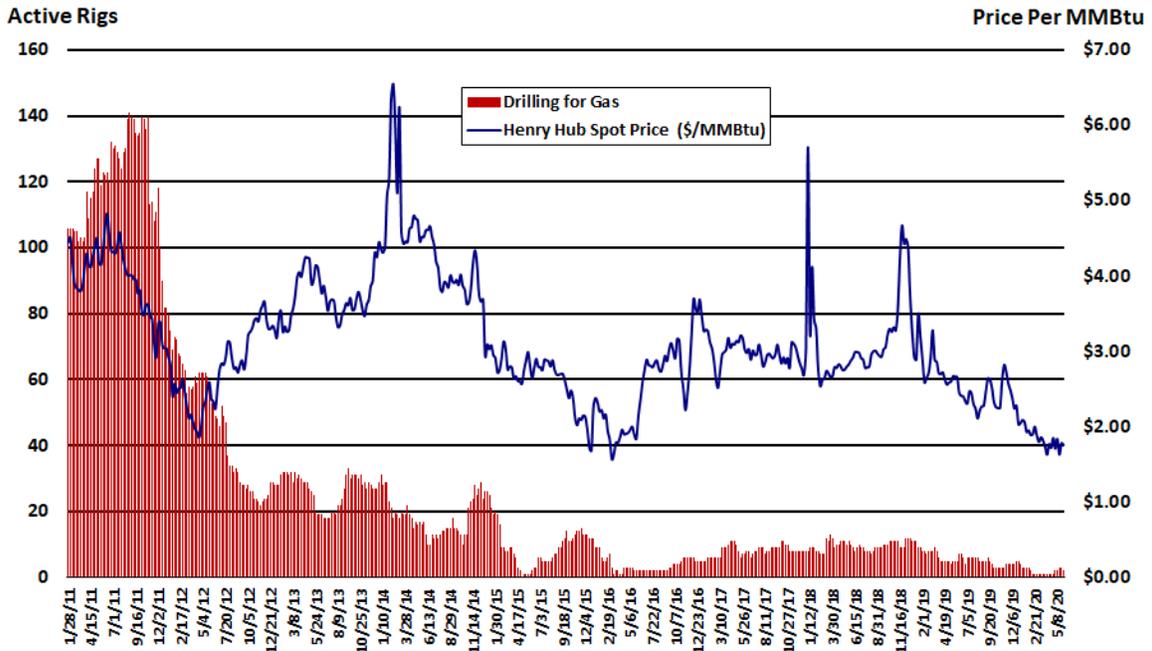
U.S. producers were operating the lowest number of oil and natural gas drilling rigs on record in May. As of Friday, May 29th there were 301 active rigs searching for oil and gas, the lowest level in the Baker Hughes rig count data series that dates back to 1987. Of that total, 222 rigs (73.8 percent) drilled for oil while 77 (25.6 percent) explored for natural gas. Compared to a year ago, the nation's rig count was 683 less than the 984 rigs reported on May 31st, 2019.

Oklahoma's active rig count remained at a record low in the last week of May. For the week ending Friday, May 29th the state's active rig count was unchanged from the previous week at 12, according to oil field services company Baker Hughes. Oil-directed rigs accounted for 10 active rigs (83 percent) of total rig activity.

Oklahoma Active Rotary Rigs & Henry Hub Natural Gas Spot Price

January 2011 to May 2020

Sources: U.S. Department of Energy, Energy Information Administration and Baker Hughes Rig Counts



Definition & Importance

The U.S. Energy Information Administration (EIA) provides weekly information on natural gas stocks in underground storage for the U.S., and three regions of the country. The level of inventories helps determine prices for natural gas products. Natural gas product prices are determined by supply and demand—like any other good or service. During periods of strong economic growth, one would expect demand to be robust. If inventories are low, this will lead to increases in natural gas prices. If inventories are high and rising in a period of strong demand, prices may not need to increase at all, or as much. However, during a period of sluggish economic activity, demand for natural gas may not be as strong. If inventories are rising, this may push down oil prices.

The Henry Hub in Erath, Louisiana is a key benchmark location for natural gas pricing throughout the United States. The Henry Hub is the largest centralized point for natural gas spot and futures trading in the United States. The New York Mercantile Exchange (NYMEX) uses the Henry Hub as the point of delivery for its natural gas futures contract. Henry Hub “spot gas” represents natural gas sales contracted for *next day* delivery and title transfer at the Henry Hub. The settlement prices at the Henry Hub are used as benchmarks for the entire North American natural gas market. Approximately 49 percent of U.S. wellhead production either occurs near the Henry Hub or passes close to the Henry Hub as it moves to downstream consumption markets.

Background

Oklahoma is one of the top natural gas producers in the nation, ranking 4th among all states in U.S. gross production in 2019, (excluding offshore production), accounting for about 9 percent of U.S. marketed production. More than a dozen of the 100 largest natural gas fields in the country are found in Oklahoma and proven reserves of conventional natural gas have been increasing in recent years.

Most natural gas in Oklahoma is consumed by the electricity generation and industrial sectors. About three-fifths of Oklahoma households use natural gas as their primary energy source for

home heating. Nevertheless, only about one-third of Oklahoma's natural gas output is consumed within the state. The remaining supply is sent via pipeline to neighboring states, the majority to Kansas, including the natural gas trading hubs in Texas and Kansas.

Current Developments

In the latest *Short-Term Energy Outlook (STEO)*, the U.S. Energy Information Administration (EIA) forecasts that decreases in natural gas consumption in the United States in 2020 will be driven by declines in natural gas used in the industrial, commercial, and residential sectors. In the U.S. electric power sector, EIA forecasts natural gas consumption to decline in the second half of 2020 after growing in the first half of the year.

Oklahoma natural gas production levels rose in March. Statewide natural gas gross withdrawals were at a level of 258,205 million cubic feet (MMcf) in March 2020, up 15,295 MMcf (6.3 percent) from the upwardly-revised February level of 242,910 MMcf. For 2019, statewide natural gas production was at an estimated level of 3,175,009 MMcf, which is 228,894 MMcf (7.8 percent) more than the record-setting 2018 level of 2,946,115 MMcf.

Natural gas spot prices in May were virtually unchanged from April. The Henry Hub natural gas spot price averaged \$1.75/MMBtu in May, up one cent from April's average of \$1.74/MMBtu.

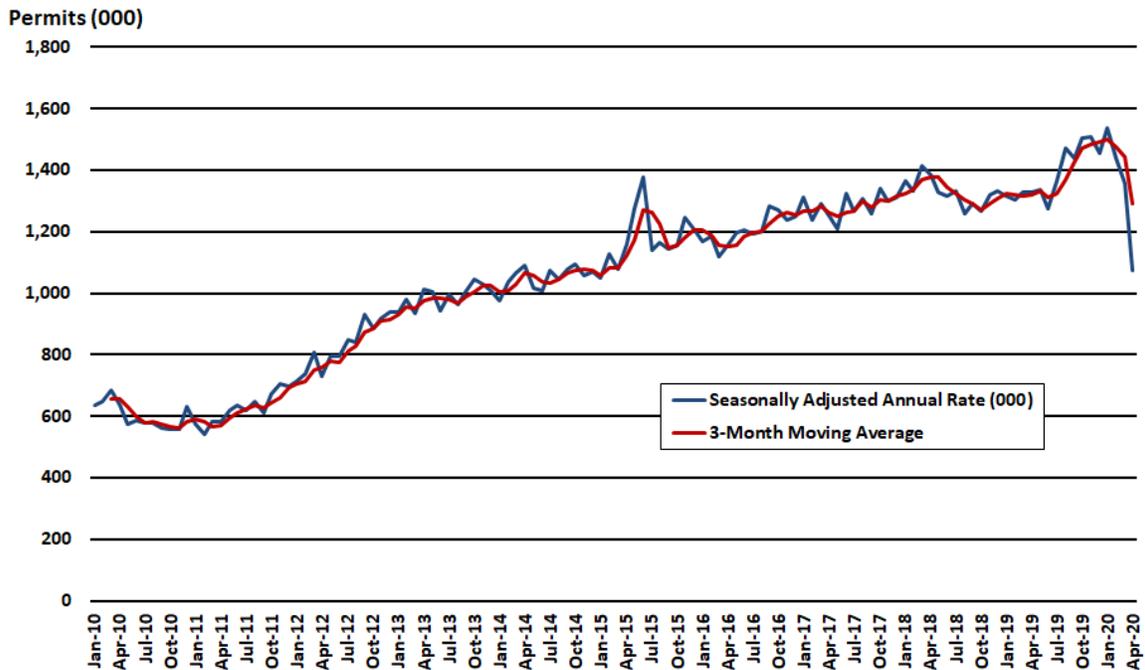
The number of active natural gas rigs in the United States fell by two (2) rigs to 77 for the week ending May 29th, the lowest number of active natural gas rigs on record according to data from Baker Hughes Company.

Oklahoma's natural gas-directed drilling rig count shed one unit over the week to two (2) active rigs for the week ending May 29th. Over the year, the number of statewide rotary rigs exploring for natural gas was down three (3) from five (5) rigs reported for the week ended May 31st, 2019.

U.S. New Private Housing Units Authorized by Building Permit

January 2010 to April 2020, Seasonally Adjusted

Source: U.S. Census Bureau and Department of Housing and Urban Development



Definition & Importance

The U.S. Census Bureau and the Department of Housing and Urban Development jointly provide monthly national and regional data on the number of new housing units authorized by building permits; authorized, but not started; started; under construction; and completed. The data are for new, privately-owned housing units (single and multifamily), excluding "HUD-code" manufactured homes. Because permits precede construction, they are considered a leading indicator for the residential construction industry and the overall economy. Most of the construction begins the same month the permit is issued. The remainder usually begins construction during the following three months; therefore we also use a three-month moving average.

While home construction represents a small portion of the housing market, it has an outside impact on the economy. Each home built creates an average of three jobs for a year and about \$90,000 in taxes, according to the National Association of Home Builders. Overall, homebuilding fell to its lowest levels in 50 years in 2009, when builders began work on just 554,000 homes.

Current Developments

U.S. building permits, a measure of future home building activity, tumbled by the most since July 2008, to a five-year low in April. Privately-owned housing units authorized by building permits in April were at a seasonally adjusted annual rate of 1,074,000, 20.8 percent below the revised March rate of 1,356,000 and 19.2 percent below the April 2019 rate of 1,330,000, according to the U.S. Census Bureau and the U.S. Department of Housing and Urban Development.

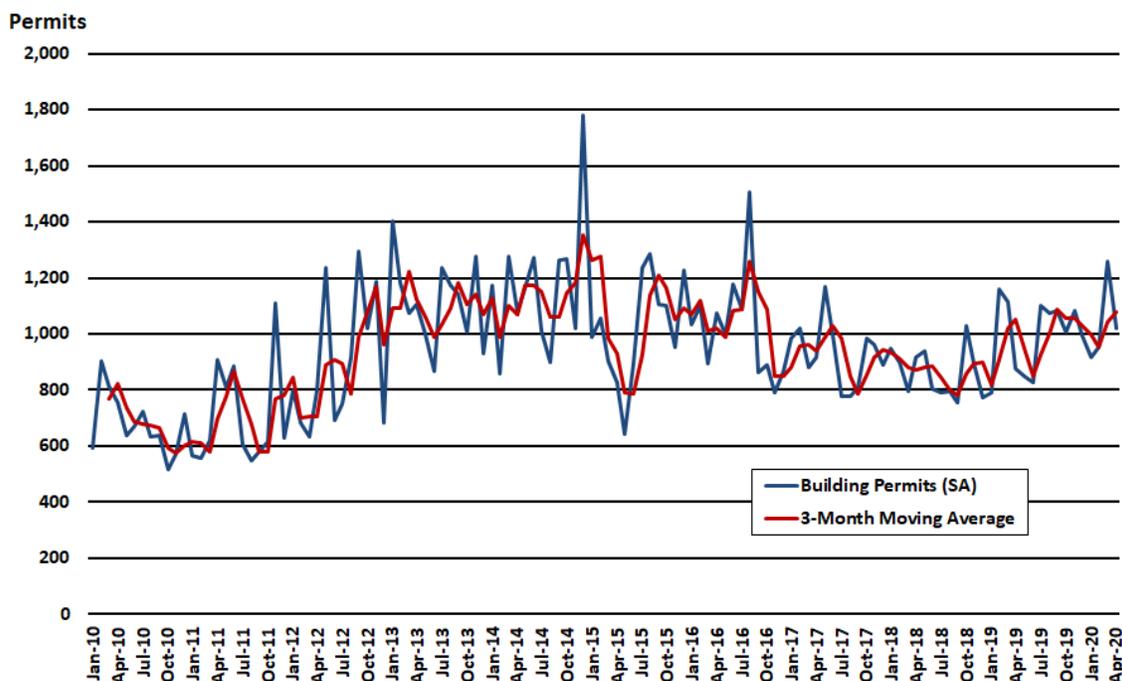
Single-family building permits dropped 24.3 percent to a rate of 669,000 units in April, the slowest pace since March 2015, while permits for the construction of multi-family units fell 14.2 percent to 373,000 units.

The National Association of Home Builders/Wells Fargo Housing Market Index (HMI) rose seven points to a still low reading of 37 in May after taking a record 42-point plunge in April.

Oklahoma New Private Housing Units Authorized by Building Permit

January 2010 to April 2020, Seasonally Adjusted

Sources: U.S. Census Bureau and Department of Housing and Urban Development, Federal Reserve Bank of St. Louis



Definition & Importance

The data services of the Federal Reserve Bank of St. Louis produces series that are seasonally adjusted including monthly state level data on the number of new housing units authorized by building permits. These adjustments are made using the X-12 Procedure of SAS to remove the seasonal component of the series so that non-seasonal trends can be analyzed. This procedure is based on the U.S. Bureau of the Census X-12-ARIMA Seasonal Adjustment Program.

Current Developments

Residential permitting activity in Oklahoma slumped in April, after reaching a nearly four-year high in March boosted by permits to build apartments. Total residential permitting was at a seasonally-adjusted level of 1,021 in April, down 239 permits (-19.0 percent) from the upwardly-revised March level of 1,260, but 144 permits (16.4 percent) more than the April 2019 level of 877 permits, according to figures from the U.S. Census Bureau and the Federal Reserve Bank of St. Louis.

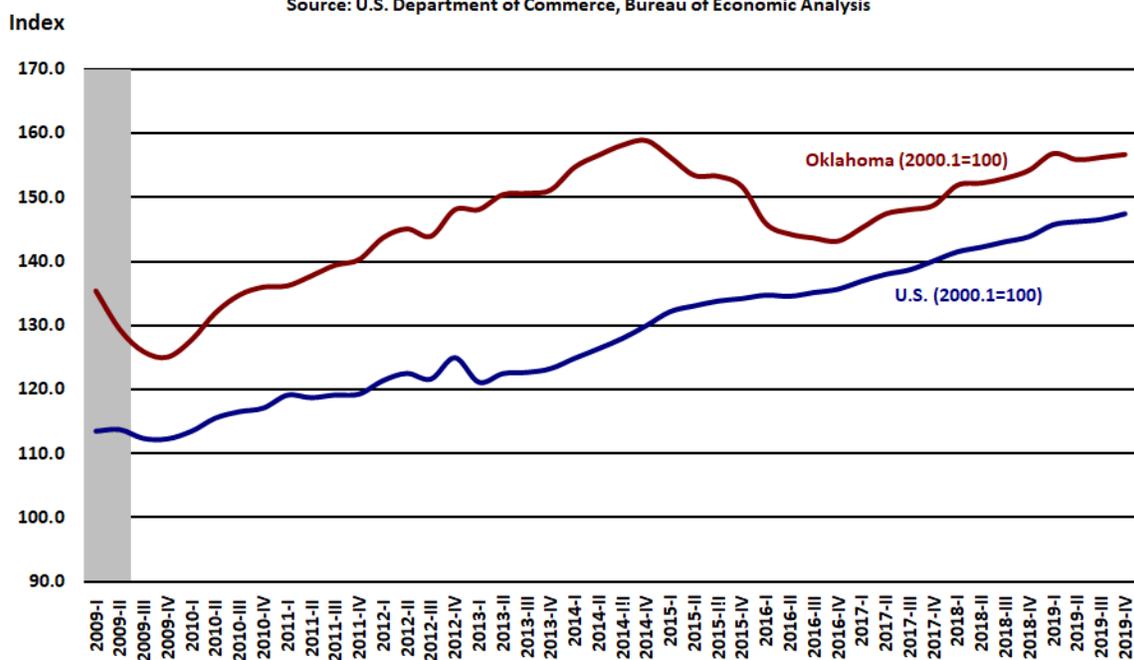
In April, statewide permits for single-family homes were at a seasonally-adjusted level of 919, down 25 permits (-2.7 percent) from a level of 944 permits in March. Multi-family permitting fell to a seasonally-adjusted level of 102 units in April, down 214 permits (-67.8 percent) from the upwardly-revised level of 316 in the previous month. Single-family permitting accounted for 90.0 percent of total residential permitting activity in April while the more volatile multi-family permitting accounted for 10.0 percent.

For 2019, Oklahoma had a seasonally-adjusted total of 11,966 permits issued for residential construction, up 1,624 permits (15.7 percent) from 10,342 issued in 2018. Of the 2019 total, 10,074 permits (84.2 percent) were issued for single-family homes while 1,893 permits (15.8 percent) were approved for multi-family units.

U.S. and Oklahoma Real Personal Income, Q1/09 to Q4/19

Index: 1st Quarter 2000 = 100

Source: U.S. Department of Commerce, Bureau of Economic Analysis



NOTE: Shaded area represents National Bureau of Economic Research defined recession period.

Definition & Importance

Personal income is a broad measure of economic activity and one for which relatively current data are available. Personal income includes earnings, property income such as dividends, interest, and rent and transfer payments, such as retirement, unemployment insurance, and various other benefit payments. It is a measure of income that is available for spending and is seen as an indicator of the economic well-being of the residents of a state. Earnings and wages make up the largest portion of personal income.

To show the vastly different levels of total personal income for the U.S. and Oklahoma on the same chart, these data have been converted to index numbers. This chart shows a comparison of Oklahoma and U.S. growth in real personal income with 1st quarter 2000 as the base year.

Current Developments

Personal income surged in April, boosted by government coronavirus relief payments to households, while consumers cut spending by the most on record for the second straight month. Personal income increased \$1.97 trillion (10.5 percent) in April, according to the Bureau of Economic Analysis (BEA). Disposable personal income (DPI) increased \$2.13 trillion (12.9 percent) and personal consumption expenditures (PCE) decreased \$1.89 trillion (13.6 percent). The rise in personal income was the biggest jump since the BEA starting compiling data in 1959, while the drop in PCE was nearly twice the previous month's record PCE decline of 6.9 percent. Wages and salaries, the largest part of income, fell 8.0 percent in April after a 3.5 percent decline in the prior month.

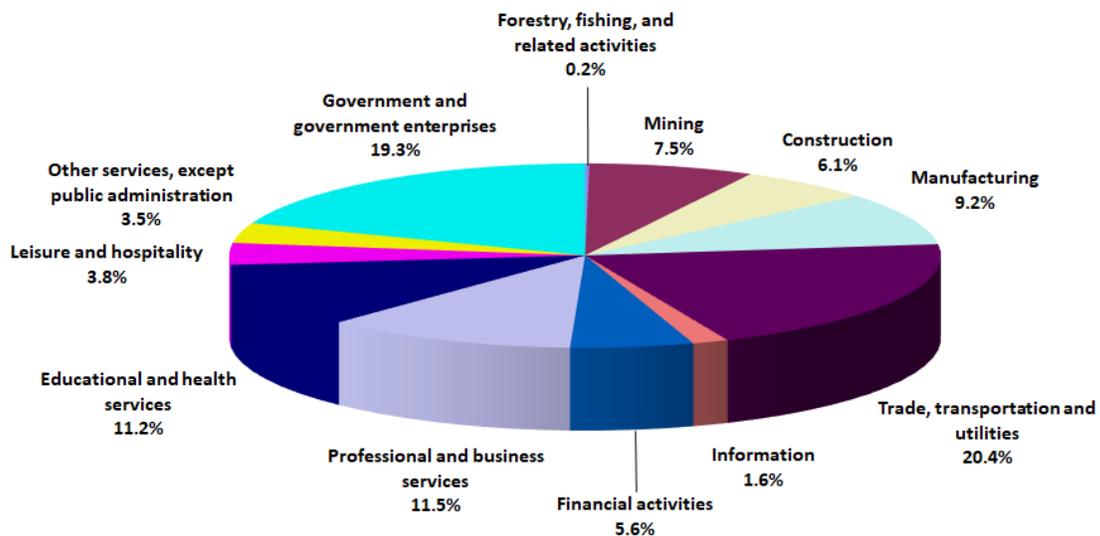
Spending on durable goods such as motor vehicles and appliances plunged 17.3 percent in April after dropping 12.1 percent in March. Purchases of nondurable goods such as food and clothing sank 16.2 percent while outlays on services, such as utilities and doctor visits fell 12.2 percent.

The rise in incomes and the drop in spending pushed the savings rate up to 33.0 percent in April from a revised 12.7 percent in the prior month, suggesting capacity for future spending.

Oklahoma Nonfarm Industry Contribution to Earnings

Fourth Quarter 2019

Source: U.S. Department of Commerce, Bureau of Economic Analysis



Definition & Importance

Quarterly estimates of state personal income are seasonally adjusted at annual rates by the Bureau of Economic Analysis (BEA). Quarterly personal income estimates are revised on a regular schedule to reflect more complete information than the data that were available when the estimates were initially prepared and to incorporate updated seasonal factors.

Current Developments

State personal income increased 3.0 percent at an annual rate in the 4th quarter of 2019, after increasing 2.8 percent in the 3rd quarter, according to estimates by the Bureau of Economic Analysis (BEA). The percent change in personal income across all states ranged from 4.7 percent in Michigan to 1.1 percent in North Dakota.

Oklahoma's personal income grew at a 1.7 percent rate in the 4th quarter of 2019, to a level of \$191.1 billion, ranking the state 47th among all states. For the 3rd quarter of 2019, Oklahoma's personal income was revised downward to \$190.2 billion (2.8 percent) from the previous estimate of \$190.3 billion.

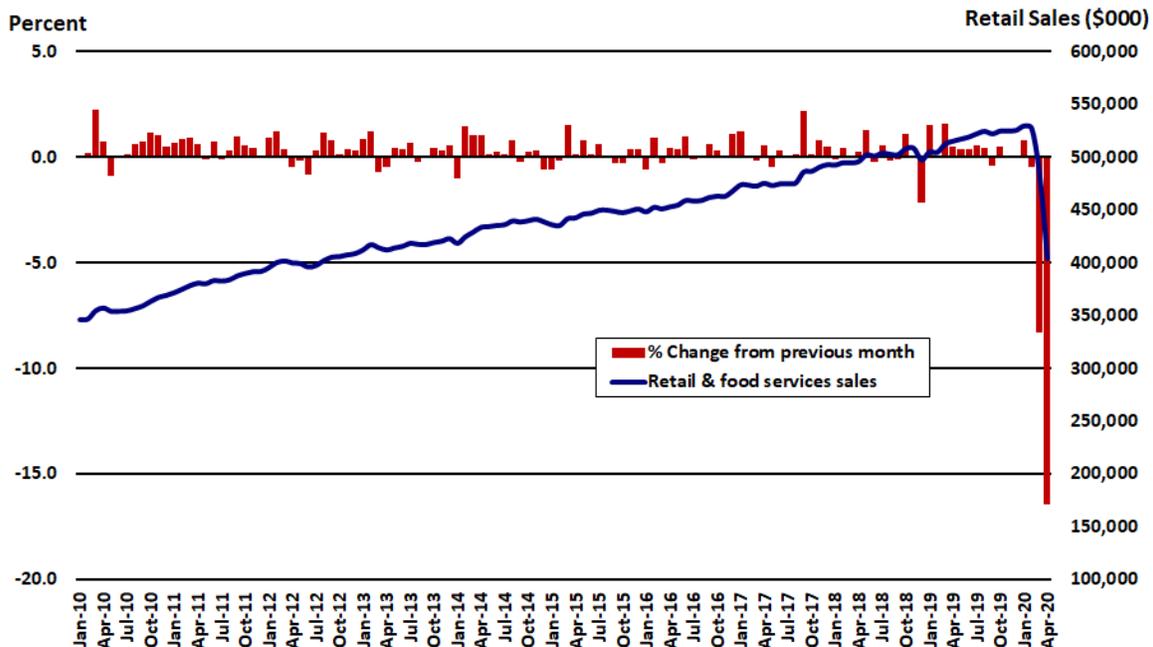
For the nation, earnings increased 3.6 percent in the 4th quarter of 2019 and was the leading contributor to growth in personal income in most states, including Oklahoma. Earnings increases in durable goods manufacturing in Michigan, and in eight other states—Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Tennessee, and Texas—in part, reflect ratification of new contracts between auto manufacturers and members of the United Auto Workers (UAW) union.

Oklahoma's net earnings grew 1.4 percent in the 4th quarter of 2019, contributing 0.9 percentage points to personal income growth. Health care and social assistance earnings (0.30 percentage point), was the leading contributor to 4th quarter earnings growth. State and local government and federal, civilian government earnings (0.20 percentage point each) were the second-largest contributors to 4th quarter earnings growth followed by accommodation and food services (0.14 percentage point). Mining, quarrying, and oil and gas extraction (-0.37 percentage point) was the largest subtraction from 4th quarter earnings growth.

U.S. Retail Sales (Adjusted for Seasonal, Holiday, and Trading-Day Differences)

January 2010 to April 2020

Source: U.S. Census Bureau, Advance Monthly Sales for Retail Trade and Food Services



Definition & Importance

Retail sales measure the total receipts at stores that sell merchandise and related services to final consumers. Sales are by retail and food services stores. Data are collected from the Monthly Retail Trade Survey conducted by the U.S. Bureau of the Census. Essentially, retail sales cover the durables and nondurables portions of consumer spending. Consumer spending accounts for roughly two-thirds of the U.S. GDP and is therefore essential to Oklahoma's economy. Retail sales account for around one-half of consumer spending and economic recovery calls for consumption growth.

Current Developments

U.S. retail sales took another record-breaking plunge in April as the coronavirus pandemic kept Americans at home, causing many businesses to operate on a limited capacity or to cease operations completely. Advance estimates of U.S. retail and food services sales for April 2020, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$403.9 billion, a decrease of 16.4 percent from the previous month, and 21.6 percent below April 2019, according to the U.S. Census Bureau. This was the largest monthly decline in retail sales since the Census Bureau began tracking the series in 1992 and nearly double the previous record drop of 8.3 percent in March.

Auto sales continued to fall in April, dropping 13.0 percent after plunging 27.1 percent in March. Receipts at service stations tumbled 28.8 percent, reflecting both lower pump prices and demand. Excluding the volatile automobile and gasoline categories, retail sales fell 16.2 percent in April.

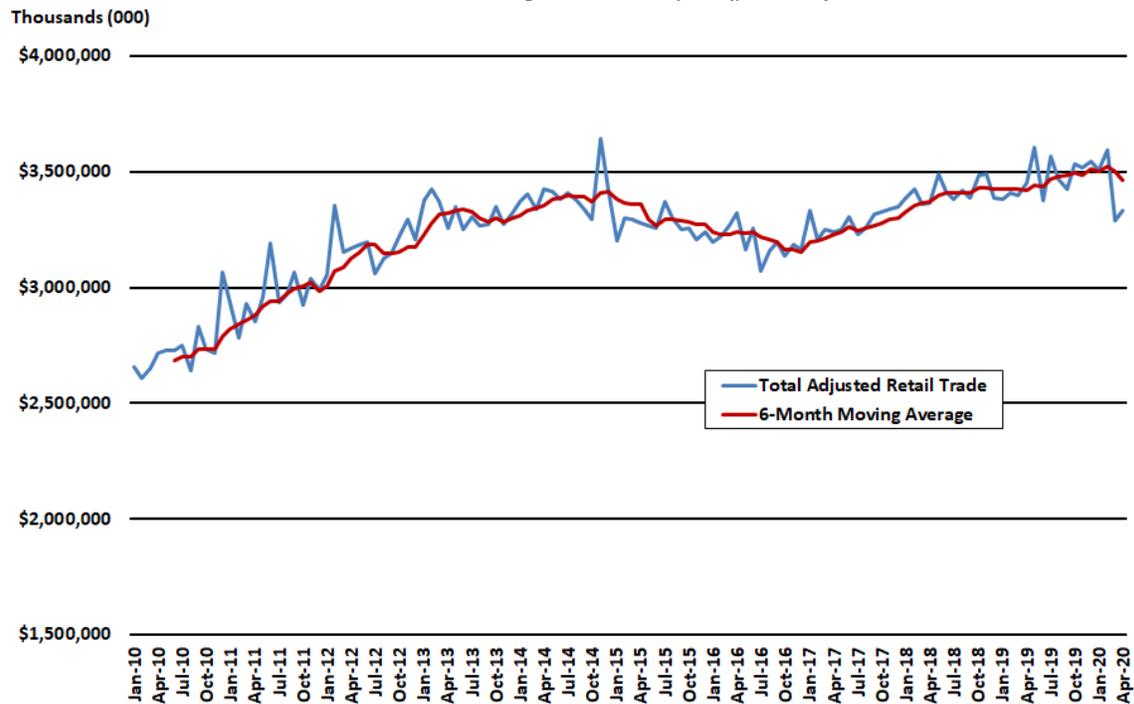
The sharpest declines in sales from March to April were at clothing stores (-78.8 percent), electronics & appliance stores (-60.6 percent), and furniture stores (-58.7 percent). Nonstore retailers, a category that mostly includes online shopping rose 8.4 percent in April.

The less volatile "core" or retail-control group sales which are used to calculate gross domestic product, and strips out automobiles, gasoline, building materials, and food services sales sank 15.5 percent in April following an upwardly-revised 3.4 percent rise in March.

Oklahoma Total Adjusted Retail Trade

January 2010 to April 2020

Source: Center for Economic & Management Research (CEMR), University of Oklahoma



Definition & Importance

The Center for Economic and Management Research (CEMR) Price College of Business, at the University of Oklahoma produces the Oklahoma Monthly Retail Sales Series containing monthly estimates of retail sales for Oklahoma, the Oklahoma City, Tulsa and Lawton Metropolitan Statistical Areas and 48 selected cities in Oklahoma. The series is based on sales tax collection data provided by the Business Tax Division, Oklahoma Tax Commission (OTC). In order to smooth out monthly volatility, we have used a six-month moving average.

Current Developments

Statewide retail spending rose unexpectedly in April as estimated gasoline, food store and general merchandise store spending offset declines in nearly every other retail category. Total adjusted retail trade in April was at a level of \$3.33 billion, a 1.3 percent increase from the March level of \$3.29 billion. Over the year, total adjusted retail sales were down 3.5 percent from the April 2019 level of \$3.45 billion. Excluding estimated gasoline sales, total retail sales for April fell 0.25 percent over the month.

In April, total durable goods sales dropped 0.4 percent. Declining durable goods categories in April were miscellaneous durable goods (-1.3 percent); auto accessories & repair (-0.9 percent); electronics & music stores (-0.8 percent); and used merchandise (-1.2 percent). The only advancing durable goods category in April was lumber & hardware (0.3 percent).

Non-durable goods purchases rose 1.9 percent in April as rising pump prices pushed estimated gasoline sales up 23.4 percent over the month. Other advancing non-durable goods categories in April were general merchandise stores (0.2 percent) and food stores (0.4 percent). Declining non-durable goods categories in April were eating & drinking places (-0.8 percent); drug stores (-1.1 percent); apparel (-1.4 percent); and liquor stores (-0.1 percent).

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