Oklahoma Economic Indicators
July 2011

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

OKLAHOMA
ECONOMIC INDICATORS

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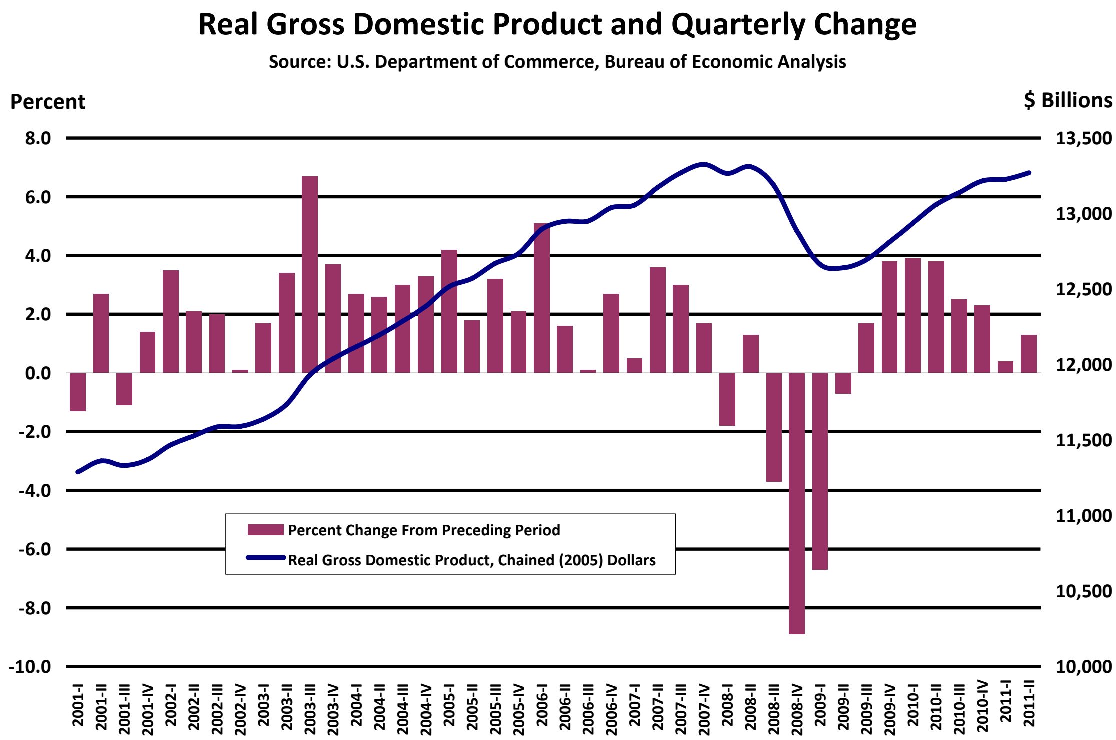


Gross Domestic Product (GDP)—the output of goods and services produced by labor and property located in the United States—is the broadest measure of economic activity. It is also the measure that is most indicative of whether the economy is in recession. In the post-World War II period, there has been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

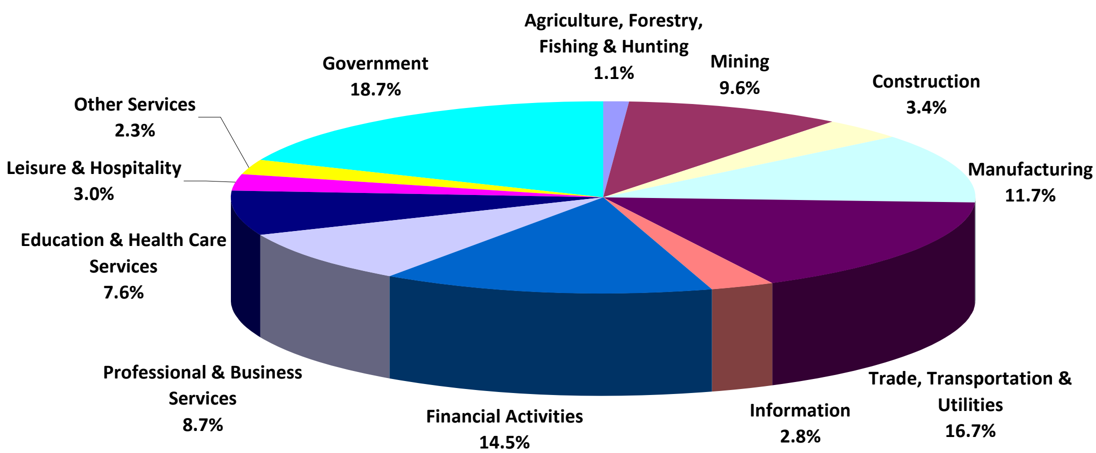
During the first six months of 2011, the U.S. economy slowed to its weakest pace since the recession ended as high gas prices and negligible income gains forced Americans to sharply pull back on spending. Real gross domestic product increased at an annual rate of 1.3 percent in the 2nd quarter of 2011, according to the "advance" estimate released by the Bureau of Economic Analysis (BEA). Moreover, 1st quarter growth was revised down sharply to a 0.4 percent rate from the earlier estimate of a 1.9 percent gain. A big reason behind the downward revision in 1st quarter growth was that inventory buildup by companies was less than initially estimated, while outlays by the federal government and consumers were also revised down.

Most of the weakness in the 2nd quarter came from the consumer sector which came to a screeching halt with a 0.1 annualized percent uptick in personal consumption expenditures (PCE), following a 2.1 percent rise the 1st quarter. Government spending and investment fell, although federal spending rose 2.2 percent, outlays by state and local governments contracted 3.4 percent. Gains were seen in net exports (6.0 percent), business investment in structures and equipment (6.3 percent), and even residential investment (3.8 percent). Inventories edged up 0.18 percent.

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.

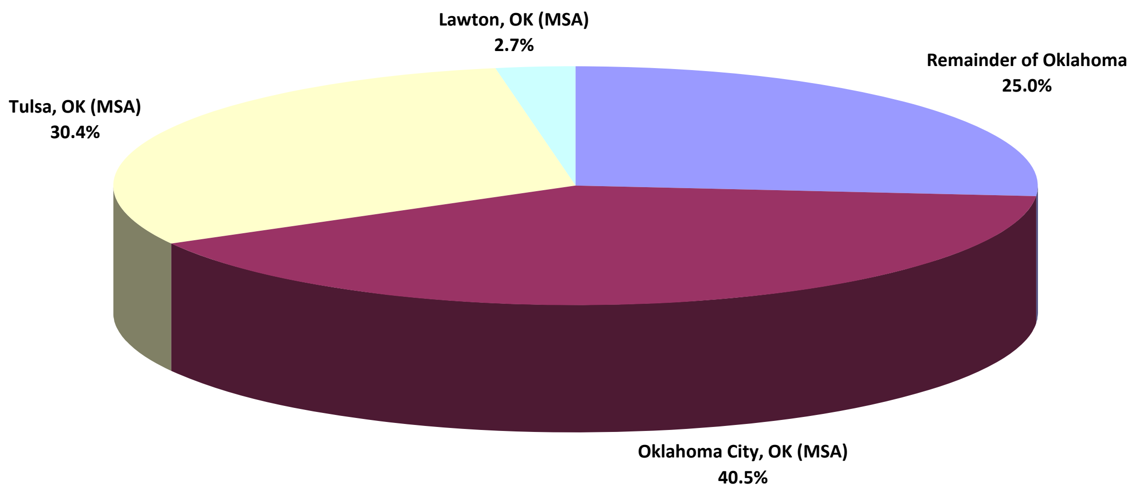
According to the advance estimate from the Bureau of Economic Analysis (BEA), Oklahoma was among 48 states and the District of Columbia experiencing growth in real GDP in 2010. However, Oklahoma’s 2009 advance estimate was significantly revised downward primarily due to updated prices for natural gas.

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 2009

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



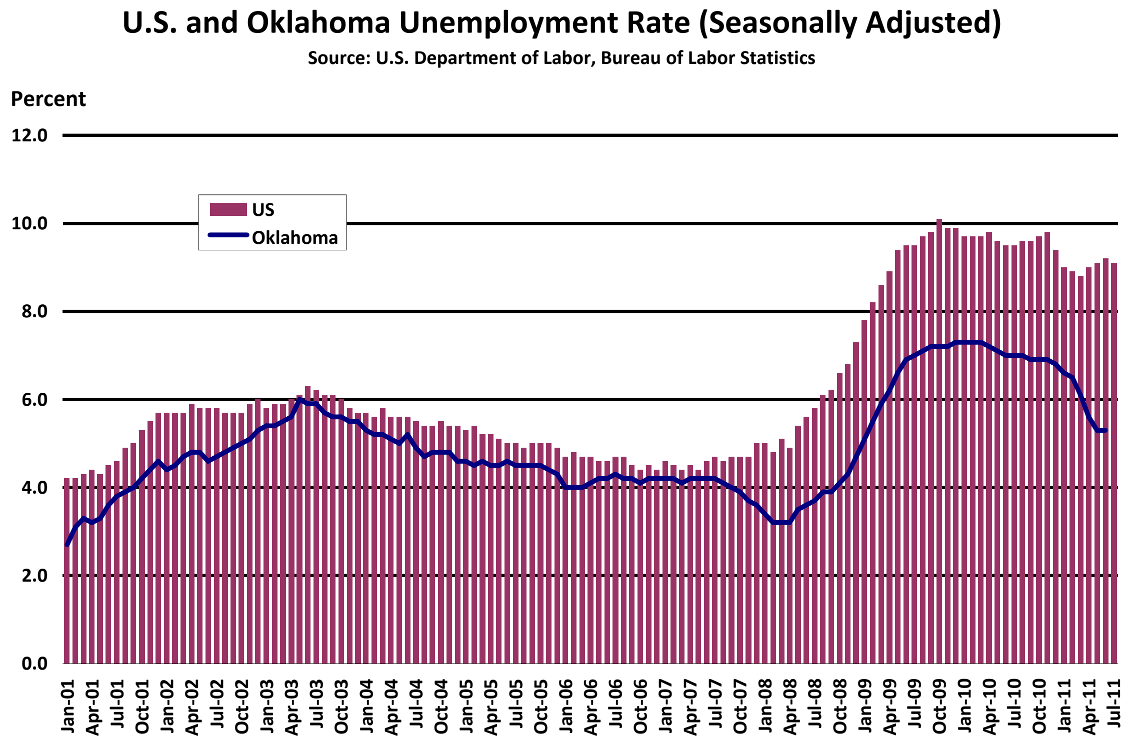
Metropolitan Statistical Areas (MSA) are the county-based definitions developed by the Office of Management and Budget for federal statistical purposes. A metropolitan area is defined as a geographic area consisting of a large population nucleus together with adjacent communities having a high degree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



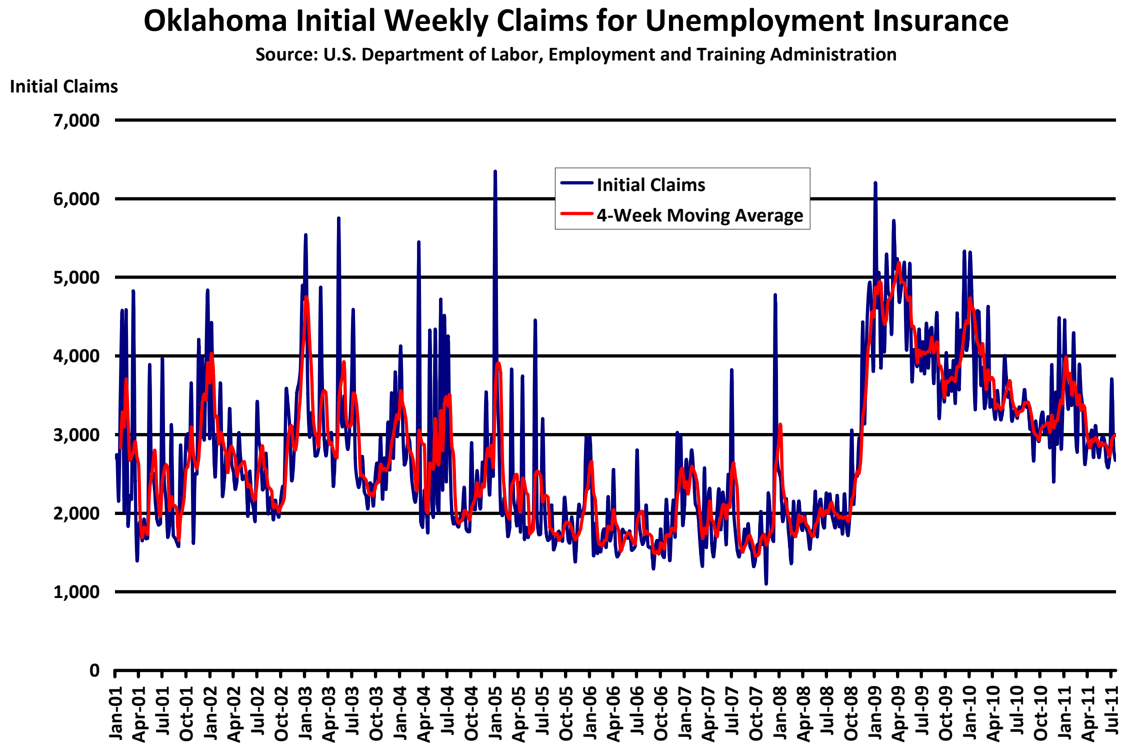
The unemployment rate measures the percentage of people who are without work and is calculated by dividing the estimated number of unemployed people in the state by the civilian labor force. The result expresses unemployment as a percentage of the labor force.

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 number of unemployed persons (13.9 million) and the unemployment rate (9.1 percent) changed little in July, according to the Bureau of Labor Statistics (BLS). Since April, the unemployment rate has shown little definitive movement. The July dip was primarily due to a contraction in the labor force.

Oklahoma's seasonally adjusted unemployment rate was unchanged in June at 5.3 percent. Oklahoma also had the fifth-lowest unemployment rate among all states in June. Nevada continued to have the highest unemployment rate among the states at 12.4 percent in June, while North Dakota again had the lowest jobless rate at 3.2 percent.

In June, all 77 counties in Oklahoma saw their jobless rates rise. Latimer County once more had Oklahoma's highest unemployment rate at 10.0 percent, while Roger Mills County again reported the state's lowest rate of 3.0 percent.



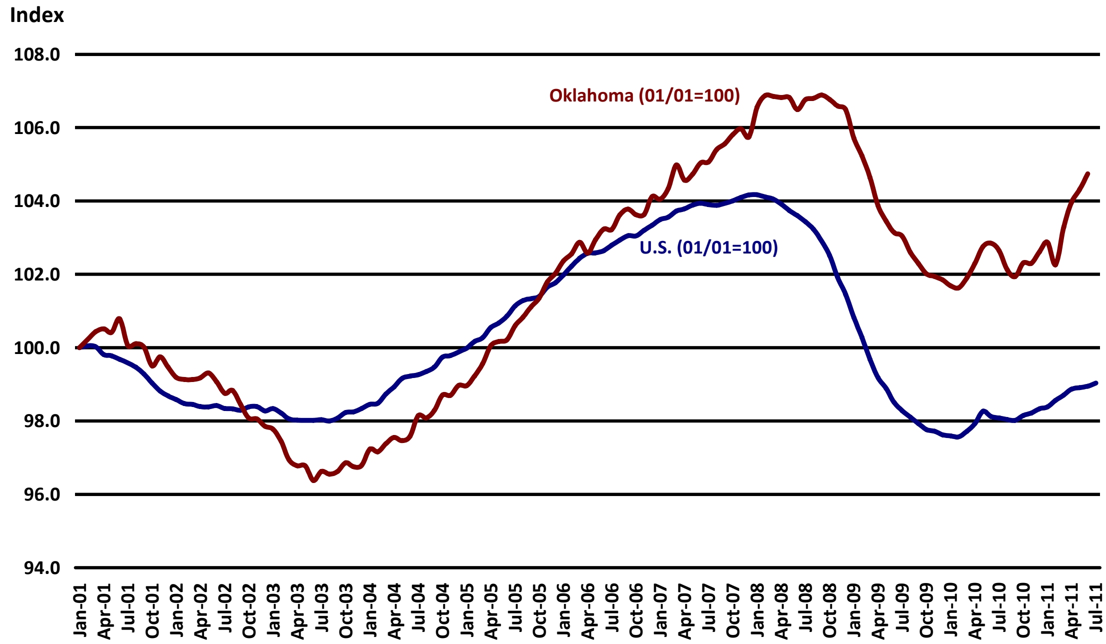
Initial unemployment claims are compiled weekly to show the number of individuals who filed for unemployment insurance benefits for the first time. This particular variable is useful because it gives a timely assessment of the overall economy. Initial claims are a leading indicator in that they point 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.

Based on jobless claims, the jobs market is improving. In the week ending July 30, the advance figure for seasonally adjusted initial claims for unemployment insurance was 400,000, a decrease of 1,000 from the previous week's revised figure of 401,000, according to the U.S. Department of Labor (DOL). The four-week average was down for the fifth straight week, 6,750 lower to a 407,750 level that is roughly 20,000 lower from a month ago.

Unemployment benefit applications have been at or above 400,000 for 17 weeks. They fell in February to 375,000, a level that signals healthy job growth. They stayed below 400,000 for two months. But then applications surged to an eight-month high of 478,000 in April and have been declining slowly since then.

Oklahoma's initial claims fell by 169 from 2,840 to 2,671 for the file week ending on July 23rd. For the same period, the initial claims four-week moving average edged up by 23 from 2,972 to 2,995.

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



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.

The U.S. economy added more jobs than expected in July and the unemployment rate edged down, a move that could help ease concerns that a new recession may be around the corner. Total nonfarm payroll employment increased by 117,000 in July, following little growth over the prior 2 months, according to the U.S. Bureau of Labor Statistics (BLS).

In the private sector, improvement was seen in both goods-producing and services-providing sectors. Goods-producing jobs gained 42,000, following a 16,000 rise in June. Manufacturing jobs increased 24,000 after an 11,000 rise the month before. For June, auto industry jobs gained 12,000. Construction employment rebounded 8,000 after decreasing 5,000. Mining advanced 9,000, following a 10,000 boost in June.

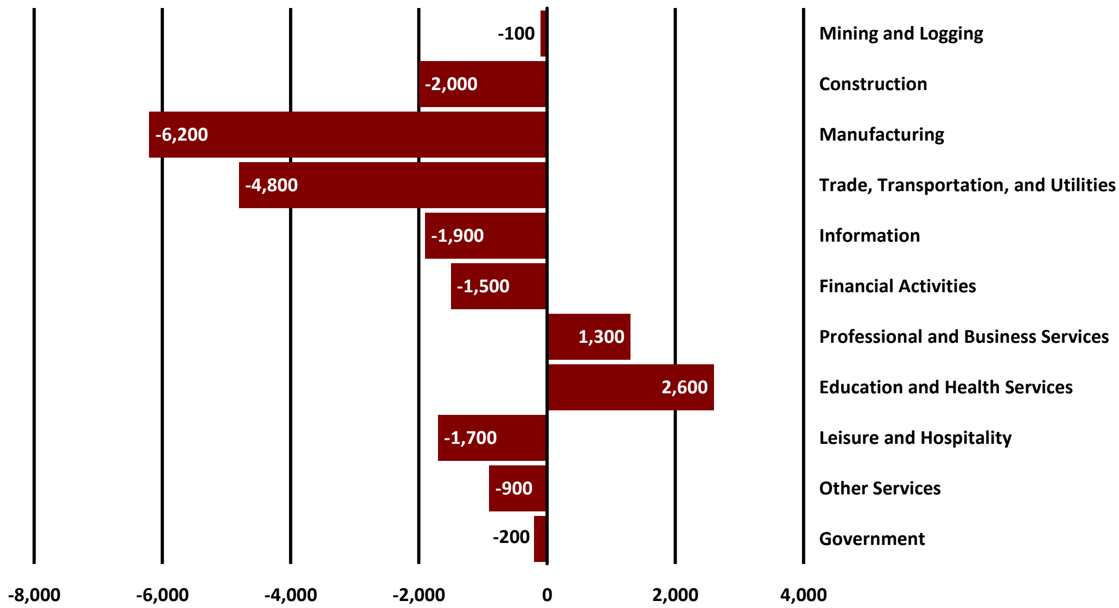
Government employment dropped 37,000, following a 34,000 decrease in June. Employment in state government decreased by 23,000, almost entirely due to a partial shutdown of the Minnesota state government.

Hiring activity in Oklahoma picked up in June, as nonfarm employment expanded by a seasonally adjusted 6,400 jobs (0.4 percent) over the month. Seven of Oklahoma's 11 statewide supersectors posted job gains, with leisure & hospitality (+1,700); trade, transportation & utilities (+1,500); and government (+1,400) reporting the largest increases. The largest monthly job loss came from financial activities (-800 jobs); smaller losses were reported in professional & business services (-300) and information (-100).

Oklahoma Employment Change by Industry

2009 - 2010

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



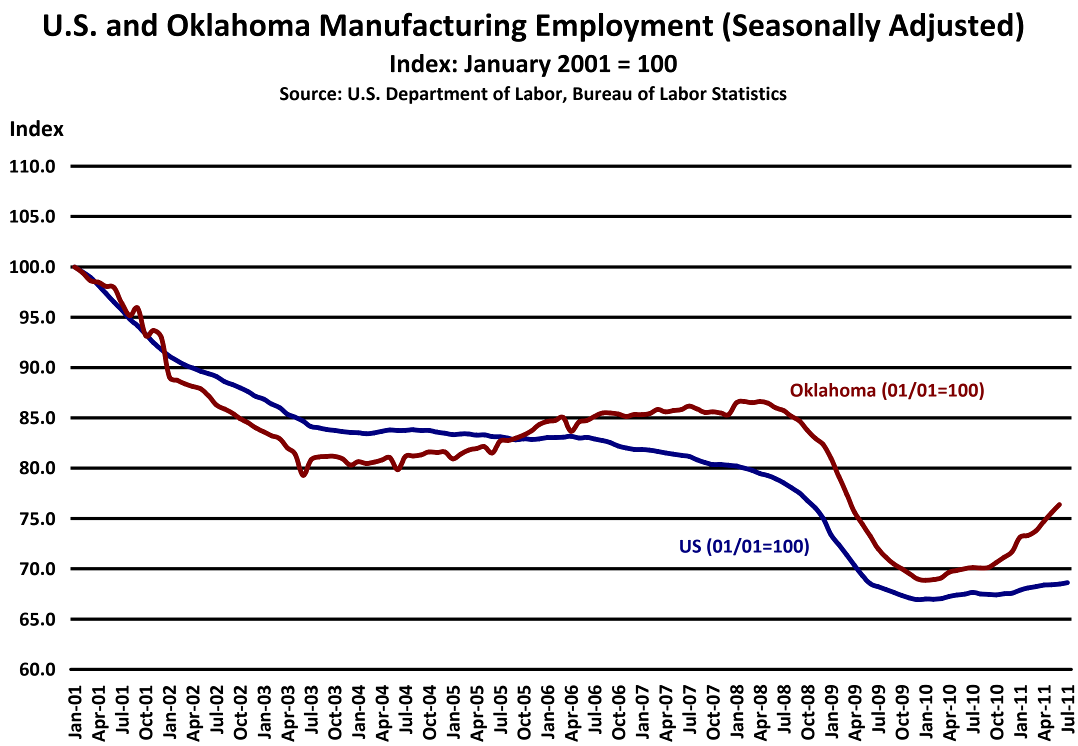
Employment growth by industry identifies the types of jobs being created in the state. Conversely, industries with a decreasing employment trend indicate those which are becoming less important to the state's economy. There may also be industries which behave more cyclically, growing during expansion 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.

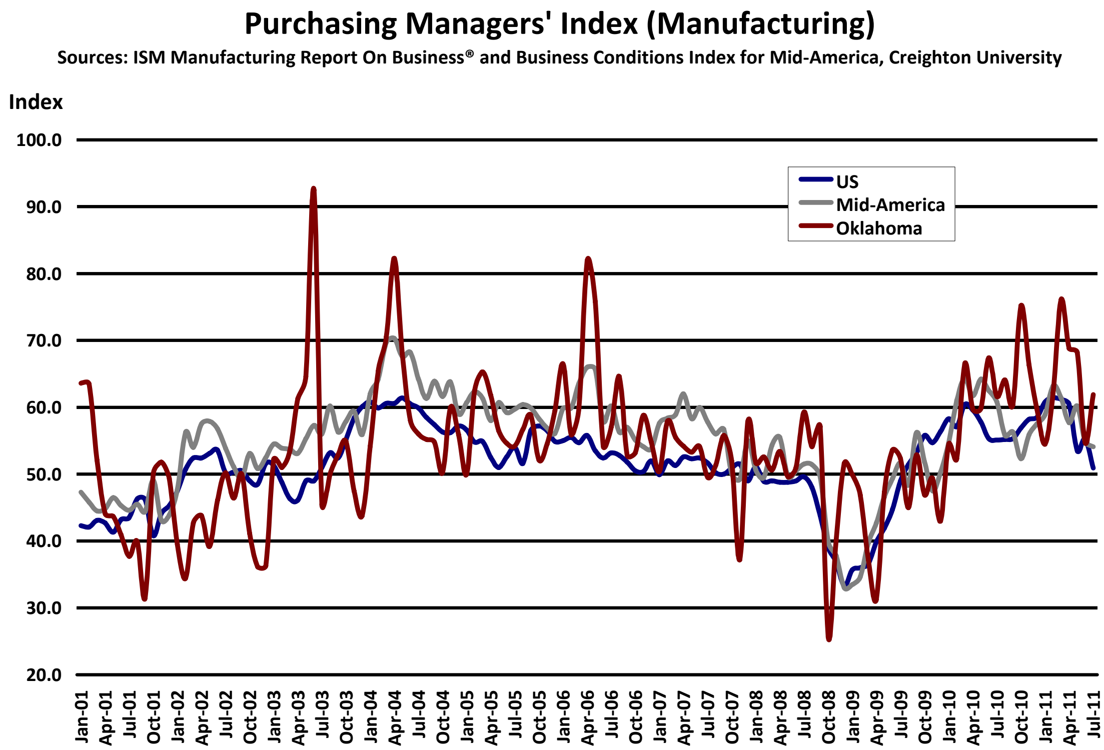


Manufacturing and production are still important parts of both the U.S. and Oklahoma economies and have been seriously adversely affected by the recession. In Oklahoma, manufacturing accounts for the largest share of private output in the state and one of the largest shares of employment. In addition, 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 added 24,000 in July with nearly all of the increase in durable goods manufacturing, according to the Bureau of Labor Statistics (BLS). Within durable goods, the motor vehicles and parts industry had fewer seasonal layoffs than typical for July, contributing to a seasonally adjusted employment increase of 12,000. Manufacturing has added 289,000 jobs since its most recent trough in December 2009, and durable goods manufacturing added 327,000 jobs during this period.

Since September 2010, Oklahoma's manufacturing sector has seen monthly job gains for 10 consecutive months. In June, manufacturing added 1,000 jobs for a seasonally adjusted rate of 0.8 percent. Once again, durable goods manufacturing was the primary driver of job growth. For perspective, June's statewide manufacturing employment level of 134,200 puts us at about the same level of April 2009 (132,900) and far below the peaks reached in early 2008 (in the range of 152,000).



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.

Hit by weakness in new orders, the ISM's manufacturing index for July came in at a disappointing 50.9 after what was an inflated, (due to a buildup in inventories), 55.3 reading for June. The PMI registered 50.9 percent, a decrease of 4.4 percentage points, indicating expansion in the manufacturing sector for the 24th consecutive month, although at a slower rate of growth than in June, according to the ISM. The July index is still above 50 to indicate monthly expansion in business conditions but is now at the slowest rate so far of the recovery.

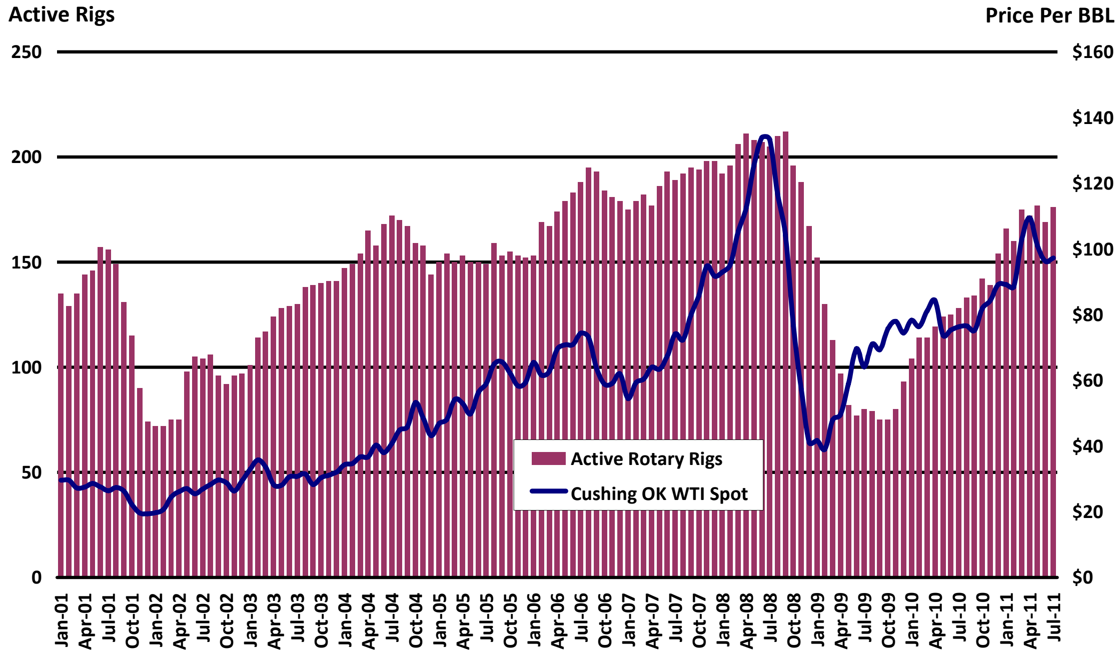
New orders, came in at 49.3 indicating contraction for the first time since June of 2009, when it registered 48.9 percent. Backlog orders contracted more deeply, down four points to 45.0 for the lowest reading since April 2009. Low levels of orders point to trouble for all other future readings including for, unfortunately, employment.

Higher energy prices, uncertainty surrounding the national economy and a weak housing sector all contributed to push the Mid-America Business Conditions Index down for the fourth time in the last five months. The July index edged down to 54.1 from June's 54.9, according to the Creighton Economic Forecasting Group. While this is the 20th consecutive month that the index has been above growth neutral 50.0, it continues to trend downward signaling even slower growth ahead.

Oklahoma's Business Conditions Index from a monthly survey of supply managers in the state expanded to 61.9 from 54.7 in June. Components of July's index for were new orders at 57.4, production or sales at 59.8, delivery lead time at 78.4, inventories at 55.7, and employment at 58.9.

Oklahoma Active Rotary Rigs & Cushing, OK WTI Spot Price

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



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.

The U.S. Energy Information Administration (EIA) expects oil markets to tighten through 2012. Given projected world oil demand growth and slowing growth in supply from countries that are not members of OPEC, the projected U.S. average refiner acquisition cost of crude oil is projected to rise from $102 per barrel in 2011 to $108 per barrel in 2012, according to the *Short-Term Energy Outlook* by the EIA.

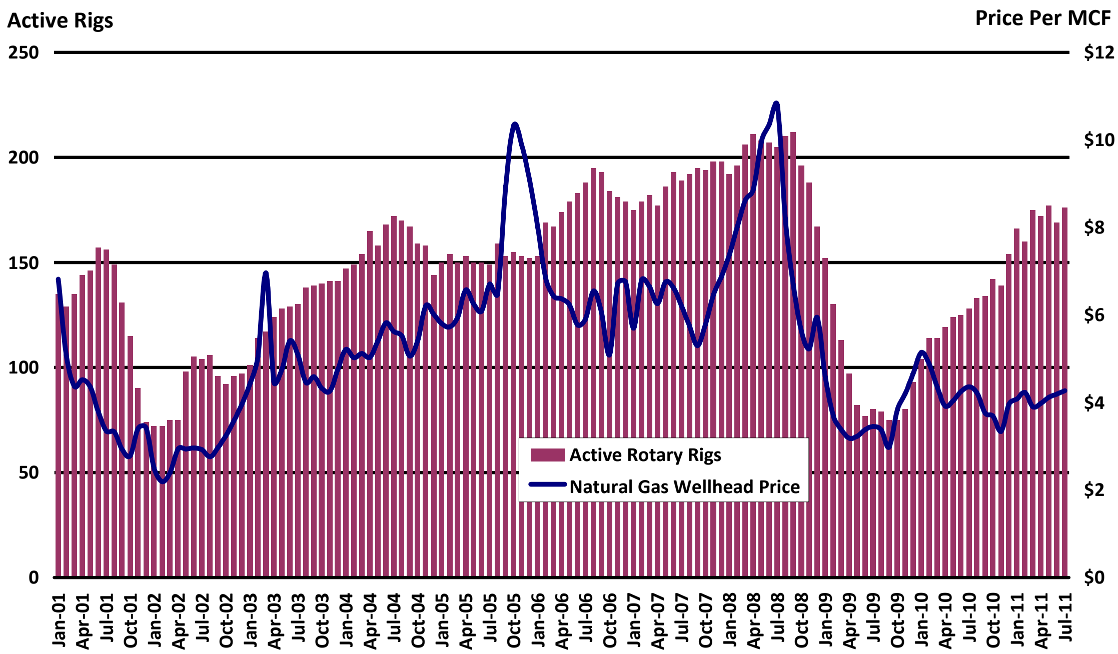
Nevertheless, the crude oil price outlook remains uncertain. Among the major uncertainties that could push oil prices above or below EIA’s current forecast are: risk of additional supply disruptions in producing regions, such as possible unrest in Sudan; the willingness and ability of key OPEC-member countries to increase and sustain higher production in response to the global increase in oil demand; the rate of global economic growth; and fiscal issues facing national and sub-national governments.

July West Texas Intermediate (WTI) crude oil spot prices averaged $97.30 per barrel, edging up from $96.26 per barrel in June.

Oklahoma’s rotary rig activity increased to 176 in July from June’s count of 169. Over the year, Oklahoma’s active rotary rig count has grown by 48 rigs.

Oklahoma Active Rotary Rigs & Natural Gas Wellhead Price

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



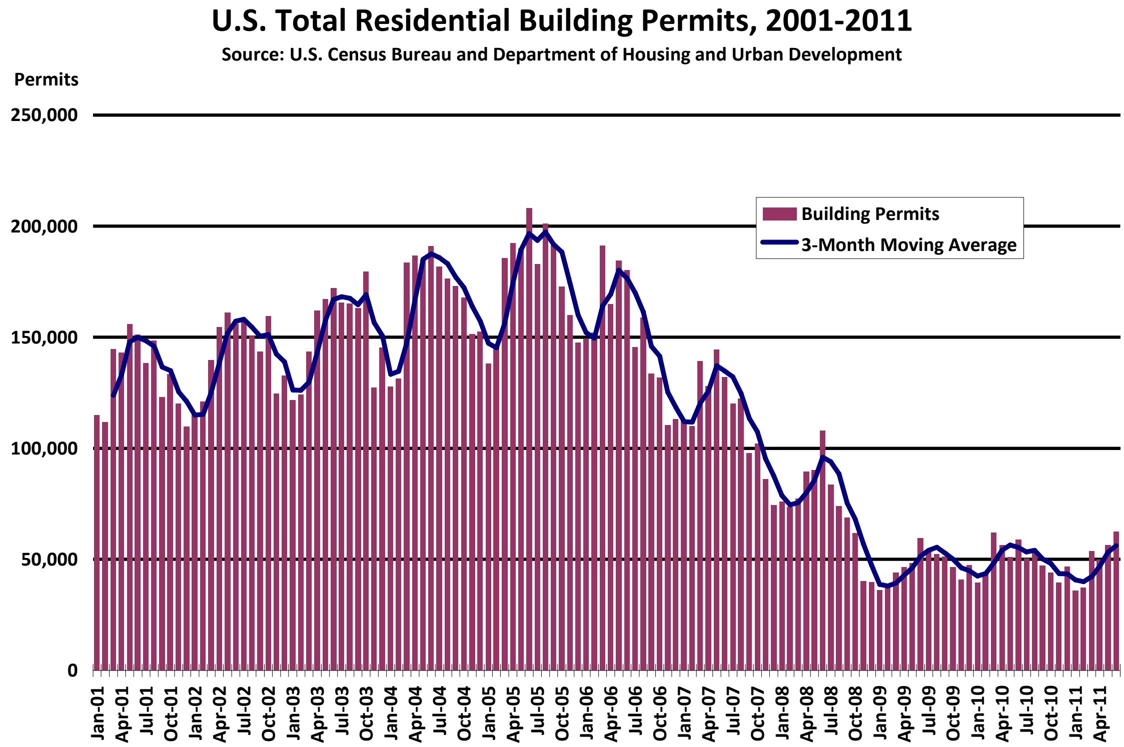
Oklahoma is one of the top natural gas producers in the United States with production typically accounting for almost one-tenth of the U.S. total. More than a dozen of the 100 largest natural gas fields in the country are found in Oklahoma and proven reserves of conventional natural gas have been increasing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

The EIA noted that uncertainty about natural gas prices is lower this year compared to last year at this time. Natural gas futures for September 2011 delivery averaged \$4.28 per MMBtu in July. At this time last year, the September 2010 natural gas futures contract averaged \$4.66 per MMBtu.

Natural gas wellhead prices have seen monthly improvement since March 2011. July estimated natural gas wellhead prices averaged \$4.27 per Mcf, up from June's \$4.19 price.

The U.S. natural gas rotary rig count, as reported July 29 by Baker Hughes, fell by 12 to 877 active units. Meanwhile, oil-directed rigs were up 4 to 1,025 units, expanding the diversion between the two drilling strategies.

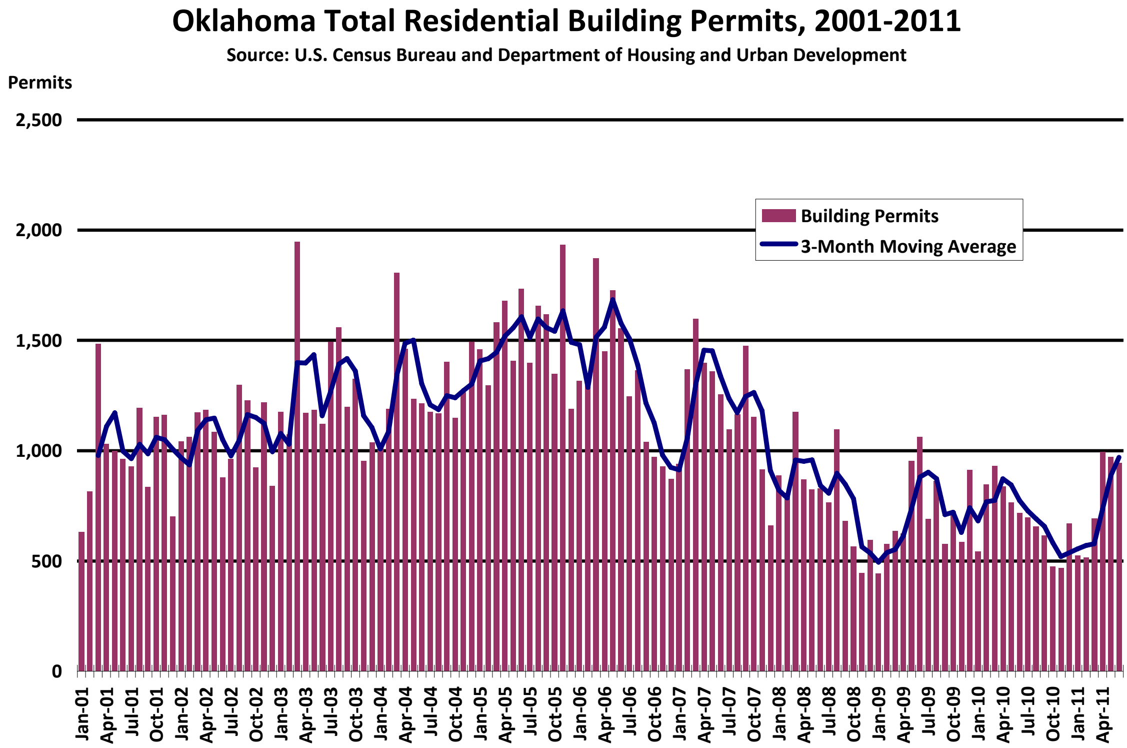


This indicator measures the number of permits issued for housing units (single family home or apartment) authorized for construction. Because permits precede construction, they are considered a leading indicator for the residential construction industry and the overall economy. Most of the construction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

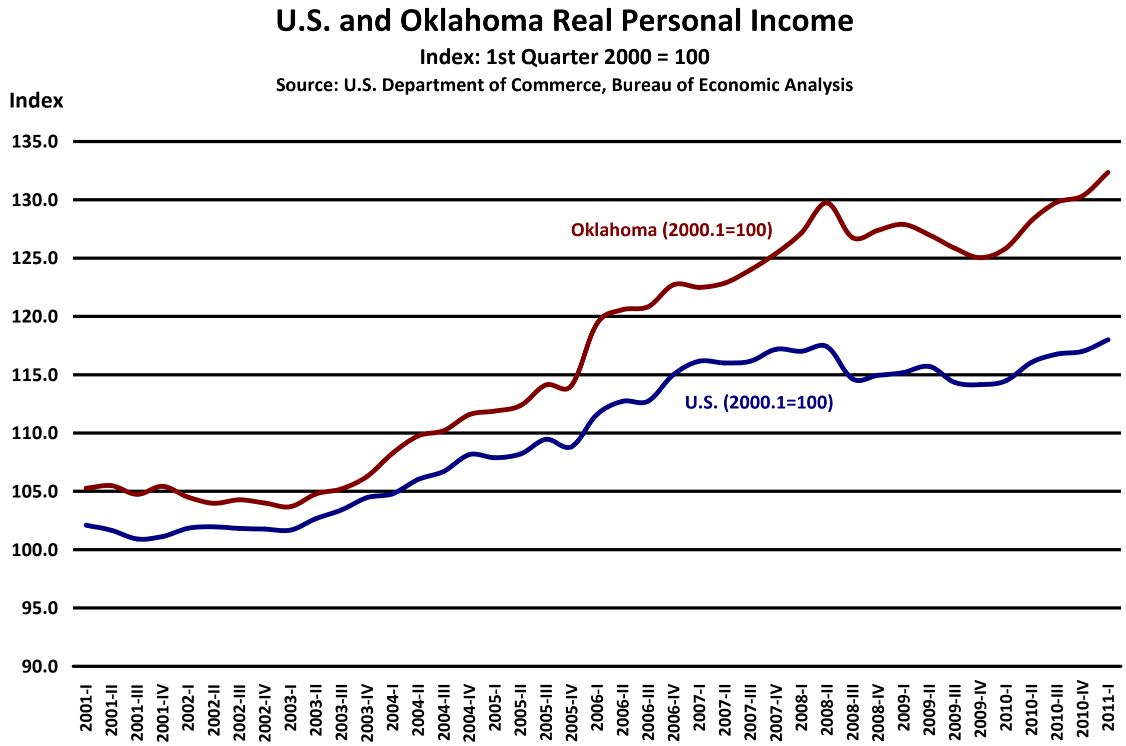
Housing contributes to GDP in two basic ways: through private residential investment and consumption spending on housing services. According to the National Home Builders Association, residential investment has historically averaged roughly 5 percent of GDP while housing services have averaged between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

The housing sector is showing some positive signs. Privately-owned housing units authorized by building permits in June were at a seasonally adjusted annual rate of 624,000 or 2.5 percent above the revised May annualized rate of 609,000 and is 6.7 percent above the June 2010 estimate of 585,000, according to the U.S. Census Bureau.

Over the past several years, U.S. housing starts have dropped to around 400,000 units at an annualized rate, the lowest level in decades. This is largely due to the huge housing overhang that continues to weigh on new construction and depress housing prices. According to a recent study by the Federal Reserve Bank of San Francisco, a simple model of housing supply that takes into account residential mortgage foreclosures suggests that housing starts will return to their long-run average by about 2014 if house prices first stabilize and then begin appreciating, and the bloated inventory of foreclosed properties declines.



Oklahoma total residential permitting edged down 2.3 percent in June but improved 31.1 percent over the year. Single family permitting advanced 13.6 percent from May and was 12.3 percent above April 2010. Multi-family permitting slipped 29.9 percent in June after May—the highest level of multi-family permitting since August 2008. Oklahoma's multi-family permitting component has seen very robust activity in the past three months.



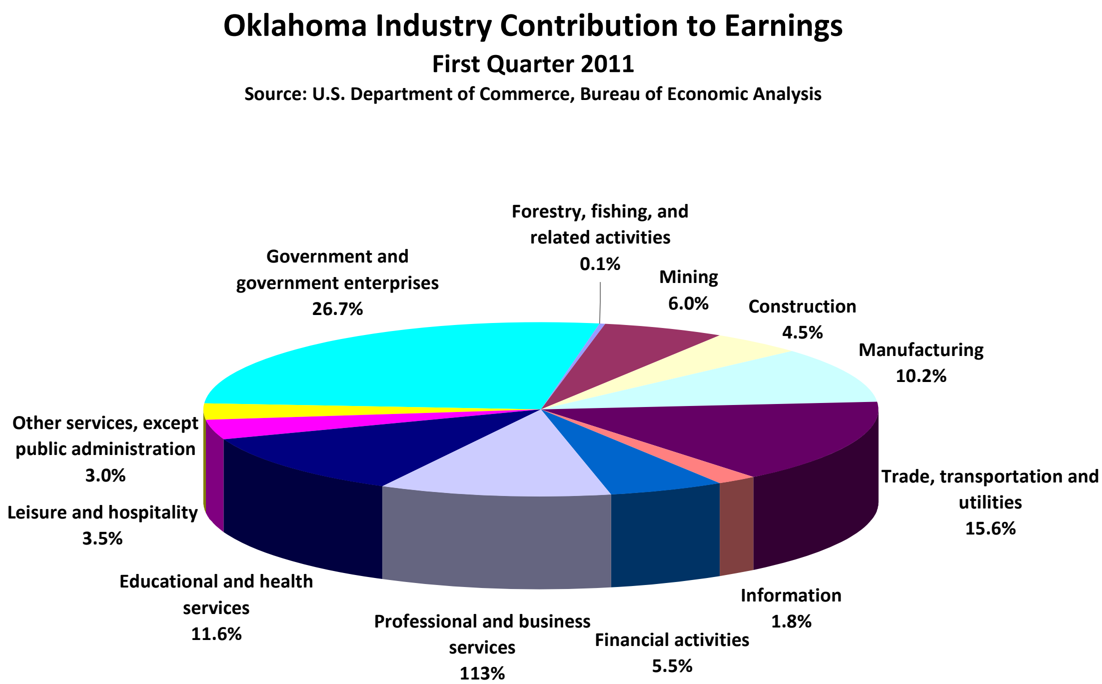
Personal income is a broad measure of economic activity and one for which relatively current data are available. Personal income includes earnings; property income such as dividends, interest, and rent; and transfer payments, such as retirement, unemployment insurance, and various other benefit payments. 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.

In June, both income and spending were soft, reflecting slow job growth, a decline in motor vehicle sales, and a decrease in gasoline prices. Personal income increased $18.7 billion, or 0.1 percent, in June, according to the Bureau of Economic Analysis (BEA). Wages & salaries were unchanged, following a gain of 0.2 percent the prior month.

Real disposable personal income increased 0.3 percent in June, compared to no change in May as both inflation was negative and taxes dipped in the latest month.

Consumer spending declined 0.2 percent rise after posting a 0.1 percent uptick in May. Spending on durable goods declined 0.4 percent after falling 1.3 percent in May. Nondurables dropped 0.6 percent, following a 0.3 percent dip the month before. Services were flat, following a 0.4 percent jump in May. Discounting inflation, overall personal consumption expenditures were unchanged in June, following a 0.1 percent slip in May.



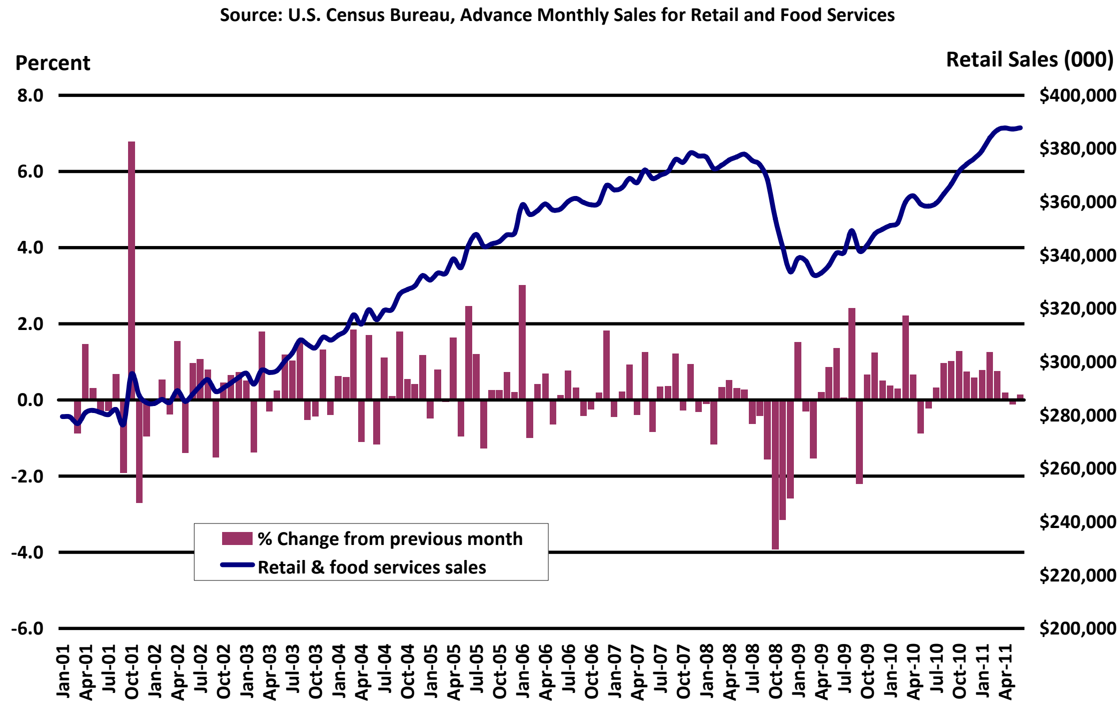
State personal income growth accelerated to 1.8 percent in the 1st quarter of 2011, from 0.8 percent in the 4th quarter of 2010, according to estimates by the Bureau of Economic Analysis (BEA). Personal income increased in all states, with growth ranging from 0.7 percent in Iowa to 6.9 percent in North Dakota. Inflation, as measured by the national price index for personal consumption expenditures, increased to 0.9 percent in the 1st quarter from 0.4 percent in the 4th quarter of 2010.

A two-percentage point reduction in the personal contribution rate for social security, one of the provisions of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, accounted for most of the acceleration in 1st quarter personal income growth in most states.

Mining and durable-goods manufacturing were the best performing industries in the 1st quarter. Overall, mining earnings grew 5.5 percent and durable goods earnings grew 2.8 percent. Earnings in all other industries combined grew only 0.8 percent. The mining industry (which includes oil and gas extraction) contributed more than any other nonfarm industry to personal income growth in six of the seven fastest growing states (North Dakota, Wyoming, Texas, Montana, Oklahoma, and Alaska).

Oklahoma's personal income grew by 2.5 percent in 1st quarter 2011, ranking it the 5th fastest growth rate among states. Total earnings grew by 1.36 percent with the largest contributors to earnings growth being mining (0.28 percent) and durable goods manufacturing (0.25 percent). Other services; construction; real estate and rental & leasing; and professional, scientific, and technical services earnings provided the largest drags to 1st quarter earnings growth.

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

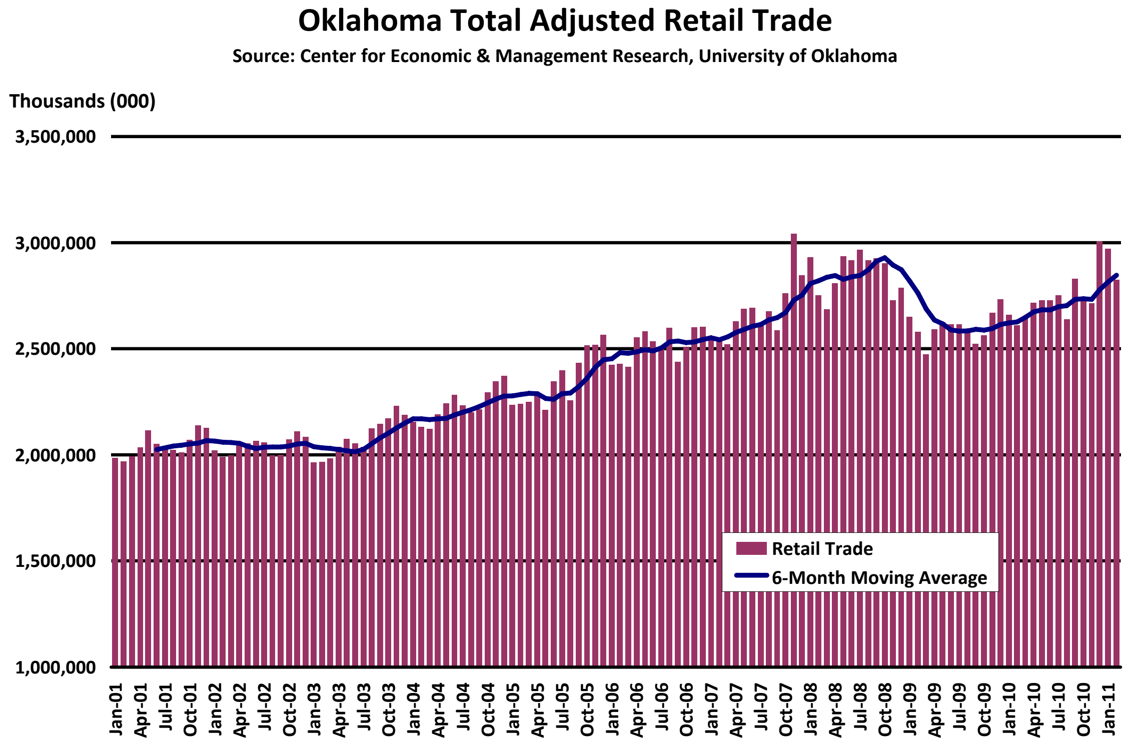


Consumer spending accounts for two-thirds of the U.S. economy and is therefore essential to Oklahoma's economy. Retail sales account for around one-half of consumer spending and economic recovery calls for consumption growth

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.

Retail sales edged up in June despite a price related drop in gasoline sales. Advance estimates of U.S. retail and food services sales for June, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $387.8 billion, an increase of 0.1 percent from the previous month, and 8.1 percent above June 2010, according to the Census Bureau. A rebound in auto sales helped lift overall sales. Motor vehicle sales made a partial 0.8 percent rebound after dropping 1.8 percent in May. Both months' sales were constrained by shortages of models dependent upon parts from Japan.

Gasoline dropped 1.3 percent, following a 0.5 percent increase. Sales excluding autos and gasoline in June posted a modest 0.2 percent rise, matching the gain in May. Outside of autos and gasoline, sales were mixed. The biggest gains were seen in building materials & garden equipment (up 1.3 percent); clothing & accessories (up 0.7 percent); and general merchandise stores (up 0.4 percent). Also gaining were food & beverage, nonstore retailers, and miscellaneous store retailers.



Oklahoma retail sales tumbled in February. Total adjusted retail trade was down $145.5 million or 4.9 percent from January but was 8.3 percent over February 2010, according to OU's Center for Economic and Management Research.

Monthly losses in January were led by non-durable goods sales declining 6.3 percent from January. Estimated gasoline sales saw the largest decline falling 25.7 percent as pump prices eased from January. Other declines in non-durable goods sales were seen in eating and drinking (-4.9 percent), food (-2.8 percent), and general merchandise (-1.5 percent). Gains in other non-durable goods categories included miscellaneous non-durable goods sales (9.5 percent), apparel sales (9.3 percent), liquor sales (1.0 percent), and drugs sales (0.7 percent).

Durable goods sales declined by 0.4 percent over January with losses seen in lumber & hardware (-5.1 percent), auto accessories & repair (-0.4 percent), Gains were seen in other durable goods categories with electronics & music stores (3.8 percent), miscellaneous durables (3.6 percent), used merchandise (2.3 percent), and furniture (0.9 percent).