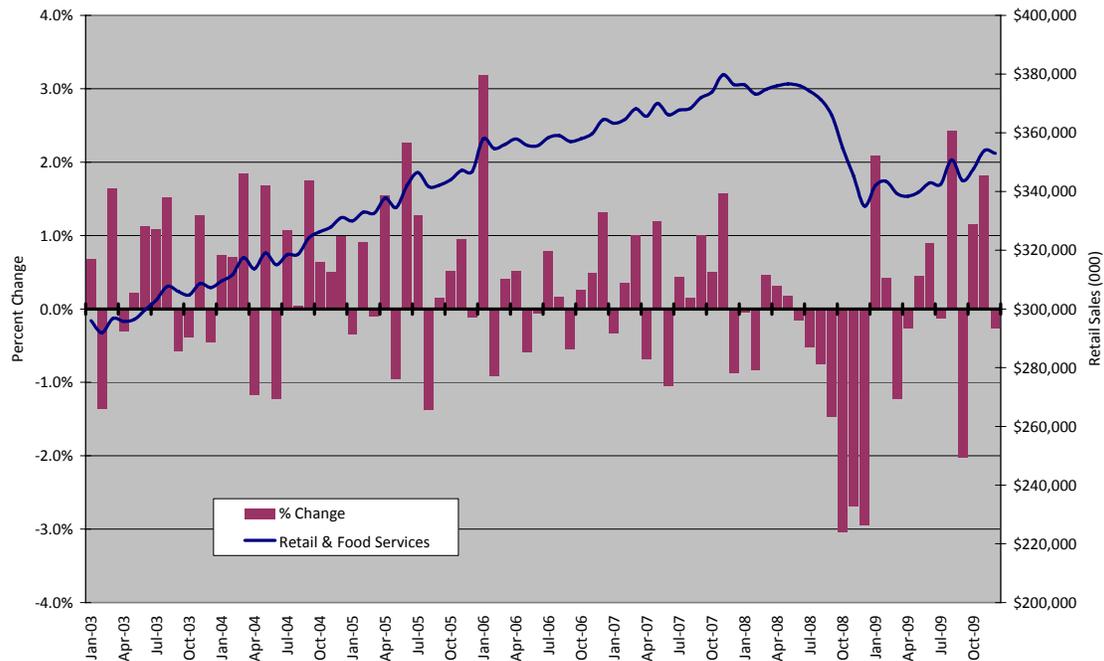


### U.S. Retail Sales (Adjusted for seasonal, holiday, and trading-day differences)

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 likewise, essential to Oklahoma's economy. Retail sales account for around one-half of consumer spending and economic recovery calls for consumption growth

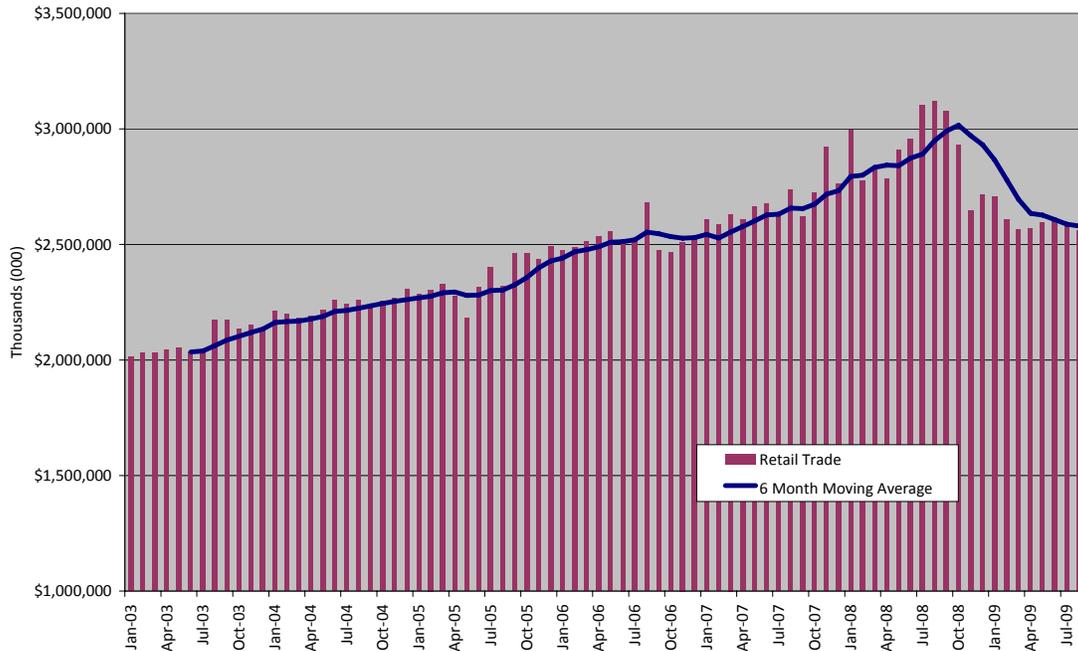
National retail sales data are prone to fluctuations but provide an important view on changes in consumer spending. There have been considerable swings in retail trade since the end of 2001, but retail sales have generally been increasing since 2003. Retail sales turned flat around the end of 2007 and began to fall from the middle of 2008 through the end of the year. So far in 2009, retail sales have been fluctuating, but generally flat.

Nearly half of the improvement in 3rd quarter GDP growth was due to consumer purchases of motor vehicles and residential investment, both of which were spurred by temporary government programs such as "Cash for Clunkers" and homebuyer tax credits, the latter of which have been extended through April 2010.

Advance estimates of U.S. retail and food services sales for December, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$352.9 billion, a slight 0.3 percent decline from the previous month and 5.4 percent above December 2008.

### Oklahoma Total Adjusted Retail Trade

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



Consumers have been cautious with spending, as concern over the economy and their own individual economic situations contributed to generally negative consumer sentiment, but supplemental income, such as unemployment insurance and tax refunds, have kept retail sales from declining as rapidly.

Retail sales in Oklahoma peaked in August 2008 and have been generally declining since that time. Year over year retail sales for August 2009 were off \$557.5 million—a decline of nearly 18 percent. For the first eight months of 2009, Oklahoma retail sales were down \$2.7 billion—a decrease of 11.4 percent compared to the same period in 2008.