# Oklahoma Economic Indicators November 2011

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

# OKLAHOMA
# ECONOMIC INDICATORS

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## November 2011

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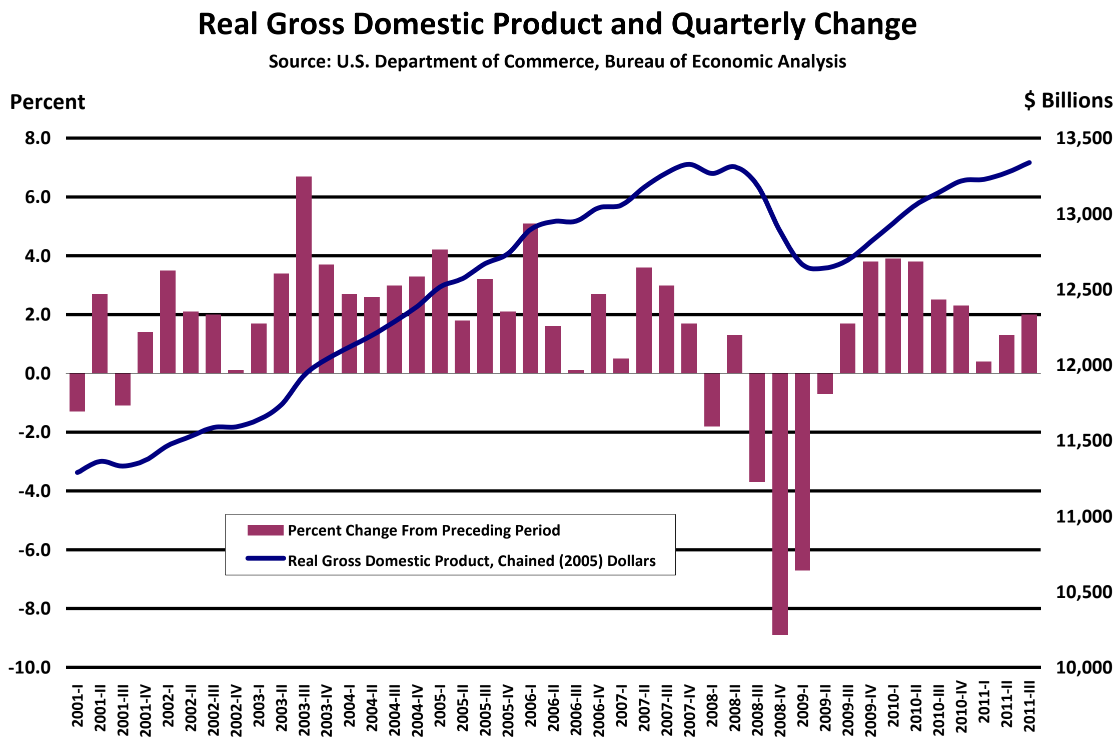
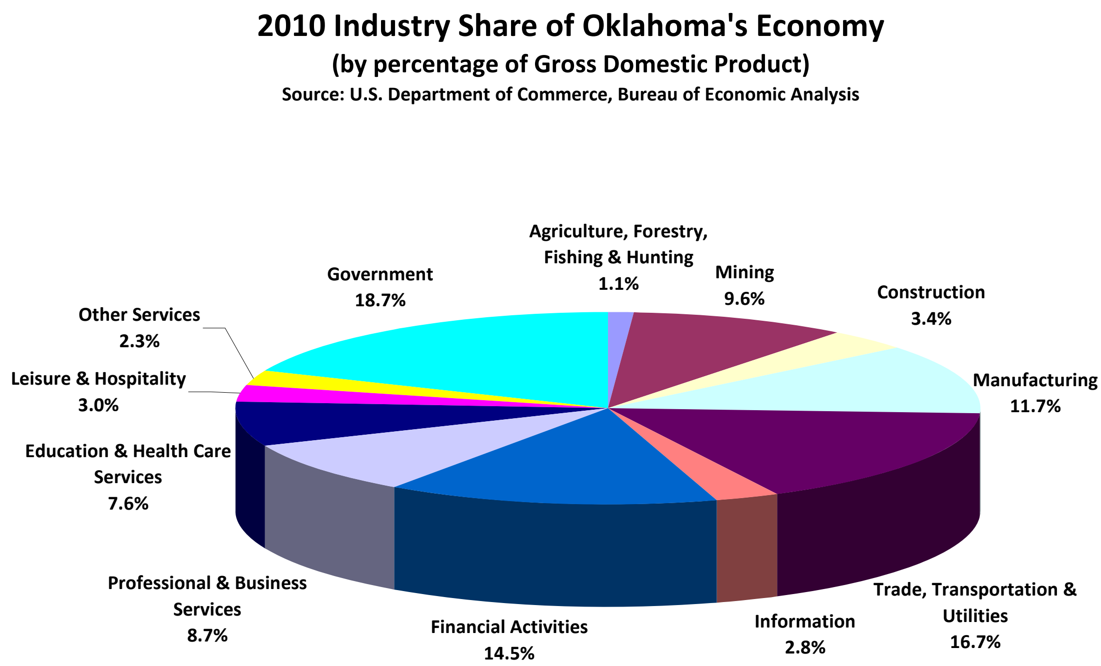



Gross Domestic Product (GDP)—the output of goods and services produced by labor and property located in the United States—is the broadest measure of economic activity. It is also the measure that is most indicative of whether the economy is in recession. In the post-World War II period, there has been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

The U.S. economy grew at a slower pace in the 3rd quarter than initially reported as businesses pared inventories. Gross domestic product grew at an annual rate of 2.0 percent in the July to September period, instead of an initially reported 2.5 percent, according to the "second" estimate released by the Bureau of Economic Analysis (BEA). In the 2nd quarter, real GDP increased 1.3 percent.

The revision was largely due to businesses shrinking their inventories from plus $5.4 billion initially estimated to minus $8.5 billion—the equivalent of a 0.43 percentage point lower contribution to GDP growth. Minor downward revisions were also made to personal consumption, nonresidential fixed investment, residential investment, and government purchases. Net exports were revised up to minus $400.7 billion from minus $409.4 billion.

The revised data confirmed that the economy expanded for the ninth consecutive quarter. The 2.0 percent growth rate was better than the 1.3 percent pace in the 2nd quarter and the 0.4 percent rate in the 1st quarter, when the earthquake in Japan and spiking gasoline prices slowed businesses and consumers.




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.

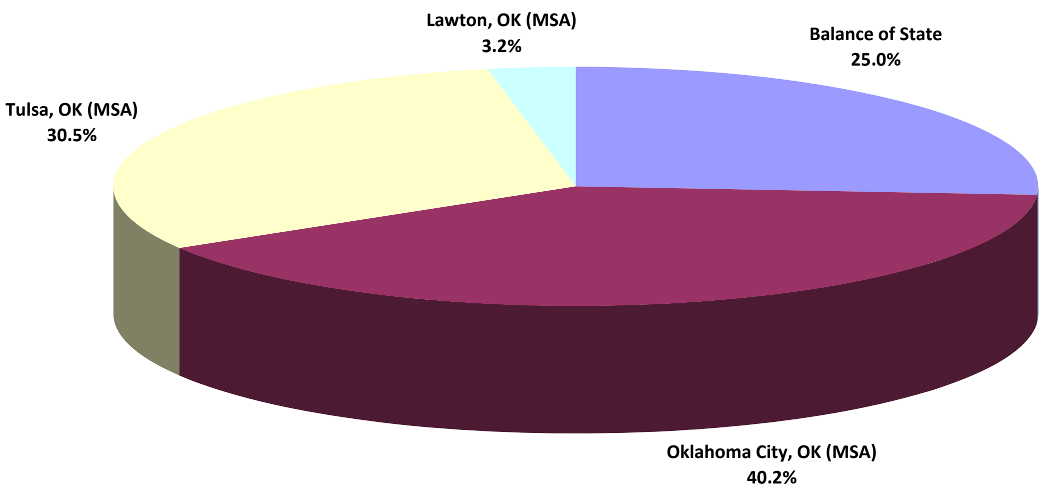
According to the advance estimate from the Bureau of Economic Analysis (BEA), Oklahoma was among 48 states and the District of Columbia experiencing growth in real GDP in 2010. However, Oklahoma's 2009 advance estimate was significantly revised downward primarily due to updated prices for natural gas.

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**

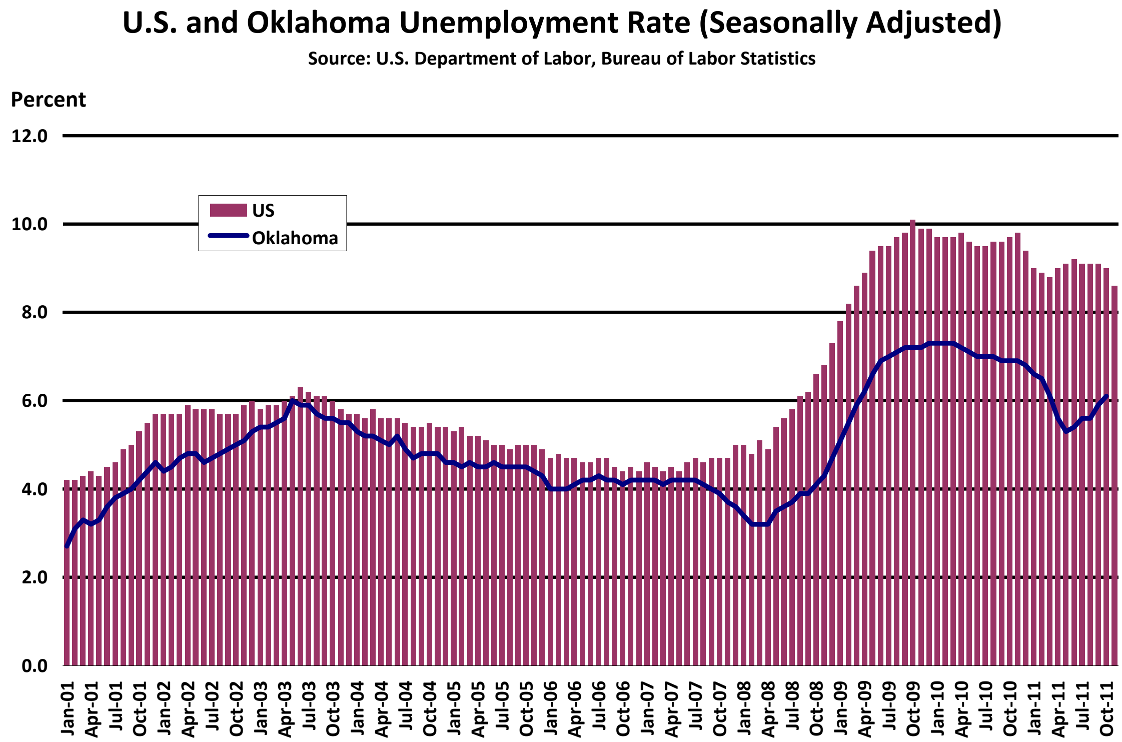



Metropolitan Statistical Areas (MSA) are the county-based definitions developed by the Office of Management and Budget for federal statistical purposes. A metropolitan area is defined as a geographic area consisting of a large population nucleus together with adjacent communities having a high degree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

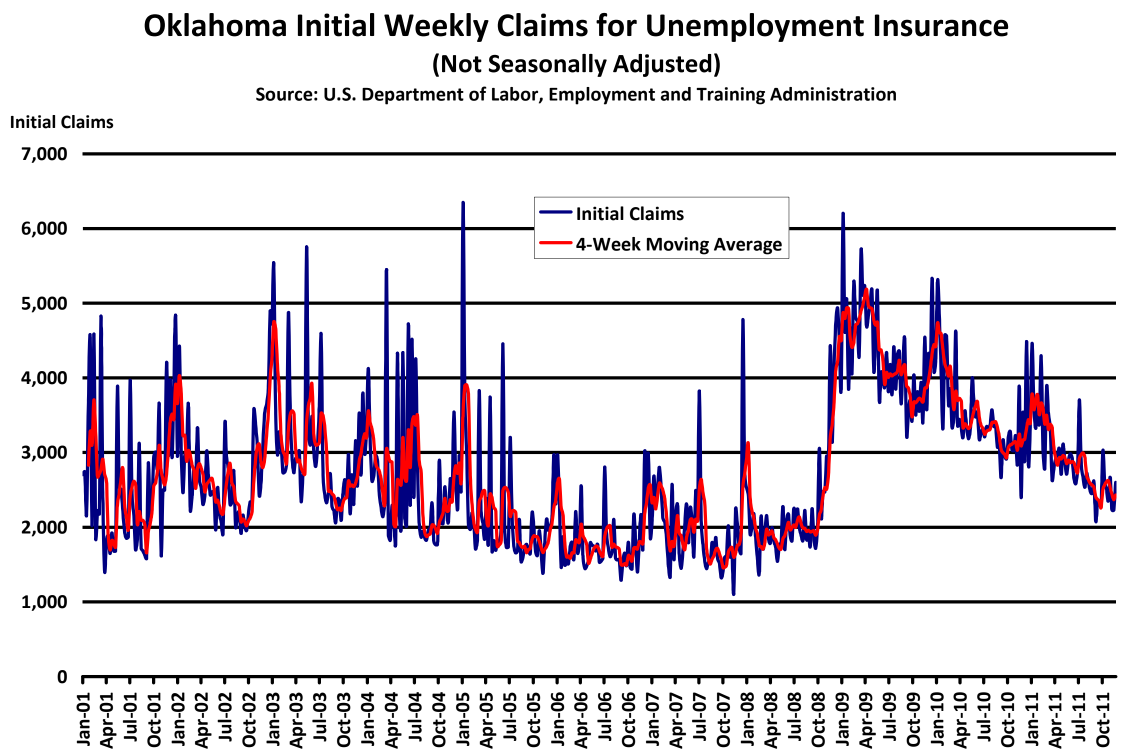



The unemployment rate measures the percentage of people who are without work and is calculated by dividing the estimated number of unemployed people in the state by the civilian labor force. The result expresses unemployment as a percentage of the labor force.

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.

The U.S. unemployment rate unexpectedly dropped sharply in November, falling to its lowest level in 2 1/2 years. The unemployment rate fell 0.4 percentage point to 8.6 percent in November, according to the U.S. Bureau of Labor Statistics (BLS). Prior to this decline, the jobless rate had shown little change since April. The rate is now lower than at any point since March 2009, when it was 8.6 percent as well.

Oklahoma's seasonally adjusted unemployment rate increased by 0.2 percentage points to 6.1 percent in October, the highest statewide jobless rate since March. It was also the 8th lowest jobless rate among all states for October. Nevada continued to report the highest unemployment rate among the states, 13.4 percent in October, while North Dakota again registered the lowest jobless rate, 3.5 percent. Over the year, Oklahoma's seasonally adjusted unemployment rate has declined by 0.8 percentage points.




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.

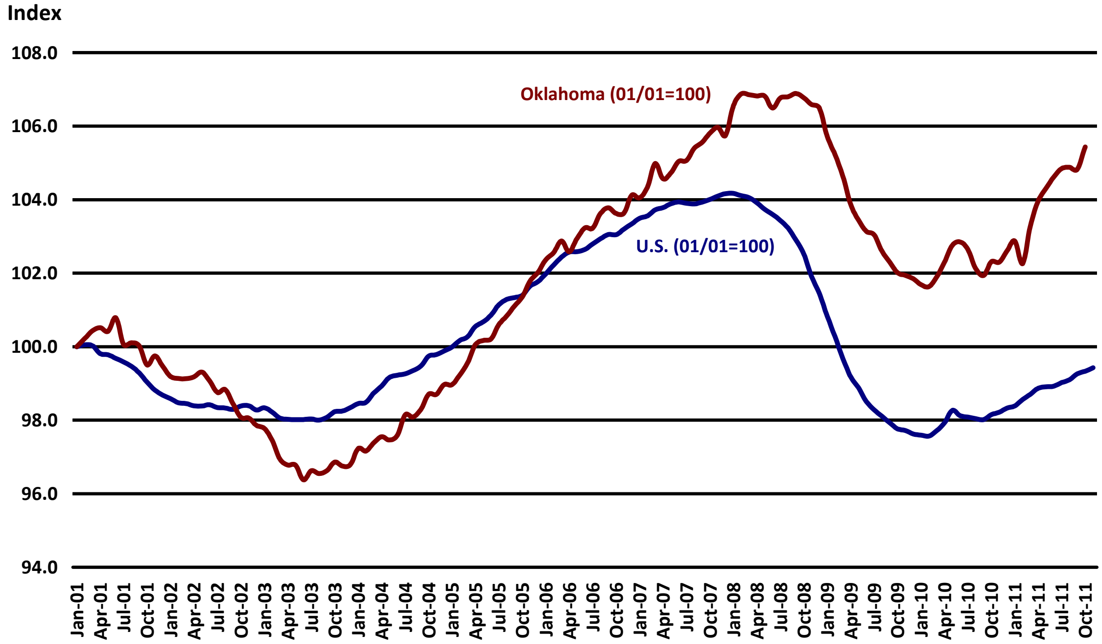
The number of people applying for unemployment benefits fell to the lowest level in nine months, indicating of an improving job market. In the week ending December 3, the advance figure for seasonally adjusted initial claims was 381,000, a decrease of 23,000 from the previous week's revised figure of 404,000, according to the U.S. Department of Labor (DOL). The four-week average, a less volatile measure, fell for the ninth time in 11 weeks to 393,250—the lowest average since early April.

Oklahoma initial claims for unemployment turned up in the last week of November. Initial claims for unemployment were at 2,599 for the file week ending on November 26, an increase of 369 from the previous week's 2,230. The initial claims four-week moving average edged up to 2,432 from the previous 2,371 for a gain of 62. Over the month, the four-week moving average has fallen by 194. In the November 26 file week, continued claims rose to 23,478 from the previous week's 23,286.

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

**Index: January 2001=100**

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




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. labor market strengthened in November as private employers continued to add jobs at a healthy pace. Nonfarm payrolls rose by 120,000 in November, according to the Bureau of Labor Statistics (BLS). Private companies added 140,000 jobs, while the public sector—federal, state and local governments—lost 20,000 jobs.

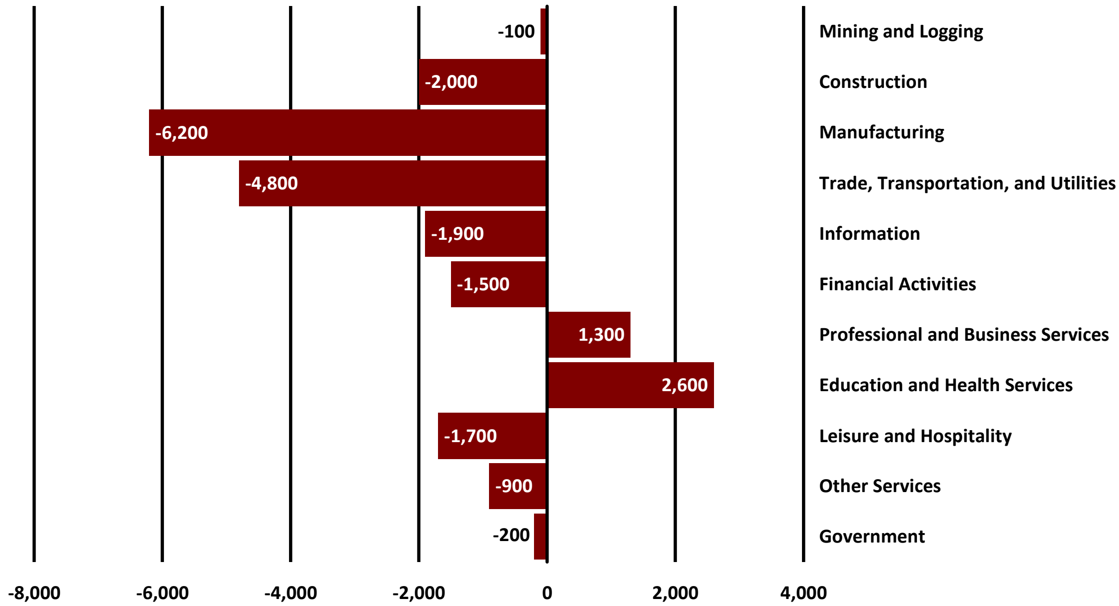
In the private sector, goods-producing jobs slipped 6,000 after a 4,000 decrease in October and 36,000 boost in September. Private service-providing jobs advanced 146,000 in November, following a 121,000 gain the prior month. Government employment continued to trend down. Since the second half of 2008, state and local government combined have shed about 600,000 jobs, with the vast majority from local government.

Oklahoma's seasonally adjusted nonfarm employment grew by 9,100 jobs (+0.6 percent) in October. Service-providing job growth was led by a 3,900-job expansion in trade, transportation & utilities, followed by professional & business services (+2,800), leisure & hospitality (+1,500), and education & health services (+1,000). The largest monthly job drop was provided by government (-1,100 jobs), driven entirely by losses in state government. As in the previous month, all the goods-producing supersectors registered over-the-month job gains led by construction (+1,200), mining (+600), and manufacturing (+300). Nine statewide supersectors posted job gains over the year in October, manufacturing again claimed the largest over-the-year gain of 10,500 jobs.

## 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.

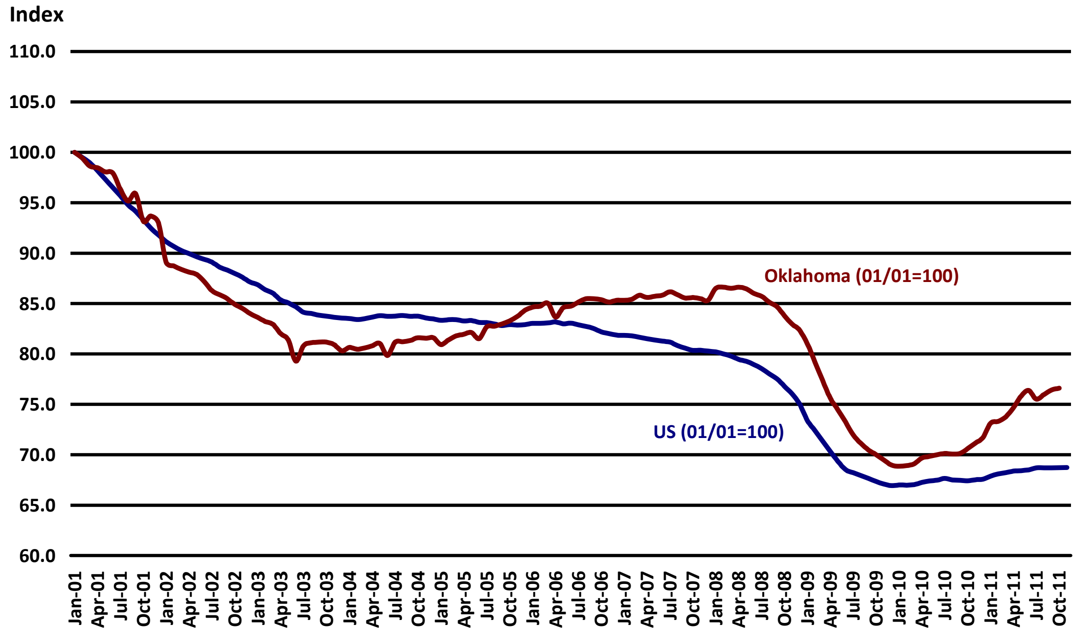
As in 2009, manufacturing suffered the largest employment losses in 2010 dropping 6,200 jobs after losing 20,500 in 2009. Durable goods manufacturing lost 5,400 jobs while non-durable goods manufacturing declined by 900 jobs. The broad trade, transportation and utilities sector followed with an over-the-year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

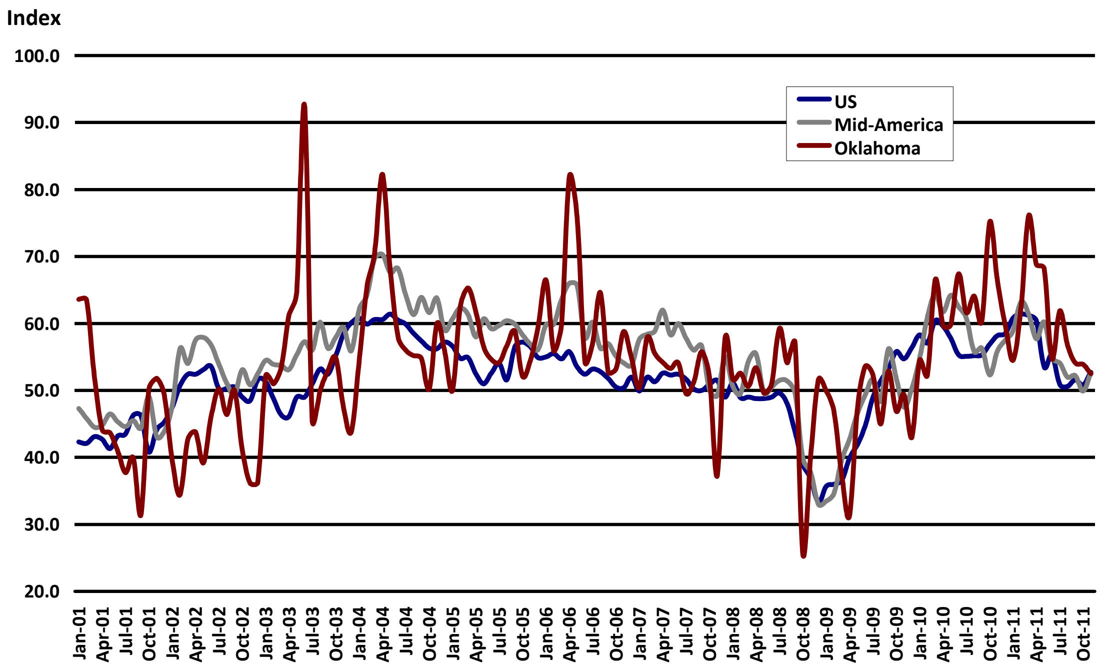
At one time, manufacturing made up 38 percent of the nation's employment. However, manufacturing employment in the United States has been declining since 1979, as productivity, technology gains, and the transfer of manufacturing to locations outside the United States have reduced the demand for traditional 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 changed little in November and has remained essentially unchanged since July. Manufacturing employment edged up 2,000 after a 6,000 rise in October, according to the Bureau of Labor Statistics (BLS). In November, fabricated metal products added 8,000 jobs, while electronic instruments lost 2,000 jobs.

Manufacturing employment in Oklahoma edged up to a seasonally adjusted 300 jobs in October for a 0.2 percent monthly growth rate. Durable goods manufacturing led all of the manufacturing job gains in October with contributions from transportation equipment, machinery manufacturing, and fabricated metal products. Over the year, manufacturing employment has added 10,500 jobs for an 8.5 percent gain.

**Purchasing Managers' Index (Manufacturing)**

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



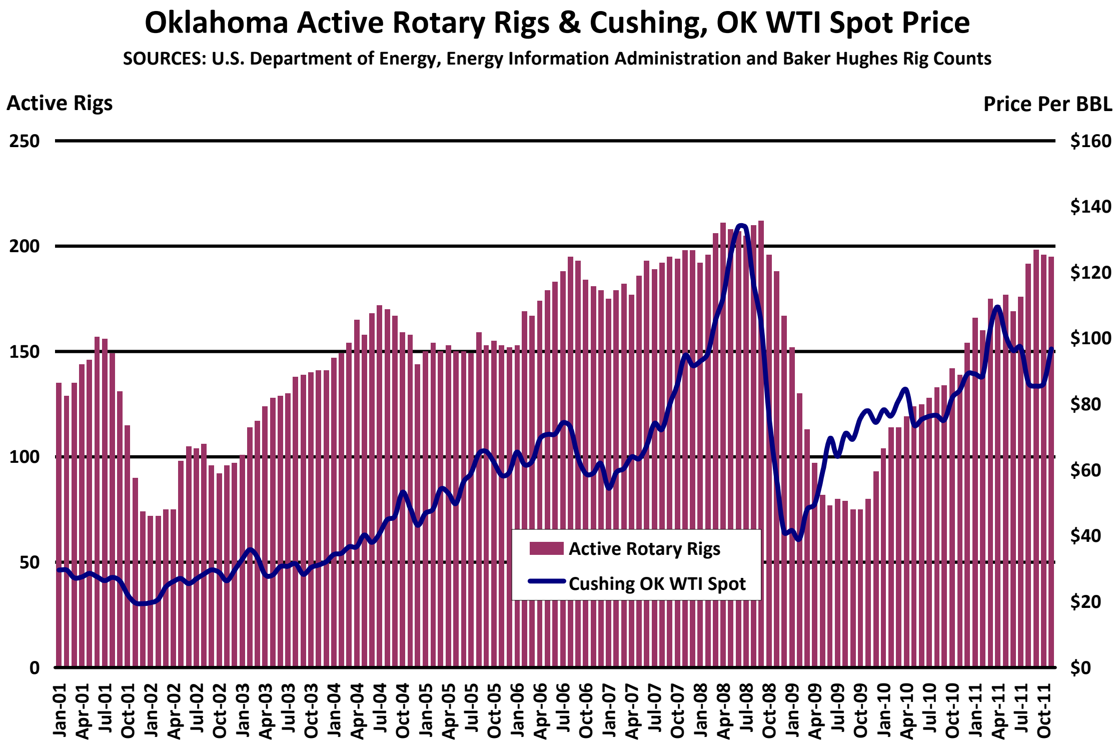

Economists consider the Institute for Supply Management's Purchasing Managers' Index (PMI) a key economic indicator. The Institute for Supply Management (ISM) surveys more than 300 manufacturing firms on employment, production, new orders, supplier deliveries, and inventories. The ISM manufacturing index 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.

New orders are turning higher in November in what is very good news for the manufacturing sector. The PMI registered 52.7 percent, an increase of 1.9 percentage points from October's reading of 50.8 percent, indicating expansion in the manufacturing sector for the 28th consecutive month, according to the Institute for Supply Management (ISM). The new orders index for November was up a very strong 4.3 points to 56.7, above 50 to indicate monthly growth and well above October. November's level was the best since June.

By component, there was acceleration for export orders and for production. Delivery times were up slightly while input prices slipped for a second month. Backlog orders are going down which is a negative that will hopefully be offset by the rise in new orders. Another disappointment was employment where hiring slowed. Inventory readings were stable.

After declining below growth neutral in October, the Business Conditions Index for the nine-state, Mid-America region, moved above 50.0 for November, according to the Creighton Economic Forecasting Group. November's reading is the 23rd time in the past 24 months that the index has risen above growth neutral. 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 and a small risk of a recession.

Oklahoma's Business Conditions Index declined in November to 52.5 from October's 53.9. Components of the leading economic indicator for November were new orders at 55.5, production or sales at 49.3, delivery lead time at 59.6, inventories at 46.9, and employment at 57.0.




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 growth in crude oil supply, particularly from Canada and North Dakota, to the midcontinent region where West Texas Intermediate (WTI) is traded, has not yet been matched by increases in transportation capacity out of the Midwest to the refining centers, such as the Gulf Coast. This transportation bottleneck contributes to the large price discount for WTI relative to other U.S. and world crude oils such as Brent crude. The WTI/Brent spread, rarely more than a few dollars in past years, surged this year due to ballooning inventories around the Cushing, Oklahoma, delivery point for the U.S. oil contract and hit a record $28 a barrel in October.

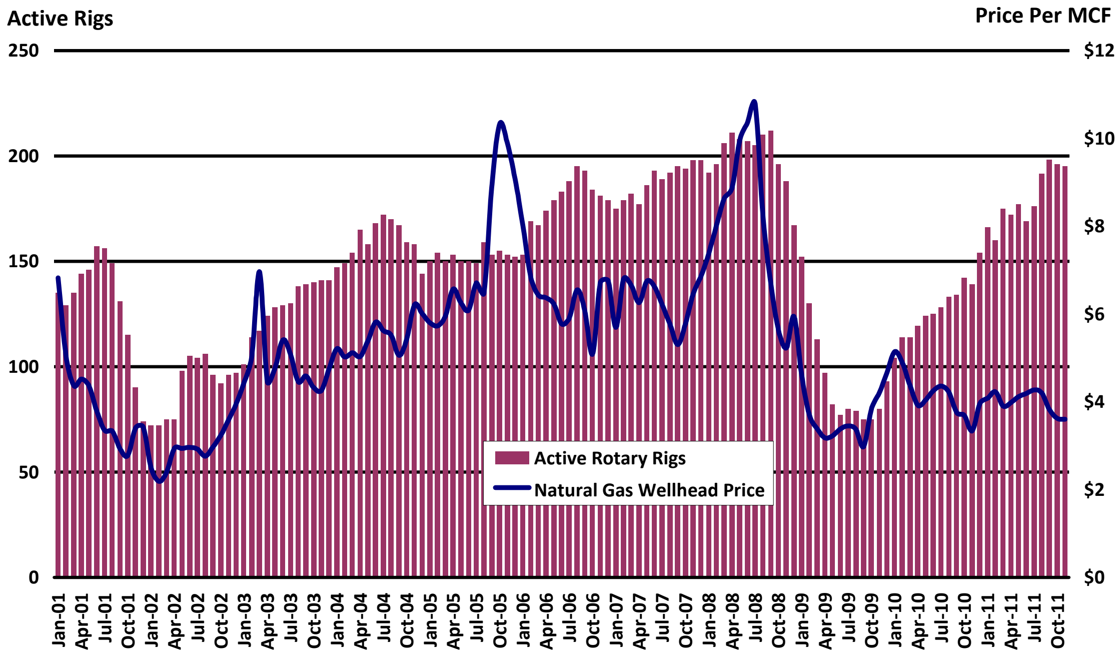
Two Canadian pipeline firms, Enbridge Inc. and TransCanada Corporation recently announced new pipeline plans in an effort to unclog the year-long U.S. oil bottleneck. After purchasing ConocoPhillips' stake in the 350,000 barrel-per-day Seaway pipeline for $1.15 billion, Enbridge and new partner Enterprise Products Partners said they plan to reverse the line's flow to send crude locked up at the Cushing, Oklahoma oil hub to the Texas coast. Separately, rival TransCanada said it could begin construction of a similar Cushing-to-Gulf-Coast pipeline spur of its proposed Keystone XL pipeline early next year, pending consultations with the U.S. State Department.

West Texas Intermediate (WTI) crude oil spot prices fell from an average of $110 per barrel in April to $86 per barrel in August, and remained near this level through October. WTI-Cushing crude oil spot prices surged to an estimated $96.81 per barrel in November, up $10.49 cents from September's $86.32 per barrel average.

Oklahoma's rotary rig activity was nearly unchanged at 195 in November, 1 rig less than the October count of 196. Over the year, Oklahoma's active rotary rig count has grown by 56 rigs from November 2010.

## Oklahoma Active Rotary Rigs & Natural Gas Wellhead Price

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

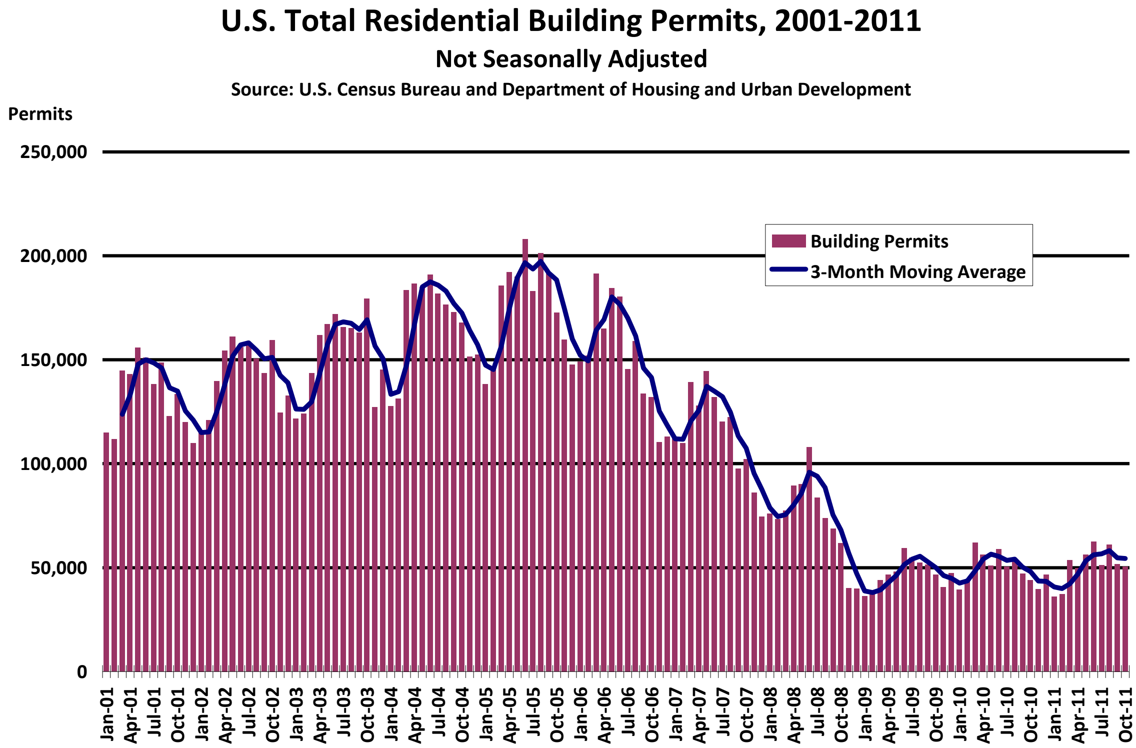



Oklahoma is one of the top natural gas producers in the United States with production typically accounting for almost one-tenth of the U.S. total. More than a dozen of the 100 largest natural gas fields in the country are found in Oklahoma and proven reserves of conventional natural gas have been increasing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

For the third month in a row, natural gas prices continued to fall from their $4 support level. Estimated average natural gas wellhead prices slipped 2 cents from $3.62 per Mcf in October to an estimated $3.60 per Mcf in November.

The U.S. natural gas rotary rig count, as reported November 25 by Baker Hughes Incorporated, fell by 6 over the previous week to 865 active units. Meanwhile, oil-directed rigs increased by 5 to 1,130 units. The increase in oil rigs is likely related to strengthening oil prices over the year. Though natural gas rigs have fallen year over year (and declined substantially from record highs in 2008), production has continued to rise.

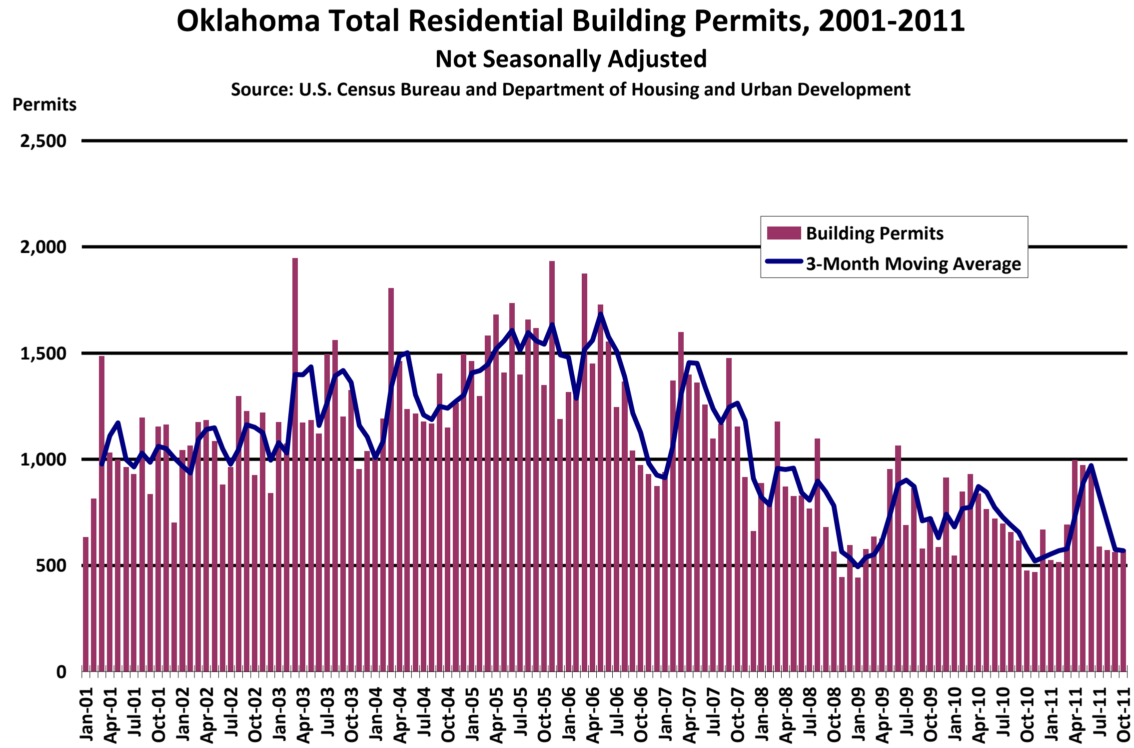



This indicator measures the number of permits issued for housing units (single family home or apartment) authorized for construction. Because permits precede construction, they are considered a leading indicator for the residential construction industry and the overall economy. Most of the construction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

New residential construction essentially held steady in October but homebuilders may be increasingly optimistic as housing permits jumped. Privately-owned housing units authorized by building permits in October were at a seasonally adjusted annual rate of 653,000 or 10.9 percent above the revised September rate of 589,000, according to the U.S. Census Bureau. October permitting activity was up 17.7 percent above the October 2010 estimate of 555,000.

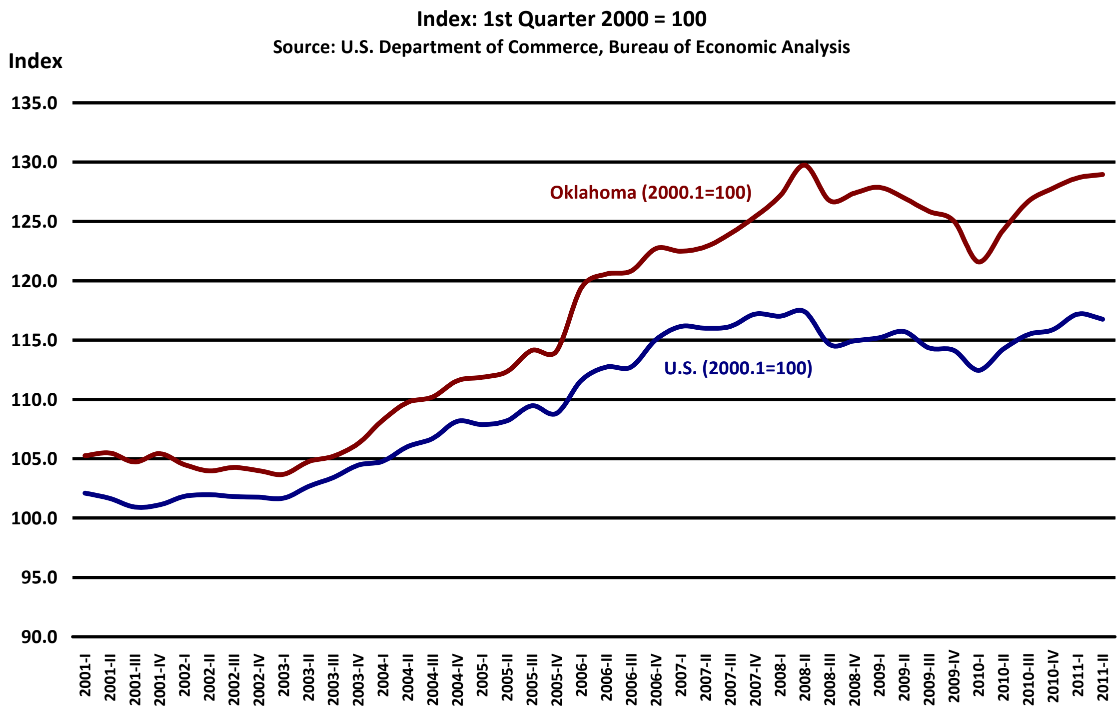
In October, multifamily permits gained 24.4 percent while single-family permits rose 5.1 percent. Over the year, multifamily permits were up 48.0 percent while single-family permits were up 6.6 percent. Homebuilders clearly are more optimistic about the multifamily sector than single-family. It appears that excess supply is still somewhat an issue for the single-family sector, along with continued soft demand.




Oklahoma total residential permitting declined 2.3 percent in October according to the U.S. Census Bureau. Single-family permitting dropped 11.6 percent in October. Multi-family permitting, which had slowed during the summer, continued its positive trend growing by 106.1 percent over September. In the 2nd quarter of this year there were a total of 934 multi-family permits issued compared to only 92 in the 3rd quarter.

Year to date, total residential permitting for the first 10 months of 2011 was down 2.1 percent from the same period in 2010. Single-family permitting for the first 10 months of 2011 was down 10.3 percent compared to 2010 while multi-family permitting was up 39.4 percent.

## U.S. and Oklahoma Real Personal Income




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.

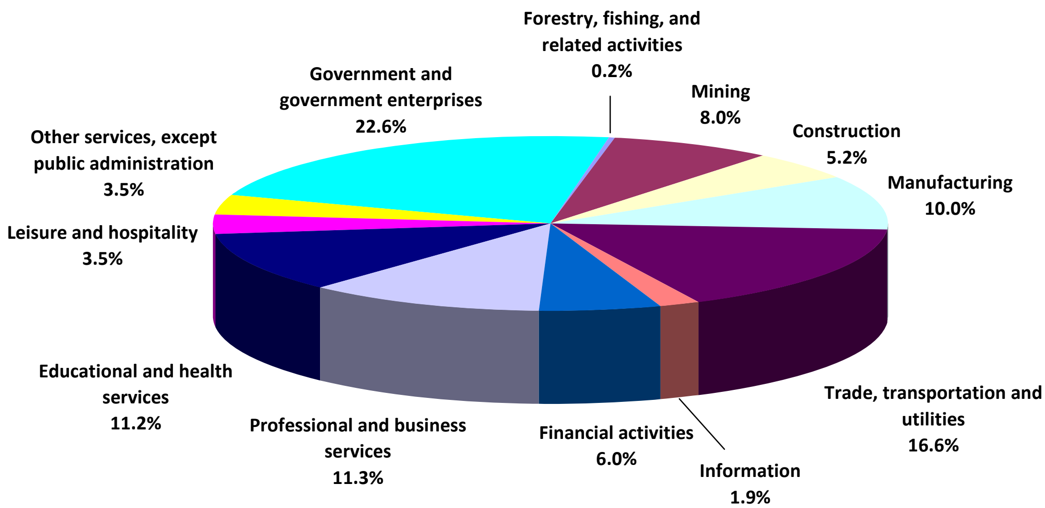
Americans earned more in October, an indication they may spend more in the coming weeks. Personal income increased $48.1 billion, or 0.4 percent, in October, according to the Bureau of Economic Analysis (BEA). And when subtracting taxes and adjusting for inflation, disposable personal income (DPI) increased $30.2 billion, or 0.3 percent. The solid increase followed five straight months of weak income gains.

Following a strong gain in September, the pace of consumer spending eased somewhat in October. Personal consumption expenditures (PCE) rose only 0.1 percent in October, following a 0.7 percent surge in September. Personal spending was led by durables, up 0.8 percent after a 2.9 percent jump in September. On a drop in gasoline prices, nondurables decreased 0.2 percent, following a 1.0 percent jump the month before. Services rose 0.1 percent after a 0.2 percent gain in September.

## Oklahoma Nonfarm Industry Contribution to Earnings

**Second Quarter 2011**

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




State personal income growth slowed to 1.1 percent, on average, in 2nd quarter 2011, down from 2.1 percent in the 1st quarter, according to estimates released today by the U.S. Bureau of Economic Analysis (BEA). Growth rates ranged from 2.2 percent in Nebraska and South Dakota to 0.7 percent in the states of Washington and Georgia. Inflation, as measured by the national price index for personal consumption expenditures, decreased to 0.8 percent in the 2nd quarter from 1.0 percent in the 1st quarter of 2011.

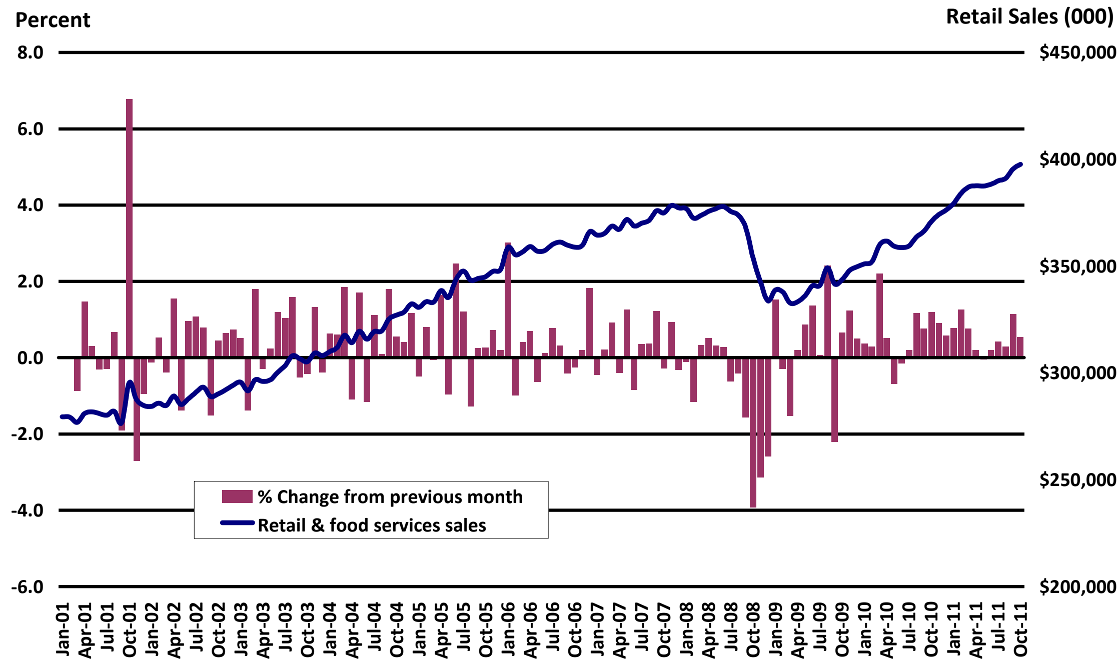
The deceleration in the 2nd quarter brought personal income growth back to the rate prevailing in the last two quarters of 2010. Personal income growth had been boosted 0.8 percentage point in the 1st quarter by a reduction in the personal contribution rate for social security, one of the provisions of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

Earnings in health care and professional services grew in all states in the 2nd quarter. What distinguished the fastest growing states from the others were the contributions of their farming, mining, and durable goods manufacturing industries.

Oklahoma’s personal income growth rate of 1.7 percent in the 2nd quarter of 2011 ranked it the 4th fastest growth rate among all states. Personal income rose to $141.3 billion, up from a revised $138.9 billion in the first quarter. However, the state’s income growth has slowed from 2.2 percent at the same time last year. Total earnings grew by 1.38 percent with the largest contributors to earnings growth being durable goods manufacturing (0.26 percent), followed by mining (0.25 percent), and professional, scientific, and technical services; and administrative and waste services (each at 0.10 percent).

## 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



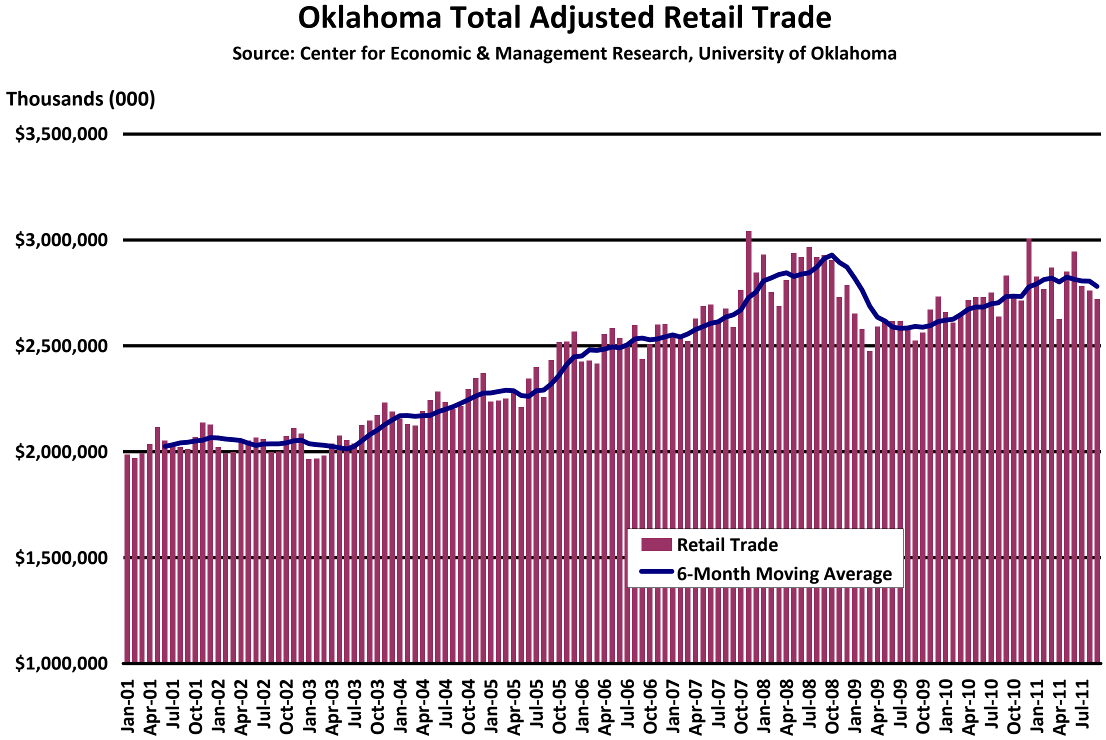

Consumer spending accounts for two-thirds of the U.S. economy and is therefore essential to Oklahoma's economy. Retail sales account for around one-half of consumer spending and economic recovery calls for consumption growth

Consumers spent more on trucks, electronics and building supplies in October to boost retail sales for the fifth straight month. Advance estimates of U.S. retail and food service sales for October reached $397.7 billion, an increase of 0.5 percent from the previous month and 7.2 percent above October 2010, according to the U.S. Census Bureau. October's gain came on top of a strong 1.1 percent rise in September sales.

Component gains in October were broad-based. Sales of electronics jumped 3.7 percent, which many economists said was due in part to the introduction of Apple Inc.'s new iPhone. Building materials & gardening equipment sales followed, posting a 1.5 percent gain. One area that has grown steadily in the recovery is online sales—a trend that continued in October, as "nonstore" sales climbed 1.5 percent. Also seeing gains were motor vehicles, food & beverage, health & personal care, sporting goods & hobby, miscellaneous store retailers, and food services & drinking places.

The largest decline was in clothing & accessory stores, down 0.7 percent, and furniture & home furnishing, also down 0.7 percent. Gasoline station sales also slipped. General merchandise store sales were unchanged in October.

A rebound in consumer spending was the key reason why the economy grew at an annual rate of 2.5 percent in the July-September quarter. It was the best quarterly performance in a year. Still, consumers might not be able to sustain their spending growth if unemployment remains high and pay raises scant.




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.