Oklahoma Economic Indicators
April 2011

Oklahoma Employment Security Commission
Economic Research and Analysis
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OKLAHOMA
ECONOMIC INDICATORS

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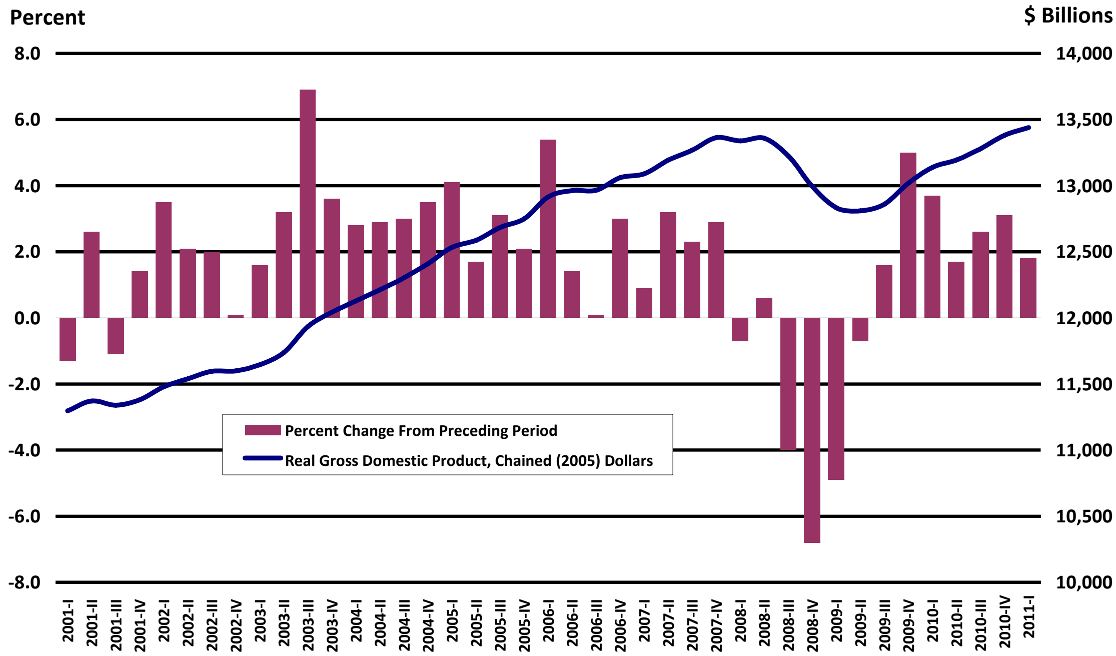
TABLE OF CONTENTS

Real Gross Domestic Product and Quarterly Change 2
Industry Share of Oklahoma's Economy. 3
Metropolitan Area Contribution to State Real GDP 4
U.S. and Oklahoma Unemployment Rate. 5
Oklahoma Initial Claims for Unemployment Insurance 6
U.S. and Oklahoma Nonfarm Payroll Employment 7
Oklahoma Employment Change by Industry. 8
U.S. and Oklahoma Manufacturing Employment. 10
Purchasing Managers' Index (Manufacturing) 11
Oklahoma Active Rotary Rigs and Price of Central Oklahoma Sweet. 13
Oklahoma Active Rotary Rigs and Natural Gas Wellhead Price. 15
U.S. Total Residential Building Permits. 16
Oklahoma Total Residential Building Permits. 17
U.S. and Oklahoma Real Personal Income. 18
Industry Contribution to Oklahoma Personal Income 19
U.S. Adjusted Retail Sales 20
Oklahoma Total Adjusted Retail Sales. 21

Real Gross Domestic Product and Quarterly Change

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



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.)

Durable-goods manufacturing and retail trade were among the leading contributors to the upturn in U.S. economic growth in 2010, according to preliminary statistics on the breakout of real gross domestic product (GDP) by industry from the Bureau of Economic Analysis (BEA). The economic recovery was widespread: 20 of 22 industry groups contributed to real GDP growth.

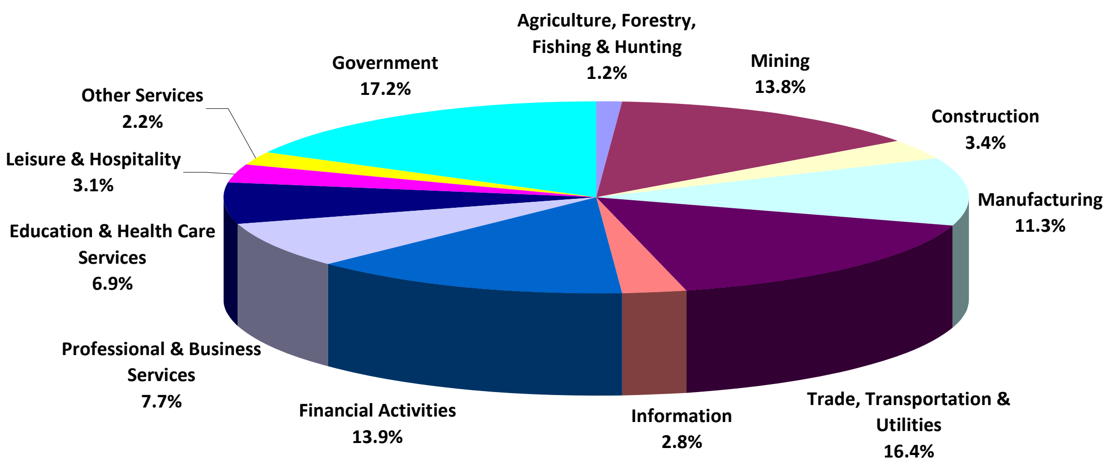
The nation's economy slowed in the first three months of 2011, as higher prices, especially for gasoline and food, squeezed spending by consumers. GDP eased to a seasonally adjusted annual rate of 1.8 percent in the first quarter, following a 3.1 percent boost in the fourth quarter, according to the 'advance' estimate released by the Bureau of Economic Analysis (BEA).

Softer growth in the first quarter was largely due to a sharp upturn in imports (4.4 percent), a deceleration in personal consumption (2.7 percent, following 4.0 percent in fourth quarter), a larger decrease in federal government spending (-5.2 percent), and decelerations in nonresidential fixed investment (-21.7 percent), and in exports (4.9 percent, following 8.6 percent in fourth quarter) that were partly offset by a sharp upturn in private inventory investment.

2009 Industry Share of Oklahoma's Economy

(by percentage of Gross Domestic Product)

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



Oklahoma’s economy typically follows a similar trend to that of the nation. State GDP data lags behind national data and is only available annually. As a result, it is not a good indicator of current economic conditions and does not fully reflect the recent changes in Oklahoma’s economic climate. However, it is still valuable to understand the state’s growth trend compared to the nation and what industries are the largest contributors to Oklahoma’s economy.

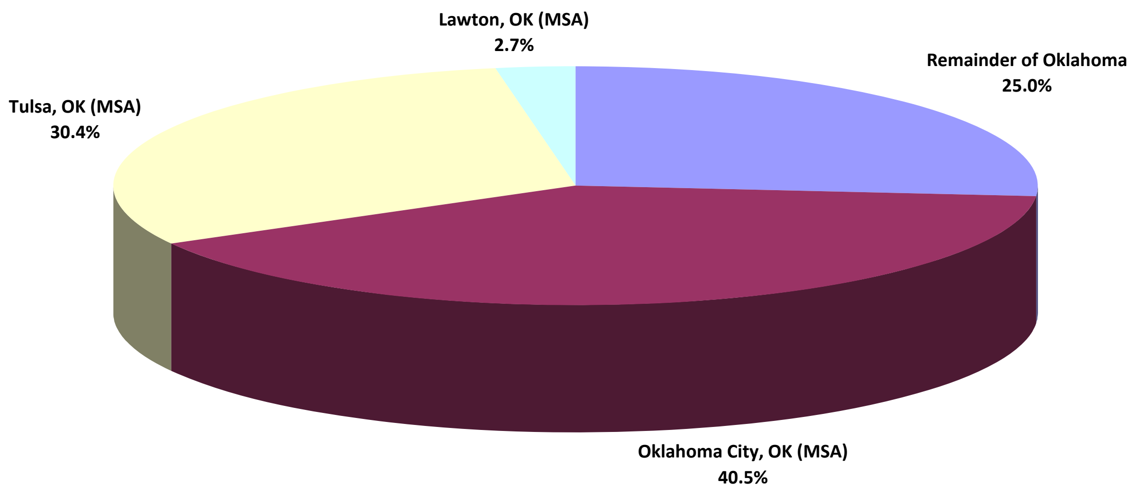
According to recently released data from the Bureau of Economic Analysis (BEA), real GDP declined in 38 states in 2009, led by national downturns in durable goods manufacturing and construction. However, Oklahoma experienced positive real GDP growth in 2009 due to real growth in mining resulting from sharp declines in prices for petroleum, natural gas, and other mining products. In 2009, Oklahoma had the fastest growth in real GDP among all states at 6.6 percent.

The largest contributor to growth in Oklahoma was mining, accounting for 7.23 percentage points of the total growth in real GDP. The second largest contributor was government which accounted for 0.56 percentage point of the total growth in real GDP. Since Mining's contribution was greater than the state growth rate and without this industry's input, Oklahoma GDP would have declined in 2009.

In 2009, government had the largest industry share in Oklahoma, accounting for 17.2 percent of total GDP. The second largest industry was the broad trade, transportation, and utilities industry accounting for 16.4 percent of Oklahoma GDP. Mining accounted for 13.8 percent of 2009 Oklahoma GDP.

Metropolitan Area Contribution to State Real Gross Domestic Product 2009

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



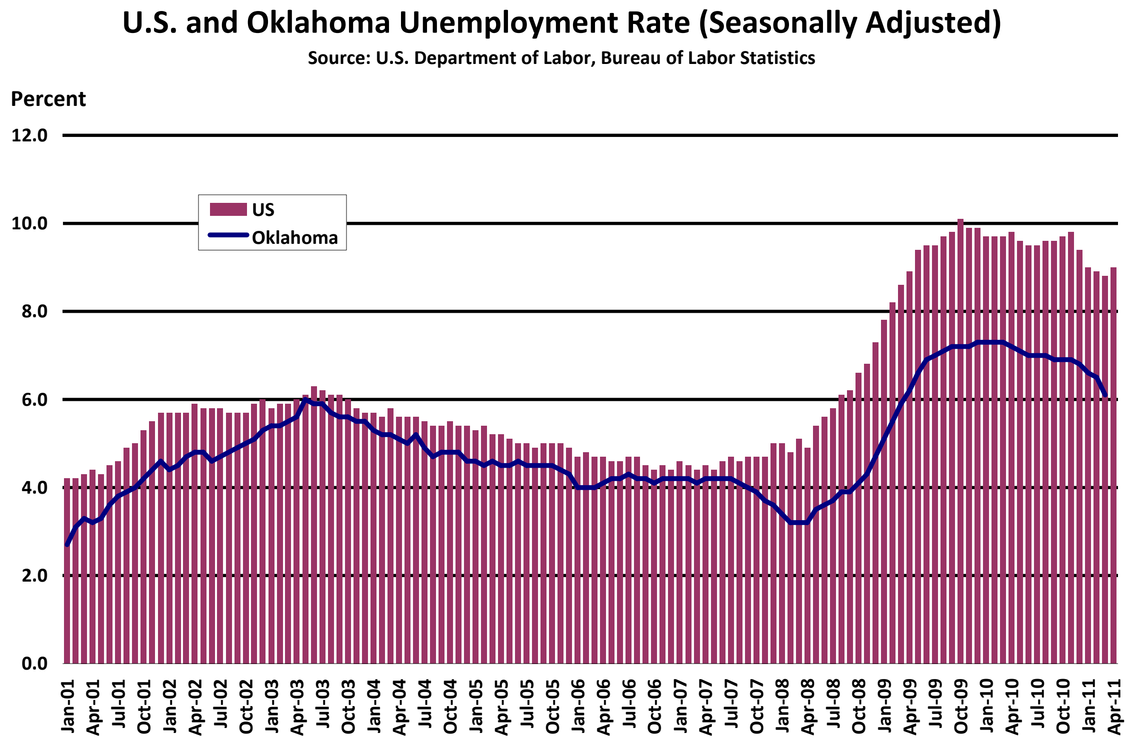
Metropolitan Statistical Areas (MSA) are the county-based definitions developed by the Office of Management and Budget for federal statistical purposes. A metropolitan area is defined as a geographic area consisting of a large population nucleus together with adjacent communities having a high degree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

Nationally, metropolitan statistical areas represent approximately 90 percent of total GDP. In Oklahoma, the three MSAs of Oklahoma City, Tulsa and Lawton accounted for roughly 75 percent of total state GDP in 2008.

Real U.S. GDP by metropolitan area declined 2.4 percent in 2009 after declining 0.4 percent in 2008, according to the Bureau of Economic Analysis (BEA). The economic decline was widespread as real GDP declined in 292 of 366 (or 80 percent) metropolitan statistical areas, led by national declines in durable-goods manufacturing, construction, and professional and business services.

In contrast to most industries, natural resources and mining was a strong positive contributor to growth in 2009. Growth accelerated in 70 metropolitan areas, most notably in areas where natural resources and mining industries are concentrated such as Casper, WY and Oklahoma City, OK where this industry contributed more than ten percentage points to growth.

In terms of growth in real GDP, Oklahoma City MSA ranked 3rd out of the 366 U.S. metropolitan areas growing by 14.5 percent to $59.5 billion in 2009. Tulsa MSA ranked 9th growing by 7.6 percent to $44.8 billion followed by Lawton MSA ranked at 17th growing by 4.8 percent to $4.0 billion.



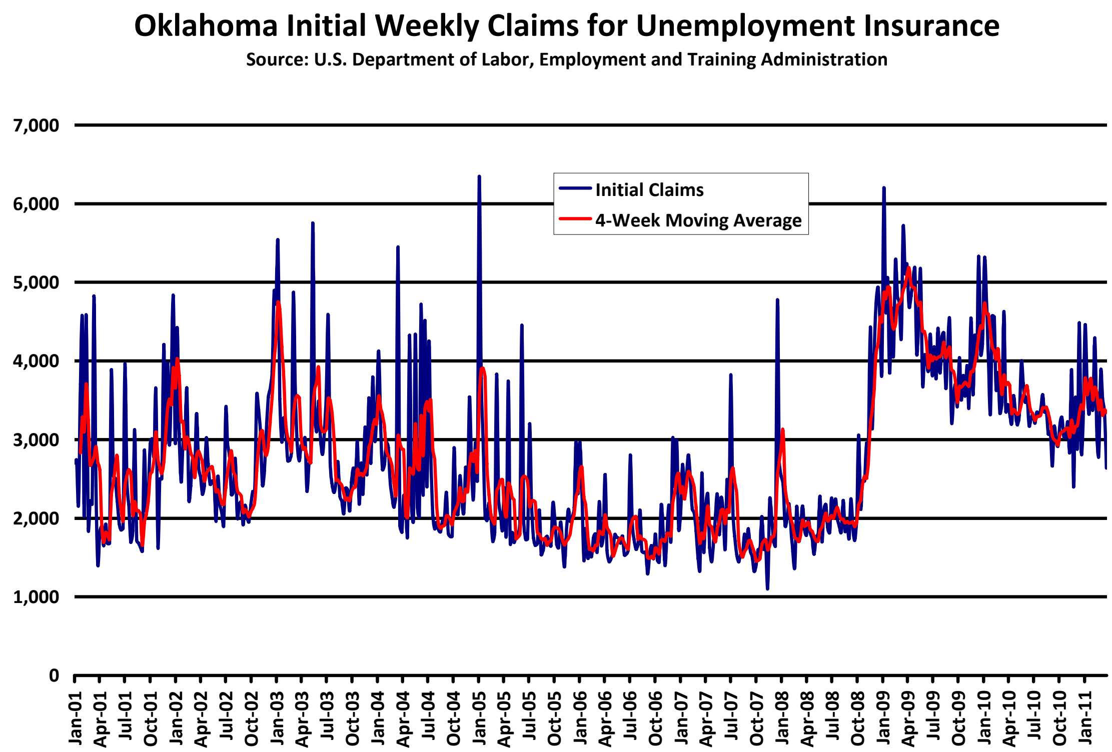
The unemployment rate measures the percentage of people who are without work and is calculated by dividing the estimated number of unemployed people in the state by the civilian labor force. The result expresses unemployment as a percentage of the labor force.

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. It reveals the degree to which labor resources are utilized in the economy.

The U.S. unemployment rate edged up from 8.8 to 9.0 percent in April, according to the Bureau of Labor Statistics (BLS). It was the first increase in the jobless rate since November, when it hit 9.8 percent.

Oklahoma's seasonally adjusted unemployment rate dropped to 6.1 percent in March 2011, down 0.4 percentage points from February and 1.2 percentage points from the 7.3 percent jobless rate a year ago. This was the sixth-lowest unemployment rate among all states in March. Nevada again had the highest unemployment rate at 13.2 percent while North Dakota had the lowest jobless rate at 3.6 percent in March.

Sequoyah County had Oklahoma's highest county unemployment rate in March at 9.9 percent, while Roger Mills County reported the state's lowest rate of 2.6 percent. All 77 counties saw improvement in their unemployment rates in March.

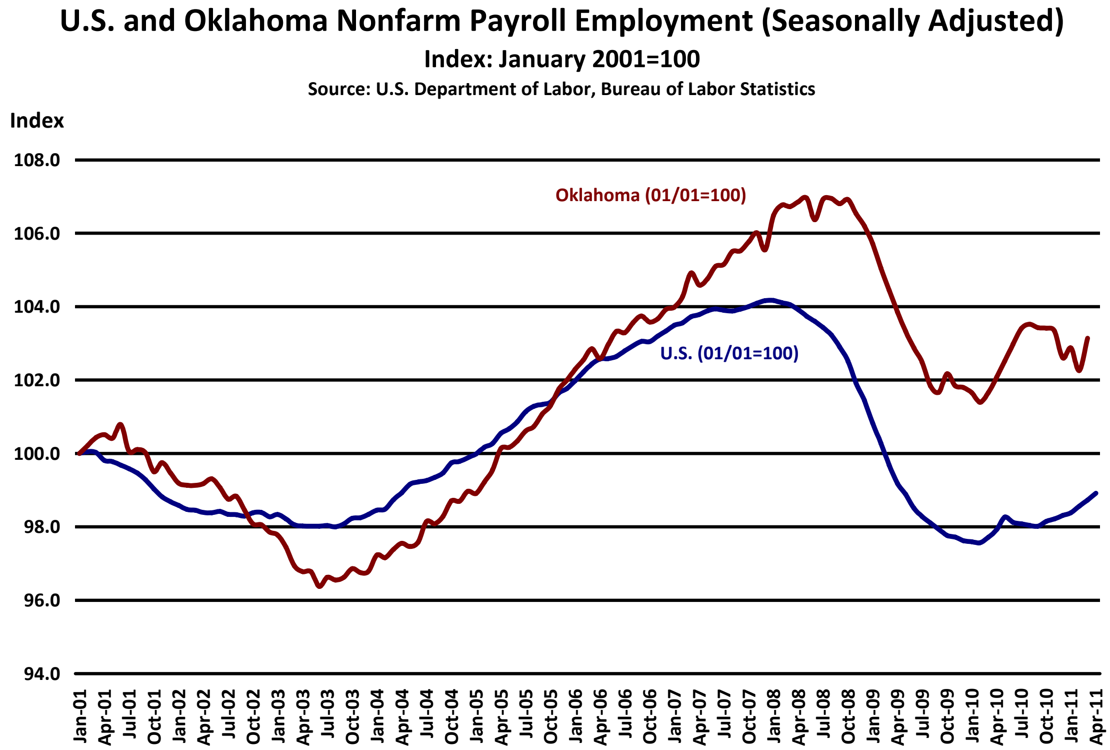


Initial unemployment claims are compiled weekly to show the number of individuals who filed for unemployment insurance benefits for the first time. This particular variable is useful because it gives a timely assessment of the overall economy. Initial claims lead the economy in that they can indicate changes in labor market conditions. An increasing trend signals that layoffs are occurring. Conversely, a decreasing trend suggests an improving labor market.

Initial claims for unemployment insurance in the U.S. rose to 474,000 in the week ending April 30, representing an increase of 43,000 compared to the previous week, according to the U.S. Labor Department (DOL). The unexpected rise in unemployment claims marked the nation's highest in the last eight months, which could cause further concern in the labor market, but several factors could be attributed to the jobless claims rise, including temporary layoffs during spring break.

The largest increases in initial claims for the week ending April 23 were in New Jersey (+5,326), Massachusetts (+4,027), Pennsylvania (+2,306), Ohio (+1,700), and Connecticut (+1,601), while the largest decreases were in Florida (-1,861), North Carolina (-1,662), Missouri (-1,618), New Mexico?(-1,417), and Arizona (-1,138).

Oklahoma’s initial claims totaled 3,049 for the week ending April 23, an increase of 83 from the previous week while the 4-week moving average was 2,933, an increase of 103 from the preceding week. There were 3,558 initial claims in the comparable week in 2010.



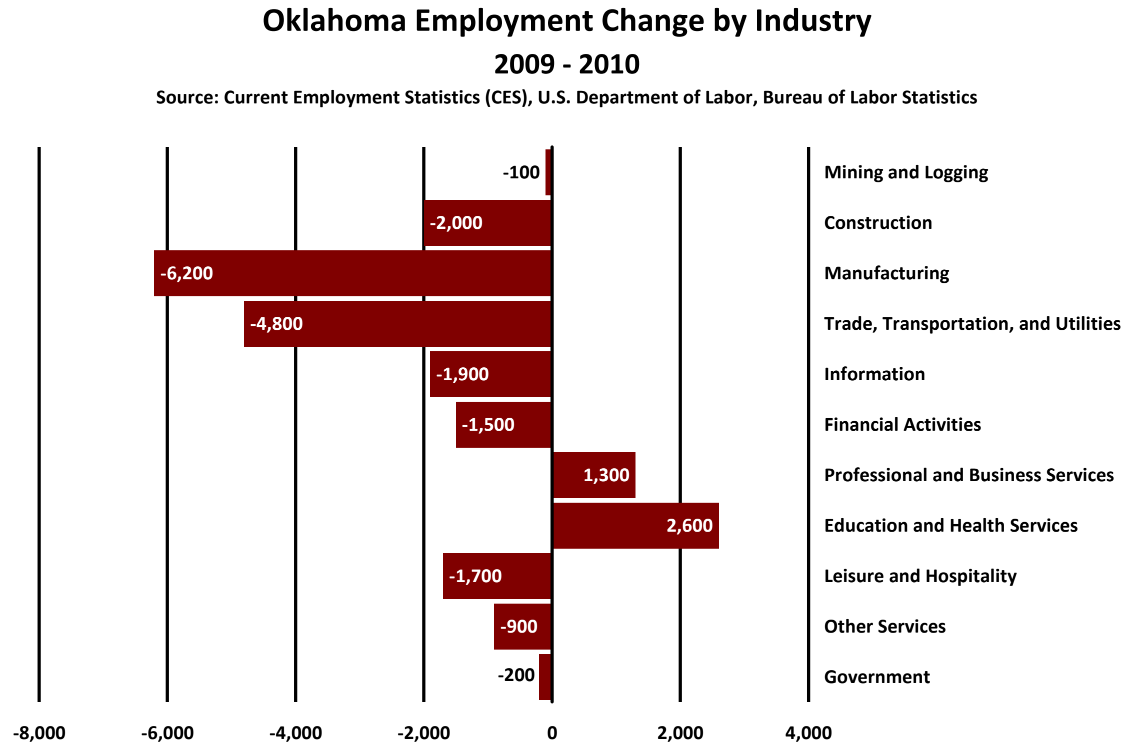
Nonfarm payroll employment measures the number of jobs in the state. The number of jobs and the industries that create those jobs are important indicators of a state's economic health. Payroll employment is one of the most current and reliable indicators of economic conditions and recessionary trends.

U.S. nonfarm payroll employment expanded a healthy 244,000 in April, following a revised 221,000 boost in March and a 235,000 rise in February, according to the Bureau of Labor Statistics (BLS). Private-sector employers, which account for about 70 percent of the work force, added 268,000 jobs in April, the largest gain since February 2006.

April's job gains were broad-based with both goods-producing and service-providing sectors adding jobs. In the goods-producing sector, manufacturing employment rose by 29,000 and mining increased by 11,000 in April. In the services sector, the biggest increases were seen in retail trade (+57,000) and professional and business services (+51,000), as well as education and health (+37,000).

Statewide seasonally adjusted nonfarm employment posted a robust 13,200 job gain in March. Large job gains were reported in a number of industry sectors, including construction (+3,600); leisure & hospitality (+3,500); and education & health services (+1,400). Monthly losses were seen in information (-100) and government (-100).

Over the year, state nonfarm employment added 18,600 jobs for a 1.2 percent increase. Seven of Oklahoma's 10 statewide supersectors reported over-the-year gains in March, once again led by manufacturing adding 8,300 jobs. The largest over-the-year loss in March occurred in government (-8,400), with the bulk of the job loss coming from local government (-7,800).



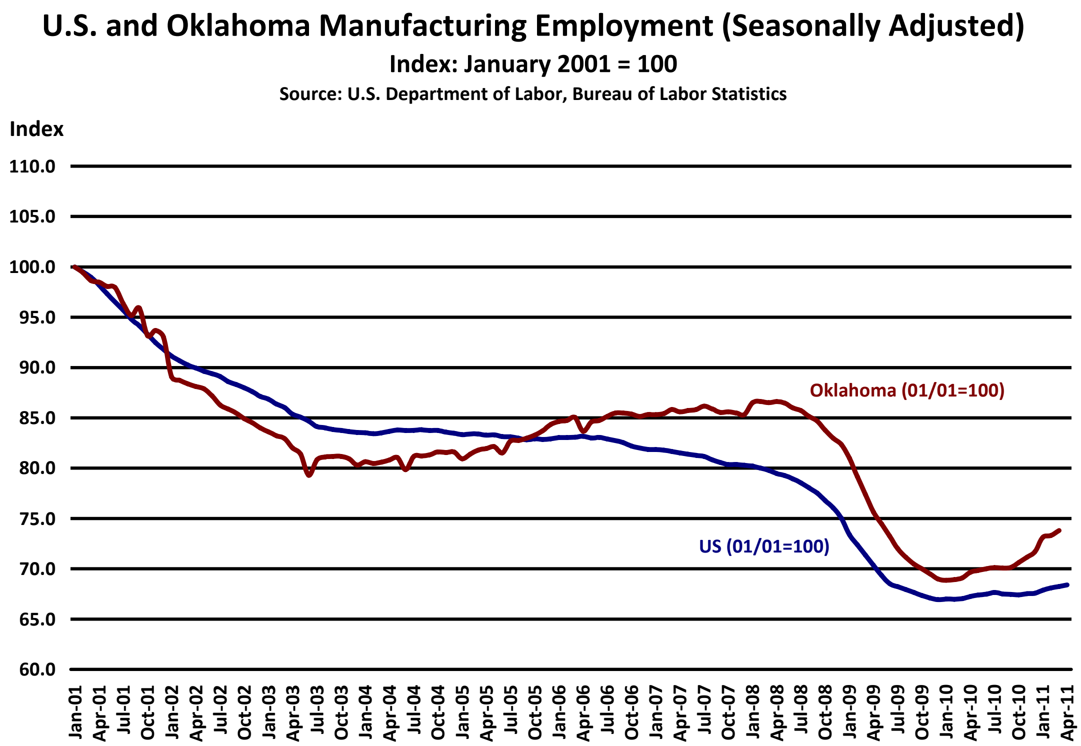
Employment growth by industry identifies the types of jobs being created in the state. Conversely, industries with a decreasing employment trend indicate those which are becoming less important to the state's economy. There may also be industries which behave more cyclically, growing during expansion 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 reemployment, retraining, and other workforce and economic development programs is contained within these data.

Job losses continued in 2010 albeit at a much slower pace than 2009 which, in terms of number of jobs lost (-50,800), was the worst year since record keeping began in 1939. Oklahoma total nonfarm employment shed 15,500 jobs in 2010 contracting 1.0 percent.

Job losses in 2010 were fairly widespread among most industry groups with education and health services (+2,600) and professional and business services (+1,300) being the only sectors experiencing job growth in 2010. Nearly all employment growth in education and health services came from the ambulatory health care service and hospital sectors. Professional and business services growth was led by employment services.

As in 2009, manufacturing suffered the largest employment losses in 2010 dropping 6,200 jobs after losing 20,500 in 2009. Durable goods manufacturing lost 5,400 jobs while non-durable goods manufacturing declined by 900 jobs. The broad trade, transportation and utilities sector followed with an over-the-year loss of 4,800 jobs. Leading the losses in this sector were truck transportation, retail trade and wholesale trade. Construction lost 2,000 jobs in 2010 with the bulk of the job losses being in specialty trade contractors.

The information sector employment fell by 1,900 jobs in 2010 with most of the job losses occurring in telecommunications and reflecting further consolidation in that industry. Leisure and hospitality employment fell by 1,700 with the majority of job losses in accommodation and food services. Other services employment dropped by 900 jobs, government lost 200 jobs and mining and logging edged down 100 jobs.

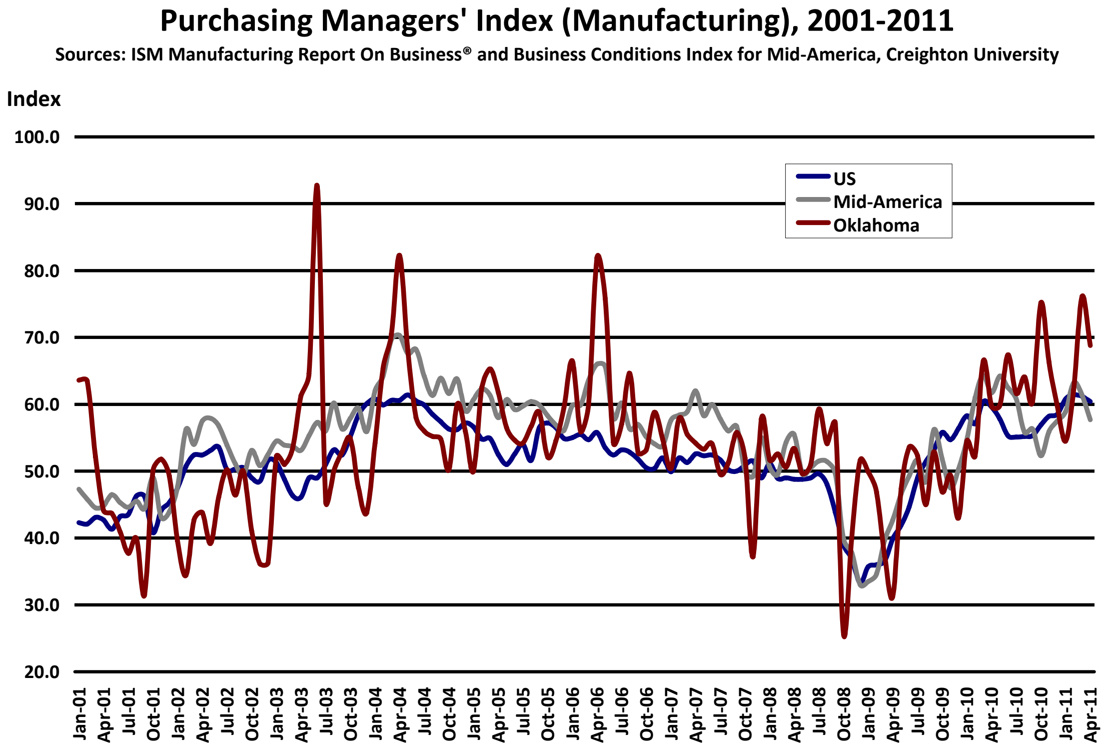


Manufacturing and production are still important parts of both the U.S. and Oklahoma economies and have been seriously adversely affected by the recession. In Oklahoma, manufacturing accounts for the largest share of private output in the state and one of the largest shares of employment. In addition, many manufacturing jobs are among the highest paying jobs in the state.

At one time, manufacturing made up 38 percent of the nation's employment. However, manufacturing employment in the United States has been declining since 1979, as productivity, technology gains, and the transfer of manufacturing to locations outside the United States have reduced the demand for traditional manufacturing employment. Furthermore, current shifts in the industry away from heavy sectors, such as automobiles and basic chemicals toward higher-tech products like computer chips are also accelerating manufacturing's long-term shrinkage.

Manufacturing added 29,000 jobs in April after a gain of 22,000 in March, according to the Bureau of Labor Statistics (BLS). Since December 2009, manufacturing has added a quarter of a million jobs. Durable-goods manufacturing has been the source of this growth. Over the month, job gains continued in machinery, primary metals, and computer and electronic products.

The Oklahoma manufacturing sector showed continued strength in March adding 900 jobs. Manufacturing employment gains in March were in durable goods manufacturing led by machinery, and transportation equipment manufacturing. Over the year, statewide manufacturing employment has added 8,300 jobs growing by 6.8 percent. Almost all the employment growth came from durable goods manufacturing which added 8,100 jobs.



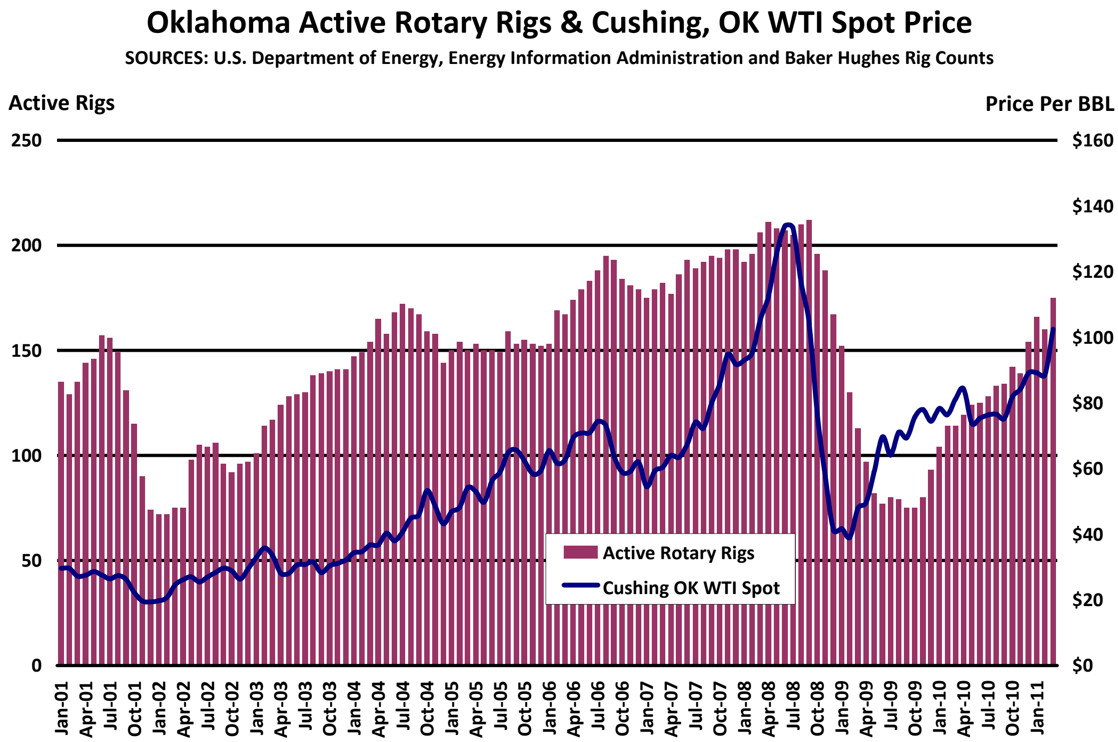
Economists consider the Institute for Supply Management's Purchasing Managers' Index (PMI) a key economic indicator. The Institute for Supply Management (ISM) surveys more than 300 manufacturing firms on employment, production, new orders, supplier deliveries, and inventories. The ISM manufacturing index is constructed so that any level at 50 or above signifies growth in the manufacturing sector. 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.

Rates of growth for new orders and production slowed in April's ISM manufacturing report, but the rate of hiring remained very strong and backlog orders shot up. Manufacturing continued its rapid growth in April as the PMI registered 60.4 percent, a decrease of 0.8 percentage point when compared to March's reading of 61.2 percent, according to the latest Manufacturing ISM *Report On Business*.

The ISM report also noted that manufacturing employment appears to have gained significant momentum, with Employment Index readings for the first four months of 2011 at the highest levels in the last 38 years. However, the report also notes manufacturers are experiencing considerable cost pressures from commodities and other inputs. Inventory accumulation also stands out in the April report and could be pointing to preparation for future production.

For a second straight month, the Business Conditions Index, a leading economic indicator for the nine-state Mid-America region, declined but remained in a range pointing to positive but slowing economic growth for next three to six months. The index slipped to 61.4 from 63.2 in February. This is the 17th consecutive month that the index has been above growth neutral 50.0. As in prior months, the April survey indicated rising inflationary pressures at the wholesale level.

For the 17th straight month, Oklahoma's leading economic indicator climbed above growth neutral. The Business Conditions Index from the monthly survey of supply managers dipped to a still robust 68.8 from 76.1 in March. Components of the index for April were new orders at 74.3, production or sales at 71.2, delivery lead time at 76.8, inventories at 64.8, and employment at 57.1. The survey noted that higher energy prices are driving economic growth in the state with durable goods manufacturers linked to international markets or energy experiencing solid growth.



The Baker Hughes rig count is an important indicator for the energy industry and Oklahoma. Rig counts generally rise following increased oil and gas company development and exploration spending, which is influenced by the current and expected price of oil and natural gas (among other factors). Therefore, the rig count reflects the strength and stability of energy prices.

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.

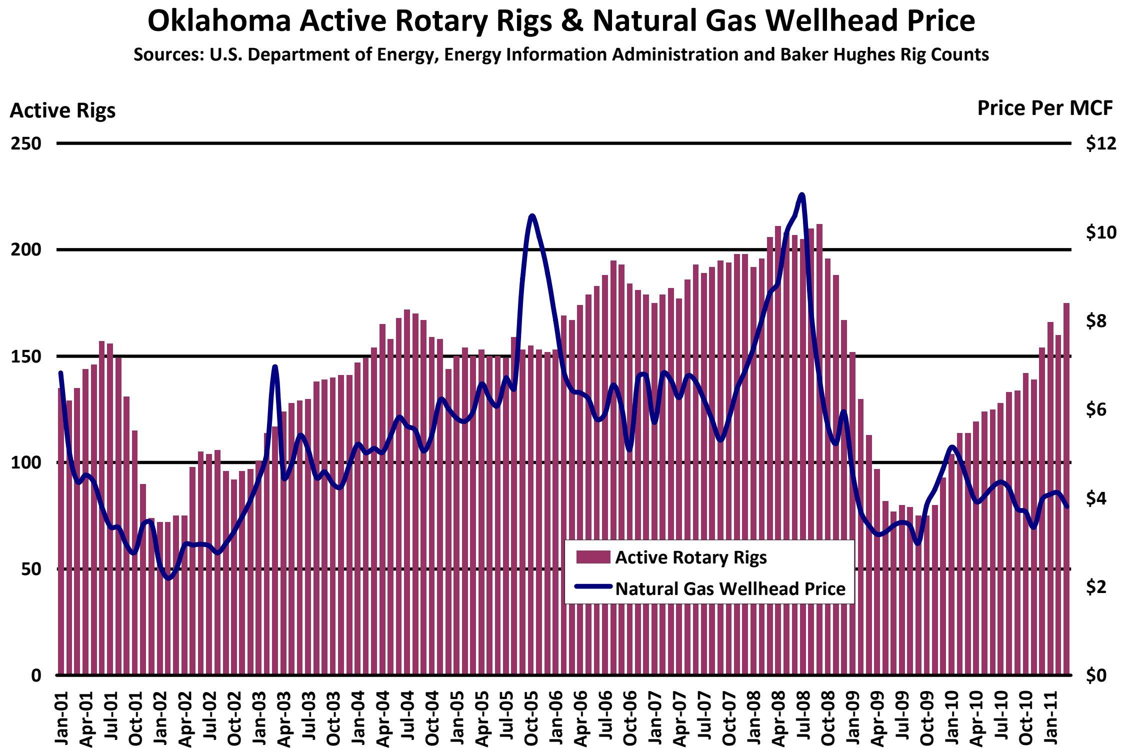
Oklahoma produces a substantial amount of oil, with annual production typically accounting for more than 3 percent of total U.S. production in recent years. Crude oil wells and gathering pipeline systems are concentrated in central Oklahoma. Two of the 100 largest oil fields in the United States are 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. For this reason, Cushing is the designated delivery point for NYMEX crude oil futures contracts. Crude oil supplies from Cushing that are not delivered to the Midwest are fed to Oklahoma’s five refineries, which have a combined distillation capacity of over 500 thousand barrels per day—roughly 3 percent of the total U.S. refining capacity.

While unrest in the Middle East and North Africa has focused attention on the crude oil supply in that part of the world, the largest exporters in the Americas (Canada, Mexico, and Venezuela), supplied 41 percent of U.S. total petroleum imports in 2010 according to the Energy Information Administration (EIA). The United States consumes essentially all (99 percent) of Canadian crude oil exports. Much of the Canadian crude oil exported to the United States originates in the oil sands, which is an extra heavy crude oil that requires additional processing or addition of diluents for export.

WTI-Cushing crude oil spot prices surged to an average of $109.53 per barrel in April from $102.86 in March, according to the EIA. However, WTI-Cushing crude for delivery in June, NYMEX's main contract, slumped more than eight percent and as low as $94.63 per barrel during the first week of May. This was the first time it had fallen below $100 since March 16 and the largest drop since September 29, 2008, at the beginning of the global financial crisis, when prices plunged more than nine percent,

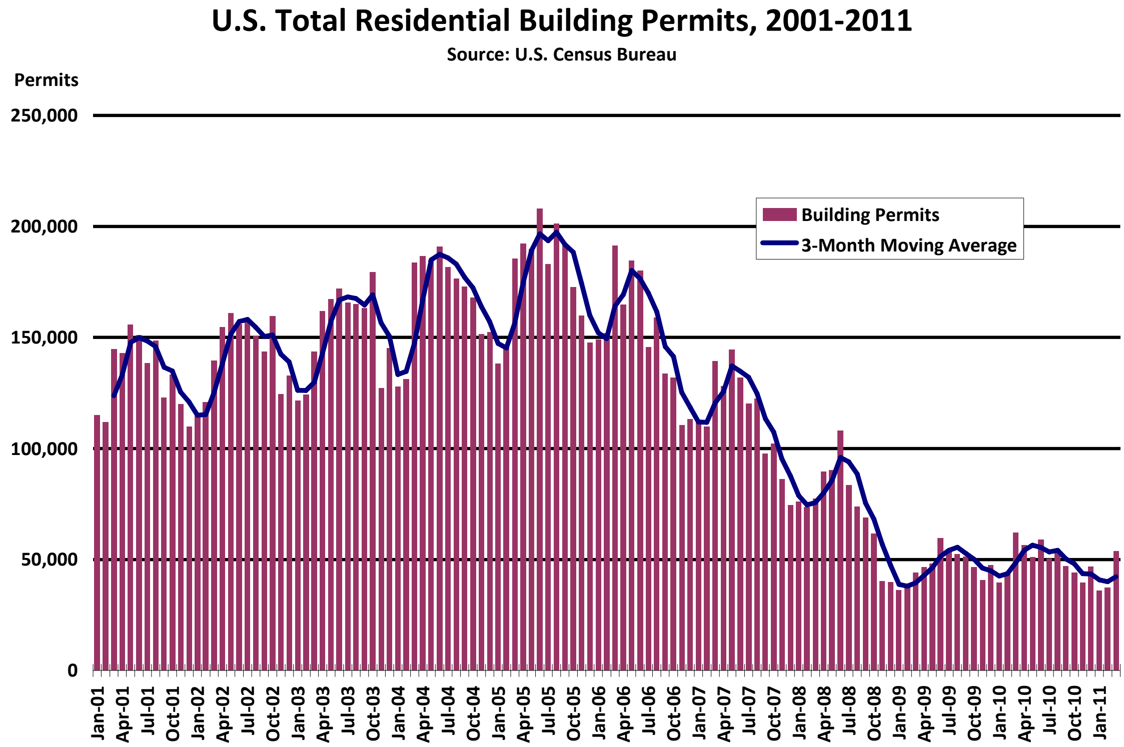
Oklahoma’s rotary rig activity was nearly unchanged in April at 172, down 3 active rigs from March’s count of 175 and 53 more than the April 2010 count of 119 rigs.



Oklahoma is one of the top natural gas producers in the United States with production typically accounting for almost one-tenth of the U.S. total. 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.

In a recently released *Annual Energy Outlook*, the Energy Information Administration (EIA) noted that production of natural gas from large underground shale formations in the United States grew by an average of 17 percent per year from 2000 to 2006. Early successes in shale gas production occurred primarily in the Barnett Shale of north central Texas. By 2006, successful shale gas operations in the Barnett shale, improvements in shale gas recovery technologies, and attractive natural gas prices encouraged the industry to accelerate its development activity in other shale plays. The combination of two technologies—horizontal drilling and hydraulic fracturing—made it possible to produce shale gas economically, and from 2006 to 2010 U.S. shale gas production grew by an average of 48 percent per year. Further increases in shale gas production are expected, with total production growing by almost threefold from 2009 to 2035.

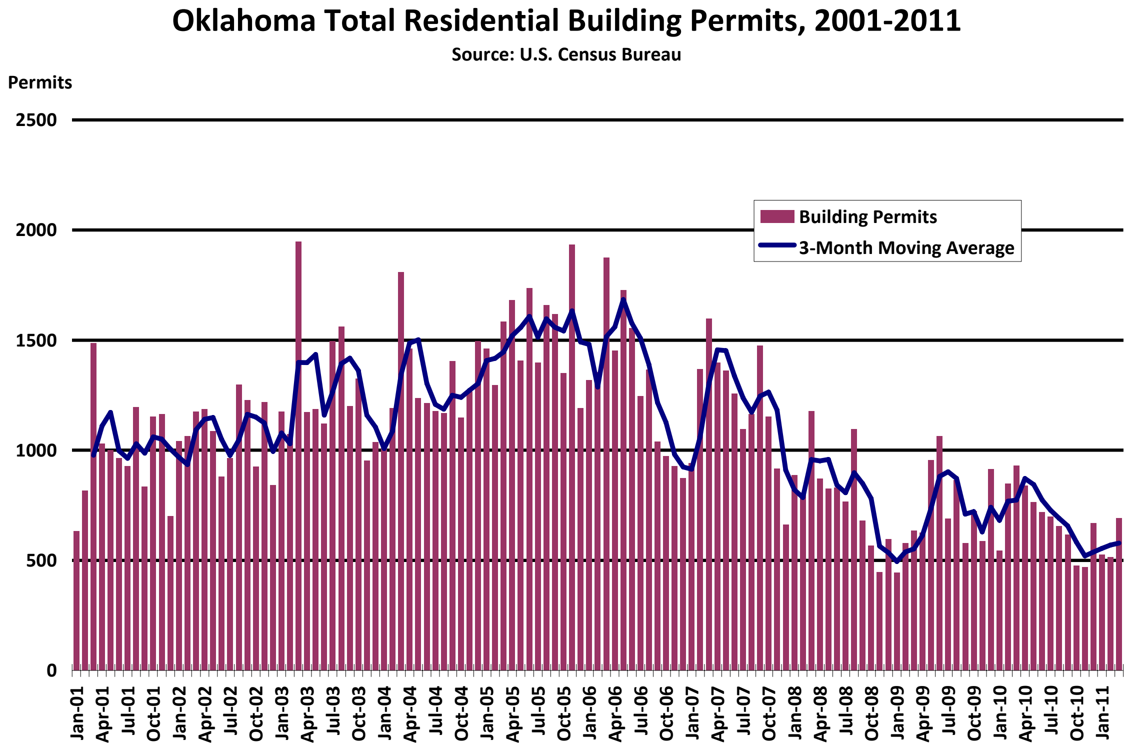


This indicator measures the number of permits issued for housing units (single family home or apartment) authorized for construction. Because permits precede construction, they are considered a leading indicator for the residential construction industry and the overall economy. Most of the construction begins the same month the permit is issued. The remainder usually begins construction during the next three months. Consequently, we have depicted total permits relative to a three-month moving average.

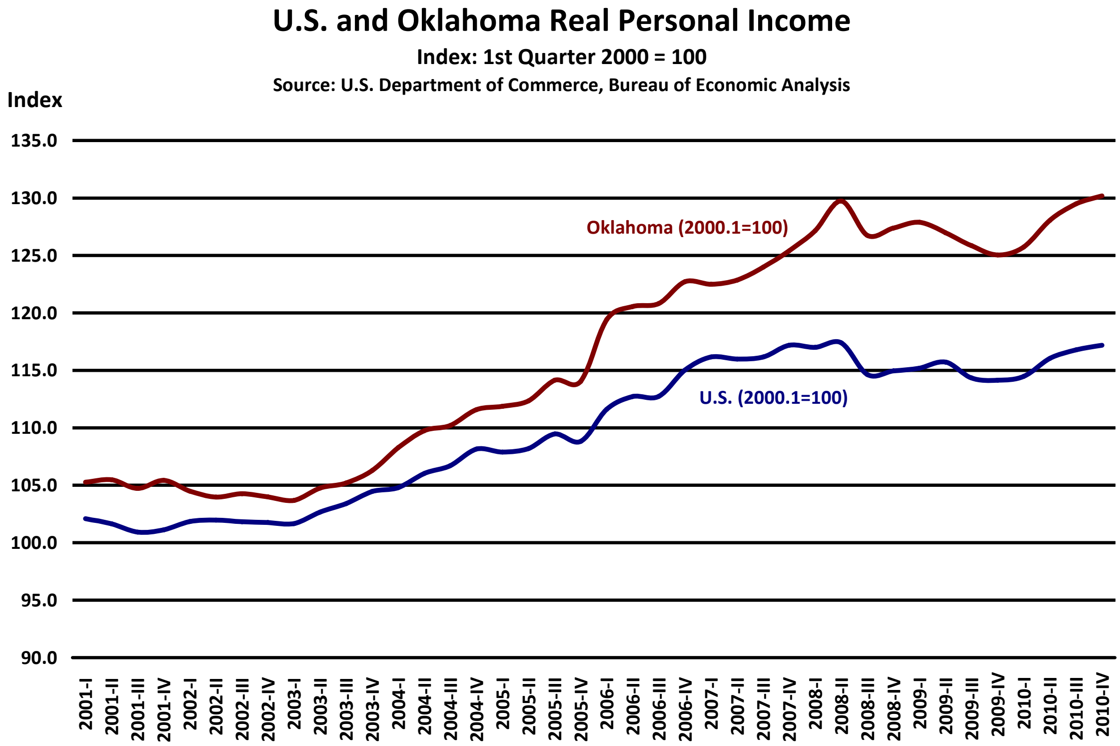
Monthly figures are often volatile because housing permits fluctuate more than many indicators. It takes several months for total housing permits to establish a trend. Consequently, we have depicted total permits relative to a three-month moving average.

Housing contributes to GDP in two basic ways: through private residential investment and consumption spending on housing services. According to the National Home Builders Association, residential investment has historically averaged roughly 5 percent of GDP while housing services have averaged between 12 and 13 percent, for a combined 17 to 18 percent of GDP.

Housing construction may be returning to normality after the recently volatile winter months. Starts are up albeit at a depressed pace but there may be a modest improvement ahead for housing starts. Privately-owned housing units authorized by building permits gained 11.2 percent in March after decreasing 5.2 percent in February, according to the Census Bureau. Overall permits came in 13.3 percent below the March 2010 estimate.



Milder weather in March helped fuel robust residential permitting activity in March. Statewide single family residential permitting surged 24.7 percent and total residential permitting activity climbed 34.6 percent in March. Multi-family permitting activity soared 164.5 percent over February. Over the year, residential permitting was down 25.6 percent from March 2010 when Oklahoma homebuilders looked forward to buyers taking advantage of the home buyer tax credit.



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 hugely 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 2001 as the base year.

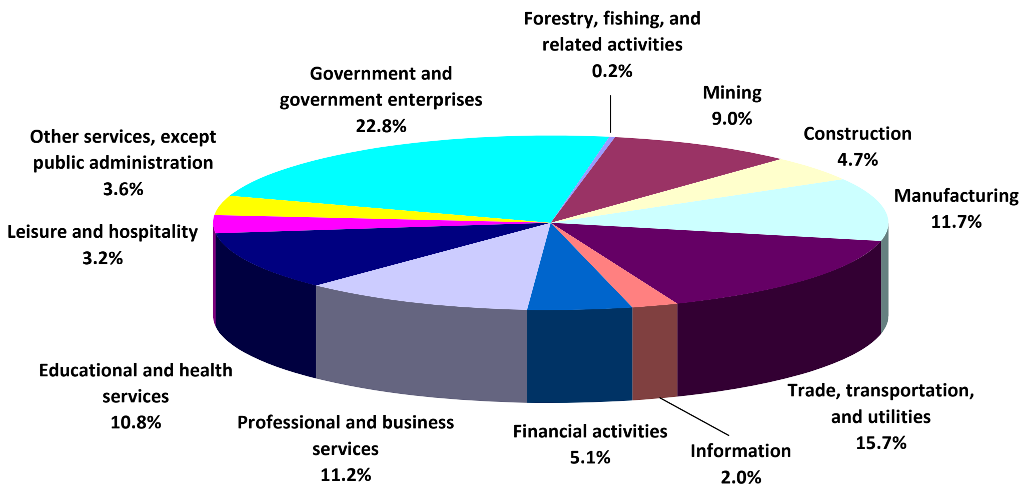
The consumer sector got some lift from income growth in March. Personal income increased $67.0 billion, or 0.5 percent, and disposable personal income (DPI) increased $64.4 billion, or 0.6 percent, in March, according to the Bureau of Economic Analysis (BEA). Wages and salaries rose a moderate 0.3 percent, softening from 0.4 percent in February.

Consumer spending slowed somewhat in March but was coming off a strong February. Personal consumption expenditures (PCE) posted a 0.6 percent rise in March after jumping 0.9 percent the prior month. On the inflation front, the PCE price index continued to be hot, jumping 0.4 percent and matching the February boost. Year over year, personal income growth for March was 5.3 percent, compared to 5.2 percent in February. PCEs grew at a year-ago 4.6 percent, up from 4.5 percent the prior month. Overall, the consumer sector appears to be holding up a little better than expected despite high gasoline prices.

Oklahoma Industry Contribution to Earnings

Fourth Quarter 2010

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



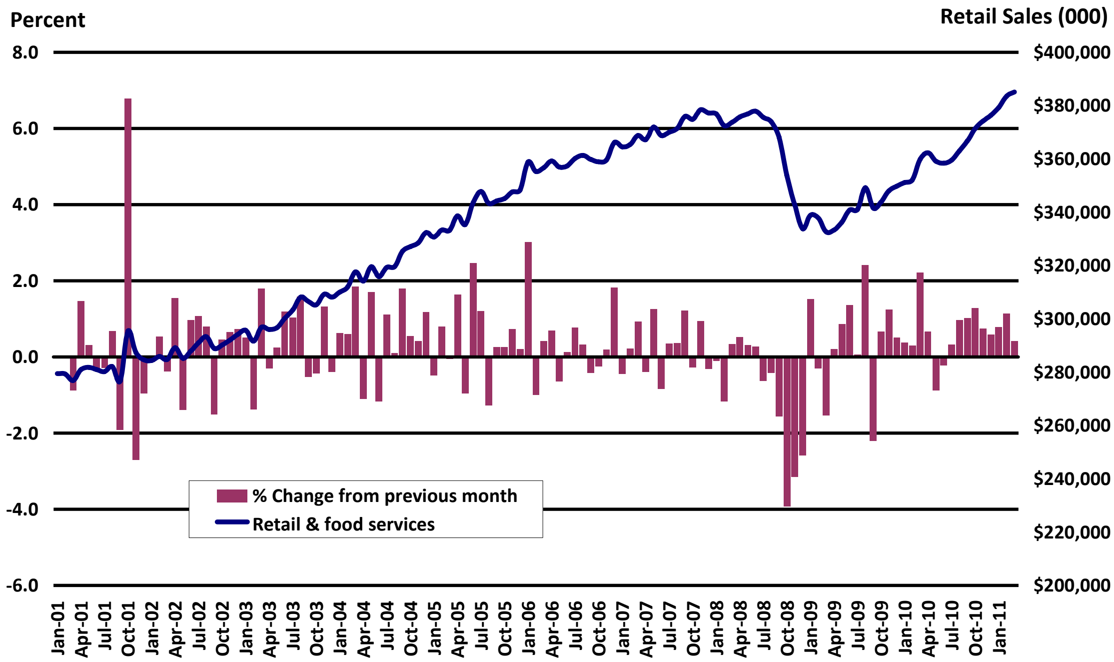
State personal income rose an average 3.0 percent in 2010 after falling 1.7 percent in 2009, according to recently released estimates by the Bureau of Economic Analysis (BEA). State personal income growth ranged from a low of 0.3 percent in Nevada to a high of 4.2 percent in New Mexico. Inflation, as measured by the national price index for personal consumption expenditures, increased to 1.7 percent in 2010 from 0.2 percent in 2009.

Earnings in 14 industries nationwide, including manufacturing and finance, grew last year but remained below the peaks of 2008 or earlier. Construction and real estate continued to decline, according to the BEA. Two industries, construction and real estate, continued to decline in 2010. The 4.8 percent decline in construction brought earnings in that industry to its lowest level since 2001 and the 2.3 percent decline in real estate brought its earnings to the lowest level since 2000. Health care increased its share of earnings to 11.2 percent in 2010 up from 11.0 percent in the previous year. Health care overtook manufacturing as the largest private industry in 2009 as it continued to expand through the recession while manufacturing earnings declined.

Oklahoma's personal income grew by 3.4 percent in 2010 ranking it the 15th fastest growth rate among states. Total earnings grew by 1.8 percent after falling 3.8 percent in 2009. The largest contributors to 2010 earnings growth were health care and social assistance (0.29 percent); retail trade (0.21 percent); and military (0.20 percent). Utilities, wholesale trade, information, and financial activities earnings presented the largest drags to 2010 earnings growth.

U.S. Retail Sales (Adjusted for seasonal, holiday, and trading-day differences)

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



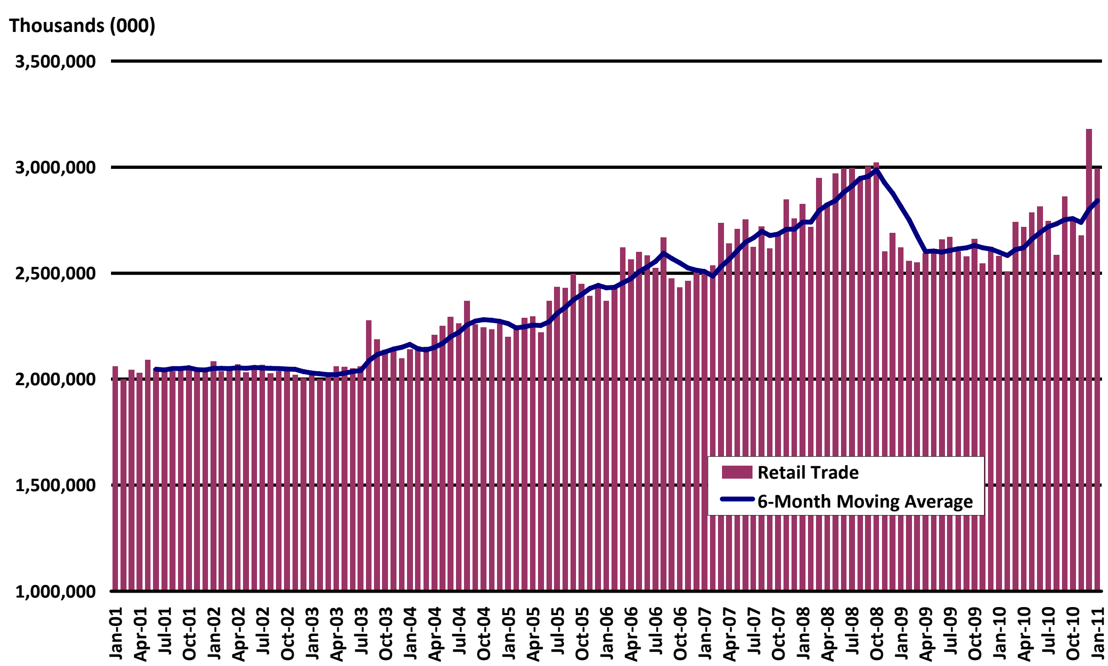
Consumer spending accounts for two-thirds of the U.S. economy and is therefore essential to Oklahoma's economy. Retail sales account for around one-half of consumer spending and economic recovery calls for consumption growth

National retail sales data are prone to fluctuations but provide an important view on changes in consumer spending. There have been considerable swings in retail trade since the end of 2001, but retail sales have generally been increasing since 2003. By 2007, the credit crunch was well underway and starting to undermine growth in consumer spending. Later in 2008 and 2009, the rise in unemployment and loss of income during the recession also cut into retail sales.

March retail sales posted a strong gain on higher gasoline sales, helping to offset weakness in auto sales. But overall spending was reasonably healthy outside these two components. Advance estimates of U.S. retail and food services sales for March, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $389.3 billion, an increase of 0.4 percent from the previous month, and 7.1 percent above March 2010, according to the Census Bureau.

Even after discounting higher gasoline prices, (up 16.7 percent from March 2010), spending was healthy. Sales excluding autos and gasoline in March advanced 0.6 percent, following a 0.9 percent increase in February. Some of the components that were strong included furniture & home furnishings (3.6 percent), building materials (2.2 percent), electronics & appliance stores (2.1 percent), clothing (0.6 percent), general merchandise (0.4 percent), and food services & drinking places (1.0 percent). The cost of filling up at the gas station may be cutting into discretionary income but not yet spending.

Oklahoma Total Adjusted Retail Trade



Retail sales in Oklahoma cooled off in January following a robust Christmas shopping season. January total adjusted retail trade was down $187.8 million or 5.9 percent from December but 15.9 percent over January 2010, according to OU's Center for Economic and Management Research.

Monthly losses in January were led by non-durable goods sales slipping 7.8 percent from December. Estimated gasoline saw the largest decline falling 29.1 percent following a sharp spike in pump prices in December. Other declines in non-durable goods sales were seen in eating and drinking (-14.0 percent) and food (-9.2 percent). Gains in other non-durable goods categories included miscellaneous non-durable goods sales (16.1 percent), apparel sales (38.9 percent), drugs sales (13.7 percent), general merchandise store sales (11.4 percent), and liquor sales (10.6 percent).

Durable goods sales grew by 0.7 percent over December with gains seen in miscellaneous durables (10.9 percent), used merchandise (9.0 percent), electronics & music stores (6.1 percent), furniture (5.7 percent), and auto accessories & repair (1.5 percent). The only durable goods category showing losses was lumber & hardware (-7.5 percent).