Oklahoma Economic Indicators September 2011

Oklahoma Employment Security Commission
Economic Research and Analysis
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OKLAHOMA
ECONOMIC INDICATORS

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September 2011

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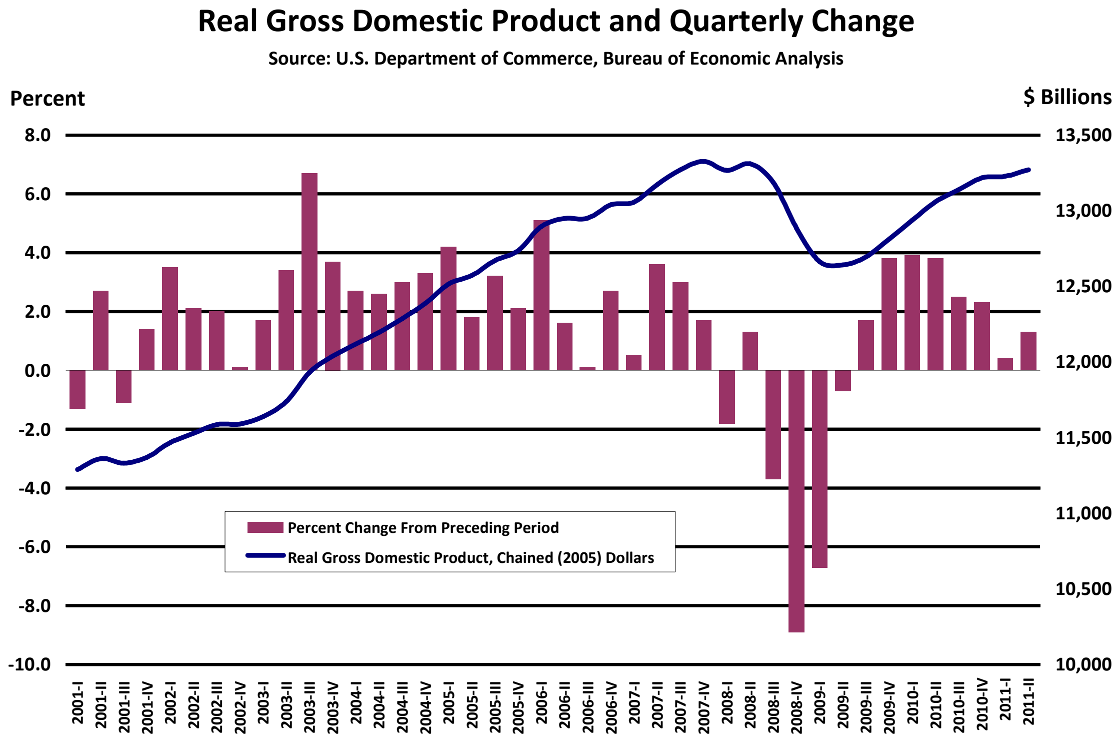


Gross Domestic Product (GDP)—the output of goods and services produced by labor and property located in the United States—is the broadest measure of economic activity. It is also the measure that is most indicative of whether the economy is in recession. In the post-World War II period, there has been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

Economic growth for the 2nd quarter ended up stronger than previously estimated but remained anemic. Real gross domestic product increased at an annual rate of 1.3 percent in the 2nd quarter of 2011, up from an estimate of 1.0 percent a month ago, according to the "third" estimate released by the Bureau of Economic Analysis (BEA). In the 1st quarter, real GDP increased by only 0.4 percent.

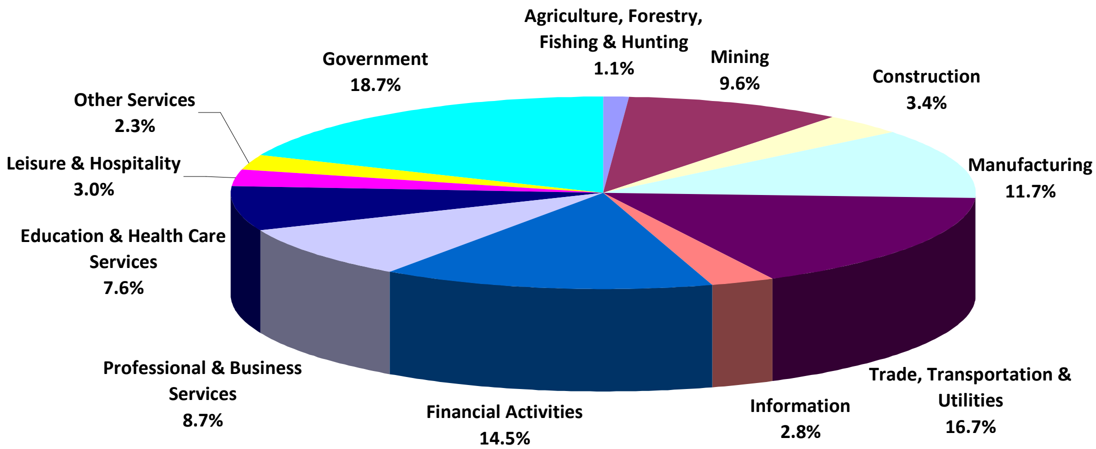
The increase in 2nd quarter real GDP primarily reflected positive contributions from nonresidential fixed investment, personal consumption expenditures (PCE), exports, and federal government spending that were partly offset by negative contributions from state and local government spending and private inventory investment. Imports, which are a subtraction in the calculation of GDP, increased.

According to the BEA, profits of U.S. corporations are at record levels even as the U.S. economy is still struggling. Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased $61.2 billion in the 2nd quarter, compared with an increase of $19.0 billion in the 1st quarter. Current-production cash flow (net cash flow with inventory valuation adjustment)—the internal funds available to corporations for investment—increased $86.2 billion in the 2nd quarter, compared with an increase of $21.1 billion in the 1st quarter.

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.

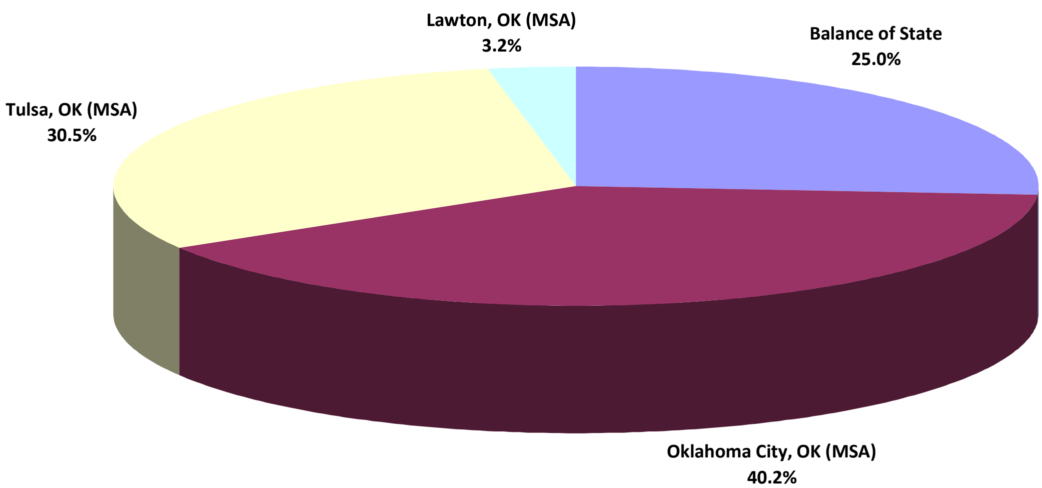
According to the advance estimate from the Bureau of Economic Analysis (BEA), Oklahoma was among 48 states and the District of Columbia experiencing growth in real GDP in 2010. However, Oklahoma's 2009 advance estimate was significantly revised downward primarily due to updated prices for natural gas.

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

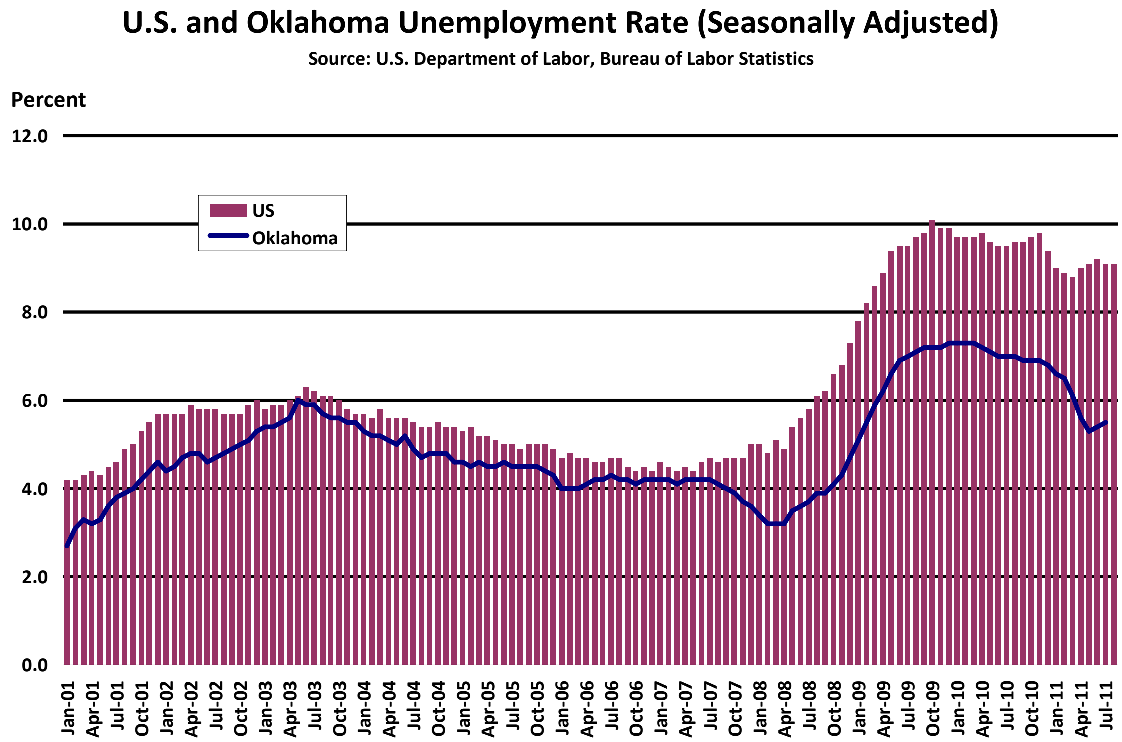


Metropolitan Statistical Areas (MSA) are the county-based definitions developed by the Office of Management and Budget for federal statistical purposes. A metropolitan area is defined as a geographic area consisting of a large population nucleus together with adjacent communities having a high degree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

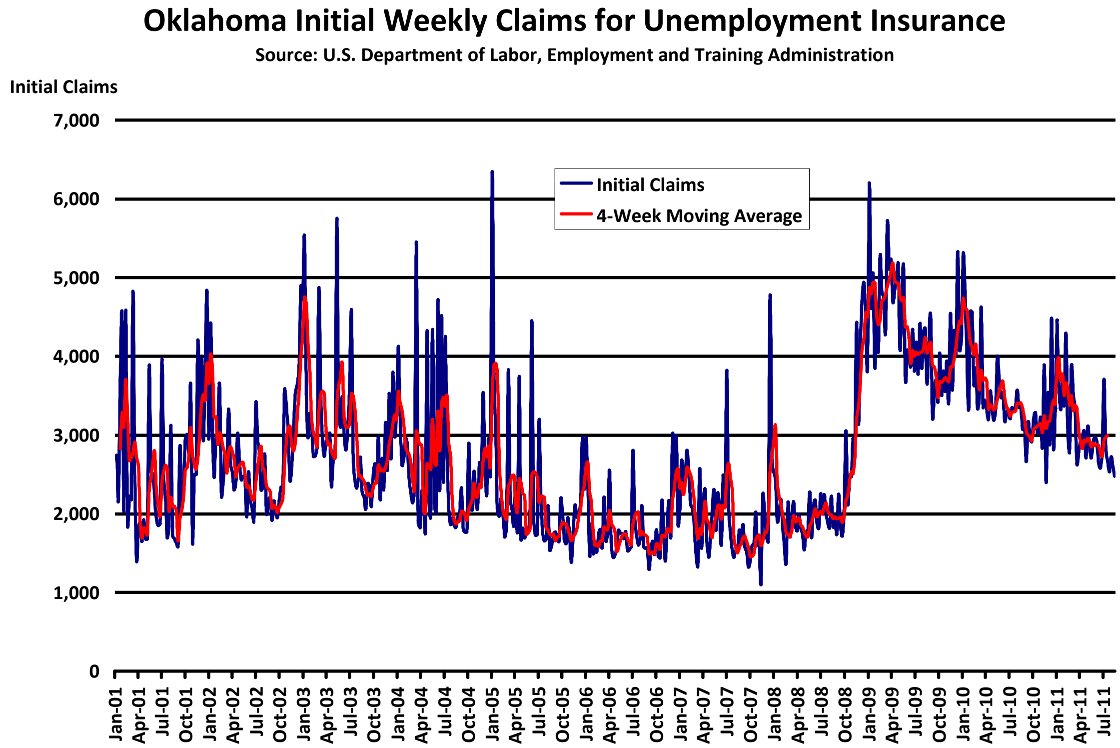


The unemployment rate measures the percentage of people who are without work and is calculated by dividing the estimated number of unemployed people in the state by the civilian labor force. The result expresses unemployment as a percentage of the labor force.

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.

The number of unemployed persons, at 14.0 million, was essentially unchanged in September, and the unemployment rate was 9.1 percent, according to the Bureau of Labor Statistics (BLS). Since April, the rate has held in a narrow range from 9.0 to 9.2 percent.

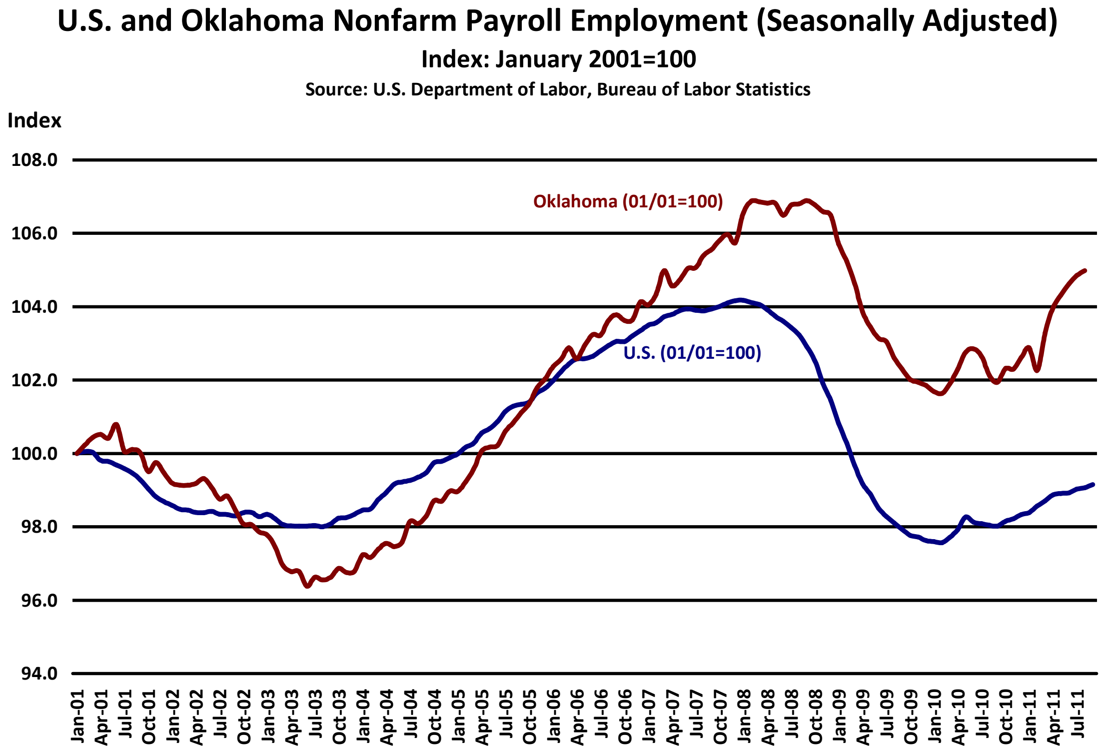
Oklahoma’s seasonally adjusted unemployment rate remained at 5.6 percent in August. Oklahoma continued to hold the fifth-lowest unemployment rate among all states in August. Nevada continued to report the highest unemployment rate among the states, 13.4 percent in August, while North Dakota again registered the lowest jobless rate, 3.5 percent. Over the year, Oklahoma’s seasonally adjusted unemployment rate has declined by 1.4 percentage points—the second-largest jobless rate decrease among states from August 2010.



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 who applied for unemployment benefits rose slightly in the last week of September, a sign that the job market remains weak. In the week ending October 1, the advance figure for seasonally adjusted initial claims was 401,000, an increase of 6,000 from the previous week's revised figure of 395,000. The 4-week moving average was 414,000, a decrease of 4,000 from the previous week's revised average of 418,000, according to the U.S. Department of Labor (DOL). Hurricane Irene may have elevated jobless claims all along as the Labor Department is attributing the large decline in initial claims in the September 24 week to state offices catching up with hurricane-related data.

In Oklahoma, initial claims continued to fall in September. Initial claims dropped by 259 from 2,608 for the file week ending September 3rd to 2,349 for the file ending on September 24th. During the same period, the initial claims four-week moving average dropped by 190 from 2,536 to 2,345. Continued claims dropped by 910 from the file week of September 3rd and the insured unemployment rate remained at 1.7 percent in the September 24th file week.



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 last month, and employment gains for the previous two months were revised higher, providing some hope for the weak labor market. Total nonfarm payroll employment edged up by 103,000 in September, according to the Bureau of Labor Statistics (BLS). Payrolls data for the previous two months were revised up by a total 99,000 to show 57,000 jobs were added in August and 127,000 jobs in July.

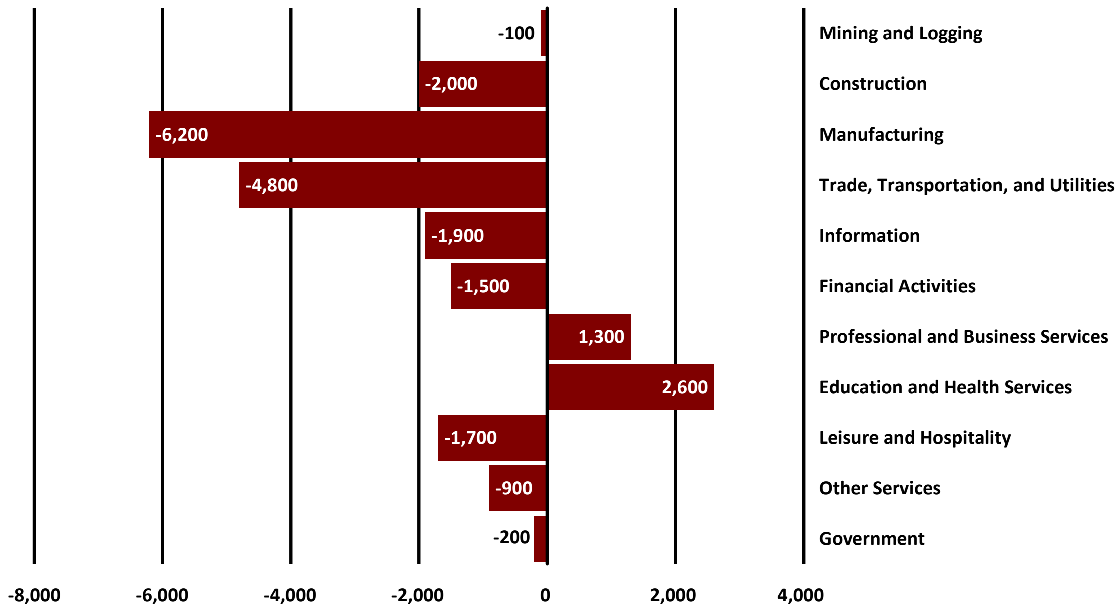
September job gains occurred in professional and business services, health care, and construction. Government employment continued to trend down. However, the September payroll data was boosted by a one-time event: 45,000 telecommunications workers returning to their jobs following a strike at Verizon Communications Inc. in August.

Oklahoma nonfarm employment continued to grow in August adding 2,100 jobs for a 0.1 percent increase over July. Four of Oklahoma's 11 statewide supersectors reported job gains in August, with government (+1,600 jobs), and professional & business services (+1,200 jobs), leading the way. The largest monthly loss was in trade, transportation and utilities (-1,000). Nine of the state's supersectors posted over-the-year gains led by manufacturing (+10,800), professional and business services (+7,900), and leisure and hospitality (+6,200). The largest yearly loss was in other services (-1,200).

Oklahoma Employment Change by Industry

2009 - 2010

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



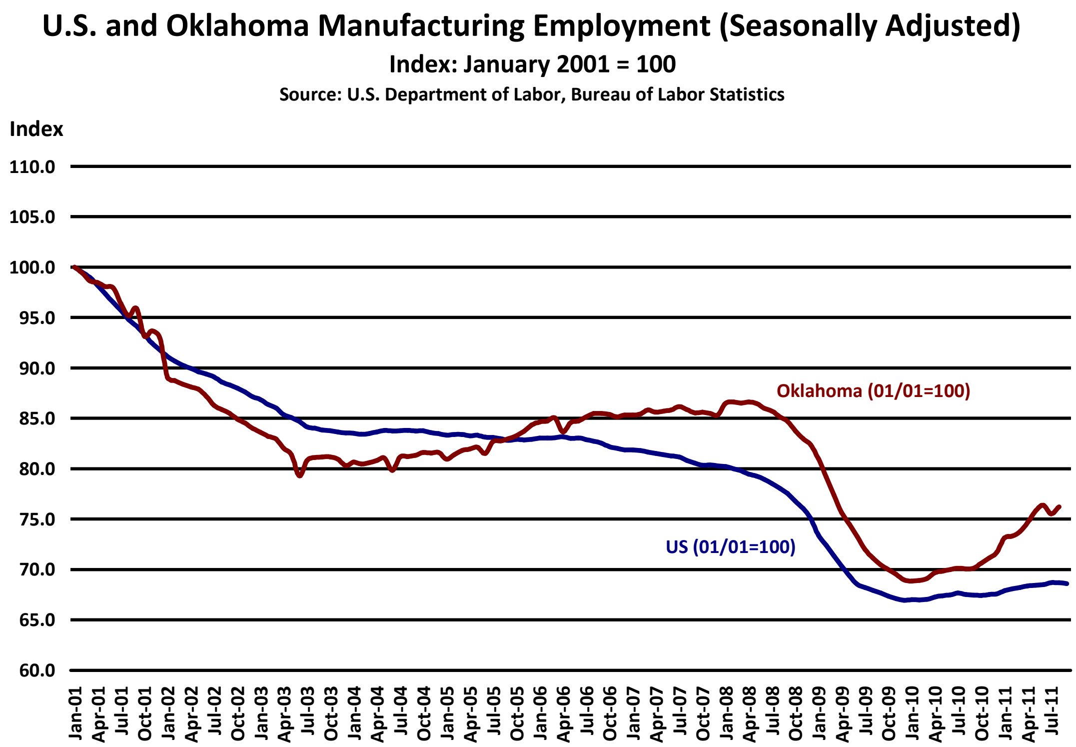
Employment growth by industry identifies the types of jobs being created in the state. Conversely, industries with a decreasing employment trend indicate those which are becoming less important to the state's economy. There may also be industries which behave more cyclically, growing during expansion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

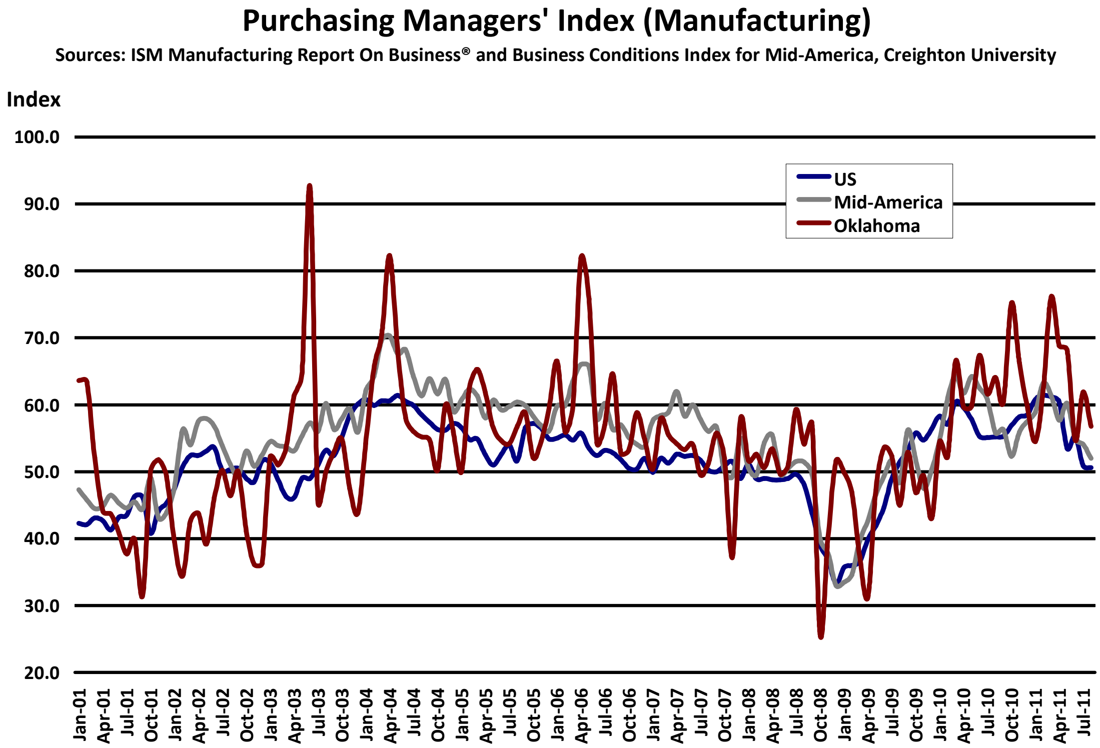


Manufacturing and production are still important parts of both the U.S. and Oklahoma economies and have been seriously adversely affected by the recession. In Oklahoma, manufacturing accounts for the largest share of private output in the state and one of the largest shares of employment. In addition, 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 changed little in September (-13,000) and has been essentially flat for the past 2 months, according to the Bureau of Labor Statistics (BLS). For the past five months, manufacturing has added an average of 14,000 jobs per month, compared with an average of 35,000 jobs per month in the first four months of the year.

Oklahoma manufacturing employment added 1,200 jobs in August growing at a 0.9 percent rate. Nearly all of August's manufacturing job gains were in durables goods. Manufacturers associated with energy, transportation and food have been important drivers of the state economy. Over the year, manufacturing employment has grown 8.1 percent adding 10,800 jobs.



Economists consider the Institute for Supply Management's Purchasing Managers' Index (PMI) a key economic indicator. The Institute for Supply Management (ISM) surveys more than 300 manufacturing firms on employment, production, new orders, supplier deliveries, and inventories. The ISM manufacturing index is constructed so that any level at 50 or above signifies growth in the manufacturing sector. A level above 43 or so, but below 50, indicates that the U.S. economy is still growing even though the manufacturing sector is contracting. Any level below 43 indicates that the economy is in recession. For the region, since 1994, the Creighton Economic Forecasting Group at Creighton University has conducted a monthly survey of supply managers in nine states (including Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota), to produce leading economic indicators for the Mid-America economy using the same methodology as the national survey by the ISM.

Factory activity in the U.S. managed to keep expanding and employment strengthened in September, although a lack of new demand for goods is a concern going forward. The September PMI registered 51.6 percent, an increase of 1 percentage point from August, indicating expansion in the manufacturing sector, according to the Institute for Supply Management (ISM).

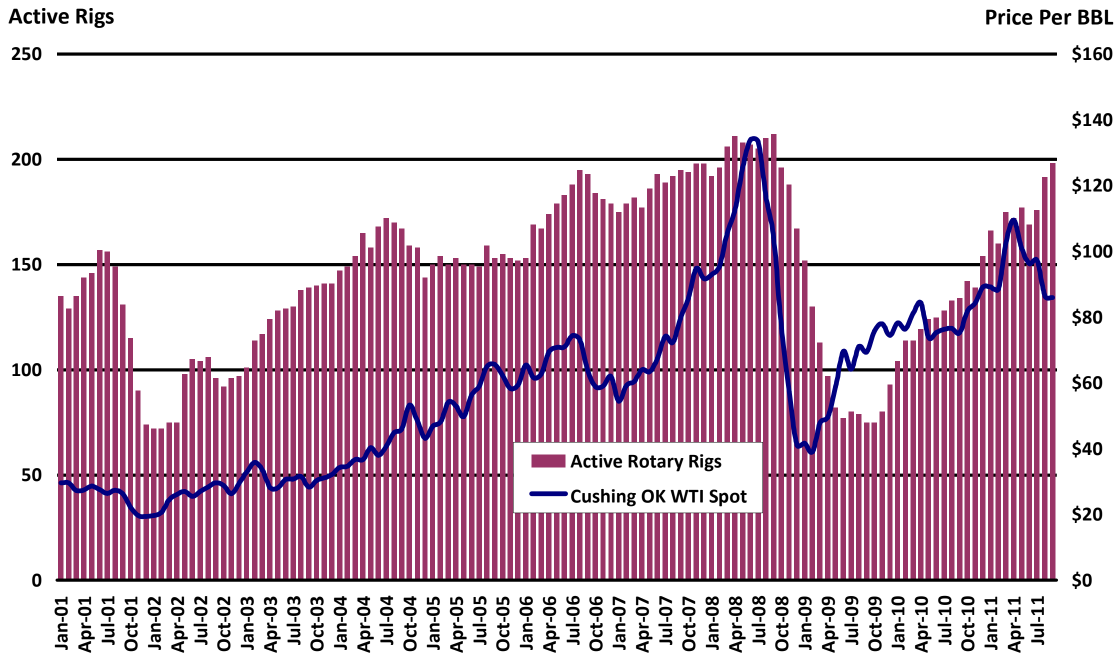
Employment and production picked up, but new orders in the manufacturing sector were flat. The employment component of the PMI rose two full points to 53.8 to indicate a tangible increase in hiring. This is in line with a tangible increase in the production component which rose more than 2.5 points to 51.2. However, new orders were under 50 for a third month in a row, though just barely at 49.6 in a reading that suggests a partial contraction in final demand.

After three straight months of declines, the Business Conditions Index for the nine-state Mid-America region was up slightly in September. The September index edged up to 52.2 from 52.0 in August, according to the Creighton Economic Forecasting Group. While this was the 22nd consecutive month that the index has been above growth neutral 50.0, industries and firms in the region linked to the domestic economy are experiencing pullbacks in overall economic activity. For a second straight month, the employment index was below growth neutral at 49.6 but up from August's 49.0.

The Business Conditions Index for Oklahoma from a monthly survey of supply managers declined to a still healthy 54.1 from August's 56.8 and July's 61.9. Components of the index for September were new orders at 52.0, production or sales at 52.2, delivery lead time at 84.6, inventories at 47.4, and employment at 57.9.

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.

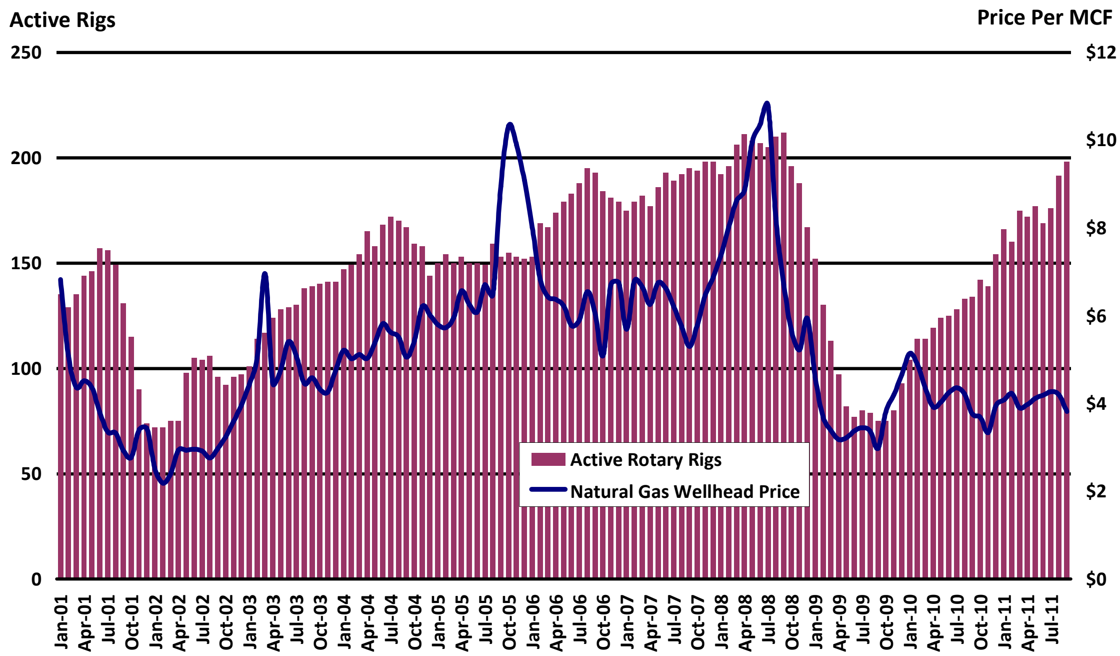
Our dependence on foreign petroleum has declined since peaking in 2005. According to the U.S. Energy Information Administration (EIA), the United States imported about 49 percent of the petroleum, including crude oil and refined petroleum products, that we consumed during 2010. About half of these imports came from the Western Hemisphere (North, South, and Central America, and the Caribbean including U.S. territories). Our largest sources of net crude oil and petroleum product imports were Canada (25 percent) and Saudi Arabia (12 percent).

After peaking at $109.53 in April, WTI-Cushing crude oil spot prices have fallen considerably, averaging $85.96 per barrel in September, down 37 cents from July's $86.33 per barrel average.

Oklahoma's rotary rig activity increased to 198 in September adding 6 rigs from the August count of 192. Over the year, Oklahoma's active rotary rig count has grown by 64 rigs from September 2010.

Oklahoma Active Rotary Rigs & Natural Gas Wellhead Price

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

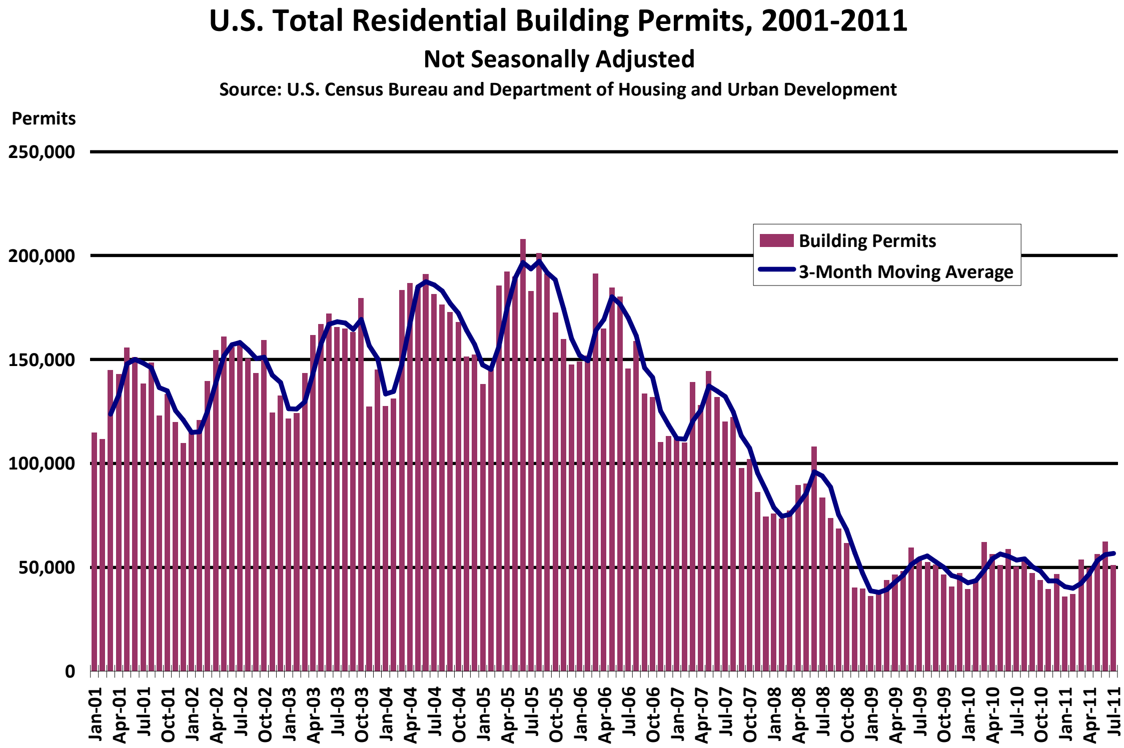


Oklahoma is one of the top natural gas producers in the United States with production typically accounting for almost one-tenth of the U.S. total. More than a dozen of the 100 largest natural gas fields in the country are found in Oklahoma and proven reserves of conventional natural gas have been increasing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

Natural gas prices dropped decidedly from their $4 support level in September. Estimated average natural gas wellhead prices fell by 37 cents from $4.20 per Mcf in August to $3.83 per Mcf in September.

Nationally, the natural gas rotary rig count rose by 11 to 923 as of September 30, according to data reported by Baker Hughes. This is the highest level of activity since December 22, 2010. The oil rig count, on the other hand, fell by 11 during the week but it remains at a historically high level of 1,060. Compared to the same time a year ago, the natural gas rig count has dropped 4 percent, while the oil rig count has risen by 54 percent. The increase in oil rigs is likely related to increases in oil prices year over year. Though natural gas rigs have fallen year over year (and declined substantially from record highs in 2008), production has continued to rise. This is likely a combination of increases in associated production from the oil rigs, as well as increases in production per rig.

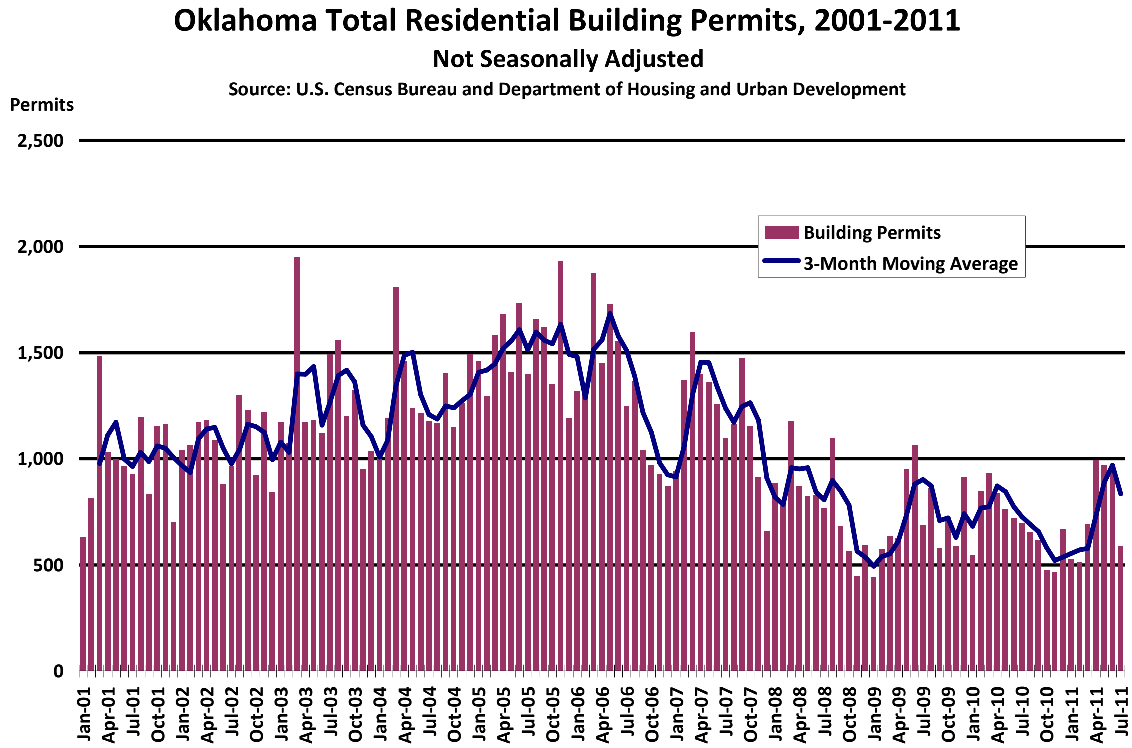


This indicator measures the number of permits issued for housing units (single family home or apartment) authorized for construction. Because permits precede construction, they are considered a leading indicator for the residential construction industry and the overall economy. Most of the construction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

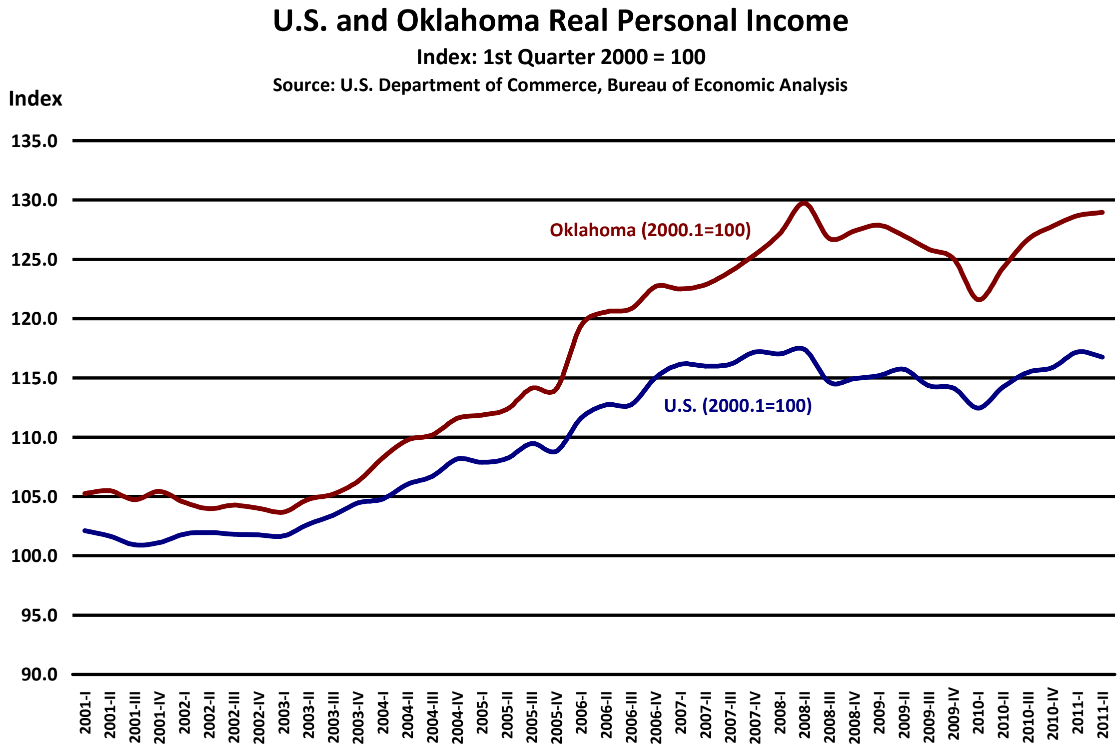
Housing contributes to GDP in two basic ways: through private residential investment and consumption spending on housing services. According to the National Home Builders Association, residential investment has historically averaged roughly 5 percent of GDP while housing services have averaged between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

The number of building permits issued in the U.S. rose unexpectedly in August, climbing to the highest level since January. Privately-owned housing units authorized by building permits in August were at a seasonally adjusted annual rate of 620,000, according to the Census Bureau. This is 3.2 percent above the revised July rate of 601,000 and is 7.8 percent above the August 2010 estimate of 575,000.

Housing starts declined 5.0 percent in August, following a 2.3 percent decrease in July. However, the rebound in permits suggests that some of the weakness in starts was weather related as Hurricane Irene likely weighed on new groundbreaking in the Northeast and parts of the South. Permit issuance is obviously less affected by weather since they are issued indoors.



Oklahoma total residential permitting slipped 2.9 percent in August from July. Single family permitting declined 0.9 percent from July while multi-family permitting grew by 88.9 percent. That may sound like a large gain but in terms of permitting activity it only represents a monthly increase of eight multi-family units over July's permit number of nine. After a robust 2nd quarter, mu8lti-family permitting has definitely cooled off. Year to date, total residential permitting during the first eight months of 2011 was down 3.2 percent from the same period in 2010. Year-to-date single family permitting was down 10.5 percent from 2010 while multi-family permitting was up 23.7 percent compared to 2010.



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.

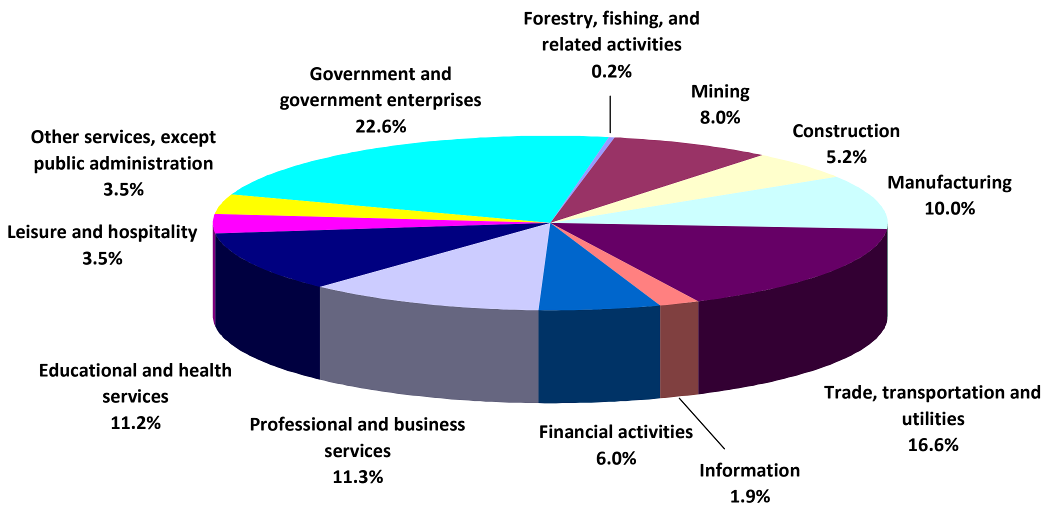
Consumers spent slightly more in August but earned less for the first time in nearly two years. Personal income decreased $7.3 billion, or 0.1 percent, and disposable personal income (DPI) decreased $5.0 billion, or less than 0.1 percent, in August, according to the Bureau of Economic Analysis (BEA). In July, personal income increased $17.1 billion, or 0.1 percent, DPI increased $14.4 billion, or 0.1 percent, based on revised estimates.

Consumer spending rose a modest 0.2 percent in August, following a sharp 0.7 percent surge the prior month. By components, durables edged down 0.1 percent after surging 2.2 percent in July as auto sales leveled. Nondurables advanced 0.3 percent, following a 0.5 percent gain in July. Services rose 0.2 percent after jumping 0.6 percent the month before.

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.

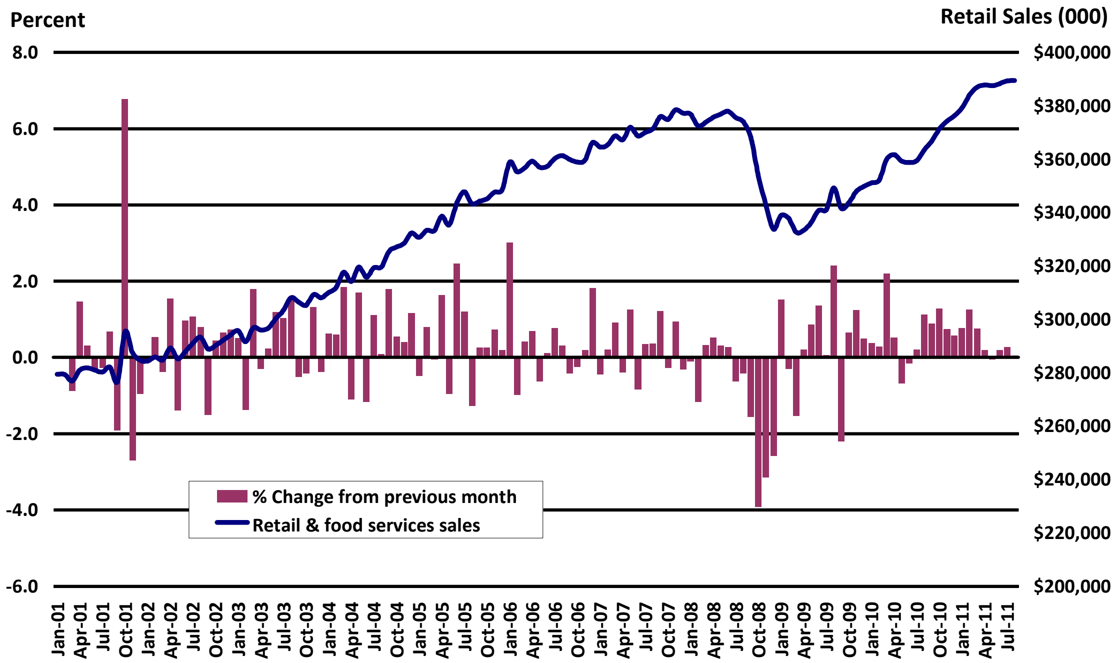
The deceleration in the 2nd quarter brought personal income growth back to the rate prevailing in the last two quarters of 2010. Personal income growth had been boosted 0.8 percentage point in the 1st quarter by a reduction in the personal contribution rate for social security, one of the provisions 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 less on autos, clothing and furniture, leaving retail sales unchanged in August and demand in July was weaker than first thought. Advance estimates of U.S. retail and food services sales for August, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $389.5 billion, virtually unchanged from the previous month and 7.2 percent above August 2010, according to the U.S. Census Bureau. Total sales for the June through August 2011 period were up 7.9 percent from the same period a year ago.

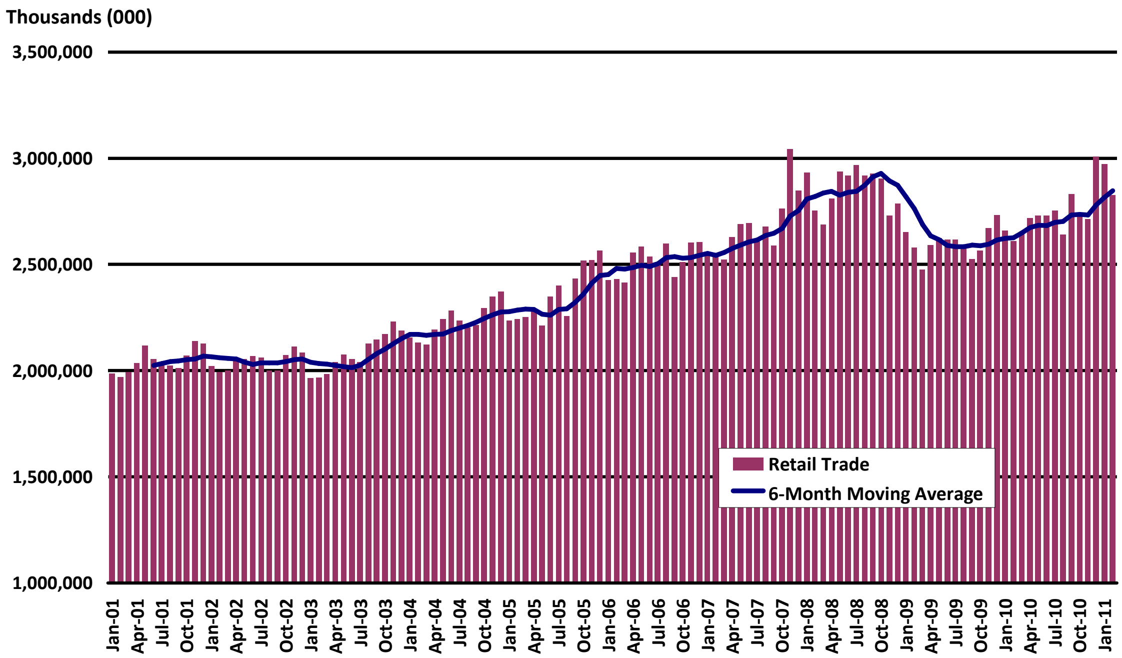
Sales excluding autos and parts edged up 0.1 percent, following a 0.3 percent rise in July (originally 0.5 percent). Gasoline sales rose 0.3 percent after jumping 0.9 percent in July. Sales excluding autos and gasoline in August increased 0.1 percent, following a 0.2 percent rise in July.

Outside of autos and gasoline, sales were mixed. Leading the increase were sporting goods, hobby & book stores (up 2.4 percent) and electronics & appliance stores (up 0.5 percent). Tugging down, were miscellaneous store retailers (down 2.2 percent) and clothing stores (down 0.7 percent).

Clearly, the August retail sales numbers are somewhat disappointing. Hurricane Irene likely dampened sales a bit on the East Coast and we will need to see September numbers for further evaluation. Still, it looks like the consumer is being more cautious after the rancorous political debate over the debt ceiling legislation and retrenchment in the stock market.

Oklahoma Total Adjusted Retail Trade

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



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.

After falling in February, Oklahoma retail sales picked up in March. Total adjusted retail trade saw a $100.8 million or 4.9 percent improvement from February and was 8.1 percent over March 2010, according to OU's Center for Economic and Management Research.

Monthly gains in March were led by non-durable goods sales advancing 5.2 percent from February. Estimated gasoline sales saw the largest increase rising 28.6 percent following a 25.7 percent drop in February. Other gains in non-durable goods sales were seen in miscellaneous non-durable goods (13.9 percent), apparel (12.8percent), and liquor (0.4 percent). Losses in other non-durable goods categories included eating & drinking sales (-13.4 percent), food sales (-8.1 percent), general merchandise sales (-4.8 percent), and drugs sales (0.8 percent).

Durable goods sales declined 1.2 percent from February with losses seen in lumber & hardware (-7.4 percent), auto accessories & repair (-1.0 percent). Gains were seen in other durable goods categories with electronics & music stores (3.2 percent), miscellaneous durables (3.0 percent), used merchandise (2.8 percent), and furniture (0.8 percent).