Oklahoma Economic Indicators December 2011

Oklahoma Employment Security Commission
Economic Research and Analysis
http://oesc.ok.gov

OKLAHOMA ECONOMIC INDICATORS

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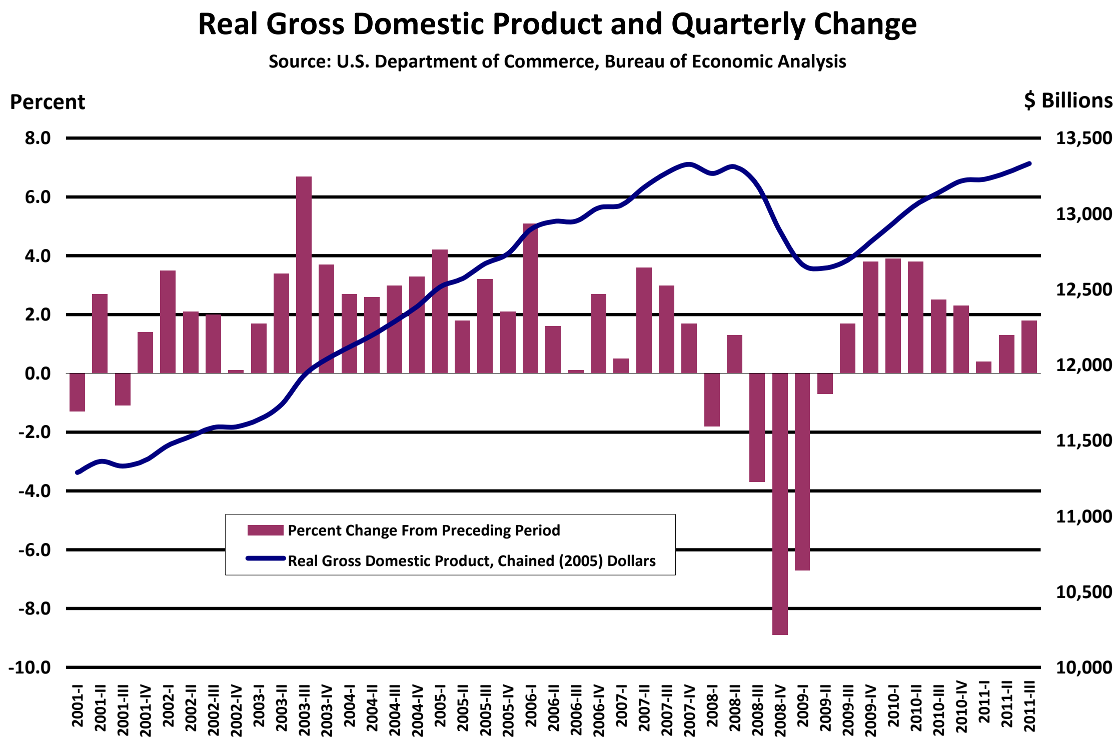


Gross Domestic Product (GDP)—the output of goods and services produced by labor and property located in the United States—is the broadest measure of economic activity. It is also the measure that is most indicative of whether the economy is in recession. In the post-World War II period, there has been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

U.S. economic growth in the 3rd quarter was a little slower than previously forecast, largely due to weaker consumer spending. Gross domestic product grew at an annual rate of 1.8 percent in the July to September period, instead of the previously reported 2.0 percent, according to the "third" estimate released by the Bureau of Economic Analysis (BEA). In the 2nd quarter, real GDP increased 1.3 percent.

The downward revision to gross domestic product in the 3rd quarter was mainly due to weaker consumer spending, offsetting upward revisions to business investment. The slower growth in personal consumption expenditures (PCEs) was in a lower estimate for health-care spending revised to a decline of 0.6 percent compared with the prior estimate of a 5.5 percent gain. Consumer spending contributed 1.2 percentage points to growth.

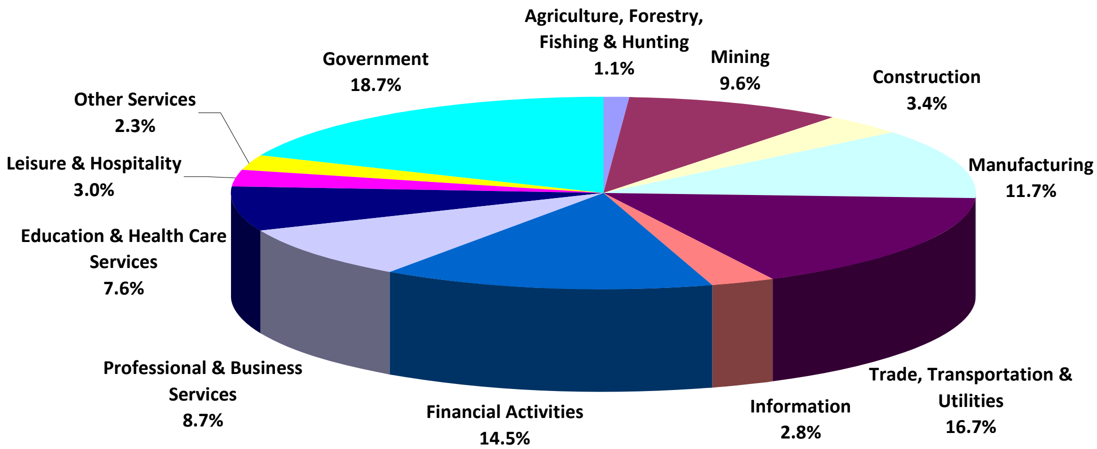
Business fixed investments increased at a 15.7 percent annual pace, revised up from 14.8 percent earlier. Investments in equipment and software rose 16.2 percent, while investments in structures increased 14.4 percent. Business investments contributed 1.5 percentage points to growth.

Inventories shrank by $2.0 billion in the third quarter. The change in inventory investment cut 1.35 percentage points from growth.

2010 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.

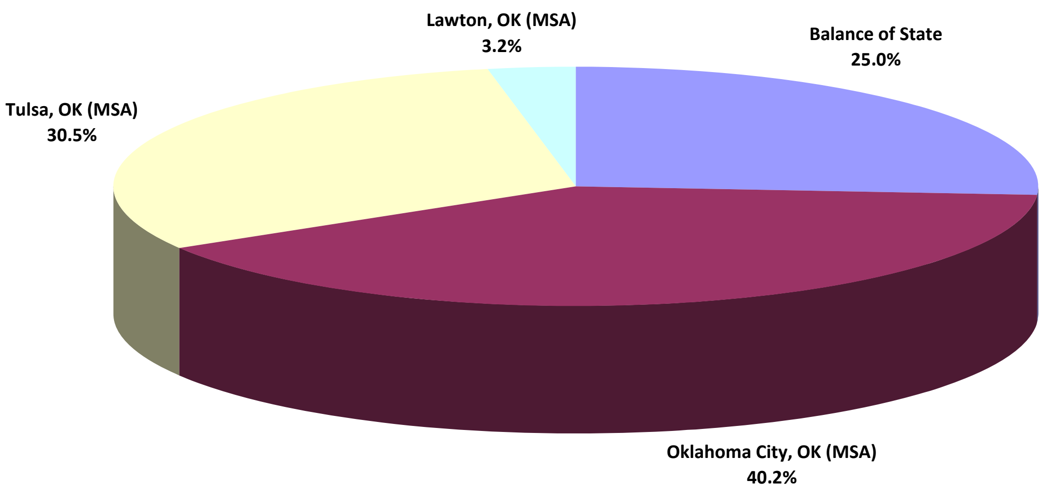
According to the advance estimate from the Bureau of Economic Analysis (BEA), Oklahoma was among 48 states and the District of Columbia experiencing growth in real GDP in 2010. However, Oklahoma's 2009 advance estimate was significantly revised downward primarily due to updated prices for natural gas.

The BEA's advance estimate for 2009 state GDP showed Oklahoma's real GDP had grown by 6.6 percent, leading the nation. The largest contributor to real GDP growth was mining, accounting for 7.23 percentage points of the total growth in real GDP. However, based on updated information, mining actually declined by 0.99 percent in 2009. That adjustment caused the state's GDP to fall to -1.0 percent, ranking Oklahoma 15th in GDP growth among states in 2009.

Oklahoma registered a real GDP of $133.5 billion in 2010, a 1.0 percent gain from the revised $132.1 billion in 2009; U.S. real GDP grew at 2.6 percent during the same period. Retail trade contributed to real GDP growth in every state in 2010 and was the leading contributor in Oklahoma, accounting for 0.42 percent of total growth. Durable goods manufacturing was the second-largest contributor to real GDP growth in Oklahoma accounting for 0.40 percentage point of the total growth. Government (0.25 percent) was the state's third-largest real GDP contributor with state and local government accounting for nearly 70 percent of total government real GDP.

Metropolitan Area Contribution to State Real Gross Domestic Product 2010

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

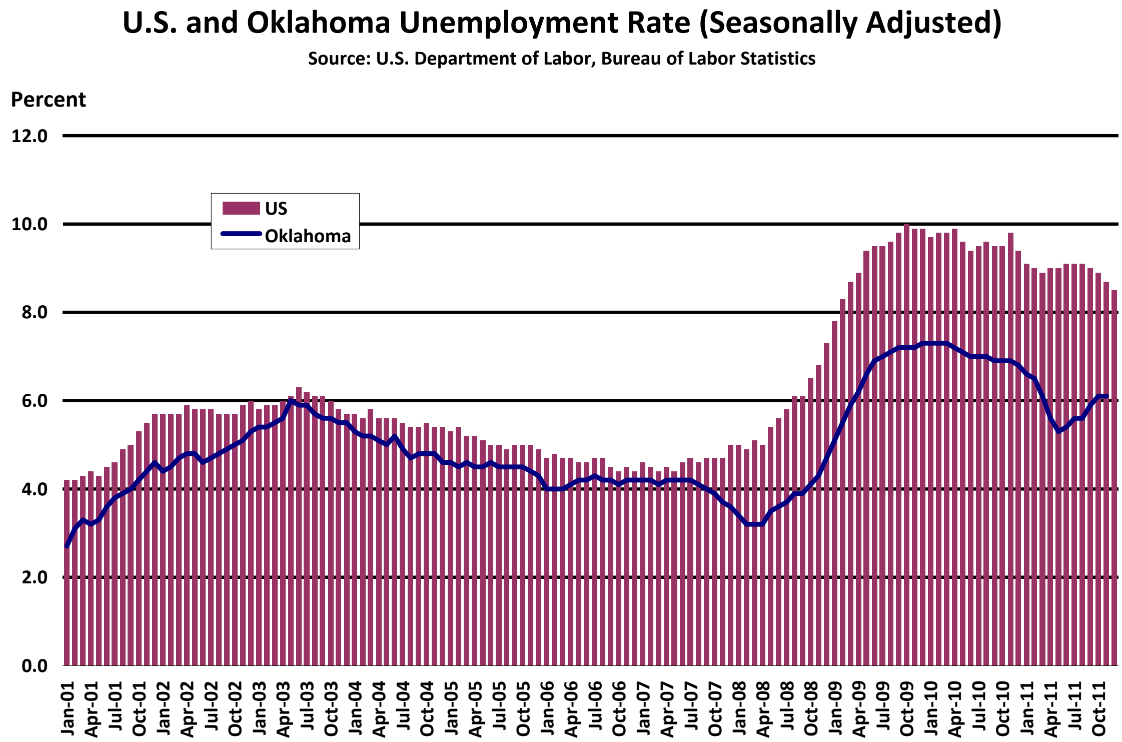


Metropolitan Statistical Areas (MSA) are the county-based definitions developed by the Office of Management and Budget for federal statistical purposes. A metropolitan area is defined as a geographic area consisting of a large population nucleus together with adjacent communities having a high degree 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 2009.

Real U.S. GDP by metropolitan area increased 2.5 percent in 2010 after declining 2.5 percent in 2009, according to new statistics released today by the U.S. Bureau of Economic Analysis (BEA). The economic growth was widespread as real GDP increased in 304 of 366 (83 percent) metropolitan areas, led by national growth in durable-goods manufacturing, trade, and financial activities.

In terms of growth in real GDP, Lawton MSA ranked 15th out of the 366 U.S. metropolitan areas growing by 6.9 percent to $4.21 billion in 2010. Oklahoma City MSA ranked 205th growing by 1.7 percent to $53.7 billion followed by Tulsa MSA ranked at 329th declining by -0.6 percent to $40.7 billion.

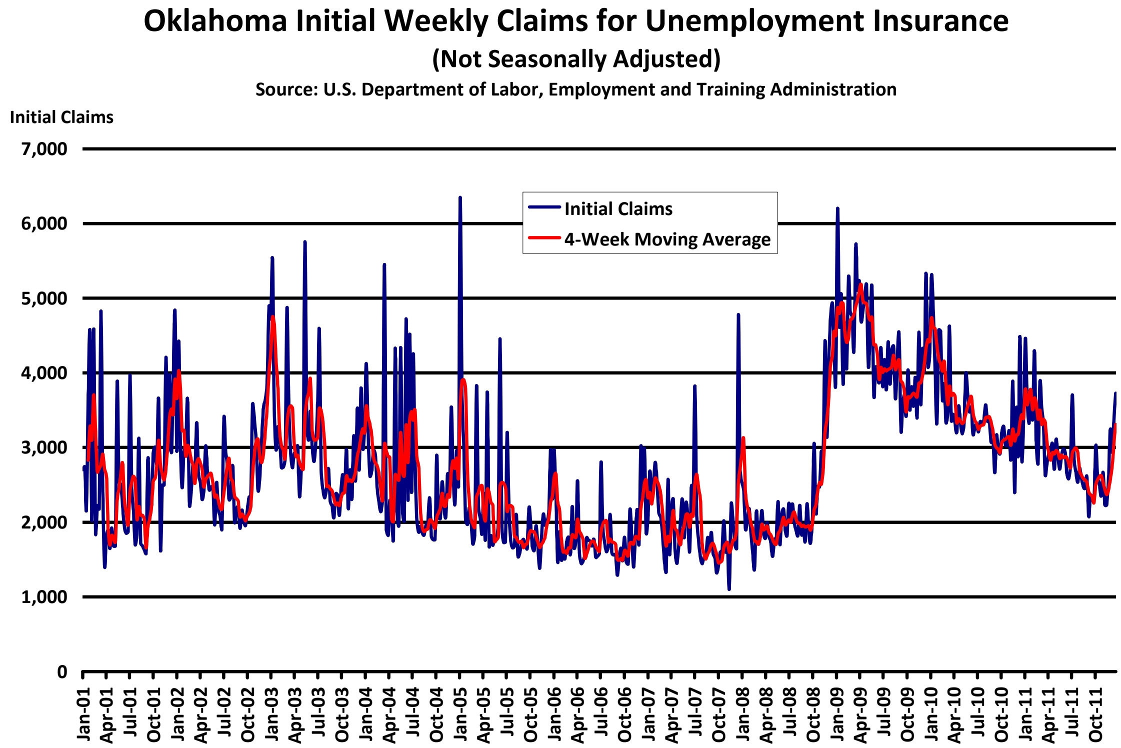


The unemployment rate measures the percentage of people who are without work and is calculated by dividing the estimated number of unemployed people in the state by the civilian labor force. The result expresses unemployment as a percentage of the labor force.

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.

A surge of hiring in December pushed the unemployment rate to its lowest level in nearly three years. The unemployment rate unexpectedly continued to decline, slipping to 8.5 percent after dropping to 8.7 percent in November, according to the U.S. Bureau of Labor Statistics (BLS). It was the fourth straight month of declines in the jobless rate.

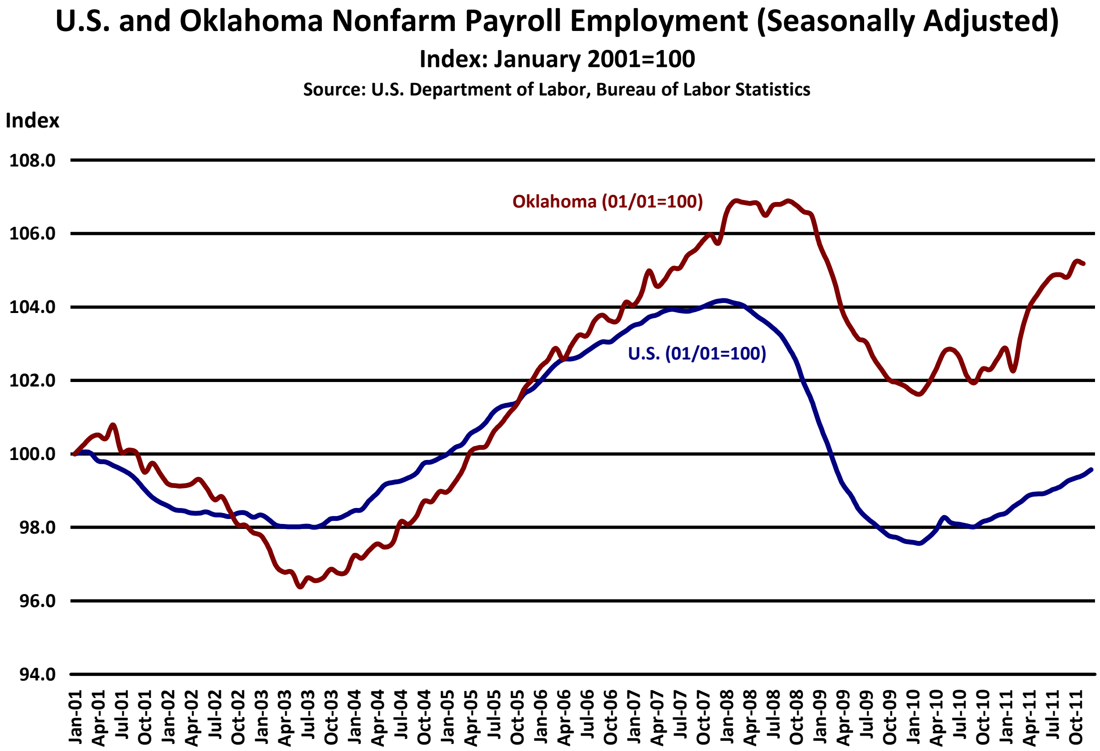
Oklahoma's seasonally adjusted unemployment rate was unchanged at 6.1 percent in November—the 9th lowest jobless rate among all states for the month. Over the year, Oklahoma's seasonally adjusted unemployment rate has declined by 0.8 percentage points. Latimer County again posted Oklahoma's highest county unemployment rate at 10.1 percent, Roger Mills County had Oklahoma's lowest county rate in November at 2.5 percent. For November, only two of Oklahoma's 77 counties (Adair and Ottawa) reported unemployment rate increases.



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 are a leading indicator in that 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 smoothes out weekly volatility.

Number of people seeking unemployment aid fell further in the last week of the year, ending the year on a three-month run of declines and pointing to a stronger job market in 2012. For the week ending December 31, the advance figure for seasonally adjusted initial claims was 372,000, a decrease of 15,000 from the previous week's revised figure of 387,000, according to the U.S. Department of Labor (DOL). That figure is 11 percent lower than the same time last year. The four-week average, which smoothes fluctuations, fell to 373,250—the lowest level since June 2008. When applications consistently drop below 375,000, they generally signal that hiring is strong enough to reduce the unemployment rate.

In Oklahoma, initial claims for unemployment continued to move up in December. For the file week ending on December 24, 2011 initial claims increased by 404 from 3,325 to 3,729. For the same file week ending, the initial claims four-week moving average increased by 283 from 3,026 to 3,308. Over the month, the four-week moving average has increased by 876. For the file week ending on December 24, 2011, continued claims increased by 30 from 24,554 to 24,584. For the same file week ending, the continued claims four-week moving average increased by 277 from 24,480 to 24,756.



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.

December's jobs report showed a significant improvement overall and was broad-based. Nonfarm employment in December jumped a relatively healthy 200,000 after rising a revised 100,000 in November (originally 120,000) and increased a revised 112,000 in October (previously 100,000), according to the Bureau of Labor Statistics (BLS). Private payrolls again outstripped the total, gaining 212,000 in December, following increases of 120,000 in November and 134,000 in October. The public sector continued to decline as government employment dipped 12,000, following a 20,000 decline in November.

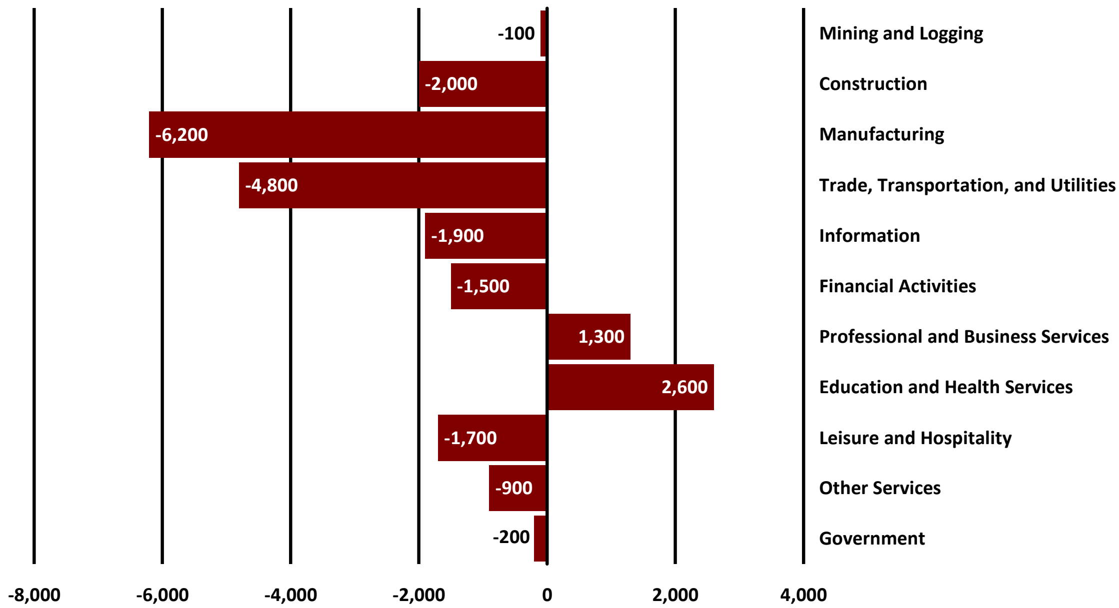
For all of 2011, the economy added 1.6 million jobs, better than the 940,000 added in 2010. The unemployment rate averaged 8.9 percent last year, down from 9.6 percent the previous year.

Oklahoma's seasonally adjusted nonfarm employment contracted by 800 jobs (-0.1 percent) in November. Seven of Oklahoma's 11 statewide supersectors reported job gains in November. The largest of these gains occurred in trade, transportation & utilities, where a 1,300-job buildup was driven primarily by growth in retail trade. The professional & business services sector posted a loss of 2,000 jobs, the month's largest by any supersector. Over the year, state nonfarm employment grew by 43,000 jobs or 2.8 percent. Nine statewide supersectors expanded during the November-to-November period, led by manufacturing adding 10,400 jobs. The only sectors to record over-the-year losses in November were information and other services.

Oklahoma Employment Change by Industry

2009 - 2010

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



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.

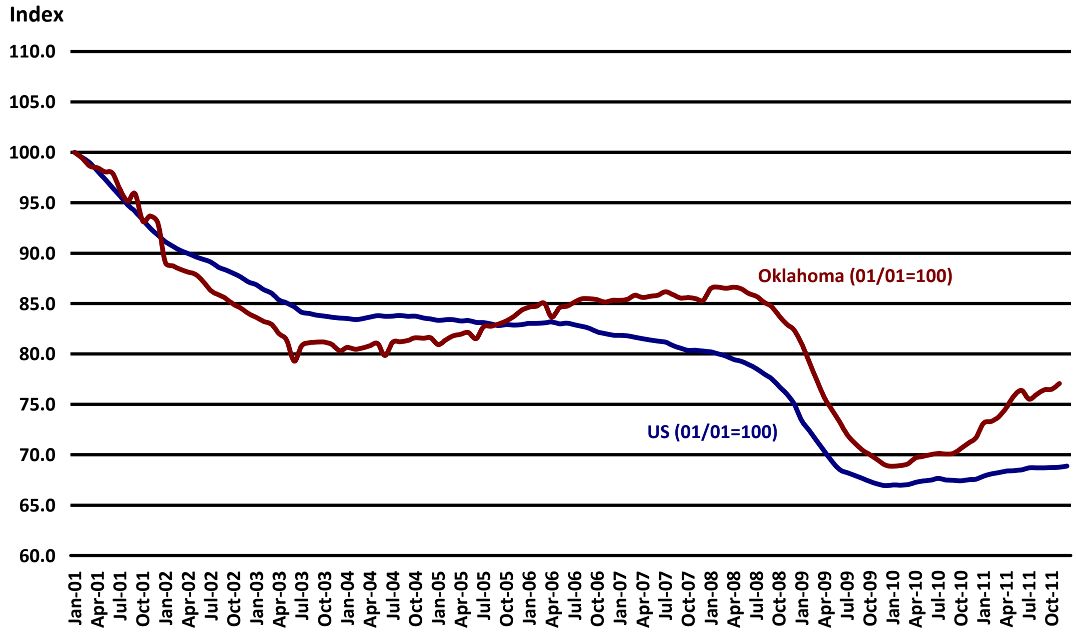
As in 2009, manufacturing suffered the largest employment losses in 2010 dropping 6,200 jobs after losing 20,500 in 2009. Durable goods manufacturing lost 5,400 jobs while non-durable goods manufacturing declined by 900 jobs. The broad trade, transportation and utilities sector followed with an over-the-year 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.

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

Index: January 2001 = 100

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

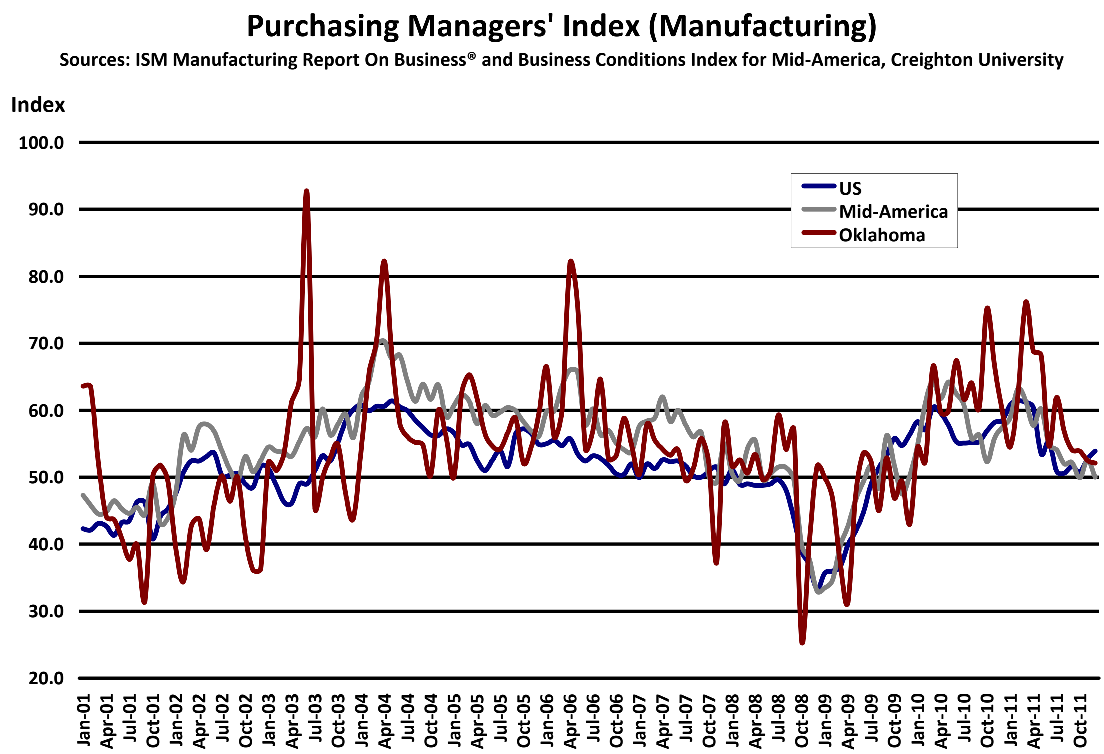


Manufacturing and production are still important parts of both the U.S. and Oklahoma economies and have been seriously adversely affected by the recession. In Oklahoma, manufacturing accounts for the largest share of private output in the state and one of the largest shares of employment. In addition,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

U.S. manufacturing employment jumped 23,000 in December after edging up 1,000 in November, according to the Bureau of Labor Statistics (BLS). December's employment gain followed four months of little change. Employment increased in transportation equipment (+9,000), fabricated metals (+6,000), and machinery (+5,000).

Oklahoma manufacturing employment grew at a healthy pace in November, adding a seasonally-adjusted 1,000 jobs for a 0.7 percent growth rate. Durable goods manufacturing led all of the statewide manufacturing job gains in November with contributions from fabricated metal products, machinery manufacturing, and transportation equipment. Over the year, manufacturing employment has added 10,400 jobs for an 8.3 percent gain.



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.

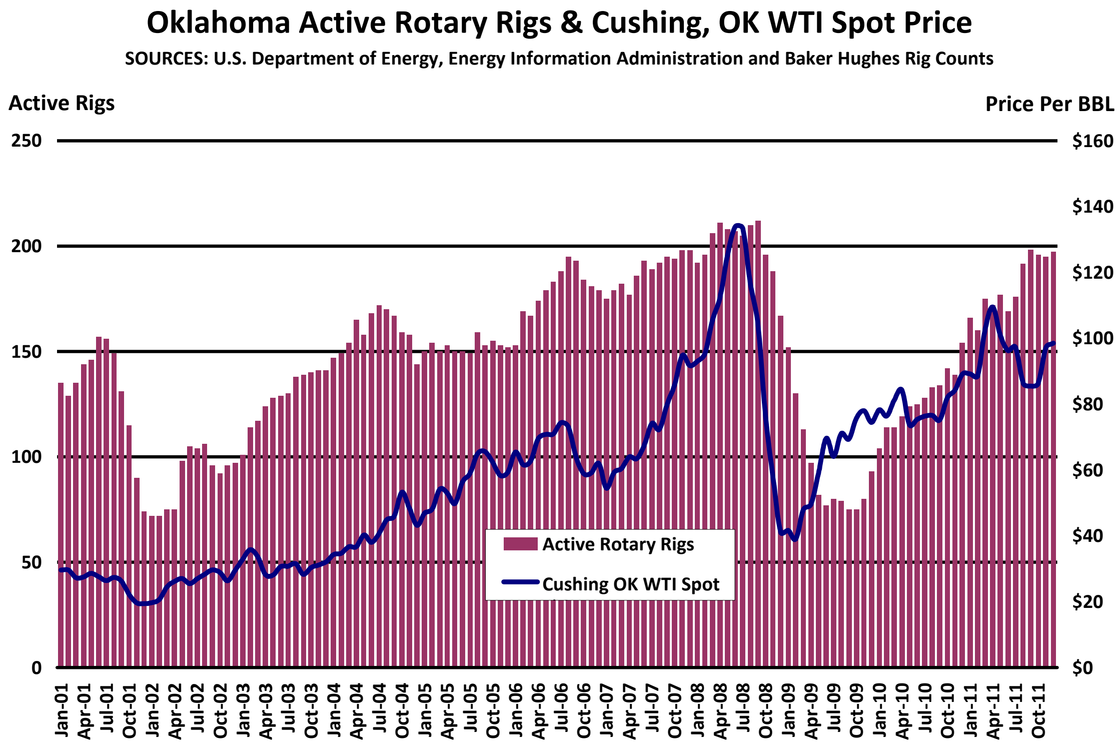
U.S. manufacturing grew at its fastest pace in six months and hiring at factories picked up in December. The PMI registered 53.9 percent, an increase of 1.2 percentage points from November's reading of 52.7 percent, indicating expansion in the manufacturing sector for the 29th consecutive month, according to the Institute for Supply Management (ISM). U.S manufacturing has expanded for more than two years. Factories were one of the first areas of the economy to start growing after the recession officially ended in June 2009.

The latest ISM survey showed that U.S. factories should start the year strongly. In December, factories hired at the fastest pace since June, the survey found. Other details include a strong rate for production, which explains the gain in employment, as well as continued easing of input prices.

For the second time in the past three months, the Business Conditions Index for the nine-state, Mid-America region did not move above growth neutral 50.0, according to the Creighton Economic Forecasting Group. The index sank to 50.0 for December from 52.6 in November. The index, a leading economic indicator from a monthly survey of supply managers, continues to point to slow growth for the region for the next three to six months.

Oklahoma's Business Conditions Index edged down in December to 52.1 from 52.5 in November. Components of the leading economic indicator for December were new orders at 52.3, production or sales at 52.1, delivery lead time at 54.8, inventories at 53.4, and employment at 51.0.

The Creighton Economic Forecasting Group also estimated Oklahoma's 2011 inflation-adjusted GDP growth to be 4.6 percent and job growth at 2.8 percent. Oklahoma's economic growth is forecast to slow a bit in the coming year. For 2012, state GDP growth is projected to be 3.3 percent and job growth at 1.5 percent.



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.

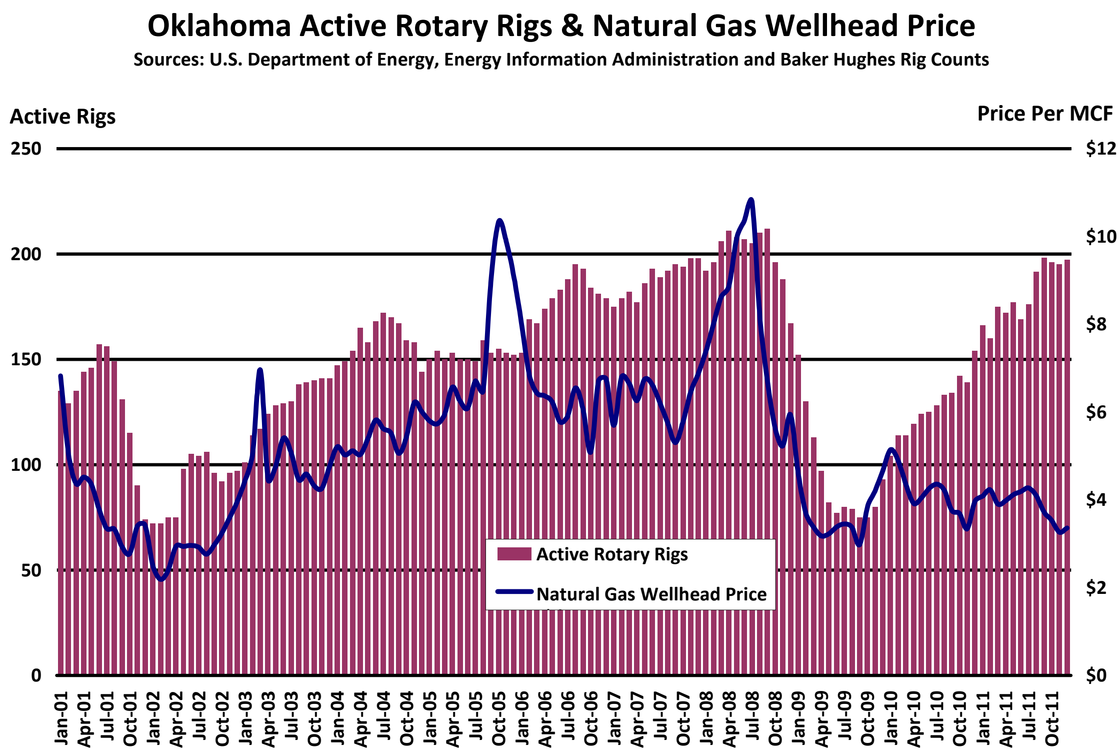
The city of Cushing, in central Oklahoma, is a major crude oil trading hub connecting Gulf Coast producers to Midwest refining markets. In addition to Oklahoma crude oil, the Cushing hub receives supply from several major pipelines that originate in Texas. Traditionally, the Cushing Hub has pushed Gulf 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.

2011 was an eventful year for oil markets, as reflected both in price trends and developments in countries seen as critical for global oil supply. The spot price of North Sea Brent crude averaged over $111 per barrel in 2011, marking the first time the global benchmark averaged more than $100 per barrel for a year. U.S. benchmark West Texas Intermediate (WTI), plagued by transportation bottlenecks, fell short of eclipsing its record annual average of $99.67 per barrel set in 2008, but its 2011 average of $94.86 still represented a $15 increase over 2010, according to the U.S. Energy Information Administration (EIA).

A quiet revolution in crude oil production in 2011 is also driving an even quieter one in the downstream. Seeking to leverage their access to rising volumes of discounted heavy Canadian crude, U.S. Midwest refiners have been investing in infrastructure to process more of those relatively low-quality barrels. The result is the United States shifted to net product exporter status for the first time since at least 1949.

WTI-Cushing crude oil spot prices averaged $98.53 per barrel in December, up $1.40 from $97.13 per barrel in November.

Oklahoma's rotary rig activity stood at 197 in December, up two rigs from November's count of 195. Over the year, Oklahoma's active rotary rig count has grown by 43 rigs from December 2010.

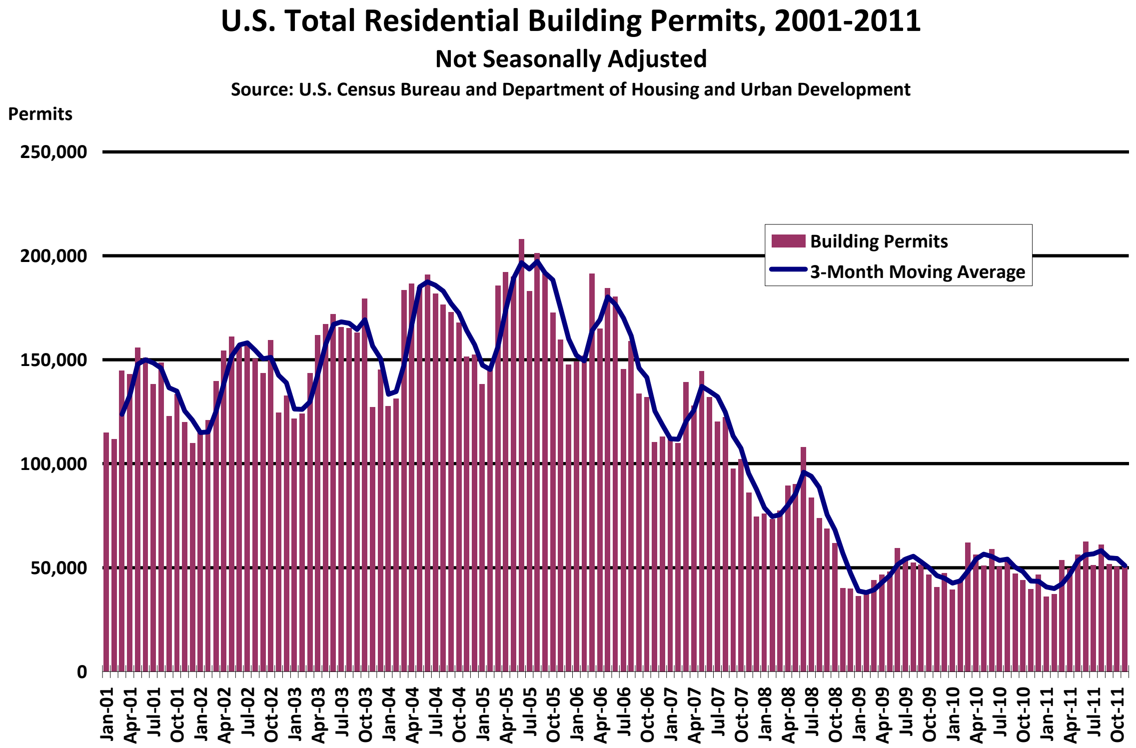


Oklahoma is one of the top natural gas producers in the United States with production typically accounting for almost one-tenth of the U.S. total. More than a dozen of the 100 largest natural gas fields in the country are found in Oklahoma and proven reserves of conventional natural gas have been increasing 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.

Natural gas working inventories ended November 2011 at a record high for that date, about 1 percent above the same time last year. Natural gas forward market prices (as of December 28, 2011) signal a continuation of low natural gas prices into 2012, according to the U.S. Energy Information Administration (EIA) Natural gas spot prices remained low throughout 2011 relative to prior years, reaching a two-year low of $3.24 per Mcf in November. December's estimated average wellhead price improved to $3.37 per Mcf.

The U.S. natural gas rotary rig count, as reported January 6, 2012 by Baker Hughes Incorporated, added 2 over the previous week to 811 active units. Meanwhile, oil-directed rigs slipped by 2 to 1,191 units. Over the year, Oil-directed rigs have gained 414 while gas-directed rigs have declined by 103, reflecting strengthening oil prices over the year. Although natural gas rigs have fallen year over year (and declined substantially from record highs in 2008), production has continued to rise.

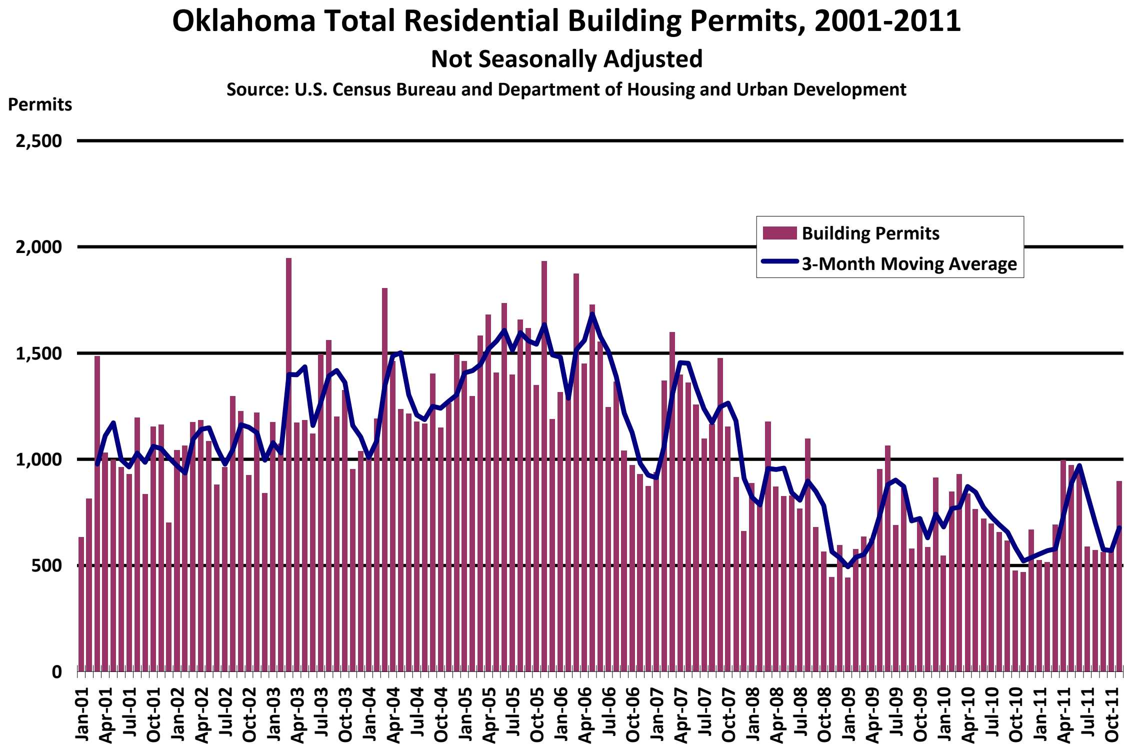


This indicator measures the number of permits issued for housing units (single family home or apartment) authorized for construction. Because permits precede construction, they are considered a leading indicator for the residential construction industry and the overall economy. Most of the construction 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.

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.

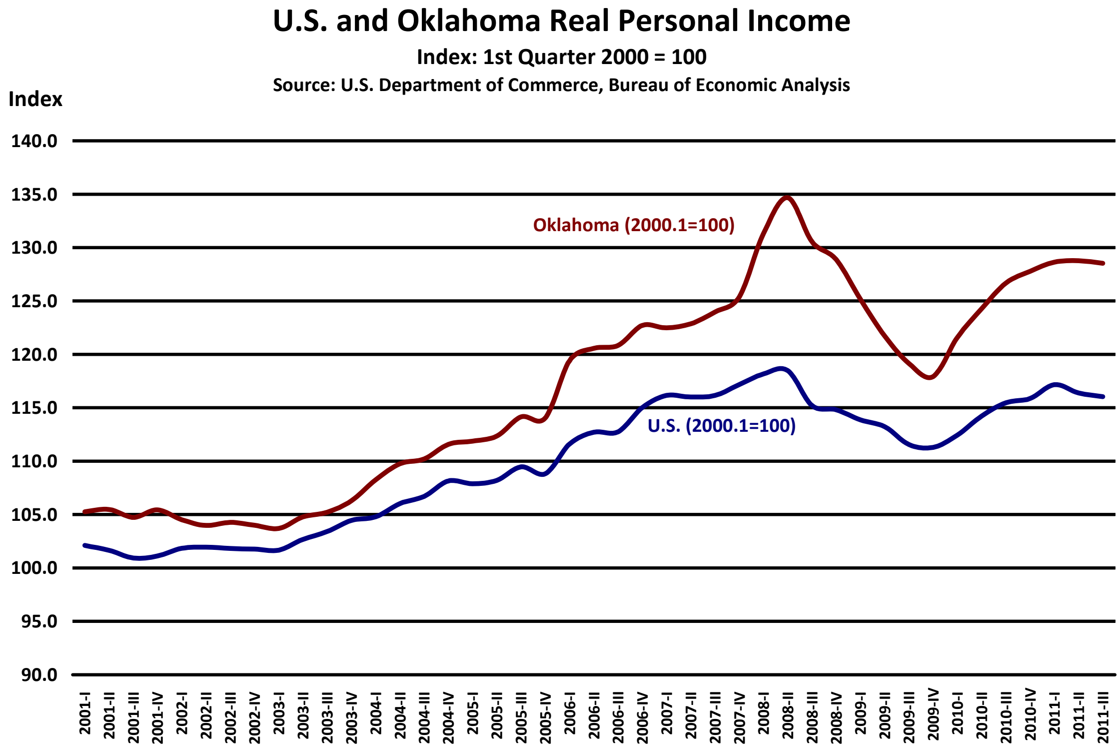
Residential building permit activity rose again in November largely because of a jump in apartment permits. Privately-owned housing units authorized by building permits in November were at a seasonally adjusted annual rate of 681,000 or 5.7 percent above the revised October rate of 644,000, according to the U.S. Census Bureau and the Department of Housing and Urban Development. On a year-over-year basis, November's permitting was also 20.7 percent above the November 2010 estimate of 564,000.

Renting has become a preferred option for many Americans who lost their jobs during the recession and were forced to leave their houses. The November gain in permits was led by a 13.9 percent jump in multifamily permits after a 22.7 percent burst in October. Over the past year, permits for apartment buildings with five or more units have surged more than 80 percent. However, permits for single-family homes have risen only 3.6 percent.



Oklahoma total residential permitting jumped 56 percent in November as homebuilders rushed to complete construction by year end. Single-family permitting was up 15.5 percent in November. Multi-family permitting, which had slowed during the summer, continued its positive trend surging by 184.6 percent over October.

Year to date, total residential permitting for the first 11 months of 2011 was up 3.7 percent from the same period in 2010. Single-family permitting for the first 10 months of 2011 was down 8.8 percent compared to 2010 while multi-family permitting was up by a remarkable 79.9 percent.



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 2000 as the base year.

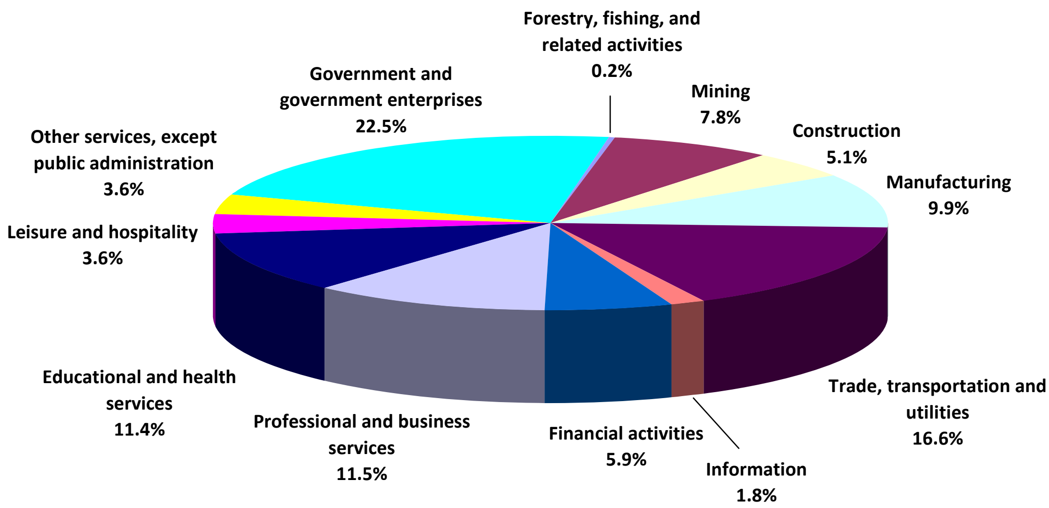
Personal income and spending posted modest gains in November. Personal income increased $8.5 billion, or 0.1 percent, and disposable personal income (DPI) decreased $5.0 billion, or less than 0.1 percent, in November, according to the Bureau of Economic Analysis (BEA). However, the wages & salaries component slipped 0.1 percent after a 0.6 percent increase in October. The rise in personal income was led by gains in rental income and dividends combined with a decline in contributions for government social insurance.

Consumer spending in November advanced a soft 0.1 percent, following a 0.1 percent increase the month before. Weakness for the latest month was in nondurables (reflecting lower gasoline prices) which fell 0.3 percent after a 0.2 percent dip in October. Durable goods jumped 0.8 percent in November while services edged up 0.1 percent.

Oklahoma Nonfarm Industry Contribution to Earnings

Third Quarter 2011

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



State personal income growth slowed to 0.1 percent, on average, in the third quarter of 2011, according to estimates released today by the U.S. Bureau of Economic Analysis (BEA). Growth rates among states ranged from -0.4 percent in West Virginia to 0.6 percent in Washington State. Personal income fell or was unchanged in twenty states and grew 0.2 percent in the other thirty.

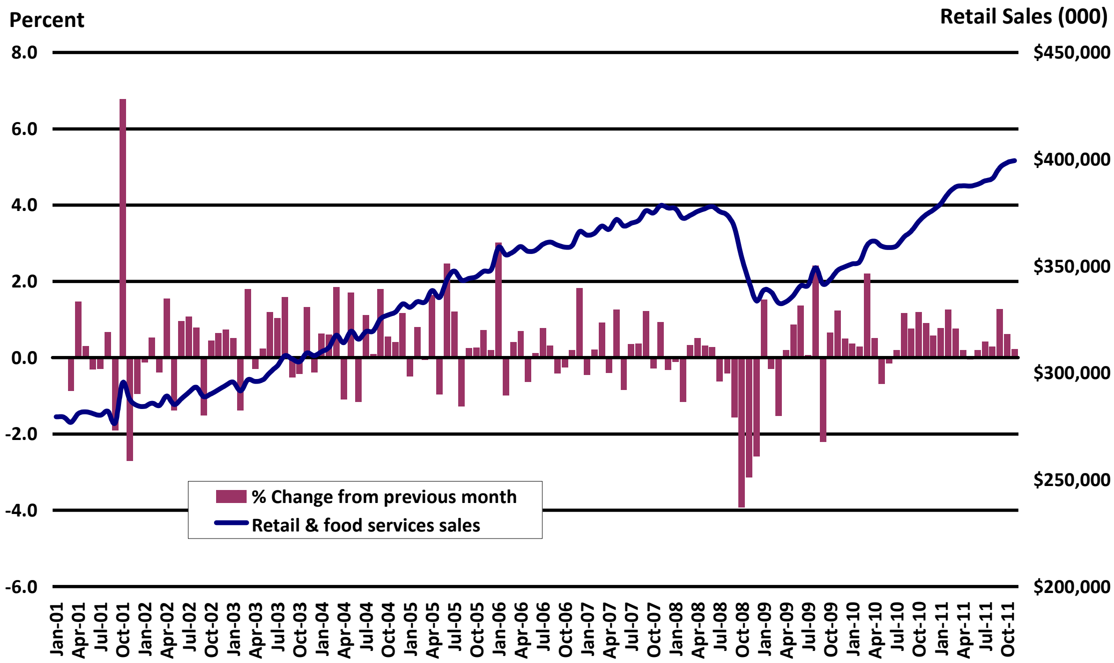
Earnings grew 0.4 percent in the 3rd quarter. Earnings fell or remained unchanged in 7 of the 24 industries that BEA tracks on a quarterly basis. The information industry had the largest earnings decline at -2.4 percent, reflecting a two-week strike by telecommunications workers in August and job losses in other information industries. State and local government earnings also fell in most states with the largest decline in Minnesota (-2.9 percent) where state government was shut down for 20 days in July and led to the layoff of nearly 60 percent of the state’s workforce. State and local government earnings rose in four states including Oklahoma California, New York, and Mississippi. Earnings grew 1.5 percent in the administrative services industry (which includes temporary help firms) and 1.4 percent in health care and educational services.

Personal income growth also slowed in Oklahoma in the 3rd quarter. The state's personal income rose to $141.5 billion (or 0.2 percent), up from a revised $141.2 billion in the 2nd quarter, according to the BEA. That was a significant slowdown from the 2nd quarter rate of 1.6 percent but still enough to rank Oklahoma ninth among all states in income growth.

Health care & social assistance was the largest industry contributor to Oklahoma’s earnings adding $148 million in the 3rd quarter, followed by professional, scientific & technical services ($98 million), and mining ($92 million).

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

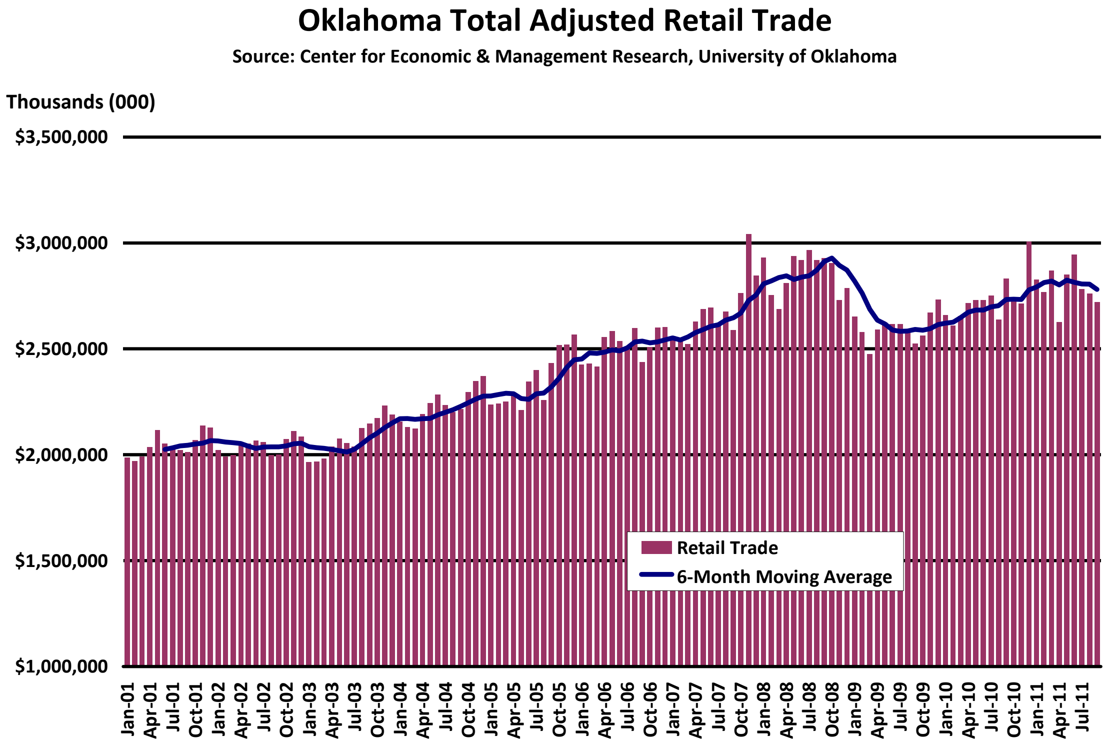


Consumer spending accounts for two-thirds of the U.S. economy and is therefore essential to Oklahoma's economy. Retail sales account for around one-half of consumer spending and economic recovery calls for consumption growth

Americans spent more on clothing and electronics, and sales of autos and furniture in November, fueling the sixth straight monthly increase in retail sales. November retail and food services sales were $399.3 billion, up 0.2 percent from the previous month and up 6.7 percent from one year ago, according to the U.S. Census Bureau. This follows a revised 0.6 percent boost in October (originally up 0.5 percent) and a 1.3 percent spike in September (previously up 1.1 percent).

Once again, the strongest component in November's sales was electronics & appliance stores which jumped 2.1 percent, followed by nonstore retailers (up 1.5 percent) and auto dealers (up 0.5 percent). Also seeing gains were furniture & home furnishing, clothing & accessory stores, sporting goods & hobby, and general merchandise. The largest decline was for miscellaneous store retailers, down 1.2 percent. Modest decreases also were seen in building materials & garden equipment, food & beverage, health & personal care, gasoline stations, and food services & drinking places.

On a year-ago basis, retail sales in November came in at up 6.7 percent, compared to 7.5 percent in October. Excluding motor vehicles, sales were up 6.6 percent on a year-on-year basis, compared to 7.5 percent the month before.



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 take out monthly volatility, we have used a six-month moving average.

Total adjusted retail sales for September was at a level of $271,9588,024 which was 1.5 percent below the August sales figure of $2,760,038,155 and 3.9 percent below August 2010. Year to date, Oklahoma total adjusted retail sales was at $25,146,581,063, that is 3.4 percent above 2010 year-to-date sales of $25,146,581,063.